



**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 8a (Public Hearing)**

**TO:** Local Agency Formation Commission

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

**MEETING DATE:** June 3, 2019

**SUBJECT:** Final Budget for Fiscal Year 2019-2020 and Proposed Amendment to Fee Schedule

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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 Final Budget for the 2019-2020 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 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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Kenneth Leary, Vice Chair  
Councilmember, City of American Canyon

Margie Mohler, Commissioner  
Councilmember, Town of Yountville

Scott Sedgley, Alternate Commissioner  
Councilmember, City of Napa

Brad Wagenknecht, Commissioner  
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

Gregory Rodeno, Chair  
Representative of the General Public

Vacant, Alternate Commissioner  
Representative of the General Public

Brendon Freeman  
*Executive Officer*

### ***Budgeting Policies***

Consistent with the Commission's *Budget Policy* ("Policy"), included as Attachment Three, on December 3, 2018, the Commission appointed Chair Mohler and then-Alternate Commissioner Lawrence to serve on an ad hoc Budget Committee ("Committee") to inform the agency's decision-making process in adopting an annual operating budget. The Policy directs the Committee to consider the Fee Schedule and Work Program in conjunction with the budget process. The Policy directs the Commission to control operating expenses by utilizing its available unrestricted fund balance ("reserves") whenever possible and appropriate. The Policy also directs the Commission to retain sufficient reserves to equal no less than 33% (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 and emergencies.

### ***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 one-tenth of total revenues – is budgeted from anticipated application fees and interest earnings.

### ***Committee Actions to Date***

The Committee held a meeting on February 22, 2019, and prepared a proposed budget that was adopted by the Commission on April 4, 2019. The adopted proposed budget was immediately circulated for public review and comment. No comments were received by the deadline of May 10, 2019.

The Committee also reviewed the Commission's adopted *Schedule of Fees and Deposits* ("Fee Schedule") and agreed an amendment is needed to update the calculation for hourly staff time to be billed to proposal applicants. A draft amendment to the Fee Schedule was reviewed and discussed by the Commission on April 4, 2019, and immediately circulated for public review and comment.<sup>2</sup> No comments were received by the deadline of May 10, 2019. The Committee returns with a recommendation for the Commission to adopt the amendment to the Fee Schedule as shown with tracked changes in Attachment Four.

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<sup>1</sup> Unrestricted reserves are estimated to total \$345,010 at the beginning of 2019-2020, representing 61.9% or approximately 7.4 months of operating expenses in the final budget.

<sup>2</sup> The amendment to the Fee Schedule also incorporates an increase in the fee to request a special meeting from \$1,000 to \$1,200. This amendment is appropriate given the fee is based on Commissioner stipends, which were increased from \$125 to \$150 effective July 1, 2018.

### ***Final Budget Summary***

The Commission will consider adopting a resolution to approve a final budget for 2019-2020 that is nearly identical to the adopted proposed budget. Operating expenses total \$557,376 and represent a 19.7% decrease over the current fiscal year. Operating revenues total \$503,761 with the remaining \$53,615 shortfall to be covered by drawing down on the Commission's reserves. The final budget for 2019-2020 accomplishes the Committee's objectives to provide sufficient resources to maintain current service levels while minimizing impacts on the funding agencies by increasing overall contributions by 5.0% compared to the current fiscal year. While the 5.0% increase to funding agency contributions exceeds the 3.5% increase in the Consumer Price Index for the San Francisco Bay Area region from February 2018 to February 2019, the increase appears reasonable given it represents only a 4.7% composite increase in funding agency contributions over the last three fiscal years. Additionally, and despite allocating \$53,615 as offsetting revenues, the final budget positions the Commission to finish the 2019-2020 fiscal year with available reserves totaling \$291,395 or 52.3% of operating expenses. Therefore, the final budget retains an amount of reserves sufficient to meet the Policy directive to retain reserves equal to no less than one-third of operating expenses.

A detailed summary of operating expenses and revenues in the final budget follows.

