



Local Agency Formation Commission of Napa County
Subdivision of the State of California

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We Manage Local Government Boundaries, Evaluate Municipal Services, and Protect Agriculture

Agenda Item 7a (Public Hearing)

TO: Local Agency Formation Commission

PREPARED BY: Budget Committee (Pitts, Wagenknecht, Freeman)

MEETING DATE: June 6, 2016

SUBJECT: Final Budget for Fiscal Year 2016-2017

RECOMMENDATION

It is recommended the Commission take the following actions:

- 1) Open the public hearing and take testimony;
- 2) Close the public hearing;
- 3) Adopt the final budget for 2016-2017 (Attachment One) with any desired changes;
- 4) Approve the proposed amendment to the Budget Policy (Attachment Two);
- 5) Approve the proposed amendment to the Fee Schedule (Attachment Three).

BACKGROUND

LAFCOs are responsible for annually adopting a proposed budget by May 1st and a final budget by June 15th pursuant to California Government Code Section 56381. This statute specifies the proposed and final budgets shall – at a minimum – be equal to the budget adopted for the previous fiscal year unless LAFCO finds the reduced costs will nevertheless allow the agency to fulfill its prescribed regulatory and planning duties.

Greg Pitts, Vice Chair
Councilmember, City of St. Helena

Juliana Inman, Commissioner
Councilmember, City of Napa

Joan Bennett, Alternate Commissioner
Councilmember, City of American Canyon

Diane Dillon, Chair
County of Napa Supervisor, 3rd District

Brad Wagenknecht, Commissioner
County of Napa Supervisor, 1st District

Keith Caldwell, Alternate Commissioner
County of Napa Supervisor, 5th District

Brian J. Kelly, Commissioner
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer

Prescriptive Funding Sources

The Commission's annual operating expenses are principally funded by the County of Napa and the Cities of American Canyon, Calistoga, Napa, St. Helena, and Town of Yountville. State law specifies the County is responsible for one-half of the Commission's operating expenses while the remaining amount is to be apportioned among the five cities. The current formula for allocating the cities' shares of the Commission's budget was adopted by the municipalities in 2003 as an alternative to the standard method outlined in State law and is based on a weighted calculation of population (60%) and general tax revenues (40%). Additional funding – typically representing less than one-tenth of total revenues – is budgeted from anticipated application fees and interest earnings.

Budgeting Policies

It is the policy of the Commission to ensure the agency is appropriately funded to effectively and proactively meet its prescribed duties while controlling operating expenses whenever possible to limit the financial impact on the funding agencies. This means utilizing the Commission's unrestricted fund balance ("reserves") when appropriate to offset increases in agency contributions. Further, it is the policy of the Commission to utilize a Budget Committee to inform the agency's decision-making process in adopting an annual operating budget. The Commission establishes a Budget Committee for each fiscal year that includes two Commissioners and the Executive Officer. Commissioners Greg Pitts and Brad Wagenknecht were appointed to serve on the 2016-2017 Budget Committee at the Commission's December 7, 2015 regular meeting. The Budget Committee's responsibilities are summarized in the Budget Policy, which is included with a proposed amendment as Attachment Two. The proposed amendment to the Budget Policy is described in the following section of this report.

Committee Actions to Date

At its April 4th meeting, the Commission adopted a proposed budget for 2016-2017 and provided direction to the Budget Committee to return with an amendment to the Budget Policy. The proposed amendment to the Budget Policy would require the Commission to retain sufficient reserves to equal a minimum of one-third (i.e. four months) of budgeted operating expenses in the affected fiscal year.¹ The proposed budget was circulated to the funding agencies and posted to the agency website for review and comment through May 9th in anticipation of the Commission adopting a final budget as part of today's public hearing. No comments were received. The Budget Committee confirmed the adopted proposed budget from the April 4th meeting remains appropriate and therefore returns with an identical final budget as part of today's meeting.

¹ The existing policy requires the Commission to retain sufficient reserves to equal a minimum of one-fourth (i.e. three months) of budgeted operating expenses in the affected fiscal year. The direct impact would be an increase in the minimum amount of reserves included as part of the 2016-2017 budget from \$126,422 under the current policy to \$168,563 under the amended policy.

In addition to preparing the budget for 2016-2017, the Budget Committee reviewed the Commission's adopted Fee Schedule and Work Program pursuant to the Budget Policy. The Budget Committee determined the Fee Schedule is adequate in terms of appropriately charging proposal applicants for various processing fees.² However, two of the proposal processing fees that the Commission collects on behalf of the County of Napa will change effective July 1, 2016. Therefore, the Commission's Fee Schedule requires an amendment to incorporate the updated County of Napa fees. The updated fees are included in the proposed amendment to the Fee Schedule as provided in Attachment Three and summarized below.

