

AGENDA

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

**NORTON REGIONAL EVENT CENTER
1601 EAST THIRD STREET, SAN BERNARDINO**

REGULAR MEETING OF APRIL 18, 2018

9:00 A.M. – CALL TO ORDER – FLAG SALUTE

ANNOUNCEMENT: Anyone present at the hearing who is involved with any of the changes of organization to be considered and who has made a contribution of more than \$250 in the past twelve (12) months to any member of the Commission will be asked to state for the record the Commission member to whom the contribution has been made and the matter of consideration with which they are involved.

CONSENT ITEMS:

The following consent items are expected to be routine and non-controversial and will be acted upon by the Commission at one time without discussion, unless a request has been received prior to the hearing to discuss the matter

1. [Approval of Minutes for Regular Meeting of March 21, 2018](#)
2. [Approval of Executive Officer's Expense Report](#)
3. [Ratify Payments as Reconciled and Note Cash Receipts for Month of March 2018](#)
4. Consent Items Deferred for Discussion

PUBLIC HEARING ITEMS:

5. [Third Quarter Review for FY 2017-18:](#)
 - a. [Receive Third Quarter Financial Report](#)
 - b. [Approve Related Actions Required to Transfer Appropriation Authority to Balance Budget](#)
6. Preliminary Budget Review for Fiscal Year 2018-19:
 - a. [Proposed Changes to Schedule of Fees, Deposits, and Charges for Fiscal Year 2018-19](#)
 - b. Proposed Budget for Fiscal Year 2018-19:
 - i. [Review and Approve Contract with Best Best & Krieger for Legal Counsel Services](#)

- ii. [Review and Consideration of Amendments to Policy and Procedure Manual Section III – Human Resources to Reflect Changes in County Approved Exempt Compensation Plan for Salaries, Benefits, and Leave Provisions](#)
- iii. [Proposed Budget for FY 2018-19 and Apportionment Calculation](#)

DISCUSSION ITEMS:

7. [Review and Consideration of Update to Policy and Procedure Manual Section IV – Application Processing, Chapter 5 Out of Agency Fire Protection Contracts and Related Application Form](#)
8. [Status Report on Continued Monitoring of Conditions Imposed by LAFCO Resolution 3190 –LAFCO 3157 Sphere of Influence Establishment for County Service Area 120 \(TO BE CONTINUED TO THE JUNE 20, 2018 HEARING\)](#)
9. [Discussion of Deferral of Mandatory Service Review for Wrightwood Community Services District for one year and Initiation of Coterminous Sphere of Influence Establishment for Wrightwood Community Services District within San Bernardino County](#)

INFORMATION ITEMS:

10. Legislative Oral Report
11. Executive Officer's Oral Report
 - New Proposals Received
 - Update on Proposals Filed with LAFCO
 - Update on Executive Officer Recruitment
12. Commissioner Comments

(This is an opportunity for Commissioners to comment on issues not listed on the agenda, provided that the subject matter is within the jurisdiction of the Commission and that no action may be taken on off-agenda items unless authorized by law.)
13. Comments from the Public

(By Commission policy, the public comment period is limited to five minutes per person for comments related to other items under the jurisdiction of LAFCO not on the agenda.)

The Commission may adjourn for lunch from 12:00 to 1:30 p.m. The Commission may take action on any item listed in this Agenda whether or not it is listed For Action. In its deliberations, the Commission may make appropriate changes incidental to the above-listed proposals.

Materials related to an item on this Agenda submitted to the Commission or prepared after distribution of the agenda packet will be available for public inspection in the LAFCO office at 1170 West Third Street, Unit 150, San Bernardino, during normal business hours and at the hearing.

Current law and Commission policy require the publishing of staff reports prior to the public hearing. These reports contain technical findings, comments, and recommendations of staff. The staff recommendation may be accepted or rejected by the Commission after its own analysis and consideration of public testimony.

IF YOU CHALLENGE ANY DECISION REGARDING ANY OF THE ABOVE PROPOSALS IN COURT, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES YOU OR SOMEONE ELSE RAISED DURING THE PUBLIC TESTIMONY PERIOD REGARDING THAT PROPOSAL OR IN WRITTEN CORRESPONDENCE DELIVERED TO THE LOCAL AGENCY FORMATION COMMISSION AT, OR PRIOR TO, THE PUBLIC HEARING.

The Political Reform Act requires the disclosure of expenditures for political purposes related to a change of organization or reorganization proposal which has been submitted to the Commission, and contributions in support of or in opposition to such measures, shall be disclosed and reported to the same extent and subject to the same requirements as provided for local initiative measures presented to the electorate (Government Code Section 56700.1). Questions regarding this should be directed to the Fair Political Practices Commission at www.fppc.ca.gov or at 1-866-ASK-FPPC (1-866-275-3772).

A person with a disability may contact the LAFCO office at (909) 388-0480 at least 72-hours before the scheduled meeting to request receipt of an agenda in an alternative format or to request disability-related accommodations, including auxiliary aids or services, in order to participate in the public meeting. Later requests will be accommodated to the extent feasible.

KRM-3/14/18

**DRAFT – ACTION MINUTES OF THE – DRAFT
LOCAL AGENCY FORMATION COMMISSION
HEARING OF MARCH 21, 2018**

REGULAR MEETING

9:00 A.M.

MARCH 21, 2018

PRESENT:

COMMISSIONERS:	Jim Bagley James Ramos Jim Curatalo	Steven Farrell, Alternate Robert Lovingood Diane Williams
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STAFF:	Kathleen Rollings-McDonald, Executive Officer Clark Alsop, LAFCO Legal Counsel Samuel Martinez, Assistant Executive Officer Michael Tuerpe, Project Manager Jeffrey Lum, LAFCO Analyst La Trici Jones, Commission Clerk Bob Aldrich, LAFCO Consultant
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ABSENT:	Kimberly Cox, Chair Larry McCallon	Janice Rutherford, Alternate Acquanetta Warren, Alternate
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**CONVENE REGULAR SESSION OF THE LOCAL AGENCY FORMATION COMMISSION
– CALL TO ORDER – 9:03 A.M. – NORTON REGIONAL EVENT CENTER**

Vice-Chair Ramos calls the regular session of the Local Agency Formation Commission to order and leads the flag salute.

CONSENT ITEMS – STAFF RECOMMENDATION APPROVED

The following consent items are expected to be routine and non-controversial and will be acted upon by the Commission at one time without discussion, unless a request has been received prior to the hearing to discuss the matter.

- ITEM 1.** Approval of Minutes for Regular Meeting of February 21, 2018
- ITEM 2.** Approval of Executive Officer's Expense Report
- ITEM 3.** Ratify Payments as Reconciled and Note Cash Receipts for Month of January 2018
- ITEM 4.** Consent Items Deferred for Discussion

Executive Officer Kathleen Rollings-McDonald states that there has been no request for deferral or discussion of a consent item.

Commissioner Lovingood moves approval of the Consent Items, Second by Commissioner Curatalo. There being no opposition, the motion passes with the following roll call vote: Ayes: Bagley, Curatalo, Lovingood, Ramos and Farrell. Noes: None. Abstain: None. Absent: Cox (Commissioner Farrell voting in her stead), McCallon and Williams

DISCUSSION ITEMS:

ITEM 5 UPDATE ON LAFCO 3187 – COUNTYWIDE WATER SERVICE REVIEW REQUIRED CONTINUED MONITORING FOR: (A) COUNTY SERVICE AREA 70 ZONE CG (CEDAR GLEN); (B) COUNTY SERVICE AREA 70 ZONE J (OAK HILLS); (C) DAGGETT COMMUNITY SERVICES DISTRICT; and (D) COUNTY SERVICE AREA 70 ZONE W-4 (PIONEERTOWN) – STAFF RECOMMENDATION APPROVED

Project Manager Michael Tuerpe presents the staff report, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here. Affected and interested agencies were notified as required by law.

Commissioner Williams takes her place at the dais at 9:12 A.M.

Mr. Tuerpe states that this item is continued from the previous hearing due to the need to provide notice of the consideration. He states that the Commission considered the Countywide Water Service Review at the July 2017 hearing, and several “hotspots” identified in the report were recommended by the Commission for a six month status update. He states that the following hotspots are addressed in this update:

- a. County Service Area 70 Zone CG (Cedar Glen)
- b. County Service Area 70 Zone J (Oak Hills)
- c. Daggett Community Services District
- d. County Service Area 70 Zone W-4 (Pioneertown)

Mr. Tuerpe states that County Service Area 70 Zone CG (Cedar Glen) was failing when the County Special Districts Department purchased the system. He indicates that while the system continues to experience ongoing challenges, the County Special Districts Department has provided information showing overall improvement. He states that the staff recommendation is for no further formal monitoring of CSA 70 Zone CG for its water service.

Mr. Tuerpe states that with respect to County Service Area 70 Zone J (Oak Hills), the primary issues are that all sources have hexavalent chromium above the rescinded Maximum Contaminate Level (MCL), and the boundary conflicts between the Hesperia Water District and Zone J at the Maple/Topaz strip continue to exist. He states that the State Water Board rescinded the MCL standards for Chromium VI and is currently formulating new standards for review and comment.

Executive Officer Rollings-McDonald states that the Maple/Topaz strip was a hold-over from the incorporation of the City of Hesperia. She states that the area that was not

originally included in the Hesperia Water District boundary because CSA 70 Zone J served in the area. She states that about five to six years ago, the entire strip was annexed to the Hesperia Water District, but there were service connections to Zone J that remained. She states that staff is awaiting the Hesperia Water District's extension of facilities to serve the remaining connections so they could transition. Ms. Rollings-McDonald states that since this has not occurred, there has been difficulty transitioning the connections. She states that this is the reason for the need for a contractual agreement between Hesperia Water and Zone J so there can be a cooperative arrangement for service that acknowledges existing infrastructure even though it is outside the boundary of the respective water providers.

Mr. Tuerpe states that CSA 70 Zone J was identified in the water service review as a hot spot. He states that although LAFCO staff is working with the Hesperia Water District and CSA 70 Zone J on a mechanism to resolve the boundary conflicts, staff recommends that the Commission direct staff to continue to monitor the Zone J system. In addition, it is recommended that the Commission direct staff to return at the August 2018 hearing for an update regarding the water quality issue and the on-going discussions between Hesperia and County Service Area Zone J to resolve its boundary issues.

Mr. Tuerpe states that during the service review, the Commission reaffirmed its position that Daggett CSD and Yermo CSD have a combined sphere of influence, signaling the Commission's desire for consolidation. In addition the Commission directed staff to coordinate with Mojave Water Agency to seek further assistance for the Daggett CSD through MWA's Small Water Assistance Program.

Mr. Tuerpe states that the managerial issues persist at the Daggett CSD and require outside assistance. In addition, assistance from outside entities is needed to increase the water system's supply source, safety, and effectiveness. He further states that the CSD is taking any and all efforts not to be on the radar for a potential SB 88 consolidation required by the State Water Board with the adjacent Yermo System of Liberty Utilities (private water company). Mojave Water Agency (MWA) and the California Rural Water Association (CRWA) are actively engaging with the CSD on its water and managerial challenges. According to the data provided by MWA, water quality treatment does not appear to be a viable option for the CSD and that locating good quality groundwater in the service area, or near the service area, of Daggett CSD was necessary. In January 2018, MWA provided CRWA with data of wells and associated water quality within or near the CSD.

Mr. Tuerpe states that staff is recommending that the Commission direct staff to return at the August 2018 hearing with another update for Daggett CSD.

Commissioner Lovingood inquires if there has been any consolidations within the State under SB 88, to which Mr. Tuerpe replies that he is aware that there were two in Northern California but is not aware of any in Southern California.

Executive Officer Rollings-McDonald clarifies that there was one in Riverside County that pre-dated SB 88 and it had a number of issues which prompted the passage of SB 88. Commissioner Lovingood states that he would like for his office to review the process for consolidations that pre-dated SB 88.

Commissioner Bagley states that the staff report indicates that LAFCO staff requested audit reports for 2015/16 that have not been provided; to which Executive Officer Rollings-McDonald states that the problem is managerial and the inability of office staff to assemble the required data for an Auditor to audit the District. Commissioner Bagley states that this is a major red flag. He states that LAFCO's review is not to harass agencies, but there are some basic fundamental responsibilities for all public agencies. He states that one of those responsibilities is to be financially accountable of the money that comes in and out. Mr. Tuerpe states that we have an open line of communication with Daggett and Mojave Water Agency, and we are recommending to come back with another Commission update at the August 2018 hearing.

Mr. Tuerpe states that CSA 70 Zone W-4 Pioneertown, is located westerly of the Town of Yucca Valley and the boundaries of the Hi-Desert Water District. He states that the Commission could not take a direct action during the service review consideration because zones do not have a sphere of influence. He states that the State Board does have this zone on their radar for SB88. He states that LAFCO has been in contact with the Hi-Desert Water District, which is the adjacent agency, and Zone W-4 is within its sphere of influence. He states that as part of the Countywide Service Review for Water, Zone W-4 was classified as a "hot spot" due to its water quality challenges. He states that while progress has been made, LAFCO staff recommends that the Commission direct staff to return in six months at the August 2018 hearing with an update on the Zone W-4 system.

Mr. Tuerpe states that this concludes his staff report, and he is available to answer any questions from the Commission.

Vice-Chair Ramos calls for questions from the Commission. He states just to be clear, staff's recommendation is to take Cedar Glen off the monitoring list, but have the others come back at the August meeting for another update; to which Mr. Tuerpe responds in the affirmative.

Commissioner Bagley moves approval of staff's recommendation, Second by Commissioner Williams. There being no opposition, the motion passes with the following roll call vote: Ayes: Bagley, Curatalo, Lovingood, Ramos, Williams and Farrell. Noes: None. Abstain: None. Absent: Cox (Commissioner Farrell voting in her stead) and McCallon

**ITEM 6 REVIEW AND CONSIDERATION OF POLICY RELATED TO RETENTION
OF ELECTRONIC COMMUNICATIONS (CONTINUED FROM FEBRUARY
21, 2018 HEARING) – STAFF RECOMMENDATION APPROVED**

LAFCO Project Manager Michael Tuerpe presents the staff report, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here.

Mr. Tuerpe states that this is a continuing consideration from the February 21, 2018 hearing. He states that at the February hearing, the Commission directed that the Policy include language that records regarding a LAFCO proposal be retained for six months following completion of the proposal. Mr. Tuerpe notes that language has been added to the proposed policy to address this request as follows:

7. *The LAFCO official shall retain all emails related to a proposal for six months following issuance of the certificate of completion, certificate of termination, or withdrawal notification by the applicant.*

He states that this language is being placed in as Item #7 in the draft Communications Policy.

Vice-Chair Ramos asks if there are any questions from Commissioners.

Commissioner Farrell asks if Commissioners can request automatic forwarding to their personal email from the LAFCO email and if all emails can be saved on the server indefinitely; to which Mr. Tuerpe responds that the Supreme Court case, as well as the recommendation in the draft language that was provided by Best and Krieger, in general puts the responsibility on the LAFCO official to delete or retain their own emails. Commissioner Farrell asks if Mr. Tuerpe looked into the possibility of auto-forwarding the emails, to which Mr. Tuerpe responds that this is a function with Microsoft 365 and Gmail. He states that this is an option for all Commissioners.

Discussion continues.

Vice-Chair Ramos asks if there are any further questions from Commissioners.

Commissioner Farrell states that at this time he is satisfied and just needed some clarity on what was not clear to him in the staff report.

Mr. Tuerpe states that staff recommends that the Commission take the actions outlined on page one which are to: (1) Adopt the Electronic Communication Policy as proposed. Amend the Records Retention Policy as proposed; (2) Authorize the Executive Officer to establish and remove Email addresses for Commissioners, when applicable, with the County Information Services Department utilizing the Microsoft 365 Platform and the existing County retention schedule; and (3) Adopt the resolution reflecting the changes to the Policy and Procedure Manual.

Commissioner Curatalo moves approval of Staff Recommendation, Second by Commissioner Farrell. There being no opposition, the motion passes with the following roll call vote: Ayes: Bagley, Curatalo, Lovingood, Ramos, Williams and Farrell. Noes: None. Abstain: None. Absent: Cox (Commissioner Farrell voting in her stead) and McCallon

ITEM 7 WORKSHOP ON COUNTYWIDE HABITAT CONSERVATION
/PRESERVATION FRAMEWORK STUDY UPDATE AND CHANGES IN
STATE LEGISLATIVE DIRECTION – STAFF RECOMMENDATION
APPROVED

Commissioner Lovingood leaves the dais at 10:03 A.M.

Samuel Martinez, Assistant Executive Officer for LAFCO, presents the staff report and PowerPoint presentation, a complete copy of each is on file in the LAFCO Office. He states that this item is a two-part consideration; first he states the Commission will have a presentation from Josh Lee of the San Bernardino County Transportation Authority and

Mike Howard from Dudek on the County's progress related to habitat conservation and preservation for the entire County. He states that this is a collaborative effort by the County, SBCTA and SCAG together with the Countywide Vision Environmental Elements Group. Mr. Martinez states that the staff recommendations relate to the Commission's service review for habitat conservation and open space management services identified as LAFCO 3157A.

Josh Lee states that back in 2014, SBCTA started this effort under the Environmental Elements Group of the Countywide Vision Plan. In 2015, a Phase I report was completed which addressed the principals, next steps and some of the policies for doing a countywide habitat plan. Mr. Lee states that Mike Howard from Dudek is here to give the Commission the technical background regarding Phase II efforts.

Mr. Howard states that he has been working with the County since 2015. He states that Phase II work began in 2016 and was referred to as an alternative conservation plan to:

- Provide a comprehensive assessment of conservation priorities for focal species
- Identify where mitigation for development would be focused
- Streamline project permitting in conjunction with implementing a landscape-scale conservation strategy

Mr. Howard states that in the fall of 2016, the state passed AB 2087, which was codified in Fish and Game Code, and referred to as the Regional Conservation Investment Strategy (RCIS). He states that this program is administered through the California Department of Fish and Wildlife, and it provided many of the same functions that the County was trying to implement through the alternative conservation plan.

Mr. Howard states that the RCIS Program is voluntary and non-regulatory. He states that it does not regulate land use, create any new land use regulations, or restrict local land use authority. He states that an RCIS is a science-based conservation planning and mitigation strategy, developed by public agencies to identify conservation priorities and deliver more flexible mitigation options for development impacts. He states that this is a guide for conservation and mitigation actions to be implemented by state and local governments, NGOs, and private entities.

Discussion continues.

Commissioner Farrell asks what is the expected time frame for the RCIS to be completed to which Mr. Howard replies that the draft RCIS is expected to be completed for review and circulation in the fall of this year.

Mr. Martinez states that staff is proposing to close the current service review for habitat conservation and open space management, LAFCO 3157A, and for the Commission to direct staff to return to the Commission with a request to reinstate the service review for habitat conservation and open space management services upon completion of the collaborative process that the County of San Bernardino, the San Bernardino County Transportation Authority, the Southern California Association of Governments, and the

County's Environment Element Group have undertaken to address habitat preservation and conservation for the entire County.

Commissioner Farrell asks if LAFCO has ever reviewed habitat conservation and open space to which Executive Officer Rollings-McDonald states that this effort started with the sphere of influence establishment of CSA 120 which is required by LAFCO statute. She states there were questions regarding habitat, the management and the requirements of the California Department of Fish and Wildlife, mitigation requirements and EIR's/Negative Declarations in Redlands, Loma Linda and the desert related to CSA 120.

Vice-Chair Ramos asks the Commission for questions.

There are none.

Commissioner Farrell moves approval of staff's recommendations, Second by Commissioner Williams. There being no opposition, the motion passes with the following roll call vote: Ayes: Bagley, Curatalo, Ramos, Williams and Farrell. Noes: None. Abstain: None. Absent: Cox (Commissioner Farrell voting in her stead), McCallon and Lovingood.

INFORMATION ITEMS:

ITEM 8 LEGISLATIVE ORAL REPORT

Executive Officer Rollings-McDonald states that the CALAFCO Legislative Committee met last Friday and was attended by Assistant Executive Officer Samuel Martinez. She states that AB 2050 was discussed last month and is the bill sponsored by Eastern Municipal Water District to address the concerns about the imposition of surcharges on water bills. She states that this bill is proposing to create the Small System Water Authority Act to require consolidation of small water providers. She states that CALAFCO has taken a watch position at this time.

Ms. Rollings-McDonald states that AB 2258 is the CALAFCO sponsored grant program to allow for grant funding opportunities for smaller LAFCO's processing significant proposals.

She states that AB 3254 is a Local Government Committee omnibus bill that CALAFCO is sponsoring. She states that Assistant Executive Officer Samuel Martinez is currently working with Los Angeles LAFCO Executive Officer Paul Novak to shepherd this bill through the Legislature. Ms. Rollings-McDonald states that the bill currently contains non-substantive technical changes to the Cortese-Knox Hertzberg Act.

Executive Officer Rollings-McDonald states that SB 1215 is the wastewater version of SB 88, which proposes that the State Water Resources Control Board have the authority to require consolidation of waste water agencies. She states that this bill has some significant issues and CALAFCO is questioning some of the information in the bill.

Ms. Rollings-McDonald states that AB 226 is the League of Cities sponsored legislation that will return the per-capita funding source for island annexations that was removed by the Governor's budget bill SB 89.

She states there are a number of bills in the state legislature regarding retirement, CalPers and inactive accounts, but are not specifically related to LAFCO.

ITEM 9 EXECUTIVE OFFICER'S ORAL REPORT

Executive Officer Rollings-McDonald states that there are no new proposals, but we have had two proposals withdrawn. She states that the sphere of influence and reorganization to exchange property between IEUA and Muni turned out not to be a jurisdictional problem. It was a problem that the Assessor had incorrectly placed a subdivision in a Tax Rate Area where it did not belong. She states that the Districts have requested to withdraw the applications which requires a return of approximately ten thousand dollars in filing fees.

She states that staff is currently processing the East Valley Water District latent power authority application, and that the City of Hesperia and the County of San Bernardino have approved the property tax transfer required for the Hesperia Fire Protection District territory to annex into County Fire.

Ms. Rollings-McDonald states that following last month's review and discussion regarding the LAFCO audit presentation, staff has reviewed the issue with LAFCO's current auditor. She states that a presentation by the auditor to the Commission will be provided for all future audits.

Ms. Rollings-McDonald states that the recruitment for the Executive Officer will close on March 30, 2018, and in April the Commission will consider the 2018-19 preliminary budget.

ITEM 10 COMMISSIONER COMMENTS

There are none.

ITEM 11 COMMENTS FROM THE PUBLIC

There are none.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION, THE HEARING IS ADJOURNED AT 10:35 A.M

ATTEST:

LA TRICI JONES
Clerk to the Commission

LOCAL AGENCY FORMATION COMMISSION

JAMES RAMOS, Vice-Chair

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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www.sbclafco.org

DATE : **APRIL 4, 2018**

FROM: **KATHLEEN ROLLINGS-McDONALD, Executive Officer**

TO: **LOCAL AGENCY FORMATION COMMISSION**

**SUBJECT: AGENDA ITEM #2 – APPROVAL OF EXECUTIVE OFFICER’S EXPENSE
REPORT**

RECOMMENDATION:

Approve the Executive Officer’s Expense Report for Procurement Card Purchases from February 23, 2018 to March 22, 2018.

BACKGROUND INFORMATION:

The Commission participates in the County of San Bernardino’s Procurement Card Program to supply the Executive Officer a credit card to provide for payment of routine official costs of Commission activities as authorized by LAFCO Policy and Procedure Manual Section II – Accounting and Financial Policies #3(H). Staff has prepared an itemized report of purchases that covers the billing period of February 23, 2018 through March 22, 2018.

Staff recommends that the Commission approve the Executive Officer’s expense report as shown on the attachment.

KRM/Ilj

Attachment

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

1170 West 3rd Street, Unit 150, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 388-0481
E-mail: lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE : APRIL 5, 2018
FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

**SUBJECT: AGENDA ITEM #3 - RATIFY PAYMENTS AS RECONCILED FOR
MONTH OF FEBRUARY 2018 AND NOTE REVENUE RECEIPTS**

RECOMMENDATION:

Ratify payments as reconciled for the month of February 2018 and note revenue receipts for the same period.

BACKGROUND INFORMATION:

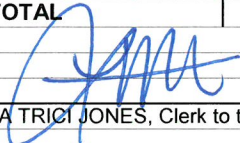
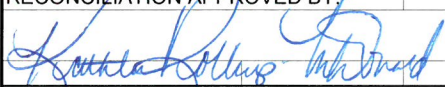
Staff has prepared a reconciliation of warrants issued for payments to various vendors, internal transfers for payments to County Departments, cash receipts and internal transfers for payments of deposits or other charges that cover the period of February 1, 2018 through February 28, 2018

Staff is recommending that the Commission ratify the payments for February 2018 as outlined on the attached listings and note the revenues received.

KRM/lj


Attachment

MONTH OF FEBRUARY 2018 PAYMENTS PROCESSED						
Document Number	Account	Posting Date	Activity	Reference	Vendor	Amount
1900091110	52002445	2/2/2018	JAN PRO CLEANING SERVICE	INVOICE #5977	JAN PRO	\$475.00
1900091200	52002445/5294	2/2/2018	CURATALO STIPEND/MILEAGE CALAFCO MEETING 1/29/18	CURATALO	JAMES CURATALO	\$246.87
1900096823	52002445	2/12/2018	ALDRICH & ASSOCIATES	INVOICE #57	BOB ALDRICH	\$3,300.00
1900099636	52002445	2/14/2018	INSTITUTE FOR LOCAL GOVERNMENTS	INVOICE #1839	INST. FOR LOCAL GOV'TS	\$2,500.00
1900103135	52002445	2/20/2018	ALDRICH & ASSOCIATES	INVOICE #58	BOB ALDRICH	\$3,600.00
1900010758	52002445/5294	2/21/2018	BAGLEY STIPEND & MILEAGE FEBRUARY HEARING	BAGLEY 2/21/18	JIM BAGLEY	\$298.00
1900010579	52002445/5294	2/21/2018	FARRELL STIPEND & MILEAGE FEBRUARY HEARING	FARRELL 2/21/18	STEVEN FARRELL	\$218.75
1900105571	52002445/5294	2/21/2018	WILLIAMS STIPEND & MILEAGE FEBRUARY HEARING	WILLIAMS 2/21/18	DIANE WILLIAMS	\$225.73
1900105776	52002445/5294	2/21/2018	COX STIPEND & MILEAGE FEBRUARY HEARING	COX 2/21/18	KIMBERLY COX	\$258.86
1900105779	52002445/5294	2/21/2018	WARREN STIPEND & MILEAGE FEBRUARY HEARING	WARREN 2/21/18	ACQUANETTA WARREN	\$217.44
1900105784	52002445/5294	2/21/2018	CURATALO STIPEND & MILEAGE FEBRUARY HEARING	CURATALO 2/21/18	JAMES CURATALO	\$227.25
1900106340	52002445	2/21/2018	RAMOS STIPEND FEBRUARY HEARING	RAMOS 2/21/18	JAMES RAMOS	\$200.00
1900106342	52002445	2/21/2018	LOVINGOOD STIPEND FEBRUARY HEARING	LOVINGOOD 2/21/18	ROBERT LOVINGOOD	\$200.00
1900106343	52002445	2/21/2018	MCCALLON STIPEND FEBRUARY HEARING	MCCALLON 2/21/18	LARRY MCCALLON	\$200.00
1900091112	52002905	2/2/2018	MONTHLY RENTAL OF AUDITORIUM - FEBRUARY	INVOICE #531	IVDA	\$405.00
1900099647	52002905	2/14/2018	MONTHLY RENTAL OF AUDITORIUM - DECEMBER 2017	INVOICE #507	IVDA	\$405.00
1900108416	52002085	2/26/2018	NOTICE OF VACANCY ALT. PUB MEMBER (HI-DESERT STAR)	B3096479	IVDB	\$155.08
1900108422	52002085	2/26/2018	NOTICE OF VACANCY PUB. MEMBER (DAILY PRESS)	B3096446	IVDB	\$488.25
1900108424	52002085	2/26/2018	NOTICE OF VACANCY ALT. PUB MEM. (DAILY BULLETIN)	B3096478	IVDB	\$410.64
1900108682	52002085	2/26/2018	NOTICE OF VACANCY PUB. MEMBER (HI-DESERT STAR)	B3096484	IVDB	\$190.59
1900102222	52002182	2/15/2018	EDISON FEBRUARY 2018	2-39-945-2309	SO CAL EDISON	\$56.66
1900104232	52002400	2/20/2018	BEST BEST & KRIEGER GENERAL	INVOICE #814837	BBK	\$416.72
1900104233	52002400	2/20/2018	BEST BEST & KRIEGER SAHA	INVOICE #814838	BBK	\$997.65
1900104235	52002400	2/20/2018	BEST BEST & KRIEGER CTY OF SNBDNO V EVWD	INVOICE #814839	BBK	\$46.20
1900104238	52002400	2/20/2018	BEST BEST & KRIEGER SAHA CIVDS1715504	INVOICE #814840	BBK	\$1,159.07
1900104241	52002400	2/20/2018	BEST BEST & KRIEGER EMPLOYEE BENEFITS	INVOICE #814841	BBK	\$115.50
1900104228	52002405	2/20/2018	DAVIS FARR LAFCO 2017 AUDIT	INVOICE #3524	DAVIS FARR	\$7,800.00
1900091108	52002444	2/2/2018	MIJAC ALARM MONITORING	ACCT #418260	MIJAC	\$117.00
5105632079	52002895	2/2/2018	KONICA MINOLTA COPIER LEASE	INVOICE 31339261	KONICA MINOLTA	\$431.99
5105640700	52002895	2/28/2018	KONICA MINOLTA COPIER LEASE	INVOICE 31474322	KONICA MINOLTA	\$439.97
TOTAL						\$25,803.22
MONTH OF FEBRUARY 2018 INTERNAL TRANSFERS PROCESSED						
4200005177	52002310	2/5/2018	MAIL SERVICES	COUNTY MAIL	COUNTY MAIL	\$188.00
4200005178	52002310	2/5/2018	MAIL SERVICES	COUNTY MAIL	COUNTY MAIL	\$68.90
4200005180	52002310	2/5/2018	MAIL SERVICES	COUNTY MAIL	COUNTY MAIL	\$257.19
4200005548	52002415	2/14/2018	COWCAP 3RD QUARTER	COUNTY AUDITOR	COUNTY AUDITOR	\$2,114.40
4100181124	52002420	2/1/2018	JANUARY 2018 EXCHANGE ACTIVE SYNC	ISD	ISD	\$16.61
4100181124	52002421	2/1/2018	JANUARY 2018 DESKTOP SUPPORT	ISD	ISD	\$1,348.20
4200005808	52002445	2/21/2018	2017 FOURTH QUARTER ACCOUNTING SERVICES	ATC	ATC	\$884.40
4200005809	52002895	2/2/2018	CERTIFICATION OF VOTERS LAFCO 3223-3224	ROV	ROV	\$99.11
4100181115	52002043	2/1/2018	JANUARY 2018 DATA SERVICES LABOR	ISD	ISD	\$142.76
TOTAL						\$5,119.57
MONTH OF FEBRUARY 2018 CASH RECEIPTS						
	40709545	2/27/2018	LAFCO 3226 INDIVIDUAL NOTICE	INDIVIDUAL NOTICE		\$1,000.00
	40709555	2/15/2018	LAFCO 3216 INDEMNIFICATION	CITY OF UPLAND		\$311.88

	40709555	2/27/2018	LAFCO 3226 LEGAL	LEGAL		\$1,200.00
	40709660	2/27/2018	LAFCO 3226 ENVIRONMENTAL	ENVIRONMENTAL		\$750.00
	40709595	2/27/2018	LAFCO 3226 PROTEST DEPOSIT	PROTEST		\$1,500.00
	40759800	2/27/2018	LAFCO 3226 LAFCO FEE	LAFCO FEE		\$7,500.00
	40759800	2/27/2018	LAFCO SC #423 EVWD	EVWD		\$2,250.00
	40759930	2/27/2018	1/2 CAB FARE GEORGE SPILIOTIS	SHARE OF COST		\$20.00
	40759930	2/27/2018	FRONTIER COMMUNICATIONS	REFUND		\$30.60
TOTAL						\$14,562.48
MONTH OF FEBRUARY 2018 INTERNAL TRANSFERRED RECEIVED						
TOTAL						\$0.00
						
LA TRICI JONES, Clerk to the Commission			DATE	4/5/2018		
RECONCILIATION APPROVED BY:						
						
KATHLEEN ROLLINGS-McDONALD, Executive Officer			DATE	4/5/2018		

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: APRIL 11, 2018 
FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
MICHAEL TUERPE, Project Manager
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #5: Third Quarter Financial Review for Period
July 1, 2017 through March 31, 2018

RECOMMENDATION:

Staff recommends that the Commission take the following actions:

1. Note receipt of this report and file.
2. Approve the transfer from Contingencies as follows:
 - a) Decrease Contingencies Reserve (Account 6000) by \$76,039 to \$63,077.
 - b) Increase Miscellaneous Expense (Account 2090) by \$10,000 to \$121,683.
 - c) Increase Legal Counsel Expenditures (Account 2400) by \$66,039 to \$196,153.
3. Authorize the Executive Officer to select a vendor to modify the front door of the LAFCO office for safety purposes, for an amount not to exceed \$10,000, and direct the Executive Officer to return to the Commission at a later hearing for Commission approval.
4. Provide direction to staff on items of concern for the balance of the fiscal year.

BACKGROUND:

At the February hearing, staff presented the Mid-Year financial report to the Commission. Staff identified that as of that time, a \$40,597 deficit was projected for the year-end. It was identified that this fiscal year has been profound in that:

- The staff office moved to the Santa Fe Depot, providing a base for up to 15 years. The single most significant event was the payment of the majority of the costs related to the move being processed during this fiscal year, totaling \$115,609. Many of these invoices were received in the prior year, but the County ceased payment processing due to the transition to its new financial system affecting the timing of the expenses being included on the books. Total cash payments for the renovation and move total \$225,609 over two years, all budgeted activity.
- We have incurred significant unanticipated legal costs. For the past three years, there has been exposure to litigation related to a number of individual items: review of activation of latent powers, declaration statement related to litigation, subpoena issued to the Commission staff, and the Commission's authorization of the Executive Officer's contract. These legal charges are not directly related to a proposal; therefore, they are not recoverable. Through March, charges totaled \$67,468 for FY 2017-18. Since this date, the costs have been minimal – related to outstanding items from legal counsel. At this time, staff anticipates no further costs associated with non-recoverable legal expenses based upon approved settlement agreements.
- Receipt of proposals have significantly reduced, which results in fewer revenue receipts.

At the February hearing on the mid-year review, staff did not make any recommendations for a transfer of reserve funds to cover the gap. Instead, staff stated that as a part of the Third Quarter Budget Update/Preliminary Budget Review in April (this hearing), it would provide an updated figure with a recommendation for Commission action. Based upon this update, future actions would be required for the Commission to close this gap.

Third Quarter Update on Deficit

Unfortunately, since the February hearing, the deficit has increased by an additional \$35,442, to \$76,039. The additional \$35,442 is attributed to the following:

- Determination by staff that a proposal related to the Town of Apple Valley would most likely be received in FY 2018-19 and not FY 2017-18. The anticipated revenues for this proposal are budgeted in FY 2018-19. (\$13,270)
- Withdrawal of two proposals (reorganization with sphere amendment) by the dual applicants, San Bernardino Valley Municipal Water District and Inland Empire Utilities Agency, requiring a partial refund. (\$10,064)
- Staff has determined that the office front door requires additional safety measures in order to ensure a safe working environment. This report discusses in more detail a request for Commission approval to appropriate funds for this need. (\$6,500)

- Costs related to the legal advertisements for the Notice of Vacancy for the Public Member and Alternate Public Member seats on the Commission was not included in the year-end projections. (\$2,035)
- Additional expenditure activity (\$3,573).

At year's end the budget is required to be balanced, and due to the deficit a transfer from reserves is necessary to account for the gap. Staff recommends a transfer from the Contingencies Account as follows:

a) Decrease Contingencies Reserve (Account 6000) by \$76,039 to \$63,077

This is the total amount of the deficit, which would be transferred from Contingencies to the appropriate Expenditure accounts to fill the appropriations gap.

b) Increase Miscellaneous Expense (Account 2090) by \$10,000 to \$121,683

It has become apparent to LAFCO staff that additional security measures are needed for the office front door to ensure a safe working environment. During the planning for the move, additional security for the door was not raised because the grounds have 24-7 security. As the year progressed, it became apparent to staff that a front door with access control is necessary due to two unfortunate incidents within the office. Staff has contacted vendors, and there are constraints on modifying the door due to the building's historical status.

To address the situation, staff has solicited quotes from three vendors and discussed the issue with SBCTA staff. At this time, staff is recommending that the Commission authorize the Executive Officer to choose a vendor, for an amount not to exceed \$10,000, and direct the Executive Officer to return to the Commission at a later hearing for contract approval.

c) Increase Legal Counsel Expenditures (Account 2400) by \$66,039 to \$196,153

While the description at the opening of this report outlines the cessation of significant non-recoverable legal activity, this activity is a main component of this year's deficit. At the Mid-Year review, the Commission approved the transfer of \$25,229 from the General/Litigation Reserve to the Legal Charges expenditure account to partially cover the non-recoverable legal charges.

An additional \$66,039 is recommended to cover the bulk of the non-recoverable legal charges.

Third Quarter Review:

Through the third quarter, Total Expenditures incurred are 76% of Approved Budget authority. The following includes detailed information for the primary accounting segments -- Salaries and Benefits (1000 series) and Services and Supplies (2000 series) identifying their anticipated activity to year end. The following information includes a description of the financial transactions which relate to expenditures and reserves, revenue and proposal activity, an update on special project activities, and a breakdown of the Commission's fund balance.

Expenditures and Reserves

1. Salaries and Benefits (1000 series)

The remainder of the year is anticipated to maintain the adopted budget with a projection to expend 99% of budget authority.

2. Services and Supplies (2000 and 5000 series)

Budgeted and anticipated activities for the last quarter of the fiscal year include significant expenditures, identified as:

- Additional legal charges related to LAFCO 3216 – Upland/County Fire Reorganization (~\$4,800). Any such future charges would be indemnified by the City of Upland and County Fire with the Commission recovering these expenses; however, the receipt of funds will occur in the next fiscal year,.
- Subscription to the County Street Network (\$10,500) for maintenance of digital mapping and Google Earth Subscription (\$3,000).
- Payments for the processing of proposals and countywide wastewater service review (legal costs, advertising and mailing) are anticipated. (~\$10,000).
- Remaining payments of roughly \$12,000 for the consulting contract with Bob Aldrich – the Commission approved the contract extension for Fiscal Year 2017-18. Staff anticipates utilizing the full authority of this contract to accommodate Executive Officer recruitment as well as ongoing staff support of proposals and the wastewater service review.

3. Status of Ongoing Commission-approved Projects

The following provides an update on expenditures and progress on projects approved by the Commission.

Educational Training for Special Districts

The Commission is continuing its efforts to provide governance training for special districts, as well as other levels of government, within the County. As a part of this year's budget, the Commission continued its education program, and staff developed the program in coordination with the California Special Districts Association (CSDA) and the Institute for Local Government (ILG). The budget allocates \$7,500 total for payments to the collaborators, per the agreed upon cost of up to \$2,500 per session.

This year's program is complete, with the most recent session conducted on March 28. The first and second sessions were on December 7 and January 29. All the sessions were well attended, the surveys indicate they were well received, and the costs are below the budgeted amount.

Service Reviews

Below is the status of the service reviews that the Commission has authorized:

- In the first quarter the Commission completed the Countywide Service Review for Water, encompassing over 100 water systems across four regions. The Commission directed continued monitoring on four retail water systems. The next update to the Commission is scheduled for August.
- The Countywide Service Review for Wastewater, encompassing over 55 wastewater systems across four regions, is tentatively scheduled for presentation at either the June or July hearing. The meetings with the stakeholder groups to review the draft is anticipated in mid-May.
- This April, staff will begin the groundwork for the Countywide Service Review for Fire Protection/Emergency Medical Response/Ambulance services.

Expenditures within the 2000 Series are anticipated to end the Fiscal Year, with the modifications proposed above, at 89% of expenditure authority.

4. Contingency and Reserves (6000 series)

The non-recoverable legal matter identified above required a transfer from General/Litigation Reserve (Account 6025) to Legal Charges (Account 2400) in order to accommodate existing and anticipated expenditures. At the February 2018 hearing, the Commission approved the transfer of \$25,229. This action reduced the General/Litigation Reserve fund to the minimum \$200,000 balance required by Commission policy (Section II, Chapter 1, Policy 6).

Revenues

1. Revenues through the Third Quarter

The Commission has received 90% of Approved Budget revenues through the end of the third quarter. Interest gains are above the budgeted amount and 100% of the mandatory apportionment payments from the County, cities, and independent special districts were received.

The budget projected the receipt of 11 proposals. Five proposals were received though the third quarter; however, two proposals were withdrawn by the applicants. As a result, only three proposals are being processed this year with proposal revenue only at 30% of the budget projection. The figure below identifies the number of proposals (three) and service contracts (five) received through March. Attachment #2 to this staff report includes a chart showing the yearly comparison of proposal, service contract, and completed service review activity.

Activity	Budget	Through March	
		No.	% of Budget
Proposals	11	3	27%
Service Contracts - Commission approval	2	1	50%
Service Contracts - Commission approval for exemption	0	2	--
Service Contracts - Admin (E.O.) approval	6	2	33%
Protest Hearing Deposits	5	2	40%

2. Projected Revenues for the Fourth Quarter

This LAFCO has historically taken a conservative approach to projecting revenues. Keeping with this practice, staff is projecting \$17,645 in revenue for the final quarter, to include:

- Receipt of limited interest payments for the remaining quarter (\$3,000).
- Receipt of one proposal with the full complement of fees and deposits (\$13,310). This is a tangible proposal with an imminent initiation by the applicant. If the proposal is not received by year's end, it would be received shortly after the start of FY 2018-19.
- Receipt of one proposal that is a boundary correction (\$3,050). By Commission policy, this proposal would only be charged deposits for direct outside costs and not the LAFCO Fee.

- Refund of \$10,064 to the San Bernardino Valley Municipal Water District for its withdrawal (as well as the withdrawal by the other co-applicant the Inland Empire Utilities Agency) of a reorganization proposal and its companion sphere of influence proposal.

Based upon the recommended Amended Budget, Total Revenues are projected to end the year at 92% of the current budget authority.

Fund Balance

As of March 31, the Commission's cash in the County Treasury was \$732,408. A breakdown of this amount is shown below. As shown, at this time a \$76,039 deficit is projected for year-end. This report includes a recommendation for the Commission to transfer funds from the Contingency Reserve to close this gap.

March 31, 2018 Balance		\$732,408
Balance is composed of the following:		
<i>Liabilities (Accounts Receivable)</i>		
	Deposits Payable (Receivable), est. year-end	(21,978)
<i>Committed (constrained to specific purposes)</i>		
	Net Pension Liability Reserve (Account 6010)	148,450
	Compensated Absences Reserve (Account 6030)	89,708
<i>Assigned (intended for specific purposes)</i>		
	Contingency (Account 6000)	139,116
	General Reserve (Account 6025)	200,000
<i>Remaining Activity, Projected</i>		
	Expenditures	270,796
	Revenues (shown as a negative)	(17,645)
Additional Carryover or (Deficit)		(\$76,039)

CONCLUSION:

This year's budget has encountered activities, or lack of, that have stressed the Commission's finances. First, the final costs related to the move have been processed, with the majority of the costs processed in this fiscal year. Additionally, significant legal charges were incurred, the vast majority of which are not recoverable. On a positive note, a settlement between outside parties has been reached on the exposure to the litigation matter and the legal charges have stemmed.

Third, the receipt of proposals dropped precipitously to a low level, which results in fewer revenue receipts. The budget anticipated 11 proposals for the year; however, through March, five proposals have been received, but two were withdrawn by the applicants which required a partial refund. Based upon talks with agencies, staff projects an additional two proposals in the remaining months, for a total of five for the year.

In response to the information presented in this report, staff is recommending that the Commission take the actions identified on page 1 of this report, to include:

1. Approve the transfer from Contingencies as follows:
 - a) Decrease Contingencies Reserve (Account 6000) by \$76,039 for a final appropriation of \$63,077.
 - b) Increase Miscellaneous Expense (Account 2090) by \$10,000 to \$121,683.
 - c) Increase Legal Counsel Expenditures (Account 2400) by \$66,039 to \$196,153.
2. Authorize the Executive Officer to select a vendor to modify the front door of the LAFCO office for safety purposes, for an amount not to exceed \$10,000, and direct the Executive Officer to return to the Commission at a later hearing for Commission approval.

Staff will be happy to answer any questions from the Commission prior to or at the hearing regarding the items presented in this report.

KRM/MT

Attachments:

1. [Spreadsheet of Mid-Year Expenditures, Reserves, and Revenues](#)
2. [Chart Illustrating Yearly Proposal, Service Contract, and Service Review Activity](#)

Spreadsheet of Mid-Year Expenditures, Reserves, and Revenues

Attachment 1

FISCAL YEAR 2017-18

ACCT. #	ACCOUNT NAME	ACTUAL YEAR-END FY 16-17	AMENDED BUDGET Feb-18	PROPOSED AMENDED Apr-18	TOTAL THRU MID-YEAR	TOTAL THRU QUARTER 3	PERCENT THRU Q-3	PROJECTED REMAINING	PROJECTED YEAR-END	PROJECTED YEAR-END % Feb-18
	SALARIES AND BENEFITS									
1010	Regular Salary and Bilingual	\$ 466,526	\$ 483,128	\$ 483,128	\$ 236,425	\$ 368,144	76%	\$ 109,289	\$ 477,432	99%
1030	Auto and Cell Phone Allowances	17,000	17,065	17,065	8,500	13,077	77%	3,923	17,000	100%
1035	Overtime	38				-				
1045	Termination Payment	632				-				
1110	General Member Retirement	112,783	125,311	125,311	61,479	95,971	77%	28,174	124,144	99%
1130	Survivors Benefits	210	224	224	112	172	77%	52	224	100%
1135	Indemnification - General	18,264	15,887	15,887	9,067	13,328	84%	3,652	16,980	107%
1200	Employee Group Insurance (Health Subsidy)	45,801	49,285	49,285	26,387	40,598	82%	11,330	51,928	105%
1205	Long-Term Disability	883	969	969	473	733	76%	223	955	99%
1207	Vision Care Insurance	771	825	825	411	632	77%	190	822	100%
1215	Dental Insurance & Health Subsidy	1,251	1,235	1,235	620	951	77%	284	1,235	100%
1222	Short-Term Disability	3,477	3,808	3,808	1,862	2,880	76%	875	3,756	99%
1225	Social Security Medicare	6,143	6,190	6,190	3,043	4,753	77%	1,424	6,177	100%
1235	Workers' Compensation	2,097	5,216	5,216	2,160	2,160	41%	1,200	3,360	64%
1240	Life Insurance & Medical Trust Fund	5,316	7,526	7,526	3,391	5,338	71%	1,730	7,068	94%
1305	Medical Reimbursement Plan	3,380	6,840	6,840	1,890	2,940	43%	1,200	4,140	61%
1310	ID Allowance Café	17,453	12,306	12,306	6,132	9,434	77%	2,829	12,263	100%
1314	457/401a Defined (LAFCO Contribution)	1,544	1,795	1,795	740	1,151	64%	413	1,563	87%
1315	401k Contribution	26,020	28,721	28,721	14,028	21,802	76%	6,602	28,405	99%
	TOTAL SALARIES & BENEFITS	\$ 729,589	\$ 766,331	\$ 766,331	\$ 376,720	\$ 584,063.53	76%	\$ 173,389	\$ 757,453	99%
	Staffing (Full time equivalent units)		5.5							
	SERVICES AND SUPPLIES									
	Services:									
2035	Communications	\$ 1,053								
2037	COMNET Charge (ISF)	2,872	2,730	2,730	\$ 1,806	\$ 2,463	90%	\$ 886.68	\$ 3,350	123%
2038	Long Distance Charges							-		
2040	Relocation Charges - Phone Service	10,647			118	3,151		-	3,151	
2041	Phone Service/Outside Company	947	10,318	10,318	61	2,945	29%	1,468.78	4,414	43%
2043	Electronic Equipment Maintenance				6,016	6,159		-	6,159	
2075	Membership Dues	9,338	9,831	9,831	9,973	9,973	101%	-	9,973	101%
2076	Tuition Reimbursement	2,000	3,000	3,000		950	32%	-	950	32%
2080	Publications	3,021	3,288	3,288	966	3,629	110%	662.13	4,291	130%
2085	Legal Notices	18,129	20,284	20,284	11,889	16,871	83%	2,500.00	19,371	95%
2090	Miscellaneous Expense (related to move)	100,000	111,683	121,683	102,691	102,691	92%	6,500	109,191	98%
2115	Computer Software	2,552	3,502	3,502	1,313	3,020	86%	500.00	3,520	101%

FISCAL YEAR 2017-18

ACCT. #	ACCOUNT NAME	ACTUAL YEAR-END FY 16-17	AMENDED BUDGET Feb-18	PROPOSED AMENDED Apr-18	TOTAL THRU MID-YEAR	TOTAL THRU QUARTER 3	PERCENT THRU Q-3	PROJECTED REMAINING	PROJECTED YEAR-END	PROJECTED YEAR-END % Feb-18
2125	Inventoriable Equipment	2,685	17,000	17,000			0%	-	-	0%
2180	Electricity for Office		4,800	4,800	2,467	2,467	51%		2,467	51%
2182	Electricity				895	1,305		750.00	2,055	
2195	Reimbursement Services and Supplies									
2245	Other Insurance	9,100	9,050	9,050	9,965	10,013	111%	-	10,013	111%
2305	General Office Expense	8,105	7,410	7,410	6,405	8,142	110%	875.00	9,017	122%
2308	Credit Card Clearing Account	(465)			11,091	3		-	3	
2309	Visa Temp Card									
2310	Postage - Direct Charge	75,917	20,694	20,694	8,003	10,842	52%	2,045.00	12,887	62%
2315	Records Storage	749	696	696	246	546	79%	119.24	666	96%
2316	Surplus Handling				-				-	
2323	Reproduction Services	15,084	21,274	21,274	1,639	1,639	8%	-	1,639	8%
2335	Temporary Services	3,033	7,650	7,650	132	132	2%	-	132	2%
2400	Prof & Special Service (Legal Counsel)	37,867	130,114	196,153	112,647	122,987	95%	10,121.55	133,108	102%
2405	Auditing	11,492	11,783	11,783	3,019	10,819	92%	-	10,819	92%
2410	Data Processing	7,827	7,827	7,827			0%	-	-	0%
2415	COWCAP	13,236	20,000	20,000	4,229	6,343	32%	2,114.40	8,458	42%
2420	ISD Other IT Services	245	210	210	100	133	63%	52.41	185	88%
2421	ISD Direct	8,949	8,927	8,927	7,467	10,218	114%	4,298.76	14,517	163%
2424	Mgmt & Tech (Environmental Consultant)	9,077	6,650	6,650	5,285	5,795	87%	1,120.00	6,915	104%
2444	Security Services	390	408	408	934	1,051	258%	117.00	1,168	286%
2445	Other Prof (Commission, Surveyor, ROV)	124,571	140,385	140,385	60,362	95,430	68%	21,485.60	116,915	83%
2449	Outside Legal (Litigation & Special Counsel)							-		
2450	Application Development Support		200	200			0%	-	-	0%
2460	GIMS Charges	13,500	16,170	16,170			0%	13,500.00	13,500	83%
2895	Rent/Lease Equipment (copier)	7,226	7,200	7,200	475	4,541	63%	1,350.00	5,891	82%
2905	Office/Hearing Chamber Rental	49,874	82,788	82,788	50,607	75,734	91%	24,721.23	100,455	121%
	Travel Related Expenses:									
2940	Private Mileage	4,963	4,855	4,855	2,521	3,126	64%	599.40	3,725	77%
2941	Conference/Training	6,465	6,140	6,140	4,766	4,939	80%	310.00	5,249	85%
2942	Hotel	12,417	10,550	10,550	2,425	6,492	62%	500.00	6,992	66%
2943	Meals	1,502	2,235	2,235	550	658	29%	160.00	818	37%
2944	Car Rental	228	200	200	109	109	55%	200.00	309	155%
2945	Air Travel	4,188	2,000	2,000	780	2,849	142%	400.00	3,249	162%
2946	Other Travel	871	400	400	455	609	152%	50.00	659	165%

FISCAL YEAR 2017-18

ACCT. #	ACCOUNT NAME	ACTUAL YEAR-END FY 16-17	AMENDED BUDGET Feb-18	PROPOSED AMENDED Apr-18	TOTAL THRU MID-YEAR	TOTAL THRU QUARTER 3	PERCENT THRU Q-3	PROJECTED REMAINING	PROJECTED YEAR-END	PROJECTED YEAR-END % Feb-18
	Other Charges:									
5012	Services Out (Staples)	14	1,200	1,200	185	185	15%	-	185	15%
	TOTAL SERVICES & SUPPLIES	\$ 579,668	\$ 713,452	\$ 789,491	\$ 432,592	\$ 538,957	76%	\$ 97,407	\$ 636,364	89%
	TOTAL EXPENDITURES	\$ 1,309,258	\$ 1,479,783	\$ 1,555,822	\$ 809,311	\$ 1,123,021	76%	\$ 270,796	\$ 1,393,817	94%
	RESERVES									
6000	Contingency	\$ -	\$ 139,116	\$ 63,077	\$ -		0%			
6010	Net Pension Liability Reserve	-	148,450	148,450	-		0%			
6025	General Reserve - Litigation	-	200,000	200,000	-		0%			
6030	Compensated Absences Reserve	(1,216)	89,708	89,708	-		0%			
	TOTAL CONTINGENCIES & RESERVES	\$ (1,216)	\$ 577,274	\$ 501,235	\$ -	\$ -	0%	\$ -	\$ -	0%
	TOTAL APPROPRIATION	\$ 1,308,042	\$ 2,057,057	\$ 2,057,057	\$ 809,311	\$ 1,123,021	40%	\$ 270,796	\$ 1,393,817	68%

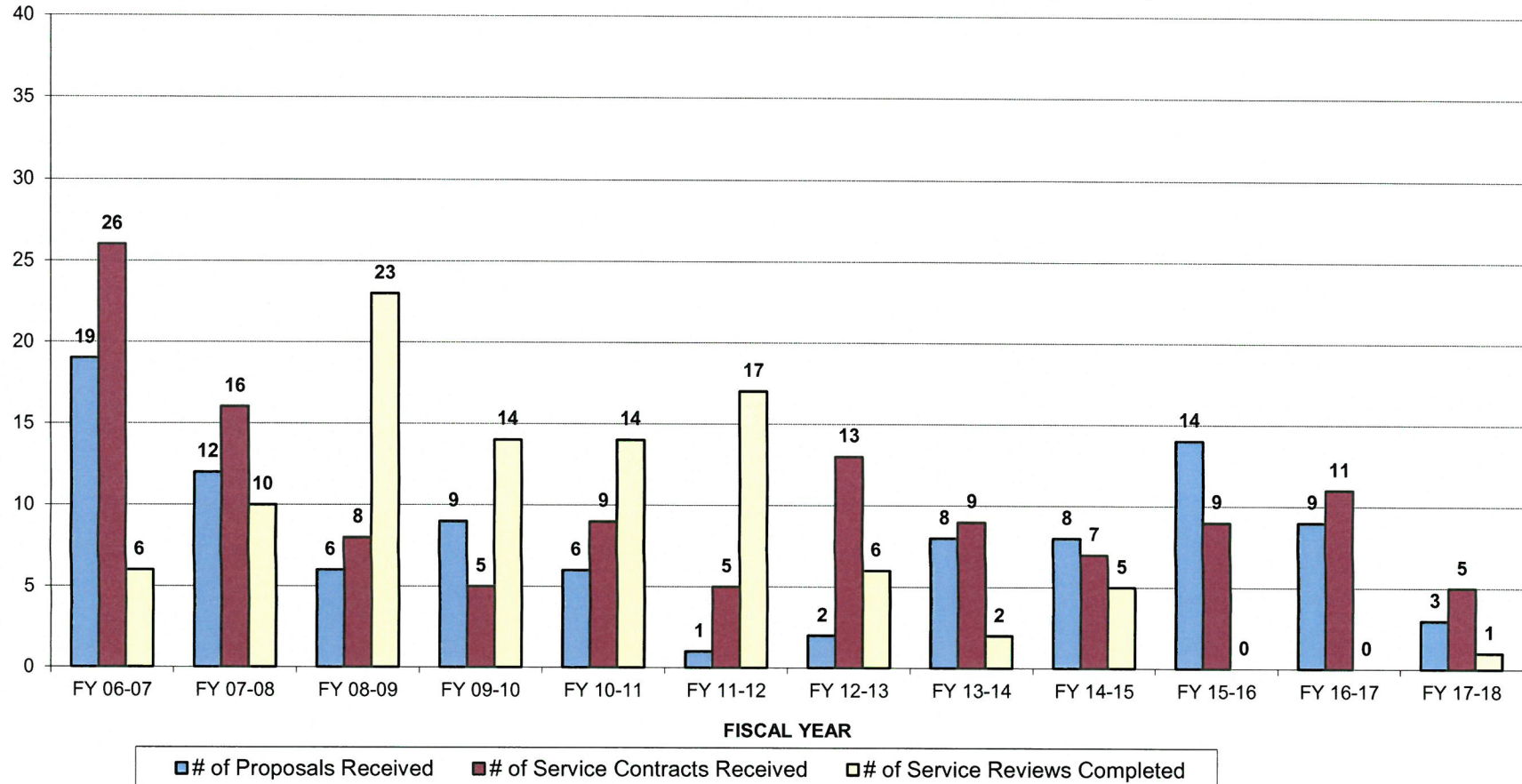
FISCAL YEAR 2017-18

ACCT #	ACCOUNT NAME	ACTUAL YEAR-END FY 16-17	ADOPTED BUDGET May-17	AMENDED BUDGET Feb-18	TOTAL THRU MID-YEAR	TOTAL THRU QUARTER 3	PERCENT THRU Q-3	PROJECTED REMAINING	PROJECTED YEAR-END	PROJECTED YEAR-END
	CONTRIBUTION REVENUES									
	Use of Money:									
8500	Interest	\$ 9,318	\$ 8,000	\$ 8,000	\$ 5,355	\$ 9,134	114%	\$ 3,000	\$ 12,134	152%
	Mandatory Contribution from Governments:									
8842	Local Government -- For FY 2017-18 apportionment to County, Cities, and Independent Special Districts of approximately \$336,528 each	926,223	1,009,583	1,009,583	1,009,583	1,009,583	100%	-	1,009,583	100%
	Fees and Deposits (Current Services):									
9545	Individual Notice	27,507	42,320	42,320	1,041	3,677	9%	1,400	5,077	12%
9555	Legal Services	10,311	9,600	40,185	4,028	27,180	68%	10,749	37,928	395%
9595	Protest Hearing	34,000	43,620	43,620	1,500	1,500	3%	-	1,500	3%
9655	GIMS Fees	5,015	7,520	7,520	3,230	4,730	63%	1,060	5,790	77%
9660	Environmental	7,145	6,000	6,000	475	2,762	46%	(231)	2,531	42%
9800	LAFCO Fees	117,531	127,773	127,773	15,904	40,654	32%	1,667	42,321	33%
	Total Fees and Deposits	201,509	236,832	267,417	26,178	80,502	30%	14,645	95,147	40%
	TOTAL CONTRIBUTION REVENUES	1,137,049	1,254,415	1,285,000	1,041,116	1,099,220	86%	17,645	1,116,864	89%
	OTHER REVENUES									
9910	Prior Year Activity (refunds, collections)	\$ (20,757)	\$ (1,250)	\$ (1,250)	\$ 2,438	\$ 2,438	-195%	\$ -	\$ 2,438	-195%
9930	Miscellaneous Revenues	345	2,000	2,000	1,079	1,130	56%	-	1,130	56%
9970	Carryover of Open Proposals/Projects	42,219	23,671	23,671	5,008	5,008	21%	-	5,008	21%
9970	Carryover from Prior Year, Assigned	296,065	68,875	101,683	101,683	101,683	100%	-	101,683	100%
	TOTAL OTHER REVENUES	317,873	93,296	126,104	110,208	110,259	87%	-	110,259	87%
	TOTAL REVENUES	\$ 1,454,922	\$ 1,347,711	\$ 1,411,104	\$ 1,151,324	\$ 1,209,479	86%	\$ 17,645	\$ 1,227,123	89%
	RESERVES FROM PRIOR YEAR, as of July 1									
9970	Contingency	\$ 155,501	\$ 155,501	\$ 155,501	\$ 155,501	\$ 155,501	100%	-	\$ 155,501	100%
9970	Net Pension Liability Reserve	82,750	117,097	117,097	117,097	117,097	100%	-	117,097	100%
9970	General Reserve - Litigation	291,007	284,917	284,917	284,917	284,917	100%	-	284,917	100%
9970	Compensated Absences Reserve	76,607	88,438	88,438	88,438	88,438	100%	-	88,438	100%
	TOTAL RESERVES FROM PRIOR YEAR	\$ 605,865	\$ 645,953	\$ 645,953	\$ 645,953	\$ 645,953	100%	\$ -	\$ 645,953	100%
	TOTAL REVENUE AND RESERVES	\$ 2,060,787	\$ 1,993,664	\$ 2,057,057	\$ 1,797,277	\$ 1,855,432	90%	\$ 17,645	\$ 1,873,076	92%
	Note: Spreadsheet utilizes the cash basis of accounting and does not include accrual/reversal data which do not affect fund balance.									

