



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

5C

AGENDA REPORT
 Business | Information

June 21, 2024

TO: Special Districts Advisory Committee
FROM: Priscilla Mumpower, Assistant Executive Officer
SUBJECT: **Adopted Workplan and Budget for 2024-2025**

SUMMARY

The Special Districts Advisory Committee (“Committee”) will receive a presentation on the adopted workplan and budget for fiscal year 2024-2025 at its May 6th meeting. The adopted workplan outlines 30 specific projects in priority order and is headlined by continuing municipal service reviews (MSRs) on wholesale water service providers (No. 1a) and healthcare districts (No. 1b). The workplan also includes several new high-priority projects and is marked by a new MSR on SANDAG (No. 2) and its housing and transportation functions. The adopted budget totals \$2.912 million in matching expenses and revenues. The operating portion of expenses tallies \$2.428 million and reflects a 7.4% increase above the current fiscal year and largely involves inflationary adjustments. The item is being presented to the Committee for information with the opportunity to make recommendations for future consideration by the Commission.

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.

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DISCUSSION

This agenda item is for the Committee to receive San Diego LAFCO's adopted workplan and budget for the upcoming fiscal year. LAFCO adopted both items at its May 6, 2024 meeting following a formal public review period. A user-friendly guide on the final workplan and budget is available as Attachment One.

ANALYSIS

See Attachment One.

RECOMMENDATION

Information only.

ALTERNATIVES FOR ACTION

None.

PROCEDURES FOR CONSIDERATION

This item has been placed on the Committee's agenda for information part of the business calendar. It will include a verbal presentation by staff.

Respectfully,



Priscilla Mumpower
Assistant Executive Officer

Attachment:

- 1) Guide to the Adopted Workplan and Budget for FY2025



ADOPTED FINAL

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 adopted final workplan and budget for 2024-2025 follows.

2024-2025 Workplan Guide

The final 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. 1a

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



No. 2

Municipal Service Review on SANDAG
Initiate agency-specific municipal service review of San Diego Association Of Governments (SANDAG) and its housing and transportation functions



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. 1b

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



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

Medium Priorities

- No. 10** | Staffing + Professional Development
- No. 11** | Policy Review: Job Descriptions
- No. 12** | Custom Project Manager Tracker
- No. 13** | Staffing Special Districts Advisory Committee
- No. 14** | Info Report on Homeless Services
- No. 15** | Staffing Cities Advisory Committee
- No. 16** | MSR: Greater Encinitas Region
- No. 17** | Complete FY2023 Audit
- No. 18** | MSR: Greater Del Mar/ Solana Beach Region
- No. 19** | Website Content Expansion + Enhancement

Lower Priorities

- No. 20** | Annual Local Agency Directory
- No. 21** | Policy Review: Applicant Forms + Requirements
- No. 22** | Authorizing Credit Card Payments
- No. 23** | CALAFCO Legislative Committee
- No. 24** | Legislative Proposal on G.C. 56133
- No. 25** | SDAC Bylaws
- No. 26** | Info Report on Community Choice Aggregations
- No. 27** | Liaison with Local Native American Tribes
- No. 28** | Online Service + Fiscal Indicators
- No. 29** | Policy Review: Public Member Appointments

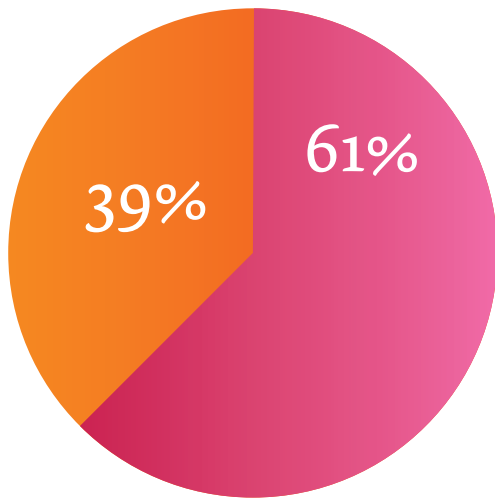
For a complete listing of the final workplan, please visit: sdlafco.org

2024-2025 Final Budget Guide

San Diego LAFCO’s final budget for 2024–2025 ties directly to funding the associated workplan and sets total matching expenses and revenues at \$2.912 million. Four-fifths of total expenses tie to operating costs, which tally \$2.428 million and represents a change over the current fiscal year of 7.4% – or \$0.167 million and 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: \$2.428 Million



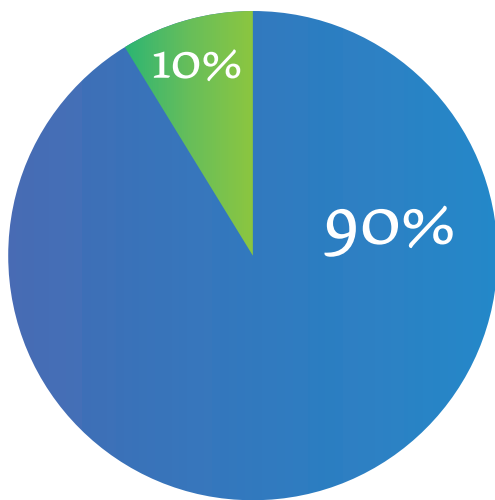
Salaries and Benefits Cost

- \$1.468 million; an increase of 2.3% 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: \$2.399 Million



Application Fees

- \$0.200 million; same as current year
- Amount equals 8% of all operating revenues

Local Agency Contributions

- \$2.184 million; an increase of 7.4% over current year
- Amount equals 90% of all operating expenses
- Allocation set by State law as follows:
 - 1 County of San Diego covers \$0.624 million
 - 2 Cities less San Diego cover \$0.624 million
 - 3 Special Districts cover \$0.624 million
 - 4 City of San Diego covers 0.312 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.



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Harry Mathis
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General Public



David Drake
Alternate
Rincon Del Diablo



John McCann
Alternate
City of Chula Vista



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Alternate
County of San Diego



Marni von Wilpert
Alternate
City of San Diego