

MEETING AGENDA



Del Norte Local Agency Formation Commission

JUNE 2, 2025 SPECIAL MEETING - 4:00 PM

Del Norte County Board of Supervisors Chambers

Flynn Center - 981 H St. Crescent City, CA 95531

1. Call to Order/Roll Call/ Commission Introductions & Appointments
 - A. Pledge of Allegiance
2. Consent Calendar
 - A. Draft March 24, 2025 Minutes (ATTACHMENT 2A)
3. Public Hearings
 - A. Del Norte County Fairgrounds Recreation and Park District approval of Resolution No.25-02 amending Resolution No. 14-12 to remove Condition #3 for reserve restriction and MSR/SOI Update, Resolution No.25-04 (ATTACHMENT 3A)
 - B. Final FY 2025-26 - Budget with Fund Balance Determination (ATTACHMENT 3B)
 - C. Proposed FY 2024-25 Budget Amendment (ATTACHMENT 3C)
4. Regular Business
 - A. Planwest Partners Contract Renewal (ATTACHMENT 4A)
 - B. Legal Counsel Services Agreement (ATTACHMENT 4B)
 - C. Current & Pending Applications (ATTACHMENT 4C)
 - D. Fees and Charges for 2025 (ATTACHMENT 4D)
5. Inquiries, Correspondence, Application Status and Referrals
 - A. Staff - The Executive Officer will provide a report of current projects, issues of interest, and pending legislation.
 - Services Updates
 - Legislative & CALAFCO Update
 - B. Commission - On their own initiative, Commission members may make brief announcements or reports on their own activities. They may ask questions for clarification, make a referral to staff or request a business matter for a future agenda per Government Code Section 54954.2 (a).
 - C. Public - Public comment on items of interest within LAFCo subject matter jurisdiction, and not otherwise appearing on the agenda. No action may be taken on any item not appearing on the agenda.
6. Adjournment

Next Meeting: July 28, 2025

DRAFT MINUTES



Del Norte Local Agency Formation Commission
MARCH 24, 2025 REGULAR MEETING - 4:00 PM
Del Norte County Board of Supervisors Chambers
Flynn Center - 981 H St. Crescent City, CA 95531

Members present: Dean Wilson (County Member & Vice Chair), Darrin Short (County Member), Jason Greenough (City Member), Isaiah Wright (City Member)

Members absent: Lyle Armstrong (Public Member) **Alternates:** Valerie Starkey (Alternate County Member), Donna DeWolf (Alternate Public Member), and Candace Tinkler (Alternate City Member).

Others present: George Williamson (Executive Officer), Jim Underwood (Legal Counsel); Geoff Antill, (Smith River FPD), Walt Lara III (Klamath FPD).

1. Call to Order/Roll Call

Commissioner Wilson called the meeting to order at 4:00 p.m. Roll call was taken. Commissioners Wilson, Short, Greenough and Wright attending for quorum.

A. Commissioner Wilson led the Pledge of Allegiance

B. Commissioner Introductions & Appointments

City Members: Isaiah Wright & Alternate Candace Tinkler

C. Certificate of Recognition: Former City Member Blake Inscore

Blake Inscore's service to both Del Norte LAFCo and CALAFCO were acknowledged by staff and the Commission.

D. Chair and Vice-Chair Appointments for 2025

Chair – Nominations opened, Motion by Commissioner Short, second by Commissioner Greenough and unanimous vote:

Public Member Lyle Armstrong was appointed as Chair for 2025

Vice-Chair Nominations opened, Motion by Commissioner Greenough, second by Commissioner Wright and unanimous vote:

County Member Dean Wilson was appointed as Vice-Chair for 2025

2. Consent Calendar

A. Draft Minutes for September 30, 2024

B. 2025 Meeting Dates

On a motion by Commissioner Short, seconded by Commissioner Greenough and carried by a 4 – 0 vote, the Commission approved the Consent Calendar.

Del Norte Local Agency Formation Commission

March 24, 2025, 4:00 pm Regular Meeting

3. Public Hearings

A. FY 2025-26 Draft Budget

Staff presented the FY 2025-26 Draft Budget, with a less than 3% increase.

On a motion by Commissioner Short, seconded by Commissioner Wright and carried by a 4 – 0 vote, the Commission approved the FY 2025-26 Draft Budget. Staff will distribute to the City and County, then schedule Final Budget for June 2, 2025, Commission meeting.

4. Regular Business

A. FY 2024-25 Mid-Year Budget Review

Staff presented the FY 2024-25 Mid-Year Budget for Commission review
Informational Item, no action needed

B. MSR/SOI Compliance Work Plan

Staff presented the MSR/SOI Compliance Work Plan noting which MSR/SOI Updates were being prepared
Informational Item, no action needed

C. Current and Future Applications

Staff noted Current and Future Applications, including annexations recently completed.
Informational Item, no action needed

5. Inquiries, Correspondence, Application Status and Referrals

A. Staff - The Executive Officer will provide a report of current projects, issues of interest, and pending legislation.

• **Klamath FPD Fire Services Planning**

Klamath Fire Protection District Board President Walt Lara III gave the Commission a staff update: District Board still working through budget issues with County Auditor assistance; working with Fire Recovery Insurance Services for call reimbursements, received two so far; CalFIRE has reimbursed the District \$ 2,700 for incident support; Yurok Tribe coordination ongoing, possible Yurok Indian Housing donation in April could include housing; Ambulance service is a District priority, could include a memorandum of understanding with Del Norte Ambulance Service.

There are 10 active volunteers with 4-6 regularly responding to calls; there has been minimal community outreach although recruitment efforts are planned for later in year; still working on strategic planning; Station updates include new doors and rotating equipment, however more upgrades needed;

Del Norte Local Agency Formation Commission

March 24, 2025, 4:00 pm Regular Meeting

participating in OSHA hazard mitigation assessment; acknowledged that the Coast Central account was funded by volunteer/ community donations.

The Commissioners thanked Walt for the update and District efforts.

- Legislative & CALAFCO Update (Letter to Commission)

Commission received brief legislative update and ongoing CALAFCO discussions.

- B. Commission - On their own initiative, Commission members may make brief announcements or reports on their own activities. They may ask questions for clarification, make a referral to staff or request a business matter for a future agenda per Government Code Section 54954.2 (a).

The County has issued a Request for Proposals to assess District Services to Sovereign Nations; Noted that tribes are expanding services in some areas and were inquiring as to the effect on County tax base; Noted emergency services response efforts, specifically ambulance services coverages.

- C. Public - Public comment on items of interest within LAFCo subject matter jurisdiction, and not otherwise appearing on the agenda. No action may be taken on any item not appearing on the agenda.

No public comment received.

6. Adjournment

Commissioner Wilson adjourned the meeting at 5:12 pm

Next Meeting: June 2, 2025 (special meeting due to Memorial Day holiday).

DEL NORTE
LOCAL AGENCY FORMATION COMMISSION
670 9th Street, Suite 202
Arcata, California 95521
TEL (707) 825-9301 FAX (707)825-9181
eo@delnortelaftco.org

AGENDA ITEM 3A

MEETING DATE: June 2 2025
TO: Del Norte Local Agency Formation Commission
FROM: George Williamson AICP, Executive Officer
SUBJECT: Amending Del Norte LAFCo County Fairgrounds Recreation and Parks District Formation Resolution 14-12, by Resolution 25-02, to Remove Condition # 3: Reserve Restriction

BACKGROUND

The Del Norte County Fairgrounds Recreation and Park District (District) is a county-wide, independent special district, formed to administer sales tax revenues for the benefit of the State of California owned Del Norte County Fairgrounds (governed by the 41st District Agricultural Association). The District contracts with the 41st District Agricultural Association to continue operating the Fairgrounds facilities and services. The 41st District Agricultural Association has requested that the State relinquish Fairgrounds ownership, but that has not happened. The District formation and sales tax, approved by Del Norte County voters in November 2014, has increased funding for the programs of the 41st District Agricultural Association, however the facilities remain State property. District funds accrued primarily through a countywide special sales tax (0.25%) approved by. The sales tax collection ended in 2022 (7 years).

The District formation, also approved by Del Norte County voters in November 2014 in conjunction with the countywide special sales tax (0.25%). This special sales tax, took effect April 1, 2015. The sales tax was a short term (7 years) revenue source and ended (sunset) in 2022. The District is governed by a five-member Board of Directors elected by Del Norte County voters. The district meets regularly in compliance with the Brown Act requirements. Meetings are noticed, records are posted regularly on the district website, and Board procedures have been developed. The District provides an oversight of how District revenues are used for continuing the programs and operations of the Del Norte County Fairgrounds. The DNCFRPD works closely with the 41st District Agricultural Association/Del Norte County Fair is determining funding priorities

The District was formed by Del Norte LAFCo, By Formation Resolution 2014-02. Condition No. 3 of that resolution allocated a portion of Countywide Del Norte County Fair sales tax revenues to a reserve fund, in addition to other coordination/funding conditions. Now that the sales tax is no longer being collected, the DNCFRPD is applying to LAFCo for condition removal.

Del Norte LAFCo has prepared a 2025 Municipal Services Reviews (MSR) Update for the District. The current District MSR, updated in 2020, included a determination (Determination # 4) that a Post Sales Tax Fairgrounds Use Funding Program be prepared to support the proposed reserve release. The 2025 MSR considers whether that determination has been satisfied.

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eo@delnortelaftco.org

DISCUSSION

For Condition 3 removal, the District was requested to prepare a five year Capital Improvement Plan (CIP) demonstrating how those funds would be administered to fund applicable County Fair facility improvements, retrofits and renovations. The Five Year CIP was prepared jointly by the District and 41st District Agricultural Association Boards, through 2 x 2 meetings comprised of two members of each board. Current and Reserve Fund balances are shown in the attached spreadsheet: DNCF RPD 5 Year CIP with Interest.

In addition to projecting five year CIP expenditures, the District was requested to project annual revenues from those investments which, based on the District's 5 Year CIP with revenues spreadsheet, come from interest from funds on account and projected revenues due to improved facilities. The District's 5 Year CIP with revenues spreadsheet is included with this staff report as Attachment A. While the interest is included, the estimated annual revenues would go to the Fair Association and are not included in the spreadsheet, which shows a deficit for FY 2028-29. District administrative costs from current budget, is also included as an annual expense.

The District's 5 Year CIP with revenues and expenses added by LAFCo staff, shows an FY 2028-29 shortfall of projected to be \$ 754,000. To balance the CIP, Parking Lot Overlay expenses that year could be reduced, the District would find new revenue sources, or, the Fair Association must allocate funds.

The District is committed to attaining grants to fund infrastructure upgrades. The Fairgrounds is the designated Emergency Shelter for the Del Norte County area, however Main Building commercial kitchen and overall updates are needed to accommodate community needs in times of disaster and meet agency standards.

The current District Municipal Services Review (MSR) was approved in 2020. A 2025 Update has been prepared, in conjunction with this application. This will include a consideration as to whether the 5-year CIP supports a revised determination (Determination # 4) that it serves as a Post Sales Tax Fairgrounds Use Funding Program, to support the proposed reserve fund release.

LAFCo must consider longer term District viability. To demonstrate that viability, the District must identify other revenue sources and/or expanded services that can be offered by Recreation and Park Districts. It seems evident that the District would likely be out of funds by the end of FY 2028-29, even if the shortfall is remedied with one of the options described above. While there is a good basis for Amending Formation Resolution 14-12, by Resolution 25-02, to Remove Condition # 3: Reserve Restriction at this time, it should be noted that the District may likely be unviable after the current CIP is completed.

California Recreation and Park District Law defines a range of services Recreation and Park Districts are authorized to offer. The District is strongly encourage to consider expanded services, if they can be supported by increased revenues.

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RECOMMENDATION

The following procedures are recommended for the Commission's consideration of this item:

- Receive report from staff;
- Open the public hearing and invite telephonic testimony; and
- Discuss item and consider removal of District Formation Resolution 14-12, Condition # 3, by approving Amended Resolution 25-02, Attachment 2 and Resolution 25- 04 for the 2025 MSR/SOI Update.

ATTACHMENTS

Attachment 1: DNCF RPD 5 Year CIP with Interest spreadsheet

Attachment 2: DNCF RPD 2025 MSR/SOI Update

Attachment 3: LAFCo Resolution 25-02

Attachment 4: LAFCo Resolution 25-04

**Del Norte County Fairgrounds Recreation and Park District
5-year Capital Improvement Program Funding Estimates**

Projects	Est. Annual Revenue FY2024-25	Estimated Expense (Fiscal Year)					5 Year Estimated Expense
		2024-25	2025-26	2026-27	2027-28	2028-29	
Electronic Reader Board	\$35,000	\$105,000					\$105,000
ADA Phase for Grandstands		\$75,000					\$75,000
Red Rover Roof		\$40,000					\$40,000
Floral Bldg ADA Bathroom		\$375,000					\$375,000
Arts & Crafts Bldg	\$30,000			\$150,000	\$15,000		\$165,000
Transformer Two			\$75,000				\$75,000
Wattsmaart Phase 1 - Indoor Lights†*		\$5,000	\$10,000				\$15,000
Wattsmaart Phase 2 - Outdoor Lights*		\$10,000	\$15,000				\$25,000
Red Rover Convert to Storage	\$25,000						\$0
Ampetheater Upgrade	\$10,000		\$50,000				\$50,000
South RV Spaces	\$4,000		\$10,000				\$10,000
Arts & Crafts Bldg Phase 2	\$30,000			\$350,000			\$350,000
Parking Lot Overlay					\$750,000	\$750,000	\$1,500,000
Main Hall Renovation - 4 Phases	\$25,000		\$200,000	\$250,000	\$500,000	\$500,000	\$1,450,000
Total estimated annual revenues **	\$159,000	\$610,000	\$360,000	\$750,000	\$1,265,000	\$1,250,000	\$4,235,000

Fund Balance (restricted & unrestricted funds)	\$3,208,239	\$2,696,569	\$2,414,431	\$1,731,009	\$505,249
Estimated Annual Expense - CIP	\$610,000	\$360,000	\$750,000	\$1,265,000	\$1,250,000
Estimated Annual Expense -Administration ***	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Estimated Interest Revenue****	\$128,330	\$107,863	\$96,577	\$69,240	\$20,210
Ending Fund Balance	\$2,696,569	\$2,414,431	\$1,731,009	\$505,249	-\$754,541

Notes

The 5 year CIP ending balance is estimated to be -\$754,541. To cover this shortfall, the CIP expenses would be reduced, the District would find new revenue sources, or, the Fair Association would allocate funds towards CIP expenses. The District is committed to attaining Grants to fund infrastructure upgrades, especially the Main Building commercial kitchen and overall updates, so it can serve the community during emergencies. The Fairgrounds is the designated Emergency Shelter for the Del Norte County area.

