

# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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**DATE:** APRIL 8, 2015

**FROM:** KATHLEEN ROLLINGS-McDONALD, Executive Officer  
MICHAEL TUERPE, Project Manager

**TO:** LOCAL AGENCY FORMATION COMMISSION



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**SUBJECT:** AGENDA ITEM #6 –Review of Proposed Budget for Fiscal  
Year 2015-16

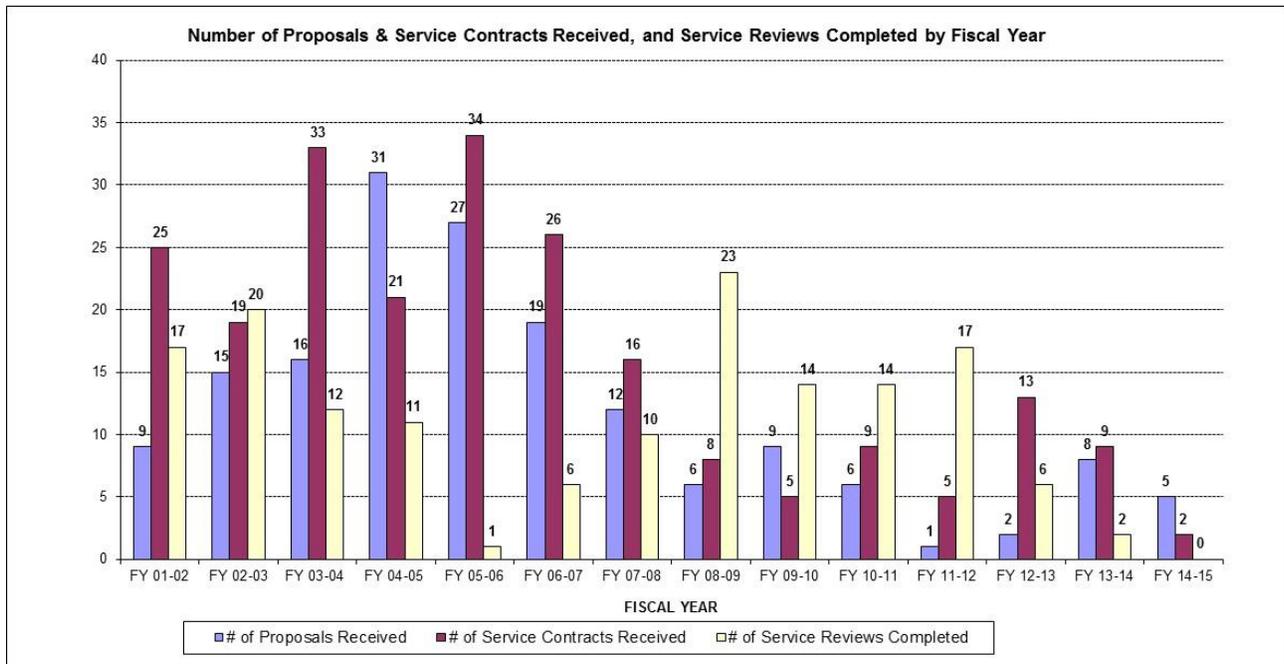
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## **BACKGROUND:**

LAFCO staff is presenting the preliminary budget for Commission consideration. The past year has been one in which LAFCO staff views the corner being turned on proposal activity so that we are optimistic about a more active future. This being said, the bankruptcy of San Bernardino continues which may yet impact the services this Commission receives for conducting its hearings and maintaining its video hearing log; other cities are in financial straits that may yet come to the Commission for discussion, and some districts are still suffering from reduced revenues from the post-recession foreclosure activity and a corresponding reduction in service. LAFCO staff has prepared a budget which includes a small increase in apportionment (2%) since our smaller agencies remain constrained in their ability to fund a larger Commission cost. So this is the scenario we begin the State mandated process outlined in Government Code Section 56381 to establish our budget for the upcoming fiscal year; one of cautious optimism.

