



# San Luis Obispo Local Agency Formation Commission

**TO: MEMBERS OF THE COMMISSION**

**FROM: ROB FITZROY, EXECUTIVE OFFICER**

**DATE: MAY 15, 2025**

**SUBJECT: CONSIDERATION OF THE FINAL FISCAL YEAR 2025-2026 BUDGET AND WORK PLAN**

## RECOMMENDATION

---

**Action:** Adopt a Resolution approving the Final Fiscal Year 2025-2026 Budget and Work Plan (Attachment A), direct the Executive Officer to distribute the Final Budget and Work Plan to contributing agencies per the government code, and direct the Executive Officer to execute the agreement with the County Auditor for financial services (Attachment B).

## SUMMARY

---

On April 17, 2025, the Commission held a duly noticed hearing for the Proposed Fiscal Year 2025-2026 (FY 25-26) Budget and Work Plan. A comprehensive staff report and presentation were provided, and a hearing was conducted as required by law. The Commission unanimously approved the Proposed FY 25-26 Budget and Work Plan as recommended by staff. The Proposed Budget and Work Plan were transmitted to all contributing agencies. As of the date of publication of this staff report, no comments have been received. For the full report of the FY 25-26 Budget and Work Plan, please refer to the previously prepared April 17, 2024, staff report, available at [slo.lafco.ca.gov](http://slo.lafco.ca.gov) or by clicking [here](#). Today's hearing is to consider the adoption, by resolution, of the Final FY 25-26 Budget and Work Plan.

## ATTACHMENTS

---

**Attachment A:** LAFCO Resolution Adopting the Final Fiscal Year 2025-2026 Budget and Work Plan

Exhibit A: Final Proposed Budget and Work Plan

**Attachment B:** County Auditor Agreement

### COMMISSIONERS

Chairperson  
STEVE GREGORY  
City Member

Vice-Chair  
HEATHER MORENO  
County Member

DAWN ORTIZ-LEGG  
County Member

ED WAAGE  
City Member

ED EBY  
Special District Member

NAVID FARDANESH  
Special District Member

DAVID WATSON  
Public Member

### ALTERNATES

BRUCE GIBSON  
County Member

CARLA WIXOM  
City Member

VACANT  
Special District Member

MICHAEL DRAZE  
Public Member

### STAFF

ROB FITZROY  
Executive Officer

IMELDA MARQUEZ-VAWTER  
Analyst

MORGAN BING  
Analyst

MELISSA MORRIS  
Commission Clerk

HOLLY WHATLEY  
Legal Counsel

# **Attachment A**

LAFCO Resolution Adopting the Final Fiscal Year  
2025-2026 Budget and Work Plan

**IN THE LOCAL AGENCY FORMATION COMMISSION**  
**COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA**

Thursday, May 15, 2025

**RESOLUTION NO. 2025-\_\_\_**

**RESOLUTION ADOPTING THE FINAL FISCAL YEAR 2025-2026  
BUDGET AND WORK PLAN**

The following resolution is now offered:

**RECITALS**

**WHEREAS**, the Executive Officer has given the notices required by law and forwarded the LAFCO budget to officers, persons, and public agencies as prescribed by law; and

**WHEREAS**, the matter was set for public hearing at 9:00 a.m. on Thursday, April 17, 2025, and May 15, 2025, staff reports were prepared, and the hearing was conducted as required by law, and the LAFCO Fiscal Year 2025-2026 Budget and Work Plan was considered; and

**WHEREAS**, at said hearing, this Commission heard and received any written protests, objections, and evidence which were made, presented, or filed, and all persons present were given the opportunity to hear and be heard in respect to any matter relating to the budget and work plan; and

**WHEREAS**, the Commission considered and approved the Fiscal Year 2025-2026 Proposed Budget and Work Plan at the April 17, 2025, meeting as recommended by staff and approved the Final Fiscal Year 2025-2026 Budget and Work Plan on May 15, 2025, as recommended by staff;

**WHEREAS**, the San Luis Obispo Local Agency Formation Commission finds that it can accomplish its legislative purpose and adopted work plan with the final budget as required by the Cortese-Knox-Hertzberg Act by Section 56381(a); and

