

	<p>Solano Local Agency Formation Commission 675 Texas St. Ste. 6700 • Fairfield, California 94533 (707) 439-3897 • FAX: (707) 438-1788</p>
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STAFF REPORT

DATE: June 10, 2024
 TO: Local Agency Formation Commission
 FROM: Rich Seithel, Executive Officer
 SUBJECT: **FY 2024-2025 Final Budget and Workplan**

Recommendation:

REVIEW, CONSIDER public testimony, and APPROVE or Approve with modifications the 2024-25 Final Budget and Workplan via the adoption of the attached LAFCO Resolution.

DIRECT staff to distribute the Final Budget to the cities, County, special districts, and the Auditor per GC §56381.

Discussion:

On April 8, 2024, the Commission adopted the Proposed Budget and Workplan for fiscal year (FY) 2024-25. The Commission directed the staff to distribute the Proposed Budget and solicit input from the cities and County. The Proposed Budget included an adjustment to the base salaries for regional competitiveness, a small increase to the cities and County billing charges, and a Fund Balance appropriation of \$275,000 to help offset billing to the cities and County. The budget also includes a FY 24-25 Workplan that builds a schedule for LAFCO and staff including initiating MSRs. Additionally, subsequent action will adopt an updated fee schedule for situations when an agency may be ready ahead of the adopted schedule. More information can be found in agenda item 7.D on the June 10, 2024 meeting.

Staff presented the Proposed Budget and Work Plan to the Planning Director’s meeting on May 16, 2024, and the City/County Managers Group on May 22, 2024. Neither group voiced comments on the Proposed Budget.

The Final Budget for FY 2024-25 is identical to the Proposed Budget adopted by the Commission on April 08, 2024. A detailed narrative was provided in the Proposed Budget staff report and is included in Attachment A.

Attachments: (listed on next page)

Commissioners

Ron Kott, Chair • John Vasquez, Vice-Chair • Nancy Shopay • Mitch Mashburn • Steve Bird

Alternate Commissioners

Alma Hernandez • Wanda Williams • Jack Batchelor

Staff

Rich Seithel, Executive Officer • Christina Love, Deputy Executive Officer • Aaron Norman, Analyst II • Tova Guevara, Office Administrator/Clerk • Tyra Hays, Project Specialist • Mala Subramanian, Lead Legal Counsel

Agenda Item 9.D - Final Budget and Workplan FY 24-25

Action Item – Resolution of The Local Agency Formation Commission of Solano County
Adopting a Final Budget and Workplan Fiscal Year 2024-2025, and
Exhibit A – FY 2024-25 Final Budget
Exhibit B – FY 2024-25 Workplan

Attachment A – April 08, 2024, LAFCO Staff Report for Proposed FY 2024-25 Budget and
Workplan

RESOLUTION NO. 2024-03

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF SOLANO COUNTY ADOPTING A FINAL BUDGET AND WORKPLAN
FISCAL YEAR 2024-2025**

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000(CKH) section 56000 et seq. of the California Government Code (GC) requires the Local Agency Formation Commission (LAFCO or Commission) of Solano County to perform planning duties by encouraging the orderly development and coordination of local agencies; and,

WHEREAS, the Commission is required to adopt annual final budgets by June 15; and,

WHEREAS, staff consulted with the LAFCO Chair on March 20, 2024, to help inform and make decisions regarding the agency’s funding requirements; and,

WHEREAS, the Executive Officer prepared a written report and recommendations on a proposed budget and proposed work plan for the fiscal year 2024-25 adopted by the Commission on April 08, 2024, and subsequently circulated for review and comment to all funding agencies; and,

WHEREAS, the Commission has heard and considered all oral and written testimony submitted, including, but not limited to, the final budget, work plan, and priorities for 2024-25, and the Executive Officer’s report and recommendations were presented at a public hearing held on April 08, 2023; and,

WHEREAS, the Commission determined the proposed budget projects the staffing and program costs of the Commission as accurately and appropriately as possible; and,

WHEREAS, the Commission’s operating budget for FY 2024-25 is \$1,286,963; and,

WHEREAS, the operating budget is approximately \$63,647; or 5%; more than the previous fiscal year’s operating budget; and,

WHEREAS, the Commission finds that even though the Final Budget is more than the previous fiscal year, the Final Budget for FY 2024-25 is sufficient to meet LAFCO’s funding and project projections for the fiscal year; and,

WHEREAS, the Commission considered, supported, and approved an adjustment to base salaries and benefits for staff; and

WHEREAS, expenses for FY 2024-25 are hereby allocated by budget category in the following manner, all numbers are rounded to the nearest dollar:

Salaries and Employee Benefits	\$ 927,746
Services and Supplies	\$ 303,719
Other Expenses	\$ 45,000
Designated Reserve	\$ 10,497
Total Expenses	\$ 1,286,963

WHEREAS, revenues for FY 2024-25 or the means of financing the LAFCO program will be by monies derived from the following sources of funding:

Anticipated Revenue	\$ 50,000
Anticipated Interest	\$ 10,000
Fund Balance	\$ 275,000
<u>City/County Apportionment</u>	<u>\$ 951,963</u>
Total Revenue	\$ 1,286,963

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, that the Local Agency Formation Commission of the County of Solano does approve and adopt the Final Budget as shown in Exhibit A and the Workplan as shown in Exhibit B for the Fiscal Year 2024-25, attached, and by this reference incorporated herein and does further order and direct the following:

Section 1: The Executive Officer shall transmit the Final Budget to the Auditor and all parties specified in Government Code §56381(a) as promptly as possible.

Section 2: The Auditor shall apportion the budget as specified in Government Code §56381(b) and request payment from each city and the County no later than July 1, 2024, as specified in §56381(c).