Staff began the required budget review by considering potential changes to the Schedule of Fees, Deposits and Charges and determined that no additional changes for Fiscal Year 2015-16 would be proposed; therefore no action will be required from the Commission.

Next, staff began addressing the ability to fund the Commission's ongoing operations and looked to the possibility of moving the staff office as directed by the Commission at the March hearing. During this same period, staff became aware of changes being proposed to the Exempt Compensation Plan for the County, which is mirrored by the Commission's Human Resource Policies and Benefit Plan. Staff continues to be encouraged by the proposal activity for the current year as it bodes well for the upcoming fiscal year. The chart which follows shows the positive increase that has taken place to date:



The largest expenditure category for the Commission is its personnel costs and those will continue to climb due to increases in retirement payments required by the San Bernardino County Employees Retirement Association (SBCERA). The LAFCO employer required retirement contribution rate increased in the current year to 29.91% of earnable compensation and will increase in FY 15-16 to 33.31%. This is an increase over the preceding ten years of 86%.

The forecast rate for FY 16-17 is 33.58%, an additional increase of 0.27%, which signals a leveling off of the rates to address fund losses from the recession. In addition, staff has outlined for the Commission the division the employer share retirement rates into normal cost (those which provide for current employee obligations) and the Unfunded Actuarial Accrued liability (repayment of losses from the recession). The chart which follows identifies these divisions for the past two years and projects them through 2035. This information is based upon a snapshot in time and will fluctuate from year-to-year but provides for an illustration of the Commission’s obligation.

| <b>LAFCO - EMPLOYER CONTRIBUTION SCHEDULE</b>  |                                  |             |        |                                  |                   |                     |                     |
|--|----------------------------------|-------------|--------|----------------------------------|-------------------|---------------------|---------------------|
| FISCAL YEAR  | LAFCO Employer Contribution Rate |             |        | LAFCO Employer Contribution Cost |                   |                     |                     |
|  | SALARY                           | NORMAL COST | UAAL   | TOTAL                            | NORMAL COST       | UAAL                | TOTAL               |
| 2013   |                                  |             |        | 0.00%                            |                   |                     |                     |
| 2014   |                                  |             |        | 0.00%                            |                   |                     |                     |
| 2015   | 335,453                          | 11.67%      | 18.24% | 29.91%                           | 39,147            | 61,187              | 100,334             |
| 2016   | 351,785                          | 12.83%      | 20.48% | 33.31%                           | 45,134            | 72,046              | 117,180             |
| 2017   | 348,907                          | 13.10%      | 20.48% | 33.58%                           | 45,707            | 71,456              | 117,163             |
| 2018   | 354,148                          | 12.97%      | 20.48% | 33.45%                           | 45,933            | 72,530              | 118,463             |
| 2019   | 487,401                          | 11.98%      | 20.48% | 32.46%                           | 58,391            | 99,820              | 158,210             |
| 2020   | 488,161                          | 10.60%      | 20.48% | 31.08%                           | 51,745            | 99,975              | 151,720             |
| 2021   | 488,161                          | 9.19%       | 20.48% | 29.67%                           | 44,862            | 99,975              | 144,837             |
| 2022   | 488,161                          | 9.19%       | 20.48% | 29.67%                           | 44,862            | 99,975              | 144,837             |
| 2023   | 488,161                          | 9.19%       | 20.48% | 29.67%                           | 44,862            | 99,975              | 144,837             |
| 2024   | 488,161                          | 9.19%       | 20.48% | 29.67%                           | 44,862            | 99,975              | 144,837             |
| 2025   | 488,161                          | 9.19%       | 20.48% | 29.67%                           | 44,862            | 99,975              | 144,837             |
| 2026   | 488,161                          | 9.19%       | 20.48% | 29.67%                           | 44,862            | 99,975              | 144,837             |
| 2027   | 488,161                          | 9.19%       | 20.48% | 29.67%                           | 44,862            | 99,975              | 144,837             |
| 2028   | 488,161                          | 9.19%       | 20.48% | 29.67%                           | 44,862            | 99,975              | 144,837             |
| 2029   | 488,161                          | 9.19%       | 20.48% | 29.67%                           | 44,862            | 99,975              | 144,837             |
| 2030   | 488,161                          | 9.19%       | 20.48% | 29.67%                           | 44,862            | 99,975              | 144,837             |
| 2031   | 488,161                          | 9.19%       | 20.48% | 29.67%                           | 44,862            | 99,975              | 144,837             |
| 2032   | 488,161                          | 9.19%       | 20.48% | 29.67%                           | 44,862            | 99,975              | 144,837             |
| 2033   | 488,161                          | 9.19%       | 20.48% | 29.67%                           | 44,862            | 99,975              | 144,837             |
| 2034   | 488,161                          | 9.19%       | 20.48% | 29.67%                           | 44,862            | 99,975              | 144,837             |
| 2035   | 488,161                          | 9.19%       | 20.48% | 29.67%                           | 44,862            | 99,975              | 144,837             |
| <b>TOTAL</b>   |                                  |             |        |                                  | <b>\$ 869,263</b> | <b>\$ 1,776,693</b> | <b>\$ 2,645,956</b> |
| <b>NOTES:</b>  |                                  |             |        |                                  |                   |                     |                     |
| Salary frozen at 2020, the first full year of the EO with no contract EO overlap       |                                  |             |        |                                  |                   |                     |                     |
| Salary does not include leave cashouts, which are included in LAFCO budget projections |                                  |             |        |                                  |                   |                     |                     |
| Normal Cost frozen at 2021, SBCERA projections through this year                       |                                  |             |        |                                  |                   |                     |                     |
| UAAL frozen at 2015, SBCERA projections through this year                              |                                  |             |        |                                  |                   |                     |                     |

