



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 6b (Public Hearing)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer *BF*

MEETING DATE: June 6, 2022

SUBJECT: Final Budget for Fiscal Year 2022-23 and Amendment to the Schedule of Fees and Deposits

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 Final Budget for the 2022-23 Fiscal Year (Attachment One); and
- 4) Adopt the Resolution of the Local Agency Formation Commission of Napa County – Amendment to Adopted Schedule of Fees and Deposits (Attachment Two).

BACKGROUND AND SUMMARY

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.

Margie Mohler, Chair
Councilmember, Town of Yountville

Mariam Aboudamous, Commissioner
Councilmember, City of American Canyon

Beth Painter, Alternate Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Vice Chair
County of Napa Supervisor, 1st District

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

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

Kenneth Leary, Commissioner
Representative of the General Public

Eve Kahn, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer

Budgeting Policies

On December 6, 2021, consistent with the Commission’s *Budget Policy* (“the Policy”), included as Attachment Three, the Commission appointed Commissioners Mohler and Leary 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 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.

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 cities and town. The current formula for allocating the cities’ shares of the Commission’s budget was adopted by the municipalities in 2003 and is based on a weighted calculation of population (60%) and general tax revenues (40%). Additional funding – typically less than 10% of total revenues – is budgeted from anticipated application fees and interest earnings.

Actions to Date

The Committee met on January 11, 2022 and March 17, 2022 to prepare a draft budget. The Committee also agreed amendments are needed to the Commission’s adopted *Schedule of Fees and Deposits* (“Fee Schedule”) to update the fully burdened hourly rate as well as to clarify the procedures related to various proposal fees.

On April 4, 2022, the Committee presented a proposed budget to the Commission. The Commission adopted the proposed budget and directed staff to forward the budget directly to the County and city/town managers and finance managers (Attachment Five). In addition, staff was directed to circulate it to the general public for review and comment before returning with a final budget. The proposed budget was made available for review and comment from April 5, 2022 through May 6, 2022. No comments were received.

Fee Schedule Amendment

The Committee’s proposed amendment to the adopted Fee Schedule is needed to update the Commission’s fully burdened hourly rate and clarify the procedures related to various proposal fees. Notably, the Committee recommends eliminating the prescribed process for applicants to request fee waivers or reductions due to the amount of staff time and Commission time required to process and act upon such requests.¹ The amendment showing tracked changes is included as Attachment Four.

¹ The most recent request for a fee waiver was related to the Silver Trail No. 10 Annexation to the Napa Sanitation District. The fee waiver request was denied by the Commission on May 4, 2020.

Final Budget Summary

The Commission will consider approving a final budget for fiscal year 2022-23 with operating expenses and revenues each totaling \$663,588. This amount represents a notable increase over previous fiscal years in which the Commission's practice was to budget for sizeable deficits with little flexibility to address changes in circumstances. In addition, the proposed budget reflects rising costs associated with recent inflation figures.²

The final budget positions the Commission to finish the 2022-23 fiscal year with available reserves totaling \$295,890 or 44.6% of proposed operating expenses. Therefore, the final budget would result in sufficient reserves to meet the Policy directive to retain reserves equal to no less than one-third of operating expenses.

Operating Expenses

The Committee proposes an increase in budgeted operating expenses from \$569,966 to \$663,588; a difference of \$93,622 compared to the current fiscal year. The following table summarizes operating expenses in the final budget.

Expense Unit	FY21-22	FY22-23	Change \$
1) Salaries/Benefits	\$13,250	\$15,950	\$2,700
2) Services/Supplies	\$556,716	\$647,638	\$90,922
Total	\$569,966	\$663,588	\$93,622

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

Salaries and Benefits Unit

This budget unit is proposed to increase from \$13,250 to \$15,950, representing a total increase of \$2,700. This amount is associated with Commissioner per diems for attendance at meetings and other activities related to LAFCO business. Notably, consistent with the Commission's Support Services Agreement with the County of Napa, the Commission's staff salaries and benefits are categorized under Administration Services (Account No. 52100) within the Services and Supplies budget unit as summarized on the following page.

² The U.S. Labor Department reports the annual inflation rates for the United States were 8.3% for the 12 months preceding April 2022.