Section 3: If a city or the County does not remit its required payment within 60 days, The auditor is requested to collect an equivalent amount from the property tax or any fee or eligible revenue owed to the city or County as described in §56381(c).

The foregoing resolution was duly passed and adopted by the Local Agency Formation Commission of the County of Solano at a duly noticed public hearing held on June 10, 2024, by the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

 Ron Kott, Chair
 Presiding Officer of Local Agency Formation
 Commission County of Solano, State of California

ATTEST:

 Tova Guevara, Clerk

Exhibit A: 2024-25 Final Budget
 Exhibit B: 2024-25 Workplan

Exhibit A

Agenda Item 9.D - Final Budget and Worplan FY 24-25

Sub-object	Obj Desc	FY 23/24 Actuals (3/18)	FY 23/24 Adjusted Final Budget [AB]	FY 24/25 Proposed Budget [PB]	Difference Between PB & AB [PB-AB]	% Differ.
1000	SALARIES AND EMPLOYEE BENEFITS					
1110	SALARY/WAGES REGULAR	\$377,080	\$617,499	\$691,516	\$74,017	12%
1210	RETIREMENT-EMPLOYER	\$43,357	\$70,749	\$84,249	\$13,500	
1212	DEFERRED COMP-COUNTY MATCH	\$355	\$650	\$650	\$0	
1220	FICA-EMPLOYER	\$5,603	\$8,736	\$10,027	\$1,291	
1230	HEALTH INS-EMPLOYER	\$52,488	\$84,287	\$107,508	\$23,221	
1231	VISION CARE INSURANCE	\$386	\$750	\$766	\$16	
1240	COMPENSATION INSURANCE	\$1,745	\$2,200	\$3,400	\$1,200	
1241	LT DISABILITY INSURANCE ER	\$1,127	\$5,004	\$2,253	(\$2,751)	
1250	UNEMPLOYMENT INSURANCE	\$1,038	\$1,050	\$1,500	\$450	
1260	DENTAL INS-EMPLOYER	\$3,459	\$5,816	\$5,874	\$58	
1270	ACCRUED LEAVE CTO PAYOFF	\$2,473	\$28,492	\$15,000	(\$13,492)	
1290	LIFE INSURANCE-EMPLOYER	\$1,549	\$5,088	\$5,003	(\$85)	
TOTAL	SALARIES AND EMPLOYEE BENEFITS	\$490,659	\$830,321	\$927,746	\$97,425	12%
2000	SERVICES AND SUPPLIES					
2021	COMMUNICATION-TELEPHONE SYSTEM	\$479	\$11,904	\$1,000	(\$10,904)	
2026	CELL PHONE ALLOWANCE	\$1,238	\$2,100	\$2,100	\$0	
2028	TELEPHONE SERVICES	\$3,866	\$12,180	\$8,720	(\$3,460)	
2051	LIABILITY INSURANCE	\$8,317	\$9,089	\$9,089	\$0	
2140	MAINTENANCE-BLDGS & IMPROVE	\$0	\$500	\$500	\$0	
2170	MEMBERSHIPS	\$9,822	\$11,498	\$11,500	\$2	
2180	BOOKS & SUBSCRIPTIONS	\$593	\$568	\$500	(\$68)	
2200	OFFICE EXPENSE	\$2,106	\$12,000	\$8,760	(\$3,240)	
2201	EQUIPMENT UNDER \$1,500	\$2,273	\$15,600	\$2,000	(\$13,600)	
2202	CONT ASSETS COMPUTER RELATED	\$0	\$4,500	\$5,000	\$500	
2204	COMPUTER RELATED ITEMS-<\$500	\$965	\$1,600	\$1,000	(\$600)	
2205	POSTAGE	\$77	\$700	\$600	(\$100)	
2235	ACCOUNTING & FINANCIAL SERVICE	\$3,893	\$15,000	\$35,000	\$20,000	
2239	LEGAL SERVICE	\$6,332	\$30,200	\$15,000	(\$15,200)	
2245	CONTRACTED SERVICES	\$57,057	\$130,000	\$90,000	(\$40,000)	
2250	OTHER PROFESSIONAL SERVICES	\$21,680	\$16,000	\$16,000	\$0	
2266	CENTRAL DATA PROCESSING SVCE	\$32,914	\$41,157	\$62,000	\$20,843	
2271	SOFTWARE SUBSCRIPTION/SBITA ST	\$2,016	\$2,700	\$3,500	\$800	
2280	PUBLICATIONS AND LEGAL NOTICES	\$534	\$1,000	\$1,000	\$0	
2285	LEASE EXPENSE-COPIERS/MFD'S ST	\$7,379	\$7,000	\$0		
2295	LEASE EXPENSE - BUILDINGS ST	\$6,599	\$28,000	\$0		
2310	EDUCATION & TRAINING	\$4,607	\$8,000	\$12,550	\$4,550	
2335	TRAVEL EXPENSE	\$3,581	\$19,900	\$8,000	(\$11,900)	
2339	MANAGEMENT BUSINESS EXPENSE	\$1,520	\$2,000	\$2,000	\$0	
2354	CAR ALLOWANCE	\$5,250	\$7,800	\$7,900	\$100	
2355	PERSONAL MILEAGE	\$0	\$2,000	\$0	(\$2,000)	
TOTAL	SERVICES AND SUPPLIES	\$183,096	\$392,996	\$303,719	(\$89,277)	-23%
	OTHER EXPENSES					
3233	LEASE EXPENSE - BUILDING LT	\$0	\$28,000	\$34,000	\$6,000	
3235	LEASE EXPENSE - COPIERS/MFD'S LT	\$3,052	\$7,000	\$11,000	\$4,000	
TOTAL	OTHER EXPENSES	\$3,052	\$35,000	\$45,000	\$10,000	29%
TOTAL OPERATING EXPENSES		\$676,807	\$1,223,317	\$1,276,465	\$53,148	4%
730	20% RESERVE POLICY ADJUSTMENT	\$0	\$0	\$10,497	\$10,497	
TOTAL	TOTAL EXPENDITURES	\$676,807	\$1,223,317	\$1,286,963	\$63,646	5%
	REVENUES					
9200	LICENSES & PERMITS-OTHER					
9229	LICENSES & PERMITS-OTHER	\$53,000	\$50,000	\$50,000	\$0	
9400	REVENUE FROM USE OF MONEY/PROP					
9401	INTEREST INCOME	\$33,364	\$5,000	\$10,000	\$5,000	
9500	INTERGOVERNMENTAL REVENUES					
9511	OTHER GOVERNMENTAL AGENCIES	\$895,788	\$895,788	\$951,963	\$56,175	
740	OTHER REVENUE					
740	FUND BALANCE APPROPRIATION	\$272,528	\$272,528	\$275,000	\$2,472	
TOTAL	TOTAL REVENUES	\$1,254,680	\$1,223,316	\$1,286,963	\$63,647	5%
EXPENSES						
1000		\$490,659	\$830,321	\$927,746	\$97,425	12%
2000		\$183,096	\$392,996	\$303,719	(\$89,277)	-23%
3000		\$3,052	\$0	\$45,000	\$45,000	-
Reserve Adjustment		\$0	\$0	\$10,497	\$10,497	-
TOTAL EXPENSES		\$676,807	\$1,223,317	\$1,286,963	\$63,646	5%
REVENUES						
9200		\$53,000	\$50,000	\$50,000	\$0	0%
9400		\$33,364	\$5,000	\$10,000	\$5,000	0%
9500		\$895,788	\$895,788	\$951,963	\$56,175	6%
Fund Balance Appropriation		\$272,528	\$272,528	\$275,000	\$2,472	1%
TOTAL REVENUES		\$1,254,680	\$1,223,316	\$1,286,963	\$63,647	5%