It is currently anticipated that the Commission will receive six (6) proposals for jurisdictional change during the upcoming Fiscal Year, a return to a more normal year of application activity. However, the bulk of the Commission's activities will remain in the arena of addressing the second round of Service Reviews and Sphere Updates, as required by statute. The continuing State mandates to address disadvantaged unincorporated communities, additional requirements to address infrastructure deficiencies and potential consolidations have and will continue to affect the service review process. State law does not allow for charging fees for these types of reviews so only direct costs will be recovered for the processing of sphere of influence updates as necessary.

Attachment #1 to this report provides the Budget Spreadsheet for Fiscal Year 2015-16 with a forecast for FY 2016-17 and FY 2017-18 and the narrative description of the budget. Staff has chosen to expand the forecasting for an additional year to identify

significant changes which are on the horizon for the Commission. Those are the end of the lease at the current staff office and the desire to change locations (FY 2016-17) and the recruitment of a permanent LAFCO Executive Officer (FY 2017-18).

Staff has requested that the County Auditor-Controller apportion the net costs for LAFCO operations to the County, Cities/Towns and Independent Special Districts based upon the proposed budget target of \$882,117, or \$294,039 per category. This represents a 2% increase from the prior year. Any changes to the budget information presented at this hearing may impact this determination. Once the proposed budget is adopted, the apportionment information will be provided as a part of the materials forwarded to the County, Cities/Towns and Independent Special Districts for their review and comment as required by Government Code Section 56381. The allocation information is included as Attachment #2 for Commission information.

The proposed budget is more fully outlined below and on the Budget Spreadsheet and Budget Narrative included as attachments to this report. Staff believes that the actions outlined for the upcoming Fiscal Year will provide for the efficient operations of the Commission's office, will maintain reserve accounts established to cover potential and/or future costs, and will maintain the apportionments to entities required to fund Commission operations.