† Indoor lights estimated to use approximately 30,300 kWh of energy annually

* Lighting expense will Upgrade all indoor lighting in the main bldg and outdoor lighting including the Grandstands. Complete by July 2025

** Annual operations revenues projected to increase 5% annually after FY2024-25 due to upgrades & increased use. These revenues will go to the Fairgrounds budget to increase reveunue streams for operating expenses, for the Fairgrounds to become more self supporting.

*** Administrative Cost are from the current annual district budget, deducted from the CIP as an operating expense.

**** District funds invested with County LAIF program, conservatively estimated at 4% interest annually.

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RESOLUTION 25-02

**AMENDING RESOLUTION 14-02: APPROVAL TO FORM THE
DEL NORTE COUNTY FAIRGROUNDS RECREATION AND PARK DISTRICT
TO REMOVE THE RESERVE FUND CONDITION**

WHEREAS, a Resolution of Application (Resolution No. 2014-002) for the Del Norte County Fairgrounds Recreation and Park District formation, a Recreation and Park District as defined in the California Public Resources Code, Section 5780 et seq., has been filed with the Executive Officer of Del Norte LAFCo, by the Del Norte County Board of Supervisors, and said application complied with all the requirements of the law and the Commission; and

WHEREAS, as stated in Del Norte County Board of Supervisors Resolution No. 2014-002, the Del Norte County Fairgrounds Recreation and Park District would provide recreational services and opportunities for the citizens residing in the geographic region to be served and, will provide citizens the opportunity to determine and prioritize the specific recreational services they would prefer; and

WHEREAS, the territory proposed to be included in the Del Norte County Fairgrounds Recreation and Park District is coterminous with territory of the County of Del Norte; and

WHEREAS, the fundamental role of the Del Norte LAFCo is to implement the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code (GC) §56000 et seq.) consistent with local conditions and circumstances; and

WHEREAS, at the time and in the manner provided by law, the Executive Officer gave notice of the date, time, and place of a public hearing by the Commission upon said proposal; and

WHEREAS, an Initial Study has been prepared in compliance with the California Environmental Quality Act (CEQA) and based upon findings of the study a recommendation has been made that a Negative Declaration be adopted for the proposed district formation (Resolution 14-01); and

WHEREAS, the Executive Officer has reviewed the application and prepared a report including staff recommendations within the time required by law and has furnished copies of said report to the Commission and to all other persons required by law to receive it; and

WHEREAS, at a hearing on April 28, 2014 the Commission considered the proposal and the report of the Executive Officer; the factors determined to be relevant to this proposal, including, but not limited to, factors specified in GC Section 56668; and all other relevant evidence and information presented at said hearing, including the comments of all interested parties desiring to be heard; and

WHEREAS,_The District applied for removal of Condition 3, below, allocating at least 30% of annual sales tax revenue to a reserve account, until the end of sales tax collection.

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NOW, THEREFORE, the Del Norte Local Formation Commission determines the following:

- A. Resolution 25-02 amends Resolution 14-12, by deleting Condition #3 therein, and all other provisions of Resolution 14-12 remain in effect.
- B. The territory comprises all of Del Norte County and is found to be inhabited (having more than 12 registered voters) as defined by GC Section 56046.
- C. The District is called the Del Norte County Fairgrounds Recreation and Park District.
- D. Based on the evidence, analysis, and conclusions set forth in Resolution 14-02 and the Executive Officer's report, the Commission found that the reorganization serves to further the purposes of the Cortese-Knox Hertzberg Local Government Reorganization Act of 2000. This includes, but is not limited to, the following: efficiently providing government services and facilitating the orderly formation and development of local agencies based upon local conditions and circumstances. The proposal will not encourage urban sprawl and does not affect open-space and prime agricultural lands.
- E. The Commission determined, based upon the services currently provided to the affected territory, that there are no existing agencies that can feasibly provide the needed services in a more efficient and accountable manner than by formation of the Del Norte County Fairgrounds Recreation and Park District.
- F. The Commission considered the Municipal Service Review and Plan for Service for the proposed District.
- G. The Sphere of Influence is coterminous with the boundaries of the proposed District.
- H. The Commission adopted the determinations regarding consistency with LAFCo law and Commission Policies contained in the staff report for this proposal and incorporates them by reference herein.

NOW, THEREFORE BE IT RESOLVED, the Del Norte LAFCo orders the following:

- 1. The deletion of Condition # 3 from Resolution 14-12, to allow reserve funds to be used to fund the 5 Year Capital Improvement Project (CIP) included in the updated Municipal Services Review and Sphere of Influence.

CONDITIONS OF APPROVAL for formation and continued functioning of the Del Norte County Fairgrounds Recreation and Park District shall be as follows:

- 1. The formation of the Del Norte County Fairgrounds Recreation and Park District shall be contingent upon the approval of the special sales tax, not to exceed 0.25%, by two-thirds (2/3) of the votes cast by voters voting upon the measure within the proposed district boundaries.
- 2. The District shall be governed by a five-member Board of Directors elected at large by the voters of the District. The first Board shall be elected at the election for the proposed special sales tax, initial terms to be determined pursuant to Uniform District Elections Law.

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PASSED AND ADOPTED at a regular meeting of the Del Norte Local Agency Formation Commission on the 2nd of June 2025, by the following vote:

AYES:
NOES: None
ABSENT: None
ABSTAIN: None

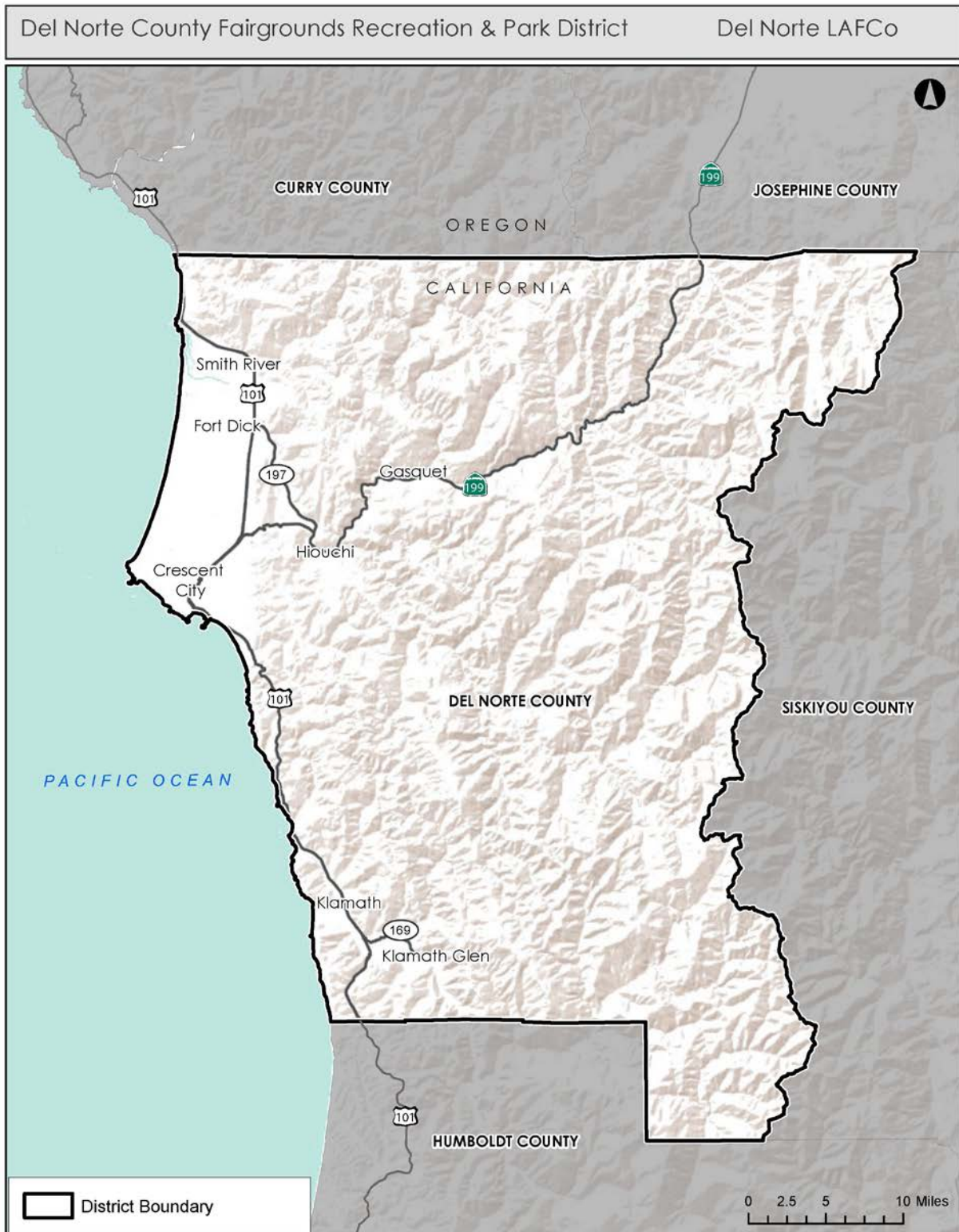
Attest:

Lyle Armstrong, Chair
Del Norte LAFCo

George Williamson, AICP, Executive Officer
Del Norte LAFCo

EXHIBIT A - DISTRICT BOUNDARY MAP

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TEL (707) 825-9301 FAX (707)825-9181
eo@delnorte.lafco.ca.gov



Municipal Service Review & Sphere of Influence Update



Commission / District Board Review Draft
May 2025



DEL NORTE LOCAL AGENCY FORMATION COMMISSION

Commissioners

Lyle Armstrong	Chair & Public Member
Dean Wilson	Vice Chair& County Member
Isaiah Wright	City Member
Darren Short	County Member
Jason Greenough	City Member
Valerie Starkey	Alternate County Member
Candace Tinkler	Alternate City Member
Donna DeWolf	Alternate Public Member

Staff

George Williamson, AICP, Executive Officer
Amber Chung, Services Analyst/Administrator
Jim Underwood, Legal Counsel
Louis Choy, GIS & Spatial Data Analyst

Acknowledgements

LAFCo staff would like to thank the contributors to this Municipal Service Review. Input instrumental in completing this report was provided by the Del Norte County Fairgrounds Recreation and Park District Finance Committee members Donna Hopkins & Michelle Camarena. & District Administrator Patti Vernelson . This report would not have been possible without their assistance.

TABLE OF CONTENTS

1.0	INTRODUCTION	2
1.1	Statutory Authority	2
1.2	Municipal Service Review and Determinations	2
1.3	Sphere of Influence Determinations.....	3
1.4	Review Methods	4
1.5	California Environmental Quality Act.....	4
2.0	AGENCY PROFILE	5
2.1	District Formation	6
2.2	Governance Structure and Administration	8
2.3	Growth and Population	8
2.4	Disadvantaged Unincorporated Communities	9
3.0	SERVICES PROVIDED.....	9
3.1	Recreation and Park Services Overview	9
3.2	Needs and Deficiencies	13
3.3	Other Service Providers.....	15
4.0	FINANCING	16
5.0	MSR DETERMINATIONS.....	15
6.0	SPHERE OF INFLUENCE DETERMINATIONS.....	21
7.0	REFERNCES	18

LIST OF FIGURES & TABLES

Figure 1: District Boundary	7
Figure 2: Del Norte County Fairgrounds Facilities and Surrounding Area	11
Figure 3: Public Facilities Serving the Fairgrounds	12
Figure 4: DNCFRPD 5 Year Capital Improvement Plan.....	15
Table 1: Del Norte County Fairgrounds Recreation and Parks District Overview	5
Table 2: Del Norte County Fairgrounds Recreation and Parks District Board of Directors	8
Table 3: Current and Projected Population in Del Norte County	9
Table 4: District Revenues and Expenditures – Three Year Summary.....	Error! Bookmark not defined.

1.0 INTRODUCTION

The Del Norte Local Agency Formation Commission (LAFCo) conducts municipal service reviews (hereafter referred to as “service reviews”) to assess existing and future public service conditions for cities and special districts within Del Norte County. This service review allows LAFCo, local agencies, and the public to better understand how public services are provided by the Del Norte County Fairgrounds Recreation and Park District. This chapter provides a background of the service review requirements and an overview of the process and methodology of the review.

1.1 Statutory Authority

The fundamental role of the Local Agency Formation Commission (LAFCo) is to implement the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) consistent with local conditions and circumstances. The major LAFCo goals, as established by the CKH Act are to:

- Encourage orderly growth and development;
- Discourage urban sprawl;
- Preserve open-space and prime agricultural lands by guiding minimizing resource loss;
- Exercise its authority to ensure that affected populations receive efficient services;
- Promote logical formation and boundary modifications that direct the burdens and benefits of additional growth to those local agencies that are best suited to provide services;
- Make studies and obtain and furnish information which will contribute to the logical and reasonable development of local agencies to provide for present and future needs;
- Establish priorities by assessing and balancing community service needs with financial resources available to secure and provide community services and to encourage government structures that reflect local circumstances, conditions and financial resources; and
- Determine whether new or existing agencies can feasibly provide needed services in a more efficient or accountable manner and, are where deemed necessary.

1.2 Municipal Service Review and Determinations

The CKH Act authorizes LAFCo to conduct comprehensive studies of the delivery of municipal services provided in the county or other area deemed appropriate by the Commission. The term “municipal services” refers to the full range of services that a public agency provides or is authorized to provide. The service review process provides LAFCo with a tool for studying existing and future public service conditions, evaluating organizational options for accommodating growth, and examining whether critical services are provided in an efficient and cost-effective manner. This includes making determinations on the adequacy, efficiency, and effectiveness of these services in relationship to local conditions and circumstances.