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED** by the Local Agency Formation Commission of the County of San Luis Obispo, State of California, as follows:

1. That the Recitals set forth hereinabove are true, correct, and valid and are hereby incorporated by this reference.
2. That pursuant to Government Code Section 56381(a), the Commission hereby adopts a Final Budget and Work Plan for Fiscal Year 2025-2026 as shown in Exhibit A attached hereto. The amount charged to the Cities, Special Districts, and the County, after deducting fees from applications and using of fund balance available, is in Exhibit A attached hereto. This amount will be charged to contributing agencies based on the formula and procedure contained in the



# **Exhibit A**

## **Final Proposed Budget and Work Plan**



# **Final FY 25-26 Budget and Work Plan**

**Adopted May 15, 2025**

# TABLE OF CONTENTS

About us \_\_\_\_\_ 3

Commissioners \_\_\_\_\_ 3

Alternates \_\_\_\_\_ 3

Staff \_\_\_\_\_ 3

Introduction \_\_\_\_\_ 4

Mission \_\_\_\_\_ 4

Goals \_\_\_\_\_ 4

Priorities \_\_\_\_\_ 4

Work plan \_\_\_\_\_ 5

Budget \_\_\_\_\_ 6

## ABOUT US

### Commissioners

Chair: Steve Gregory, City Member

Vice Chair: Heather Moreno, County Member

Dawn Ortiz-Legg, County Member

Ed Waage, City Member

Ed Eby, Special District Member

Navid Fardanesh, Special District Member

Dave Watson, Public Member

### Alternates

Bruce Gibson, County Member

Carla Wixom, City Member

Vacant, Special District Member

Michael Drazee, Public Member

### Staff

Rob Fitzroy, Executive Officer

Imelda Marquez-Vawter, Analyst

Morgan Bing, Analyst

Melissa Morris, Commission Clerk

Holly Whatley, Legal Counsel

## Introduction

This document represents the Fiscal Year 2025-2026 Budget and Work Plan for the San Luis Obispo Location Agency Formation Commission.

## Mission

Our mission is to serve the residents of San Luis Obispo County and the State of California by discouraging urban sprawl and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances.

## Goals

LAFCO's goals are to:

- Serve the Commission, Cities, Districts, the County, and the public by providing accurate, objective, clear, and well-organized information for decision making purposes
- Process proposal applications efficiently; consistent with the Cortese-Knox-Hertzberg Act, Local Policies and Procedures, CEQA and other applicable state laws
- Prepare Sphere of Influence/Municipal Service Review updates as necessary, while working on applications and other work efforts simultaneously
- Provide the Commission with regular status reports regarding upcoming proposals, Sphere of Influence Updates, Legislative Activities, and the Budget
- Participate in CALAFCO events to improve Commission and Staff expertise
- Inform the Commission and Public regarding various local governance issues and processes by providing regular status reports and study sessions
- Monitor the new legislation that may affect LAFCO

## Priorities

Our workload prioritization is as follows:

1. Process proposal applications as mandated by statute and conduct critical operations necessary for organization to function.
2. Prepare Municipal Service Reviews every five years, as mandated by statute, based on the date a Municipal Service Review was last updated.
3. Execute special work efforts as directed by the Commission.

