



**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*

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**Agenda Item 6b (Public Hearing)**

**TO:** Local Agency Formation Commission

**PREPARED BY:** Brendon Freeman, Executive Officer

**MEETING DATE:** April 5, 2021

**SUBJECT:** Proposed Budget for Fiscal Year 2021-2022 and Draft Amendment to the Schedule of Fees and Deposits

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**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 Resolution of the Local Agency Formation Commission of Napa County Adopting a Proposed Budget for the 2021-2022 Fiscal Year (Attachment One);
- 4) Direct staff to circulate the adopted proposed budget to each of the funding agencies as well as the general public for review and comment;
- 5) Direct staff to circulate the draft amendment to the *Schedule of Fees and Deposits* (“Fee Schedule”) to the general public for public review and comment; and
- 6) Direct the Budget Committee to return with recommendations for a final budget and Fee Schedule amendment for adoption at a noticed public hearing on June 7, 2021.

**BACKGROUND AND SUMMARY**

LAFCOs are responsible for annually adopting a proposed budget by May 1<sup>st</sup> and a final budget by June 15<sup>th</sup> 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.

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Margie Mohler, Chair  
Councilmember, Town of Yountville

Mariam Aboudamous, Commissioner  
Councilmember, City of American Canyon

Beth Painter, Alternate Commissioner  
Councilmember, City of Napa

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

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

Ryan Gregory, Alternate Commissioner  
County of Napa Supervisor, 2nd District

Vacant  
Representative of the General Public

Eve Kahn, Alternate Commissioner  
Representative of the General Public

Brendon Freeman  
Executive Officer

### ***Budgeting Policies***

On December 7, 2020, consistent with the Commission's *Budget Policy* ("the Policy"), included as Attachment Two, the Commission appointed Commissioners Mohler and Gregory to serve on an ad hoc Budget Committee ("the Committee") to inform the Commission's decision-making process in adopting an annual operating budget. The Policy directs the Committee to consider the Commission's adopted Fee Schedule and Work Program in conjunction with the budget process. The Commission is directed to control operating expenses by utilizing its available undesignated/unreserved fund balance ("reserves") whenever possible and appropriate. The Commission is also directed to retain sufficient reserves to equal no less than one third (i.e., four months) of budgeted operating expenses in the affected fiscal year.<sup>1</sup> The Commission does not budget for contingencies and instead relies on reserves to address unexpected expenses.

### ***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 four cities and one town. 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 10% of total revenues – is budgeted from anticipated application fees and interest earnings.

### ***Proposed Budget***

The Commission will consider adopting a resolution to approve a proposed budget for fiscal year 2021-2022. Proposed operating expenses total \$553,916 and represent a 2.2% decrease over the current fiscal year. Proposed operating revenues total \$540,270 and represent a 4.1% increase over the current fiscal year. The resulting \$13,646 shortfall would be covered by drawing down on the Commission's reserves.

Notably, the proposed budget would increase overall agency contributions by 5.0% over the current fiscal year. This increase was discussed as part of last year's budget adoption process and communicated to the funding agencies. No concerns were raised at that time. The Committee believes the increase is appropriate given the Commission's longstanding practice to minimize agency contributions each fiscal year by drawing down on reserves.

The proposed budget positions the Commission to finish the 2021-2022 fiscal year with available reserves totaling \$250,473 or 45.2% of proposed operating expenses. Therefore, the proposed budget would result in an amount of reserves sufficient to meet the Policy directive to retain reserves equal to no less than one-third of operating expenses. A five-year projection of the Commission's reserves is provided on page five of this report.

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<sup>1</sup> Available reserves are projected to total \$264,119 at the beginning of 2021-2022, representing 47.7% or approximately 5.7 months of operating expenses in the proposed budget.

**Committee Actions to Date**

On January 11, 2021, the Committee met and discussed a draft proposed budget prepared by staff. Following discussion and minor revisions, the Committee agreed to present the proposed budget for the Commission’s consideration at today’s meeting.