The service review process does not require LAFCo to initiate changes of organization based on service review findings; it only requires that LAFCo make determinations regarding the provision of public services in accordance with Government Code Section 56430. However, the service review helps to inform the sphere of influence development process with regard to identifying an appropriate and probable service area for the District. The CKH Act requires that LAFCo review municipal services before or in conjunction with updating spheres of influence and prepare a written statement of determinations with respect to seven factors:

Municipal Service Review Determinations

1. Growth and population projections for the affected area
2. The location and characteristics of any disadvantaged unincorporated communities¹ within or contiguous to the sphere
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies
4. Financial ability of agencies to provide services
5. Status of, and opportunities for, shared facilities
6. Accountability for community service needs, including governmental structure and operational efficiencies
7. Any other matter related to effective or efficient service delivery, as required by commission policy

1.3 Sphere of Influence Determinations

An SOI is a LAFCo-approved plan that designates an agency's probable physical boundary and service area. Spheres are planning tools used to provide guidance for individual boundary change proposals and are intended to encourage efficient provision of organized community services, discourage urban sprawl and premature conversion of agricultural and open space lands, and prevent overlapping jurisdictions and duplication of services.

LAFCo is required to establish SOIs for all local agencies and enact policies to promote the logical and orderly development of areas within the SOIs. Furthermore, LAFCo must update those SOIs every five years. For a SOI update, LAFCo is required to conduct an MSR and adopt related determinations. It must also make the following SOI determinations:

Sphere of Influence Determinations

1. Present and planned land uses in the area, including agricultural and open space
2. Present and probable need for public facilities and services in the area
3. Present capacity of public facilities and adequacy of public services the agency provides or is authorized to provide
4. Existence of any social or economic communities of interest in the area if the commission determines they are relevant to the agency
5. If the city or district provides water, sewer, or fire, the present and probable need for those services of any disadvantaged unincorporated communities within the existing sphere

¹ "Disadvantaged unincorporated community" means an inhabited community (12 or more registered voters) with an annual median household income that is less than 80 percent of the statewide annual median household income.

1.4 Review Methods

The following information was considered in the service review:

- Agency-specific data: responses to LAFCo Information requests, personal communications with District Finance Committee and Administrator.
- Five Year Capital Improvement Plan (CIP) prepared jointly by District and 41st DAA Fair Boards;
- Budget Information provided by County Auditor's Office;
- Updated facility improvement descriptions provided by the District;
- Population projections: Department of Finance.

Information gathered was analyzed and applied to make the required determinations for the District. All information gathered for this report is filed by LAFCo for future reference.

1.5 California Environmental Quality Act

The California Environmental Quality Act (CEQA) is contained in Public Resources Code § 21000 et seq. Public agencies are required to evaluate the potential environmental effects of their actions. MSRs are statutorily exempt from CEQA pursuant to § 15262 (feasibility or planning studies) and categorically exempt pursuant to CEQA Guidelines § 15306 (information collection). CEQA requirements are applicable to SOI Updates. The CEQA lead agency for SOI Updates is most often LAFCo, unless an agency has initiated an SOI expansion or update.

2.0 AGENCY PROFILE

The Del Norte County Fairgrounds Recreation and Park District (District) is a county-wide, independent special district. The District boundary is coterminous with the County boundary (**Figure 1**). The purpose of the District is to provide revenue to maintain and operate the Del Norte County Fairgrounds facilities and programs.

The District is governed by a five-member Board of Directors who are elected to serve four year terms. Pursuant to the Public Resources Code, recreation and park districts are authorized to: (a) organize, promote, conduct, and advertise programs of community recreation, including, but not limited to, parks and open space, parking, transportation, and other related services that improve the community's quality of life; (b) establish systems of recreation and recreation facilities, including, but not limited to, parks and open space; and (c) acquire, construct, improve, maintain, and operate recreation facilities, including, but not limited to, parks and open space, both inside and beyond the district's boundaries. The District accomplishes these purposes by contracting with the 41st District Agricultural Association to provide and maintain facilities and programs at the Del Norte County Fairgrounds.

The Fairgrounds are located at 421 Highway 101 in Crescent City, CA. The Fairgrounds site includes numerous structures, a large parking lot, rodeo arena, horse barns/arena, open space areas, and natural resource areas. In addition to the annual fair, the site facilities are used year-round by various organizations.

Table 1: Del Norte County Fairgrounds Recreation and Parks District Overview

Formation	
Agency Name	Del Norte County Fairgrounds Recreation and Park District
Formation Date	November 2014
Principal Act	Public Resources Code (PRC) Section 5780 et seq
Areas Served	County-wide
Contact	
Main Contact	Patti Vernelson, Part-time Administrator
E-mail	Patricia Vernelson plvernelson@gmail.com
District Office	421 Highway 101, Crescent City, CA 95531
Mailing Address	PO Box 402, Crescent City, CA 95531
Website	https://dncfrpd.org/
Governance	
Governing Body	Board of Directors
Board Meetings	2 nd Tuesday of the month
Staffing	Part-time Administrator

The State of California owns the Fairgrounds site and facilities, which are governed by the 41st District Agricultural Association (41st DAA) Board of Directors who are appointees of the Governor

of the State of California. The Del Norte County Fairgrounds Recreation and Park District contracts with the Del Norte County Fair 41st District Agricultural Association to continue operating the Fairgrounds facilities and services. The Fairgrounds ownership and current Fair Board have not changed as a result of District formation. The District is a conduit for funding the programs and facilities of the 41st District Agricultural Association.

2.1 District Formation

The Del Norte County Fairgrounds Recreation and Park District was formed pursuant to Public Resources Code (PRC) Section 5780 et seq in November 2014. The purpose of the district is to provide funding to maintain and operate the Del Norte County Fairgrounds programs and facilities.

Background

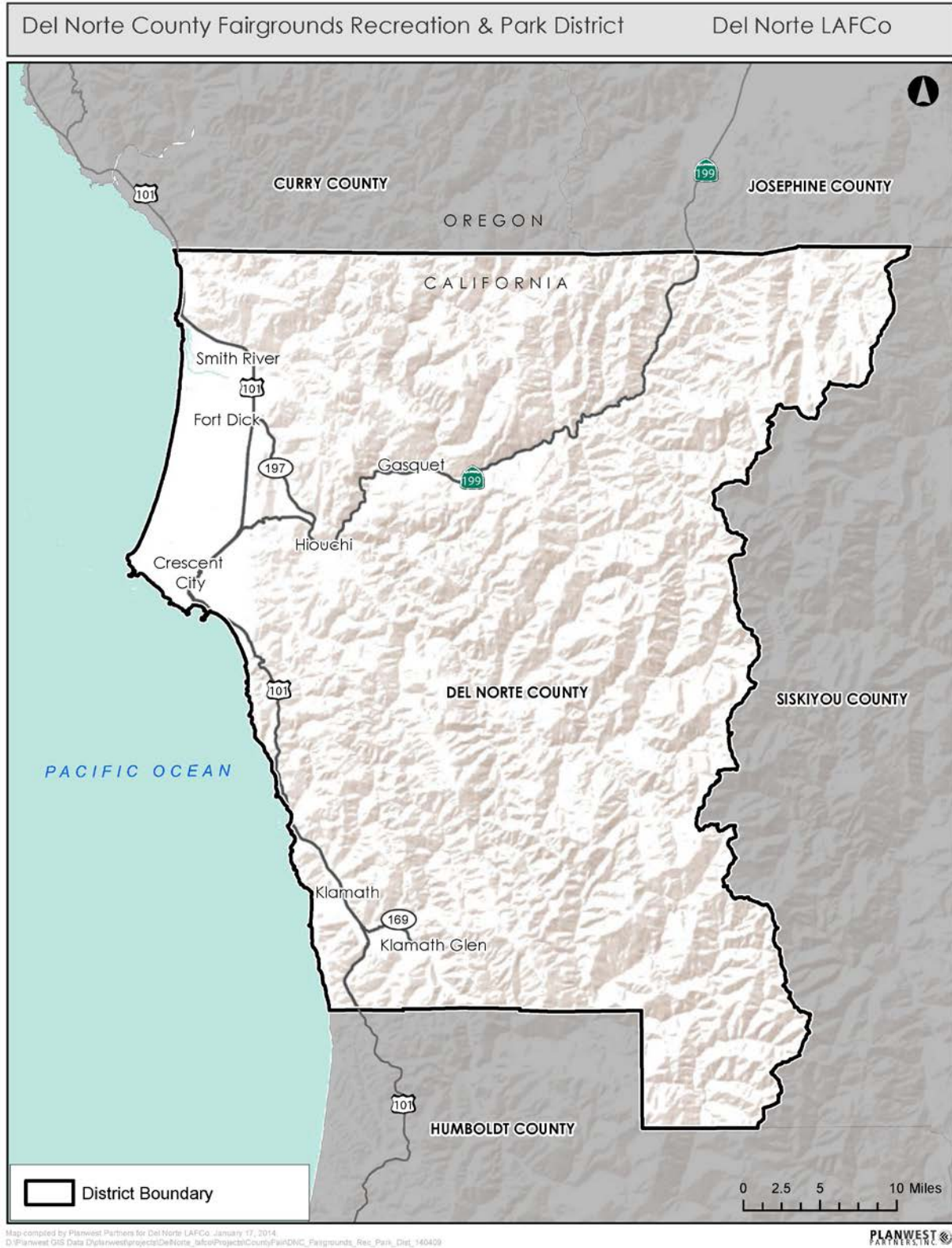
In 2011, the state eliminated about \$200,000 in funding to the 41st DAA which jeopardized the continued operation of the Fairgrounds and the County Fair. Facing a potential closure of the Fairgrounds and loss of the County Fair, various funding avenues were explored and the Board of Supervisors reached a decision to pursue creation of the Del Norte County Fairgrounds, Recreation and Parks District. District formation was contingent on voter approval of a 0.25% special sales tax (Measure F). In November 2014 Measure F was passed by the required two-thirds majority approving a 0.25% sales tax to remain in effect for seven years. The sales tax collection started on April 1, 2015. Thirty percent of the sales tax is set aside in reserve by the County to keep the Fair in operation beyond the seven years when the tax expires.

The District and the 41st DAA sought a Lease Agreement with the State of California to transfer possession, control, and management of the fairgrounds to the District. While the approval of the lease agreement was pending, the District and the 41st DAA entered a Memorandum of Understanding (MOU) for the purpose of ensuring that the fairgrounds continue as a viable resource for community events, recreational opportunities, and hosting of the annual County Fair. In 2016, the organizations learned the governor of California had declined to sign the lease agreement. As such, the MOU continued to function and allowed for the transfer of a portion of the sales tax revenue from the District to the 41st State Board in order to fund the continued operation of the fairgrounds.

District Boundary

The District's boundary and sphere of influence are coterminous with the Del Norte County boundary as shown on **Figure 1**.

Figure 1: District Boundary



2.2 Governance Structure and Administration

The District is governed by a five-member Board of Directors elected by District residents. Current Board Members are listed in **Table 2**. In addition, the Board has several committees, including the Finance Committee which prepares and presents budgets, and a part-time administrator. The District Board must meet regularly, monthly, in compliance with Brown Act requirements. Meetings are noticed, records are posted on the District website, and Board procedures have been developed.

Table 2: Del Norte County Fairgrounds Recreation and Parks District Board of Directors

Board Member	Title	Term Expiration
Doug Wakefield	President	2026
Donna Hopkins	Director	2028
Sabina Renner	Secretary	2026
Cory Countess	Director	2026
Michelle Camarena	Director	2028

The District Board provides oversight of how District revenue is used for continuing the programs and operations of the Del Norte County Fairgrounds facilities for community recreation opportunities. The District and the 41st DAA signed a Memorandum of Understanding (MOU) detailing the agreement between the two parties. The MOU purpose is to enable the District to provide funds to the 41st DAA to continue its rendering of services that constitute the provision of facilities and opportunities for community recreation.

If the District provides financial assistance, the 41st DAA must expend the funds in accordance with the conditions set forth by the District. The 41st DAA maintains sole possession and control of the Fairground premises and is responsible for the management, operation, events and activities that take place there. The MOU is in the process of being updated to more accurately reflect the relationship between the District and the 41st DAA.

2.3 Growth and Population

Del Norte County is the northernmost county on the California Coast. The County, which covers approximately 1,070 square miles, is bounded on the north by Curry County Oregon, on the east by Siskiyou County, on the south by Humboldt County and on the west by the Pacific Ocean. The District covers the entire unincorporated area of Del Norte County and the City of Crescent City. This includes the unincorporated communities of Bertsch-Oceanview, Fort Dick, Gasquet, Hiouchi, Klamath, Klamath Glen, Patrick Creek, and Smith River.

According to the U.S. Census, the total population in Del Norte County was 27,743 in 2020 and is estimated by the California Department of Finance (DOF) projections to be 26,074 in 2030, which is a population decrease. California DOF projections estimated the County population in 2020 to be 27,648, which is smaller than those projected by the US Census. DOF projections are reflected below for 2020 and 2030 (**Table 3**). It should be noted that the County population has historically fluctuated and future population increases are also likely.

Table 3: Current and Projected Population in Del Norte County

Year	Total County Population
2020	27,648
2030	26,074

Sources: U.S. Census 2020; Total Population Projections for California and Counties, Department of Finance, 2023
(<http://www.dof.ca.gov/Forecasting/Demographics/Projections/>)

Existing and Planned Land Uses

The District covers the entire unincorporated area of Del Norte County and the incorporated area of City of Crescent City. Land uses within the District boundaries are subject to the Del Norte County and Crescent City General Plans. The majority of Del Norte County is made up of public lands including Redwood State and National Parks and the Smith River National Recreation Area. Del Norte County is comprised of approximately 683,500 acres, of which approximately 192,357 acres (28 percent) are privately owned and 489,697 acres (72 percent) are publicly owned.

2.4 Disadvantaged Unincorporated Communities

LAFCo is required to evaluate water service, sewer service, and structural fire protection within disadvantaged unincorporated communities as part of this service review, including the location and characteristics of any such communities. A disadvantaged unincorporated community (DUC) is defined as any area with 12 or more registered voters where the annual median household income is less than 80% of the statewide annual median household income (pursuant to Government Code Section 56033.5 and Water Code Section 79505.5). Within a DUC, three basic services are evaluated: water, sewage, and fire protection. The District provides park and recreation services; while water, sewer, and fire protection services are provided by others.