- 1) The County Assessor's mapping service flat fee will increase from \$125 to \$162.
- 2) The County Surveyor fee for the review of maps and geographic descriptions for changes of organization (e.g. annexations) will change from an hourly \$165 fee to a flat \$245 fee.

In addition to the preceding items, the Budget Committee updated the Work Program to re-order activities according to target completion dates in response to comments generated at the April 4th meeting by the Commission. The Committee further updated the Work Program to adjust the timelines for various planning and regulatory activities in response to written requests from affected agencies. These recent changes to the Work Program are described in more detail as part of item 8a on today's agenda.

SUMMARY

The Budget Committee has prepared a final budget for 2016-2017 in line-item form for consideration by the Commission as part of a noticed public hearing. The final budget includes operating expenses totaling \$505,688 and operating revenues totaling \$482,444 with the remaining shortfall (\$23,244) to be covered by drawing from agency reserves.

The final budget for 2016-2017 accomplishes the Budget Committee's objectives to provide sufficient resources to maintain current service levels while minimizing impacts on the funding agencies by limiting overall contribution increases. In particular, the final budget preserves present staff and service levels that the Budget Committee believes are merited given the agency's prescribed and expanding duties. Also, despite allocating \$23,244 as offsetting revenues, the final budget positions the Commission to finish the fiscal year with available reserves totaling \$268,585; an amount more than sufficient to satisfy the proposed amended policy requirement that the Commission retain reserves equal to no less than one-third (i.e. four months) of operating expenses.

² The Fee Schedule includes a combination of flat rate fees and at-cost fees for the processing of proposals. The Budget Committee concluded that existing fees are appropriate given that they provide cost-assurances to proposal applicants while ensuring the Commission is properly reimbursed for demands on staff resources. Further, the Commission's fee amounts are substantially similar to fees charged by other LAFCOs.

A detailed summary of operating expenses and revenues follows with the corresponding general ledger showing all affected accounts included as an exhibit to the draft resolution of approval as provided in Attachment One.

Operating Expenses

The final budget includes operating expenses totaling \$505,688; a decrease of \$19,996 or (3.8%) over the adjusted budget amount of \$525,684 for the current fiscal year. Nearly all of the decrease lies within the services/supplies unit with the majority associated with a reduction in consulting services.

The salaries and benefits account would increase from \$270,151 in the current fiscal year to \$347,922 in 2016-2017. This represents a \$77,771 or 28.8% increase and accounts for (1) full funding of the vacant Analyst position at the bottom of the pay scale;³ (2) increasing the Commission Secretary's weekly schedule from 20 hours to 30 hours; (3) reducing the Executive Officer's budgeted salary to the appropriate level;⁴ and (4) incorporating cost-of-living adjustments for all employees consistent with the Commission's agreement with the County of Napa for staff support services.

The consulting services account would decrease from \$126,600 in the current fiscal year to \$25,000 in 2016-2017. This represents a \$101,600 or (80.3%) decrease and is associated with the following consultant contracts: (1) Ascent Environmental for environmental services; (2) SWALE for preparation of municipal service reviews and sphere of influence updates; and (3) ECS for historical file back-scanning for the electronic document management system. The current fiscal year budget includes encumbrances for each consultant contract. The Commission does not budget for contingencies and instead relies on reserves to address unexpected expenses and emergencies.

The following table summarizes operating expenses in the final budget.

Expense Unit	Adjusted FY15-16	Final FY16-17	Change %
1) Salaries/Benefits	\$270,151	\$347,922	28.8
2) Services/Supplies	\$255,533	\$157,766	(38.3)
3) Contingencies	\$0	\$0	0.0
TOTAL	\$525,684	\$505,688	(3.8)

³ In the absence of hiring of an Analyst in 2016-2017, it would be reasonable to assume the Commission will consider a budget transfer from Administrative Services to Consulting Services in the amount of the Analyst's salary and benefits total for purposes of hiring private consultants to assist in the preparation of municipal service reviews and sphere of influence updates. This potential budget transfer would be consistent with the current fiscal year practice.

⁴ The current fiscal year budget reflects a salary for the Executive Officer at step 3 of the pay scale due to the uncertainty of the salary that would ultimately be offered to the new Executive Officer following seven months of recruitment efforts. The final budget was adopted prior to the hiring of the current Executive Officer at step 1 of the pay scale. The final budget for 2016-2017 includes a salary for the Executive Officer at step 2 of the pay scale, thus allowing for a potential merit increase.

