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Keene Simonds

Counsel

Michael G. Colantuono

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AGENDA REPORT Business | Discussion

December 3, 2018

TO: San Diego Commissioners
FROM: Keene Simonds, Executive Officer
SUBJECT: **First Reading |
Proposed Comprehensive Fee Schedule Update**

SUMMARY

The San Diego Local Agency Formation Commission (LAFCO) will review a proposed comprehensive fee schedule update as part of a first-reading and ahead of formal action at a future meeting. The proposed update is highlighted by transitioning the fee schedule emphasis from variable charges based on acreage to fixed charges based on proposal type as measured by the type of environmental review needed and whether protest applies. The establishment of a composite hourly staff rate and assignment of set staff hours for most proposals further underlies the transition. Other notable changes proposed include implementing a municipal service review maintenance fee and preauthorizing fee reductions involving – and among others – annexations to address failed septic and groundwater systems. The substantive effect of the proposed update is the overall levelling of fees in step with synching to current review standards and proportionally improving cost-recovery. The proposed update is being presented for feedback and ahead of initiating public review before returning for action in February 2019.

BACKGROUND

San Diego LAFCO's ("Commission") current fee schedule structure was established in 1972 and last updated in 2007. The fee schedule emphasizes variable fees for most jurisdictional changes based on the affected territory's acreage size. (Incorporations, formations, and consolidations are assigned flat fees irrespective of acreage.) Acreage tiers determine fee amounts and commence with a minimum charge of \$2,660 for any single jurisdictional change involving 0.50 acres or less of affected territory. The fee schedule

also authorizes the Executive Officer to administratively reduce or waive fees based on financial hardships and/or proposal consistency with prior LAFCO recommendations. The existing fee schedule is provided as Attachment One.

DISCUSSION

This item is for San Diego LAFCO to review and provide feedback on a proposed comprehensive update to the fee schedule. The item is drawn from the adopted workplan to revisit the fee schedule given the document has remained unchanged for over 10 years and interests therein to ensure an appropriate level of cost-recovery is achieved and ease of implementation. It also relatedly provides the Commission the opportunity to evaluate the fee schedule to effectuate policy priorities in either encouraging or discouraging certain jurisdictional changes in proceeding forward. The item is being presented as part of first-reading and ahead of staff initiating a 45-day public review and comment period before returning – with or without changes – for action in February 2019.

Proposed Fee Schedule Update

Staff has conducted a comprehensive review of San Diego LAFCO's current fee schedule consistent with the adopted workplan and identifies three substantive changes for Commission consideration. These three substantive changes involve transitioning the fee schedule emphasis from variable charges based on acreage to fixed charges based on proposal type, establishing a municipal service review maintenance fee, and revising fee reduction and waiver allowances. Other and relatively less substantive changes are also proposed and range in scope from formatting to delineating standards in charging for general research inquiries. An expanded discussion on the proposed changes follows.

- **Transition to Fixed Fees Based on Proposal Type**

The current fee schedule emphasizes variable fees based on the acreage size of the affected territory and premised on the connection the larger the affected territory the additional staff time needed to process the underlying action. This structure was implemented as part of the original fee schedule adoption in 1972 and continues to be used by other LAFCOs and typically in conjunction with collecting an initial deposit to bill for time and material. It is proposed the Commission transition the fee schedule to emphasize fixed fees based on proposal type as measured by the level of environmental review needed and whether protest applies. (The former category is further distinguished between LAFCO serving as lead or responsible agency.¹) This transition would directly connect the two factors that now primarily influence processing time and further enabled by establishing a composite hourly staff rate and assigning a set number of staff hours for most proposals as detailed below.

¹ LAFCOs serve one of two distinct roles in considering proposals' potential environmental impacts under the California Environmental Quality Act (CEQA). LAFCOs act as responsible agency when responding to initiating actions by cities or special districts and tasked therein to consider the agencies' CEQA analysis and make its own independent findings. LAFCOs act as lead agency when either initiating their own actions or in response to landowner or voter petitions and tasked therein in making stand-alone CEQA findings.

- Establishment of a Composite Hourly Staff Rate

It is proposed the Commission establish a composite hourly staff rate of \$122 as part of the updated fee schedule. This amount has been calculated to reflect current and proportional direct (labor) and indirect (overhead) costs incurred by LAFCO in processing proposals and weighted to correspond with the typical time expended by individual staff positions. The establishment of the composite hourly rate directly informs the transition to fixed fees by proposal type as detailed above as well as enables staff to charge for additional time needed in processing complex projects and general research inquiries. The calculation used in developing the composite hourly staff rate is provided in Attachment Two.

