


# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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**DATE:** APRIL 10, 2019   
**FROM:** SAMUEL MARTINEZ, Executive Officer  
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**TO:** LOCAL AGENCY FORMATION COMMISSION

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**SUBJECT:** Agenda Item #12(a) – Proposed Schedule of Fees, Deposits, and Charges for FY 2019-20

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## **RECOMMENDATION:**

Staff recommends that the Commission take the following actions related to the Proposed Schedule of Fees, Deposits and Charges for Fiscal Year 2019-20:

1. Review the proposed amendments and provide staff with direction on changes, corrections, or modifications to be included.
2. Direct staff to forward the Proposed Schedule of Fees, Deposits, and Charges for FY 2019-20 to the County, all Cities/Towns, and all Independent Special Districts for their review and comments pursuant to Government Code Section 56383.
3. Schedule the final review and adoption of the Schedule of Fees, Deposits, and Charges for the May 15, 2019 hearing.

## **BACKGROUND:**

The Commission has established a schedule of fees, deposits, and charges for the processing of proposals and the conduct of proceedings under its purview as allowed by law. This staff report presents the Commission with recommendations for amendments to its current Schedule of Fees, Deposits, and Charges (“Schedule”). The revised schedule is included as an attachment to this report. Based upon the requirements of Government Code Section 56383 (which references Section 66016), any change to the Schedule requires that a review and comment period be provided and that a public hearing be held with the opportunity for comment by the public. Today’s review opens this process.

First, staff has changed the format of the Schedule with the applicant in mind. If an applicant plans to submit a jurisdictional change, then all items pertaining to a jurisdictional change are located in one designated section, rather than interspersed about – similarly for when an applicant plans to submit an out-of-agency service contract. Additionally, the first page identifies the Commission’s policies related to proposal processing, which are included as an attachment, and specifically includes the policy on Indemnification. Together

with a new format, staff evaluated the fees, deposits, and charges. The following are the proposed Schedule changes for FY 2019-20:

### **Increase of Processing Fees**

Section 56383 includes the provision that the fees shall not exceed the estimated reasonable cost of providing the service for which it is charged. Further, the Commission's position is to keep the fees charged for annexations and reorganizations, etc. at a level that recovers the processing costs but does not unduly burden the applicant(s).

During the previous Schedule review in April 2018, the Commission expressed its desire for the Schedule not to experience long gaps with no increases (2010 to 2018), followed by a sudden large increase. One possibility the Commission identified is for the Schedule items to increase annually with inflation. This works well for Fees because the Fees are generally tied to the Commission and staff's costs. The Fees identified on page 2 (Jurisdictional Change) and page 6 (Service Contract) increase with the 2019 inflation rate of 3.0%<sup>1</sup>.

### **Revision to Processing Deposits Format**

Deposits are for the recovery of outside costs such as legal counsel, environmental review, individual notification, and protest proceedings, etc... Historically, the Commission's position is to set the deposit at a level that requires minimal billing for costs and the norm is a refund of excess deposit. Currently, deposits are generally at a level where the applicants are refunded more often than requested for reimbursement.

There are two proposed changes, however. Currently there are two categories of Individual Notice deposits with only \$300 difference. The Proposed Schedule simplifies this by having only one category (the higher category). Additionally, the Proposed Schedule reduces the Legal Counsel deposit by \$300 as costs exceed the deposit for the average application.

### **CONCLUSION:**

At this hearing the Commission is requested to provide staff with any changes, corrections, or additions to be included in the revisions proposed for the Schedule of Fees, Deposits, and Charges. Should the Commission have any changes/modifications, staff would then have to modify the FY 2019-20 Proposed Budget accordingly.

Staff will forward the proposed Schedule to the County, the Cities and Towns, and the Independent Special Districts for their review and comment as required by Govt. Code §56383. Any comments received will be reviewed with the Commission at the final budget hearing scheduled for May 15, 2019 when the adoption of the Schedule will be considered.

SM/MT

Attachments:

1. [Draft Schedule of Fees, Deposits, and Charges for FY 2019-20](#)
2. [Current Schedule for FY 2018-19, effective June 1, 2018](#)

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<sup>1</sup> 3.047% for Riverside-San Bernardino-Ontario, CA