



Local Agency Formation Commission
LAFCO of Napa County

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<http://napa.lafco.ca.gov>

June 2, 2008
Agenda Item No. 6b

May 21, 2008

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Amendments to Adopted Fee Schedule (Public Hearing)

The Commission will consider amendments to its adopted fee schedule to include increasing the hourly staff rate from \$90 to \$97 and adding a new provision to charge an at-cost fee for using alternate legal counsel.

California Government Code §56383 authorizes the Commission to establish a fee schedule for the costs associated with fulfilling its responsibilities under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. This code section specifies that the Commission's fee schedule shall not exceed the estimated "reasonable cost" of the underlying service. This code section also empowers the Commission to waive a fee if it determines that the payment would be detrimental to the public interest.

Background

At its June 4, 2007 meeting, the Commission adopted a comprehensive update to its fee schedule. The intent in adopting the update was to improve the Commission's cost-recovery for labor and administrative overhead costs. Two significant changes were incorporated into the update. First, a new methodology was used to recalculate the hourly staff rate resulting in an increase from \$50 to \$90. Second, the average number of hours assigned to processing different types of proposals was recalculated and reclassified based on the level of consent and type of environmental review required. The current adopted fee schedule is provided in Attachment A.

Discussion

In anticipation of the new fiscal year, staff has reviewed the Commission's adopted fee schedule to consider whether amendments are warranted to help ensure an appropriate level of cost-recovery as well as to address other considerations. The review indicates an amendment to the adopted fee schedule is justified to increase the hourly staff rate from \$90 to \$97. The proposed new hourly staff rate has been calculated using the same methodology established last year as part of the comprehensive update and reflects the Commission's projected labor and administrative overhead costs in 2008-2009. This includes incorporating the Commission's new labor cost to begin funding non-pension retirement benefits, such as retiree health care. The inputs used in calculating the proposed hourly staff rate are provided in Attachment B.

Jack Gingles, Commissioner
Mayor, City of Calistoga

Juliana Inman, Commissioner
Councilmember, City of Napa

Cindy Coffey, Alternate Commissioner
Councilmember, City of American Canyon

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

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

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

Brian J. Kelly, Vice Chair
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

Additional amendments to the adopted fee schedule have also been identified by staff for consideration by the Commission. This includes adding a new provision to charge applicants an at-cost fee to use alternate legal counsel as well as increasing the current \$45 fee for research to correspond with the proposed new hourly staff rate of \$97. All proposed amendments to the adopted fee schedule are reflected in Attachment C.

In considering the proposed amendments the Commission should note that California Government Code §66017(a) requires a minimum of 60 days between the adoption and implementation of new fees. The Commission may choose to designate an extended effective date if desired. The Commission may also choose to grandfather active proposals under the previous fee schedule at the time the amendments become effective.

Analysis

Amending the hourly staff rate from \$90 to \$97 would generally result in an across-the-board increase of 8% to the adopted fee schedule. The proposed increase does exceed the current consumer price index for the San Francisco Bay Area of 2.9%. However, as mentioned, the proposed increase reflects the Commission's projected labor and administrative overhead costs for 2008-2009 and is consistent with its expressed desire to practice full cost-recovery.

Adding the provision for the Commission to begin charging applicants an at-cost fee to use alternate legal counsel does reflect a new charge but is contemplated under California Government Code §56384(b). Specifically, this code section allows the Commission to recover its attorney costs in processing a proposal if it determines a conflict exists for County Counsel and is provided as part of its adopted fee schedule. Given the recent request of the City of American Canyon that alternate legal counsel be used in reviewing any proposals involving the City before the Commission this amendment is warranted and timely. Other proposed amendments are considered non-substantive and will not have a measurable impact on applicants.