**SLO LAFCO**  
**FY 25-26 Budget & Work Plan**

## WORK PLAN

Application Processing	N/A	N/A	Ongoing, Highest Priority
Commission Initiatives	N/A	NA	No Active Initiatives
Los Osos CSD MSR	Aug-14	Aug-19	In Progress, ETA 2025
San Simeon CSD MSR	Aug-14	Aug-19	On Hold - Pending Active Dissolution
City of Paso Robles MSR	Feb-13	Feb-18	In Progress, ETA 2025
Coastal San Luis Resource Conservation District (RCD) MSR	Nov-14	Nov-19	In Progress, ETA 2025
Upper Salinas-Las Tablas RCD MSR	Nov-14	Nov-19	In Progress, ETA 2025
Santa Margarita Fire Protection District	Nov-14	Nov-19	In Progress, ETA 2025
Garden Farms Community Water District	Nov-14	Nov-19	In Progress, ETA 2025
Port San Luis Harbor District	Nov-14	Nov-19	In Progress, ETA 2025
Cayucos Sanitary District	Jan-15	Jan-20	Initiate 2025, ETA 2026 (Pending Potential Reorg)
Cal Valley CSD MSR	Dec-15	Dec-20	In Progress, ETA 2025
Independence Ranch CSD MSR	Dec-15	Dec-20	In Progress, ETA 2025
Linne CSD MSR	Dec-15	Dec-20	In Progress, ETA 2025
Squire Canyon CSD MSR	Dec-15	Dec-20	In Progress, ETA 2025
Ground Squirrel Hollow CSD MSR	Dec-15	Dec-20	In Progress, ETA 2025
Shandon-San Juan Water District MSR	Oct-16	Oct-21	In Progress, ETA 2025
Estrella-El Pomar-Creston Water District MSR	Apr-17	Apr-22	In Progress, ETA 2025
City of San Luis Obispo MSR	Oct-16	Oct-21	Initiate 2026, ETA 2026
City of Morro Bay MSR	Mar-17	Mar-22	Initiate 2026, ETA 2026
County Service Area 1 - and Nipomo Lighting District MSR	Aug-17	Aug-22	Initiate 2026, ETA 2027
County Service Area 7 - Oak Shore MSR	Aug-17	Aug-22	Initiate 2026, ETA 2027
County Service Area 9 - Los Osos MSR	Aug-17	Aug-22	Initiate 2026, ETA 2027
County Service Area 10 - Cayucos MSR	Aug-17	Aug-22	Initiate 2026, ETA 2027
County Service Area 12 - Lopez Water MSR	Aug-17	Aug-22	Initiate 2026, ETA 2027
County Service Area 16 - Shandon MSR	Aug-17	Aug-22	Initiate 2026, ETA 2027
County Service Area 18 - SLO Country Club MSR	Aug-17	Aug-22	Initiate 2026, ETA 2027
County Service Area 21 - Countywide Roads MSR	Aug-17	Aug-22	Initiate 2026, ETA 2027
County Service Area 22 - Airport Area MSR	Aug-17	Aug-22	Initiate 2026, ETA 2027
County Service Area 23 - Santa Margarita MSR	Aug-17	Aug-22	Initiate 2026, ETA 2027
Adelaida Cemetery District MSR	Mar-18	Mar-23	Initiate 2027, ETA 2027
Arroyo Grande Cemetery District MSR	Mar-18	Mar-23	Initiate 2027, ETA 2027
Atascadero Cemetery District MSR	Mar-18	Mar-23	Initiate 2027, ETA 2027
Cambria Cemetery District MSR	Mar-18	Mar-23	Initiate 2027, ETA 2027
Cayucos-Morro Cemetery District MSR	Mar-18	Mar-23	Initiate 2027, ETA 2027
Pleasant Valley Cemetery District MSR	Mar-18	Mar-23	Initiate 2027, ETA 2027
Paso Robles Cemetery District MSR	Mar-18	Mar-23	Initiate 2027, ETA 2027
San Miguel Cemetery District MSR	Mar-18	Mar-23	Initiate 2027, ETA 2027
Santa Margarita Cemetery District MSR	Mar-18	Mar-23	Initiate 2027, ETA 2027
Shandon Cemetery District MSR	Mar-18	Mar-23	Initiate 2027, ETA 2027
Templeton Cemetery District MSR	Mar-18	Mar-23	Initiate 2027, ETA 2027
Nipomo CSD MSR	May-18	May-23	Initiate 2027, ETA 2027
City of Pismo Beach MSR	Sep-19	Sep-24	Initiate 2027, ETA 2027
City of Atascadero MSR	Nov-19	Nov-24	Initiate 2027, ETA 2027
City of Arroyo Grande MSR	Jul-20	Jul-25	Up to Date
City of Grover Beach	Jul-20	Jul-25	Up to Date
South County Sanitation District	Jul-20	Jul-25	Up to Date
Oceano CSD	Jul-20	Jul-25	Up to Date
Heritage Ranch CSD MSR	Apr-23	Apr-28	Up to Date
Templeton Community Services District (CSD) MSR	Aug-23	Aug-28	Up to Date
San Miguel CSD MSR	Oct-23	Oct-28	Up to Date
Avila Beach CSD MSR	Jan-24	Jan-29	Up to Date
Cambria CSD MSR	Jan-24	Jan-29	Up to Date
Cambria Community Healthcare District MSR	May-24	May-29	Up to Date

