



Solano Local Agency Formation Commission

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 (707) 439-3897 • FAX: (707) 438-1788

Staff Report

DATE: April 8, 2024
 TO: Local Agency Formation Commission
 FROM: Rich Seithel, Executive Officer
 SUBJECT: **Introduction of Proposed Fee for Municipal Service Review Project Applications**

Recommendations:

RECEIVE and CONSIDER a proposed amendment to Solano LAFCO’s Schedule of Fees for Municipal Service Review applications.

Executive summary:

LAFCO is charged with the responsibility for updating municipal service reviews (MSR) for sphere of influences (SOI). Sphere of influences are required to be reviewed every five years and updated as necessary. Historically, MSR/SOI updates in the Solano region were conducted upon an agency’s request, based on verbal agreements and understandings. The approach has resulted in too many stale MSR/SOI documents. Solano LAFCO staff is moving to a proactive role by conducting MSRs in-house based on an adopted schedule. However, LAFCO recognizes that there will be times when an agency requests to update their MSR/SOI outside of the adopted schedule.

The current LAFCO Fee Schedule includes an application for fee for an SOI update but does not include one for an MSR. Therefore, LAFCO recognizes the need to create an application fee for an MSR application request.

Staff proposes two new fees for MSR applications: 1) In-house MSR by LAFCO staff with a contract that would define costs and schedule; 2) Staff review of 3rd-party MSR. Attachment A is a draft of the proposed amendment to LAFCO Deposits, Charge Out Rate, and Agency Fees schedule.

1. Background:

LAFCO is given sole and exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts (GC§ 56100). LAFCO exercises this authority by determining a sphere of influence for cities and district (GC§ 56425). Gov. Code §56430 states that in order to prepare and update spheres of influence, the commission shall conduct a service review of the municipal services provided in the designated area (GC§ 56430).

Commissioners

Ron Kott, Chair • John Vasquez, Vice-Chair • Nancy Shopay • Mitch Mashburn • Steve Bird

Alternate Commissioners

Alma Hernandez • Wanda Williams

Staff

Rich Seithel, Executive Officer • Christina Love, Deputy Executive Officer • Aaron Norman, Analyst II • Tyra Hays, Project Specialist
 • Tova Guevara, Office Administrator/Clerk • Mala Subramanian, Lead Legal Counsel

Gov. Code §56383 authorizes LAFCOs to establish a schedule of fees/deposits. LAFCOs are authorized to establish fee schedules for costs associated with administering their regulatory and planning duties under the CKH Local Government Act of 2000.

Fees shall not exceed the estimated reasonable cost of providing the service and are imposed pursuant to Section 66016. GC § 66016 provides that “prior to levying a new fee or service charge, or prior to approving an increase in an existing fee or service charge, a local agency shall hold at least one open and public meeting.” Also, the proposed amended LAFCO fee must be adopted by resolution.

This action introduces the proposed new fees and the methodology for constructing the fees.

2. Analysis of Proposed Fees

Historically, Solano LAFCO hired outside consultants to conduct municipal services reviews and sphere of influences because of lack of staffing and skill set. In 2023, the Commission approved a staff position with the primary responsibility of conducting in-house municipal service reviews and sphere of influences. These in-house reviews and updates will be based on a schedule adopted with the annual workplan for Solano LAFCO.

However, to be prepared for when an agency may wish to jump the line and request an MSR/SOI update outside of the adopted schedule. To allow for such flexibility, an application fee needs to be created. To be consistent with Gov. Code §56383(b) and ensure that fees do not exceed the cost of providing the service, two fees are proposed depending on how the MSR is conducted.

a) In-House Staff, outside of adopted Workplan Schedule

For MSR applications that jump the line from the adopted schedule, the applicant-agency may enter into a contract with LAFCO for in-house staff to conduct the MSR with a defined scope, time, and cost of the MSR. This allows for some surety to the applicant-agency that the MSR meets LAFCO’s requirements with fewer subsequent reviews and revisions.

b) Staff Review of 3rd party draft

An applicant-agency may choose to hire their own consultant to write the MSR. LAFCO is required to adopt the MSR, making the MSR a LAFCO document. Therefore, LAFCO would be required to review and comment/edit the MSR to ensure the content meets LAFCO’s needs. The alternative process would also be based on a scoped contract for time and costs.

Staff time would be based on base-salary hourly rates of staff persons involved, not fully loaded salaries with benefits. Current base-salary hourly rates are:

Executive Officer: \$86.54	Senior Analyst: \$53.13	Office Administrator/Clerk: \$32.41
Deputy Executive Officer: \$67.81	Analyst II: \$45.97	
Project Specialist: \$70.85	Analyst I: \$39.71	

The FY 24/25 Proposed Budget base-salary hourly rates are:

Executive Officer: \$86.54	Senior Analyst: \$58.48	Office Administrator/Clerk: \$37.84
Deputy Executive Officer: \$73.26	Analyst II: \$50.57	
Project Specialist: \$70.85	Analyst I: \$44.03	

3. Conclusion and Recommendation

Staff recommends that Commission receive and consider the proposed new fees. Staff anticipates returning in June to request adoption of the fees as part of the FY 24/25 Final Budget and Workplan. Staff welcomes any comments and direction Commission may have regarding the proposed fees.

Attachments:

Attachment A – Proposed Amended LAFCO Deposits, Charge Out Rates, and Agency Fees for June Hearing.

