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

6b

AGENDA REPORT
Public Hearing | Action

May 5, 2025

TO: Chair Whitburn and Commissioners

FROM: Keene Simonds, Executive Officer
Priscilla Mumpower, Assistant Executive Officer

SUBJECT: **Proposed Final Workplan and Budget for FY2025-2026 and Related Actions**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider recommendations from the Executive Officer to adopt a final workplan and budget for 2025-2026. Both items return substantively intact following their draft adoption in March and subsequent public review – including presentations to the Cities and Special District Advisory Committees. The proposed final workplan continues outlining the same 30 special projects and headlined by completing municipal service reviews for wholesale water service providers and healthcare districts; it also continues to provide for the initiation of a municipal service review of the San Diego Unified Port District and launch of a pilot grant program to support special LAFCO projects. Priority listings, however, have been revised to accommodate the elevation of a special governance study on the Oceanside Small Craft Harbor District as detailed. The proposed final budget, informed by the workplan, continues to set $3.164 million in matching expenses and revenues – an increase of 8.6% or $0.251 million from the current fiscal year. Increase primarily reflects adjustments for salary and benefit changes, including cost-of-living and merit increases, and expanded use of consultants to support the municipal service review program. The lone revision to the budget involves lowering local agency appointments from 7.6% to 5.0% consistent with earlier Commission feedback with a corresponding increase in using available reserves. It is recommended the Commission adopt both items with any revisions by resolution along with related actions as specified.

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Barry Willis, Alpine Fire Protection
Jo MacKenzie, Vista Irrigation
David A. Drake, Alt., Rincon del Diablo
Vacant, General Public
Brigette Browning, Alt., General Public

BACKGROUND

San Diego LAFCO is responsible under State law to adopt a proposed budget by May 1st, 2025, and a final budget by June 15th, 2025. A mandatory review by all local funding agencies is required between the two adoption periods. State law also specifies the proposed and final budgets must be equal to the budget adopted for the previous fiscal year unless LAFCO formally finds any reduced costs will allow the membership to meet its regulatory and planning duties.[1]

DISCUSSION

This agenda item is for San Diego LAFCO to consider recommendations by the Executive Officer in adopting a coordinated final (a) workplan and (b) budget for 2025-2026. Both items return to the Commission relatively intact from their initial presentation and adoption in draft form on March 3rd and the subsequent 45-day public review period. This included providing direct notice to all local funding agencies per statute as well as presenting to both the Cities and Special Districts Advisory Committees. Summaries of both items follow.

Final Proposed Workplan

The proposed final workplan for FY2025–2026 remains largely unchanged from the draft adopted in March and continues to build on the current fiscal year's efforts. It outlines 30 special projects organized across sequential priority categories, with ongoing efforts generally placed in the upper half and new projects in the lower half. An additional 20 bullpen projects are identified as optional activities the Commission may consider advancing during the year or carrying forward to future workplans. Top-priority items include ongoing municipal service reviews of wholesale water providers (No. 1a), healthcare districts (No. 1b), and the San Diego Association of Governments (No. 3), all of which are progressing toward staff issuing drafts within the next several months. Two regional municipal service reviews (No. 4a and 4b) covering the Carlsbad and Encinitas areas are also prioritized with drafts expected to be issued before the end of the calendar year. Materially, the lone revision to the workplan relative to the March draft involves advancing a special governance study of the Oceanside Small Craft Harbor District from low to medium priority and in doing so swapping places with an administrative project with U.C. Berkeley as detailed. This change responds to community input on the draft with a preliminary scope of work provided as an attachment to assist the Commission in its review of the project.

Final Proposed Budget

The proposed final budget for FY2025-2026 similarly returns largely unchanged from the draft adopted in March and structured to support the accompanying workplan. Most notably, it continues to set $3.164 million in total matching expenses and revenues, representing an overall increase of 8.6% or $0.251 million over the current fiscal year. Details follow.

1 This statutory prohibition on reducing the LAFCO budget without special findings ties to the State of California agreeing to negotiated legislation in 1962 to delegate oversight of jurisdictional boundary and service area issues from the State to LAFCOs in all 58 counties.

- Operating expenses are proposed at $2.681 million and represents an increase over the current fiscal year of 10.4% or $0.251 million.

    - The Salaries and Benefits Unit is set to increase by 8.2% – or $119,894 – and largely the result of accommodating a 3.8% placeholder cost-of-living adjustment for all 8.0 filled positions as well as anticipated step advancements for eligible employees. The increase also accommodates a scheduled per diem change from $291 to $305.

    - The Services and Supplies Unit is set to increase by 13.8% – or $132,653 – and largely to support expanded consultant use requiring technical expertise associated with the municipal service review program. The increase also accommodates a scheduled website update.

