



San Luis Obispo Local Agency Formation Commission Meeting Agenda May 15, 2025, 9:00am

MEETING

MAY 15, 2025 – 9 A.M.
BOARD OF SUPERVISORS
CHAMBERS
COUNTY GOVT. CENTER
1055 MONTEREY STREET,
SAN LUIS OBISPO, CA 93408

CONTACT

ROB FITZROY
EXECUTIVE OFFICER
805-781-5795
SLO.LAFCO.CA.GOV

COMMISSIONERS

STEVE GREGORY, CHAIR, CITY
HEATHER MORENO, VICE CHAIR, COUNTY
DAWN ORTIZ-LEGG, COUNTY
ED WAAGE, CITY
ED EBY, SPECIAL DISTRICT
NAVID FARDANESH, SPECIAL DISTRICT
DAVID WATSON, PUBLIC
BRUCE GIBSON, COUNTY ALTERNATE
CARLA WIXOM, CITY ALTERNATE
VACANT, SPECIAL DISTRICT ALTERNATE
MICHAEL DRAZE, PUBLIC ALTERNATE

MEETING PARTICIPATION

- **To submit a written comment**, mention the matter or agenda item number and send via email to mmorris@slo.lafco.ca.gov or fill out an online submission form on our website at slo.lafco.ca.gov, or U.S. mail at 1042 Pacific St Suite A, San Luis Obispo, CA, 93401. All correspondence is distributed to each Commissioner and will become part of the official record of the Commission meeting.
- **To submit a pre-recorded verbal comment** call (805) 781-5795; state and spell your name, mention the agenda item number you are calling about, and leave your comment. Your comments will be distributed to each Commissioner and will become part of the official record of the Commission meeting.
- **To provide live comment**, attend the in-person meeting, fill out a “request to speak form” provided in the front and back of the meeting room, and hand it to the Commission Clerk prior to the beginning of that item. Each speaker will be limited to a three-minute presentation. During public hearings, applicants or their representatives will be given the opportunity to speak first after the staff report is given and questions of the Commission have been addressed.

Other Notes:

- In compliance with the Americans with Disabilities Act (ADA), if you need special assistance to participate in this meeting, please contact the Clerk at 805-781-5795. Notification provided a minimum of 48 hours prior to the meeting will enable the Clerk to make reasonable arrangements to ensure accessibility to this meeting. Pursuant to the ADA, the meeting room is accessible to the physically disabled.
- It is required by Government Code Section 84308 that a participant in a LAFCO proceeding who has a financial interest in the decision and who has made a campaign contribution of more than \$250 to any Commissioner within 12 months prior, must disclose the contribution. If you are affected, please notify Commission Staff before the hearing.



MEETING AGENDA

Pledge of Allegiance

Call to Order/Roll Call

Presentation of a Plaque of Appreciation to Commissioner Robert Enns

Approval of the Minutes: April 17, 2025 **(Pages 3-8)**

Non-Agenda Public Comment Period

This is the period in which persons may speak on items that are not on the regular agenda. You may provide public comment using one of the three methods mentioned above in the “Meeting Participation” section.

Consent Matters

A-1: Employment Contract Amendment for the Executive Officer **(Pages 9-12)**

Recommendation:

Action: Approve the proposed amendment to the employment contract of the Executive Officer.

Regular Matters

B-1: Public Hearing to Consider Annual Workforce Vacancy Report in Compliance with Assembly Bill 2561 **(Pages 13-14)**

Recommendation:

Action: Conduct the statutorily required public hearing regarding LAFCO’s current workforce vacancy status and receive and file the below report.

B-2: Adoption of Fee Schedule Update **(Pages 15-28)**

Recommendation:

Action: Adopt fee updates to the LAFCO Fee Schedule as contained in Attachment A of Item B-2.

B-3: Consideration of the Final Fiscal Year 2025-2026 Budget and Work Plan **(Pages 29-42)**

Recommendation:

Action: Adopt a Resolution approving the Final Fiscal Year 2025-2026 Budget and Work Plan (Attachment A of Item B-3), direct the Executive Officer to distribute the Final Budget and Work Plan to contributing agencies per the government code, and direct the Executive Officer to execute the agreement with the County Auditor for financial services (Attachment B of Item B-3).

Commissioner Comments

Legal Counsel Comments

Executive Officer Comments

Adjournment



**SAN LUIS OBISPO
LOCAL AGENCY FORMATION COMMISSION
APRIL 17, 2025, MEETING MINUTES**

Call to Order

The San Luis Obispo Local Agency Formation Commission (LAFCO) meeting was called to order at 9:00 a.m. on Thursday, April 17, 2025, by Chairperson Steve Gregory in the Board of Supervisors Chambers at the County Government Center, 1055 Monterey Street, San Luis Obispo, CA 93408.

Pledge of Allegiance

Roll Call

Present: Chairperson Steve Gregory, Vice Chair Heather Moreno, Commissioners Dawn Ortiz-Legg, Ed Waage, David Watson, and Alternate Commissioner Ed Eby

Absent: Commissioner Robert Enns, and Alternate Commissioners Michael Draze, Bruce Gibson, and Carla Wixom

Staff: Rob Fitzroy, LAFCO Executive Officer
Imelda Marquez-Vawter, LAFCO Analyst
Morgan Bing, LAFCO Analyst
Melissa Morris, LAFCO Commission Clerk
Holly Whatley, LAFCO Legal Counsel

Approval of the Minutes: March 20, 2025

Chairperson Gregory announced the consideration of approval of the March 20, 2025, Regular Meeting Minutes.

Chairperson Gregory asked for Commissioner comments.

Chairperson Gregory opened the item for public comment, announcing it was closed shortly after hearing none.

Chairperson Gregory asked for a motion to approve the minutes.

Commissioner Waage motioned to approve the minutes.

Vice Chair Moreno seconded the motion.

AYES: Commissioner Waage, Vice Chair Moreno, Commissioners Eby, Ortiz-Legg,

Watson, and Chairperson Gregory

NAYS: None

ABSTAINING: None

The motion passed.

Non-Agenda Public Comment Period

Chairperson Gregory opened the item for public comment, announcing it was closed shortly after hearing none.

Consent Matters

A-1: Third Quarter Fiscal Year 2024-2025 Budget Status and Work Plan Report

Chairperson Gregory opened the item for Commissioner questions and comments.

Chairperson Gregory opened the item for public comment, announcing it was closed shortly after hearing none.

Commissioner Ortiz-Legg motioned to approve the staff recommendation for Item A-1: Review and approve the third quarter budget and work plan report for Fiscal Year 2024-2025 and direct the Executive Officer to file it with the County Auditor.

Commissioner Watson seconded the motion.