According to the 2023 American Community Survey 5-Year Estimates, the California median household income (MHI) was \$96,334. Del Norte County had an estimated MHI of \$66,780 which is 69% of the state average MHI, thereby qualifying the area as disadvantaged.

3.0 SERVICES PROVIDED

3.1 Recreation and Park Services Overview

The Del Norte County Fairgrounds Recreation and Park District does not directly provide services directly and has an agreement with the Del Norte County Fair 41st District Agricultural Association to continue operating the Fairgrounds facilities and services. The powers and duties of recreation and park districts are defined in Public Resources Code Section 5786-5786.31. The main function of the District – to contract for services – is defined in PRC Section 5786.13 below.

Section 5786.13.

A district may contract with other public agencies to provide recreation facilities and programs of community recreation within the district's boundaries.

Other powers a recreation and park district may take on (with subsequent LAFCo powers activation approval) include, but are not limited to:

Section 5786. A district may:

- (a) Organize, promote, conduct, and advertise programs of community recreation, including, but not limited to, parks and open space, parking, transportation, and other related services that improve the community's quality of life.
- (b) Establish systems of recreation and recreation facilities, including, but not limited to, parks and open space.
- (c) Acquire, construct, improve, maintain, and operate recreation facilities, including, but not limited to, parks and open space, both inside and beyond the district's boundaries.

Section 5786.11.

- (a) A district may cooperate with any city, county, special district, school district, state agency, or federal agency to carry out the purposes and intent of this chapter. To that end, a district may enter into agreements with those other public agencies to do any and all things necessary or convenient in carrying out the purposes and intent of this chapter.
- (b) A district may jointly acquire, construct, improve, maintain, and operate recreation facilities and programs of community recreation with any other public agency. Nothing in this chapter shall be construed to prohibit any joint or cooperative action with other public agencies.

Del Norte County Fairgrounds Overview

The Del Norte County Fairgrounds encompass approximately 87.3 acres in the community of Crescent City, California, adjacent to U.S. Highway 101. The site includes a number of buildings, arenas and other structures principally intended to serve fairgrounds events as shown in **Figure 2**. The Fairgrounds accommodate a variety of non-Fair functions throughout the year, including special events.

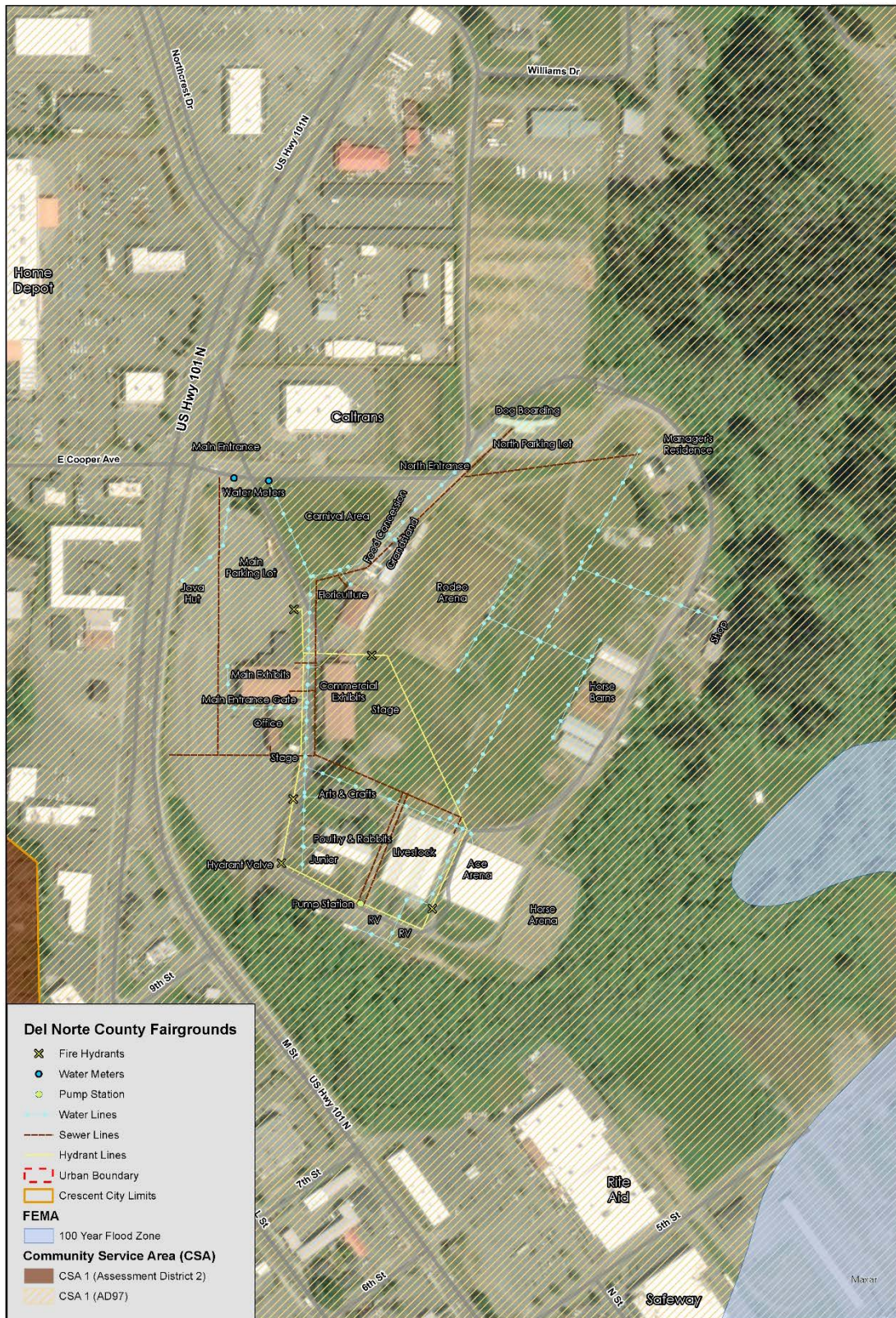
The Fairgrounds are located in the City Limits of the City of Crescent City. The city boundary is also shown in **Figure 2**. The Fairgrounds are adjacent to commercial uses bordering Highway 101.

The Fairgrounds are served by public facilities including water, sewer, and power as shown in **Figure 3**. Water and sewer lines are throughout the Fairgrounds, including covering the rodeo arena area. Fire hydrants and hydrant lines are largely concentrated in the southwest portion of the Fairgrounds.

Figure 2: Del Norte County Fairgrounds Facilities and Surrounding Area



Figure 3: Public Facilities Serving the Fairgrounds



Demand for Services

The Fairgrounds site is used for the annual County Fair, typically held over four days on the first weekend of August. In addition, the Fairgrounds accommodates a variety of non-fair functions throughout the year. According to the Strategic Plan, the annual attendance of Fairgrounds activities and events was approximately 150,000 in 2024.

The Fairgrounds facilities and buildings are used year-round by numerous organizations for small meetings and large annual events. Types of organizations/events that use the site on a regular basis include youth and adult sports leagues, political organizations, agricultural clubs, sales and auction events.

3.2 Planned Improvements and Investments

The District Board, in conjunction with the 41st DAA Fair Board, has prepared a Five Year Capital Improvement plan, as shown in **Figure 4**. This also included revenue projections accruing to the Fair and is part of a Post Sales Tax Fairgrounds Use Funding Program, prepared by the DNCFRPD & 41st DAA Board. The funding program is to upgrade the Del Norte County Fairgrounds Facility.

The following is an excerpt from a recent Board Report:

Funding Program Objectives and Implementation

According to the Board Report, The 41st District Agricultural Association and The Del Norte County Fairgrounds Recreation and Park District jointly evaluated the upcoming maintenance and operational priorities. The following is the agreed upon 5-year Capital improvement plan. A two District committee made recommendations based on need for Energy Efficiency, Safety, ADA Compliant Bathrooms and Facilities, Revenue generating projects and completion of Deferred Building Maintenance. These items are listed below, with the consideration of the possibilities of emergency repairs that could take precedence. The following are scheduled upgrades:

- Electronic Reader Board: New board to be installed for increased advertising revenue.
- Electrical Transformers: Upgrades
- RV Parking and Mini Storage - Convert two Horse barns for mini storage and indoor RV storage, with repurposing Ace Pavilion to accommodate off season RV and Boat storage.
- South RV Spaces - Upgrade by extending fence to property border, add picnic tables and install sewer. Generate guidelines for use. \$10,000
- Arts & Craft Building Upgrade: to make it a marketable venue for events including weddings, family reunions, fundraisers, funerals, birthday parties, and community events. Phase One: Replace 50 yr old heating unit, no longer functioning. Will be replaced with energy efficient unit, Upgrade Kitchen Appliances to either high end household or commercial appliances. The refrigerator will need visible thermometer monitoring for commercial. Redo flooring, Paint and freshen up bathrooms. Goal is completion for Phase One 2025/2026 Fiscal Year. Phase Two: Upgrade electrical, siding and bathrooms to ADA compliant standards and add ADA shower for emergency use.
- Grandstands: .ADA stairs and handrails for Safety and access

- Red Rover Roof replacement to maintain building use.
- Amphitheater Upgrade: Upgrade shell, provide seating for fair concerts and summer concerts/movies
- Main Hall Renovation: This is main fairgrounds building. Looking for possible grants. This building is an integral part of the emergency use plan for community emergencies.

District Board adopted Revenue Generating Objectives and implementation

Currently Funds are being invested with the County of Del Norte Treasurer. We are gaining approximately 4% on the investment of the total funds which generates approximately per year. The 41st District and the DNCFRPD met for a strategic planning session for ways to generate revenue. As the funds available are used there will be a great reduction in our interest income. It is imperative that all possible revenue generating options be considered including:

- Implement Friends of Del Norte Fairgrounds program.
- Advertising revenues from new Electronic Sign
- Market building rentals for community use and events
- Indoor RV Storage in the Ace Pavillion
- Consider another 'Measure F' in the future
- Reduce expenses with energy efficient projects
- Keep funds in current county investment program to generate interest i
- Research & Apply for Grants that can fund the infrastructure to make the fairgrounds adequate for an emergency shelter.

Improvements for Community Service Center and Emergency Shelter

The Del Norte County Fairgrounds is a designated emergency location during natural disasters. There is a need for on site kitchens to be upgraded to commercial standards. Bathrooms and shower upgrades also needed to accommodate handicap accessibility standards.

As the buildings are upgraded and offer functional kitchens and bathrooms they can be marketed as venues to accommodate events of all sizes. A marketing plan will be developed to promote the use of the fairgrounds as a desirable venue for events, offer meeting space for groups and be rented on a regular basis to generate revenue. The Fairgrounds is a ideal location for various fitness programs. There are rental spaces for a community member to offer yoga, aerobics or other group & youth fitness programs.

Figure 4: DNCFRPD 5 Year Capital Improvement Plan

5 YEAR CAPITAL IMPROVEMENT PLAN DEL NORTE COUNTY FAIRGROUNDS
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PROJECT	ESTIMATED ANNUAL REVENUE	ESTIMATED AMOUNT	2024/2025	2026	2027	2028	2029
Electronic Reader Board	\$ 35,000.00	\$ 105,000.00	\$ 105,000.00				
ADA Phase for Grandstands		\$ 75,000.00	\$ 75,000.00				
Red Rover Roof		\$ 40,000.00	\$ 40,000.00				
Floral Bldg ADA Bathroom		\$ 375,000.00	\$ 375,000.00				
Arts & Crafts Bldg	\$ 30,000.00	\$ 300,000.00			\$ 150,000.00	\$ 15,000.00	
Transformer Two		\$ 75,000.00		\$ 75,000.00			
Wattsmart Phase 1 - Indoor Lights	30,300 kWh	\$ 5,000.00	\$ 10,000.00				
Wattsmart Phase 2 - Ourdoor Lights	TBD	\$ 5,000.00	\$ 10,000.00				
Red Rover Convert to Storage	\$ 25,000.00	\$ 75,000.00					
Ampetheater Upgrade	\$ 10,000.00	\$ 50,000.00		\$ 50,000.00			
South RV Spaces	\$ 4,000.00	\$ 10,000.00		\$ 10,000.00			
Arts & Crafts Bldg Phase 2	\$ 30,000.00	\$ 350,000.00			\$ 350,000.00		
Parking Lot Overlay		\$ 1,500,000.00				\$ 750,000.00	\$ 750,000.00
Main Hall Renovation - 4 phases	\$ 25,000.00	\$ 1,450,000.00		\$ 200,000.00	\$ 250,000.00	\$ 500,000.00	\$ 500,000.00

The District still needs to continue pursuing long-term funding sources. The MOU between the District and the 41st DAA is intended to backfill operating losses, rather than fund specific projects. Funds provided by the District so far have covered operating shortfalls along with emergency and routine maintenance items. The 41st DAA Fair Board's Strategic Plan identifies minimum maintenance/ improvement projects to existing facilities needed to ensure that ongoing operations are safe and enjoyable. Fairground improvement projects would be funded by the 41st DAA.

3.3 Other Service Providers

Del Norte County includes parks, resource areas, beaches, and recreational facilities. Most of these areas are small, compared with Federal and State parks, but are strategically located to provide access and use of some of the county's most important recreational features. Del Norte County operates and maintains 24 parks and recreation facilities totaling approximately 160 acres.

The Crescent City area provides opportunities for hiking, bicycling, beach combing, commercial and recreational fishing, camping, surfing, boating, and many other activities. There are approximately 192 acres of parkland within City limits. Major recreational features located within the Crescent City area include Peterson Park, Brother Jonathan Park and Vista Point, Tetrapod Area, Beach Front Park, Cultural Center, public swimming pool, Marine Mammal Center, beach access, Harbor-City bicycle path, Citizens Dock and boat launching facilities, and the B Street Pier. There are also several camping and RV areas within the City including four privately managed and one public RV park.

In addition to County and City owned and maintained park and recreation areas, there are vast amounts of Federal and State park areas that provide recreation opportunities to residents and visitors to Del Norte County. The Smith River National Recreation Area and the National Park portion of Redwood National and State Parks make up the majority of the Federal recreations in the county. The Smith River NRA covers approximately 43 percent of Del Norte County and offers a broad range of recreation uses.