## **SALARIES AND BENEFITS** **WORKLOAD CONSIDERATIONS**

### **FISCAL YEAR 2014-15**

Staffing levels for Fiscal Year 2013-14 include five full-time positions, and the contract for the Executive Officer position. Up until March of 2015, there were no significant changes to discuss in the Salaries and Benefits categories for the Commission. However, the Board of Supervisors has adopted changes to the Exempt Compensation Plan which has an effect on the Commission as it mirrors this Benefit Plan for its employees. While the County Ordinance has numerous changes, two directly affect compensation during the current fiscal year: (1) a one-time incentive payment of \$1,750 for each full-time employee and (2) the addition of a new top step (Step 12) in the salary schedule and the addition of new substeps preceding the current Step 1. Implementation of Item 1 is anticipated to occur in May 2015 at a cost of \$8,750 for the five regular employees and one employee will advance to the new Step 12 after completion of a performance evaluation (\$212). Staff does not anticipate the need to utilize contingency funding for these new expenses as the Salary Reserve Account (1000) has a balance of \$9,000 to fund any Replacement Benefit Plan payments required. No cost is identified for the replacement benefit, so these funds are available to accommodate this increase.

The specific language changes for the Human Resources policies are for Section 202 Compensation under the Policy Sections as follows:

Section B is amended to read as follows:

...

**B.** Effective April 18, 2015, the following shall be the salary ranges for LAFCO positions (*Added June 16, 2011; Amended May 16, 2012; October 22, 2014; April 15, 2015*):

| <b>Position</b>                        | <b>Hourly Range</b>             | <b>Annual Range</b>   |
|--|---------------------------------|-----------------------|
| Executive Officer                      | As determined by the Commission |                       |
| Assistant Executive Officer            | \$36.72 to \$50.56              | \$76,378 to \$105,165 |
| Project Manager                        | \$28.71 to \$39.54              | \$59,717 to \$82,243  |
| LAFCO Analyst                          | \$20.41 to \$28.07              | \$42,453 to \$58,386  |
| Clerk to the Commission/Office Manager | \$21.42 to \$29.45              | \$44,554 to \$61,256  |
| Administrative Assistant               | \$17.63 to \$24.23              | \$36,670 to \$50,400  |

Each salary range shall have 14 steps. The spread between steps shall be approximately two and one-half percent (2.5%). The salary schedule shows the hourly and approximate annual rate for each step in the salary range. The annual rates are computed on the basis of full-time employment.

Section E is added related to the One-time Incentive Pay to read as follows:

Section (E) – One Time Incentive Pay

- (A) Incentive. SB LAFCO agrees to pay eligible employees a one-time incentive up to \$1,750, to be paid in one payment.
- (B) Eligibility. In order to be eligible for the one-time incentive:
  - (1) An employee must be employed on April 18, 2015; and,
  - (2) Be in paid status in pay period 10 of 2015. Employees not in paid status in pay period 10 of 2015 shall receive the one-time incentive upon return to paid status. Employees who do not return to paid status shall not be eligible for the one-time incentive.
  - (3) An eligible employee who is part-time or job-sharing shall be eligible for a prorated one-time incentive based on regularly scheduled hours.
  - (4) An employee who has separated from SB LAFCO employment for any reason prior to pay period 10 or 2015 shall not be eligible to receive the one-time incentive.
- (C) Payment. SB LAFCO agrees to pay eligible employees a one-time incentive up to \$1,750, to be paid in one payment, subject to withholdings. The one-time incentive shall be payable in pay period 10 of 2015.

- (D) Special Provisions. Prior to the payment of the one-time incentive, eligible employees may make an election, in writing, to opt-out of receiving the incentive and defer the payment until a later date provided, however, such payment shall not be eligible to be paid later than one year from pay period 10 of 2015. Employees who opt-out and do not make a designation to receive the payment by March 19, 2016 shall have the one-time incentive automatically paid out in pay period 8 of 2016. Employees who have opted-out and separate from SB LAFCO employment, and have not yet received the one-time incentive, shall have the incentive automatically paid out upon separation.