Operating Revenues

It has been the Commission's practice in recent years to intentionally budget for operating deficits for the purpose of reducing the impact to funding agencies when reserves exceed the amount required in the Budget Policy.⁵ The final budget therefore includes operating revenues matching the current fiscal year amount at \$482,444. This amount would minimize the impact to funding agencies and result in an intentional operating deficit of (\$23,244), which would be covered by utilizing reserves consistent with prior fiscal years.

The majority of operating revenues to be collected – \$449,944 – would be drawn from agency contributions and would match the overall amount for the current fiscal year. However, individual agency contributions within the overall amount would change due to the aforementioned cities' shares allocation formula. Service charges and interest earnings on the fund balance invested by the County Treasurer represent the remaining portion of operating revenues in the final budget. Application fee revenues in the final budget remain consistent at \$30,000 in recognition of recent trends in proposal activity.

The following table summarizes operating revenues in the final budget.

Revenue Unit	Adjusted FY15-16	Final FY16-17	Change \$	Change %
1) Agency Contributions	\$449,944	\$449,944	\$0	0.0
(a) County of Napa	\$224,972	\$224,972	\$0	0.0
(b) City of Napa	\$149,571	\$149,066	(\$505)	(0.3)
(c) City of American Canyon	\$35,997	\$35,330	(\$667)	(1.9)
(d) City of St. Helena	\$14,582	\$15,908	\$1,326	9.1
(e) City of Calistoga	\$13,467	\$13,209	(\$258)	(1.9)
(f) Town of Yountville	\$11,355	\$11,459	\$104	0.9
2) Service Charges	\$30,500	\$30,500	\$0	0.0
3) Interest Earnings	\$2,000	\$2,000	\$0	0.0
TOTAL	\$482,444	\$482,444	\$0	0.0

Agency contributions for 2016-2017 (Attachment Four) reflect general tax revenues for 2013-2014 as provided by the State Controller's Office's (SCO) Cities Annual Report as well as population estimates for January 1, 2016 as provided by the State Department of Finance's (DOF) Population Estimates.

ATTACHMENTS

- 1) Draft Resolution of Approval (Final Budget General Ledger Provided as Exhibit "A")
- 2) Proposed Amendment to Budget Policy (Tracked Changes)
- 3) Proposed Amendment to Fee Schedule (Tracked Changes)
- 4) Local Agency Contributions Worksheet

⁵ Reserves are estimated to total \$268,585 at the end of the current fiscal year. The proposed amended Budget Policy would direct the Commission to retain sufficient reserves to equal no less than one-third (i.e. four months) of budgeted operating expenses. Therefore, the Commission would be directed to retain a minimum of \$168,563 in reserves.

RESOLUTION NO. ____

**RESOLUTION OF
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
ADOPTING A FINAL BUDGET FOR THE 2016-2017 FISCAL YEAR**

WHEREAS, the Local Agency Formation Commission of Napa County (hereinafter referred to as “Commission”) is required by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.) to adopt a proposed budget no later than May 1st and a final budget by June 15th; and

WHEREAS, the Commission appoints and utilizes a Budget Committee to help inform and make decisions regarding the agency’s funding requirements; and

WHEREAS, the Commission adopted a proposed budget prepared by the Budget Committee at a noticed public hearing on April 4, 2016; and

WHEREAS, at the direction of the Commission, the Budget Committee circulated for review and comment the adopted proposed budget to the administrative and financial officers of each of the six local agencies that contribute to the Commission budget; and

WHEREAS, the Commission reviewed all substantive written and verbal comments concerning the adopted proposed budget; and

WHEREAS, the Budget Committee prepared a report with recommendations for a final budget; and

WHEREAS, the Budget Committee’s report on a final budget has been presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at its public hearing on the final budget held on June 6, 2016; and

WHEREAS, the Commission determined the final budget projects the staffing and program costs of the Commission as accurately and appropriately as is possible.

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

1. The final budget as outlined in Exhibit "A" is approved.
2. The final budget provides the Commission sufficient resources to fulfill its regulatory and planning responsibilities in accordance with Government Code Section 56381(a).