Exhibit B

FY 2024-25 Proposed Workplan

#	Task/Project	Priority	Category	Comments
1	Municipal Service Review (MSR) Schedule	High	L/P	<ul style="list-style-type: none"> • Mosquito Abatement District (c 2006) • City of Vallejo (c 2007) • Maine Prairie Water District (c 2015)
2	Fire Services Contract: City of Fairfield Fire	High	P	GC §56134 Out-of-Agency Services Contract for Fairfield Fire Department and Cordelia Fire Protection District
3	Fire Services	High	C	Continue working with the districts, stakeholders, and Fire Ad Hoc Committee in analyzing fire services.
4	Sphere of Influence (SOI) Updates	High	L/P	<ul style="list-style-type: none"> • Solano Irrigation District (c 2014) • Cemetery Districts (c 2012) • Spheres related to scheduled MSRs • City of Vacaville Request to Update SOI
5	Policy Updates	High	A/L	<p>Review and update Solano LAFCO adopted policies, procedures, and applications that have not been reviewed since 2017.</p> <p>Create new policies for consistency with state law.</p>
6	Reorganizations	High	P	<p><i>Vacaville:</i></p> <ul style="list-style-type: none"> • Fields at Alamo Creek (east of Leisure Town) • McMurtry Creek Estates <p><i>Dixon:</i></p> <ul style="list-style-type: none"> • Lombardo Property
7	Outreach	High	C	<p>Ongoing outreach to local agencies, cities, county, developers, and the public:</p> <ul style="list-style-type: none"> • <i>Ag Innovation Group</i> • <i>Solano Economic Development Corporation</i> • <i>Planning Directors Meeting</i> • <i>CALAFCO</i> • <i>Bay Area EO Group</i> • <i>Fire District Chiefs Association</i>

A: Administrative; C: Commission Directives; L: Legislative; P: Projects

Agenda Item 9.D - Final Budget and Worplan FY 24-25

#	Task/Project	Priority	Category	Comments
8	Agency Projects Tracking and Island Project Tracking	Medium	P/C/L	<p>Track and comment on anticipated city general plan amendments/updates and CEQA actions for reorganizations:</p> <ul style="list-style-type: none"> • <i>Vacaville</i>: <ul style="list-style-type: none"> ○ East of Leisure Town and Northeast Sector General Plan Amendments ○ Islands: <ul style="list-style-type: none"> ▪ Valley Church (Leisure Town/Sequoia) ▪ Nut Tree Airport vicinity (Island Annexation) • <i>Dixon</i>: <ul style="list-style-type: none"> ○ Lewis Planned Communities (SE Dixon) General Plan Update ○ Islands: <ul style="list-style-type: none"> ▪ Lombardo Property • <i>Suisun</i>: <ul style="list-style-type: none"> ○ Suisun Logistics Center and Highway 12 Logistics Center General Plan Amendments
9	Fees Update	Medium	A	Update application charge-out rates to reflect the Commission's current costs for processing projects.
10	Website	Low	L	Continued and ongoing updates of information accessible online.