AYES: Commissioners Ortiz-Legg, Watson, Eby, Waage, Vice Chair Moreno, and Chairperson Gregory

NAYS: None

ABSTAINING: None

The motion passed.

Regular Matters

B-1: California Association of Local Agency Formation Commissions Update

Mr. Fitzroy presented the item.

Chairperson Gregory opened the item for Commissioner questions and comments.

Commissioner Watson inquired about the benefits of the item.

Mr. Fitzroy responded to questions and provided comment.

Chairperson Gregory inquired about CALAFCO's organizational structure.

Mr. Fitzroy responded to questions and provided comment.

Chairperson Gregory opened the item for public comment, announcing it was closed shortly after hearing none.

Chairperson Gregory inquired whether the item requires a vote.

Ms. Whatley confirmed that the item is receive and file.

B-2: Proposed Fee Schedule Update

Mr. Fitzroy presented the item.

Chairperson Gregory opened the item for Commissioner questions and comments.

Vice Chair Moreno inquired about the legal fees.

Mr. Fitzroy responded to questions and provided comment.

Commissioner Watson inquired about staff time reimbursement for litigation.

Mr. Fitzroy responded to questions and provided comment.

Chairperson Gregory inquired about the deposit process.

Mr. Fitzroy responded to questions and provided comment.

Chairperson Gregory opened the item for public comment, and one speaker provided comment to the Commission.

George Tracy, President of the Independence Ranch Community Services District, provided comment on the fee structure.

Chairperson Gregory closed public comment and asked Mr. Fitzroy to respond.

Mr. Fitzroy provided comment and followed up on a previous inquiry from **Vice Chair Moreno** regarding legal fees.

Vice Chair Moreno provided comment on the item.

Chairperson Gregory inquired about deposit costs and pass-through fees.

Mr. Fitzroy responded to questions and provided comment.

Commissioner Watson inquired about the LAFCO application process.

Mr. Fitzroy responded to questions and provided comment.

Commissioner Ortiz-Legg thanked the public member for speaking and provided comment on the item.

Chairperson Gregory inquired about fee waivers.

Mr. Fitzroy responded to questions and provided comment.

Chairperson Gregory opened the item for Commissioner questions and comments.

Commissioner Watson motioned to approve the staff recommendation for Item B-2: Review proposed fee updates and set the fee update hearing for May 15, 2025.

Commissioner Ortiz-Legg seconded the motion.

AYES: Commissioners Watson, Ortiz-Legg, Eby, Waage, Vice Chair Moreno, and Chairperson Gregory

NAYS: None

ABSTAINING: None

The motion passed.

B-3: Proposed Fiscal Year 2025-2026 Budget and Work Plan

Mr. Fitzroy presented the item.

Chairperson Gregory opened the item for Commissioner questions and comments.

Vice Chair Moreno inquired about LAFCO fees for governmental agencies.

Mr. Fitzroy responded to questions and provided comment.

Commissioner Watson inquired about the proposed Work Plan.

Mr. Fitzroy responded to questions and provided comment.

Commissioner Waage provided comment on the item.

Chairperson Gregory opened the item for public comment, and one speaker provided comment to the Commission.

George Tracy, President of the Independence Ranch Community Services District, provided comment on the budget.

Chairperson Gregory closed public comment and opened the item for Commissioner comments.

Commissioner Ortiz-Legg motioned to approve the staff recommendation for Item B-3: To approve the Proposed Fiscal Year 2025-2026 Budget and Work Plan (Attachment A of Item B-3), direct the Executive Officer to distribute the Proposed Budget and Work Plan hearing for May 15, 2025.

Commissioner Waage seconded the motion.

AYES: Commissioners Ortiz-Legg, Waage, Eby, Watson, Vice Chair Moreno, and Chairperson Gregory

NAYS: None

ABSTAINING: None

The motion passed.

Closed Session

C-1: Conference with Legal Counsel: Pending Litigation
Pursuant to California Government Code Section 54596.9(d)(1)

Case: Nipomo Action Committee et al. v. San Luis Obispo LAFCO (San Luis Obispo Superior Court Case No. 24CV-0768)

Chairperson Gregory introduced the Closed Session item and stated the Commission would reconvene in Open Session immediately following the Closed Session.

Ms. Whatley provided comment on the Closed Session items.

Chairperson Gregory opened the item for public comment, announcing it was closed shortly after hearing none.

Chairperson Gregory called the meeting into Closed Session at 10:03 AM.

At 10:16 AM, **Chairperson Gregory** called the Open Session back into order and invited **Ms. Whatley** to report on the Closed Session.

Report on Closed Session: **Ms. Whatley** stated that there were no reportable actions for Closed Session Item C-1.

Regular Matters - Continued

Commissioner Comments: **None**

Legal Counsel Comments: **None**

Executive Officer Comments: **Mr. Fitzroy** provided updates on upcoming meetings and the special district member elections that will end on April 18, 2025.

Adjournment: With no further business before the Commission, the meeting adjourned at 10:17 AM until the next meeting of the Commission in the Board of Supervisors Chambers at the County Government Center in San Luis Obispo.

THESE MINUTES ARE NOT OFFICIAL NOR ARE THEY A PERMANENT PART OF THE RECORD UNTIL THEY ARE APPROVED BY LAFCO COMMISSIONERS AT THE NEXT REGULAR MEETING.

Respectfully submitted,
Melissa Morris, LAFCO Commission Clerk



San Luis Obispo Local Agency Formation Commission

TO: MEMBERS OF THE COMMISSION

FROM: HOLLY WHATLEY, GENERAL COUNSEL & LABOR NEGOTIATOR

DATE: MAY 15, 2025

SUBJECT: EMPLOYMENT CONTRACT AMENDMENT FOR THE EXECUTIVE OFFICER

RECOMMENDATION

Action: Approve the proposed amendment to the employment contract of the Executive Officer.

AMENDMENT

On March 20, 2025, the Commission, in Closed Session, held a regular performance review of the Executive Officer, and subsequently a conference with the Labor Negotiator regarding the salary of the Executive Officer. The Labor Negotiator has returned with a contract amendment consistent with the direction provided during negotiations. The contract amendment would provide the Executive Officer with a 3.5% cost of living adjustment accompanied by a 2% merit-based raise. The increase is based on excellent performance, increased cost of living, and salary comparisons of LAFCOs across the State. The Executive Officer's salary has been \$174,000 annually since Fiscal Year 2022-2023. The proposed cost of living adjustment and merit-based raise would increase the Executive Officer's salary to \$183,570 beginning July 1, 2025 (Fiscal Year 2025-2026). See Attachment A for the contract amendment.