**Chart Illustrating Yearly
Proposal, Service Contract,
and Service Review Activity**

Attachment 2

Number of Proposals & Service Contracts Received, and Service Reviews Completed by Fiscal Year



Through March 2018

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

215 North D Street, Suite 204, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 885-8170
E-MAIL: lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE: APRIL 11, 2018

FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
SAMUEL MARTINEZ, Assistant Executive Officer

TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #6(a) – Proposed Schedule of Fees, Deposits, and Charges for FY 2018-19

RECOMMENDATION:

Staff recommends that the Commission take the following actions related to the Proposed Schedule of Fees, Deposits and Charges for Fiscal Year 2018-19:

1. Review the proposed amendments and provide staff with direction on changes, corrections, or modifications to be included.
2. Direct staff to forward the Proposed Schedule of Fees, Deposits, and Charges for FY 2018-19 to the County, all Cities/Towns, and all Independent Special Districts for their review and comments pursuant to Government Code Section 56383.
3. Schedule the final review and adoption of the Schedule of Fees, Deposits, and Charges for the May 16, 2018 hearing.

BACKGROUND:

The Commission has established a schedule of fees, deposits, and charges for the processing of proposals and the conduct of proceedings under its purview as allowed by law. This staff report presents the Commission with recommendations for amendments to its current Schedule of Fees, Deposits, and Charges ("Schedule"). The revised schedule is included as an attachment to this report and the changes are highlighted on the draft document. Based upon the requirements of Government Code Section 56383 (which references Section 66016), any change to the Schedule requires that a review and comment period be provided and that a public hearing be held with the opportunity for comment by the public. Today's review opens this process.

The amendments proposed consist of three categories: (1) increase of processing fees, and (2) increase of processing deposits. Staff is proposing that the amended Schedule take effect June 1, 2018 (since applications received in June will be processed in the following fiscal year).

Increase of Processing Fees

Section 56383 includes the provision that the fees shall not exceed the estimated reasonable cost of providing the service for which it is charged. Further, it has been the position of the Commission to keep the fees charged for annexations and reorganizations, etc. at a level that recovers the processing costs but does not unduly burden the applicant(s). The last time the fees were increased was in 2010 when the Commission went to a sliding scale based upon acreage included in the change and locale (different set of fees for Valley/Mountain and Deserts).

Based upon the costs associated with processing proposals (LAFCO personnel costs and advertising costs) has increased over the last eight years, we believe a change is warranted. Therefore, staff recommends the following increases in processing fees (Attachment #1 includes the proposed revised schedule):

A. Processing Fees:

1. Annexation, Detachment, Reorganization – involving solely annexations and/or detachments:

Valley and Mountain Region

	Under 20 acres	20 – 150 acres	151 – 275 acres	Over 275 acres
City	\$6,000	\$8,000	\$10,000	\$10,000 plus \$1 per acre over 275 acres
District	\$5,000	\$6,500	\$8,000	\$8,000 plus \$1 per acre over 275 acres

Desert Region (North and South Desert)

	Under 100 acres	100 – 640 acres	641 – 1,920 acres	Over 1,920 acres
City	\$6,000	\$8,000	\$10,000	\$10,000 plus \$1 per acre over 1,920 acres
District	\$5,000	\$6,500	\$8,000	\$8,000 plus \$1 per acre over 1,920 acres

Staff is also proposing an increase for the Reconsideration Fee changing from its current rate of \$1,100 to \$2,500. The current fee does not cover the typical legal advertising charge for a hearing.

Increase of Processing Deposits

Commission policy requires applicants to reimburse the Commission for all charges and costs in excess of the deposits. The payment is required to be paid prior to issuance of the Certificate of Completion for jurisdictional changes or issuance of the Commission's resolution for service contracts or sphere of influence amendments. It has been the Commission's philosophy in the past to set the deposit at a level that requires minimal billing for costs and the norm is a refund of excess deposit. Therefore, we are proposing increases to the deposits for Legal Counsel and Environmental Review based upon increasing costs. The direct costs for processing are billed against these deposits and any unused funds are refunded to the applicant upon completion of the process.

Based upon changes proposed for Legal Counsel services and in other associated processing costs, staff recommends the following increases for the deposits identified below (pages 4 and 5 of the Schedule). The deposit for individual notice required by Government Code Section 56157(f) and (g) has been adequate and no increase is proposed at this time.

A. LEGAL COUNSEL:

1. Legal Counsel Deposit

- a. Jurisdictional Change or Sphere of Influence Change (applicable to actions listed under Item A, #1 through #7)

\$300 non-refundable LAFCO fee	\$1,700 Deposit for LAFCO Legal Counsel costs	\$2,000 Total Deposit required upon application submission
--------------------------------	---	--

- b. Service Contracts Item B #1 through #5

\$300 non-refundable LAFCO fee	\$700 Deposit for LAFCO Legal Counsel costs	\$1,000 Total Deposit required upon application submission
--------------------------------	---	--

B. ENVIROMENTAL REVIEW:

1. Environmental Review Deposit

- a. Jurisdictional Change or Sphere of Influence Change (applicable to actions listed under Item A, #1 through #7)

\$200 non-refundable LAFCO fee	\$800 Deposit for LAFCO Environmental Consultant costs	\$1,000 Total Deposit required upon application submission
--------------------------------	--	--

b. Service Contracts (Item B, #1 through #5)

\$200 non-refundable LAFCO fee	\$500 Deposit for LAFCO Environmental Consultant costs	\$700 Total Deposit required upon application submission
--------------------------------	--	--

4. If the proposal requires that LAFCO prepare a Negative Declaration/Mitigated Negative Declaration or Environmental Impact Report as CEQA lead agency, the California Department of Fish and Wildlife CEQA Environmental Document Filing Fees are required to be paid at the time LAFCO files the Notice of Determination with the Clerk of the Board of the affected County. The fees listed below (which include the County's \$50 processing fee) are current as of January 1, 2018. The applicant will be notified of the appropriate fees, which must be received by LAFCO prior to the Commission hearing:

- | | | |
|----|--|------------|
| a. | Negative Declaration (LAFCO as lead agency) | \$2,330.75 |
| b. | Environmental Impact Report (LAFCO as lead agency) | \$3,218.00 |

CONCLUSION:

It has been more than eight years since the Commission changed its Schedule of Fees, Deposits and Charges for annexations and reorganizations and their associated legal and environmental deposits. The cost for processing applications has increased and will continue to increase in the upcoming Fiscal Year and on into the future; therefore, staff is proposing an across-the-board increase. At this hearing the Commission is requested to provide staff with any changes, corrections, or additions to be included in the revisions proposed for the Schedule of Fees, Deposits, and Charges. Any changes proposed will impact the Proposed Budget for Fiscal Year 2018-19 as its revenue projections use these proposed increases.

The Schedule, as proposed, will be forwarded to the County, the Cities and Towns, and the Independent Special Districts for their review and comment as required by Government Code Section 56383. Any comments received will be reviewed with the Commission at the final budget hearing scheduled for May 16, 2018 when the adoption of the Schedule will be considered.

KRM/

Attachment:

Draft Schedule of Fees, Deposits, and Charges for FY 2018-19

LOCAL AGENCY FORMATION COMMISSION **FOR SAN BERNARDINO COUNTY**

SCHEDULE OF FEES, DEPOSITS AND CHARGES **EFFECTIVE JUNE 1, 2017****2018**

The submission of a proposal to the Local Agency Formation Commission (hereinafter LAFCO) is not officially accepted for processing until the filing fees and deposits have been received (Gov't. Code Section 56383). These fees and deposits ordinarily involve the appropriate LAFCO filing fee and deposits for the recovery of the Commission's direct costs for such items as LAFCO Legal Counsel, environmental review, individual notification costs, and protest proceedings, etc. In addition, certain fees and charges are required at the conclusion of the application process and must be received prior to its official completion. Refer to Policy and Procedure Manual, Section II, Chapter 2 for the Commission's policy related to waivers and reductions of processing fees.

PROCESSING FEES

A. Processing Fees:

1. Annexation, Detachment, Reorganization – involving solely annexations and/or detachments:

Valley and Mountain Region

	Under 20 acres	20 – 150 acres	151 – 275 acres	Over 275 acres
City	\$5,500 <u>6,000</u>	\$7,000 <u>8,000</u>	\$9,000 <u>10,000</u>	\$9,000 <u>10,000</u> plus \$1 per acre over 275 acres
District	\$5,000	\$6,000 <u>6,500</u>	\$7,500 <u>8,000</u>	\$7,500 <u>8,000</u> plus \$1 per acre over 275 acres

Desert Region (North and South Desert)

	Under 100 acres	100 – 640 acres	641 – 1,920 acres	Over 1,920 acres
City	\$5,500 <u>6,000</u>	\$7,000 <u>8,000</u>	\$9,000 <u>10,000</u>	\$9,000 <u>10,000</u> plus \$1 per acre over 1,920 acres
District	\$5,000	\$6,000 <u>6,500</u>	\$7,500 <u>8,000</u>	\$7,500 <u>8,000</u> plus \$1 per acre over 1,920 acres

2. Reorganization

(For a reorganization that involves changes other than annexations and detachments, the fee will be based upon the components of the reorganization.

Sum of
Component
Fees

San Bernardino LAFCO
Schedule of Fess, Deposits, and Charges
June 1, ~~2017~~2018

- | | | |
|----|-------------------------------|---------|
| 3. | Sphere of Influence Amendment | \$5,000 |
|----|-------------------------------|---------|

The fees identified above for Items A-1 through A-3 shall be assessed for each area of consideration within the proposal. A single area means any separate geographical area requiring a legal description. A "single area" does not include two areas that are contiguous only at a point, or two or more areas that are contiguous to an existing boundary of a city or district but not to each other.

- | | | |
|----|---|---------|
| 4. | Dissolution, Merger, or Establishment of Subsidiary District(s) | \$5,000 |
|----|---|---------|

- | | | |
|----|---|----------|
| 5. | Formation or Consolidation of Special District(s) | \$15,000 |
|----|---|----------|

- | | | |
|----|--|--|
| 6. | Incorporation or Disincorporation of a City or Consolidation of Cities | |
|----|--|--|

- | | | |
|--|-------------------|----------|
| | a. Processing Fee | \$20,000 |
|--|-------------------|----------|

- | | | |
|--|---|-------------|
| | b. Comprehensive Fiscal Analysis for Incorporation or Disincorporation Proposal | Actual Cost |
|--|---|-------------|

(A \$50,000 deposit is required at the time the application is submitted. Applicants shall be required to reimburse the Commission for all costs associated with the preparation of the Comprehensive Fiscal Analysis in excess of the deposit prior to the scheduling of the Commission hearing. If the charges billed to LAFCO for the preparation of the required document are less than the amount of the deposit, the balance will be refunded to the applicant or applied to other categories where excess charges have been incurred.)

- | | | |
|--|--|-------------|
| | c. State Controller's Fiscal Review for Incorporations | Actual Cost |
|--|--|-------------|

(A \$25,000 deposit is required at the time a Request for State Controller Review is submitted. All costs in excess of this amount will be the responsibility of the Requestor for payment. Any balance remaining after payments are made to the State will be refunded to the Requestor of Review.)

- | | | |
|----|---|--------------|
| 7. | Activation/Divestiture of Functions and/or Services for Special Districts | \$7,500 each |
|----|---|--------------|

(The fee shall be assessed for each function or service proposed for change.)

- | | | |
|----|---|-------------|
| 8. | Verification of Petition Signatures by Registrar of Voters Office | Actual Cost |
|----|---|-------------|

(A \$200 deposit from the applicants is required at the time of petition submission. This amount will be refunded upon certification of the petition and determination of billable charges. The charges assessed by the Registrar of Voters Office to verify petition signatures shall be payable by the affected entity in the same manner as the verification of initiative petition signatures is billed.)

- | | | |
|----|---|------------------------------------|
| 9. | Request for Reconsideration of LAFCO Decision/
Environmental Determination | \$1,100
<u>2,500</u> |
|----|---|------------------------------------|

(Should a reconsideration request require individual notice due to the extension of a special tax, then the proponent will be required to submit a deposit for the direct costs to produce and mail the individual notices.)

- | | | |
|-----|--|---------|
| 10. | Request for Extension of Time to Complete Change of Organization Proceedings (Gov't. Code Section 57001) | \$1,100 |
|-----|--|---------|

11. Workshop Fees

Actual Cost

(Proponents of actions pending Commission review may request that a Commission workshop be held in their area. If the Commission agrees to conduct such a workshop session, the Commission may require reimbursement of all costs associated with that session by the proponents, subject to a \$1,000 deposit.)

**B. Processing Fee for Out-of-Agency Service Contract Review
(City or District):**

The following service contracts require a noticed Commission hearing and environmental review:

- | | | |
|----|--|---------------------------|
| 1. | Contracts involving developments such as: subdivisions/tracts as defined by the Subdivision Map Act (five or more units), Specific Plans | \$5,000 |
| 2. | Contracts involving the development of units requiring only a parcel map as defined by the Subdivision Map Act (up to four units) | \$1,000
per connection |
| 3. | Any contract for fire protection services outside a public agency's jurisdictional boundaries pursuant to Govt. Code Section 56134 | \$5,000 |
| 4. | Contracts to provide services outside a sphere of influence pursuant to Govt. Code Section 56133.5 | \$1,000 |
| 5. | Service Contract Requiring Approval Pursuant to Govt. Code Section 56133, Subsection (c) | \$750 |

The following service contracts request an exemption by the Commission or Administrative Review:

- | | | |
|----|--|---------|
| 6. | Development Related Request for Exemption from Govt. Code Section 56133, requires noticed Commission hearing | \$2,250 |
| 7. | Administrative Review of Non-development-related Out-of-Agency Service Contract (City or District) or Non-development Related Exemption from Govt. Code Section 56133 as Authorized by Commission Policy | \$500 |

PROCESSING DEPOSITS

Applicants shall be required to reimburse the Commission for all charges and costs in excess of the deposits outlined below. Reimbursement to LAFCO shall be required prior to issuance of the Certificate of Completion for jurisdictional changes or issuance of the Commission's resolution for service contracts or sphere of influence amendments/updates. If charges billed to LAFCO are less than the amount of deposit, the balance of the fee will be refunded to the applicant or applied to other categories where excess charges have been incurred.

A. Legal Counsel:

1. Legal Counsel Deposit

- a. Jurisdictional Change or Sphere of Influence Change (applicable to actions listed under Item A, #1 through #7)

\$200 300 non-refundable LAFCO fee	\$1,000 1,700 Deposit for LAFCO Legal Counsel costs	\$1,200 2,000 Total Deposit required upon application submission
---	--	---

- b. Service Contracts Item B #1 through #5

\$200 300 non-refundable LAFCO fee	\$450 700 Deposit for LAFCO Legal Counsel costs	\$650 1,000 Total Deposit required upon application submission
---	--	---

(It is the policy of this Commission that the costs for Special Counsel due to a representation conflict shall be the responsibility of the applicant. Refer to Policy and Procedure Manual, Section II, Chapter 2.)

2. Legal Defense

Actual Cost

(As a condition of approval of any action taken by LAFCO, the proponents shall be required to defend, indemnify and hold harmless LAFCO or its agents, officers, and employees from any claim, action, or proceeding against LAFCO or its agents, officers, and employees to attack, set aside, void, or annul the approval of LAFCO concerning the proposal or any action relating to, or arising out of, such approval when such action is brought within the applicable statute of limitations. Refer to Policy and Procedure Manual, Section II, Chapter 2.

B. Environmental Review:

1. Environmental Review Deposit

- a. Jurisdictional Change or Sphere of Influence Change (applicable to actions listed under Item A, #1 through #7)

\$200 non-refundable LAFCO fee	\$550 800 Deposit for LAFCO Environmental Consultant costs	\$750 1,000 Total Deposit required upon application submission
--------------------------------	---	---

San Bernardino LAFCO
Schedule of Fess, Deposits, and Charges
June 1, ~~2017~~2018

b. Service Contracts (Item B, #1 through #5)

\$200 non-refundable LAFCO fee	\$250 500 Deposit for LAFCO Environmental Consultant costs	\$450 700 Total Deposit required upon application submission
--------------------------------	---	---

(All applicants shall be required to pay the full costs of the Commission's Environmental Consultant's review regardless whether the Commission is the lead or responsible agency as defined under CEQA.)

2. Appeal of Environmental Recommendation \$750

3. Preparation of Environmental Impact Report Actual Cost

(A \$20,000 deposit with LAFCO shall be required before proceeding toward preparation of the required environmental documents.)

4. If the proposal requires that LAFCO prepare a Negative Declaration/Mitigated Negative Declaration or Environmental Impact Report as CEQA lead agency, the California Department of Fish and Wildlife CEQA Environmental Document Filing Fees are required to be paid at the time LAFCO files the Notice of Determination with the Clerk of the Board of the affected County. The fees listed below (which include the County's \$50 processing fee) are current as of January 1, ~~2016~~2018. The applicant will be notified of the appropriate fees, which must be received by LAFCO prior to the Commission hearing:

- a. Negative Declaration (LAFCO as lead agency) ~~\$2,260.25~~2,330.75
- b. Environmental Impact Report (LAFCO as lead agency) ~~\$3,120.00~~3,218.00

C. Individual Notice:

1. Deposit for Individual Notice (Registrar of Voters Review, and Registered Voter and Landowner Notification Requirements)

a. Proposals listed under Items A1, A2, A3, B1-B5

\$250 non-refundable LAFCO fee	\$450 Deposit for Individual Notification costs	\$700 Total Deposit required upon application submission
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(Pursuant to Policy and Procedure Manual, Section IV, Chapter 1, Policy 9: Individual Notice of Commission Hearings to Landowners and Registered Voters, the individual notice of Commission proceedings shall be provided for all changes of organization, sphere of influence changes, or development-related service contracts, except as identified in item C2 below. Please contact the LAFCO office if the proposal would require individual notice or is eligible for a waiver.)

b. Deposit for Publication of Display Ad in lieu of Individual Notice \$1,000
Proposals listed under Items A4 – A7, and those actions where individual notice has been waived by the Commission.
(Policy and Procedure Manual, Section IV, Chapter 1, Policy 9: Individual Notice of Commission Hearings to Landowners and Registered Voters)

(In cases where the change would involve mailing more than 1,000 notices, the Commission may waive the individual notice requirement and direct its staff to publish a 1/8th page display ad in a newspaper of general circulation within the area. By policy, individual notice to landowners and registered voters shall not be waived for city island annexations filed pursuant to Government Code Section 56375.3, even if it includes more than 1,000 notices.)

2. Additional Deposit for Proposals Extending an Existing Special Tax

Actual Cost

(Should a proposal require individual notice due to the extension of an existing special tax, the proponent will be required to submit a deposit for the direct costs such as: (1) the County Assessor to compile the mailing list, (2) outside printing to produce the printed notices, (3) and County Mail for shipping and handling, to include a \$250 non-refundable LAFCO fee. Please contact the LAFCO office for the estimated deposit cost.)

D. Protest Proceeding:

(Deposit required within 30 days of Commission approval of action. The Protest Hearing will not be set until deposit has been paid. Applicants shall be required to reimburse the Commission for any protest proceeding costs in excess of the deposit. Reimbursement to LAFCO shall be required prior to issuance of the Certificate of Completion. If charges billed to LAFCO are less than the amount of the deposit, the balance of the fee will be refunded to the applicant or applied to other categories where excess charges have been incurred.)

1. All Proposals Subject to a Protest Proceeding

\$200 non-refundable LAFCO fee	\$1,300 Deposit for LAFCO Protest Proceeding costs	\$1,500 Total Deposit required for Protest Proceeding
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2. Additional Deposit for Proposals Extending an Existing Special Tax

Actual Cost

(Should a proposal require individual notice due to the extension of an existing special tax, the proponent will be required to submit a deposit for the direct costs such as: (1) the County Assessor to compile the mailing list, (2) outside printing to produce the printed notices, (3) and County Mail for shipping and handling, to include a \$250 non-refundable LAFCO fee.)

COMPLETION FEES AND CHARGES

Following Commission approval of an action, the following fees or charges may be required. LAFCO staff will notify the applicant at the time the Commission's resolution is forwarded which of the following fees or charges is applicable to the proposal:

- A. County Geographic Information Management System (GIMS) Processing, required prior to issuance of the Certificate of Completion for jurisdictional changes or issuance of the Commission's resolution for sphere of influence amendments/updates:

1. Changes requiring an update to current sphere or boundaries of participating agencies

(Fees identified below will be assessed for each area of consideration. The definition of area is provided under Processing Fees on Page 1.)

<u>Acreage</u>	<u>Primary Charge</u>	<u>Additional Agency</u>
0 to 100 acres	\$400	\$ 85
101 to 640 acres	\$550	\$110
641 to 2,560 acres	\$825	\$150
over 2,560 acres	\$1,100	\$175

2. Incorporation, Formation, or placement of a new agency boundary or sphere into the LAFCO-maintained GIMS system \$3,000

(The fees for incorporations or formations can be deferred until the new City/Town or District receives its first revenues. A request for deferral shall be made to the Executive Officer.)

- B. At the time the Certificate of Completion is forwarded to the State Board of Equalization (SBE), application types listed under Item A - Processing Fees Subsections 1 through 7 (except for Spheres of Influence), are charged a processing fee pursuant to SBE's adopted Fee Schedule (Government Code Section 54902.5). The fees listed below, as identified by SBE, are current as of January 1, 2011. LAFCO staff will notify the applicant of the appropriate fees:

Single Area Charges:

Less than 1 acre	\$300
1-5 acres	\$350
6-10 acres	\$500
11-20 acres	\$800
21-50 acres	\$1,200
51-100 acres	\$1,500
101-500 acres	\$2,000
501-1,000 acres	\$2,500
1,001-2,000 acres	\$3,000
2,001 acres and above	\$3,500

(Additional types of charges are outlined in the State Board of Equalization Fee Schedule. LAFCO staff will notify the applicant of the appropriate fees.)

MISCELLANEOUS CHARGES


- | | | |
|----|--|--------------|
| A. | Charges for Purchase of Paper Copies, per page | |
| | (1) from paper materials (requests in excess of 10 pages) | 10 cents |
| | (2) from existing digital data (requests in excess of 20 pages) | 5 cents |
| B. | Charges for Purchase of Digital Data | |
| | (1) placement of materials on CD | \$10 per CD |
| | (2) scan copies of paper materials (if applicable), per page | 5 cents |
| C. | DVD Copy of Commission Hearing
(available if production services are utilized for hearings) | \$25 per DVD |
| D. | Preparation of Transcript of Hearing | Actual Cost |

(Those requesting a transcript of a Commission hearing will be notified of the estimated cost for preparation. The Requestor will be required to provide a deposit in the amount of the estimated cost. All costs in excess of the deposit amount will be the responsibility of the Requestor for payment. Any balance remaining after final charges are determined will be refunded to the Requestor.)

KRM/June 1, ~~2017~~2018

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

1170 West Third Street, Unit 150, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 388-0481
lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE: APRIL 11, 2018 
FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #6(b)(i): Review and Approval of Contract with Best Best and Krieger for Legal Counsel

RECOMMENDATION:

Staff recommends that the Commission approve the Agreement for Legal Services as presented with Best Best & Krieger LLP for Legal Counsel services effective July 1, 2018 and authorize the Executive Officer to sign.

BACKGROUND:

At today's hearing a significant facet of the Commission's history is changing. For 43 years Clark Alsop has served as Legal Counsel for San Bernardino LAFCO beginning at the July hearing in 1975 as a Deputy County Counsel for the San Bernardino County. The Commission transitioned with Mr. Alsop when he made the move to private practice at Best Best & Krieger in August of 1985. Mr. Alsop notified staff that he would be relinquishing his position as Legal Counsel during the late fall of 2017 noting his desire to reduce his schedule transition to assistant LAFCO Legal Counsel for San Bernardino LAFCO. At that time, Ms. Paula De Sousa Mills, current assistant LAFCO Counsel for San Bernardino LAFCO, indicated her interest in stepping into Legal Counsel role. This matter was reviewed with Administrative/Budget Committee since there were a number of personnel changes anticipated for the Commission during Fiscal Year 2018-19, and direction was provided to the Executive Officer.

Due to the unique nature of LAFCO law and the expertise needed, staff was directed to begin negotiations with Best Best & Krieger LLP for a new contract with Ms. De Sousa Mills. Ms. De Sousa Mills is familiar with San Bernardino LAFCO, the uniqueness of our County, and the range of considerations being presented having participated in the review of LAFCO 3216 -- City of Upland Fire Reorganization and formation issues. The existing

contract, signed in August 1985 and amended for hourly rate through the years, specifically identified Mr. Alsop as Legal Counsel and was in need of an updated scope of services.

The proposed Agreement for Legal Services includes the following specific provisions:

1. LAFCO Legal Counsel and any assistant Legal Counsel (with approval of the Executive Officer) shall be considered general counsel services and charged at the rate of \$250 per hour beginning July 1, 2018. Current contract rates would have been \$237 per hour and included all counsel services from Best Best & Krieger, which was no longer acceptable to the Firm. This rate will have an annual increase, effective July 1 of each year, for an adjustment commensurate with the Consumer Price Index for the Urban Consumers in the Los Angeles-Anaheim-Riverside area. The rate will be rounded up to whole dollars and cannot exceed 5% for any year.

It is noted that Ms. De Sousa Mills will be designated as LAFCO Legal Counsel, and as of the effective date of the agreement, Clark Alsop will be the assistant Legal Counsel.

2. Special Counsel Services are now defined in the agreement and effective July 1, 2018 will be charged at \$300 per hour. This rate will not increase for the first two years of the contract (allowing for staff to identify costs) and then will have the same annual increase rate as outlined in Item #1 above.
3. Ms. De Sousa Mills is based out of Best Best & Krieger's San Diego office. The contract identifies that the travel and mileage to be billed for her services will be from the Best Best & Krieger Riverside office location.

Staff has reviewed the rates to be charged and found that they are comparable with other LAFCOs utilizing Best Best & Krieger LLP services. Outside Special Counsel services have not been used by the Commission since 2014 but at that time (the FY 2014-15) the rate for Colantuno Highsmith and Whatley was \$270 per hour and the rate for Rutan and Tucker was \$275. We believe that the rates and scope of services to be performed are fair and equitable.

CONCLUSION:

Staff is recommending that the Commission approve the new Agreement for Legal Services between the Local Agency Formation Commission for San Bernardino County and Best Best & Krieger LLP for the provision of legal representation by Ms. Paula De Sousa Mills effective July 1, 2018.

KRM/

Attachment:

1. Agreement for Legal Services with Best Best & Krieger LLP

AGREEMENT FOR LEGAL SERVICES

This AGREEMENT is made and entered into by and between the Local Agency Formation Commission for San Bernardino County, hereinafter referred to as "LAFCO", and the law firm of Best Best & Krieger LLP, hereinafter referred to as "Counsel." LAFCO and Counsel agree to the following terms and conditions by which Counsel will be engaged to represent LAFCO in connection with the provision of legal services.

RECITALS

- A. WHEREAS, LAFCO desires to obtain from Counsel all legal services which Counsel can provide in the capacity of legal counsel for LAFCO; and
- B. WHEREAS, this Agreement is entered into pursuant to the provisions of Government Code section 56384(b).

NOW, THEREFORE, LAFCO and Counsel, for the consideration hereinafter named, agree as follows:

1.0 Scope of Services

- 1.1 Counsel shall perform all general and specialized legal services as may be required by LAFCO and shall attend all meetings of LAFCO as well as other meetings as required.

1.1.1 General Counsel Services

All services with the exception of the Special Counsel Services described in Section 1.1.2 shall be considered General Counsel Services for purposes of this Agreement.

1.1.2 Special Counsel Services

- A. Litigation and formal administrative or other adjudicatory hearing matters
- B. Labor relations and employment matters, including benefits, tax and ERISA related matters
- C. Non-routine real estate matters
- D. Land acquisition and disposal matters (including pre-condemnation)
- E. Taxes, fees and charges matters (e.g. Prop. 218 & Mitigation Fee Act)
- F. Public construction disputes
- G. Non-routine contract negotiation matters (including non-BB&K model agreements and franchise agreements)
- H. Non-routine land use and development matters (including issues related to general plans, Williamson Act, and development

- agreements)
- I. Non-Routine environmental law, water law and toxic substance matters
 - J. Complex public utility matters (e.g. electric, natural gas, telecommunications, water, rail or transit that involve state or federal regulatory issues)
 - K. Renewable energy and energy efficiency project contracts and power purchase agreements
 - L. Intergovernmental Relations and Advocacy efforts (e.g. legislative and regulatory representation) at the federal and state level.
 - M. Other matters mutually agreed upon between Counsel and the Executive Officer.

2.0 **Personnel**

- 2.1 Paula C. P. de Sousa Mills shall serve as legal counsel to LAFCO. Ms. de Sousa Mills shall be responsible for the performance of services hereunder and shall supervise any services performed by other members of Counsel.
- 2.2 An assistant legal counsel shall be designated by Paula C. P. de Sousa Mills with the approval of the Executive Officer. At the time of execution of this agreement Clark H. Alsop shall serve as assistant legal counsel.
- 2.3 In addition, Ms. de Sousa Mills shall make available to LAFCO other Counsel attorneys having the requisite experience on LAFCO matters, and shall make available other Counsel attorneys services specifically requested by LAFCO or its staff.

3.0 **Compensation**

3.1 General Counsel Services:

LAFCO shall compensate Counsel on an hourly basis for General Counsel Services rendered as follows:

\$250.00 per hour for partners and of counsel
\$225.00 per hour for associate attorneys
\$145.00 per hour for paralegals and clerks

Hourly rates for General Counsel Services shall automatically increase effective for the services provided by Counsel on and after July 1 of each calendar year (commencing July 1, 2019) in an amount equal to the increase in the Consumer Price Index (CPI) for the previous calendar year (January 1 through December 31) for all Urban Consumers in the Los Angeles-Anaheim-Riverside area; provided that the CPI adjustment shall be rounded up to the near full dollars, and further provided that the CPI adjustment shall not exceed five percent (5%) for any year.

3.2 Special Counsel Services and Applicant-Initiated/ Third Party Reimbursable Services rendered as follows:

\$300.00 per hour for all attorneys

\$155.00 per hour for paralegals and clerks

Hourly rates for Special Counsel Services and Applicant-Initiated/ Third Party Reimbursable Services shall automatically increase effective for services provided by Counsel on and after July 1 of every calendar year (commencing July 1, 2020) in an amount equal to the increase in the Consumer Price Index (CPI) for the previous calendar year (January 1 through December 31) for all Urban Consumers in the Los Angeles-Anaheim-Riverside area; provided that the CPI adjustment shall be rounded up to the near full dollars, and further provided that the CPI adjustment shall not exceed five percent (5%) for any year

3.3 Reimbursement of costs advanced by Counsel on LAFCO's behalf, as well as other expenses, shall be billed in addition to the amount billed for fees. These include automobile mileage at the current IRS approved rate per mile, actual expenses away from Counsel's office on LAFCO's business, and extraordinary photocopy charges at \$0.17 per page and \$0.85 per page for color copies. All costs will be itemized on LAFCO's monthly statement and supporting documents of the direct costs will be provided to LAFCO for payment. For purposes of mileage reimbursement to and from LAFCO meetings the parties agree that Counsel shall bill for mileage to and from its Riverside office.

3.4 Counsel shall submit monthly to LAFCO a statement of account for services which clearly sets forth by date the type of work for which the billing is submitted. LAFCO shall review Counsel's monthly statements and pay Counsel for services rendered and costs incurred, as provided for in this Agreement, on a monthly basis.

4.0 **Insurance Coverage**

Counsel carries errors and omissions insurance with Lloyd's of London. After a standard deductible amount, this insurance provides coverage which exceeds what is required by the State of California. Counsel shall provide LAFCO with a copy of this insurance policy. Counsel agrees to notify LAFCO if this policy is cancelled or non-renewed.

5.0 **Term of Agreement**

This Agreement shall become effective on July 1, 2018, and shall continue thereafter, unless terminated by either party upon reasonable written notice from either party.

6.0 **Notice of Parties**

All notices permitted or required under this Agreement notices shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

LAFCO: Local Agency Formation Commission for San Bernardino County
 1170 West 3rd Street
 Unit 150
 San Bernardino, CA 92415
 Attention: Executive Officer

Counsel: Best Best & Krieger LLP
 655 West Broadway 15th Floor
 San Diego CA 92101
 Attention: Paula C. P. de Sousa Mills

7.0 **Enforcement**

This Agreement shall be construed and enforced in accordance with the laws of the State of California.

8.0 **Entire Agreement**

This Agreement constitutes the entire written agreement for legal services between LAFCO and Counsel and may be modified only by further written agreement between the parties.

Dated this _____ day of _____, 2018.

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY


By: _____
Kathleen Rollings-McDonald, Executive Officer

BEST BEST & KRIEGER LLP

By: _____
Paula C. P. de Sousa Mills, Partner

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

1170 West Third Street, Unit 150, San Bernardino, CA 92415-0490
(909) 388-0480 * Fax (909) 388-0481
E-mail: lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE: APRIL 11, 2018 
FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
MICHAEL TUERPE, Project Manager
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #6(b)(ii) – REVIEW AND CONSIDERATION OF
AMENDMENTS AND UPDATES TO THE LAFCO POLICY AND
PROCEDURE MANUAL, SECTION III HUMAN RESOURCES

RECOMMENDATION:

Staff recommends that the Commission take the following actions:

1. Provide staff with any additional changes, corrections or amendments to the Human Resources Section of the Policy and Procedure Manual as presented.
2. Approve amendments to Section III – Human Resources of the LAFCO Policy and Procedure Manual of the following:
 - a. Chapter 2 - Employment
 - i. "Salary Ranges" (Policy 2B)
 - ii. "Eligibility for Step Advancement" (Policy 4B)
 - b. Chapter 3 – Time Off
 - i. "Sick Leave, Definitions" (Policy 1B)
 - ii. "Conversion of Vacation Leave to Cash" (Policy 2D)
 - iii. "Conversion of Holiday Leave to Cash" (Policy 3B)
 - iv. "Administrative Leave" (Policy 4D)
 - v. "Perfect Attendance Leave" (Policy 4E)
 - c. Chapter 5 – Benefits Plan
 - i. "Medical and Dental Subsidies" (Policy 2)
 - ii. "Short-Term Disability Insurance" (Policy 4F)
 - iii. "Retirement" (Policy 9)
3. Adopt Resolution No. 3264 approving the amended and updated Policy and Procedure Manual and direct the Executive Officer to make the document available on the Commission's website.

BACKGROUND:

The adopted policy of the Commission is to provide “benefits for SB LAFCO employees equivalent to those provided to County “Exempt” employees”.¹ On January 23, 2018 the County Board of Supervisors approved a variety of amendments to its Exempt Compensation Plan to include the following:

- Sunset the employer Supplemental Retirement contribution and convert the amount of the Supplemental Retirement for employees to salaries effective July 21, 2018.
- Provide that employees are eligible for step advancements in 6-month increments subject to satisfactory work performance, effective July 21, 2018.
- Rescind the restriction on the cash out of administrative leave, effective July 21, 2018.
- Provide a 3% across-the-board wage increase effective July 20, 2019; a 3% across-the board wage increase effective July 18, 2020.
- Increase the Medical Premium Subsidy for all coverage levels effective Benefit Plan Year 2019-20.
- Technical updates to language to reconcile the policies with previous statutory, regulatory, and policy changes.

Attachment 1 to this report outlines the proposed amendments to the Human Resources Section of the LAFCO Policy and Procedure Manual in track change format. Attachment 2 to this report is the proposed salary schedule through FY 2020-21. Attachment 3 to this report contains the County’s amended ordinance related to its Exempt Compensation Plan.

The following seven proposed amendments have an effect on the Commission’s finances. To implement the proposed amendments, staff recommends that the Commission amend Section III (Human Resources) of its Policy and Procedure Manual, as follows:

CHAPTER 2 (EMPLOYMENT)

1. Amend “Salary Ranges” policy

The amendments include a 3% across-the-board wage increase effective July 20, 2019; and a 3% across-the board wage increase effective July 18, 2020. The proposed policy language is included in Attachment #1 beginning on page 1. The revised salary tables are included in Attachment #2. The County’s ordinance related to this change is included in Attachment #3 to this report, with related language beginning on page 1.

¹ LAFCO Policy and Procedure Manual, Section III – Human Resources, Chapter 5 – Benefits Plan, Policy 1A – Administration of Benefits

Additionally, as of July 21, 2018, the supplemental amounts that Tier 1 employees receive to assist in covering their retirement obligations will be discontinued. The amounts shall be included in base salary prior to the three percent across the board salary increase also scheduled for July 21, 2018. The amount shall also be included for Tier 2 employees, who currently do not receive supplemental amounts. This specific proposed amendment is discussed further in Item 6 below.

2. Amend “Eligibility for Step Advancement” policy

Before June 2011, step advancements were based upon two-step increments per year, approximately 5.0%, until the top step was reached. The policy was amended in June 2011 which based step advancements upon a one-step increment per year, approximately 2.5%, until the top step is reached.

This amendment provides a similar concept to the pre-June 2011 version – two step increments per year until the top step is reached, but in six-month increments, subject to satisfactory work performance. This amendment would be effective July 21, 2018. The proposed policy language is included in Attachment #1 beginning on page 3. The County’s ordinance related to this change is included in Attachment #3 to this report, with related language beginning on page 11.

To implement this policy, staff recommends the following procedure to the policy:

When employee eligibility to advance to the next step coincides with the annual formal performance evaluation (see “Performance Review” Policy 4A), the appointing authority shall use the annual formal performance evaluation as the mechanism for determination of satisfactory work performance in approving step increases.

When employee eligibility to advance to the next step does not coincide with the annual formal performance evaluation, the appointing authority shall review the goals and objectives from the previous formal performance evaluation as the mechanism for determination of satisfactory work performance in approving step increases.

CHAPTER 3 (TIME OFF)

3. Amend “Administrative Leave” Policy

Employees are provided with 80 hours of Administrative Leave in the first pay period of the calendar year. Before June 2011, employees could cashout the leave, in whole or in part, each year if desired. In June 2011, the policy was amended to limit the cashout to one time prior to retirement. If the leave was not used or cashed out, then the leave time was lost.

This amendment returns the policy to the pre-2011 version – by allowing employees to cashout the leave each year, in whole or in part. The proposed policy language is included in Attachment #1 beginning on page 8. The County's ordinance related to this change is included in Attachment #3 to this report, with related language beginning on page 22.

CHAPTER 5 (BENEFITS PLAN)

4. Amend "Medical and Dental Subsidies" Policy

This amendment increases the Medical Premium Subsidy for all coverage levels effective Benefit Plan Year 2019-20. The proposed policy language is included in Attachment #1 on page 10. The County's ordinance related to this change is included in Attachment #3 to this report, with related language beginning on page 16. The following are the MPS amounts for FY 2017-18:

	Scheduled for 40 to 60 hours	Scheduled for 61 to 80 hours
Employee Only	\$115.00	\$230.00
Employee +1	\$176.12	\$352.23
Employee +2	\$241.32	\$482.64

Effective 7/21/18 the following MPS amounts shall apply (previously approved):

	Scheduled for 40 to 60 hours	Scheduled for 61 to 80 hours
Employee Only	\$117.25	\$234.50
Employee +1	\$180.60	\$361.19
Employee +2	\$247.67	\$495.34

Effective 7/20/19 the following MPS amounts shall apply (proposed amendment):

	Scheduled for 40 to 60 hours	Scheduled for 61 to 80 hours
Employee Only	\$121.67	\$243.33
Employee +1	\$189.52	\$379.03
Employee +2	\$264.97	\$529.94

5. Amend "Retirement" Policy

Currently, employees receive supplemental amounts per pay period to assist employees cover their employee retirement obligation.

Effective July 21, 2018, this amendment discontinues the supplemental amounts, and the amounts will be included in base salary prior to the three percent across the board salary increase also scheduled for July 21, 2018. The proposed policy language is included in Attachment #1 beginning on page 14. The County's ordinance related to this change is included in Attachment #3 to this report, with related language beginning on page 19.

TECHNICAL UPDATES

The following policies have technical updates to language to reconcile with previous statutory, regulatory, and policy changes. These updates have no financial impact on the Commission and are deemed non-substantial. For example, the Sick Leave policy has changes to the definition of immediate family, extended family, and defines family member.

- Chapter 3
 - Sick Leave
 - Conversion of Vacation Leave to Cash
 - Conversion of Holiday Leave to Cash
 - Perfect Attendance Leave
- Chapter 5
 - Eligibility for Medical Premium Subsidy (MPS) and Dental Premium Subsidy (DPS) while on Leave
 - Remaining Employee Contributions
 - Special Provisions
 - Survivor Benefits

CONCLUSION:

Staff requests that the Commission provide its additions, amendments or corrections to the amended and updated Human Resources Section of the Policy and Procedure Manual for staff to include in the document. Staff recommends that the Commission take the actions outlined on pages 1 and 2 of this report to approve the changes.

KRM/MT

Attachments:

1. [Proposed LAFCO Policy Amendments in Track Change Format](#)
2. [LAFCO Salary Tables](#)
3. [Materials Related to County Ordinance Relating to Compensation and Working Conditions of the Exempt Group](#)
4. [Draft LAFCO Resolution No. 3264](#)

**Proposed LAFCO Policy
Amendments in Track
Change Format**

Attachment 1

CHAPTER 2: EMPLOYMENT

1. EMPLOYMENT CATEGORIES AND CLASSIFICATIONS

...

2. COMPENSATION

- A. It is the intention of SB LAFCO to provide compensation to its employees based on identified responsibilities, skill levels, performance of responsibilities, educational accomplishments and current comparable wages for the region.

Annual compensation reviews will be conducted to assess the employees' performance of the responsibilities as outlined in their job description. The percentage and/or dollar amount to be allocated for merit increases will be determined in the annual budget process with the Commission by recommendation of the Executive Officer. Special compensation adjustments may be made if necessary.

Bi-annual review of the compensation structures will be conducted and if appropriate, adjustments made to accommodate any necessary changes to the established salary range.

Issues regarding compensation should be addressed to the immediate supervisor, Executive Officer or appointed Human Resources Representative.

- B. SALARY RANGES *(Adopted June 16, 2011; Amended May 16, 2012; Amended October 22, 2014; Amended April 15, 2015; Amended January 27, 2016; Amended July 20, 2016; April 18, 2018):*

~~Effective January 9, 2016, the following shall be the salary ranges for LAFCO positions (1.0% increase):~~

— Position	— Hourly Range
— Executive Officer	— \$75.82 to \$115.31
— Assistant Executive Officer	— \$37.09 to \$51.07
— Project Manager	— \$29.00 to \$39.94
— LAFCO Analyst — GIS/Database Manager	— \$25.07 to \$34.45
— Clerk to the Commission/Office Manager	— \$21.63 to \$29.74
— Administrative Assistant	— \$17.81 to \$24.47

~~Effective July 23, 2016, the following shall be the salary ranges for LAFCO~~

*San Bernardino LAFCO Policy and Procedure Manual
Section III – Human Resources Policies and Procedures*

positions (1.0% increase):

Position	Hourly Range
Executive Officer	\$76.57 to \$116.46
Assistant Executive Officer	\$37.46 to \$51.58
Project Manager	\$29.29 to \$40.34
LAFCO Analyst – GIS/Database Manager	\$25.32 to \$34.79
Clerk to the Commission/Office Manager	\$21.85 to \$30.04
Administrative Assistant	\$17.99 to \$24.71

The following shall be the salary ranges for LAFCO positions.

Effective July 22, 2017, the following shall be the salary ranges for LAFCO positions (2.0% increase):

Position	Hourly Range
Executive Officer	\$78.10 to \$118.79
Assistant Executive Officer	\$38.21 to \$52.61
Project Manager	\$29.88 to \$41.45
LAFCO Analyst – GIS/Database Manager	\$25.83 to \$35.49
Clerk to the Commission/Office Manager	\$22.29 to \$30.64
Administrative Assistant	\$18.35 to \$25.20

Effective July 21, 2018, the following shall be the salary ranges for LAFCO positions (3.0% increase):

Position	Hourly Range
Executive Officer	\$81.52 to \$111.20 \$80.44 to \$122.35
Assistant Executive Officer	\$41.31 to 56.15 \$39.36 to \$54.19
Project Manager	\$32.73 to 44.34 \$30.78 to \$42.38
LAFCO Analyst – GIS/Database Manager	\$27.82 to \$37.77 \$26.60 to \$36.55
Clerk to the Commission/Office Manager	\$24.92 to \$33.52 \$22.96 to \$31.56
Administrative Assistant	\$20.86 to \$27.91 \$18.90 to \$25.96

Effective July 20, 2019, the following shall be the salary ranges for LAFCO

*San Bernardino LAFCO Policy and Procedure Manual
Section III – Human Resources Policies and Procedures*

positions (3.0% increase):

<u>Position</u>	<u>Hourly Range</u>
<u>Executive Officer</u>	<u>\$83.97 to \$114.54</u>
<u>Assistant Executive Officer</u>	<u>\$42.55 to \$57.83</u>
<u>Project Manager</u>	<u>\$33.71 to \$45.67</u>
<u>LAFCO Analyst – GIS/Database Manager</u>	<u>\$28.65 to \$38.90</u>
<u>Clerk to the Commission/Office Manager</u>	<u>\$25.67 to \$34.53</u>
<u>Administrative Assistant</u>	<u>\$21.49 to \$28.75</u>

Effective July 18, 2020, the following shall be the salary ranges for LAFCO positions (3.0% increase)*:

<u>Position</u>	<u>Hourly Range</u>
<u>Executive Officer</u>	<u>\$86.49 to \$117.98</u>
<u>Assistant Executive Officer</u>	<u>\$43.83 to \$59.56</u>
<u>Project Manager</u>	<u>\$34.72 to \$47.04</u>
<u>LAFCO Analyst – GIS/Database Manager</u>	<u>\$29.51 to \$40.07</u>
<u>Clerk to the Commission/Office Manager</u>	<u>\$26.44 to \$35.57</u>
<u>Administrative Assistant</u>	<u>\$22.13 to \$29.61</u>

*If assessed values are less than a two percent increase in the 2018/2019 fiscal year from the 2017/2018 fiscal year, then the County may, upon approval of the Board of Supervisors, defer this three percent increase until no later than January 1, 2021.

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 rate for each step in the salary range.

...

3. PAY POLICIES

...

4. PERFORMANCE MANAGEMENT

A. PERFORMANCE REVIEW (*Amended June 16, 2011*)

...

B. ELIGIBILITY FOR STEP ADVANCEMENT (*Amended June 16, 2011, January 27, 2016; August 17, 2016; April 18, 2018*)

New employees shall be hired at step 1 of the established base salary range, except as otherwise provided in this section. Variable entrance steps may be established if justified by recruitment needs through Step 7 with the approval of the Executive Officer and through the top step with the approval of the Commission or designee.

Within the base salary range, all step advancements will be made at the beginning of the pay period in which the employee completes the required number of service hours. However, when an employee reaches the required number of service hours with 80 hours in each pay period, the step advance will be made at the beginning of the next pay period. Approval for advancement shall be based upon completion of required service hours in the classification, satisfactory work performance, and Appointing Authority recommendation.

Completed service hours shall be defined as regularly scheduled hours in a paid status, up to 80 hours per pay period. Overtime hours, disability payments, medical emergency leave, and time without pay shall not count toward step advancements. Unless otherwise approved by the Commission, step advancements within a base salary range shall be based upon a one step increment, approximately two and one-half percent. The employee shall be eligible for the first step advancement after completion of 1,040 hours and subsequent step advancements after completion of additional increments of 2,080 hours.

Effective July 21, 2018, employees shall be eligible for step advancement after completion of increments of 1,040 hours until the top step of the range is reached. Employees who, as of July 21, 2018, have at least 1,040 hours from their most recent step advancement shall be immediately eligible to advance to the next step, if applicable, on July 21, 2018. After receiving that step advancement, such employees shall be eligible for step advancement after completion of increments of 1,040 hours until the top step of the range is reached.

Employees who, as of July 21, 2018, have less than 1,040 hours from their most recent step advancement shall be eligible to receive their next step advancement, if applicable, upon completion of 1,040 hours from their most recent step advancement. For example, an employee who received her step advancement effective February 3, 2018 would be eligible to move to the next step on or about August 4, 2018 provided the employee had completed sufficient service hours. Thereafter, such employees shall be eligible for step advancement after completion of increments of 1,040 hours until the top step of the range is reached.

...

CHAPTER 3: TIME OFF

1. SICK LEAVE

A. GENERAL

SB LAFCO provides paid sick leave benefits to all regular full-time and regular part-time employees for periods of temporary absence due to illnesses or injuries. Part-time employees accrue paid sick leave on a pro-rated basis.

B. DEFINITIONS (Amended April 18, 2018)

- (1) Sick Leave - Sick Leave with pay is an insurance or protection provided by SB LAFCO to be granted in circumstances of adversity to promote the health of the individual employee. It is not an earned right to time off from work. Sick leave is defined to mean the authorized absence from duty of an employee because of physical or mental illness, injury, pregnancy, confirmed exposure to a serious contagious disease, for a medical, optical, or dental appointment, or other purpose authorized herein.
- (2) Immediate Family - Immediate family is defined as parent, child, or spouse or domestic partner as defined by California Family Code Section 297.
- (3) Extended Family - Extended family is defined as grandchild, grandparent, sibling, parent/sibling-in-law, aunt, uncle, niece, nephew, foster child, ward of the court, or any step relations as defined herein.
- (4) A FAMILY MEMBER, as defined by Labor Code § 245.5, is a parent, child, spouse, registered domestic partner, grandparent, grandchild, or sibling. PARENT means a biological, foster, or adoptive parent, a step parent, legal guardian, or a person who stood in loco parentis when the employee was a minor child of the employee or the employee's spouse or registered domestic partner. CHILD means a biological, foster, or adopted child, a stepchild, a legal ward, a child of a domestic partner, or a child to whom the employee stands in loco parentis. DOMESTIC PARTNER is defined by Family Code § 297

2. VACATION

A. GENERAL (Amended June 16, 2011)

...

B. PRIOR SERVICE TIME (Adopted May 20, 2009)

...

C. ACCUMULATION (Amended June 16, 2011)

...

D. CONVERSION OF VACATION LEAVE TO CASH (Amended June 16, 2011; Amended April 18, 2018)

(1) Elective Conversion

Eligible employees may be approved by the appointing authority to sell back vacation time at the then hourly base rate of the employee. Eligible employees may exercise this option under procedures established by the Executive Officer or designee. In lieu of cash, the employee may designate that part or all of the value of vacation leave be contributed to LAFCO's section 401(k) Defined Contribution Plan or section 457(b) Deferred Compensation Plan.~~time to be sold back is allocated to a deferred income plan if SB-LAFCO approves such a plan and credit for vacation time is allowed under the plan.~~

In order to sell back vacation time prior to termination or retirement, an employee may exercise the following options:

- a. Option 1, Future Accruals - An employee must make an irrevocable election during the month of December specifying the number of hours to be sold back from the next calendar year's vacation time accrual. Such election must be made, in increments of not less than 10 hours and may not exceed 160 hours. All designated hours remaining at the end of the calendar year pay period 25 will automatically be converted into cash in the last pay period of the calendar year.
- b. Option 2, Existing Accruals - Existing accruals may be cashed out in whole hour increments with a minimum cash-out of 10 hours and will be subject to a 10% penalty.

Upon approval of the appointing authority, eligible

employees are permitted to sell back vacation time at the then hourly base rate of the employee, in increments of not less than 10 hours and may not exceed 160 hours.

(2) Automatic Conversion

Commencing with calendar year 2011, at the end of the last pay period of the calendar year, an employee shall automatically have any vacation leave accruals in excess of the employee's maximum vacation leave accrual balance converted to cash. Such automatic vacation leave cash out shall be paid in pay period 1 of the next calendar year. At termination of employment, all existing vacation leave accruals shall be converted to cash and paid to the employee.

3. **HOLIDAY**

A. GENERAL (Amended June 16, 2011)

...

B. CONVERSION OF HOLIDAY LEAVE TO CASH (Amended April 18, 2018)

(1) Elective Conversion

An employee may sell back holiday time at the base hourly rate of the employee as hereinafter provided, upon approval of the appointing authority. Eligible employees may exercise this option under procedures established by the ~~Director of Human Resources~~Executive Officer. In lieu of cash, the employee may designate that part or all of the value of holiday time to be contributed to LAFCO section 401(k) Defined Contribution Plan or section 457(b) Deferred Compensation Plan. ~~sold back is allocated to a deferred income plan if such a plan is approved by the County and credit for holiday time is allowed under the plan.~~

In order to sell back holiday time prior to termination or retirement, an employee may exercise the following options:

- a. Option 1. Future Accruals. An employee must make an irrevocable election during the month of December, specifying the number of hours to be sold back from the next calendar year's holiday time accrual. Such election must be made in increments of not less than eight hours and may not exceed the annual amount to be accrued for

the next calendar year. All designated hours remaining at the end of pay period 25 will automatically be converted into cash in the last pay period of the calendar year.

- b. Option 2. Existing Accruals. Existing accruals may be cashed out in whole hour increments with a minimum cash out of eight hours and will be subject to a ten percent penalty.

4. OTHER TIME OFF

- A. BEREAVEMENT LEAVE (*Amended June 16, 2011*)

...

- B. VOTING

...

- C. JURY DUTY AND OTHER COURT-RELATED LEAVES (*Amended June 16, 2011*)

...

- D. ADMINISTRATIVE LEAVE (*Amended June 16, 2011; April 18, 2018*)
~~Effective pay period 1 of 2011, the following provision shall replace the Administrative Leave provisions:~~

Effective pay period 1 of each year, an employee in a regular position who is in paid status will be provided with 80 hours of Administrative Leave time for the employee's use. An eligible employee in a regular position who is part-time or job sharing shall be eligible for a prorated number of administrative leave hours based on regularly scheduled hours. Employees hired after the beginning of pay period 1 shall receive a prorated number of hours. Such proration shall be based upon the remaining number of pay periods in the calendar year nearest the employee's appointment. Employees not in paid status in pay period 1 shall receive, upon return to paid status, a prorated number of Administrative Leave hours based on the number of pay periods remaining in the calendar year. Except as provided below, if any Administrative Leave time is unused at the end of pay period 26 (or 27, when applicable), it shall be forfeited and shall not be converted to cash.

~~Commencing in calendar year 2011, each employee shall have one opportunity during the employee's employment and prior to retirement or separation, to convert Administrative Leave to cash. In order to exercise the employee's one opportunity to cash out Administrative~~

~~Leave prior to separation of employment or retirement, an employee may exercise the following options:~~

~~*Option 1. Future Accruals.* An employee must make an irrevocable election during the month of December, specifying that hours are to be sold back from the next calendar year's Administrative Leave accrual. Such election must be made in the increment of 80 hours. All designated hours remaining at the end of the pay period 25 will automatically be converted into cash in the last period of the calendar year.~~

~~*Option 2. Existing Accruals.* An existing accrual balance (up to 80 hours) may be cashed out at one time, and will be subject to a ten percent penalty.~~

~~Submission of an irrevocable election to cash out future accruals or a request to cash out existing accruals with penalty shall constitute an employee's one opportunity to cash out administrative leave, regardless of the actual number of hours that are converted to cash.~~

Effective July 21, 2018, such administrative leave may be cashed out at the employee's then current base rate of pay in increments of one (1) hour, upon the approval of the appointing authority, during the calendar year. Any Administrative Leave accrual balances in effect at the end of the last pay period paid in the calendar year will automatically be paid at the employee's then current base rate of pay. Employees may designate that cash outs of Administrative Leave as permitted herein be allocated to ~~the County's SB LAFCO's~~ 401(k) Plan or Section 457(b) Deferred Compensation Plan. Upon termination of employment, unused Administrative Leave will be paid at the current rate of pay.

E. PERFECT ATTENDANCE LEAVE (Amended April 18, 2018)

Employees in regular, full-time positions in SB LAFCO Groups B and C who do not utilize any sick leave, any leave (e.g. vacation) in lieu of sick leave, or benefits in lieu of sick leave (e.g. workers' compensation, Short-Term Disability partial/full integration, etc.) in a payroll calendar year (i.e., pay period 1 through pay period 26 or 27, when applicable, of the same year), and who do not record any sick leave without pay or absent without pay, medical emergency leave, or military leave as provided by law during that year, shall accrue sixteen (16) hours of perfect attendance leave, for use in the next calendar year. Failure to utilize perfect attendance leave within the calendar year shall result in forfeiture of the same. Perfect attendance leave may not be cashed out.

CHAPTER 5: BENEFITS PLAN

(Benefit Plan Consolidated with Section III - Human Resources Policies and Procedures on August 19, 2015)

1. INTRODUCTION

A. ADMINISTRATION OF BENEFITS

San Bernardino LAFCO has contracted with the County of San Bernardino to administer the benefits for SB LAFCO employees equivalent to those provided to County “Exempt” employees. When questions arise, employees will first contact the SB LAFCO payroll person. If additional information is required, employees will contact the Human Resources Employee Benefits and Services Division Chief or designee.

B. BENEFIT PLAN GROUPS

For the purpose of this Benefits Plan, employees shall be divided into the following groups: *(Amended October 22, 2014)*

- (1) Group A. Executive Officer
- (2) Group B. All SB LAFCO Employees not in Groups A or C
- (3) Group C. Administrative Assistant
(hired after September 17, 2014)

2. MEDICAL AND DENTAL SUBSIDIES *(Amended August 17, 2005; August 20, 2008; June 16, 2011; August 19, 2015, January 27, 2016; April 18, 2018)*

- A. SB LAFCO has established a Medical Premium Subsidy (MPS) to offset the cost of medical and dental plan premiums charged to eligible employees. The MPS shall be applied first to medical plan premiums and then to dental plan premiums. The applicable MPS amount shall be paid directly to the providers of the County-sponsored medical and dental plan in which the eligible employee has enrolled. In no case, shall the MPS exceed the total cost of the medical and dental insurance premium for the coverage selected.

The following are the MPS amounts:

*San Bernardino LAFCO Policy and Procedure Manual
Section III – Human Resources Policies and Procedures*

	Scheduled for 40 to 60 hours	Scheduled for 61 to 80 hours
Employee Only	\$115.00	\$230.00
Employee +1	\$176.12	\$352.23
Employee +2	\$241.32	\$482.64

Effective 7/21/18 the following MPS amounts shall apply:

	Scheduled for 40 to 60 hours	Scheduled for 61 to 80 hours
Employee Only	\$117.25	\$234.50
Employee +1	\$180.60	\$361.19
Employee +2	\$247.67	\$495.34

Effective 7/20/19 the following MPS amounts shall apply:

	<u>Scheduled for 40 to 60 hours</u>	<u>Scheduled for 61 to 80 hours</u>
<u>Employee Only</u>	<u>\$121.67</u>	<u>\$243.33</u>
<u>Employee +1</u>	<u>\$189.52</u>	<u>\$379.03</u>
<u>Employee +2</u>	<u>\$264.97</u>	<u>\$529.94</u>

A dental Premium Subsidy (DPS) ~~will be~~has been established for all employees who are enrolled in both County-sponsored medical and dental coverage whose premium costs for medical and dental exceeds the Medical Premium Subsidy. The amount of DPS shall be up to nine dollars forty-six cents (\$9.46), but not to exceed the combined total of the employee's out-of-pocket expenses. For example, an employee who selects "employee only" coverage for medical and dental with a combined per pay period premium cost of \$234.00 will receive a DPS in the amount of \$4.00 per pay period.

B. ELIGIBILITY FOR MPS AND DPS WHILE ON LEAVE (*Adopted August 19, 2015; Amended April 18, 2018*)

- (1) FMLA/CFRA - Employees who are on approved leave, pursuant to FMLA/CFRA law and whose paid hours in a pay period are less than the required number of hours designated by the applicable benefit provision will continue to be enrolled in a County-sponsored medical plan and receive MPS and DPS in accordance with applicable law.
- (2) Pregnancy Disability Leave (PDL) – An employee on an approved pregnancy disability leave is eligible for continuation

of MPS and DPS in accordance with PDL, Government Code section 12945.

- (3) Workers' Compensation – Employees who are on an approved leave based on an approved workers' compensation claim shall continue to receive the MPS and DPS for up to a total of twenty (20) pay periods while off work due to that work injury as long as the employee pays his/her portion of the premiums on time. If any subsequent workers' compensation claims occur during the initial twenty (20) pay periods, the remaining MPS eligibility from the original claim shall run concurrent with any additional approved workers' compensation claims that occur during the initial claim. For example, if the employee is receiving the MPS and DPS for twenty (20) pay periods for an injury and after ten (10) pay periods another workers' compensation claim is approved and the employee is eligible to receive the MPS and DPS for an additional twenty (20) pay periods, ten (10) pay periods will run concurrent with the initial claim, for a total of 30 pay periods. Employees who are still on workers' compensation after the expiration of the initial twenty (20) pay periods shall continue to receive MPS and DPS provided the employee is fully integrating appropriate paid leave time.