Services and Supplies Unit

This budget unit is proposed to increase from \$556,716 to \$647,638, representing a total increase of \$90,922 compared to the current fiscal year. The following is a summary of changes involving a difference of at least \$1,000 in an individual expense account:

- 1) Increase Administration Services (Account No. 52100) from \$439,901 to \$509,844 to reflect anticipated adjustments to staff position titles and classifications, including salary ranges, as part of ongoing efforts to revise the Commission's Support Services Agreement with the County of Napa.
- 2) Increase Legal Services (Account No. 52140) from \$25,000 to \$35,000 in anticipation of the need for counsel on island annexations, policy updates, municipal service reviews, and sphere of influence updates.
- 3) Increase Consulting Services (Account No. 52310) from \$0 to \$10,000 in anticipation of hiring an outside facilitator and other expenses related to a strategic planning session.
- 4) Decrease Rents and Leases: Building/Land (Account No. 52605) from \$31,322 to \$25,995 to reflect cost savings associated with the recent relocation of the Commission's office.
- 5) Increase Communications/Telephone (Account No. 52800) from \$2,000 to \$3,000 in anticipation of the Commission returning to in-person meetings, which involve a meeting recording cost of \$150 per hour.
- 6) Increase Training/Conference (Account No. 52900) from \$10,000 to \$15,000 in anticipation of in-person training and conference opportunities for staff and Commissioners.

Notably, consistent with prior fiscal years, the final 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 eight fiscal years.

Operating Revenues

The Committee proposes an increase in operating revenues from \$540,270 to \$663,588; a difference of \$123,318 compared to the current fiscal year. The following table summarizes operating revenues in the final budget.

Revenue Unit	FY21-22	FY22-23	Change \$
1) Agency Contributions	\$509,670	\$627,588	\$117,918
(a) County of Napa	\$254,835	\$313,794	\$58,959
(b) City of Napa	\$166,432	\$207,969	\$41,537
(c) City of American Canyon	\$45,843	\$56,307	\$10,464
(d) City of St. Helena	\$18,608	\$20,381	\$1,773
(e) City of Calistoga	\$13,976	\$16,885	\$2,909
(f) Town of Yountville	\$9,976	\$12,252	\$2,276
2) Service Charges	\$20,600	\$30,000	\$9,400
3) Interest Earnings	\$10,000	\$6,000	(\$4,000)
Total	\$540,270	\$663,588	\$123,318

* Agency contributions in the final budget reflect general tax revenues as provided by the State Controller’s Office’s (SCO) Cities Annual Report and population estimates as provided by the State Department of Finance’s (DOF) Population Estimates. The apportionment of annual contributions to LAFCO is established under a Memorandum of Understanding between the cities and town in Napa County.

The Committee proposes the majority of operating revenues to be collected – \$627,588 – would be drawn from agency contributions and would represent an increase of \$117,918 compared to the current fiscal year. Service charges (i.e., proposal application fees) total \$30,000 and would represent an increase of \$9,400 compared to the current fiscal year. Interest earnings on the Commission’s fund balance total \$6,000 based on recent trends and would represent a decrease of \$4,000 compared to the current fiscal year.

ATTACHMENTS

- 1) Draft Resolution Adopting a Final Budget for Fiscal Year 2022-23
- 2) Draft Resolution Approving the Fee Schedule Amendment
- 3) Budget Policy
- 4) Fee Schedule Amendment (tracked changes)
- 5) Letter to County and City/Town Managers and Finance Directors

RESOLUTION NO. ____

**RESOLUTION OF
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
ADOPTING A FINAL BUDGET FOR THE 2022-23 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 annually adopt a 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 Commission adopted a proposed budget prepared by the Budget Committee at a noticed public hearing on April 4, 2022; and

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

WHEREAS, no comments were received concerning the adopted proposed budget; and

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

WHEREAS, the Executive Officer’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, 2022; 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 adopted.
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 public meeting held on June 6, 2022, 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



