

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF APRIL 24, 2019

REGULAR MEETING

TO: Shiva Frentzen, Chair, and
Members of the El Dorado County Local Agency Formation
Commission

FROM: José C. Henríquez, Executive Officer

AGENDA ITEM #8: **CONSIDERATION AND ADOPTION OF THE AMENDED EL
DORADO LAFCO FEE SCHEDULE**

RECOMMENDATION

Staff recommends that the Commission:

1. Receive and adopt the attached fee schedule so that the agency can recover the costs of processing applications; and
2. Set an effective date of July 1, 2019 for the new fee schedule.

REASON FOR RECOMMENDED ACTION

Government Code §56383 allows for the Commission to adopt a Schedule of Fees to recover the “estimated reasonable costs” of processing various LAFCO actions. Section 2.2.1(a) of the Commission’s Policies and Guidelines require the periodic review of the fee schedule. In addition to that requirement, the staff hourly rates in the fee schedule have to be updated with the Commission’s adoption of salary resolution L-2019-04 in January.

2.2.1 *Application of Fees*

- (a) *Effective May 2015, the Commission shall periodically review its fees and adopt a fee schedule for the purpose of recovering the costs pursuant to the Cortese-Knox-Hertzberg Act (§56383(a), §56384, §66016). See Section 8.3, Fee Schedule. The period between these reviews shall be no greater than once every five years.*

BACKGROUND

While the fee schedule is subject to periodic review, the main impetus for this action is to correct a couple of quirks in the operating costs that prevent the collection of actual staff time costs. As with all fee schedules since 2006, the 2018 fee schedule contained a multiplier that adapts the staff hourly rates to changes in the cost of doing business. Theoretically speaking, because changes in costs are accounted for in the multiplier, it relieves the Commission of having to adopt new hourly rates annually or whenever there are changes in staff compensation.

The quirk was the result of an unexpected reduction in health care costs for the agency coupled with the known retirement of the Administrative Assistant. These two resulted in an adjustment in operating costs that threw off the hourly rates for all members of staff. If the automatic adjustments in the 2018 fee schedule were to occur in FY2019-20, the agency would be underbilling for the Executive Officer and the Assistant Executive Officer and overbilling for the Assistant Policy Analyst. In FY2020-21, the Assistant EO would be underbilled and the EO and APA would be overbilled. Simply adjusting the percentage would not correct the situation. In order to properly recover the true costs, the Commission will have to adjust the hourly rates this year and in 2020.

Staff does not recommend any other changes to the fee schedule, either in the process for collecting fees or to the required initial deposit amounts.

Hourly Rates

The recommended new rates reflect the salary compensation levels that will be in effect starting on July 1, 2019:

Employee	Current rates (FY2018-19)	Rate increase under multiplier	Recommended adjusted rates	Change (+/-)
Executive Officer	\$138.38	\$145.30	\$150.32	+\$5.05
Asst. Exec. Officer	\$64.36	\$67.58	\$73.36	+\$5.78
Asst. Policy Analyst	\$49.00	\$51.45	\$43.54	-\$7.91

The hourly rate calculations are included in Attachment B and an explanation of the factors and methodology used to derive at these numbers are included in Attachments C, D and E. Please note that the non-billable time calculations in Attachment C estimate that the EO spends about 19% of his time in non-billable time. That estimate was based on the EO utilizing vacation time to teach at Sacramento State. This contract was not picked up for the 2018-19 academic year. As a result, and to be conservative, the percentage was lowered starting 2018-19 and will be incrementally raised over the next three years, starting with the assumptions for 2019-20.

Because these rates will be adjusted again next year, there is no multiplier included in the recommended fee schedule.

Please note that the Administrative Assistant is not included because her normal work functions do not include work on LAFCO petitions. Instead, the costs for this position are considered part of the agency's overhead.

Attachments:

- Attachment A: Recommended Fee Schedule
- Attachment B: Hourly Rate Calculations
- Attachment C: Net Productive Hours/Administrative Rates
- Attachment D: Explanation of the Net Productive Hours Calculations
- Attachment E: Explanation of Hourly Rate Calculations