



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

**5C**

**AGENDA REPORT**  
 Consent | Action

May 5, 2025

**TO:** Chair Whitburn and Commissioners

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

**SUBJECT:** **Budget Update for 2024-2025 |  
 Third 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 third quarter of FY 2024-2025 along with related year-end 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 third quarter expending 70% of total budgeted expenses while collecting 91% of total budgeted revenues. Staff projects the Commission will finish the fiscal year generally as expected with a net surplus of \$0.080 million or 2.7%. No amendments are proposed at this time. Item is being presented to the Commission to formally accept and file.

**BACKGROUND**

San Diego LAFCO’s adopted budget for FY 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, 2024, was \$1.613 million with \$0.738 million unassigned.

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## 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 third quarter (March 30, 2025). 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. Item also provides the Commission with 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. The amount is divided between \$2.428 million in operating and \$0.484 million in non-operating units. Total actuals booked through the third quarter total \$2.038 million and represents 70% of the budget with 75% of the fiscal year complete. Actuals paired with staff analysis suggest LAFCO is on pace to finish with \$2.940 million in total expenses and generate an overrun of (\$27,370) or (1%). An expanded discussion on actuals through the third quarter follows.

#### Operating: Salaries and Benefits

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LAFCO has budgeted \$1.468 million in salaries and benefits primarily allocated to funding 8.0 fulltime equivalent positions.<sup>1</sup> Actuals through the third quarter total \$1.077 million or 73% of the budget. It is expected the year-end actuals will total \$1.424 million and generate a unit savings of \$0.045 million or 3%, less any amendments.

#### Operating: Services and Supplies

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LAFCO has budgeted \$0.959 million in services and supplies with the proceeds largely tied to professional services as well as payments to the County of San Diego for information technology and related support. Actuals through the third quarter total \$0.787 million or 82% of the budget. It is expected year-end actuals will total \$1.032 million and generate a unit deficit of (\$0.073 million) or (8%), less any amendments.

#### Non-Operating: Miscellaneous

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LAFCO has budgeted \$0.484 million in non-operating costs to cover debt service and grant payments. Actuals through the third quarter total \$0.174 million. It is expected year-end actuals will total \$0.484 million as budgeted, less any amendments.

### 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 third quarter total \$2.638 million. This amount represents

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

91% of the budgeted total with 75% of the fiscal year complete. Actuals paired with staff analysis suggest the year-end revenue will total \$3.020 million. Should this projection hold, LAFCO will experience an overall budgeted surplus of \$0.108 million or 3%.

An expanded discussion on budgeted and actual revenues follows.

### **Operating: Intergovernmental Fees**

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LAFCO has budgeted \$2.184 million in intergovernmental fees divided between four membership categories based on statutory formula. All budgeted fees have been collected plus an additional \$0.111 million involving an inaugural apportionment from the San Diego Unified Port District, resulting in a corresponding unit surplus of 5%.

### **Operating: Application Charges**

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LAFCO has budgeted \$0.200 million in application charges. Actuals through the third quarter total \$0.188 million and represents 94% of the budgeted amount. It is expected year-end actuals will total \$0.200 million as budgeted.

### **Operating: Interest Earnings**

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LAFCO has budgeted \$0.015 million in interest earnings. Actuals through the third quarter total \$0.009 million and represents 58% of the budgeted amount. Staff anticipates interest earnings will total \$0.012 million and result in an overall unit shortfall of (\$0.003 million) or (20%) without amendments.

### **Non-Operating: Miscellaneous**

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LAFCO has budgeted \$0.513 million in non-operating revenues that involve fund balance usage and anticipated grant payments. Actual revenues through the third quarter total \$0.146 million and represents 29% of the budgeted amount. Staff anticipates the full budgeted amount will be collected by the end of the year.

