

LAFCO

Santa Barbara Local Agency Formation Commission

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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**

BUSINESS ITEM NO. 1

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