



Solano Local Agency Formation Commission

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Staff Report

DATE: June 10, 2024
 TO: Local Agency Formation Commission
 FROM: Rich Seithel, Executive Officer
 SUBJECT: **Proposed Fee Schedule Update – Addition of Municipal Service Review Applications and Update Staff Charge-Out Rates**

Recommendations:

CONSIDER AND ADOPT proposed amendments to Solano LAFCO’s Schedule of Fees for Municipal Service Review applications and Staff charge-out rates.

Executive summary:

LAFCO is charged with the responsibility of reviewing and updating agency sphere of influences (SOI) based on updated municipal service review (MSR) studies. Sphere of influences are required to be reviewed every five years and updated as necessary. Historically, SOI/MSR updates in the Solano region were conducted upon an agency’s request. This approach has resulted in too many stale SOI/MSR documents. Solano LAFCO has moved to a proactive role by conducting SOI/MSR reviews in-house, based on the FY 24/25 Workplan. However, LAFCO recognizes that there will be times when an agency will request to update their SOI/MSR outside of the adopted schedule.

The current LAFCO Fee Schedule does not identify a project fee for an MSR. Therefore, LAFCO recognizes the need to create one. Staff proposes two new fees for MSR applications: 1) In-house MSR by LAFCO staff; 2) Staff review of 3rd-party MSR; both with a scope for services and contract that would define costs and schedule.

The Fee Schedule update also updates the Staff Charge-Out Rates based on the FY 24/25 Budget as of July 1, 2024.

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

Commissioners

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Alternate Commissioners

Alma Hernandez • Wanda Williams • Jack Batchelor

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

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commission shall conduct a service review of the municipal services provided in the designated area (GC§ 56430).

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 proposes new project application types and the methodology for constructing the fees.

2. Analysis of Proposed Fees

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

To allow for flexibility for when an agency may wish to jump the line ahead of the workplan, 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

The applicant-agency may enter into a contract with LAFCO for in-house staff to conduct the MSR based on a defined scope, time, and cost-deposit 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. As the MSRs are LAFCO documents and must be adopted by the Commission staff would be required to review and comment/edit the MSR to ensure the content meets LAFCO’s needs. This process would also be based on a defined scope, time, and cost-deposit.

The FY 24/25 Budget base-salary hourly rates as of July 1, 2024:

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 the Commission adopt the proposed update to the fee schedule.

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Action Items:

Resolution of The Local Agency Formation Commission Of Solano County Approving the
Amendments to the LAFCO Deposits, Charge Out Rates, and Agency Fees Schedule
Exhibit A – Proposed Amended LAFCO Deposits, Charge Out Rates, and Agency
Fees

RESOLUTION NO. 2024-05

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF SOLANO COUNTY APPROVING THE AMENDMENTS TO THE LAFCO DEPOSITS, CHARGE OUT RATES, AND AGENCY FEES SCHEDULE

WHEREAS, CA Government Code Section 56383(a) authorizes the Local Agency Formation Commission (LAFCO) to establish a fee schedule; and,

WHEREAS, LAFCO last updated its Fee Schedule on May 1, 2023; and,

WHEREAS, LAFCO has scheduled and noticed a public hearing to consider amending its Fee Schedule; and,

WHEREAS, LAFCO met at a duly notice public meeting on June 10, 2024 to consider the amendments, oral and/or written testimony on the proposed amendments to the Fee Schedule were received and these comments were considered by LAFCO; and,

NOW, THEREFORE, BE IT RESOLVED by LAFCO that the Fee Schedule amendment is hereby adopted and included as Exhibit A; and,

PASSED AND ADOPTED by the Local Agency Formation Commission of Solano County at a regular meeting, held on the 10th day of June 2024, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Ron Kott, Chair
Local Agency Formation Commission
County of Solano, State of California

ATTEST:

Tova Guevara, Officer Administrator/Clerk

Exhibit A: 2024 LAFCO Deposits, Charge Out Rates, and Agency Fees

LAFCO DEPOSITS, CHARGE OUT RATES, and AGENCY FEES

Effective July 1, 2024

All deposits, miscellaneous costs, and other agency costs are initial payments toward the required payment for the total cost of processing a project including actual staff time plus materials. Staff charge-out rates are listed below. Materials include but are not limited to, charges for public notices of hearings, petition reviews, and fees charged for project reviews by affected agencies. 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.

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>Staff time and Materials</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

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Environmental Document with LAFCO as Lead Agency	Contract Amount + LAFCO Staff Charge Out Rates
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~~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.~~

BA)..... 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.

CB)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 .

DC)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.

ED) ... If extensive staff assistance is required before receipt of an application, a deposit will be required when the work is requested.

FE)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.

GE) 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.

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HG).....Charges for Reconsideration of a LAFCO determination are the responsibility of the requesting party.

2. LAFCO Staff Charge-Out Rates:

Executive Officer.....	\$200 <u>\$98.06</u>	<u>Project Specialist.....</u>	<u>\$72.02</u>
<u>Deputy Executive Officer....</u>	<u>\$78.46</u>	<u>Office Administrator/Clerk....</u>	<u>\$34.61</u>
Sr. Analyst..	\$158	Other Professional Services <u>and Materials</u> - At	
Analyst II.....	\$118 <u>\$49.32</u>	Cost if Applicable	

3. 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)

4. 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