The foregoing resolution was duly and regularly adopted by the Commission at a regular meeting held on June 6, 2016 by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSTAIN: Commissioners _____

ABSENT: Commissioners _____

ATTEST: Brendon Freeman
Executive Officer

Recorded by: _____
Kathy Mabry
Commission Secretary



Local Agency Formation Commission of Napa County

Subdivision of the State of California

EXHIBIT A

FY2016-2017 OPERATING BUDGET / FINAL

Prepared on May 3, 2016

Expenses

		FY2013-14		FY2014-15		FY2015-16		FY2016-17	<i>Difference</i>	
<u>Account</u>	<u>Description</u>	Adopted FY13-14	Actual FY13-14	Adjusted FY14-15	Actual FY14-15	Adjusted FY15-16	Estimate FY15-16	Final FY16-17		
Salaries and Benefits										
51100 *	Salaries and Wages	155,519.15	148,967.67	147,625.00	150,093.39	152,582.00	130,364	218,925.99	<i>66,343.99</i>	<i>43.5%</i>
51200 *	401A Employer Contribution	-	-	1,000.00	300.00	-	2,000	1,000.00	<i>1,000.00</i>	-
51205 *	Cell Phone Allowance	840.00	595.00	840.00	682.48	840.00	385	420.00	<i>(420.00)</i>	<i>-50.0%</i>
51210	Commissioner/Director Pay	10,000.00	11,500.00	10,000.00	11,125.00	11,000.00	9,625	11,000.00	-	<i>0.0%</i>
51300 *	Medicare	3,012.22	2,476.78	3,012.00	2,409.64	3,251.00	1,912	3,374.43	<i>123.43</i>	<i>3.8%</i>
51305	FICA	-	193.40	-	496.00	500.00	543	550.00	<i>50.00</i>	<i>10.0%</i>
51400 *	Employee Insurance: Premiums	51,202.80	30,172.56	44,796.00	27,678.54	42,936.00	23,341	51,754.09	<i>8,818.09</i>	<i>20.5%</i>
51405 *	Workers Compensation	400.00	427.00	428.00	428.00	500.00	461	2,221.00	<i>1,721.00</i>	<i>344.2%</i>
51600 *	Retirement	39,595.42	28,257.05	39,853.00	27,040.46	43,791.00	24,599	43,689.66	<i>(101.34)</i>	<i>-0.2%</i>
51605 *	Other Post Employment Benefits	12,166.00	12,166.16	12,321.00	12,320.92	14,751.00	14,750	14,987.00	<i>236.00</i>	<i>1.6%</i>
		272,735.59	234,755.62	259,875.00	232,574.43	270,151.00	207,979	347,922.17	<i>77,771.17</i>	<i>28.8%</i>

* These accounts were combined and reclassified under Services and Supplies as Administration Services (Account No. 52100). For historical consistency and transparency purposes, this budget sheet displays the old individual accounts.

Expenses

		FY2013-14		FY2014-15		FY2015-16		FY2016-17			
		Adopted FY13-14	Actual FY13-14	Adjusted FY14-15	Actual FY14-15	Adjusted FY15-16	Estimate FY15-16	Final FY16-17			
<u>Account</u>	<u>Description</u>									<u>Difference</u>	
52100 *	Administration Services	-	-	249,875.00	220,953.43	258,651.00	197,812	336,372.17	77,721.17	30.0%	
52105	Election Services	-	150.00	-	75.00	150.00	-	300.00	150.00	0.0%	
52125	Accounting/Auditing Services	9,125.56	8,460.42	10,000.00	8,128.19	10,000.00	7,686	9,500.00	(500.00)	-5.0%	
52130	Information Technology Services	22,374.00	22,374.00	24,000.00	23,663.00	24,052.00	24,052	24,052.00	-	0.0%	
52140	Legal Services	22,540.00	32,863.95	32,000.00	27,669.59	28,600.00	28,564	32,000.00	3,400.00	11.9%	
52310	Consulting Services	61,500.00	58,600.00	107,350.00	78,097.23	126,600.00	107,117	25,000.00	(101,600.00)	-80.3%	
52345	Janitorial Services	-	-	-	-	-	480	500.00	500.00	NEW	
52515	Maintenance-Software	-	4,400.61	-	1,127.40	1,500.00	1,829	2,000.00	500.00	33.3%	
52600	Rents and Leases: Equipment	6,000.00	5,995.03	6,000.00	5,594.26	6,500.00	6,366	7,000.00	500.00	7.7%	
52605	Rents and Leases: Building/Land	25,560.00	25,560.00	25,560.00	25,560.00	25,560.00	25,560	25,560.00	-	0.0%	
52700	Insurance: Liability	34.63	35.00	100.00	98.00	150.00	304	1,206.00	1,056.00	704.0%	
52800	Communications/Telephone	2,950.00	2,488.39	2,950.00	1,231.78	2,000.00	3,049	3,000.00	1,000.00	50.0%	
52830	Publications and Notices	1,500.00	1,823.00	2,000.00	728.22	1,500.00	1,264	2,000.00	500.00	33.3%	
52835	Filing Fees	850.00	-	-	-	500.00	300	500.00	-	0.0%	
52900	Training/Conference	4,000.00	7,494.42	8,995.00	5,425.52	10,000.00	6,453	10,000.00	-	0.0%	
52905	Business Travel/Mileage	5,000.00	2,882.96	2,000.00	1,865.65	2,000.00	1,748	2,000.00	-	0.0%	
53100	Office Supplies	5,000.00	2,301.79	4,000.00	3,409.59	4,000.00	2,152	4,000.00	-	0.0%	
53110	Freight/Postage	800.00	353.68	800.00	250.00	500.00	300	500.00	-	0.0%	
53120	Memberships/Certifications	2,292.96	2,300.00	2,335.00	2,335.00	2,381.00	2,381	2,548.00	167.00	7.0%	
53205	Utilities: Electric	1,500.00	1,050.64	1,500.00	1,106.88	1,100.00	1,216	1,600.00	500.00	45.5%	
53410	Computer Equipment/Accessories	-	-	-	4,993.29	-	-	-	-	-	
53415	Computer Software/License	3,487.73	183.36	2,500.00	6,150.00	500.00	-	1,000.00	500.00	100.0%	
53600	Special Departmental Expense	21,500.00	10,850.36	15,150.00	128.84	4,000.00	113	3,500.00	(500.00)	-12.5%	
54600	Capital Replacement/Depreciation	3,931.00	3,931.00	3,940.00	-	3,940.00	-	-	(3,940.00)	-100.0%	
		199,945.88	194,098.61	251,180.00	197,637.44	255,533.00	220,934	157,766.00	(97,767.00)	-38.3%	
Contingencies and Reserves											
<u>Account</u>	<u>Description</u>										
58100	Appropriation for Contingencies	-	-	-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	-	-	
EXPENSE TOTALS		472,681.47	428,854.23	511,055.00	430,211.87	525,684.00	428,913	505,688.17	(19,995.83)	-3.8%	