A: Administrative; C: Commission Directives; L: Legislative; P: Projects

In-House Municipal Service Review for Sphere of Influence Update Schedule

Fiscal Year Scheduled	Agency	Last Updated
2023/2024	Solano Irrigation District	Feb 2015
	Solano County Cemetery Districts (all four)	Nov 2005
2024/2025	Solano County Mosquito Abatement District	Nov 2006
	Maine Prairie Water District	Feb 2015
	City of Vallejo	Aug 2007
2025/2026	Greater Vallejo Recreation District	Jan 2007
	Dixon Resource Conservation District	Jun 2015
	Solano Resource Conservation District	Jun 2015
2026/2027	City of Suisun	Jun 2016
	Fairfield-Suisun Sewer District	Feb 2017
	Solano County Regional Water Services	

Consideration Factors:

Cities

- Date of Comprehensive General Plan Update (every 20 years)
 - Benicia: 1999
 - Dixon: 2021-2040
 - Fairfield: 2002-2022
 - Rio Vista: 2001-2021
 - Suisun: 2015-2035
 - Vacaville: 2015-2035
 - Vallejo: 2017-2040
- General Plan status and changes (substantial/numerous General Plan Amendments or Comprehensive Update known as of March 2024)
 - Dixon – substantial amendments, maybe an update
 - Fairfield – in early process of a comprehensive update
 - Rio Vista – in early process of a comprehensive update
 - Suisun – in early process of substantial amendments
 - Vacaville – just starting substantial amendments, maybe update
- Date of last MSR/SOI update (need)
 - Benicia: Feb 2017
 - Dixon: Oct 2014
 - Fairfield: Oct 2012
 - Rio Vista: Jan 2007
 - Suisun: Jun 2016
 - Vacaville: May 2017
 - Vallejo: Aug 2007

Special Districts

- Date of last MSR/SOI update (need)
- Progress towards regional review based on service provided



Solano Local Agency Formation Commission

675 Texas St. Ste. 6700 • Fairfield, California 94533
(707) 439-3897 • FAX: (707) 438-1788

Public Hearing

DATE: April 10, 2024
TO: Local Agency Formation Commission
FROM: Rich Seithel, Executive Officer
SUBJECT: **Proposed Budget & Workplan Fiscal Year 2024/25**

Recommendations:

The Finance Committee and staff recommend the Commission:

1. REVIEW the Proposed Budget and Workplan for Fiscal Year (FY) 2024/25
2. ADOPT or adopt with modifications the Proposed Budget and Workplan.
3. DIRECT staff to distribute the Proposed Budget to the County and cities.
4. SCHEDULE a public hearing for June 10 to consider and adopt the Final Budget and Workplan.

Background:

The Commission is required to adopt a Proposed Budget by May 1 and a Final Budget by June 15 per California Government Code (GC) Section 56381(a). The Commission's past practice has been to direct its Finance Committee to work with staff to develop the Commission's annual Proposed Budget for its consideration and adoption. Additionally, after the adoption of a proposed budget, the Commission circulates the Proposed Budget to the County and cities (Solano LAFCO's funding agencies) to solicit their comments before adopting the Final Budget at its June meeting.

On March 20, 2024, staff met with the LAFCO Chair to discuss the Proposed Budget for FY 2024/25. Overall, the Draft Proposed Budget (Attachment A) projects an operating budget of \$1,286,963, reflecting an increase of \$63,646 or 5% from the prior year's Final Adjusted Budget. The Draft Proposed Budget does include an increase to the billing charges to the County and cities, but also includes a Fund Balance Appropriation of \$275,000.

The Proposed Budget for FY 24/25 reflects the costs and resource needs for carrying out LAFCO's responsibilities including the FY 24/25 Workplan, which is also included in this review. In the coming weeks, staff will be presenting the Proposed Budget to the City/County Manager's Group and the Community Development/Planning Director's Group to solicit comments. Staff will inform the Commission of their remarks at the June 10 Public Hearing.

Commissioners

Ron Kott, Chair • John Vasquez, Vice-Chair • Nancy Shopay • Mitch Mashburn • Steve Bird

Alternate Commissioners

Alma Hernandez • Wanda Williams

Staff

Rich Seithel, Executive Officer • Christina Love, Deputy Executive Officer • Aaron Norman, Analyst II • Tova Guevara, Office Administrator/Clerk • Tyra Hays, Project Specialist • Mala Subramanian, Lead Legal Counsel

I. Discussion of FY 24/25 Proposed Budget:

Section I discusses FY 24/25 Proposed Budget as follows: 1) Summary of the Draft Proposed Budget (Table 1 and Table 2), 2) Cortese-Knox-Hertzberg Act (CKH) requirements and the Commission’s Policies, 3) Revenues from Project Fees, 4) Notable Changes from Prior Year (Table 3), 5) Cities and County Apportionment/Billing (Table 4), 6) Fund Balance, and 7) Statutory Deadlines (Table 5). Attachment A is the line-item FY 24/25 Draft Proposed Budget.

Section II discusses the FY 24/25 Proposed Workplan. Attachment B is the FY 24/25 Proposed Workplan and In-house Municipal Service Review Schedule.

1) Summary of the Proposed Budget:

The Draft Proposed Budget as presented, projects an operating budget of \$1,286,963, reflecting an increase of \$63,646 or 5% from the prior year’s Final Adjusted Budget of \$1,223,317.

- Major drivers of the FY 24/25 Budget are:
 - An adjustment to base salaries¹ and benefits (1000s budget category) by \$97,425 or 12%. The base salary topic was discussed with Commissioners in 2023 in terms of creating regionally competitive salaries for LAFCO staff. Staff researched same/similar job positions and salaries within Solano County and all seven cities. The base salary increases reflect the average of agencies.
 - A decrease to services and supplies (2000s category) by -\$89,277 or -23% because the LAFCO office relocation was completed in 2023. These are considered one-time costs that were part of the FY 23/24 budget.
 - \$275,000 is appropriated from the fund balance, an increase of \$2,472 from FY 23/24. This is important because there is a direct impact the County/cities apportionments.