### ***Operating Expenses***

The Committee proposes a decrease in operating expenses from \$694,173 to \$557,376; a difference of \$136,797 or 19.7% compared to the current fiscal year. Notable changes to budgeted operating expenses are summarized below.

#### **Salaries and Benefits Unit**

Increase in the Salaries and Benefits budget unit from \$386,592 to \$415,003, representing a total increase of \$28,434 or 7.4% compared to the current fiscal year and involves the following notable changes:

- 1) Increase the Executive Officer's salary from step three to step four in July 2019;
- 2) Increase the Analyst II's salary from step three to step four in January 2020;
- 3) Incorporate 2.0% cost-of-living adjustments for all staff consistent with the Commission's agreement with the County of Napa for staff support services;

Additionally, the final budget includes \$1,000 for 401A Employer Contribution (Account No. 51200). The Executive Officer is authorized to participate in the County of Napa's 401(a) retirement savings plan.

**Services and Supplies Unit**

Decrease in the Services and Supplies budget unit from \$307,604 to \$142,373, representing a total decrease of \$165,231 or 53.7% compared to the current fiscal year and involves the following notable changes:

- 1) Decrease Consulting Services (Account No. 52310) from \$188,050 to \$10,000. This decrease is primarily associated with the Countywide Water and Wastewater MSR that is fully budgeted in 2018-2019<sup>3</sup>;
- 2) Increase Information Technology Services (Account No. 52130) from \$17,301 to \$24,590 to reflect the recent hiring of the Analyst II;
- 3) Increase Insurance: Liability (Account No. 52700) from \$70 to \$4,554 based on the Commission’s agreement with the County of Napa for staff support services;
- 4) Increase Business Travel/Mileage (Account No. 52905) from \$1,000 to \$3,000 to reflect anticipated travel expenses associated with Chair Mohler’s attendance at meetings of the CALAFCO Board of Directors.
- 5) Increase Training/Conference (Account No. 52900) from \$9,000 to \$12,295. This increase contemplates a high level of Commissioner attendance at the annual CALAFCO Conference as well as a not-to-exceed \$1,295 sponsorship contribution towards the tuition cost associated with the Executive Officer’s potential enrollment in Leadership Napa Valley.<sup>4</sup>

The following table summarizes operating expenses in the final budget.

Expense Unit	Adjusted FY18-19	Proposed FY19-20	Change \$	Change %
1) Salaries/Benefits	\$386,569	\$415,003	\$28,434	7.4%
2) Services/Supplies	\$307,604	\$142,373	(\$165,231)	(53.7%)
3) Contingencies	\$0	\$0	\$0	0.0%
<b>Total</b>	<b>\$694,173</b>	<b>\$557,376</b>	<b>(\$136,797)</b>	<b>(19.7%)</b>

<sup>3</sup> It is anticipated a portion of the consultant cost to prepare the Countywide Water and Wastewater MSR will be incurred in 2019-2020 and therefore will require a “roll-over” of the remaining costs by way of re-encumbering the amount and adjusting the budget mid-year consistent with the Commission’s past practice.

<sup>4</sup> The Executive Officer is seeking enrollment in Leadership Napa Valley for purposes of professional advancement and to enhance the Commission’s relationships with various local organizations. The Executive Officer will also seek a sponsorship from the Napa Sunrise Rotary service club, if available, to offset the proposed sponsorship from the Commission.

## Operating Revenues

It has been the Commission’s practice in recent years to intentionally budget for operating deficits for the purpose of reducing the impact to funding agencies when reserves exceed the amount required in the Policy. The Committee proposes a modest increase in operating revenues from the current fiscal year amount of \$476,320 to \$503,761. This amount would result in an intentional operating deficit of \$53,615, which would be covered by utilizing reserves consistent with prior fiscal years.

The Committee proposes the majority of operating revenues to be collected – \$471,261 – would be drawn from agency contributions and would represent a 5.0% increase from the current fiscal year. Notably, despite the 5.0% increase, agency contributions in the final budget would represent only a 4.7% increase in the total amounts collected in fiscal year 2016-2017. Service charges (i.e. proposal application fees) and interest earnings on the fund balance invested by the County Treasurer represent the remaining portion of operating revenues in the final budget.