The Committee also agreed to present a draft amendment to the adopted Fee Schedule. Notably, the Committee agreed an amendment is needed to update the Commission’s fully burdened hourly rate and clarify the procedures related to various proposal fees. The draft amendment to the Fee Schedule with tracked changes is included as Attachment Three. The Committee recommends circulating the draft amendment to the general public for review and comment before the Commission considers approving the amendment at its June 7, 2021 meeting.

**Proposed Operating Expenses**

The Committee proposes a decrease in budgeted operating expenses from \$566,394 to \$553,916; a difference of \$12,478 or 2.2% compared to the current fiscal year. The following table summarizes operating expenses in the proposed budget.

Expense Unit	Adjusted FY20-21	Proposed FY21-22	Change \$	Change %
1) Salaries/Benefits	\$13,250	\$13,250	\$0	0.0%
2) Services/Supplies	\$553,144	\$540,666	-\$12,478	-2.3%
3) Contingencies	\$0	\$0	\$0	0.0%
<b>Total</b>	<b>\$566,394</b>	<b>\$553,916</b>	<b>-\$12,478</b>	<b>-2.2%</b>

Notable proposed changes to budgeted operating expenses are summarized as follows.

Salaries and Benefits Unit

This budget unit is proposed to remain unchanged at \$13,250. Notably, consistent with the Commission’s Memorandum of Understanding with the County of Napa for staff support services, the Commission’s staff salaries and benefits are categorized under Administration Services (Account No. 52100) within the Services and Supplies budget unit as summarized below.

Services and Supplies Unit

This budget unit is proposed to decrease from \$553,144 to \$540,666, representing a total decrease of \$12,478 or 2.3% compared to the current fiscal year. All changes involving a difference of at least \$1,000 in an individual expense account are considered by staff to be significant and are summarized below:

- 1) Increase Administration Services (Account No. 52100) from \$415,869 to \$424,076 to reflect anticipated adjustments to staff salaries and benefits.
- 2) Increase ITS Communication Charges (Account No. 52131) from \$0 to \$1,837 for the County of Napa to provide telephone services for the Commission’s office, including maintenance and network support.

- 3) Increase Legal Services (Account No. 52140) from \$27,500 to \$30,000 in anticipation of the need for counsel on island annexations, policy updates, and various studies.
- 4) Decrease Consulting Services (Account No. 52310) from \$25,551 to \$0. The Commission has no current or planned projects in 2021-2022 that would require consulting services.
- 5) Increase Training/Conference (Account No. 52900) from \$989 to \$3,000 in anticipation of possible training and conference opportunities in a physical location for staff and Commissioners.

Notably, consistent with prior fiscal years, the proposed budget includes \$1,000 for the 401A Employer Contribution under Administration Services (Account No. 52100). The Executive Officer is authorized to participate in the County of Napa's 401(a) retirement savings plan. The Commission has budgeted \$1,000 for this purpose in each of the last seven fiscal years.

Contingencies Unit

The Commission does not budget for contingencies, and instead relies on reserves to address any unanticipated expenses tied to emergencies.

**Proposed Operating Revenues**

The Committee proposes an increase in operating revenues from \$519,084 to \$540,270; a difference of \$21,186 or 4.1% compared to the current fiscal year. The following table summarizes operating revenues in the proposed budget.

Revenue Unit	Adjusted FY20-21	Proposed FY21-22	Change \$	Change %
1) Agency Contributions	\$485,400	\$509,670	\$24,270	5.0%
(a) County of Napa	\$242,700	\$254,835	\$12,135	5.0%
(b) City of Napa	\$162,800	\$170,940	\$8,140	5.0%
(c) City of American Canyon	\$41,166	\$43,225	\$2,059	5.0%
(d) City of St. Helena	\$15,159	\$15,917	\$758	5.0%
(e) City of Calistoga	\$14,515	\$15,240	\$725	5.0%
(f) Town of Yountville	\$9,060	\$9,513	\$2,136	5.0%
2) Service Charges	\$21,684	\$20,600	-\$1,084	-5.0%
3) Interest Earnings	\$12,000	\$10,000	-\$2,000	-16.7%
<b>Total</b>	<b>\$519,084</b>	<b>\$540,270</b>	<b>\$21,186</b>	<b>4.1%</b>

