



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

**5f**

**AGENDA REPORT**  
 Consent | Information

June 2, 2025

**TO:** Chair Whitburn and Commissioners  
**FROM:** Keene Simonds, Executive Officer  
**SUBJECT:** **Commissioner Request | Expenses within the Professional Services Account**

**SUMMARY**

The San Diego County Local Agency Formation Commission (LAFCO) will receive an informational report summarizing professional service expenses over the past five fiscal years. This report is provided in response to a request by Commissioner MacKenzie to detail actual expenses in this category, particularly in the context of current and future budget planning. As further outlined, the Professional Services Account transacts a range of consultant-related expenses, including but not limited to bookkeeping, interagency coordination, and other specialized services. Over the five-year period, actual average annual expenses charged to the account total \$338,284 and equal to 17% of LAFCO’s overall operating costs. This report is presented for informational purposes only. The Commission may choose to pull the item for discussion at its discretion.

**BACKGROUND**

San Diego LAFCO delegates responsibility to the Executive Officer to secure staffing and related resources necessary to carry out the agency’s regulatory and planning duties in alignment with the Commission’s adopted workplans and budgets. Under existing LAFCO policies, the Executive Officer is authorized to enter into professional services agreements with outside consultants - including individuals, firms, and other entities - on behalf of the Commission, provided the total contract term amount does not exceed \$124,999. Any professional services

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agreement exceeding this threshold requires Commission approval. One exception applies: all agreements involving outside auditors require Commission approval regardless of cost.

**DISCUSSION**

This item provides a summary of San Diego LAFCO’s professional services expenses with an emphasis on the last five completed fiscal years and related trends. The summary also distinguishes between agreements made directly by the Commission versus the Executive Officer. The item responds to a request made by Commissioner MacKenzie at the March 2025 meeting for staff to return with a future item offering greater detail on actual expenditures and their associated purposes. Although presented as an informational item under the consent calendar, the Commission is welcome to pull the item for further discussion if desired.

**Professional Services and Related Costs**

San Diego LAFCO contracts with approximately a dozen outside service providers - organized as sole proprietorships, partnerships, limited liability companies, or corporations - to support and expand the Commission’s operational capacity and technical expertise. Costs related to these services are billed to the Professional Services Account (No. 52370) and borne from agreements either directly made by the Commission or the Executive Officer. Most of the agreements are made by the Executive Officer to support LAFCO staff, particularly in technical areas such as processing jurisdictional change proposals and advancing the municipal service review program. These agreements are structured for maximum flexibility under Commission policy and typically include a compensatory cap of \$124,999 per year. During the reporting period, only two providers - 3MC Strategies and ADW Consulting - approached this threshold. All other contractors were compensated at significantly lower levels, as summarized below.

<b>Professional Services Account</b>			
- Includes Only Expenses Billed by EO Agreements			
- Excludes Expenses Billed by Commission Agreements			
<b>Outside Consultant</b>	<b>Principal/Contact</b>	<b>Purpose</b>	<b>FY 2024 Payments</b>
3MC Strategies	Chris Cate	Intergovernmental	124,925
ADW Consulting	Adam Wilson	Intergovernmental	124,320
Regional Government Services	Cherie Johnson	Human Resources	56,975
William Fulton Group	Bill Fulton	Planning Services	33,000
Leaf and Cole	Mike Zizzi	Bookkeeping	29,781
Sloan Sakai Yeung & Wong	DeeAnne Gillick	Special Legal Services	29,073
Michael Hanneman	Michael Hanneman	Water Economics	9,000
Granicus	John Redfern	Website Maintenance	8,266
Brian Brady and Associates	Brian Brady	Utility Services	7,840
Assura	Hamish Howard	Project Tracker	3,500
Others	n/a	Various	3,109
<b>TOTAL</b>			<b>*429,789</b>

- \* An additional \$84,177 was billed to the professional services account via agreement approvals made directly by the Commission and involve legal and outside auditing services.

With respect to overall expenditures charged to the Professional Services Account, the annual average cost over the last five completed fiscal years has been \$383,284. During this reporting period, annual expenses ranged from a low of \$201,298 (2020-2021) to a high of \$513,966 (2023-2024), reflecting an overall increase of 127%. Detailed figures for each of the five fiscal years are provided below, including side-by-side comparisons with salary and benefit costs as well as total agency operating costs.

Professional Services Account			
- Includes All Expenses			
- Compares to Salaries-Benefits and Total Expenses			
Year	Professional Services Account (No. 52370)	Salaries + Benefits Accounts (No. 51110 - 51560)	Total Operating Expenses
2020	226,762	1,153,901	1,785,242
2021	201,298	1,370,788	1,930,504
2022	317,359	1,144,609	1,998,668
2023	432,036	1,132,500	1,946,298
2024	513,966	1,176,442	2,150,033
Change	127%	2%	17%

## ANALYSIS

As discussed during the recent budget hearing process, the use of outside consultants has become an increasingly important resource for San Diego LAFCO over the past five years, contributing to the upward trend in expenditures within the Professional Services Account. Two interrelated factors help explain this development. First, consultants have been engaged to help manage a substantial workload, particularly in response to significant staff turnover. Since 2020, five of LAFCO’s eight budgeted positions have experienced turnover. In several instances, outside consultants have been strategically retained to redirect budgeted funds that would otherwise support salaries and benefits, thereby ensuring operational continuity during staffing transitions. Second, outside consultants have played a critical role in supporting the continued development of LAFCO’s municipal service review program by providing subject-matter expertise in specialized areas beyond the agency’s internal capacity - such as healthcare and water economics, public transportation, and other complex policy and infrastructure topics. A shared benefit of both factors contributing to the increased use of consultants is the moderating effect on long-term personnel costs. Notably, LAFCO has limited overall growth in salaries and benefits to 1.95% over the five-year reporting period, helping to control future financial agency obligations.

## RECOMMENDATION

This item is presented to San Diego LAFCO for information only.

## ALTERNATIVES FOR ACTION

None.

## PROCEDURES

This item has been placed on the San Diego LAFCO's agenda as part of the consent calendar. A successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation unless otherwise specified by the Commission.

Respectfully,



Keene Simonds  
Executive Officer

Attachments: none