## **ANALYSIS**

Activity through the third quarter shows San Diego LAFCO is generally proceeding as planned relative to budgeted expectations with a year-end net surplus projection of \$0.080 million or 2.7%. While proceeding as generally planned, two outliers have developed meriting attention. First outlier involves higher-than-expected professional service expenses, which finished the third quarter at 91% of budget and projected to finish at 122% by the end of the year – a monetary shortfall of (\$0.097 million). This overrun directly ties to the need for additional consultant and outside legal services to address evolving and otherwise technical topics involving several municipal service reviews as well as establishing a memorandum of understanding with the San Diego Unified Port District. Second outlier involves collecting an inaugural apportionment payment from the Port District in the amount of \$0.110 million. The difference between these two outliers – notably – largely underlies the projected year-end finish and net surplus of \$0.080 million.

## RECOMMENDATION

It is recommended San Diego LAFCO accept and file the report. 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) Quarter 3 Budget Update Info Sheet
- 2) Third Quarter Budget Ledger with Year-End Projections

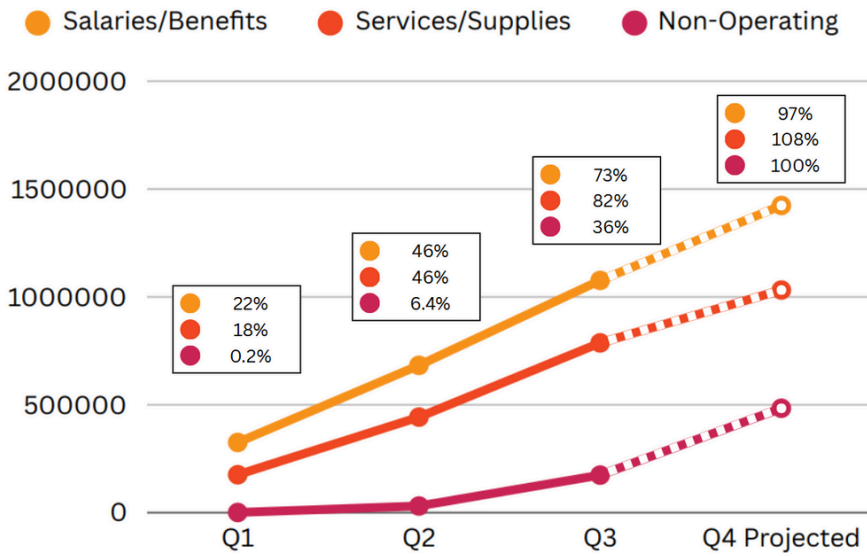
# QUARTER 3 BUDGET UPDATE

FY 2024-2025



## Expenses

### Expense Breakdown per Category (In Dollars)



\*percentages denote actual value relative to the final budgeted value

### Quarter 3 Overview

LAFCO's total expenses (**\$2,037,681**) currently sit at 70% of the Adopted Final value. With Operating Expenses and Non-Operational Costs like Grant Award Payments down the line, LAFCO expects to end the year with expenses totaling \$2,939,600 - only nominally more than anticipated.

Currently, LAFCO expenses are comprised as follows:

**Salaries/Benefits:** 52.84%

**Services/Supplies:** 38.62%

**Non-Operating:** 8.54%

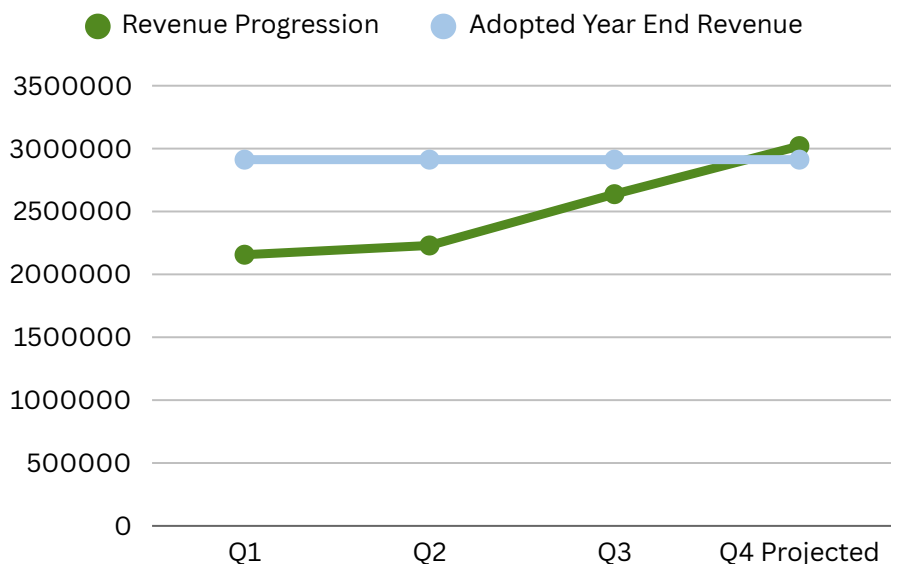
## Revenues

### Quarter 3 Overview

LAFCO's revenue performance as of Quarter 3 (**\$2,637,698**) accounts for 91% of the Adopted Final value. This favorable performance aids in a Projected Year End value of \$3,020,019, up from the original \$2,912,230.

A reason for this higher-than-expected revenue amount may lie in Apportionments from Special Districts amounting to \$110,789 more than expected.

### Current and Projected Revenues (In Dollars)



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# San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

## EXPENSES

### Salaries and Benefits Unit

51110-51310	Salaries and Per Diems
51410	Retirement - SDCERA
51415	Retirement - OPEB
51450	Payroll Taxes
51510-51550	Group Insurance
51560	Unemployment Insurance

### Services and Supplies Unit

52074	Communications
52138	General Liability Insurance
52178	Vehicle - Maintenance
52182	Vehicle - Fuel
52270	Memberships
52304	Miscellaneous
52330	Office: General Support
52332	Office: Postage USPS
52334	Office: Design + Printing
52336	Office: Books and Guidelines
52338	Office: Drafting/Engineering
52344	Office: Supplies and Furnishings
52354	Office: County Mail Services
52370	Professional Services
52490	Publications and Legal Notices
52504	Leases: Equipment
52530	Leases: Office Space
52550	Special Expenses: County Overhead
52562	Special Expenses: New Hire Checks
52566	Special Expenses: Minor Equipment
52602	Computer Training
52610	Travel and Training   In County
52612	Employee Auto
52622	Travel and Training   Out of County
52721	IT Reimbursements: Network
52723	IT Reimbursements: Data Center
52725+28	IT Reimbursements: Financial Systems
52732	IT Reimbursements: Desktop Computing
52734	IT Reimbursements: Help Desk
52750	IT Reimbursements: Catalog Equipment
52758	Fleet Reimbursements: Vehicle Lease

FY2023-2024		
Adopted	Amended	Actuals
891,455	742,955	715,861
318,295	318,295	303,876
10,273	10,273	8,779
64,840	64,840	51,279
150,033	150,033	96,389
1,000	1,000	258
<b>1,435,895</b>	<b>1,287,395</b>	<b>1,176,442</b>
43,824	43,824	37,385
12,737	12,737	14,194
980	980	2,580
500	500	539
28,994	28,994	23,077
50	50	30
8,211	8,211	9,636
250	250	314
22,500	22,500	17,211
-	-	-
-	-	-
14,600	14,600	8,348
10,000	10,000	12,401
296,170	444,670	518,671
8,150	8,150	11,221
6,600	6,600	3,955
144,743	144,743	149,217
40,000	40,000	32,366
-	-	198
-	-	413
-	-	-
2,700	2,700	5,930
8,700	8,700	8,201
15,050	15,050	18,038
20,000	20,000	15,553
33,000	33,000	24,254
35,000	35,000	23,984
28,000	28,000	26,759
2,331	2,331	1,632
40,000	40,000	5,498
2,000	2,000	1,986
<b>825,091</b>	<b>973,591</b>	<b>973,591</b>
<b>2,260,986</b>	<b>2,260,986</b>	<b>2,150,033</b>