4.0 FINANCING

The District is financed primarily through a special sales tax (0.25%) applied countywide. This special sales tax was approved by Del Norte County voters in November 2014 and took effect April 1, 2015. The sales tax was a short term (7 years) revenue source ending in 2022. Additional long-term revenue sources need to be pursued. The District is eligible to apply for grants and to accept donations. Existing Fairgrounds facilities and equipment rentals and fair attendance revenues continue to be managed by the current 41st DAA Fair Board.

District administrative expenses include costs of liability insurance, part-time contract staff to coordinate and notice board meetings, prepare meeting agendas, and record minutes at District board meetings, and bookkeeping services.. A District budget overview is shown in **Table 4**. Over those three years, District contributions to Fair Operating expenses (94500) were \$ 887,000.

Table 4 Multi Year Budget

Del Norte Co. Fair Rec. & Park District Multi-Year Budgets				
Line	Reserves	FY 2022-23	FY 2023-24	FY 2024-25
	Current Reserve Funding - 30% of revenue	\$1,494,342.67	\$1,357,013.51	\$1,638,495.39
	Prior Year Reserves	\$1,625,589.85	\$1,629,495.39	\$1,578,744.59
	Total Designated Reserves	\$1,625,590.00	\$2,986,508.90	\$3,217,239.98
Line	Revenues	FY 2022-23	FY 2023-24	FY 2024-25
90010	Property Tax-Secured	\$0.00	\$0.00	\$0.00
90011	Property Tax-Supplemental	\$0.00	\$0.00	\$0.00
90020	Property Tax-Unsecured	\$0.00	\$0.00	\$0.00
90091	Yield Tax	\$0.00	\$0.00	\$0.00
90140	Special Assessment Fees	\$0.00	\$0.00	\$0.00
90300	Interest	\$77,934.00	\$116,576.00	\$105,768.00
	Total Revenue	\$77,934.00	\$116,576.00	\$105,768.00
Expenditures				
60000	Liability Insurance and WC	\$2,800.00	\$3,000.00	\$3,000.00
65000	Other Expenses Park & Rec (supplies, computer)	\$10,000.00	\$0.00	\$0.00
69000	Legal Expenses	\$10,000.00	\$1,500.00	\$0.00
69010	Professional Services, Admin	\$7,500.00	\$8,500.00	\$6,500.00
69020	Professional Services, Misc (LAFCo, Grants, Tech)	\$0.00	\$6,000.00	\$0.00
69030	Professional Services, Accounting (CSFA)	\$10,500.00	\$3,000.00	\$4,000.00
94500	Other Operating Expenditures (41st DAA)	\$224,000.00	\$300,000.00	\$363,000.00
	Total Expenditures	\$264,800.00	\$322,000.00	\$376,500.00
Cash				
	Beginning Cash	\$3,541,998.59	\$3,119,932.61	\$2,986,508.90
	Ending Cash	\$3,119,932.61	\$2,986,508.90	\$2,903,217.89
	Ending Liabilities & Fund Equity			2,986,508.90

The MOU between the District and 41st DAA outlines a process for requesting and using District funds; The request should specifically list events, available recreational programs and opportunities, and scheduled uses of facilities anticipated during the funding request period. Upon receipt of request, the District determines whether it will provide financial assistance, in what amount, and for what purposes the money may be spent by the 41st DAA. If the District provides financial assistance, the 41st DAA must expend the funds in accordance with the District conditions. The 41st DAA maintains sole possession and control of the Fairground premises and is responsible for the management, operation, events and activities that take place there. It is the District's responsibility to annually review the budget to efficiently allocate expenses and build a reserve fund. The reserve fund is established to make the District sustainable past the initial seven-year period after tax revenues were accruing. Thirty percent of annual revenue, placed in

the District's reserve fund as Condition 3 of the Del Norte LAFCo formation resolution, is now being considered for release.

The District's current and reserve fund balances are \$ 3,208,239. For Condition 3 removal, the District was requested to prepare a five-year Capital Improvement Plan (CIP) demonstrating how those funds would be administered to fund applicable County Fair facility improvements, retrofits and renovations. The Five Year CIP was prepared jointly by the District and 41st District Agricultural Association Boards.

In addition to projecting five year CIP expenditures, the District was requested to project annual revenues from those investments which, based on the 5 Year CIP, come from interest from funds on account and projected revenues due to improved facilities. While the interest is included, the estimated annual revenues would go to the Fair Association and are not included in the spreadsheet, which shows a deficit for FY 2028-29. District administrative costs from current budget, is also included as an annual expense.

The District's 5 Year CIP with revenues and expenses added by LAFCo staff, shows an FY 2028-29 shortfall of projected to be \$ 754,000. To balance the CIP, Parking Lot Overlay expenses that year would be reduced, the District must find new revenue sources, or, the Fair Association must allocate funds.

The District is committed to attaining grants to fund infrastructure upgrades. The Fairgrounds is the designated Emergency Shelter for the Del Norte County area, however adequate Main Building commercial kitchen and overall updates are needed so it can accommodate community needs in times of disaster and meet agency standards.

The current District Municipal Services Review (MSR) was approved in 2020. A 2025 Update has been prepared, in conjunction with this application. This will include a consideration as to whether the 5-year CIP supports a revised determination (Determination # 4) that it serves as a Post Sales Tax Fairgrounds Use Funding Program, to support the proposed reserve fund release.

LAFCo must consider longer term District viability. To demonstrate that viability, the District must identify other revenue sources and/or expanded services that can be offered by Recreation and Park Districts. It seems evident that the District would likely be out of funds by the end of FY 2028-29, even if the shortfall is remedied with one of the options described above. While there is a good basis for Amending Formation Resolution 14-12, by Resolution 25-12, to Remove Condition # 3: Reserve Restriction, it should be noted that the District may likely be unviable after the current CIP is completed without additional services and/or revenues.

California Recreation and Park District Law defines a range of services Recreation and Park Districts are authorized to offer. The District is strongly encouraged to consider expanded services, if they can be supported by increased revenues.

5.0 MSR DETERMINATIONS

56430(a) In order to prepare and to update spheres of influence in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission. The commission shall include in the area designated for service review the county, the region, the subregion, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to each of the following:

1) Growth and population projections for the affected area.

The District covers the entire unincorporated area of Del Norte County and the City of Crescent City. According to the U.S. Census, the total population in Del Norte County was 27,743 in 2020 and projected by the California Department of Finance to be at 26,074 in 2030. This is an approximate projected rate of decline of 0.62%.

2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere.

According to the 2023 American Community Survey 5-Year Estimates, the California median household income (MHI) was \$96,334. Del Norte County had an estimated MHI of \$66,780 which is 69% of the state average MHI, thereby qualifying the area as disadvantaged.

3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies (including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere).

The present and planned Fairgrounds capacity accommodates the annual County Fair and other regular and special events throughout the year, with annual attendance of approximately 150,000. The 41st DAA's proposed maintenance/ improvement projects improve the Fairgrounds facilities and services capacity. The District supports park and recreation services; sewer, water, and structural fire protection services within the District are provided by other agencies.

4) Financing ability of agencies to provide services.

The District was financed primarily through a countywide applied special sales tax (0.25%). This special sales tax was approved by Del Norte County voters in the November 2014. The sales tax was a short-term revenue source (7 years) and additional long-term revenue sources needs to be pursued and implemented by the District for continued operations. A reserve fund was established to make it sustainable past the initial seven-year period when sales tax revenues were accruing.

Thirty percent of annual revenue was placed in the District's reserve fund, which as of the FY 2024-25 Budget was \$1,638,495.39. The current District budget also shows \$2,986,508.90 of unrestricted cash available.

The District should continue to work with the 41st DAA to implement specific processes to follow when providing financial assistance and update the joint 41st DAA and District MOU. The 5 Year CIP included in this MSR, the District's ongoing efforts to pursue other funding sources and commitment to improving Fairgrounds for emergency response and other revenue generation community events represents a post sales tax recreational use funding program.

5) Status of and, opportunities for, shared facilities.

The District does not directly provide services and has an agreement with the Del Norte County Fair 41st District Agricultural Association to continue operating the Fairgrounds facilities and services. The Fairgrounds facilities are unique, there are no other service providers that have these types of services or a similar type of property within District boundaries. The District shares space with the Fair Board and District meetings are generally held at the Fairgrounds offices.

6) Accountability for community service needs, including governmental structure and operational efficiencies.

The District is governed by a five-member Board of Directors elected by District residents. The District Board meets regularly in compliance with Brown Act requirements. Meetings are noticed and records are posted regularly on the District website including meeting agendas, minutes, budgets, and audits. The 41st DAA maintains sole possession and control of the Fairground premises and is responsible for the management, operation, events and activities that take place there.

The District Board provides oversight of how District revenue is used for continuing the programs and operations of the Del Norte County Fairgrounds facilities for community recreation opportunities. The District and the 41st DAA signed a MOU detailing the agreement between the two parties. The MOU terms and conditions should be implemented by both organizations.

7) Any other matter related to effective or efficient service delivery, as required by commission policy.

The District and the 41st DAA signed a MOU detailing the agreements between the two parties. The MOU is structured for effective and efficient service delivery. The District, as an independent special district, is authorized to receive sales tax revenues. The 41st DAA is staffed and equipped for service delivery and this capacity is enhanced by additional revenues.

6.0 SPHERE OF INFLUENCE DETERMINATIONS

The District's sphere of influence is coterminous with District Boundaries. According to §56425(e) In determining the sphere of influence of each local agency, the commission shall consider and prepare a written statement of its determinations with respect to each of the following:

1) The present and planned land uses in the area, including agricultural and open-space lands.

The District covers the entire unincorporated area of Del Norte County and the City of Crescent City. Land uses within District boundaries are subject to the Del Norte County General Plan and Crescent City General Plan. The district largely contains resource and rural residential land. The majority of Del Norte County is made up of public lands including Redwood State and National Parks and the Smith River National Recreation Area. Little change in actual or designated land uses within the District is anticipated over the next 20 years. As the District sphere is coterminous with the District boundary and the Del Norte County boundary, there is no opportunity to expand the SOI and therefore no recommended changes.

2) The present and probable need for public facilities and services in the area.

The Fairgrounds site is used for the annual County Fair, typically held over four days on the first weekend of August. In addition, the Fairgrounds accommodates a variety of non-fair functions throughout the year. The Fairgrounds facilities and buildings are used year-round by numerous organizations for small meetings and large annual events. Types of organizations/events that use the site on a regular basis include youth and adult sports leagues, political organizations, agricultural clubs, sales and auction events.

3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

The present capacity of the Fairgrounds is sufficient to accommodate the annual County Fair and other regular and special events throughout the year. On-going maintenance/ improvement projects will improve the Fairgrounds facilities and services. The funds provide to the 41st DAA by the District have covered operating shortfalls along with emergency and routine maintenance of fairground facilities. The sales tax is a short-term revenue source and additional long-term revenue sources are under consideration by the District.

4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

The District serves the entire unincorporated area of Del Norte County and the incorporated area of Crescent City; other communities include the unincorporated communities of Bertsch-Oceanview, Fort Dick, Gasquet, Hiouchi, Klamath, Patrick Creek, and Smith River.

5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere.

The District does not provide sewer, municipal and industrial water, or structural fire protection services. The District SOI has no ability to expand due to already covering the entire County and therefore it is not proposed to be updated. The Municipal Services Review determination made for disadvantaged unincorporated communities applies to this determination as well.

7.0 REFERENCES

CA Department of Finance, 2023. Total Population Projections for California and Counties, <http://www.dof.ca.gov/Forecasting/Demographics/Projections/>

U.S. Census QuickFacts. Del Norte County, CA. <https://www.census.gov/quickfacts/fact/table/delnortecountycalifornia/PST045218#PST045218>

**DEL NORTE
LOCAL AGENCY FORMATION COMMISSION
670 9th Street, Suite 202
Arcata, California 95521
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eo@delnorte.lafco.ca.gov**

RESOLUTION 25-04

DEL NORTE COUNTY FAIRGROUNDS RECREATION AND PARK DISTRICT MSR/SOI UPDATE

WHEREAS, the Del Norte Local Agency Formation Commission, hereinafter referred to as the "Commission", is authorized to conduct municipal service reviews and establish, amend, and update spheres of influence for local governmental agencies whose jurisdictions are within Del Norte County; and

WHEREAS, the Commission conducted a municipal service review to evaluate the availability and performance of governmental services provided by del Norte County Fair Recreation and Park District, hereinafter referred to as the "District", pursuant to California Government Code Section 56430; and

WHEREAS, the Commission conducted a sphere of influence update for the District pursuant to California Government Code Section 56425; and

WHEREAS, the Commission adopted Resolution 14-02 approving the combined Municipal Service Review and Sphere of Influence Update, which included confirming the coterminous sphere of influence for the District; and

WHEREAS, revisions to the previously adopted Municipal Service Review and Sphere of Influence Update are minor technical corrections and do not include changes to the established boundary and previously adopted coterminous sphere of influence.

NOW, THEREFORE, BE IT RESOLVED by the Commission as follows:

1. The Commission, as Lead Agency, finds the revised municipal service review is exempt from further review under the California Environmental Quality Act pursuant to Title 14 California Code of Regulations Section 15306. This finding is based on the use of the municipal service review as a data collection and service evaluation study. The information contained within the municipal service review may be used to consider future actions that will be subject to additional environmental review.
2. This revised municipal service review and sphere of influence update is assigned the following distinctive short-term designation: "DNCF RPD MSR/SOI Update 2025".
3. The active powers for the District are as follows: parks and recreation.
5. Pursuant to Government Code Section 56430(a), the Commission makes the written statement of determinations included in the revised municipal service review, hereby incorporated by reference.

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BE IT FURTHER RESOLVED that the DNCF RPD MSR/SOI Update 2025 is hereby approved and incorporated herein by reference and the sphere of influence for the District is reaffirmed as coterminous to the District boundary as shown in Exhibit "A", attached hereto.