ATTACHMENTS

Attachment A: Contract Amendment No.1

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IMELDA MARQUEZ-VAWTER
Analyst

MORGAN BING
Analyst

MELISSA MORRIS
Commission Clerk

HOLLY WHATLEY
Legal Counsel

Attachment A

Contract Amendment No. 1

FIRST AMENDMENT TO EMPLOYMENT CONTRACT

RECITAL

On _____, 2025, the San Luis Obispo Local Agency Formation Commission approved amending the Employment Contract between the San Luis Obispo Local Agency Formation Commission (hereafter "LAFCO") and Rob Fitzroy ("Employee") dated May 24, 2021 ("Employment Contract"), attached as Exhibit A. This First Amendment follows the Employee's annual performance review and is made as permitted by Paragraphs 5 and 11 of the Employment Contract. The Parties agree as follows:

AMENDMENT

1. Paragraph 5 ("Compensation"), subparagraph a ("salary") is hereby amended in its entirety to read as follows:
 - A. Effective as of the first full pay period in the fiscal year commencing July 1, 2025, LAFCO shall pay to Employee as compensation in full for all services performed by Employee pursuant to this Contract an annual salary of \$183,570.
2. All other recitals, paragraphs, subparagraphs, and clauses of the Employment Contract remain unchanged by this First Amendment to Employment Contract.

EXECUTIVE OFFICER

Dated: _____

Robert Fitzroy

LAFCO

Dated: _____

Steve Gregory, Chair

Approved as to form:

Holly O. Whatley
General Counsel

Dated: _____

Attest:

Melissa Morris
LAFCO Clerk

Dated: _____



San Luis Obispo Local Agency Formation Commission

TO: MEMBERS OF THE COMMISSION

FROM: ROB FITZROY, EXECUTIVE OFFICER

DATE: MAY 15, 2025

SUBJECT: PUBLIC HEARING TO CONSIDER ANNUAL WORKFORCE VACANCY REPORT IN COMPLIANCE WITH ASSEMBLY BILL 2561

RECOMMENDATION

Action: Conduct the statutorily required public hearing regarding LAFCO’s current workforce vacancy status and receive and file the below report.

WORKFORCE STATUS UPDATE

Assembly Bill (AB) 2561 was introduced to address the issue of job vacancies in local government, which adversely affects the delivery of public services and employee workload. AB 2561 became effective January 1, 2025, and requires public agencies to hold at least one public hearing per fiscal year to discuss vacancies and recruitment and retention efforts. The public hearing should be conducted before final adoption of the agency’s annual budget. To the extent there are any recognized employee organizations, such organizations are permitted to make presentations during the hearing regarding the vacancies, retention, and recruitment efforts. Additional information may be required in the hearing for workforce vacancy rates above 20% of authorized full-time positions.

Status of Vacancies

LAFCO currently has three authorized and budgeted full-time positions: One Executive Officer and two analysts. It has one authorized three-quarter time budgeted position: Commission Clerk. All authorized positions are budgeted and filled and no vacancies exist.

Hiring Obstacles

AB 2561 also requires that during the hearing, the agency must identify any necessary changes to policies, procedures, and recruitment activities that may

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Commission Clerk

HOLLY WHATLEY
Legal Counsel

lead to hiring obstacles. Staff have identified no necessary changes to policies, procedures, or recruitment activities that may present obstacles in the hiring process.

Recruitment and Retention Efforts

LAFCO's current staff has been stable in recent years. To attract well-qualified candidates to fulfill LAFCO's mission in a tight labor market is nevertheless challenging. Although LAFCO offers a comprehensive benefit package, candidates tend to focus primarily on the base hourly salary. The Executive Officer seeks to keep LAFCO competitive as an employer by conducting regular surveys of other LAFCOs' salary and benefits packages, as well as comparing our position to similar jobs locally, such as the County of San Luis Obispo. In addition, the Commission's recent action to authorize and budget for a three-quarter time Commission Clerk, enabling the prior Clerk/Analyst position to convert to a full-time Analyst has been beneficial, and has and will continue to allow for upward mobility. LAFCO also provides employees with opportunities to engage in professional development conferences through CALAFCO annual events.



San Luis Obispo Local Agency Formation Commission

TO: MEMBERS OF THE COMMISSION

FROM: ROB FITZROY, EXECUTIVE OFFICER

DATE: MAY 15, 2025

SUBJECT: ADOPTION OF FEE SCHEDULE UPDATE

RECOMMENDATION

Action: Adopt fee updates to the LAFCO Fee Schedule as contained in Attachment A.

FEE UPDATE OVERVIEW

The Commission reviewed the proposed fee changes at the April 17, 2025, meeting and set a hearing date of May 15, 2025, for consideration of approval of the fee changes. This item was noticed in accordance with Government Code Section 66016, which requires that LAFCO make the staff report and accompanying fee changes and associated data available 10 days prior to the hearing.

LAFCO's existing fee schedule was adopted on April 20, 2023. The existing fee schedule and structure are deposit-based. Staff track and charge time against deposits commensurate with staff hourly rates as contained in the fee schedule. Staff are not recommending any changes to deposits for application processing. The proposed changes are primarily related to pass-through rates. More specifically, the proposed changes are related to:

- County Public Works rates for County Surveyor review of map and legal descriptions
- California Department of Fish and Wildlife environmental filing fees
- Legal counsel rates (the rates charged to applicants for legal counsel involvement)

See Attachment A for strikethrough and underlined changes.

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Analyst

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Commission Clerk

HOLLY WHATLEY
Legal Counsel

FEE UPDATE DETAILS

County Public Works Fees. Currently, County Public Works charges a flat rate of \$721 for County Surveyor review of Map and Legal Descriptions, which are a legally required component for actions such as annexations. The time required to review a Map and Legal Description varies significantly with each application. In certain cases, the flat rate is sufficient to cover County Public Works staff time, but in other cases, it is not. As such, County Public Works has requested to move to a deposit-based structure to ensure full cost recovery. See Attachment B for an example agreement.

California Department of Fish and Wildlife (CDFW). The CDFW regularly updates its environmental review fees for the review of CEQA documents. CDFW fees are included in LAFCCO’s fee schedule and collected if necessary. These fees are direct pass-through rates of CDFW. Under most circumstances, when LAFCO is a Responsible Agency under CEQA, it is not necessary to collect these fees because they have already been paid by the applicant or Lead Agency. However, when LAFCO is a Lead Agency, it may be necessary to collect applicable CDFW fees. This fee update is to reflect the most recent fee of CDFW.

