



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

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June 6, 2011
Agenda Item No. 6c (Public Hearing)

May 31, 2011

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Amendments to Adopted Fee Schedule

The Commission will consider amendments to its adopted fee schedule to reflect an increase in the composite hourly staff rate from \$107 to \$113.

Local Agency Formation Commissions (LAFCOs) are authorized to established fee schedules for the costs associated with administering its regulatory and planning duties under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. This includes processing change of organization, outside service, and sphere of influence amendment proposals. LAFCOs' fee schedules shall not exceed the estimated "reasonable costs" in providing services. LAFCOs may also waive fees if it determines the payment would be detrimental to public interest.

A. Background

LAFCO of Napa County's ("Commission") fee schedule was comprehensively updated in June 2007 to improve cost-recovery for personnel and administrative overhead expenses associated with processing proposals. The update included re-categorizing common annexation and detachment proposals for purposes of assigning fixed application fees based on the (a) level of consent and (b) type of environmental review required. The update also included establishing a new method to calculate a composite hourly staff rate, resulting in an increase from \$50 to \$90. This rate has been subsequently increased each of the last three fiscal years and currently totals \$107. The Commission also established a surcharge on proposals in June 2009 to help contribute to the costs in preparing municipal service reviews equal to 20% of the application fee.

B. Discussion

In anticipation of the new fiscal year, staff has reviewed the Commission's 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 amendments to the adopted fee schedule are justified to reflect an increase in the composite hourly staff rate from \$107 to \$113. This new rate has been calculated using the same method established in 2007 as part of the comprehensive update with the exception of now incorporating all overhead costs into the composite hourly rate. In particular, the new rate now recovers overhead costs on an hourly basis tied to training,

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Brian J. Kelly, Commissioner
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

memberships, and transportation/travel; all of which are integral factors in informing staff with respect to processing proposals.

Current Composite Hourly Rate

	Executive Officer	Analyst	Secretary
Salary/Benefit/Overhead Rate	\$126.66	\$92.95	\$97.39
Time Processing Proposals	40%	55%	5%
			\$106.66

Proposed New Composite Hourly Rate

	Executive Officer	Analyst	Secretary
Salary/Benefit/Overhead Rate	\$133.66	\$98.30	\$103.26
Time Processing Proposals	40%	55%	5%
			\$112.69

C. Analysis

Amending the composite hourly staff rate from \$107 to \$113 would result in an across-the-board increase of 5.6% to the Commission’s fee schedule. This increase does exceed the most recent 12-month consumer price index for the San Francisco Bay Area of 2.8%.¹ However, as mentioned, the increase reflects the change in the Commission’s projected personnel and administrative overhead costs for 2011-2012 and is consistent with its expressed desire to maintain an appropriate level of cost-recovery though incremental adjustments. The Commission’s fee schedule with the increase would also remain at or below the median range for common annexation proposals among the other four Bay Area LAFCOs with similar schedules as reflected below.²

Annexations with 100% Consent (Exemption)		Annexations without 100% Consent (Exemption)	
Contra Costa	\$2,965	Contra Costa	\$2,965
Napa*	\$4,068	Alameda	\$5,000
Sonoma	\$4,460	Napa*	\$5,424
Alameda	\$4,500	Sonoma	\$8,100
Santa Clara	\$5,914	Santa Clara	\$11,868

¹ The percentage reflects change in goods and services cost between April 2010 and April 2011 according to the United States Bureau of Labor Statistics.

² The other three Bay Area LAFCOs’ (Marin, Solano, and San Francisco) fee schedules are based on acreage size of the affected territory.

Annexations with 100% Consent (Initial Study/N.D.)		Annexations without 100% Consent (Initial Study/N.D.)	
Contra Costa	\$3,515	Contra Costa	\$3,515
Alameda	\$4,500	Alameda	\$5,000
Napa*	\$4,746	Napa*	\$6,102
Sonoma	\$5,150	Sonoma	\$8,790
Santa Clara	\$6,130	Santa Clara	\$11,868

Annexations with 100% Consent (Initial Study/E.I.R.)		Annexations without 100% Consent (Initial Study/E.I.R.)	
Contra Costa	\$3,765	Contra Costa	\$3,765
Alameda	\$4,500	Alameda	\$5,000
Napa*	\$5,424	Napa*	\$6,780
Sonoma	\$5,750	Sonoma	\$9,390
Santa Clara	\$6,779	Santa Clara	\$11,868

* Reflects recommended increase

In considering the proposed amendments, the Commission should note the law requires a minimum of 60 days between the adoption and implementation of new fees.³ The Commission may choose to extend the 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.