The estimated year-end expenditures for salaries and benefits are \$679,197, which is \$10,038 below the budgeted amount.

### **FISCAL YEAR 2015-16**

The Salaries and Benefits categories for Fiscal Year 2015-16 include the funding for five positions, payment of step increases, an increase in retirement costs and the contract Executive Officer position.

Additional workload responsibilities include the Executive Officer's participation as a member of the CALAFCO Legislative Committee and on conference and workshop planning committees. The upcoming year will also include the labor intensive discussion with the stakeholder groups regarding the service reviews for the Valley region.

### **Fiscal Years 2016-17 and 2017-18**

As is the Commission's practice, a forecast for Fiscal Year 2016-17 has been provided but staff has provided an additional year of forecasting due to impending changes in other areas of the budget. These forecasts include the maintenance of the contract Executive Officer (contract terminates in September 2018), five full-time staff positions with salary increases anticipated in the current compensation plan, including increased retirement costs. All full-time employees are anticipated to be at the Tier 1 rate for retirement benefits for forecasting (all current employees are Tier 1). The full costs for salaries and benefits represents an increase in FY 2016-17 of \$43,425 over FY 2014-15 and in FY 2017-18 of \$54,219 over FY 2014-15. Beyond this change, the forecast for this Fiscal Year carries forward proposed staffing levels, existing practices and anticipated workloads.

## **SERVICES AND SUPPLIES**

### **FISCAL YEAR 2014-15**

For the current year, the Commission began its implementation of the second round of Service Reviews through completion and launching its Fiscal Indicators program and the commencement of the regional service reviews, beginning with water conservation, and habitat conservation to be followed by water and wastewater. The Services and Supplies categories are estimated to have expenditures of \$302,234 at year-end. This is \$74,650

below the budgeted amount; however, the computer infrastructure costs anticipated for the current budget (\$20,000) has been deferred to FY 2015-16. No budget amendments are proposed at this time in these categories.

In the Services and Supplies categories two items of significance occurred during the current fiscal year:

1. Staff has completed and launched the Fiscal Indicators program on the website and has begun using this data in its second round service reviews. Now the program will shift to the maintenance phase, where annually updates to the audit information will be requested and posted. At this time, information for the 2012-13 and 2013-14 audit has been requested to update the program.
2. At the January hearing staff identified the need for additional funding for take over of the computer system infrastructure due to the pending relocation of the final County Department from 215 North D Street. That move has now been postponed to September 1, 2015 so that the switch over will occur in next fiscal year, with a corresponding transfer of the \$20,000 to next year's budget.

The balance of the Services and Supplies categories anticipate the maintenance of all other current activities.

The Commission continued to outsource much of its geographic technology needs with the County's Geographic Information Management System (GIMS), its environmental processing through its contract with Tom Dodson and Associates, and the maintenance of computer systems to the County's ISD.

### **FISCAL YEAR 2015-16**

Staff is recommending a total Services and Supplies budget of \$323,280, a decrease of \$53,604 from Fiscal Year 2014-15 budgeted amount. In reference to the expense categories within the overall Services and Supplies section, staff is proposing development of the ongoing educational programs for special districts in our county, completion of the balance of the regional service reviews for the Valley, and assumption of management of our computer infrastructure carried forward into the Fiscal Year (\$20,000). On balance the budget appropriations provide for maintenance of current levels of support for on-going activities.

Economic and workload indicators show a new, and mostly optimistic, level in jurisdictional change for the upcoming fiscal year. However, the second round of service reviews and sphere of influence updates continue to be processed for the Valley region utilizing a stakeholders group for the municipal service types: water (retail, wholesale, and reclamation), wastewater treatment, fire protection, law enforcement and quality of life (parks, resource conservation, streetlighting, and roads [maintenance, street sweeping, detention basin]), and others which may be determined by the Commission. The stakeholders group will assist staff in addressing the service review factors and assist staff in the gathering and review of information. It is anticipated that this type of approach will allow for discussions about the potential for shared services by agencies and will be staff

time intensive at the outset with limited service and supply needs. Staff anticipates that there will be limited service and supply costs until preparation of the final reports for presentation to the Commission.