~~However, after the sixth pay period off work, the employee is no longer eligible for medical and dental plan coverage. The employee will then have the option of enrolling in COBRA continuation coverage.~~

- (4) Short Term Disability – Employees who are fully integrating paid leave time with Short-Term Disability (STD) insurance provided by the County or State Disability Insurance (SDI) shall continue to receive the MPS and DPS.
- (5) Per Episode of Illness or Injury - Employees who are on an approved medical leave of absence and whose paid hours in a pay period are less than the required number of hours will continue to receive the benefits of this subsection for up to six pay periods per episode of illness or injury.

3. **MEDICAL AND DENTAL INSURANCE** (Amended August 17, 2005; June 16, 2011; August 19, 2015)

...

4. **LIFE INSURANCE**

A. TERM LIFE INSURANCE (Amended June 16, 2011; August 19, 2015)

...

- B. VARIABLE UNIVERSAL LIFE INSURANCE (*Amended May 16, 2007; June 16, 2011; August 19, 2015*)

...

- C. VOLUNTARY LIFE INSURANCE (*Amended August 19, 2015*)

...

- D. ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE
(*Amended August 19, 2015*)

...

- E. LONG-TERM DISABILITY INSURANCE (*Amended August 19, 2015*)

...

- F. SHORT-TERM DISABILITY INSURANCE (*Amended June 16, 2011; August 19, 2015; April 18, 2018*)

SB LAFCO will provide an employer paid Short-Term Disability Insurance Plan through the County for employees. This benefit shall apply to employees in regular positions who are regularly scheduled to work 40 or more hours per pay period. The Short-Term Disability Insurance Plan benefit coverage shall be governed by the Plan Document that has been approved and adopted by the Board of Supervisors for Exempt Group employees and is subject to carrier requirements and approval. The short-term disability insurance plan benefit coverage shall include a provision for a seven (7) consecutive calendar day waiting period from the first day of disability before benefits begin. Benefits shall be fifty-five percent (55%) of base salary up to a weekly maximum established a formula that incorporates by the State of California for the State Disability Insurance fund maximum. Benefit payments terminate when the employee is no longer disabled or upon termination of employment from SB LAFCO, or after receiving 180 days of benefits at which time the employee would be eligible for long-term disability benefits if still medically disabled.

5. **SECTION 125 PREMIUM CONVERSION PLAN** (*Amended August 19, 2015*)

...

6. **FLEXIBLE SPENDING ACCOUNT** (*Amended August 17, 2005; May 16, 2007; June 16, 2011; May 20, 2015; August 17, 2016*)

...

7. **DEPENDENT CARE ASSISTANCE** *(Amended August 20, 2008; June 16, 2011)*

...

8. **SALARY SAVINGS PLANS**

- A. 401K PLAN *(Amended August 17, 2005; May 16, 2007; August 20, 2008; June 16, 2011)*

...

9. **RETIREMENT**

- A. SB LAFCO CONTRIBUTIONS *(Amended August 17, 2005; May 16, 2007; June 16, 2011, April 17, 2013; April 18, 2018)*

~~Except as otherwise provided, for all employees SB LAFCO will pick up a portion of the employee's required contribution to the San Bernardino County Employees' Retirement Association (SBCERA) in the amount of seven percent (7%) of the employee's earnable compensation as defined in the SBCERA bylaws. LAFCO shall pay all required employer contributions to the San Bernardino County Employee's Retirement Association (SBCERA).~~ Effective June 18, 2011, the SB LAFCO seven percent (7%) pick up of a portion of the employee's required contribution to SBCERA shall be discontinued, and the supplemental amounts provided in the paragraph below shall be the only employee contribution pick up. Effective July 21, 2018, the supplemental amounts provided below shall be discontinued, and the amounts shall be included in base salary prior to the three percent across the board salary increase also scheduled for July 21, 2018, as reflected in the salary schedules and tables as set forth in this Section.

Employees who are Tier 1 members shall receive the following supplemental amounts biweekly to be applied under this section: Group A employee, \$236.41 per bi-weekly pay period; Group B employees, \$152.17 per bi-weekly pay period; Group C employees, \$94.67 per bi-weekly pay period. Effective July 21, 2018, these supplemental amounts shall be discontinued.

If hired prior to January 1, 2013, ~~the~~ employee must choose to have the contributions designated as all employer or all employee contributions for retirement purposes. If the employee designates the pick up as employer contributions, then for each dollar applied, the employee's retirement obligation shall be satisfied in the amount of the actuarial value of that dollar to the Retirement Association as determined by the Board of Retirement; and the employee may not withdraw this contribution from the Retirement Association.

If the employee designates the pick up as employee contributions, then for each dollar applied, the employee's retirement obligation shall be satisfied in the amount of one dollar, and upon separation without retirement, an employee may withdraw this contribution from the Retirement Association. Upon retirement or separation, all contributions applied under this Section will be considered for tax purposes as employer-paid contributions.

If the employee does not file a designation, the contribution shall be made as employee contributions. For employees hired on or after January 1, 2013, all contributions will be designated as employee contributions to comply with the California Employees' Pension Reform Act of 2013 (Government Code §§ 7522 et seq.). Upon separation without retirement, the employee may withdraw these contributions from SBCERA. ~~Employees receiving Retirement System contributions under the Benefit Plan in effect prior to the effective date of this provision shall continue to have contributions under this provision applied (as employer or employee contributions for retirement purposes) in the same manner as previously applied for the employee until the employee makes a revised designation.~~

Any dollars that are remaining after all retirement system obligations are fully satisfied shall be paid to the employee in cash.

Pursuant to the California Public Employees' Pension Reform Act of 2013 (AB 340), SB LAFCO establishes a two-tier system for retirement contribution as follows:

Tier 1 employees are employees with an SBCERA membership date prior to January 1, 2013.

Tier 2 employees are employees with an SBCERA membership date on or after January 1, 2013.

SBCERA membership date is determined based on the following:

- Date of hire as a regular or eligible contract (when applicable) employee, or
- Date of transfer from a non-qualifying position (for example: extra-help, temporary, or part-time) to a regular position that requires membership in SBCERA, or
- Date of entry into membership with another public retirement system with which the employee established reciprocity.

Therefore, if the employee enters SBCERA membership under Tier 2, but establishes reciprocity with another public retirement system where the employee was a member prior to January 1, 2013, the employee will be reclassified as a Tier 1 employee.

B. REMAINING EMPLOYEE CONTRIBUTIONS (Amended April 18, 2018)

~~Any~~ All employee retirement system contribution obligations ~~that are not paid by the application of the SB LAFCO Contributions provision above~~ shall be “picked up” for tax purposes only pursuant to this Section. ~~The Auditor/Controller-Recorder~~ SB LAFCO shall implement the pickup of such retirement system contribution under Internal Revenue Code Section 414(H) (2) ~~effective with the earnings paid and contributions made on and after the effective date of August 12, 1989.~~

SB LAFCO shall make member contributions under this section on behalf of the employee, which shall be in lieu of the employee's contributions, and such contributions shall be treated as employer contributions for purposes of reporting and wage withholding under the Internal Revenue Code and the Revenue and Taxation Code. The amounts picked up under this section shall be recouped through offsets against the salary of each employee for whom SB LAFCO picks up member contributions. These offsets are akin to a reduction in salary and shall be made solely for purposes of income tax reporting and withholding. The member contributions picked up by SB LAFCO under this section shall be treated as compensation paid to SB LAFCO employees for all other purposes. SB LAFCO paid employer contributions to the ~~County's Retirement System~~ SBCERA under this section shall be paid from the same source of funds as used in paying the salaries of the affected employees. No employee shall have the option to receive the Retirement System contribution amounts directly instead of having them paid to ~~the County Retirement System~~ SBCERA.

~~Upon~~ Until retirement or separation, all contributions picked up under this section will be considered for tax purposes as employer-paid contributions. ~~Contributions under this section shall be applied (as all employer or all employee contributions with the same value and restrictions) for Retirement System purposes in the same manner as the contributions under the SB LAFCO Contributions provision above.~~

C. SPECIAL PROVISIONS (Amended June 16, 2011; April 18, 2018)

~~Employees who have 30 years of service credit and no longer make retirement contributions under the provisions of the County Employees' Retirement Law of 1937 shall be paid in cash seven percent (7%) of~~

~~earnable compensation as defined by the bylaws of the Retirement Board as well as the monthly dollar amount allocation to their group under the SB LAFCO Contributions provision above. This paragraph shall be effective through June 17, 2011.~~

Except as provided below, ~~effective June 18, 2011,~~ employees who have 30 years of service credit shall not be paid in cash seven percent (7%) of earnable compensation. Employees with at least 25 years of service as set forth in Government Code Section 31625.3 as of June 18, 2011, and who either already have or thereafter attain 30 years of service credit as set forth in Government Code Section 31625.3 shall have one opportunity during the employee's employment to receive cash payments of seven percent (7%) of earnable compensation for up to twenty-six (26) consecutive pay periods.

Employees who are over age 60 at time of hire, and who are in a regular position, and who choose not to be a member of the Retirement Association, shall be enrolled in the County's 401(k) Salary Savings Plan. SB LAFCO shall contribute the applicable percent of the employee's biweekly salary as defined in this Section to the Plan, and the employee shall contribute a minimum of three percent of biweekly salary to the plan, not to exceed the annual limits of the Plan as defined in the Internal Revenue Code. ~~SB LAFCO shall pay six percent (6%) of the employee's bi-weekly salary to the Plan, and the employee shall contribute a minimum of three percent (3%) of bi-weekly salary to the Plan, not to exceed the annual limits of the Plan as defined in the Internal Revenue Code. As these employees are not participating in the Retirement Association, they shall not be eligible for the SB LAFCO pickup of seven percent (7%) of earnable compensation. Exception: Those employees hired prior to July 1, 1996, and who have been receiving the seven percent (7%) pickup shall continue to receive the pickup as long as they remain an eligible employee. Eligible employees who waive participation in the County's Retirement System shall be eligible to receive the bi-weekly amounts applied under SB LAFCO Contributions above for their group of employees.~~

D. SURVIVOR BENEFITS (Amended April 18, 2018)

Survivor Benefits are payable to employed general retirement members with at least 18 months continuous retirement membership pursuant to Government Code Section 31855.12. ~~of the County Employees Retirement Law of 1937.~~ An equal, non-refundable employer and employee bi-weekly contribution will be paid to SBCERA as provided in the annual actuarial study.

LAFCO Salary Tables

Attachment 2

LAFCO SALARY SCHEDULE														
FY 2018-19 through 2020-21														
	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12	Step 13	Step 14
Executive Officer														
Effective 7/22/17														
Level A	78.10	80.06	82.06	84.11	86.20	88.35	90.55	92.80	95.14	97.54	99.94	102.43	105.01	107.62
Approximate Bi-weekly	6,248.00	6,404.80	6,564.80	6,728.80	6,896.00	7,068.00	7,244.00	7,424.00	7,611.20	7,803.20	7,995.20	8,194.40	8,400.80	8,609.60
Approximate Annual	162,448.00	166,524.80	170,684.80	174,948.80	179,296.00	183,768.00	188,344.00	193,024.00	197,891.20	202,883.20	207,875.20	213,054.40	218,420.80	223,849.60
Level B	80.06	82.06	84.11	86.20	88.35	90.55	92.80	95.14	97.54	99.94	102.43	105.01	107.62	110.32
Approximate Bi-weekly	6,404.80	6,564.80	6,728.80	6,896.00	7,068.00	7,244.00	7,424.00	7,611.20	7,803.20	7,995.20	8,194.40	8,400.80	8,609.60	8,825.60
Approximate Annual	166,524.80	170,684.80	174,948.80	179,296.00	183,768.00	188,344.00	193,024.00	197,891.20	202,883.20	207,875.20	213,054.40	218,420.80	223,849.60	229,465.60
Level C	82.05	84.10	86.20	88.35	90.55	92.80	95.14	97.54	99.94	102.43	105.01	107.62	110.32	113.09
Approximate Bi-weekly	6,564.00	6,728.00	6,896.00	7,068.00	7,244.00	7,424.00	7,611.20	7,803.20	7,995.20	8,194.40	8,400.80	8,609.60	8,825.60	9,047.20
Approximate Annual	170,664.00	174,928.00	179,296.00	183,768.00	188,344.00	193,024.00	197,891.20	202,883.20	207,875.20	213,054.40	218,420.80	223,849.60	229,465.60	235,227.20
Level D	84.10	86.20	88.35	90.55	92.80	95.14	97.54	99.94	102.43	105.01	107.62	110.32	113.09	115.91
Approximate Bi-weekly	6,728.00	6,896.00	7,068.00	7,244.00	7,424.00	7,611.20	7,803.20	7,995.20	8,194.40	8,400.80	8,609.60	8,825.60	9,047.20	9,272.80
Approximate Annual	174,928.00	179,296.00	183,768.00	188,344.00	193,024.00	197,891.20	202,883.20	207,875.20	213,054.40	218,420.80	223,849.60	229,465.60	235,227.20	241,092.80
Level E	86.19	88.34	90.55	92.80	95.14	97.54	99.94	102.43	105.01	107.62	110.32	113.09	115.90	118.79
Approximate Bi-weekly	6,895.20	7,067.20	7,244.00	7,424.00	7,611.20	7,803.20	7,995.20	8,194.40	8,400.80	8,609.60	8,825.60	9,047.20	9,272.00	9,503.20
Approximate Annual	179,275.20	183,747.20	188,344.00	193,024.00	197,891.20	202,883.20	207,875.20	213,054.40	218,420.80	223,849.60	229,465.60	235,227.20	241,072.00	247,083.20
Effective 7/21/18														
Level A	81.52	83.49	85.51	87.57	89.68	91.83	94.05	96.32	98.63	101.04	103.52	105.99	108.55	111.2
Approximate Bi-weekly	6,521.60	6,679.20	6,840.80	7,005.60	7,174.40	7,346.40	7,524.00	7,705.60	7,890.40	8,083.20	8,281.60	8,479.20	8,684.00	8,896.00
Approximate Annual	169,561.60	173,659.20	177,860.80	182,145.60	186,534.40	191,006.40	195,624.00	200,345.60	205,150.40	210,163.20	215,321.60	220,459.20	225,784.00	231,296.00
Level B	83.49	85.51	87.57	89.68	91.83	94.05	96.32	98.63	101.04	103.52	105.99	108.55	111.21	113.90
Approximate Bi-weekly	6,679.20	6,840.80	7,005.60	7,174.40	7,346.40	7,524.00	7,705.60	7,890.40	8,083.20	8,281.60	8,479.20	8,684.00	8,896.80	9,112.00
Approximate Annual	173,659.20	177,860.80	182,145.60	186,534.40	191,006.40	195,624.00	200,345.60	205,150.40	210,163.20	215,321.60	220,459.20	225,784.00	231,316.80	236,912.00
Level C	85.51	87.57	89.68	91.83	94.05	96.32	98.63	101.04	103.52	105.99	108.55	111.21	113.90	116.68
Approximate Bi-weekly	6,840.80	7,005.60	7,174.40	7,346.40	7,524.00	7,705.60	7,890.40	8,083.20	8,281.60	8,479.20	8,684.00	8,896.80	9,112.00	9,334.40
Approximate Annual	177,860.80	182,145.60	186,534.40	191,006.40	195,624.00	200,345.60	205,150.40	210,163.20	215,321.60	220,459.20	225,784.00	231,316.80	236,912.00	242,694.40
Level D	87.56	89.67	91.83	94.05	96.32	98.63	101.04	103.52	105.99	108.55	111.21	113.90	116.68	119.53
Approximate Bi-weekly	7,004.80	7,173.60	7,346.40	7,524.00	7,705.60	7,890.40	8,083.20	8,281.60	8,479.20	8,684.00	8,896.80	9,112.00	9,334.40	9,562.40
Approximate Annual	182,124.80	186,513.60	191,006.40	195,624.00	200,345.60	205,150.40	210,163.20	215,321.60	220,459.20	225,784.00	231,316.80	236,912.00	242,694.40	248,622.40
Level E	89.67	91.83	94.05	96.32	98.63	101.04	103.52	105.99	108.55	111.21	113.90	116.68	119.53	122.44
Approximate Bi-weekly	7,173.60	7,346.40	7,524.00	7,705.60	7,890.40	8,083.20	8,281.60	8,479.20	8,684.00	8,896.80	9,112.00	9,334.40	9,562.40	9,795.20
Approximate Annual	186,513.60	191,006.40	195,624.00	200,345.60	205,150.40	210,163.20	215,321.60	220,459.20	225,784.00	231,316.80	236,912.00	242,694.40	248,622.40	254,675.20
Effective 7/20/19														
Level A	83.97	85.99	88.08	90.20	92.37	94.58	96.87	99.21	101.59	104.07	106.63	109.17	111.81	114.00
Approximate Bi-weekly	6,717.60	6,879.20	7,046.40	7,216.00	7,389.60	7,566.40	7,749.60	7,936.80	8,127.20	8,325.60	8,530.40	8,733.60	8,944.80	9,163.20
Approximate Annual	174,657.60	178,859.20	183,206.40	187,616.00	192,129.60	196,726.40	201,489.60	206,356.80	211,307.20	216,465.60	221,790.40	227,073.60	232,564.80	238,243.20
Level B	85.99	88.08	90.20	92.37	94.58	96.87	99.21	101.59	104.07	106.63	109.17	111.81	114.55	117.32
Approximate Bi-weekly	6,879.20	7,046.40	7,216.00	7,389.60	7,566.40	7,749.60	7,936.80	8,127.20	8,325.60	8,530.40	8,733.60	8,944.80	9,164.00	9,385.60
Approximate Annual	178,859.20	183,206.40	187,616.00	192,129.60	196,726.40	201,489.60	206,356.80	211,307.20	216,465.60	221,790.40	227,073.60	232,564.80	238,264.00	244,025.60
Level C	88.08	90.20	92.37	94.58	96.87	99.21	101.59	104.07	106.63	109.17	111.81	114.55	117.32	120.18
Approximate Bi-weekly	7,046.40	7,216.00	7,389.60	7,566.40	7,749.60	7,936.80	8,127.20	8,325.60	8,530.40	8,733.60	8,944.80	9,164.00	9,385.60	9,614.40
Approximate Annual	183,206.40	187,616.00	192,129.60	196,726.40	201,489.60	206,356.80	211,307.20	216,465.60	221,790.40	227,073.60	232,564.80	238,264.00	244,025.60	249,974.40
Level D	90.19	92.36	94.58	96.87	99.21	101.59	104.07	106.63	109.17	111.81	114.55	117.32	120.18	123.12
Approximate Bi-weekly	7,215.20	7,388.80	7,566.40	7,749.60	7,936.80	8,127.20	8,325.60	8,530.40	8,733.60	8,944.80	9,164.00	9,385.60	9,614.40	9,849.60
Approximate Annual	187,595.20	192,108.80	196,726.40	201,489.60	206,356.80	211,307.20	216,465.60	221,790.40	227,073.60	232,564.80	238,264.00	244,025.60	249,974.40	256,089.60

LAFCO SALARY SCHEDULE
FY 2018-19 through 2020-21

	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12	Step 13	Step 14
Level E	92.36	94.58	96.87	99.21	101.59	104.07	106.63	109.17	111.81	114.55	117.32	120.18	123.12	126.11
Approximate Bi-weekly	7,388.80	7,566.40	7,749.60	7,936.80	8,127.20	8,325.60	8,530.40	8,733.60	8,944.80	9,164.00	9,385.60	9,614.40	9,849.60	10,088.80
Approximate Annual	192,108.80	196,726.40	201,489.60	206,356.80	211,307.20	216,465.60	221,790.40	227,073.60	232,564.80	238,264.00	244,025.60	249,974.40	256,089.60	262,308.80
Effective 7/18/20														
Level A	86.49	88.57	90.72	92.91	95.14	97.42	99.78	102.19	104.64	107.19	109.83	112.45	115.16	117.98
Approximate Bi-weekly	6,919.20	7,085.60	7,257.60	7,432.80	7,611.20	7,793.60	7,982.40	8,175.20	8,371.20	8,575.20	8,786.40	8,996.00	9,212.80	9,438.40
Approximate Annual	179,899.20	184,225.60	188,697.60	193,252.80	197,891.20	202,633.60	207,542.40	212,555.20	217,651.20	222,955.20	228,446.40	233,896.00	239,532.80	245,398.40
Level B	88.57	90.72	92.91	95.14	97.42	99.78	102.19	104.64	107.19	109.83	112.45	115.16	117.99	120.84
Approximate Bi-weekly	7,085.60	7,257.60	7,432.80	7,611.20	7,793.60	7,982.40	8,175.20	8,371.20	8,575.20	8,786.40	8,996.00	9,212.80	9,439.20	9,667.20
Approximate Annual	184,225.60	188,697.60	193,252.80	197,891.20	202,633.60	207,542.40	212,555.20	217,651.20	222,955.20	228,446.40	233,896.00	239,532.80	245,419.20	251,347.20
Level C	90.72	92.91	95.14	97.42	99.78	102.19	104.64	107.19	109.83	112.45	115.16	117.99	120.84	123.79
Approximate Bi-weekly	7,257.60	7,432.80	7,611.20	7,793.60	7,982.40	8,175.20	8,371.20	8,575.20	8,786.40	8,996.00	9,212.80	9,439.20	9,667.20	9,903.20
Approximate Annual	188,697.60	193,252.80	197,891.20	202,633.60	207,542.40	212,555.20	217,651.20	222,955.20	228,446.40	233,896.00	239,532.80	245,419.20	251,347.20	257,483.20
Level D	92.90	95.13	97.42	99.78	102.19	104.64	107.19	109.83	112.45	115.16	117.99	120.84	123.79	126.81
Approximate Bi-weekly	7,432.00	7,610.40	7,793.60	7,982.40	8,175.20	8,371.20	8,575.20	8,786.40	8,996.00	9,212.80	9,439.20	9,667.20	9,903.20	10,144.80
Approximate Annual	193,232.00	197,870.40	202,633.60	207,542.40	212,555.20	217,651.20	222,955.20	228,446.40	233,896.00	239,532.80	245,419.20	251,347.20	257,483.20	263,764.80
Level E	95.13	97.42	99.78	102.19	104.64	107.19	109.83	112.45	115.16	117.99	120.84	123.79	126.81	129.89
Approximate Bi-weekly	7,610.40	7,793.60	7,982.40	8,175.20	8,371.20	8,575.20	8,786.40	8,996.00	9,212.80	9,439.20	9,667.20	9,903.20	10,144.80	10,391.20
Approximate Annual	197,870.40	202,633.60	207,542.40	212,555.20	217,651.20	222,955.20	228,446.40	233,896.00	239,532.80	245,419.20	251,347.20	257,483.20	263,764.80	270,171.20
Assistant Executive Officer														
Effective 7/22/17	38.21	39.17	40.15	41.11	42.10	43.19	44.27	45.36	46.50	47.67	48.88	50.08	51.33	52.61
Approximate Bi-weekly	3,056.80	3,133.60	3,212.00	3,288.80	3,368.00	3,455.20	3,541.60	3,628.80	3,720.00	3,813.60	3,910.40	4,006.40	4,106.40	4,208.80
Approximate Annual	79,476.80	81,473.60	83,512.00	85,508.80	87,568.00	89,835.20	92,081.60	94,348.80	96,720.00	99,153.60	101,670.40	104,166.40	106,766.40	109,428.80
Effective 7/21/18	41.31	42.30	43.31	44.30	45.32	46.44	47.56	48.68	49.85	51.06	52.30	53.54	54.83	56.15
Approximate Bi-weekly	3,304.80	3,384.00	3,464.80	3,544.00	3,625.60	3,715.20	3,804.80	3,894.40	3,988.00	4,084.80	4,184.00	4,283.20	4,386.40	4,492.00
Approximate Annual	85,924.80	87,984.00	90,084.80	92,144.00	94,265.60	96,595.20	98,924.80	101,254.40	103,688.00	106,204.80	108,784.00	111,363.20	114,046.40	116,792.00
Effective 7/20/19	42.55	43.57	44.61	45.63	46.68	47.83	48.99	50.14	51.35	52.59	53.87	55.15	56.47	57.83
Approximate Bi-weekly	3,404.00	3,485.60	3,568.80	3,650.40	3,734.40	3,826.40	3,919.20	4,011.20	4,108.00	4,207.20	4,309.60	4,412.00	4,517.60	4,626.40
Approximate Annual	88,504.00	90,625.60	92,788.80	94,910.40	97,094.40	99,486.40	101,899.20	104,291.20	106,808.00	109,387.20	112,049.60	114,712.00	117,457.60	120,286.40
Effective 7/18/20	43.83	44.88	45.95	47.00	48.08	49.26	50.46	51.64	52.89	54.17	55.49	56.80	58.16	59.56
Approximate Bi-weekly	3,506.40	3,590.40	3,676.00	3,760.00	3,846.40	3,940.80	4,036.80	4,131.20	4,231.20	4,333.60	4,439.20	4,544.00	4,652.80	4,764.80
Approximate Annual	91,166.40	93,350.40	95,576.00	97,760.00	100,006.40	102,460.80	104,956.80	107,411.20	110,011.20	112,673.60	115,419.20	118,144.00	120,972.80	123,884.80
Project Manager														
Effective 7/22/17	29.88	30.62	31.39	32.17	32.98	33.79	34.63	35.48	36.38	37.27	38.23	39.14	40.15	41.15
Approximate Bi-weekly	2,390.40	2,449.60	2,511.20	2,573.60	2,638.40	2,703.20	2,770.40	2,838.40	2,910.40	2,981.60	3,058.40	3,131.20	3,212.00	3,292.00
Approximate Annual	62,150.40	63,689.60	65,291.20	66,913.60	68,598.40	70,283.20	72,030.40	73,798.40	75,670.40	77,521.60	79,518.40	81,411.20	83,512.00	85,592.00
Effective 7/21/18	32.73	33.50	34.29	35.09	35.93	36.76	37.63	38.50	39.43	40.35	41.33	42.27	43.31	44.34
Approximate Bi-weekly	2,618.40	2,680.00	2,743.20	2,807.20	2,874.40	2,940.80	3,010.40	3,080.00	3,154.40	3,228.00	3,306.40	3,381.60	3,464.80	3,547.20
Approximate Annual	68,078.40	69,680.00	71,323.20	72,987.20	74,734.40	76,460.80	78,270.40	80,080.00	82,014.40	83,928.00	85,966.40	87,921.60	90,084.80	92,227.20

LAFCO SALARY SCHEDULE														
FY 2018-19 through 2020-21														
	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12	Step 13	Step 14
Effective 7/20/19	33.71	34.51	35.32	36.14	37.01	37.86	38.76	39.66	40.61	41.56	42.57	43.54	44.61	45.67
Approximate Bi-weekly	2,696.80	2,760.80	2,825.60	2,891.20	2,960.80	3,028.80	3,100.80	3,172.80	3,248.80	3,324.80	3,405.60	3,483.20	3,568.80	3,653.60
Approximate Annual	70,116.80	71,780.80	73,465.60	75,171.20	76,980.80	78,748.80	80,620.80	82,492.80	84,468.80	86,444.80	88,545.60	90,563.20	92,788.80	94,993.60
Effective 7/18/20	34.72	35.55	36.38	37.22	38.12	39.00	39.92	40.85	41.83	42.81	43.85	44.85	45.95	47.00
Approximate Bi-weekly	2,777.60	2,844.00	2,910.40	2,977.60	3,049.60	3,120.00	3,193.60	3,268.00	3,346.40	3,424.80	3,508.00	3,588.00	3,676.00	3,763.20
Approximate Annual	72,217.60	73,944.00	75,670.40	77,417.60	79,289.60	81,120.00	83,033.60	84,968.00	87,006.40	89,044.80	91,208.00	93,288.00	95,576.00	97,843.20
LAFCO Analyst-GIS/Database Manager														
Effective 7/22/17	25.83	26.47	27.13	27.78	28.50	29.17	29.90	30.62	31.39	32.17	32.98	33.79	34.63	35.49
Approximate Bi-weekly	2,066.40	2,117.60	2,170.40	2,222.40	2,280.00	2,333.60	2,392.00	2,449.60	2,511.20	2,573.60	2,638.40	2,703.20	2,770.40	2,839.20
Approximate Annual	53,726.40	55,057.60	56,430.40	57,782.40	59,280.00	60,673.60	62,192.00	63,689.60	65,291.20	66,913.60	68,598.40	70,283.20	72,030.40	73,819.20
Effective 7/21/18	27.82	28.48	29.16	29.83	30.57	31.26	32.01	32.75	33.55	34.35	35.18	36.02	36.88	37.77
Approximate Bi-weekly	2,225.60	2,278.40	2,332.80	2,386.40	2,445.60	2,500.80	2,560.80	2,620.00	2,684.00	2,748.00	2,814.40	2,881.60	2,950.40	3,021.60
Approximate Annual	57,865.60	59,238.40	60,652.80	62,046.40	63,585.60	65,020.80	66,580.80	68,120.00	69,784.00	71,448.00	73,174.40	74,921.60	76,710.40	78,561.60
Effective 7/20/19	28.65	29.33	30.03	30.72	31.49	32.20	32.97	33.73	34.56	35.38	36.24	37.10	37.99	38.90
Approximate Bi-weekly	2,292.00	2,346.40	2,402.40	2,457.60	2,519.20	2,576.00	2,637.60	2,698.40	2,764.80	2,830.40	2,899.20	2,968.00	3,039.20	3,112.00
Approximate Annual	59,592.00	61,006.40	62,462.40	63,897.60	65,499.20	66,976.00	68,577.60	70,158.40	71,884.80	73,590.40	75,379.20	77,168.00	79,019.20	80,912.00
Effective 7/18/20	29.51	30.21	30.93	31.64	32.43	33.17	33.96	34.74	35.60	36.44	37.33	38.21	39.13	40.07
Approximate Bi-weekly	2,360.80	2,416.80	2,474.40	2,531.20	2,594.40	2,653.60	2,716.80	2,779.20	2,848.00	2,915.20	2,986.40	3,056.80	3,130.40	3,205.60
Approximate Annual	61,380.80	62,836.80	64,334.40	65,811.20	67,454.40	68,993.60	70,636.80	72,259.20	74,048.00	75,795.20	77,646.40	79,476.80	81,390.40	83,345.00
Clerk to the Commission/Office Manager														
Effective 7/22/17	22.29	22.85	23.43	24.01	24.60	25.22	25.83	26.47	27.13	27.78	28.50	29.17	29.90	30.64
Approximate Bi-weekly	1,783.20	1,828.00	1,874.40	1,920.80	1,968.00	2,017.60	2,066.40	2,117.60	2,170.40	2,222.40	2,280.00	2,333.60	2,392.00	2,451.20
Approximate Annual	46,363.20	47,528.00	48,734.40	49,940.80	51,168.00	52,457.60	53,726.40	55,057.60	56,430.40	57,782.40	59,280.00	60,673.60	62,192.00	63,731.20
Effective 7/21/18	24.92	25.49	26.09	26.69	27.30	27.93	28.56	29.22	29.90	30.57	31.31	32.00	32.75	33.52
Approximate Bi-weekly	1,993.60	2,039.20	2,087.20	2,135.20	2,184.00	2,234.40	2,284.80	2,337.60	2,392.00	2,445.60	2,504.80	2,560.00	2,620.00	2,681.60
Approximate Annual	51,833.60	53,019.20	54,267.20	55,515.20	56,784.00	58,094.40	59,404.80	60,777.60	62,192.00	63,585.60	65,124.80	66,560.00	68,120.00	69,721.60
Effective 7/20/19	25.67	26.25	26.87	27.49	28.12	28.77	29.42	30.10	30.80	31.49	32.25	32.96	33.73	34.53
Approximate Bi-weekly	2,053.60	2,100.00	2,149.60	2,199.20	2,249.60	2,301.60	2,353.60	2,408.00	2,464.00	2,519.20	2,580.00	2,636.80	2,698.40	2,762.40
Approximate Annual	53,393.60	54,600.00	55,889.60	57,179.20	58,489.60	59,841.60	61,193.60	62,608.00	64,064.00	65,499.20	67,080.00	68,556.80	70,158.40	71,822.40
Effective 7/18/20	26.44	27.04	27.68	28.31	28.96	29.63	30.30	31.00	31.72	32.43	33.22	33.95	34.74	35.57
Approximate Bi-weekly	2,115.20	2,163.20	2,214.40	2,264.80	2,316.80	2,370.40	2,424.00	2,480.00	2,537.60	2,594.40	2,657.60	2,716.00	2,779.20	2,845.60
Approximate Annual	54,995.20	56,243.20	57,574.40	58,884.80	60,236.80	61,630.40	63,024.00	64,480.00	65,977.60	67,454.40	69,097.60	70,616.00	72,259.20	73,985.60
Administrative Assistant														
Effective 7/22/17	18.35	18.80	19.28	19.75	20.24	20.73	21.26	21.80	22.31	22.88	23.43	24.01	24.60	25.20
Approximate Bi-weekly	1,468.00	1,504.00	1,542.40	1,580.00	1,619.20	1,658.40	1,700.80	1,744.00	1,784.80	1,830.40	1,874.40	1,920.80	1,968.00	2,016.00
Approximate Annual	38,168.00	39,104.00	40,102.40	41,080.00	42,099.20	43,118.40	44,220.80	45,344.00	46,404.80	47,590.40	48,734.40	49,940.80	51,168.00	52,416.00

LAFCO SALARY SCHEDULE
FY 2018-19 through 2020-21

	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12	Step 13	Step 14
Effective 7/21/18	20.86	21.32	21.82	22.30	22.80	23.31	23.85	24.41	24.94	25.52	26.09	26.69	27.30	27.91
Approximate Bi-weekly	1,668.80	1,705.60	1,745.60	1,784.00	1,824.00	1,864.80	1,908.00	1,952.80	1,995.20	2,041.60	2,087.20	2,135.20	2,184.00	2,232.80
Approximate Annual	43,388.80	44,345.60	45,385.60	46,384.00	47,424.00	48,484.80	49,608.00	50,772.80	51,875.20	53,081.60	54,267.20	55,515.20	56,784.00	58,052.80
Effective 7/20/19	21.49	21.96	22.47	22.97	23.48	24.01	24.57	25.14	25.69	26.29	26.87	27.49	28.12	28.75
Approximate Bi-weekly	1,719.20	1,756.80	1,797.60	1,837.60	1,878.40	1,920.80	1,965.60	2,011.20	2,055.20	2,103.20	2,149.60	2,199.20	2,249.60	2,300.00
Approximate Annual	44,699.20	45,676.80	46,737.60	47,777.60	48,838.40	49,940.80	51,105.60	52,291.20	53,435.20	54,683.20	55,889.60	57,179.20	58,489.60	59,800.00
Effective 7/18/20	22.13	22.62	23.14	23.66	24.18	24.73	25.31	25.89	26.46	27.08	27.68	28.31	28.96	29.61
Approximate Bi-weekly	1,770.40	1,809.60	1,851.20	1,892.80	1,934.40	1,978.40	2,024.80	2,071.20	2,116.80	2,166.40	2,214.40	2,264.80	2,316.80	2,368.80
Approximate Annual	46,030.40	47,049.60	48,131.20	49,212.80	50,294.40	51,438.40	52,644.80	53,851.20	55,036.80	56,326.40	57,574.40	58,884.80	60,236.80	61,588.80

**Materials Related to County
Ordinance Relating to
Compensation and Working
Conditions of the Exempt
Group**

Attachment 3

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(1) Table 1. This table below applies to employees hired into the listed classifications before July 9, 2016. Effective February 3, 2018, employees in the classifications listed in Table 1 who are receiving a fixed annual salary may, upon his/her request, be placed at the top step of the classification's corresponding salary range listed in Table 2.

EXECUTIVE COUNTY ADMINISTRATORS					
Classifications	Exempt Group	Annual Salary Effective 7/22/17	Annual Salary Effective 7/21/18	Annual Salary Effective 7/20/19	Annual Salary Effective 7/18/20
Agricultural Commissioner/Sealer	B	\$152,680	\$163,591	\$168,499	\$173,554
Assistant Executive Officer-Finance and Administration	A	\$225,169	\$243,775	\$251,088	\$258,621
Chief Information Officer	A	\$203,369	\$221,321	\$227,961	\$234,800
Chief Probation Officer	B	\$182,630	\$194,440	\$200,273	\$206,281
Clerk of the Board of Supervisors	B	\$147,272	\$158,021	\$162,762	\$167,645
County Clerk	N/A	\$10,568	\$10,885	\$11,212	\$11,548
Director of Airports	B	\$145,001	\$155,682	\$160,352	\$165,163
Director of Child Support	B	\$177,469	\$189,124	\$194,798	\$200,642
Director of County Museum	B	\$137,246	\$147,694	\$152,125	\$156,689
Director of Land Use Services	B	\$175,552	\$187,150	\$192,765	\$198,548
Director of Preschool Services	B	\$148,669	\$159,460	\$164,244	\$169,171
Director of Purchasing	B	\$141,322	\$151,893	\$156,450	\$161,144
Director of Veterans' Affairs	B	\$137,246	\$147,694	\$152,125	\$156,689
Director, Children and Family Services	B	\$188,290	\$200,270	\$206,278	\$212,466
Public Defender	B	\$222,425	\$235,429	\$242,492	\$249,767
Public Health Director	B	\$171,959	\$183,449	\$188,952	\$194,621
Registrar of Voters	B	\$158,507	\$169,593	\$174,681	\$179,921

(2) Table 2. This table applies to employees hired into the listed classifications on or after July 9, 2016.

EXECUTIVE COUNTY ADMINISTRATORS						
Classifications	Exempt Group	Salary Grade Effective 7/22/17	Salary Grade Effective 2/3/18	Salary Grade Effective 7/21/2018	Salary Grade Effective 7/20/19	Salary Grade Effective 7/18/20
Agricultural Commissioner/Sealer	B	85	85	85B	85B	85B

EXECUTIVE COUNTY ADMINISTRATORS						
Classifications	Exempt Group	Salary Grade Effective 7/22/17	Salary Grade Effective 2/3/18	Salary Grade Effective 7/21/2018	Salary Grade Effective 7/20/19	Salary Grade Effective 7/18/20
Assistant Executive Officer-Finance and Administration	B	101	101	101B	101B	101B
Assistant Executive Officer-Human Services	B	101	101	101B	101B	101B
Behavioral Health Medical Director	C	119	119	119C	119C	119C
Chief Executive Officer	B	116	116	116B	116B	116B
Chief Information Officer	B	97	97	97B	97B	97B
Chief Probation Officer	B	93	93	93B	93B	93B
Clerk of the Board of Supervisors	B	84	84	84B	84B	84B
County Chief Financial Officer	B	97	97	97B	97B	97B
County Clerk ¹	N/A	N/A	N/A	N/A	N/A	N/A
County Counsel	B	105	105	105B	105B	105B
County Librarian	B	84	84	84B	84B	84B
Director of Aging and Adult Services	B	87	87	87B	87B	87B
Director of Airports	B	83	83	83B	83B	83B
Director of Arrowhead Regional Medical Center	B	109	109	109B	109B	109B
Director of Behavioral Health	B	96	96	96B	96B	96B
Director of Child Support	B	92	92	92B	92B	92B
Director of County Museum	B	81	81	81B	81B	81B
Director of Economic Development	B	83	83	83B	83B	83B
Director of Fleet Management	B	81	81	81B	81B	81B
Director of Human Resources	B	96	96	96B	96B	96B
Director of Land Use Services	B	91	91	91B	91B	91B
Director of Preschool Services	B	84	87	87B	87B	87B
Director of Public Works	B	97	97	97B	97B	97B
Director of Purchasing	B	82	82	82B	82B	82B
Director of Real Estate Services	B	81	83	83B	83B	83B
Director of Risk Management	B	82	82	82B	82B	82B
Director of Transitional Assistance	B	90	90	90B	90B	90B
Director of Veterans' Affairs	B	81	81	81B	81B	81B
Director, Children and Family Services	B	94	94	94B	94B	94B
Director, Community Development and Housing	B	83	83	83B	83B	83B

¹ Salary for this position is set at \$1, not a salary grade.

EXECUTIVE COUNTY ADMINISTRATORS						
Classifications	Exempt Group	Salary Grade Effective 7/22/17	Salary Grade Effective 2/3/18	Salary Grade Effective 7/21/2018	Salary Grade Effective 7/20/19	Salary Grade Effective 7/18/20
Director, Regional Parks	B	81	83	83B	83B	83B
Director, Workforce Development	B	83	83	83B	83B	83B
Economic Development Administrator	B	92	92	92B	92B	92B
Public Defender	B	101	101	101B	101B	101B
Public Health Director	B	90	92	92B	92B	92B
Registrar of Voters	B	87	87	87B	87B	87B

(b) Exempt – Associate Administrators.

Classification	Exempt Group	Grade Effective 7/22/17	Grade Effective 2/3/18	Grade Effective 7/21/18	Grade Effective 7/20/19	Grade Effective 7/18/20
Administrative Analyst I	D	56	56	56D	56D	56D
Administrative Analyst II	C	66	66	66C	66C	66C
Administrative Analyst III	C	73	73	73C	73C	73C
Administrative Analyst Trainee	D	45T	45T	45T_D	45T_D	45T_D
ARC Administrative and Financial Manager	C	73	73	73C	73C	73C
ARC Project Administrator	C	57	57	57C	57C	57C
ARMC Associate Chief Financial Officer	C	83	83	83C	83C	83C
ARMC Chief Compliance Officer	C	75	75	75C	75C	75C
ARMC Chief Financial Officer	B	100	100	100B	100B	100B
ARMC Chief Operating Officer	B	98	98	98B	98B	98B
ARMC Medical Director	C	108	108	108C	108C	108C
Assistant Administrator, Economic Development Agency	B	85	85	85B	85B	85B
Assistant Agricultural Commissioner/Sealer	C	75	75	75C	75C	75C
Assistant Assessor	B	80	80	80B	80B	80B
Assistant Auditor-Controller/Treasurer/ Tax Collector	B	84	84	84B	84B	84B
Assistant Chief Information Officer	C	92	92	92C	92C	92C
Assistant Chief Probation Officer	C	85	85	85C	85C	85C
Assistant County Librarian	C	73	73	73C	73C	73C
Assistant Director of Aging and Adult Services	C	78	78	78C	78C	78C

Classification	Exempt Group	Grade Effective 7/22/17	Grade Effective 2/3/18	Grade Effective 7/21/18	Grade Effective 7/20/19	Grade Effective 7/18/20
Assistant Director of Airports	C	73	73	73C	73C	73C
Assistant Director of Behavioral Health	C	86	86	86C	86C	86C
Assistant Director of Child Support	C	85	85	85C	85C	85C
Assistant Director of Children and Family Services	C	85	85	85C	85C	85C
Assistant Director of Human Resources	C	87	87	87C	87C	87C
Assistant Director of Land Use Services	C	84	84	84C	84C	84C
Assistant Director of Preschool Services	C	78	78	78C	78C	78C
Assistant Director of Public Health	C	82	85	85C	85C	85C
Assistant Director of Real Estate Services	C	77	80	80C	80C	80C
Assistant Director of Risk Management	C	77	77	77C	77C	77C
Assistant Director of Transitional Assistance	C	84	84	84C	84C	84C
Assistant Director of Workforce Development	C	78	78	78C	78C	78C
Assistant District Attorney	B	97	97	97B	97B	97B
Assistant Hospital Administrator - Ambulatory Services	C	74	74	74C	74C	74C
Assistant Hospital Administrator - Behavioral Health	C	75	79	79C	79C	79C
Assistant Hospital Administrator - Nursing Services	C	75	75	75C	75C	75C
Assistant Public Defender	C	97	97	97C	97C	97C
Assistant Recorder	B	80	80	80B	80B	80B
Assistant Registrar of Voters	C	78	78	78C	78C	78C
Assistant Sheriff	C	93	93	93C	93C	93C
Associate Chief Nursing Officer	C	82	84	84C	84C	84C
Associate Hospital Administrator Professional Services	C	82	82	82C	82C	82C
ATC Project Administrator	C	57	57	57C	57C	57C
Auditor-Controller Division Chief	C	76	76	76C	76C	76C
Auditor-Controller Manager	C	71	71	71C	71C	71C
Board of Supervisor's Administrative Analyst	B	73	73	73B	73B	73B
BOS Chief of Staff	B	84	84	84B	84B	84B
Building Official	C	79	79	79C	79C	79C

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	Classification	Exempt Group	Grade Effective 7/22/17	Grade Effective 2/3/18	Grade Effective 7/21/18	Grade Effective 7/20/19	Grade Effective 7/18/20
	Business Solutions Chief	C	85	85	85C	85C	85C
	Chief Administrative Analyst	C	80	80	80C	80C	80C
	Chief Appraiser	C	76	76	76C	76C	76C
	Chief Assistant County Counsel	B	98	98	98B	98B	98B
	Chief Assistant District Attorney	B	100	100	100B	100B	100B
	Chief Compliance Officer - Behavioral Health	C	72	72	72C	72C	72C
	Chief Deputy Clerk of Board of Supervisors	C	73	73	73C	73C	73C
	Chief Deputy County Museum	C	65	65	65C	65C	65C
	Chief Deputy District Attorney	C	94	94	94C	94C	94C
	Chief Deputy Public Defender	C	94	94	94C	94C	94C
	Chief Deputy Registrar of Voters	C	65	65	65C	65C	65C
	Chief Deputy Treasurer	C	76	76	76C	76C	76C
	Chief Information Security Officer	C	92	92	92C	92C	92C
	Chief Learning Officer	C	78	78	78C	78C	78C
	Chief Medical Information Officer	C	90	90	90C	90C	90C
	Chief Nursing Officer	C	90	90	90C	90C	90C
	Chief of Animal Care and Control	C	80	80	80C	80C	80C
	Chief of Assessment Services	C	76	76	76C	76C	76C
	Chief of Clinical Operations	C	71	73	73C	73C	73C
	Chief of County Counsel's Administration	C	70	70	70C	70C	70C
	Chief of District Attorney's Administration	C	73	73	73C	73C	73C
	Chief of Environmental Health Services	C	80	80	80C	80C	80C
	Chief of Public Defender's Administration	C	70	70	70C	70C	70C
	Chief Public Works Engineer	C	86	86	88C	88C	88C
	Child Support Chief Attorney	C	90	90	90C	90C	90C
	Children's Network Officer	C	69	69	69C	69C	69C
	Code Enforcement Chief	C	79	79	79C	79C	79C
	Community Services Finance and Operations Chief	C	73	73	73C	73C	73C
	County Chief Operating Officer	B	98	98	98B	98B	98B
	County Counsel Research Attorney I	C	62T	62T	62T_C	62T_C	62T_C
	County Counsel Research Attorney II	C	71	71	71C	71C	71C
	County Labor Relations Chief	B	89	89	90B	90B	90B
	County Surveyor	C	82	82	82C	82C	82C

Classification	Exempt Group	Grade Effective 7/22/17	Grade Effective 2/3/18	Grade Effective 7/21/18	Grade Effective 7/20/19	Grade Effective 7/18/20
Real Estate Services Manager	C	67	67	67C	67C	67C
Risk Assessment Officer	C	70	70	70C	70C	70C
SAP Chief	C	80	80	80C	80C	80C
Senior Labor Relations Analyst	D	68	68	68D	68D	68D
Senior Labor Relations Officer	C	74	74	74C	74C	74C
Sheriff's Deputy Director of Administrative Services	C	84	84	84C	84C	84C
Sheriff's Administrative Manager	C	73	73	73C	73C	73C
Sheriff's Captain	C	82	83	83C	83C	83C
Sheriff's Deputy Chief	C	88	88	88C	88C	88C
Sheriff's Financial Manager	C	73	73	73C	73C	73C
Sheriff's Health Services Manager	C	75	80	80C	80C	80C
Small Business Development Manager	C	69	69	69C	69C	69C
Solid Waste Management Division Manager	C	82	82	82C	82C	82C
Special Assistant Deputy District Attorney	C	88	88	88C	88C	88C
Special Assistant to the District Attorney	B	97	97	97B	97B	97B
Strategic Initiatives Chief	C	77	77	77C	77C	77C
Supervising Deputy County Counsel	C	90	90	90C	90C	90C
Systems Development Division Chief	C	82	82	82C	82C	82C
Systems Support Division Chief	C	82	82	82C	82C	82C
Undersheriff	B	98	98	98B	98B	98B
Victim Services Chief	C	71	71	71C	71C	71C

(c) Exempt – Executive Assistants

EXECUTIVE ASSISTANTS						
Classification	Exempt Group	Grade Effective 7/22/17	Grade Effective 2/3/18	Grade Effective 7/21/18	Grade Effective 7/20/19	Grade Effective 7/18/20
Administrative Aide (K)	C	57	57	57C	57C	57C
Administrative Aide to the County Counsel	C	57	57	57C	57C	57C
County Counsel Law Clerk	C	58	58	58C	58C	58C
County Counsel Lead Secretary	D	48	48	48D	48D	48D
County Counsel Paralegal	D	50	50	50D	50D	50D
Executive Assistant	D	57	57	57D	57D	57D

EXECUTIVE ASSISTANTS						
Classification	Exempt Group	Grade Effective 7/22/17	Grade Effective 2/3/18	Grade Effective 7/21/18	Grade Effective 7/20/19	Grade Effective 7/18/20
Executive Assistant to the District Attorney	D	57	57	57D	57D	57D
Executive Secretary I	D	40	40	40D	40D	40D
Executive Secretary II	D	45	45	45D	45D	45D
Executive Secretary III - Classified	D	50	50	50D	50D	50D
Executive Secretary III - Unclassified	C	50	50	50C	50C	50C
Executive Secretary, Board of Supervisors	C	52	52	52C	52C	52C
Secretary, Civil Service Commission	D	45	45	45D	45D	45D
Sheriff's Special Assistant	C	57	57	57C	57C	57C

SECTION 3. Subsection 13.0613(a)(1) of the San Bernardino County Code is amended, to read:

13.0613 Exempt Group Working Conditions.

(a) Salary Rates and Step Advancements.

(1) Eligibility for Step Advancement. New employees shall be hired at Step 1 of the established base salary range, except as otherwise provided in this Subdivision. Variable entrance steps may be established if justified by recruitment needs through Step 7 with the approval of the appointing authority and through the top step with the approval of the Director of Human Resources.

Within the base salary range, all step advancements will be made at the beginning of the pay period in which the employee completes the required number of service hours. However, when an employee reaches the required number of service hours with 80 hours in each pay period, the step advancement will be made at the beginning of the next pay period. Approval for advancement shall be based upon completion of the required length of service hours in the classification, satisfactory work performance, and appointing authority recommendation.

Completed service hours shall be defined as regularly scheduled hours in a paid status, up to 80 hours per pay period. Overtime hours, disability payments, medical emergency leave, and time without pay shall not count toward step advancements. Unless otherwise approved by the Board of Supervisors, step advancements within a base salary range shall be based upon a one step increment, approximately two and one-half percent. The employee shall be eligible for the first step advancement after completion of 1,040 hours and subsequent step advancements after completion of additional increments of 2,080 hours until the top step of the range is reached.

Effective July 21, 2018, employees shall be eligible for step advancement after completion of increments of 1,040 hours until the top step of the range is reached. Employees who, as of July 21, 2018, have at least 1,040 hours from their most recent step advancement shall be immediately eligible to advance to the next step, if applicable, on July 21, 2018. After receiving that step advancement, such employees shall be eligible for step advancement after completion of increments of 1,040 hours until the top step of the range is reached.

Employees who, as of July 21, 2018, have less than 1,040 hours from their most recent step advancement shall be eligible to receive their next step advancement, if applicable, upon completion of 1,040 hours from their most recent step advancement. For example, an employee who received her step advancement effective February 3, 2018 would be eligible to move to the next step on or about August 4, 2018 provided the employee had completed sufficient service hours. Thereafter, such employees shall be eligible for step advancement after completion of increments of 1,040 hours until the top step of the range is reached.

SECTION 4. Subsection 13.0613(d)(6) of the San Bernardino County Code is amended, to read:

13.0613 Exempt Group Working Conditions.

(d) Insurance Programs.

1 (6) Short-Term Disability Insurance. The County will provide an
2 employer paid short-term disability insurance plan for Exempt Group employees. This
3 benefit shall apply to Exempt Group employees in regular positions who are regularly
4 scheduled to work 40 hours or more per pay period. The short-term disability insurance
5 plan benefit coverage shall be governed by the plan document that has been approved
6 and adopted by the Board of Supervisors for Exempt Group employees and is subject to
7 carrier requirements and approval. The short-term disability insurance plan benefit
8 coverage shall include a provision for a seven consecutive calendar day waiting period
9 from the first day of disability before benefits begin. Benefits shall be 55 percent of base
10 salary up to a weekly maximum established by a formula that incorporates the State of
11 California for the State Disability Insurance fund maximum. Benefit payments terminate
12 when the employee is no longer disabled or after receiving 180 days of benefits at
13 which time the employee would be eligible for long-term disability benefits if still
14 medically disabled.

15
16 SECTION 5. Subsection 13.0613(e)(1)(A)(I) of the San Bernardino County Code is
17 amended, to read:

18 **13.0613 Exempt Group Working Conditions.**

19 (e) Leave Provisions.

20 (1) Sick Leave.

21 (A) Definition.

22 (I) Family Member. A FAMILY MEMBER, as defined by Labor Code § 245.5,
23 is a parent, child, spouse, registered domestic partner, grandparent, grandchild, or
24 sibling. PARENT means a biological, foster, or adoptive parent, a step parent, legal
25 guardian, or a person who stood in loco parentis when the employee was a minor child
26 of the employee or the employee's spouse or registered domestic partner. CHILD
27 means a biological, foster, or adopted child, a stepchild, a legal ward, a child of a
28

domestic partner, or a child to whom the employee stands in loco parentis. DOMESTIC PARTNER is defined by Family Code § 297.

SECTION 6. Subsection 13.0613(e)(2)(E)(I) of the San Bernardino County Code is amended, to read:

13.0613 Exempt Group Working Conditions.

(e) Leave Provisions.

(2) Vacation Leave.

(E) Conversion of Vacation Leave to Cash.

(I) Elective Conversion. An employee may sell back vacation leave at the base hourly rate of the employee as hereinafter provided, upon approval of the appointing authority. Eligible employees may exercise these options under procedures established by the Director of Human Resources. In lieu of cash, the employee may designate that part or all of the value of vacation leave be contributed to the County's section 401(k) Defined Contribution Plan or section 457(b) Deferred Compensation Plan.

In order to sell back vacation leave prior to termination or retirement, an employee may exercise the following options:

Option 1. Future Accruals. An employee must make an irrevocable election during the month of December, specifying the number of hours to be sold back from the next calendar year's vacation leave accrual. Such election must be made in increments of not less than ten hours and may not exceed 160 hours. All designated hours remaining at the end of the pay period 25 will automatically be converted into cash in the last period of the calendar year.

Option 2. Existing Accruals. Existing accruals may be cashed out in whole hour increments with a minimum cash out of ten hours and will be subject to a ten percent penalty.

SECTION 7. Subsection 13.0613(e)(3)(G)(I) of the San Bernardino County Code is amended, to read:

13.0613 Exempt Group Working Conditions.

(e) Leave Provisions.

(2) Holiday Leave.

(G) Conversion of Holiday Leave to Cash.

(I) Elective Conversion. An employee may sell back holiday time at the base hourly rate of the employee as hereinafter provided, upon approval of the appointing authority. Eligible employees may exercise this option under procedures established by the Director of Human Resources. In lieu of cash, the employee may designate that part or all of the value of holiday time to be contributed to the County's section 401(k) Defined Contribution Plan or section 457(b) Deferred Compensation Plan.

In order to sell back holiday time prior to termination or retirement, an employee may exercise the following options:

Option 1. Future Accruals. An employee must make an irrevocable election during the month of December, specifying the number of hours to be sold back from the next calendar year's holiday time accrual. Such election must be made in increments of not less than eight hours and may not exceed the annual amount to be accrued for the next calendar year. All designated hours remaining at the end of pay period 25 will automatically be converted into cash in the last pay period of the calendar year.

Option 2. Existing Accruals. Existing accruals may be cashed out in whole hour increments with a minimum cash out of eight hours and will be subject to a ten percent penalty.

SECTION 8. Subsection 13.0613(i)(1)(B) of the San Bernardino County Code is amended, to read:

13.0613 Exempt Group Working Conditions.

(i) Medical Insurance and Retirement System Contributions.

(1) Medical Insurance Contributions.

(B) Medical and Dental Subsidies.

(I) The County has established a Medical Premium Subsidy (MPS) to offset the cost of medical and dental plan premiums charged to eligible employees. The MPS shall be applied first to medical plan premiums and then to dental plan premiums. The applicable MPS amount shall be paid directly to the providers of the County-sponsored medical and dental plans in which the eligible employee has enrolled. In no case, shall the MPS exceed the total cost of the medical and dental insurance premium for the coverage selected.

The following are the MPS amounts:

	Scheduled for 40 to 60 Hours	Scheduled for 61 to 80 Hours
Employee Only	\$115.00	\$230.00
Employee + 1	\$176.12	\$352.23
Employee + 2	\$241.32	\$482.64

Effective 7/21/18 the following MPS amounts apply:

	Scheduled for 40 to 60 Hours	Scheduled for 61 to 80 Hours
Employee Only	\$117.25	\$234.50
Employee + 1	\$180.60	\$361.19
Employee + 2	\$247.67	\$495.34

Effective 7/20/19 the following MPS amounts apply:

	Scheduled for 40 to 60 Hours	Scheduled for 61 to 80 Hours
Employee Only	\$121.67	\$243.33
Employee + 1	\$189.52	\$379.03
Employee + 2	\$264.97	\$529.94

1 (II) The County has established a dental premium
2 subsidy (DPS) for all employees who are enrolled in both County-sponsored medical
3 and dental coverage whose premium costs for medical and dental exceeds the MPS.
4 The amount of the DPS shall be up to \$9.46, but not to exceed the combined total of the
5 employee's out-of-pocket premium expenses. For example, an employee who selects
6 "employee only" coverage for medical and dental with a combined per pay period
7 premium cost of \$234.00 will receive a DPS in the amount of \$4.00 per pay period.

8 (III) Eligibility for MPS and DPS While on Leave.

9 (i) FMLA/CFRA. Employees who are on
10 approved leave, pursuant to FMLA/CFRA law and whose paid hours in a pay period are
11 less than the required number of hours designated in § 13.0613 (d)(1) above will
12 continue to be enrolled in a County-sponsored medical plan and receive MPS and DPS
13 in accordance with applicable law.

14 (ii) Pregnancy Disability Leave (PDL). An
15 employee on an approved pregnancy disability leave is eligible for continuation of MPS
16 and DPS in accordance with PDL, Government Code § 12945.

17 (iii) Workers' Compensation. Employees who are
18 on an approved leave based on an approved workers' compensation claim shall
19 continue to receive the MPS and DPS for up to a total of 20 pay periods while off work
20 due to that work injury as long as the employee pays his or her portion of the premiums
21 on time. If any subsequent workers' compensation claims occur during the initial 20 pay
22 periods, the remaining MPS eligibility from the original claim shall run concurrent with
23 any additional approved workers' compensation claims that occur during the initial
24 claim. For example, if the employee is receiving the MPS and DPS for 20 pay periods
25 for an injury and after ten pay periods another workers' compensation claim is approved
26 and the employee is eligible to receive the MPS and DPS for an additional 20 pay
27 periods, ten pay periods will run concurrent with the initial claim, for a total of 30 pay
28 periods. Employees who are still on workers' compensation after the expiration of the

1 initial twenty (20) pay periods shall continue to receive MPS and DPS provided the
2 employee is fully integrating appropriate paid leave time.

3 (iv) Short Term Disability. Employees who are fully
4 integrating paid leave time with Short-Term Disability (STD) insurance provided by the
5 County or State Disability Insurance (SDI) shall continue to receive the MPS and DPS.

6 (v) Per Episode of Illness or Injury. Employees
7 who are on an approved medical leave of absence and whose paid hours in a pay
8 period are less than the required number of hours will continue to receive the benefits of
9 this Subdivision for up to six pay periods per episode of illness or injury.

10
11 SECTION 9. Subsection 13.0613(i)(1)(B)(III)(c) of the San Bernardino County Code is
12 amended, to read:

13 **13.0613 Exempt Group Working Conditions.**

14 (i) Medical Insurance and Retirement System Contributions.

15 (1) Medical Insurance Contributions.

16 (B) Medical and Dental Subsidies.

17 (III) Eligibility for MPS and DPS While on Leave.

18 (c) Workers' Compensation. Employees who are
19 on an approved leave based on an approved workers' compensation claim shall
20 continue to receive the MPS and DPS for up to a total of 20 pay periods while off work
21 due to that work injury as long as the employee pays his or her portion of the premiums
22 on time. If any subsequent workers' compensation claims occur during the initial 20 pay
23 periods, the remaining MPS eligibility from the original claim shall run concurrent with
24 any additional approved workers' compensation claims that occur during the initial
25 claim. For example, if the employee is receiving the MPS and DPS for 20 pay periods
26 for an injury and after ten pay periods another workers' compensation claim is approved
27 and the employee is eligible to receive the MPS and DPS for an additional 20 pay
28 periods, ten pay periods will run concurrent with the initial claim, for a total of 30 pay

1 periods. Employees who are still on workers' compensation after the expiration of the
2 initial twenty (20) pay periods shall continue to receive MPS and DPS provided the
3 employee is fully integrating appropriate paid leave time.

4
5 SECTION 10. Subsection 13.0613(i)(2) of the San Bernardino County Code is
6 amended, to read:

7 **13.0613 Exempt Group Working Conditions.**

8 (i) Medical Insurance and Retirement System Contributions.

