

Agenda Item 1



Balancing Community and Commerce

5000 S. AIRPORT WAY SUITE 209 STOCKTON, CA 95206 209-953-7646

SUMMARY MINUTES

March 12, 2026

BOARD OF SUPERVISORS CHAMBERS
44 NORTH SAN JOAQUIN STREET, 6TH FLOOR
STOCKTON, CALIFORNIA

Chair Ding called the meeting to order at 9:03 a.m.

MEMBERS PRESENT: Commissioners Barton, Gardea, Johnson, Chair Ding

MEMBERS ABSENT: Commissioner Diallo

ALTERNATE MEMBERS
PRESENT: Commissioner Arriola

ALTERNATE MEMBERS
ABSENT: Commissioners Dhaliwal and Dhatt

OTHERS PRESENT: J.D. Hightower, Executive Officer; Mitzi Stites,
Clerk/Analyst, Thomas Remlinger, Legal Counsel; and
Claudia Iboa, Administrative Assistant

CONSENT ITEMS

1. The Chair introduced Agenda Item No. 1, Summary of Minutes

Chair Ding opened the floor to Commissioner Comments.

No Comments were made.

Chair Ding closed the floor to Public Comments.

No Comments were made.

A motion was made by Commissioner Johnson and seconded by Commissioner Gardea to approve the Consent Items.

Chair Ding asked for a Roll Call Vote:

Ayes: Commissioners Arriola, Barton, Gardea, Johnson, and Chair Ding

Noes: None

Abstain: None

PUBLIC HEARING:

2. Chair Ding introduced Agenda Item No. 2., FARMINGTON FIRE PROTECTION DISTRICT SERVICE REVIEW (LAFC 04-26).

Executive Officer, J.D. Hightower, presented a PowerPoint presentation on the Farmington Fire Protection District Service Review.

Chair opens the floor to Commissioner Comments.

Commissioner Gardea inquired on the parcels that are not protected by Farmington Fire Protection District (F.F.P.D) but are state funded, what reimbursement, if any does F.F.P.D. receive if they respond to a call.

Mr. Briggs, President, Board of Directors, Farmington Fire Protection District, stated that after 12 hours the Farmington Fire Protection District will be reimbursed.

Commissioner Johnson states that since approx. 2020, the F.F.P.D. has a \$125,000 a year surplus, do they have a reserve, and if the projection is that F.F.P.D. will be running at a deficient, please list the factors for this.

J.D. Hightower, Executive Officer, stated that the F.F.P.D. currently have a reserve but in the future the expenditure / operating cost will outpace the revenue. One of the recommendations is that the District look into grants and/or special property tax that would require a 218 vote.

Commissioner Johnson inquired when the Farmington Fire District would need to start to increase revenue.

Brandon Fender, Senior Associate, RSG, agreed that the expenditure will start to outpacing revenue. As for when Farmington Fire Protection District will need to increase revenue, it is hard to determine but the Fire Study is a look for the next five years, and it seems that they would need to increase it possibly for the next five-year review.

Commissioner Barton inquired about the number of board meetings that need to be monitored and what the expirations over the next six months are.

J.D., Hightower, Executive Officer, stated that the board has gone through a brief but intense period of change. In September three board members resigned preventing a quorum. They have since missed five months of meetings. The Fire Protection District Law of 1987 states you should meet at least every three months.

Commissioner Barton inquired if the Interim Chief is the Chief from Colledgeville Fire District and what is the process to hire a permanent Chief.

J.D. Hightower, Executive Officer, stated that yes, Chief Vanessa Herrero, has agreed to be the interim Chief for four to six weeks, then the board would look at getting a longer-term Interim Chief. The current Chief is out on workers' compensation and would have the choice to return as chief when he comes back to work.

Chair Ding asked Mr. Jeff Briggs, President, Board of Directors, Farmington Fire Protection District if he would like to address the Commission.