Legal Counsel. On October 17, 2024, LAFCO retained new legal counsel and entered into a contract with Colantuono, Highsmith, and Whatley, PC. Their rate for legal services reimbursable by applicants differs from the existing rate in the adopted fee schedule. Often, a legal counsel review of an application is necessary, and to ensure full cost recovery, the fee needs to be updated. This fee update reflects the rate as per the contract. See Attachment C for Legal Counsel contracted rates. Below is a summary of rate changes:

| Entity | Existing Fee/Rate | Proposed Fee/Rate |
|---|-------------------|---------------------------|
| County Public Works Surveyor Review Fee | \$721 | Deposit Based/Actual Cost |
| CDFW ND/MND Review/Filing Fee | \$2,548 | \$2,968.75 |
| CDFW EIR Review/Filing Fee | \$3,539.25 | \$4,123.50 |
| Legal Counsel Application Review | \$150/hr | \$360/hr |

ATTACHMENTS

Attachment A: Proposed Fee Changes – LAFCO Fee Schedule

Attachment B: County Public Works – Fees and Example Deposit Based Agreement

Attachment C: Exhibit A of Legal Counsel Contract

Attachment A

Proposed Fee Changes - LAFCO Fee Schedule



San Luis Obispo Local Agency Formation Commission

Fee Schedule

1042 Pacific Street · Suite A · San Luis Obispo, CA 93401

805-781-5795 · www.slo.lafco.ca.gov · Adopted May 15, 2025

SAN LUIS OBISPO LOCAL AGENCY FORMATION COMISSION

FEE SCHEDULE

All fees shall be paid prior to the acceptance of an application for processing. All fees should be submitted to LAFCO as a separate check to each of the agencies listed below:

1. LAFCO Processing Fee & Environmental Fee
2. Public Works Department Fee
3. Board of Equalization Filing Fee

Where indicated below, the fees are an initial deposit toward the actual cost of processing a proposal. The applicant shall enter into an agreement to provide for reimbursement to LAFCO for the actual costs of processing an application. A refund shall be issued for any portion of the fee not used for processing. ~~Where fees exceed the required amount indicated below,~~ When deposited fees are expended and additional fees are required, the applicant shall be notified by the Executive Officer or the Commission Clerk to pay an additional deposit amount not exceeding the ~~equal to the~~ initial deposit. The proposal shall be suspended until such additional funds are deposited with the LAFCO Clerk. Below are the charge out rates for each LAFCO Staff member:

LAFCO Charge-out Rates:

| | |
|-------------------|---|
| Executive Officer | \$110/hour |
| Analyst | \$85/hour |
| Commission Clerk | \$50/hour |
| Legal Counsel | \$150/hour <u>\$360/hour</u> |

Other Charges

In addition to the fees specified herein, the Executive Officer may charge an applicant/appellant for the actual costs that are incurred as a result of processing a proposal that are not covered in the Commission's fee schedule. An applicant/appellant may appeal the decision of the Executive Officer in writing. Such appeal will be presented to the Commission at its next meeting.

Refunds for withdrawn proposals shall be based on an estimate by the Executive Officer of the total costs incurred in processing the proposal up to the date of the withdrawal request.

Fee Waiver

The Commission, as per government code section 56382, may waive fees partially or in total upon finding that payment of fees would be detrimental to the public interest. Requests for fee waiver must be submitted in writing to the Commission and there is a \$500 fee. The waiver will be considered at a public meeting of the Commission.

ANNEXATION / DETACHMENT PROCESSING FEES

| Acreage | Deposit Amount |
|--|----------------------------|
| 0.01 – 4.99 | \$1,500 |
| 5.00 – 9.99 | \$2,500 |
| 10.00 – 14.99 | \$3,500 |
| 15.00 – 19.99 | \$4,500 |
| 20.00 + | \$5,000 plus \$10 per acre |
| Any size Annexation to a California Water District | \$2,000 |

SPHERE OF INFLUENCE AMENDMENT FEES

| Acreage | Deposit Amount |
|---|-----------------------|
| 0.01 – 4.99 | \$1,500 |
| 5.00 – 9.99 | \$2,500 |
| 10.00 + | \$3,500 |
| Agency Request for Comprehensive Sphere of Influence Update or Municipal Service Review | \$5,000 |
| Any size SOI Amendment to a California Water District | \$1,000 |

OTHER PROCESSING FEES

| Action | Deposit Amount |
|---|-----------------------|
| Activation or Divestiture of Latent District Powers | \$2,500 |
| Outside Agency Agreement | \$2,500 |
| Incorporation of a City | \$15,000 |
| Formation of a Special District | \$5,000 |
| Dissolution of one or more Districts | \$2,500 |
| Disincorporation of a City | \$5,000 |
| Consolidation of Districts/ Cities | \$3,000 |
| Merger of Districts/ Cities | \$3,000 |
| Establishment of Subsidiary Districts | \$3,000 |
| Reorganization of City or District (Two or more of the above changes of organization, excluding the 1 st three actions.) | \$7,500 |

OTHER FEES

| Item | Deposit Amount |
|---|--|
| Request for Reconsideration | \$1,500 |
| Fee Waiver Request | \$500 |
| Request for Time Extension | \$500 |
| Study Session Request | \$2,500 |
| Request for Fiscal Analysis or Other Studies | \$2,500 |
| Pre-application Review | Limited to 3 hours of staff time, then actual cost |
| Petition Verification Fee | Minimum filing fee of \$10 + \$1.00 per signature |
| Processing request for the State Controller's review of an incorporation fiscal analysis | \$1,500 |
| Postage, Mail Supplies, Photocopies, etc. | At cost |

ENVIRONMENTAL FEES DEPOSIT | LAFCO AS A RESPONSIBLE AGENCY

| | |
|----------------------------------|---------|
| Review of ND, MND or EIR | \$1,000 |
| Review of Categorical Exemption | \$500 |
| County Clerk Recorder Filing Fee | \$50 |

ENVIRONMENTAL FEES DEPOSIT | LAFCO AS A LEAD AGENCY

| | |
|----------------------------------|---|
| Initial Study, ND, MND | \$1,000 deposit, outside consultant to be hired, applicant pays full cost of environmental review |
| Categorical Exemption | \$500 |
| Environmental Impact Report | \$5,000 deposit, outside consultant to be hired, applicant pays full cost of environmental review |
| County Clerk Recorder Filing Fee | \$81 |

CALIFORNIA DEPARTMENT OF FISH AND GAME FILING FEE | LAFCO AS A LEAD AGENCY

| | |
|---|---|
| Filing for a Negative Declaration | \$2,548 <u>\$2,968.75</u> |
| Filing for a Mitigated Negative Declaration | \$2,548 <u>\$2,968.75</u> |
| Filing for an Environmental Impact Report | \$3,539.25 <u>\$4,123.50</u> |

SLO COUNTY PUBLIC WORKS DEPARTMENT FEE

| | |
|--------------------------------|---|
| | \$721 |
| Map & Legal Description Review | <u>Real Time Billing – Reimbursement Agreement Required Between Applicant and County Public Works</u> |

STATE BOARD OF EQUALIZATION FEES

The Tax-Rate Area System is administered by the State Board of Equalization (Board) and used by counties for the proper allocation of property tax revenues between counties, cities, and special tax districts. LAFCO works with the County Assessor, County Auditor, and the State Board of Equalization to ensure that boundary changes are filed with the state after LAFCO approval to update the database of the new Tax-Rate Area designations. These fees are collected after proposal approval. The fees can be found on the LAFCO website under the “Application & Fees” tab or on the State Board of Equalization website at:

<https://www.boe.ca.gov/proptaxes/pdf/jurboundaryreq.pdf>

FEE SCHEDULE WORKSHEET

If you need help in determining your fees, please contact LAFCO staff for assistance at (805) 781-5795.