9 (2) Retirement System Contributions.

10 (A) County Contributions.

11 (I) The County shall pay all required employer
12 contributions to the San Bernardino County Employee's Retirement Association
13 (SBCERA). Effective June 18, 2011, the County's seven percent pick up of a portion of
14 the employee's required contribution to SBCERA shall be discontinued, and the
15 supplemental amounts provided in §13.0613(i)(2)(A)(II) below shall be the only
16 employee contribution pick up. Effective July 21, 2018, the supplemental amounts
17 provided in §13.0613(i)(2)(A)(II) below shall be discontinued, and the amounts shall be
18 included in base salary prior to the three percent across the board salary increase also
19 scheduled for July 21, 2018, as reflected in the salary schedules and tables as set forth
20 in section 13.0604, and as on file with the Clerk of the Board of Supervisors.

21 (II) Exempt employees who are Tier 1 members as defined
22 by SBCERA shall receive the following supplemental amounts biweekly to be applied
23 under this Section: Group A employees, \$442.53 per biweekly pay period; Group B
24 employees, \$236.41 per biweekly pay period; Group C employees, \$152.17 per
25 biweekly pay period; Group D employees, \$94.67 per biweekly pay period. Effective
26 July 21, 2018, these supplemental amounts shall be discontinued.

27 (B) Employee Contributions. All employee Retirement System
28 contribution obligations shall be "picked up" for tax purposes only pursuant to this

1 Section. The Auditor-Controller/Treasurer/Tax Collector has implemented the pickup of
2 such retirement system contributions under IRC § 414(h)(2).

3 The County shall make member contributions under this Subdivision on behalf of
4 the employee which shall be in lieu of the employee's contributions and such
5 contributions shall be treated as employer contributions for purposes of reporting and
6 wage withholding under the Internal Revenue Code and the Revenue and Taxation
7 Code. The amounts picked up under this Subdivision shall be recouped through offsets
8 against the salary of each employee for whom the County picks up member
9 contributions. These offsets are akin to a reduction in salary and shall be made solely
10 for purposes of income tax reporting and withholding. The member contributions picked
11 up by the County under this Subdivision shall be treated as compensation paid to
12 County employees for all other purposes. County-paid employer contributions to
13 SBCERA under this Subdivision shall be paid from the same source of funds used in
14 paying the salaries of the affected employees. No employee shall have the option to
15 receive the retirement system contribution amounts directly instead of having them paid
16 to SBCERA.

17 Until retirement or separation, all contributions picked up under this Subdivision
18 will be considered for tax purposes as employer-paid contributions.

19 If hired prior to January 1, 2013, the employee must choose to have the
20 contributions designated as all employer or all employee contributions for retirement
21 purposes. If the employee designates the pick up as employer contributions, then for
22 each dollar applied, the employee's retirement obligation shall be satisfied in the
23 amount of the actuarial value of that dollar to the Retirement Association as determined
24 by the Board of Retirement; and the employee may not withdraw this contribution from
25 the Retirement Association.

26 If the employee designates the pick up as employee contributions, then for each
27 dollar applied, the employee's retirement obligation shall be satisfied in the amount of
28 \$1.00; and upon separation without retirement, an employee may withdraw this

1 contribution from the Retirement Association. Upon retirement or separation, all
2 contributions applied under this Section will be considered for tax purposes as
3 employer-paid contributions.

4 If the employee does not file a designation, the contributions shall be made as
5 employee contributions.

6 For employees hired on or after January 1, 2013, all contributions will be
7 designated as employee contributions to comply with the California Employees' Pension
8 Reform Act of 2013 (Government Code §§ 7522 et seq.). Upon separation without
9 retirement, the employee may withdraw these contributions from SBCERA.

10 (C) Special Provisions.

11 (I) Except as provided below, employees who have 30
12 years of service credit shall not be paid in cash seven percent of earnable
13 compensation. Employees with at least 25 years of service as set forth in Government
14 Code § 31625.3 as of June 18, 2011, and who either already have or thereafter attain
15 30 years of service credit as set forth in Government Code § 31625.3 shall have one
16 opportunity during the employee's employment to receive cash payments of seven
17 percent of earnable compensation for up to 26 consecutive pay periods.

18 (II) Employees who are over the age of 60 at the time of
19 hire, and who are in a regular position, and who choose not to be a member of
20 SBCERA, shall be enrolled in the County's 401(k) Salary Savings Plan. The County
21 shall contribute the applicable percent of the employee's biweekly salary as defined in §
22 13.0613(n) to the Plan, and the employee shall contribute a minimum of three percent of
23 biweekly salary to the plan, not to exceed the annual limits of the Plan as defined in the
24 Internal Revenue Code.

25 (D) Survivor Benefits. Survivor Benefits are payable to
26 employed general retirement members with at least 18 months continuous retirement
27 membership pursuant to Government Code § 31855.12. An equal, non-refundable
28

1 employer and employee biweekly contribution will be paid to SBCERA as provided in
2 the annual actuarial study.

3 (E) Special Provisions for Exempt Safety Employees. The
4 following Subdivision shall apply to all members of the Exempt Group who are safety
5 members of SBCERA as defined in Government Code § 31469.3, on October 1, 2003.

6 For Tier 1 safety members of SBCERA, the County adopted a resolution making
7 Government Code § 31664.1 applicable to safety members, effective October 1, 2003.
8 The County also adopted a resolution pursuant to Government Code § 31678.2,
9 applying the formula set forth in Government Code § 31664.1 applicable to all prior
10 safety service credit for every eligible employee under this Subdivision.

11 For Tier 2 safety members, the applicable retirement formula is as provided by
12 applicable law.

13
14 SECTION 11. Subsection 13.0613(m) of the San Bernardino County Code is amended,
15 to read:

16 **13.0613 Exempt Group Working Conditions.**

17 (m) Administrative Leave.

18 Effective pay period 1 of each year, an employee in a regular position who is in
19 paid status will be provided with 80 hours of administrative leave time for the
20 employee's use. An eligible employee in a regular position who is part-time or job-
21 sharing shall be eligible for a prorated number of administrative leave hours based on
22 regularly scheduled hours. Employees newly entering the Exempt Group after the
23 beginning of pay period 1 shall receive a prorated number of hours. Such proration
24 shall be based upon the remaining number of pay periods in the calendar year nearest
25 the employee's appointment. Employees not in paid status in pay period 1 shall
26 receive, upon return to paid status, a prorated number of Administrative Leave hours
27 based on the number of pay periods remaining in the calendar year.

28

1 Effective July 21, 2018, such administrative leave may be cashed out at the
2 employee's then current base rate of pay in increments of one (1) hour, upon the
3 approval of the appointing authority, during the calendar year. Any Administrative Leave
4 accrual balances in effect at the end of the last pay period paid in the calendar year will
5 automatically be paid at the employee's then current base rate of pay. Employees may
6 designate that cash outs of Administrative Leave be contributed to the County's 401(k)
7 Plan or 457(b) Deferred Compensation Plan. Upon termination of employment, unused
8 Administrative Leave will be paid at the current rate of pay.

9 Elected officials are not eligible to receive administrative leave.
10

11 SECTION 12. Subsection 13.0613(t) of the San Bernardino County Code is
12 amended, to read:

13 **13.0613 Exempt Group Working Conditions.**

14 (t) Personnel Rules. Notwithstanding any other provision in the County Code
15 or the Personnel Rules, those serving in classified service positions have appeal rights
16 under the Personnel Rules, except as otherwise provided herein. Any such appeals
17 shall be heard by a hearing officer selected from the Civil Service Commission Hearing
18 Officer list and appointed by the Civil Service Commission or, upon mutual agreement
19 of the appellant and the County, shall be heard by the Civil Service Commission. If the
20 appeal is heard by a hearing officer, the Civil Service Commission shall either accept or
21 reject the hearing officer's findings and recommendations within 30 days of receipt by
22 the Commission. The only grounds for rejection of the hearing officer's decision must
23 be for one of the following and the rejection must include specific detail in writing:

24 (1) The recommendation was procured by corruption, fraud, or other
25 undue means;

26 (2) There was corruption on the part of the hearing officer;

27 (3) The rights of a party were substantially prejudiced by the
28 misconduct of the neutral hearing officer;

- 1 (4) The hearing officer exceeded his or her powers;
- 2 (5) The rights of a party were substantially prejudiced by the refusal of
- 3 the hearing officer to postpone the hearing upon sufficient cause being shown therefore,
- 4 or by the refusal of the hearing officer to properly include or exclude evidence material
- 5 to the controversy.

6 Should such be the case, the Commission must state in writing specific reason(s)

7 for the decision (1, 2, 3, 4, or 5) and subsequently conduct and complete a full and fair

8 evidentiary hearing on the appeal within 30 days of rejecting the hearing officer's

9 findings and recommendations unless the hearing cannot for good cause be completed

10 within 30 days.

11 Those serving in unclassified positions do not have civil service appeal rights as

12 they serve at the pleasure of the appointing authority.

13 Positions in the Exempt Group shall not have rights to the classification appeal

14 procedures under the Personnel Rules.

15

16 SECTION 13. Subsection 13.0613(dd) of the San Bernardino County Code is

17 amended, to read:

18 **13.0613 Exempt Group Working Conditions.**

19 (dd) Perfect Attendance. Employees in regular, full-time positions in Groups C

20 and D who do not utilize any sick leave, any leave (e.g., vacation) in lieu of sick leave,

21 or benefits in lieu of sick leave (e.g., workers' compensation, Short-Term Disability

22 partial/full integration, etc.), in a payroll calendar year (i.e., pay period one through pay

23 period 26 or 27, when applicable, of the same year), and who do not record any sick

24 leave without pay or absent without pay, medical emergency leave, or military leave as

25 provided by law during that year, shall accrue 16 hours of perfect attendance leave, for

26 use in the next calendar year. Failure to utilize perfect attendance leave within the

27 calendar year shall result in forfeiture of the same. Perfect attendance leave may not

28 be cashed out.

SECTION 14. Subsection 13.0613(jj) of the San Bernardino County Code is amended, to read:

13.0613 Exempt Group Working Conditions.

(jj) Longevity Pay. Exempt Group employees, and effective February 3, 2018, except those persons who qualify for transitional pay under Section 13.0613(nn), shall be eligible for longevity pay above the base rate of pay, as indicated below, based on total hours of completed continuous service with the County. Longevity pay shall be excluded when determining the appropriate rate of pay for a promotion or demotion.

<i>Total Completed Continuous Service</i>	<i>Compensation</i>
31,200 continuous service hours (15 years)	2.0%

For purposes of longevity pay only, a year of completed County service is defined as 2,080 service hours with the County.

SECTION 15. Subsection 13.0613(nn) is added to Chapter 6 of Division 3 of Title 1 of the San Bernardino County Code, to read:

13.0613 Exempt Group Working Conditions.

(nn) Transitional Pay

Effective February 3, 2018, the Chief Probation Officer, Assistant Chief Probation Officer and Deputy Chief Probation Officers who fall within the definition of “safety member” under Government Code § 31469.4 and have completed fifteen (15) or more years of continuous completed service hours in a regular position shall receive transitional pay above their base rate of pay, as indicated below, based on the total hours of continuous completed service in a regular position with the County. Transitional pay shall be paid on all paid hours up to an employee’s standard hours and shall be excluded when determining the appropriate rate of pay for promotion or demotion.

Employees who qualify for transitional pay shall begin to receive the pay following completion of the required service hours.

<i>Completed Continuous Service Hours</i>	<i>Compensation</i>
31,200 continuous service hours (15 years)	2.0%
41,600 continuous service hours (20 years)	An additional 2.0% for a total of 4.0%
52,000 continuous service hours (25 years)	An additional 4.0% for a total of 8.0%

For purposes of transitional pay, a year of completed continuous service hours is defined as 2,080 service hours with the County.

SECTION 16. Section 13.0614(b) of the San Bernardino County Code is amended, to read:

13.0614 Elected Officials.

(b) Benefits. Notwithstanding any other provisions of the County Code, elected officials shall receive the same benefits provided to group A Exempt employees in §§ 13.0613(d), 13.0613(h), 13.0613(i), 13.0613(l) and 13.0613(n).

In lieu of other benefits provided to Exempt employees, elected officials covered by this Section shall have 5 percent of their base salary contributed by the County on their behalf on a biweekly basis to either (1) the County's § 457 Deferred Compensation Plan, or (2) the County's 401(a) Defined Contribution Plan. Further, in lieu of the supplemental retirement system contribution that is discontinued for exempt Group employees, effective July 21, 2018, Tier 1 Countywide elected officials shall receive the amount of \$442.53 per biweekly pay period.

SECTION 17. Section 13.0616 of the San Bernardino County Code is amended, to read:

13.0616 Sheriff's Station Officer.

1 (a) Establishment of Classification.

2 (1) The Sheriff's Station Officer was established effective April 19,
3 2003. Said class shall be recurrent employees and serve in the Unclassified Service.
4 Sheriff's Station Officers are general employees who shall provide assistance to peace
5 officers in searching, escorting and observing female prisoners at remote Sheriff's
6 stations where there are no female deputies available. In addition, they may perform
7 other related duties, including but not limited to booking and fingerprinting inmates.

8 (b) Wages.

9 (1) Sheriff's Station Officers shall be compensated at top step of range
10 22, of the General MOU.

11 (c) Working Conditions. The following working conditions shall be applicable
12 to all employees covered by this Section.

13 (1) Overtime. Sheriff's Station Officers shall be paid at one and one-
14 half times their regular rate of pay for hours worked over 40 hours per work week. Work
15 week shall be defined as 12:01 a.m. each Saturday and end at 12:00 a.m. midnight the
16 following Friday.

17 (2) PST Deferred Compensation Plan. Employees covered by this
18 Section shall participate in the County's PST deferred compensation plan in lieu of
19 participation in any other retirement plan, program, or benefit. Said employees shall
20 contribute seven and one-half percent of the employee's biweekly base compensation
21 up to seven and one-half percent of the employee's maximum covered wages for Social
22 Security purposes. The employee's contributions to PST deferred compensation shall
23 be automatically deducted from employee's earnings. Employees shall enroll in the plan
24 on forms approved by the Employee Benefits and Services Division. This Subdivision
25 shall not apply to any employee who is otherwise covered by the County retirement
26 system.

27

28

SECTION 18. Section 13.0617 of the San Bernardino County Code is repealed.

SECTION 19. Section 3.0617a of the San Bernardino County code is amended, to read:

13.0617a Sheriff's Trainees.

The following is the salary range for Sheriff's Trainees:

1	2	3	4	5
\$24.85	\$25.35	\$25.97	\$26.63	\$27.27

This salary range shall increase at the same time and by the same rate as the salary range adjustments for the County's Deputy Sheriff classification.

Except as provided herein, incumbents shall be hired at step 1. The Sheriff may hire Sheriff's Trainees at a higher step if justified by recruitment needs. Sheriff Trainees shall not receive step advancements.

Sheriff's Trainees shall only receive the following benefits: the same health and dental plan coverage, Medical Premium Subsidy, Internal Revenue Code § 125 conversion plan, retirement system contributions, uniform allowance, sick leave and annual leave benefits as provided to County's Deputy Sheriff classification. Sheriff's Trainees as nonsworn employees shall not be eligible for benefits under Labor Code § 4850 and shall be general members of the County's 1937 Act Retirement System.

The classification of Sheriff's Trainee shall be a trainee classification in which employees remain in probationary status for the duration of such employment and employees who are not promoted to Deputy Sheriff shall be terminated. Sheriff's Trainees who successfully complete the Sheriff's Academy shall be promoted to Deputy Sheriff in accordance with § 13.0611(k). Time spent as a Sheriff's Trainee shall not count toward the 26 pay period probationary period required for the classification of Deputy Sheriff.

SECTION 20. Subsection 13.0617c(a) of the San Bernardino County Code is amended, to read:

13.0617c Student Intern Wages and Working Conditions.

(a) Wages. The following classes are hereby established: Student Intern and Graduate Student Intern. Student Interns shall be compensated at salary range 17 of the Administrative Services Unit MOU and Graduate Student Interns shall be compensated at salary range 25 of the Administrative Services Unit MOU. Student Interns and Graduate Student Interns shall receive step advances in the same manner as employees in the Administrative Services Unit except that there shall be no right to review or appeal. Advanced step placement may be approved by the Director of Human Resources.

SECTION 21. Subsection 13.0617f(a) of the San Bernardino County Code is amended, to read:

13.0617f Student Nurses.

(a) Wages.
Student Nurses shall receive an hourly rate of pay that is within Salary Range 22 of the Craft, Labor, and Trades Unit.

SECTION 22. Subsection 13.0617m(a) of the San Bernardino County Code is amended, to read:

13.0617m Law Clerk Compensation.

(a) Wages. The following classes are hereby established: Law Clerk I and Law Clerk II.

(1) The following is the salary range established for Law Clerk I:

1	2	3
\$17.19	\$17.61	\$18.06

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(2) The following is the salary range established for the Law Clerk II:

1	2	3
\$21.48	\$22.02	\$22.57

SECTION 23. This ordinance shall take effect immediately upon adoption, pursuant to the provisions of Government Code section 25123.

ROBERT A. LOVINGOOD, Chairman
Board of Supervisors

SIGNED AND CERTIFIED THAT A COPY
OF THIS DOCUMENT HAS BEEN DELIVERED
TO THE CHAIRMAN OF THE BOARD

LAURA H. WELCH, Clerk of the
Board of Supervisors

1 STATE OF CALIFORNIA)
2) ss.
3 COUNTY OF SAN BERNARDINO)

4 I, LAURA H. WELCH, Clerk of the Board of Supervisors of the County of San
5 Bernardino, State of California, hereby certify that at a regular meeting of the Board of
6 Supervisors of said County and State, held on the _____ day of _____, 2018,
7 at which meeting were present Supervisors: _____

8 and the Clerk, the foregoing ordinance was passed and adopted by the following vote,
9 to wit:

10 AYES: SUPERVISORS:

11 NOES: SUPERVISORS:

12 ABSENT: SUPERVISORS:

13 IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official
14 seal of the Board of Supervisors this ____ day of _____, 2018.

15 LAURA H. WELCH, Clerk of the
16 Board of Supervisors of the
17 County of San Bernardino,
18 State of California

19 _____
20 Deputy

21 Approved as to Form:

22 MICHELLE D. BLAKEMORE
23 County Counsel

24 By: _____
25 KENNETH C. HARDY
26 Deputy County Counsel

27 Date: _____
28

**Draft LAFCO
Resolution No. 3264**

Attachment 4

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

1170 West Third Street, Unit 150, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 388-0481
lafco@lafco.sbcounty.gov
www.sbclafco.org

RESOLUTION NO. 3264

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY, STATE OF CALIFORNIA, AMENDING SECTION III (HUMAN RESOURCES) OF ITS POLICY AND PROCEDURE MANUAL

On Wednesday, April 18, 2018, on motion of Commissioner _____, duly seconded by Commissioner _____, and carried, the Local Agency Formation Commission adopts the following resolution:

SECTION 1. The Local Agency Formation Commission for San Bernardino County, State of California (hereafter shown as "LAFCO"), hereby finds and determines that it wishes to amend Section III – Human Resources of its Policy and Procedure Manual. The amendments include changes that affect the Commission's finances as well as non-substantial changes.

SECTION 2. The Local Agency Formation Commission for San Bernardino County therefore determines, resolves and orders that:

1. Section III – Human Resources of the Policy and Procedure Manual is hereby amended.
2. The amended Section III – Human Resources of the Policy and Procedure Manual attached to this resolution as Exhibit "A" and incorporated herein by reference, is adopted and approved.

SECTION 3. The Executive Officer of LAFCO is ordered to certify the passage of this resolution and to cause a copy of the amended Policy and Procedure Manual to be posted on the LAFCO Website, and a certified copy of this resolution to be forwarded to the County Administrative Office, County Auditor-Controller/Treasurer/Tax Collector, and County Human Resources Department for implementation.

**THIS ACTION APPROVED AND ADOPTED BY THE LOCAL AGENCY FORMATION
COMMISSION FOR SAN BERNARDINO COUNTY BY THE FOLLOWING VOTE:**

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

RESOLUTION NO. 3264

ABSENT: COMMISSIONERS:

STATE OF CALIFORNIA)
)ss.
COUNTY OF SAN BERNARDINO)

I, KATHLEEN ROLLINGS-McDONALD, Executive Officer of the Local Agency Formation Commission for San Bernardino County, California, do hereby certify this record to be a full, true, and correct copy of the action taken by said Commission, by vote of the members present, as the same appears in the Official Minutes of said Commission at its meeting of April 18, 2018.

DATED:

KATHLEEN ROLLINGS-McDONALD
Executive Officer

SECTION III
HUMAN RESOURCES

Internal Operating Guidelines consolidated into Human Resources Policies and Procedures – June 16, 2011

Human Resources Policies and Procedures and Benefit Plan incorporated into Policy and Procedure Manual as separate sections – September 28, 2011

Benefit Plan section consolidated into Human Resources Policies and Procedures section as Chapter V – August 19, 2015

DRAFT

CHAPTER 1: WORKING ENVIRONMENT

1. EMPLOYEE ACKNOWLEDGEMENT FORM *(Amended June 16, 2011)*

Consistent with applicable laws, the following policies represent the Human Resources Policies and Procedures established by the San Bernardino Local Agency Formation Commission (hereinafter “SB LAFCO”). These policies and procedures shall in no manner be interpreted as a guaranteed or implied contract between the SB LAFCO and any employee or group of employees.

All employees shall acknowledge receipt of the Human Resources Policies and Procedures by signing the form titled “Employee Receipt of San Bernardino LAFCO Human Resources Policies and Procedures” with placement of the signed form in the employee’s personnel file.

2. AT- WILL-EMPLOYMENT *(Amended June 16, 2011)*

The employment relationship between San Bernardino LAFCO and its employees is for an unspecified term and may be terminated by the employee, or SB LAFCO Executive Officer or the Commission of SB LAFCO at any time, with or without cause or advanced notice. The LAFCO Commission is the appointing authority for the LAFCO Executive Officer. The LAFCO Executive Officer is the appointing authority for all other LAFCO employees. Also, SB LAFCO reserves the right to transfer, demote, suspend and administer discipline with or without cause or advance notice.

None of the policies, procedures or contents of this manual is intended to create any contractual obligations which in any way conflict with the SB LAFCO’s policy of At-Will-Employment. The at-will relationship can only be modified by a written agreement signed by the employee and the Executive Officer or the Commission of SB LAFCO.

3. EQUAL EMPLOYMENT OPPORTUNITY *(Amended June 16, 2011)*

SB LAFCO is strongly committed to providing equal opportunity to all employees and applicants for employment. SB LAFCO does not discriminate on the basis of race, color, religion, national origin, ancestry, citizenship, sex, age, medical condition, sexual orientation, genetic characteristics, gender identity, marital status, pregnancy, physical or mental disability, caregiver responsibilities, veteran or other protected status, or on the basis of any perception that an applicant or employee has any of these characteristics or on the basis that an applicant or employee is associated with someone who has or is perceived to have these characteristics. SB LAFCO strictly prohibits

the harassment of any individual on any basis listed above (see the Policy Against Harassment for further clarification).

This policy applies to all employment practices, including recruitment, advertising, job application procedures, hiring, firing, advancement, compensation, training, benefits, transfers, social and recreational programs, and any other terms, conditions and privileges of employment.

An employee who believes that he or she has been subjected to any form of unlawful discrimination should make a complaint, preferably written, to the Executive Officer. Complaints should be specific and should include the names of individuals involved and the names of any witnesses. SB LAFCO will immediately undertake an effective, thorough and objective investigation and attempt to resolve the situation. If SB LAFCO determines that unlawful discrimination has occurred, effective remedial action will be taken to deter any future discrimination.

Employees will not be retaliated against for bringing a complaint in good faith under the Equal Employment Opportunity Commitment Policy or the Policy Against Harassment, or for honestly assisting in investigating such a complaint, even if the investigation produces insufficient evidence that there has been a violation, or if the charges cannot be proven. However, disciplinary action may be taken if false or frivolous accusations are made in bad faith.

4. DISABILITY ACCOMMODATION

SB LAFCO is committed to complying fully with state and federal disability discrimination laws. As previously stated, no program or activity administered by the employer shall exclude from participation, deny benefits to or subject to discrimination any individual based on an employee's actual or perceived disability or based on an employee's association with someone who has an actual or perceived disability.

SB LAFCO is further committed to providing reasonable accommodation to the known physical or mental limitations of an otherwise qualified applicant or employee. If you believe you are a qualified individual with a disability and that you need a reasonable accommodation in order to perform the essential functions of your job, please notify the Executive Officer. The accommodation process is interactive and allows the applicant or employee to identify possible accommodations. However, SB LAFCO has the right to choose among effective accommodations.

5. POLICY AGAINST HARASSMENT

*San Bernardino LAFCO Policy and Procedure Manual
Section III – Human Resources Policies and Procedures*

- A. SB LAFCO prohibits and will not tolerate unlawful harassment. This policy applies to all persons involved with SB LAFCO including employees, applicants, customers or persons providing services pursuant to a contract. This policy prohibits sexual harassment and harassment based on an individual's inclusion in a protected class, such as race, color, religion, national origin, ancestry, sex, age, medical condition, sexual orientation, gender characteristics, gender identity, marital status, caregiver responsibilities, citizenship, pregnancy, physical and mental disabilities, veteran or any other consideration made unlawful by federal, state or local laws, including persons perceived to have any of these characteristics. SB LAFCO will also take all responsible steps to prevent or eliminate unlawful harassment by non-employees, including customers, clients, and suppliers, who have workplace contact with SB LAFCO's employees. *(Amended June 16, 2011)*

B. DEFINITION

Unlawful harassment is generally conduct that: does not relate to the business of SB LAFCO; has the purpose or effect of interfering with an individual's ability to work, or that creates a hostile, intimidating or abusing work environment; and is directed at an individual because of the individual's inclusion in a protected class.

Conduct prohibited by this policy includes, but is not limited to the following:

- (1) Verbal conduct such as epithets, derogatory jokes or comments, slurs or unwanted sexual advances, invitations or comments;
- (2) Visual conduct such as derogatory and/or sexually-oriented posters, photography, cartoons, drawing or gestures;
- (3) Physical conduct such as assault, unwanted touching, blocking, normal movement or interfering with work because of sex, race or any other protected basis;
- (4) Threats, demands to submit to sexual requests as a condition of continued employment, or to avoid some other loss and offers of employment benefits in return for sexual favors.

C. REPORTING AND COMPLAINT PROCEDURE

An employee who believes that he or she has been subjected to any form of prohibited harassment should make a complaint, preferably

*San Bernardino LAFCO Policy and Procedure Manual
Section III – Human Resources Policies and Procedures*

written, to his or her supervisor, the Executive Officer or the Chair of the Commission. If the employee is uncomfortable approaching either his or her supervisor, the Executive Officer or the Chair of the Commission, any other member of management is available to hear their concerns. Managers must report all harassment complaints. Complaints should be specific and should include the names of individuals involved and the names of any witnesses.

SB LAFCO will immediately undertake an effective, thorough and objective investigation and attempt to resolve the situation. SB LAFCO will maintain confidentiality to the extent possible during the investigation, however, disclosures of certain information to members of management or as required by law may be necessary. If SB LAFCO determines that unlawful discrimination has occurred, effective remedial action will be taken commensurate with the severity of the offense up to and including termination. Appropriate action will also be taken to deter any future harassment.

D. NON-RETALIATION

Employees will not be retaliated against for bringing a complaint in good faith under the Equal Employment Opportunity Policy or the Policy Against Harassment, or for honestly assisting in investigating such a complaint, even if the investigation produces insufficient evidence that there has been a violation, or if the charges cannot be proven. However, disciplinary action may be taken if false or frivolous accusations are made in bad faith.

6. WORKPLACE ANTI-VIOLENCE POLICY (Amended June 16, 2011)

SB LAFCO is committed to providing a workplace that is free from acts of violence or threats of violence. In keeping with this commitment, SB LAFCO has established a strict policy that prohibits any employee from threatening or committing any act of violence in the workplace, while on duty, while on SB LAFCO-related business, or while operating any vehicle or equipment owned or leased by SB LAFCO. This policy applies to all employees.

In order to achieve our goal of providing a workplace that is secure and free from violence, SB LAFCO must enlist each employee's support. Compliance with this policy and SB LAFCO's commitment to a zero-tolerance policy with respect to workplace violence is every employee's responsibility. A violation of the policy's terms, by engaging in or contributing to violent behavior or by threatening others with violence may lead to disciplinary action, up to and including immediate termination.

If an employee becomes aware of an imminent act of violence or threat of violence, the employee is to immediately call 911 and then notify the Executive Officer or any member of management. Employees should also immediately inform the Executive Officer about any workplace security hazards. If the Executive Officer is not readily available, employees should immediately inform any member of Management so that appropriate action can be taken.

There will be no retaliation against employees for bringing a complaint in good faith under the Workplace Anti-Violence Policy or for honestly assisting in investigating such a complaint, even if the investigation produces insufficient evidence that there has been a violation, or if the charges cannot be proven. However, disciplinary action may be taken if false or frivolous accusations are made in bad faith.

7. DRUG AND ALCOHOL POLICY

Because all employees deserve to work in a safe, efficient and productive environment, all employees must work free from the effects of drugs, alcohol or other controlled substances.

Drugs refer to any drug, including prescribed medication, which is not legally obtained. Using prescribed drugs for other than prescribed purposes is also not acceptable.

SB LAFCO strictly prohibits using, being under the influence of, possessing, distributing, selling or buying drugs or alcohol on SB LAFCO property or time, including break or meal periods. The possession or use of drug paraphernalia is also prohibited on SB LAFCO property or time, including break or meal periods.

Each employee is accountable for the performance of his or her job duties and personal conduct at all times. Employees should be aware that if a problem with their job performance exists, SB LAFCO will address those issues with the employee, regardless of any substance problem that the employee may have.

SB LAFCO considers failure to comply with these guidelines to be a serious matter. It may result in disciplinary action, up to and including immediate termination.

8. RELOCATION

The appointing authority may approve reimbursement of moving expenses incurred by new employees upon proof/receipts provided. Such

*San Bernardino LAFCO Policy and Procedure Manual
Section III – Human Resources Policies and Procedures*

reimbursement is restricted to airfare, auto mileage, meals, overnight stay, and airport transit.

Policy:

- A. The SB LAFCO Executive Officer may approve moving expenses up to but not exceeding five thousand dollars (\$5,000) for any employee new to SB LAFCO employment for moving expenses authorized, incurred and documented as a result of accepting the position and remaining for twelve (12) months subsequent to hire.
- B. The SB LAFCO Executive Officer may approve moving expenses up to but not exceeding five thousand dollars (\$5,000) for any employee new to SB LAFCO employment. The Chairman of the Commission may approve such moving expenses for the SB LAFCO Executive Officer. Reimbursement of moving expenses in excess of five thousand dollars (\$5,000) must be approved by the Commission.
- C. For employees not covered by A and B above, the following provision applies.

To assist with the recruitment and appointment of qualified individuals to hard-to-recruit positions/classifications, upon request of the appointing authority, the Executive Officer or designee may authorize reimbursement of a new employee's relocation-related expenses incurred as a result of accepting employment with SB LAFCO, as follows:

Miles Relocated	Maximum Reimbursement
500-1000 Miles	\$1,000.00
1001-2000 Miles	\$2,000.00
More than 2000 Miles	\$2,500.00

- D. Such reimbursement may be provided to employees upon initial employment with SB LAFCO, provided that the employee (1) is appointed to a regular position; (2) submits original receipts documenting expenses incurred; and (3) agrees to remain employed in the regular position for at least twelve months.

If the employee voluntarily resigns employment prior to completion of 12 months service, the employee shall be required to reimburse SB LAFCO for any payment made under this subsection. If the employee fails to reimburse SB LAFCO, the amount shall be recovered via payroll recovery from the employee's final pay.

CHAPTER 2: EMPLOYMENT

1. EMPLOYMENT CATEGORIES AND CLASSIFICATIONS

A. EMPLOYMENT CATEGORIES

- (1) These categories do not guarantee employment for any specified period of time. Accordingly, the right to terminate the employment relationship at will at any time is retained by both the employee and SB LAFCO.
 - a. Exempt - Exempt employees are classified as being exempt from the provisions of the state and federal wage and hour laws and are compensated for performing defined functions and assignments, not for hours worked. Irregular hours can be expected in these positions.
 - b. Non-Exempt - Non-exempt employees are classified as being non-exempt from the provisions of the state and federal wage and hour laws and are compensated for hours worked and are paid overtime wages in accordance with state and federal regulations.
 - c. An employee's EXEMPT or NON-EXEMPT classification may be changed only upon written notification by SB LAFCO management.
- (2) In addition to the above categories, each employee will belong to one other employment category:
 - a. Regular Full Time - Employees who are not in a temporary status and who are regularly scheduled to work 40 hours per week are Regular Full-Time Employees and are generally eligible for SB LAFCO's benefit package, subject to the terms, conditions, and limitations of each benefit program.
 - b. Part-Time - Employees who are not assigned to a temporary status and who are regularly scheduled to work less than 40 hours per week are Regular Part-Time Employees. While they do receive all legally mandated benefits on an hourly prorated basis (such as Social Security and workers' compensation insurance), they may not be eligible for all of SB LAFCO's additional

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benefit programs. (Eligibility for additional optional benefits such as medical, life, etc., is based on the current agreements with the insurance carriers. These are reviewed annually for hours eligibility.) For additional information please refer to benefit specifics.

- c. Temporary - Employees hired as interim replacements, to temporarily supplement the work force, or to assist in the completion of a specific project are considered temporary. The duration of the temporary position will be based on the requirements of the project or assignment and may be full or part-time. Employment beyond any initially stated period does not in any way imply a change in employment status. Temporary employees retain that status unless and until notified of a change in writing, signed by the Executive Officer. Temporary employees are ineligible for SB LAFCO's benefit programs except legally mandated benefits.
- d. Dual Appointments - The appointment of two (2) full time employees to the same budgeted regular position may be authorized by the Appointing Authority to facilitate training, to make assignments to a position which is vacant due to extended authorized leave of absence or in an emergency.
- e. Job Share - When appropriate for business conditions, SB LAFCO will make reasonable accommodations for employees who desire to share their position with other qualified employees or eligible person subject to the approval of the Executive Officer. These requests must be in writing. Jobs may be shared on an hourly or daily basis. Benefits provided by SB LAFCO shall be prorated to the extent practicable.

B. EMPLOYMENT CLASSIFICATIONS

Classification is a management tool to ensure the accurate reflection of tasks and duties involved in each position.

Whenever positions are subject to any change as a result of classification review and are allocated within the Exempt Group, any action shall be on the recommendation of the Appointing Authority. Any request to review a classification action shall be submitted to the

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Appointing Authority who shall have the final and binding authority in the review process determination.

Upgrade -- An upgrade is the reclassification of a position from one classification to another classification having a higher base salary range.

Downgrade -- A downgrade is the reclassification of a position from one classification to another classification having a lower base salary range. When a position is downgraded, the Appointing Authority may authorize continuation of the same salary rate payment to the incumbent employee that the employee received prior to the downgrading of the position by placing the employee on an "X" step, provided that the employee shall receive no future salary rate increases until the salary rate of the position held exceeds the "X" step.

2. COMPENSATION

- A. It is the intention of SB LAFCO to provide compensation to its employees based on identified responsibilities, skill levels, performance of responsibilities, educational accomplishments and current comparable wages for the region.

Annual compensation reviews will be conducted to assess the employees' performance of the responsibilities as outlined in their job description. The percentage and/or dollar amount to be allocated for merit increases will be determined in the annual budget process with the Commission by recommendation of the Executive Officer. Special compensation adjustments may be made if necessary.

Bi-annual review of the compensation structures will be conducted and if appropriate, adjustments made to accommodate any necessary changes to the established salary range.

Issues regarding compensation should be addressed to the immediate supervisor, Executive Officer or appointed Human Resources Representative.

- B. **SALARY RANGES** (*Adopted June 16, 2011; Amended May 16, 2012; Amended October 22, 2014; Amended April 15, 2015; Amended January 27, 2016; Amended July 20, 2016; April 18, 2018*):

The following shall be the salary ranges for LAFCO positions.

Effective July 22, 2017, the following shall be the salary ranges for LAFCO

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positions (2.0% increase):

Position	Hourly Range
Executive Officer	\$78.10 to \$118.79
Assistant Executive Officer	\$38.21 to \$52.61
Project Manager	\$29.88 to \$41.45
LAFCO Analyst – GIS/Database Manager	\$25.83 to \$35.49
Clerk to the Commission/Office Manager	\$22.29 to \$30.64
Administrative Assistant	\$18.35 to \$25.20

Effective July 21, 2018, the following shall be the salary ranges for LAFCO positions (3.0% increase):

Position	Hourly Range
Executive Officer	\$81.52 to \$111.20
Assistant Executive Officer	\$41.31 to 56.15
Project Manager	\$32.73 to 44.34
LAFCO Analyst – GIS/Database Manager	\$27.82 to \$37.77
Clerk to the Commission/Office Manager	\$24.92 to \$33.52
Administrative Assistant	\$20.86 to \$27.91

Effective July 20, 2019, the following shall be the salary ranges for LAFCO positions (3.0% increase):

Position	Hourly Range
Executive Officer	\$83.97 to \$114.54
Assistant Executive Officer	\$42.55 to \$57.83
Project Manager	\$33.71 to \$45.67
LAFCO Analyst – GIS/Database Manager	\$28.65 to \$38.90
Clerk to the Commission/Office Manager	\$25.67 to \$34.53
Administrative Assistant	\$21.49 to \$28.75

Effective July 18, 2020, the following shall be the salary ranges for LAFCO positions (3.0% increase)*:

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Position	Hourly Range
Executive Officer	\$86.49 to \$117.98
Assistant Executive Officer	\$43.83 to \$59.56
Project Manager	\$34.72 to \$47.04
LAFCO Analyst – GIS/Database Manager	\$29.51 to \$40.07
Clerk to the Commission/Office Manager	\$26.44 to \$35.57
Administrative Assistant	\$22.13 to \$29.61

*If assessed values are less than a two percent increase in the 2018/2019 fiscal year from the 2017/2018 fiscal year, then the County may, upon approval of the Board of Supervisors, defer this three percent increase until no later than January 1, 2021.

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 rate for each step in the salary range.

C. SPECIAL ASSIGNMENT COMPENSATION *(Amended August 19, 2015)*

Increases in pay may be granted to recognize the temporary assignment of additional responsibilities that are significant in nature and beyond the normal scope of the position. No award shall be made in any situation related to a vacation, short-term illness or other relief which is six (6) weeks or less. The duration of such assignments are not intended to exceed one (1) calendar year except in unusual circumstances approved by both the Executive Officer and the Commission or designee. Employees will normally not be in a probationary status. The employee shall be required to meet standards for satisfactory performance.

Compensation shall be awarded in pay period increments, and shall be in the form of a specified percentage of the employee's base pay. The Appointing Authority will determine the amount in increments of one-half percent (1/2%) from a minimum of two and one-half percent (2-1/2%) up to a maximum of seven and one-half percent (7-1/2%). The additional compensation will be computed at the specified percentage of the current base pay of the employee for each pay period. Such increases in pay shall not affect an employee's step advancement in the base range pursuant to the Salary Rates and Step Advancements section.

Requests for Special Assignment Compensation may be initiated by the Appointing Authority or an employee via the Appointing Authority. The Appointing Authority and the employee bear mutual responsibility for initiating the compensation request in a timely manner and adhering to the compensation provisions defined in this provision. It is important to obtain Appointing Authority review of the request in advance of the date the employee begins the assignment, since there is no guarantee the request will be approved. Special Assignment Compensation is to be effective only with the Commission's written approval, assignment of the greater level of duties, and signed acceptance by the employee.

This provision shall not be utilized to circumvent or provide additional compensation over and above that which may be provided in "Classification" and "Assignment to Vacant Higher Position." These aforementioned provisions are mutually exclusive concepts and as such there shall be no dual or multiple requests based on the same facts.

D. BILINGUAL COMPENSATION

Upon the approval of the Commission or designee, employees required to perform bilingual translation involving the use of English and a second language (including American Sign Language) as a condition of employment, shall be eligible for bilingual compensation in the amount of forty-five dollars (\$45.00) per pay period. Such compensation shall apply regardless of the total time required per day for such translation. Such employees must be certified as competent in translation skills by the Appointing Authority to be eligible for compensation.

E. ONE-TIME INCENTIVE PAY *(Adopted April 15, 2015)*

- (1) Incentive. SB LAFCO agrees to pay eligible employees a one-time incentive up to \$1,750, to be paid in one payment.
- (2) Eligibility. In order to be eligible for the one-time incentive:
 - a. An employee must be employed on April 18, 2015; and,
 - b. 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.

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- c. An eligible employee who is part-time or job-sharing shall be eligible for a prorated one-time incentive based on regularly scheduled hours.
 - d. 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.
- (3) 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.
- (4) 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.

F. 15-YEAR LONGEVITY PAY (*Adopted January 27, 2016*)

Effective December 10, 2016, LAFCO employees shall be eligible for longevity pay above the base rate of pay, as indicated below, based on total hours of completed continuous service with LAFCO. Longevity pay shall be excluded when determining the appropriate rate of pay for a promotion or demotion. For purposes of longevity pay only, a year of completed LAFCO service is defined as 2,080 service hours with LAFCO.

Total Completed Service	Compensation
31,200 Continuous Service Hours (15 years)	2.0%

3. **PAY POLICIES**

A. PAYMENT OF WAGES

All employees are paid bi-weekly (every two weeks). There are 26 pay periods each year with paydays being every other Thursday. In the event that the normal payday falls on a SB LAFCO holiday, the pay date will be the first day immediately prior to the normal pay date.

Employees are required to make arrangements for the direct deposit of all paychecks into the financial institution of their choice via electronic fund transfer.

B. CORRECTIONS TO PAYROLL

Errors arising from the payroll processing will be worked out with the payroll contact and the employee. The employee's supervisor will be involved only if that supervisor was involved in the error. Payment due to a correction will be processed in accordance with state law.

C. OVERTIME PAY *(Amended June 16, 2011)*

When operating requirements or other needs cannot be met during regular working hours, employees may be required to work overtime. All overtime work must receive the Executive Officer's prior authorization. Overtime assignments will be distributed as equitably as practical to all employees qualified to perform the required work.

Overtime compensation is paid to all non-exempt employees in accordance with current federal and state wage and hour accommodations. Overtime pay is based on actual hours worked. Time off on sick leave, vacation leave, or any leave of absence will not be considered hours worked for purposes of overtime calculations.

D. WORK HOURS *(Amended June 16, 2011)*

Work schedules for employees may vary within the organization. Supervisors will advise employees of their individual work schedules. Staffing needs and operational demands may necessitate variations in starting and ending times, as well as variations in the total hours that may be scheduled each day and week.

Effective July 18, 2011, the LAFCO office shall operate on a nine-day/80-hour work period with the office closed every other Friday. A schedule of days that the office is closed shall be posted on the SB LAFCO website.

E. TIME-KEEPING

Accurately recording time worked is the responsibility of every non-exempt employee. Federal and state laws require SB LAFCO to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked is all the time actually spent on the job performing assigned duties.

Non-exempt employees should accurately record the time they begin and end their work, as well as the beginning and ending time of each meal period. They should also record the beginning and ending time of any split shift or departure from work for personal reasons. Employees should record work hours only for themselves. An employee who submits erroneous or tardy timesheets will be subject to discipline, up to and including termination.

Altering, falsifying, or tampering with time records may result in termination.

If corrections or modifications are made to the time record, both the employee and the supervisor must verify the accuracy of the changes by initialing the time record.

4. PERFORMANCE MANAGEMENT

A. PERFORMANCE REVIEW *(Amended June 16, 2011)*

A review and discussion of each employee's performance is conducted annually to enable the employee and the supervisor to discuss the employee's performance relative to his/her goals and objectives in addition to those of SB LAFCO. Supervisors and employees are also strongly encouraged to discuss job performance and goals on an informal, day-to-day basis. A formal performance evaluation is conducted to provide both supervisors and employees the opportunity to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths, and discuss positive, purposeful approaches for meeting goals.

The performance of all employees is generally evaluated according to a one-year cycle, on or around the employee's anniversary date. However, the frequency of performance evaluations may vary depending upon length of service, job position, past performance, changes in job duties or recurring performance problems but never more than one year apart.

The terms for performance include:

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- 1= Needs improvement
- 2= Proficient
- 3= Strong
- 4= Exceptional

While merit-based pay adjustments are awarded by SB LAFCO in an effort to recognize truly superior employee performance, positive performance evaluations do not always guarantee increases in salary or promotions. Salary increases and promotions are solely within the discretion of the agency and depend on many factors in addition to performance. Please refer to the Compensation Policy #2 for further information. After receiving their review, employees will be asked to sign the evaluation report acknowledging that it has been presented and discussed between the employee and supervisor. The employee's signature does not represent an agreement with the performance review but rather an acknowledgement of receipt of the report and discussion.

SB LAFCO's provision of performance evaluations does not alter the at-will employment relationship.

B. ELIGIBILITY FOR STEP ADVANCEMENT (*Amended June 16, 2011, January 27, 2016; August 17, 2016; April 18, 2018*)

New employees shall be hired at step 1 of the established base salary range, except as otherwise provided in this section. Variable entrance steps may be established if justified by recruitment needs through Step 7 with the approval of the Executive Officer and through the top step with the approval of the Commission or designee.

Within the base salary range, all step advancements will be made at the beginning of the pay period in which the employee completes the required number of service hours. However, when an employee reaches the required number of service hours with 80 hours in each pay period, the step advance will be made at the beginning of the next pay period. Approval for advancement shall be based upon completion of required service hours in the classification, satisfactory work performance, and Appointing Authority recommendation.

Completed service hours shall be defined as regularly scheduled hours in a paid status, up to 80 hours per pay period. Overtime hours, disability payments, medical emergency leave, and time without pay shall not count toward step advancements. Unless otherwise approved by the Commission, step advancements within a base salary

range shall be based upon a one step increment, approximately two and one-half percent. The employee shall be eligible for the first step advancement after completion of 1,040 hours and subsequent step advancements after completion of additional increments of 2,080 hours.

Effective July 21, 2018, employees shall be eligible for step advancement after completion of increments of 1,040 hours until the top step of the range is reached. Employees who, as of July 21, 2018, have at least 1,040 hours from their most recent step advancement shall be immediately eligible to advance to the next step, if applicable, on July 21, 2018. After receiving that step advancement, such employees shall be eligible for step advancement after completion of increments of 1,040 hours until the top step of the range is reached.

Employees who, as of July 21, 2018, have less than 1,040 hours from their most recent step advancement shall be eligible to receive their next step advancement, if applicable, upon completion of 1,040 hours from their most recent step advancement. For example, an employee who received her step advancement effective February 3, 2018 would be eligible to move to the next step on or about August 4, 2018 provided the employee had completed sufficient service hours. Thereafter, such employees shall be eligible for step advancement after completion of increments of 1,040 hours until the top step of the range is reached.

C. PROBATIONARY PERIOD *(Amended June 16, 2011)*

Exempt: The probationary period for exempt employees shall be 26 pay periods.

Non-Exempt: The probationary period for non-exempt employees shall be 13 pay periods.

Upon successful completion of the probationary period, regular employees will receive an annual review with their supervisor to discuss their performance relative to the established goals and objectives. The evaluation includes the measurement of both conduct and production standards. Disciplinary actions, in keeping with legal requirements in the form of suspensions, demotions, salary reductions and dismissal from SB LAFCO employment will be administered in accordance with the Human Resources Policies and Procedures. An Exempt employee with regular status may appeal an order of suspension, demotion, salary step reduction or dismissal from SB

LAFCO employment to the Commission and request a hearing via a written request within five (5) work days of receipt of the order.

D. DEMOTIONS

A demotion is the appointment of an employee from an incumbent position to a position in a different classification for which the maximum rate of pay is lower. An employee demoted for disciplinary reasons shall be placed on the step within the base salary range of the class to which demoted as provided in the Order of Demotion. The Commission shall designate the classification and salary in the event demotion is authorized.

An employee demoted for non-disciplinary reasons shall be retained at the same salary rate, provided the salary rate does not exceed step 14 in accordance with the provisions of the Downgrade section, with the approval of the Appointing Authority and the Commission.

E. PROMOTIONS

A promotion is the appointment of an employee from one classification to a classification having a higher base salary range. A promoted employee shall receive at least the entrance rate of the new range or a two (2) step salary increase, whichever is greater, provided that no employee is thereby advanced in step nor advanced above step 14 of the higher base salary range. At the discretion of the Appointing Authority an employee may be placed at any step within the higher base salary range. Promotions shall be effective only at the beginning of a pay period. All promotions are subject to the review and approval of the Commission.

5. PERSONNEL RECORDS

Employees have the right to inspect certain documents in their personnel file, as provided by law, in the presence of a SB LAFCO representative at a mutually convenient time. Only documents previously signed by the employee are allowed to be copied. Employees may add written versions of any disputed item to their file.

SB LAFCO will attempt to restrict disclosure of your personnel file to authorized individuals within the organization. Any request for information from the file must be made to the Executive Officer or specific designee. Only the Executive Officer or specific designee is authorized to release information regarding current or former employees. Disclosure of personnel information to outside sources will be limited. However, SB LAFCO will cooperate with

requests from authorized law enforcement or local, state or federal agencies conducting official investigations.

6. PROBLEM RESOLUTION PROCEDURE

SB LAFCO is committed to encouraging an open and frank atmosphere in which any problem, complaint, suggestion, or question receives a timely response from supervisors and management.

SB LAFCO strives to ensure fair and honest treatment of all employees. Supervisors, managers, and employees are expected to treat each other with mutual respect. All employees are encouraged to offer positive and constructive criticism.

If there is a disagreement concerning established rules of conduct, policies, or practices, employees may express their concern through the problem resolution procedure. No one will be penalized, formally or informally, for voicing a complaint with SB LAFCO in a reasonable, business-like manner, or for using the problem resolution procedure.

If a situation occurs where an employee believes that a condition of employment or a decision affecting them is unjust or inequitable, they are encouraged to make use of the following steps:

- A. Employee presents problem to immediate supervisor after incident occurs. If supervisor is unavailable or employee believes it would be inappropriate to contact that person, employee may present problem to the Executive Officer or any other member of management.
- B. Supervisor responds to problem during discussion or after consulting with appropriate management, when necessary. Supervisor documents discussion.
- C. Employee presents problem to the Executive Officer in writing if problem is unresolved.
- D. The Executive Officer reviews and considers problem. The Executive Officer informs employee of decision and forwards copy of written response to the employee's file. The Executive Officer has full authority to make any adjustment deemed appropriate to resolve the problem.
- E. If the problem is of a nature that extends beyond or involves the Executive Officer, the employee may consult the Chair of the Commission to follow the resolution procedures.

Not every problem can be resolved to everyone's total satisfaction, but only through understanding and discussion of mutual problems can employees and management develop confidence in each other. This confidence is important to the operation of an efficient and harmonious work environment.

7. TERMINATION

Termination of employment is an inevitable part of personnel activity within any organization. Because employment with SB LAFCO is based on mutual consent, both the employee and SB LAFCO have the right to terminate employment at-will, with or without cause at any time.

A. VOLUNTARY RESIGNATION

An employee who voluntarily resigns his/her employment is asked to prepare a written letter of resignation informing SB LAFCO of the intended resignation date. An employee is also considered to have voluntarily terminated employment by failing to report to work for three consecutive scheduled workdays without notice, or without prior approval by their supervisor.

B. DISCHARGE

The violation of the policies and guidelines of SB LAFCO may result in disciplinary action up to and including termination. Although SB LAFCO may use progressive discipline including, but not limited to verbal and written warnings, suspension, probationary periods and termination of employment, the system is not formalized. SB LAFCO reserves the right to utilize any form of disciplinary action, up to and including immediate termination, at any stage it deems appropriate, depending on the circumstances. Although progressive discipline may be used the at-will relationship is still intact between the employee and SB LAFCO.

C. EXIT INTERVIEW

SB LAFCO will generally schedule exit interviews at the time of employment termination. The exit interview will provide an opportunity to discuss such issues as employee benefits, conversion privileges, and repayment of outstanding debts to SB LAFCO and return of property owned by SB LAFCO in accordance with applicable state laws. Suggestions, complaints and questions are encouraged.

Employees will receive their final pay in accordance with applicable state law. Some benefits may be continued at the employee's expense if the employee so chooses. The employee will be notified in

writing of the benefits that may be continued, and of the terms, conditions and limitations of such continuance.

8. REEMPLOYMENT

- A. A regular employee who has terminated from SB LAFCO employment, and who is subsequently rehired in the same classification in a regular position within one year (i.e., beginning the first day of work by the 365th calendar day), may receive restoration of salary step, vacation accrual rate, sick leave balance (unless the employee has received payment for unused sick leave in accordance with the Leave Provisions section and the Retirement Plan contribution rate provided the employee complies with any requirements established by the Retirement Board), subject to the approval and conditions established by SB LAFCO. Such employees begin accruing vacation and sick leave and may utilize the same immediately. The employee shall be required to serve a new probationary period, unless waived by the Executive Officer or designee. The employee shall be provided a new date of hire for purposes of SB LAFCO seniority.
- B. A regular employee who has terminated from SB LAFCO employment and who is subsequently rehired to a regular position in the same job family within one year, (i.e., beginning the first day of work by the 365th calendar day), may receive restoration of vacation accrual rate, sick leave, and retirement contribution rate in the same manner as described above. Such employees begin immediately accruing vacation and sick leave and may utilize the same immediately. The employee shall be required to serve a new probationary period, unless waived by the Executive Officer or designee. The employee shall be provided a new date of hire for purposes of SB LAFCO seniority.
- C. A regular employee who has terminated SB LAFCO employment, and who is subsequently rehired to a regular position in another job family within a ninety (90) calendar day period, must begin the first day of work within ninety (90) calendar days, may receive restoration of salary step (in the instance of rehire in the same classification at the same pay range as the position originally held), vacation accrual rate, sick leave and retirement contribution rate in the same manner as described above. The employee shall be required to serve a new probationary period, unless waived by the Executive Officer or designee.
- D. A regular employee who has been laid off from SB LAFCO employment and is subsequently rehired to a regular position within one (1) year shall receive restoration of vacation accrual rate and sick

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leave in the same manner as described above. Restoration of retirement contribution rate shall be in accordance with applicable state law and in compliance with any requirements established by the San Bernardino Retirement Board. For purposes of this section, a regular employee shall mean an employee in a regular position who held regular status in any classification during the previous period of SB LAFCO employment.

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CHAPTER 3: TIME OFF

1. SICK LEAVE

A. GENERAL

SB LAFCO provides paid sick leave benefits to all regular full-time and regular part-time employees for periods of temporary absence due to illnesses or injuries. Part-time employees accrue paid sick leave on a pro-rated basis.

B. DEFINITIONS *(Amended April 18, 2018)*

- (1) Sick Leave - Sick Leave with pay is an insurance or protection provided by SB LAFCO to be granted in circumstances of adversity to promote the health of the individual employee. It is not an earned right to time off from work. Sick leave is defined to mean the authorized absence from duty of an employee because of physical or mental illness, injury, pregnancy, confirmed exposure to a serious contagious disease, for a medical, optical, or dental appointment, or other purpose authorized herein.
- (2) Immediate Family - Immediate family is defined as parent, child, or spouse or domestic partner as defined by California Family Code Section 297.
- (3) Extended Family - Extended family is defined as grandchild, grandparent, sibling, parent/sibling-in-law, aunt, uncle, niece, nephew, foster child, ward of the court, or any step relations as defined herein.
- (4) A FAMILY MEMBER, as defined by Labor Code § 245.5, is a parent, child, spouse, registered domestic partner, grandparent, grandchild, or sibling. PARENT means a biological, foster, or adoptive parent, a step parent, legal guardian, or a person who stood in loco parentis when the employee was a minor child of the employee or the employee's spouse or registered domestic partner. CHILD means a biological, foster, or adopted child, a stepchild, a legal ward, a child of a domestic partner, or a child to whom the employee stands in loco parentis. DOMESTIC PARTNER is defined by Family Code § 297

C. PRIOR SERVICE TIME *(Adopted May 20, 2009)*

Regular employees hired by SB LAFCO who have been employed by a public or private jurisdiction and wish to have credit for their prior sick leave recognized by SB LAFCO shall do all of the following:

- (1) Provide documentation of the number of sick leave hours from the prior public or private jurisdiction paid in cash to the employee upon their termination; and,
- (2) Submit payment of the total amount paid at termination for sick leave to SB LAFCO.

SB LAFCO will then recognize those hours as sick leave subject to the provisions of the Human Resources Policies and Procedures.

D. ACCUMULATION OF SICK LEAVE *(Amended June 16, 2011)*

Regular employees shall accrue sick leave for each payroll period completed, prorated on the basis of 3.69 hours per pay period, except as provided in Leave Accruals While on Disability Leave section. Earned sick leave shall be available for use the first day following the payroll period in which it is earned. Employees in regular positions paid less than 80 hours per pay period shall receive sick leave accumulation on a pro-rated basis. There is no limit on sick leave accumulation.

Temporary employees do not earn sick leave.

E. INVESTIGATION

It shall be the responsibility of each appointing authority (as defined in Section 2 of Chapter 1) to investigate each request for sick leave and to allow sick leave with pay where the application is determined to be proper and fitting.

F. NOTICE OF SICKNESS

Employees are required to notify their appointing authority within one-half hour after the start of the workday on their first day of absence. It is the responsibility of the employee to keep the supervisor informed as to continued absence beyond the first day. In the event that the employee receives a doctor's off-work order and provides notice to the supervisor, the employee is not required to contact the supervisor daily. The employee shall provide a doctor's certificate or other

adequate proof in all cases of absence due to illness when requested by SB LAFCO. Violation of this policy will result in denial of sick leave with pay and shall be construed as grounds for disciplinary action up to and including termination.

G. USES OF SICK LEAVE *(Amended June 16, 2011)*

- (1) Sick leave may be applied to the following circumstances:
 - a. An absence necessitated by an employee's personal illness, injury or disability due to pregnancy, childbirth or adoption.
 - b. A maximum of three days earned sick leave may be used per occurrence for bereavement due to the death of persons in the immediate or extended family, as defined herein, or any relative who resides with the employee.
 - c. A maximum of 40 hours earned sick leave may be used per occurrence for arrival of an adoptive child at the employee's home. An employee (father) may utilize on an annual basis no more than 40 hours of accumulated sick leave per calendar year for the birth of his child.
 - d. Medical, dental, or optical appointments when absence during working hours for this purpose is authorized by SB LAFCO.
 - e. Absence due to exposure to a contagious disease when quarantine is imposed by health authorities or when it is determined by a physician designated by SB LAFCO that the presence of the employee on duty would endanger the health of others.
 - f. Absence from duty because the employee's presence is needed to attend to the serious illness of a member of his or her immediate family. Employees may use up to one-half of their yearly sick leave for the purpose of attending to a family member who is ill. All conditions and restrictions placed on an employee's use of sick leave apply also to sick leave used for care of a child, parent or spouse. Upon approval of the appointing authority, the employee may use part of this annual allowance for attendance upon members of the employee's extended family residing in the employee's household who require

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the attention of the employee.

- g. Illnesses while on paid vacation will be charged to sick leave rather than vacation only under the following conditions:
 - i. The illness or injury of the employee was of a nature that would preclude the effective use of vacation and would prevent the employee from performing his or her normal duties.
 - ii. The employee must notify his or her supervisor within 4 calendar days of the beginning of the illness or prior to the end of his or her vacation leave, whichever is sooner, to request that his or her illness on vacation be charged to sick leave.
 - iii. The agency shall be under no obligation to extend the vacation beyond the original scheduled vacation ending date.
- (2) Absence from duty because of personal emergencies not to exceed 20 working hours during the fiscal year.
- (3) An absence due to the air pollution alert, which prevents the employee traveling to his or her work location.
- (4) Sick leave shall not be applied to an absence that occurs on a SB LAFCO holiday.
- (5) In any use of sick leave, an employee's account shall be charged to the nearest quarter hour for a non-exempt employee, while exempt employees will be charged only for full-day absences.
- (6) An employee may be required to furnish a certificate issued by a licensed physician or registered nurse or other satisfactory evidence of illness, injury, medical condition or medical or dental office calls when the agency has notified the employee in advance of such a requirement or when the employee has been under the care of a physician.

H. **PAYOUT OF SICK LEAVE** *(Amended July 18, 2007; Amended June 16, 2011)*

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SB LAFCO employees who hold regular positions at SB LAFCO and who have contributed to the San Bernardino County Employees' Retirement Association (SBCERA) retirement system for more than five (5) years and have not withdrawn the contributions from the system(s), and who separate from SB LAFCO service for reasons other than death or disability retirement shall receive compensation in accordance with the provisions of the Retirement Medical Trust Fund (see Section 108E of the SB LAFCO Benefits Plan).

Employees with less than 5 (five) years of continuous service from the date of hire in a regular position are not eligible for payment of unused sick leave balances upon death.