Local Agency Formation Commission of Napa County

Subdivision of the State of California

FY 2022-23 PROPOSED BUDGET

Proposed for Adoption on June 6, 2022

Expenses

Salaries and Benefits

Account Description

		FY 2019-20		FY 2020-21		FY 2021-22		FY 2022-23
		Final Budget	Actual	Final Budget	Actual	Final Budget	Estimate	Final Budget
51210	Commissioner Per Diems	15,000	10,980	14,500	12,720	12,500	12,300	15,200
51300	Medicare - Commissioners	225	158	250	181	250	205	250
51305	FICA - Commissioners	500	506	500	512	500	525	500
Total Salaries & Benefits		15,725	11,644	15,250	13,413	13,250	13,030	15,950

Services and Supplies

Account Description

52100	Administration Services	424,278	404,710	415,869	421,287	439,901	408,954	509,844
52125	Accounting/Auditing Services	8,000	6,710	7,500	6,593	7,500	6,847	7,500
52130	Information Technology Services	24,590	24,590	24,323	24,323	24,489	24,489	23,974
52131	ITS Communication Charges	-	-	-	-	1,837	1,837	1,685
52140	Legal Services	30,000	30,000	25,500	24,286	25,000	22,000	35,000
52310	Consulting Services	112,624	79,623	25,551	25,550	-	-	10,000
52345	Janitorial Services	300	300	300	225	300	150	300
52515	Maintenance-Software	2,000	1,929	1,930	1,929	1,930	1,930	1,930
52600	Rents and Leases: Equipment	5,500	4,969	5,500	3,220	4,000	2,784	4,000
52605	Rents and Leases: Building/Land	29,523	29,523	30,409	30,408	31,322	28,234	25,995
52700	Insurance: Liability	4,554	380	813	-	578	578	638
52800	Communications/Telephone	3,000	3,591	3,500	1,428	2,000	1,485	3,000
52830	Publications and Notices	1,500	1,440	1,500	814	1,000	1,100	1,000
52835	Filing Fees	250	154	50	100	200	150	200
52900	Training/Conference	12,295	8,348	989	200	10,000	-	15,000
52905	Business Travel/Mileage	3,000	1,449	1,000	-	500	-	1,000
53100	Office Supplies	2,000	1,193	1,250	1,179	1,000	400	1,000
53110	Freight/Postage	300	158	350	100	500	100	150
53115	Books/Media/Subscriptions	-	-	-	-	-	119	119
53120	Memberships/Certifications	3,261	3,261	3,060	3,060	2,934	2,934	3,078
53205	Utilities: Electric	1,300	1,306	1,500	1,389	1,500	1,950	2,000
53410	Computer Equipment/Accessories	300	617	-	-	-	38	-
53415	Computer Software/License	-	-	-	150	225	225	225
Total Services & Supplies		669,275	604,373	551,144	546,274	556,716	506,304	647,638

EXPENSE TOTALS

685,000	616,017	566,394	559,687	569,966	519,334	663,588
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Revenues		FY 2019-20		FY 2020-21		FY 2021-22		FY 2022-23
		Final Budget	Actual	Final Budget	Actual	Final Budget	Estimate	Final Budget
Intergovernmental								
<u>Account</u>	<u>Description</u>							
43910	County of Napa	235,631	235,631	242,700	242,700	254,835	254,835	313,794
43950	Other Governmental Agencies	235,631	235,631	242,700	242,700	254,835	254,835	313,794
----	<i>City of Napa</i>	154,514	154,514	162,800	162,800	166,432	166,432	207,969
----	<i>City of American Canyon</i>	38,707	38,707	41,166	41,166	45,843	45,843	56,307
----	<i>City of St. Helena</i>	15,357	15,357	15,159	15,159	18,608	18,608	20,381
----	<i>City of Calistoga</i>	15,575	15,575	14,515	14,515	13,976	13,976	16,885
----	<i>Town of Yountville</i>	11,478	11,478	9,060	9,060	9,976	9,976	12,252
	Total Intergovernmental	471,261	471,261	485,400	485,400	509,670	509,670	627,588
Service Charges								
<u>Account</u>	<u>Description</u>							
42690	Application/Permit Fees	25,000	26,964	21,060	37,356	20,000	25,450	25,000
46800	Charges for Services	500	781	624	593	600	1,074	1,000
47900	Miscellaneous	-	-	-	-	-	2,845	4,000
	Total Service Charges	25,500	27,745	21,684	37,949	20,600	29,369	30,000
Investments								
<u>Account</u>	<u>Description</u>							
45100	Interest	7,000	15,128	12,000	6,817	10,000	5,700	6,000
	Total Investments	7,000	15,128	12,000	6,817	10,000	5,700	6,000
	REVENUE TOTALS	503,761	514,134	519,084	530,166	540,270	544,739	663,588
OPERATING DIFFERENCE		(181,239)	(101,883)	(47,310)	(29,521)	(29,696)	25,405	0
Fund Balances								
			2019-20	2020-21	2021-22	2022-23		
RESTRICTED FUND BALANCE (EQUIPMENT REPLACEMENT RESERVE)								
	Beginning:		19,657	19,657	19,657	19,657		19,657
	Ending:		19,657	19,657	19,657	19,657		19,657
UNDESIGNATED/UNRESERVED FUND BALANCE ("RESERVES")								
	Beginning:		401,889	300,006	270,485	295,890		295,890
	Ending:		300,006	270,485	295,890	295,890		295,890
TOTAL FUND BALANCE								
	Beginning:		421,546	319,663	290,142	315,547		315,547
	Ending:		319,663	290,142	315,547	315,547		315,547
MINIMUM FOUR MONTH RESERVE GOAL			228,333	188,798	189,989	221,196		