* This account reflects the Salaries and Wages accounts that were combined and reclassified under Services and Supplies as Administration Services (Account No. 52100).

Operating expenses for 2014-2015 reflect a one-time \$11,000 cost associated with an EDMS software upgrade project. Agency reserves were utilized to cover this cost.

Operating expenses for 2015-2016 reflect a one-time \$25,000 cost associated with EDMS back-filing project. Agency reserves were utilized to cover this cost.

Revenues

		FY2013-14		FY2014-15		FY2015-16		FY2016-17	Difference	
Account	Description	Adopted FY13-14	Actual FY13-14	Adjusted FY14-15	Actual FY14-15	Adjusted FY15-16	Estimate FY15-16	Final FY16-17		
Intergovernmental										
43910	County of Napa	209,675.02	209,675.02	215,852.51	215,852.51	224,972.00	224,972	224,972.00	-	0.0%
43950	Other Governmental Agencies	209,675.01	209,675.01	215,852.51	215,852.51	224,972.00	224,972	224,972.00	-	0.0%
----	City of Napa	140,020.50	140,020.50	144,529.41	144,529.41	149,571.00	149,571	149,066.03	(504.97)	-0.3%
----	City of American Canyon	33,757.20	33,757.20	34,421.92	34,421.92	35,997.00	35,997	35,330.37	(666.63)	-1.9%
----	City of St. Helena	13,956.84	13,956.84	14,145.09	14,145.09	14,582.00	14,582	15,908.43	1,326.43	9.1%
----	City of Calistoga	12,388.75	12,388.75	12,906.58	12,906.58	13,467.00	13,467	13,208.55	(258.45)	-1.9%
----	Town of Yountville	9,551.72	9,551.72	9,849.52	9,849.52	11,355.00	11,355	11,458.61	103.61	0.9%
		419,350.03	419,350.03	431,705.02	431,705.02	449,944.00	449,944	449,944.00	-	0.0%
Service Charges										
42690	Application/Permit Fees	10,000.00	31,488.00	10,000.00	48,462.00	30,000.00	26,322	30,000.00	-	0.0%
46800	Charges for Services	500.00	375.00	500.00	1,375.00	500.00	625	500.00	-	0.0%
47900	Miscellaneous	-	-	-	-	-	-	-	-	0.0%
		10,500.00	31,863.00	10,500.00	49,837.00	30,500.00	26,947	30,500.00	-	0.0%
Investments										
45100	Interest	3,000.00	1,514.00	2,000.00	2,201.69	2,000.00	2,019	2,000.00	-	0.0%
		3,000.00	1,514.00	2,000.00	2,201.69	2,000.00	2,019	2,000.00	-	0.0%
	REVENUE TOTALS	432,850.03	452,727.03	444,205.02	483,743.71	482,444.00	478,910	482,444.00	-	0.0%
OPERATING DIFFERENCE		(39,831.44)	23,872.80	(66,849.98)	53,531.84	(43,240.00)	49,997	(23,244.17)		