For employees with 5 (five) years of continuous service from date of hire in a regular position, upon death, the estate of a deceased employee will be paid for unused sick leave balances according to the following formula:

Sick Leave Balance as of Separation Date	Cash Payment % of Hours of Sick Leave Balance
480 Hours or less	30%
481 to 600 Hours	35%
601 to 720 Hours	40%
721 to 840 Hours	45%
841 to 1000 Hours	50%

Employees who receive a disability retirement due to permanent incapacity to work shall be entitled to 100% cash payment of any unused sick leave balances, up to a maximum of 1000 hours, computed at the then current base hourly rate, if they elect early retirement in lieu of exhausting such accrued sick leave balances. In no event, shall any employee, except those receiving a disability retirement, receive compensation under this section in excess of 500 hours of pay computed at the then current base hourly rate of said employee.

While employed by SB LAFCO, employees who have contributed to a public sector retirement for over 5 (five) years and have not withdrawn the contribution from the system may exchange accrued sick leave hours in excess of 200 hours for vacation time on the following basis.

Sick Leave Balance at Time of Conversion	Sick Leave to Vacation Leave Conversion Ratio
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201 to 599 Hours	3 sick hours to 1 hour of vacation
600 to 799 Hours	2.5 sick hours to 1 hour of vacation
800 or more Hours	2 sick hours to 1 hour of vacation

Any such exchange must be made in 10 hour increments of accrued sick leave under the procedures established by the Executive Officer or designee. Employees may elect this exchange once per calendar year.

2. VACATION**A. GENERAL** (*Amended June 16, 2011*)

SB LAFCO provides paid vacation benefits to all regular full-time and regular part-time employees for the recreation and well being of the employees. Part-time employees accrue paid vacation on a pro-rated basis. Employees will accrue vacation according to continuous years of service. If an employee has exhausted sick leave, vacation leave may be used for sick leave purposes upon a special request of the employee and with the approval of the appointing authority.

B. PRIOR SERVICE TIME (*Adopted May 20, 2009*)

Regular employees hired by SB LAFCO who have been employed by a public or private jurisdiction and wish to have credit for their prior vacation leave recognized by SB LAFCO shall do the following:

- (1) Provide documentation of the number of vacation leave hours from the prior public or private jurisdiction paid in cash to the employee upon their termination.
- (2) Submit payment of the total amount paid at termination for vacation leave to SB LAFCO.

SB LAFCO will then recognize those hours as vacation leave.

C. ACCUMULATION (*Amended June 16, 2011*)

Employees in regular positions scheduled to work eighty (80) hours per pay period shall accrue, on pro-rata basis, vacation leave for completed pay periods. The vacation allowance shall be available for use on the first day following the pay period in which it is earned, provided an employee has worked six pay-periods from the employee's benefit date. Employees in regular positions paid less than

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80 hours per pay period shall receive vacation accumulation on a pro-rated basis.

Length of Service from Service Date	Annual Vacation Allowance
After 1,600 and through 8320 service hours	80 Hours
Over 8,320 and through 18,720 service hours	120 Hours
Over 18,720 service hours	160 Hours

There shall be no limitation on vacation leave accruals until calendar year 2011. Effective pay period 1 of 2011, the maximum vacation leave accrual balance that may be carried over to a future calendar year shall be 480 hours. However, the maximum vacation leave accrual balance that may be carried over into a future calendar year for an employee with a balance of more than 480 hours at the end of calendar year 2010 shall be such employee's vacation leave balance at the end of pay period 26 of calendar year 2010. Thereafter, the employee's maximum vacation accrual balance for those employees with a balance greater than 480 hours at the end of calendar year 2010 shall be adjusted annually at the end of each calendar year, and shall never be increased. Any vacation leave accrual balance in excess of the employee's maximum leave accrual balance at the end of the calendar year shall be cashed out and paid in accordance with this section.

Vacation should be taken annually with the approval of the appointing authority at such time as it will not impair the work schedule or efficiency of SB LAFCO but with consideration given to the wellbeing of the employee. The minimum charge against accumulated vacation leave shall be 15 minutes. Vacation leave shall be compensated at the employee's base rate of pay, except as otherwise provided. When a fixed holiday falls within a vacation period, the holiday time shall not be charged against an employee's earned vacation benefits.

An employee whose employment terminates will be paid for accrued, unused vacation hours. Retiring employees may elect to use vacation leave to enhance retirement benefits or be compensated in a lump sum payment for accrued vacation leave.

In cases where an employee terminates employment with SB LAFCO, and has been permitted to take vacation time prior to actual accrual,

the final paycheck will reflect a deduction relative to the amount of un-accrued time off taken.

D. CONVERSION OF VACATION LEAVE TO CASH (*Amended June 16, 2011; Amended April 18, 2018*)

(1) Elective Conversion

Eligible employees may be approved by the appointing authority to sell back vacation time at the then hourly base rate of the employee. Eligible employees may exercise this option under procedures established by the Executive Officer or designee. In lieu of cash, the employee may designate that part or all of the value of vacation leave be contributed to LAFCO's section 401(k) Defined Contribution Plan or section 457(b) Deferred Compensation Plan.

In order to sell back vacation time prior to termination or retirement, an employee may exercise the following options:

- a. Option 1, Future Accruals - An employee must make an irrevocable election during the month of December specifying the number of hours to be sold back from the next calendar year's vacation time accrual. Such election must be made, in increments of not less than 10 hours and may not exceed 160 hours. All designated hours remaining at the end of pay period 25 will automatically be converted into cash in the last pay period of the calendar year.
- b. Option 2, Existing Accruals - Existing accruals may be cashed out in whole hour increments with a minimum cash-out of 10 hours and will be subject to a 10% penalty.

Upon approval of the appointing authority, eligible employees are permitted to sell back vacation time at the then hourly base rate of the employee, in increments of not less than 10 hours and may not exceed 160 hours.

(2) Automatic Conversion

Commencing with calendar year 2011, at the end of the last pay period of the calendar year, an employee shall automatically have any vacation leave accruals in excess of the employee's

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maximum vacation leave accrual balance converted to cash. Such automatic vacation leave cash out shall be paid in pay period 1 of the next calendar year. At termination of employment, all existing vacation leave accruals shall be converted to cash and paid to the employee.

E. VACATION PRIOR SERVICE CREDIT *(Adopted October 22, 2014)*

New employees hired into SB LAFCO in regular positions who have been employed by a public jurisdiction or private sector in a comparable position or a position which has prepared such employees for an assignment may receive credit for such previous experience in the former agency(s) in determining their vacation accrual rate. Such determination as to the comparability of previous experience and amount of credit to be granted rests solely with the appointing authority. Requests for prior service credit should be made at the time of hire or as soon as possible thereafter but in no event later than one year from the employee's hire date.

3. HOLIDAY

A. GENERAL *(Amended June 16, 2011)*

Holiday time off with pay will be granted to all regular full-time and regular part-time employees, immediately upon their start date, for the days designated by SB LAFCO. Employees in regular positions are also entitled to a total of eight hours of floating holiday time annually provided that the employee is not on unpaid leave for the entire pay period and is actively on the payroll for the pay period where the floating holiday time is to accrue. Eight hours floating holiday time shall be accrued during the first pay period prior to the third Monday in January.

Recognized holidays that fall on a Saturday will be observed on the preceding Friday except that when the preceding Friday is also a fixed holiday, the preceding Thursday will be observed as the fixed holiday. Those that fall on a Sunday will be observed on the following Monday except that when the following Monday is also a fixed holiday, the following Tuesday will be observed as the fixed holiday. SB LAFCO reserves the right to change or substitute holidays. Employees will be given notice of any such changes.

Regular full-time and regular part-time employees are eligible for holiday pay immediately upon their start date. Holiday pay will be calculated based on an employee's straight-time pay rate (as of the date of the holiday) times the number of hours the employee would otherwise have worked on that day.

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If a recognized holiday falls during an employee's paid absence (such as vacation or sick leave), holiday pay will be provided instead of the vacation or sick time off benefit that would otherwise have applied.

In the rare circumstances that a non-exempt employee must work on a recognized holiday, he/she will receive holiday pay plus wages at his/her straight time rate for the hours worked on the holiday. If an exempt employee must work on a recognized holiday, they may reschedule their observance of the holiday to a different (normally worked) date that is mutually acceptable to both the appointing authority and employee.

All employees in regular positions are entitled to the following holidays:

January 1	November 11
Third Monday in January	Thanksgiving Day
Third Monday in February	Day after Thanksgiving
Last Monday in May	December 24
July 4	December 25
First Monday in September	December 31
Second Monday in October	

Floating holidays accrued shall be available for use on the first day following the pay period in which they are accrued, with the approval of the appointing authority. Appointing authorities have the right to schedule employees' time off for accrued holidays to meet the needs of the service but with consideration given to the well-being of the employee. Employees in regular positions budgeted less than 80 hours per pay period or job-shared positions shall receive floating holiday accruals on a pro-rata basis.

There shall be no limitation on holiday leave accruals until calendar year 2011. Effective pay period 1 of 2011, the maximum holiday leave accrual balance that may be carried over to a future calendar year shall be 112 hours. However, the maximum holiday leave accrual balance that may be carried over into a future calendar year for an employee with a balance of more than 112 hours at the end of calendar year 2010 shall be such employee's holiday leave balance at the end of pay period 26 of calendar year 2010. Thereafter, the employee's maximum holiday accrual balance for those employees with a balance greater than 112 hours at the end of calendar year 2010 shall be adjusted annually at the end of each calendar year, and shall never be increased. Any holiday leave accrual balance in excess of the employee's maximum holiday leave accrual balance at the end of the calendar year shall be cashed out and paid in accordance with this section.

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When a fixed holiday falls within a vacation period, the holiday time shall not be charged against all employee's earned vacation benefits.

Whenever an employee is required to work on a fixed holiday or the fixed holiday falls on an employee's regularly scheduled day off, the employee shall accrue, on an hour-for-hour basis, up to a total of eight hours floating holiday time.

When a fixed holiday falls on a Saturday, the previous Friday will be observed as the fixed holiday except that when the preceding Friday is also a fixed holiday, the preceding Thursday will be observed as the fixed holiday. When a fixed holiday falls on a Sunday, the following Monday will be observed as the fixed holiday except that when the following Monday is also a fixed holiday, the following Tuesday will be observed as the fixed holiday.

B. CONVERSION OF HOLIDAY LEAVE TO CASH (*Amended April 18, 2018*)

(1) Elective Conversion

An employee may sell back holiday time at the base hourly rate of the employee as hereinafter provided, upon approval of the appointing authority. Eligible employees may exercise this option under procedures established by the Executive Officer. In lieu of cash, the employee may designate that part or all of the value of holiday time to be contributed to LAFCO section 401(k) Defined Contribution Plan or section 457(b) Deferred Compensation Plan.

In order to sell back holiday time prior to termination or retirement, an employee may exercise the following options:

- a. Option 1. Future Accruals. An employee must make an irrevocable election during the month of December, specifying the number of hours to be sold back from the next calendar year's holiday time accrual. Such election must be made in increments of not less than eight hours and may not exceed the annual amount to be accrued for the next calendar year. All designated hours remaining at the end of pay period 25 will automatically be converted into cash in the last pay period of the calendar year.

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- b. Option 2. Existing Accruals. Existing accruals may be cashed out in whole hour increments with a minimum cash out of eight hours and will be subject to a ten percent penalty.

(2) Automatic Conversion

Commencing with calendar year 2011, at the end of the calendar year, an employee shall automatically have any holiday leave accruals in excess of the employee's maximum holiday leave accrual balance converted to cash. Such automatic holiday leave cash out shall be paid in Pay Period 1 of the next calendar year.

Upon retirement or termination, employees shall be compensated for any unused accrued holiday time at the then current base rate.

4. OTHER TIME OFF

A. BEREAVEMENT LEAVE (*Amended June 16, 2011*)

Employees in regular positions may use up to two days paid leave, not charged to the employee's personal leave balances, per occurrence for bereavement due to the death of the employee's parent, child, spouse or domestic partner, as defined by California Family Code Section 297. One additional day shall be granted if the employee travels over 1,000 miles from his/her residence to the bereavement service(s). This additional day shall not be charged to the employee's personal leave balances. The appointing authority may request verification of distance traveled. Bereavement leave will normally be granted unless there are unusual business needs or staffing requirements. Bereavement pay is calculated based on the base pay rate at the time of absence and will not include any special forms of compensation such as incentives, commissions, bonuses, overtime, or shift differentials. Regular part-time employees will receive paid bereavement leave on a prorated basis.

Due to the death of persons in the immediate or extended family as defined in Section 1 of Chapter 3, employees may also, with their appointing authority's approval, use sick leave as set forth in Section 301 or any available vacation for additional time off as necessary.

Special consideration will also be given to any other person whose association with the employee is similar to any of the above

relationships.

B. VOTING

Generally, employees are able to find time to vote either before or after their regular work schedule. If, however, full-time employees are unable to vote in an election during their non-working hours, SB LAFCO will grant up to 2 hours of paid time off to vote.

Employees requiring time off to vote should make their requests at least two working days prior to the election day. Advance notice is required so that the necessary time off can be scheduled at the beginning or end of the work shift, whichever provides the least disruption to the normal work schedule. Employees must submit a voter's receipt on the first working day following the election to qualify for paid time off.

C. JURY DUTY AND OTHER COURT-RELATED LEAVES (*Amended June 16, 2011*)

SB LAFCO encourages employees to fulfill their civic responsibilities by serving jury duty or appearing in court as a witness when required. SB LAFCO provides paid time off for jury duty service provided that the employee waives fees for service, other than mileage. Paid leave for jury duty is available for all regular full-time and part-time employees for the duration of the jury duty. Part-time employees will be paid on a pro-rated basis.

Employees must show the jury duty summons to their supervisor as soon as possible so that the supervisor may make arrangements to accommodate their absence. Employees are expected to report for work whenever the court schedule permits. SB LAFCO will continue to provide health insurance benefits for the full term of the jury duty absence. Vacation, sick leave, and holiday benefits will continue to accrue during jury duty leave.

Employees in regular positions shall be entitled to a leave of absence from work when subpoenaed to testify as a witness, such subpoena being properly issued by a court, agency or commission legally empowered to subpoena witnesses. This benefit shall not apply in any case in which the subpoenaed employee is a party to the action, or the subpoena has arisen out of the employee's scope of employment. Witness leave shall not be charged against any accumulated leave balances and shall be compensated at the employee's base hourly rate. This benefit will be paid only if the employee has demanded

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witness fees at the time of service of the subpoena, and such fees are turned over to SB LAFCO.

- D. ADMINISTRATIVE LEAVE (*Amended June 16, 2011*)
- E. ADMINISTRATIVE LEAVE (*Amended June 16, 2011; April 18, 2018*)

Effective pay period 1 of each year, an employee in a regular position who is in paid status will be provided with 80 hours of Administrative Leave time for the employee's use. An eligible employee in a regular position who is part-time or job sharing shall be eligible for a prorated number of administrative leave hours based on regularly scheduled hours. Employees hired after the beginning of pay period 1 shall receive a prorated number of hours. Such proration shall be based upon the remaining number of pay periods in the calendar year nearest the employee's appointment. Employees not in paid status in pay period 1 shall receive, upon return to paid status, a prorated number of Administrative Leave hours based on the number of pay periods remaining in the calendar year.

Effective July 21, 2018, such administrative leave may be cashed out at the employee's then current base rate of pay in increments of one (1) hour, upon the approval of the appointing authority, during the calendar year. Any Administrative Leave accrual balances in effect at the end of the last pay period paid in the calendar year will automatically be paid at the employee's then current base rate of pay. Employees may designate that cash outs of Administrative Leave as permitted herein be allocated to SB LAFCO's 401(k) Plan or Section 457(b) Deferred Compensation Plan. Upon termination of employment, unused Administrative Leave will be paid at the current rate of pay.

- E. PERFECT ATTENDANCE LEAVE (*Amended April 18, 2018*)

Employees in regular, full-time positions in SB LAFCO Groups B and C who do not utilize any sick leave, any leave (e.g. vacation) in lieu of sick leave, or benefits in lieu of sick leave (e.g. workers' compensation, Short-Term Disability partial/full integration, etc.) in a payroll calendar year (i.e., pay period 1 through pay period 26 or 27, when applicable, of the same year), and who do not record any sick leave without pay or absent without pay, medical emergency leave, or military leave as provided by law during that year, shall accrue sixteen (16) hours of perfect attendance leave, for use in the next calendar year. Failure to utilize perfect attendance leave within the calendar year shall result in

forfeiture of the same. Perfect attendance leave may not be cashed out.

F. EXAMINATION LEAVE

Employees in regular positions at the time of application shall be entitled to a reasonable amount of time off with pay for the purpose of attending all examination processes required for selection to a public sector position within San Bernardino County. Employees are responsible for notifying and obtaining approval from their supervisor prior to taking such leave. Examination time off shall not be charged against any accumulated leave balances and shall be compensated at the employee's base hourly rate. Employees on probationary status, including those who have previously held regular status in another classification, are not entitled to examination time off with pay.

G. BLOOD DONATIONS

Employees in regular positions who donate blood without receiving compensation for such donation may have up to 2 hours off with pay with prior approval from the supervisor for each blood donation. This benefit shall not be charged to any accumulated leave; provided, however, if the employee is unable to work, any time in excess of two hours may be charged to accumulated sick leave or be taken as leave without pay. Employees must provide evidence of the blood donation to the Executive Officer or Appointing Authority to receive this benefit.

Employees in regular positions who are aphaeresis donors may have up to 4 hours off with pay with prior approval of the immediate supervisor for each such donation, provided no compensation is received for such donation. This benefit shall not be charged to any accumulated leave; provided, however, if the employee is unable to work any time in excess of four hours, such time may be charged to accumulated sick leave or be taken as leave without pay. Evidence of each aphaeresis donation must be presented to the Executive Officer or Appointing Authority to receive this benefit.

H. LEAVE ACCRUALS WHILE ON DISABILITY LEAVE

Employees receiving the benefits of Workers' Compensation or short-term disability leave receive partial replacement of their income through these benefits. Employees on these types of disability leave may choose to fully integrate, partially integrate, or not integrate personal leave time with these disability payments.

The maximum amount the employee receives from integrating leave time with disability payments shall not exceed 100% of the employee's base salary. Paid personal leave time coded on the employee's time and labor report will be limited to the amount of leave necessary to integrate benefits to the level designated by the employee. When the exact amount is not known, a good faith estimate may be made and the amount will be adjusted later as necessary. If any overpayments are made, the employee will be required to repay that amount. An employee who knowingly receives payment in excess of his or her regular base salary is required to report it to his or her departmental payroll clerk.

Employees who are fully integrating accrued leave time with disability benefits and have at least 41 hours of any type of leave time accrued as of the prior pay period shall be eligible to receive full accruals of vacation and sick leave. Employees who are not fully integrating or employees who have less than 41 hours of any type of leave time accrued shall earn pro-rated vacation and sick leave accruals based upon paid leave time coded on the time and labor report only.

Employees who are fully integrating paid leave time with disability benefit(s) will be eligible for fixed holiday pay, provided they are on the payroll for the entire pay period, have no unapproved leave for the pay period and have enough leave accrued to equal at least one-half of the employee's normal scheduled hours. Employees who are partially integrating or not integrating paid leave time with disability benefits will be paid for holidays in accordance with the holiday leave provisions.

I. POLITICAL LEAVE

Any employee who is declared a candidate for public office shall have the right to a leave of absence without pay for a reasonable period to campaign for the election. Such leave is subject to the conditions governing special leaves of absence.

J. DOMESTIC VIOLENCE & SEXUAL ASSAULT VICTIM LEAVE

Employees who are victims of domestic violence or sexual assault may take unpaid time-off to appear in court to attempt to obtain relief or to ensure the health, safety or welfare of the employee or a child. This may include efforts to obtain a temporary restraining order, a restraining order, or other injunctive relief from a court. If desired, employees may use any accrued vacation time for this leave. Reasonable notice must be given to your supervisor before appearing in court. Employees who are victims of domestic violence may also

take unpaid time-off to seek medical attention, obtain services from a domestic violence program, obtain psychological counseling, or participate in safety planning. If desired, employees may use any accrued time off for this leave.

K. VOLUNTEER EMERGENCY LEAVE AND TRAINING

If employees volunteer their time as a firefighter, reserve peace officer, or emergency rescue personnel, they may be entitled to take unpaid leave to perform emergency duty. Employees may take unpaid leave of up to 14 days per calendar year for the purpose of engaging in fire or law enforcement training. Time spent on this leave counts for purposes of determining "length of service." However employees will not accrue vacation or receive holiday pay during this leave.

L. ALCOHOL AND DRUG REHAB LEAVE

SB LAFCO will reasonably accommodate employees who wish to voluntarily enter and participate in an alcohol or drug rehabilitation program provided that the accommodation does not impose an undue hardship on SB LAFCO. SB LAFCO does not provide paid time off for participation in an alcohol or drug rehabilitation program. Employees may use any accrued vacation time or their time spent for rehabilitation leave will be unpaid.

This policy in no way restricts SB LAFCO's right to impose discipline, including actions up to and including termination of employment, for violation of SB LAFCO's drug and alcohol policy.

M. COMPULSORY LEAVE

If, in the opinion of the appointing authority, employees are unable to perform the duties of their position for physical or psychological reasons, they may be removed from duty without pay or may use accrued paid leave for which they are eligible. In addition, such employees may be required to submit to an examination by either a physician or other competent authority designated by the appointing authority or designee or by their own physician or practitioner, as appropriate. If the examination report of the competent authority (e.g., physician, appropriate practitioner) shows the employee to be in an unfit condition to perform the duties required of the position, the appointing authority shall have the right to compel such employee to take sufficient leave of absence with or without pay, to transfer to another position without reduction in compensation, and/or follow a prescribed treatment regimen until medically qualified to return to

unrestricted duty. An employee who has been removed from duty for physical or psychological reasons by the appointing authority, and was required to submit to an examination, may not return to duty until such time as medical clearance has been obtained.

N. SUSPENDED PUPIL/CHILD LEAVE

California law requires employers to provide time off for parents required to visit a child's school where the child has served a period of suspension from school. To be eligible for time off to attend a child's school, the employee must be the parent of a child in kindergarten or in grades 1 through 12 and must present to his/her supervisor the school's letter, which requests the employee's appearance at the school, at least two days before the requested time off. Employees may use accrued vacation or administrative leave to attend a child's school under these circumstances. If not, suspended pupil/ child leave will be unpaid.

O. TIME OFF FOR PARENTS

Employees, who are parents of one or more children in kindergarten, or in grades 1 through 12, may take time off of up to 40 hours per school year to attend authorized school activities which involve one or more of the employee's school age children. To be eligible for parental time off, the employee must obtain from the school, written verification that he or she attended or participated in the school activity. Parental time off may not exceed 8 hours in any calendar month.

Employees may use any accrued vacation or administrative leave while they attend their child's school activities. If not, employees' parental time off will be unpaid. For scheduling purposes, employees must notify their supervisors at least 1 week before the date of the school activity, so that their work duties may be covered.

5. MILITARY LEAVE (Amended June 16, 2011)

A. DEFINITION

Military leave is defined as the performance of duty on a voluntary or involuntary basis in a uniformed service under competent authority and includes active duty, active duty for training, initial active duty for training (weekend drills), full-time National Guard duty, and a period for which an employee is absent for the purpose of an examination to determine the fitness of the person to perform any such duty.

B. NOTICE AND ORDERS

All employees shall provide advance notice of military service unless military necessity prevents the giving of notice or the giving of notice is impossible or unreasonable. Where available, a copy of military orders must accompany the request for leave.

C. TEMPORARY DUTY

Any employee who is a member of the reserve corps of the Armed Forces, National Guard, or Naval Militia shall be entitled to temporary military leave of absence for the purpose of active military training provided that the period of ordered duty does not exceed 180 calendar days, including time involved in going to and returning from such duty. While on paid status, an employee on temporary military leave shall receive the same vacation, holiday, and sick leave, and step advances that would have been enjoyed had the employee not been absent, providing such employee has been employed by SB LAFCO for at least one year immediately prior to the date such leave begins. In determining the one year employment requirement, all time spent in recognized military service, active or temporary, shall be counted. An exception to the above is that an uncompleted probationary period must be completed upon return to the job. Any employee meeting the above one year employment requirement shall be entitled to receive his or her regular salary or compensation, pursuant to Sub-Section E.

D. ACTIVE DUTY

Employees who resign from positions to serve in the Armed Forces for more than 180 days, shall have a right to return to former classification upon serving written notice to the appointing authority, no later than 90 days after completion of such service. Returning employees are subject to a physical/psychological examination.

Should such employee's former classification have been abolished, then the employee shall be entitled to a classification of comparable functions, duties, and compensation if such classification exists, or to a comparable vacant position for which the employee is qualified.

The right to return to former classification shall include the right to be restored to such civil service status as the employee would have if the employee had not so resigned; and no other person shall acquire civil service status in the same position so as to deprive such employee of this right to restoration.

Eligible employees are also entitled to the reemployment and benefit rights as further described in the Uniformed Services and Employment and Reemployment Rights Act, 38 U. S. C. §§ 4301-4333. Specifically, a returning employee will receive restoration of original hire and benefit date, salary step, vacation accrual rate, sick leave balance (unless the employee has received payment for unused sick leave in accordance with provisions contained herein), the retirement plan contribution rate, and retirement system contributions (provided the employee complies with any requirements established by the Retirement Board). However, such employee will not have accrued vacation, sick leave, or other benefit while absent from SB LAFCO employment, except as provided in the temporary duty provision.

E. COMPENSATION

This provision does not include an employee's attendance at weekend reserve meetings or drills. Employees must use their own time to attend such meetings. Should the meetings unavoidably conflict with an employee's regular working hours, the employee is required to use vacation or holiday leave, leave without pay, or make up the time. Employees who are called in for a medical examination to determine physical fitness for military duty must also use vacation leave, leave without pay, or make up the time. Employees cannot be required to use their accrued leave. Any employee meeting the requirements in sections C and D shall be entitled to receive their regular salary or compensation for the first 30 calendar days of any such leave. Pay for such purposes shall not exceed 30 days in any one fiscal year and shall be paid only for the employee's regularly scheduled workdays that fall within the 30 calendar days.

Employees who are called to active duty as a result of the activation of military reservists and are eligible to receive the 30 calendar day military leave compensation shall receive the difference between their regular SB LAFCO salary and their military salary starting on the 31st calendar day of military leave. The difference in salary shall continue for any additional period as outlined in the County Exempt Compensation Ordinance. During this period, SB LAFCO will continue to provide the employee all the benefits and leave accruals as were provided prior to such active duty. Retirement system contributions and service credit will be granted if the employee had enough pay to cover the entire retirement system contribution. If the employee does not receive enough pay to cover the retirement system contribution, no contribution or credit will be given. Employees should note that the Accidental Death and Dismemberment (AD&D) plan contains a war exclusion.

Employees who are eligible for military leave compensation will be placed on a leave of absence with right to return to their positions.

F. SPOUSE, CHILD OR PARENT EXIGENCY LEAVE

Eligible employees with a spouse, son, daughter, or parent on active duty or call to active duty status in the National Guard or Reserves in support of a contingency operation may use their 12-week leave entitlement to address certain qualifying exigencies. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.

FMLA also includes a special leave entitlement that permits eligible employees to take up to 26 weeks of leave to care for a covered servicemember during a single 12-month period. A covered servicemember is a current member of the Armed Forces, including a member of the National Guard or Reserves, who has a serious injury or illness incurred in the line of duty on active duty that may render the servicemember medically unfit to perform his or her duties for which the servicemember is undergoing medical treatment, recuperation, or therapy; or is in outpatient status; or is on the temporary disability retired list.

6. WORKERS' COMPENSATION LEAVE

If an employee sustains a work-related injury, he or she will be eligible for a medical leave of absence for the period of disability in accordance with all applicable laws covering occupational injuries.

Where an employee's work-related injury qualifies as a serious health condition, any Workers' Compensation Leave taken will be considered part of his or her entitlement, if any, to leave under the Family and Medical Rights Act (FMLA) and the California Family Rights Act (CFRA). Employees on Workers' Compensation Leave are required to keep their supervisor updated as to their work status. Employees must provide a doctor's release before returning to work.

7. FAMILY AND MEDICAL LEAVE

A. ELIGIBILITY (*Amended June 16, 2011*)

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An unpaid leave of absence for family or medical care will be granted for up to 12 weeks in a 12-month period. This includes family members of all active-duty military personnel. To be eligible for family care or medical leave, the employee must have at least one year of service with SB LAFCO and at least 1,250 hours of service during the 12-month period prior to the leave. The employee must notify SB LAFCO immediately of any decision not to return to work at the end of the leave.

Part-time employees who meet the requirements will calculate family/medical leave on a prorated basis according to the number of hours they are normally scheduled to work.

You may be eligible for an unpaid family/ medical leave in the event of:

- * The birth of a child
- * The placement of a child for adoption or foster care
- * Caring for veterans undergoing medical treatment, recuperation, or therapy for a serious injury or illness that occurred in the past five years.
- * The need to care for a parent, spouse, or child with a serious health condition
- * If you are unable to perform your essential job duties due to a serious health condition.

SB LAFCO may require proper medical certification if leave is requested in connection with the employee's own serious health condition, or the serious health condition of a family member; and in certain cases SB LAFCO can require second and third opinions.

If the need for leave is foreseeable, the employee requesting leave must give reasonable advance notice (at least 30 days) of the need for the leave. In cases where the need for leave is not foreseeable, the employee must request the leave as soon as he or she learns of the need for leave. Employees using the family care or medical leave must use accrued vacation or sick time benefits during the period of leave.

If your need for leave is due to your own serious health condition or due to the need to care for a child, spouse or parent who has a serious health condition, you must provide a health care provider's statement verifying the need for such leave and its beginning and expected ending dates. For leave for your own serious health condition, SB LAFCO may require you to obtain a second or third medical opinion. If a second or third medical opinion is requested, the cost of the examination will be paid by SB LAFCO.

If your leave exceeds 30 days, or you ask for an extension of your leave, you may be required to provide additional medical certification of your inability to return to work.

If the leave is for the care of a child after birth, adoption or foster care placement, you must complete the leave within 1 year of birth, adoption or foster care placement.

Family/ Medical leave may be taken intermittently or on a reduced schedule if it is medically necessary to care for a spouse, parent or child with a serious health condition for your own serious health condition. Leave for the birth or adoption of a child or placement of a child in foster care may be taken in amounts approved by SB LAFCO. You may be temporarily transferred to an alternative position with equivalent pay and benefits which better accommodates a reduced or intermittent schedule. Intermittent leave, reduced schedules and leaves which are foreseeable must be scheduled in a manner which will minimize disruption to operations.

B. LENGTH OF LEAVE

Leave will be counted as part of entitlement to family and medical leave under the Family and Medical Leave Act (FMLA) and the California Family Rights Act (CFRA). The maximum leave available is 12 weeks of FMLA or CFRA leave during any 12-month period (exception for pregnancy disability- see policy). For the purpose of calculating the 12-week maximum, any other qualifying disability leave, occupational disability leave or family leave taken during the 12-month period will be included. Prior pregnancy disability leave will not be included in computing the 12-week maximum under the CFRA. The 12-month period will be tracked as a rolling 12-month period measured backward from the first day of leave.

A leave to care for the child after birth, adoption or foster care placement may be limited to less than 12 weeks if your spouse is employed by SB LAFCO and is also taking family leave. If you are eligible and your leave is approved, you may not be employed with any employer, other than SB LAFCO during your leave of absence. Outside employment during your leave will result in immediate termination.

C. IMPACT ON BENEFITS

During any period that the employee takes leave, SB LAFCO will maintain and pay for the employee's medical coverage under a group health plan, on the same terms that apply when the employee is

actively employed. The employee taking leave must make arrangements to pay the employee share of dependent premiums while on leave. The use of leave will not result in the loss of any employment benefit that accrued prior to the beginning of the employee's leave. However, accrual of additional benefits, such as vacation and sick time benefits will cease during leave.

Upon return from leave, employees must submit a physician's release. Employees will generally be reinstated to the same or equivalent position unless otherwise permitted by law.

SB LAFCO will comply with the state and federal Family Care and Medical Leave statutes.

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8. PREGNANCY DISABILITY LEAVE**A. GENERAL**

Pregnancy disability leaves of absence without pay are available to eligible employees who are temporarily unable to work due to a disability related to pregnancy, childbirth, or related medical conditions. Employees are normally granted unpaid leave for the period of the disability up to a maximum of 4 months within any 12-month period. Employees may substitute any accrued paid leave time for unpaid leave as part of the pregnancy disability leave period.

In addition to the 4 months pregnancy disability leave, an employee may also be eligible for up to 12 additional weeks of unpaid California Family Rights Act (CFRA) Leave within a 12-month period. If an employee qualifies for CFRA Leave in addition to Pregnancy Disability Leave, the total time she may take off is 4 months for Pregnancy Disability Leave and 12 weeks for the CFRA Leave.

B. TO REQUEST A LEAVE

A health care provider's statement must be submitted verifying the need for pregnancy disability leave and its beginning and expected ending dates. Any changes in this information should be promptly reported to SB LAFCO.

Employees requesting pregnancy disability leave should contact the local branch of their State Disability office to obtain the appropriate disability forms.

C. IMPACT ON BENEFITS

Where an employee's pregnancy disability leave runs concurrently with leave taken pursuant to the Family Medical Leave Act (FMLA), SB LAFCO will continue to provide health insurance benefits for up to 12 weeks of approved pregnancy disability leave.

If an employee chooses to combine pregnancy disability leave with family/medical leave, the maximum amount of time SB LAFCO will pay health insurance premiums is still 12 weeks in a 12-month period. Beyond the 12 weeks, the employee may choose continuation of health insurance coverage through COBRA.

Benefit accruals, vacation and sick leave, or holiday benefits, will be suspended during the leave and will resume upon return to active

employment.

For pregnancy leaves of 30 calendar days or less, salary and performance reviews will continue as usual. A salary action which would have ordinarily taken place during the time of the leave will become effective upon return to work. For pregnancy disability leaves of over 30 days, salary and performance reviews will be extended equal to the length of the leave.

D. RETURN FROM LEAVE

So that an employee's return to work can be properly scheduled, an employee on pregnancy disability leave is requested to provide SB LAFCO with at least two weeks advance notice of the date she intends to return to work. When a pregnancy disability leave ends, the employee will be reinstated to the same position unless either the job ceased to exist because of legitimate business reasons or each means of preserving the job would substantially undermine the ability to operate SB LAFCO safely and efficiently. If the same position is not available, the employee may be offered a comparable position in terms of such issues as pay, location, job content, and promotional opportunities. An offer of a comparable position is contingent on such a position being available, and on SB LAFCO's determination that placing the employee in that position will not undermine SB LAFCO's ability to operate its business safely and efficiently. An employee returning from pregnancy disability leave has no greater right to reinstatement to the same or comparable position or to other benefits or conditions of employment than an employee who has been continuously employed in another position that is being eliminated.

If an employee fails to report to work promptly at the end of the pregnancy disability leave, SB LAFCO will assume that the employee has resigned.

E. ADDITIONAL ACCOMMODATIONS

SB LAFCO will provide reasonable accommodation to an employee for conditions related to pregnancy, childbirth, or related medical conditions, if she so requests, with the advice of her health care provider.

CHAPTER 4: ELECTRONIC COMMUNICATION, SAFETY, AND EQUIPMENT

1. COMPUTER AND E-MAIL USAGE (Amended June 16, 2011)

A. GENERAL

Computers, computer files, the e-mail system, and software furnished to employees are SB LAFCO property intended for business use. Employees are not entitled to privacy in regard to computer files or e-mail messages. Employees should not use a password, access a file, or retrieve any stored communication without authorization. SB LAFCO may audit and/or access computer files and e-mail messages as needed. SB LAFCO owned computers, with the exception of laptops/tablets designated for remote use, shall not be removed from the premises.

B. E-MAIL

SB LAFCO utilizes the existing e-mail systems of the County of San Bernardino. The County of San Bernardino e-mail systems are valuable resources for communication of information that is necessary to conduct SB LAFCO business. Employees and other authorized users are encouraged to make use of this tool to carry out their responsibilities and duties in a professional and courteous manner, which is in the best interest of SB LAFCO.

Limited, occasional or incidental use of the e-mail systems for personal purposes may be acceptable, if done in a professional and appropriate manner, not used on SB LAFCO work time, not violating prohibited activities contained in this policy and not interfering with the conduct of SB LAFCO business or the performance of the employee's duties. All messages will be treated as business messages, therefore, employees should not use the email system for messages they wish to keep private.

In order to ensure the proper use of SB LAFCO resources, SB LAFCO reserves the right without advance notice to users of the e-mail systems to monitor, access, copy or delete any messages stored on any of its e-mail systems. NO USER OF ANY COUNTY E-MAIL SYSTEM SHOULD HAVE AN EXPECTATION OF PRIVACY IN ITS USE.

Employees are expected to respect the privacy of messages sent to others using the County's e-mail systems. Therefore, no employee,

except those authorized to do so, shall access, view, retrieve, listen to, record, tamper with, copy, change, print or delete another employee's information or communications without that employee's permission.

Some of the messages sent, received, or stored on the SB LAFCO e-mail system will constitute confidential, privileged communications between SB LAFCO and its inside or outside attorneys. Upon receipt of a message either from or to counsel, do not forward its contents to others without counsel's authorization.

SB LAFCO e-mail shall not be used to announce, advertise, or otherwise promulgate any event, cause, organization, or activity that is not an official SB LAFCO function or program. Any use of the e-mail system to promulgate a legitimate event must be approved by the SB LAFCO Executive Officer.

C. PROHIBITED EMAIL ACTIVITIES

It shall be a violation of this policy to use e-mail to violate any existing law, regulation, SB LAFCO policy, department or personnel rule. Other prohibited uses of the County's e-mail systems include, but are not limited to:

- (1) Activity that could subject SB LAFCO to civil or criminal liability.
- (2) Representing oneself as a spokesperson and/or making commitments on behalf of SB LAFCO without authorization.
- (3) Usage intended for personal or commercial financial gain (e.g., advertising), or participating in any gambling, gaming or wagering activities.
- (4) Any use of e-mail for the purpose of distributing materials, promoting causes or beliefs, or soliciting membership in, support for or donations to any organization, group or entity including, but not limited to, those of a commercial, political, charitable or ideological nature unless officially sanctioned by SB LAFCO.
- (5) Utilization of e-mail to distribute offensive, abusive, threatening, pornographic, and sexually explicit or hate messages or images.
- (6) Use of e-mail to commit illegal, fraudulent or malicious activities.
- (7) Originating or intentionally propagating computer viruses and/or chain letters or petitions.

- (8) Disclosing confidential and/ or personal information without appropriate authorization or sharing SB LAFCO e-mail accounts or passwords to access those accounts with others.
- (9) Personal usage that results in any charges or other costs to SB LAFCO.
- (10) Subscribing to external mailing lists, notification services, or other e-mail services that are not reasonable related to the performance of assigned job duties.
- (11) Using animation, specialized graphics or colored backgrounds in e-mails.

D. SOFTWARE

SB LAFCO purchases and licenses the use of various computer software for business purposes and does not own the copyright to this software or its related documentation. Unless authorized by the software developer, SB LAFCO does not have the right to reproduce such software for use on more than one computer. No software owned by an employee shall be installed on a SB LAFCO owned computer without permission from the licensing authority.

Employees may only use software on local area networks or on multiple machines according to the software license agreement. SB LAFCO prohibits the illegal duplication of software and its related documentation.

E. RESPONSIBILITIES

The SB LAFCO Executive Officer is responsible for ensuring that all policy requirements are fulfilled. County ISD will not respond to requests for e-mail access without written approval from the SB LAFCO Executive Officer or LAFCO Legal Counsel. Employees should notify their appointing authority or the Executive Officer upon learning of violations of this policy.

F. DISCIPLINE

Violations of this policy may be considered as a basis for disciplinary action, up to and including termination.

2. ELECTRONIC COMMUNICATIONS POLICY (Adopted March 21, 2018)**Background and Purpose**

The Commission as the legislative body of the Local Agency Formation Commission for San Bernardino County ("LAFCO") hereby adopts the following policy regarding the conduct of LAFCO business via electronic communications by commissioners and employees. Specifically, this policy is adopted in light of the *City of San Jose* case, which held that a city employee's communications related to the conduct of public business do not cease to be public records under sent or received using a personal account or personal device.

Existing and emerging electronic communications technologies have become an integral part of the ability of Commission officials and staff members to efficiently and effectively conduct Commission business. Such technology has the potential to enhance communications with the public and provide a higher level of service to the citizens of the Commission. However, with such technology in the work environment, the Commission must ensure it continues to meet its legal obligations with respect to transparency in the conduct of the people's business, including in the area of public records disclosure and retention requirements. To that end, the following policy and procedures will be followed.

Definitions

For purposes of this policy, the following definitions apply:

"LAFCO" means the Local Agency Formation Commission for San Bernardino County.

"LAFCO official" for this policy shall mean any commissioner, employee of LAFCO, or person assigned an LAFCO electronic messaging account.

"LAFCO business" shall be construed broadly to mean information relating to the conduct of the public's business or communications concerning matters within the subject matter of LAFCO's jurisdiction, including, but not limited to, pending or potential LAFCO projects, past or prospective LAFCO agenda items, or LAFCO budgets or expenditures involving LAFCO funds. Resolution of the question will involve an examination of several factors, including: (a) the content itself; (b) the context in, or purpose for which, it was written; (c) the audience to whom it was directed; (d) the purpose of the communication; and (e) whether the writing was prepared by an LAFCO official acting or purporting to act within the scope of his or her employment.

"Electronic communications" includes any and all electronic transmission, and every other means of recording upon any tangible thing in any form of communication or representation, including letters, words, pictures, sounds, or symbols, or combinations thereof, and any record thereby created, regardless of the manner in which the record has been stored. Without limiting the nature of the foregoing, "electronic communications" include e-mails, texts, voicemails, and also include communications on or within commercial applications (apps) such as Facebook Messenger, Twitter, WhatsApp, etc.

"Electronic messaging account" means any account that creates, sends, receives or stores electronic communications.

Policy

1. All LAFCO officials shall be assigned a LAFCO electronic messaging account.
2. LAFCO accounts shall be used to conduct LAFCO business. LAFCO officials shall not use personal accounts for the creation, transmission or storage of electronic communications regarding LAFCO business.
3. All LAFCO officials shall, within 30 days following the adoption of this policy, search all private, nongovernmental electronic messaging accounts to which they have user access and locate any electronic communications that might constitute a "public record", because it involved "LAFCO business", as set forth above. All such communications shall be forwarded to the LAFCO official's LAFCO-provided account. To the extent the LAFCO official believes that any part of such communications contain personal matter not related to the conduct of the public's business, the LAFCO official shall provide a declaration, as set forth in paragraphs 10 and 11, below.
4. The LAFCO account, along with the attendant access to LAFCO's account server, are solely for LAFCO and LAFCO official's use to conduct LAFCO business and shall not be used for personal business or political activities. Incidental use of LAFCO electronic messaging accounts for personal use by LAFCO officials is permissible, though not encouraged.
5. If an LAFCO official receives an electronic message regarding LAFCO business on his/her non-LAFCO electronic messaging account, or circumstances require such person to conduct LAFCO business on a non-LAFCO account, the LAFCO official shall either: (a) copy ("cc") any communication from a LAFCO official's personal electronic messaging account to his/her LAFCO electronic messaging account; or (b) forward the associated electronic communication to his/her LAFCO account no

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later than 10 days after the original creation or transmission of the electronic communication.

6. LAFCO officials shall endeavor to ask persons sending electronic communications regarding LAFCO business to a personal account to instead utilize the LAFCO official's account, and likewise shall endeavor to ask a person sending an electronic communication regarding non-LAFCO business to use the LAFCO official's personal or non-LAFCO electronic messaging account.
7. The LAFCO official shall retain all emails related to a proposal for six months following issuance of the certificate of completion, certificate of termination, or withdrawal notification by the applicant.
8. LAFCO officials understand they have no expectation of privacy in the content of any electronic communication sent or received on an LAFCO account or communication utilizing LAFCO servers. LAFCO provided electronic devices, including devices for which LAFCO pays a stipend or reimburses the LAFCO official, are subject to LAFCO review and disclosure of electronic communications regarding LAFCO business. LAFCO officials understand that electronic communications regarding LAFCO business that are created, sent, received or stored on an electronic messaging account, may be subject to the Public Records Act, even if created, sent, received, or stored on a personal account or personal device.
9. In the event a Public Records Act request is received by LAFCO seeking electronic communications of LAFCO officials, the LAFCO Clerk shall promptly transmit the request to the applicable LAFCO official(s) whose electronic communications are sought. The LAFCO Clerk shall communicate the scope of the information requested to the applicable LAFCO official, and an estimate of the time within which the LAFCO Clerk intends to provide any responsive electronic communications to the requesting party.
10. It shall be the duty of each LAFCO official receiving such a request from the LAFCO Clerk to promptly conduct a good faith and diligent search of his/her personal electronic messaging accounts and devices for responsive electronic communications. The LAFCO official shall then promptly transmit any responsive electronic communications to the LAFCO Clerk. Such transmission shall be provided in sufficient time to enable the LAFCO Clerk to adequately review and provide the disclosable electronic communications to the requesting party.

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11. In the event a LAFCO official does not possess, or cannot with reasonable diligence recover, responsive electronic communications from the LAFCO official's electronic messaging account, the LAFCO official shall so notify the LAFCO Clerk, by way of a written declaration, signed under penalty of perjury. In addition, an LAFCO official who withholds any electronic communication identified as potentially responsive must submit a declaration under penalty of perjury with facts sufficient to show the information is "personal business" and not "public business" under the Public Records Act. The form of the declaration is attached hereto as Attachment A.
12. It shall be the duty of the LAFCO Clerk, in consultation with LAFCO's Legal Counsel, to determine whether a particular electronic communication, or any portion of that electronic communication, is exempt from disclosure. To that end, the responding LAFCO official shall provide the LAFCO Clerk with all responsive electronic communications, and, if in doubt, shall err on the side of caution and should "over produce". If an electronic communication involved both public business and a personal communication, the responding LAFCO official may redact the personal communication portion of the electronic communication prior to transmitting the electronic communication to the LAFCO Clerk. The responding LAFCO official shall provide facts sufficient to show that the information is "personal business" and not "public business" by declaration. In the event a question arises as to whether or not a particular communication, or any portion of it, is a public record or purely a personal communication, the LAFCO official should consult with the LAFCO Clerk or the Legal Counsel. The responding LAFCO official shall be required to sign a declaration, in a form acceptable to the Legal Counsel, attesting under penalty of perjury, that a good faith and diligent search was conducted and that any electronic communication, or portion thereof, not provided in response to the Public Records Act request is not LAFCO business.
13. AB 1234 (ethics) training should include a discussion of the impacts of the *City of San Jose* case and this policy. Such training should include information on how to distinguish between public records and personal records. LAFCO officials who receive AB 1234 training from other providers should actively solicit training from the alternative provider on the impacts of the *City of San Jose* case.
14. LAFCO officials understand that electronic communications regarding LAFCO business are subject to LAFCO's Records Retention Policy (Section II, Chapter 1, Policy 7), even if those electronic communications are or were created, sent, received or stored on an LAFCO official's personal electronic messaging account. It is a felony offense to destroy,

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alter or falsify a "public record". As such, unless the LAFCO official has cc'd/transmitted electronic communications in accordance with Paragraph 5 above, that LAFCO official must retain all electronic communications regarding LAFCO business, in accordance with LAFCO's adopted records retention policy, regardless of whether such electronic communication is originally sent or received on a personal electronic messaging account.

15. Failure of an LAFCO official to abide by this policy, following its adoption, may result in one or more of the following:

- Disciplinary action, up to and including termination (for employees);
- Removal from office (for commissioners);
- Censure (for commissioners);
- Revocation of electronic device privileges (including revocation of stipend or reimbursement);
- Judicial enforcement against the LAFCO official directly, by the requesting party; and

16. This policy does not waive any exemption to disclosure that may apply under the California Public Records Act.

17. Upon leave of service from LAFCO, the Email administrator will request that County ISD close the LAFCO official's Email account and copy the contents from the Email account onto an electronic medium (CD, DVD, USB flash drive) and to be retained in accordance with the Commission's Record Retention Policy.

ATTACHMENT A

DECLARATION

(attached on following page)

2. SAFETY

Every employee is responsible for safety. To achieve our goal of providing a completely safe workplace, everyone must be safety conscious. Employees should report any unsafe or hazardous condition directly to their supervisor immediately.

In case of an accident involving a personal injury, regardless of how serious, employees should notify a supervisor or the Executive Officer immediately. Failure to report accidents can result in a violation of legal requirements, and can lead to difficulties in processing insurance and benefit claims.

If an employee is injured on the job, he or she will be entitled to benefits under the state workers' compensation law in most cases. SB LAFCO carries workers' compensation insurance and will assist employees to obtain all benefits to which they are legally entitled.

3. DESK INSPECTION POLICY

Although desks, lockers, cabinets and shelves are made available for the convenience of employees while at work, employees should remember that all desks, lockers, cabinets and shelves remain the sole property of SB LAFCO. Moreover SB LAFCO reserves the right to open and inspect desks, lockers, cabinets, and shelves, as well as any contents, effects, or articles in desks, cabinets, and shelves. Such an inspection can occur at any time, with or without advance notice or consent. An inspection may be conducted before, during, or after working hours by a supervisor, manager, or security personnel designated by SB LAFCO.

Prohibited materials, including weapons, explosives, alcohol and non-prescribed drugs or medications, may not be placed in a desk, locker, cabinet or shelf. Employees may keep "lawful over-the-counter or legally prescribed drugs" in their desks, lockers or cabinets. Employees, who, if requested, fail to cooperate in any inspection, will be subject to disciplinary action, up to and including termination. SB LAFCO is not responsible for any articles that are placed or left in a desk, locker, cabinet, or shelf that are lost, damaged, stolen or destroyed.

CHAPTER 5: BENEFITS PLAN

(Benefit Plan Consolidated with Section III - Human Resources Policies and Procedures on August 19, 2015)

1. INTRODUCTION

A. ADMINISTRATION OF BENEFITS

San Bernardino LAFCO has contracted with the County of San Bernardino to administer the benefits for SB LAFCO employees equivalent to those provided to County “Exempt” employees. When questions arise, employees will first contact the SB LAFCO payroll person. If additional information is required, employees will contact the Human Resources Employee Benefits and Services Division Chief or designee.

B. BENEFIT PLAN GROUPS

For the purpose of this Benefits Plan, employees shall be divided into the following groups: *(Amended October 22, 2014)*

- (1) Group A. Executive Officer
- (2) Group B. All SB LAFCO Employees not in Groups A or C
- (3) Group C. Administrative Assistant
(hired after September 17, 2014)

2. MEDICAL AND DENTAL SUBSIDIES *(Amended August 17, 2005; August 20, 2008; June 16, 2011; August 19, 2015, January 27, 2016; April 18, 2018)*

- A. SB LAFCO has established a Medical Premium Subsidy (MPS) to offset the cost of medical and dental plan premiums charged to eligible employees. The MPS shall be applied first to medical plan premiums and then to dental plan premiums. The applicable MPS amount shall be paid directly to the providers of the County-sponsored medical and dental plan in which the eligible employee has enrolled. In no case, shall the MPS exceed the total cost of the medical and dental insurance premium for the coverage selected.

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The following are the MPS amounts:

	Scheduled for 40 to 60 hours	Scheduled for 61 to 80 hours
Employee Only	\$115.00	\$230.00
Employee +1	\$176.12	\$352.23
Employee +2	\$241.32	\$482.64

Effective 7/21/18 the following MPS amounts shall apply:

	Scheduled for 40 to 60 hours	Scheduled for 61 to 80 hours
Employee Only	\$117.25	\$234.50
Employee +1	\$180.60	\$361.19
Employee +2	\$247.67	\$495.34

Effective 7/20/19 the following MPS amounts shall apply:

	Scheduled for 40 to 60 hours	Scheduled for 61 to 80 hours
Employee Only	\$121.67	\$243.33
Employee +1	\$189.52	\$379.03
Employee +2	\$264.97	\$529.94

A dental Premium Subsidy (DPS) has been established for all employees who are enrolled in both County-sponsored medical and dental coverage whose premium costs for medical and dental exceeds the Medical Premium Subsidy. The amount of DPS shall be up to nine dollars forty-six cents (\$9.46), but not to exceed the combined total of the employee's out-of-pocket expenses. For example, an employee who selects "employee only" coverage for medical and dental with a combined per pay period premium cost of \$234.00 will receive a DPS in the amount of \$4.00 per pay period.

B. ELIGIBILITY FOR MPS AND DPS WHILE ON LEAVE (*Adopted August 19, 2015; Amended April 18, 2018*)

- (1) FMLA/CFRA - Employees who are on approved leave, pursuant to FMLA/CFRA law and whose paid hours in a pay period are less than the required number of hours designated by the applicable benefit provision will continue to be enrolled in a County-sponsored medical plan and receive MPS and DPS in accordance with applicable law.

- (2) Pregnancy Disability Leave (PDL) – An employee on an approved pregnancy disability leave is eligible for continuation of MPS and DPS in accordance with PDL, Government Code section 12945.
- (3) Workers' Compensation – Employees who are on an approved leave based on an approved workers' compensation claim shall continue to receive the MPS and DPS for up to a total of twenty (20) pay periods while off work due to that work injury as long as the employee pays his/her portion of the premiums on time. If any subsequent workers' compensation claims occur during the initial twenty (20) pay periods, the remaining MPS eligibility from the original claim shall run concurrent with any additional approved workers' compensation claims that occur during the initial claim. For example, if the employee is receiving the MPS and DPS for twenty (20) pay periods for an injury and after ten (10) pay periods another workers' compensation claim is approved and the employee is eligible to receive the MPS and DPS for an additional twenty (20) pay periods, ten (10) pay periods will run concurrent with the initial claim, for a total of 30 pay periods. Employees who are still on workers' compensation after the expiration of the initial twenty (20) pay periods shall continue to receive MPS and DPS provided the employee is fully integrating appropriate paid leave time.
- (4) Short Term Disability – Employees who are fully integrating paid leave time with Short-Term Disability (STD) insurance provided by the County or State Disability Insurance (SDI) shall continue to receive the MPS and DPS.
- (5) Per Episode of Illness or Injury - Employees who are on an approved medical leave of absence and whose paid hours in a pay period are less than the required number of hours will continue to receive the benefits of this subsection for up to six pay periods per episode of illness or injury.

3. MEDICAL AND DENTAL INSURANCE (Amended August 17, 2005; June 16, 2011; August 19, 2015)

Except as otherwise provided, all eligible employees scheduled to work 40 hours or more per pay period in a regular position must enroll in a medical and dental plan offered by SB LAFCO through the County. Employees who fail to elect medical and dental plan coverage will be automatically enrolled in the medical and dental plan with the lowest biweekly minimum premium rates available in the geographical location of the employee's primary residence.

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Medical and dental plan coverage will become effective on the first day of the pay period following the first pay period in which the employee is scheduled to work forty (40) hours or more and received pay for at least one-half plus one hour of scheduled hours.

To continue enrollment in County-sponsored medical and dental plan coverage, a SB LAFCO employee must remain in a regular position scheduled to work for a minimum of 40 hours per pay period and have received pay for at least one-half plus one hour of scheduled hours or be on approved leave for which continuation of medical and dental coverage is expressly provided for, or be eligible for and have timely paid the premium for COBRA continuation coverage.

Enrollment elections must remain in effect for the remainder of the Plan Year unless an employee experiences an IRS qualifying event.

Eligible employees may elect to enroll dependents upon initial eligibility for medical and dental insurance. Thereafter, newly eligible dependents may be enrolled within sixty (60) days of obtaining dependent status, such as birth, adoption, marriage, or registration of domestic partnership.

Notification of a mid-year qualifying event must be submitted to the SB County Human Resources Employee Benefits and Services Division Chief or designee in accordance with procedures adopted by the County. Employees are responsible for notifying the County within sixty (60) days of dependent's change in eligibility for the County plans.

Dependent(s) must be removed mid-Plan year when a dependent(s) becomes ineligible for coverage under the insurance plan eligibility rules, for example, divorce, over-aged dependent, or termination of domestic partnership.

Premiums for coverage will be automatically deducted from the employee's pay warrant. Failure to pay premiums will result in loss of coverage for the employee and/or the dependents. If the employee does not have sufficient earnings to cover the deduction for premiums, the employee must make alternative payment arrangements that are acceptable to the County Employee Benefits and Services Division.

Employees eligible for medical plan coverage who are also enrolled in comparable group medical plan sponsored by another employer or are covered by a spouse, domestic partner, or parent who is also employed with the County may elect to discontinue enrollment in the County-sponsored medical plan (opt-out or waive). Employees scheduled to work 61 to 80 hours

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per pay period who elect to opt-out or waive the County-sponsored medical plan coverage will be provided bi-weekly amounts as follows:

- A. Employees who elected to opt-out of County-sponsored health plan coverage prior to July 9, 2005 and continue to opt-out will receive the following bi-weekly amounts:

Scheduled for 40 to 60 hours	Scheduled for 61 to 80 hours
\$80.77	\$161.54

- B. Employees who elected to waive health plan coverage to a spouse or domestic partner currently employed by the County prior to July 9, 2005 will receive the following bi-weekly amounts:

Scheduled for 40 to 60 hours	Scheduled for 61 to 80 hours
\$115.00	\$230.00

- C. New opt-outs or waivers (i.e., new employees and current employees who opted-out or waived effective July 9, 2005 and any time thereafter) will receive the following bi-weekly amounts:

Scheduled for 40 to 60 hours	Scheduled for 61 to 80 hours
\$20.00	\$40.00

To receive these amounts, the employee must be paid for a minimum of one-half plus one of their scheduled hours. For instance, an employee scheduled to work 80 hours must be paid for a minimum of 41 hours during a pay period to receive the opt-out or waive amounts.

Employees eligible for County-sponsored dental plan coverage who are also enrolled in a comparable group dental plan sponsored by another employer or are covered by a spouse, domestic partner, or parent who is also employed with the County may elect to discontinue enrollment in their County-sponsored dental plan.

The rules and procedures for electing to opt-out or waive the County-sponsored medical and dental plan coverage are established and administered by the SB County Human Resources Employee Benefits Department and Services Division.

Employees may elect to opt-out or waive the County-sponsored medical and/or dental plan coverage(s) within 60 calendar days of the effective date of gaining other employer group coverage. Proof of initial gain of other group coverage is required at the time that opt-out or waive is elected.

Employees may elect to opt-out or waive the County-sponsored medical and/or dental plan coverage during an annual open enrollment period. All employees who are newly opting-out or waiving during an open enrollment period must provide verification of other employer group coverage.

Except as required at the initial opt-out/waive election, employees are not required to provide verification of continued coverage unless requested by the plan administrator.

Employees who voluntarily or involuntarily lose other employer group health plan coverage must enroll in a County-sponsored medical and/or dental plan within 60 calendar days. Enrollment in the County-sponsored plan will be provided in accordance with the requirements of the applicable plan.

There must be no break in the employee's medical and/or dental plan coverage between the termination date of the other employer group coverage and enrollment in a County-sponsored medical and/or dental plan. Terms and conditions of the applicable plan will determine the required retroactive enrollment period and premiums required to implement coverage. Failure to notify the County of loss of group coverage within 60 calendar days will require the employee to pay insurance premiums retroactively on an after-tax basis.

4. LIFE INSURANCE

A. TERM LIFE INSURANCE *(Amended June 16, 2011; August 19, 2015)*

SB LAFCO will pay the premium for a term life insurance policy, the amount of which is based on the eligible employee's scheduled hours. Employees scheduled from 40 to 60 hours per pay period shall receive \$25,000 in coverage. An employee scheduled from 61 to 80 hours shall receive \$50,000 in coverage. Life insurance will become effective on the first day of the pay period following the employee's first pay period in which the employee is paid for one half plus one of their scheduled hours. For example, an employee scheduled for 80 hours must be paid for a minimum of 41 hours. For pay periods in which the employee does not meet the paid hours requirement, the employee shall have the option of continuing life insurance coverage at the employee's expense.

B. VARIABLE UNIVERSAL LIFE INSURANCE *(Amended May 16, 2007; June 16, 2011; August 19, 2015)*

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Eligible SB LAFCO employees may purchase, through payroll deductions, variable group universal life insurance subject to carrier requirements and approval. The benefit levels for such insurance shall be equivalent to no more than three (3) times the employee's annual base earnings. Employees who purchase variable group universal life insurance shall be provided a SB LAFCO contribution towards the bi-weekly premium based on the following:

Benefit Group A

(Executive Officer) = 50% of the premium of the one-time annual base salary or 100% of the premium equal to 50 percent of the one time annual base salary.

Benefit Groups B and C

(All other SB LAFCO employees) = 25% of the premium of the one-time annual base salary.

C. VOLUNTARY LIFE INSURANCE *(Amended August 19, 2015)*

In accordance with the procedures established by the County Human Resources Employee Benefits and Services Division, eligible employees may purchase, through payroll deductions, term life insurance subject to carrier requirements.

New employees shall become initially eligible to participate in these programs on the first day of the pay period following the pay period in which the employee works and receives pay for one-half plus one of their regularly scheduled hours. Participation will continue as long as premiums are paid timely. If the employee does not have sufficient earnings to cover the deduction for premiums, the employee must make alternative payment arrangements that are acceptable to the Employee Benefits and Services Division.

D. ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE
(Amended August 19, 2015)

Eligible employees may purchase amounts of Accidental Death and Dismemberment Insurance coverage for themselves and dependents through payroll deduction. New employees shall become initially eligible to participate in these programs on the first day of the pay period following the first pay period in which the employee works and receives pay for one-half plus one of their regularly scheduled hours. Participation will continue as long as premiums are paid timely. If the employee does not have sufficient earnings to cover the deduction for premiums, the employee must make alternative payment

arrangements that are acceptable to the County Human Resources, Employee Benefits and Services Division. The benefits will be provided subject to carrier requirements, and will be administered by the County Employee Benefits and Services Division.

E. LONG-TERM DISABILITY INSURANCE *(Amended August 19, 2015)*

SB LAFCO will provide employees with long-term disability insurance through the county subject to carrier requirements and approval. The benefit levels or such insurance shall be those approved by the County's Director of Human Resources. Integration of leave balances (e.g., sick, vacation, etc.), either partially or fully, are not allowed in conjunction with long-term disability benefits.

F. SHORT-TERM DISABILITY INSURANCE *(Amended June 16, 2011; August 19, 2015; April 18, 2018)*

SB LAFCO will provide an employer paid Short-Term Disability Insurance Plan through the County for employees. This benefit shall apply to employees in regular positions who are regularly scheduled to work 40 or more hours per pay period. The Short-Term Disability Insurance Plan benefit coverage shall be governed by the Plan Document that has been approved and adopted by the Board of Supervisors for Exempt Group employees and is subject to carrier requirements and approval. The short-term disability insurance plan benefit coverage shall include a provision for a seven (7) consecutive calendar day waiting period from the first day of disability before benefits begin. Benefits shall be fifty-five percent (55%) of base salary up to a weekly maximum established a formula that incorporates the State of California for the State Disability Insurance fund maximum. Benefit payments terminate when the employee is no longer disabled or upon termination of employment from SB LAFCO, or after receiving 180 days of benefits at which time the employee would be eligible for long-term disability benefits if still medically disabled.

G. VISION CARE INSURANCE *(Amended August 19, 2015)*

SB LAFCO will pay the premiums for vision care insurance for employees who are in paid status and their dependents, subject to carrier requirements the same as provided to County exempt employees.

5. **SECTION 125 PREMIUM CONVERSION PLAN** *(Amended August 19, 2015)*

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Eligible employees shall be provided with a Section 125 Premium Conversion Plan. The purpose of the Plan is to provide employees a choice between paying premiums with either pre-tax salary reductions or after-tax payroll deductions for medical insurance, dental insurance, vision insurance, voluntary life (to the IRS specified limit) and accidental death and dismemberment insurance premiums currently maintained for Exempt employees or any other program(s). The amount of the pre-tax salary reduction or after-tax payroll deduction must be equal to the required insurance premium.

Medical and dental coverage elections shall not reduce earnable compensation for purposes of calculating benefits or contributions for the San Bernardino County Employees' Retirement Association. To be eligible for this benefit, an employee must be eligible to participate in medical, dental, vision, AD&D, and/or life insurance and have a premium deduction for these benefit plans.

Election of pre-tax and after-tax payroll deductions shall be made within sixty (60) days of the initial eligibility period in a manner and on such forms designated by the San Bernardino County Human Resources Employee Benefits Department and Services Division Chief, or designee. Failure to timely submit appropriate paperwork will result in after-tax deductions for all eligible premiums for the remainder of the Plan Year.

Once a salary reduction has begun, in no event will changes in elections be permitted during the Plan Year except to the extent permitted under Internal Revenue Service rulings and regulations and consistent with the County's Plan Document. The employee must submit request for a change due to a mid-year qualifying event within sixty (60) days of the qualifying event.

6. FLEXIBLE SPENDING ACCOUNT *(Amended August 17, 2005; May 16, 2007; June 16, 2011; May 20, 2015; August 17, 2016)*

The County has established a medical expense reimbursement plan, Flexible Spending Account (FSA), for employees in regular positions. The Exempt FSA is established in accordance with the provisions of Internal Revenue Code (IRC) Section 125. The Human Resources Employee Benefits Department will serve as the Plan's Administrator and will administer the Exempt FSA in accordance with the County's exempt medical expense reimbursement plan document. SB LAFCO contracts with SB County to provide this benefit to its employees.

Eligible employees may contribute to the FSA, on a pre-tax basis, up to the IRC maximum per biweekly pay period. SB LAFCO will contribute up to

(\$40.00) per bi-weekly pay period, matching employee contributions dollar for dollar (effective July 23, 2016).

Upon enrolling in the Plan, employees may not change their designated bi-weekly contribution amount or discontinue making contributions for the remainder of the plan year except as permitted by the IRC. Any unused amounts remaining in an employee's account at the end of the plan year shall be forfeited except as permitted by the IRC and the County's exempt medical expense reimbursement plan document.

7. DEPENDENT CARE ASSISTANCE *(Amended August 20, 2008; June 16, 2011)*

The purpose of this Section 125 Dependent Care Assistance Plan (DCAP) is to permit eligible employees to make an election to pay for certain dependent care expenses with salary reductions from compensation contributed to the Plan before federal income or social security taxes are paid to the Internal Revenue Service ("Salary Reduction") in accordance with Sections 125 and 129 of the Internal Revenue Code of 1986 (IRC) and regulations issued pursuant thereto. DCAP shall be construed to comply with said Code Sections and to meet the requirements of any other applicable provisions of law.

SB LAFCO participates in the DCAP that is administered by the County's Human Resources Department, Division Chief, Employee Benefits and Services Division in accordance with the dependent care assistance plan document and applicable law.

To be eligible for this benefit, an employee must be in a regular position.

Enrollment in the Plan is required every Plan Year and is limited to the annual open enrollment period or no later than sixty (60) calendar days following the date of becoming eligible due to a mid-year change in status event. Failure to submit participation agreement within the time frame shall result in an election to not participate in the Plan.

An employee must elect to contribute to DCAP through salary reduction on forms approved by the County Human Resources Division Chief, Employee Benefits & Services Division. An employee election to participate shall be irrevocable for the remainder of the plan year. Once a salary reduction has begun, in no event will changes in elections be permitted during the Plan Year except to the extent permitted under Internal Revenue Service rulings and regulations and with the County's Plan Document.

Pursuant to IRC §125, any amounts remaining in the employee's account at the end of a Plan year must be forfeited except as permitted by the IRC and the Plan Document.

8. SALARY SAVINGS PLANS

- A. 401K PLAN (*Amended August 17, 2005; May 16, 2007; August 20, 2008; June 16, 2011*)

Biweekly contributions of SB LAFCO employees to the County's 401(k) Defined Contribution Plan will be matched by a SB LAFCO contribution on the basis of two times the employee's contribution. The biweekly contributions of employees in Groups A and B of up to four percent of biweekly base salary will be matched by a SB LAFCO contribution of two times the employee's contribution, not to exceed eight percent of an employee's biweekly base salary. The biweekly contributions of employees in Group C to the County's 401(k) Defined Contribution Plan of up to three percent of biweekly base salary will be matched by a SB LAFCO contribution of two times the employee's contribution. The SB LAFCO contribution shall not exceed six percent of an employee's biweekly base salary.

- B. 457 DEFERRED COMPENSATION PLAN (*Amended June 16, 2011*)

- (1) Bi-weekly contributions of SB LAFCO Group A employees to the County's Section 457 Deferred Compensation Plan up to one percent (1%) of an employee's bi-weekly base salary will be matched by a SB LAFCO contribution on the basis of one (1) times the employee's contribution. The SB LAFCO contribution shall not exceed one percent of the employee's biweekly salary. The contribution shall be deposited in the County's 401(a) Plan.
- (2) Bi-weekly contributions of SB LAFCO Group B and C employees to the County's Section 457 Deferred Compensation Plan up to one percent (1%) of an employee's bi-weekly base salary will be matched by a SB LAFCO contribution of one-half (1/2) times the employee's contribution. The SB LAFCO contribution shall not exceed one-half percent (1/2%) of the employee's bi-weekly salary. The contribution shall be deposited in the County's 401(a) Plan.

9. RETIREMENT

- A. SB LAFCO CONTRIBUTIONS (*Amended August 17, 2005; May 16, 2007; June 16, 2011, April 17, 2013; April 18, 2018*)

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LAFCO shall pay all required employer contributions to the San Bernardino County Employee's Retirement Association (SBCERA). Effective June 18, 2011, the SB LAFCO seven percent (7%) pick up of a portion of the employee's required contribution to SBCERA shall be discontinued, and the supplemental amounts provided in the paragraph below shall be the only employee contribution pick up. Effective July 21, 2018, the supplemental amounts provided below shall be discontinued, and the amounts shall be included in base salary prior to the three percent across the board salary increase also scheduled for July 21, 2018, as reflected in the salary schedules and tables as set forth in this Section.

Employees who are Tier 1 members shall receive the following supplemental amounts biweekly to be applied under this section: Group A employee, \$236.41 per bi-weekly pay period; Group B employees, \$152.17 per bi-weekly pay period; Group C employees, \$94.67 per bi-weekly pay period. Effective July 21, 2018, these supplemental amounts shall be discontinued.

If hired prior to January 1, 2013, the employee must choose to have the contributions designated as all employer or all employee contributions for retirement purposes. If the employee designates the pick up as employer contributions, then for each dollar applied, the employee's retirement obligation shall be satisfied in the amount of the actuarial value of that dollar to the Retirement Association as determined by the Board of Retirement; and the employee may not withdraw this contribution from the Retirement Association.

If the employee designates the pick up as employee contributions, then for each dollar applied, the employee's retirement obligation shall be satisfied in the amount of one dollar, and upon separation without retirement, an employee may withdraw this contribution from the Retirement Association. Upon retirement or separation, all contributions applied under this Section will be considered for tax purposes as employer-paid contributions.

If the employee does not file a designation, the contribution shall be made as employee contributions. For employees hired on or after January 1, 2013, all contributions will be designated as employee contributions to comply with the California Employees' Pension Reform Act of 2013 (Government Code §§ 7522 et seq.). Upon separation without retirement, the employee may withdraw these contributions from SBCERA.

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Any dollars that are remaining after all retirement system obligations are fully satisfied shall be paid to the employee in cash.

Pursuant to the California Public Employees' Pension Reform Act of 2013 (AB 340), SB LAFCO establishes a two-tier system for retirement contribution as follows:

Tier 1 employees are employees with an SBCERA membership date prior to January 1, 2013.

Tier 2 employees are employees with an SBCERA membership date on or after January 1, 2013.

SBCERA membership date is determined based on the following:

- Date of hire as a regular or eligible contract (when applicable) employee, or
- Date of transfer from a non-qualifying position (for example: extra-help, temporary, or part-time) to a regular position that requires membership in SBCERA, or
- Date of entry into membership with another public retirement system with which the employee established reciprocity. Therefore, if the employee enters SBCERA membership under Tier 2, but establishes reciprocity with another public retirement system where the employee was a member prior to January 1, 2013, the employee will be reclassified as a Tier 1 employee.

B. REMAINING EMPLOYEE CONTRIBUTIONS *(Amended April 18, 2018)*

All employee retirement system contribution obligations shall be "picked up" for tax purposes only pursuant to this Section. SB LAFCO shall implement the pickup of such retirement system contribution under Internal Revenue Code Section 414(H) (2).

SB LAFCO shall make member contributions under this section on behalf of the employee, which shall be in lieu of the employee's contributions, and such contributions shall be treated as employer contributions for purposes of reporting and wage withholding under the Internal Revenue Code and the Revenue and Taxation Code. The amounts picked up under this section shall be recouped through offsets against the salary of each employee for whom SB LAFCO picks up member contributions. These offsets are akin to a reduction in

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salary and shall be made solely for purposes of income tax reporting and withholding. The member contributions picked up by SB LAFCO under this section shall be treated as compensation paid to SB LAFCO employees for all other purposes. SB LAFCO paid employer contributions to the SBCERA under this section shall be paid from the same source of funds as used in paying the salaries of the affected employees. No employee shall have the option to receive the Retirement System contribution amounts directly instead of having them paid to SBCERA.

Until retirement or separation, all contributions picked up under this section will be considered for tax purposes as employer-paid contributions.

Upon retirement or separation, all contributions picked up under this section will be considered for tax purposes as employer-paid contributions. Contributions under this section shall be applied (as all employer or all employee contributions with the same value and restrictions) for Retirement System purposes in the same manner as the contributions under the SB LAFCO Contributions provision above.

C. SPECIAL PROVISIONS *(Amended June 16, 2011; April 18, 2018)*

Except as provided below, employees who have 30 years of service credit shall not be paid in cash seven percent (7%) of earnable compensation. Employees with at least 25 years of service as set forth in Government Code Section 31625.3 as of June 18, 2011, and who either already have or thereafter attain 30 years of service credit as set forth in Government Code Section 31625.3 shall have one opportunity during the employee's employment to receive cash payments of seven percent (7%) of earnable compensation for up to twenty-six (26) consecutive pay periods.

Employees who are over age 60 at time of hire, and who are in a regular position, and who choose not to be a member of the Retirement Association, shall be enrolled in the County's 401(k) Salary Savings Plan. SB LAFCO shall contribute the applicable percent of the employee's biweekly salary as defined in this Section to the Plan, and the employee shall contribute a minimum of three percent of biweekly salary to the plan, not to exceed the annual limits of the Plan as defined in the Internal Revenue Code.

D. SURVIVOR BENEFITS *(Amended April 18, 2018)*

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Survivor Benefits are payable to employed general retirement members with at least 18 months continuous retirement membership pursuant to Government Code Section 31855.12.. An equal, non-refundable employer and employee bi-weekly contribution will be paid to SBCERA as provided in the annual actuarial study.

E. RETIREMENT MEDICAL TRUST FUND *(Amended July 18, 2007; Amended August 20, 2008; August 19, 2015)*

A Retirement Medical Trust Fund has been established for SB LAFCO employees with five (5) or more years of participation in the San Bernardino County Employees' Retirement Association (SBCERA). The Trust Fund is a Voluntary Employees Benefit Association (VEBA) and will comply with all of the provisions of Section 501(c) (9) of the Internal Revenue Code.

The Retirement Medical Trust Fund will be administered by the Employee Benefits and Services Division as the plan administrator in accordance with the plan document and applicable law.

Sick Leave Conversion Eligibility - SB LAFCO employees with five (5) or more years of participation in SBCERA are eligible to participate in the Trust. The purchase of additional retirement credit or other retirement service credit and/or participation in other public sector retirement systems may be counted towards the service requirement provided that the employee has not withdrawn their contributions from the system(s) and the employee is also a participant in SBCERA. Employees who wish to receive credit for participation in other public retirement systems must provide the Plan Administrator written evidence of participation and that contributions made to the system(s) have not been withdrawn.

Sick Leave Conversion Formula - At separation from SB LAFCO service for reasons other than death, all eligible employees will be required to contribute the cash value of their unused sick leave balances to the Trust, at the rate of seventy-five percent (75%) of the cash value of the employee's unused sick leave hours, up to a maximum of fourteen hundred (1,400) hours.

SB LAFCO Contributions - SB LAFCO will contribute to the Retirement Medical Trust Fund as follows:

Years of Service	Percentage of Base Salary*
5-9 Years	1.00%
10-15 Years	1.75%

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16 or more years	2.75%
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*For purposes of the RMT contribution, base salary is as defined in the RMT plan document.

10. HEALTHY LIFESTYLES PROGRAM *(Amended August 17, 2005; August 20, 2008; August 19, 2015)*

SB LAFCO contracts with SB County to provide to its employees the “Healthy Lifestyles” program. Under this program SB LAFCO employees are eligible for reimbursement for health club membership up to \$324 on an annual basis. SB LAFCO employees wishing to participate in this program must submit a Healthy Lifestyles application as approved for use by SB County.

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SB LAFCO employees are also eligible for an annual physical examination through Arrowhead Regional Medical Center.

11. PORTABLE COMMUNICATION DEVICE ALLOWANCE *(Adopted April 20, 2005; Amended July 18, 2007; August 19, 2015)*

The SB LAFCO Executive Officer, when in paid status, shall receive a bi-weekly portable communication device allowance in the amount of ninety-two dollars and thirty-one cents (\$92.31). The Executive Officer shall purchase a portable communication device capable of sending and receiving cellular telephone calls, and if approved by the appointing authority, capable of sending and receiving e-mails to and from the County of San Bernardino (County) e-mail system. SB LAFCO shall pay for any license and set up expense for the device if any, and the employee shall pay for the equipment and monthly voice and data plans.

12. AUTOMOBILE ALLOWANCE *(Amended August 20, 2008; August 19, 2015)*

The SB LAFCO Executive Officer, when in paid status, shall receive a bi-weekly automobile allowance in the amount of five hundred sixty-one dollars and fifty-four cents (\$561.54) with no mileage reimbursement. Should the Executive Officer become eligible or ineligible for this benefit in the middle of a pay period they will receive a prorated sum of automobile allowance. The Executive Officer shall be required to have a vehicle available at all times for use on SB LAFCO business. This allowance shall be considered complete reimbursement for the acquisition, insurance, maintenance, repair, upkeep, fuel, and all other costs for the required vehicle.

13. TUITION REIMBURSEMENT AND MEMBERSHIP DUES

SB LAFCO encourages and supports efforts by its employees to improve their skills and educate themselves for advancement. SB LAFCO believes that assisting the employee in the pursuit of an educational agenda or to otherwise expand their work-related knowledge base will benefit both the employee and SB LAFCO.

All regular Full-Time employees of SB LAFCO, who have been employed for at least 90 days prior to enrollment, are eligible to receive educational assistance.

Upon pre-approval by the employee's supervisor and Executive Officer, the following reimbursement policies have been outlined to cover tuition, course/seminar or degree related expenses, and membership dues in professional organizations:

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- Maximum SB LAFCO reimbursement is \$1,000 per fiscal year for membership dues and/or all course expenses plus the cost of books.
- Courses and memberships in professional organizations must be related to the work of the employee's position or occupation and courses must be taken at accredited institutions.
- Pre-approval of classes (or course of study) is required by the appointing authority. Employees must apply for tuition reimbursement, prior to enrolling in the class, by completing the "Educational Assistance Request Form" and submitting it to the appointing authority for approval.
- To be eligible for tuition reimbursement, employees must be employed by SB LAFCO throughout the duration of the course. If the reimbursement is approved and paid to the employee, and the employee leaves SB LAFCO prior to completing two years of LAFCO service after completing the job-related education or coursework, the employee will reimburse SB LAFCO according to the following schedule:

<u>Job-related education/ course completion date</u>	<u>Reimbursement</u>
Within 9 months	100%
After 9 months, but before 18 months	50%
After 18 months, but before 24 months	25%
After 24 months	0%

- The percentage of reimbursement is based on the grade earned for each college seminar, certification, associate, bachelors, masters or doctoral degree course:

○ Grade A	100%
○ Grade B	100%
○ Grade C*	50%
○ Pass/Credit	50%
- Masters and doctoral degree courses completed with a letter grade of "C" or below are not eligible for any reimbursement.
- Reimbursable expenses include tuition, required textbooks, lab fees, library fees, and required registration and parking fees.

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- Upon completion of the course, official grades and receipts must be submitted to the Executive Officer for reimbursement. Taxes are withheld on educational reimbursements when required by law.

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LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: APRIL 11, 2018 
FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
SAMUEL MARTINEZ, Assistant Executive Officer
MICHAEL TUERPE, Project Manager
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #6(b)(iii) –Review of Proposed Budget for Fiscal
Year 2018-19

BACKGROUND:

As the Commission begins the annual review of its budget, a couple of significant changes are on the threshold. It will be hiring a full-time Executive Officer, the first in 8 years, and its longtime Legal Counsel will be leaving. So, this hearing will begin a potential change in the management of the Commission, the first major change in more than 30 years.

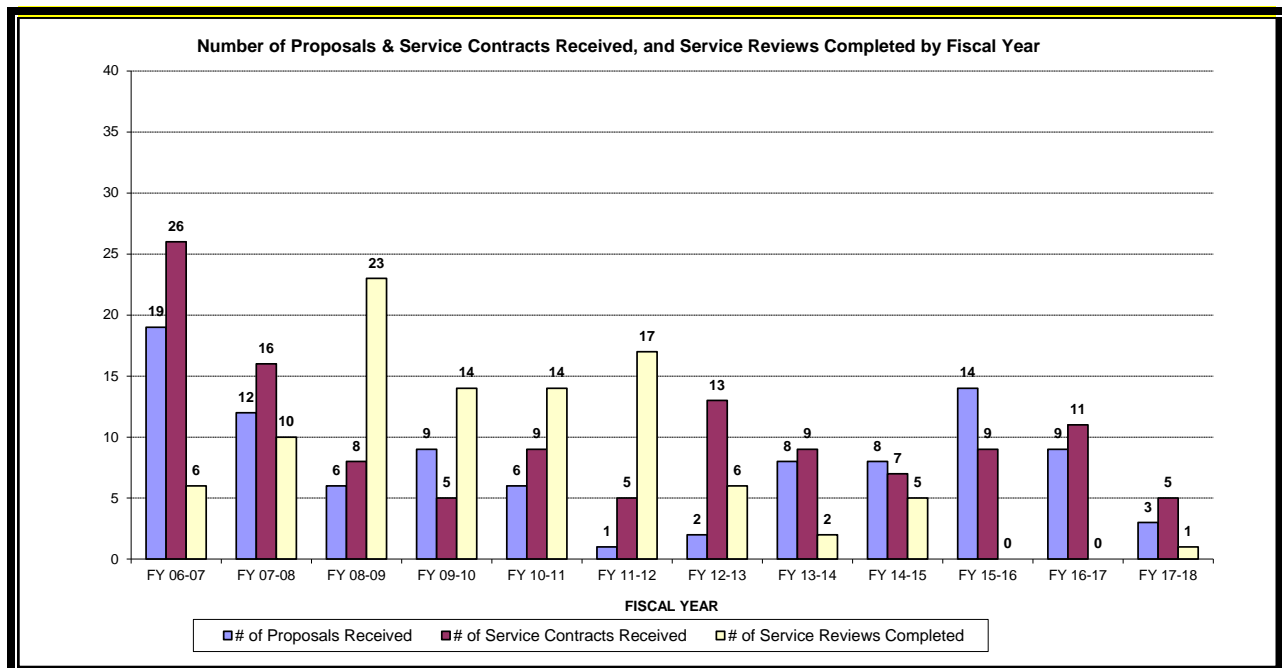
At this hearing, LAFCO staff is presenting the preliminary budget for Fiscal Year 2018-19 for Commission consideration. During the past year four key factors, all a financial challenge in their own way, have set the stage for the discussion of the upcoming Fiscal Year budget:

1. The Commission has again been asked to consider a fire reorganization, this one for the Hesperia Fire Protection District, to help stabilize the service delivery in the community and to allow for a permanent transition of service under the San Bernardino County Fire Protection District rather than a contractual basis. This proposal, as with all fire reorganizations, is nuanced and presents a unique set of complex circumstances for evaluation.
2. The Commission has been faced with significant exposure to potential litigation not directly related to a proposal for which there is no reimbursement of costs. This has required the Commission to use its general reserves to cover the \$67,468 expense for the current year (with a total expense of more than \$86,000 crossing fiscal years) plus other legal costs.
3. Staff has set the framework for consideration of service reviews on a countywide basis, recognizing the unique regional divisions in the vast San Bernardino County landscape.

4. Finally, the LAFCO office has moved to a permanent location at the San Bernardino Depot and implemented the recruitment for a full-time Executive Officer.

From this perspective, staff has prepared a budget for the upcoming Fiscal Year which includes a 9.5% increase in the apportionment to the County, Cities and Independent Special Districts. This apportionment maintains the ongoing services following the need to use reserves to balance expenditures in Fiscal Year 2017-18, addresses a methodology to replenish reserves over a three to four year period to minimum standards of Commission policy, and funds the transition to full-time employee status for all Commission personnel. So this is the scenario in which we begin the State mandated process outlined in Government Code Section 56381 to establish the Commission's budget for the upcoming fiscal year - one that establishes a new team for moving the Commission forward.

The next step in the budget process for staff was to address the requirements to fund the Commission's ongoing operations. Staff is concerned that the current Fiscal Year application submission rate has not met expectation, having precipitously dropped from the prior four years. Based on this change, staff has projected the receipt of six proposals in the upcoming year with the increased fees proposed in a separate action for the Commission. The projections estimate that the proposals to be received will remain complex, labor intensive and highly likely to be contentious. The chart which follows shows the current status in proposal activity (through March 30, 2018) that has taken place to date (a copy of which is included as a part of Attachment #1 to this report):



The largest expenditure category for the Commission is its personnel costs. In the past, the Commission has used contracts for service with consultants and the ongoing contract Executive Officer to hold down its expenses during the recession and its aftermath.

However, that will change as of Fiscal Year 2018-19. LAFCO will return to a full-time staff pattern with the completion of the recruitment for Executive Officer anticipated to occur in June. The budget for FY 2018-19 and the forecast years presented anticipate a full-time, six person staff with all benefits provided but no consultants.

In reference to those benefits, the past several years, the staff has identified the continuing escalation of retirement rates as an area of concern with the notation in the FY 2016-17 budget that these rates were stabilizing. That euphoria was short lived, as SBCERA has once again revised its projections escalating the increases through FY 2022-23 based upon reduced revenue projections and other items. The passage of the California Public Employees' Pension Reform Act (PEPRA) related to the management of public retirement benefits has divided employees into two categories: (a) those employees employed prior to its passage (Tier 1 on the chart below) generally identified as legacy employees and (b) those employed after its passage (Tier 2). The budget as presented anticipates that there will be five full-time employees under the Tier 1 schedule (including new Executive Officer) and one under the Tier 2.

The chart below outlines the projections for retirement contribution rates noting that stabilization is now anticipated to occur in Fiscal Year 22-23 (beyond the forecast period included in this budget).

YEAR	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24
TIER 1	33.05	34.53	37.03	37.55	38.12	38.34	37.90	37.87
TIER 2	29.50	30.09	34.30	34.82	35.39	35.61	35.17	35.14

For the past several years, the Commission has taken the position that it will maintain the core LAFCO staff positions and augment those with contract employees. That is not the case for the Budget being presented for FY 2018-19 and the forecast years due to the funding constraints that are necessary to replenish the Commission's general reserve and contingency accounts. The budget anticipates no contract employees (except for the completion of the existing Executive Officer contract) and no consultants.

As noted above, the activity level of the Commission in reference to application submission and processing has dipped during Fiscal Year 2017-18, and staff is projecting the trend continuing into Fiscal Year 2018-19 and beyond. Staff is not aware of any new discussions on annexations to County Fire; however, if such are submitted the Commission's direction to prioritize the processing of these applications as paramount will continue.

The staff is projecting the continuation of the county-wide second cycle service reviews in the upcoming Fiscal Year. During the current Fiscal Year, information on the discussion of land use, demographics, disadvantaged unincorporated communities and disadvantaged areas as well as the requisite mapping has been done. This streamlining will translate into the use of this regional data in all the reports for service reviews in the second cycle. This approach has allowed for the development of "hot spots", which will be highlighted in each municipal service type review allowing for further discussion and potential action on sphere of influence updates.

The five-year plan, as modified, is shown below. The initial effort (water review) required a great deal more effort as it prepared all the regional calculations for population, disadvantaged communities and their requisite mapping needed for use in all reports. Staff is preparing to implement the balance of the municipal-type services for consideration as shown below. However, if the Commission believes a review of a specific service is warranted, it can provide that direction and staff will modify the schedule. The proposed schedule is:

<u>Year 2 (FY 2017-18):</u>	Water completed in July 2017 and Wastewater tentatively scheduled for presentation June/July 2018
<u>Year 3 (FY 2018-19):</u>	Fire Protection/Emergency Medical Response/Ambulance (groundwork to begin in late April/early May 2018) and Healthcare Districts
<u>Year 4 (FY 2019-20):</u>	Streetlights, Park and Recreation, Solid Waste, and Roads
<u>Year 5 (FY 2020-21):</u>	Additional municipal-type services at direction of Commission

Based upon the approach outlined above, staff has prepared the Proposed Budget for Commission consideration. As is the practice of the Commission, the budget includes Fiscal Year 2018-19 and two forecast years addressing the changed dynamic of the return to a full-time staffing pattern which provides for a full-time Executive Officer. Attachment #1 to this report provides the Budget Spreadsheet for Fiscal Year 2018-19 with a forecast for Fiscal Years 2019-20 and 20-21 and the narrative description of the budget and its line items.

Staff has requested that the County Auditor-Controller apportion the net costs for LAFCO operations for Fiscal Year 2018-19 to the County, Cities/Towns and Independent Special Districts based upon the proposed budget target of \$1,109,583, or \$368,499 per category. This represents a total increase of \$95,914 or 9.5% 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 operation of the Commission including the transition to a full-time, six member staff, the replenishment of reserves over a three to four year period, and the ability to maintain existing projects and programs.

SALARIES AND BENEFITS **WORKLOAD CONSIDERATIONS**

FISCAL YEAR 2017-18

Staffing levels for Fiscal Year 2017-18 include five full-time positions and the contract for the Executive Officer position paid under the 1000 series of accounts and the consultant contract paid under the 2000 series (Services and Supplies) accounts.

The estimated year-end expenditures for salaries and benefits are \$722,640, which is \$8,879 below the budgeted amount.

FISCAL YEAR 2018-19

The Salaries and Benefits categories for Fiscal Year 2018-19 include funding for six positions, payment of step increases, retirement costs and the implementation of the salary changes approved in the County Exempt Compensation Plan (outlined in Item 6(b)(ii) of the budget presentation). The projections include the 3% salary cost-of-living increase for all regular employees, the 2% longevity payments for two employees and the funding of one-quarter transition for the contract Executive Officer (July 1 through September 30, 2018). The retirement calculations include five employees as Tier 1 (legacy employees under PEPRA including the new Executive Officer) and one employee as Tier 2.

Fiscal Years 2019-20, and 20-21

As is the Commission's practice, a forecast for Fiscal Years 2019-20 and 20-21 has been provided. These forecasts are:

- a. **FY 2019-20:** The projections are for staffing of six permanent employees with the addition of a permanent Executive Officer, all full-time staff positions, with 3% salary increases anticipated in the current compensation plan, including retirement costs. Five of the full-time employees are in the Tier 1 rate for retirement benefits for forecasting, and the GIS/Database Analyst position is a Tier 2 employee.
- b. **FY 2020-21:** The projections maintain the staff level at six full-time employees and project a 3% across the board cost of living increase.

SERVICES AND SUPPLIES

FISCAL YEAR 2017-18

Fiscal Year 2017-18 included the monumental task of moving the staff office to the Santa Fe Depot occupying the former Harvey House area. Renovations and construction were completed and the move took place on July 26, 2017. In addition, the fiscal year has seen a return to a lower level of application submissions for processing but those submitted retain

a high level of both complexity and contentiousness. During the year, staff also presented the first major service review of the second cycle – retail water in July 2017. It is anticipated that the second cycle review of the county-wide wastewater municipal service will be presented at the June/July hearing. The groundwork to begin the Fire Protection/Emergency Medical Response/Ambulance service review is anticipated to begin in late April/early May 2018.

LAFCO staff continues to operate under the direction provided by the Commission in September 2015 hearing, that the staff prioritize its activities to address the fire proposals submitted as the top priority, other jurisdictional changes next, and service reviews to follow. The approval of a consultant for supplemental staffing has helped this year with the processing burden as well as assisting on the compilation and development of the complex service review reports.

The Services and Supplies categories are estimated to have expenditures of \$636,364 at year-end.

The Commission has expressed its desire to provide continuing governance training for the special districts within the County. The Commission continued this program for FY 2017-18 and staff developed an education program in coordination with the California Special Districts Association (CSDA) and the Institute for Local Government (ILG) – see chart below. The sessions were well attended with positive survey results.

Educational Training Program Timeline		
Training Session	Collaboration	Date
Technology and the Public Records Act: Recent Legal Developments and Current Challenges	California Special Districts Association	December 2017
Transparency Strategies	Institute for Local Government	January 2018
Fraud Detection and Prevention for Local Government Agencies	California Special Districts Association	March 2018

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

The Commission continues to outsource its environmental processing through its contract with Tom Dodson and Associates, the processing of its accounting operations through the County Auditor's office, and the maintenance of computer systems through the County's ISD.

FISCAL YEAR 2018-19

The total budgeted amount for Services and Supplies for FY 2018-19 is \$372,535 which is a decrease of roughly \$265,794 or 41.6% from the 2017-18 estimated year-end. This is

attributed to the completion of the office move and staff's projection that no further anticipated litigation unrelated to a LAFCO proposal will occur. The following work plan items are included in the staff's budget projections:

- It is anticipated that proposal processing activity for FY 2018-19 will continue at the same magnitude as the prior year, a reduction from the previous two years.
- Ongoing projects include the continuation of the Fiscal Indicators program adding the data for 2017 for viewing on the LAFCO website by December 2018.
- The workload related to jurisdictional change applications is being maintained at FY 2017-18 levels. Staff has identified nine proposals that are anticipated to be received in FY 2018-19 or earlier. Staff anticipates that these proposals will remain complex and controversial.
- The Commission will be transitioning its Legal Counsel from Clark Alsop to Paula De Sousa Mills from Best Best & Krieger. Mr. Alsop has represented the Commission for 43 years, first as a Deputy Counsel beginning in July 1975 through his employment with Best Best & Krieger in 1985. This change also necessitates a review and update to the contract for service which is included in this budget review as Item 6(b)(ii). The change in Legal Counsel rate has been included in the budget projections.
- The Commission's Governance Training program is budgeted to continue for the special districts and other governments within the County. We extend the opportunity for participation to special districts and governments within Riverside County. For the coming year, the budget anticipates at least three courses by either the California Special Districts Association (CSDA) or the Institute for Local Government (ILG) plus a general LAFCO 101 to be conducted by LAFCO staff and the CALAFCO Executive Director. The total program cost for the year is estimated at roughly \$7,500.

Proposed Educational Training Program Fiscal Year 2018-19		
Training Session	Collaboration	Date
LAFCO 101	San Bernardino LAFCO & CALAFCO	December 2018
Policy and Procedure Writing	California Special Districts Association	January 2019
Customer Service in the Public Sector	Institute for Local Government	February/March 2019

Staff proposes to continue to outsource the Commission's environmental processing through its contract with Tom Dodson and Associates, the annual audit with the firm Davis Farr, the processing of its accounting operations through the County Auditor's office, and

the maintenance of computer systems and electronic communication through the County's Information Services Department. The budget projections also include maintenance of hearings at the Norton Regional Event Center and the payments for the office lease, amortized loan payment, and Common Area Maintenance costs to SBCTA. The budget does not include any funding for outside consultants or contract staffing.

FISCAL YEARS 2019-20 and 20-21

Based upon the approval of the staff recommendations for FY 2018-19, it is anticipated that a 3% 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 2019-20 and 20-21. In addition, the payment of amortized tenant improvements have been included in the projections.

REVENUES

FISCAL YEAR 2017-18

The chart below shows the budgeted and the estimated year-end balances for the accounts that comprise the Fee categories, accounts that are sensitive to activity levels. This includes the withdrawn proposals for the sphere amendment and reorganization involving the San Bernardino Valley Municipal Water District and the Inland Empire Utilities Agency (refund of \$10,064) and the failure to receive the fire proposals anticipated. By year's end, staff estimates fee revenue receipts will be 60% below the amended budget amounts. The chart below outlines the Revenue Categories:

FEE/DEPOSIT CATEGORY	AMENDED BUDGET	ESTIMATED YEAR-END
Individual Notice Deposit	\$42,320	\$5,077
Legal Service Deposit	\$40,185	\$37,928
Protest Hearing Deposit	\$43,620	\$1,500
GIMS Fees	\$7,520	\$5,790
Environmental Deposit	\$6,000	\$2,531
LAFCO Fee	\$127,773	\$42,321
TOTAL FEE REVENUE	\$267,417	\$95,147

This reduced revenue directly impacts the funding of the expenditure items within the current year budget and the carryover anticipated for the upcoming fiscal year.

FISCAL YEAR 2018-19

As noted in other portions of this narrative, FY 2018-19 is anticipated to continue the reduced activity level as shown for the current fiscal year, a normal submission count for proposal activity. Staff has identified nine proposals that are anticipated to be received in FY 2018-19 or earlier, which anticipates the submission of a formation of a community services district application.

Activity	FY 2018-19
Proposals	9
Service Contracts - Commission approval	2
Service Contracts - EO approval	4
Protest Hearing Deposits	6

Revenues consisting of interest, mandatory apportionment contributions (9.5% increase from prior year), and fee revenue are estimated to be \$1,258,597. Refunds from Prior Years, Miscellaneous Charges, and Carryover increase revenues to a total of \$1,289,596. The addition of Reserves from Prior Year (as modified at this hearing) adds \$501,235, for a grand total of \$1,790,830.

The apportionment presented in the budget materials is \$1,105,497, which represents a total of \$368,499 for each category. This is a 9.5% increase in the apportionment for the upcoming year to accommodate the other ongoing service delivery expenses coupled with the reduction in reserves necessitated during Fiscal Year 2017-18. The apportionment process will take place pursuant to the provisions of Government Code Section 56381 with the acknowledgement that the State Controller no longer prepares the reports outlined in 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, 2018.

At the time the Unaudited Year-End report is presented to the Commission (anticipated at the July hearing), staff will determine the actual carryover and make recommendation for any further actions, if necessary.

REVENUE FORECAST FOR FISCAL YEAR 2019-20 and 20-21

The forecast included for years two and three of the budget assumes a maintenance of proposal activity and an increase in apportionment of net costs by 4.0% each year. The following chart conservatively maintains proposal activity at nine proposals each year for the following two years.

Activity	19-20	20-21
Proposals	9	9
Service Contracts - Development	2	2
Service Contracts - Administrative	6	6
Protest Hearing Deposits	5	5

RESERVES AND CONTINGENCIES

The staff is proposing the maintenance of reserves and contingency amounts but is proposing that the Commission override its policy related to establishment of the General

Reserve (set by policy at a minimum \$200,000) and the Contingency at 10% of estimated total expenditures. This policy override is necessitated by the need to utilize contingency funding in Fiscal Year 2017-18 to accommodate non-recoverable legal expenses and the Fiscal Year 2018-19 transition to full-time staffing. The projections included for the forecast years of FY 2019-20 and FY 2020-21 set in motion a method to replenish the General Reserve and Contingency appropriations.

In addition, LAFCO staff received notification of the unfunded net pension liability from SBCERA in February 2018. This amount has increased to \$769,173. In keeping with Commission policy, and to maintain the original 20-year amortization schedule, staff has recalculated the schedule for this updated liability amount. For Fiscal Year 2018-19, the contribution to the Net Pension Liability Reserve is \$36,513, for a total of \$184,963. The reserve amounts presented for Fiscal Year 2018-19 are:

Account 6025 – General Reserve/Litigation	\$ 85,608
Account 6030 – Compensated Absences Reserve	\$ 97,377
Account 6010 – Net Pension Liability Reserve	\$184,963

In addition, staff is recommending a contingency of \$20,000 (Account 6000) which does not, as noted above, represent the established practice of 10% of total budgeted expenditure appropriations. Due to the limited nature of this account for the upcoming year, the use of these dollars must be judiciously monitored by staff and reviewed by the Commission in taking its action to transfer monies into the appropriate expenditures series.

The forecast years provide for a method to return to the Commission's policy that general/litigation reserves are set at a minimum of \$200,000, but is anticipated to take four years. It is staff's position that at the year-end review, any funds in excess of current projections should be allocated to General Reserves.

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 2017-18 AMENDED BUDGET	FY 2018-19 PROPOSED BUDGET
SALARIES AND BENEFITS	\$ 766,331	\$1,028,605
SERVICES AND SUPPLIES	\$ 789,491	\$ 373,835
RESERVES AND CONTINGENCIES	\$ 501,235	\$ 388,390
SUBTOTAL	\$2,057,057	\$1,790,830
FEE, GENERAL AND CARRYOVER REVENUE	\$1,047,474	\$ 685,334
NET COST	\$1,009,583	\$1,105,497

Pursuant to Government Code Section 56381(a), the proposed and final budget at a minimum shall be equal to the budget adopted for the previous fiscal year unless the Commission makes certain determinations. The budget for Fiscal Year 2018-19 is less than that for Fiscal Year 2017-18 but does not include the renovation costs for the office move nor anticipates further non-recoverable legal expense. Therefore, the Commission can determine that the reduced program costs allow it to fulfill its statutory obligations with the reduced budget proposed. 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/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 16, 2018 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 Budget for Fiscal Year 2018-19 presented by staff including the override of Commission policy related to its General Reserve funding level being no less than \$200,000 for the Fiscal Year and that Contingencies are less than 10% of anticipated expenditures, and the determination that the reduced budget for Fiscal Year 2018-19 allows the Commission to fulfill its statutory obligations;
- 2) Direct staff to forward the adopted Proposed Budget, as may be modified at this hearing, to all the independent special districts, cities/towns, and the County for their comment pursuant to Government Code Section 56381; and
- 3) Schedule a public hearing for May 16, 2018 for the formal adoption of the Final Budget for Fiscal Year 2018-19.

KRM/MT

Attachments:

1. [Proposed Budget -- Spreadsheet and Narrative Related to Individual Accounts](#)
2. [Auditor's Apportionment Distribution for the County, Cities and Towns and Special Districts](#)

**Proposed Budget –
Spreadsheet and Narrative
Related to Individual
Accounts**

Attachment 1

FISCAL YEAR 2018-19

ACCT. #	ACCOUNT NAME	ACTUAL YEAR-END FY 14-15	ACTUAL YEAR-END FY 15-16	ACTUAL YEAR-END FY 16-17	AMENDED BUDGET Apr-18	PROJECTED YEAR-END FY 17-18	PRELIMINARY BUDGET FY 18-19	PROJECTED BUDGET FY 19-20	PROJECTED BUDGET FY 20-21
	SALARIES AND BENEFITS								
1010	Regular Salary and Bilingual	\$ 434,318	\$ 432,740	\$ 466,526	\$ 483,128	\$ 477,434	\$ 632,018	\$ 654,025	\$ 665,746
1030	Auto and Cell Phone Allowances	17,000	17,000	17,000	17,065	17,000	21,577	17,654	17,000
1035	Overtime	201	395	38					
1045	Termination Payment		2,506	632					
1110	General Member Retirement	104,122	109,012	112,783	125,311	124,144	216,127	243,547	251,708
1130	Survivors Benefits	238	210	210	224	224	268	279	268
1135	Indemnification - General	20,634	16,739	18,264	15,887	16,980			
1200	Employee Group Insurance (Health Subsidy)	45,620	41,121	45,801	49,285	51,928	63,515	69,963	67,371
1205	Long-Term Disability	1,079	882	883	969	955	1,528	1,680	1,703
1207	Vision Care Insurance	822	771	771	825	822	986	1,024	986
1215	Dental Insurance & Health Subsidy	1,530	1,363	1,251	1,235	1,235	1,476	1,533	1,476
1222	Short-Term Disability	3,590	3,404	3,477	3,808	3,756	5,866	6,423	6,496
1225	Social Security Medicare	5,646	5,492	6,143	6,190	6,177	7,883	7,947	8,099
1235	Workers' Compensation	1,983	2,305	2,097	5,216	3,360	6,551	6,640	6,729
1240	Life Insurance & Medical Trust Fund	4,614	5,522	5,316	7,526	7,068	10,371	11,202	11,212
1305	Medical Reimbursement Plan	2,140	2,770	3,380	6,840	4,140	8,183	8,747	8,507
1310	ID Allowance Café			17,453	12,306	12,263	3,301	-	-
1314	457/401a Defined (LAFCO Contribution)	1,622	1,571	1,544	1,795	1,563	3,687	4,075	4,154
1315	401k Contribution	25,951	25,136	26,020	28,721	28,405	45,268	49,783	50,449
	TOTAL SALARIES & BENEFITS	\$ 679,860	\$ 668,940	\$ 729,589	\$ 766,331	\$ 757,453	\$ 1,028,605	\$ 1,084,519	\$ 1,101,904
	Staffing (Full time equivalent units)	5.5	5.5		5.5		6	6	6
	SERVICES AND SUPPLIES								
	Services:								
2035	Communications			\$ 1,053					
2037	COMNET Charge (ISF)	\$ 2,432	\$ 3,003	2,872	\$ 2,730	\$ 3,350	\$ 3,504	\$ 3,504	\$ 3,504
2038	Long Distance Charges	81	15						
2040	Relocation Charges - Phone Service		12,944	10,647		3,151	-	-	-
2041	Phone Service/Outside Company	422	670	947	10,318	4,414	8,813	8,813	8,813
2043	Electronic Equipment Maintenance	498	926			6,159	3,236	-	-
2075	Membership Dues	8,509	8,733	9,338	9,831	9,973	10,426	10,801	11,125
2076	Tuition Reimbursement	100	100	2,000	3,000	950	2,000	2,000	2,000
2080	Publications	2,690	2,383	3,021	3,288	4,291	3,187	3,283	3,381
2085	Legal Notices	12,936	18,860	18,129	20,284	19,371	17,250	17,250	17,250
2090	Miscellaneous Expense (Costs related to move)			100,000	121,683	109,191	7,000	7,171	7,347

FISCAL YEAR 2018-19

ACCT. #	ACCOUNT NAME	ACTUAL YEAR-END FY 14-15	ACTUAL YEAR-END FY 15-16	ACTUAL YEAR-END FY 16-17	AMENDED BUDGET Apr-18	PROJECTED YEAR-END FY 17-18	PRELIMINARY BUDGET FY 18-19	PROJECTED BUDGET FY 19-20	PROJECTED BUDGET FY 20-21
2115	Computer Software	4,234	5,777	2,552	3,502	3,520	3,277	3,376	3,477
2125	Inventoriable Equipment	4,660		2,685	17,000		-	-	-
2130	Moving Expenses								
2180	Electricity for Office				4,800	2,467	4,356	4,487	4,621
2182	Electricity					2,055			
2195	Reimbursement Services and Supplies	-	-						
2245	Other Insurance	7,128	7,085	9,100	9,050	10,013	9,965	10,364	10,778
	Supplies:								
2305	General Office Expense	12,844	6,364	8,105	7,410	9,017	5,834	6,009	6,189
2308	Credit Card Clearing Account	(1,628)	467	(465)		3			
2309	Visa Temp Card		267						
2310	Postage - Direct Charge	19,869	56,031	75,917	20,694	12,887	6,656	6,656	6,656
2315	Records Storage	620	596	749	696	666	715	737	759
2316	Surplus Handling	-							
2323	Reproduction Services	2,601	13,046	15,084	21,274	1,639	-	-	-
2335	Temporary Services	-		3,033	7,650	132	-	-	-
	Consultant & Special Services:								
2400	Prof & Special Service (Legal Counsel)	28,042	40,346	37,867	196,153	133,108	39,300	40,479	41,693
2405	Auditing	8,000	14,258	11,492	11,783	10,819	11,019	11,219	11,419
2410	Data Processing	6,848	8,244	7,827	7,827		12,851	12,851	12,851
2415	COWCAP	6,308		13,236	20,000	8,458	10,109	10,109	10,109
2420	ISD Other IT Services	753	4,614	245	210	185	225	225	225
2421	ISD Direct	10,157	10,073	8,949	8,927	14,517	18,755	19,318	19,897
2424	Mgmt & Tech (Environmental Consultant)	11,288	11,329	9,077	6,650	6,915	7,350	7,350	7,350
2444	Security Services	408	444	390	408	1,168	468	468	468
2445	Other Prof (Commission, Surveyor, ROV)	42,133	123,413	124,571	140,385	116,915	43,561	43,561	43,561
2449	Outside Legal (Litigation & Special Counsel)	3,956	4,319			-	-	-	-
2450	Application Development Support	216	345		200	-	200	200	200
2460	GIMS Charges	10,608	13,656	13,500	16,170	13,500	16,170	16,170	16,170
	Lease/Purchases:								
2895	Rent/Lease Equipment (copier)	4,912	4,743	7,226	7,200	5,891	4,800	4,800	4,800
2905	Office/Hearing Chamber Rental	51,219	57,125	49,874	82,788	100,455	99,212	99,212	99,212
	Travel Related Expenses:								

FISCAL YEAR 2018-19

ACCT. #	ACCOUNT NAME	ACTUAL YEAR-END FY 14-15	ACTUAL YEAR-END FY 15-16	ACTUAL YEAR-END FY 16-17	AMENDED BUDGET Apr-18	PROJECTED YEAR-END FY 17-18	PRELIMINARY BUDGET FY 18-19	PROJECTED BUDGET FY 19-20	PROJECTED BUDGET FY 20-21
2940	Private Mileage	2,410	3,868	4,963	4,855	3,725	6,010	6,010	6,010
2941	Conference/Training	6,817	3,974	6,465	6,140	5,249	5,330	5,330	5,330
2942	Hotel	6,838	5,053	12,417	10,550	6,992	7,920	7,920	7,920
2943	Meals	1,150	1,098	1,502	2,235	818	1,735	1,735	1,735
2944	Car Rental	227	107	228	200	309	200	200	200
2945	Air Travel	3,705	2,629	4,188	2,000	3,249	800	800	800
2946	Other Travel	1,676	887	871	400	659	400	400	400
	Other Charges:								
5012	Services Out (Staples)	4,742	1,449	14	1,200	184	1,200	1,200	1,200
TOTAL SERVICES & SUPPLIES		\$ 290,409	\$ 449,237	\$ 579,668	\$ 789,491	\$ 636,364	\$ 373,835	\$ 374,007	\$ 377,452
TOTAL EXPENDITURES		\$ 970,269	\$ 1,118,178	\$ 1,309,258	\$ 1,555,822	\$ 1,393,817	\$ 1,402,440	\$ 1,458,526	\$ 1,479,356
	RESERVES								
6000	Contingency			\$ -	\$ 63,077		\$ 20,442	\$ 38,301	\$ 96,158
6010	Net Pension Liability Reserve			-	148,450		184,963	221,476	257,947
6025	General Reserve - Litigation			-	200,000		85,608	110,000	185,500
6030	Compensated Absences Reserve			(1,216)	89,708		97,377	109,324	110,417
TOTAL CONTINGENCIES & RESERVES		\$ -	\$ (1,216)	\$ (1,216)	\$ 501,235	\$ -	\$ 388,390	\$ 479,101	\$ 650,022
TOTAL APPROPRIATION		\$ 970,269	\$ 1,118,178	\$ 1,308,042	\$ 2,057,057	\$ 1,393,817	\$ 1,790,830	\$ 1,937,627	\$ 2,129,379

ACCT #	ACCOUNT NAME	ACTUAL YEAR-END FY 14-15	ACTUAL YEAR-END FY 15-16	ACTUAL YEAR-END FY 16-17	AMENDED BUDGET Feb-18	PROJECTED YEAR-END FY 17-18	PRELIMINARY BUDGET FY 18-19	PROJECTED BUDGET FY 19-20	PROJECTED BUDGET FY 20-21
	CONTRIBUTION REVENUES								
	Use of Money:								
8500	Interest	\$ 4,287	\$ 5,917.01	\$ 9,318	\$ 8,000	\$ 12,134	\$ 11,000	\$ 13,000	\$ 15,000
	Mandatory Contribution from Governments:								
8842	Local Government -- For FY 2018-19 apportionment to County, Cities, and Independent Special Districts (\$368,499 total for each category)	864,822	882,117	926,223	1,009,583	1,009,583	1,105,497	1,149,717	1,195,706
							9.50%	4.00%	4.00%
	Fees and Deposits (Current Services):								
9545	Individual Notice	5,912	56,670	27,507	42,320	5,077	6,700	8,040	8,844
9555	Legal Services	9,195	26,361	10,311	40,185	37,928	18,000	21,600	23,760
9595	Protest Hearing		33,297	34,000	43,620	1,500	7,200	8,640	9,504
9655	GIMS Fees	7,580	12,505	5,015	7,520	5,790	6,370	7,644	8,408
9660	Environmental	12,005	12,940	7,145	6,000	2,531	7,000	8,400	9,240
9800	LAFCO Fees	95,619	260,206	117,531	127,773	42,321	96,830	116,196	127,816
	Total Fees and Deposits	130,311	401,978	201,509	267,417	95,147	142,100	170,520	187,572
	TOTAL CONTRIBUTION REVENUES	999,420	1,290,012	1,137,049	1,285,000	1,116,864	1,258,597	1,333,237	1,398,278
	OTHER REVENUES								
9910	Prior Year Activity (refunds, collections)	\$ (2,472)	\$ (30)	\$ (20,757)	\$ (1,250)	\$ 2,438	\$ 13,999	\$ 14,000	\$ 20,000
9930	Miscellaneous Revenues	2,211	12,040	345	2,000	1,130	2,000	2,000	2,000
9970	Carryover of Open Proposals/Projects	16,510	55,114	42,219	23,671	5,008	15,000	25,000	30,000
9970	Carryover from Prior Year, Assigned	250,087	186,960	296,065	101,683	101,683	-	175,000	200,000
	TOTAL OTHER REVENUES	266,335	254,084	317,873	126,104	110,259	30,999	216,000	252,000
	TOTAL REVENUES	\$ 1,265,755	\$ 1,544,096	\$ 1,454,922	\$ 1,411,104	\$ 1,227,123	\$ 1,289,596	\$ 1,549,237	\$ 1,650,278
	RESERVES FROM PRIOR YEAR, as of July 1								
9970	Contingency	\$ 99,872	\$ 87,356	\$ 155,501	\$ 155,501	\$ 155,501	63,077	20,442	38,301
9970	Net Pension Liability Reserve	46,780	56,432	82,750	117,097	117,097	148,450	184,963	221,476
9970	General Reserve - Litigation	250,000	300,000	291,007	284,917	284,917	200,000	85,608	110,000
9970	Compensated Absences Reserve	66,620	72,897	76,607	88,438	88,438	89,708	97,377	109,324
	TOTAL RESERVES FROM PRIOR YEAR	\$ 463,272	\$ 516,685	\$ 605,865	\$ 645,953	\$ 645,953	\$ 501,235	\$ 388,390	\$ 479,101
	TOTAL REVENUE AND RESERVES	\$ 1,729,027	\$ 2,060,781	\$ 2,060,787	\$ 2,057,057	\$ 1,873,076	\$ 1,790,831	\$ 1,937,627	\$ 2,129,378
	Note: Spreadsheet utilizes the cash basis of accounting and does not include accrual/reversal data which do not affect fund balance.								
						Over/Under	\$ 0	\$ 0	\$ (0)

NARRATIVE FOR FY 2018-19

PROPOSED BUDGET

SALARIES AND BENEFITS

1000 SERIES

FY 2017-18

Salaries and Benefits (1000 series) for FY 2017-18 was budgeted at \$766,331 for 5.5 positions: one Contract Executive Officer (limited to 960 paid hours per year), Assistant Executive Officer, Project Manager, LAFCO Analyst – GIS/Database Manager, Clerk to the Commission/Office Manager, and Administrative Assistant. The Commission has an approved 2% longevity pay for those employees with 15 years of service. This benefit applies, at this time, to the Assistant Executive Officer and Administrative Assistant. Year-end expenditures for the 1000 series are estimated to be \$757,597, approximately \$8,834 under budget.

FY 2018-19

The staffing pattern for the Commission will change in FY 2018-19 returning to a full staffing component. Recruitment conducted during the spring of 2018 should provide for a full-time Executive Officer (the first since 2010-11) effective July 2018. Staffing is anticipated to be – a full-time Executive Officer, completion of the contract with the prior Executive Officer (July 1, through September 30, 2018 transition period), Assistant Executive Officer, Project Manager, LAFCO Analyst – GIS/Database Manager, Clerk to the Commission/Office Manager and Administrative Assistant.

By adopted policy the Commission mirrors the County's Exempt Compensation Plan. This Plan was amended in January 2018 to provide for a three year program of cost-of-living increase of three percent annually beginning July 21, 2018; made the determination that employees shall be eligible for step advancement after completion of 1040 hours (approximately 6 months) until the top step; eliminated the bi-weekly supplemental retirement contribution amounts rolling them into salary prior to calculation for increases; determined to return to allowing for the cash out of administrative leave annually, an increased the Medical Premium Subsidy to \$234.50 for employee only, \$361.19 for employee plus one family member; and \$495.34 for employee plus 2 or more family members. The spreadsheet captures all of these changes in its projections for FY 2018-19.

As the Proposed Budget Spreadsheet identifies, FY 2018-19 budgets a total expenditure of \$1,028,605. This includes the step changes in salary appropriate for staff members, budgeting for all benefits, and retirement rate increase of 7.24% for Tier 1 (projected at 5 employees) and 13.99% for Tier 2 (1 employee).

FY 2019-20 and 2020-21

The forecast for FY 2019-20 and 2020-21 includes the retention of a six-person staff with scheduled across-the-board salary increase of three percent effective July 20, 2019 and July 18, 2020 as authorized for approval at the April 16, 2018 hearing. In addition, Fiscal Year 2019-20 includes the payment of 27 pay periods (a once every 10-year occurrence) and Fiscal Year 2020-21 includes the addition of another employee receiving the 25 year longevity increase.

**LINE ITEM ACCOUNTS FOR SALARIES AND
BENEFITS FOR FISCAL YEAR 2018-19**

Fiscal Year 2018-19 signals the return to a full-time staff component for the Commission. It is anticipated that it will start the year with six full-time employees having hired a full-time Executive Officer and will have the transition staffing with the contract Executive Officer. The following accounts have been developed using this information.

Regular Salary – Account 1010: \$632,018

Salaries are calculated for six positions that includes the full-time Executive Officer, 360 hours for the contract Executive Officer for transition period (ending September 30, 2018), 3% salary cost of living increase, inclusion of the former supplemental retirement funding to a portion of base pay, three employees receiving step increases at 6-month intervals, and 15-year 2% longevity pay for the Assistant Executive Officer and Administrative Assistant. Cash out amounts included in this line item account (estimated at \$19,134) for the annually declared vacation/holiday leave cash outs and the reactivation of the cash-out of administrative leave that remain unused at the end of the calendar year. The salaries by position are:

Executive Officer	\$171,610
Contract Executive Officer (transition--360 hours)	43,555
Assistant Executive Officer	119,128
Project Manager	92,227
LAFCO Analyst (GIS/Database Mgmt)	62,816
Clerk to the Commission	64,335
Administrative Assistant	59,213

BENEFITS

For employee benefits, LAFCO mirrors those provided in the County's Exempt Compensation Plan as identified in the LAFCO Policy and Procedure Manual and contracts with the County to administer the benefits for its employees. Benefit allocations are calculated for the regular LAFCO positions, along with the payment of the car and cell

phone allowance benefits for both the full-time Executive Officer and the transition contract Executive Officer, except where identified otherwise.

Merit Incentive (Car and Cellphone Allowance) – Account 1030: \$21,577

The LAFCO Benefit Plan allocates to the Executive Officer a \$561.54 car allowance and a cellphone allowance of \$92.31 per pay period. The contract Executive Officer transition period continues to provide for payment of this benefit per terms of the contract.

Termination Payment – Account 1045: \$0.00

The LAFCO Benefit Plan provides that at separation from LAFCO service, employees are required to contribute the cash value of their unused sick-leave to the Retirement Medical Trust Fund at the rate of 75% of the cash value of the employee's unused sick leave hours. Should such occur, revenues would transfer from the Compensated Absence Reserve for payment.

General Member Retirement – Account 1110: \$216,127

Calculation for the payment of the LAFCO (employer) retirement contribution is based upon the rate of 37.03% of salaries paid for Tier 1 (5 employees including new Executive Officer) and 34.03% for Tier 2 (1 employee). The retirement rate is increasing by 7.24% (Tier 1) and 13.99% (Tier 2).

At last year's final budget consideration staff identified that SBCERA had revised its rate projections due to lower actual returns coupled with a decrease in future return rates. The result was a substantial increase through 2021-23. However, the current information provided by SBCERA has lessened the increase for future years. The chart below provides the approved rates from FY 2016-17 through FY 2017-18, the approved SBCERA rate for FY 2018-19 but not yet adopted by the County Board of Supervisors, and the SBCERA projections through 2023-24, based upon information provided by SBCERA.

YEAR	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24
TIER 1	33.05	34.53	37.03	37.55	38.12	38.34	37.90	37.87
TIER 2	29.50	30.09	34.30	34.82	35.39	35.61	35.17	35.14

Survivor's Benefits – Account 1130: \$268

\$1.72 per employee per pay period.

Indemnification General – Account 1135: \$0

This account in the past allocated the funding necessary to cover additional employee retirement payments pursuant to the provisions of the LAFCO Benefits Plan. Pursuant to the County Exempt Compensation Plan amendments made in January 2018 these rates have been included in salary prior to the application of the salary increase.

Employee Group Insurance (Health Insurance Subsidy) – Account 1200: \$63,515

This account allocates a Medical Premium Subsidy in an amount that has been augmented to include the dollars from the Flexible Benefit Plan. These payments are estimated for all

six full-time employees. Effective July 21, 2018 the subsidy is paid only toward coverage chosen by the employee as follows:

	Scheduled for 40 to 60 hours	Scheduled for 61 to 80 hours
Employee Only	\$117.25	\$234.50
Employee +1	\$180.60	\$361.19
Employee +2	\$247.67	\$495.34

Long Term Disability – Account 1205: \$1,528

This cost is calculated at 27 cents per \$100 of base pay.

Vision Care Insurance – Account 1207: \$986

This cost is calculated at \$6.32 per employee per pay period.

Dental Insurance and Health Subsidy – Account 1215: \$1,476

This account allocates the Dental Premium Subsidy of \$9.46 per employee per pay period that, when combined with the Medical Subsidy, would offset the cost of out-of-pocket dental expenses charged to eligible employees.