FY2024-2025				
Adopted	Actuals 3rd Quarter	% of Budget	Projected Year End \$	Projected Year End %
898,906	670,654	0.75	885,589	0.99
350,146	266,614	0.76	351,103	1.00
10,196	6,846	0.67	9,289	0.91
65,044	46,606	0.72	62,292	0.96
143,481	85,658	0.60	115,199	0.80
1,000	272	0.27	363	0.36
<b>1,468,773</b>	<b>1,076,650</b>	<b>0.73</b>	<b>1,423,834</b>	<b>0.97</b>
42,299	30,160	0.71	40,214	0.95
14,194	15,599	1.10	15,599	1.10
1,000	1,385	1.38	1,385	1.38
500	367	0.73	495	0.99
38,736	25,168	0.65	25,168	0.65
50	10	0.20	10	0.20
12,380	8,525	0.69	11,366	0.92
250	439	1.76	600	2.40
23,000	11,958	0.52	12,000	0.52
-	132	-	132	-
-	-	-	-	-
12,100	11,686	0.97	12,100	1.00
10,000	6,116	0.61	8,154	0.82
445,767	406,757	0.91	542,343	1.22
8,500	10,852	1.28	14,651	1.72
4,500	2,329	0.52	3,105	0.69
154,308	103,960	0.67	154,308	1.00
33,000	42,970	1.30	57,293	1.74
-	215	-	215	-
-	4,523	-	4,523	-
-	-	-	-	-
2,700	11,485	4.25	13,000	4.81
8,700	8,757	1.01	11,000	1.26
15,050	23,262	1.55	23,762	1.58
18,000	13,615	0.76	18,154	1.01
30,000	9,180	0.31	12,240	0.41
25,000	13,567	0.54	18,089	0.72
30,000	19,730	0.66	26,306	0.88
2,331	1,204	0.52	1,605	0.69
25,000	1,522	0.06	2,030	0.08
2,000	1,489	0.74	2,000	1.00
<b>959,364</b>	<b>786,961</b>	<b>0.82</b>	<b>1,031,848</b>	<b>1.08</b>
<b>2,428,138</b>	<b>1,863,611</b>	<b>0.77</b>	<b>2,455,682</b>	<b>1.01</b>

OPERATING EXPENSE TOTAL

**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 Final	Actuals 3rd Quarter	% of Budget	Projected Year End \$	Projected Year End %
34,092	25,439	0.75	33,919	0.99
-	-	-	-	-
450,000	148,631	0.33	450,000	1.00
-	-	-	-	-
484,092	174,070	0.36	483,919	1.00
2,912,230	2,037,681	0.70	2,939,600	1.01

**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	Actuals
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 Final	Actuals 3rd Quarter	% of Budget	Projected Year End \$	Projected 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	734,786	1.18	734,786	1.18
2,184,098	2,294,887	1.05	2,294,887	1.05

**Service Charges Unit**

46234	Application Fees			
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200,000	200,000	194,596
200,000	200,000	194,596

200,000	188,047	0.94	200,000	1.00
200,000	188,047	0.94	200,000	1.00

**Earnings Unit**

44105	Interest and Dividends			
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15,000	15,000	19,321
15,000	15,000	19,321

15,000	8,647	0.58	12,000	0.80
15,000	8,647	0.58	12,000	0.80

OPERATING REVENUE TOTAL

2,248,861	2,248,861	2,247,777
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2,399,098	2,491,581	1.04	2,506,887	1.04
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**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	146,117	32.5%	450,000	1.00
63,132	-	0.0%	63,132	1.00
513,132	146,117	28.5%	513,132	1.00

REVENUE TOTALS

2,745,079	2,745,079	2,362,877
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2,912,230	2,637,698	0.91	3,020,019	1.04
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**Total Net**

**31,602**

**80,419**

**LAFCO FUND BALANCE**

(unrestricted)

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