Negative Balance Indicates Use of Unrestricted Fund Balance Reserves



	2013-2014 Actual	2014-2015 Actual	2015-2016 Estimate	2016-2017 Final Budget
RESTRICTED FUND BALANCE (EQUIPMENT REPLACEMENT RESERVE)				
Beginning:	15,824.00	19,657.00	19,657.00	19,657.00
Ending:	19,657.00	19,657.00	19,657.00	19,657.00
UNRESERVED/UNRESTRICTED FUND BALANCE				
Beginning:	164,427.00	188,299.80	241,831.64	291,828.71
Ending:	188,299.80	241,831.64	291,828.71	268,584.54
TOTAL FUND BALANCE				
Beginning:	180,251.00	207,956.80	261,488.64	311,485.71
Ending:	207,956.80	261,488.64	311,485.71	288,241.54
MINIMUM FOUR MONTH RESERVE GOAL	156,250.16	169,038.33	173,914.67	168,562.72



LOCAL AGENCY FORMATION COMMISSION OF NAPA

Budget Policy

(Adopted: August 9, 2001; Last Amended: ~~October 5, 2015~~June 6, 2016)

- 1) An annual budget shall be prepared, adopted and administered in accordance with Government Code Section 56381.
- 2) The Commission should annually consider the Fee Schedule and Work Program in conjunction with the budget process.
- 3) The Commission is committed to ensuring the agency is appropriately funded each fiscal year to effectively meet its prescribed regulatory and planning responsibilities. The Commission is also committed to controlling operating expenses to reduce the financial obligations on the County of Napa and cities, hereafter referred to as the “funding agencies,” whenever possible and appropriate.
- 4) The budget shall include an undesignated/unreserved fund balance equal to a minimum of one-~~fourth~~third of annually budgeted operating expenses.
- 5) The Commission shall establish an ad-hoc budget committee at the last meeting of each calendar year comprising of two Commissioners and the Executive Officer which will terminate each year with the adoption of the final budget. Commissioners appointed to a budget committee shall receive a regular per diem payment for each meeting attended.
- 6) The adopted final budget should be posted on the Commission’s website for public viewing for the entirety of the affected fiscal year.



Local Agency Formation Commission of Napa County

Subdivision of the State of California

We Manage Local Government Boundaries, Evaluate Municipal Services, and Protect Agriculture

Schedule of Fees and Deposits

Effective Date: ~~January~~ July 1, 2016

These are the policies of the Local Agency Formation Commission (LAFCO) of Napa County with respect to setting fees and deposits in fulfilling the agency's regulatory and planning duties prescribed under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

1. This schedule shall be administered in accordance with the provisions of California Government Code Section 56383.
2. This schedule includes both "fixed" and "at-cost" fees. Fixed fees represent reasonable cost estimates for processing routine proposals and based on a number of predetermined staff hours. At-cost fees apply to less routine proposals and based on the number of actual staff hours.
3. Proposals submitted to the Commission shall be accompanied by a non-refundable initial fee as detailed in this schedule. All deposit amounts tied to at-cost proposals shall be determined by the Executive Officer. The Executive Officer shall provide a written accounting of all staff time and related expenses billed against the deposit. If the cost in processing a proposal begins to approach or exceed the deposited amount, the Executive Officer shall request additional monies from the applicant.
4. All initial fees shall be submitted in check and made payable to the "Local Agency Formation Commission of Napa County."
5. Proposals will not be deemed complete until the initial fee has been collected by the Executive Officer as detailed in this schedule.
6. Applicants are responsible for any fees or charges incurred by the Commission and or required by other governmental agencies in the course of the processing of a proposal.
7. Additional staff time shall be charged to the applicant at an hourly rate of \$123.00.
8. Applicants are responsible for any extraordinary administrative costs as determined by the Executive Officer and detailed for the applicant in a written statement.
9. Additional staff time and administrative costs shall not be charged for city annexation proposals involving one or more entire unincorporated island subject to California Government Code Section 56375.3.

