

LAFCO

Santa Barbara Local Agency Formation Commission

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June 2, 2011 (Agenda)

Local Agency Formation Commission
105 East Anapamu Street, Room 403
Santa Barbara CA 93101

Proposed Processing Fee Schedule for FY 2011-12

Dear Members of the Commission:

RECOMMENDATION

It is recommended the Commission approve the recommended Processing Fee Schedule with any modifications and direct staff to distribute it to the County, cities, special districts, land use consultants, engineers and other interested parties for their review.

It is further recommended the Commission schedule a July 7 hearing to consider adopting the revised fee schedule.

DISCUSSION

The Commission On May 5 discussed the Processing Fee Schedule. The matter was continued to this meeting and the staff was directed to present a modified schedule of processing fees.

A side-by-side comparison on our recommended schedule and the existing schedule is shown in Exhibit A. The recommended fee schedule consists of flat fees based on acreage with a new provision to impose per-hour fees after a specific numbers of staff hours are expended.

Establishment of Hourly Charge Rate

Since staff services are provided by contract rather than by actual employees, determining the charge rate is different than calculating hourly wages, retirement contributions, medical insurance and other benefits.

We recommend a charge rate of \$143 per hour. This calculation is predicated on a budget of \$238,292 divided by 52 weeks and an average of 32 hours of staff time per week.

The \$143 rate factors in overhead costs including all Services and Supplies and Commissioner stipends. Without these overhead costs the hourly charge rate for staffing only would be \$103.

Our estimate of the 32 hours a week for charge purposes is based on our review and recollection of staff activities during the past two years. During some of this time we devoted well in excess of 40 hours a week to the Commission, notably when we were reviewing and proposing updates to all spheres of influence in order to comply with statutory requirements. At other times the number of proposals required fewer than 40 hours a week. The 32 hours of staff time per average week is a number with which we are comfortable.

Time to Process a Routine Boundary Change

At the May 5 meeting, when the Commission approved the Brewer Soria Annexation to the Goleta Sanitary, staff was directed to review its notes for this application and indicate the amount of time involved in processing this and similar proposals.

It appears from our notes and recollection, processing this proposal will take approximately eight hours of staff time as described in Attachment B.

Proposed Fee Schedule

The proposed **Fee Schedule** is presented as Exhibit A and contains the following components:

- Annexations and Detachments – Flat fee based on acreage with hourly fees charged for staff hours in excess of those authorized in the initial fee. The amounts of the fees are increased based on the hourly rate and estimated number of hours for a typical application.
- Reorganizations – Retain current practice of imposing a 20% surcharge on the annexation or detachment fee for each additional change of organization in the application, except for detachments from the County Fire Protection District or County Service Area 32.

The practice of not imposing a surcharge for these specific two detachments has been in place for some time. It is a reflection of the fact that all city annexations require concurrent detachments from CSA 32 and detachments from the County Fire Protection District is a standard requirement for annexations to cities that provide fire protection services, i.e., the cities of Guadalupe, Lompoc, Santa Barbara and Santa Maria.

- Formations and Incorporations – Retain a flat fee but with charge hourly fees for staff hours in excess of those authorized in the initial fee.

Retain the current policy of charging the cost of a Comprehensive Fiscal Analysis to the applicant, proponents or supporters of the incorporation or formation.

- Sphere of Influence Amendment – Retain flat fee but increase the amount charged.
- Out-of-Agency Service Agreements – Similar to annexations there would be a flat fee and hourly charges for staff time in excess of those authorized in the initial fee.

Proposed **Fee Policies** are set forth below:

1. Fees may not be charged for proposals that result from LAFCO orders.
2. Fees must be received at the time application materials are submitted.
3. Allowed refunds are based on staff effort that has been expended prior to the withdrawal of the application as follows:

After staff requests reportbacks	80% of the fee
After Certificate of Filing has been issued	50% of the fee
After Executive Officer Report has been issued	20% of the fee
4. A supplemental fee shall be charged for proposals that require LAFCO to conduct protest hearings. The fee shall include out-of-pocket costs to publish and mail notices of hearing to landowners and registered voters as required by law.
5. A supplemental fee shall be charged when a Commission meeting, that would not otherwise be held, is held at the request of an applicant. The fee includes Commissioner per diem stipends and mileage reimbursement and out-of-pocket costs to copy and mail the notice of hearing and agenda packet for the meeting.
6. A supplemental fee shall be charged to recover actual costs for preparing environmental documents when LAFCO is the lead agency. The fee shall include out-of-pocket costs to prepare, copy and distribute the environmental document.
7. A supplemental fee shall be charged to recover out-of-pocket costs to copy documents that exceed 100 pages for distribution to the members of the Commission.
8. A \$1,100 deposit payable to “County of Santa Barbara” for reviewing maps and legal descriptions must be submitted with proposals that include maps and legals. Boundary changes will be completed only when obligations to the County Surveyor are satisfied.
9. The processing fee to file a request for reconsideration is 50% of the original processing fee amount. The 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.

10. The cost for the State to review the Comprehensive Fiscal Analysis for an incorporation shall be the responsibility of those requesting the review.

Conclusion

The Commission should (1) approve the processing fee schedule in Exhibit A, with any desired changes, for distribution to the County, cities, special districts, land use consultants, engineers and other interested parties for their review and (2) schedule a hearing on July 7 to consider and adopt the revised fee schedule.

Please contact the LAFCO office if you have any questions.

Very truly yours,

BOB BRAITMAN
Executive Officer

Attachment A – Proposed Processing Fee Schedule
Attachment B – Time to Process a Typical Proposal