- Non-operating expenses are proposed at $0.483 million and represents a decrease over the current fiscal year of (0.2%) – or ($0.001 million) – and largely associated with transacting grant payments with the State of California involving SALC 2.0. The balance of the budget involves debt payments covering LAFCO's proportional share of the County of San Diego's obligation bonds for other post-employment benefits.

- Operating revenues are proposed at $2.714 million and represents an increase over the current fiscal year of 10.2% or $0.252 million.

    - The Apportionments Unit is set to increase by 5.0% or $0.108 million and divided by statutory formula between the County of San Diego, Cities less San Diego, City of San Diego, and Special Districts. The 5.0% marker has been set by staff based on feedback from the Commission.

    - The Miscellaneous Unit is set to increase by 183.4% or $0.143 million and entirely ties to increasing the use of reserves to balance expenses.

- Non-operating revenues are proposed at $0.450 million and represents the same amount budgeted for the current fiscal year. All revenues are associated with transacting the SALC 2.0 grant with the State of California.

A listing of all workplan projects is provided as an exhibit to the attached draft resolution. A detailed budget ledger showing all revenues and expenses is similarly provided as an exhibit.

ANALYSIS

San Diego LAFCO's proposed final workplan and budget for 2025-2026 reflect a largely status quo approach in addressing the Commission's regulatory and planning responsibilities with targeted enhancements as outlined above. The workplan maintains the Commission's established practice of setting a proactive 12-month schedule of 30 special projects, with continued emphasis on advancing the municipal service review program. The lone revision to

the workplan involves advancing a special governance study of the Oceanside Small Craft Harbor District. This revision responds to community interest and has generated an assisting letter from the City of Oceanside with constructive suggestions that are incorporated into the preliminary scope of work. The budget supports the workplan priorities and headlined by continuing to fund 8.0 fulltime positions with a 3.8% cost-of-living adjustment and targeted step increases. It also covers additional consultant usage consistent with the evolving needs of the municipal service review program. Additional use of reserves to limit the apportionment increase to 5.0% separately syncs with LAFCO policy to make available monies to help stabilize costs and smooth impacts on local agencies while also maintaining a fund balance to be no less than 33% of operating expenses. The fund balance is expected to total $1.410 million at the end of 2025-2026 and equal to 53% of operating expenses. A public guide summarizing the final proposed workplan and budget is available as Attachment One.

RECOMMENDATION

It is recommended San Diego LAFCO approve and adopt the proposed final workplan and budget as presented with any desired changes. Recommendation is consistent with taking the actions identified in the proceeding section as Alternate One.

ALTERNATIVES FOR ACTION

The following alternatives are available to San Diego LAFCO through a single motion:

Alternative One (recommended):

a) Adopt the attached resolution provided as Attachment Four approving the proposed final workplan (Ex. A) and budget (Ex. B) for FY2025-2026 with any desired changes.

b) Authorize the Executive Officer to invoice local agencies under statute formula for FY2025-2026 in the total amount of $2,292,272.

c) Approve the previously scheduled increase in per diems from $291 to $305.

Alternative Two:
Continue consideration of the item to its next regular meeting.

PROCEDURES FOR CONSIDERATION

This item has been placed on the agenda for action as part of a noticed public hearing. The following procedures, accordingly, are recommended in the Commission's consideration.

1) Disclose any ex-parte communications.
2) Receive verbal report from staff unless waived.
3) Open the hearing and invite comments from the public.
4) Close the public hearing, discuss item, and consider recommendation.

On behalf of the Executive Officer,



Priscilla Mumpower
Assistant Executive Officer

Attachments:

1) Guide to the Proposed Final Workplan and Budget for FY2026
2) Written Comments
   - Kurt Worden
   - City of Oceanside
3) Preliminary Scope of Work for Special Governance Study on Oceanside SCHD
4) Draft Resolution Approving a Final Workplan and Budget for FY2026
   - Exhibit A: Proposed Final Workplan
   - Exhibit B: Proposed Final Budget

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Proposed

FINAL WORKPLAN & BUDGET GUIDE

FY 2025-2026

Local Agency Formation Commissions – or LAFCOs – are boundary makers that oversee the creation and expansion of cities and special districts in all 58 counties of California. LAFCOs exercise regulatory and planning powers to coordinate publicly provided services, such as water or fire protection, and match them with community needs. The goal of every LAFCO is to facilitate smart growth while avoiding urban sprawl.

A summary of San Diego LAFCO's proposed final workplan and budget for 2025-2026 follows.