Mr. Jeff Briggs, President, Board of Directors, Farmington Fire Protection District, thanked Commissioners Ding, and Gardea who helped Farmington Fire Protection District Board set up an ad hoc committee to assist the District moving forward. Mr. Briggs also thanked Executive Officer, J.D. Hightower, who assisted the District from the beginning. All the fire districts reached out and offered assistance throughout this time.

Mr. Briggs offered a detailed history of the Farmington Fire Protection District.

Commissioner Johnson inquired about the current number of board members.

Mr. Briggs, President, Board of Directors, Farmington Fire Protection District, stated that there are currently four members. They advertised for additional members but as of March 11, 2016, no one had applied. After 60 days, the Board of Supervisors will then appoint members.

Commissioner Barton appreciated the time and effort that Mr. Briggs put into the Farmington Fire Protection District. Out of the four fire fighters, are they still employed.

Mr. Briggs, President, Board of Directors, Farmington Fire Protection District, stated that the four fire fighters remain. He informed the Commission that out of the four, one of them has been with the District three years, the other three have been there one year. No one has been trained to meet the requirements to drive or operate the apparatus. The District has immediately begun the process to have that completed. There is a 40-hour class then the chief officer will certify them. Since that time, the District has hired an additional seven fire fighters, four of them can drive. This brings the total to 12 with the inclusion of Mr. Briggs.

Commissioner Barton inquired whether the issues that essentially caused the change in the Board remain or have they been resolved

Mr. Briggs, President, Board of Directors, Farmington Fire Protection District, stated that yes, the issues have been resolved.

Commissioner Arriola inquired about the Board of Directors' ability to fill a quorum.

Mr. J.D. Hightower, Executive Officer, stated that the Farmington Board of Directors has 60 days to fill vacant board seats. If those positions are not filled within 60 days, the Board of Supervisors may appoint to fill those vacant positions.

Mr. Briggs, President, Board of Directors, Farmington Fire Protection District, stated that they have a sixth month plan in place to move Farmington Fire Protection District to move forward.

Commissioner Gardea inquired the last time there was a forensic audit.

Mr. Briggs, President, Board of Directors, Farmington Fire Protection District, stated that has not happened and does not know if that is planned.

Chair Ding, thanked Mr. Briggs for going above and beyond helping the Farmington Fire Protection District.

Chair Ding opened the floor to public comments.

Bob Bentz addressed the Commission.

Chair Ding closed public comments.

Commissioner Johnson made the motion with Commissioner Barton seconded that the Commission approve Resolution 26-1562, Adopting the Farmington Fire Protection District (District) Service Review.

Chair Ding asked for a Roll Call Vote:

Ayes: Commissioners Arriola, Barton, Gardea, Johnson, and Chair Ding

Noes: None

Abstain: None

PUBLIC COMMENTS

3. Persons wishing to address the Commission on matters not otherwise on the agenda. Public Comments on matters within the jurisdiction of the San Joaquin Local Agency Formation Commission that are not listed on the Agenda. Please no personal attacks.

No one came forward.

EXECUTIVE OFFICER COMMENTS

4. J.D. Hightower, Executive Officer, requested an ad hoc committee be formed to go over the FY 26-27 Budget. The Preliminary Budget will be presented to the Commission in April, and the Final Budget will be presented to the Commission in May. Commissioner Barton stated that he and Commissioner Johnson have been on the ad hoc committee for the past few years and he is willing to be a part of this committee this year. Commissioner Johnson agreed. Chair Ding appointed Commissioners Barton and Johnson to the ad hoc committee

COMMISSIONER COMMENTS

5. Commissioner Barton appreciates the way that Mr. Briggs has stepped up with the Farmington Fire Protection District. He looks forward to working with him in the future.

ADJOURNMENT

Chair Ding adjourned the meeting at 9:57 a.m.

Agenda Item 2



EXECUTIVE OFFICER'S REPORT

PROJECT: FY 2026/2027 Preliminary Budget

PROPOSAL: Review and distribute the Preliminary FY 2026/2027 Budget.

PURPOSE: Public workshop and discussion about the proposed LAFCo budget for FY 2024/2025 pursuant to Government Code Section 56381, Annual Budget.

