



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

5C

AGENDA REPORT
 Consent | Action

November 3, 2025

TO: Chair Whitburn and Commissioners

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

**SUBJECT: Budget Update for 2025-2026 |
 First Quarter Actuals with Year-End Projections**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will review a report comparing budgeted and actual transactions through the first quarter of 2025-2026 and related analysis. The total budget for the fiscal year – operating and non-operating – is \$3.164 million. The Commission finished the first quarter expending 20% of total budgeted expenses while collecting 68% of total budgeted revenues. The report projects the Commission is on pace to finish the fiscal year generally as expected with a net surplus of \$0.022 million or 0.7%. No amendments are recommended at this time. The report is being presented to the Commission to formally accept with the opportunity to pull for additional discussion.

BACKGROUND

San Diego LAFCO's adopted budget for 2025-2026 totals \$3.164 million with the majority – \$2.681 million – allocated to operating expenses and covers labor and service/supplies costs. Non-operating expenses involve transacting grant awards and debt service. Matching revenue amounts are budgeted for both operating and non-operating units. The total unrestricted cash balance as of July 1, 2025 was \$1.672 million with \$0.922 million unassigned.

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

This item is for San Diego LAFCO to receive an update comparison of budget to actual expenses and revenues through the close of the first quarter (September 30, 2025). A detailing of all booked expenses and revenues plus projected year-end totals is provided in general ledger format as Attachment One. The report provides the Commission the opportunity to track trends and provide related direction as needed.

Expenses

San Diego LAFCO's budgeted expense total for 2025-2026 is \$3.164 million divided between \$2.681 million in operating and \$0.483 million in non-operating units. Through the first quarter, actual expenses total \$0.637 million or 20% of budget. Staff analysis projects year-end expenses of \$3.091 million, yielding savings of \$0.072 million or 2.3%. Details on budgeted and actual amounts through the first quarter with year-end projections follow.

Operating: Salaries and Benefits | LAFCO has budgeted \$1.589 million in salaries and benefits largely tied to funding 8.0 fulltime equivalent positions. First quarter actuals total \$0.400 million or 25% of budget. Staff projects year-end actuals of \$1.571 million, yielding a savings surplus of \$0.017 million or 1.1% less any amendments.

Operating: Services and Supplies | LAFCO has budgeted \$1.092 million in services and supplies largely tied to professional service expenses (e.g., legal, consultants) as well as payments to the County of San Diego for information technology and general support. First quarter actuals total \$0.227 million or 21% of budget. Staff projects year-end actuals of \$1.037 million, yielding a savings surplus of \$0.055 million or 5.0% less any amendments.

Non-Operating | LAFCO has budgeted \$0.483 million in non-operating costs covering debt service and grant payments. First quarter expenses total \$0.009 million. Staff projects actuals will match the budgeted amount of \$0.483 million less any amendments.

Revenues

San Diego LAFCO's budgeted revenue total for 2025-2026 is \$3.164 million divided between \$2.714 million in operating and \$0.450 million in non-operating units. First quarter revenues total \$2.156 million or 68% of budget. Staff projects year-end revenues of \$3.114 million, yielding a shortfall of (\$0.050 million) or (1.6%) attributed to lower-than-expected application fees. Details on budgeted and actual revenues with year-end projections follow.

Operating: Intergovernmental Fees | LAFCO has budgeted \$2.181 million in intergovernmental fees divided between LAFCO's four agency membership categories based on statutory formula. First quarter collections total \$2.148 million or 98% of invoiced amounts. All invoices are expected to be collected by year-end.

Operating: Service Charges | LAFCO has budgeted \$0.200 million in application fees. First quarter actuals total \$0.007 million or 4% of budget. Staff projects year-end fees of \$0.150 million, yielding a deficit of (\$0.050 million) or (25%) less any new amendments.

Operating: Interest | LAFCO has budgeted \$0.015 million in interest earnings. First quarter actuals total \$0.001 million or 5% of budget. Staff projects year-end collections will meet the budgeted amount.

Operating: Reserves | LAFCO has budgeted \$0.317 million in reserve usage. No funds have been drawn through the first quarter. Staff projects the full budgeted amount will be utilized by year-end.

Non-Operating | LAFCO has budgeted \$0.450 million in non-operating revenues for anticipated grant awards. No funds have been received through the first quarter. Staff projects the full budgeted amount will be received.

