



San Diego County
Local Agency Formation Commission
 Regional Service Planning | Subdivision of the State of California

7b

AGENDA REPORT
 Public Hearing

March 4, 2024

TO: Commissioners

FROM: Keene Simonds, Executive Officer
 Priscilla Mumpower, Assistant Executive Officer

SUBJECT: Proposed Draft Workplan and Budget for 2024-2025

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider recommendations in adopting a proposed draft workplan and budget for 2024-2025. The draft workplan outlines 30 activities in priority order and headlined by continuing municipal service reviews on wholesale water service providers and healthcare districts as well as grant work evaluating economic conditions for certain agricultural crops. Several new projects round out the draft workplan and headlined by initiating a municipal service review on the San Diego Association of Local Governments (SANDAG) and its housing and transportation functions as well as an informational report on governmental homeless services. The draft workplan informs the draft budget, which totals \$2.887 million in matching expenses and revenues. More than four-fifths of total expenses – \$2.403 million – covers operating costs and represents an increase of 6.3% and largely ties to inflationary adjustments plus targeted enhancements in certain non-labor accounts as detailed. Local agencies’ apportionments continue to represent nine-tenths of all operating revenues and set to increase inline with the rise in operating expenses at 6.3%. Adoption of the draft workplan and budget will precede a formal public review and conclude with final actions in May.

<p>Administration: Keene Simonds, Executive Officer 2550 Fifth Avenue, Suite 725 San Diego, California 92103 T 619.321.3380 E lafco@sdcounty.ca.gov www.sdlafo.org</p>	<p>Joel Anderson County of San Diego</p> <p>Jim Desmond County of San Diego</p> <p>Nora Vargas, Alt. County of San Diego</p>	<p>Kristi Becker City of Solana Beach</p> <p>Dane White City of Escondido</p> <p>John McCann, Alt. City of Chula Vista</p>	<p>Chair Stephen Whitburn City of San Diego</p> <p>Marni von Wilpert, Alt. City of San Diego</p>	<p>Barry Willis Alpine Fire Protection</p> <p>Jo MacKenzie Vista Irrigation</p> <p>David A. Drake, Alt. Rincon del Diablo</p>	<p>Vacant General Public</p> <p>Harry Mathis, Alt. General Public</p>
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BACKGROUND

San Diego LAFCO is responsible under State law to adopt a proposed budget by May 1st and a final budget by June 15th. A mandatory review by all local funding agencies is required between the two adoption periods. State law also specifies the proposed and final budgets shall be equal to the budget adopted for the previous fiscal year unless LAFCO formally finds any reduced costs will allow the membership to meet its regulatory and planning duties.

DISCUSSION

This agenda item is for San Diego LAFCO to consider recommendations in adopting a coordinated proposed draft (a) workplan and (b) budget for the upcoming fiscal year. Adoption of these policy documents – with any changes made by the Commission – will immediately precede a formal public review and comment period – including providing notice to all local funding agencies – with final actions scheduled for the May meeting. A summary discussion of the main components underlying both the draft workplan and budget follows.

Summary |

Proposed Draft Workplan in 2024-2025

The draft workplan as proposed draws on a review of San Diego LAFCO needs and associated goals by the Executive Officer and Assistant Executive Officer. The development of the workplan is further refined through ongoing communications with the Commission as well as the rolling five-year study schedule and recommendations generated in earlier projects. These considerations produce a workplan with 30 special projects supplementing LAFCO's core responsibilities to prioritize first and foremost applicant proposals, community outreach, and budget management. The projects are divided between statutory and administrative tasks and organized among three priority categories: high; medium; and low. Summaries of all 10 high priorities follows with the entire listing provided as Attachment One (Exhibit A).

- No. 1 | MSR: Wholesale Water Agencies

This continued project draws on the rolling study schedule and involves a comprehensive review of the San Diego County Water Authority and Metropolitan Water District of Southern California relative to the latter's relationship to San Diego. The project's placement as a high priority directly ties to concerns raised in processing the Fallbrook/Rainbow detachment proposals. The Assistant Executive Officer is project manager. Staff tentatively anticipates completing an administrative draft in fall 2024.

- No. 2 | MSR: Healthcare Districts – Part I

This continued project draws on the rolling study schedule and involves a countywide municipal service review on the four healthcare districts in San Diego County: Fallbrook; Palomar; Grossmont; and Tri-City. The project's placement as a high priority directly ties to concerns raised in processing an out-of-agency service request involving (directly and indirectly) Palomar and Tri-City. Consistent with the subject agencies' feedback, the project has been divided into two parts with the "Part I" representing a macro municipal service review of existing baseline conditions underlying healthcare district services and

community needs. Staff continues to vet potential outside consultants to assist in the analysis while concurrently proceeding with the demographic and financial analysis of the subject agencies. Analyst II Carol Ieromnimon is project manager. Staff tentatively anticipates an administrative draft of Part I being complete in spring 2025.