\* Proposed agency contributions for 2021-2022 reflect general tax revenues for 2017-2018 as provided by the State Controller's Office's (SCO) Cities Annual Report as well as population estimates for January 1, 2020, as provided by the State Department of Finance's (DOF) Population Estimates. Agency contributions will be updated in the final budget to reflect general tax revenue and population estimates for January 1, 2020, once the new SCO and DOF reports have been published.

The Committee proposes the majority of operating revenues to be collected – \$509,670 – would be drawn from agency contributions and would represent a 5.0% increase compared to the current fiscal year. Service charges (i.e. proposal application fees) are proposed to total \$20,600 and would represent a 5.0% decrease compared to the current fiscal year. Interest earnings on the Commission’s fund balance are proposed to total \$10,000 based on recent trends and would represent a 16.7% decrease compared to the current fiscal year.

***Reserves Projections***

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 Policy directive amount of one third of budgeted expenses. Toward this end, the Committee proposes an intentional operating deficit of \$13,646, which would be covered by drawing down on reserves consistent with prior fiscal years.

As mentioned on page two of this report, the proposed budget positions the Commission to finish the 2021-2022 fiscal year with available reserves totaling \$250,473 or 45.2% of proposed operating expenses. Therefore, the proposed budget would result in an amount of reserves sufficient to meet the Policy directive to retain reserves equal to no less than one-third of operating expenses.

In order to balance the budget and ensure reserves continue totaling at minimum one-third of budgeted expenses, the Committee projected the next five fiscal year budgets and reserves based on the following assumptions:

- Annual 3.0% increases in total operating expenses;
- Annual 5.0% increases in revenues tied to agency contributions; and
- Stagnant revenues tied to service charges.

The following table shows the Commission’s projected expenses, revenues, and reserves over the next five fiscal years based on the aforementioned assumptions.

<b>Category</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>
Expenses	\$553,916	\$570,533	\$587,649	\$605,279	\$623,437
Revenues	\$540,270	\$565,754	\$592,511	\$620,607	\$650,107
Net Surplus/Deficit	\$(13,646)	\$(4,780)	\$4,862	\$15,328	\$26,670
Reserves on July 1	\$264,119	\$250,473	\$245,693	\$250,555	\$265,883
Reserves as % of Expenses	47.7%	43.9%	41.8%	41.4%	42.6%

The Commission is invited to discuss the reserves projections and provide direction or feedback to the Committee as appropriate. This may involve consideration of alternative assumptions with respect to future increases to budgeted operating expenses or revenues.

**ATTACHMENTS**

- 1) Draft Resolution Adopting a Proposed Budget for Fiscal Year 2021-2022
- 2) Budget Policy
- 3) Draft Amendment to Schedule of Fees and Deposits (tracked changes)

**RESOLUTION NO. \_\_\_\_**

**RESOLUTION OF  
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
ADOPTING A PROPOSED BUDGET FOR THE 2021-2022 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 for the next fiscal year; and

**WHEREAS**, Government Code Section 56381 requires the Commission to adopt a proposed budget by May 1 and a final budget by June 15; and

**WHEREAS**, the Commission appoints and utilizes an ad hoc subcommittee (“Budget Committee”) to help inform and make decisions regarding the agency’s funding requirements; and

**WHEREAS**, the Executive Officer prepared a report concerning the Budget Committee’s recommended proposed budget; and

**WHEREAS**, the Executive Officer’s report was 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 proposed budget held on April 5, 2021; and

**WHEREAS**, the Commission determined the proposed 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 proposed budget as outlined in Exhibit “A” is approved.
2. The proposed 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 public meeting held on April 5, 2021, after a motion by Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, by the following vote:

AYES: Commissioners \_\_\_\_\_

NOES: Commissioners \_\_\_\_\_

ABSENT: Commissioners \_\_\_\_\_

ABSTAIN: Commissioners \_\_\_\_\_

\_\_\_\_\_  
Margie Mohler  
Commission Chair

ATTEST: \_\_\_\_\_  
Brendon Freeman  
Executive Officer

Recorded by: Kathy Mabry  
Commission Secretary

DRAFT



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

**FY 2021-2022 PROPOSED BUDGET**

Proposed for Adoption on April 5, 2021

Expenses		FY 2018-19		FY 2019-20		FY 2020-21		FY 2021-22	Difference from Prior FY	
		Final Budget	Actual	Final Budget	Actual	Final Budget	Estimate	Proposed Budget		
<b>Salaries and Benefits</b>										
<u>Account</u>	<u>Description</u>									
51210	Commissioner Per Diems	15,000	12,150	15,000	10,980	12,500	12,000	12,500	-	0.0%
51300	Medicare - Commissioners	-	173	225	158	250	250	250	-	0.0%
51305	FICA - Commissioners	500	550	500	506	500	500	500	-	0.0%
	<b>Total Salaries &amp; Benefits</b>	15,500	12,873	15,725	11,644	13,250	12,750	13,250	-	0.0%
<b>Services and Supplies</b>										
<u>Account</u>	<u>Description</u>									
52100	Administration Services	371,069	319,297	424,278	404,710	415,869	410,000	424,076	8,207	2.0%
52125	Accounting/Auditing Services	8,000	7,394	8,000	6,710	7,500	7,500	7,500	-	0.0%
52130	Information Technology Services	17,301	16,653	24,590	24,590	24,323	24,323	24,489	166	0.7%
52131	IT'S Communication Charges	-	-	-	-	-	-	1,837	1,837	NEW
52140	Legal Services	35,000	27,152	30,000	30,000	27,500	27,500	30,000	2,500	9.1%
52310	Consulting Services	188,050	80,339	112,624	79,623	25,551	25,551	-	(25,551)	-100.0%
52345	Janitorial Services	150	165	300	300	300	300	300	-	0.0%
52515	Maintenance-Software	2,000	1,779	2,000	1,929	1,930	1,930	1,930	-	0.0%
52600	Rents and Leases: Equipment	5,500	4,585	5,500	4,969	5,500	5,250	5,000	(500)	-9.1%
52605	Rents and Leases: Building/Land	27,828	28,663	29,523	29,523	30,409	30,409	31,322	913	3.0%
52700	Insurance: Liability	70	70	4,554	380	813	813	578	(235)	-28.9%
52800	Communications/Telephone	3,000	3,124	3,000	3,591	3,500	2,000	3,000	(500)	-14.3%
52830	Publications and Notices	2,000	967	1,500	1,440	1,500	1,000	1,000	(500)	-33.3%
52835	Filing Fees	500	200	250	154	50	150	200	150	300.0%
52900	Training/Conference	9,000	13,770	12,295	8,348	989	500	3,000	2,011	203.3%
52905	Business Travel/Mileage	1,000	2,265	3,000	1,449	1,000	-	500	(500)	-50.0%
53100	Office Supplies	2,000	2,265	2,000	1,193	1,250	900	1,000	(250)	-20.0%
53110	Freight/Postage	300	100	300	158	350	150	500	150	42.9%
53120	Memberships/Certifications	2,805	2,805	3,261	3,261	3,060	3,060	2,934	(126)	-4.1%
53205	Utilities: Electric	1,300	1,121	1,300	1,306	1,500	1,300	1,500	-	0.0%
	<b>Total Services &amp; Supplies</b>	678,673	514,108	669,275	604,373	553,144	542,786	540,666	(12,478)	-2.3%
	<b>EXPENSE TOTALS</b>	694,173	526,981	685,000	616,017	566,394	555,536	553,916	(12,478)	-2.2%



