



First, the Committee recommends increasing the funding goal in the Litigation Reserve policy from \$120,000 (current) to \$300,000 (proposed). Second, the Committee recommends allocating most of the estimated year-end Unreserved Fund Balance to the Contingency Reserve and the Litigation Reserve, to bring those reserves much closer to their target funding levels. The Committee does not recommend any changes to the funding goal for the Contingency Reserve (25 percent of the total budget).

#### **Fiscal Impact**

The proposed policy and funding actions will not impact adopted budgets, and will more effectively allocate resources to ensure the ability of LAFCO to carry out its responsibilities.

#### **Alternatives**

In lieu of the recommended actions, the Commission may modify actions or take no action.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Kate McKenna". The signature is written in black ink and is positioned above the typed name and title.

Kate McKenna, AICP  
Executive Officer

cc: Mr. Mike Briley, Hayashi & Wayland