



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

**5C**

**AGENDA REPORT**  
 Consent | Action

March 3, 2025

**TO:** Chair Whitburn and Commissioners

**FROM:** Keene Simonds, Executive Officer  
 Erica Sellen, Commission Clerk

**SUBJECT:** **Budget Update for 2024-2025 |  
 Second Quarter Actuals with Year-End Projections**

**SUMMARY**

The San Diego County Local Agency Formation Commission (LAFCO) will review a report comparing budgeted and actual amounts through the second quarter of 2024-2025 and related end-year projections. The total budget for the fiscal year – operating and non-operating – is \$2.912 million in matching expenses and revenues. The Commission finished the second quarter expending 40% of total budgeted expenses while collecting 77% of total budgeted revenues. The report projects the Commission will finish the fiscal year generally as expected with a net surplus of \$0.087 million or 3%. No amendments are proposed at this time. The report is being presented to the Commission to formally accept and file.

**BACKGROUND**

San Diego LAFCO’s adopted budget for 2024-2025 totals \$2.912 million in matching expenses and revenues. These matching amounts are divided into operating and non-operating units. The total unrestricted balance as of July 1<sup>st</sup> was \$1.613 million with \$0.738 million unassigned.

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

## DISCUSSION

This item is for San Diego LAFCO to receive an updated comparison of budget to actual expenses and revenues through the close of the second quarter (December 31, 2024). A detailing of actual expenses and revenues along with projected year-end totals is provided in general ledger format as Attachment One and further discussed below. The item also provides the Commission the opportunity to pull the item for questions or comments.

### Expenses

San Diego LAFCO's budgeted expense total for 2024-2025 is \$2.912 million. This amount is divided between \$2.428 million in operating and \$0.484 million in non-operating units. Total actuals booked through the second quarter total \$1.157 million and represents 40% of the budget with 50% of the fiscal year complete. Actuals paired with staff analysis suggests LAFCO is on pace to finish with \$2.895 million in total expenses and generate an unexpended savings of \$0.017 million or 1%.

An expanded discussion on budgeted and actuals through the second quarter follows.

#### **Operating: Salaries and Benefits**

---

LAFCO has budgeted \$1.468 million in salaries and benefits with the proceeds largely tied to funding 8.0 fulltime equivalent positions.<sup>1</sup> Actuals through the second quarter total \$0.682 million or 46% of the budget with 50% of the fiscal year complete. It is expected year-end actuals will total \$1.425 million and generate a unit surplus of \$0.044 million or 3% less any amendments.

#### **Operating: Services and Supplies**

---

LAFCO has budgeted \$0.959 million in services and supplies with the proceeds largely tied to payments to the County of San Diego for information technology and general support followed by a range of professional services. Actuals through the second quarter total \$0.443 million or 46% of the budget with 50% of the fiscal year complete. It is expected year-end actuals will total \$0.989 million and generate a unit deficit of (\$0.030 million) or (3%) less any amendments.

#### **Non-Operating**

---

LAFCO has budgeted \$0.484 million in non-operating costs to cover debt service and grant payments. Actuals through the second quarter total \$0.031 million with 50% of the fiscal year complete. It is expected year-end actuals will total \$0.482 million and generate a unit surplus of \$0.002 million or 1% less any amendments.

---

<sup>1</sup> Other expenses booked in the salaries account include per diems, intern pay, and performance awards.

## Revenues

San Diego LAFCO's budgeted revenue total for 2024-2025 is \$2.912 million. This amount is divided between \$2.399 million in operating and \$0.513 million in non-operating units. Actual revenues collected through the second quarter totals \$2.230 million. This amount represents 77% of the budgeted total with 50% of the fiscal year complete. These actuals paired with staff analysis suggest the year-end revenue will total \$2.982 million. Should this projection hold, LAFCO will experience an overall budgeted surplus of \$0.070 million or 2%.

An expanded discussion on budgeted and actual revenues follows.

### **Operating: Intergovernmental Fees**

---

LAFCO has budgeted \$2.184 million in intergovernmental fees divided between four membership categories based on statutory formula. All budgeted fees have been collected. An additional \$0.111 million is expected to be collected before the end of the fiscal year involving an inaugural apportionment from the San Diego Unified Port District and result in a corresponding unit surplus of 5%.

### **Operating: Application Charges**

---

LAFCO has budgeted \$0.200 million in application charges. Actuals through the second quarter totals \$0.037 million and represents 19% of the budgeted amount with 50% of the fiscal year complete. Staff anticipates application charges will pick up but fall short of budgeted expectations and result in a unit deficit of (\$0.043 million) or (21%).

### **Operating: Interest Earnings**

---

LAFCO has budgeted \$0.015 million in interest earnings. Actuals through the second quarter totals \$0.008 million and represents 55% of the budgeted amount with 50% of the fiscal year complete. Staff anticipates interest earnings will near the budgeted total and result in an overall unit surplus of \$0.001 million or 10%.