RESOLUTION NO. ____

**RESOLUTION OF
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
AMENDMENT TO ADOPTED SCHEDULE OF FEES AND DEPOSITS**

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.) authorizes the Local Agency Formation Commission of Napa County (hereinafter referred to as “Commission”) to adopt a fee schedule; and

WHEREAS, the Commission established and adopted by resolution a “Schedule of Fees and Deposits” on December 1, 2001 in a manner provided by law; and

WHEREAS, the Commission has amended the adopted Schedule of Fees and Deposits as appropriate since its establishment on several occasions; 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 including the adopted Schedule of Fees and Deposits; and

WHEREAS, the Commission considered a proposed amendment to the adopted Schedule of Fees and Deposits prepared by the Budget Committee at a noticed public hearing on June 6, 2022.

NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE, DETERMINE, AND ORDER the Schedule of Fees and Deposits shall be amended in the manner set forth in Exhibit “A” and become effective July 1, 2022.

The foregoing resolution was duly and regularly adopted by the Commission at a public meeting held on June 6, 2022, 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



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: July 1, 2022

These are the policies of the Local Agency Formation Commission (LAFCO) of Napa County with respect to setting fees and deposits in fulfilling 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. Staff time is charged at a fully burdened hourly rate of \$170.
3. Proposals submitted to the Commission shall be accompanied by the appropriate proposal fees as detailed in this schedule. Staff shall identify which fees are due at the time the proposal is submitted and the timing when other fees are required. Any required proposal fees that have not been received at the time of Commission action on a proposal shall be made a condition of proposal approval.
4. Staff may stop work on any proposal until the applicant submits a requested deposit or fee.
5. All deposit amounts 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.
6. Upon completion of an at-cost proposal, staff shall issue to the applicant a statement detailing all billable expenditures from a deposit. Staff shall refund the applicant for any monies remaining from the deposit less one-half hour of staff time to process the return as provided in this schedule.
7. All fees payable to the Commission shall be submitted by check and made payable to "LAFCO of Napa County."
8. 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.

9. 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.
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. Proposal fees shall not be charged by the Commission for city annexation proposals involving one or more entire unincorporated islands subject to [G.C. Section 56375.3](#) and the Commission's [Policy on Unincorporated Islands](#), unless otherwise determined by the Executive Officer based on extraordinary circumstances.
12. 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.
13. With respect to instances where the Commission approves an outside service agreement under [G.C. Section 56133](#), the fee for a subsequent annexation involving the affected territory and affected agency will be reduced by one-half if filed within one calendar year.
14. 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.
15. Annexation or detachment proposals involving boundary changes for two or more agencies qualify as reorganizations and will be charged an additional fee of \$850 (five hours). Annexation proposals involving cities that require concurrent detachment from County Service Area No. 4 and no other boundary changes will only incur an additional fee of \$170 (one hour).
16. The Commission shall annually review this schedule and update the fully burdened hourly rate to help maintain an appropriate level of cost-recovery.