Table 1: Summary of Expenses				
Budget Categories	FY 23/24 Adjusted Final Budget	FY 24/25 Proposed Budget	+/-	% Change
Salaries and Benefits (1000)	\$830,321	\$927,746	\$97,425	12%
Service and Supplies (2000)	\$392,996	\$303,719	(\$89,277)	(23%)
Other Expenses (3000)	\$0	\$45,000	\$45,000	29%
Designated Reserve (730)	\$0	\$10,497	\$10,497	-
TOTAL EXPENSES	\$1,223,317	\$1,286,963	\$63,646	5%

¹ Bases salary increase based on the regional average of same or similar job descriptions.

Table 2: Sources of Funding				
Budget Categories	FY 23/24 Adjusted Final Budget	FY 24/25 Proposed Budget	+/-	% Change
Revenue from Use of Monday (9400)	\$5,000	\$10,000	\$5,000	0%
Intergovernmental Revenues (9500)	\$895,788	\$951,963	\$56,175	6%
Fund Balance Appropriation	\$272,528	\$275,000	\$2,472	1%
TOTAL REVENUES	\$1,223,316	\$1,286,963	\$52,062	5%

2) CKH and Solano LAFCO Policies:

The Proposed Budget was developed with considerations of CKH requirements as well as the Commission’s Policies.

1. Per GC §56381(a), the Commission is required to adopt a budget that at a minimum shall be equal to the budget adopted for the previous fiscal year unless the Commission finds that reduced program costs will nevertheless allow the Commission to fulfill its purposes and programs. Since the Proposed Budget recommends an 5% increase from the prior year’s budget, the FY 24/25 is consistent.
2. The Commission’s Reserves Policy, Section A, requires maintaining a contingency reserve fund of not less than 20% of the annual budgeted expenditures. The current Reserve is at \$244,796. The Reserve should be \$255,293 to meet the Commission’s Policy. Therefore, an increase of \$10,497 is necessary.

3) Revenues from Project Fees:

Staff anticipates revenue in FY 24/25 from the following project applications:

- City of Fairfield/Cordelia Fire Protection District Fire Services Contract
- Solano Irrigation District detachments
- Rural North Vacaville Water District annexations

4) Notable Changes from Prior Year:

Table 3: Notable Changes (≥\$10,000) from FY 23/24 Adjusted Final Budget			
Line Item	Description	Explanation	Difference
1110	Salaries/Wages	Proposed 5% Executive Officer pay increase, and base salary adjustments for regional competitiveness for all other positions.	\$74,017
1210	Retirement	Correlated increases in benefits.	\$13,500
1230	Health Ins		\$23,221
2021	Communication System	Not using County phones or system.	(\$10,904)
2201	Equipment Under \$1500	FY 23/24 budget included funds to equip new staff position. Now fully staffed, therefore no new equipment is anticipated.	(\$13,600)
2235	Accounting & Financial	Biennial Audit year, and increase for County services costs (payroll and Auditor-Controllers Office).	\$20,000
2239	Legal Service	Complicated projects in the queue there anticipated additional legal assistance are not foreseen to be submitted in FY 24/25.	(\$15,200)
2245	Contracted Services	Municipal Service Reviews / Sphere of Influence Updates will primarily be conducted in-house.	(\$40,000)
2266	Central Data Processing Svce	Solano County Department of Information Technology and GIS services increased Solano LAFCO's charges.	\$20,843
2335	Travel Expense	CALAFCO Conference will be in Yosemite in October 2024. Attendance is anticipated to be less because of the higher costs, access challenges, and conflicts with other conferences.	(\$11,900)
3000s	Long-term leases	New office location and 2 printers (All-in-one and Plotter) lead to increases in long-term leases (anything more than 12 months).	\$10,000
730	Designated Reserve	Solano LAFCO Policy requires a reserve of 20% of operating expenses.	\$10,497
9511	Intergovernmental Agencies	FY 24/25 will have an increase.	\$56,175

5) Cities and County Apportionment:

As reflected in Table 2: Sources of Funding, the most substantial source of funding for LAFCO’s operational cost comes from the County and the seven cities. For FY 24/25, the proposed invoice to the County and cities total \$951,963; an increase of \$56,175 from the prior year.

Staff calculated the estimated cost to the County and cities using the most recent financial report from the State Controller’s Office (SCO) and based on the “Governmental Funds Revenues” per the Solano County Auditor-Controller. Table 4 on the following page provides the *estimated* billing to the County and the seven cities.

Table 4: ESTIMATED BILLING TO COUNTY AND CITIES FOR FY 2024/25*						
Agency	Governmental Funds Revenues (FY 20/21)*	Cost %	FY 23/24 Actual Invoice per Auditor	FY 24/25 Estimate	+/-	% Diff.
Benicia	\$62,530,263	8.76%	\$34,947	\$41,711	\$6,764	16%
Dixon	\$50,461,463	7.07%	\$36,098	\$33,661	(\$2,437)	(7%)
Fairfield	\$184,586,238	25.87%	\$112,444	\$123,129	\$10,685	9%
Rio Vista	\$14,269,283	2.00%	\$9,006	\$9,518	\$512	5%
Suisun City	\$35,180,911	4.93%	\$16,503	\$23,468	\$6,965	30%
Vacaville	\$184,454,292	25.85%	\$118,919	\$123,041	\$4,122	3%
Vallejo	\$182,073,781	25.52%	\$119,977	\$121,453	\$1,476	1%
<i>Subtotal: Cities</i>	<i>\$713,556,231</i>	<i>100.00%</i>	<i>\$447,894</i>	<i>\$475,982</i>	<i>\$28,087</i>	
County			\$447,894	\$475,982	\$28,087	6%
TOTAL			\$895,788	\$951,963	\$56,175	

Please note- SCO may release a more current report post-adoption of LAFCO’s final budget.