Revenues

		FY 2018-19		FY 2019-20		FY 2020-21		FY 2021-22			
		Final Budget	Actual	Final Budget	Actual	Final Budget	Estimate	Proposed Budget	<i>Difference from Prior FY</i>		
<b>Intergovernmental</b>											
<u>Account</u>	<u>Description</u>										
43910	County of Napa	224,410	224,410	235,631	235,631	242,700	242,700	254,835	12,135	5.0%	
43950	Other Governmental Agencies	224,410	224,410	235,631	235,631	242,700	242,700	254,835	12,135	5.0%	
----	<i>City of Napa</i>	148,793	148,793	154,514	154,514	162,800	162,800	170,940	8,140	5.0%	
----	<i>City of American Canyon</i>	35,803	35,803	38,707	38,707	41,166	41,166	43,225	2,059	5.0%	
----	<i>City of St. Helena</i>	14,897	14,897	15,357	15,357	15,159	15,159	15,917	758	5.0%	
----	<i>City of Calistoga</i>	13,673	13,673	15,575	15,575	14,515	14,515	15,240	725	5.0%	
----	<i>Town of Yountville</i>	11,243	11,243	11,478	11,478	9,060	9,060	9,513	453	5.0%	
	<b>Total Intergovernmental</b>	448,820	448,820	471,261	471,261	485,400	485,400	509,670	24,270	5.0%	
<b>Service Charges</b>											
<u>Account</u>	<u>Description</u>										
42690	Application/Permit Fees	20,000	41,451	25,000	26,964	21,060	23,400	20,000	(1,060)	-5.0%	
46800	Charges for Services	500	500	500	781	624	750	600	(24)	-3.8%	
	<b>Total Service Charges</b>	20,500	41,951	25,500	27,745	21,684	24,150	20,600	(1,084)	-5.0%	
<b>Investments</b>											
<u>Account</u>	<u>Description</u>										
45100	Interest	7,000	12,367	7,000	15,128	12,000	10,000	10,000	(2,000)	-16.7%	
	<b>Total Investments</b>	7,000	12,367	7,000	15,128	12,000	10,000	10,000	(2,000)	-16.7%	
	<b>REVENUE TOTALS</b>	476,320	503,138	503,761	514,134	519,084	519,550	540,270	21,186	4.1%	
<b>OPERATING DIFFERENCE</b>		(217,853)	(23,843)	(181,239)	(101,883)	(47,310)	(35,986)	(13,646)			
<b>Fund Balances</b>											
			<b>2018-19</b>		<b>2019-20</b>		<b>2020-21</b>		<b>2021-22</b>		
<b>RESTRICTED FUND BALANCE (EQUIPMENT REPLACEMENT RESERVE)</b>											
	Beginning:		19,657		19,657		19,657		19,657		
	Ending:		19,657		19,657		19,657		19,657		
<b>UNDESIGNATED/UNRESERVED FUND BALANCE ("RESERVES")</b>											
	Beginning:		425,831		401,988		300,105		264,119		
	Ending:		401,988		300,105		264,119		250,473		
<b>TOTAL FUND BALANCE</b>											
	Beginning:		445,488		421,645		319,762		283,776		
	Ending:		421,645		319,762		283,776		270,130		
<b>MINIMUM FOUR MONTH RESERVE GOAL</b>											
			231,391		228,333		188,798		184,639		



## LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

### *Budget Policy*

(Adopted: August 9, 2001; Last Amended: November 18, 2019)

#### **I. Background**

The Cortese-Knox-Hertzberg Local Government Reorganization (CKH) Act of 2000 includes provisions for establishing a budget and for the receipt of funds. [Government Code \(G.C.\) §56381](#) establishes that the Commission shall annually adopt a budget for the purpose of fulfilling its duties under CKH.