- Assign Set Number of Staff Hours by Proposal Type

It is proposed the Commission assign a predetermined number of total staff hours needed to process most jurisdictional changes within the two referenced proposal type categories (i.e., level of environmental review and whether protest applies). The assigned staff hours reflect existing statute requirements and the level of analysis currently performed and produces a range of time demands from initiation to completion of 50 hours for basic actions to 95 hours for more complex actions. The assigned total is multiplied by the composite hourly staff rate to produce the fixed fee payable by the applicant. Further, and importantly, additional staff time needed to process exceedingly complex proposals could now be readily recovered by billing additional staff hours extending beyond the baseline allocation. The calculation used in developing the set number of staff hour assignments based on proposal type is provided in Attachment Three.

• **Establish a Municipal Service Review Maintenance Fee**

It is proposed the Commission establish a maintenance fee to help contribute to the ongoing costs to LAFCO in preparing municipal service review reviews every five years. The nexus in establishing the maintenance fee is tied to municipal service reviews' statutory role in informing LAFCOs' understanding the level and adequacy of local governmental services in conjunction with making related city and district sphere of influence determinations; the latter serving as direct conduits in allowing jurisdictional changes to proceed forward.² The maintenance fee would be similar in intent to general plan maintenance fees commonly utilized by counties and cities and is proposed to be equal to 5% of the baseline applicant fee. Certain exemptions would apply and most notably for jurisdictional proposals that necessitate their own concurrent municipal service reviews and sphere of influence updates.³

² With limited exceptions, all jurisdictional changes must be consistent with the spheres of influence of the subject agencies.

³ The current fee schedule includes a flat \$11,000 charge to cover LAFCO costs to prepare a municipal service review and corresponding sphere of influence update if needed in processing a jurisdictional change proposal. This charge is intended to address relatively complex proposals that necessitate their own stand-alone municipal service reviews and sphere of influence updates. It is proposed this fee be amended to include an initial deposit of \$18,300 to cover the first 150 staff hours and succeeded by hourly billing thereafter and secured by a refundable deposits as determined by the Executive Officer.

- **Revise and Expand Fee Reduction and Waiver Allowances**

The existing fee schedule authorizes the Executive Officer to administratively reduce or waive application charges based on financial hardships and/or in response to earlier Commission recommendations. It is proposed this existing allowance be revised to redirect related requests to the Commission for consideration at public meetings with a recommendation from the Executive Officer. It is also proposed the following fee reduction and waiver allowances be expanded to include the following.

- Jurisdictional changes initiated in response to an existing or pending septic or well failure shall receive a 75% fee reduction relative to the charges normally incurred under the fee schedule. Qualifying proposals must have 100% written consent of all affected landowners and confirmation from the County Environmental Health Department verifying an existing or pending failure exists. Additional reductions or waivers would require Commission approval.
- Jurisdictional changes that include a qualifying city annexation of an entire “island” under Government Code 56375.3 shall receive a 50% fee reduction relative to the charges normally incurred under the fee schedule. Additional reductions or waivers would require Commission approval.
- Jurisdictional changes that include a qualifying city annexation of a disadvantaged unincorporated community under Government Code 56375(a)(8) shall receive a 50% fee reduction relative to the charges normally incurred under the fee schedule. Additional reductions or waivers would require Commission approval.

- **Other Changes**

Several other changes are also proposed to the fee schedule update to ease implementation proceeding forward. These other changes are summarized below.

- Make explicit all fixed fees for standard jurisdictional changes are non-refundable and no monies will be returned once an application is filed with LAFCO. This provision would be consistent with existing practice.
- Establish a provision to provide any member of the public up to two hours of staff time to perform general research at no cost. All general research expended thereafter would be billed at the composite hourly staff rate. This would be new and provide clear direction to staff to recover cost for extended public follow up.
- Transition fees for unique jurisdictional changes – including district formations, consolidations, and dissolutions – from fixed to at-cost. This transition would enable the Commission to begin recovering its actual costs for these time-consuming projects that otherwise are largely subsidized by LAFCO.⁴

⁴ The Commission would retain the ability to approve a fee reduction or waiver for these type of unique proposals.

- Make explicit all sphere of influence amendments are subject to payment under the fee schedule unless otherwise reduced or waived. This would contrast with the long-standing practice of LAFCO to not charge for sphere amendments involving reductions or eliminations.
- Transition reorganization costs from 100% to 65% of the baseline fee for a single standard jurisdictional change. This transition reflects the estimated administrative time expended on a proposal irrespective of the number of jurisdictional changes included in the application.

The proposed update is provided as Attachment Four.