- No. 3 | Transition to Online Accounting and Related Reconciliations

This continued project involves completing the transition of the accounting software used to reconcile LAFCO's accounts with the County of San Diego and San Diego County Credit Union from QuickBooks' desktop to online platform. This transition is expected to provide added flexibility to manage the accounting system under telework conditions and expanded access to QuickBooks support its own efforts to redirect customers to its cloud system. Commission Clerk Erica Sellen is project manager. Staff tentatively anticipates completing the project towards the end of 2024-2025.

- No. 4 | MSR: Carlsbad Region

This continued project draws on the rolling study schedule and involves a regional municipal service for the Carlsbad region covering the City of Carlsbad, Carlsbad Municipal Water District, and Leucadia Wastewater District. Sphere of influence updates for all three agencies are expected to directly follow. Analyst I Michaela Peters is project manager. Staff anticipates completing the project in early fall 2024.

- No. 5 | SALC Grant 2.0

This continued project involves completing second year of a two-year \$450,000 planning grant received from the State to expand on LAFCO's earlier data collection (SALC 1.0) involving agricultural trends. SALC 2.0 involves partnering with the County of San Diego and providing market analysis to economically inform and support small farming in San Diego County. Analyst I Michaela Peters is project manager. Staff anticipates completing the balance of the project towards the end of 2024-2025.

- No. 6 | RCD Ad Hoc Committee: Part II

This continued project involves building on the success of the Ad Hoc Committee's Part I efforts in establishing a memorandum of understanding between all three resource conservation districts (Greater San Diego, Mission, and Upper San Luis Rey) to share resources and related allowances in covering out-of-agency service activities under LAFCO statute. Part II focuses on long-term true ups for all three subject agencies to align their jurisdictional boundaries with their existing and expected service areas. LAFCO Consultant Adam Wilson is project manager. Staff anticipates the project covering multiple years.

- Nos. 7 and 8 | MSR: Central 78 Corridor: Parts I and II

This continued project draws on the rolling study schedule and involves a regional municipal service for the San Marcos-Vista region. Staff has restructured the project from its original structure involving separate reviews of the San Marcos and Vista regions into one consolidated study divided into two distinct parts. "Part I" focuses on the two cities - San Marcos and Vista - while Part II focuses on the five special districts - Vista Irrigation District, Vallecitos Water District, Buena Sanitation District, San Marcos Fire

Protection District, Vista Fire Protection District – in the region. (Part II is expected to focus on specific service and governance factors involving all four districts.). Analyst II Carol Ieromnimon is project manager. Staff tentatively anticipates completing an administrative draft covering Part I in early spring 2025.

- No. 9 | Policy Review: Audit and Accounting Procedures

This new project draws from discussions with our contract bookkeeper (Leaf and Cole) to review and expand existing policies to reflect current best practices for governmental agencies with respect to accounting and auditing activities. This also includes incorporating recent recommendations from the outside auditor (O’Conner and Company) to establish – among other items – a capitalization policy for lease liabilities. Assistant Executive Officer Priscilla Mumpower would serve as project manager. Staff anticipates this project being completed in 2024-2025.

- No. 10 | Staffing and Professional Development

This project involves ensuring all 8.0 budgeted positions are filled and/or covered along with establishing in-service day activities throughout the fiscal year inline with advancing professional development. This project responds to two current budgeted positions being open heading into 2024-2025 paired with a recommendation by the Commission’s contract human resources advisory (Regional Government Services Authority) to enhance organizational capacities through coordinated development and team-bonding. The Executive Officer would serve as project manager.

Summary |

Proposed Draft Budget in 2024-2025

The draft budget as proposed has been developed in conjunction with funding the referenced workplan and sets total matching expenses and revenues at \$2.887 million. More than four-fifths of total expenses tie to operating costs and equals \$2.403 million, which represent a net change of 6.3% – or \$142,114 – over the current fiscal year. This increase accommodates baseline operating expenses and their inflationary changes – including a preapproved 2.75% cost-of-living adjustment for all staff – plus certain targeted enhancements. This latter category – targeted enhancements – is headlined by adding additional monies within the professional services account to cover additional outside consultant usage to assist in advancing several of the scheduled municipal service reviews. Additional monies are also added to the membership account in line with funding a new relationship with the Assura Group to develop and host a customized online project management tracking tool specific to LAFCO’s regulatory and planning work. Cost-savings to help curb the overall rise in expenses are headlined by decreasing overall budgeted staffing from 9.0 to 8.0 fulltime equivalent positions with the de-budgeting of the currently vacant Executive Assistant position. This action saves approximately \$95,000 (salaries and benefits) and directly mitigates three-fifths of the cost increase that would otherwise apply. Duties otherwise tasked to the Executive Assistant will be shared by the Commission Clerk (budgeted and filled) and Administrative Analyst (budgeted). Additional budgeted staffing details are footnoted.¹

¹ The draft budget provides funding for the following 8.0 fulltime positions: Executive Officer (1.0); Assistant Executive Officer (1.0); Analyst II/I (3.0); GIS Analyst (1.0); Administrative Analyst (1.0); and Commission Clerk (1.0).