The following table summarizes operating revenues in the final budget.

Revenue Unit	Adjusted FY18-19	Proposed FY19-20	Change \$	Change %
1) Agency Contributions	\$448,820	\$471,261	22,441	5.0%
(a) County of Napa	\$224,410	\$235,631	\$11,221	5.0%
(b) City of Napa	\$148,793	\$154,514	\$5,721	3.8%
(c) City of American Canyon	\$35,803	\$38,707	\$2,904	8.1%
(d) City of St. Helena	\$14,897	\$15,357	\$460	3.1%
(e) City of Calistoga	\$13,673	\$15,575	\$1,902	13.9%
(f) Town of Yountville	\$11,243	\$11,478	\$235	2.1%
2) Service Charges	\$20,500	\$25,500	\$5,000	24.4%
3) Interest Earnings	\$7,000	\$7,000	\$0	0.0%
<b>Total</b>	<b>\$476,320</b>	<b>\$503,761</b>	<b>\$27,441</b>	<b>5.8%</b>

\* Agency contributions reflect general tax revenues for 2016-2017 as provided by the State Controller’s Office’s (SCO) Cities Annual Report and population estimates for January 1, 2019, as provided by the State Department of Finance’s (DOF) Population Estimates.

## ATTACHMENTS

- 1) Draft Resolution Adopting the Final Budget
- 2) Draft Resolution Adopting the Fee Schedule Amendment
- 3) Budget Policy
- 4) Draft Amendment to Fee Schedule (tracked changes)

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

**RESOLUTION OF  
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
ADOPTING A FINAL BUDGET FOR THE 2019-2020 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, 2019; 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 Budget Committee prepared a report with recommendations for a final budget; and

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

**WHEREAS**, the Commission heard and fully considered all the evidence presented at its public hearing on the final budget held on June 3, 2019; 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 3, 2019, after a motion by Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, by the following vote:

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

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

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

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

\_\_\_\_\_  
 Gregory Rodeno  
 Commission Chair

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

Recorded by: Kathy Mabry  
 Commission Secretary



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

**FY2019-2020 FINAL OPERATING BUDGET**

Presented on June 3, 2019

Expenses		FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20	Difference	
		Adjusted *	Actual	Adjusted *	Actual	Adjusted *	Projected	Final Budget		
<b>Salaries and Benefits</b>										
<u>Account</u>	<u>Description</u>									
51100	Salaries and Wages	192,301	157,926	230,519	163,069	242,150	212,692	269,085	26,935	11.1%
51200	401A Employer Contribution	1,000	1,000	1,000	1,000	1,000	1,000	1,000	-	0.0%
51205	Cell Phone Allowance	420	404	420	420	420	420	420	-	0.0%
51210	Commissioner Per Diems	12,875	12,750	11,000	9,875	15,000	12,450	15,000	-	0.0%
51300	Medicare	3,424	2,334	3,500	2,358	3,709	3,247	4,090	381	10.3%
51305	FICA	550	490	500	398	500	547	500	-	0.0%
51400	Employee Insurance: Premiums	51,754	34,190	51,818	33,663	55,069	46,078	54,408	(661)	-1.2%
51405	Workers Compensation	2,221	2,221	719	719	880	880	675	(205)	-23.3%
51600	Retirement	43,690	30,437	46,010	29,067	52,259	42,375	53,691	1,432	2.7%
51605	Other Post Employment Benefits	14,987	14,987	14,214	14,216	14,357	14,357	16,134	1,777	12.4%
	<b>Total Salaries &amp; Benefits</b>	<b>323,222</b>	<b>256,739</b>	<b>359,700</b>	<b>256,085</b>	<b>386,569</b>	<b>333,888</b>	<b>415,003</b>	<b>28,434</b>	<b>7.4%</b>
<b>Services and Supplies</b>										
<u>Account</u>	<u>Description</u>									
52105	Election Services	300	-	100	-	500	-	200	(300)	0.0%
52125	Accounting/Auditing Services	9,500	7,655	9,500	6,902	8,000	7,323	8,000	-	0.0%
52130	Information Technology Services	24,052	24,052	16,859	16,859	17,301	17,301	24,590	7,289	42.1%
52140	Legal Services	32,000	25,867	35,000	35,000	35,000	27,891	30,000	(5,000)	-14.3%
52310	Consulting Services *	78,840	35,415	52,311	30,221	188,050	138,550	10,000	(178,050)	-94.7%
52345	Janitorial Services	500	150	200	75	150	165	300	150	100.0%
52515	Maintenance-Software	2,000	1,779	2,000	1,779	2,000	1,779	2,000	-	0.0%
52600	Rents and Leases: Equipment	7,000	5,240	6,000	4,710	5,500	4,581	5,500	-	0.0%
52605	Rents and Leases: Building/Land	25,560	25,560	27,828	27,828	27,828	28,663	29,523	1,695	6.1%
52700	Insurance: Liability	1,206	1,206	249	249	70	70	4,554	4,484	6405.7%
52800	Communications/Telephone	3,000	3,021	3,000	3,041	3,000	3,165	3,000	-	0.0%
52830	Publications and Notices	2,000	1,588	2,000	1,562	2,000	686	1,500	(500)	-25.0%
52835	Filing Fees	500	400	500	150	500	100	250	(250)	-50.0%
52900	Training/Conference	10,000	8,050	9,000	7,091	9,000	13,769	12,295	3,295	36.6%
52905	Business Travel/Mileage	2,000	830	1,500	1,152	1,000	3,365	3,000	2,000	200.0%
53100	Office Supplies	4,000	1,949	3,000	1,768	2,000	1,991	2,000	-	0.0%
53110	Freight/Postage	500	250	300	253	300	200	300	-	0.0%
53120	Memberships/Certifications	2,548	2,548	2,726	2,726	2,805	2,805	3,261	456	16.3%
53205	Utilities: Electric	1,600	1,121	1,300	1,057	1,300	1,137	1,300	-	0.0%
53410	Computer Equipment/Accessories	-	418	500	539	500	500	300	(200)	-40.0%
56350	Business Related Meal/Supplies	-	652	350	916	750	550	500	(250)	-33.3%
	<b>Total Services &amp; Supplies</b>	<b>211,606</b>	<b>148,529</b>	<b>174,323</b>	<b>150,174</b>	<b>307,604</b>	<b>254,861</b>	<b>142,373</b>	<b>(165,231)</b>	<b>-53.7%</b>
	<b>EXPENSE TOTALS</b>	<b>534,828</b>	<b>405,268</b>	<b>534,023</b>	<b>406,259</b>	<b>694,173</b>	<b>588,749</b>	<b>557,376</b>	<b>(136,797)</b>	<b>-19.7%</b>

\* Operating expenses in FY 2016-17, FY 2017-18, and FY 2018-19 were adjusted to re-encumber existing consultant contracts that were not fully utilized in the preceding FY.



Revenues

		FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20		
		Adopted Final	Actual	Adopted Final	Actual	Adopted Final	Projected	Final Budget	<i>Difference</i>	
<b>Intergovernmental</b>										
<u>Account</u>	<u>Description</u>									
43910	County of Napa	224,972	224,972	213,724	213,724	224,410	224,410	235,631	11,221	5.0%
43950	Other Governmental Agencies	224,972	224,972	213,724	213,724	224,410	224,410	235,631	11,221	5.0%
----	<i>City of Napa</i>	149,066	149,066	143,028	143,028	148,793	148,793	154,514	5,721	3.8%
----	<i>City of American Canyon</i>	35,330	35,330	34,380	34,380	35,803	35,803	38,707	2,904	8.1%
----	<i>City of St. Helena</i>	15,908	15,908	13,856	13,856	14,897	14,897	15,357	460	3.1%
----	<i>City of Calistoga</i>	13,208	13,208	12,349	12,349	13,673	13,673	15,575	1,902	13.9%
----	<i>Town of Younville</i>	11,458	11,458	10,111	10,111	11,243	11,243	11,478	235	2.1%
	<b>Total Intergovernmental</b>	449,944	449,944	427,448	427,448	448,820	448,820	471,261	22,441	5.0%
<b>Service Charges</b>										
<u>Account</u>	<u>Description</u>									
42690	Application/Permit Fees	30,000	5,043	20,000	9,471	20,000	28,782	25,000	5,000	25.0%
46800	Charges for Services	500	250	500	250	500	500	500	-	0.0%
	<b>Total Service Charges</b>	30,500	5,293	20,500	9,721	20,500	29,282	25,500	5,000	24.4%
<b>Investments</b>										
<u>Account</u>	<u>Description</u>									
45100	Interest	2,000	4,592	5,000	6,701	7,000	12,611	7,000	-	0.0%
	<b>Total Investments</b>	2,000	4,592	5,000	6,701	7,000	12,611	7,000	-	0.0%
	<b>REVENUE TOTALS</b>	482,444	459,829	452,948	443,870	476,320	490,713	503,761	27,441	5.8%
<b>OPERATING DIFFERENCE</b>		(52,384)	54,561	(81,075)	37,611	(217,853)	(98,036)	(53,615)		