ANALYSIS

The proposed update to San Diego LAFCO's fee schedule represents the first monetary changes to the document in more than 10 years when the fees were uniformly increased by 10% as part of the adopted budgeted for 2006-2007.⁵ It also represents a structural change in the manner in which the Commission has charged and collected fees since 1972. This structural change is highlighted by transitioning from variable fees based on acreage to fixed fees based on proposal type and specifically the level of environmental review needed and whether protest proceedings apply; the latter of which represent the most pertinent influences in the amount of staff time needed in processing applications. Establishing a composite hourly staff rate coupled with assigning a set number of staff hours by proposal type aids this transition and provides the Commission with a clear nexus in matching applicant fees with agency costs. The substantive effect of the proposed update is the overall levelling of fees while providing for improved cost-recovery by syncing to the current and increased level of uniform analysis required of all jurisdictional changes under statute. This latter comment is marked by noting the proposed update would have generated \$30,479 or 18% more in application fees in 2017-2018 compared to the actuals generated under the current schedule and illustrated in Attachment Five.

ALTERNATIVES FOR ACTION

The proposed fee schedule update is being presented for discussion and feedback only.

RECOMMENDATION

It is recommended the Commission provide feedback on the proposed fee schedule update ahead of staff circulating the item for public review and returning for action in February 2019.

⁵ The structure itself has remained unchanged since its establishment in 1972.

San Diego LAFCO

December 3, 2018 Regular Meeting

Agenda Item No. 14 | Comprehensive Fee Schedule Update: First Reading

PROCEDURES

This item has been placed on the agenda for discussion as part of the business calendar. The following procedures, accordingly, are recommended in the consideration of this item:

- 1) Receive verbal report from staff unless waived;
- 2) Invite comments from interested audience members (voluntary); and
- 3) Discuss item and provide feedback as requested.

Respectfully,



Keene Simonds
Executive Officer

Attachments:

1. Existing Fee Schedule
2. Calculation for Composite Hourly Staff Rate
3. Calculation for Fixed Fee Amounts for Standard Jurisdictional Changes
 - As Responsible Agency
 - As Lead Agency
4. Proposed Fee Schedule Update
5. Comparison of FY2017-2018 Application Revenue Between Existing and Proposed Fee Schedules

SAN DIEGO LAFCO PROCESSING FEE SCHEDULE *
EFFECTIVE | JANUARY 1, 2018

<u>ACRE(S)</u>	<u>FEE AMOUNT</u>
.50 acre and less	\$2,660
.51 -.99 acre	\$3,325
1 - 9.9	\$4,050
10 - 19.9	\$4,990
20 - 49.9	\$5,830
50 - 99.9	\$6,785
100 – 149.9	\$7,850
150 – 199.9	\$9,060
200+ (\$9,060 plus an acreage fee of \$90 per 100 acres over 200 acres)	\$9,060 / \$90
Incorporation (\$13,750 deposit, plus 60% of actual LAFCO review costs)	\$13,750+
District Formation	\$9,650
Consolidation/Merger/Dissolution/Subsidiary District	\$5,500
Dissolution for Inactivity	\$695

* The above fees are charged for each jurisdictional change (i.e., annexation, detachment, latent power activation or expansion) and sphere amendment associated with a proposal, and apply to cities and districts. For contractual service agreements, payment of the applicable annexation and/or detachment fees as well as sphere amendment(s) must be made upon submittal of a contractual service agreement application. Proponents shall be responsible for actual hearing notification and mailing costs for public hearing items.

SURCHARGE

There will be a 30% surcharge for consideration of contractual service agreements. This surcharge is due prior to LAFCO consideration of the related annexation/detachment application. The surcharge does not apply to service agreements involving health or safety concerns where the property is eligible for immediate annexation, or fire protection contracts that receive agreement from all affected public agencies.

CITY AND DISTRICT SPHERE OF INFLUENCE UPDATE**

	<u>FEE AMOUNT</u>
Base rate for all city and district sphere update proposals	\$5,500
Acreage fee for every 100 acres included in the sphere update proposal beyond the current sphere	\$410
City or district service review	\$5,500

** No sphere update or service review processing fee will be charged for sphere updates that involve reaffirmations or minor amendments. The acreage component for *district* sphere updates may be waived for financial hardship or other circumstances affecting the ability of a *district* to pay fees. Proposals (e.g., consolidations, dissolutions, etc.,) deemed consistent with LAFCO objectives will not be charged a processing fee if the applicant pays a sphere update fee and submits a sphere update study and supplemental feasibility report accepted as complete by the Executive Officer.