6) Fund Balance:

Historically, the Commission has applied fund balance from prior years to future years. Staff recommends appropriating \$275,000 to the FY 24/25 budget, similar to FY 23/24.

Fund Balance Current	\$ 595,980
Proposed Appropriation for Operating Budget from Fund Balance	\$ 275,000
Fund Balance - Estimated after FY 24/25 App.	\$ 320,980

7) Statutory Deadlines:

GC §56381 specifies certain statutory deadlines for adopting the LAFCO’s Proposed and Final Budget. Table 5 lists the Statutory deadlines and how the Commission plans to comply with the Statute.

<u>Table 5: Statutory Deadlines</u>		
Statutory Requirement	Deadlines	Planned Action
LAFCO must adopt a Proposed Budget	May 1	April 8 Public Hearing
Public Review of Proposed Budget*	30-days	Month of May
LAFCO must adopt a Final Budget	June 15	June 10 Public Hearing
The Auditor requests payment from cities and the County	July 1	July – August 2024
Payments must be received by the Auditor	August 30	

**Staff will present the Proposed Budget to the City/County Manager’s Group and the Community Development/Planning Director’s Group*

II. Proposed Workplan (Attachment B)

In conjunction with a proposed budget, the Commission adopts an annual workplan. The Workplan typically includes tasks and projects that are categorized, prioritized, and explained. The proposed Workplan identifies ten tasks and projects.

All identified items are important; however, given available resources, it is helpful to prioritize the items identified. A high-priority classification indicates that the item is: time-sensitive, high-value, and critical. The Workplan includes seven high-priority projects/tasks, two medium-priority tasks, and one low-priority task. There are four categories: Projects (P); Commission Directives (C); Administrative (A); and; Legislative (L). These categories are described as follows:

Projects – In consultation with agencies, a list of near-term projects has been developed. These projects have been submitted or are anticipated in FY 24/25. Projects also include early tracking of known projects being reviewed or considered by agencies that will require LAFCO action.

Commission Directive – Solano LAFCO provides leadership and partnership roles in Solano County through proactive initiatives designed to support the efficient delivery of municipal services and to foster relationships among local and regional agencies and organizations.

Administrative – The proposed FY 24/25 Workplan includes administrative projects that support organizational effectiveness and internal efficiencies. In addition to the daily LAFCO office duties and Commission meeting prep and follow-up, the proposed Workplan includes administrative tasks that help keep local agencies and the public informed and improve organizational effectiveness. It is critical to maintain internal efficiencies that support Solano LAFCO’s organizational effectiveness and to meet statutory requirements.

Legislative - Solano LAFCO is required by Statute to process organization and reorganization changes, conduct sphere of influence updates, conduct municipal service review studies, adopt local policies and procedures, and fulfill other legal mandates.

III. Conclusion and Recommendation

The Proposed Budget for FY 24/25 reflects the costs and resource needs for carrying out LAFCO's responsibilities including the FY 24/25 Workplan. In the coming weeks, staff will be presenting the Proposed Budget to the City/County Manager's Group and the Community Development/Planning Director's Group to solicit comments. Staff will inform the Commission of their remarks at the June 10 Public Hearing.

Staff recommends the Commission adopt or adopt with modifications the Proposed Budget and Workplan for FY 24/25.

Attachments:

A – Draft Proposed Budget FY 24/25

B – Draft Proposed Workplan FY 24/25

Agenda Item 9.D - Final Budget and Worplan FY 24-25

Sub-object	Obj Desc	FY 23/24 Actuals (3/18)	FY 23/24 Adjusted Final Budget [AB]	FY 24/25 Proposed Budget [PB]	Difference Bewteen PB & AB [PB-AB]	% Differ.
1000	SALARIES AND EMPLOYEE BENEFITS					
1110	SALARY/WAGES REGULAR	\$377,080	\$617,499	\$691,516	\$74,017	12%
1210	RETIREMENT-EMPLOYER	\$43,357	\$70,749	\$84,249	\$13,500	
1212	DEFERRED COMP-COUNTY MATCH	\$355	\$650	\$650	\$0	
1220	FICA-EMPLOYER	\$5,603	\$8,736	\$10,027	\$1,291	
1230	HEALTH INS-EMPLOYER	\$52,488	\$84,287	\$107,508	\$23,221	
1231	VISION CARE INSURANCE	\$386	\$750	\$766	\$16	
1240	COMPENSATION INSURANCE	\$1,745	\$2,200	\$3,400	\$1,200	
1241	LT DISABILITY INSURANCE ER	\$1,127	\$5,004	\$2,253	(\$2,751)	
1250	UNEMPLOYMENT INSURANCE	\$1,038	\$1,050	\$1,500	\$450	
1260	DENTAL INS-EMPLOYER	\$3,459	\$5,816	\$5,874	\$58	
1270	ACCRUED LEAVE CTO PAYOFF	\$2,473	\$28,492	\$15,000	(\$13,492)	
1290	LIFE INSURANCE-EMPLOYER	\$1,549	\$5,088	\$5,003	(\$85)	
TOTAL	SALARIES AND EMPLOYEE BENEFITS	\$490,659	\$830,321	\$927,746	\$97,425	12%
2000	SERVICES AND SUPPLIES					
2021	COMMUNICATION-TELEPHONE SYSTEM	\$479	\$11,904	\$1,000	(\$10,904)	
2026	CELL PHONE ALLOWANCE	\$1,238	\$2,100	\$2,100	\$0	
2028	TELEPHONE SERVICES	\$3,866	\$12,180	\$8,720	(\$3,460)	
2051	LIABILITY INSURANCE	\$8,317	\$9,089	\$9,089	\$0	
2140	MAINTENANCE-BLDGS & IMPROVE	\$0	\$500	\$500	\$0	
2170	MEMBERSHIPS	\$9,822	\$11,498	\$11,500	\$2	
2180	BOOKS & SUBSCRIPTIONS	\$593	\$568	\$500	(\$68)	
2200	OFFICE EXPENSE	\$2,106	\$12,000	\$8,760	(\$3,240)	
2201	EQUIPMENT UNDER \$1,500	\$2,273	\$15,600	\$2,000	(\$13,600)	
2202	CONT ASSETS COMPUTER RELATED	\$0	\$4,500	\$5,000	\$500	
2204	COMPUTER RELATED ITEMS:<\$500	\$965	\$1,600	\$1,000	(\$600)	
2205	POSTAGE	\$77	\$700	\$600	(\$100)	
2235	ACCOUNTING & FINANCIAL SERVICE	\$3,893	\$15,000	\$35,000	\$20,000	
2239	LEGAL SERVICE	\$6,332	\$30,200	\$15,000	(\$15,200)	
2245	CONTRACTED SERVICES	\$57,057	\$130,000	\$90,000	(\$40,000)	
2250	OTHER PROFESSIONAL SERVICES	\$21,680	\$16,000	\$16,000	\$0	
2266	CENTRAL DATA PROCESSING SVCE	\$32,914	\$41,157	\$62,000	\$20,843	
2271	SOFTWARE SUBSCRIPTION/SBITA ST	\$2,016	\$2,700	\$3,500	\$800	
2280	PUBLICATIONS AND LEGAL NOTICES	\$534	\$1,000	\$1,000	\$0	
2285	LEASE EXPENSE-COPIERS/MFD'S ST	\$7,379	\$7,000	\$0		
2295	LEASE EXPENSE - BUILDINGS ST	\$6,599	\$28,000	\$0		
2310	EDUCATION & TRAINING	\$4,607	\$8,000	\$12,550	\$4,550	
2335	TRAVEL EXPENSE	\$3,581	\$19,900	\$8,000	(\$11,900)	
2339	MANAGEMENT BUSINESS EXPENSE	\$1,520	\$2,000	\$2,000	\$0	
2354	CAR ALLOWANCE	\$5,250	\$7,800	\$7,900	\$100	
2355	PERSONAL MILEAGE	\$0	\$2,000	\$0	(\$2,000)	
TOTAL	SERVICES AND SUPPLIES	\$183,096	\$392,996	\$303,719	(\$89,277)	-23%
	OTHER EXPENSES					
3233	LEASE EXPENSE - BUILDING LT	\$0	\$28,000	\$34,000	\$6,000	
3235	LEASE EXPENSE - COPIERS/MFD'S LT	\$3,052	\$7,000	\$11,000	\$4,000	
TOTAL	OTHER EXPENSES	\$3,052	\$35,000	\$45,000	\$10,000	29%
TOTAL OPERATING EXPENSES		\$676,807	\$1,223,317	\$1,276,465	\$53,148	4%
730	20% RESERVE POLICY ADJUSTMENT	\$0	\$0	\$ 10,497	\$10,497	
TOTAL	TOTAL EXPENDITURES	\$676,807	\$1,223,317	\$1,286,963	\$63,646	5%
	REVENUES					
9200	LICENSES & PERMITS-OTHER					
9229	LICENSES & PERMITS-OTHER	\$53,000	\$50,000	\$50,000	\$0	
9400	REVENUE FROM USE OF MONEY/PROP					
9401	INTEREST INCOME	\$33,364	\$5,000	\$10,000	\$5,000	
9500	INTERGOVERNMENTAL REVENUES					
9511	OTHER GOVERNMENTAL AGENCIES	\$895,788	\$895,788	\$951,963	\$56,175	
740	OTHER REVENUE					
740	FUND BALANCE APPROPRIATON	\$272,528	\$272,528	\$275,000	\$2,472	
TOTAL	TOTAL REVENUES	\$1,254,680	\$1,223,316	\$1,286,963	\$63,647	5%
EXPENSES	1000	\$490,659	\$830,321	\$927,746	\$97,425	12%
	2000	\$183,096	\$392,996	\$303,719	(\$89,277)	-23%
	3000	\$3,052	\$0	\$45,000	\$45,000	-
	Reserve Adjustment	\$0	\$0	\$ 10,497	\$10,497	-
TOTAL EXPENSES		\$676,807	\$1,223,317	\$1,286,963	\$63,646	5%
REVENUES	9200	\$53,000	\$50,000	\$50,000	\$0	0%
	9400	\$33,364	\$5,000	\$10,000	\$5,000	0%
	9500	\$895,788	\$895,788	\$951,963	\$56,175	6%
	Fund Balance Appropriation	\$272,528	\$272,528	\$275,000	\$2,472	1%
TOTAL REVENUES		\$1,254,680	\$1,223,316	\$1,286,963	\$63,647	5%