D. Alternatives for Action

The following alternative actions are available to the Commission.

- Option One:** Adopt the attached draft resolution approving amendments to the fee schedule with any desired changes. Specify the effective date of the new fees shall be July 29, 2011 and that no proposal will be grandfathered in under the former fee schedule.
- Option Two:** Continue consideration to a future meeting and provide direction to staff with respect to additional information requests as needed.
- Option Three:** Take no action.

³ California Government Code Section 66017

E. Recommendation

It is recommended the Commission take action as outlined as Option One in the preceding section.

F. Procedures for Consideration

The following procedures are recommended with respect to the Commission's consideration of this item:

- 1) Receive verbal report from staff;
- 2) Open the public hearing (required);
- 3) Receive public comments, if any;
- 4) Close the public hearing; and
- 5) Discuss item and consider action on recommendation.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachments:

- 1) Proposed Amended Fee Schedule (Changes Tracked)
- 2) Draft Resolution Approving Amended Fee Schedule
- 3) Calculation for Composite Hourly Staff Rate
- 4) Calculation for Fixed Hours for Annexations and Detachments



Local Agency Formation Commission of Napa County

Schedule of Fees and Deposits

Effective Date: ~~January 1, 2011~~ July 29, 2011

The policy of the Commission is:

1. This fee schedule shall be administered in accordance with the provisions of California Government Code Section 56383.
2. Applications submitted to the Commission 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 the Commission 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 Commission staff time shall be charged to the applicant at an hourly rate of ~~\$107.00~~ \$113.00.
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 Commission 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 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 the Commission contract from another agency or from a private firm or individual for services that are 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.
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 the Commission 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

Change of Organization or Reorganizations: Annexations and Detachments

Exempt from the California Environmental Quality Act

- With 100% consent of property owners and affected agencies: [\\$3,8524,068](#)(30 hours)
- Without 100% consent of property owners and affected agencies: [\\$5,1365,424](#) (40 hours)

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

- With 100% consent of property owners and affected agencies: [\\$4,4944,746](#)(35 hours)
- Without 100% consent of property owners and affected agencies: [\\$5,7786,102](#) (45 hours)

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

- With 100% consent of property owners and affected agencies: [\\$5,1365,424](#)(40 hours)
- Without 100% consent of property owners and affected agencies: [\\$6,4206,780](#) (50 hours)

- * All initial application fees for annexation and detachment proposals include a 20% surcharge to contribute to the costs in preparing municipal service reviews.
- * Annexation or detachment proposals that involve boundary changes for more than two agencies and qualify as reorganizations will be charged an additional fee of [\\$515-565](#) (5 hours).
- * City annexations involving entire unincorporated islands and subject to California Government Code Section 56375.3 will be charged a flat fee of \$500.
- * If the Commission is the Lead Agency and an Initial Study is needed to determine whether a Negative Declaration or Environmental Impact Report is appropriate, applicants will be charged at the hourly staff rate.

Change of Organizations or Reorganizations: Other

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

Special Studies

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

Request to Activate Latent Power	<u>\$5,1365,424</u> (40 hours)
* The initial application fee for the activation of a latent power includes a 20% surcharge to contribute to the costs in preparing municipal service reviews.	
Request for an Extension of Time	<u>\$535-565</u> (5 hours)
Request to Approve an Outside Service Agreement	<u>\$2,5682,712</u> (20 hours)
* The initial application fee to approve an outside service agreement includes a 20% surcharge to contribute to the costs in preparing municipal service reviews.	
Request for Reconsideration	<u>\$2,1402,260</u> (20 hours)
Special Meeting Fee	\$800
Alternate Legal Counsel Fee	Actual Cost

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")	\$447 (3 hours)
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")	

Commission as Lead Agency

- Environmental Impact Report: \$2,839.25
- Negative Declaration: \$2,044.00
- Mitigated Negative Declaration: \$2,044.00
- Clerk-Recorder Filing Fee: \$50.00