INITIAL 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.

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	\$5,100 (30 hours)
Without 100% Consent from Landowners and Agencies where the Commission is Responsible or Lead Agency	\$6,800 (40 hours)
Proposals Not Exempt from California Environmental Quality Act / Negative Declaration	
100% Consent from Landowners and Agencies where the Commission is Responsible Agency	\$5,950 (35 hours)
100% Consent from Landowners and Agencies where the Commission is Lead Agency	\$8,500 (50 hours)
Without 100% Consent from Landowners and Agencies where the Commission is Responsible Agency	\$7,650 (45 hours)
Without 100% Consent from Landowners and Agencies where the Commission is Lead Agency	\$10,200 (60 hours)
Proposals Not Exempt from California Environmental Quality / Environmental Impact Report	
100% Consent from Landowners and Agencies where the Commission is Responsible Agency	\$6,800 (40 hours)
100% Consent from Landowners and Agencies where the Commission is Lead Agency	\$8,500 (50 hours) plus consultant contract
Without 100% Consent from Landowners and Agencies where the Commission is Responsible Agency	\$8,500 (50 hours)
Without 100% Consent from Landowners and Agencies where the Commission is Lead Agency	\$10,200 (60 hours) plus consultant contract

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

Other Service Requests

• New or Extended Outside Service Request	\$3,400 (20 hours)
• Request for Reconsideration	\$3,400 (20 hours)
• Request for Time Extension to Complete Proceedings	\$850 (5 hours)
• Municipal Service Reviews	at-cost
• Sphere of Influence Establishment/Amendment	at-cost

Miscellaneous	
• Special Meeting	\$1,200
• 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 Annexation Mapping Fee	\$162
• Ownership Verification Fee (Landowner Proposals)	\$13
• Signature Verification Fee (Registered Voter Proposals)	\$13
• County Surveyor’s Review Fee	\$253.09
• Elections’ Registered Voter List Fee	\$75 hourly
• Clerk-Recorder’s Environmental Filing Fee	\$50
• Clerk-Recorder’s Environmental Document Fee	
.....Environmental Impact Report	\$3,539.25
.....Mitigated Negative Declaration	\$2,548.00
.....Negative Declaration	\$2,548.00

Fees Made Payable to LAFCO	
• Geographic Information System Update	\$170
• Public Hearing Notice Newspaper Publishing	at-cost
• Photocopying	\$0.10 (black) / \$0.40 (color)
• Mailing	at-cost
• Audio Recording of Meeting	at-cost
• Research/Archive Retrieval	\$170 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

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: July 1, ~~2021~~2022

These are the policies of the Local Agency Formation Commission (LAFCO) of Napa County with respect to setting fees and deposits in fulfilling 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. Staff time is charged at a fully burdened hourly rate of \$170.
3. Proposals submitted to the Commission shall be accompanied by the appropriate proposal fees as detailed in this schedule. Staff shall identify which fees are due at the time the proposal is submitted and the timing when other fees are required. Any required proposal fees that have not been received ~~by the Executive Officer~~ at the time of Commission action on a proposal shall be made a condition of proposal approval.
4. ~~The Executive Officer~~Staff may stop work on any proposal until the applicant submits a requested deposit or fee.
- 4.5. All deposit amounts 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.
- 5.6. Upon completion of an at-cost proposal, ~~the Executive Officer~~staff shall issue to the applicant a statement detailing all billable expenditures from a deposit. ~~The Executive Officer~~Staff 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.
- 6.7. All fees payable to the Commission shall be submitted by check and made payable to "LAFCO of Napa County."
- 7.8. 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.

~~8.9.~~ Applicants are responsible for any fees or charges incurred by the Commission ~~and~~ 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 \$150.~~

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

~~10.~~ —

~~11.~~ ~~If a check for a proposal fee 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.~~

~~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.~~

~~13.~~ 11. ~~Staff time and administrative cost~~ Proposal fees shall not be charged by the Commission for city annexation proposals involving one or more entire unincorporated islands subject to G.C. Section 56375.3 and the Commission's Policy on Unincorporated Islands, unless otherwise determined by the Executive Officer based on extraordinary circumstances.