With respect to revenues, and consistent with practice, four-fifths of the operating total are covered by local agency apportionments and collectively total \$2.162 million. This apportionment total similarly reflects a 6.3% increase over the current fiscal year and would be divided consistent with statutory formula among local agencies. An additional \$0.725 million is budgeted in operating (application fees and interest) and non-operating (grants and reserves) sources and raises all revenues to \$2.884 million to match total expenses.

A detailing of draft expenses and revenues is provided as part of Attachment One (Exhibit B).

ANALYSIS

San Diego LAFCO's proposed draft workplan and budget for 2024-2025 largely reflects a status quo with respect to continuing existing service and funding levels with limited exceptions. The status quo is reflected in the draft workplan and it continuing the Commission's practice to set a full and otherwise proactive workplan with 30 special projects over the 12-month period. The first 10 projects serve as the highest priorities with several being forwarded from the current fiscal year and headlined by high-profile municipal service reviews covering the wholesale water services (County Water Authority and Metropolitan Water District) and healthcare districts (Fallbrook, Grossmont, Palomar, and Tri-City). The status quo is similarly reflected in the draft budget and highlighted by labor costs increasing by only 0.5% over the current fiscal year while retaining core staffing resources as detailed above. Most non-labor costs are also staying relatively flat with limited exceptions and highlighted by a targeted enhancement to increase funding for consultants and their technical expertise and done so to better reflect recent fiscal year actuals. Cost-savings in other labor and non-labor accounts are helping to reduce the overall increase in operating expenses to 6.3% – or \$142,114 – and only slightly above the current annual inflation estimate of 5.8% for the San Diego region.

A public guide to the draft workplan and budget is available as Attachment Two. This guide will be updated to reflect any changes approved by the Commission and will be made available to the public as part of the mandatory review and comment period proceeding this hearing.

RECOMMENDATION

It is recommended San Diego LAFCO approve the proposed draft workplan and budget as presented with any desired changes. This recommendation is consistent with taking the actions identified in the proceeding section as Alternate One.

ALTERNATIVES FOR ACTION

The following alternatives are available to San Diego LAFCO through a single motion:

Alternative One (recommended):

Adopt the attached resolution provided as Attachment One approving the proposed draft workplan (Exhibit A) and budget (Exhibit B) for 2024-2025 with any desired changes and direct staff to circulate for public review and comment.

Alternative Two:

Continue consideration of the item to its next regular meeting.

PROCEDURES FOR CONSIDERATION

This item has been placed on the agenda for action as part of a noticed public hearing. The following procedures, accordingly, are recommended in the Commission's consideration.

- 1) Disclose any ex-parte communications.
- 2) Receive verbal report from staff unless waived.
- 3) Open the hearing and invite comments from the public.
- 4) Close the public hearing, discuss item, and consider recommendation.

Respectfully,



Priscilla Mumpower
Assistant Executive Officer

Attachments:

- 1) Draft Resolution Approving a Proposed Workplan and Budget for FY2025
 - Exhibit A: Proposed Draft Workplan
 - Exhibit B: Proposed Draft Budget
- 2) Guide to the Proposed Draft Workplan and Budget for FY2025

RESOLUTION No. ____

**SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION
ADOPTING A PROPOSED DAFT WORKPLAN AND BUDGET
FISCAL YEAR 2024-2025**

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires the San Diego County Local Agency Formation Commission (“Commission”) to perform certain regulatory and planning duties to facilitate orderly and accountable local government; and

WHEREAS, the Commission is required to annually adopt proposed and final budgets by May 1st and June 15th, respectively; and

WHEREAS, the Executive Officer has prepared a written report and recommendations on a proposed draft workplan and budget for 2024-2025; and

WHEREAS, the Commission has heard and fully considered all the evidence on a proposed draft workplan and budget for 2024-2025 presented at a public hearing held on March 4, 2024;

WHEREAS, the adoption of a workplan and budget are not projects under the California Environmental Quality Act.

NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

1. The proposed draft workplan for 2024-2025 shown as Exhibit A is APPROVED.
2. The proposed draft budget for 2024-2025 shown as Exhibit B is APPROVED.
3. The Executive Officer is directed to circulate copies of the approved workplan and budget for public review and comment – including notice all LAFCO funding agencies – and return with a final workplan and budget no later than June 15, 2024.