PROCESS: This is an item for public information and discussion amongst all Commissioners, alternate Commissioner's insights and comments are considered important for this item.

RECOMMENDATION: It is recommended that the Commission review and distribute the proposed preliminary budget for FY 2026/2027. The Budget Sub-Committee met with the Executive Officer on March 26, 2026 and recommended that overall cities/county allocations remain static. The overall allocation has not changed since the FY 2023/2024 budget. The individual city allocation will change based on the percentage of total city population as determined by the State Department of Finance 2026 E-1 population estimate. This estimate is usually published annually on or near May 1 and will be presented as part of the final budget. For reference the FY 2025/2026 allocations are shown below.

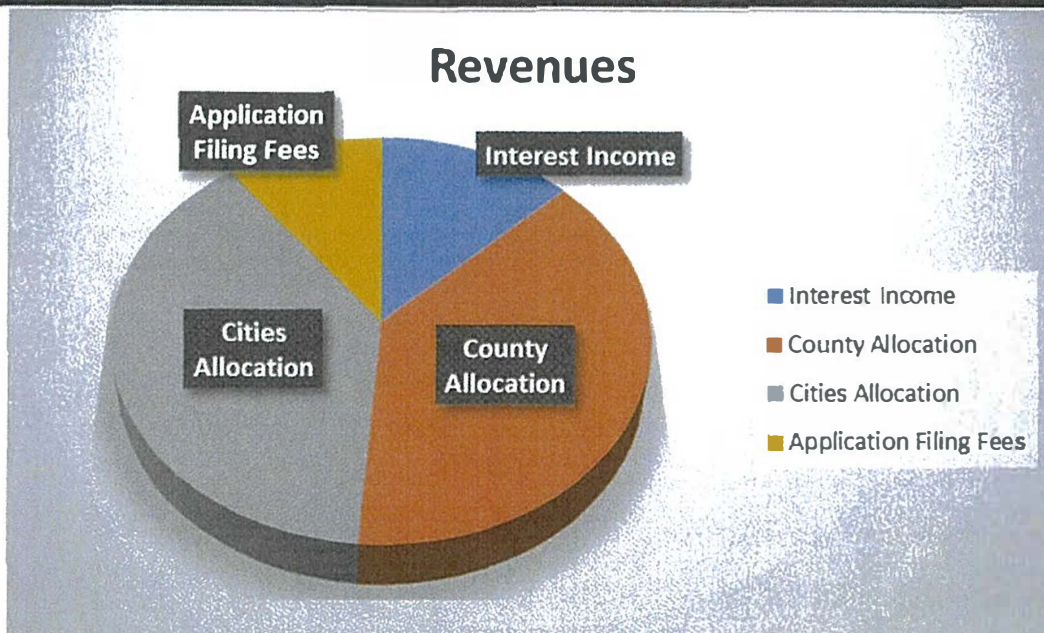
San Joaquin Local Agency Commission Allocation FY 2025/2026					
City	Population 1/1/2024	Population 1/1/2025	% All City Population	FY 25/26 Allocation	Delta FY25 to FY26
Escalon	7,337	7,232	1%	\$ 2,801.31	\$ (55.69)
Lathrop	37,102	38,596	6%	\$ 14,950.14	\$ 356.14
Lodi	67,262	67,093	10%	\$ 25,988.44	\$ (214.56)
Manteca	92,116	93,733	14%	\$ 36,307.42	\$ 478.42
Mountain House	-	28,795	4%	\$ 11,153.73	\$ 276.73
Ripon	15,966	15,753	2%	\$ 6,101.92	\$ (101.08)
Stockton	323,355	320,877	48%	\$ 124,291.52	\$ (712.48)
Tracy	97,501	98,215	15%	\$ 38,043.52	\$ (28.48)
	640,639	670,294	100%	\$ 259,638.00	\$ -
San Joaquin County	161,689	135,562		\$ 259,638.00	\$ -

BACKGROUND: State Government Code Section 56381 directs the preparation of LAFCo's annual operating budget. This section directs the following:

- Commission shall adopt annually, a proposed budget by May 1 and final budget by June 15.
- Commission shall transmit its proposed and final budgets to the board of supervisors and each city.
- County and its cities shall each provide a one-half share of the commission's operational costs.
- At a minimum, the proposed and final budget shall be equal to the budget adopted for the previous fiscal year.