REQUEST FOR RECONSIDERATION/TIME EXTENSION

		<u>FEE AMOUNT</u>
Request for reconsideration of LAFCO determination		\$1,030
Request for extension of time to complete proceedings		\$350

PETITION FILING FEES

In addition to the proposal processing fee, each application submitted by petition will be charged LAFCO's actual costs to verify the signatures.

OTHER FEES

Applicants are responsible for payment of LAFCO's actual costs associated with conducting authority and protest proceedings.

ENVIRONMENTAL REVIEW

(P.R.C. Section 21089)

CEQA Exemption.....	Actual cost
Review of Initial Study and preparation of Negative Declaration, Mitigated Declaration OR determination that EIR is required.....	Actual cost
Extended Initial Study (if required).....	Actual cost
Preparation of EIR.....	Actual cost
Department of Fish and Game Fee: Effective January 1, 2018	
Negative Declaration OR Mitigated Negative Declaration.....	\$2,280.25
EIR.....	\$3,168.00
Environmental Document pursuant to a Certified Regulatory Program (CRP).....	\$1,077.00
County Clerk Processing Fee.....	\$50.00

INCORPORATION FISCAL ANALYSIS REVIEW

		<u>FEE AMOUNT</u>
Processing of Request for State Controller's Review of an incorporation fiscal analysis		\$3,990

State Controller's review of fiscal analysis Actual cost

PAYMENT OF FEES: Fees are due when proposals are submitted to LAFCO. A supplemental fee may be charged and collected prior to the LAFCO hearing if additional acreage or actions are required.

EXCEPTIONS: Fees may be waived or reduced by the Executive Officer if financial hardship is demonstrated, OR if application is in response to a LAFCO condition or recommendation.

PRE-APPLICATION CONSULTATION AND SPECIAL STUDY SERVICES: Actual cost for pre-application consultation and special study services beyond the first five hours of service provided.

COMPOSITE HOURLY STAFF RATE CALCULATION for 2018-2019

STEP ONE | CALCULATING HOURLY INPUTS

Input No. 1 | Staff Salaries

Budgeted Position	Annual Pay	Hourly Rate
Executive Officer	168,000.00	80.77
Chief Analyst	110,240.00	53.00
Staff Analyst I	67,995.20	32.69
Staff Analyst I	60,486.40	29.08
GIS Analyst	80,433.60	38.67
Executive Assistant (Records)	70,096.00	33.70
Executive Assistant (Accounting)	63,128.00	30.35
Administrative Assistant	51,824.66	24.92
	672,203.86	323.17

All employees are fulltime at 40 hours per workweek and 2,080 hours per year

Pay as of October 22, 2018

Input No. 2 | Staff Benefits

Budgeted Hourly Benefit	Executive Officer	Chief Analyst	Staff Analyst I	Staff Analyst I	GIS Analyst	Executive Assistant (R)	Executive Assistant (A)	Administrative Assistant
Pension	32.27	21.17	10.96	9.09	12.09	13.49	12.13	8.35
Health Insurance	8.21	7.79	3.67	3.67	3.67	7.79	7.79	3.67
Other Post Employment Benefits	6.58	4.32	2.66	2.37	3.15	2.75	2.47	2.03
Social Security	5.01	3.29	2.03	1.80	2.40	2.09	1.88	1.55
Medicare	1.17	0.77	0.47	0.42	0.56	0.49	0.44	0.36
Workers Compensation	0.51	0.33	0.21	0.18	0.24	0.21	0.19	0.16
Life Insurance	0.19	0.12	0.01	0.01	0.01	0.01	0.01	0.01
	53.93	37.80	20.01	17.54	22.12	26.84	24.91	16.12

Hourly benefit costs are based on 40 hour workweek over a full year (52 weeks)

Input No. 3 | Overhead

Budgeted Expense	Budgeted Amount	Hourly Expense	Adjusted Hourly
Office Rent	79,879.68	38.40	4.80
County Services Overhead	50,000.00	24.04	3.00
County Services IT & Communications	168,000.00	80.77	10.10
Professional Services	364,110.00	175.05	21.88
Training and Ongoing Education	17,000.00	8.17	1.02
Leases and Contracts	6,500.00	3.13	0.39
Memberships	13,000.00	6.25	0.78
Business Travel	5,500.00	2.64	0.33
Office Equipment and Supplies	50,100.00	24.09	3.01
Publications and Notices	5,000.00	2.40	0.30
Depreciation	5,000.00	2.40	0.30
Miscellaneous	14,146.86	6.80	0.85
	778,236.54	374.15	46.77

Hourly expense divides budgeted amount by one fulltime employee hour total over one year - or 2,080 hours

