



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

5C

AGENDA REPORT
 Consent | Action

October 6, 2025

TO: Chair Whitburn and Commissioners

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

SUBJECT: 4th Quarter Budget Report for 2024-2025 |
 Close of the Fiscal Year and Corrective Amendments

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will review a report comparing budgeted and actual transactions through the fourth quarter as part of the administrative close of the fiscal year. The report details the Commission finished June 30th with an overall net balance of (\$121,839) or (4.4%). The shortfall largely ties to additional professional service costs involving two high-priority projects as detailed. The report is being presented to the Commission to accept and file as well as approve close-of-year budget amendments to ensure all expense units finish with authorized balances.

BACKGROUND

San Diego LAFCO’s adopted budget for 2024-2025 totals \$2.912 million in matching expenses and revenues. The operating portion of the adopted budget totals \$2.428 million in costs and \$2.399 million in revenues with the difference covered by drawing down on unrestricted reserves. LAFCO’s unrestricted fund balance at the start of the fiscal year totals \$1.708 million with \$0.833 million involving unassigned monies.

Administration Keene Simonds, Executive Officer 2550 Fifth Avenue, Suite 725 San Diego, California 92103 T 619.321.3380 www.sdlafco.org lafco@sdcountry.ca.gov	Paloma Aguirre County of San Diego Joel Anderson County of San Diego Monica M. Steppe, Alt. County of San Diego	Kristi Becker City of Solana Beach Dane White City of Escondido John McCann, Alt. City of Chula Vista	Chair Stephen Whitburn City of San Diego Marni von Wilpert, Alt. City of San Diego	Vice Chair Barry Willis Alpine Fire Protection Jo MacKenzie Vista Irrigation David Drake, Alt. Rincon del Diablo	Brigitte Browning General Public Eileen Delaney General Public
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DISCUSSION

This item presents San Diego LAFCO with a budget-to-actual comparison of expenses and revenues as part of the administrative close of fiscal year 2024-2025 and in preparation for the outside audit review. The comparison is detailed in Attachment One and provides the Commission an opportunity to review expense and revenue trends relative to recent years and provide follow-up direction to staff as needed. The report is presented for the Commission to formally accept and file along with approving correcting amendments for accounting purposes to ensure all budget units conclude the fiscal year with authorized amounts. Additional discussion follows.

Operating Budget

LAFCO's adopted operating budget for 2024-2025 to support day-to-day activities – including 8.0 full-time positions – totals \$2,428,138 in expenses and \$2,399,098 in revenues, resulting in a planned shortfall of (\$29,040) to be covered by reserves. Operating actuals through the end of the year produced an overall shortfall of (\$121,839) or (4.8%). The overall shortfall largely ties to an overspend of (\$252,791) or (57.6%) in professional services, primarily attributed to two high-priority items and their associated expenses: (a) using outside counsel to assist in negotiating a memorandum of understanding with the Port of San Diego and (b) bearing the full contract costs of an outside consultant's two-year work during the fiscal year on the municipal service review of wholesale water service providers. The overall shortfall was reduced to (\$121,839) due to higher-than-expected revenues collected during the fiscal year.

Non-Operating Budget

LAFCO's adopted non-operating budget for 2024-2025 totals \$484,000 in expenses and \$513,000 in revenues, with the latter amount including the planned use of reserves to cover – among other items – the aforementioned planned deficit in the operating budget. Non-operating actuals largely tied to transacting State grants and through the end of the year produced an overall savings with revenues exceeding expenses by \$3,478 or 1.5%.

Correcting Amendments

Amendments are needed to ensure all operating expense units finish with authorized balances for accounting purposes. Two related amendments are accordingly proposed to (a) increase the budgeted expense covering professional services to match actuals and (b) increase use of reserves to offset the overall shortfall.

ANALYSIS

San Diego LAFCO finished 2024-2025 with an overall shortfall of (4.4%). Despite the shortfall, LAFCO successfully concluded the fiscal year with strategic investments in critical regional planning initiatives while maintaining strong fiscal discipline and healthy reserves. This includes strategic investment above budget in professional services for high-priority regional planning initiatives that was offset by higher-than-expected revenue collection. Personnel costs demonstrated fiscal discipline by finishing under budget while LAFCO maintained a healthy fund balance reserve of \$1.523 million - equivalent to three-fifths of actual costs.

RECOMMENDATION

It is recommended San Diego LAFCO accept and file the final quarterly budget report for 2024-2025 and approve the correcting amendment as proposed. 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):

- (a) Accept and file the quarterly report as presented.
- (b) Approve amendments to the budget to concurrently increase the operating expense line for Account No. 52370 (Professional Services) to match actuals at \$698,558 and increase the non-operating revenue line for Account No. 47540 (Reserves) to cover the shortfall of \$121,839.