The foregoing resolution was duly and regularly adopted by the Commission at a public hearing held on March 4, 2024 by the following vote:

Yes: _____

No: _____

Abstain: _____

Attest:

Executive Officer

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PROPOSED DRAFT WORKPLAN FOR FY2024-2025

Exhibit A

Priority	Level	Type	Project	Description
Ongoing	...	Statutory	Applicant Proposals and Requests	Prioritize resources to address all applicant proposals and related requests
Ongoing	...	Administrative	Targeted LAFCO Presentations	Coordinate timely public outreach; emphasis on informing stakeholders ahead of MSR work
Ongoing	...	Statutory	Workplan and Budget Management	Actively manage the workplan and budget resources with regular updates to the Commission
1	High	Statutory	MSR Wholesale Water Service Providers	Continue scheduled review of wholesale water suppliers – CWA (comprehensive) and MET (abbreviated)
2	High	Statutory	MSR Healthcare Districts: Part I	Continue macro municipal service review of the four healthcare districts in San Diego County
3	High	Administrative	Transition to Online Accounting	Complete transition to QuickBooks accounting from desktop to online platform
4	High	Statutory	MSR Carlsbad Region	Complete the scheduled reviews of the City of Carlsbad, Carlsbad MWD, and Leucadia WWD
5	High	Administrative	SALC Planning Grant 2.0	Complete two-year grant to expand SALC 1.0 to establish ag costs/revenues for existing and emerging crops with gap analysis
6	High	Administrative	RCD Ad Hoc Committee: Part II	Complete Commission’s approved scope of work focused on long-term service/boundary true ups for all three RCDs
7	High	Statutory	MSR Central 78 Corridor Region: Part I	Complete cities portion of regional municipal service review (San Marcos and Vista)
8	High	Statutory	MSR Central 78 Corridor Region: Part II	Complete districts portion of regional municipal service review (San Marcos and Vista FPDs, Vista ID, Vallecitos WD, and Buena SD)
9	High	Administrative	Policy Review Audit and Accounting	Prepare update to modernize and expand audit + accounting policies; address auditor recommendations
10	High	Administrative	Staffing and Professional Development	Ensure all budgeted positions are filled and establish service days to advance professional development
11	Medium	Administrative	Policy Review Personnel: Part III	Prepare update to modernize and harmonize job descriptions
12	Medium	Statutory	MSR SANDAG	Initiate agency-specific municipal service review of SANDAG and its housing and transportation functions
13	Medium	Administrative	Custom Project Management Tracker	Work with outside consultant to develop and implement custom online project tracking platform
14	Medium	Statutory	Special Districts Advisory Committee	Provide administrative support to the Special Districts Advisory Committee and hold no less than three formal meetings in FY
15	Medium	Administrative	White Paper Homeless Services	Evaluate scope and scale of governmental homeless services in San Diego County and potential governance options
16	Medium	Statutory	Cities Advisory Committee	Provide administrative support to the Cities Advisory Committee and hold no less than two formal meetings in FY
17	Medium	Statutory	MSR Encinitas Region	Complete regional study covering the City of Encinitas + San Dieguito WD et al.
18	Medium	Administrative	Prepare Outside Audit + Enhancements	Complete outside audit of financial statements for 2023-2024 with supplemental information for added value
19	Medium	Statutory	MSR Del Mar-Solana Beach Region	Complete regional study covering the Cities of Del Mar and Solana Beach + Santa Fe ID et al.
20	Medium	Administrative	Website Content Expansion	Proceed with content expansion for newly redesigned LAFCO website with multi-media enhancements