Negative Balance Indicates Use of Unrestricted Fund Balance Reserves

	2016-2017 Actual	2017-2018 Actual	2018-2019 Projected	2019-2020 Final Budget
<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>UNRESERVED/UNRESTRICTED FUND BALANCE</b>				
Beginning:	350,874	405,435	443,046	345,010
Ending:	405,435	443,046	345,010	291,395
<b>TOTAL FUND BALANCE</b>				
Beginning:	370,531	425,092	462,703	364,667
Ending:	425,092	462,703	364,667	311,052
<b>MINIMUM FOUR MONTH RESERVE GOAL</b>	178,276	178,008	231,391	185,792

**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 draft amendment to the Schedule of Fees and Deposits prepared by the Budget Committee at a public meeting on April 4, 2019; and

**WHEREAS**, at the direction of the Commission, the Budget Committee circulated the draft amendment to the Schedule of Fees and Deposits for review and comment to the general public; and

**WHEREAS**, the Commission has scheduled and noticed a public hearing on June 3, 2019, to consider a new amendment to its Schedule of Fees and Deposits as recommended by the Budget Committee; and

**WHEREAS**, the Commission considered all written and verbal comments received on the proposed amendment to the adopted Schedule of Fees and Deposits at its noticed public hearing on June 3, 2019.

**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, 2019.

The foregoing resolution was duly and regularly adopted by the Commission at a public meeting held on June 3, 2019, after a motion by Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, by the following vote:

AYES: Commissioners \_\_\_\_\_  
NOES: Commissioners \_\_\_\_\_  
ABSENT: Commissioners \_\_\_\_\_  
ABSTAIN: Commissioners \_\_\_\_\_

\_\_\_\_\_  
Gregory Rodeno  
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

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

### Schedule of Fees and Deposits

Effective Date: July 1, 2019

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

1. This schedule shall be administered in accordance with the provisions of California Government Code Section 56383.
2. This schedule includes both "fixed" and "at-cost" fees. Fixed fees represent reasonable cost estimates for processing routine proposals and based on a number of predetermined staff hours. At-cost fees apply to less routine proposals and based on the number of actual staff hours.
3. Proposals submitted to the Commission shall be accompanied by a non-refundable initial fee as detailed in this schedule. All deposit amounts tied to at-cost proposals shall be determined by the Executive Officer. The Executive Officer shall provide a written accounting of all staff time and related expenses billed against the deposit. If the cost in processing a proposal begins to approach or exceed the deposited amount, the Executive Officer shall request additional monies from the applicant.
4. All initial fees shall be submitted in check and made payable to the "Local Agency Formation Commission of Napa County."
5. Proposals will not be deemed complete until the initial fee has been collected by the Executive Officer as detailed in this schedule.
6. Applicants are responsible for any fees or charges incurred by the Commission and or required by other governmental agencies in the course of the processing of a proposal.
7. Additional staff time shall be charged to the applicant at an hourly rate of \$156.00 .
8. Applicants are responsible for any extraordinary administrative costs as determined by the Executive Officer and detailed for the applicant in a written statement.
9. Additional staff time and administrative costs shall not be charged for city annexation proposals involving one or more entire unincorporated island subject to California Government Code Section 56375.3.