Commission as Responsible Agency

- Notice of Determination (Represents Clerk Filing Fee): \$50.00
- Notice of Exemption (Represents Clerk Filing Fee): \$50.00

Filing of Change to 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:	\$3,500

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: \$97 per hour (minimum of one hour)

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 the “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 December 1, 2001; and

WHEREAS, the Commission has scheduled and noticed a public hearing on May 3, 2010 to consider new amendments to its Schedule of Fees and Deposits; and

WHEREAS, as part of a scheduled and noticed public hearing on June 6, 2011 verbal and written comments on the proposed amendments to the adopted Schedule of Fees and Deposits were received from the public, and these comments were considered by the Commission; and

WHEREAS, the Commission has determined that the adoption of amendments to its Schedule of Fees and Deposits is exempt from the provisions of California Environmental Quality Act (CEQA) under Sections 15273(a) of the California Code of Regulations.

NOW, THEREFORE, BE IT RESOLVED by the Commission that the Schedule of Fees and Deposits shall be amended and readopted in the manner set forth in Exhibit “A” effective July 29, 2011 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 the Commission held on June 6, 2011, by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

ATTEST: Keene Simonds
Executive Officer

RECORDED: _____
Kathy Mabry
Commission Secretary



Local Agency Formation Commission of Napa County

Subdivision of the State of California

Composite Hourly Staff Rate Calculation in 2011-2012

Step One: Calculating Hourly Input Rates

Input No. 1: Staff Salaries

<u>Budgeted Position</u>	<u>Hourly Rate</u>	
Executive Officer	\$ 52.54	(Step Five 1.0 FTE)
Staff Analyst	\$ 29.63	(Step Four: 1.0 FTE)
Secretary	\$ 22.56	(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)	\$ 9.93	\$	5.41	\$	4.12	\$
Retirement (OPEB)	\$ 1.80	\$	1.80	\$	1.73	\$
Medicare	\$ 0.80	\$	0.43	\$	0.33	\$
Health/Dental Insurance	\$ 8.84	\$	4.24	\$	17.72	\$
Workers Compensation	\$ 0.05	\$	0.05	\$	0.06	\$
Car Allowance	\$ 2.54	\$	-	\$	-	\$
Cell Phone Allowance	\$ 0.43	\$	-	\$	-	\$
Total	\$ 24.39	\$	11.93	\$	23.96	\$

Input No. 3: Administrative Overhead Costs

<u>Overhead</u>	<u>Total Budget</u>		<u>Hourly Cost</u>	
Office Space	\$ 29,280	\$	14.08	\$
Insurance	\$ 321	\$	0.15	\$
Communications	\$ 2,000	\$	0.96	\$
Legal Expense	\$ 22,540	\$	10.84	\$
ITS	\$ 24,631	\$	11.84	\$
EDMS Replacement	\$ 3,931	\$	1.89	\$
Auditing Services	\$ 8,691	\$	4.18	\$
Training	\$ 4,000	\$	1.92	\$
Transportation/Travel	\$ 3,500	\$	1.68	\$
Memberships	\$ 2,275	\$	1.09	\$
Private Mileage	\$ 1,000	\$	0.48	\$
Meals Reimbursement	\$ 500	\$	0.24	\$
Filing Fees	\$ 850	\$	0.41	\$
Publications/Notices	\$ 1,500	\$	0.72	\$
Special Dept. Expenses	\$ 1,000	\$	0.48	\$
Office Supplies	\$ 12,000	\$	5.77	\$
Total	\$ 118,019	\$	56.74	\$

* 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	\$ 52.54	\$	29.63	\$	22.56	\$
Staff Benefit	\$ 24.39	\$	11.93	\$	23.96	\$
Overhead	\$ 56.74	\$	56.74	\$	56.74	\$
Total	\$ 133.66	\$	98.30	\$	103.26	\$

Step Three: Calculating a Weighted Hourly Staff Rate

<u>Factor</u>	<u>Executive Officer</u>	<u>Staff Analyst</u>	<u>Secretary</u>
Staff Rate	\$ 133.66	\$ 98.30	\$ 103.26
% Processing Proposal	40.0%	55.0%	5.0%
	Weighted Staff Rate		\$ 112.69

