

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
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December 6, 2006

TO: Sacramento Local Agency Formation Commission
FROM: Peter Brundage, Executive Officer
RE: Period 4 Budget Report

RECOMMENDATION

Receive and file the attached Period 4 Budget Report.

DISCUSSION

The Office of the Sacramento Auditor-Controller provides LAFCo with monthly revenue and expenditure reports and a trial balance report. The attached report was prepared on November 11, 2006. There are two areas that may potentially impact the Commission's Final Budget adopted last June.

(1) LAFCo has been sued by the City of Rancho Cordova regarding its Revenue Neutrality Agreement with the County of Sacramento. Funds have not been budgeted to defend LAFCo in this litigation. To date, Commission Counsel has expended \$10,450. The total cost of this litigation is not known at this time. The expense of this litigation will depend upon whether or not a settlement can be reached and, if so, the timing of the settlement. The costs incurred from the Rancho Cordova litigation may require your Commission to impose a special assessment, or increase assessments next year, to fund this expense.

(2) There is a difference between staff actual salary costs and the salary costs budgeted for salary. This difference is approximately \$36,000. It appears that salary costs were inadvertently under-budgeted. The amount of this discrepancy should not change. At this time, it appears that existing reserves could cover this shortfall of staff salary costs. Staff will monitor this situation and report back, as necessary.

PB:Maf
Attachment
(Budget Report)