2025-2026 Workplan Guide

High Priority

1a - MSR | Wholesale Water Services
Service-specific study on principal wholesale water services in SD County (CWA -comprehensive + MET - abbreviated)

1b - MSR | Healthcare Districts
Service-specific study on healthcare districts in SD County (Grossmont, Fallbrook, Palomar + Tri Cities)

3 - MSR | SANDAG
Agency-specific study on SANDAG and core municipal functions (transportation, housing + climate adaption functions)

4a - MSR | Carlsbad-Encinitas Region I: Cities
Region-specific study on north coast I-5 municipalities (Carlsbad and Encinitas)

4b - MSR | Carlsbad-Encinitas Region II: Districts
Region-specific study on north coast I-5 districts (Carlsbad MWD, Leucadia WWD, Olivenhain MWD, + San Dieguito WD)

6a - MSR | Vista-San Marcos Region I: Cities
Regional MSR on central S-78 corridor municipalities (San Marcos + Vista)

6b - MSR | Vista-San Marcos Region II: Districts
Regional MSR on central S-78 corridor districts (San Marcos FPD, Vista FPD, Vista, ID, Buena SD, + Vallecitos WD)

8 - White Paper | Homeless Services
Evaluate the scope-scale of governmental homeless services in SD County + potential governance options

9 - White Paper | Public Recreation @ City Reservoirs
Assess public recreation opportunities at City of SD's unincorporated reservoirs + potential governance alternatives

10 - SALC Planning Grant 2.0
Complete multi-year grant to inform + enhance small farming operations in SD County

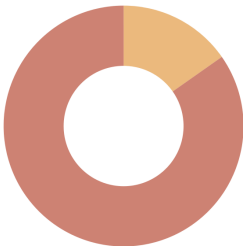
Medium Priority	Lower Priority
11a - MSR | Solana Beach - Del Mar Region I: Cities	**21** - RCD Ad Hoc Committee: Part II
11b - MSR | Solana Beach - Del Mar Region II: Districts	**22** - MSR | South Coast Region I: Cities
13 - Website Refresh + Content Expansion	**23** - MSR | Healthcare Districts: Addendum
14 - MSR | San Diego Unified Port District	**24** - Alternative Membership Organization
15 - Special Study | Oceanside SCHD	**25** - Annual Local Agency Directory
16 - Outside Audit | RFP + Selection	**26** - Legislative Proposal | UC Berkeley Report
17 - Outside Audit | FY2025	**27** - Commissioner Onboarding
18 - Pilot Grant Program	**28** - Annual SOI-MSR Registry
19 - Special Districts Advisory Committee	**29** - Applicant Procedures
20 - Cities Advisory Committee	**30** - Featured Work + Tutorial Videos

2025-2026 Budget Guide

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

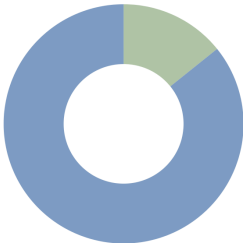
Non-Operating Expenses - 15.3%

- 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

Budget Snapshot...

The proposed final budget provides a matching expense and revenue total at $3.2 million, which is 8.6% over the current year – or $251k.

Key Drivers of Increased Costs (approximations):

- $57k – or 4% - goes to salaries-benefits to cover COLA for all 8.0 FTEs

- $57k – or 4% - goes to salaries-benefits to accommodate FTE merit step advancements

- $6k – or 1% - goes to salaries-benefits for various true-ups in benefits

- $120k – or 25% - goes to services-supplies to cover additional consultant use to advance MSR program

Cost-savings are incorporated into the proposed budget by reducing other consultant usage – including graphic design, video production, and outreach.

The $251k increase in revenues involves increasing agency apportionments by 7.6% - or $165k – with the balance covered by using additional reserves.

LAFCO COMMISSION

San Diego LAFCO is governed by a Commission consisting of county, city, special district, and public members. Commissioners are appointed elected officials with the exception of the two public members. Commissioners serve four-year terms and must exercise their independent judgment on behalf of the interests of residents, landowners, and the public as a whole. Commissioners are subject to standard disclosure requirements and must file annual statements of economic interests. The Commission has sole authority in administering its legislative responsibilities and its decisions therein are not subject to an outside appeal process.



Stephen Whitburn
Chair
City of San Diego



Barry Willis
Vice Chair
Alpine Fire Protection



Jim Desmond
Past Chair
County of San Diego



Joel Anderson
Commissioner
County of San Diego



Kristi Becker
Commissioner
City of Solana Beach



Dane White
Commissioner
City of Escondido



Jo Mackenzie
Commissioner
Vista Irrigation



Vacant
Commissioner
General Public



Bridgette Browning
Alternate
Public Member



David Drake
Alternate
Rincon Del Diablo



John McCann
Alternate
City of Chula Vista



Marni von Wilpert
Alternate
City of San Diego

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From: Kurt Worden <>
Sent: Monday, April 14, 2025 8:26:47 AM
To: Mumpower, Priscilla <Priscilla.Mumpower@sdcounty.ca.gov>
Cc: Barry Willis <>
Subject: [External] Feedback on SD LAFCO Proposed Final Workplan and Budget FY26

Feedback provided as requested.

