

LAFCO

Santa Barbara Local Agency Formation Commission

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Date: June 4, 2020 (Agenda)

Local Agency Formation Commission
105 East Anapamu Street
Santa Barbara CA 93101

LAFCO Executive Officer and Staffing Options

Honorable Commissions

RECOMMENDATION

That the Commission give direction to staff on recruitment, salary range and staffing options for Executive Officer position as follows:

- a) Staff conduct a focused recruitment for executive officer, including through professional organizations such as CALAFCO.
- b) Salary range be the current executive office salary with the final salary adjusted as appropriate depending on candidate experience.
- c) Staff look into options of retaining a recruiting firm to conduct a comprehensive recruitment and report back at the next regular Commission meeting.
- d) That the Commission determine whether it wishes to appoint an ad hoc committee to oversee this process.

DISCUSSION

Staffing Options

Current Arrangement: LAFCO has retained the executive officer as an independent contractor since at least the 1990's. Until 2013, the executive officer also provided staff from his own office to act as the clerk to the Commission. In 2013, Mr. Hood was appointed and he agreed to provide clerk services by directly contracting with the County for clerk services from the Clerk of the Board of Supervisors' office. This arrangement was short lived as the costs of services included the County overhead rate that raised the cost of clerk services to in excess of \$50,000 annually. The services provided by the Clerk's Office, however, had the advantage over previous arrangements, especially having staffing supervision and backup as well a LAFCO presence in an office in the County Administration Building open to the public during regular business hours.

Commissioners: Craig Geyer, Chair ♦ Roger Aceves ♦ Cynthia Allen ♦ Jay Freeman ♦ Joan Hartmann
Steve Lavagnino ♦ Holly Sierra ♦ Shane Stark ♦ Etta Waterfield, Vice-Chair ♦ Roger Welt ♦ Das Williams

Mr. Hood’s contract was modified in 2014 to transfer the responsibility of contracting for Clerk Services from the Executive Officer to the Commission. The executive officer’s annual compensation was reduced \$30,000 and the Commission budgeted additional funds to cover the balance.

Past Staff Reports on Staffing Options. On March 7, 2019, the Executive Officer presented a report to the Commission entitled “Consideration of Future Staffing Options for Santa Barbara LAFCO.” (Attachment A.) Although a little over a year old, the Report presents a good summary of staffing options and costs information. A similar report was given to the Commission on December 4, 2014. The options range from the current arrangement to LAFCO hiring fulltime staff employees who would perform all LAFCO work, similar to the models in San Luis Obispo and Ventura counties.

Use of Independent Contractor as EO. Since at least the 1990’s, LAFCO has retained the executive officer position as independent contractor rather than an employee. This option has been available because persons retained as executive officer met the requirements for being classified as an independent contractor, including providing their own place of business (i.e., office, office supplies and equipment, support staff), performing their job free of day-to-day supervision, and operating under nonexclusive contracts that left them free to accept other consulting business.

As an independent contractor, the executive officers have not received the benefits that come with the status of being an employee, including health care and pension benefits. The Santa Barbara LAFCO model has differed from those of similarly sized counties in terms of population and urban development, all of whom have elected to hire executive officers as employees. Table 1 below is from the 2019 Staffing Options Report at p. 8 and shows total budget, staff costs and benefits for five county LAFCO’s for fiscal year 2014-15.

Table 1

	Budget	Salaries	Benefits	Benefits as % of salaries
Santa Barbara LAFCO	\$505,463	\$235,000	0	0
Ventura LAFCO	\$766,096	\$368,500	\$180,200	48.9
San Luis Obispo LAFCO	\$668,090	\$309,291	\$228,782	73.97
Monterey LAFCO	\$1,014,460	\$546,590	\$227,970	41.71
Santa Cruz LAFCO	\$759,200	\$269,700	\$146,500	54.32

Salary Range.

A summary of the current and past Santa Barbara LAFCO executive officer salary and responsibilities is attached (“EO Salary Summary.”) (Attachment B.) The EO Salary Summary lists the dates, services, and monthly and annual costs. Typically, a recruitment for a new executive officer lists the current salary and states that the final salary is dependent on experience.

Recruitment Options.

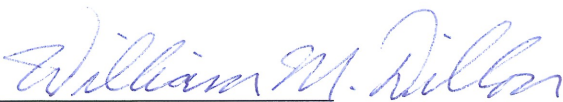
Focused Recruitment. For the immediate and near-term needs of LAFCO, staff recommends a focused recruitment that seeks out qualified candidates for retention in the next 1 to 3 months. The advertised salary range would be the current executive office salary with the final salary adjusted as appropriate depending on candidate experience. An informal outreach would include to CALAFCO for potential candidates. No recruitment firm contract is needed to pursue this option.