Short Term Disability and Family Medical Leave Overhead – Account 1222: \$5,866

LAFCO employees are provided with short-term disability by contract with the County at a cost of 0.99% of salaries per pay period. In addition, the administrative cost for the Family Medical Leave is calculated at \$1.62 per pay period for each regular employee and the contract Executive Officer as required by law.

Social Security Medicare – Account 1225: \$7,883

For employees entering LAFCO service after 1985, contribution to the federal Social Security Medicare system is mandatory. The cost is calculated for five positions (the current Administrative Assistant was hired into the County system in 1985; therefore, does not pay into Social Security Medicare), and the contract Executive Officer at the rate of 1.41% of base compensation as required by law.

Worker's Compensation – Account 1235: \$6,551

This account is for worker's compensation insurance. LAFCO purchases this insurance through the Special District Risk Management Authority (SDRMA), a joint powers authority. SDRMA has indicated that rates are not increasing from the prior year and is estimated to be \$1.07 per \$100 of salaries and Commissioner stipend payments.

Life Insurance and Medical Trust Fund– Account 1240: \$10,371

This account contains costs associated with term life insurance (\$1.80 per pay period per employee), variable life insurance, and contributions to the Retirement Medical Trust Fund (based upon years of service).

Other (Medical Reimbursement Plan) – Account 1305: \$6,840

This account is for the Commission's matching payment toward an Exempt Medical Reimbursement Plan for employees of up to \$40 per employee per pay period and the Healthy Lifestyles membership up to \$324. Staff estimates full utilization of this benefit by all regular employees.

Allowance, Cafeteria – Account 1310: \$3,301

The Commission authorized changes to the compensation for the contract Executive Officer to include a bi-weekly medical subsidy of \$471.70 per pay period. This funds the payments for the period July 1 through September 30, 2018.

Deferred Compensation – Account 1314: \$3,687

LAFCO matches employee contributions to the 457 savings plan of the County up to ½% match of the employee's base salary (Groups B and C) and the Executive Officer, the sole Group A position, which is eligible for a benefit of up to 1% match. The appropriation anticipates full participation by all regular employees in this plan.

401(k) Contribution – Account 1315: \$45,266

LAFCO matches employee contributions to the 401(k) savings plan of the County: for Groups A and B up to 8% match of the employee's base salary and Group C up to a 6% match. The appropriation anticipates full participation by all regular employees.

SERVICES AND SUPPLIES

2000 AND 5000 SERIES

FY 2017-18

Fiscal Year 2017-18 included the monumental task of moving the staff office to the Santa Fe Depot occupying the former Harvey House area. Renovations and construction was completed in early July 2017 and the move took place on July 26, 2017. The current year has seen a precipitous drop in application submission, thereby funded activity level. However, the staff work in conducting the second cycle service reviews in-house has continued with the presentation of the retail water municipal service review in July 2017 and the wastewater review anticipated for presentation at either the June or July 2018 hearing. In late April/early May staff anticipates commencement of the countywide service review for fire protection/emergency medical response/ambulance.

LAFCO staff continues to operate under the direction provided by the Commission in September 2015 hearing, that the staff prioritize its activities to address the fire proposals submitted as the top priority, other jurisdictional changes next, and service reviews to follow. The approval of a consultant for supplemental staffing has helped this year with the processing burden as well as assisting on the compilation and development of the complex service review reports.

For FY 2017-18, Services and Supplies had a final budgeted amount set through amendments and other actions of \$789,491 and are estimated, at this time, to be 89% expended at the conclusion of the fiscal year for a total of \$636,364.

The Commission has expressed its desire to provide continuing governance training for the special districts within the County. The Commission continued this program for FY 2017-18 and staff developed an education program in coordination with the California Special Districts Association (CSDA) and the Institute for Local Government (ILG) – see chart below. The sessions were well attended with positive survey results.

Educational Training Program Timeline		
Training Session	Collaboration	Date
Technology and the Public Records Act: Recent Legal Developments and Current Challenges	California Special Districts Association	December 2017
Transparency Strategies	Institute for Local Government	January 2018
Fraud Detection and Prevention for Local Government Agencies	California Special Districts Association	March 2018

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

The Commission continues to outsource its environmental processing through its contract with Tom Dodson and Associates, the processing of its accounting operations through the County Auditor's office, and the maintenance of computer systems through the County's ISD.

FY 2018-19

The total budgeted amount for Services and Supplies for FY 2018-19 is \$372,535 which is a decrease of roughly \$265,794 or 41.6% from the 2017-18 estimated year-end. This is attributed to the completion of the staff office move and staff's projection that no further anticipated litigation unrelated to a LAFCO proposal will occur. The following work plan items are included in the staff's budget projections:

- It is anticipated that proposal processing activity for FY 2018-19 will continue at the same magnitude as the prior year, a reduction from the previous two years. Staff has identified nine proposals that are anticipated to be received in FY 2018-19 or earlier. Staff anticipates that these proposals will remain complex and controversial.

- Ongoing projects include the continuation of the Fiscal Indicators program adding the data for 2017 for viewing on the LAFCO website by December 2018.
- The Commission will be transitioning its Legal Counsel from Clark Alsop to Paula De Sousa Mills from Best Best & Krieger. Mr. Alsop has represented the Commission for 43 years, first as a Deputy County Counsel beginning in July 1975 through his employment with Best Best & Krieger in 1985. This change also necessitated a review and update to the contract for service which is included in this budget review as Item 6(b) (ii). The change in Legal Counsel rate has been included in the budget projections.
- The Commission's Governance Training Program is budgeted to continue for the special districts and other governments within the County. We extend the opportunity for participation to special districts and governments within Riverside County. For the coming year, the budget anticipates at least three courses by either the California Special Districts Association (CSDA) or the Institute for Local Government (ILG) plus a general LAFCO 101 to be conducted by LAFCO staff and the CALAFCO Executive Director. The total program cost for the year is estimated at roughly \$7,500.

Proposed Educational Training Program Fiscal Year 2018-19		
Training Session	Collaboration	Date
LAFCO 101	San Bernardino LAFCO & CALAFCO	December 2018
Policy and Procedure Writing	California Special Districts Association	January 2019
Customer Service in the Public Sector	Institute for Local Government	February/March 2019

Staff proposes to continue to outsource the Commission's environmental processing through its contract with Tom Dodson and Associates, the conduct of its annual audit for the third year of a four year contract with the accounting firm Davis Farr, the processing of its accounting operations through the County Auditor's office, and the maintenance of computer systems and electronic communication through the County's Information Services Department. The budget projections also include maintenance of hearings at the Norton Regional Event Center and the payments for the office lease, amortized loan payment with SBCTA, and Common Area Maintenance costs to SBCTA. The budget does not include any funding for outside consultants or contract staffing.

FISCAL YEARS 2019-20 and 20-21

Based upon the approval of the staff recommendations for FY 2018-19, it is anticipated that a 3% 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 2019-20 and 20-21. In addition, the payment of annual cost for the amortized tenant improvements have been included in the projections.

**LINE ITEM ACCOUNTS FOR SERVICES AND
SUPPLIES FOR FISCAL YEAR 2018-19**

SERVICES

Comnet Charge – Account 2037: \$3,504

Comnet is the County's telephone system and supports the new computer linked phone system. Charges for use of this system are \$28.44 per line per month. LAFCO utilizes twelve phone lines, including the answering/fax line and conference phone.

Phone Service/Outside Company – Account 2041: \$8,813

The use of phone service outside the County system (Spectrum) is required by the security alarm company to ensure proper monitoring for the LAFCO office. The monthly phone charge is roughly \$62 per month. Additionally, monthly charges to Spectrum of \$673 are required for the access to a fiber optic line, enabling access to the internet, County intranet, and telephone.

Electronic Equipment Maintenance – Account 2043: \$3,236

County Information Services Department (ISD) has identified an allocation of \$3,236 for LAFCO in its projections for Intra-Service Funds.

Membership Dues – Account 2075: \$9,831

This account is for membership in professional associations. Dues are estimated to be \$8,976 (four percent increase) for CALAFCO and \$1,500 for California Special Districts Association.

Tuition Reimbursement – Account 2076: \$2,000

Pursuant to the LAFCO Benefits Plan, employees can be reimbursed for up to \$1,000 for approved tuition, course/seminar or degree related expenses, and membership dues in professional organizations. This appropriation provides for full participation by two employees.

Publications – Account 2080: \$3,187

This account anticipates costs for updates to the California Legislative Codes, California Environmental Law pamphlets, and other publications and/or updates utilized by either staff or the Commission and the monthly California Planning and Development Newsletter. As a cost savings measure, the Commission has participated in a contract with West's Publishing

Customer Loyalty program to receive updated pocket parts to the California Annotated Code.

Legal Notices – Account 2085: \$17,250

The budget figure accommodates the advertising needs for maintenance of a ten hearing schedule and estimated five protest hearings. An eighth-page display ad in general newspapers is required for the countywide service reviews and when advertisement is authorized in-lieu of individual landowner and/or registered voter notice for changes of organization.

Miscellaneous Expense (Costs related to maintenance of office) – Account 2090: \$7,000

Staff has identified a single account for costs related to the ongoing maintenance of the LAFCO office, items such as HVAC filters and cleaning, janitorial services, etc. This account had been previously used for the costs for office renovation and relocation to the Santa Fe Depot.

Computer Software – Account 2115: \$3,277

The account accommodates the charges for purchases of new software programs, access to online programs, and annual updates of existing programs. Access to online programs and annual updates of existing programs include ESRI's online mapping, digital archiving software for LAFCO to maintain its records in perpetuity per Government Code Section 56382, upgrade to the current Adobe Acrobat for all employees, and Microsoft annual licenses.

Inventoriable Equipment – Account 2125: \$0

No costs anticipated during the fiscal year.

Electricity – Account 2180: \$4,356

With the approved office relocation to the Santa Fe Depot, LAFCO is now responsible for payment of the office electricity. Staff estimates a cost of \$363 per month.

Other Insurance – Account 2245: \$9,965

This account is for property liability insurance (liability and damage), general liability, public officials and employee errors and omissions, personal liability for board members, employment practices liability, employee benefits liability, employee dishonesty coverage, and auto liability. LAFCO purchases this insurance through the Special District Risk Management Authority (SDRMA), a joint powers authority. SDRMA has provided notification rates will increase 6% for the coming year.

SUPPLIES

General Office Expense – Account 2305: \$5,834

This account is utilized for expenses to run the office such as office supplies and non-inventoriable items. General expenses include ink for the color printer, paper, petty cash reimbursement, annual fire inspection fee, and office supplies.

Credit Card Clearing Account - Account 2308: \$0

This is a clearing account for use of the credit card issued to the Executive Officer. All charges on the card will be posted to this account temporarily with charges then transferred to the appropriate accounts. At year's end, this account will have no expenditures.

Postage – Direct Charge – Account 2310: \$6,656

The shift to provide the agenda packet online has reduced overall postage costs. This expense item includes postage and handling for 10 hearings and interoffice mail, including special pick-ups, pursuant to the County's Internal Service Rates.

Records Storage – Account 2315: \$715

This account pays the cost for off-site retention of proposal files. Government Code Section 56382 mandates LAFCO to maintain its records in perpetuity.

Reproduction Services – Account 2323: \$0.00

This account is for reproduction activity outside of the LAFCO office (County Printing Services, Kinkos, etc.). No costs are anticipated at this time.

Temporary Services – Account 2335: \$0.0

The use of temporary services provides clerical support for processing large proposals. No costs are anticipated at this time.

CONSULTANT AND SPECIAL SERVICES

Professional and Special Service (Legal Counsel) – Account 2400: \$39,300

Item 6(b) (i) on the April agenda is to approve a new Legal Services Agreement with Best Best & Krieger as Clark Alsop, LAFCO's Legal Counsel for the past 43 years, is stepping down. The new contract for LAFCO Legal Counsel sets the initial rate for general counsel at \$250 per hour and allows for an annual rate increase based on the local consumer price index for the previous year for urban consumers not to exceed five percent and rounded up to nearest dollar. All legal counsel costs, with the exceptions of administrative charges and the CALAFCO Conference, are reimbursable under the Commission's existing fee policy. Special Counsel charges will be set at \$300 per hour for the first two years of the contract and then will increase at the same percentage as general counsel hourly rates. Litigation and outside legal counsel costs are charged under Account 2449 below. LAFCO also participates in Best, Best, & Krieger's *Public Policy and Ethics Service* which has an annual charge of \$3,300.

Auditing – Account 2405: \$11,019

This will be the third year of a four year contract with Davis Farr LLP for independent auditing services, contracted amount is \$7,800 for this engagement. Additionally, LAFCO Legal Counsel charges for the preparation of the response to the audit is also paid from this account (estimated at \$200). SBCERA is required to determine the unfunded liability for its participants and by legislative action can charge for fulfilling that requirement. The estimated cost for SBCERA is \$3,019.

Data Processing – Account 2410: \$12,851

LAFCO contracts with the County Information Services Department for technology related services. This account is for technology infrastructure (internet, email, security, etc.) and reporting from the County payroll system. The budget utilizes a monthly average of \$1,070.

COWCAP – Account 2415: \$10,109

COWCAP costs include administrative charges for technology - emerging technologies, use of County Purchasing, and processing of payments and payroll through the County Auditor which are charged to LAFCO pursuant to existing agreements.

ISD Other IT Services – Account 2420: \$225

This account is for charges by the County Information Services Department for the Executive Officer's portable communication device (smart phone) connection to County e-mail servers - \$17.47 per month per device.

ISD Direct – Account 2421: \$18,755

LAFCO contracts with the County Information Services Department for technology related services. This account is for maintenance of the local area network of computers, printers, and servers. The County charges a flat monthly charge by device rather than by service call activity. The monthly charge is \$119.41 per device for 12 devices, \$1,433 per month. Staff is now contracting with ISD to provide for a virtual server rather than house a server at the office location. This involves a \$130 per month charge.

Environmental Consultant – Account 2424: \$7,350

The Commission contracts with an independent consultant, Tom Dodson and Associates, for the environmental assessment associated with its proposals. Anticipated costs are for environmental analysis of out-of-agency service contracts, proposals, sphere of influence updates and service reviews, and for other environmental determinations. Most environmental consultant costs are billable under the Commission's existing fee schedule. Payments made for cost recovery are deposited into Revenue Account 9660. Additionally, this account includes the required payment for Notice of Determination of Notice of Exemption filings with the Clerk of the Board, typically \$50 per proposal.

Security Services – Account 2444: \$468

Costs for maintaining the security alarm system and monitoring are \$117 paid quarterly.

Other Professional Services – Account 2445: \$43,561

This account is for professional services to process proposals and items on the hearing agendas. For the past two years this account has included the cost for consultant services provided by Bob Aldrich and Associates for assistance in application processing, service review preparation, and the recruitment process for the new Executive Officer. As outlined in the staff report for this item, due the funding constraints resulting from the unanticipated costs during Fiscal Year 2017-18, no consultant contracts are included in the Fiscal Year 2018-19 budget. The costs included are:

- Commissioner stipend payments for attendance at Commission hearings and Southern Region LAFCO meetings (\$23,600)

- County Auditor to process the apportionments for the Cities, Independent Special Districts and the County (\$5,569)
- Governance training for the special districts within the County. Staff has developed an education program for the coming year with the California Special Districts Association (CSDA), the Institute for Local Government (ILG) and CALAFCO and is proposing to provide three seminars during the fiscal year. CSDA and ILG have indicated that it would charge \$2,500 to conduct the training and LAFCO would be responsible for travel and associated costs for CALAFCO for an estimated charge of \$7,500
- County Surveyor and Registrar of Voters (\$4,405)
- County Auditor to file LAFCO's quarterly taxes (\$3,940)
- Video recording of Commission hearings (\$3,500)

Outside Legal – Account 2449: \$0

This account is for legal services conducted through special contract for either litigation or when a conflict of interest waiver is not granted. For proposals not initiated by the Commission, the applicant agrees to indemnify the Commission against legal costs.

Application Development Support – Account 2450: \$200

LAFCO contracts with the County Information Services Department for technology related services. LAFCO staff maintains the website but, at times, requires additional support. This account is for specialized support for the LAFCO website to include maintenance of the site, its mapping page, and Fiscal Indicators page.

GIMS Charges – Account 2460: \$16,170

LAFCO contracts with the County Information Services Department for technology related services. This account is for generation and maintenance of digitized maps. Costs for this account include paper maps generated (\$270), Aerial Imagery subscription (\$3,000), Street Network Subscription (\$10,500), and LAFCO's proportional use of the County's ESRI ArcMap license (\$2,400).

LEASE/PURCHASES

Rent/Lease Copier – Account 2895: \$4,800

This account accommodates the contract for the copier lease at an estimated \$400 per month, based upon activity.

Office/Hearing Chamber Rental – Account 2905: \$99,212

The monthly lease payment for the staff office at the Santa Fe Depot will be \$5,191, a total expense of \$62,292, which includes lease and common area maintenance costs. In addition, \$2,806 is the estimated cost for amortizing the renovations of the staff office for 60 monthly payments. This account accommodates that expense for use of the Norton Regional Event Center as the permanent location for Commission hearings. It is estimated that this will be \$5,004 per year, \$417 per month.

TRAVEL RELATED EXPENSES

Private Mileage – Account 2940: \$6,010

This account is currently dedicated for Commissioners and staff private auto mileage at the IRS rate, excluding the Executive Officer.

Conference/Training – Account 2941: \$5,330

This account is for attendance charges related to conferences and training courses for staff as directed by the Executive Officer. The costs include CALAFCO or Southern Region LAFCOs training, clerk and analyst training, attendance at the CALAFCO annual conference by Commissioners and staff (currently estimated at seven Commissioners and two staff), and staff participation at the CALAFCO Staff workshop (estimated at three staff). For Fiscal Year 2018-19, the annual conference will be held in Yosemite and the location of the staff workshop is not known at this time.

Hotel – Account 2942: \$7,920

This account is for hotel charges for Commissioners and staff at the CALAFCO annual conference, Southern Region LAFCOs meeting attendance, staff participation at the staff workshop, CALAFCO Legislative Committee participation, and any other overnight stays on LAFCO business.

Meals – Account 2943: \$1,735

This account is for Commissioner and staff meal charges related to the CALAFCO annual conference, CALAFCO Board hearings, Southern Region LAFCOs meeting attendance, staff workshop, CALAFCO Legislative Committee participation, and other travels.

Car Travel – Account 2944: \$200

This account is for car rental by Commissioners or staff.

Air Travel – Account 2945: \$800

This account is for air travel for Commissioners and staff. The costs identified are for the Executive Officer's travel due to membership on the CALAFCO Legislative Committee and attendance at training sessions.

Other Travel – Account 2946: \$400

This account is for miscellaneous travel charges such as parking and taxi charges. The estimated cost for taxi services for the CALAFCO annual conference, staff workshop, and other travels.

OTHER CHARGES

Staples – Account 5012: \$1,200

LAFCO utilizes the County's contract with Staples for general office supplies and these expenses are budgeted in Account 5012 (Staples).

CONTINGENCIES AND RESERVES

Contingency (General) – Account 6000: \$20,442

By Commission practice, the contingency account is set at 10% of total expenditures (which would be \$140,244). However, due to the financial constraints being experienced by the Commission, the amount is proposed to be set at \$20,442. Due to the diminished nature of this contingency account staff and the Commission will need to take great care in monitoring activities in the upcoming year. Although the funds in this account are not anticipated for use, funds could be used for unexpected activity. Any transaction affecting the contingency funds requires Commission action to transfer the funds to the appropriate line item for expenditure.

Reserves – Net Pension Liability -- Account 6010: \$184,963

In October 2014, the Commission adopted its policy which created the Net Pension Liability Reserve to set aside funds to address its unfunded pension liabilities. It was the Commission's direction that Reserves plus Contingency would cover pension liability should the legislature decide to dissolve LAFCOs throughout the State.

The Net Pension Liability is calculated each year by SBCERA, and the most recent estimate (as of June 30, 2017) of the LAFCO share of the retirement pool's unfunded liability is \$769,173. The amortization of this liability is annually evaluated by LAFCO as part of the budget. This budget includes the contribution of \$36,513 for the fourth year of the 20-year amortization and revision of the schedule to accommodate the increase.

Reserves – General – Litigation – Account 6025: \$85,608

As a part of this budget review the staff is recommending that the Commission override its policy requirement to designate a reserve for general purposes to include litigation. Commission policy at a minimum of \$200,000. Due to non-recoverable litigation costs experienced in Fiscal Year 2017-18 coupled with the drop in proposal activity, there are insufficient revenues available to comply with the policy. In its forecasting for future years, staff has identified a path to return to the policy obligation. As a part of staff's recommendation, the Commission will be asked to take an action to override its policy due to the funding constraints being experienced.

Reserves – Compensated Absences – Account 6030: \$97,377

The Commission has an established policy of setting aside reserves for the compensated absences payable as of the first pay period in April. The amount identified above represents six full-time staff positions, including the new Executive Officer.

REVENUES

FY 2017-18

To provide for the revenue projection at year-end for Fiscal Year 2017-18, the Accounts for Interest has exceeded budget projection by approximately \$4,000 and 100% the Apportionment has been received.

The chart below shows the budgeted and the estimated year-end balances for the accounts that comprise the Fee categories, accounts that are sensitive to activity levels. The year-end estimated amount includes the withdrawal of proposals for the sphere amendment and reorganization involving the San Bernardino Valley Municipal Water District and the Inland Empire Utilities Agency (refund of \$10,064) and the failure to receive the fire proposals anticipated. By year's end, staff estimates fee revenue receipts 60% below the amended budget amounts. The chart below outlines the Revenue Categories:

FEE/DEPOSIT CATEGORY	AMENDED BUDGET	ESTIMATED YEAR-END
Individual Notice Deposit	\$42,320	\$5,077
Legal Service Deposit	\$40,185	\$37,928
Protest Hearing Deposit	\$43,620	\$1,500
GIMS Fees	\$7,520	\$5,790
Environmental Deposit	\$6,000	\$2,531
LAFCO Fee	\$127,773	\$42,321
TOTAL FEE REVENUE	\$267,417	\$95,147

FY 2018-19

As noted in other portions of this narrative, FY 2018-19 is anticipated to continue the lower activity level experienced in FY 2017-18. Staff has identified 9 proposals that are anticipated to be received in FY 2018-19 or earlier.

Activity	FY 2018-19
Proposals	9
Service Contracts - Commission approval	2
Service Contracts - EO approval	4
Protest Hearing Deposits	6

Revenues consisting of interest, mandatory apportionment contributions (9.5% increase from prior year), and fee revenue are estimated to be \$1,258,597. Refunds from Prior Years, Miscellaneous Charges, and Carryover increase revenues to a total of \$1,289,596.

Including the reduced reserves and contingencies from the prior year adds \$501,235, for a grand total of \$1,790,830.

REVENUE FORECAST FOR FISCAL YEAR 2019-20 AND FISCAL YEAR 2020-21

The forecast included for years two and three of the budget assumes a maintenance of proposal activity and an increase in apportionment of net costs by 4.0% each year. The following chart conservatively maintains proposal activity at nine proposals each year for the following two years.

Activity	19-20	20-21
Proposals	9	9
Service Contracts – Commission Approval	2	2
Service Contracts – EO Approval	6	6
Protest Hearing Deposits	5	5

LINE ITEM REVENUES FOR FISCAL YEAR 2018-19

Interest – Account 8500: \$11,000

LAFCO participates in the County's interest pool and is apportioned interest receipts quarterly. Interest rates have been steadily increasing.

Mandatory Contribution from Governments (Local Government) – Account 8842: \$1,105,497

Government Code Section 56381 requires that the net costs for LAFCO be apportioned equally to those seated on the Commission: the County, the 24 Cities, and the 51 Independent Special Districts within the County of San Bernardino. The proposed apportionment to the County, Cities, and Independent Special Districts is \$368,499 each. The County Auditor will be required to apportion this amount on July 1, 2018 pursuant to the requirements of law and Commission policies.

Pursuant to Government Code Section 56381(a), the proposed and final budget at a minimum shall be equal to the budget adopted for the previous fiscal year unless the Commission makes certain determinations. The budget for Fiscal Year 2018-19 is less than that for Fiscal Year 2017-18 but does not include the renovation costs for the office move nor anticipates further non-recoverable litigation expenses. Therefore, the Commission can determine that the reduced program costs allow it to fulfill its statutory obligations with the reduced budget proposed. The apportionment amount identified will be sufficient to cover the costs for the upcoming fiscal year including the maintenance of the Commission required reserves.

CURRENT SERVICES/FEES

Fees, charges, and deposits ordinarily involve the appropriate LAFCO filing fee and deposits for the recovery of the Commission's direct costs, for such items as LAFCO Legal Counsel, environmental review, Registrar of Voters costs, individual notification costs, etc.

For FY 2018-19 staff is proposing increases to the fees, charges, or deposit categories. Cost recovery for proposals and service contracts is not addressed in the budget due to its speculative nature. The figures for the categories below are based upon the activity identified above.

Individual Notice – Account 9545: \$6,700

This account is for landowner and registered voter notification requirements. This \$700 deposit is applied to proposals and development-related service contract less refunds. Should a proposal require individual notice due to the extension of a special tax, then the proponent will be required to submit a deposit for the direct costs to produce and mail the individual notices.

Legal Services – Account 9555: \$18,000

This account is for deposits for legal services which are calculated at \$2,000 for proposals and \$1,000 for service contracts requiring a hearing.

Protest Hearing – Account 9595: \$7,200

The account is for deposits related to the processing of the protest hearing which are calculated at \$1,500 each. Should a proposal require individual notice due to the extension of a special tax, then the proponent will be required to submit a deposit for the direct costs to produce and mail the individual notices.

GIMS Fees – Account 9655: \$6,370

This account is for receipt of revenue to recover the costs associated with the County's digital maps for sphere or boundary changes, maintenance and updates. The charge is based upon the acreage of each consideration area.

Environmental Deposits – Account 9660: \$7,000

Deposits for environmental review processing are calculated at \$1,000 for proposals and \$750 for service contracts requiring a hearing.

Other (LAFCO Fees) – Account 9800: \$96,830

Revenues in this account are based on anticipated activity and conservatively calculated at the median annexation filing fee for the activity identified above.

OTHER REVENUES

Refunds from Prior Year – Account 9910: \$13,999

This account refunds deposits submitted by applicants less costs incurred for activity which carry over from one year to another and includes prior year payment of indemnification of legal costs.

Miscellaneous Revenues – Account 9930: \$2,000

This account is for revenues received for duplication of CDs, DVDs, paper copies, and other miscellaneous receipts.

Carryover from Prior Year – Account 9970: \$0

At this time, it is anticipated that there will be no undesignated carryover of funds from the prior year.

RESERVES FROM PRIOR YEAR, as of July 1, 2018 (estimated)

At the time of the preparation of this narrative report, all of the Commission's reserves, as amended by action taken at the April 18, 2018 hearing, are anticipated to carryover from FY 2017-18 to FY 2018-19 as follows:

• Contingencies	\$ 63,077
• Net Pension Liability Reserve	148,450
• General Reserve – Litigation	200,000
• Compensated Absences Reserve	89,708
• TOTAL	\$ 501,235

**Auditor's Apportionment
Distribution for the County,
Cities and Towns and
Special Districts**

Attachment 2

**LAFCO Cost Allocation
County of San Bernardino Allocation
PY 2018-2019**

	Amount	Percentage of Total Cost
County of San Bernardino		
Total LAFCO Cost	\$ 1,105,497.00	100.00%
County of San Bernardino Allocation (1/3)*	\$ 368,499.00	33.33%
Total San Bernardino County Allocation	\$ 368,499.00	33.33%

Note:

* Per LAFCO Funding Election, County of San Bernardino pays third of total LAFCO cost.

* Total LAFCO Apportionment for FY 2018-19 is \$1,105,496 (by letter dated March 20, 2018)

**LAFCO Cost Allocation
Cities Allocation
PY 2018-2019**

City	Total Revenues FY 15-16		LAFCO Allocation		Allocation Percentage
Adelanto	\$ 14,565,863.00		\$ 2,240.90		0.61%
Apple Valley	\$ 70,259,057.00		\$ 10,809.07		2.93%
Barstow	\$ 38,503,314.00	*	\$ 5,923.58		1.61%
Big Bear Lake	\$ 42,909,731.00	*	\$ 6,601.49		1.79%
Chino	\$ 131,991,886.00		\$ 20,306.42		5.51%
Chino Hills	\$ 131,923,792.00		\$ 20,295.94		5.51%
Colton	\$ 126,378,698.00		\$ 19,442.85		5.28%
Fontana	\$ 216,281,316.00	*	\$ 33,274.00		9.03%
Grand Terrace	\$ 6,316,728.00		\$ 971.80		0.26%
Hesperia	\$ 69,728,750.00	*	\$ 10,727.48		2.91%
Highland	\$ 38,971,381.00		\$ 5,995.59		1.63%
Loma Linda	\$ 52,942,019.00		\$ 8,144.92		2.21%
Montclair	\$ 44,502,648.00		\$ 6,846.56		1.86%
Needles	\$ 5,491,173.00		\$ 844.79		0.23%
Ontario	\$ 388,148,393.00		\$ 59,715.06		16.20%
Rancho Cucamonga	\$ 191,656,342.00	*	\$ 29,485.55		8.00%
Redlands	\$ 121,981,399.00		\$ 18,766.35		5.09%
Rialto	\$ 128,194,519.00		\$ 19,722.21		5.35%
San Bernardino	\$ 263,008,953.00		\$ 40,462.86		10.98%
Twentynine Palms	\$ 10,340,762.00		\$ 1,590.88		0.43%
Upland	\$ 94,421,861.00		\$ 14,526.42		3.94%
Victorville	\$ 159,043,914.00	*	\$ 24,468.26		6.64%
Yucaipa	\$ 33,210,276.00		\$ 5,109.26		1.39%
Yucca Valley	\$ 14,474,085.00		\$ 2,226.78		0.60%
\$ 2,395,246,860.00			\$ 368,499.00		100.00%

Allocation is based on Cities revenues extracted from Fiscal Year 2015-16 tables published on the State Controller's website (www.sco.ca.gov). Fiscal Year 2016-17 was not available as of March 29, 2018.

* Cities with subsidiary districts. Subsidiary districts are excluded from the special district distribution and revenue added to the City:

- Barstow Fire Protection District (City of Barstow)
- Big Bear Lake Fire Protection District (City of Big Bear Lake)
- Fontana Fire Protection District (City of Fontana)
- Hesperia County Water District (City of Hesperia)
- Hesperia Fire Protection District (City of Hesperia)
- Rancho Cucamonga Fire Protection District (City of Rancho Cucamonga)
- Victorville Water District (City of Victorville)

**LAFCO Cost Allocation
Special Districts Allocation
PY 2018-2019**

District Name	Total Revenues* FY 15-16	LAFCO Cost Allocation	Allocation Percentage
Apple Valley Fire Protection	\$ 8,679,106.00	\$ 10,000.00	2.71%
Apple Valley Foothill County Water	\$ 142,552.00	\$ 388.67	0.11%
Apple Valley Heights County Water	\$ 283,492.00	\$ 772.95	0.21%
Arrowbear Park County Water	\$ 1,168,934.00	\$ 3,187.14	0.86%
Baker Community Services	\$ 708,621.00	\$ 1,932.08	0.52%
Barstow Cemetery	\$ 386,138.00	\$ 1,052.82	0.29%
Barstow Heights Community Services	\$ 63,456.00	\$ 173.01	0.05%
Bear Valley Community Healthcare	\$ 1,681,522.00	\$ 1,500.00	0.41%
Big Bear Airport	\$ 1,985,160.00	\$ 5,000.00	1.36%
Big Bear City Community Services	\$ 15,131,454.00	\$ 10,000.00	2.71%
Big Bear Municipal Water	\$ 4,961,878.00	\$ 5,000.00	1.36%
Big River Community Services	\$ 102,876.00	\$ 280.49	0.08%
Bighorn-Desert View Water Agency	\$ 1,917,377.00	\$ 5,000.00	1.36%
Chino Basin Water Conservation	\$ 1,712,710.00	\$ 4,669.76	1.27%
Chino Valley Independent Fire	\$ 34,580,232.00	\$ 20,000.00	5.43%
Crestline Lake Arrowhead Water Agency	\$ 5,659,676.00	\$ 10,000.00	2.71%
Crestline Sanitation District	\$ 3,911,804.00	\$ 5,000.00	1.36%
Crestline Village Water	\$ 2,555,962.00	\$ 5,000.00	1.36%
Cucamonga Valley Water District	\$ 84,602,854.00	\$ 30,000.00	8.14%
Daggett Community Services	\$ 271,113.00	\$ 739.20	0.20%
East Valley Water	\$ 34,638,479.00	\$ 20,000.00	5.43%
Helendale Community Services District	\$ 4,957,664.00	\$ 5,000.00	1.36%
Hesperia Recreation and Park	\$ 4,829,943.00	\$ 5,000.00	1.36%
Hi-Desert Memorial Healthcare District	\$ 12,801,628.00	\$ 1,500.00	0.41%
Hi-Desert Water District	\$ 10,645,239.00	\$ 10,000.00	2.71%
Inland Empire Resource Conservation	\$ 3,372,474.00	\$ 5,000.00	1.36%
Inland Empire Utilities Agency	\$ 167,681,722.00	\$ 30,000.00	8.14%
Joshua Basin Water	\$ 5,384,774.00	\$ 10,000.00	2.71%
Juniper-Riviera County Water	\$ 291,556.00	\$ 794.94	0.22%
Lake Arrowhead Community Services	\$ 16,759,072.00	\$ 10,000.00	2.71%
Mariana Ranchos County Water	\$ 495,986.00	\$ 1,352.32	0.37%
Mojave Desert Resource Conservation	\$ 85,539.00	\$ 233.22	0.06%
Mojave Water Agency	\$ 38,013,945.00	\$ 20,000.00	5.43%
Monte Vista Water	\$ 16,639,927.00	\$ 10,000.00	2.71%
Morongo Valley Community Services	\$ 917,635.00	\$ 2,501.96	0.68%
Newberry Community Services	\$ 227,470.00	\$ 620.20	0.17%
Phelan Pinon Hills Community Services District	\$ 6,375,823.00	\$ 10,000.00	2.71%
Rim of the World Recreation and Park	\$ 1,144,548.00	\$ 3,120.65	0.85%
Running Springs Water	\$ 6,372,027.00	\$ 10,000.00	2.71%
San Bernardino Mountains Community Hospital	\$ (356,852.00)	\$ 1,500.00	0.41%
San Bernardino Valley Municipal Water	\$ 74,604,794.00	\$ 30,000.00	8.14%
San Bernardino Valley Water Conservation	\$ 2,121,596.00	\$ 5,000.00	1.36%
Thunderbird County Water	\$ 228,424.00	\$ 622.80	0.17%
Twentynine Palms Cemetery	\$ 237,769.00	\$ 648.28	0.18%
Twentynine Palms Water District	\$ 5,619,547.00	\$ 10,000.00	2.71%
West Valley Mosquito and Vector Control	\$ 2,911,430.00	\$ 5,000.00	1.36%
West Valley Water District	\$ 24,889,721.00	\$ 20,000.00	5.43%
Wrightwood Community Services District	\$ 140,161.00	\$ 382.15	0.10%
Yermo Community Services	\$ 124,583.00	\$ 339.68	0.09%
Yucaipa Valley Water	\$ 23,475,431.00	\$ 20,000.00	5.43%
Yucca Valley Airport	\$ 68,468.00	\$ 186.68	0.05%
Totals	\$ 636,207,440.00	\$ 368,499.00	100.00%

All data in this worksheet are extracted from Fiscal Year 2015-16 Special Districts revenues tables published on the State Controller's website. Fiscal Year 2016-17 was not available as of March 29, 2018.

Exception: Data used for Bear Valley Community Healthcare and San Bernardino Mountains Community Hospital is 'Net from Operations' from FY 2016-17, published by the Office of Statewide Health Planning and Development

- On March 28, 1995, Hi- Desert Memorial Hospital's name was changed to Hi-Desert Memorial Healthcare District.
- By the Resolution No. 2003 -10-8, Cucamonga County Water District name changed to Cucamonga Valley Water District.
- Effective July 15, 2015, Hi-Desert Memorial Healthcare District, DBA Morongo Basin Healthcare District, has no longer operates a hospital as it leased operations to Tenet Healthcare Corporation.
- Effective July 1, 2017, the Wrightwood Community Services District is subject to LAFCO apportionment after its formation from CSA 56, LAFCO Resolution No. 3235)

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: MARCH 28, 2018

FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
SAMUEL MARTINEZ, Assistant Executive Officer

TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item 7 – Review and Consideration of Update to Policy and Procedure Manual Section IV – Application Processing, Chapter 5 Out of Agency Fire Protection Contracts and Related Application Form

RECOMMENDATION:

Staff recommends that the Commission:

1. Approve a revision to the Policy and Procedure Manual related to Application Procedures under Chapter 5: Out of Agency Fire Protection Contract, Section IV – Application Processing, as follows:

...

1. Application for Review:

The filing requirements for review of a fire protection contract shall include:

...

- D. A completed Application Form for Fire Protection Contracts including the submission of a copy of the fire protection contract that has been signed by one of the affected public agencies. Submission of additional map(s) showing the jurisdictional boundaries of the affected public agencies may also be required.

...

2. Approve a revision to the required exhibits to the Application Form for Fire Protection Contract as follows:

...

REQUIRED EXHIBITS TO THIS APPLICATION:

1. Copy of the agreement/contract signed by one of the affected public agencies.
...
3. Adopt LAFCO Resolution No. 3263 reflecting the updates to the Policy and Procedure Manual and direct the Executive Officer to distribute to affected and interested parties and to update the Commission Website.

BACKGROUND:

In August 2016, the Commission adopted policies and procedures including a related application form pursuant to provisions of Government Code Section 56134, which are provisions within the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 that relate to fire protection contracts.

However, staff realized that one of the filing requirements identified in reviewing a fire protection contract, which is the submission of a copy of the fire contract/agreement that has been signed by the affected public agencies, is—in staff’s view—inappropriately worded.

As currently written, a fully executed contract/agreement is required to be submitted since the fire protection contract has to be “...signed by the affected public agencies.” This can be problematic given that the Commission can deny a contract/agreement. If, in fact, the Commission denies a request for approval of a fire protection contract that is fully executed, then the affected public agencies will have a binding contract that is unenforceable. However, the Commission will also need some assurance that the contract/agreement has been fully vetted and agreed upon by the affected public agencies.

Therefore, staff is proposing a language revision requiring the contract/agreement be signed by one of the affected public agencies. Having only one of the affected agencies take its action will indicate that the contract/agreement is the agreed-upon version yet still not a binding contract/agreement since not all parties have signed. Therefore, the proposed revision is shown below with the additional language shown in red underlined text:

“ ...

1. Application for Review:

The filing requirements for review of a fire protection contract shall include:
...

- D. A completed Application Form for Fire Protection Contracts including the submission of a copy of the fire protection contract that has been signed by one of the affected public agencies. Submission of additional map(s)

showing the jurisdictional boundaries of the affected public agencies may also be required.

...”

Staff is also proposing that the language on the related application form be made consistent with the filing requirement for review of a fire protection contract. Therefore, the proposed revision is shown below with the additional language shown in red underlined text:

“...

REQUIRED EXHIBITS TO THIS APPLICATION:

1. Copy of the agreement/contract signed by one of the affected public agencies.

...”

CONCLUSION:

The proposed revisions may only be a few words; however, the requested change is deemed critical so as not to require a fully executed agreement prior to the Commission making a determination to approve, modify and approve, or deny a fire protection contract.

Therefore, staff recommends that the Commission approve the proposed revisions to the filing requirements for review of a fire protection contract as well as its related application form and circulate the revisions to affected and interested agencies as well as update the Policy and Procedure Manual posted on the Commission’s Website. Should the Commission have any questions, staff will be happy to answer them prior to or at the hearing.

KRM/sm

Attachments:

1. [Revised Chapter 5: Out of Agency Fire Protection Contract, Section IV –Application Processing \(with track changes\)](#)
2. [Revised Application Form for Fire Protection Contracts \(with track changes\)](#)
3. [Draft LAFCO Resolution No. 3263](#)

**Revised Chapter 5: Out of
Agency Fire
Protection Contract,
Section IV
Application Processing
(with track changes)**

Attachment 1

OUT OF AGENCY FIRE PROTECTION CONTRACT

BACKGROUND:

Beginning January 1, 2016, a Local Agency Formation Commission has been charged with the responsibility for reviewing and taking action on fire protection contracts that either: transfers more than 25 percent of the service area of an affected public agency or changes the employment status of more than 25 percent of the employees of an affected public agency pursuant to Government Code Section 56134. These are unique actions not directly related to the processing of other types of proposals and the following policies and procedures will provide guidance on their processing.

POLICIES:

(Adopted August 17, 2016; **Amended April 18, 2018**)

1. DEFINITIONS:

- A. "Affected Public Agency(ies)" for the purpose of fire protection contracts, shall be defined as the public agency(ies), as described pursuant to Government Code Section 56070, that is(are) affected by the fire protection contract, either as the agency providing or receiving the new or extended fire protection service(s).
- B. "Employment Status" for the purpose of fire protection contracts, shall be defined as either inter-agency or intra-agency transfer of employee(s), and/or employee(s) whose employment is/are terminated as a result of the contract.
- C. "Jurisdictional boundary(ies)" for the purpose of fire protection contracts, shall be as defined pursuant to Government Code Section 56134(a)(3). Any other instance, jurisdictional boundary(ies) shall mean the actual boundaries of a public agency such as the corporate boundaries of a city or the boundary of a special district."

2. Documentation Required - The applicant must provide the Commission with documentation on whether the fire protection contract meets either threshold outlined in Government Code Section 56134(a)(1)(A) and (B):

- Transfers service responsibility of more than 25 percent of an affected public agency's service area; or,
- Changes the employment status of more than 25 percent of the employees of an affected public agency.

If the area to be served by the fire protection contract is not the entire jurisdictional boundaries of an affected agency, a map of the contract area must be provided. If the fire protection contract affects more than 25 percent of the

employees of an affected agency, a document with a listing of all employees for the affected agency that clearly identifies all the employees affected by the fire protection contract must be provided.

3. For a fire protection contract application request made by a state agency, the director of the state agency must provide a letter, addressed to the Commission, outlining the agency's intent to provide service(s) outside its jurisdictional boundaries as defined by Government Code Section 56134. The letter must include, as an attachment, all supporting documents that are required to be submitted for a fire protection contract. In the case where the Director of Finance must provide approval of the fire protection contract, the Director must provide a letter, addressed to the Commission, outlining its support for the fire protection contract application request.
4. The required written agreement from an affected public agency shall be in the form of a resolution adopted by its legislative body. The written agreement from the employee organization shall be in a form of a letter signed by the President of the employee organization. In the case of providing written notice, proof that the notice was provided or delivered to each affected agency and employee organization shall be in the form of a signed affidavit or any similar type of proof that the written notices were provided. Such proof must be included as part of the application submission. In addition, all documents related to the public hearing on the resolution of application including, but not limited to, a copy of the agenda, staff report, and meeting minutes must also be included as part of the application submission.
5. The Plan for Service must include, but is not limited to, all the required information as outlined in Government Code Section 56134(e). In addition, the required independent Fiscal Impact Analysis must include, at a minimum, the following:
 - a five year projection of revenues and expenditures;
 - a discussion of the sufficiency of general existing revenues to provide the new or extended fire protection service; and,
 - a comprehensive review of all retirement plans impacting the affected agency/agencies and employees including any unfunded retirement obligations and the identification of retirement debt, if any, and the responsible agency or agencies to assume such debt.
6. Existing fire protection contracts, and their renewal, will not be subject to the requirements of Government Code Section 56134 unless a subsequent change to an existing fire protection contract either transfers more than 25 percent of the service area of an affected public agency or affects more than 25 percent of the employees of an affected public agency. In addition, mutual or automatic aid agreements are not subject to Government Code Section 56134.

APPLICATION PROCEDURES FOR AN OUT OF AGENCY FIRE PROTECTION CONTRACT

Government Code Section 56134 charges LAFCO with the responsibility to review and approve, approve with conditions, or deny requests for approval of a fire protection contract that provide new or extended fire protection services outside an agency's jurisdictional boundaries provided such contracts meet one of the following thresholds: (1) transfers service responsibility of more than 25 percent of an affected public agency's service area; or (2) affects more than 25 percent of the employees of an affected public agency. Requests under this provision are subject to Commission review.

1. Application for Review:

The filing requirements for review of a fire protection contract shall include:

- A. Official Request from Applicant. The request must be made by adoption of a Resolution of Application pursuant to Government Code Section 53134(c).
- The resolution of application shall not be submitted to LAFCO unless the provisions outlined in Government Code Section 56134(d) have been met: 1) Submission of written agreement from each affected public agency and each affected employee organization consenting to the proposed fire protection contract, or proof that written notices were provided to each affected agency and employee organization at least 30 days prior to the public hearing on the resolution of application is held; and 2) the applicant conducts an open public hearing on the resolution of application. The resolution of application must also include a provision acknowledging the Commission's requirement for indemnification pursuant to Commission policy (see Policy and Procedure Manual, Chapter 2 - Accounting and Financial Section, Policy #3)

In addition, all documents related to the applicant's hearing on the resolution of application such as agenda, staff report, minutes, etc. shall also be submitted.

- The resolution of application must be submitted with a Plan for Service that includes, but is not limited to, all the required information as outlined in Government Code Section 56134(e).
- The resolution of application must be submitted with an independent Fiscal Impact Analysis pursuant to Government Code Section 56134(f) that includes, at a minimum, the following: a) a five year projection of revenues and expenditures, b) a discussion of the sufficiency of general existing revenues to provide the new or extended fire protection service, and c) a comprehensive review of all retirement plans impacting the affected agencies and employees including any unfunded retirement

obligations and the identification of retirement debt, if any, and the responsible agency or agencies to assume such debt.

B. Documentation Required to Establish Thresholds Related to Service Area and Employment Status:

- Service Area: The applicant must submit a map of the fire protection contract area if the fire protection contract area is not the entirety of the affected public agency. *If the applicant already serves the affected public agency (agency receiving service) by contract to a portion of its current jurisdictional boundaries, the map must clearly identify the area it currently serves by contract and the new area it is proposing to serve by contract.*
- Employment Status: The applicant must submit a document with a listing of all employee classifications/titles of an affected public agency that clearly identify the employee classifications/titles that are affected by the fire protection contract.

C. Payment of Appropriate Filing Fees. The applicant must submit, as part of the application, the appropriate filing fee as outlined in the LAFCO Schedule of Fees, Deposits, and Charges in effect at the time of submission. In addition, a review of a fire protection contract is also subject to the following deposits: legal counsel, environmental review, and individual notice. Applicants will be required to reimburse the Commission for all charges and costs in excess of the deposits outlined above. If charges billed are less than the amount of deposits, the balance will be refunded at the close of the application.

Should a fire protection contract require the extension of an existing per parcel special fee or charge, the applicant will be required to submit an additional deposit for the direct costs associated with mailing individual notices to each billed landowner within the fire protection contract area.

- D. A completed Application Form for Fire Protection Contracts including the submission of a copy of the fire protection contract that has been signed by **one of** the affected public agencies. Submission of additional map(s) showing the jurisdictional boundaries of the affected public agencies may also be required.
- E. Any other information deemed appropriate by the Executive Officer in order to review the fire protection contract based upon its special circumstances.

2. Environmental Review Requirements:

The review of a fire protection contract is subject to environmental review procedures as outlined in Section V of this Manual.

REVIEW PROCEDURES FOR AN OUT OF AGENCY FIRE PROTECTION CONTRACT:

A fire protection contract will require the following review:

1. The applicant must submit to LAFCO a completed Application Form for Fire Protection Contracts, with all its component parts as previously defined, for review and consideration. Within 30 days, the LAFCO Executive Officer will notify the applicant and any other affected public agency whether or not the application filing is complete. If incomplete, the applicant and any other affected public agency will be notified of the specific insufficiencies.
2. The LAFCO staff shall forward a copy of the application to various County departments, all local fire authorities and other affected/interested agencies for their review and comment.
3. Completion of the CEQA review process will be required prior to placement on the Commission's agenda.
4. A meeting with the applicant and any other affected public agency, and/or the various County departments and other affected/interested agencies will be held to discuss the circumstances and/or issues related to the fire protection contract.
5. Once these required elements have been completed and the application deemed complete, the item will be placed on the next agenda for which notice can be provided but no more than 90 days from the date the application is deemed complete. At least 21 days prior to the date of the hearing, notice of the hearing will be mailed to each affected local agency or affected county, and to any interested party who has filed a written request for notice. In addition, at least 21 days prior to the hearing, notice of hearing will be published in a newspaper of general circulation and posted on the Commission's website.

At least 21 days prior to the date of the hearing, individual notice will be mailed to each billed landowner within the fire protection contract area if the fire protection contract will require the extension of an existing per parcel special fee or charge.

6. At a noticed public hearing, the Commission will consider the staff's presentation and presentations, if any, by interested and affected parties, and make a determination.
7. The Commission has the authority to approve, approve with conditions, or deny a fire protection contract. The Commission's determination regarding 56134(h)(2)(i) and (j) and any required findings will be set out in a resolution which specifies the area to be served, the services to be provided, and the authority of the agency to provide its services outside its boundaries.

8. Reconsideration: Following an action by the Commission on the contract request, reconsideration by the Commission may be requested pursuant to existing Commission policies.

**Revised Application Form for
Fire Protection Contracts
(with track changes)**

Attachment 2

SAN BERNARDINO LAFCO APPLICATION FORM FOR FIRE PROTECTION CONTRACTS

A certified copy of the resolution of application from the public agency requesting approval of the fire protection contract must be submitted together with this application form.

AFFECTED PUBLIC AGENCY (APPLICANT):

PUBLIC AGENCY NAME: _____

CONTACT PERSON: _____

ADDRESS: _____

PHONE: _____

EMAIL: _____

AGENCY FUNCTION: ☐ AGENCY PROVIDING SERVICE; ☐ AGENCY RECEIVING SERVICE;

☐ OTHERS (SPECIFY) _____

AFFECTED PUBLIC AGENCY:

PUBLIC AGENCY NAME: _____

CONTACT PERSON: _____

ADDRESS: _____

PHONE: _____

EMAIL: _____

AGENCY FUNCTION: ☐ AGENCY PROVIDING SERVICE; ☐ AGENCY RECEIVING SERVICE;

☐ OTHERS (SPECIFY) _____

OTHER AFFECTED PUBLIC AGENCY, IF APPLICABLE:

PUBLIC AGENCY NAME: _____

CONTACT PERSON: _____

ADDRESS: _____

PHONE: _____

EMAIL: _____

AGENCY FUNCTION: ☐ AGENCY PROVIDING SERVICE; ☐ AGENCY RECEIVING SERVICE;

☐ OTHERS (SPECIFY) _____

The following questions are designed to obtain information related to the fire protection contract to allow the Commission and staff to adequately assess the contract. You may include any additional information which you believe is pertinent. Please use additional sheets where necessary.

1. Please provide a description of the fire protection contract and the general terms of the agreement.

2. A) Please provide a description of the services to be provided including an assessment of the level of service, whether it is anticipated to increase, be the same level of service, or reduced.

- B) Are any of the services identified above "new" service to be provided by the affected agency that is proposed to provide the service? ☐ YES ☐ NO. If yes, please provide a description of the new service(s) to be provided and an explanation of how the affected agency will provide the service, including funding.

3. Please provide a description of any special arrangements related to the fire protection contract such as start-up cost, if applicable.

4. Please provide a description of the assumption of assets and liabilities, if applicable.

5. Please provide a description of the use (assumption/leasing) of facilities and equipment for the fire protection contract.

6. Please provide a description of the assumption of personnel and/or retirement obligation, if applicable.

7. Plan for Service:

Please provide a detailed description of the plan for service. The response should include, but not be limited to, all of the following information:

- a) The total estimated cost to provide the new or extended fire protection services in the affected territory.
- b) The estimated cost of the new or extended fire protection services to customers in the affected territory.
- c) An identification of existing service providers, if any, of the new or extended services proposed to be provided and the potential fiscal impact to the customers of those existing providers.

- d) A plan for financing the exercise of the new or extended fire protection services in the affected territory.
- e) Alternatives for the exercises of the new or extended fire protection services in the affected territory.
- f) An enumeration and description of the new or extended fire protection services proposed to be extended to the affected territory.
- g) The level and range of new or extended fire protection services.
- h) An indication of when the new or extended fire protection services can feasibly be extended to the affected territory.
- i) An indication of any improvements or upgrades to structures, roads, sewer or water facilities, or other conditions the public agency would impose or require within the affected territory if the fire protection contract is completed.

8. Fiscal Impact Analysis:

An independent fiscal impact analysis must be submitted that includes, at a minimum, a five year projection of revenues and expenditures. The information should include a discussion of the sufficiency of general existing revenues to provide the new or extended fire protection service, and the costs to provide the service, a comprehensive review of all retirement plans impacting the affected agencies and employees including any unfunded retirement obligations and the identification of retirement debt, if any, and the responsible agency or agencies to assume such debt. If financing is to occur, please provide any special financial arrangement between the agencies.

CERTIFICATION

As a part of this application, the following affected public agency/agencies:

(Affected public agency[ies])

Agree to defend, indemnify, hold harmless, promptly reimburse San Bernardino LAFCO for all reasonable expenses and attorney fees, and release San Bernardino LAFCO, its agents, officers, attorneys, and employees from any claim, action, proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it.

This indemnification obligation shall include, but not be limited to, damages, penalties, fines and other costs imposed upon or incurred by San Bernardino LAFCO should San Bernardino LAFCO be named as a party in any litigation or administrative proceeding in connection with this application.

The agency signing this application will be considered the proponent for the proposed action(s)

and will receive all related notices and other communications. I understand that if this application is approved, the Commission will impose a condition requiring the applicant to indemnify, hold harmless and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

I hereby certify that the statements furnished above and in the attached exhibits present the data and information required for this evaluation of service extension to the best of my ability, and that the facts, statement and information presented herein are true and correct to the best of my knowledge and belief.

SIGNED: (Applicant)

NAME:

POSITION TITLE:

AGENCY NAME:

DATE:

SIGNED: (Other Affected Public Agency)

NAME:

POSITION TITLE:

AGENCY NAME:

DATE:

SIGNED: (Other Affected Public Agency)

NAME:

POSITION TITLE:

AGENCY NAME:

DATE:

REQUIRED EXHIBITS TO THIS APPLICATION:

1. Copy of the agreement/contract **signed by one of the affected public agencies**.
2. Resolution of Application including the following:
 - a. Required documentation contract transfers service responsibility of more than 25 percent of an affected public agency's service area or affects more than 25 percent of the employees of an affected public agency pursuant to Government Code Section 56134(a)(1)(A) and (B)
 - b. Required written agreement from affected agency (adopted resolution) and from the employee organization (letter signed by the President of the employee organization) or proof that notice was provided or delivered to each affected agency and employee

- organization and all documents related to the applicants hearing on the resolution of application pursuant to Government Code Section 56134(d)
- c. Certified plan for service pursuant to Government Code Section 56134(e)
 - d. Independent fiscal impact analysis pursuant to Government Code Section 56134(f)
3. Map(s) showing the jurisdictional boundaries of all affected public agencies.

Please forward the completed form and related information to:

Local Agency Formation Commission for San Bernardino County
215 North D Street, Suite 204
San Bernardino, CA 92415-0490
PHONE: (909) 388-0480 • FAX: (909) 885-8170

krm – ~~8/17/2016~~ 4/18/2018

**Draft LAFCO
Resolution No. 3263**

Attachment 3

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

1170 West Third Street, Unit 150, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 388-0481
lafco@lafco.sbcounty.gov
www.sbclafco.org

RESOLUTION NO. 3263

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY, STATE OF CALIFORNIA, ADDING TO, AMENDING, AND RESCINDING ITS POLICY AND PROCEDURE MANUAL

On Wednesday, April 18, 2018, on motion of Commissioner _____, duly seconded by Commissioner _____, and carried, the Local Agency Formation Commission adopts the following resolution:

SECTION 1. The Local Agency Formation Commission for San Bernardino County, State of California (hereafter shown as "LAFCO"), hereby finds and determines that it wishes to amend its Policy and Procedure Manual approved by the Commission at its April 18, 2018 hearing. The amendments include non-substantive changes.

SECTION 2. The Local Agency Formation Commission for San Bernardino County therefore resolves and orders that the following changes to the Policy and Procedure Manual are approved:

- Section IV (Application Processing), Chapter 5 (Out of Agency Fire Protection Contract), Application Procedures for an Out of Agency Fire Protection Contract is revised to read as follows:**

...

1. Application for Review:

The filing requirements for review of a fire protection contract shall include:

...

- D. A completed Application Form for Fire Protection Contracts including the submission of a copy of the fire protection contract that has been signed by one of the affected public agencies. Submission of additional map(s) showing the jurisdictional boundaries of the affected public agencies may also be required."

...

RESOLUTION NO. 3263

2. The Application Form for Fire Protection Contract is revised to read as follows:

...

REQUIRED EXHIBITS TO THIS APPLICATION:

1. Copy of the agreement/contract signed by one of the affected public agencies.

...

SECTION 3. The Executive Officer of LAFCO is ordered to certify the passage of this resolution and to cause a copy of the amended Policy and Procedure Manual to be posted on the LAFCO Website, and a certified copy of this resolution to be forwarded to the County Administrative Office, each City, Town, and Independent Special District in the County and to affected County Departments for implementation.

THIS ACTION APPROVED AND ADOPTED BY THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY BY THE FOLLOWING VOTE:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

.....

STATE OF CALIFORNIA)
)ss.
COUNTY OF SAN BERNARDINO)


I, KATHLEEN ROLLINGS-McDONALD, Executive Officer of the Local Agency Formation Commission for San Bernardino County, California, do hereby certify this record to be a full, true, and correct copy of the action taken by said Commission, by vote of the members present, as the same appears in the Official Minutes of said Commission at its meeting of April 18, 2018.

DATED:

KATHLEEN ROLLINGS-McDONALD
Executive Officer

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

1170 West Third Street, Unit 150, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 388-0481
E-MAIL: lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE: APRIL 9, 2018 
FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
SAMUEL MARTINEZ, Assistant Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #8: Status Report on Continued Monitoring of Conditions Imposed by LAFCO Resolution 3190 on LAFCO 3157 – Sphere of Influence Establishment for County Service Area 120 (North Etiwanda Preserve and Associated Mitigation Lands)

RECOMMENDATION:

Staff recommends that the Commission continue consideration of the Status Report to the June 20, 2018 Hearing.

BACKGROUND:

On September 17, 2014, the Commission adopted Resolution No. 3190 establishing a sphere of influence for County Service Area 120 and outlining its concerns on the operations and of the management of the mitigation lands and conservation easements held by the District. The resolution set in motion a monitoring program which included updates on progress in the areas of concern. At the March 2016, hearing the Commission determined to hold in abeyance its ongoing monitoring of CSA 120 until such time as the Countywide Framework Study for Habitat Preservation and Conservation was completed. At the March 21, 2018, hearing the Commission received an update on the progress of the ongoing study and its shift in direction.

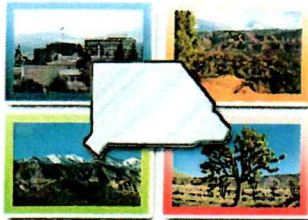
As the staff was preparing to provide the Commission with an update on the progress of the Countywide Framework Study, it also sent a letter to the County Special District's Department (dated February 12, 2018 – copy included) asking for an update on progress by County Service Area 120. No official response was received to this request by the March 28 due date; however, in meeting with Special District staff on April 5, it was confirmed that an official response would be provided. Without a response identifying any actions to date, or lack thereof, staff is unable to apprise the Commission of the current status of County Service Area 120. Therefore, staff is requesting that the Commission continue this matter to the June 20, 2018 hearing.

ATTACHMENTS:

1. [Letter Dated February 12, 2018 to County Special Districts Department Requesting Update on Status of Conditions Imposed by Resolution No. 3190](#)
2. [Resolution No. 3190 for the Sphere of Influence Establishment for County Service Area 120](#)

**Letter Dated February 12,
2018 to County Special
Districts Department
Requesting Update on Status
of Conditions Imposed by
Resolution No. 3190**

Attachment 1



LAFCO

**Local Agency
Formation Commission**
for San Bernardino County

1170 West 3rd Street, Unit 150
San Bernardino, CA 92415-0490
909 388 0480 | Fax 909 388 0481
E-mail: lafco@lafco.sbcounty.gov
www.sbcilafco.org

Established by the State of California
to serve the Citizens, Cities, Special Districts
and the County of San Bernardino

COMMISSIONERS

JIM BAGLEY
Public Member

KIMBERLY COX, Chair
Special District

JAMES V. CURATALO
Special District

ROBERT A. LOVINGOOD
Board of Supervisors

LARRY McALLON
City Member

JAMES RAMOS, Vice Chair
Board of Supervisors

DIANE WILLIAMS
City Member

ALTERNATES

STEVEN FARRELL
Special District

JANICE RUTHERFORD
Board of Supervisors

Vacant
Public Member

ACQUANETTA WARREN
City Member

STAFF

KATHLEEN ROLLINGS-McDONALD
Executive Officer

SAMUEL MARTINEZ
Assistant Executive Officer

MICHAEL TUERPE
Project Manager

LA TRICI JONES
Clerk to the Commission

LEGAL COUNSEL

CLARK H. ALSOP

February 12, 2018
Via Email and Inter-office Mail

Mr. Jeff Rigney, Director
Special Districts Department
County of San Bernardino
157 West Fifth Street
San Bernardino, Ca 92415-0450

REF: LAFCO 3157 – Sphere of Influence Establishment for
County Service Area 120

Dear Mr. Rigney:

In October 2014, the Local Agency Formation Commission for San Bernardino County (hereafter LAFCO) concluded its review and established the sphere of influence for County Service Area 120 as required by law. As you are aware, that sphere of influence determination included a number of monitoring requirements for issues related to financing and sustainability for the District. In March 2016, the Commission again deferred its service review of open space and habitat conservation until the completion of Phase 2 of the Countywide Habitat Preservation/Conservation Framework Study, anticipated to be completed in September 2017. Along with that determination, it extended the timeframe for completion of the conditions outlined in the CSA 120 sphere of influence establishment for the same timeframe.