Adjusted hourly represents hourly expense divided by number of budgeted fulltime employees - or eight

STEP TWO | CALCULATING HOURLY RATES PER BUDGETED POSITION

Factor	Executive Officer	Chief Analyst	Staff Analyst I	Staff Analyst I	GIS Analyst	Executive Assistant (R)	Executive Assistant (A)	Administrative Aide
Hourly Salary Rate	80.77	53.00	32.69	29.08	38.67	33.70	30.35	24.92
Hourly Benefit Rate	53.93	37.80	20.01	17.54	22.12	26.84	24.91	16.12
Hourly Overhead Rate	46.77	46.77	46.77	46.77	46.77	46.77	46.77	46.77
	181.47	137.56	99.46	93.39	107.56	107.31	102.03	87.81

STEP THREE | CALCULATING A WEIGHTED HOURLY STAFF RATE

Factor	Executive Officer	Chief Analyst	Staff Analyst I	Staff Analyst I	GIS Analyst	Executive Assistant (R)	Executive Assistant (A)	Administrative Aide
Hourly Staff Rate	181.47	137.56	99.46	93.39	107.56	107.31	102.03	87.81
% Processing Proposal	15.0%	30.0%	21.5%	21.5%	7.0%	2.5%	0.5%	2.0%

For purposes of calculating a weighted rate the expected processing time of an analyst - which is expected to account for 43% of the total staff time - is equally divided between the two budgeted positions at 21.5%

Composite Staff Rate \$ 122.43

FIXED APPLICATION FEE CALCULATION | LAFCO AS RESPONSIBLE AGENCY

Phase	Process	Staff Hours Exempt		Staff Hours Initial Study		Staff Hours Impact Report	
		No Protest	Protest	No Protest	Protest	No Protest	Protest
Consultation	Initial Consultation with Applicants	1.00	1.50	1.50	2.00	2.00	2.50
	Prepare and Issue Letter to Applicants Listing Costs and Timelines	1.00	1.25	1.25	1.50	1.50	1.75
	Receive Applicant Proposal, Create File, and Assign Project Manager	0.50	0.50	0.50	0.50	0.50	0.50
	Record and Deposit Application Fee	0.50	0.50	0.50	0.50	0.50	0.50
Preliminary	CEQA Review	0.50	0.50	2.00	2.00	4.00	4.00
	GIS Mapping of Affected Territory and Agency Boundaries	2.00	2.00	2.00	2.00	2.00	2.00
	Exam Petition or Resolution for Completeness	1.00	1.00	1.00	1.00	1.00	1.00
	Prepare and Circulate Review Notice to Agencies within 20 Days	2.00	2.50	2.50	3.00	3.00	3.50
	Prepare and Issue Property Tax Exchange Notice to Assessor/Auditor	1.00	1.00	1.00	1.00	1.00	1.00
	Issue Status Letter to Applicant within 30 Days Identify Key Issues	1.50	2.00	2.00	2.50	2.50	3.00
Analysis	Place Item on Next Available Agenda for Information Purposes	1.00	1.00	1.00	1.00	1.00	1.00
	Public Review on CEQA Document	-	-	-	-	-	-
	Analyze Government Code 56668 Factors	6.00	8.00	6.00	8.00	6.00	8.00
	Confirm Property Tax Exchange Approval	0.50	0.50	0.50	0.50	0.50	0.50
	Prepare Draft Agenda Report	10.00	12.00	12.00	14.00	14.00	16.00
	Consult with Applicant on Draft Report and Proposed Terms	1.50	1.50	2.00	2.00	2.50	2.50
	Prepare Mailing Labels and Issue Hearing Notice	1.00	3.00	1.00	3.00	1.00	3.00
	Finalize Staff Report and Recommendation	3.00	4.00	3.00	4.00	3.00	4.00
Prepare and Circulate Certificate of Filing	1.00	1.00	1.00	1.00	1.00	1.00	
Hearing	Commission Meeting	0.50	1.00	0.75	1.25	1.00	1.50
Post Hearing	Prepare Resolution on Commission Action	1.50	1.75	1.50	1.75	1.50	1.75
	Prepare and Circulate Status Letter to Applicant on Commission Action	1.25	1.25	1.25	1.25	1.25	1.25
	Prepare and Record Environmental Determination with County Clerk	1.00	1.00	1.25	1.25	1.50	1.50
	Schedule and Notice Protest Proceedings	-	5.00	-	5.00	-	5.00
	Hold Protest Hearing and Make Related Determinations	-	2.00	-	2.00	-	2.00
... continued							