Recruiting Firm. As legal counsel for the Santa Barbara Air Pollution Control District and the Santa Barbara County Association of Governments, I managed the executive officer recruitment for those agencies in 2015 and 2016, respectively. In both cases an outside recruitment firm was hired. The costs for each recruitment was approximately \$30,000. Additionally, I have consulted with the former counsel to San Luis Obispo APCD, who stated his experience with the cost of recruiting firms was the same.

A consultant contract could be let possibly at the Commission’s July 2nd hearing. The recruitment and interview process would typically take 2 to 3 months once the recruitment firm is retained. The Commission may wish to consider appointing an ad hoc committee to oversee this process.

If you have any questions about this report, please feel free to contact me.

Sincerely,

By: 
William Dillon,
LAFCO Counsel

- Attachment A: Staff Report: “Consideration of Future Staffing Options for Santa Barbara LAFCO.” March 7, 2019.
- Attachment B: Executive Officer Salary Summary.

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March 7, 2019 (Agenda)

Local Agency Formation Commission
105 East Anapamu Street
Santa Barbara CA 93101

Consideration of Future Staffing Options for Santa Barbara LAFCO

Dear Members of the Commission,

RECOMMENDATION

It is recommended that the Commission receive the report on Future Staffing Options for Santa Barbara LAFCO and provide direction to staff.

DISCUSSION

The current Executive Officer's contract expires on June 30, 2019. Although the Executive Officer is requesting a two-year extension to June 30, 2021, it is timely to review the future staffing options available to the Commission. This will assist the Executive Officer in preparation for the 2019-20 Proposed Budget, that will be presented at the April 4, 2019 Commission meeting. Staff prepared two similar staff reports that were presented to the Commission in 2014.

As previously mentioned in 2014, it is the desire of staff and the Commission that a discussion of future staffing options, will not only direction in the preparation of the Proposed and Final 2019-20 budget. It will also provide direction for long-term funding and staffing options for Santa Barbara LAFCO. All of the options include Contract Legal Services as recently approved by the Commission.

The following are the contract and permanent Staffing Options as envisioned by staff:

1. Status Quo – Contract Executive Officer, Contract between the Commission and Clerk to the Board (COB) for Clerk Support. This option could also provide additional funds for outside consulting services for updates to the Municipal Service Reviews/Spheres of Influence and special studies.

Commissioners: Steve Lavagnino, Chair ♦ Roger Aceves ♦ Craig Geyer, Vice-Chair ♦ Joan Hartmann ♦ Shane Stark ♦ Etta Waterfield ♦ Roger Welt ♦ Das Williams ♦ Holly Sierra
Executive Officer: Paul Hood

2. Contract Executive Officer plus Contract Part-time (non-County) Clerk/Clerical Services. This option could also provide additional funds for outside consulting services for updates to the Municipal Service Reviews/Spheres of Influence and special studies.
3. Full time Executive Officer and Part-time Clerical Support-Completely Independent of the County (Both LAFCO Employees). This option could also provide additional funds for outside consulting services for updates to the Municipal Service Reviews/Spheres of Influence and special studies.
4. Full time Executive Officer, Full or Part-time Clerk/Analyst (one position) - Completely Independent of the County (Both LAFCO Employees). This option would reduce the need for additional funds for outside consulting services for updates to the Municipal Service Reviews/Spheres of Influence and special studies.
5. Full time Executive Officer, Full-time Analyst, and Full-time Clerk/Clerical Support-Completely Independent of the County (All LAFCO Employees). This option would reduce the need for additional funds for outside consulting services for updates to the Municipal Service Reviews/Spheres of Influence and special studies.

The five staffing options may be summarized as follows:

<u>Position</u>	<u>Employment Status</u>	<u>FTE</u>
1. Executive Officer	Contract	N/A
Commission Clerk	Contract-COB	N/A
2. Executive Officer	Contract	N/A
Commission Clerk	Contract-LAFCO	0.5
3. Executive Officer	LAFCO Employee	1.0
Commission Clerk	LAFCO Employee	0.5
4. Executive Officer	LAFCO Employee	1.0
Clerk/Analyst	LAFCO Employee	1.0
5. Executive Officer	LAFCO Employee	1.0
Analyst	LAFCO Employee	1.0
Commission Clerk	LAFCO Employee	1.0

Option 1: Status Quo – Contract Executive Officer, Contract between the Commission and Clerk to the Board for Clerk (COB) Support. This option could also provide additional funds for outside consulting services for updates to the Municipal Service Reviews/Spheres of Influence and special studies.