At the time this proposed budget is being presented to the Commission, continuation of the Video Production arrangement with the City of San Bernardino is anticipated, but there is the need to address a potential change in the housing of these video recordings for accessibility on the Commission’s website. The budget includes appropriation authority to look at other options for this service. In addition, software updates and new software to allow for manipulation of large pieces of data for service reviews are included in the appropriation authority request.

**FISCAL YEARS 2016-17 and 2017-18**

Based upon the approval of the staff recommendations for FY 2015-16, it is anticipated that a 2% consumer price index increase will be applied to those categories sensitive to such changes for purchases and the maintenance of the other existing levels of service in FY 2016-17 and FY 2017-18. In addition, the staff office lease will end June 30, 2017 so funding is shown for accommodating a move to a new facility as directed by the Commission previously. Those costs are estimated at this time to be \$47,000. In FY 2017-18 the recruitment process for a permanent LAFCO Executive Officer will be undertaken with an estimated cost of \$15,000.

**REVENUES**

**FISCAL YEAR 2014-15**

As identified earlier in this report, while staff has historically lamented the trend of lower submission of proposals for change of jurisdiction, for FY 2014-15 we are happy to report a more robust filing of applications and commensurate revenues. The chart below identifies the proposal activity for the current fiscal year:

| Activity                                  | Budget | Thru March |             | Projected |             |
|---|--------|------------|-------------|-----------|-------------|
|   |        | No.        | % of Budget | No.       | % of Budget |
| Proposals                                 | 6      | 5          | 83%         | 6         | 100%        |
| Service Contracts - Development           | 1      | 0          | 0%          | 0         | 0%          |
| Service Contracts - Admin (E.O.) approval | 4      | 2          | 50%         | 3         | 75%         |
| Protest Hearing Deposits                  | 6      | 4          | 67%         | 5         | 83%         |

Staff estimates that year-end totals for all proposal activities will be at 132% of budgeted appropriation. The total revenue (fees and deposits) received from the six applications

submitted during the year is \$69,811 and for the six service contracts is \$10,750. In addition, approximately \$8,000 in cost recovery has taken place during the year.

**FISCAL YEAR 2015-16**

Information gleaned from economic forecast reports and local economists as reported in media publications indicates that the Inland Empire continues in its jobs recovery. Based upon the activities of FY 2014-15, staff anticipates that proposal filings for the upcoming Fiscal Year will hold steady. In order to remain conservative in revenue projections, staff anticipates the submission of six proposals next year at the basic fee level, for fee revenue of \$58,475. The chart below identifies staff's projections for the upcoming year:

| <b>Activity</b>                         | <b>FY 2014-15<br/>PROJECTED<br/>YEAR END</b> | <b>FY 2015-16<br/>BUDGET</b> |
|---|--|------------------------------|
| Proposals                               | 6  | 6                            |
| Service Contracts - Development Related | 0  | 1                            |
| Service Contracts - Admin approval      | 3  | 4                            |
| Protest Hearing Deposits                | 5  | 5                            |

Interest income remains low as earnings rate remain depressed. All reserve accounts will be carried forward from the prior year and an estimated \$157,824 in other fund balance is anticipated to be carried forward from FY 2014-15 into FY 2015-16.

The staff is recommending a 2% increase in the apportionment for the upcoming year, the first increase since 2010-11. The apportionment process will take place pursuant to the provisions of Government Code Section 56381 and is administered by the County Auditor. Staff has requested that the Auditor provide for the distribution, pursuant to statute and the alternative funding formula for Special Districts, included as Attachment #2. Per adopted Commission policy, the amount identified at this hearing will be the apportionment required as of July 1, 2015. At the time the Unaudited Year-End report is presented to the Commission, staff will determine the actual carryover and make recommendation for any further actions, if necessary.