### **Non-Operating**

---

LAFCO has budgeted \$0.513 million in non-operating revenues that involve fund balance usage and anticipated grant payments. No monies have been booked through the second quarter. Staff anticipates the full budgeted amount will be collected.

## **ANALYSIS**

Activity through the second quarter shows San Diego LAFCO is generally proceeding as planned relative to budgeted expectations. Most notably, there are also no significant outliers in actual expenses or revenues through the first six months. Staff anticipates an overall net surplus with actual revenues exceeding actual expenses by \$0.087 million or 3%

and largely the result of collecting an inaugural and otherwise unbudgeted apportionment from the San Diego Unified Port District.

## RECOMMENDATION

It is recommended San Diego LAFCO accept and file the report. This recommendation is consistent with Alternative One outlined below.

## ALTERNATIVES FOR ACTION

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

Alternative One (recommended):

Accept and file the report.

Alternative Two:

Continue to a future meeting and provide direction to staff with respect to any additional analysis or information requested.

## PROCEDURES

This item has been placed on the agenda as part of the consent calendar. Accordingly, a successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation as provided unless otherwise specified by the Commission.

Respectfully,



Keene Simonds  
Executive Officer

Attachment:

- 1) Second Quarter Budget Ledger with Year-End Projections



# San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

## EXPENSES

### Salaries and Benefits Unit

		FY2023-2024		
		Adopted	Amended	Actuals
51110-51310	Salaries and Per Diems	891,455	742,955	715,861
51410	Retirement - SDCERA	318,295	318,295	303,876
51415	Retirement - OPEB	10,273	10,273	8,779
51450	Payroll Taxes	64,840	64,840	51,279
51510-51550	Group Insurance	150,033	150,033	96,389
51560	Unemployment Insurance	1,000	1,000	258
		<b>1,435,895</b>	<b>1,287,395</b>	<b>1,176,442</b>

### Services and Supplies Unit

52074	Communications	43,824	43,824	37,385
52138	General Liability Insurance	12,737	12,737	14,194
52178	Vehicle - Maintenance	980	980	2,580
52182	Vehicle - Fuel	500	500	539
52270	Memberships	28,994	28,994	23,077
52304	Miscellaneous	50	50	30
52330	Office: General Support	8,211	8,211	9,636
52332	Office: Postage USPS	250	250	314
52334	Office: Design + Printing	22,500	22,500	17,211
52336	Office: Books and Guidelines	-	-	-
52338	Office: Drafting/Engineering	-	-	-
52344	Office: Supplies and Furnishings	14,600	14,600	8,348
52354	Office: County Mail Services	10,000	10,000	12,401
52370	Professional Services	296,170	444,670	518,671
52490	Publications and Legal Notices	8,150	8,150	11,221
52504	Leases: Equipment	6,600	6,600	3,955
52530	Leases: Office Space	144,743	144,743	149,217
52550	Special Expenses: County Overhead	40,000	40,000	32,366
52562	Special Expenses: New Hire Checks	-	-	198
52566	Special Expenses: Minor Equipment	-	-	413
52602	Computer Training	-	-	-
52610	Travel and Training   In County	2,700	2,700	5,930
52612	Employee Auto	8,700	8,700	8,201
52622	Travel and Training   Out of County	15,050	15,050	18,038
52721	IT Reimbursements: Network	20,000	20,000	15,553
52723	IT Reimbursements: Data Center	33,000	33,000	24,254
52725+28	IT Reimbursements: Financial Systems	35,000	35,000	23,984
52732	IT Reimbursements: Desktop Computing	28,000	28,000	26,759
52734	IT Reimbursements: Help Desk	2,331	2,331	1,632
52750	IT Reimbursements: Catalog Equipment	40,000	40,000	5,498
52758	Fleet Reimbursements: Vehicle Lease	2,000	2,000	1,986
		<b>825,091</b>	<b>973,591</b>	<b>973,591</b>

