



Wednesday, April 26, 2006  
9:00 a.m.

Board of Supervisors' Hearing Room, Room 381B  
Kenneth Hahn Hall of Administration  
500 West Temple Street, Los Angeles 90012

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A person with a disability may contact the LAFCO office at (818) 254-2454 at least 72 hours before the scheduled meeting to request receipt of an agenda in an alternative format or to request disability-related accommodations, including auxiliary aids or services, in order to participate in the public meeting. Later requests will be accommodated to the extent feasible.

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1. **CALL MEETING TO ORDER.**
2. **PLEDGE OF ALLEGIANCE WILL BE LED BY CHAIRMAN PELLISSIER.**
3. **PUBLIC HEARINGS**
  - a. Preliminary Budget for fiscal year 2006/2007
4. **OTHER ITEMS**
  - a. Approve minutes of the meeting held April 12, 2006.
  - b. Receive and file Municipal Service Reviews and Spheres of Influence Update.
  - c. Receive and file update on pending applications.

5. **PUBLIC COMMENT**

This is the opportunity for members of the public to address the Commission on items that are not on the posted agenda, provided that the subject matter is within the jurisdiction of the Commission. Speakers are reminded of the three-minute time limitation.

6. **FUTURE MEETINGS**

May 10, 2006  
May 24, 2006

7. **FUTURE AGENDA ITEMS**

Items not on the posted agenda which, if requested, will be referred to staff or placed on a future agenda for discussion and action by the Commission, or matters requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Commission subsequent to the posting of the agenda.

8. **ADJOURNMENT MOTION**

## **STAFF REPORT**

**APRIL 24, 2006**

### **LAFCO PRELIMINARY OPERATING BUDGET Fiscal Year 2006/2007**

#### **AGENDA ITEM No. 3.a.**

The proposed Preliminary, recommended, Budget for fiscal year 2006/2007 is attached to this staff report. This Preliminary Budget has been revised from that sent out to the agencies on March 30, 2006 and contains a further reduction to the net operating cost due to the transfer of a projected surplus from FY 2005/2006. Other reductions, which were previously reported in the preliminary budget report, were reflected as line item increases and decreases from FY 2005/2006 to FY 2006/2007 as operating expense and revenue sources.

In addition to processing applications for annexations and reorganizations of local governments, LAFCO continues to devote staff and consultant time and resources in completing the State Legislature's directive regarding the preparation and completion of Sphere of Influence updates and Municipal Service Reviews. It is anticipated that this first set of a five (5) year study will be complete by August, 2006.

#### **Expenses:**

Total expenses for FY 2006/2007 are estimated at \$ 899,812.00 compared to the \$1,192,339.78 for FY 2005/2006. This reflects a budget decrease from the prior year budget of (\$192,527.78) or (16.0%). Salaries and Employee Benefits are adjusted to reflect a basic cost of living increase as provided for in all employee employment contracts. All other expenses have been adjusted, up or down, to reflect staff's best estimate of cost.

#### **Revenues:**

While it is difficult to project future revenues, staff has once again applied the amount of \$100,000 to the projected revenue stream. While construction/development tendencies appear to show signs of becoming soft, the projected revenue stream should still be appropriate inasmuch as there is still need for infrastructure growth in many of the development areas.

**Allocation Among Local Agencies:**

The allocation of LAFCO's projected \$899,312 net operating costs, as indicated on the attached LAFCO Preliminary Budget for FY 2006/2007, is calculated pursuant to Government Code Section 56381.16.

**Recommendation**

Staff recommends adoption of the attached preliminary budget for Fiscal Year 2006/2007.