

## 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 3.1 – Amendment to Single Flat Hourly Rate Based Upon the Employment Cost Index**

DATE: May 9, 2013 for Meeting of June 6, 2013

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### Summary

During last years' budget process, the Budget Committee proposed a single flat hourly rate to be established replacing existing individual staff rates. 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 Tuesday, April 30, 2013, 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 U.S. Department of Labor, Bureau of Statistics (Data Released on April 30, 2013)</b>		
<b>Year</b>	<b>First Quarter (January - March)</b>	<b>% Increase</b>
2010	112.7	
2011	114.1	1.4
2012	115.2	1.1
2013	116.4	1.2

In pursuing the Commission's direction, staff has determined that the Index' percentage between the First Quarter of 2012 and the First Quarter of 2013 results in a 1.2% increase. The table below reflects the current single flat hourly rate, along with a calculated percentage increase of 1.2%, as reflected within the Employment Cost Index.

		<b>2013/14 (First Quarter)</b>
<b>Current Rate</b>	<b>Percentage</b>	<b>Adjusted Rate</b>
146.00	1.2	148.00

**ACTION REQUESTED:**

Adopt Resolution No. 22 2012/13 approving an amendment to the current single flat hourly rate from \$146/hour to \$148/hour.

Attachment

1. Resolution No. 22 2011/12

DRAFT

**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, Gridley Herald, and the Paradise Post on May 15, 2013; and

**RESOLUTION NO. 22 2012/13**

**WHEREAS**, the Commission held a public hearing on the review of individual staff hourly charge out rates and to create a new, single flat hourly rate for all billable projects on June 6, 2013; 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 rates be rounded to the nearest dollar and become effective sixty (60) days from the date of adoption of this Resolution:

	<b>2013/14 (First Quarter)</b>	
<b>Current Rate</b>	<b>Percentage</b>	<b>Adjusted Rate</b>
146.00	1.2	148.00

**PASSED AND ADOPTED** by the Butte Local Agency Formation Commission on this 6<sup>th</sup> day of June 2013, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

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