Consistent with these directions, the Mayor's Select Committee has decided that the cities share be apportioned amongst the individual cities on a per capita basis from the January 1 State Department of Finance Population Estimates (E-1). This estimate is made available in early May. The LAFCo 2025 population estimate was 805,252.

REVENUE SOURCE	Approved Budget	Approved Budget	Proposed Budget
	FY 2024/2025	FY 2025/2026	FY 2026/2027
Interest Income	\$ 86,260.00	\$ 95,454.97	\$ 88,258.97
County Allocation	\$ 259,638.00	\$ 259,638.00	\$ 259,638.00
Cities Allocation	\$ 259,638.00	\$ 259,638.00	\$ 259,638.00
Application Filing Fees	\$ 70,000.00	\$ 71,960.00	\$ 79,156.00
TOTAL REVENUE	\$ 675,536.00	\$ 686,690.97	\$ 686,690.97



The GC Section 56381 cities/county allocations account for approximately 77% of the forecasted revenue. The interest income and application filing fees account for about 23% of the total revenues for the Commission. Interest income is forecasted 7.25% lower than last fiscal year. Keeping total revenues equal to last year is a projected 9% increase in application filing fees. This balance is important because of the need to ensure that the total budget for the Commission is at least the amount of last fiscal year is a Government Code Section 56381 requirement.

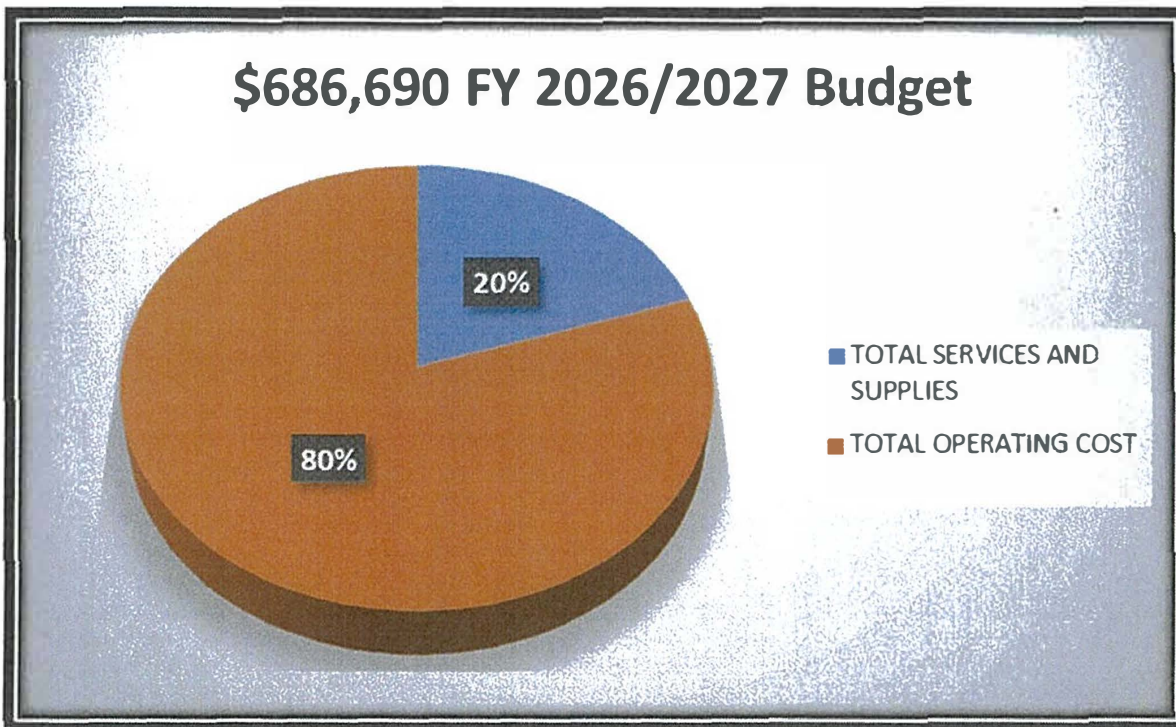
Staff expenditures comprise approximately 81% of the total Commission expenditures. The Budget Sub-Committee reviewed a proposed job classification and step structure for both the Clerk Analyst and Clerk positions with a three percent (3%) raise in their respective payrate starting at mid-range step. The structure for both positions would start at step 3, the mid-step in a 5-step job classification. This proposal has a budget impact of \$3,598.80 to the staff costs next year. No changes to the EO rate or contract.