Recommendation

At the close of the public hearing, it is recommended that the Commission take the following actions:

- 1) Adopt the form of the attached draft resolution with any desired changes approving the amended fee schedule;
- 2) Designate the effective date for the amended fee schedule for July 18, 2008; and
- 3) Direct staff to charge applicants the amounts prescribed under the amended fee schedule at the time it becomes effective.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachments:

- A) Current Fee Schedule
- B) Calculation of Proposed Hourly Staff Rate
- C) Proposed Amended Fee Schedule (Track Changes)
- D) Draft Resolution Approving Amended Fee Schedule

Local Agency Formation Commission of Napa County
Schedule of Fees and Deposits
(Effective Date: September 2, 2007)

The policy of the Commission is:

1. This fee schedule shall be administered in accordance with the provisions of California Government Code §56383.
2. Applications submitted to LAFCO shall be accompanied by a non-refundable initial fee as detailed in this schedule.
3. Applicants are responsible for any fees or charges incurred by LAFCO or required by other agencies in the course of the processing of an application.
4. Initial fees include a fixed number of staff hours as detailed in the fee schedule or are designated as “at cost.”
5. Additional LAFCO staff time shall be charged to the applicant at an hourly rate of \$90.00.
6. Applicants are responsible for any extraordinary administrative costs as determined by the Executive Officer and detailed for the applicant in a written statement.
7. Additional LAFCO staff time and administrative costs shall not be charged for city annexation applications that are comprised solely of one, entire unincorporated island.
8. If the Executive Officer estimates that a proposal will require more than 20 hours staff time to complete, he or she shall provide a written statement to that effect to the applicant and request a deposit in an amount sufficient to cover anticipated costs. If this or any subsequent deposit proves insufficient, the Executive Officer shall provide an accounting of expenditures and request deposit of additional funds.
9. If the processing of an application requires that LAFCO contract from another agency or from a private firm or individual for services that are beyond the normal scope of LAFCO 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 LAFCO with a deposit sufficient to cover the cost of the contract.
10. The Executive Officer may stop work on any proposal until the applicant submits a requested deposit.
11. Written appeal of fees and/or deposits, specifying the reason for the appeal, may be submitted to LAFCO prior to the submission of an application or prior to the submission of a deposit requested by the Executive Officer. The appeal will be considered at the next regular meeting of the Commission.
12. Upon completion of a project, the Executive Officer shall issue to the applicant a statement detailing all expenditures from a deposit for additional time and materials and shall have a refund for any remaining funds issued to the applicant.

INITIAL APPLICATION FEES

Annexations and Detachments

Exempt from the California Environmental Quality Act

- With 100% consent of property owners and affected agencies: \$1,350 (15 hours)
- Without 100% consent of property owners and affected agencies: \$2,250 (25 hours)

Not exempt from the California Environmental Quality Act
(LAFCO is a Responsible Agency; Negative Declaration)

- With 100% consent of property owners and affected agencies: \$1,800 (20 hours)
- Without 100% consent of property owners and affected agencies: \$2,700 (30 hours)

Not exempt from the California Environmental Quality Act
(LAFCO is a Responsible Agency; Environmental Impact Report)

- With 100% consent of property owners and affected agencies: \$2,250 (25 hours)
- Without 100% consent of property owners and affected agencies: \$3,150 (35 hours)

* City annexations involving entire unincorporated islands will be charged a flat fee of \$500.

* Annexation or detachment proposals that involve boundary changes for more than two agencies will be charged an additional fee of \$450 (5 hours).

* If LAFCO is the Lead Agency and it is determined that the proposal requires a Negative Declaration or an Environmental Impact Report, applicants will be charged at the hourly staff rate.

Government Reorganizations

- Special District Formations, Consolidations, and Dissolutions: Actual Cost
- City Incorporations or Dissolutions: Actual Cost

Special Studies

- Municipal Service Review: Actual Cost
- Sphere of Influence Review: Actual Cost
(Establishment, Amendment, or Update)

Activation of a Latent Power Request \$900 (10 hours)

Extension of Time Request \$450 (5 hours)

Review of Out-of-Agency Agreements or Contracts \$900 (10 hours)

Request for Reconsideration \$1,800 (20 hours)