#### **II. Purpose**

It is the intent of the Commission to adopt a policy for budget purposes which establishes procedures for compiling, adopting and administering the budget. The Commission is committed to providing transparency of its operations including its fiscal activities. The Commission follows recognized accounting principles and best practices in recognition of its responsibility to the public.

#### **III. Preparation of Annual Budget**

- A) An annual budget shall be prepared, adopted and administered in accordance with [\(G.C.\) §56381](#).
- B) The Commission should annually consider the Fee Schedule, including any anticipated changes, and Work Program in conjunction with the budget process.
- C) 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, the cities and town, hereafter referred to as the “funding agencies,” whenever possible and appropriate.
- D) The budget shall include an undesignated/unreserved fund balance equal to a minimum of one-third (i.e., four months) of annually budgeted operating expenses.
- E) The Commission shall establish an ad-hoc budget committee at the last meeting of each calendar year comprising of two Commissioners which will terminate with the adoption of the final budget. Commissioners appointed to a budget committee shall receive a regular per diem payment for each meeting attended.
- F) The adopted final budget should be posted on the Commission’s website for public viewing for a minimum of five years.
- G) The Executive Officer shall provide quarterly budget reports to the Commission for informational purposes.

#### IV. Budget Contributions and Collection of Funds

[G.C. §56381](#) establishes that the Commission shall adopt annually a budget for the purpose of fulfilling its duties under CKH. It further establishes that the County Auditor shall apportion the operating expenses from this budget in the manner prescribed by [G.C. §56381\(b\)](#), or in a manner mutually agreed upon by the agencies responsible for the funding of the Commission's budget [G.C. §56381\(c\)](#) states that:

After apportioning the costs as required in subdivision (b), the auditor shall request payment from the Board of Supervisors and from each city no later than July 1 of each year for the amount that entity owes and the actual administrative costs incurred by the auditor in apportioning costs and requesting payment from each entity. If the County or a city does not remit its required payment within 60 days, the Commission may determine an appropriate method of collecting the required payment, including a request to the auditor to collect an equivalent amount from the property tax, or any fee or eligible revenue owed to the County or city. The auditor shall provide written notice to the County or city prior to appropriating a share of the property tax or other revenue to the Commission for the payment due the Commission pursuant to this section.

It is the intent of the Commission that all agencies provide the costs apportioned to them from the LAFCO budget. Pursuant to [G.C. §56381\(c\)](#), the policy of the Commission is:

- A) If the County or a city or a town does not remit its required payment within 45 days of the July 1 deadline, the County Auditor shall send written notice to the agency in question that pursuant to [G.C. §56381\(c\)](#) and this policy, the Auditor has the authority to collect the amount of the Commission's operating expenses apportioned to that agency after 60 days from the July 1 deadline.
- B) If the County or a city or a town does not remit its required payment within 60 days of the July 1 deadline, the County Auditor shall collect an amount equivalent to the cost apportioned to that agency from the property tax owed to that agency, or some other eligible revenue deemed appropriate or necessary by the County Auditor. The County Auditor shall send written notice of the action taken to the agency and to the Commission.

## V. Executive Officer Purchasing and Budget Adjustment Authority

Pursuant to [G.C. §56380](#), the Commission shall make its own provision for necessary quarters, equipment, supplies, and services. The associated operating costs are provided for through the Commission's adoption of its annual budget in the manner prescribed in [G.C. §56381](#).

It is the intent of the Commission to charge the LAFCO Executive Officer with the responsibility and authority for coordinating and managing the procurement of necessary quarters, equipment, supplies, and services, and to adjust the annual budget as necessary under certain circumstances. The policy of the Commission is:

- A) The Executive Officer is charged with the responsibility and authority for coordinating and managing the procurement of necessary quarters, equipment, supplies, and services in accordance with applicable laws, regulations and policies.
- B) The Executive Officer is authorized to act as the agent for LAFCO in procuring necessary quarters, equipment, supplies, and services.
- C) Only the Commission itself or the Executive Officer may commit LAFCO funds for the purchase of any necessary quarters, equipment, supplies, or services for LAFCO use.
- D) The Executive Officer is delegated purchasing authority on behalf of LAFCO for necessary quarters, equipment, supplies, and services not to exceed \$5,000 per transaction. The Commission must approve any purchase of necessary quarters, equipment, supplies, and services that exceed the monetary limits set forth in this policy.
- E) Following review and approval by the Chair, the Executive Office is authorized to make adjustments and administrative corrections to the budget without Commission action provided the adjustments and corrections are within the total budget allocations adopted by the Commission.
- F) Following review and approval by the Chair, the Executive Officer is authorized to adjust the budget for purposes of carrying over to the new fiscal year any encumbered funds that have been approved by the Commission in a prior fiscal year and involve unspent balances. Said funds include committed contracts for services that were not completed in the prior fiscal year and must be re-encumbered by way of a budget adjustment in the new 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, 2021

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~~ LAFCO'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 Government Code (G.C.) 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 the appropriate proposal fees as detailed in this schedule. ~~Any required Pproposal fees will not be deemed complete until all appropriate fees have been collected as identified by that have not been received by the Executive Officer and as detailed in this schedule at the time of Commission action on a proposal shall be made a condition of proposal approval.~~
4. All deposit amounts  ~~tied to for~~ 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.
- 4.5. 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
- 5.6. All fees payable to the Commission shall be submitted  ~~in by~~ check and made payable to "~~Local Agency Formation Commission~~ LAFCO of Napa County."
- 6.7. In the course of processing proposals, staff is required to collect fees on behalf of other agencies such as the State Board of Equalization. The Commission recognizes these are "pass through" fees that are not within the Commission's discretion and therefore no Commission action is required to make changes to those fees in this schedule.
- 7.8. 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.
9. Additional staff time shall be charged to the applicant at a fully burdened hourly rate of \$156150.

10. Applicants are responsible for any extraordinary administrative costs as determined by the Executive Officer and detailed for the applicant in a written statement.

~~11.~~ If ~~any a check for a proposal fee for a proposal has already been received~~ is on file, and the fee amount pursuant to this schedule changes prior to the deposit of the fee, the Executive Officer shall issue to the applicant a statement detailing the change in the fee and the amount of the difference that needs to be collected from the applicant, or reimbursed to the applicant, prior to completion of proposal proceedings.

~~8.12.~~ If a check for a proposal fee is on file and has not been deposited after six months from the date written on the check, the Executive Officer shall return the original check to the applicant and require submittal of a replacement check prior to any further action on the proposal.

~~9.1. Applicants are responsible for any extraordinary administrative costs as determined by the Executive Officer and detailed for the applicant in a written statement.~~

~~10.13.~~ Staff time and administrative costs shall not be charged by the Commission for city annexation proposals involving one or more entire unincorporated island subject to California Government Code G.C. Section 56375.3 and the Policy on Unincorporated Islands.

~~11.14.~~ 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.

~~12.~~ The Executive Officer may stop work on any proposal until the applicant submits a requested deposit or fee.

~~13.15.~~

~~14.1. 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~~

~~15.16.~~ 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 earliest opportunity next as part of a regular meeting. Requests by local agencies may be considered at the time the application proposal is presented to the Commission for action.

~~16.17.~~ With respect to instances where the Commission approves an outside service agreement under California Government Code G.C. Section 56133, the fee for a subsequent change of organization or reorganization annexation involving the affected territory and affected agency will be reduced by one-half if filed within one calendar year.

18. 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 fully burdened hourly rate provided in this schedule.
- ~~17.~~19. Annexation or detachment proposals involving boundary changes for two or more agencies qualify as reorganizations and will be charged an additional fee of \$780 (five hours). Annexation proposals involving cities that require concurrent detachment from County Service Area No. 4 will only incur an additional fee of \$150 (one hour).
- ~~18.~~20. The Commission shall annually review this schedule and update the fully burdened hourly rate to help maintain an appropriate level of cost-recovery.