10. If the processing of a proposal requires the Commission contract with another agency firm, or individual for services beyond the normal scope of staff work, such as the drafting of an Environmental Impact Report or Comprehensive Fiscal Analysis, the applicant shall be responsible for all costs associated with that contract. The applicant will provide the Commission with a deposit sufficient to cover the cost of the contract.
11. The Executive Officer may stop work on any proposal until the applicant submits a requested deposit.
12. Upon completion of an at-cost proposal, the Executive Officer shall issue to the applicant a statement detailing all billable expenditures from a deposit. The Executive Officer shall refund the applicant for any remaining monies remaining from the deposit less one-half hour of staff time to process the return as provided in this schedule
13. Applicants may request the Commission reduce or waive a fee. All requests must be made in writing and cite specific factors justifying the reduction or waiver and will be considered by the Commission relative to public interest and agency mission. Examples of appropriate requests include, but are not limited to, addressing public health or safety threats, affordable housing development, and community serving projects. Requests by landowners or registered voters shall be considered by the Commission at the next regular meeting. Requests by local agencies may be considered at the time the application is presented to the Commission for action.
14. With respect to instances where the Commission approves an outside service agreement under California Government Code Section 56133, the fee for a subsequent change of organization or reorganization involving the affected territory will be reduced by one-half if filed within one calendar year.
15. Requests for research on any particular subject will be provided at no cost for the first two hours. This includes, but is not limited to, archival retrieval, identifying properties relative to agency boundaries, and discussing potential proposals. Any additional research time will be billed at the hourly rate provided in this schedule.
16. The Commission shall annually review this schedule to help maintain an appropriate level of cost-recovery.

INITIAL PROPOSAL FEES

These fees must be submitted to the Commission as part of the proposal filing; proposal will be deemed incomplete without the designated payment. Any fees designated at-cost will require a deposit as determined by the Executive Officer.

Change of Organization or Reorganization: Annexations and Detachments

<ul style="list-style-type: none"> Proposals Exempt from California Environmental Quality Act 	
100% Consent from Landowners and Agencies where the Commission is Responsible or Lead Agency	\$4,428 (30 hours)
Without 100% Consent from Landowners and Agencies where the Commission is Responsible or Lead Agency	\$5,904 (40 hours)
<ul style="list-style-type: none"> Proposals Not Exempt from California Environmental Quality Act / Negative Declaration 	
100% Consent from Landowners and Agencies where the Commission is Responsible Agency	\$5,166 (35 hours)
100% Consent from Landowners and Agencies where the Commission is Lead Agency	\$7,380 (50 hours)
Without 100% Consent from Landowners and Agencies where the Commission is Responsible Agency	\$6,642 (45 hours)
Without 100% Consent from Landowners and Agencies where the Commission is Lead Agency	\$8,856 (60 hours)
<ul style="list-style-type: none"> Proposals Not Exempt from California Environmental Quality / Environmental Impact Report 	
100% Consent from Landowners and Agencies where the Commission is Responsible Agency	\$5,904 (40 hours)
100% Consent from Landowners and Agencies where the Commission is Lead Agency	\$7,380 (50 hours) plus consultant contract
Without 100% Consent from Landowners and Agencies where the Commission is Responsible Agency	\$7,380 (50 hours)
Without 100% Consent from Landowners and Agencies where the Commission is Lead Agency	\$8,856 (60 hours) plus consultant contract

- * All initial fees for annexation and detachment proposals include a 20% surcharge to contribute to the Commission's costs in preparing municipal service reviews.
- * Annexation or detachment proposals involving boundary changes for two or more agencies qualify as reorganizations will be charged an additional fee of \$615 (5 hours). Annexation proposals involving cities that require concurrent detachment from County Service Area No. 4 will only incur an additional fee of \$123 (one hour).
- * City annexations involving entire unincorporated islands and subject to expedited proceedings under Government Code Section 56375.3 shall not be charged a fee by the Commission.

Change of Organization or Reorganization: Other

• City Incorporations and Disincorporations	at-cost
• Special District Formations, Consolidations, Mergers and Dissolutions	at-cost
• Special District Requests to Activate or Deactivate Powers	at-cost plus 20% MSR surcharge

Other Service Requests	
• New or Extended Outside Service Request	*\$2,952 (20 hours)
• Request for Reconsideration	\$2,460 (20 hours)
• Request for Time Extension to Complete Proceedings	\$615 (5 hours)
• Municipal Service Reviews	at-cost
• Sphere of Influence Establishment/Amendment	at-cost

* includes a 20% MSR surcharge

Miscellaneous	
• Special Meeting	1,000
• Alternate Legal Counsel	at-cost

OTHER PROPOSAL FEES

These fees generally apply to proposals that have been approved by the Commission and are not required at the time of filing. An exception involves the fee for registered voter lists, which may be required before the Commission takes action on an application if the underlying activity is subject to protest proceedings. Other fees in this section apply to service requests that are not tied to a specific proposal, such as research and photocopying.