The apportionment presented in the budget materials is \$882,117. This complies with the provisions of Government Code Section 56381(a) for at least maintaining the prior year funding.

Revenues consisting of interest, mandatory contributions, and fee revenues are estimated to be \$1,100,911. Refunds from Prior Years, Miscellaneous Charge, and Carryover including all reserve accounts increases brings total anticipated revenues to \$1,617,596.

**FISCAL YEAR 2016-17 and 2017-18**

Revenues forecasts for FY 2016-17 builds upon the continuing health of the local economy anticipating an increase in proposal activity for an increase in Fees and Deposits of \$28,975 over Fiscal Year 2015-16. The forecast for FY 2017-18 maintains the increased level of activity with an estimate of a 2.5% increase in fees that year for a revenue increase of \$30,450 over FY 2016-17. The chart below compares the proposal activity forecast for FY 2015-16 to that proposed for FY 2016-17 and FY 2017-18:

| Activity                     | 15-16 | 16-17 | 17-18 |
|------------------------------|-------|-------|-------|
| Proposals                    | 6     | 8     | 8     |
| Service Contracts - Develop. | 1     | 2     | 3     |
| Service Contracts - Admin    | 4     | 5     | 6     |
| Service Review Deposits      | 0     | 0     | 0     |
| Protest Hearing Deposits     | 5     | 7     | 7     |

The anticipated apportionment increases by \$25,053 to a total of \$904,170 in FY 2016-17 and to \$926,775 in FY 2017-18, a 2.5% increase in each year. While it is proposed that the apportionment increase, staff will point out that it remains less than the apportionment in FY 2010-11.

**RESERVES AND CONTINGENCIES**

The staff is proposing the maintenance of reserves and a contingency amounts as outlined by Commission policy. The General Reserve is by policy set at a minimum of \$200,000; however, the amount was at \$300,000 in FY 2014-15. The reduction provides for adequate coverage in the event of litigation not funded through the legal counsel indemnification policy. The amounts presented for Fiscal Year 2015-16 are:

|  |           |
|--|-----------|
| Account 6025 – General Reserve/Litigation    | \$291,007 |
| Account 6030 – Compensated Absences Reserve  | \$ 83,329 |
| Account 6010 – Net Pension Liability Reserve | \$ 82,750 |

In addition, staff is recommending a contingency of \$105,501 (Account 6000) which represents 10% of expenditures, within the suggested range of between 5-10% of expenditures. Should the use of these dollars be required, it will take an action by the Commission to transfer monies into the appropriate expenditures series.

**CONCLUSION:**

The information contained in this report outlines and discusses the budget considerations before the Commission which provides for the following determinations required by Government Code Section 56381 to be made:

| ACCOUNT TYPE                       | FY 2014-5<br>ADOPTED<br>BUDGET | FY 2015-16<br>PROPOSED<br>BUDGET |
|------------------------------------|--------------------------------|----------------------------------|
| SALARIES AND BENEFITS              | \$ 689,235                     | \$ 731,729                       |
| SERVICES AND SUPPLIES              | \$ 376,884                     | \$ 323,280                       |
| RESERVES AND<br>CONTINGENCIES      | \$ 516,685                     | \$ 562,587                       |
| <b>SUBTOTAL</b>                    | <b>\$1,582,804</b>             | <b>\$1,617,596</b>               |
| FEE REVENUE AND GENERAL<br>REVENUE | \$ 717,983                     | \$ 735,479                       |
| <b>NET COST</b>                    | <b>\$ 864,821</b>              | <b>\$ 882,117</b>                |

It is the staff's position that the expenditures and revenue items outlined in this report will provide for fulfillment of the Commission's ongoing core obligations for processing of proposals and fulfilling State mandates. If the Commission supports the staff's position, it is recommended that, pursuant to the provisions of Government Code Section 56381, the Commission adopt the Proposed Budget as outlined and direct staff to forward this document to the County, the Cities and Towns, and the Independent Special Districts for their review and comment. Staff is also recommending that the final hearing for adoption of the budget be scheduled for May 20, 2015 at which time the comments of the public and agencies the Commission serves will be considered.

