SAN DIEGO LAFCO

COMMISSION MEETING
MAY 5, 2025

SAN DIEGO LAFCO

Agenda Item No. 6b

Proposed Final Workplan and Budget for 2025-2026

5/5/2025

Proposed Final Workplan:

High Priority

1 2 3 4 5 6

1a MSR | Wholesale Water Services

1b MSR | Healthcare Districts

2 MSR | SANDAG

4a MSR | Carlsbad-Encinitas: Cities

4b MSR | Carlsbad-Encinitas: Districts

6a MSR | Vista-San Marcos: Cities

6b MSR | Vista-San Marcos: Districts

8 White Paper | Homeless Services

9 White Paper | Recreation @ City Reservoirs

10 SALC Planning Grant 2.0

Proposed Final Workplan:

Medium Priority

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11a MSR |
Solana Beach - DM: Cities

11b MSR |
Solana Beach - DM Districts

13 Website Refresh
+ Content Expansion

14 MSR |
San Diego Unified Port

15 Special Study |
Oceanside SCHD Governance

16 Outside Auditor |
RFP + Selection

17 Outside Audit |
FY2024-2025

18 Pilot Grant Program

19 FY26 Staffing |
Districts Advisory Committee

20 FY26 Staffing
Cities Advisory Committee

Proposed Final Workplan:
Lower Priority

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21 RCD 2.0 | Ad Hoc Committee

22 MSR | South Coast: Cities

23 MSR Addendum | Healthcare Districts

24 Alternate Membership Organization (Alt. CALAFCO)

25 CY2026 | Local Agencies Directory

26 Legislative Proposal | UC Berkeley Report

27 Commissioner Onboarding

28 CY2026| SOI-MSR Registry

29 Applicant Procedures

30 Featured Work + Tutorial Videos

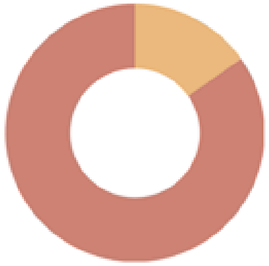
Proposed Final Budget:

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Total Expenses: $3.163 Million

Increase of 8.6% or $0.251 million

divided between operating and non-operating costs



Operating Costs - 84.7%

- totals $2.681 million, an increase of 10.4% or $0.252 million
- 60% goes to salaries + benefits for 8.0 FTEs
- 40% goes to services + supplies

Non-Operating Expenses - 15.3%

- totals $0.483 million, a decrease of 0.2% or >$1k
- divided between grant and debt payments

Total Revenues: $3.163 Million

Increase of 8.6% or $0.251 million

divided between operating and non-operating resources



Operating Revenues - 85.8%

- totals $2.713 million, an increase of 10.2% or $0.252 million
- 87% comes from local agencies
- 7% comes from application fees
- 6% comes from reserves + earnings

Non-Operating Revenues - 14.2%

- $0.450 million, no change
- grant awards + miscellaneous

- Reduced local agency appointments from 7.6% to 5.0%
- Offset by increasing use of reserves to $206K
- Reserves remain strong at 53% of operating expenses (Policy threshold: 33%)

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Agenda Item No. 6b
Comments/Questions?

5/5/2025

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Agenda Item No. 6c

Cavanaugh - Linda Vista Drive Change of Organization

5/5/2025

Proposed “Cavanaugh - Linda Vista Drive Change of Organization”

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Background

- Vacant One-acre Parcel Within City of San Marcos
- Plans to Develop One Single-Family Residence (SFR)
- Annexation & SOI (+) Amendment to Vallecitos WD for Wastewater Services

Proposed “Cavanaugh - Linda Vista Drive Change of Organization”

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Proposed “Cavanaugh - Linda Vista Drive Change of Organization”

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Qualifiers and Recommendations

Qualifiers

- Sphere of Influence Amendment Needed
- Policy L-106 (MSR 5+ Years Old)
- Waiver is Appropriate, Limited Impact

Recommendations

1. Approve Proposal and Suggested SOI (+) Amendment
2. Waive Protest Proceedings
3. Waive Policy L-106 (MSR Requirement)
4. Make Exemption Findings as Detailed Under CEQA

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Agenda Item No. 6c
Comments/Questions?

5/5/2025

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COMMISSION MEETING
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Agenda Item No. 7a

Final Policy on Financial Accounting and Internal Controls

5/5/2025

Final Policy: Fiscal Policy 102 (F-102)
Financial Accounting and Internal Controls

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- Returns largely intact from initial presentation in March
- **Establishing** rules and procedures related to financial accounting and reporting
- **Incorporates** recommendations from outside auditor, O'Conner and Associates
- **Builds** on existing practices and best practices from similarly sized agencies

Final Policy: Fiscal Policy 102 (F-102)
Financial Accounting and Internal Controls

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12 Key Provisions:

1.Goals and Objectives

2.Administration

3.Fund Type

4.Reconciliations and Reporting

5.Payroll and Benefits Administration

6.Payments Received and Made

7.Documentation

8.Asset and Liability Management

9.Surplus Property

10.Lease and Right to Use Capitalization

11.Investments

12.Fraud Prevention

Final Policy: Fiscal Policy 102 (F-102)
Financial Accounting and Internal Controls

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Auditor' Recommendations Addressed:

1. **Establishing** threshold of $7,500 for capital assets (three or more years + subject to annual depreciation)
2. **Addressing** lease capitalization with threshold of $40,000

Final Policy: Fiscal Policy 102 (F-102) Financial Accounting and Internal Controls

Formalizing Existing Practices & Incorporating Best Practices:

1. **Delegating to Executive Officer**, with support from the Commission Clerk
2. Reinforcing **fund balance management** (Policy F-101)
3. Specifying:
   - **County as central depository**
   - **Commercial bank accounts** with balance ⩽ **15% of County-held** balances
4. Outlining:
   - **Payment Procedures and Thresholds:**
     - More than $15,000 through County accounts
     - Less than $15,000 may be via commercial bank accounts
   - **Fraud Prevention Measures and Investigative Duties**

Final Policy: Fiscal Policy 102 (F-102)
Financial Accounting and Internal Controls

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Key Addition - Surplus Property

- EO may approve < $10,000 donations/sales
- Commission must approve > $10,000 items
- Unsellable items: donation or scrap
- All actions documented

Redlined policy additions included as Attachment One.

