

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 19, 2017 for Meeting of June 1, 2017

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 28, 2017, 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:

| Employment Cost Index U.S. Department of Labor, Bureau of Statistics (Data Released on April 29, 2017) | | |
|---|--|-------------------|
| Year | First Quarter (January - March) | % Increase |
| 2010 | 112.7 | |
| 2011 | 114.1 | 1.4 |
| 2012 | 115.2 | 1.1 |
| 2013 | 116.4 | 1.2 |
| 2014 | 117.8 | 1.2 |
| 2015 | 119.9 | 1.8 |
| 2016 | 122.0 | 1.8 |
| 2017 | 124.7 | 2.2 |

In pursuing the Commission's direction, staff has determined that the Index' percentage between the First Quarter of 2016 and the First Quarter of 2017 results in a 2.2% increase. The table below reflects the current single flat hourly rate, along with a calculated percentage increase of 2.2% (rounded to the nearest dollar), as reflected within the Employment Cost Index.

| 2016/17 (First Quarter) | | |
|------------------------------------|-------------------|----------------------|
| Current Rate | Percentage | Adjusted Rate |
| 156.00 | 2.2 | 159.00 |

ACTION REQUESTED:

Adopt Resolution No. 16 2016/17 approving an amendment to the current single flat hourly rate from \$156/hour to \$159/hour.

Attachment

1. Resolution No. 16 2016/17

**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 19, 2017; and

RESOLUTION NO. 16 2016/17

WHEREAS, the Commission held a public hearing on amending the single flat hourly charge-out rate on June 1, 2017; 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:

| | 2016/17 (First Quarter) | |
|---------------------|------------------------------------|----------------------|
| Current Rate | Percentage | Adjusted Rate |
| 156.00 | 2.2 | 159.00 |

PASSED AND ADOPTED by the Butte Local Agency Formation Commission on this 1st day of June 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CARL LEVERENZ, Chair
Butte Local Agency Formation Commission

ATTEST:

Clerk of the Commission