General opposition to LAFCO salary increases. With out further explanation it appears that LAFCO salaries are excessive and 8.9% increase is unwarranted. The median salary in San Diego County is $73000. The proposed median LAFCO salary is $123000. ($986,000 / 8 full time employees)

Recommend that there be an explanation of the salary budget line or a reduction to align to the County median salary.

Thank you.
Kurt Worden.

CITY OF OCEANSIDE
OFFICE OF THE CITY MANAGER

April 25, 2025

San Diego County – Local Agency Formation Commission (LAFCO)
Keene Simonds, Executive Officer
Michaela Peters, Analyst II
2550 Fifth Avenue, Suite 725
San Diego, CA 92103

RE: LAFCO Draft Workplan for 2025 – 2026: RE: Oceanside SCHD Special Study

Dear Mr. Simonds and Ms. Peters:

Thank you for your ongoing communications regarding LAFCO's Draft 2025 – 2026 Workplan, specifically as it relates to the Oceanside Small Craft Harbor District (SCHD) Special Study (Special Study). We understand that a group of SCHD stakeholders are actively seeking an amendment to the initial 2025 - 2026 Workplan presented to the Commission on March 3 by increasing the priority level of the Special Study from its initially recommended "Lower Priority" status to a higher priority level. While City staff has no comment on the SCHD stakeholders' request, we continue to advocate for a thorough and fair Special Study process that involves direct, continual collaboration and coordination with the City of Oceanside, recognizing its role as the current governing body of the SCHD. Specifically, the following requests are offered:

- In completing the Special Study, LAFCO should retain the services of an industry expert who has experience in advising on matters concerning the operation and governance of publicly-operated harbors comparable to the Oceanside SCH. City staff would also like to participate in the consultant selection process, if possible.
- LAFCO staff should engage Oceanside staff early on in the Special Study process. We further request that LAFCO staff share a draft Special Study workplan and schedule while providing our staff an opportunity to comment on the workplan/schedule before it is finalized. In reviewing the workplan/schedule, we will want to ensure there is ample time and opportunity allocated for engagement with the City and public.
- Similar to the process followed with the recently-completed Oceanside MSR, a preliminary draft of the Special Study should be shared with the City of Oceanside for comment before it is released for public review. It is imperative that the City be provided with an opportunity to review and comment on the initial draft before it is released for public comment.

Thank you for your consideration of these requests. City of Oceanside staff looks forward to partnering with LAFCO and our Harbor stakeholders during the SCHD Special Study process.

Jonathan Borrego
City Manager

CC: Oceanside City Council

SPECIAL GOVERNANCE STUDY ON THE OCEANSIDE SMALL CRAFT HARBOR DISTRICT (SCHD)

PRELIMINARY SCOPE OF WORK

Description | The proposed project ties to a formal recommendation included in the recently completed municipal service review on the Oceanside Region to proceed with additional analyses to assess available governance alternatives to the current organization of Oceanside Small Craft Harbor District. The project has been scaled to consider only the merits of reorganizing the District from its dependent role under the City of Oceanside to an independent role with a directly elected board and assuming all related responsibilities (i.e., administration and operations). The project will be performed by LAFCO staff with technical assistance provided by an outside consultant.

Objective | Produce an independent study of the merits of reorganizing the Oceanside Small Craft Harbor District into an independent agency and whether this alternative would be more effective in addressing community service needs relative to financial resources and in doing so assist future decision-making.

Estimated Timeline | 14-18 months.

Project Tasks + Target Dates

1. Establish Stakeholder Group
   LAFCO staff establishes an appropriately sized stakeholder group to include users or representatives of the Oceanside Harbor (slip permittees, commercial tenants, etc.), Oceanside Habor and Beaches Committee, and City of Oceanside.

   September 2025

2. Retain Outside Consultant
   LAFCO staff with input from the Oceanside City Manager and Stakeholder Group to use an industry expert with experience in advising on matters concerning the operation and governance of publicly operated harbors. The costs of the outside consultant will be funded by LAFCO and subject to staff's procurement authority.

   October 2025

3. Financial Analysis + Benchmarking
   LAFCO staff and consultant will expand on the financial analysis performed in the municipal service review and assess direct District revenue and expense sources over a 10-year period. Analysis will also benchmark current financial structure against comparable harbor districts and distinctions therein between dependent and independent agencies. Incorporate input from Stakeholder Group.

   March 2026

DRAFT

4. Governance + Benchmarking
   LAFCO staff and consultant will expand on governance analysis performed in the municipal service review and assess the relationship between the District and constitutions specific to community needs – existing and emerging. This includes drawing from existing inputs and evaluating public safety services (e.g., police, fire, lifeguard, security) and related cost options with strategic surveying. Incorporate input from Stakeholder Group.