ESTIMATED BILLING TO COUNTY AND CITIES FOR FY 2024/25*						
Agency	Governmental Funds Revenues (FY 20/21)*	Cost %	FY 23/24 Actual Invoice per Auditor	FY 24/25 Estimate	+/-	% Diff.
Benicia	\$ 62,530,263	8.76%	\$34,947	\$41,711	\$6,764	16%
Dixon	\$ 50,461,463	7.07%	\$36,098	\$33,661	-\$2,437	-7%
Fairfield	\$ 184,586,238	25.87%	\$112,444	\$123,129	\$10,685	9%
Rio Vista	\$ 14,269,283	2.00%	\$9,006	\$9,518	\$512	5%
Suisun City	\$ 35,180,911	4.93%	\$16,503	\$23,468	\$6,965	30%
Vacaville	\$ 184,454,292	25.85%	\$118,919	\$123,041	\$4,122	3%
Vallejo	\$ 182,073,781	25.52%	\$119,977	\$121,453	\$1,476	1%
<i>Subtotal: Cities</i>	<i>\$ 713,556,231</i>	<i>100.00%</i>	<i>\$447,894</i>	<i>\$475,982</i>	<i>\$28,087</i>	
County			\$447,894	\$475,982	\$28,087	6%
TOTAL			\$895,788	\$951,963	\$56,175	

FY 2024-25 Proposed Workplan

#	Task/Project	Priority	Category	Comments
1	Municipal Service Review (MSR) Schedule	High	L/P	<ul style="list-style-type: none"> • Mosquito Abatement District (c 2006) • City of Vallejo (c 2007) • Maine Prairie Water District (c 2015)
2	Fire Services Contract: City of Fairfield Fire	High	P	GC §56134 Out-of-Agency Services Contract for Fairfield Fire Department and Cordelia Fire Protection District
3	Fire Services	High	C	Continue working with the districts, stakeholders, and Fire Ad Hoc Committee in analyzing fire services.
4	Sphere of Influence (SOI) Updates	High	L/P	<ul style="list-style-type: none"> • Solano Irrigation District (c 2014) • Cemetery Districts (c 2012) • Spheres related to scheduled MSRs • City of Vacaville Request to Update SOI
5	Policy Updates	High	A/L	<p>Review and update Solano LAFCO adopted policies, procedures, and applications that have not been reviewed since 2017.</p> <p>Create new policies for consistency with state law.</p>
6	Reorganizations	High	P	<p><i>Vacaville:</i></p> <ul style="list-style-type: none"> • Fields at Alamo Creek (east of Leisure Town) • McMurtry Creek Estates <p><i>Dixon:</i></p> <ul style="list-style-type: none"> • Lombardo Property
7	Outreach	High	C	<p>Ongoing outreach to local agencies, cities, county, developers, and the public:</p> <ul style="list-style-type: none"> • <i>Ag Innovation Group</i> • <i>Solano Economic Development Corporation</i> • <i>Planning Directors Meeting</i> • <i>CALAFCO</i> • <i>Bay Area EO Group</i> • <i>Fire District Chiefs Association</i>

A: Administrative; C: Commission Directives; L: Legislative; P: Projects

Agenda Item 9.D - Final Budget and Worplan FY 24-25

#	Task/Project	Priority	Category	Comments
8	Agency Projects Tracking and Island Project Tracking	Medium	P/C/L	<p>Track and comment on anticipated city general plan amendments/updates and CEQA actions for reorganizations:</p> <ul style="list-style-type: none"> • <i>Vacaville</i>: <ul style="list-style-type: none"> ○ East of Leisure Town and Northeast Sector General Plan Amendments ○ Islands: <ul style="list-style-type: none"> ▪ Valley Church (Leisure Town/Sequoia) ▪ Nut Tree Airport vicinity (Island Annexation) • <i>Dixon</i>: <ul style="list-style-type: none"> ○ Lewis Planned Communities (SE Dixon) General Plan Update ○ Islands: <ul style="list-style-type: none"> ▪ Lombardo Property • <i>Suisun</i>: <ul style="list-style-type: none"> ○ Suisun Logistics Center and Highway 12 Logistics Center General Plan Amendments
9	Fees Update	Medium	A	Update application charge-out rates to reflect the Commission's current costs for processing projects.
10	Website	Low	L	Continued and ongoing updates of information accessible online.

A: Administrative; C: Commission Directives; L: Legislative; P: Projects

In-House Municipal Service Review for Sphere of Influence Update Schedule

Fiscal Year Scheduled	Agency	Last Updated
2023/2024	Solano Irrigation District	Feb 2015
	Solano County Cemetery Districts (all four)	Nov 2005
2024/2025	Solano County Mosquito Abatement District	Nov 2006
	Maine Prairie Water District	Feb 2015
	City of Vallejo	Aug 2007
2025/2026	Greater Vallejo Recreation District	Jan 2007
	Dixon Resource Conservation District	Jun 2015
	Solano Resource Conservation District	Jun 2015
2026/2027	City of Suisun	Jun 2016
	Fairfield-Suisun Sewer District	Feb 2017
	Solano County Regional Water Services	

Consideration Factors:

Cities

- Date of Comprehensive General Plan Update (every 20 years)
 - Benicia: 1999
 - Dixon: 2021-2040
 - Fairfield: 2002-2022
 - Rio Vista: 2001-2021
 - Suisun: 2015-2035
 - Vacaville: 2015-2035
 - Vallejo: 2017-2040
- General Plan status and changes (substantial/numerous General Plan Amendments or Comprehensive Update known as of March 2024)
 - Dixon – substantial amendments, maybe an update
 - Fairfield – in early process of a comprehensive update
 - Rio Vista – in early process of a comprehensive update
 - Suisun – in early process of substantial amendments
 - Vacaville – just starting substantial amendments, maybe update
- Date of last MSR/SOI update (need)
 - Benicia: Feb 2017
 - Dixon: Oct 2014
 - Fairfield: Oct 2012
 - Rio Vista: Jan 2007
 - Suisun: Jun 2016
 - Vacaville: May 2017
 - Vallejo: Aug 2007

Special Districts

- Date of last MSR/SOI update (need)
- Progress towards regional review based on service provided

A: Administrative; C: Commission Directives; L: Legislative; P: Projects