This option envisions a continuation of the current arrangement. Pursuant to a March 7, 2019 contract amendment, the Executive Officer stipend would continue at \$13,382.34 per month. A CPI would still be in effect on July 1st of each fiscal year. The contract between the Commission and the County for Commission Clerk services will continue until terminated either party with sixty days written notice. Option 1 assumes that any new Executive Officer would continue with the current contractual arrangement.

Pros: The status quo option would provide a smooth, seamless transition for the recruitment of a permanent LAFCO Executive Officer when the Interim Executive Officer's leaves SBLAFCO. This option assumes a new qualified person would accept an appointment as Executive Officer for the same compensation and no benefits. The continuation of services from the Clerk's office also allows for smooth transition regarding clerk and other services and facilities provided under the contract with the County. The current situation is the most fiscally prudent of the four options. It requires minimal office space, no benefits payments to the Executive Officer (health, retirement, vacation sick leave, etc.), and minimal office equipment purchases. The new Executive Officer would presumably provide his own office space (probably an at-home office), as has been the arrangement for the past 25+ years. The LAFCO office, in its current location, would continue to house the LAFCO files and would be available for meetings and onsite staff work.

The current arrangement with the Clerk to the Board (COB) is working well. The COB's staff is trained and would be able to assist the new permanent Executive Officer with agenda preparation, special notices, document filing, minutes, website postings, etc. The COB's office is located in the County Administration Office building and is accessible to LAFCO applicants and members of the public.

Monthly billings for Clerk services averages 48 hours per month or about 12 hours per week. Full year billing by the COB's Office for LAFCO Clerk services is projected to be between \$52,000 and \$60,000.

The COB option also has advantages in terms of staffing supervision and backup support. The Chief Deputy Clerk of the Board of Supervisors, provides supervisory support of all COB employees, including the clerk who performs clerk services for the Commission.

The cost for this oversight is included in the overhead rate. With such oversight, the COB is able to assign other COB staff to fill in for LAFCO clerking duties when the current designated clerk is unavailable.

Cons: It would be difficult to hire a permanent qualified contract Executive Officer with the current stipend and no benefits or to find someone who could provide the services for a neighboring County.

Monthly billings for Clerk services averages 48 hours per month or about 12 hours per week. Full year billing by the COB's Office for LAFCO Clerk services is projected to be between \$52,000 and \$60,000. However, the current overhead rate is 93.64%.

Option 2: Contract Executive Officer plus Contract Full or Part-time Clerical Support working for the Executive Officer or the Commission.

This option is a slight variation on Option 1. The Executive Officer would continue under the current contract arrangement, but the Commission Clerk would be an employee of the Executive Officer or Commission. The Clerk could be a contract employee for the Executive Officer or a full or part-time employee for the Commission. The full-time employee option would be more expensive because it could require limited benefits.

Pros: This option would result in an employee being dedicated to LAFCO duties. Also, offering a regular salary and benefits would more likely bring stability to the position in terms of retaining qualified productive staff.

Cons: Periods of transition could be more difficult when staff turnover occurs due to the need for specialized training for LAFCO procedures. Also, there is no backup should the clerk employee be on vacation or absent for any reason. Short term temporary help could be used, if necessary.

The single employee approach has more limited resources for copying, mailing, office equipment, website management, etc.

Option 3: Full time Executive Officer and Part-time Clerical Support-Completely Independent of the County. (Both LAFCO Employees).

This option would be a departure from the current staffing arrangement and would require terminating existing contracts and hiring the LAFCO staff as employees of the Commission.

Pros: The staff would be employees of the Commission rather than independent contractors. It may be more attractive for potential employees to apply to work for a Commission that provides benefits.

Cons: This option would require benefits for the Executive Officer and a Part-time Clerk. This would increase the Commission's budget, and contributions by funding agencies, substantially. Although employers have some discretion in providing benefits to employees, most typical benefits could include social security, Medicare, employer contribution to retirement, employer health plan contribution, SDI/SUI, federal unemployment contribution, life insurance, care allowance, and a deferred compensation plan (401k/457 plan).

In neighboring coastal LAFCO's, the percentage of benefits to salaries averages 54.72 %.

Option 4: Full time Executive Officer, Full or Part-time Analyst, and Full or Part-time Clerical Support. All LAFCO employees.

As with Option 3. above, this option would make LAFCO staff employees of the Commission. This option would increase SBLAFCO staff by adding a Full or Part-time Analyst position to Option 3. This is a similar arrangement that is currently utilized by neighboring coastal LAFCO's such as Ventura, San Luis Obispo and Monterey. The permanent staff could be housed in the County building or space could be leased. For instance, San Luis Obispo LAFCO pays \$3,167 per month for leased office space. Monterey LAFCO pays \$2,167 per month. New space would require furniture, office equipment, such as a copier, computers and printers, etc. Staff would also receive benefits, such as those described in Option 3, above.