OPERATING EXPENSE TOTAL

2,260,986 2,260,986 2,150,033

							FY2024-2025		
		Adopted	Actuals	%	Projected	Projected			
			2nd Quarter	of Budget	Year End \$	Year End %			
		898,906	426,025	0.47	884,533	0.98			
		350,146	168,391	0.48	348,738	1.00			
		10,196	4,324	0.42	9,521	0.93			
		65,044	27,782	0.43	61,226	0.94			
		143,481	56,211	0.39	120,217	0.84			
		1,000	168	0.17	336	0.34			
		<b>1,468,773</b>	<b>682,901</b>	<b>0.46</b>	<b>1,424,571</b>	<b>0.97</b>			
		42,299	19,211	0.45	42,264	1.00			
		14,194	15,599	1.10	15,599	1.10			
		1,000	955	0.96	2,101	2.10			
		500	264	0.53	581	1.16			
		38,736	22,993	0.59	24,993	0.65			
		50	10	0.20	20	0.40			
		12,380	6,558	0.53	11,476	0.93			
		250	136	0.54	250	1.00			
		23,000	7,347	0.32	18,367	0.80			
		-	-	-	-	-			
		-	-	-	-	-			
		12,100	7,798	0.64	12,100	1.00			
		10,000	3,631	0.36	7,989	0.80			
		445,767	180,598	0.41	495,830	1.11			
		8,500	3,701	0.44	8,143	0.96			
		4,500	1,536	0.34	3,841	0.85			
		154,308	64,016	0.41	154,308	1.00			
		33,000	28,647	0.87	57,293	1.74			
		-	215	-	215	-			
		-	2,472	-	2,472	-			
		-	-	-	-	-			
		2,700	7,975	2.95	10,000	3.70			
		8,700	6,472	0.74	12,944	1.49			
		15,050	23,041	1.53	27,649	1.84			
		18,000	9,001	0.50	18,003	1.00			
		30,000	5,961	0.20	11,922	0.40			
		25,000	8,811	0.35	17,623	0.70			
		30,000	12,951	0.43	25,901	0.86			
		2,331	800	0.34	1,601	0.69			
		25,000	1,244	0.05	3,110	0.12			
		2,000	993	0.50	1,986	0.99			
		<b>959,364</b>	<b>442,936</b>	<b>0.46</b>	<b>988,579</b>	<b>1.03</b>			
		2,428,138	1,125,837	0.46	2,413,150	0.99			

**EXPENSES CONTINUED...**

**Non Operating Unit**

51421	Debt Service: OPEB Obligation Bonds			
53585	Equipment Depreciation			
TBD	Grant Award Payments			
54955-54961	Fixed Assets			
	EXPENSE TOTALS			

FY2023-2024		
Adopted	Amended	Actuals
34,092	34,092	30,780
-	-	-
450,000	450,000	150,462
-	-	-
484,092	484,092	181,242
2,745,078	2,745,078	2,331,275

FY2024-2025				
Adopted	Actuals	%	Projected	Projected
Final	2nd Quarter	of Budget	Year End \$	Year End %
34,092	16,061	0.47	32,122	0.94
-	-	-	-	-
450,000	14,805	-	450,000	1.00
-	-	-	-	-
484,092	30,866	0.064	482,122	1.00
2,912,230	1,156,703	0.40	2,895,272	0.99

**REVENUES**

**Intergovernmental Unit**

45918.1	Apportionments   County			
45918.2	Apportionments   Cities (less SD)			
45918.3	Apportionments   City of San Diego			
45918.4	Apportionments   Special Districts			

FY2023-2024		
Adopted	Amended	Estimate
581,074	581,074	581,074
581,074	581,074	581,074
290,639	290,639	290,639
581,074	581,074	581,074
2,033,861	2,033,861	2,033,861

FY2024-2025				
Adopted	Actuals	%	Projected	Projected
Final	2nd Quarter	of Budget	Year End \$	Year End %
623,997	623,997	1.00	623,997	1.00
623,997	623,997	1.00	623,997	1.00
312,108	312,108	1.00	312,108	1.00
623,997	623,997	1.00	734,786	1.18
2,184,098	2,184,098	1.00	2,294,887	1.05

**Service Charges Unit**

46234	Application Fees			
-------	------------------	--	--	--

200,000	200,000	194,596
200,000	200,000	194,596

200,000	37,406	0.19	157,406	0.79
200,000	37,406	0.19	157,406	0.79

**Earnings Unit**

44105	Interest and Dividends			
-------	------------------------	--	--	--

15,000	15,000	19,321
15,000	15,000	19,321

15,000	8,210	0.55	16,420	1.09
15,000	8,210	0.55	16,420	1.09

OPERATING REVENUE TOTAL

2,248,861	2,248,861	2,247,777
-----------	-----------	-----------

2,399,098	2,229,714	0.93	2,468,713	1.03
-----------	-----------	------	-----------	------

**Non-Operating Unit**

TBD	Grant Awards			
47540	Transfer from Fund Balance			

450,000	450,000	68,882
46,218	46,218	46,218
496,218	496,218	115,100

450,000	-	-	450,000	1.00
63,132	-	-	63,132	1.00
513,132	-	-	513,132	1.00

REVENUE TOTALS

2,745,079	2,745,079	2,362,877
-----------	-----------	-----------

2,912,230	2,229,714	0.77	2,981,845	1.02
-----------	-----------	------	-----------	------

OPERATING NET

TOTAL NET

		97,744
		31,602

-	1,103,876		55,563	
-	1,073,011		86,572.86	

**LAFCO FUND BALANCE**

(unrestricted)

Committed	
... Stabilization	250,000
... Opportunity	500,000
Assigned by EO	125,000
Unassigned	738,310
	<u>1,613,310</u>