**SLO LAFCO**  
**FY 25-26 Budget & Work Plan**

## BUDGET

	Adopted FY 24-25	Projected Year End FY 24-25	Proposed FY 25-26	Increase / Decrease From FY 24-25
<b>Expenditures Summary</b>	<b>\$781,961</b>	<b>\$781,961</b>	<b>\$877,831</b>	<b>12%</b>
<b>Revenues Summary</b>	<b>\$781,961</b>	<b>\$781,961</b>	<b>\$877,831</b>	<b>12%</b>
<i>Services and Supplies Expenditure Details</i>				
Vehicle Stipend	\$5,400	\$5,400	\$5,400	0%
Vehicle Rental	\$500	\$500	\$500	0%
Computer Software	\$1,000	\$1,000	\$2,000	100%
Copying-Printing	\$300	\$300	\$300	0%
Commission Meeting Expenses	\$600	\$745	\$600	0%
LAFCO Insurance Policies	\$20,000	\$18,041	\$22,000	10%
IT Support	\$850	\$850	\$850	0%
Maintenance-Equipment	\$300	\$300	\$500	67%
Maintenance-Software	\$500	\$657	\$500	0%
CALAFCO/ SDRMA / Other Memberships	\$9,000	\$7,498	\$9,000	0%
Employee Mileage Reimbursement	\$200	\$200	\$200	0%
Commissioner Mileage Reimbursement	\$1,500	\$1,500	\$1,500	0%
Office Supplies	\$2,500	\$3,500	\$3,000	20%
Custodial Services	\$1,800	\$1,800	\$1,800	0%
County Auditor Services	\$10,000	\$9,879	\$10,500	5%
Legal Counsel	\$33,600	\$33,600	\$38,000	13%
Postage	\$1,000	\$1,000	\$1,000	0%
General / Commissioner Stipends	\$15,000	\$12,206	\$17,000	13%
Publication & Legal Notices	\$1,000	\$1,000	\$1,000	0%
Training	\$5,000	\$5,000	\$6,000	20%
Office Lease	\$42,000	\$42,000	\$42,000	0%
Large Equipment	\$2,000	\$2,000	\$3,000	50%
Small Equipment	\$600	\$600	\$1,000	67%
Telephone / Internet	\$3,000	\$3,000	\$3,000	0%
Travel Expenses	\$3,000	\$3,000	\$3,000	0%
<i>Services/ Supplies Subtotal</i>	<i>\$160,650</i>	<i>\$155,576</i>	<i>\$173,650</i>	<i>8%</i>
<i>Salary, Benefits and Taxes Expenditures</i>				
Salaries	\$396,105	\$401,179	\$427,610	8%
Federal Taxes - FICA Social Security	\$21,204	\$21,204	\$26,509	25%
Federal Taxes - Medicare	\$4,959	\$4,959	\$6,200	25%
SLOCPT Pension Rate	\$112,440	\$112,440	\$145,904	30%
SLOCPT Pension Obligation Bond	\$19,303	\$19,303	\$18,358	-5%
SDI/SUI Employer Contribution	\$1,500	\$1,500	\$0	-100%
Health Insurance	\$55,800	\$55,800	\$69,600	25%
Deferred Compensation	\$10,000	\$10,000	\$10,000	0%
<i>Salary, Benefits and Taxes Subtotal</i>	<i>\$621,311</i>	<i>\$626,385</i>	<i>\$704,181</i>	<i>13%</i>
<b>Total Expenditures</b>	<b>\$781,961</b>	<b>\$781,961</b>	<b>\$877,831</b>	<b>12%</b>
<i>Revenues</i>				
Interest Earned	\$9,000	\$13,276	\$9,000	0%
Environmental Review Fees	\$3,000	\$3,000	\$3,000	0%
Sphere of Influence Fees	\$3,000	\$3,000	\$3,000	0%
Application Processing Fees	\$24,000	\$45,126	\$24,000	0%
Other Revenue (Transfer of Reserves)	\$84,105	\$58,703	\$50,000	-41%
<i>Agency Contributions</i>				
Cities	\$219,619	\$219,619	\$262,944	20%
County	\$219,619	\$219,619	\$262,944	20%
Special Districts	\$219,619	\$219,619	\$262,944	20%
<b>Total Revenue</b>	<b>\$781,961</b>	<b>\$781,961</b>	<b>\$877,831</b>	<b>12%</b>
<b>Reserves Fund Balance</b>	<b>\$216,768</b>	<b>\$242,170</b>	<b>\$192,170</b>	<b>-11%</b>