   July 2026

5. Administrative Report + Follow Up
   LAFCO staff will draw on the analysis generated during the preceding steps and prepare an administrative report with draft conclusions and share with the City of Oceanside for review and comment before sharing with the full Stakeholder Group. LAFCO staff and consultant will perform related follow-up work on the document as appropriate in line with preparing a complete draft report.

   October 2026

6. Draft and Final Reports
   LAFCO staff will proceed with preparing draft and final reports for presentations to the Commission and separated by a public review and comment period. Formal filing by the Commission will complete the project.

   December 2026

DRAFT

RESOLUTION No. ___

SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION
ADOPTING A PROPOSED FINAL WORKPLAN AND BUDGET
FISCAL YEAR 2025-2026

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires the San Diego County Local Agency Formation Commission ("Commission") to perform certain regulatory and planning duties to facilitate orderly and accountable local government; and

WHEREAS, the Commission is required to annually adopt proposed and final budgets by May 1st and June 15th, respectively; and

WHEREAS, the Executive Officer has prepared a written report and recommendations on a proposed final workplan and budget for FY 2025-2026; and

WHEREAS, the Commission has heard and fully considered all the evidence on a proposed final workplan and budget for FY 2025-2026 presented at a public hearing held on May 5, 2025;

WHEREAS, the adoption of a workplan and budget are not projects under the California Environmental Quality Act.

NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

1. The proposed final workplan for FY 2025-2026 shown as Exhibit A is APPROVED.

2. The proposed final budget for FY 2025-2026 shown as Exhibit B is APPROVED.

The foregoing resolution was duly and regularly adopted by the Commission at a public hearing held on May 5, 2025 by the following vote:

Yes: _____

No: _____

Abstain: _____

Attest:

_____
KEENE SIMONDS
Executive Officer

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Exhibit A

PROPOSED FINAL WORKPLAN FOR FY2025-2026

Priority	Tier	Type	Project	Description
Ongoing	Highest	Statutory	Applicant Proposals and Service Requests	Prioritize resources to address applicant proposals and related service requests
Ongoing	Highest	Administrative	Targeted LAFCO Presentations	Coordinate timely public outreach; emphasis on informing stakeholders ahead of MSR work
Ongoing	Highest	Administrative	Workplan and Budget Management	Actively manage the workplan and budget resources with regular updates to the Commission
Priority	**Tier**	**Type**	**Project**	**Description**
1a	Highest	Statutory	MSR | Wholesale Water Services	Service-specific study on principal wholesale water services in SD County (CWA -comprehensive + MET - abbreviated)
1b	Highest	Statutory	MSR | Healthcare Districts	Service-specific study on healthcare districts in SD County (Grossmont, Fallbrook, Palomar + Tri Cities); addendum expected
3	Highest	Statutory	MSR | SANDAG	Agency-specific study on SANDAG and core municipal functions (transportation, housing + climate adaption functions)
4a	Highest	Statutory	MSR | Carlsbad-Encinitas Region I: Cities	Region-specific study on north coast I-5 municipalities (Carlsbad and Encinitas)
4b	Highest	Statutory	MSR | Carlsbad-Encinitas Region II: Districts	Region-specific study on north coast I-5 districts (Carlsbad MWD, Leucadia WWD, Olivenhain MWD, + San Dieguito WD)
6a	High	Statutory	MSR | Vista-San Marcos Region I: Cities	Regional MSR on central S-78 corridor municipalities (San Marcos + Vista)
6b	High	Statutory	MSR | Vista-San Marcos Region II: Districts	Regional MSR on central S-78 corridor districts (San Marcos FPD, Vista FPD, Vista, ID, Buena SD, + Vallecitos WD)
8	High	Administrative	White Paper | Homeless Services	Evaluate the scope-scale of governmental homeless services in SD County + potential governance options
9	High	Administrative	White Paper | Public Recreation @ City Reservoirs	Assess public recreation opportunities at City of SD's unincorporated reservoirs + potential governance alternatives
10	High	Administrative	SALC Planning Grant 2.0	Complete multi-year grant to inform + enhance small farming operations in SD County
11a	High-Mid	Statutory	MSR | Solana Beach – Del Mar Region I: Cities	Region-specific study on mid coast I-5 municipalities (Solana Beach and Del Mar)
11b	High-Mid	Statutory	MSR | Solana Beach – Del Mar Region II: Districts	Regional MSR on mid coast I-5 districts (Santa Fe ID + CSA 17)
13	High-Mid	Administrative	Website Refresh + Content Expansion	Work with outside consultant to design and launch website refresh w/enhanced end-user features
14	High-Mid	Statutory	MSR | San Diego Unified Port District	Agency-specific study and core municipal-facing functions (harbor, recreation, public safety, + community development)
15	High-Mid	Statutory	Special Study | Oceanside SCHD	Prepare special study on SCHD detailing revenues/expenses + potential merits to governance alternatives
16	Mid	Administrative	Outside Audit | RFP + Selection	Prepare and circulate RFP and select new outside auditor beginning with FY2025 statements
17	Mid	Administrative	Outside Audit | FY2025	Complete outside audit of financial statements for FY2025 with supplemental information for added value
18	Mid	Administrative	Pilot Grant Program	Establish pilot program to explore grant opportunities to help fund special projects at LAFCO – studies, etc.
19	Mid	Administrative	Special Districts Advisory Committee	Provide administrative support to the SDAC and hold no less than three meetings in FY2026
20	Mid	Administrative	Cities Advisory Committee	Provide administrative support to the CAC and hold no less than two meetings in FY2026