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

**INITIAL PROPOSAL FEES**

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

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

<ul style="list-style-type: none"> <li> <b>Proposals Exempt from California Environmental Quality Act</b> </li> </ul>	
100% Consent from Landowners and Agencies where the Commission is Responsible or Lead Agency	\$4,680 (30 hours)
Without 100% Consent from Landowners and Agencies where the Commission is Responsible or Lead Agency	\$6,240 (40 hours)
<ul style="list-style-type: none"> <li> <b>Proposals Not Exempt from California Environmental Quality Act / Negative Declaration</b> </li> </ul>	
100% Consent from Landowners and Agencies where the Commission is Responsible Agency	\$5,460 (35 hours)
100% Consent from Landowners and Agencies where the Commission is Lead Agency	\$7,800 (50 hours)
Without 100% Consent from Landowners and Agencies where the Commission is Responsible Agency	\$7,020 (45 hours)
Without 100% Consent from Landowners and Agencies where the Commission is Lead Agency	\$9,360 (60 hours)
<ul style="list-style-type: none"> <li> <b>Proposals Not Exempt from California Environmental Quality / Environmental Impact Report</b> </li> </ul>	
100% Consent from Landowners and Agencies where the Commission is Responsible Agency	\$6,240 (40 hours)
100% Consent from Landowners and Agencies where the Commission is Lead Agency	\$7,800 (50 hours) plus consultant contract
Without 100% Consent from Landowners and Agencies where the Commission is Responsible Agency	\$7,800 (50 hours)
Without 100% Consent from Landowners and Agencies where the Commission is Lead Agency	\$9,360 (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 expedited proceedings under Government Code Section 56375.3 shall not be charged a fee by the Commission.

**Change of Organization or Reorganization: Other**

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

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

  

<b>Miscellaneous</b>	
• 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.

<b>Fees Made Payable to the County of Napa</b>	
• Assessor’s Mapping Service	\$162
• County Surveyor’s Review	\$249.17
• Elections’ Registered Voter List	\$55 hourly
• Clerk-Recorder’s Environmental Filing Fee	\$50
• Clerk-Recorder’s Environmental Document Fee	
.....Environmental Impact Report	\$3,271.00
.....Mitigated Negative Declaration	\$2,354.75
.....Negative Declaration	\$2,354.75

<b>Fees Made Payable to LAFCO</b>	
• Geographic Information System Update	\$156
• Photocopying	\$0.10 (black) / \$0.40 (color)
• Mailing	at-cost
• Audio Recording of Meeting	at-cost
• Research/Archive Retrieval	\$156 hourly

<b>Fees Made Payable to the State Board of Equalization to Record Boundary Changes</b>			
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

### *Budget Policy*

(Adopted: August 9, 2001; Last Amended: June 6, 2016)

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





## Local Agency Formation Commission of Napa County

Subdivision of the State of California

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

### Schedule of Fees and Deposits

Effective Date: ~~January~~ July 1, 2019

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

1. This schedule shall be administered in accordance with the provisions of California Government Code Section 56383.
2. This schedule includes both "fixed" and "at-cost" fees. Fixed fees represent reasonable cost estimates for processing routine proposals and based on a number of predetermined staff hours. At-cost fees apply to less routine proposals and based on the number of actual staff hours.
3. Proposals submitted to the Commission shall be accompanied by a non-refundable initial fee as detailed in this schedule. All deposit amounts tied to at-cost proposals shall be determined by the Executive Officer. The Executive Officer shall provide a written accounting of all staff time and related expenses billed against the deposit. If the cost in processing a proposal begins to approach or exceed the deposited amount, the Executive Officer shall request additional monies from the applicant.
4. All initial fees shall be submitted in check and made payable to the "Local Agency Formation Commission of Napa County."
5. Proposals will not be deemed complete until the initial fee has been collected by the Executive Officer as detailed in this schedule.
6. Applicants are responsible for any fees or charges incurred by the Commission and or required by other governmental agencies in the course of the processing of a proposal.
7. Additional staff time shall be charged to the applicant at an hourly rate of \$~~123.00~~ 156.00.
8. Applicants are responsible for any extraordinary administrative costs as determined by the Executive Officer and detailed for the applicant in a written statement.
9. Additional staff time and administrative costs shall not be charged for city annexation proposals involving one or more entire unincorporated island subject to California Government Code Section 56375.3.