Pros: The staff would be directly accountable to the Commission as employees rather than independent contractors. This may a conceptual difference, such that the current Executive Officer serves at the pleasure of the Commission and may be terminated with 60-days written notice by either party. This provision could also be written into contract for full-time permanent staff.

I would also be more attractive for potential employees, such as a permanent Executive Officer, analyst and clerk, to apply to work for a Commission that provides benefits to it employees. This option would also provide additional staff to prepare comprehensive Municipal Service Reviews and Sphere of Influence updates and special studies utilizing

in-house staff. More complex projects, such as preparation of environmental impact reports and other environmental documents, fiscal impact analyses, etc., could be contracted out with the applicant or benefitting agency paying the cost.

Cons: As with Option 3. above, this option would require benefits for the Executive Officer and a Part-time Clerk. This would increase the Commission's budget, and contributions by funding agencies, substantially. Although employers have some discretion in benefits provided to employees, most typical benefits could include social security, Medicare, employer contribution to retirement, employer health plan contribution, SDI/SUI, federal unemployment contribution, life insurance, and a deferred compensation plan. In neighboring LAFCO's, the percentage of benefits to salaries is in the 41.17-73.97% range.

Option 4 would increase the cost of SB LAFCO operations substantially. For comparison, the 2018-19 fiscal year operating budgets of Santa Barbara LAFCO and some neighboring coastal LAFCO's, is as follows:

	<u>Budget</u>	<u>Salaries</u>	<u>Benefits</u>	<u>Benefits as % of Salaries</u>
Santa Barbara LAFCO	\$505,463	\$235,000	\$0.00	0.00
Ventura LAFCO	\$766,096	\$368,500	\$180,200	48.90
San Luis Obispo LAFCO	\$668,090	\$309,291	\$228,782	73.97
Monterey LAFCO	\$1,014,460	\$546,590	\$227,970	41.71
Santa Cruz	\$759,200	\$269,700	\$146,500	54.32

It should be noted that both Ventura and Monterey LAFCO are funded for two LAFCO Analysts, the Executive Officer and a Clerk. San Luis Obispo LAFCO has an Executive Officer, Analyst and Clerk. Santa Cruz LAFCO has an Executive Officer and a Clerk.

Please contact the LAFCO office if you have any questions.

Sincerely,



PAUL HOOD
Executive Officer

EO Salary Summary

Contract	Date/Time Period	Services	Monthly	Annual	Comments
Braitman & Associates	FY 2002/2003	EO and Clerk Services	\$ 12,108	\$ 145,300	Evergreen contract. Flat fee paid on monthly invoice.
	FY 2003/2004	EO and Clerk Services	\$ 12,350	\$ 148,200	CPI applied. Sept 4, 2003 Agenda
Braitman & Associates	7/4/06 to 7/4/10	EO and Clerk Services	\$ 13,274	\$ 159,288	CPI auto included per ad hoc committee report. Four year contract.
Braitman & Associates	7/1/10 to 7/1/14	EO and Clerk Services	\$ 14,082	\$ 168,984	Renewal approved on Sept. 3, 2009. Braitman resigned effective June 30, 2013
Paul Hood, LAFCO Mar. 7, 2013	7/1/2013 to 7/1/15	Interim EO and Clerk Services	\$ 14,579	\$ 174,948	FY 2013/14 budget was \$174,588. EO Budget reduced for 14/15 by \$30k. Clerk budget was \$60k.
Hood-County-LAFCO, June 6, 2013	7/1/13 -	Transferred Clerk Services to County.	Time and materials (\$5,000)	Budget \$60,000	Evergreen contract. If Hood terminates, LAFCO may give notice to County to continue contract between County and LAFCO for Clerk services.
Hood-LAFCO	3/6/14	EO services (only)		\$ -	Clerk services transferred to Commission. Clerk had been estimated at \$30,000 but during first year exceeded \$50,000.
Hood LAFCO, signed 2/5/15	7/1/2015 for two years.	EO services (only)	\$ 12,296	\$ 147,557	Salary increases due to CPI contract provision.
Hood - LAFCO, signed 3/28/17	7/1/17 to 6/30/19	EO services (only)	\$ 12,618	\$ 151,415	
Hood - LAFCO, signed 4/4/19	7/1/19 to 6/30/22	EO services (only)	\$ 13,282	\$ 159,388	