STAFF COST	FY 2024/2025 Budget	FY 2025/2026 Budget	FY 2026/2027 Budget
Salaries			
SALARIES & WAGES-REGULAR	\$ 295,397.00	\$ 298,098.02	\$ 301,696.42
SALARIES-CAFETERIA	\$ -	\$ 8,376.37	\$ 8,702.72
SALARIES-CAR ALLOWANCE	\$ 7,020.00	\$ 7,020.00	\$ 7,020.00
Salaries and Wages	\$ 302,417.00	\$ 313,494.39	\$ 317,419.14
Fringe Benefits			
UNEMPLOYMENT COMP INSURANCE	\$ 425.00	\$ 446.25	\$ 468.56
RETIREMENT-EMPLOYER SHARE	\$ 99,208.00	\$ 101,192.16	\$ 103,216.00
RETIREMENT-EMPLOYER ADDTL CONT	\$ 12,432.00	\$ 12,680.64	\$ 12,934.25
SOCIAL SECURITY-OASDI	\$ 17,351.00	\$ 18,218.55	\$ 19,129.48
SOCIAL SECURITY-MEDICARE	\$ 4,329.00	\$ 4,545.45	\$ 4,772.72
LIFE INSURANCE	\$ 299.00	\$ 313.95	\$ 329.65
HEALTH INSURANCE	\$ 42,007.00	\$ 47,252.74	\$ 56,703.29
DENTAL INSURANCE	\$ 399.00	\$ 723.31	\$ 867.97
VISION CARE	\$ 98.00	\$ 118.53	\$ 142.23
Fringe Benefits	\$ 176,548.00	\$ 185,491.58	\$ 198,564.16
TOTAL STAFF COST	\$ 478,965.00	\$ 498,985.97	\$ 515,983.30



Staff costs comprise 80% of the proposed \$686,690.00 budget with operating costs comprising 20%.

Clerk	Step			Clerk/Analyst			
	Hourly	Increase	Annually	Hourly	Annually		
Step 1	\$29.78		\$37,164.80	\$36.15		\$75,190.71	
Step 2	\$30.70	3%	\$38,314.22	\$37.27	3%	\$77,516.19	3%
Step 3	\$31.65	3%	\$39,499.20	\$38.42	3%	\$79,913.60	3%
Step 4	\$32.60	3%	\$40,684.18	\$39.57	3%	\$82,311.01	3%
Step 5	\$33.58	3%	\$41,904.70	\$40.76	3%	\$84,780.34	3%
Clerk position = 24 hr/wk (0.6 FTE)							
Current =	\$ 30.70			Current =	\$ 37.26		
Proposed	\$ 31.65			Proposed =	\$ 38.42		
% Incr.	3.00%			% Incr.	3.02%		
Impact =	\$ 1,185.60			Impact =	\$ 2,412.80	Total =	\$ 3,598.40



Operating expenses are predominately overhead fixed costs or necessary operational costs that are vendor controlled (County), the cost of which are out of direct LAFCo control. The one exception is the professional services line item. Expenditures from this line item are typically reimbursed with application fees.

