

**EXECUTIVE OFFICER'S AGENDA REPORT
JUNE 24, 2020**

TO: LAFCO Commissioners
FROM: Sara Lytle-Pinhey, Executive Officer *SLP*
SUBJECT: **SCHEDULE OF FEES AND DEPOSITS UPDATE**

RECOMMENDATION

It is recommended that the Commission adopt an updated Schedule of Fees and Deposits to be effective July 1, 2020.

DISCUSSION

Government Code section 56383 allows LAFCOs to recover costs by charging fees, provided that the fees do not exceed the estimated reasonable cost of providing those services for which the fee is charged. LAFCO collects application fees for review of boundary changes, sphere of influence requests, out-of-boundary service extensions, and other LAFCO services. The majority of these fees are deposits. Projects are then cost-accounted to reflect the actual cost of processing the application. Should the cost be less than the deposit, the difference is refunded to the applicant. Should the cost exceed the deposit, the applicant is immediately notified and invoiced.

The last comprehensive view of LAFCO's fee schedule occurred in 2008, with minor updates in subsequent years. For the current update, Staff reviewed the last 5 years of application revenues received and the average actual costs for these applications. Based on these average costs, Staff is recommending deposit amounts be increased for certain proposals in order to eliminate the need to request additional funds from applicants. As with the current cost accounting practice, any unexpended portion of the deposit will be returned to applicants upon completion of the proceedings. The proposed Schedule of Fees and Deposits with updated application amounts is attached.

Updated Fees & Deposits

The following outlines the recommended changes:

- Based on the average cost for city and district annexations, Staff is recommending a \$500 increase in deposits for each of these application types.
- Special district applications were previously separated for County Service Areas (CSAs) and other types of districts. Staff is recommending this section of the be simplified to apply to all types of districts, based on their similar costs.
- The deposit for special district formations has also been increased. Currently, the deposit for a special district formation is less than a special district annexation with simultaneous sphere of influence expansion. Based on actual time spent on these applications and the actions involved, costs for these types of applications should be similar.
- Staff has removed the "Addition of a Service that a CSA May Provide" item, as this is a duplicate of the "Activation of Latent Powers" item. The deposit amount remains unchanged.

- Staff also added “Non-Scheduled Municipal Service Review Update” to the Sphere of Influence Amendment line item. This serves to clarify that the deposit amount will contribute towards Staff also updating a Municipal Service Review for the agency, generally required in advance of or simultaneously with an amendment to a Sphere of Influence.

Other Updates

It is common for Staff to receive applications that involve multiple actions requested of the Commission (e.g. a simultaneous sphere of influence amendment and annexation). To clarify that a deposit will be collected for each of these actions, a statement has been provided at the beginning of the Schedule of Fees and Deposits.

Clarification has also been provided to an outdated section related to providing copies of meetings (previously only available by audio tape or CD) and hardcopy agenda subscriptions. These are now readily available in digital format online and can be downloaded on demand.

Additionally, when required, Staff collects fees on behalf of State entities, including the California Department of Fish & Wildlife, whose fees have recently increased. In the majority of instances, these fees have already been paid in advance of a LAFCO application; however, they are included in LAFCO’s Schedule of Fees and Deposits for the applicant’s information.

Staff has reviewed the other application deposit amounts and found that no other changes to the Schedule of Fees and Deposits are needed at this time. Staff will continue to regularly track costs associated with applications and return to the Commission in future years if changes to deposit amounts are needed.

Attachment: Proposed LAFCO Schedule of Fees and Deposits

SCHEDULE OF FEES AND DEPOSITS
(Effective ~~January 01, 2015~~ July 1, 2020)

1. FILING FEES

*All fees listed below are considered deposits unless otherwise noted. **Deposit amounts will be combined for applications requesting multiple boundary changes or actions. Please verify the appropriate deposit amount with LAFCO Staff prior to submitting an application.***

A. Boundary Changes

City or District Annexation	\$3,000 \$3,500
City or District Detachment	\$3,000 \$3,500
City or District Reorganization	\$3,500 \$4,000

B. District Formation, Consolidation, Dissolution

Formation of a Special District (includes SOI Adoption)	\$5,500 \$8,500
Formation of a County Service Area (CSA), includes	
Sphere of Influence (SOI) Adoption	\$3,000
Addition of a Service that a CSA May Provide	\$1,500
District Consolidation/Merger	\$3,500 \$4,000
District Dissolution	\$3,500 \$4,000
Establishment of a Subsidiary District	\$3,500
Activation of Latent Powers (Additional Service) by a District ..	\$1,500

C. Sphere of Influence Amendment and/or Non-Scheduled Municipal Service Review Update \$5,000

D. Incorporation \$15,000

E. Disincorporation \$5,000

F. Out of Boundary Service Extension Request

1. Executive Officer Review (Flat Fee)	\$ 500
2. Commission Review	\$1,500

G. Fire Service Contract Review \$1,500

H. Request for Reconsideration \$1,500
This fee shall be returned to the applicant if the Commission determines that the reconsideration is required to correct a procedural defect in its

earlier action.

- I. Special Meeting Request..... \$1,500
- J. Continuance Request by Applicant..... \$1,500

2. SUPPLEMENTAL FEES

- A. Notice of Hearing: Actual Cost

Section 56157 of the Government Code requires that for certain applications, notice be provided to registered voters and owners of within the affected territory as well as those within 300 feet of the exterior boundary. The applicant will be required to reimburse LAFCO for the direct cost of this noticing.