Priority	Level	Type	Project	Description
21	Mid-Low	Statutory	RCD Ad Hoc Committee: Part II	Complete second part of RCD boundary true ups to inform comprehensive sphere updates for local RCDs
22	Mid-Low	Statutory	MSR | South Coast Region I – Cities	Region-specific study on south coast I-5 municipalities (Chula Vista, Coronado, Imperial Beach and National City)
23	Mid-Low	Statutory	MSR | Healthcare Districts: Addendum	Address community healthcare needs and related resources (public + private) + potential governance alternatives
24	Mid-Low	Administrative	Alternative Membership Organization	Work with other LAFCOs to receive/provide ongoing education and legislative advocacy services (post CALAFCO)
25	Mid-Low	Administrative	Annual Local Agency Directory	Update and publish annual local agency directory subject to LAFCO oversight
26	Low	Administrative	Legislative Proposal | UC Berkeley Report	Sponsor/facilitate legislation implementing UC report recommendations to improve LAFCO efficiencies
27	Low	Administrative	Commissioner Onboarding	Create a digital toolkit for new Commissioners to help acclimatize to agency duties, structure, and activities
28	Low	Administrative	Annual SOI-MSR Registry	Update and publish annual registry showing all recorded sphere of influence and municipal service review actions
29	Low	Statutory	Applicant Procedures	Update and streamline LAFCO application materials + establish related protocols – including addressing stale proposals
30	Low	Administrative	Featured Work + Tutorial Videos	Produce videos featuring special projects as well as primers on LAFCO duties for online distribution
	Bullpen	Statutory	MSR | City of San Diego	Agency-specific study and core municipal service functions (water, wastewater, public safety, etc.)
	Bullpen	Statutory	White Paper | Community Choice	Evaluate the scope and scale of CCAs in SD County and connectivity to LAFCO duties and interests
	Bullpen	Statutory	Outreach to Sunset/Melrose "Island"	Perform targeted outreach to the island between Oceanside + Vista to assess service needs + possible annexation interests
	Bullpen	Administrative	Service + Fiscal Indicators	Develop online browser feature to depict service + fiscal indicators among local agencies in SD County
	Bullpen	Administrative	Liaison with Local Tribes	Establish communication protocols with local tribes with respect to shared interests in regional services + CEQA consultations
	Bullpen	Statutory	Morro Hills CSD Follow Up	Coordinate and/or otherwise facilitate discussions with County Sherrif to enhance traffic enforcement within the CSD
	Bullpen	Statutory	Policy Review | Health + Safety Fee Reductions	Review options to revise existing fee reductions for proposals/requests involving public health or safety threats
	Bullpen	Administrative	LAFCO Meeting Room	Explore opportunities to secure a dedicated LAFCO meeting room with scaled dais and A/V enhancements
	Bullpen	Statutory	White Paper | Garbage + Landfill Services	Evaluate the scope and scale of garbage collection and disposal services in SD County
	Bullpen	Statutory	Legislative Proposal | G.C. 56430	Sponsor and/or facilitate amendments establishing community engagement enhancements in MSR statute
	Bullpen	Statutory	White Paper | School Districts	Evaluate scope and scale of school districts and their baseline capacities for reference in municipal service reviews
	Bullpen	Statutory	Policy Review | Island Annexations	Consider options to define "substantially surrounded" and provide related mapping services
	Bullpen	Administrative	LAFCO Workshop	Organize a special workshop for the Commission to discuss strategic objectives over the next five year period
	Bullpen	Administrative	Public Access Television	Establish public broadcasting LAFCO meetings on local government channels
	Bullpen	Administrative	Procedural Flow Charts	Create user friendly flow charts for various LAFCO statutory processes for online publication
	Bullpen	Statutory	Policy | Fee Schedule Update	Review and update fee schedule to sync with current costs and related considerations
	Bullpen	Statutory	Policy | CEQA Guidelines	Review and update existing implementing guidelines relative to current statute and best practices
	Bullpen	Statutory	Disadvantaged Unincorporated Communities	Update DUC mapping designations (DUC) in San Diego County based on current census information
	Bullpen	Administrative	County Planning Groups	Monitor regular meetings of the County's 28 Planning and or Sponsor Groups and directly engage as appropriate
	Bullpen	Administrative	Local Agency Finder Tool	Develop online feature for users to enter address to identify all overlapping local jurisdictions (cities and districts)
	Bullpen	Statutory	Policy | Commission Rule No. 4	Modernize Rule No. 4 and its provisions to regulate special districts' service functions and classes
	Bullpen	Statutory	Special Study | Escondido + Rincon	Study options to consolidate (functional and political) the City of Escondido and Rincon del Diablo MWD
	Bullpen	Statutory	White Paper | JPAs	Evaluate the status of JPA filings in SD County relative to LAFCO's task in SB 1261
	Bullpen	Administrative	Policy | Cities Advisory Committee	Coordinate with CAD in updating bylaws and related procedures to sync with current interests/priorities
	Bullpen	Statutory	Legislative Proposal | G.C. 56133	Sponsor/facilitate amendments to clarify LAFCOs' authority to determine out-of-agency exemptions in (e)

