



Solano Local Agency Formation Commission

675 Texas St. Ste. 6700 • Fairfield, California 94533
 (707) 439-3897 • FAX: (707) 438-1788

Staff Report

DATE: June 10, 2019

TO: Local Agency Formation Commission

FROM: LAFCO Policy Committee - Commissioners Price and Shopay, and
 Alternate Commissioner Thomson

SUBJECT: **Amendment to the Fee Schedule**

Background:

In March 2019, the Finance Committee comprised of Alternate Commissioners Kott and Smith discussed amending the fee schedule to reflect the 2019-20 budget. The fee schedule was last amended in August 2016 when LAFCO was staffed by a part-time consultant and a full time analyst. Since 2016, the Commission has hired a full-time executive officer employee, the analyst was promoted to a senior analyst classification, and a new technician classification was approved by the Commission. The Finance Committee reviewed these changes with staff prior to the LAFCO Policy Committee meeting on June 3.

Discussion:

On August 8, 2016 the Commission adopted a policy to review the fee schedule every three years. On June 3, 2019 the LAFCO Policy Committee comprised of Commissioners Price, Shopay, and Alt. Commissioner Thomson, met to discuss the LAFCO fee schedule. The table on the following page summarizes the eight primary recommended amendments to the fee schedule. Note that not all deposit/fee amounts have changed, but the changes that are proposed more accurately reflect LAFCO's project activities from the last two years and the average staff time involved to process those activities.

Commissioners

Harry Price, Chair • Jim Spering, Vice-Chair • Ron Rowlett • Nancy Shopay • John Vasquez

Alternate Commissioners

Ron Kott • Shawn Smith • Skip Thomson

Staff

Rich Seithel, Executive Officer • Michelle McIntyre, Sr. Analyst • P. Scott Browne, Legal Counsel

Table: Summary of Amendments to Fee Schedule

#	Category	Current	Proposed Deposit/Fee	Explanation
1	New Category: 0-5 acres <i>Not requiring service or environmental analysis</i>	N/A	\$3,000	These are 0-5 acres projects that are considered basic because they are: 1. exempt from CEQA; and 2. already developed to density. Projects of this basic nature require fewer staff hours than more complex projects. <i>Time allotment: 18 hours</i>
2	0-5 Acre <i>Change in org/reorg</i>	\$3,000	\$5,000	Projects of 0-5 acres that are more complicated (i.e. require CEQA analysis or service capacity analysis) require more staff time than currently allotted. The proposed deposit/fee will provide an additional 8 hours. <i>Time allotment: 30 hours</i>
3	5.1-40 Acre <i>Change in org/reorg</i>	\$5,000	\$10,000	Projects in this category have been more complicated and demand a more robust analysis than previously anticipated. These projects are averaging 60 hours of staff time. Increase to staff hours considers time spent attending community, planning commission, and council/board meetings, as well as, required environmental and service analysis. <i>Time allotment: 61 hours</i>
4	Reconsideration Request	\$2,000	\$3,600	Proposed increase reflects amended staff charge out rates only.
5	SOI Amendment Concurrent with Annexation	\$1,500	\$1,500	No change, but distinguishes a minor SOI update or amendment from comprehensive or major SOI Update.
6	SOI Update - upon agency request	\$3,000	\$32,800	A major update involves significant staff time and an analysis approaching the scale of a Municipal Service Review (e.g. City of Suisun's SOI Update). <i>Time Allotment: 200 hours</i>
7	Staff Charge Out Rates	\$132/hr.	\$164/hr.	These weighted labor rates were calculated to reflect the Commission's 2019-20 budget.
8	Misc. Costs – Special Mtgs.	\$3,000	\$5,000	\$2,000 increase due to an experienced increase of 8 hours in staff time. <i>Time allotment: 30 hours</i>

In addition to the proposed amendments to the deposits/fees, the proposed amendments also include language clean-up and clarification. Given CPI adjustments

and unexpected changes in LAFCO requirements, the Policy Committee recommends the Commission review its fee schedule on an annual basis to reflect true costs.

