

## M E M O R A N D U M

TO: Local Agency Formation Commission

FROM: Stephen Lucas, Executive Officer

SUBJECT: **Agenda Item 3.1 – Amendment to Single Flat Hourly Rate Based Upon the Employment Cost Index**

DATE: May 10, 2022 for Meeting of June 2, 2022

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### Summary

At its meeting on May 3, 2012, the Commission adopted Resolution No. 21 2011/12 approving a revision to current staff charge-out rates, reflecting a single flat hourly rate of \$146 per hour and to implement application of an annual cost escalator ensuring that the hourly charge-out rate be continuously adjusted for inflation on July 1st of each calendar year based on the latest released data from the *Employment Cost Index (Not Seasonally Adjusted, State and Local Government Employees, Index Workers, All Employees)*, as published by the U.S. Department of Labor, Bureau of Labor Statistics.

On Friday, April 29, 2022, the latest data from the *Employment Cost Index (Not Seasonally Adjusted, State and Local Government Employees, Index Workers, All Employees)*, as published by the U.S. Department of Labor, Bureau of Labor Statistics was released and is as follows:

<b>Employment Cost Index</b> <b>U.S. Department of Labor, Bureau of Statistics</b> <i>(Data Released on April 29, 2022)</i>		
Year	First Quarter (March 2022)	% Increase
2022	140.0	3.1

In pursuing the Commission's direction, staff has determined that the Index' percentage between the First Quarter of 2021 and the First Quarter of 2022 results in a 3.1% increase. The table below reflects the current single flat hourly rate, along with a calculated percentage increase of 3.1% (rounded to the nearest dollar), as reflected within the Employment Cost Index.

Current Rate	2021/22 (First Quarter)	
	Percentage	Adjusted Rate
173.00	3.1	178.00

### ACTION REQUESTED:

Adopt Resolution No. 22 2021/22 approving an amendment to the current single flat hourly rate from \$173/hour to \$178/hour.

Attachment: Resolution No. 22 2021/22

**RESOLUTION NO. 22 2021/22**

**A RESOLUTION OF THE BUTTE LOCAL AGENCY FORMATION COMMISSION  
IMPLEMENTING AN ANNUAL ADJUSTMENT  
TO THE LAFCO STAFF HOURLY CHARGE-OUT RATE  
BASED UPON EMPLOYMENT COST INDEX**

**RESOLVED**, by the Local Agency Formation Commission of the County of Butte, State of California, that

**WHEREAS**, the Butte Local Agency Formation Commission is an independent agency under the provisions of Government Code §56000 et seq.; and

**WHEREAS**, the Butte Local Agency Formation Commission, pursuant to Government Code §56383 and Government Code §66016 adopted Resolution 03 2007/08 establishing hourly charge-out rates consistent with an approved Hourly Fee Study; and

**WHEREAS**, the Butte Local Agency Formation Commission determined at their meeting of October 4, 2007, that LAFCO staff hourly charge-out rates should be adjusted annually to keep pace with inflationary movements of the economy; and

**WHEREAS**, the Butte Local Agency Formation Commission at their meeting of October 4, 2007 adopted Resolution No. 04 2007/08 implementing an annual adjustment beginning each fiscal year with 2008 to the LAFCO staff hourly charge-out rate based on the latest released data from the *Employment Cost Index (Not Seasonally Adjusted, State and Local Government Employees, Index Workers, All Employees)*, as published by the U.S. Department of Labor's Bureau of Labor Statistics.

**WHEREAS**, the Butte Local Agency Formation Commission determined at their meeting of May 4, 2012, that LAFCO Staff hourly charge-out rates should be amended to create a single flat hourly rate to be applied to all billable projects; and

**WHEREAS**, the Butte Local Agency Formation Commission at their meeting on May 4, 2012 adopted Resolution No. 21 2011/12 implementing an annual adjustment be continued to be applied beginning each fiscal year based on the latest released data from the *Employment Cost Index (Not Seasonally Adjusted, State and Local Government Employees, Index Workers, All Employees)*, as published by the U.S. Department of Labor's Bureau of Labor Statistics.

**WHEREAS**, the increase in the single flat hourly rate does not exceed the estimated reasonable costs of providing the services in accordance with Government Code §66013 and 66014; and

**WHEREAS**, the proposed increase in the single flat hourly rate does not constitute a project as defined by §15378(b)(4) of the California Environmental Quality Act Guidelines; and

**WHEREAS**, the proposed increase in the single flat hourly rate was duly noticed in the Chico Enterprise Record/Oroville Mercury Register on May 18, 2022; and

**WHEREAS**, the Commission held a public hearing on amending the single flat hourly charge-out rate on June 2, 2022; and

**RESOLUTION NO. 22 2021/22**

**WHEREAS**, the Commission considered written and verbal comments from the public and made amendments to the fee schedule as deemed appropriate by the Commission.

**NOW, THEREFORE, BE IT RESOLVED** that the Butte Local Agency Formation Commission, amend the single flat hourly rate based on latest released data from the *Employment Cost Index (Not Seasonally Adjusted, State and Local Government Employees, Index Workers, All Employees)*, as published by the U.S. Department of Labor’s Bureau of Labor Statistics.

**BE IT FURTHER RESOLVED**, that the LAFCO staff hourly charge-out rate be rounded to the nearest dollar and become effective sixty (60) days from the date of adoption of this Resolution:

	<b>2021/22 (First Quarter)</b>	
<b>Current Rate</b>	<b>Percentage</b>	<b>Adjusted Rate</b>
173.00	3.1	175.00

**PASSED AND ADOPTED** by the Butte Local Agency Formation Commission on this 2nd day of June 2022, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

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**BILL CONNELLY**, Chair  
Butte Local Agency Formation Commission

**ATTEST:**

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Clerk of the Commission