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Agenda Item No. 7a
Comments/Questions?

5/5/2025

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Agenda Item No. 7b

City of La Jolla Incorporation Proposal - Update

5/5/2025

Overview of Proposal

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Detachment from: City of San Diego

Incorporation: City of La Jolla

Boundary: 92037 Zip Code (approx. 47,000 residents/approx. 27,000 RV's)

Proponent: Association for the City of La Jolla (501(c)(6) nonprofit)

Required Signatures: 25% of all registered voters in proposed boundary

Next Step: Acquire outside consultant to perform CFA

Boundary & Map

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Proposed Boundary:

Entirety of 92037 Zip Code

Including: La Jolla Village, La Jolla Shores & Bird Rock

*Scripps Memorial Hospital & Torrey Pines State Park



Petition Process

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Signature Gathering: Memorial Day Weekend 2024 – December 2024

Application: petitions + complete application packing (CFA + 66k deposit)

Initial Validation: applicant (3%) short of the 25% threshold

applicant immediately proceeded with supplemental petition over a 15-day window, as allowed under statue

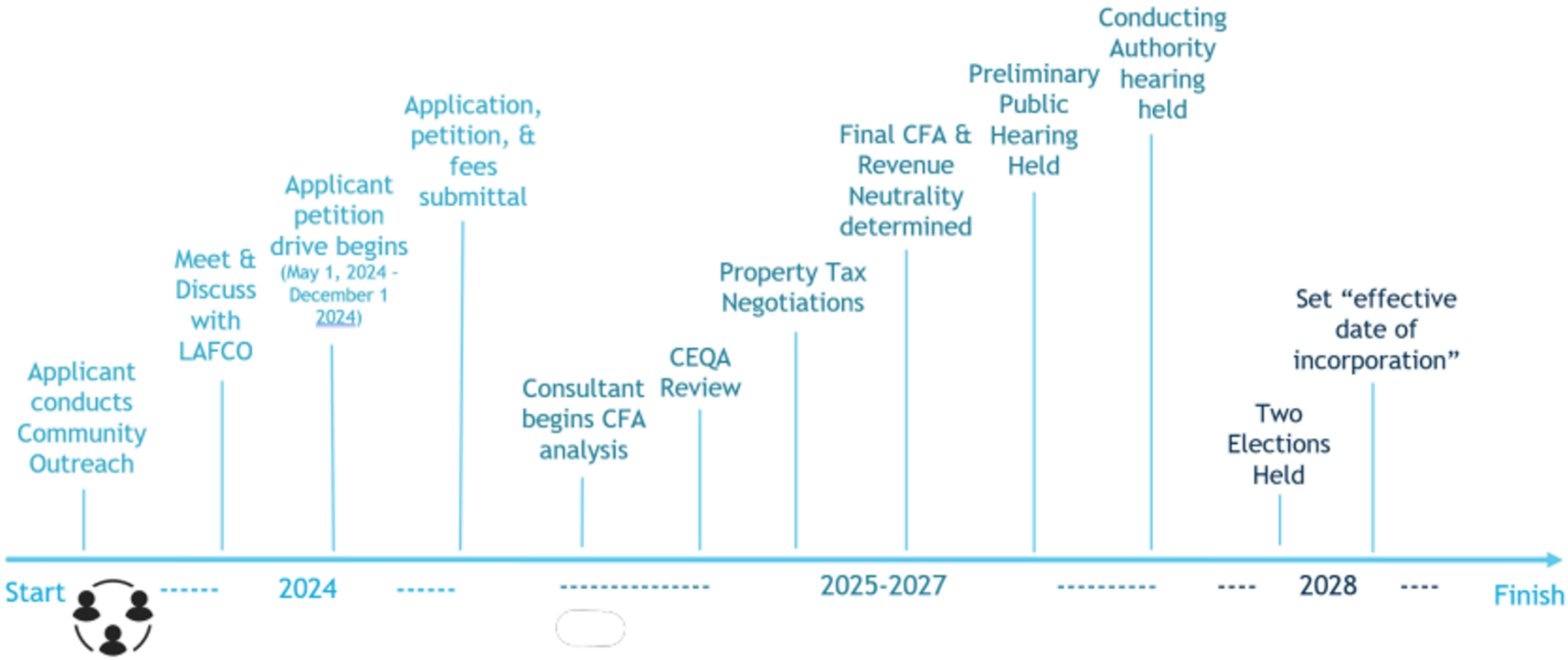
Supplemental Petitions: applicant (1%) below threshold – successfully contested more than 200 discounted petition signatures to meet 25% threshold

[1] Consistent with LAFCO statute, the Executive Officer performed the review of the applicant's contesting of discounted petition signatures by the ROV under Government Code Section 56704. This statute directs LAFCO to accept petitions so long as each person signs and dates along with affixing sufficient information to "readily ascertain" place of residence.

Timeline + Next Steps

Timeline subject to change

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Initiate Incorporation Process → Submit Application to LAFCO → LAFCO Staff Review → LAFCO Commission Hearing → Election and the First Year

SAN DIEGO LAFCO

Agenda Item No. 7b
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5/5/2025

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