SERVICES AND SUPPLIES	FY 2024/2025 Budget	FY 2025/2026 Budget	FY 2026/2027 Budget
PROFESSIONAL SERV-PROGRAMS	\$ 75,802.00	\$ 60,338.54	\$ 63,690.46
OFFICE OPERATIONS	\$ 30,573.00	\$ 35,301.13	\$ 36,183.65
MEMBERSHIPS & CONFERENCES	\$ 34,409.00	\$ 21,191.23	\$ 21,235.49
COUNTY SERVICES	\$ 37,069.00	\$ 44,255.81	\$ 32,988.92
INSURANCE	\$ 15,065.00	\$ 15,818.25	\$ 16,609.16
TOTAL SERVICES AND SUPPLIES	\$ 294,969.00	\$ 176,904.95	\$ 170,707.68

The sub-committee recommended budget is projected to continue the reduction of the reserve account. The reserve account is projected to have a year-end balance of \$1,208,358.81 and a reserve to expenditure ratio of 176%.

TOTAL OPERATING COST	\$ 773,934.00	\$ 675,890.92	\$ 686,690.97
Revenues - Operating Costs	\$ (98,398.00)	\$ 10,800.05	\$ 0.00
FUND BALANCE	\$ 1,450,357.00	\$ 1,381,061.54	\$ 1,208,358.81
RESERVE RATIO	187%	204%	176%

The overall reserve account is intended to cover several types of expenditures. A survey of other LAFCo's showed the following components of the overall reserve account as shown on the following page.

A more detailed description of the reserve account components can be adopted with the final budget. Preliminary definitions of the reserve account components are:

General Reserves are expenses for purposes including, but not limited to, unanticipated fees, unrealized application fee revenue, and professional services such as special studies, and environmental review.



Legal is for use in the event of significant, unbudgeted legal costs or lawsuits involving LAFCo.

Leave Cash-out is to cover annual estimated total compensated absences due at end of the fiscal year.

Working Capital is intended for unanticipated services and supplies such as office operations, conferences/travel, and capital item replacement.

LAFCo	General	Legal	Capita/Building	Leave Cash-Out	Unfunded Liabilities	Working Capital
Imperial	10%	\$ 40,000.00	\$ 460,000.00			
Marin	25%					
Mendocino	25%					
Merced	6%	\$ 20,000.00				
Placer	25%					
Riverside	25%		Est. Asset Value >\$3,000	75%	80%	
Santa Barbara	30% - 50%					
Ventura	10%	\$143,000.00				60 days
Yolo	20%					
Average	20.67%	\$ 67,666.67				

Reserve Account Component	Minimum Balance	% Total Reserve	Projected 06/30/2027 Balance
General	\$250,000.00	50%	\$604,179.00
Legal	\$150,000.00	25%	\$302,089.50
Leave Cash-Out	\$10,000.00	10%	\$120,835.80
Working Capital	\$45,000.00	15%	\$181,253.70
Total	\$455,000.00	100%	\$1,208,358.00

The overall minimum balance in the upcoming fiscal year represents a 66% reserve to expenditure ratio.

The final budget will take into account the budget subcommittee recommendation and reflect the Commission's decision at the time of budget adoption.