Priority	Level	Type	Project	Description
21	Low	Administrative	Annual Local Agency Directory	Update and publish an annual local agency directory subject to LAFCO oversight
22	Low	Statutory	Policy Applicant Procedures	Update and streamline application materials and establish protocols in suspending and terminating proposals
23	Low	Administrative	Establish Credit Card Payments	Establish process and related rules to accept card payments for applicant proposals
24	Low	Administrative	CALAFCO Leg Committee	Reestablish regular participation on the CALAFCO Leg Committee
25	Low	Statutory	Legislative Proposal G.C. 56133	Sponsor and/or facilitate amendment to clarify LAFCOs' authority to determine out-of-agency exemptions in (e)
26	Low	Administrative	Policy Review SDAC Bylaws	Coordinate with SDAC in updating bylaws and related procedures to sync with current member interests/priorities
27	Low	Administrative	White Paper Community Choice Aggregations	Evaluate scope and scale of CCAs and their operations in San Diego County and connectivity to LAFCO
28	Low	Administrative	Liaison with Local Tribes	Establish communication protocols with local tribes with respect to shared interests in regional services
29	Low	Administrative	Service + Fiscal Indicators	Develop online browser feature to depict service + fiscal indicators among local agencies in San Diego County
30	Low	Administrative	Policy Review Public Member Appointments	Establish local policies and procedures to guide recruitment, vetting, and selection of public members
Bullpen	Statutory	Legislative Proposal G.C. 56430	Sponsor and/or facilitate amendment establishing community engagement enhancements in MSR statute	
Bullpen	Statutory	Policy Review Island Annexations	Consider options to define "substantially surrounded" and provide related mapping services	
Bullpen	Administrative	White Paper Garbage Services	Evaluate the scope and scale of garbage collection services and possible governance alternatives	
Bullpen	Administrative	LAFCO Workshop	Organize a Commission Workshop to discuss core responsibilities + powers and implementing preferences	
Bullpen	Administrative	Public Access Television	Broadcast LAFCO meetings on local government channels	
Bullpen	Statutory	MSR Pauma Valley Region	Initiate a regional study covering the north county special districts in the Pauma/Rincon communities	
Bullpen	Administrative	SOI/MSR Annual Report	Update and publish an annual report documenting all recorded municipal service review and sphere of influence actions	
Bullpen	Statutory	Policy Fee Schedule	Review and update fee schedule to sync with current costs and related considerations	
Bullpen	Statutory	Policy CEQA Guidelines	Review and update existing implementing guidelines relative to current statute and best practices	
Bullpen	Administrative	County Planning Groups	Monitor regular meetings of the County's 28 Planning and or Sponsor Groups and directly engage as appropriate	
Bullpen	Statutory	Disadvantaged Unincorporated Communities	Update DUC mapping designations (DUC) in San Diego County based on current census information	
Bullpen	Administrative	Local Agency Finder Tool	Develop online feature for users to enter address to identify all overlapping local jurisdictions (cities and districts)	
Bullpen	Administrative	Southern California LAFCOs	Participate in quarterly meetings with other Southern California LAFCOs and related projects and/or trainings	
Bullpen	Administrative	White Paper School Districts	Evaluate scope and scale of school districts and their baseline capacities for reference in municipal service reviews	
Bullpen	Administrative	CALAFCO	Participate in CALAFCO sponsored programs and related trainings (conferences, workshops, committees, etc.)	
Bullpen	Statutory	Policy Commission Rule No. 4	Modernize Rule No. 4 and its provisions to regulate special districts' service functions and classes	
Bullpen	Statutory	Escondido Region Governance Study	Study options to consolidate (functional and political) the City of Escondido and Rincon del Diablo MWD	
Bullpen	Administrative	White Paper JPAs	Evaluate the status of JPA filings in San Diego County relative to LAFCO's task in SB 1261	
Bullpen	Statutory	Policy Cities Advisory Committee	Coordinate with CAD in updating bylaws and related procedures to sync with current member interests/priorities	



San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

Exhibit B

EXPENSES	FY2022-2023			FY2023-2024			FY2024-2025		
	Adopted	Amended	Actuals	Adopted	Amended	Estimate	Draft Proposed	Difference \$	Difference %
Salaries and Benefits Unit									
<u>Account No.</u>	<u>Description</u>								
51110-51310	786,510	786,510	715,968	891,455	891,455	748,349	881,906	(9,549)	-1.1%
51410	275,694	275,694	255,990	318,295	318,295	286,496	343,637	25,342	8.0%
51415	9,030	9,030	8,190	10,273	10,273	8,565	9,968	(305)	-3.0%
51450	55,537	55,537	49,377	64,840	64,840	51,581	63,744	(1,096)	-1.7%
51510-51550	125,476	125,476	102,010	150,033	150,033	95,659	143,481	(6,552)	-4.4%
51560	2,000	2,000	1,000	1,000	1,000	1,000	1,000	-	0.0%
	1,254,248	1,254,248	1,132,535	1,435,895	1,435,895	1,191,650	1,443,736	7,840	0.5%
Services and Supplies Unit									
<u>Account No.</u>	<u>Description</u>								
52074	12,961	12,961	6,327	43,824	43,824	28,558	42,299	(1,525)	-3.5%
52138	12,402	12,402	12,737	12,737	12,737	14,194	14,194	1,457	11.4%
52178	980	980	1,051	980	980	1,899	1,000	20	2.0%
52182	500	500	497	500	500	500	500	-	0.0%
52270	30,248	30,248	27,037	28,994	28,994	23,343	38,736	9,741	33.6%
52304	50	50	50	50	50	-	50	-	0.0%
52330	8,211	8,211	11,461	8,211	8,211	9,985	12,380	4,169	50.8%
52332	250	250	200	250	250	250	250	-	0.0%
52334	15,000	15,000	15,000	22,500	22,500	30,326	23,000	500	2.2%
52336	2,000	2,000	42	-	-	-	-	-	-
52338	50	50	-	-	-	-	-	-	-
52344	14,600	14,600	11,318	14,600	14,600	7,894	12,100	(2,500)	-17.1%
52354	10,000	10,000	9,201	10,000	10,000	10,909	10,000	-	0.0%
52370	270,960	270,960	379,047	296,170	296,170	487,186	445,767	149,597	50.5%
52490	4,650	4,650	12,500	8,150	8,150	5,000	8,500	350	4.3%
52504	6,600	6,600	6,600	6,600	6,600	6,600	4,500	(2,100)	-31.8%
52530	137,868	137,868	142,239	144,743	144,743	144,743	154,308	9,565	6.6%
52550	72,466	72,466	30,624	40,000	40,000	32,366	33,000	(7,000)	-17.5%
52562	-	-	469	-	-	70	-	-	-
52566	500	500	-	-	-	-	-	-	-
52602	500	500	-	-	-	-	-	-	-
52610	2,700	2,700	4,500	2,700	2,700	4,000	2,700	-	0.0%
52612	8,700	8,700	7,890	8,700	8,700	8,346	8,700	-	0.0%
52622	16,050	16,050	13,436	15,050	15,050	20,000	15,050	-	0.0%
52721	26,553	26,553	16,748	20,000	20,000	16,731	18,000	(2,000)	-10.0%
52723	29,015	29,015	26,621	33,000	33,000	26,390	30,000	(3,000)	-9.1%
52725+28	40,146	40,146	23,881	35,000	35,000	19,784	25,000	(10,000)	-28.6%
52732	21,488	21,488	24,382	28,000	28,000	29,082	30,000	2,000	7.1%
52734	2,331	2,331	2,002	2,331	2,331	1,712	2,331	(0)	0.0%
52750	3,748	3,748	25,937	40,000	40,000	10,000	25,000	(15,000)	-37.5%
52758	2,000	2,000	2,000	2,000	2,000	2,000	2,000	-	0.0%
	753,528	753,528	813,798	825,091	825,091	941,867	959,364	134,273	16.3%
OPERATING EXPENSE TOTAL	2,007,776	2,007,776	1,946,333	2,260,986	2,260,986	2,133,517	2,403,100	142,114	6.3%

