



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

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June 6, 2011

Agenda Item No. 5d (Consent/Action)

May 30, 2011

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Amendment to Support Services Agreement with the County of Napa
The Commission will consider approving a fifth amendment to its support services agreement with the County of Napa. The proposed amendment establishes the Commission's 2011-2012 annual charge for information technology services from the County in the amount of \$20,261.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 directs Local Agency Formation Commissions (LAFCOs) to plan and coordinate the orderly formation and development of local governmental agencies and services within their jurisdictions. State law states LAFCOs are individually responsible for making their own provisions for personnel and facilities. In making their own provisions, LAFCOs may choose to contract with a public or private entity.

A. Background

In July 2003, LAFCO of Napa County ("Commission") entered into a support services agreement (SSA) with the County of Napa. The SSA establishes terms and conditions for the County to provide personnel and related services necessary for the Commission to fulfill its responsibilities. The SSA was amended in September 2007 to incorporate a new billing calculation involving the provision of information technology services (ITS), which is applied to all County departments and contracted agencies to proportionally recover operating costs. Key inputs underlying the calculation include the number of (a) personnel and (b) network computers in each department or agency. The County and the Commission have used this calculation method in amending the SSA over the last several years. The last amendment lowered the annual charge from \$18,705 to \$14,945.

B. Discussion/Analysis

The County proposes a new amendment to the SSA based on ITS' budgeted operating costs in 2011-2012. The proposed rate would set the Commission's ITS charge in 2010-2011 to \$20,261. This amount has been calculated based on the aforementioned billing method and represents an approximate 34% increase in costs. The increase is largely tied to a reporting error for the current fiscal year in which only three of the four network computers were accounted for at the time the last calculation was made.

Lewis Chilton, Vice Chair
Councilmember, Town of Yountville

Joan Bennett, Commissioner
Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

Bill Dodd, Chair
County of Napa Supervisor, 4th District

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

Mark Luce, Alternate Commissioner
County of Napa Supervisor, 2nd District

Brian J. Kelly, Commissioner
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

It is important to note the Commission's annual fee for ITS is all-inclusive with respect to covering all network administration and monitoring costs. This includes providing e-mail, technical support, database maintenance for accounting and payroll, and access to the County's geographic information system. The level and range of these services are exceptional. The Commission has allocated sufficient funds to cover the proposed rate increase in its final budget scheduled for adoption as part of Agenda Item No. 6b.

C. Alternatives for Commission Action

The following alternative actions are available to the Commission:

Option One: Authorize the Chair to sign the attached fifth amendment to the SSA.

Option Two: If more information is needed, continue consideration of the item to a future meeting and provide direction to staff as appropriate.

D. Recommendation

It is recommended the Commission proceed with Option One as outlined in the preceding section.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachments:

- 1) Proposed Amendment No. 5 to LAFCO Agreement No. 03-02
- 2) LAFCO Agreement No. 03-02

AMENDMENT NO. 5 OF
NAPA COUNTY AGREEMENT NO. 4433
LOCAL AGENCY FORMATION COMMISSION OF
NAPA COUNTY AGREEMENT NO. 03-02

**SUPPORT SERVICES BY THE COUNTY OF NAPA TO THE LOCAL AGENCY
FORMATION COMMISSION OF NAPA COUNTY**

THIS AMENDMENT NO. 5 OF NAPA COUNTY AGREEMENT NO. 4433 is made and entered into as of this 1st day of July, 2011 by and between the COUNTY OF NAPA, a political subdivision of the State of California, hereinafter referred to as "County", and the LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY (hereinafter "LAFCO"), a local public agency formed pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code Section 56000 et. seq.);

RECITALS

WHEREAS, on or about July 1, 2003, County and LAFCO entered into Napa County Agreement No. 4433 (hereinafter referred to as "MA"), amended on or about September 1, 2007, June 17, 2008, July 1, 2009, and amended on July 1, 2010 for the provision by County of support services needed for LAFCO's performance of its functions and responsibilities, including information technology services; and

WHEREAS, the parties now desire to amend the MA to modify the annual rates of compensation to County for services provided by its Information Technology Services Department ("ITS") to reflect changes in the costs to County to provide such services;

TERMS

NOW, THEREFORE, County and LAFCO hereby amend the Agreement as follows:

1. The portion entitled "Services of Information Technology (annual rate)" of Attachment AA of the Agreement is hereby amended to read in full as follows:

1. **Services of Information Technology (annual rate):**

- a. Calculation of Annual Fee and Method of Payment. The parties acknowledge that reimbursement of County by LAFCO for the costs of providing the information technology services required of County under Section 4 of Attachment D of this Agreement are calculated utilizing the ITS Cost Allocation Method for County's own departments and agencies which was approved by the Napa County Board of Supervisors on June 19, 2001, a copy of which is attached to Amendment No. 1 of the Agreement as Attachment "BB". At the option of LAFCO, the Annual Fee shall be payable either in advance in a single payment due on or before July 1 of

the applicable fiscal year or in monthly payments in arrears, each payment due on or before the first of the month succeeding the month of service, with the payable monthly rate being 1/12 of the Annual Fee then in effect.

b. Amount of Annual Fee. The Annual Fee shall be as follows:

<u>Fiscal Year</u>	<u>Annual Rate</u>
2003-2004	\$12,900.00
2004-2005	\$12,999.96
2005-2006	\$13,377.96
2006-2007	\$17,799.00
2007-2008	\$16,387.00
2008-2009	\$17,768.00
2009-2010	\$18,705.00
2010-2011	\$14,945.00
2011-2012	\$20,261.00

* Future Modifications. Notwithstanding the foregoing, it is anticipated that County and LAFCO may amend this Agreement, beginning with Fiscal Year 2011-2012, to conform subsequent fiscal year compensation amounts to the above-referenced Cost Allocation Method or such other Method as the parties may subsequently agree to by amendment, or may amend this Agreement within Fiscal Year 2010-2011 or any subsequent fiscal year during the term of this Agreement or extension thereof to reflect additional services requested by LAFCO.

- 2. This Amendment No. 5 of the MA shall be effective as of July 1, 2011.
- 3. Except as provided in (1) through (2), above, the terms and provisions of the MA shall remain in full force and effect as originally approved.

IN WITNESS WHEREOF, this Amendment No.5 of Napa County Agreement No.

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4433 as of the date first above written.

LOCAL AGENCY FORMATION COMMISSION OF
NAPA COUNTY

By _____
BILL DODD, Chairman of the Local Agency
Formation Commission of Napa County

ATTEST: KEENE SIMONDS,
Executive Director/Clerk of LAFCO

"LAFCO"

By: _____

APPROVED AS TO FORM:
Commission Counsel
By: Jackie Gong (E-Signature)

Date: 3/28/11

COUNTY OF NAPA, a political subdivision of
the State of California

By _____
BILL DODD, Chairman
Napa County Board of Supervisors

"COUNTY"

ATTEST: GLADYS I. COIL
Clerk of the Board of Supervisors

By: _____

APPROVED AS TO FORM
Office of County Counsel
By: Thomas S. Capriola
(by e-signature)
Date: March 28, 2011

**APPROVED BY THE NAPA COUNTY
BOARD OF SUPERVISORS**
Date: _____
Processed by: _____
Deputy Clerk of the Board