**RECOMMENDATION:**

The staff recommends that the Commission take the following actions:

- 1) Adopt the proposed changes to Human Resources Policy 202 amending Section B Salary Ranges to reflect new step increases and adding Section E One-time Incentive Pay reflect County Exempt compensation Plan Change as follows:

...

**B.** Effective April 18, 2015, the following shall be the salary ranges for LAFCO positions (*Added June 16, 2011; Amended May 16, 2012; October 22, 2014; April 15, 2015*):

| Position                               | Hourly Range                    | Annual Range          |
|--|---------------------------------|-----------------------|
| Executive Officer                      | As determined by the Commission |                       |
| Assistant Executive Officer            | \$36.72 to \$50.56              | \$76,378 to \$105,165 |
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| Administrative Assistant               | \$17.63 to \$24.23              | \$36,670 to \$50,400  |

Each salary range shall have 14 steps. The spread between steps shall be approximately two and one-half percent (2.5%). The salary schedule shows the

hourly and approximate annual rate for each step in the salary range. The annual rates are computed on the basis of full-time employment.

...

#### Section (E) – One Time Incentive Pay

- (A) Incentive. SB LAFCO agrees to pay eligible employees a one-time incentive up to \$1,750, to be paid in one payment.
  - (B) Eligibility. In order to be eligible for the one-time incentive:
    - (1) An employee must be employed on April 18, 2015; and,
    - (2) Be in paid status in pay period 10 of 2015. Employees not in paid status in pay period 10 of 2015 shall receive the one-time incentive upon return to paid status. Employees who do not return to paid status shall not be eligible for the one-time incentive.
    - (3) An eligible employee who is part-time or job-sharing shall be eligible for a prorated one-time incentive based on regularly scheduled hours.
    - (4) An employee who has separated from SB LAFCO employment for any reason prior to pay period 10 of 2015 shall not be eligible to receive the one-time incentive.
  - (C) Payment. SB LAFCO agrees to pay eligible employees a one-time incentive up to \$1,750, to be paid in one payment, subject to withholdings. The one-time incentive shall be payable in pay period 10 of 2015.
  - (D) Special Provisions. Prior to the payment of the one-time incentive, eligible employees may make an election, in writing, to opt-out of receiving the incentive and defer the payment until a later date provided, however, such payment shall not be eligible to be paid later than one year from pay period 10 of 2015. Employees who opt-out and do not make a designation to receive the payment by March 19, 2016 shall have the one-time incentive automatically paid out in pay period 8 of 2016. Employees who have opted-out and separate from SB LAFCO employment, and have not yet received the one-time incentive, shall have the incentive automatically paid out upon separation.
- 2) Determine that there are no amendments for the Schedule of Fees, Charges and Deposits for Fiscal Year 2015-16;
  - 3) Adopt the Proposed Budget for Fiscal Year 2015-16, presented by staff;
  - 4) Direct staff to forward the adopted Proposed Budget, as may be modified at this hearing, to all the independent special districts, cities, and the County for their

comment pursuant to Government Code Section 56381.

- 5) Schedule a public hearing for May 20, 2015 for the formal adoption of the Final Budget for Fiscal Year 2015-16.

KRM:

Attachments:

1. [Proposed Budget -- Spreadsheet and Narrative Related to Individual Accounts and Activity Chart](#)
2. [Estimated Apportionment Distribution for City/Town and Special District Costs](#)