Attachment A
[Proposed Updates for July Hearing]
LAFCO DEPOSITS, CHARGE OUT RATES, and AGENCY FEES
Effective July 1, 2024

1. Deposits by Proposal Type:

TYPE OF PROPOSAL	DEPOSIT
Change of Organization /Reorganization*	Effective May 1, 2023
Agency Owned	\$2,000
0 – 5 acres and exempt from CEQA	\$3,000
0 – 5 acres	\$5,000
5.1 – 40 acres	\$10,000
40.1 -99 acres	\$15,000
100+ acres	\$30,000
Out-of-Agency Service Contract Requests	Based on acreage (same as above)
Out-of-Agency Fire Protection Services Contract	\$7,500
Out-of-Agency Service Contract Requests (Related to Public Health and Safety)	\$500
Government Reorg: District Formation, Consolidation, Dissolution or City Incorporation, Disincorporation*	\$7,500
Reconsideration of a LAFCO Determination	\$3,600
<u>Municipal Service Review</u>	
<u>In-House Staff (Project Specialist), outside of adopted Workplan Schedule</u>	<u>Scope and Contract</u>
<u>Staff Review of 3rd party Draft</u>	<u>Scope and Contract</u>
Sphere of Influence Amendment/Update	
Minor amendment or update concurrent with reorganization or change of organization	\$1,500
Update upon agency request	\$32,800
Use of Latent Powers	\$1,500
Environmental Document with LAFCO as Lead Agency	Contract Amount + LAFCO Staff Charge Out Rates

Note: Deposit amounts may be increased or reduced if the projected processing cost estimates are determined by the Executive Officer to greater or less than those stated above, based on an evaluation of project complexity and the magnitude of the project.

All payments should be made to Solano LAFCO, and can be mailed to

Solano LAFCO
 675 Texas St, Ste 6700
 Fairfield, CA 94533

- A) All deposits, miscellaneous costs, and other agency costs are initial payments toward the total cost of processing a project ("project cost"). Project cost is defined as staff time plus materials. Staff charge-out rates are listed below and include personnel costs plus a percentage of LAFCO administrative overhead for long-term planning costs, which facilitate changes of organizations. Materials include, but are not limited to, charges for the advertisement of hearings, petition reviews, as well as fees charged for project reviews by affected agencies.
- B) Pre-Application Expenses. In many cases, LAFCO is required to commence work on a project before an application is received. Such work includes working with the lead agency on environmental review and other processing issues. Applicants will be charged for this pre-application work as part of the LAFCO cost of processing the application.
- C) Applicants are also responsible for payment of appropriate State Board of Equalization fees, EIR preparation fees, Fish and Wildlife fees, and County Assessor/Recorder and Surveyor Fees. A schedule of processing fees for the State Board of Equalization is included in the LAFCO application packet .
- D) Staff time will be monitored against the deposit on file with LAFCO; if the cost of processing an application begins to exceed the deposited amount, additional deposits will be required. Any hearing on the application may be continued pending receipt of the additional deposit.
- E) If extensive staff assistance is required before receipt of an application, a deposit will be required when the work is requested.
- F) Absent compelling circumstances, the Commission will not normally adjust or waive fees. The proponent may request a fee waiver or reduction from the Commission. Any applicant who believes that a bill for expenses or request for additional deposit is unjustified may request the matter be reviewed by the Commission. Such a request must be made in writing within 30 days of the billing or notification of the request for an additional deposit. The matter will then be placed on the next available agenda. The billing or additional deposit must be timely paid under protest before any review will be held. If the billing or fee is not timely paid, LAFCO may suspend further processing of the application.
- G) The applicant must pay all final bills before the filing of the Certificate of Completion or during other times during the LAFCO process as deemed appropriate by the Executive Officer.
- H) Charges for Reconsideration of a LAFCO determination are the responsibility of the requesting party.

~~2. LAFCO Staff Charge-Out Rates:~~

Executive Officer	\$200
Sr. Analyst.....	\$158
Analyst II.....	\$118
Other Professional Services	At Cost if Applicable

32. Miscellaneous Costs

- A) Special Meetings\$5,000 Deposit toward Total Cost
The total cost includes: Commissioner per diem, noticing, and staff administrative time billed at the charge out rates above.
- B) Staff Research and Studies Project Cost
Charges for staff time begin after the first half-hour.
- C) Agenda Subscription \$20/year
(E-mailed agendas provided free of charge upon request.)
- D) Copies of Staff Reports & other documents @ 15 cents/page (first 10 pages free)

43. Other Agency Costs

- A) The State of California’s Board of Equalization charges a statement of boundary change fee. Applicants should contact LAFCO for the most current information. Payment is not required until such time that the Commission has approved the project.
- B) The Solano County Assessor’s office charges a mapping fee based on the number of Assessor Parcel Numbers involved. Applicants should contact LAFCO for the most current information on this fee. Payment is not required until such time that the Commission has approved the project.
- C) The Solano County Surveyor mapping and geographic description review fee is based on their most recent hourly charge-out rates. Applicants should contact LAFCO for the most current information on this fee.
- D) California Fish and Wildlife fees apply to all environmental documents under the California Environmental Quality Act. Receipts of payments made by the Lead Agency and/or payments required for the proposal must be provided to LAFCO at the time of application submission.

Approved by the Solano Local Agency Formation Commission: ~~April 10, 2023~~ June 10, 2024

Effective: ~~May 1, 2023~~ July 1, 2024