1. Check made payable to the *San Luis Obispo Local Agency Formation Commission*:

| | | |
|--|----|-------|
| Processing Fee (depends upon proposal type): | \$ | _____ |
| Sphere of Influence Fee: | \$ | _____ |
| Environmental Fees | \$ | _____ |
| County Clerk Recorder Filing Fee | \$ | 81.00 |
| Other Fees: | \$ | _____ |
| TOTAL | \$ | _____ |

2. ~~Check made payable to the SLO County Public Works Department:~~ LAFCO will submit required information to Public Works. Public Works will subsequently coordinate directly with applicant to execute real-time billing agreement and invoice applicant accordingly.

| | | |
|------------------------------|----|-------------------|
| Public Works Department Fee: | \$ | 721.00 |
| | | _____ |

3. Check made payable to the *Board of Equalization*:

| | | |
|---------------------|----|-------|
| BOE Processing Fee: | \$ | _____ |
|---------------------|----|-------|

Attachment B

County Public Works - Fees and Example Deposit-Based Agreement



REAL-TIME BILLING

WHEREAS, _____ hereinafter referred to as "Applicant," has applied for project/ permit number for _____ (hereinafter "Project") from San Luis Obispo County, a political subdivision of the State of California, hereinafter referred to as "County."

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which is hereby acknowledged, this Agreement is made and entered into this _____ day of _____, 20____, by and between the Applicant and the County.

Agreement

1. Applicant shall deposit with the San Luis Obispo County Department of Public Works the amount of \$ _____ ("Deposit") upon execution of this Agreement and the Deposit shall be maintained in full at all times. The San Luis Obispo County Department of Public Works shall invoice the Applicant on a monthly or quarterly basis, in accordance with Project type, for costs incurred by the Department related to the Project during the prior month(s). Within thirty (30) days of the invoice date, the Applicant shall submit payment to the Department for the amount of the invoice, if a Deposit is required then payment is made in order to maintain the original Deposit balance. Amounts remaining unpaid for thirty (30) days from the date of the County's invoice shall accrue interest at the rate of one percent (1%) per month beginning thirty (30) days after the date of the invoice. Upon completion of the work performed in accordance with this Agreement, any unspent portion of the Deposit shall be returned to the Applicant after deducting any unpaid invoices. The Applicant shall be charged and shall pay to the County the actual cost for all services related to the Project rendered by County personnel or its consultants. Failure to maintain the Deposit or make full payment on an account within thirty (30) days from the date of the County's invoice may result in suspension of all work on the Project until payment is received, and the account is brought current, and the Deposit restored.

2. The Applicant shall pay the County for the cost of checking of the Project submittal documents (i.e. subdivision map, lot line adjustment, improvement plans, building permit application, FEMA documents, etc.) and the cost of inspection of any such improvements by the San Luis Obispo County Department of Public Works.

3. Permission is hereby granted to the County, or its authorized agent, to enter upon the land which is the subject of the Project for the purpose of inspection of any and/or all work to be done under the Agreement.

4. The Applicant shall employ a California Registered Civil Engineer of work to provide inspection during the course of construction, to certify to the County Department of Public Works that the improvements were installed in accordance with approved plans, and to submit as-built plans to the County Department of Public Works. If the engineer of work is other than the designing engineer or is replaced during the course of construction, the County Department of Public Works shall be notified in

writing; and each such engineer of work shall certify as to their respective involvement. The County Department of Public Works may make such additional construction observations as is deemed necessary and shall be available to review field conditions and/or proposed changes with the engineer of work.

5. It is understood and agreed by and between the Parties hereto that this Agreement shall bind the heirs, executors, administrators, successors and assigns of the respective Parties to this Agreement.

6. The Applicant shall defend, indemnify and save harmless the San Luis Obispo County, its officers, agents and employees from any and all claims, demands, damages, costs, expenses, judgments, or liability occasioned by the performance or attempted performance of the provisions hereof, or in any way arising out of this Agreement, including, but not limited to, those predicated upon theories of violation of statute, ordinance or regulation, violation of civil rights, inverse condemnation, equitable relief, or any wrongful act or any negligent act or omission to act on the part of the Applicant or of agents, employees or independent contractors directly responsible to the Applicant; providing further that the foregoing obligations to defend, indemnify and safe harmless shall apply to any wrongful acts, or any passively negligent acts or omissions to act, committed jointly or concurrently by the Applicant, the Applicant's agents, employees, or independent contractors and the County, its agents, employees or independent contractors. Nothing contained in the foregoing indemnity provisions shall be construed to require the Applicant to indemnify the County against any responsibility or liability in contravention of Section 2782 of the Civil Code.

7. Unless otherwise provided, all notices herein required shall be in writing and delivered in person or sent by United States first class mail, postage prepaid. Notices required to be given to County shall be addressed as follows: Director of Public Works, County of San Luis Obispo, County Government Center, Room 207, San Luis Obispo, California 93408. Notices required to be given to Applicant shall be sent to the Applicant's billing address as set forth below. Any party may change such address by notice in writing to the other party and thereafter notices shall be addressed and transmitted to the new address.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

APPLICANT

COUNTY OF SAN LUIS OBISPO

John Diodati, Director of Public Works

By: _____
Applicant's signature

By: _____
Development Services Division Manager (or designee)

Applicant's name

Street & PO Box

City, State, Zip

Email address & Phone Number (8:00 a.m. to 5:00 p.m.)

Attachment C

Exhibit A of Legal Counsel Contract

Exhibit A

Advisory Hourly Billing Rates*

For general counsel services: Standard rates capped at \$315/hour.

For special legal services: Standard rates capped at \$345/hour.

“Special legal services” are those that are more complex in nature and require significant amounts of work and as approved by the Executive Officer in advance.

For legal services reimbursed by applicants: Standard rates capped at \$360/hour

Litigation Hourly Billing Rates*

Litigation Services: Standard rates capped at \$430/hour

* Beginning on July 1, 2026, the above rates will be adjusted annually based on the 12-month Consumer Price index for the Los Angeles-Long Beach-Anaheim region.