Phase	Process	Staff Hours Exempt		Staff Hours Initial Study		Staff Hours Impact Report	
		No Protest	Protest	No Protest	Protest	No Protest	Protest
Post Hearing	Confirm Completion of Terms	1.00	1.00	1.00	1.00	1.00	1.00
Continued...	Prepare and Record Certificate of Completion	1.25	1.25	1.25	1.25	1.25	1.25
	Request TRA Assignment from County Auditor	0.25	0.25	0.25	0.25	0.25	0.25
	Prepare and File Boundary Change with State Board of Equalization	1.25	1.25	1.25	1.25	1.25	1.25
	Receive and File Confirmation from State	0.50	0.50	0.50	0.50	0.50	0.50
	Update GIS Layers	1.50	1.50	1.50	1.50	1.50	1.50
	Close Proposal File and Scan File Contents	2.00	2.00	2.00	2.00	2.00	2.00
			47.00	63.50	53.25	69.75	60.00
	Staff Hour Estimate (rounded)	50.00	65.00	55.00	70.00	60.00	75.00
	Composite Hourly Staff Rate	122.00	122.00	122.00	122.00	122.00	122.00
Proposed Applicant Fee							
	Baseline Charge Single Jurisdictional Change	6,100.00	7,930.00	6,710.00	8,540.00	7,320.00	9,150.00
	Municipal Service Review Maintenance Charge 5% of Baseline	305.00	396.50	335.50	427.00	366.00	457.50
		\$ 6,405.00	\$ 8,326.50	\$ 7,045.50	\$ 8,967.00	\$ 7,686.00	\$ 9,607.50

FIXED APPLICATION FEE CALCULATION | LAFCO AS LEAD AGENCY

Phase	Process	Staff Hours Exempt		Staff Hours Initial Study Plus CEQA Consultant at Cost		Staff Hours Impact Report Plus CEQA Consultant at Cost	
		No Protest	Protest	No Protest	Protest	No Protest	Protest
Consultation	Initial Consultation with Applicants and Advise on Policy Issues	1.00	1.50	1.50	2.00	2.00	2.50
	Prepare and Issue Letter to Applicants Listing Costs and Timelines	1.00	1.25	1.25	1.50	1.50	1.75
	Receive Applicant Proposal, Create File, and Assign Project Manager	0.50	0.50	0.50	0.50	0.50	0.50
	Record and Deposit Application Fee	0.50	0.50	0.50	0.50	0.50	0.50
Preliminary	CEQA Review	0.50	0.50	8.00	8.00	15.00	15.00
	GIS Mapping of Affected Territory and Agency Boundaries	2.00	2.00	2.00	2.00	2.00	2.00
	Exam Petition/Resolution for Completeness	1.00	1.00	1.00	1.00	1.00	1.00
	Prepare and Circulate Review Notice to Agencies within 20 Days	2.00	2.50	2.50	3.00	3.00	3.50
	Prepare and Issue Property Tax Exchange Notice to Assessor/Auditor	1.00	1.00	1.00	1.00	1.00	1.00
	Issue Status Letter to Applicant within 30 Days	1.50	2.00	2.00	2.50	2.50	3.00
Analysis	Place Item on Next Available Agenda for Information Purposes	1.00	1.00	1.00	1.00	1.00	1.00
	Public Review on CEQA Document and Address Comments	-	-	2.50	2.50	5.00	5.00
	Analyze Government Code 56668 Factors	6.00	8.00	6.00	8.00	6.00	8.00
	Confirm Property Tax Exchange Approval	0.50	0.50	0.50	0.50	0.50	0.50
	Prepare Draft Agenda Report	10.00	12.00	14.00	16.00	18.00	20.00
	Consult with Applicant on Draft Report and Proposed Terms	1.50	1.50	2.00	2.00	2.50	2.50
	Prepare Mailing Labels and Issue Hearing Notice	1.00	3.00	1.00	3.00	1.00	3.00
	Finalize Staff Report and Recommendation	3.00	4.00	3.00	4.00	3.00	4.00
Hearing	Prepare and Circulate Certificate of Filing	1.00	1.00	1.00	1.00	1.00	1.00
	Commission Meeting	0.50	1.00	0.75	1.25	1.00	1.50
Post Hearing	Prepare Resolution on Commission Action	1.50	1.75	1.50	1.75	1.50	1.75
	Prepare and Circulate Status Letter to Applicant on Commission Action	1.25	1.25	1.25	1.25	1.25	1.25
	Prepare and Record Environmental Determination with County Clerk	1.00	1.00	1.25	1.25	1.50	1.50
	Schedule and Notice Protest Proceedings	-	5.00	-	5.00	-	5.00
	Hold Protest Hearing and Make Related Determinations	-	2.00	-	2.00	-	2.00
	... continued						