Fees Made Payable to the County of Napa	
• Assessor's Mapping Service	\$125 <u>\$162</u>
• County Surveyor's Review	
.....Initial Deposit / First Hour	\$165 <u>\$245</u>
.....Additional Time	\$165 <u>hourly</u>
• Elections' Registered Voter List	\$55 hourly
• Clerk-Recorder's Environmental Filing Fee	\$50
• Clerk-Recorder's Environmental Document Fee	
.....Environmental Impact Report	\$3,070.00
.....Mitigated Negative Declaration	\$2,210.25
.....Negative Declaration	\$2,210.25

Fees Made Payable to LAFCO	
• Geographic Information System Update	\$125
• Photocopying	\$0.10 (black) / \$0.40 (color)
• Mailing	at-cost
• Audio Recording of Meeting	at-cost
• Research/Archive Retrieval	\$123 hourly

Fees Made Payable to the State Board of Equalization to Record Boundary Changes			
Acre	Fee	Acre	Fee
0.00-0.99	\$300	51.00-100.99	\$1,500
1.00-5.99	\$350	101.00-500.99	\$2,000
6.00-10.99	\$500	501.00-1,000.99	\$2,500
11.00-20.99	\$800	1,001.00-2,000.99	\$3,000
21.00-50.99	\$1,200	2,001.00+	\$3,500



Local Agency Formation Commission of Napa County

Subdivision of the State of California

2016-2017 Agency Contributions Calculation

Step 1 Total Agency Contributions										
	<u>FY15-16</u>	<u>FY16-17</u>	<u>FY16-17</u>							
Total	449,944.00	505,688.17	449,944.00	\$	-				0.0%	
Step 2 Allocation Between County and Cities										
		<u>FY15-16</u>	<u>FY16-17</u>							
50% to the County of Napa	\$	224,972.00	\$	224,972.00	\$	-			0.0%	
50% to the 5 Cities	\$	224,972.00	\$	224,972.00	\$	-			0.0%	
Step 3a Cities' Share Based on Total General Tax Revenues (FY2013-2014)										
<u>General Tax Revenues</u>		<u>American Canyon</u>		<u>Calistoga</u>		<u>Napa</u>		<u>St. Helena</u>	<u>Yountville</u>	<u>All Cities</u>
Property Tax		7,131,618		1,718,854		26,336,994		3,876,514	1,086,163	40,150,143
Sales and Use Taxes		2,562,424		919,680		14,206,446		2,547,323	1,240,859	21,476,732
Transient Occupancy Tax		1,457,354		4,456,456		15,170,111		1,732,607	6,262,880	29,079,408
Other Taxes		2,017,635		1,117,346		7,118,326		2,051,428	567,907	12,872,642
Total		\$ 13,169,031		\$ 8,212,336		\$ 62,831,877		\$ 10,207,872	\$ 9,157,809	\$ 103,578,925
Percentage of Total Taxes to all Cities		12.7%		7.9%		60.7%		9.9%	8.8%	100%
Step 3b Cities' Share Based on Total Population (1/1/16)										
		<u>American Canyon</u>		<u>Calistoga</u>		<u>Napa</u>		<u>St. Helena</u>	<u>Yountville</u>	<u>All Cities</u>
Population		20,374		5,180		80,576		6,004	2,987	115,121
Population Percentage		17.70%		4.50%		69.99%		5.22%	2.59%	100%
Step 4 Cities Allocation Formula										
		<u>American Canyon</u>		<u>Calistoga</u>		<u>Napa</u>		<u>St. Helena</u>	<u>Yountville</u>	<u>All Cities</u>
Cities' Share Based on Total General Taxes		12.7%		7.9%		60.7%		9.9%	8.8%	100%
Portion of LAFCO Budget		11,441.18		7,134.83		54,587.99		8,868.54	7,956.25	40%
Cities' Share Based on Total Population		17.70%		4.50%		69.99%		5.22%	2.59%	100%
Portion of LAFCO Budget		23,889.19		6,073.72		94,478.04		7,039.89	3,502.36	60%
Total Agency Allocation		\$ 35,330.37		\$ 13,208.55		\$ 149,066.03		\$ 15,908.43	\$ 11,458.61	\$ 224,972.00
Allocation Share		15.7043%		5.8712%		66.2598%		7.0713%	5.0933%	100%
Step 5 FY16-17 Invoices										
		<u>County of Napa</u>	<u>American Canyon</u>	<u>Calistoga</u>	<u>Napa</u>	<u>St. Helena</u>	<u>Yountville</u>	<u>All Agencies</u>		
	\$	224,972.00	\$ 35,330.37	\$ 13,208.55	\$ 149,066.03	\$ 15,908.43	\$ 11,458.61	\$ 449,944.00		
<i>Difference From FY15-16:</i>	\$	-	\$ (666.63)	\$ (258.45)	\$ (504.97)	\$ 1,326.43	\$ 103.61	\$ -		
		0.00%	-1.85%	-1.92%	-0.34%	9.10%	0.91%	0.00%		