PASSED AND ADOPTED at a regular meeting of the Del Norte Local Agency Formation Commission on the 2nd of June 2025, by the following vote:

AYES:
NOES: None
ABSENT: None
ABSTAIN: None

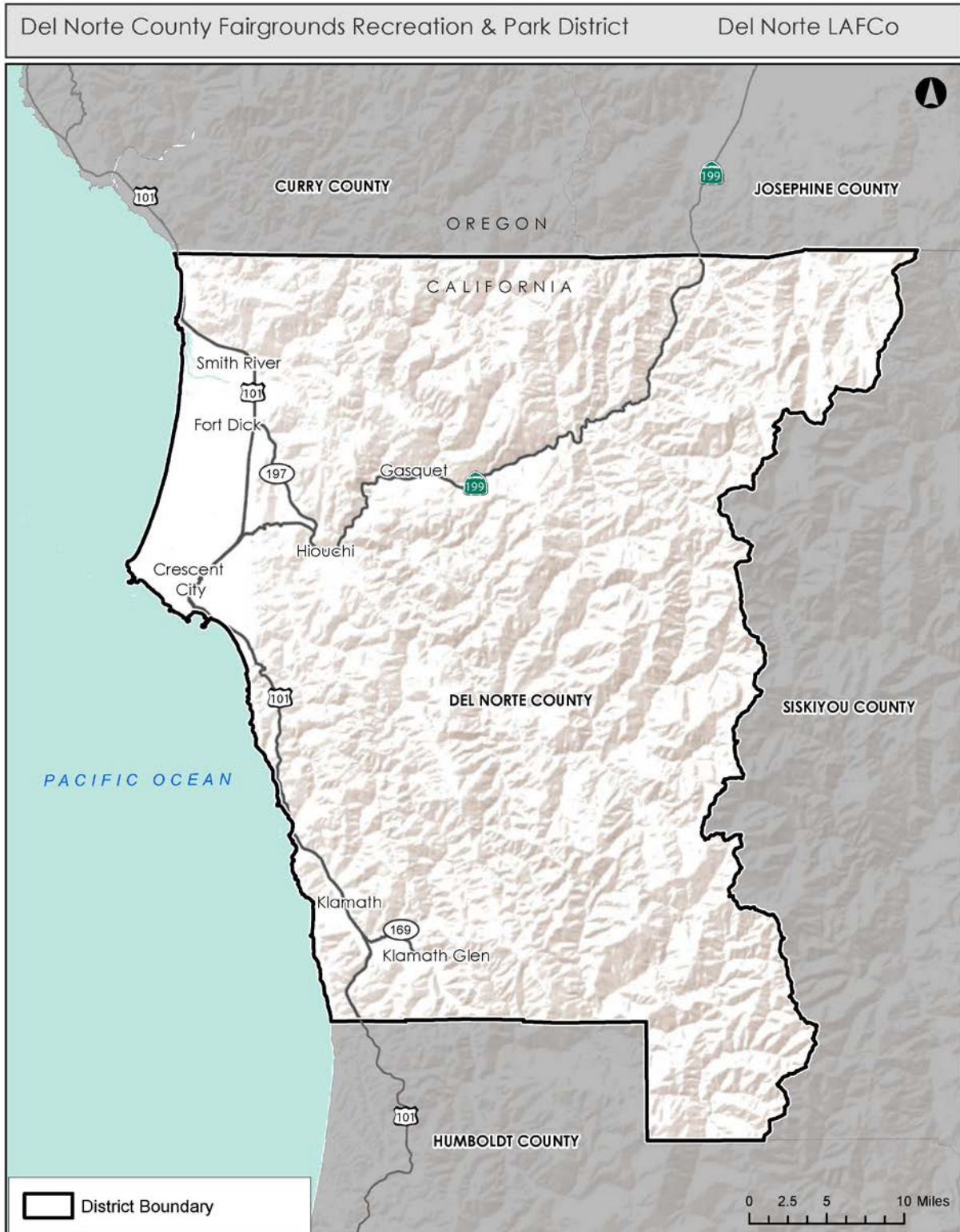
Attest:

Lyle Armstrong, Chair
Del Norte LAFCo

George Williamson, AICP, Executive Officer
Del Norte LAFCo

EXHIBIT A - DISTRICT BOUNDARY MAP

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AGENDA ITEM 3B

MEETING DATE: June 2, 2025
TO: Del Norte Local Agency Formation Commission
FROM: George Williamson AICP, Executive Officer
SUBJECT: FY 2025-26 Final Budget

DISCUSSION

The Commission approved a Draft FY 2025-26 budget at a public hearing on March 24, 2025. The increase proposed at that time was less than 3% with the following changes:

- Insurance: Increase to \$4,100.00
- CALAFCO Membership: Increase to \$1,656.00
- Professional Services (MSR/SOI Preparation): Increase to \$31,500.00
- Professional Services (Executive Officer/Admin): increase to \$50,000.00
- Travel/Training (CALAFCO Conference): decrease to \$1,500.00, however several Commissioners have expressed interest in attending the 2025 CALAFCO Conference October 22-25 at Wyndham San Diego Bayside. Travel, lodging, registration expenses are estimated to be \$ 2,500.00 per Commissioner, with the difference from reserves.

The County inquired about ways to reduce LAFCo operating expenses. One expense that has increased over the last several years is for legal counsel services, formerly offered by County Counsel, but now provided by independent counsel. This prompted contact with current County Counsel Jacqueline Roberts, who was receptive to considering reinstatement of legal services for FY 2025-26. A draft agreement to reinstate County Counsel services is attached as Agenda Item 4B for Commission consideration. If approved that would result in a Professional Services (Legal Counsel) decrease to \$6,000.00

Overall expenditures would increase to \$110,156.00. City and County contributions to be \$49,678.00 each to cover the proposed increased expenditures. This could be affected by Commission Action on the Fund Balance.

LAFCO's Fund Balance Policy 2.5.7 Fund Balance:

'The Commission shall determine the amount of an unreserved/ undesignated fund balance to be maintained, to provide for contingency needs of the Commission. If the fund balance amount exceeds the Commission's determination, near or at the end of a fiscal year, the Commission, upon recommendation of Commission staff, may use the fund balance in the next fiscal year.'

The contingency fund balance is currently at \$10,729.00. Commission Options are:

- Apply Fund balance to FY 2025-26 budget & reduce City and County contributions by approximately \$5,000.00 each;
- Keep Fund Balance at its current level with no effect on FY 2025-26 budget; or
- Determine that an increased fund balance, to approximately 20% of FY 2025-26 budget, is warranted in case of unforeseen expenses, increasing City and County contributions by approximately \$5,000.00 each.

RECOMMENDATION

The following procedures are recommended for the Commission's consideration:

- Receive verbal report from staff;
- Invite testimony; and
- Discuss item and consider action on the recommendation:
 - 1) Consider staff recommendation to maintain the Fund Balance at current level.
 - 2) Maintain current Fund Balance for FY 2025-2026 Budget from options above;
 - 3) Approve Final Budget by Resolution 25-01

ATTACHMENTS

Attachment A: Final FY 2025-2026 Budget

Attachment B: Resolution 25-01



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RESOLUTION 25-01
ADOPTING FISCAL YEAR 2025-2026 BUDGET

WHEREAS, the Del Norte Local Agency Formation Commission ("Commission") is required by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 to adopt proposed and final budgets each fiscal year; and

WHEREAS, the Commission approved the FY 3025-2026 budget on June 2 2025; and

WHEREAS, the Executive Officer prepared a draft budget for the March 24, 2025, Commission Hearing; and

WHEREAS, the budget reflects increased expenditures for Insurance, CALAFCO Membership, Professional Services (MSR/SOI Preparation and Executive Officer/Admin), Travel/Training, with a reduction in Professional Services (Legal Counsel), and;

WHEREAS, the Executive Officer's report was presented in the manner provided by law and documents a balanced budget; and

WHEREAS, the draft budget was submitted to the County of Del Norte and City of Crescent City;

WHEREAS, the Commission determined the proposed budget projects the staffing and program costs of the agency as accurately and appropriately as is possible; and

WHEREAS, the Commission considered Fund Balance options per Policy 2.5.7.

NOW, THEREFORE, BE IT RESOLVED by the Commission as follows:

1. A fund balance was determined by the Commission.
2. The Fiscal Year 2025-26 Budget as presented in Exhibit A is approved.

2. The overall operating costs provided through the amended budget will allow the Commission to fulfill its regulatory and planning responsibilities as required under Government Code Section 56381 (a).

PASSED AND ADOPTED at a meeting of the Del Norte Local Agency Formation Commission on the 2nd day of June 2025 by the following vote:

AYES:	Commissioners:
NOES:	Commissioners:
ABSENT:	Commissioners:
ABSTAIN:	Commissioners:

Lyle Armstrong, Chair

George Williamson, Executive Officer

ATTACHMENT: Exhibit A: FY 2025-26 Budget



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Del Norte LAFCo Final FY 2025-2026 Budget			
Account	EXPENDITURES	Final Yr 2024-25	Final Yr 2025 -26
Line #	SERVICES & SUPPLIES		
20150	Insurance	\$3,800.00	\$4,100.00
20200	CALAFCO Membership	\$1,603.00	\$1,656.00
20221	Printing	\$50.00	\$50.00
20223	Postage	\$50.00	\$50.00
20230	Professional Services		
	MSR/SOI Preparation	\$30,000.00	\$31,647.00
	Application Processing	\$10,000.00	\$10,000.00
20231	Prof. Serv. Exec. Officer/ Admin. **	\$49,000.00	\$50,000.00
20232	Prof. Serv. Legal Counsel	\$8,500.00	\$6,000.00
20240	Advertising/Publications	\$500.00	\$500.00
20290	Travel-Training (CALAFCO Board Mtgs/Conference)	\$2,000.00	\$1,500.00
70530	Interfund-Cost Plan (\$150/mo budget amount)	\$1,800.00	\$1,800.00
20233	Public Member Stipend (up to 6 mtgs @ \$40/mtg)	\$0.00	\$0.00
	TOTAL EXPENDITURES	\$107,303.00	\$107,303.00
	** includes Office Lease Space: 12 months @ \$350/month		
	REVENUES		
91125	Project Revenue (Application Deposit)*	\$10,000.00	\$10,000.00
90300	Interest	\$753.00	\$800.00
90780	Del Norte County	\$46,775.00	\$48,251.50
90781	City of Crescent City	\$46,775.00	\$48,251.50
07100	Funds from Account #42801007100 (CALAFCO Exp.)	\$3,000.00	\$0.00
	TOTAL REVENUES	\$107,303.00	\$107,303.00
Contingency (Unrestricted) Fund - Applied to FY 2025-26			
7100	Staff Recommendation	\$0.00	\$0.00
	FUND BALANCE		
07100	Account #42801 007 100	\$10,729.00	\$10,729.00
*Deposit paid by applicants to cover application processing. Projected amount for auditor use in issuing payment for expense claims.			



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AGENDA ITEM 3C

MEETING DATE: June 2, 2025
TO: Del Norte Local Agency Formation Commission
FROM: George Williamson AICP, Executive Officer
SUBJECT: FY 2024-25 Budget Amendment

DISCUSSION

The Commission approved a Final FY 2024-25 Budget at a public hearing on June 3, 2024. A mid year budget report was reviewed at the March 2024 Commission Meeting.

The approved total budget expenditures and revenues amount will remain the same. The proposed amendment is to transfer funds between professional services and Meetings accounts as shown below:

Account	EXPENDITURES	Final FY 2024-25 Budget	Mid-Yr 2024-25 Budget Review	FY 2024-25 Budget Amendment
20231	Prof. Serv. Exec. Officer/ Admin. **	\$49,000.00	\$35,952.05	\$53,750.00
20232	Prof. Serv. Legal Counsel	\$8,500.00	\$2,213.00	\$4,500.00
20240	Advertising/Publications	\$500.00	\$53.81	\$250.00
20290	Mtgs/Conference)	\$2,000.00	\$1,359.96	\$1,500.00

City and County contributions will not be affected.

RECOMMENDATION

The following procedures are recommended for the Commission's consideration:

- Receive verbal report from staff;
- Invite testimony; and
- Discuss item and consider action on the recommendation:
 - 1) Consider staff FY 2024-25 Budget Amendment recommendation.
 - 2) Approve FY 2024-25 Budget Amendment by Resolution 25-03

ATTACHMENTS

Resolution 25-03 - FY 2024-25 Budget Amendment



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RESOLUTION 25-03
ADOPTING FISCAL YEAR 2024-25 BUDGET AMENDMENT

WHEREAS, the Del Norte Local Agency Formation Commission ("Commission") is required by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 to adopt proposed and final budgets each fiscal year; and

WHEREAS, the Commission approved the FY 2024-25 budget on June 3, 2024; and

WHEREAS, the Commission has the authority to amend the current year budget; and

WHEREAS, the Executive Officer prepared an amended budget for the June 2, 2025, Commission Meeting; and

WHEREAS, There have been increased expenditures in the categories of, Professional Services (Executive Officer/Admin), and corresponding decreases in Professional Services (Legal Counsel) and advertising/publications; and

WHEREAS, the Executive Officer's report was presented in the manner provided by law and documents there are sufficient unrestricted funds to cover additional expenses; and

WHEREAS, the Commission heard fully and considered the Mid-year Summary an agenda item at the March 24, 2025 meeting; and

WHEREAS, the Commission determined the proposed budget projects the staffing and program costs of the agency as accurately and appropriately as is possible.

NOW, THEREFORE, BE IT RESOLVED by the Commission as follows:

1. The Fiscal Year 2024-25 Budget Amendment as presented in Exhibit A is approved.
2. The overall operating costs provided through the amended budget will allow the Commission to fulfill its regulatory and planning responsibilities as required under Government Code Section 56381 (a).