Phase	Process	Staff Hours Exempt		Staff Hours Initial Study Plus CEQA Consultant at Cost		Staff Hours Impact Report Plus CEQA Consultant at Cost	
		No Protest	Protest	No Protest	Protest	No Protest	Protest
Post Hearing	Confirm Completion of Terms	1.00	1.00	1.00	1.00	1.00	1.00
Continued...	Prepare and Record Certificate of Completion	1.25	1.25	1.25	1.25	1.25	1.25
	Request TRA Assignment from County Auditor	0.25	0.25	0.25	0.25	0.25	0.25
	Prepare and File Boundary Change with State Board of Equalization	1.25	1.25	1.25	1.25	1.25	1.25
	Receive and File Confirmation from State	0.50	0.50	0.50	0.50	0.50	0.50
	Update GIS Layers	1.50	1.50	1.50	1.50	1.50	1.50
	Close Proposal File and Scan File Contents	2.00	2.00	2.00	2.00	2.00	2.00
		47.00	63.50	63.75	80.25	80.00	96.50
Staff Hour Estimate (rounded)		50	65	65	80	80	95
Composite Hourly Staff Rate		\$ 122	\$ 122	\$ 122	\$ 122	\$ 122	\$ 122
Proposed Applicant Fee							
Baseline Charge Single Jurisdictional Change		6,100.00	7,930.00	7,930.00	9,760.00	9,760.00	11,590.00
Municipal Service Review Maintenance Charge 5% of Baseline		305.00	396.50	396.50	488.00	488.00	579.50
		\$ 6,405.00	\$ 8,326.50	\$ 8,326.50	\$ 10,248.00	\$ 10,248.00	\$ 12,169.50

PROPOSED FEE SCHEDULE

STANDARD JURISDICTIONAL CHANGES

Standard jurisdictional changes include (a) annexations, (b) detachments, (c) latent power establishments, and (d) service power divestitures

	LAFCO is Responsible Agency			LAFCO is Lead Agency Plus Consultant Costs		
	Exemption	Initial Study	Impact Report	Exemption	Initial Study	Impact Report
Single Jurisdictional Change						
- With Full Consent No Protest Hearing	\$ 6,405.00	\$ 7,045.50	\$ 7,686.00	\$ 6,405.00	\$ 8,326.50	\$ 10,248.00
- Without Full Consent Protest Hearing	\$ 8,326.50	\$ 8,967.00	\$ 9,607.50	\$ 8,326.50	\$ 10,248.00	\$ 12,169.50
Each Additional Jurisdictional Change						
- With Full Consent No Protest Hearing	\$ 4,163.25	\$ 4,579.58	\$ 4,995.90	\$ 4,163.25	\$ 5,412.23	\$ 6,661.20
- Without Full Consent Protest Hearing	\$ 5,412.23	\$ 5,828.55	\$ 6,244.88	\$ 5,412.23	\$ 6,661.20	\$ 7,910.18

Fees for all standard jurisdictional changes are fixed and represent reasonable cost estimates for the underlying action(s) based on a number of predetermined staff hours to complete. These fees are non-refundable and – while not typical or expected – may be augmented by one or more deposits when additional time is needed beyond the predetermined staff hour allocation as determined by the LAFCO Executive Officer.

OTHER JURISDICTIONAL CHANGES

Special District Formation	Billed for time and material starting with a \$ 9,150 deposit to cover the first 75 hours
Special District Consolidation or Dissolution	Billed for time and material starting with a \$12,200 deposit to cover the first 100 hours
Incorporation	Billed for time and material starting with a \$24,400 deposit to cover first 200 hours

Fees for other boundary changes are at-cost. These fees require an initial and refundable deposit to cover staff time based on the hourly composite rate. Additional deposits may be required as determined by the Executive Officer.

OTHER REQUESTS & CHARGES

Outside Service Extensions	
- Exemption	\$ 1,921.50
- Initial Study	\$ 2,113.65
- Impact Report	\$ 2,305.80
Sphere of Influence Amendments	Billed at their corresponding rate for standard boundary changes; applies to expansions, reductions, establishments, and eliminations
Municipal Service Reviews	Billed for time and material starting with a \$12,200 deposit to cover the first 100 hours
Reconsideration of a Commission Determination	\$ 2,600.00
Time Extension to Complete Proceedings	\$ 610.00
General Staff Research	\$ 122.00 per hour; first two hours of any general research project waived
Scheduling a Special Meeting	\$ 3,210.00
Postage, Mail Supplies, Photocopies, Etc.	at cost