12. 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.

~~14.~~ —

~~15.1.~~ ~~The Executive Officer may stop work on any proposal until the applicant submits a requested deposit or fee.~~

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

~~17.~~ 13. With respect to instances where the Commission approves an outside service agreement under G.C. Section 56133, the fee for a subsequent annexation involving the affected territory and affected agency will be reduced by one-half if filed within one calendar year.

~~18.~~14. 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.

~~19.~~15. Annexation or detachment proposals involving boundary changes for two or more agencies qualify as reorganizations and will be charged an additional fee of ~~\$780~~850 (five hours). Annexation proposals involving cities that require concurrent detachment from County Service Area No. 4 ~~and no other agency boundary changes~~ will only incur an additional fee of ~~\$150~~170 (one hour) ~~unless additional agencies are included in the reorganization.~~

16. The Commission shall annually review this schedule and update the fully burdened hourly rate to help maintain an appropriate level of cost-recovery.

INITIAL 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.

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	\$4,500 <u>5,100</u> (30 hours)
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Without 100% Consent from Landowners and Agencies where the Commission is Responsible or Lead Agency	\$6,000 <u>800</u> (40 hours)
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- Proposals Not Exempt from California Environmental Quality Act / Negative Declaration**

100% Consent from Landowners and Agencies where the Commission is Responsible Agency	\$5,250 <u>950</u> (35 hours)
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100% Consent from Landowners and Agencies where the Commission is Lead Agency	\$7,500 <u>8,500</u> (50 hours)
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Without 100% Consent from Landowners and Agencies where the Commission is Responsible Agency	\$6,750 <u>7,650</u> (45 hours)
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Without 100% Consent from Landowners and Agencies where the Commission is Lead Agency	\$9,000 <u>10,200</u> (60 hours)
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- Proposals Not Exempt from California Environmental Quality / Environmental Impact Report**

100% Consent from Landowners and Agencies where the Commission is Responsible Agency	\$6,800 <u>6,000</u> (40 hours)
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100% Consent from Landowners and Agencies where the Commission is Lead Agency	\$8,500 <u>7,500</u> (50 hours) plus consultant contract
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Without 100% Consent from Landowners and Agencies where the Commission is Responsible Agency	\$8,500 <u>7,500</u> (50 hours)
--	--

Without 100% Consent from Landowners and Agencies where the Commission is Lead Agency	\$10,200 <u>9,000</u> (60 hours) plus consultant contract
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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 |

Other Service Requests

- | | |
|--|--|
| • New or Extended Outside Service Request | \$3,000 <u>3,400</u> (20 hours) |
| • Request for Reconsideration | \$3,400 <u>3,000</u> (20 hours) |
| • Request for Time Extension to Complete Proceedings | \$750 <u>850</u> (5 hours) |
| • Municipal Service Reviews | at-cost |
| • Sphere of Influence Establishment/Amendment | at-cost |

Miscellaneous

• Special Meeting	\$1,200
• 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 Annexation Mapping Fee	\$162
• <u>Ownership Verification Fee (Landowner Proposals)</u> Assessor's Signature Verification Fee	\$13
• <u>Signature Verification Fee (Registered Voter Proposals)</u>	<u>\$13</u>
• County Surveyor's Review Fee	\$253.09
• Elections' Registered Voter List Fee	\$75 hourly
• Clerk-Recorder's Environmental Filing Fee	\$50
• Clerk-Recorder's Environmental Document Fee	
.....Environmental Impact Report	\$3,539.25
.....Mitigated Negative Declaration	\$2,548.00
.....Negative Declaration	\$2,548.00

Fees Made Payable to LAFCO

• Geographic Information System Update	\$ <u>150-170</u>
• <u>Public Hearing Notice Newspaper Publishing</u>	at-cost
• Photocopying	\$0.10 (black) / \$0.40 (color)
• Mailing	at-cost
• Audio Recording of Meeting	at-cost
• Research/Archive Retrieval	\$ <u>150-170</u> 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