EXPENSES CONTINUED...

		FY2022-2023			FY2023-2024			FY2024-2025		
		Adopted	Amended	Actuals	Adopted	Amended	Estimate	Draft Proposed	Difference \$	Difference %
Non Operating Unit										
<u>Account No.</u>	<u>Description</u>									
51421	Debt Service: OPEB Obligation Bonds	37,388	37,388	32,781	34,092	34,092	33,932	34,092	-	0.0%
53585	Equipment Depreciation	-	-	-	-	-	-	-	-	-
TBD	Grant Award Payments	-	215,500	215,500	450,000	450,000	450,000	450,000	-	0.0%
54955-54961	Fixed Assets	-	-	-	-	-	-	-	-	-
		<u>37,388</u>	<u>252,888</u>	<u>248,281</u>	<u>484,092</u>	<u>484,092</u>	<u>483,932</u>	<u>484,092</u>	<u>-</u>	<u>0.0%</u>
	EXPENSE TOTALS	2,045,163	2,260,664	2,194,614	2,745,078	2,745,078	2,617,449	2,887,192	142,114	5.2%

REVENUES

		FY2022-2023			FY2023-2024			FY2024-2025		
		Adopted	Amended	Actuals	Adopted	Amended	Estimate	Draft Proposed	Difference \$	Difference %
Intergovernmental Unit										
<u>Account No.</u>	<u>Description</u>									
45918.1	Apportionments County	515,479	515,479	515,479	581,074	581,074	581,074	617,716	36,642	6.3%
45918.2	Apportionments Cities (less SD)	515,479	515,479	515,479	581,074	581,074	581,074	617,716	36,642	6.3%
45918.3	Apportionments City of San Diego	257,830	257,830	257,830	290,639	290,639	290,639	308,966	18,327	6.3%
45918.4	Apportionments Special Districts	515,479	515,479	515,479	581,074	581,074	581,074	617,716	36,642	6.3%
		<u>1,804,265</u>	<u>1,804,266</u>	<u>1,804,266</u>	<u>2,033,861</u>	<u>2,033,861</u>	<u>2,033,861</u>	<u>2,162,115</u>	<u>128,254</u>	<u>6.3%</u>
Service Charges Unit										
<u>Account No.</u>	<u>Description</u>									
46234	Application Fees	170,000	170,000	250,000	200,000	200,000	175,000	200,000	-	0.0%
		<u>170,000</u>	<u>170,000</u>	<u>250,000</u>	<u>200,000</u>	<u>200,000</u>	<u>175,000</u>	<u>200,000</u>	<u>-</u>	<u>0.0%</u>
Earnings Unit										
<u>Account No.</u>	<u>Description</u>									
44105	Interest and Dividends	15,000	15,000	5,000	15,000	15,000	6,500	15,000	-	0.0%
		<u>15,000</u>	<u>15,000</u>	<u>5,000</u>	<u>15,000</u>	<u>15,000</u>	<u>6,500</u>	<u>15,000</u>	<u>-</u>	<u>0.0%</u>
	OPERATING REVENUE TOTAL	1,989,265	1,989,266	2,059,266	2,248,861	2,248,861	2,215,361	2,377,115	128,254	5.7%
Non-Operating Unit										
<u>Account No.</u>	<u>Description</u>									
TBD	Grant Awards	-	215,500	215,500	450,000	450,000	450,000	450,000	-	0.0%
47540	Transfer from Fund Balance	55,898	55,898	55,898	46,218	46,218	46,218	60,078	13,860	30.0%
		<u>55,898</u>	<u>271,398</u>	<u>271,398</u>	<u>496,218</u>	<u>496,218</u>	<u>496,218</u>	<u>510,078</u>	<u>13,860</u>	<u>2.8%</u>
	REVENUE TOTALS	2,045,163	2,260,664	2,330,664	2,745,079	2,745,079	2,711,579	2,887,192	142,113	5.2%
TOTAL NET		-	-	136,050			94,130	-		