ANALYSIS

First quarter activity shows San Diego LAFCO is proceeding as planned relative to budget. No significant variances appear in actual expenses or revenues through the first three months. Staff projects a year-end net surplus of \$0.022 million or 0.7%.

Looking ahead, several variables may influence year-end projections. One of three budgeted analyst positions remains on temporary family-bonding leave, which may require additional professional service costs to maintain workplan pace. Escalating inflation is also affecting services and supplies costs, particularly with non-contract vendors. Staff anticipates these factors will largely offset, keeping year-end results within projected ranges. Any material changes requiring budget amendments will be brought to the Commission for consideration.

RECOMMENDATION

It is recommended San Diego LAFCO accept and file the report and provide related direction to staff as needed. 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 with any additional direction to staff as needed.

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) First 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

Account	Description	FY2025			FY2026				
		Adopted	Amended	Actuals	ADOPTED	Actuals Through 1st Quarter	% of Budget	Projected Balance \$	Projected Balance %
51110 +	Salaries and Per Diems	898,906	898,906	892,617	986,200	250,860	25.4%	980,292	99.4%
51410	Retirement - SDCERA	350,146	350,146	352,251	384,503	100,070	26.0%	381,817	99.3%
51415	Retirement - OPEB	10,196	10,196	9,047	11,112	1,850	16.6%	10,008	90.1%
51450	Payroll Taxes	65,044	65,044	63,697	71,457	17,688	24.8%	70,090	98.1%
51510 +	Group Insurance	143,481	143,481	115,039	134,394	29,888	22.2%	128,099	95.3%
51560	Unemployment Insurance	1,000	1,000	362	1,000	70	7.0%	1,000	100.0%
		1,468,773	1,468,773	1,433,013	1,588,667	400,426	25.2%	1,571,306	98.9%

Services and Supplies Unit

Account	Description	FY2025			FY2026				
		Adopted	Amended	Actuals	ADOPTED	Actuals Through 1st Quarter	% of Budget	Projected Balance \$	Projected Balance %
52074	Communications	42,299	42,299	40,596	50,726	4,128	8.1%	48,511	95.6%
52138	General Liability Insurance	14,194	14,194	15,599	15,599	16,775	107.5%	16,775	107.5%
52178	Vehicle - Maintenance	1,000	1,000	1,814	1,000	492	49.2%	1,000	100.0%
52182	Vehicle - Fuel	500	500	490	500	28	5.5%	500	100.0%
52270	Memberships	38,736	38,736	25,467	34,807	5,947	17.1%	30,000	86.2%
52304	Miscellaneous	50	50	18	50	8	16.0%	50	100.0%
52330	Office: General Support	12,380	12,380	11,066	13,217	1,683	12.7%	5,000	37.8%
52332	Office: Postage USPS	250	250	495	250	-	0.0%	250	100.0%
52334	Office: Design + Printing	23,000	23,000	11,958	22,500	10,000	44.4%	22,500	100.0%
52336	Office: Books and Guidelines	-	-	132	-	-	0.0%	-	0.0%
52344	Office: Supplies + Furnishings	12,100	12,100	13,783	10,300	1,905	18.5%	8,000	77.7%
52354	Office: County Mail Services	10,000	10,000	7,817	10,000	1,711	17.1%	8,000	80.0%
52370	Professional Services	445,767	698,558	698,558	566,600	107,981	19.1%	550,000	97.1%
52490	Publications + Legal Notices	8,500	8,500	21,142	7,000	4,674	66.8%	10,000	142.9%
52504	Leases: Equipment	4,500	4,500	3,335	4,000	474	11.8%	4,000	100.0%
52530	Leases: Office Space	154,308	154,308	157,167	158,688	28,348	17.9%	158,000	99.6%
52550	Special Expenses: County Overhead	33,000	33,000	57,293	58,000	15,185	26.2%	60,739	104.7%
52562	Special Expenses: New Hire Checks	-	-	215	-	-	0.0%	-	0.0%
52566	Special Expenses: Minor Equipment	-	-	3,699	-	348	0.0%	348	0.0%
52610	Travel-Training In County	2,700	2,700	14,193	2,700	1,641	60.8%	2,700	100.0%
52612	Employee Auto + Reimbursements	8,700	8,700	11,068	8,700	2,333	26.8%	8,700	100.0%
52622	Travel-Training Out of County	15,050	15,050	23,771	15,050	1,820	12.1%	7,500	49.8%
52721	IT Reimbursements: Network	18,000	18,000	18,193	18,000	4,626	25.7%	18,000	100.0%
52723	IT Reimbursements: Data Center	30,000	30,000	12,504	27,000	2,362	8.7%	15,000	55.6%
52725 +	IT Reimbursements: Financial Systems	25,000	25,000	18,083	23,000	3,975	17.3%	17,500	76.1%
52732	IT Reimbursements: Desktop Computing	30,000	30,000	26,744	30,000	7,110	23.7%	30,000	100.0%
52734	IT Reimbursements: Help Desk	2,331	2,331	1,608	2,331	379	16.3%	2,000	85.8%
52750	IT Reimbursements: Catalog Equipment	25,000	25,000	6,389	10,000	2,818	28.2%	10,100	101.0%
52758	Fleet Reimbursements: Lease	2,000	2,000	1,986	2,000	496	24.8%	2,000	100.0%
		959,364	1,212,155	1,205,183	1,092,018	227,245	20.8%	1,037,173	95.0%
	OPERATING EXPENSE TOTAL	2,428,138	2,680,929	2,638,196	2,680,685	627,671	23.4%	2,608,479	97.3%