Recommendation:

ADOPT the proposed amendments to the LAFCO Fee Schedule effective July 1, 2019.

DIRECT staff to bring back the Fee Schedule on an annual basis for review.

Attachments:

A - Fee Schedule as Proposed

B – Fee Schedule (redlined and strikethrough)

C – Fee Schedule current

LAFCO DEPOSITS, CHARGE OUT RATES, and AGENCY FEES

1. Deposits by Proposal Type:

TYPE OF PROPOSAL	DEPOSIT
Change of Organization /Reorganization	Effective July 1, 2019
Agency Owned	\$2,000
0 – 5 acres - Not requiring service or CEQA analysis.	\$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 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
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.

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

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 actually 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 prior to receipt of an application, a deposit will be required at the time 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 request must be made in writing within 30 days of the billing or notification of the request for additional deposit. The matter will then be placed upon 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) All final bills must be paid by the applicant prior to 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 \$177
Sr. Analyst..... \$150
Technician..... \$80
Other Professional Services - At 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 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. Applicant 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 time of application submission.

Approved by the Solano Local Agency Formation Commission: June 10, 2019

Effective: July 1, 2019

TABLE 1

LAFCO DEPOSITS, CHARGE OUT RATES, and AGENCY FEES

1. Deposits by Proposal Type:

TYPE OF PROPOSAL	DEPOSIT
Change of Organization /Reorganization	Effective 11-1-2016 <u>July 1, 2019</u>
Agency Owned	\$2,000
0 – 5 acres <u>Not requiring service or environmental analysis.</u>	\$3,000
<u>0 – 5 acres</u>	<u>\$5,000</u>
5.1 – 40 acres	\$5,000 <u>\$10,000</u>
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 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	\$2,000 <u>\$3,600</u>
Sphere of Influence Amendment/ <u>Update</u>	
<u>Minor amendment or update</u> Concurrent with annexation <u>reorganization or change of organization</u>	\$1,500
<u>Update upon</u> A agency request	\$3,000 <u>\$32,800</u>
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.

A) All deposits, ~~charge out rates,~~ miscellaneous costs, and other agency fees 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 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 actually 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.
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- E) If extensive staff assistance is required prior to receipt of an application, a deposit will be required at the time the work is requested.
- F) Absent compelling circumstances, the Commission will not normally adjust or waive fees. The proponent may, ~~however,~~ 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 ~~that~~ the matter be reviewed by the Commission. Such request must be made in writing within 30 days of the billing or notification of the request for additional deposit. The matter will then be placed ~~up~~ upon 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) All final bills must be paid by the applicant prior to 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 ~~\$165~~ \$177
Sr. Analyst ~~\$100~~ \$150
Technician \$80
Other Professional Services - At Cost if Applicable

3. Miscellaneous Costs

- A) Special Meetings \$3000 ~~\$5,000~~ Deposit toward Total Cost
The total cost includes: Commissioner per diem, ~~mileage, and~~ noticing, and
staff administrative time billed at the charge out rates above.
- B) Staff Research and Studies Project Cost
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- C) Agenda Subscription \$20/year
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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 on this fee. 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 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.

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- ~~⊖~~ D) California Fish and Wildlife fees apply to all environmental documents which are not ruled exempt under the California Environmental Quality Act. The LEAD Agency shall make any required payment of said fees after consultation with regional Fish and Wildlife personnel. Receipts of said payments made by the Lead Agency and/or payments required for the proposal, or documentation justifying exemption, must be provided to LAFCO at time of application submission.

Approved by the Solano Local Agency Formation Commission: June 10, 2019
Effective: ~~November 1, 2016~~ July 1, 2019

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Sphere of Influence Amendment	
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*Approved by the Solano Local Agency Formation Commission: August 2016
Effective: November 1, 2016*