Alternative Two:

Continue to a future meeting and provide direction to staff as needed.

PROCEDURES

This item has been placed on the agenda as part of the consent calendar. 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) 2024-2025 Budget with Actuals Through June 30, 2025

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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			FY2024-2025			
		Adopted	Amended	Actuals	Adopted	Actuals	%	\$
						6/30/2025	Balance	Balance
		1,435,895	1,287,395	1,176,442	1,468,773	1,433,013	0.98	35,760
								-
		43,824	43,824	37,385	42,299	40,596	0.96	1,703
		12,737	12,737	14,194	14,194	15,599	1.10	(1,405)
		980	980	2,580	1,000	1,814	1.81	(814)
		500	500	539	500	490	0.98	10
		28,994	28,994	23,077	38,736	25,467	0.66	13,268
		50	50	30	50	18	0.36	32
		8,211	8,211	9,636	12,380	11,066	0.89	1,314
		250	250	314	250	495	1.98	(245)
		22,500	22,500	17,211	23,000	11,958	0.52	11,042
		-	-	-	-	132	-	(132)
		-	-	-	-	-	-	-
		14,600	14,600	8,348	12,100	13,783	1.14	(1,683)
		10,000	10,000	12,401	10,000	7,817	0.78	2,183
		296,170	444,670	518,671	445,767	698,558	1.57	(252,791)
		8,150	8,150	11,221	8,500	21,142	2.49	(12,642)
		6,600	6,600	3,955	4,500	3,335	0.74	1,165
		144,743	144,743	149,217	154,308	157,167	1.02	(2,859)
		40,000	40,000	32,366	33,000	57,293	1.74	(24,293)
		-	-	198	-	215	-	(215)
		-	-	413	-	3,699	-	(3,699)
		-	-	-	-	-	-	-
		2,700	2,700	5,930	2,700	14,193	5.26	(11,493)
		8,700	8,700	8,201	8,700	11,068	1.27	(2,368)
		15,050	15,050	18,038	15,050	23,771	1.58	(8,721)
		20,000	20,000	15,553	18,000	18,193	1.01	(193)
		33,000	33,000	24,254	30,000	12,504	0.42	17,496
		35,000	35,000	23,984	25,000	18,083	0.72	6,917
		28,000	28,000	26,759	30,000	26,744	0.89	3,256
		2,331	2,331	1,632	2,331	1,608	0.69	723
		40,000	40,000	5,498	25,000	6,389	0.26	18,611
		2,000	2,000	1,986	2,000	1,986	0.99	14
		825,091	973,591	973,591	959,364	1,205,183	1.26	(245,819)
								-
OPERATING EXPENSE TOTAL		2,260,986	2,260,986	2,150,033	2,428,138	2,638,196	1.09	(210,059)

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 6/30/2025	% Balance	\$ Balance
34,092	33,591	0.99	501
-	-	-	-
450,000	198,478	-	251,522
-	-	-	-
484,092	232,069	0.479	252,023
2,912,230	2,870,265	0.99	41,965

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
200,000	200,000	194,596
200,000	200,000	194,596
15,000	15,000	19,321
15,000	15,000	19,321
2,248,861	2,248,861	2,247,777
450,000	450,000	68,882
46,218	46,218	46,218
496,218	496,218	115,100
2,745,079	2,745,079	2,362,877

FY2024-2025			
Adopted Final	Actuals 6/30/2025	% Balance	\$ Balance
623,997	623,997	1.00	-
623,997	623,997	1.00	-
312,108	312,108	1.00	-
623,997	734,786	1.18	(110,789)
2,184,098	2,294,887	1.05	(110,789)
200,000	212,386	1.06	(12,386)
200,000	212,386	1.06	(12,386)
15,000	9,084	0.61	5,916
15,000	9,084	0.61	5,916
2,399,098	2,516,357	1.05	(117,259)
450,000	172,415	-	277,585
63,132	63,132	-	(0)
513,132	235,547	-	277,584
2,912,230	2,751,904	0.94	160,325

Service Charges Unit

46234	Application Fees
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Earnings Unit

44105	Interest and Dividends
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OPERATING REVENUE TOTAL

Non-Operating Unit

TBD	Grant Awards
47540	Transfer from Fund Balance

REVENUE TOTALS

OPERATING NET
TOTAL NET

LAFCO FUND BALANCE

(unrestricted)

Committed		
... Stabilization	500,000	500,000
... Opportunity	250,000	250,000
Assigned by EO	125,000	100,000
Unassigned	832,948	672,977
	<u>1,707,948</u>	<u>1,522,977</u>