EXPENSES CONTINUED...	FY2025			FY2026				
	Adopted	Amended	Actuals	ADOPTED Final	Actuals Through 1st Quarter	% of Budget	Projected Year End \$	Projected Year End %
Non Operating Unit								
<u>Account No. Description</u>								
51421 Debt Service: OPEB Bonds	34,092	34,092	33,591	33,000	9,096	27.6%	33,000	100.0%
85000 Grant Award Payments	450,000	450,000	198,478	450,000	-	0.0%	450,000	100.0%
	484,092	484,092	232,069	483,000	9,096	1.9%	483,000	100.0%
EXPENSE TOTALS	2,912,230	3,165,021	2,870,265	3,163,685	636,767	20.1%	3,091,479	97.7%

REVENUES	FY2025			FY2026				
	Adopted		Actuals	ADOPTED Final	Actuals Through 1st Quarter	% of Budget	Projected Year End \$	Projected Year End %
Intergovernmental Unit								
<u>Account No. Description</u>								
45918.1 Apportionments County	623,997	623,997	623,997	654,902	654,902	100.0%	654,902	100.0%
45918.2 Apportionments Cities (less SD)	623,997	623,997	623,997	654,902	654,902	100.0%	654,902	100.0%
45918.3 Apportionments San Diego	312,108	312,108	312,108	327,566	327,566	100.0%	327,566	100.0%
45918.4 Apportionments Special Districts	623,997	623,997	734,786	544,113	510,308	93.8%	544,113	100.0%
	2,184,098	2,184,098	2,294,888	2,181,483	2,147,678	98.5%	2,181,483	100.0%
Service Charges Unit								
<u>Account No. Description</u>								
46234 Application Fees	200,000	200,000	212,386	200,000	7,255	3.6%	150,000	75.0%
	200,000	200,000	212,386	200,000	7,255	3.6%	150,000	75.0%
Miscellaneous								
<u>Account No. Description</u>								
44105 Interest and Dividends	15,000	15,000	9,084	15,000	759	5.1%	15,000	100.0%
47540 Reserves	63,132	181,492	181,492	317,202	-	0.0%	317,202	100.0%
	78,132	196,492	190,576	332,202	759	0.2%	332,202	100.0%
OPERATING REVENUE TOTAL	2,462,230	2,580,590	2,697,850	2,713,685	2,155,692	79.4%	2,663,685	98.2%
Non-Operating Unit								
<u>Account No. Description</u>								
85000 Grant Awards	450,000	450,000	172,415	450,000	-	0.0%	450,000	100.0%
	450,000	450,000	172,415	450,000	-	0.0%	450,000	100.0%
REVENUE TOTALS	2,912,230	3,030,590	2,870,265	3,163,685	2,155,692	68.1%	3,113,685	98.4%

TOTAL NET	-	-	-	-	-	-	22,206	0.7%
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CASH FUND BALANCE (spendable - unrestricted)	FY2023 July 1st	FY2024 July 1st	FY2025 July 1st	FY2026 July 1st
Committed				
... Stabilization	500,000	500,000	500,000	500,000
... Opportunity	250,000	250,000	250,000	150,000
Assigned by EO	62,500	125,000	100,000	100,000
Unassigned	735,065	762,356	882,010	921,791
	1,547,565	1,637,356	1,732,010	1,671,791