



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

7C

AGENDA REPORT
 Business | Action

April 4, 2022

TO: Commissioners

FROM: Keene Simonds, Executive Officer
 Erica Blom, Executive Assistant

SUBJECT: Authorization to Establish a Special Revenue Fund and Related Actions

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider a request from the Executive Officer to authorize the establishment of a new special revenue fund to receive and expend grant monies. The request follows earlier Commission actions to apply and subsequently receive a \$0.250 million dollar planning grant award from the State of California Department of Conservation. Authorization will allow staff to proceed with establishing a dedicated fund to begin transacting grant monies outside of the general fund.

BACKGROUND

Grant Award

In August 2020, San Diego LAFCO submitted a planning grant application with the Department of Conservation and its Sustainable Agricultural Lands Conservation Program or SALC to identify and track local agricultural trends in San Diego County. The application was submitted in collaboration with the Resource Conservation District (RCD) of Greater San Diego County with the Commission serving as lead. Notice of the grant approval from the State in the full amount of \$0.250 million was received in January 2021.

<p>Administration Keene Simonds, Executive Officer 2550 Fifth Avenue, Suite 725 San Diego, California 92103-6624 T 619.321.3380 F 619.404.6508 www.sdlafco.org lafco@sdcounty.ca.gov</p>	<p>Joel Anderson County of San Diego</p> <p>Chair Jim Desmond County of San Diego</p> <p>Nora Vargas, Alt. County of San Diego</p>	<p>Vice Chair Paul McNamara City of Escondido</p> <p>Mary Casillas Salas City of Chula Vista</p> <p>Kristi Becker, Alt. City of Solana Beach</p>	<p>Chris Cate City of San Diego</p> <p>Marni von Wilpert, Alt. City of San Diego</p>	<p>Jo MacKenzie Vista Irrigation</p> <p>Barry Willis Alpine Fire Protection</p> <p>David A. Drake, Alt. Rincon del Diablo</p>	<p>Andy Vanderlaan General Public</p> <p>Harry Mathis, Alt. General Public</p>
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Agreement with RCD of Greater San Diego County

San Diego LAFCO entered a memorandum of understanding with RCD of Greater San Diego County in April 2001 to set roles and duties in implementing the grant award. The agreement designates Greater San Diego as project manager and responsible for performing all related field and analysis work in consultation with the Commission. The Commission retains fiduciary responsibilities as grant recipient to review and approve all invoices as well as quarterly and final reports to the State.

DISCUSSION

This item is for San Diego LAFCO to authorize the establishment of a new special revenue fund and related actions to transact grant monies. Authorization would immediately accommodate transacting the current \$0.250 million planning grant award from the State to track agricultural trends in San Diego County. Authorization is timed with LAFCO receiving the first grant payment from the State in March 2022 and subsequent advice from the Commission's outside bookkeeper – Leaf and Cole LLC – to account for these transactions separate from the general fund.

ANALYSIS

San Diego LAFCO's recent planning grant award from the State merits establishing a new special revenue fund to segregate the associated transactions from the general fund and avoid misrepresenting the Commission's true budget operations. The establishment of a special revenue fund relatedly serves as the preferred alternative to amend the general fund budget to authorize the grant expenses that would otherwise exceed the budgeted total.

RECOMMENDATION

It is recommended San Diego LAFCO authorize the establishment of a new special revenue fund specific to transacting grant monies. This recommendation and associated items is identified as Alternative Action One in the proceeding section.

ALTERNATIVES FOR ACTION

The following alternatives are available to San Diego LAFCO:

Alternative One (recommended):

Authorize the Executive Officer to proceed with the following actions:

- a) Establish a special revenue fund to account for grant awards.
- b) Deposit all grant monies received associated with the January 2021 award from the State Department of Conservation in the amount of \$0.250 million in the special revenue fund established by the Commission and make related payments therein.

Alternative Two:

Continue consideration of the item to a future meeting and provide direction as needed.

Alternative Three:

Take no action.

PROCEDURES

This item has been placed on the agenda for action as part of San Diego LAFCO's business calendar. The following procedures, accordingly, are recommended.

- 1) Receive verbal report from staff unless waived.
- 2) Commission discussion.
- 3) Consider the staff recommendation.

Respectfully,



Keene Simonds
Executive Officer

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