THIRD PARTY CHARGES

County of San Diego Clerk-Recorder	\$ 50.00
California Department of Fish and Game	
- Filing for a Negative Declaration	\$ 2,280.25
- Filing for a Mitigated Negative Declaration	\$ 2,280.25
- Filing for an Environmental Impact Report	\$ 3,168.00
State Board of Equalization	
- 0.0 to 1.0 acre	\$ 300.00
- 1.0 to 5.0 acres	\$ 350.00
- 6.0 to 10.0 acres	\$ 500.00
- 11.0 to 20.0 acres	\$ 800.00
- 21.0 to 50.0 acres	\$ 1,200.00
- 51.0 to 100.0 acres	\$ 1,500.00
- 100.0 acres or more	\$ 2,000.00

IMPLEMENTING POLICIES

- 1 Proposals and requests subject to this fee schedule will be deemed incomplete until the appropriate fee has been received by LAFCO.
- 2 All additional staff time required to process proposals or requests subject to this fee schedule beyond the coverage of the initial fixed fee or collected at-cost deposit will be billed at a composite hourly rate of \$122.00.
- 3 Applicants with proposals or requests subject to this fee schedule requiring consultants to prepare environmental or other technical documents will be responsible for all direct costs therein and will be required to provide a dedicated deposit as determined by the Executive Officer.
- 4 The Executive Officer may stop work on any proposal or request subject to this fee schedule until receipt of a requested fee or deposit.
- 5 The Commission may reduce or waive fees if a financial hardship is demonstrated and/or if the proposal or request is in response to a LAFCO condition or recommendation. Requests must be made in writing. Pre authorized reductions follow.
 - a) Jurisdictional changes that include a qualifying city annexation of an entire "island" under Government Code 56375.3 shall receive a 50% fee reduction relative to the charges normally incurred under the fee schedule. Additional reductions or waivers require Commission approval.
 - b) Jurisdictional changes that include a qualifying city annexation of a disadvantaged unincorporated community under Government Code 56375(a)(8) shall receive a 50% fee reduction relative to the charges normally incurred under the fee schedule. Additional reductions or waivers would require Commission approval.
 - c) Jurisdictional changes initiated in response to an existing or pending septic or well failure shall receive a 75% fee reduction relative to the charges normally incurred under the fee schedule. Qualifying proposals must have 100% written consent of all affected landowners and confirmation from the County Environmental Health Department verifying an existing or pending failure exists. Additional reductions or waivers would require Commission approval.

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PROPOSED FEE SCHEDULE |
COMPARISON OF FEE COLLECTION IN FY2017-2018

No.	Date Received	Proposal Name	File No.	Fee	Fee Under Proposed Update
1	8/31/2017	San Marcos Highlands Reorganization	RO17-07	\$ 35,320.00	\$ 37,661.40
2	11/20/2017	Harmony Grove Village Reorganization	LPA17-10	\$ 27,720.00	\$ 27,476.80
3	9/29/2017	Tri-City Healthcare Reorganization	RO17-09	\$ 25,169.00	\$ 25,169.00
4	1/11/2018	Trinh Reorganization	RO18-01	\$ 5,320.00	\$ 12,810.00
5	1/23/2018	Sanford Street-McLean Annexation	DA18-02	\$ 2,660.00	\$ 6,405.00
6	1/30/2018	Lakeside Rodeo-Mapleview Street Annexation	DA18-03	\$ 4,050.00	\$ 6,405.00
7	1/31/2018	Pankey Contractual Agreement	SA/OAS18-04	\$ 6,487.00	\$ 8,326.50
8	2/20/2018	Hymettus Avenue-Zinser Annexation	DA18-05	\$ 2,660.00	\$ 6,405.00
9	2/22/2018	North Avenue Estates Reorganization	RO-18-06	\$ 14,970.00	\$ 16,204.66
10	4/17/2018	Carmichael Drive-Wyman Contractual Agreement	OAS/SA18-07	\$ 4,332.50	\$ 8,326.50
11	4/17/2018	Camino Largo 8 Reorganization	RO18-08	\$ 8,100.00	\$ 17,677.80
12	4/19/2018	Pala Band of Mission Indians Detachment	DD18-10	\$ 21,120.00	\$ 12,810.00
13	5/7/2018	Lake Henshaw Annexation	DA18-11	\$ 6,785.00	\$ 6,405.00
14	5/25/2018	Austin Drive-Moth Annexation	DA18-12	\$ 3,325.00	\$ 6,405.00
				\$ 168,019	\$ 198,488
				<i>Difference:</i>	\$ 30,469.16 18.1%

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