Exhibit B

San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

EXPENSES		FY2023		FY2024		FY2025		FY2026		
		Adopted	Actuals	Adopted	Actuals	Adopted	Estimates	Proposed Final	Difference $	Difference %
Salaries and Benefits Unit										
Account	Description									
51110 +	Salaries and Per Diems	786,510	715,968	891,455	715,861	898,906	885,589	986,200	87,294	9.7%
51410	Retirement - SDCERA	275,694	255,990	318,295	303,876	350,146	351,103	384,503	34,357	9.8%
51415	Retirement - OPEB	9,030	8,190	10,273	8,779	10,196	9,289	11,112	917	9.0%
51450	Payroll Taxes	55,537	49,377	64,840	51,279	65,044	62,292	71,457	6,413	9.9%
51510 +	Group Insurance	125,476	102,010	150,033	96,389	143,481	115,199	134,394	(9,087)	-6.3%
51560	Unemployment Insurance	2,000	1,000	1,000	258	1,000	363	1,000	-	0.0%
		1,254,248	1,132,535	1,435,895	1,176,442	1,468,773	1,423,835	1,588,667	119,894	8.2%
Services and Supplies Unit										
Account	Description									
52074	Communications	12,961	6,327	43,824	37,385	42,299	40,214	50,726	8,427	19.9%
52138	General Liability Insurance	12,402	12,737	12,737	14,194	14,194	15,599	15,599	1,405	9.9%
52178	Vehicle - Maintenance	980	1,051	980	2,580	1,000	1,385	1,000	-	0.0%
52182	Vehicle - Fuel	500	497	500	539	500	495	500	-	0.0%
52270	Memberships	30,248	27,037	28,994	23,077	38,736	25,168	34,807	(3,929)	-10.1%
52304	Miscellaneous	50	50	50	30	50	10	50	-	0.0%
52330	Office: General Support	8,211	11,461	8,211	9,636	12,380	11,366	13,217	837	6.8%
52332	Office: Postage USPS	250	200	250	314	250	600	250	-	0.0%
52334	Office: Design + Printing	15,000	15,000	22,500	17,211	23,000	12,000	22,500	(500)	-2.2%
52336	Office: Books and Guidelines	2,050	42	-	-	-	132	-	-	0.0%
52344	Office: Supplies + Furnishings	14,600	11,318	14,600	8,348	12,100	12,100	10,300	(1,800)	-14.9%
52354	Office: County Mail Services	10,000	9,201	10,000	12,401	10,000	8,154	10,000	-	0.0%
52370	Professional Services	270,960	379,047	296,170	518,671	445,767	542,343	566,600	120,833	27.1%
52490	Publications + Legal Notices	4,650	12,500	8,150	11,221	8,500	14,651	7,000	(1,500)	-17.6%
52504	Leases: Equipment	6,600	6,600	6,600	3,955	4,500	3,105	4,000	(500)	-11.1%
52530	Leases: Office Space	137,868	142,239	144,743	149,217	154,308	154,308	158,688	4,380	2.8%
52550	Special Expenses: County Overhead	72,466	30,624	40,000	32,366	33,000	57,293	58,000	25,000	75.8%
52562	Special Expenses: New Hire Checks	-	469	-	198	-	215	-	-	0.0%
52566	Special Expenses: Minor Equipment	500	-	-	413	-	4,523	-	-	0.0%
52610	Travel-Training | In County	2,700	4,500	2,700	5,930	2,700	13,000	2,700	-	0.0%
52612	Employee Auto + Reimbursements	8,700	7,890	8,700	8,201	8,700	11,000	8,700	-	0.0%
52622	Travel-Training | Out of County	16,050	13,436	15,050	18,038	15,050	23,762	15,050	-	0.0%
52721	IT Reimbursements: Network	26,553	16,748	20,000	15,553	18,000	18,154	18,000	-	0.0%
52723	IT Reimbursements: Data Center	29,015	26,621	33,000	24,254	30,000	12,240	27,000	(3,000)	-10.0%
52725 +	IT Reimbursements: Financial Systems	40,146	23,881	35,000	23,984	25,000	18,089	23,000	(2,000)	-8.0%
52732	IT Reimbursements: Desktop Computing	21,488	24,382	28,000	26,759	30,000	26,306	30,000	-	0.0%
52734	IT Reimbursements: Help Desk	2,331	2,002	2,331	1,632	2,331	1,605	2,331	-	0.0%
52750	IT Reimbursements: Catalog Equipment	3,748	25,937	40,000	5,498	25,000	2,030	10,000	(15,000)	-60.0%
52758	Fleet Reimbursements: Lease	2,000	2,000	2,000	1,986	2,000	2,000	2,000	-	0.0%
		753,528	813,798	825,091	973,591	959,364	1,031,847	1,092,018	132,653	13.8%
	OPERATING EXEPENSE TOTAL	2,007,776	1,946,333	2,260,986	2,150,033	2,428,138	2,455,682	2,680,685	252,547	10.4%