**PROPOSAL FEES**

The following fees must be submitted to the Commission as part of the proposal filing. The Executive Officer will identify the specific deposits, fees, and amounts that apply to the proposal. ~~The proposal will be deemed incomplete without payment of all identified fees. Any fees designated at cost will require a deposit as determined by the Executive Officer.~~

**Change of Organization or Reorganization: Annexations and Detachments**

- **Proposals Exempt from California Environmental Quality Act**

100% Consent from Landowners and Agencies where the Commission is Responsible or Lead Agency	\$4, <del>680</del> <u>500</u> (30 hours)
Without 100% Consent from Landowners and Agencies where the Commission is Responsible or Lead Agency	\$6, <del>240</del> <u>000</u> (40 hours)

- **Proposals Not Exempt from California Environmental Quality Act / Negative Declaration**

100% Consent from Landowners and Agencies where the Commission is Responsible Agency	\$5, <del>460</del> <u>250</u> (35 hours)
100% Consent from Landowners and Agencies where the Commission is Lead Agency	\$7, <del>800</del> <u>500</u> (50 hours)
Without 100% Consent from Landowners and Agencies where the Commission is Responsible Agency	<del>\$7,020</del> <u>6,750</u> (45 hours)
Without 100% Consent from Landowners and Agencies where the Commission is Lead Agency	\$9, <del>360</del> <u>000</u> (60 hours)

- **Proposals Not Exempt from California Environmental Quality / Environmental Impact Report**

100% Consent from Landowners and Agencies where the Commission is Responsible Agency	\$6, <del>240</del> <u>000</u> (40 hours)
100% Consent from Landowners and Agencies where the Commission is Lead Agency	\$7, <del>800</del> <u>500</u> (50 hours) plus consultant contract
Without 100% Consent from Landowners and Agencies where the Commission is Responsible Agency	\$7, <del>800</del> <u>500</u> (50 hours)
Without 100% Consent from Landowners and Agencies where the Commission is Lead Agency	\$9, <del>360</del> <u>000</u> (60 hours) plus consultant contract

~~\* Annexation or detachment proposals involving boundary changes for two or more agencies qualify as reorganizations will be charged an additional fee of \$780 (5 hours). Annexation proposals involving cities that require concurrent detachment from County Service Area No. 4 will only incur an additional fee of \$156 (one hour).~~

~~\* City annexations involving entire unincorporated islands and subject to streamlined 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
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• Special District Formations, Consolidations, Mergers and Dissolutions	at-cost
• Special District Requests to Activate or Deactivate Powers	at-cost

**Other Service Requests**

• New or Extended Outside Service Request	\$3, <del>120,000</del> (20 hours)
• Request for Reconsideration	\$3, <del>120,000</del> (20 hours)
• Request for Time Extension to Complete Proceedings	<del>\$780,750</del> (5 hours)
• Municipal Service Reviews	at-cost
• Sphere of Influence Establishment/Amendment	at-cost

**Miscellaneous**

• Special Meeting	\$1,200
• Alternate Legal Counsel	at-cost

**Fees Made Payable to the County of Napa**

• Assessor’s Annexation Mapping Fee	\$162
• <u>Assessor’s Signature Verification Fee</u>	<u>\$13</u>
• County Surveyor’s Review <u>Fee</u>	\$253.09
• Elections’ Registered Voter List <u>Fee</u>	\$75 hourly
• Clerk-Recorder’s Environmental Filing Fee	\$50
• Clerk-Recorder’s Environmental Document Fee	
.....Environmental Impact Report	\$3,445.25
.....Mitigated Negative Declaration	\$2,480.25
.....Negative Declaration	\$2,480.25

**Fees Made Payable to LAFCO**

• Geographic Information System Update	<del>\$156-150</del>
• Photocopying	\$0.10 (black) / \$0.40 (color)
• Mailing	at-cost
• Audio Recording of Meeting	at-cost
• Research/Archive Retrieval	<del>\$156-150</del> 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