FUND BALANCE

(unrestricted)	Start of Year	End of Year	Start of Year	Estimate End of Year
Committed				
... Stabilization	250,000	250,000	250,000	
... Opportunity	500,000	500,000	500,000	
Assigned by EO	62,500	62,500	62,500	
Unassigned	<u>708,055</u>	<u>788,242</u>	<u>788,242</u>	
	1,520,555	1,600,706	1,600,742	
% of unassigned balance to operating expenses:	35.3%	40.5%	34.9%	



PROPOSED DRAFT

Workplan & Budget Guide

FOR 2024-2025

About Us

Local Agency Formation Commissions – or LAFCOs – are boundary makers that oversee the creation and expansion of cities and special districts in all 58 counties of California. LAFCOs exercise regulatory and planning powers to coordinate publicly provided services, such as water or fire protection, and match them with community needs.

The goal of every LAFCO is to facilitate smart growth while avoiding urban sprawl.

San Diego LAFCO operates within the second largest county in California as measured by population and currently tasked with overseeing over 100 local governmental agencies.

A summary of San Diego LAFCO's proposed draft workplan and budget for 2024-2025 follows.

2024-2025 Workplan Guide

The proposed draft workplan list 30 targeted projects for 2024–2025 comprising both new and continued activities. The targeted projects complement LAFCO’s baseline commitment to process jurisdictional proposals and related service requests in a timely manner and are divided between three priority categories – high, medium, and low. An outline of all 30 projects with additional details on the “Top 10” follows.



No. 1

Municipal Service Review on Wholesale Water Service Providers
San Diego County Water Authority + Metropolitan Water District



No. 3

Transition External Accounting System
Implement Cloud Conversion for Quickbooks and Add Public-Facing Features



No. 5

State Planning Grant Award (SALC 2.0): “Greening Agriculture”
Return-on-Investment and GAP Analyses in Support of Small Farming Operations



No. 7

Municipal Service Review on Greater San Marcos/Vista Region: Part I
Cities of San Marcos and Vista



No. 9

Policy Review on Accounting + Auditing Procedures
Modernize and Harmonize Accounting + Auditing Policies to LAFCO’s Needs



No. 2

Municipal Service Review on Healthcare Districts
Fallbrook, Grossmont, Palomar, + Tri-City Healthcare Districts



No. 4

Municipal Service Review on the Greater Carlsbad Region
City of Carlsbad, Carlsbad Municipal Water District, + Leucadia Wastewater District



No. 6

RCD Ad Hoc Committee, Year Two: Transitioning OSAs to Boundary Changes
Greater San Diego, Mission, + Upper San Luis Rey Resource Conservation Districts



No. 8

Municipal Service Review on Greater San Marcos/Vista Region: Part II
San Marcos and Vista Fire Protection Districts, Vista Irrigation District, Vallecitos Water District, + Buena Sanitation District



No. 10

Staffing + Professional Development
Fill Budgeted Positions + Establish In-Service Days to Enhance Professional Development

Medium Priorities

- No. 11** | Policy Review: Job Descriptions
- No. 12** | MSR: SANDAG
- No. 13** | Custom Project Manager Tracker
- No. 14** | Staffing Special Districts Advisory Committee
- No. 15** | Info Report on Homeless Services
- No. 16** | Staffing Cities Advisory Committee
- No. 17** | MSR: Greater Encinitas Region
- No. 18** | Complete FY2023 Audit
- No. 19** | MSR: Greater Del Mar/ Solana Beach Region
- No. 20** | Website Content Expansion + Enhancement

Lower Priorities

- No. 21** | Annual Local Agency Directory
- No. 12** | Policy Review: Applicant Forms + Requirements
- No. 23** | Authorizing Credit Card Payments
- No. 24** | CALAFCO Legislative Committee
- No. 25** | Legislative Proposal on G.C. 56133
- No. 26** | SDAC Bylaws
- No. 27** | Info Report on Community Choice Aggregations
- No. 28** | Liaison with Local Native American Tribes
- No. 29** | Online Service + Fiscal Indicators
- No. 30** | Policy Review: Public Member Appointments

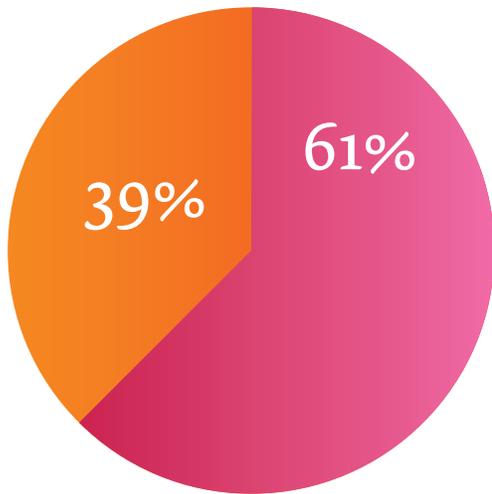
For a complete listing of the draft workplan, please visit: sdlafco.org