# **Attachment B**

## County Auditor Agreement



April 1, 2025

To the Board of Directors and Management  
SLO County Local Agency Formation Commission (LAFCO)

We are pleased to confirm our understanding of the terms and costs of our services under this agreement for the 2025-2026 fiscal year.

Scope of Services

We will provide the following services:

1. **General Accounting** - includes use of the County's centralized accounting system and recording of financial system entries submitted by the agency. Transactions will be reviewed for authorization by appropriate agency personnel prior to processing. In addition, access to the accounting system's financial reports will be available to the agency as needed.
2. **Accounts Payable** - includes processing payment claims by warrant or ACH. Claims will be reviewed to validate two authorized agency signers have approved the payment prior to processing, recording and mailing payments. Any invoices submitted with payment claims will be scanned and archived for retention. Review of invoices for mathematical accuracy and appropriateness of expenditure is not part of this service agreement.
3. **Accounting Support** - includes recording your Agency's budget, ensuring expenditures do not exceed authorized budget, responding to routine inquiries, working with external auditors, and replying to bank confirmations.
4. **Term** - Our services and responsibility end on June 30, 2026.

Our Responsibilities

Our responsibility is to perform the services enumerated above. We will not audit accounting entries, payment claims or budget transactions, nor will we validate the appropriateness of accounting transactions or claims for payment. Our service does not include annual preparation of 1099's or preparation of payroll reports.

Our services are not designed to detect instances of fraud, noncompliance with laws or regulations or significant errors; however, we will communicate to you any known and suspected fraud, noncompliance with laws or regulations or significant errors that come to our attention.

Your Responsibilities

You are responsible for (1) ensuring all transactions are submitted and/or approved by authorized staff, (2) reviewing all transactions prior to submittal to ensure appropriateness of the expenditure, compliance with laws or regulations and to check for significant errors and fraud, (3) retaining all source documents, and (4) providing all Board authorized budgets and budget amendments. You are encouraged to routinely provide accounting reports and payment registers to your Board for review.

You agree to inform us of significant noncompliance, fraud and/or errors immediately upon discovery.

For all services we provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual who possesses suitable skill, knowledge, and/or experience to understand the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services.

Annual Cost and Billing

The annual cost for the services identified above is \$10,215. The cost increase over the prior year is attributed to a change in the Consumer Price Index (CPI-U) of 3.4%, based on the Los Angeles-Long Beach-Anaheim region and using July as a base month. Your agency will be billed by journal entry during the first quarter of the fiscal year for the entire annual costs. A copy of the journal entry will be provided to your agency.

Agreement

We appreciate the opportunity to be of service to you and believe this letter accurately summarized the significant terms of our agreement. This letter constitutes the entire agreement regarding these services and supersedes all prior agreements.

Sincerely,



James W. Hamilton, CPA  
Auditor-Controller-Treasurer-Tax Collector

Authorized Signature Director  \_\_\_\_\_ Date 3/28/25

Authorized Signature Board Chair \_\_\_\_\_ Date \_\_\_\_\_