EXPENSES CONTINUED...		FY2023		FY2024		FY2025		FY2026		
		Adopted	Actuals	Adopted	Actuals	Adopted	Estimates	Proposed Final	Difference $	Difference %
Non Operating Unit										
Account No.	Description									
51421	Debt Service: OPEB Bonds	37,388	32,781	34,092	30,780	34,092	33,919	33,000	(1,092)	-3.2%
85000	Grant Award Payments	-	215,500	450,000	150,462	450,000	450,000	450,000	-	0.0%
		37,388	248,281	484,092	181,242	484,092	483,919	483,000	(1,092)	-0.2%
	EXPENSE TOTALS	2,045,163	2,194,614	2,745,078	2,331,275	2,912,230	2,939,601	3,163,685	251,455	8.6%

REVENUES		FY2023		FY2024		FY2025		FY2026		
		Adopted	Actuals	Adopted	Actuals	Adopted	Estimates	Proposed Final	Difference $	Difference %
Apportionments Unit										
Account No.	Description									
45918.1	Apportionments | County	515,479	515,479	581,074	581,074	623,997	623,997	654,902	30,905	5.0%
45918.2	Apportionments | Cities (less SD)	515,479	515,479	581,074	581,074	623,997	623,997	654,902	30,905	5.0%
45918.3	Apportionments | San Diego	257,830	257,830	290,639	290,639	312,108	312,108	327,566	15,458	5.0%
45918.4	Apportionments | Special Districts	515,479	515,479	581,074	581,074	623,997	734,786	654,902	30,905	5.0%
		1,804,265	1,804,266	2,033,861	2,033,861	2,184,098	2,294,887	2,292,272	108,174	5.0%
Service Charges Unit										
Account No.	Description									
46234	Application Fees	170,000	250,000	200,000	194,596	200,000	200,000	200,000	-	0.0%
		170,000	250,000	200,000	194,596	200,000	200,000	200,000	-	0.0%
Miscellaneous										
Account No.	Description									
44105	Interest and Dividends	15,000	5,000	15,000	19,321	15,000	12,000	15,000	-	0.0%
47540	Reserves	55,898	55,898	46,218	46,218	63,132	63,132	206,413	143,281	227.0%
		70,898	60,898	61,218	65,539	78,132	75,132	221,413	143,281	183.4%
	OPERATING REVENUE TOTAL	2,045,163	2,115,164	2,295,079	2,293,996	2,462,230	2,570,019	2,713,685	251,455	10.2%
Non-Operating Unit										
Account No.	Description									
85000	Grant Awards	-	215,500	450,000	68,882	450,000	450,000	450,000	-	0.0%
		-	215,500	450,000	68,882	450,000	450,000	450,000	-	0.0%
	REVENUE TOTALS	2,045,163	2,330,664	2,745,079	2,362,878	2,912,230	3,020,019	3,163,685	251,455	8.6%
TOTAL NET		**-**	**136,050**	**-**	**31,603**	**-**	**80,418**	**-**	**-**	

FUND BALANCE (spendable - unrestricted)	**June 30th**	**June 30th**	**Estimate June 30th**	**Projected June 30th**
Committed				
… Stabilization	250,000	250,000	250,000	150,000
… Opportunity	300,000	500,000	300,000	300,000
Assigned by EO	62,500	125,000	125,000	125,000
Unassigned	1,000,810	723,695	940,981	834,568
	1,613,310	1,598,695	1,615,981	1,409,568