2024-2025 Draft Budget Guide

San Diego LAFCO’s proposed draft budget for 2024–2025 ties directly to funding the associated workplan and sets total matching expenses and revenues at \$2.888 million. Four-fifths of total expenses tie to operating costs, which tally \$2.403 million and represents a change over the current fiscal year of 6.3% – or \$142,14 and slightly above the 5.8% annual inflation rate for the San Diego area. The remaining portion of the total budget involves non-operating units and largely tie to transacting revenues and expenses involving a State planning grant and debt service.

Key budgeted operating expenses and revenues follow.

Operating Expenses: \$2.403 Million



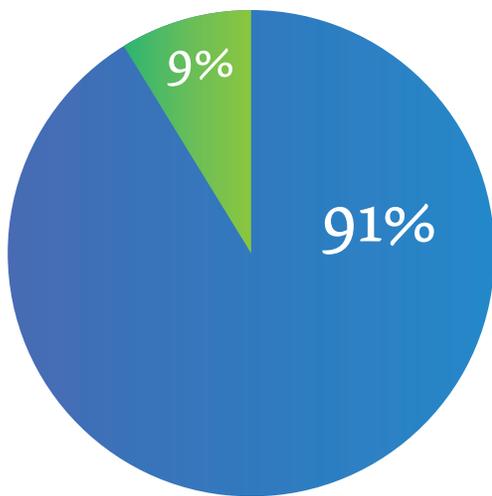
Salaries and Benefits Cost

- \$1.444 million; an increase of 0.5% over current year
- Amount equals 61% of all operating expenses
- Reduces budgeting staffing from 9.0 to 8.0 FTE
 - Eliminates vacant executive assistant position
- Accommodates previously approved 2.75% COLA
- Also accommodates anticipated merit increases
- Also accommodates CPI increase to meeting per diems to \$291
- All line-item accounts show decreases expect pension

Services and Supplies Cost

- \$0.959 million; an increase of 16.3% over current year
- Amount equals 39% of all operating expenses
- Two line item accounts underlie increase:
 - Increase in professional services to cover increase need for consultants and their technical expertise in preparing MSRs
 - Increase in memberships to cover new partnership with Assura Group to implement and host online project management tracking

Operating Revenues: \$2.377 Million



Application Fees

- \$0.215 million; same as current year
- Amount equals 9% of all operating revenues

Local Agency Contributions

- \$2.162 million; an increase of 6.3% over current year
- Amount equals 91% of all operating expenses
- Allocation set by State law as follows:
 - 1 County of San Diego covers \$0.618 million
 - 2 Cities less San Diego cover \$0.618 million
 - 3 Special districts cover \$0.618 million
 - 4 City of San Diego covers 0.309 million

Amounts for specific cities and districts further apportioned by Auditor’s Office based on each agency’s percentage of revenues relative to all revenues collected by their city/district peers



UNRESTRICTED FUND BALANCE (estimate as of June 1, 2024)	
Committed:	\$750,000
Assigned:	\$62,500
Unassigned:	\$836,154
TOTAL:	\$1,648,654

TOP CITY ALLOCATION

1. San Diego
2. Chula Vista
3. Carlsbad
4. Oceanside
5. Escondido

(based on FY2023 contributions)

TOP DISTRICT ALLOCATIONS

1. Otay Water District
2. Helix Water District
3. Padre Dam Municipal Water District
4. Olivenhain Municipal Water District
5. Vallecitos Water District

(based on FY2023 contributions)



Mission Trails
Regional Park

San Diego LAFCO's Commission

San Diego LAFCO is governed by a 13-member "Commission" comprising county, city, special district, and public members. All Commissioners are appointed elected officials with the exception of the two public members. Commissioners serve four-year terms and divided between "regulars" and "alternates" and must exercise their independent judgment on behalf of the interests of residents, landowners, and the public as a whole. Commissioners are subject to standard disclosure requirements and must file annual statements of economic interests. The Commission has sole authority in administering its legislative responsibilities and decisions therein are not subject to an outside appeal process.



Stephen Whitburn
Chair
City of San Diego



Baron Willis
Vice Chair
Alpine Fire Protection



Jim Desmond
Past Chair
County of San Diego



Joel Anderson
Commissioner
County of San Diego



Kristi Becker
Commissioner
City of Solana Beach



Jo MacKenzie
Commissioner
Vista Irrigation



Dane White
Commissioner
City of Escondido



David Drake
Alternate
Rincon Del Diablo



Harry Mathis
Alternate
General Public



John McCann
Alternate
City of Chula Vista



Nora Vargas
Alternate
County of San Diego



Marni von Wilpert
Alternate
City of San Diego