Special Meeting Fee \$800

OTHER APPLICATION FEES

Assessor Mapping Service (Made payable to the “County of Napa”)	\$125
Map and Geographic Description Review (Made payable to the “County of Napa”)	\$149 (1 hour)
Registered Voter List for Public Hearing Notice (Made payable to the “County of Napa”)	\$55 (1 hour)
Geographic Information Service (Made payable to “LAFCO of Napa County”)	\$125 (1 hour)
California Department of Fish and Game Environmental Filing Fees (Made payable to the “ County of Napa Clerk Recorder”)	

LAFCO as Lead Agency

- | | |
|--------------------------------|------------|
| • Environmental Impact Report: | \$2,606.75 |
| • Negative Declaration: | \$1,876.75 |
| • Clerk-Recorder Filing Fee: | \$50 |

LAFCO as Responsible Agency

- | | |
|--|------|
| • Notice of Determination (Represents Clerk Filing Fee): | \$50 |
| • Notice of Exemption (Represents Clerk Filing Fee): | \$50 |

Change of Jurisdictional Boundary

(Made payable to the “State Board of Equalization”)

<u>Acre Amount</u>	<u>Fee</u>	<u>Acre Amount</u>	<u>Fee</u>
Less than 1:	\$300	51 to 100:	\$1,500
1 to 5:	\$350	101 to 500:	\$2,000
6 to 10:	\$500	500 to 1,000:	\$2,500
11 to 20:	\$800	1,000 to 2,000:	\$3,000
21 to 50:	\$1,200	2,000 and above:	\$3,5000

ADMINISTRATIVE SERVICE FEES

The following are charges to be assessed to persons or entities other than the applicant.

- | | |
|------------------------------------|---|
| • Copying (no color): | \$0.10 per page |
| • Copying (color): | \$0.40 per page |
| • Faxing: | \$1.00 service charge, plus \$0.15 per page |
| • Mailing: | Actual Cost |
| • Audio Tape Recording of Meeting: | Actual Cost |
| • Research/Achieve Retrieval: | \$45 per hour (minimum of one hour) |



Local Agency Formation Commission of Napa County
LAFCO of Napa County

Hourly Staff Rate Calculation as of July 1, 2008

Step One: Calculating Hourly Input Rates

Input No. 1: Staff Salaries

<u>Budgeted Position</u>	<u>Hourly Rate</u>	
Executive Officer	\$ 47.87	(Step Three: 1.0 FTE)
Staff Analyst II	\$ 28.58	(Step One: 1.0 FTE)
Secretary	\$ 22.54	(Step Five: 0.5 FTE)

Input No. 2: Staff Benefits

<u>Benefit</u>	<u>Executive Officer</u>		<u>Staff Analyst</u>		<u>Secretary</u>	
Retirement (Pension)	\$ 9.61	\$	5.05	\$	3.89	\$
Retirement (OPEB)*	\$ 2.17	\$	2.17	\$	2.09	\$
Medicare	\$ 0.77	\$	0.42	\$	0.33	\$
Health/Dental Insurance	\$ 5.90	\$	5.92	\$	14.98	\$
Car Allowance	\$ 2.54	\$	-	\$	-	\$
Cell Phone Allowance	\$ 0.43	\$	-	\$	-	\$
Total	\$ 21.42	\$	13.56	\$	21.29	\$

* Divides budgeted OPEB cost (\$11,295) between EO (40%), Analyst (40%), and Secretary (20%)

Input No. 3: Administrative Overhead Costs

<u>Overhead</u>	<u>Total Budget</u>		<u>Hourly Cost</u>	
Office Lease	\$ 27,000	\$	12.98	\$
Insurance	\$ 546	\$	0.26	\$
Communications	\$ 3,500	\$	1.68	\$
Legal Expense	\$ 26,320	\$	12.65	\$
ITS	\$ 17,768	\$	8.54	\$
Office Supplies	\$ 15,000	\$	7.21	\$
Total	\$ 90,134	\$	43.33	\$

* Total budget divided by the number of work hours for one fulltime employee in a year (2,080)