DRAFT PRELIMINARY FY 2025/2026 LAFCo BUDGET

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SERVICES AND SUPPLIES	FY 2024/2025 Budget	FY 2025/2026 Budget	FY 2026/2027 Budget
PROFESSIONAL SERV-PROGRAMS	\$ 75,802.00	\$ 60,338.54	\$ 63,690.46
OFFICE EXPENSE-GENERAL	\$ 26,280.00	\$ 29,145.41	\$ 29,874.04
OFFICE SUPPLIES-PURCHASING-ISF	\$ 549.00	\$ 1,311.97	\$ 1,344.76
GENERAL OFFICE SUPPLIES	\$ 158.00	\$ 153.08	\$ 156.91
OFFICE EXPENSE-POSTAGE	\$ 1,149.00	\$ 1,465.69	\$ 1,502.33
COMMUNICATIONS	\$ 2,437.00	\$ 3,224.98	\$ 3,305.61
OFFICE OPERATIONS	\$ 30,573.00	\$ 35,301.13	\$ 36,183.65
MEMBERSHIPS	\$ 12,409.00	\$ 12,921.00	\$ 12,921.00
TRANS AND TRAVEL-GENERAL	\$ 15,000.00	\$ 6,500.00	\$ 6,500.00
TRANS/TRAVEL-STAFF	\$ 7,000.00	\$ 1,770.23	\$ 1,814.49
MEMBERSHIPS & CONFERENCES	\$ 34,409.00	\$ 21,191.23	\$ 21,235.49
AUDITOR SERVICES	\$ 1,501.00	\$ 1,553.44	\$ 1,996.33
PUBLICATIONS & LEGAL NOTICES	\$ 540.00	\$ 2,391.19	\$ 718.20
RENTS-STRUCTURES & GROUNDS	\$ 22,738.00	\$ 27,504.00	\$ 27,504.00
RENTS/LEASES-AUTO EQUIP-ISF	\$ 2,083.00	\$ 2,089.83	\$ 2,770.39
DATA PROCESSING CHARGES	\$ 10,207.00	\$ 10,717.35	
COUNTY SERVICES	\$ 37,069.00	\$ 44,255.81	\$ 32,988.92
INSURANCE-WORKER'S COMP	\$ 906.00	\$ 951.30	\$ 998.87
INSURANCE-CASUALTY	\$ 14,159.00	\$ 14,866.95	\$ 15,610.30
INSURANCE	\$ 15,065.00	\$ 15,818.25	\$ 16,609.16
TOTAL SERVICES AND SUPPLIES	\$ 294,969.00	\$ 176,904.95	\$ 170,707.68

TOTAL OPERATING COST	\$ 773,934.00	\$ 675,890.92	\$ 686,690.98
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Revenues - Operating Costs	\$ (98,398.00)	\$ 10,800.05	\$ (0.00)
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FUND BALANCE	\$ 1,450,357.00	\$ 1,381,061.54	\$ 1,208,358.81
RESERVE RATIO	187%	204%	176%

Work Schedule FY 2026/2027

<ul style="list-style-type: none"> • Anticipated Applications 	<ul style="list-style-type: none"> •
<p>Proposals for the City of Escalon:</p> <ul style="list-style-type: none"> • Brennan Road Annexation <p>Proposals for the City of Lodi:</p> <ul style="list-style-type: none"> • Westside III • Maverick <p>Proposals for the City of Manteca:</p> <ul style="list-style-type: none"> • Edwards Ranch • Griffin Park II • MUSD Tinnin Road • North Manteca #1 • Diede – Longorio Reorganization • Lovelace Reorganization <p>Woodbridge Irrigation District</p> <ul style="list-style-type: none"> • MSR/SOI Update <p>Stockton East Water District</p> <ul style="list-style-type: none"> • MSR/SOI Update <p>South San Joaquin Irrigation District</p> <ul style="list-style-type: none"> • MSR/SOI Update 	<p>Proposals for the City of Mountain House:</p> <ul style="list-style-type: none"> • Byron Highway Reorganization • Mountain House Parkway Reorg. <p>Proposals for the City of Stockton:</p> <ul style="list-style-type: none"> • LeBaron Ranch • Mariposa Industrial Park II • Murray Ranch • Woody Ranch <p>Proposals for the City of Tracy:</p> <ul style="list-style-type: none"> • MSR/SOI Update • Larch Road • Prologis • Tracy Hills • Guru Baaz • Patterson Pass Business Annexation • Legacy Estates • Tracy N.E. Business Park • Corral Hollow II Reorganization • Urban Reserve 5 • Jass Reorganization • Chrisman 42 & 43 Reorganization • Chrisman 41 Reorganization • South Von Sosten Reorganization • Tracy Pavillion • Chrisman 21 Reorganization • Chrisman 22 Reorganization