PASSED AND ADOPTED at a meeting of the Del Norte Local Agency Formation Commission on the 2nd day of June 2025 by the following vote:

AYES:	Commissioners:
NOES:	Commissioners:
ABSENT:	Commissioners:
ABSTAIN:	Commissioners:

Lyle Armstrong, Chair

George Williamson, Executive Officer

ATTACHMENT: Exhibit A: FY 2024-25 Budget Amendment



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Del Norte LAFCo FY 2024-25 Budget Review/Amendment				
Account	EXPENDITURES	Final FY 2024-25 Budget	Mid-Yr 2024-25 Budget Review	FY 2024-25 Budget Amendment
Line #	SERVICES & SUPPLIES			
20150	Insurance	\$3,800.00	\$3,714.97	\$3,800.00
20200	CALAFCO Membership	\$1,603.00	\$1,603.00	\$1,603.00
20221	Printing	\$50.00	\$0.00	\$50.00
20223	Postage	\$50.00	\$0.00	\$50.00
20230	Professional Services			
	MSR/SOI Preparation	\$30,000.00	\$10,851.25	\$30,000.00
	Application Processing	\$10,000.00	\$5,000.00	\$10,000.00
20231	Prof. Serv. Exec. Officer/ Admin. **	\$49,000.00	\$35,952.05	\$53,750.00
20232	Prof. Serv. Legal Counsel	\$8,500.00	\$2,213.00	\$4,500.00
20240	Advertising/Publications	\$500.00	\$53.81	\$250.00
20290	Mtgs/Conference)	\$2,000.00	\$1,359.96	\$1,500.00
70530	Interfund-Cost Plan (\$150/mo budget amount)	\$1,800.00	\$889.00	\$1,800.00
20233	Public Member Stipend (up to 6 mtgs @ \$40/mtg)	\$0.00	\$0.00	\$0.00
	TOTAL EXPENDITURES	\$107,303.00	\$61,637.04	\$107,303.00
	** includes Office Lease Space: 12 months @ \$350/month			
	REVENUES			
91125	Project Revenue (Application Deposit)*	\$10,000.00	\$7,500.00	\$10,000.00
90300	Interest	\$753.00	\$487.00	\$753.00
90780	Del Norte County	\$46,775.00	\$46,775.00	\$46,775.00
90781	City of Crescent City	\$46,775.00	\$46,775.00	\$46,775.00
07100	Account #42801007100 Funds (CALAFCO Exp.)	\$3,000.00		\$3,000.00
	TOTAL REVENUES	\$107,303.00	\$101,537.00	\$107,303.00
Contingency (Unrestricted) Fund				
7100				
	FUND BALANCE			
07100	Account #42801 007 100	\$10,729.00	\$10,729.00	\$10,729.00
*Deposit paid by applicants to cover application processing. Projected amount for auditor use in issuing payment for expense claims.				

ATTACHMENT 4A



PROFESSIONAL SERVICES CONTRACT - FISCAL YEAR 2025-2026

DATE: June 2, 2025
TO: Lyle Armstrong, Chair
Del Norte Local Agency Formation Commission (LAFCo)
FROM: George Williamson, AICP, Contract Executive Officer
SUBJECT: Del Norte LAFCo Agreement for Executive Officer Services

Planwest Partners Inc. is authorized to continue providing professional staffing services to Del Norte LAFCo, for Fiscal Year 2025-2026. Planwest will perform the tasks and activities for Del Norte LAFCo identified in Exhibit A, Scope of Services (attached).

All provisions of the Agreement for the Provision of Executive Officer Services for the Del Norte LAFCo remain in effect.

Lyle Armstrong, Chair
Del Norte LAFCo

Date



“EXHIBIT A” - SCOPE OF SERVICES

Task 1 Performance of Executive Officer Duties

Perform Executive Officers duties including preparing staff reports, proposed findings and other agenda materials for routine Del Norte Local Agency Formation Commission (LAFCo) activities: This includes coordinating boundary adjustment proposals; reviewing applications for provision of new and extended services outside city and district boundaries; reviewing Sphere of Influence and Municipal Service Review reports and amendments; and reviewing environmental documents for California Environmental Quality Act (CEQA) compliance, submitted by member organizations. Duties to be compensated based on Planwest Partners current rate schedule which is updated annually. Preparation of all application materials for LAFCo actions would be the responsibility of the applicant and /or member organization, or may be prepared by the Executive Officer for an additional cost paid by applicant and /or member organization.

Task 2 Develop and Implement Policies

Develop and implement policies within Del Norte LAFCo's authority under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Task 3 Maintain Website and Posting

Keep the Del Norte LAFCo website updated and make Agendas and Minutes available to the public in an electronic web-based format.

Task 4 Organization and Administration of LAFCo Business

Respond to inquiries and provide technical assistance and make information available to interested public agencies and individuals.

Task 5 Record Keeping

Distribute, file, publish and keep records of agendas, notices and other required official documents on behalf of LAFCo, and keep the Commission informed of LAFCo budget activities. Maintain an office space at 670 9th Street, Suite 202, Arcata CA, for Del Norte LAFCo files, records and storage (filing cabinets and shelving) at a cost of Three Hundred and Fifty Dollars (\$350.00) per month.

Task 6 Staff Support at Meetings

Schedule, post notices and provide staff support at up to six LAFCo meetings in accordance with the Act and LAFCo policies and procedures. Meetings may be attended remotely. Additional meeting support will be provided on a time and materials basis.

Task 7 Representation

Represent Del Norte LAFCo to CALAFCO and to various other policy-making agencies as directed by the Commission.

Task 8 Keep LAFCo Informed

Inform LAFCo of new legislation, correspondence, CALAFCO activities, current events and matters of interest related to LAFCo.

2025 Planwest Partners Inc. Rate Schedule – *Effective January 1*

PLANWEST PARTNERS HOURLY RATE SCHEDULE	
Staff Position	Rate Per Hour
Principal Planner	\$ 195.00
Senior Advisor	\$ 175.00
Senior Planner / Senior Analyst / Project Manager	\$ 160.00
GIS Manager	\$ 145.00
Associate Planner / Analyst	\$ 145.00
Assistant Planner / Services Specialist	\$ 125.00
GIS Analyst	\$ 125.00
Planning Technician	\$ 105.00
GIS Technician	\$ 105.00
Administrative Assistant	\$ 95.00
Planning Intern	\$ 85.00

Direct Expenses:

Mileage:	\$0.70 per mile or direct rental/insurance/fuel costs
Telephone-Facsimile:	applicable call costs
Printing:	direct printing costs
Binding:	\$ 1.00 per binding
Postage:	current US Postal Service rates
Label Sheets:	\$ 0.30 per sheet
Standard Envelopes:	\$ 0.05 per envelope
Flat Sized Envelopes:	\$ 0.15 per envelope

Copying and Map Plots:

8 ½" x 11" B & W copies:	\$ 0.10 per page
8 ½" x 11" color copies:	\$ 0.60 per page
11" x 17" B & W copies:	\$ 1.00 per page
11" x 17" color copies:	\$ 1.50 per page
Color Plots on bond (draft quality) roll stock (matte):	\$ 5.00 per square foot
Color Plots on Polypropylene stock (glossy):	\$ 8.00 per square foot
Color Plots on coated presentation stock:	\$ 10.00 per square foot

Rates and expenses subject to annual review and adjustment.



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AGENDA ITEM 4B

MEETING DATE: June 2, 2025
TO: Del Norte Local Agency Formation Commission
FROM: George Williamson AICP, Executive Officer
SUBJECT: Legal Counsel Services Agreement

BACKGROUND

Planwest Partners began providing Del Norte LAFCo with contract staffing services in 2008. From then until 2022, Del Norte County Counsel's office provided legal counsel services. In 2022, the County Counsel at that time decided to discontinue providing services to Del Norte LAFCo and apparently other organizations outside the County. Del Norte LAFCo issued an Request for Proposals (RFP) for independent legal counsel services. James (Jim) Underwood, principal of Underwood Law Offices, LLC, was selected due to having LAFCo experience. Jim Underwood has provided high quality legal counsel services since 2022. These services have been provided at a higher billing rate and overall cost due to travel from out of the area compared to prior County Counsel rates and expenses. The County has inquired about ways to reduce LAFCo operating expenses.

DISCUSSION

Prompted by a County inquiry on potential cost reductions, LAFCo staff contacted current County Counsel Jacqueline Roberts, who was receptive to considering reinstatement of legal services to Del Norte LAFCo for FY 2025-26. A services agreement was drafted and reviewed by both County Counsel and Del Norte LAFCo staff. The draft agreement to reinstate County Counsel services is attached for Commission consideration.

The Agreement is for legal advice and representation services ("Agreement") made as of the Agreement Date, by and between the County of Del Norte, a legal subdivision of the State of California, through its County Counsel ("Legal Counsel"), and the Del Norte Local Agency Formation Commission ("LAFCo").

If approved by the Commission, Del Norte County Counsel would provide legal counsel services to LAFCo, its officers, and contract staff as specified in the attached agreement. There would be cost savings both in terms of hourly rates (\$112.55 vs. \$185.00/per hour for independent counsel) and reduced travel time.

RECOMMENDATION

Staff recommends the Commission enter into an "Agreement for the Provision of General Counsel Services for Del Norte LAFCo" for FY 2025-2026 with the Del Norte County Counsel's office.

ATTACHMENTS

Attachment A: LAFCo- County Counsel Services Agreement - FY 2025-2026

**AGREEMENT BETWEEN DEL NORTE LOCAL AGENCY FORMATION
COMMISSION AND DEL NORTE COUNTY COUNSEL FOR LEGAL
COUNSEL SERVICES**

This Agreement for legal advice and representation services ("Agreement") is made as of the Agreement Date set forth below by and between the County of Del Norte, a legal subdivision of the State of California, through its County Counsel (hereinafter called "Legal Counsel"), and the Del Norte Local Agency Formation Commission (hereinafter called "LAFCo").

WITNESSETH:

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56380 et seq.) authorizes LAFCo to employ or contract for professional or consulting services to carry out Commission functions; and

WHEREAS, LAFCo desires the services of Legal Counsel to provide it legal advice and representation.

NOW, THEREFORE, IT IS MUTUALLY AGREED by and between parties as follows:

I. EMPLOYMENT OF LEGAL COUNSEL

LAFCo agrees to engage Legal Counsel and Legal Counsel hereby agrees to perform the services hereinafter set forth.

II. INTENT OF PARTIES

It is understood between parties that Legal Counsel will perform services as determined necessary by LAFCo's Executive Officer and the Commission.

III. SCOPE OF LEGAL COUNSEL SERVICES

Legal Counsel shall undertake the following services:

1. Legal Counsel will be on call to answer questions from LAFCo's Executive Officer and the Commission; and to perform legal advice and representation services as requested by LAFCo's Executive Officer or the Commission, on an "as-needed" basis.
2. Legal Counsel will provide regular updates to LAFCo's Executive Officer and/or the Commission regarding legal advice and representation services when requested by LAFCo's Executive Officer and/or the Commission.
3. An attorney from County Counsel's office will attend all regular LAFCo meetings, special meetings, hearings and study sessions in-person or remote with LAFCo's Executive Officer coordination.

4. Legal Counsel will review and comment on documents prepared by LAFCo staff, including: staff reports, resolutions, correspondence, administrative policies, and any other documents as requested and in a timely manner.
5. Perform other assignments directed by LAFCo's Executive Officer or the Commission within the purview of legal counsel service.

IV. ADMINISTRATOR OF AGREEMENT

LAFCo's Executive Officer is LAFCo's representative ("contract officer") for purposes of administering this Agreement. Jacqueline Roberts, is Legal Counsel's representative for purposes of administering this Agreement and is Legal Counsel's LAFCo representative and contact person.

V. LEGAL COUNSEL'S EMPLOYEES AND EQUIPMENT

Legal Counsel agrees that it has secured or will secure at its own expense all persons, employees, and equipment required to perform the services required under this Agreement and that all such services will be performed by Legal Counsel, or under Legal Counsel's supervision, by persons authorized by law to perform such services.

VI. TERM

This Agreement shall become effective upon execution by both parties and shall be in effect from July 1, 2025 to June 30, 2026. The Agreement may be extended by mutual agreement of both parties, or terminated pursuant to Sections IX or X.

VII. COMPENSATION AND MANNER OF PAYMENT

Legal Counsel will be compensated only for legal advice and representation services described in Section III above, performed at the express direction of LAFCo's Executive Officer and/or the Commission. Compensation shall include only labor and expenses, to be paid as follows:

1. Labor

Compensation for labor of personnel shall be billed in accordance with the rates listed below and shall not be amended during the term of this Agreement without the written approval of LAFCo.

\$ 117.85 per hour subject to annual review and update.

2. Expenses

Legal Counsel will also be compensated for its actual expenses incurred for materials, mileage at current IRS rates, toll calls and other expenses authorized by

LAFCo's Executive Officer and/or the Commission. Outgoing faxes will be reimbursed at \$1.00 per page and in-house photocopies will be reimbursed at \$0.20 per page. No administrative or other markup on expenses shall be charged.

3. Manner of and Maximum Payment

Payment shall be made pursuant to written invoices submitted to LAFCo's Executive Officer on a monthly basis. Claims for payment, within budgeted amount, shall be submitted to the Del Norte County Auditor within thirty (30) days of receipt of approved invoices. Such payment shall constitute full and complete payment for the invoice period.

VIII. LEGAL COUNSEL CONFLICT-OF-INTEREST

- a. Except as provided in paragraph b below, Legal Counsel agrees to not act as Legal Counsel or perform services of any kind for any LAFCo applicant without the prior written consent of LAFCo. When consent has been given, Legal Counsel shall endeavor to avoid involvement on behalf of said new client which would in any manner undermine the effective performance of services by Legal Counsel or convey, utilize, or permit to be utilized, confidential information gained through its association with LAFCo for the benefit of any other client.
- b. Legal Counsel has informed LAFCo that it provides advisory services to the County of Del Norte. Legal Counsel shall not provide other services in Del Norte County which create a conflict under the Rules of Professional Conduct or which pertain to an actual or potential application to LAFCo, without the informed, written consent of LAFCo.
- c. Legal Counsel agrees to alert every client for whom consent is required to this conflict-of-interest provision and to include language in its agreement with said client, which would enable Legal Counsel to comply fully with the terms of this Agreement.
- d. Legal Counsel shall recuse himself/herself from discussions or actions that may result in a financial benefit to him/her or to any governmental agency that he/she represents. Notwithstanding this recusal provision, at such time, if ever, LAFCo adopts a conflict-of-interest code, Legal Counsel shall complete and submit any Conflict-of-Interest Statements that may become due during the effective period of this Agreement as may be required by such code.

IX. TERMINATION OF AGREEMENT FOR CAUSE

If, through any cause, Legal Counsel shall fail to fulfill in a timely and proper manner his/her obligations under this Agreement, or if Legal Counsel shall violate any of the covenants, agreements, or stipulations of this Agreement, LAFCo shall thereupon have the right to terminate this Agreement by giving written notice to Legal Counsel of such termination and specifying the effective date thereof, at least five (5) days before the effective date of such termination. In the event that all finished or unfinished

documents, data, studies, surveys, drawings, maps, reports, and other materials prepared by Legal Counsel shall, at the option of LAFCo, become its property, and Legal Counsel shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials, not to exceed the amounts payable under Section VII above.