Step Two: Calculating Hourly Staff Rates Per Budgeted Position

<u>Input</u>	<u>Executive Officer</u>		<u>Staff Analyst</u>		<u>Secretary</u>	
Staff Pay	\$ 47.87	\$	28.58	\$	22.54	\$
Staff Benefit	\$ 21.42	\$	13.56	\$	21.29	\$
Overhead	\$ 43.33	\$	43.33	\$	43.33	\$
Total	\$ 112.63	\$	85.48	\$	87.16	\$

Step Three: Calculating a Weighted Hourly Staff Rate

<u>Factor</u>	<u>Executive Officer</u>		<u>Staff Analyst</u>		<u>Secretary</u>	
Staff Rate	\$ 112.63	\$	85.48	\$	87.16	\$
% Processing Proposal	40.0%		55.0%		5.0%	
Weighted Staff Rate	\$ 96.57					



Local Agency Formation Commission of Napa County

Schedule of Fees and Deposits

Effective Date:

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INITIAL APPLICATION FEES

Change of Organization or Reorganizations: Annexations and Detachments

Exempt from the California Environmental Quality Act

- With 100% consent of property owners and affected agencies:
- Without 100% consent of property owners and affected agencies:

~~\$1,455~~ (15 hours)

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~~\$2,425~~ (25 hours)

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Not exempt from the California Environmental Quality Act
(LAFCO is a Responsible Agency; Negative Declaration)

- With 100% consent of property owners and affected agencies:
- Without 100% consent of property owners and affected agencies:

~~\$1,940~~ (20 hours)

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~~\$2,910~~ (30 hours)

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- Without 100% consent of property owners and affected agencies:

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* Annexation or detachment proposals that involve boundary changes for more than two agencies will be charged an additional fee of ~~\$485~~ (5 hours).

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* If LAFCO is the Lead Agency and it is determined that the proposal requires a Negative Declaration or an Environmental Impact Report, applicants will be charged at the hourly staff rate.

Change of Organizations or Reorganizations: Other

- Special District Formations, Consolidations, Mergers, and Dissolutions:
- City Incorporations or Dissolutions:

~~Actual Cost~~

Deleted: Government Reorganizations

~~Actual Cost~~

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Special Studies

- Municipal Service Review:
- Sphere of Influence Review:
(Establishment, Amendment, or Update)

Actual Cost

Actual Cost

Activation of a Latent Power Request

~~\$970~~ (10 hours)

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Extension of Time Request

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Review of Out-of-Agency Agreements or Contracts

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Request for Reconsideration

~~\$1,940~~ (20 hours)

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Special Meeting Fee

\$800

Alternate Legal Counsel Fee

~~Actual Cost~~

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(Made payable to the “County of Napa”) \$125
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- Mailing: Actual Cost
- Audio Tape Recording of Meeting: Actual Cost
- Research/Achieve Retrieval: \$97 per hour (minimum of one hour)

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RESOLUTION NO: _____

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
AMENDMENTS 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 “LAFCO”) to adopt a fee schedule; and

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

WHEREAS, LAFCO has amended the adopted Schedule of Fees and Deposits as appropriate since its establishment on December 1, 2001; and

WHEREAS, LAFCO has scheduled and noted a public hearing on June 2, 2008 to consider new amendments to its Schedule of Fees and Deposits; and

WHEREAS, as part of a scheduled and notice public hearing on June 2, 2008, oral and/or written comments on the proposed amendments to the adopted Schedule of Fees and Deposits were received from the general public, and these comments were considered by LAFCO; and

WHEREAS, the Commission has determined that the adoption of amendments to its Schedule of Fees and Deposits is exempt from the provisions of CEQA under Section 15273(a) of the State CEQA Guidelines and Section 21080(b)(8) of the Public Resources Code.

NOW, THEREFORE, BE IT RESOLVED by LAFCO that the Schedule of Fees and Deposits shall be amended and readopted in the manner set forth in Exhibit “A” and that this action is categorically exempt from the provisions of CEQA.

The foregoing resolution was duly and regularly adopted at a regular meeting of LAFCO, held on the 2nd day of June, 2008, by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

ATTEST: Keene Simonds
Executive Officer

RECORDED: _____
Kathy Mabry
Commission Secretary