San Luis Obispo Local Agency Formation Commission

TO: MEMBERS OF THE COMMISSION

FROM: ROB FITZROY, EXECUTIVE OFFICER

DATE: MAY 15, 2025

SUBJECT: CONSIDERATION OF THE FINAL FISCAL YEAR 2025-2026 BUDGET AND WORK PLAN

RECOMMENDATION

Action: Adopt a Resolution approving the Final Fiscal Year 2025-2026 Budget and Work Plan (Attachment A), direct the Executive Officer to distribute the Final Budget and Work Plan to contributing agencies per the government code, and direct the Executive Officer to execute the agreement with the County Auditor for financial services (Attachment B).

SUMMARY

On April 17, 2025, the Commission held a duly noticed hearing for the Proposed Fiscal Year 2025-2026 (FY 25-26) Budget and Work Plan. A comprehensive staff report and presentation were provided, and a hearing was conducted as required by law. The Commission unanimously approved the Proposed FY 25-26 Budget and Work Plan as recommended by staff. The Proposed Budget and Work Plan were transmitted to all contributing agencies. As of the date of publication of this staff report, no comments have been received. For the full report of the FY 25-26 Budget and Work Plan, please refer to the previously prepared April 17, 2024, staff report, available at slo.lafco.ca.gov or by clicking [here](#). Today’s hearing is to consider the adoption, by resolution, of the Final FY 25-26 Budget and Work Plan.

ATTACHMENTS

Attachment A: LAFCO Resolution Adopting the Final Fiscal Year 2025-2026 Budget and Work Plan

Exhibit A: Final Proposed Budget and Work Plan

Attachment B: County Auditor Agreement

COMMISSIONERS

Chairperson
STEVE GREGORY
City Member

Vice-Chair
HEATHER MORENO
County Member

DAWN ORTIZ-LEGG
County Member

ED WAAGE
City Member

ED EBY
Special District Member

NAVID FARDANESH
Special District Member

DAVID WATSON
Public Member

ALTERNATES

BRUCE GIBSON
County Member

CARLA WIXOM
City Member

VACANT
Special District Member

MICHAEL DRAZE
Public Member

STAFF

ROB FITZROY
Executive Officer

IMELDA MARQUEZ-VAWTER
Analyst

MORGAN BING
Analyst

MELISSA MORRIS
Commission Clerk

HOLLY WHATLEY
Legal Counsel

Attachment A

LAFCO Resolution Adopting the Final Fiscal Year
2025-2026 Budget and Work Plan

IN THE LOCAL AGENCY FORMATION COMMISSION
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

Thursday, May 15, 2025

RESOLUTION NO. 2025-___

**RESOLUTION ADOPTING THE FINAL FISCAL YEAR 2025-2026
BUDGET AND WORK PLAN**

The following resolution is now offered:

RECITALS

WHEREAS, the Executive Officer has given the notices required by law and forwarded the LAFCO budget to officers, persons, and public agencies as prescribed by law; and

WHEREAS, the matter was set for public hearing at 9:00 a.m. on Thursday, April 17, 2025, and May 15, 2025, staff reports were prepared, and the hearing was conducted as required by law, and the LAFCO Fiscal Year 2025-2026 Budget and Work Plan was considered; and

WHEREAS, at said hearing, this Commission heard and received any written protests, objections, and evidence which were made, presented, or filed, and all persons present were given the opportunity to hear and be heard in respect to any matter relating to the budget and work plan; and

WHEREAS, the Commission considered and approved the Fiscal Year 2025-2026 Proposed Budget and Work Plan at the April 17, 2025, meeting as recommended by staff and approved the Final Fiscal Year 2025-2026 Budget and Work Plan on May 15, 2025, as recommended by staff;

WHEREAS, the San Luis Obispo Local Agency Formation Commission finds that it can accomplish its legislative purpose and adopted work plan with the final budget as required by the Cortese-Knox-Hertzberg Act by Section 56381(a); and

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Local Agency Formation Commission of the County of San Luis Obispo, State of California, as follows:

1. That the Recitals set forth hereinabove are true, correct, and valid and are hereby incorporated by this reference.
2. That pursuant to Government Code Section 56381(a), the Commission hereby adopts a Final Budget and Work Plan for Fiscal Year 2025-2026 as shown in Exhibit A attached hereto. The amount charged to the Cities, Special Districts, and the County, after deducting fees from applications and using of fund balance available, is in Exhibit A attached hereto. This amount will be charged to contributing agencies based on the formula and procedure contained in the

Exhibit A

Final Proposed Budget and Work Plan



Final FY 25-26 Budget and Work Plan

Adopted May 15, 2025

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ABOUT US

Commissioners

Chair: Steve Gregory, City Member

Vice Chair: Heather Moreno, County Member

Dawn Ortiz-Legg, County Member

Ed Waage, City Member

Ed Eby, Special District Member

Navid Fardanesh, Special District Member

Dave Watson, Public Member

Alternates

Bruce Gibson, County Member

Carla Wixom, City Member

Vacant, Special District Member

Michael Drazee, Public Member

Staff

Rob Fitzroy, Executive Officer

Imelda Marquez-Vawter, Analyst

Morgan Bing, Analyst

Melissa Morris, Commission Clerk

Holly Whatley, Legal Counsel

Introduction

This document represents the Fiscal Year 2025-2026 Budget and Work Plan for the San Luis Obispo Location Agency Formation Commission.

Mission

Our mission is to serve the residents of San Luis Obispo County and the State of California by discouraging urban sprawl and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances.

Goals

LAFCO's goals are to:

- Serve the Commission, Cities, Districts, the County, and the public by providing accurate, objective, clear, and well-organized information for decision making purposes
- Process proposal applications efficiently; consistent with the Cortese-Knox-Hertzberg Act, Local Policies and Procedures, CEQA and other applicable state laws
- Prepare Sphere of Influence/Municipal Service Review updates as necessary, while working on applications and other work efforts simultaneously
- Provide the Commission with regular status reports regarding upcoming proposals, Sphere of Influence Updates, Legislative Activities, and the Budget
- Participate in CALAFCO events to improve Commission and Staff expertise
- Inform the Commission and Public regarding various local governance issues and processes by providing regular status reports and study sessions
- Monitor the new legislation that may affect LAFCO

Priorities

Our workload prioritization is as follows:

1. Process proposal applications as mandated by statute and conduct critical operations necessary for organization to function.
2. Prepare Municipal Service Reviews every five years, as mandated by statute, based on the date a Municipal Service Review was last updated.
3. Execute special work efforts as directed by the Commission.