Notwithstanding the above, Legal Counsel shall not be relieved of liability to LAFCo for damages sustained by LAFCo by virtue of any breach of the Agreement by Legal Counsel, and LAFCo may withhold any payments to Legal Counsel for the purpose of offset until such time as the exact amount of damages due to LAFCo from Legal Counsel is determined. Legal Counsel hereby expressly waives any and all claims for damages for compensation arising under this Agreement except as set forth in this section in the event of such termination.

X. TERMINATION FOR CONVENIENCE

LAFCo reserves the right to terminate this Agreement at any time by written notice to Legal Counsel sixty (60) days prior to the date of termination thereof. LAFCo shall thereafter pay Legal Counsel for work performed to the date of termination. Such notice shall terminate this Agreement and release LAFCo from any further fee, cost, or claim hereunder by Legal Counsel other than for work performed to date of termination. In the event of termination, all finished and unfinished documents and other material shall, at the option of LAFCo, become its property.

Legal Counsel reserves the right to terminate this Agreement at any time by written notice to LAFCo sixty (60) days prior to the date of termination thereof. LAFCo shall thereafter pay Legal Counsel for work performed to the date of termination. Such notice shall terminate this Agreement and release LAFCo from any further fee, cost, or claim hereunder by Legal Counsel other than for work performed to date of termination. In the event of termination, all finished and unfinished documents and other material shall, at the option of LAFCo, become its property.

XI. INDEMNITY

Legal Counsel agrees to defend, indemnify, and hold harmless LAFCo, and its appointees, agents, employees, and officers, from any losses, damages, liabilities, claims, actions, judgments, court costs and legal or other expenses (including without limitation costs of litigation), of every nature which may arise in connection with Legal Counsel's performance under this Agreement, except claims arising out of the sole negligence or sole willful misconduct of LAFCo or its officers or employees. If any attorney is assigned by LAFCo to enforce, construe, or defend any provision of this paragraph, with or without the filing of any legal action or proceeding, Legal Counsel will pay to LAFCo, immediately upon demand, the amount of all attorneys' fees and costs incurred by LAFCo in connection therewith.

LAFCo agrees to defend, indemnify, and hold harmless Legal Counsel, and its appointees, agents, employees, and officers, from any losses, damages, liabilities, claims, actions, judgments, court costs and legal or other expenses (including without limitation costs of litigation), of every nature which may arise in connection with LAFCo's performance under this Agreement, except claims arising out of the sole negligence or sole willful misconduct of Legal Counsel or its officers or employees. If any attorney is assigned by Legal Counsel to enforce, construe, or defend any provision of this paragraph, with or without the filing of any legal action or proceeding, LAFCo will pay to Legal Counsel, immediately upon demand, the amount of all attorneys' fees and costs incurred by Legal Counsel in connection therewith.

XII. INTEREST OF LAFCO OFFICERS AND OTHERS

No officer, member, or employee of LAFCo and no member of its governing body shall participate in any decision relating to this Agreement that affects his/her personal interest, or the interest of any corporation, partnership, or association in which he/she is directly interested; nor shall any such person have any interest, direct or indirect, in this Agreement or the proceeds thereof.

XIII. FINDINGS CONFIDENTIAL

Any reports, information, data, statistics, forms, procedures, systems, studies and any other communication or form of knowledge given to or prepared or assembled by Legal Counsel under this Agreement which LAFCo requests to be kept as confidential shall not be made available to any individual or organization by Legal Counsel without prior written approval of LAFCo, unless pursuant to a valid and enforceable order of any court with jurisdiction of the matter.

XIV. OWNERSHIP, PUBLICATION, REPRODUCTION, AND USE OF MATERIAL

Any reports, information, data, statistics, forms, procedures, systems, studies and any other communication or form of knowledge given to or prepared or assembled by Legal Counsel under this Agreement which LAFCo requests to be kept as confidential shall not be made available to any individual or organization by Legal Counsel without prior written approval of LAFCo, unless pursuant to a valid and enforceable order of any court with jurisdiction of the matter.

XV. NOTICE

Any notice or notices required or permitted to be given pursuant to this Agreement may be personally served on the other party by the party giving such notice, or may be served by certified mail, postage prepaid, return receipt requested, to the following addresses:

LAFCo:	Del Norte LAFCo, Executive Officer
	670 9 th Street, Suite 202
	Arcata, CA 95521

Legal Counsel: Del Norte County Counsel
981 H Street, Suite 220
Crescent City, CA 95531

Either party may alter its address for notice under this Agreement by written notice to the other party at any time.

XVI. INDEPENDENT CONTRACTOR

Legal Counsel and any agent, subcontractor, or employee of Legal Counsel shall act in an independent capacity and not as a LAFCo officer or employee. LAFCo assumes no liability for Legal Counsel's action in performance, nor assumes responsibility for taxes, funds, payments or other commitments, implied or expressed, by or for Legal Counsel. Legal Counsel shall not have authority to act as an agent on behalf of LAFCo unless specifically authorized to do so in writing by LAFCo's Executive Officer or the Commission. Legal Counsel acknowledges that it is aware that, because it is an independent contractor, LAFCo is making no deductions from its fee and is not contributing to any fund on its behalf. Legal Counsel disclaims the right to fee or benefits except as expressly provided for in this Agreement.

Legal Counsel shall provide the services required by this Agreement and arrive at conclusions with respect to the rendition of information, advice or recommendations, independent of LAFCo control and direction, other than normal contract monitoring; provided, however, Legal Counsel shall possess no authority with respect to any LAFCo decision beyond rendition of such information, advice or recommendations unless authorized by the Executive Officer.

XVII. EQUAL OPPORTUNITY

Legal Counsel will not discriminate against any employee, or against any applicant for such employment because of age, race, color, creed, religion, sex, or national origin. This provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeships.

XVIII. SUBCONTRACTS

None of the services covered by this Agreement shall be subcontracted or assigned without the prior written consent of LAFCo, provided however, that this provision shall not apply to secretarial, clerical, routine mechanical, and similar incidental services needed by Legal Counsel to assist in the performance of this Agreement. Legal Counsel shall not hire LAFCo's employees to perform any portion of the work or services provided for herein including secretarial, clerical, and similar incidental services except upon the written approval of LAFCo. Performance of services under

this Agreement by associates or employees of Legal Counsel shall not relieve Legal Counsel from any responsibility under this Agreement.

XIX. CHANGES

LAFCo may, from time-to-time require changes in the scope of the services of Legal Counsel to be performed hereunder. Such changes, including any increase or decrease in the amount of Legal Counsel's compensation, which is mutually agreed upon by and between LAFCo and Legal Counsel, shall be effective when incorporated in written amendments to this Agreement.

XX. APPLICABLE LAW

This Agreement shall be construed and interpreted according to the laws of the State of California.

IN WITNESS WHEREOF, LAFCo and Legal Counsel have executed this Agreement as of the date first above written for Fiscal Year 2025-2026.

Del Norte LAFCO

Legal Counsel

BY _____
Executive Officer

BY _____
County Counsel

DATE _____

DATE _____



DEL NORTE LOCAL AGENCY FORMATION COMMISSION
670 9th Street, Suite 202
Arcata, California 95521
TEL (707) 825-9301 FAX (707)825-9181
eo@delnortelafo.org

AGENDA ITEM 4C

MEETING DATE: June 2, 2025
TO: Del Norte Local Agency Formation Commission
FROM: George Williamson AICP, Executive Officer
SUBJECT: Current and Future Applications

The following application(s) are currently, or recently were, active with LAFCo:

Klamath CSD Annexation & Sphere of Influence Amendment (recently completed):

LAFCo filed a Certificate of Completion for this completed annexation of territory and SOI Amendment. A State Board of Equalization (BOE) filing package was prepared and submitted in April 2025. Received receipt of confirmation from BOE representative.

Del Norte County Fair Recreation & Park District MSR Determination Revisions Application:

The DNCFRPD formation included a condition (Condition #3) that created a reserve sales tax fund until the tax is no longer being collected. The current DNCFRPD Municipal Services Review (MSR), updated in 2020, included a determination that a Post Sales Tax Fairgrounds Use Funding Program be prepared to support proposed release of sales tax reserve funds. A determination reconsideration can be done at the same time as the consideration of removing Condition #3, with a Post Sales Tax Fairgrounds Use Funding Program. The funding program would be based on an updated Del Norte County Fairgrounds Facility 5-year Capital Improvement Program and long-term funding provisions. Del Norte LAFCo staff have reviewed a new 5-year Capital Improvement Plan and post-5 year funding to allocate funds for Commission's determination review. A public hearing for this application is scheduled for the June 2, 2025 Commission meeting.

Del Norte Resource Conservation District (RCD) SOI Amendment:

The Del Norte RCD has submitted an application to LAFCo to amend its SOI to include the entire County. Staff is working on preparing an updated MSR/SOI to support the sphere amendment. Once complete, it's anticipated the RCD will submit an application for annexation of territory.

The following application(s) are expected to become active with LAFCo in the near future:

HRC CSD Annexation - Jed Smith Homeowners Association (HOA)

HRC CSD may be considering an annexation proposal to extend water services to the HOA, within the Districts SOI. This is contingent on a State Water Resources Control Board funded Preliminary Engineering Report (PER) for potential water system consolidation. If the application is filed, the CSD MSR to be updated as well once. Del Norte LAFCo staff is expecting the draft PER. Once it's been received, staff will provide comments & return to project engineer.



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Arcata, California 95521
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eo@delnortelaftco.org

AGENDA ITEM 4D

MEETING DATE: June 2, 2025
TO: Del Norte Local Agency Formation Commission
FROM: George Williamson AICP, Executive Officer
SUBJECT: Fees & Charges - 2025

BACKGROUND

Government Code Section 56383 authorizes LAFCOs to recover costs by charging fees, provided they do not exceed the actual cost of providing those services for which the fee is charged. LAFCo collects application fees in the form of deposits for review of boundary changes, sphere of influence amendments, out-of-boundary service extensions, and other applications that may come before LAFCo. Upon completion of the application, staff conducts cost-accounting to reflect the actual application processing costs. Should the actual cost be less than the deposit, the difference is refunded to the applicant. Should the cost exceed the deposit, the applicant is notified that an additional deposit is required.

Del Norte LAFCo Policy 2.5.8 Fees

Each year, as part of the budget process, the Commission will review fees proposed by staff and adopt a fee schedule, for the purpose of recovering costs associated with proceedings taken pursuant to the Cortese-Knox-Hertzberg Act. With notice, the Commission may change fee amount charged at any time.

DISCUSSION

Staff is recommending that deposit amounts be adjusted for certain proposals in order to eliminate the need to request additional funds from applicants and ensure adequate support and services continue to be provided by staff. As with the current cost accounting practice, any unexpended portion of the deposit will be returned to applicants upon completion of the proceedings. The proposed Schedule of Fees and Deposits with updated application amounts is attached as Attachment A.

RECOMMENDATION

Staff recommends the Commission adopt the fees and charge schedule for 2025.

ATTACHMENTS

Attachment A: Fees & Charges - 2025



Del Norte
Local Agency Formation Commission
2025 Schedule of Fees and Deposits
 (All fees are initial deposits, unless otherwise noted)

LAFCo policy is full cost recovery for application processing activities, which includes review, analysis, noticing, report preparation, and public hearings. Initial deposits and related costs are listed below

Annexation of single-family residence for reasons of public health and safety	\$1,000
Annexation/ Detachment/ Reorganization	\$3,500 + CEQA & BOE fees
Consolidation/ Dissolution	\$2,500 + CEQA & BOE fees
District Formation	\$5,000 + CEQA & BOE fees
Out of Agency Service Contract Request	\$900.00
Incorporation	\$15,000 + CEQA & BOE fees
Reconsideration of a LAFCo Determination	\$1,000
Sphere of Influence Amendment	\$1,500
Activation of Latent Powers	\$1,000

Miscellaneous Costs

Pre-Application Consultation	No charge limited to one hour of staff time, then actual cost
Special Meetings	\$400 Deposit towards Total Cost
Copies of Staff Reports & Other Documents	\$0.10/page

Deposits: All deposits are initial payments toward actual proposal processing costs ("project costs") to be paid at the time an application is submitted. Project cost is defined

as staff time plus materials. Staff work time, which includes overhead costs, is tracked on an hourly basis. Materials include, but are not limited to, charges for advertisement of hearings, as well as fees charged for project reviews by affected agencies.

Staff time will be monitored against the deposits on file with LAFCo. If actual costs exceed the deposit amount, LAFCo will invoice the applicant for the additional costs. Processing of the application may be suspended until payment is received. All final bills must be paid by the applicant prior to filing of the Certificate of Completion. Any portion of the deposit not used for processing is refunded after LAFCo completes its final filings.

Legal Counsel Fees: Applicants will be charged the actual costs of fees associated with legal consultation or review.

Environmental Document (CEQA) Fees: When LAFCo is the lead agency environmental document preparation and associated California Department of Fish and Wildlife and County filing fees shall be paid by the applicant.

State Board of Equalization Fees: Applicants are also responsible for payment of appropriate State Board of Equalization (BOE) fees. A schedule of processing fees for the BOE is available from LAFCo staff.

Outside Assistance Fees: If the Executive Officer determines that the processing of an application requires LAFCo to contract with another agency, private firm, or individual for services that are beyond the normal scope of LAFCo staff work (e.g., drafting of an Environmental Impact Report or Comprehensive Fiscal Analysis), the applicant shall be responsible for all costs associated with that contract or service. The applicant shall provide LAFCo with a deposit sufficient to cover the cost of the contract or an amount determined by the Executive Officer to be a reasonable estimate of the costs.

Waiver of Fees: The Commission may waive a fee in special circumstances or if it finds that payment would be detrimental or contrary to the public interest. Fees may be waived or reduced for applications filed in response to a condition imposed by or a recommendation made by the Commission. A request for waiver, including an explanation for the request, must be submitted in writing to the Commission. Staff will present the request to the Commission, along with analysis and recommendation, for its determination.