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

**INITIAL PROPOSAL FEES**

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

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

- Proposals Exempt from California Environmental Quality Act**

100% Consent from Landowners and Agencies where the Commission is Responsible or Lead Agency	<del>\$4,680 4,428</del> (30 hours)
Without 100% Consent from Landowners and Agencies where the Commission is Responsible or Lead Agency	<del>\$6,240 5,904</del> (40 hours)

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

100% Consent from Landowners and Agencies where the Commission is Responsible Agency	<del>\$5,460 5,166</del> (35 hours)
100% Consent from Landowners and Agencies where the Commission is Lead Agency	<del>\$7,800 7,380</del> (50 hours)
Without 100% Consent from Landowners and Agencies where the Commission is Responsible Agency	<del>\$7,020 6,642</del> (45 hours)
Without 100% Consent from Landowners and Agencies where the Commission is Lead Agency	<del>\$9,360 8,856</del> (60 hours)

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

100% Consent from Landowners and Agencies where the Commission is Responsible Agency	<del>\$6,240 5,904</del> (40 hours)
100% Consent from Landowners and Agencies where the Commission is Lead Agency	<del>\$7,800 7,380</del> (50 hours) plus consultant contract
Without 100% Consent from Landowners and Agencies where the Commission is Responsible Agency	<del>\$7,800 7,380</del> (50 hours)
Without 100% Consent from Landowners and Agencies where the Commission is Lead Agency	<del>\$9,360 8,856</del> (60 hours) plus consultant contract

~~\* All initial fees for annexation and detachment proposals include a 20% surcharge to contribute to the Commission's costs in preparing municipal service reviews.~~

\* Annexation or detachment proposals involving boundary changes for two or more agencies qualify as reorganizations will be charged an additional fee of ~~\$780 615~~ (5 hours). Annexation proposals involving cities that require concurrent detachment from County Service Area No. 4 will only incur an additional fee of ~~\$156123~~ (one hour).

\* City annexations involving entire unincorporated islands and subject to expedited proceedings under Government Code Section 56375.3 shall not be charged a fee by the Commission.

**Change of Organization or Reorganization: Other**

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

**Other Service Requests**

• New or Extended Outside Service Request	<del>*\$3,120</del> <del>2,952</del> (20 hours)
• Request for Reconsideration	<del>\$3,120</del> <del>2,460</del> (20 hours)
• Request for Time Extension to Complete Proceedings	<del>\$780</del> <del>615</del> (5 hours)
• Municipal Service Reviews	at-cost
• Sphere of Influence Establishment/Amendment	at-cost

*\* includes a 20% MSR surcharge*

**Miscellaneous**

• Special Meeting	<del>\$1,000</del> <u>1,200</u>
• Alternate Legal Counsel	at-cost

**OTHER PROPOSAL FEES**

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

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

• Assessor's Mapping Service	\$162
• County Surveyor's Review	\$249.17
• Elections' Registered Voter List	\$55 hourly
• Clerk-Recorder's Environmental Filing Fee	\$50
• Clerk-Recorder's Environmental Document Fee	
.....Environmental Impact Report	\$3,271.00
.....Mitigated Negative Declaration	\$2,354.75
.....Negative Declaration	\$2,354.75

**Fees Made Payable to LAFCO**

• Geographic Information System Update	<del>\$156</del> <u>125</u>
• Photocopying	\$0.10 (black) / \$0.40 (color)
• Mailing	at-cost
• Audio Recording of Meeting	at-cost
• Research/Archive Retrieval	<del>\$156</del> <u>123</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