WORK PLAN

| | | | |
|---|--------|--------|---|
| Application Processing | N/A | N/A | Ongoing, Highest Priority |
| Commission Initiatives | N/A | NA | No Active Initiatives |
| Los Osos CSD MSR | Aug-14 | Aug-19 | In Progress, ETA 2025 |
| San Simeon CSD MSR | Aug-14 | Aug-19 | On Hold - Pending Active Dissolution |
| City of Paso Robles MSR | Feb-13 | Feb-18 | In Progress, ETA 2025 |
| Coastal San Luis Resource Conservation District (RCD) MSR | Nov-14 | Nov-19 | In Progress, ETA 2025 |
| Upper Salinas-Las Tablas RCD MSR | Nov-14 | Nov-19 | In Progress, ETA 2025 |
| Santa Margarita Fire Protection District | Nov-14 | Nov-19 | In Progress, ETA 2025 |
| Garden Farms Community Water District | Nov-14 | Nov-19 | In Progress, ETA 2025 |
| Port San Luis Harbor District | Nov-14 | Nov-19 | In Progress, ETA 2025 |
| Cayucos Sanitary District | Jan-15 | Jan-20 | Initiate 2025, ETA 2026 (Pending Potential Reorg) |
| Cal Valley CSD MSR | Dec-15 | Dec-20 | In Progress, ETA 2025 |
| Independence Ranch CSD MSR | Dec-15 | Dec-20 | In Progress, ETA 2025 |
| Linne CSD MSR | Dec-15 | Dec-20 | In Progress, ETA 2025 |
| Squire Canyon CSD MSR | Dec-15 | Dec-20 | In Progress, ETA 2025 |
| Ground Squirrel Hollow CSD MSR | Dec-15 | Dec-20 | In Progress, ETA 2025 |
| Shandon-San Juan Water District MSR | Oct-16 | Oct-21 | In Progress, ETA 2025 |
| Estrella-El Pomar-Creston Water District MSR | Apr-17 | Apr-22 | In Progress, ETA 2025 |
| City of San Luis Obispo MSR | Oct-16 | Oct-21 | Initiate 2026, ETA 2026 |
| City of Morro Bay MSR | Mar-17 | Mar-22 | Initiate 2026, ETA 2026 |
| County Service Area 1 - and Nipomo Lighting District MSR | Aug-17 | Aug-22 | Initiate 2026, ETA 2027 |
| County Service Area 7 - Oak Shore MSR | Aug-17 | Aug-22 | Initiate 2026, ETA 2027 |
| County Service Area 9 - Los Osos MSR | Aug-17 | Aug-22 | Initiate 2026, ETA 2027 |
| County Service Area 10 - Cayucos MSR | Aug-17 | Aug-22 | Initiate 2026, ETA 2027 |
| County Service Area 12 - Lopez Water MSR | Aug-17 | Aug-22 | Initiate 2026, ETA 2027 |
| County Service Area 16 - Shandon MSR | Aug-17 | Aug-22 | Initiate 2026, ETA 2027 |
| County Service Area 18 - SLO Country Club MSR | Aug-17 | Aug-22 | Initiate 2026, ETA 2027 |
| County Service Area 21 - Countywide Roads MSR | Aug-17 | Aug-22 | Initiate 2026, ETA 2027 |
| County Service Area 22 - Airport Area MSR | Aug-17 | Aug-22 | Initiate 2026, ETA 2027 |
| County Service Area 23 - Santa Margarita MSR | Aug-17 | Aug-22 | Initiate 2026, ETA 2027 |
| Adelaida Cemetery District MSR | Mar-18 | Mar-23 | Initiate 2027, ETA 2027 |
| Arroyo Grande Cemetery District MSR | Mar-18 | Mar-23 | Initiate 2027, ETA 2027 |
| Atascadero Cemetery District MSR | Mar-18 | Mar-23 | Initiate 2027, ETA 2027 |
| Cambria Cemetery District MSR | Mar-18 | Mar-23 | Initiate 2027, ETA 2027 |
| Cayucos-Morro Cemetery District MSR | Mar-18 | Mar-23 | Initiate 2027, ETA 2027 |
| Pleasant Valley Cemetery District MSR | Mar-18 | Mar-23 | Initiate 2027, ETA 2027 |
| Paso Robles Cemetery District MSR | Mar-18 | Mar-23 | Initiate 2027, ETA 2027 |
| San Miguel Cemetery District MSR | Mar-18 | Mar-23 | Initiate 2027, ETA 2027 |
| Santa Margarita Cemetery District MSR | Mar-18 | Mar-23 | Initiate 2027, ETA 2027 |
| Shandon Cemetery District MSR | Mar-18 | Mar-23 | Initiate 2027, ETA 2027 |
| Templeton Cemetery District MSR | Mar-18 | Mar-23 | Initiate 2027, ETA 2027 |
| Nipomo CSD MSR | May-18 | May-23 | Initiate 2027, ETA 2027 |
| City of Pismo Beach MSR | Sep-19 | Sep-24 | Initiate 2027, ETA 2027 |
| City of Atascadero MSR | Nov-19 | Nov-24 | Initiate 2027, ETA 2027 |
| City of Arroyo Grande MSR | Jul-20 | Jul-25 | Up to Date |
| City of Grover Beach | Jul-20 | Jul-25 | Up to Date |
| South County Sanitation District | Jul-20 | Jul-25 | Up to Date |
| Oceano CSD | Jul-20 | Jul-25 | Up to Date |
| Heritage Ranch CSD MSR | Apr-23 | Apr-28 | Up to Date |
| Templeton Community Services District (CSD) MSR | Aug-23 | Aug-28 | Up to Date |
| San Miguel CSD MSR | Oct-23 | Oct-28 | Up to Date |
| Avila Beach CSD MSR | Jan-24 | Jan-29 | Up to Date |
| Cambria CSD MSR | Jan-24 | Jan-29 | Up to Date |
| Cambria Community Healthcare District MSR | May-24 | May-29 | Up to Date |