- B. Outside Consultant(s) Fees: Actual Cost

An additional fee may be charged based on actual cost to hire outside consultant(s) to prepare incorporation feasibility studies, comprehensive fiscal analyses or special studies.

- C. County Surveyor: Actual Cost

LAFCO utilizes the services of the County Surveyor for review of legal descriptions. The first two hours of staff time associated with these tasks are factored in to the application deposit. Projects requiring more than two hours of County Surveyor review are charged at actual cost.

- D. Mapping Fees: Actual Cost

The County may also assist LAFCO in updating its boundary maps on the Geographical Information System (GIS). The first two hours of staff time associated with these tasks are factored in to the application deposit. Projects requiring more than three hours of GIS mapping are charged at actual cost.

- E. Service/Duplication Costs:

The majority of LAFCO records, including meeting videos, minutes, and reports, are available electronically at no charge. Hardcopies of documents, additional Staff research, and pre-application services will be charged according to the following chart Additional services not listed will be charged at actual cost.

Copy of Commission Hearing	\$5 per meeting
Document Copying – Black & White	\$0.10 per page
Archive Retrieval	Actual Cost

Mailed Subscriptions	Actual Cost
Staff Research & Studies	Limited to one half-hour of staff time, then actual cost
Pre-Application Fees	Limited to one half-hour of staff time, then actual cost

F. Outside Legal Counsel Fees: Actual Cost

LAFCO may require the services of outside legal counsel to process an application. An additional fee may be charged, at the discretion of the Executive Officer, based on the actual cost to hire outside counsel.

3. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) FEES

CEQA compliance is required for most LAFCO actions; these fees are in addition to the Filing Fees.

CEQA Exemption – LAFCO as Lead Agency	\$57
Initial Study – LAFCO as Lead Agency	Actual Cost
Prepare Negative Declaration - LAFCO as Lead Agency	Actual Cost
Prepare EIR – LAFCO as Lead Agency	Actual Cost
Stanislaus County Clerk/Recorder Filing Fees*	\$57
Fish & Game Filing Fees*	
- Negative Declaration	\$2,216.25 \$2,406.75
- Mitigated Negative Declaration	\$2,216.25 \$2,406.75
- Environmental Impact Report (EIR)	\$3,078.25 \$3,343.25

*Other agency fees – subject to change without notice.

4. OTHER ACTIONS

A. Non-Scheduled Municipal Service Reviews Actual Cost

B. Petition Verification Actual Cost

Petition verifications are performed in-house whenever possible; however, some proposals require petition checks to be performed by either the County Elections Department or Assessor’s Office. These departments will bill LAFCO for the service, which is then passed on to the applicant.

5. STATE CONTROLLER’S REVIEW OF COMPREHENSIVE FISCAL ANALYSIS – FOR AN INCORPORATION PROPOSAL

For any request made pursuant to Government Code Section 56801, the requestor shall include a deposit of \$25,000 to cover the costs of the State Controller’s review. The requestor may be required to deposit additional amounts, as requested by the Executive Officer, to complete the review. Upon completion of the State Controller’s

review and final billing to LAFCO, the requestor will either be: (a) refunded the amount that the deposit exceeds the actual cost of the State Controller's review; or (b) charged the amount that the actual cost of the State Controller's review exceeds the deposit(s). (The deposit amount includes a 10% administration and coordination fee, which is non-refundable.)

6. WORKSHOP FEES

Proponents or opponents of actions pending before the Commission may request that a workshop be held in their area. If the Executive Officer agrees to conduct such a workshop session, the requesting party shall reimburse LAFCO all costs associated therewith.

7. FEE POLICIES

- A. All deposits are initial payments toward the actual costs of processing ("project costs"). Project cost includes all staff time and materials. Materials include, but are not limited to, charges for advertisement of hearings, map and legal description review (up to 2 hours), postage, copies, signature verification, in addition to fees for project reviews by affected agencies.
- B. If the actual costs exceed the deposit, the Executive Officer shall bill the applicant. The application shall not be processed further until the additional costs are paid. All final bills must be paid by the applicant prior to filing the Certificate of Completion.
- C. The Commission may, at its sole discretion, contract for outside assistance to assist in processing and review of an application before it. The types of assistance include, but are not limited to, legal, engineering, environmental, planning, appraisal, management, and clerical fields. The estimated or actual costs, as determined by the Commission for such assistance shall be deposited with the Executive Officer before an application will be processed further.
- D. Applicants are also responsible for payment of appropriate State Board of Equalization fees. The Executive Officer will determine the appropriate fee in accordance with the State Board of Equalization fee schedule. The fee, payable to the "State Board of Equalization", shall be collected by the Executive Officer prior to the Certificate of Completion.
- E. Filing fees and deposits may be appealed before the Commission prior to the submittal of an application. A request for waiver shall be submitted in writing to the LAFCO Executive Officer and shall specify the reasons for the request. The appeal will be considered at the next regular meeting of the Commission.
- F. If the actual project costs are less than the deposit, the LAFCO Staff will refund the unused portion of the deposit to the applicant. For an application that has been denied, a refund of the unused portion (if applicable) shall be

issued. The refund shall be made after the reconsideration period has closed. For an application that is approved, the refund shall be made when the LAFCO file is closed (typically when LAFCO receives written notice from the State Board of Equalization that the boundary change has been accepted). Refunds may not include fees which LAFCO collects for outside agencies.