

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

TO: Local Agency Formation Commission

FROM: Stephen A. Lucas, Executive Officer  
Jill Broderon, Management Analyst

SUBJECT: **Agenda Item 3.2 – Amendment to Single Flat Hourly Rate Based Upon the Employment Cost Index**

DATE: May 25, 2018 for Meeting of June 7, 2018

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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 27, 2018, 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 27, 2018)</i>		
Year	First Quarter (January - March)	% Increase
2018	127.0	1.8

In pursuing the Commission's direction, staff has determined that the Index' percentage between the First Quarter of 2017 and the First Quarter of 2018 results in a 1.8% increase. The table below reflects the current single flat hourly rate, along with a calculated percentage increase of 1.8% (rounded to the nearest dollar), as reflected within the Employment Cost Index

Current Rate	2017/18 (First Quarter)	
	Percentage	Adjusted Rate
159.00	1.8	162.00

### ACTION REQUESTED:

Adopt Resolution No. 14 2017/18 approving an amendment to the current single flat hourly rate from \$159/hour to \$162/hour.

Attachment: Resolution No. 14 2017/18

**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 25, 2018; and

**RESOLUTION NO. 14 2017/18**

**WHEREAS**, the Commission held a public hearing on amending the single flat hourly charge-out rate on June 7, 2018; and

**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>2017/18 (First Quarter)</b>	
<b>Current Rate</b>	<b>Percentage</b>	<b>Adjusted Rate</b>
159.00	1.8	162.00

**PASSED AND ADOPTED** by the Butte Local Agency Formation Commission on this 7th day of June 2018, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

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**CARL LEVERENZ**, Chair  
Butte Local Agency Formation Commission

**ATTEST:**

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Clerk of the Commission