BUDGET

| | Adopted FY 24-25 | Projected Year End FY 24-25 | Proposed FY 25-26 | Increase / Decrease From FY 24-25 |
|--|------------------|--------------------------------|-------------------|--------------------------------------|
| Expenditures Summary | \$781,961 | \$781,961 | \$877,831 | 12% |
| Revenues Summary | \$781,961 | \$781,961 | \$877,831 | 12% |
| <i>Services and Supplies Expenditure Details</i> | | | | |
| Vehicle Stipend | \$5,400 | \$5,400 | \$5,400 | 0% |
| Vehicle Rental | \$500 | \$500 | \$500 | 0% |
| Computer Software | \$1,000 | \$1,000 | \$2,000 | 100% |
| Copying-Printing | \$300 | \$300 | \$300 | 0% |
| Commission Meeting Expenses | \$600 | \$745 | \$600 | 0% |
| LAFCO Insurance Policies | \$20,000 | \$18,041 | \$22,000 | 10% |
| IT Support | \$850 | \$850 | \$850 | 0% |
| Maintenance-Equipment | \$300 | \$300 | \$500 | 67% |
| Maintenance-Software | \$500 | \$657 | \$500 | 0% |
| CALAFCO/ SDRMA / Other Memberships | \$9,000 | \$7,498 | \$9,000 | 0% |
| Employee Mileage Reimbursement | \$200 | \$200 | \$200 | 0% |
| Commissioner Mileage Reimbursement | \$1,500 | \$1,500 | \$1,500 | 0% |
| Office Supplies | \$2,500 | \$3,500 | \$3,000 | 20% |
| Custodial Services | \$1,800 | \$1,800 | \$1,800 | 0% |
| County Auditor Services | \$10,000 | \$9,879 | \$10,500 | 5% |
| Legal Counsel | \$33,600 | \$33,600 | \$38,000 | 13% |
| Postage | \$1,000 | \$1,000 | \$1,000 | 0% |
| General / Commissioner Stipends | \$15,000 | \$12,206 | \$17,000 | 13% |
| Publication & Legal Notices | \$1,000 | \$1,000 | \$1,000 | 0% |
| Training | \$5,000 | \$5,000 | \$6,000 | 20% |
| Office Lease | \$42,000 | \$42,000 | \$42,000 | 0% |
| Large Equipment | \$2,000 | \$2,000 | \$3,000 | 50% |
| Small Equipment | \$600 | \$600 | \$1,000 | 67% |
| Telephone / Internet | \$3,000 | \$3,000 | \$3,000 | 0% |
| Travel Expenses | \$3,000 | \$3,000 | \$3,000 | 0% |
| <i>Services/ Supplies Subtotal</i> | <i>\$160,650</i> | <i>\$155,576</i> | <i>\$173,650</i> | <i>8%</i> |
| <i>Salary, Benefits and Taxes Expenditures</i> | | | | |
| Salaries | \$396,105 | \$401,179 | \$427,610 | 8% |
| Federal Taxes - FICA Social Security | \$21,204 | \$21,204 | \$26,509 | 25% |
| Federal Taxes - Medicare | \$4,959 | \$4,959 | \$6,200 | 25% |
| SLOCPT Pension Rate | \$112,440 | \$112,440 | \$145,904 | 30% |
| SLOCPT Pension Obligation Bond | \$19,303 | \$19,303 | \$18,358 | -5% |
| SDI/SUI Employer Contribution | \$1,500 | \$1,500 | \$0 | -100% |
| Health Insurance | \$55,800 | \$55,800 | \$69,600 | 25% |
| Deferred Compensation | \$10,000 | \$10,000 | \$10,000 | 0% |
| <i>Salary, Benefits and Taxes Subtotal</i> | <i>\$621,311</i> | <i>\$626,385</i> | <i>\$704,181</i> | <i>13%</i> |
| Total Expenditures | \$781,961 | \$781,961 | \$877,831 | 12% |
| <i>Revenues</i> | | | | |
| Interest Earned | \$9,000 | \$13,276 | \$9,000 | 0% |
| Environmental Review Fees | \$3,000 | \$3,000 | \$3,000 | 0% |
| Sphere of Influence Fees | \$3,000 | \$3,000 | \$3,000 | 0% |
| Application Processing Fees | \$24,000 | \$45,126 | \$24,000 | 0% |
| Other Revenue (Transfer of Reserves) | \$84,105 | \$58,703 | \$50,000 | -41% |
| <i>Agency Contributions</i> | | | | |
| Cities | \$219,619 | \$219,619 | \$262,944 | 20% |
| County | \$219,619 | \$219,619 | \$262,944 | 20% |
| Special Districts | \$219,619 | \$219,619 | \$262,944 | 20% |
| Total Revenue | \$781,961 | \$781,961 | \$877,831 | 12% |
| Reserves Fund Balance | \$216,768 | \$242,170 | \$192,170 | -11% |

Attachment B

County Auditor Agreement



April 1, 2025

To the Board of Directors and Management
SLO County Local Agency Formation Commission (LAFCO)

We are pleased to confirm our understanding of the terms and costs of our services under this agreement for the 2025-2026 fiscal year.

Scope of Services

We will provide the following services:

1. **General Accounting** - includes use of the County's centralized accounting system and recording of financial system entries submitted by the agency. Transactions will be reviewed for authorization by appropriate agency personnel prior to processing. In addition, access to the accounting system's financial reports will be available to the agency as needed.
2. **Accounts Payable** - includes processing payment claims by warrant or ACH. Claims will be reviewed to validate two authorized agency signers have approved the payment prior to processing, recording and mailing payments. Any invoices submitted with payment claims will be scanned and archived for retention. Review of invoices for mathematical accuracy and appropriateness of expenditure is not part of this service agreement.
3. **Accounting Support** - includes recording your Agency's budget, ensuring expenditures do not exceed authorized budget, responding to routine inquiries, working with external auditors, and replying to bank confirmations.
4. **Term** - Our services and responsibility end on June 30, 2026.

Our Responsibilities

Our responsibility is to perform the services enumerated above. We will not audit accounting entries, payment claims or budget transactions, nor will we validate the appropriateness of accounting transactions or claims for payment. Our service does not include annual preparation of 1099's or preparation of payroll reports.

Our services are not designed to detect instances of fraud, noncompliance with laws or regulations or significant errors; however, we will communicate to you any known and suspected fraud, noncompliance with laws or regulations or significant errors that come to our attention.

Your Responsibilities

You are responsible for (1) ensuring all transactions are submitted and/or approved by authorized staff, (2) reviewing all transactions prior to submittal to ensure appropriateness of the expenditure, compliance with laws or regulations and to check for significant errors and fraud, (3) retaining all source documents, and (4) providing all Board authorized budgets and budget amendments. You are encouraged to routinely provide accounting reports and payment registers to your Board for review.

You agree to inform us of significant noncompliance, fraud and/or errors immediately upon discovery.

For all services we provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual who possesses suitable skill, knowledge, and/or experience to understand the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services.

Annual Cost and Billing

The annual cost for the services identified above is \$10,215. The cost increase over the prior year is attributed to a change in the Consumer Price Index (CPI-U) of 3.4%, based on the Los Angeles-Long Beach-Anaheim region and using July as a base month. Your agency will be billed by journal entry during the first quarter of the fiscal year for the entire annual costs. A copy of the journal entry will be provided to your agency.

Agreement

We appreciate the opportunity to be of service to you and believe this letter accurately summarized the significant terms of our agreement. This letter constitutes the entire agreement regarding these services and supersedes all prior agreements.

Sincerely,



James W. Hamilton, CPA
Auditor-Controller-Treasurer-Tax Collector

Authorized Signature Director  _____ Date 3/28/25

Authorized Signature Board Chair _____ Date _____