At the Environmental Element meeting in November 2017, it was identified that the manner and scope of the Framework Study had changed due to legislative changes and funding issues. As an outgrowth of these changes, LAFCO staff is bringing a workshop item to the Commission at its March 21st hearing to review the County/SBCTA current effort. Staff at that time anticipates recommending that the service review be closed to be taken up, if progress is made by the Environmental Element Group, during the 2020-21 service review cycle.

In order to address the various issues with the sphere of influence establishment for CSA 120 as outlined in LAFCO 3157/3157A, we are placing an update of the conditions of approval of the sphere of influence on the Commission's April 18, 2018 agenda. At that time we will be updating the Commission on the current status of the CSA 120 efforts to complete the conditions.

In order to provide a staff report for this item, we are requesting that the Department provide a written update on the various items and place review of the LAFCO matter on the next CSA 120 Advisory Board meeting. At present it is our understanding that the quarterly meeting would be sometime in March 2018. In order for this item to have the staff report published, we will need your responses/information by not later than March 28, 2018. Please let me know if you have any questions concerning the information outlined or requested in this letter or if you would like to meet to review the terms and conditions from the 2014 approval for LAFCO 3157.

Sincerely,



KATHLEEN ROLLINGS-McDONALD
Executive Officer

KRM/

cc: Supervisor Janice Rutherford, Second District
Christina Taylor, Field Representative Se3cond District
Gary McBride, County Executive Officer
Leonard Hernandez, County Chief Operating Officer
Tim Millington, Regional Manager, Special District Department

**Resolution No. 3190 for the
Sphere of Influence
Establishment for County
Service Area 120**

Attachment 2

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

215 North D Street, Suite 204, San Bernardino, CA 92415-0490
(909) 383-9900 • Fax (909) 383-9901
E-MAIL: lafco@lafco.sbcounty.gov
www.sbclafco.org

PROPOSAL NO.: LAFCO 3157

HEARING DATE: SEPTEMBER 17, 2014

RESOLUTION NO. 3190

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY MAKING DETERMINATIONS ON LAFCO 3157 – SPHERE OF INFLUENCE ESTABLISHMENT FOR COUNTY SERVICE AREA 120 (Habitat Conservation and Historical Resources – North Etiwanda) (sphere of influence establishment coterminous with existing District boundary excluding the territory currently within the City of Fontana's Interim Multi-Species Habitat Conservation Plan)

On motion of Commissioner Farrell, duly seconded by Commissioner Williams, and carried, the Local Agency Formation Commission adopts the following resolution:

WHEREAS, an application for the proposed sphere of influence establishment (expansion beyond existing District boundaries) in the County of San Bernardino was filed with the Executive Officer of the Local Agency Formation Commission (hereinafter referred to as "the Commission") in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.); and,

WHEREAS, at the times and in the form and manner provided by law, the Executive Officer has given notice of the public hearing by this Commission on this matter; and,

WHEREAS, the Executive Officer has reviewed available information and prepared a report including her recommendations thereon, the filings and report and related information having been presented to and considered by this Commission; and,

WHEREAS, the public hearing by this Commission was held upon the date and at the time and place specified in the notice of public hearing and in any order or orders continuing the hearing; and,

WHEREAS, at the hearing, this Commission heard and received all oral and written protests; the Commission considered all objections and evidence which were made, presented, or filed; it received evidence as to whether the territory is inhabited or uninhabited, improved or unimproved; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the application, in evidence presented at the hearing; and,

WHEREAS, a Mitigated Negative Declaration has been prepared pursuant to the provisions of the California Environmental Quality Act (CEQA) indicating that the sphere of influence establishment will not have a significant effect on the environment through implementation of the mitigation measures assigned; that the Commission has chosen Alternative #2 as the project for approval, and the Commission adopted the Mitigated Negative Declaration and instructed its Executive Officer to file a Notice of Determination within five days with the San Bernardino County Clerk to the Board of Supervisors if filing fees required by the California Department of Fish and Wildlife are received from the County Special Districts Department within that timeframe; and,

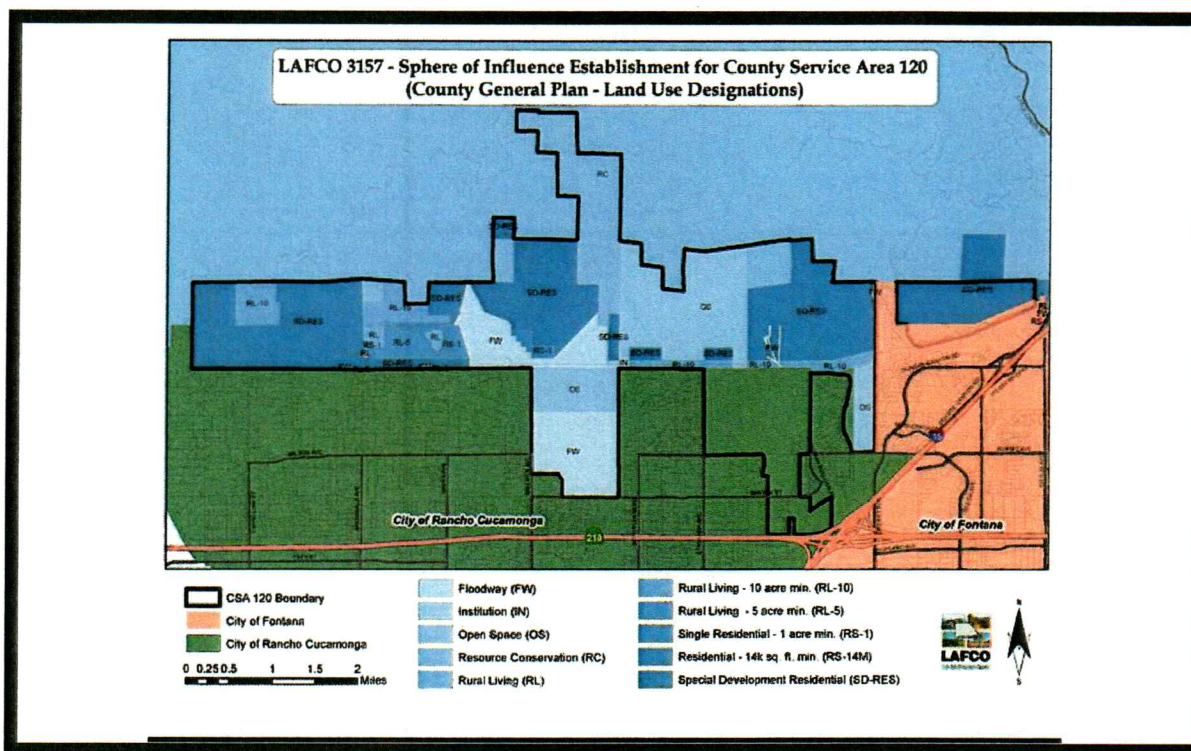
RESOLUTION NO. 3190

WHEREAS, based on presently existing evidence, facts, and circumstances filed with the Local Agency Formation Commission and considered by this Commission, it is determined that the sphere of influence for County Service Area 120 should be coterminous with its existing boundaries excluding the territory within the City of Fontana's Multi-Species Habitat Conservation Plan, as more specifically described on the attached Exhibits "A" and "A-1"; and,

WHEREAS, the following determinations are made:

1. **The present and planned land uses in the area, including agricultural and open space lands;**

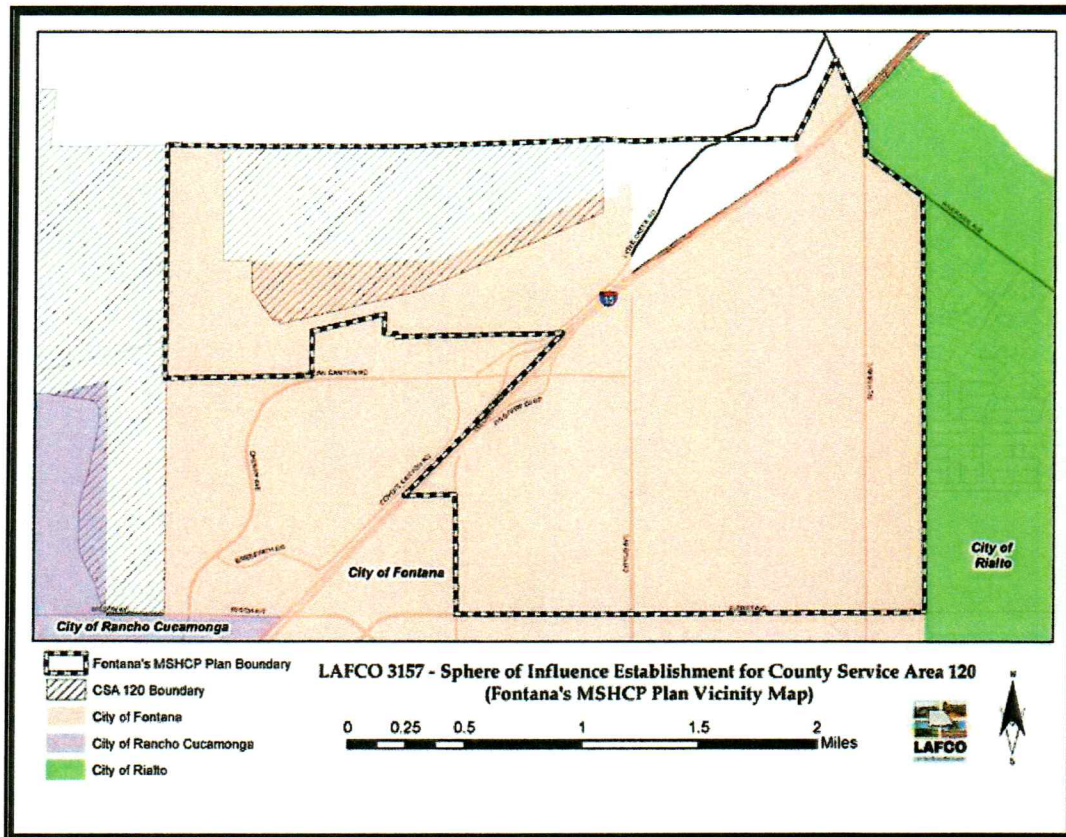
The present and planned land uses within the boundaries of CSA 120 include identification of open space uses and some rural level of residential development under the County General Plan. These uses are shown on the map below. Open space and Floodway designations within the area include those lands associated with flood control uses within Day Creek and the mitigation properties associated with the North Etiwanda Preserve as defined in 1998. However, the properties within the City of Fontana sphere of influence and within the boundaries of CSA 120, including mitigation lands deeded to CSA 120, along with most of the additional lands acquired for mitigation purposes in the Rancho Cucamonga sphere of influence have a SD-Res (Special Development -Residential) land use assignment by the County General Plan, contrary to the perpetual nature of the mitigation/conservation easement.



The City of Fontana General Plan assigns an open space designation to the territory within CSA 120 recognizing the future potential for habitat preservation. In addition, the City of Fontana has adopted a Multi-Species Habitat Conservation Plan (hereafter shown as MSHCP) and have indicated that the Interim MSHCP establishes a fee in-lieu of dedication to address mitigation. During the environmental assessment of the proposal, LAFCO's environmental consultant, Tom Dodson of Tom Dodson and Associates, reviewed an alternative that excluded the territory within

RESOLUTION NO. 3190

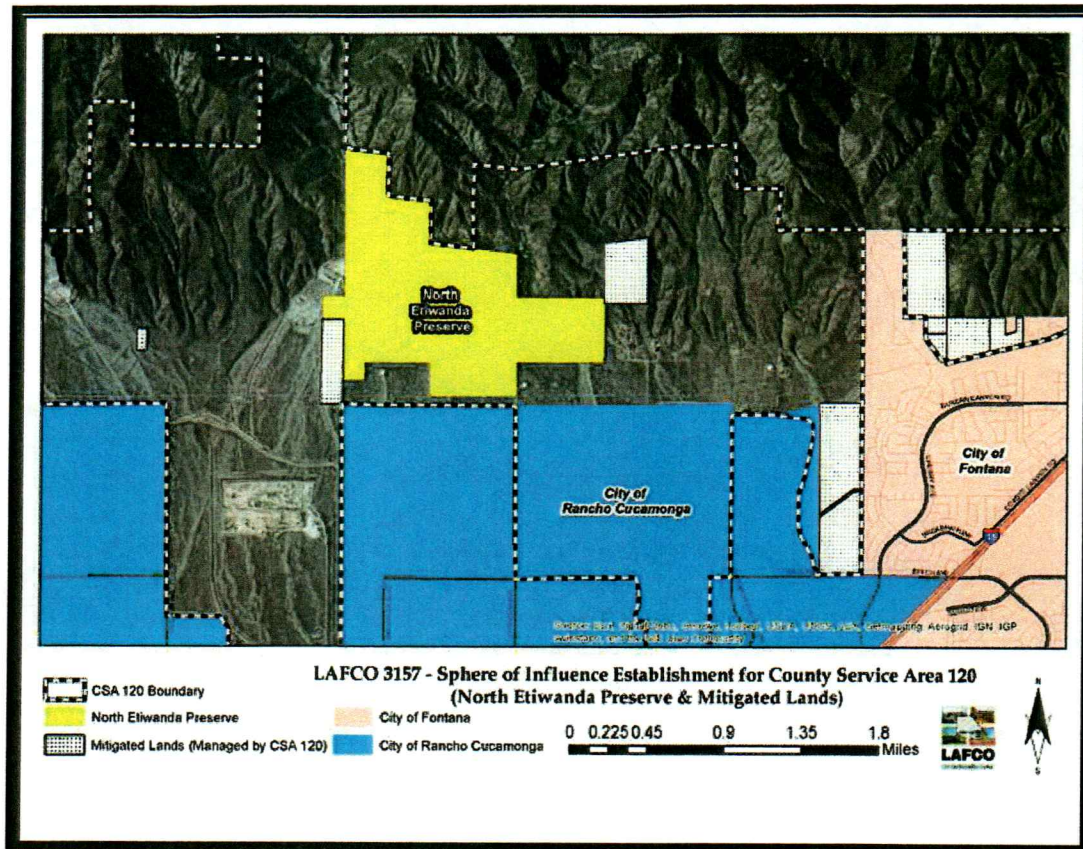
the City's MSHCP. The map below shows the relationship of the MSHCP territory to the existing boundaries of CSA 120.



2. The present and probable need for public facilities and services in the area:

Since 1998, mitigation lands have been managed by the County through its system of board-governed special districts. From 1998 through 2009, it was through CSA 70 Zones OS-1 and OS-3 and CSA 70 itself. From July 1, 2009 through the present day, it has been through CSA 120 in the area along the San Gabriel Mountains. These activities are managed under the auspices of the North Etiwanda Preserve Management Plan adopted in 2010 building upon its predecessor Cooperative Management Agreement of 1998. The lands now include approximately 1,207 acres and the management plan has divided the acreage into Unit 1 (original 762 acres of North Etiwanda Preserved) and Unit 2 (445 acres outside that boundary). The management of these lands is through deeded transfers of land ownership to CSA 70 OS-1 and CSA 70 (no quit claim transfer to the successor agency CSA 120 has taken place) and conservation easements transferred to the County of San Bernardino. A map of the lands under habitat management are shown below:

RESOLUTION NO. 3190



The acquisition of additional lands for mitigation management are regulated by the California Department of Fish and Wildlife through its state mandated due diligence process to review the qualifications of entities to manage endowments and to perform the mitigation management activities designed in a mitigation agreement. This process is undertaken through the completion of an "Application for governmental entity, special district or nonprofit organization requesting to hold and manage mitigation lands". To date, CSA 120 has not submitted this report; therefore, it is not able to acquire additional mitigation properties for which an endowment is proposed. The only approved entities to manage mitigation lands within San Bernardino County are: Inland Empire Resource Conservation District, Center for Natural Lands Management, Southwest Resource Management Associates and Transition Habitat Conservancy.

Without this authorization, the need for a sphere of influence, even a coterminous one, is questionable as no new service can be provided. Therefore, to address this issue, the Commission adopts the following condition:

- Within six months of the approval of the sphere of influence establishment County Service Area 120 shall have completed the due diligence process with the California Department of Fish and Wildlife to be declared an available recipient of mitigation properties in the future. Failure to do so will require a further analysis of the sphere of influence assignment.

3. **The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide;**

The discussion of the determination identified above for a single purpose County Service Area authorized to provide habitat management and historic preservation must revolve around the

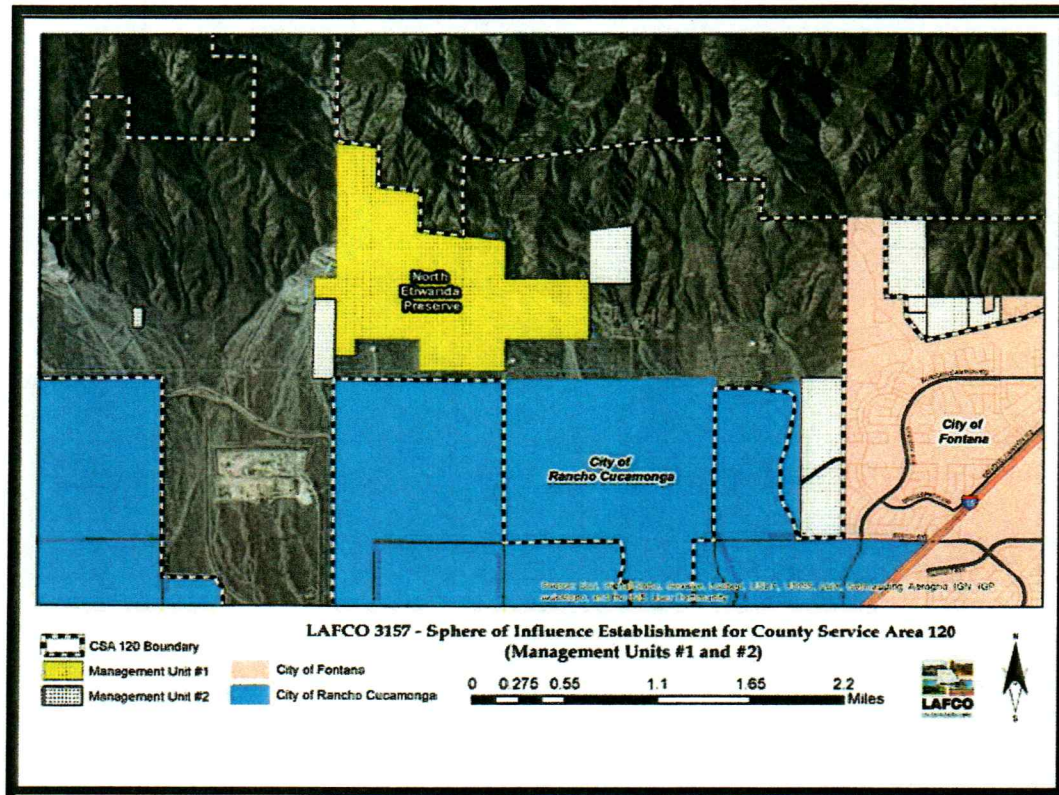
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question of funding for the provision of mitigation management services envisioned in the mitigation management agreement or other contractual arrangement. In evaluating this determination, the Commission has looked at the funding mechanism for CSA 120 and the annual expenditure/revenue picture for the agency. While this information identifies significant concerns, it should be noted that the management of the district has attempted to continue its operations under the significant duress of the recession. As the information which follows identify, the interest earnings for this agency have plummeted making its ability to perform its mandated role difficult if not insurmountable. It is within this context that the Commission identifies its concerns.

The funding for the operations of CSA 120 is limited to the interest earned on the endowment funds received at the time that the properties are transferred to its ownership for management. The statutes require that the funds be used for the purposes identified in managing the mitigation properties from which the endowment is derived. In addition, CSA 120 has an adopted fee schedule that proposes a two-tier approach to funding, the endowment for long term management and a payment for management activities necessary to bring the property into compliance for perpetual management. The County fee schedule for CSA 120 is to identify the formula for determining the endowment amount; however, this element of the fee schedule is currently being reviewed by the California Department of Fish and Wildlife so it is not available for review at this time.

Since the inception of CSA 120 (through its predecessor agencies CSA 70 OS-1 and OS-3) it has acquired the primary properties identified as the "North Etiwanda Preserve" the 762 acres set aside for habitat mitigation by SanBAG and Caltrans for the development of the I-210 Freeway (acquired in 1998) and five other properties transferred for management between 2003 and 2010 related to housing development habitat mitigation requirements imposed by the State and other agencies as a part of the development process. As was outlined in the determination above, these properties are deeded to CSA 70 OS-1 and CSA 70 with the conservation easement required held in the name of the County of San Bernardino. Included as a condition of the approval in the formation of CSA 120 in 2009 was the requirement that the agency update the Management Plan for the North Etiwanda Preserve to address the management requirements for the additional 440 acres. In October 2010 the County Board of Supervisors, as the governing body of CSA 120, approved the revised Management Plan. This plan identified that the original 762 acre North Etiwanda Preserve would be identified as "Unit 1" and all other properties would be "Unit 2". Page 4 of the plan states "Regardless of future designations, all lands within the original 762 acre Preserve boundary is subject to any terms of this management plan specified for Unit 1, and all lands outside the original 762 acre Preserve are subject to any terms specified for Unit 2." The map below identifies the location of the mitigation lands held by CSA 120.

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The chart which follows outlines the individual mitigation properties, the endowment for their perpetual management, and the interest earned by each property for the period of Fiscal Year 2007-08 through Fiscal Year 2012-13. This information is taken from the audits received as a part of the application process which are on file in the LAFCO office. Of concern to the Commission is that on several occasions during the processing of this proposal, information was requested on the work performed on those properties identified as Unit 2 and the response has always been that no mitigation work has been performed. Government Code Section 65968(c) specifies the disbursement of the interest earnings be limited to the property which funded the endowment; the section reads as follows:

"(c) The special district or nonprofit organization shall hold, manage, invest and disburse the funds in furtherance of the long-term stewardship of the property for which the funds were set aside."

Therefore, the interest earned on each of the properties can only be used for activities related to the specific property. However, the interest earnings related to CSA 120 have been consolidated and used for the purpose of maintaining the original 762 acres of the North Etiwanda Preserve for years. The original determination was to require the repayment of \$112,884 which was disputed by County Special Districts staff. The following chart has been modified to show the interest earnings attributable to each of the endowments received by CSA 120 using the percentage that the endowment bears to the whole, but has been modified during consultation with the County Special Districts Department, to require the repayment only from those years 2010-11 through current. (It is noted that the 2013-14 amount is not known at this time but will be included upon issuance of the audit.) This modification identifies the interest which would need to be returned to the five endowments that comprise Unit 2 to make them whole, as approximately \$14,752.

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Name of Owner	Date Acquired	Total Acreage	Endowment Funds Received	Interest Earned by Endowment Funds for Specific Properties						Total Interest by Conservation Property	% of Total Interest from 2008-13
				2008	2009	2010	2011	2012	2013		
UNIT #1 - CSA 120 MANAGEMENT PLAN											
SANBAG	2/27/1998	762	\$700,000	\$33,073	\$23,262	\$16,037	\$6,015	\$2,793	\$2,983	\$84,163	43.94%
UNIT #2 - CSA 120 MANAGEMENT PLAN											
Lennar Communities	10/21/2003	33	\$85,600	\$3,759	\$2,643	\$1,822	\$731	\$339	\$363	\$9,657	5.04%
A&J Resources and Rancho Etiwanda 685 LLC	3/1/2004	172	\$220,000	\$10,523	\$7,402	\$5,103	\$1,890	\$877	\$938	\$26,733	13.96%
Granite Homes/ Rancho 2004 LLC	9/13/2005	86	\$215,400	\$10,523	\$7,402	\$5,103	\$1,849	\$858	\$917	\$26,652	13.92%
CENTEX Homes	10/2/2005	149	\$373,250	\$17,288	\$12,160	\$8,383	\$3,201	\$1,486	\$1,588	\$44,106	23.03%
Western Slope & Mineral Company	12/14/2010	5	<u>\$12,500</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$110</u>	<u>\$51</u>	<u>\$55</u>	<u>\$216</u>	<u>0.11%</u>
Total Interest Earned				<u>\$75,166</u>	<u>\$52,869</u>	<u>\$36,448</u>	<u>\$13,796</u>	<u>\$6,404</u>	<u>\$6,844</u>	<u>\$191,526</u>	<u>100.00%</u>
Total Non-Wasting Endowment			<u>\$1,606,750</u>								
Interest for Unit #2				\$42,093	\$29,606	\$20,411					
Interest to be returned to Endowment for Unit #2 due to lack of work performed on specifc properties							\$7,281	\$3,611	\$ 3,860	<u>\$14,752</u>	

The following chart outlines, there is no funding available to repay this amount due to the limitations of the revenue stream directly available to CSA 120. Outstanding questions remain: How will this situation be rectified? How will the SanBAG dedicated properties repay the other endowments or will reports for management and operation of the other properties be provided that show some of the funds used for the appropriate purpose? The Commission determines to impose the following conditions on this sphere of influence establishment to clarify this situation:

- Within six months of the approval of this sphere establishment County Service Area 120 shall have completed all reporting required by State law for the management of mitigation properties.
- Within six months of the approval of this sphere of influence establishment County Service Area 120 will have developed funding plans to restore endowment balances for those mitigation properties where mitigation work has not been performed but interest earnings used.

The question that needs to be answered in this consideration is whether or not the agency is financially sustainable. If an entity is consistently expending more than it receives, its long term viability is suspect. The chart which follows identifies the expenditures and revenues for the three accounts associated with CSA 120 – general, endowment, and capital projects. The data is taken from audits for the years 2006 through 2013 and budget data for years 2014 and 2015. The one major project within this time period was the development of the North Etiwanda Preserve trail system – design/environmental work in 2007 and 2008 and construction in 2009. This project entailed the construction of a trail system, kiosks, benches, and historic preservation. The maintenance of this system has become one of the primary operations of CSA 120 but comes without any source of funding for maintenance and operation. The following table includes the costs for the development of this facility:

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County Service Area 120										
	Audit Data								Budget Data	
	2006	2007	2008	2009	2010	2011	2012	2013*	2014	2015
GENERAL										
EXPENDITURES										
Salaries & Benefits	\$ 4,824	\$ 5,788	\$ 4,826	\$ 12,752	\$ 13,277	\$ 7,733	\$ 7,037	\$ 1,734		
Services & Supplies	\$ 63,172	\$ 58,106	\$ 70,810	\$ 35,052	\$ 22,520	\$ 14,095	\$ 10,547	\$ 13,066	\$ 18,310	\$ 47,429
Contingencies									\$ -	\$ 23,376
Transfer Out	\$ 3,942	\$ 814,996		\$ 1,361,553					\$ 3,515	\$ 13,699
Total Expenditures	\$ 71,938	\$ 878,890	\$ 75,636	\$ 1,409,357	\$ 35,797	\$ 21,828	\$ 17,584	\$ 14,800	\$ 21,825	\$ 84,504
REVENUES										
State Assistance				\$ 659,309			\$ 1,082		\$ 10,032	\$ 25,000
Federal Assistance							\$ 4,330			
Investment Earnings	\$ 17,954	\$ 42,323	\$ 3,111	\$ 4,828			\$ 81	\$ 399	\$ 126	\$ 138
Intergovernmental				\$ 700,000						
Other	\$ 839,342		\$ 59,597	\$ 23,060		\$ 16,325		\$ 3,339		
Operating Transfer In					\$ 26,059	\$ 19,664	\$ 9,965	\$ 5,635	\$ 6,032	\$ 8,000
County Transfer In								\$ 30,000		
Total Revenues	\$ 857,296	\$ 42,323	\$ 62,708	\$ 1,387,197	\$ 26,059	\$ 35,989	\$ 15,458	\$ 39,373	\$ 16,190	\$ 33,138
Excess Revenues Over (Under) Expenditures	\$ 785,358	\$ (836,567)	\$ (12,928)	\$ (22,160)	\$ (9,738)	\$ 14,161	\$ (2,126)	\$ 24,573	\$ (5,635)	\$ (51,366)
Fund Balance										
Beginning	\$ 98,210	\$ 883,568	\$ 47,001	\$ 34,073	\$ 11,913	\$ 2,175	\$ 16,336	\$ 14,210	\$ 38,783	\$ 32,866
Ending	\$ 883,568	\$ 47,001	\$ 34,073	\$ 11,913	\$ 2,175	\$ 16,336	\$ 14,210	\$ 38,783	\$ 33,148	
ENDOWMENT FUND										
EXPENDITURES										
Operating Transfer Out					\$ 26,059	\$ 17,914	\$ 7,234	\$ 5,635	\$ 6,032	\$ 8,000
Other			\$ 159,598	\$ 20,715						
Total Expenditures	\$ -	\$ -	\$ 159,598	\$ 20,715	\$ 26,059	\$ 17,914	\$ 7,234	\$ 5,635	\$ 6,032	\$ 8,000
REVENUES										
State Assistance				\$ 40,691						
Investment Earnings	\$ 25,262	\$ 37,230	\$ 75,166	\$ 52,868	\$ 36,448	\$ 13,797	\$ 6,405	\$ 6,844	\$ 5,184	\$ 10,000
Net Increase in Fair Value of Investments								\$ 10,673		
Special Assessment							\$ 12,500			
Other										
Operating Transfer In		\$ 737,550								
Total Revenues	\$ 25,262	\$ 774,780	\$ 75,166	\$ 93,559	\$ 36,448	\$ 13,797	\$ 18,905	\$ 17,517	\$ 5,184	\$ 10,000
Excess Revenues Over (Under) Expenditures	\$ 25,262	\$ 774,780	\$ (84,432)	\$ 72,844	\$ 10,389	\$ (4,117)	\$ 11,671	\$ 11,882	\$ (848)	\$ 2,000
Fund Balance										
Beginning	\$ 805,797	\$ 831,059	\$ 1,605,839	\$ 1,521,407	\$ 1,594,251	\$ 1,604,640	\$ 1,600,523	\$ 1,612,194	\$ 1,612,194	\$ 1,612,065
Ending	\$ 831,059	\$ 1,605,839	\$ 1,521,407	\$ 1,594,251	\$ 1,604,640	\$ 1,600,523	\$ 1,612,194	\$ 1,624,076	\$ 1,610,065	
CAPITAL PROJECTS										
EXPENDITURES										
Construction in Progress				\$ 1,391,548	\$ 199,693					
Services & Supplies					\$ 389	\$ 204				
Improvement to Land		\$ 39,579	\$ 183,868			\$ 297	\$ 18,900			
Transfer Out						\$ 1,750	\$ 2,731			
Total Expenditures	\$ 39,579	\$ 183,868	\$ 1,391,548	\$ 200,082	\$ 2,251	\$ 21,631				
REVENUES										
Investment Earnings		\$ 294	\$ 4,251	\$ 12,836			\$ 36			
State Assistance					\$ 200,000					
Transfer in		\$ 60,000		\$ 1,361,553						
Other			\$ 200,000							
Total Revenues	\$ 60,294	\$ 204,251	\$ 1,374,389	\$ 200,000	\$ -	\$ 36				
Excess Revenues Over (Under) Expenditures		\$ 20,715	\$ 20,383	\$ (17,159)	\$ (82)	\$ (2,251)	\$ (21,595)			
Fund Balance										
Beginning		\$ -	\$ 20,715	\$ 41,098	\$ 23,939	\$ 23,857	\$ 21,606			
Ending		\$ 20,715	\$ 41,098	\$ 23,939	\$ 23,857	\$ 21,606	\$ 11			

*Audit was revised; received by LAFCO staff on October 8, 2014

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The use of endowment funds for the purpose of maintenance and operation of these facilities is of concern to the Commission. The responsibility for the operation should come from some other general sources of funding, such as a share of the general property tax levy, not the restricted revenues associated with the endowment properties. Therefore, Commission adopts the following condition in the approval of the sphere of influence establishment:

- **Within six months of the approval of the sphere of influence establishment for CSA 120, management of the County Special Districts Department shall develop a mechanism to provide for the maintenance and operation of the improvements constructed through the 2008-09 State Park grant without use of the endowment funds established for mitigation purposes only.**

An additional ongoing concern for the Commission is that the County Auditor-Controller has not updated the chart of accounts to acknowledge the existence of CSA 120. Case in point, up until 2013 the audits were issued for CSA 70 OS-1 and the "Budget Prep" documents provided by the County Special Districts Department with information necessary for the review of the 2014 and 2015 budget detail are titled "CSA 70 OS-1". While this may appear on the surface as a trivial matter, this directly impacts the County's reporting to the State Controller on the operations of special districts since CSA 70 and its various zones are reported as a single unit. One of the questions asked in the application to the California Department of Fish and Wildlife is whether or not the special district is current in its reporting requirements to the State Controller. To answer this question is now problematic for CSA 120 and the County.

As to the question of sustainability under the audit information outlined above, out of the eight years shown, six have operated at a deficit between revenues and expenditures within the fiscal year. In addition, the budget detail also shows that the district operates in the red without the infusion of funds from other sources. While the Commission has imposed a condition of approval related to the repayment of the endowment funds, as the chart above outlines, there are no current revenues available to provide for this. The question then to be answered at the end of the six month period is whether or not CSA 120 is sustainable for the long term? And if not what then? It is the position of the Commission that the service review to be presented in the future needs to answer these questions.

The final point in this discussion is that the County amendment for exclusion of the City of Fontana MSHCP from the sphere of influence establishment is an indication of the Commission's direction that the area should ultimately be removed from the boundaries of CSA 120. Such a future detachment would take with it the \$330,000 in endowment funds on deposit with CSA 120, representing approximately 20% of the endowment. The ramification of this change will need to be carefully addressed.

4. The existence of any social or economic communities of interest in the area:

In a typical sphere of influence review the question of social or economic communities of interest relates to the future development of the area and its associated identification with a specific community. However, for an entity that provides for the management of mitigation lands its economic community of interest would be the area from which mitigation properties could be assembled. That community would be the territory running along the foothills of the San Gabriel Mountains which support the endangered species identified by the local, state and federal wildlife agencies. This sphere of influence determination addresses a portion of this area.

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5. OTHER FINDINGS

- A. As required by State Law notice of the hearing was provided through publication in a newspaper of general circulation, *The Inland Valley Bulletin*. Individual notice was not provided as allowed under Government Code Section 56157 as such mailing would include more than 1,000 individual notices. As outlined in Commission policy, an eighth page legal ad was provided.
- B. As required by State Law, individual notification was provided to affected and interested agencies, County departments, and those agencies and individual requesting mailed notice.
- C. Comments from landowners and any affected local agency have been reviewed and considered by the Commission in making its determination.

WHEREAS, pursuant to the provisions of Government Code Section 56425(i) the range of services provided by County Service Area 120 shall be limited to the following:

CSA 120	Open space and habitat conservation	Open space and habitat conservation including, but not limited to, the acquisition, preservation, maintenance, and operation of land to protect unique, sensitive, threatened, or endangered species, or historical or culturally significant properties. Any setback or buffer requirements to protect open-space or habitat lands shall be owned by a public agency and maintained by the county service area so as not to infringe on the customary husbandry practices of any neighboring commercially productive agricultural, timber or livestock operations.
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WHEREAS, having reviewed and considered the findings as outlined above, the Commission establishes the sphere of influence for County Service Area 120 as outlined on the Exhibits attached to this resolution subject to the following conditions:

1. Within six months of the approval of the sphere of influence establishment County Service Area 120 shall have completed the due diligence process with the California Department of Fish and Wildlife to be declared an available recipient of mitigation properties in the future. Failure to do so will require a further analysis of the sphere of influence assignment.
2. Within six months of the approval of the sphere establishment County Service Area 120 shall have completed all reporting required by State law for the management of mitigation properties.
3. Within six months of the approval of the sphere of influence establishment County Service Area 120 will have developed funding plans to restore endowment balances for those mitigation properties where mitigation work has not been performed but interest earnings used.
4. Within six months of the approval of the sphere of influence establishment for CSA 120, management of the County Special Districts Department shall develop a mechanism to provide

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for the maintenance and operation of the improvements constructed through the 2008-09 State Park grant without use of the endowment funds established for mitigation purposes only.

5. LAFCO staff is to provide ongoing monitoring of the completion of the activities outlined in the preceding conditions with periodic updates provided to the Commission.

NOW, THEREFORE, BE IT RESOLVED by the Local Agency Formation Commission of the County of San Bernardino, State of California, that this Commission shall consider the territory described in Exhibits "A" and "A-1" as being within the sphere of influence of County Service Area 120, it being fully understood that establishment of such a sphere of influence is a policy declaration of this Commission based on existing facts and circumstances which, although not readily changed, may be subject to review and change in the event a future significant change of circumstances so warrants.

BE IT FURTHER RESOLVED that the Local Agency Formation Commission of the County of San Bernardino, State of California, does hereby determine that the County of San Bernardino shall indemnify, defend, and hold harmless the Local Agency Formation Commission of the County of San Bernardino from any legal expense, legal action, or judgment arising out of the Commission's approval of this sphere establishment, including any reimbursement of legal fees and costs incurred by the Commission.

THIS ACTION APPROVED AND ADOPTED by the Local Agency Formation Commission of the County of San Bernardino by the following vote:

AYES: COMMISSIONERS: Bagley, Cox, Farrell, Lovingood, McCallon, Ramos, Williams

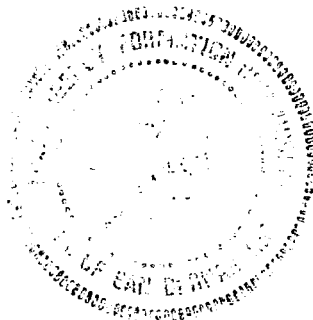
NOES: COMMISSIONERS: None

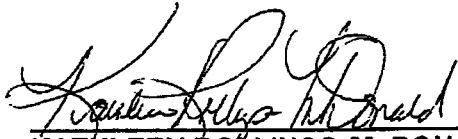
ABSENT: COMMISSIONERS: Curatalo (Mr. Farrell voting in his stead)

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN BERNARDINO)

I, KATHLEEN ROLLINGS-McDONALD, Executive Officer of the Local Agency Formation Commission of the County of San Bernardino, California, do hereby certify this record to be a full, true, and correct copy of the action taken by said Commission, by vote of the members present, as the same appears in the Official Minutes of said Commission at its meeting of October 22, 2014.

DATED: October 22, 2014




KATHLEEN ROLLINGS-McDONALD
Executive Officer

LAFCO 3157

SPHERE OF INFLUENCE ESTABLISHMENT FOR COUNTY SERVICE AREA 120

Beginning at the Southwest corner of Section 16, Township 1 North, Range 7 West, San Bernardino Meridian;

1. Thence Northerly, along the West line of said Section 16, to the Northwest corner thereof;
2. Thence Easterly, along the Northerly line of said Section 16, and the Northerly line of Sections 15 & 14, of said Township and Range, to the Northeast corner of the Northwest Quarter of said Section 14;
3. Thence Southerly, along the East line of said Northwest Quarter, to the Northwest corner of the Southwest Quarter of the Northeast Quarter of said Section 14;
4. Thence Easterly, along the North line of said Southwest Quarter of the Northeast Quarter, to the Northeast corner thereof;
5. Thence Northerly, along said West line of the East half of the Northeast Quarter of said Section 14, to the Northerly line of said Section 14;
6. Thence Easterly, along the North line of said Section 14 and the Northerly line of Section 13, of said Township and Range, to the Southwest corner of the East half of Section 12, of said Township and Range;
7. Thence Northerly, along the West line of said East half of said Section 12, to the Northwest corner of the Southwest Quarter of the Northeast Quarter of said Section 12;
8. Thence Easterly, along the North line of said Southwest Quarter of the Northeast Quarter of said Section 12, to the Northeast corner thereof;
9. Thence Southerly, along the East line of said Southwest Quarter of the Northeast Quarter of said Section 12, to the Northwest corner of the South half of the East half of the East half of said Section 12;

10. Thence Easterly, along the North line of said South half of the East half of the East half of said Section 12 and the North line of the Southwest Quarter of Section 7, Township 1 North, Range 6 West, San Bernardino Meridian, to the Northeast corner thereof;
11. Thence Northerly, along the West line of the East half of said Section 7, to the Southeast corner of the Southwest Quarter of Section 6, of last said Township and Range;
12. Thence Westerly, along the South line of said Section 6, to the Southwest corner of the East half of the Southwest Quarter of said Section 6;
13. Thence Northerly, along the West line of said East half of the Southwest Quarter of said Section 6, to the Northwest corner thereof;
14. Thence Westerly, along the South line of the Northwest Quarter of said Section 6, to the West line of said Section 6 and common Range line between Ranges 6 & 7;
15. Thence Northerly, along said Range line, to the Southeast corner of the Northeast Quarter of the Northeast Quarter of Section 1, Township 1 North, Range 7 West, San Bernardino Meridian;
16. Thence Westerly, along the South line of said Northeast Quarter of the Northeast Quarter of said Section 1, to the Southwest corner thereof;
17. Thence Northerly, along the West line of said Northeast Quarter of the Northeast Quarter of said Section 1, to the North line of said Section 1;
18. Thence Easterly, along said North line of said Section 1, to the Northeast corner thereof;
19. Thence Southerly, along said common Range line between Ranges 6 & 7, to the Northwest corner of Section 6, Township 1 North, Range 6 West, San Bernardino Meridian;
20. Thence Easterly, along the North line of said Section 6, to the Northeast corner of the Northwest Quarter of said section 6;
21. Thence Southerly, along the East line of said Northwest Quarter of said Section 6, to the Southeast corner thereof;
22. Thence Easterly, along the North line of the Southeast Quarter of said Section 6, to the Northeast corner thereof;

23. Thence Southerly, along the East line of said Section 6 and Section 7 of last said Township and Range, to the Northwest corner of the Southwest Quarter of Section 8 of last said Township and Range;
24. Thence Easterly, along the North line of the Southwest Quarter of said Section 8, to the Northeast corner of the Northwest Quarter of the Southwest Quarter of said Section 8;
25. Thence Southerly, along the East line of said Northwest Quarter of the Southwest Quarter, to the Northwest corner of the Southeast Quarter of the Southwest Quarter of said Section 8;
26. Thence Easterly, along the North line of the Southeast Quarter of the Southwest Quarter of said Section 8, to the Northeast corner thereof;
27. Thence Southerly, along the East line of the Southeast Quarter of the Southwest Quarter, to the North line of Section 17 of last said Township and Range;
28. Thence Easterly, along said North line of said Section 17, to the Northeast corner of the Northwest Quarter of the Northeast Quarter thereof;
29. Thence Northerly, along the East line of the West half of the Southeast Quarter of said Section 8 to the Northeast corner of said West half;
30. Thence Easterly, along the North line of said Southeast Quarter of said Section 8 to the Northeast corner thereof;
31. Thence Easterly, along the North line of the South half of Section 9 and the North line of the Northwest Quarter of the Southwest Quarter of Section 10 of last said Township and Range, to the Northeast corner thereof;
32. Thence Southerly, along the East line of said Northwest Quarter of the Southwest Quarter of Section 10, to the Southeast corner thereof;
33. Thence Easterly, along the North line of the Southeast Quarter of the Southwest Quarter of said Section 10, to the Northeast corner thereof;
34. Thence Southerly, along the East line of said Southeast Quarter of the Southwest Quarter of Section 10, to the Southeast corner thereof;
35. Thence Easterly, along the North line of Section 15 of last said Township and Range, to the Northeast corner thereof;

36. Thence Southerly, along the East line of Section 15 and Section 22 of last said Township and Range, 10508 feet, more or less, to the Northerly line of the County Road, as per Document recorded on September 1, 1989 as Instrument No. 89-324653 Official Records of said County, said Northerly line being 52.00 feet Northerly, measured at right angles, from the South line of said Section 22;
37. Thence South $89^{\circ}41'47''$ West 1326 feet, more or less, along said Northerly line of said County Road, to the East line of Tract Map No. 13565-6, as per map filed in Book 217, pages 37 through 43, inclusive of Maps, in the office of the County Recorder of said County;
38. Thence South $00^{\circ}08'54''$ West 8 feet, more or less, along said Easterly line of said Tract Map No. 13565-6, to the Northerly Right-of-Way line of Summit Avenue, as shown on said Tract Map No. 13565-6;
39. Thence, along said Northerly Right-of-Way line of Summit Avenue, South $89^{\circ}41'47''$ West 124.16 feet;
40. Thence, leaving said Summit Avenue Right-of-Way along the Easterly Right-of-Way of San Sevaine as shown on said Tract Map No. 13565-6, North $45^{\circ}18'13''$ West 27.58 feet;
41. Thence North $00^{\circ}18'13''$ West 38.26 feet, along said Easterly Right-of-Way, to the beginning of a tangent curve, concave Westerly and having a radius of 840.00 feet;
42. Thence, along said Easterly Right-of-Way and along said curve through a central angle of $11^{\circ}25'10''$, an arc length of 167.42 feet;
43. Thence North $11^{\circ}43'24''$ West 249.94 feet, along said Easterly Right-of-Way, to the beginning of a tangent curve, concave Southwesterly and having a radius of 932.00 feet;
44. Thence, along said Easterly Right-of-Way and along said curve through a central angle of $17^{\circ}37'12''$, an arc length of 286.62 feet;
45. Thence North $29^{\circ}20'36''$ West 377.23 feet, along said Easterly Right-of-Way, to the beginning of a tangent curve, concave Northeasterly and having a radius of 1168.00 feet;
46. Thence, along said curve and the Easterly Right-of-Way line of that certain Easement for Roadway purposes as per Instrument No. 88-324169 Official Records of said County, through a central angle of $30^{\circ}19'33''$, an arc length of 618.26 feet;
47. Thence North $05^{\circ}10'24''$ East 114.61 feet, along said Easterly Right-of-Way to the beginning of a tangent curve, concave Westerly and having a radius of 1232.00 feet;

48. Thence, along said Easterly Right-of-Way and along said curve through a central angle of $07^{\circ}11'48''$, an arc length of 154.75 feet;
49. Thence North $02^{\circ}01'24''$ West 159.03 feet, along said Easterly Right-of-Way, to the beginning of a tangent curve, concave Southeasterly and having a radius of 1268.00;
50. Thence, along said Easterly Right-of-Way and along said curve through a central angle of $20^{\circ}40'52''$, an arc length of 457.69 feet to a point on the North line of said Tract Map No. 13565-9;
51. Thence, along said Easterly Right-of-Way and leaving said North line along the Southwesterly prolongation and the Southeasterly Right-of-Way of said San Sevaine Road as shown on Tract Map No. 13564-2 as per Map, filed in Book 268, pages 19 through 24 and Tract Map No. 13564-3 as per Map, filed in Book 268, pages 72 through 77 both of Maps, in the office of the County Recorder of said County, North $12^{\circ}23'59''$ East 1440.43 feet to the beginning of a tangent curve, concave Northwesterly and having a radius of 953.00 feet;
52. Thence, along said Easterly Right-of-Way and along said curve and the Westerly line of Lot A of Tract Map No. 13564-4 as per Map, filed in Book 268, pages 78 through 83 of Maps, in the office of the County Recorder of said County through a central angle of $08^{\circ}39'03''$ an arc length of 143.89 feet to the beginning of a reverse curve, concave Easterly and having a radius of 92.00 feet, a radial bearing to said beginning bears North $86^{\circ}15'04''$ West;
53. Thence, along said Easterly Right-of-Way and said Westerly Line of Lot A and along said curve through a central angle of $07^{\circ}14'23''$, an arc length of 11.62 feet;
54. Thence North $10^{\circ}59'19''$ East 48.72 feet, along said Easterly Right-of-Way and said Westerly Line of Lot A, to the beginning of a tangent curve, concave Southwesterly and having a radius of 70.00 feet;
55. Thence, along said Easterly Right-of-Way and said Westerly Line of Lot A and along said curve through a central angle of $54^{\circ}28'11''$, an arc length of 66.55 feet;
56. Thence, leaving said Easterly Right-of-Way of San Sevaine and continuing along said Westerly line of Lot A, North $46^{\circ}31'07''$ East 27.63 feet;
57. Thence, continuing along said Westerly Line of Lot A, North $01^{\circ}23'43''$ West 241.71 feet to the beginning of a tangent curve, concave Southwesterly and having a radius of 225.00 feet;
58. Thence, along said Westerly Line of Lot A and along said curve through a central angle of $81^{\circ}18'22''$, an arc length of 319.29 feet;

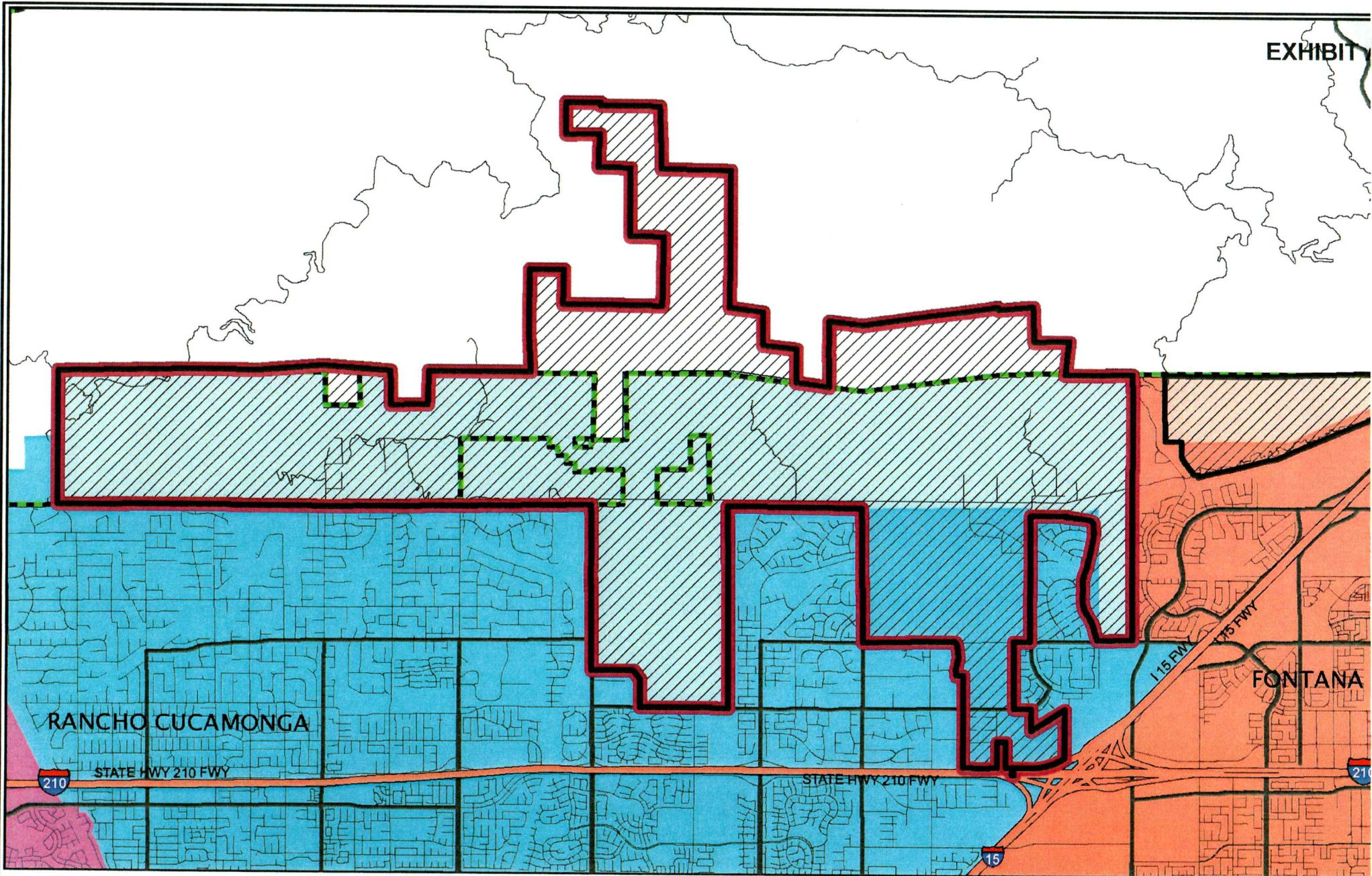
59. Thence North $82^{\circ}39'43''$ West 725.63 feet, along said Westerly Line and the Southerly Line of Lot A, to the beginning of a tangent curve, concave Southerly and having a radius of 389.00 feet;
60. Thence, along said Southerly Line of Lot A and along said curve through a central angle of $07^{\circ}22'27''$, an arc length of 50.07 feet;
61. Thence South $89^{\circ}55'28''$ West 76.72 feet to the Southwest corner of said Lot A;
62. Thence, leaving said Lot A, North $0^{\circ}04'24''$ West 58.00 feet to the North line of Parcel "B" of Lot Line Adjustment No. 300, recorded March 8, 1989 as Instrument No. 89-084130 Official Records of said County, as shown on said Tract Map No. 13564-4;
63. Thence, along said North line, South $89^{\circ}55'28''$ West 1391.6 feet, more or less, to the intersection with the East line of the West Half of the West Half of Section 22, Township 1 North, Range 6 West, San Bernardino Meridian;
64. Thence Southerly, along said East line to the North Line of Section 27 of last said Township and Range;
65. Thence Westerly, along said North line, to the intersection with the East line of the West Half of the West Half of the Northwest Quarter of said Section 27;
66. Thence Southerly, along said East line, to the intersection with the North line of the Northwest Quarter of the Southwest Quarter of said Section 27;
67. Thence Easterly, along said North line, to the Northeast corner of the Northwest Quarter of the Southwest Quarter of said Section 27;
68. Thence Southerly, along the East Line of the Northwest Quarter of the Southwest Quarter of said Section 27, 885 feet, more or less, to the Southerly Line of that certain Final Order of Condemnation, as per document recorded on September 3, 1976 in Book 9006, Page 683, Official Records in the office of the County Recorder of said County;
69. Thence, along said Southerly Line, North $57^{\circ}41'30''$ East, 1572.15 feet to the East Line of the Southwest Quarter of said Section 27;
70. Thence, along said East Line, South $00^{\circ}16'50''$ West 1886.67 feet to a point on the South Line of that certain Director's Deed, recorded June 4, 1990, as Instrument No. 90-217250, of Official Records in the office of the County Recorder of said County, said point being the beginning of a non-tangent curve, concave Northwesterly and having a radius of 2931.00 feet, a radial bearing to said point bears North $26^{\circ}13'29''$ West;

71. Thence, along said South Line and along said curve through a central angle of $25^{\circ}57'30''$, an arc length of 1327.92 feet;
72. Thence, continuing along said South Line, North $89^{\circ}39'39''$ West 706.37 feet to a point on the East Line of the West Half of the West Half of the West Half of said Section 27, said point also being the Northeast corner of that certain property conveyed to the State of California, as per Grant Deed recorded June 14, 1990, as Instrument No. 90-234198, Official Records in the office of the County Recorder of said County;
73. Thence North $89^{\circ}39'39''$ West 8.62 feet;
74. Thence South $00^{\circ}59'03''$ West 285.70 feet;
75. Thence South $89^{\circ}47'24''$ West 90.02 feet;
76. Thence North $00^{\circ}59'03''$ East 292.75 feet;
77. Thence South $89^{\circ}00'00''$ West 232.59 feet to the East Line of the West Half of the West Half of the Southwest Quarter of the Southwest Quarter of said Section 27;
78. Thence Northerly, along said East Line, to the North Line thereof;
79. Thence Westerly, along said North Line, to the East Line of Section 28 of last said Township and Range;
80. Thence Southerly, along said East Line 1005 feet, more or less, to the North Line of that certain Final Order of Condemnation, as per document recorded April 26, 1977, in Book 9164, Page 1392, Official Records in the office of the County Recorder of said County;
81. Thence, along the North Line of said Final Order of Condemnation, South $89^{\circ}00'00''$ West 623.50 feet to the beginning of a tangent curve concave to the North and having a radius of 2967.00 feet;
82. Thence, along said curve through a central angle of $05^{\circ}53'01''$, an arc length of 304.68 feet;
83. Thence North $85^{\circ}06'59''$ West 51.79 feet, along said North Line, to the beginning of a tangent curve concave to the South and having a radius of 4033.00 feet;
84. Thence, along said curve through a central angle of $04^{\circ}23'44''$, an arc length of 309.40 feet;
85. Thence North $89^{\circ}30'43''$ West 3.21 feet to the West Line of the East Half of the East Half of said Section 28;

86. Thence Northerly, along said West Line, to the Southeast corner of the Northwest Quarter of the Northeast Quarter of said Section 28, said point also being the Southeast corner of that certain property described in Grant Deed, as per document recorded January 24, 1949 in Book 2356, Page 13, Official Records in the office of the County Recorder of said County;
87. Thence, along the Southerly line of said Grant Deed, South 89°10'00" West 290.00 feet;
88. Thence, leaving said Southerly Line along the Westerly line of said Grant Deed, North 05°24'00" West 233.00 feet;
89. Thence, along said Westerly Line, North 13°15'00" East 456.00 feet;
90. Thence, along said Westerly Line, North 04°36'00" West 413.00 feet;
91. Thence, along said Westerly Line, North 17°04'00" West 244.00 feet to the South Line of Section 21 of last said Township and Range;
92. Thence Westerly, along said South Line, to the Southwest corner thereof;
93. Thence Northerly, along the West Line of said Section 21, to the Southeast corner of Section 17 of last said Township and Range;
94. Thence Westerly, along the South Line of said Section 17, to the Northeast corner of Section 19 of last said Township and Range;
95. Thence Southerly, along the East Line of said Section 19, together with the East Line of Section 30 of last said Township and Range, to the Southeast corner of the North Half thereof;
96. Thence, along said South Line, North 89°34'39" West 3465.10 feet, more or less, to the intersection of said South Line with the Southerly prolongation of the East Line of that certain Grant Deed, as per Document recorded September 13, 2000 as Instrument No. 20000333231, Official Records in the office of the County Recorder of said County;
97. Thence, along said Southerly prolongation and said East Line, North 00°20'14" West 1084.98 feet to an angle point;
98. Thence, leaving said East Line, North 34°10'49" West 420.69 feet to the North Line of said Grant Deed;
99. Thence, along said North Line, North 89°34'44" West 1662.86 feet to the West Line of said Section 30;

100. Thence Northerly, along said West line of said Section 30, together with the West line of Section 19, of last said Township and Range, to the Southeast corner of Section 13, Township 1 North, Range 7 West, San Bernardino Meridian;
101. Thence Westerly, along the South line of said Section 13, and the South line of Section 14, 15 and 16, all of last said Township and Range, to the **Point of Beginning**.

Sphere area contains 8972 Acres, more or less.



**LAFCO 3157 - SPHERE OF INFLUENCE ESTABLISHMENT
FOR COUNTY SERVICE AREA 120**

- | | | | | | |
|---|--------------------------|---|--------------------------|---|-----------------|
|  | Sphere of Influence |  | City of Rancho Cucamonga |  | City of Fontana |
|  | CSA 120 Boundaries |  | Rancho Cucamonga Sphere |  | Fontana Sphere |
|  | National Forest Boundary |  | City of Upland | | |

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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www.sbclafco.org

DATE: APRIL 4, 2018

FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
SAMUEL MARTINEZ, Assistant Executive Officer

TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item 9 – Discussion of Deferral of Mandatory Service Review for Wrightwood Community Services District for one year and Initiation of Coterminous Sphere of Influence Establishment for Wrightwood Community Services District within San Bernardino County

RECOMMENDATION:

The staff recommends that the Commission take the following actions:

1. Defer the required service review for the Wrightwood Community Services District pursuant to Government Code Section 56430(e) for a period of one (1) year and direct staff to return to the Commission for its consideration of the service review for the Wrightwood Community Services District in June 2019; and,
2. Initiate the establishment of a sphere of influence for the Wrightwood Community Services District within San Bernardino County to be coterminous with its boundary within San Bernardino County.

BACKGROUND:

The Wrightwood Community Services District (hereafter the "Wrightwood CSD" or the "District") was officially formed on July 1, 2017. In the past, the Commission has taken the route of establishing a coterminous sphere of influence for a newly formed agency within one year of its formation pursuant to the statutory direction identified in Government Code Section 56426.5(b). However, Government Code Section 56430(e) requires that the Commission, in conjunction with establishing a sphere of influence, also conduct a service review.

Since its formation, the Wrightwood CSD has been dealing with questions related to its finances. In order to have a better understanding of Wrightwood CSD's finances, it would be best to defer the service review in order to have—at the very least—the Wrightwood CSD's first year's audit. Therefore, staff is recommending that the Commission defer the required service review for the Wrightwood CSD for a period of one year and direct staff to return to the Commission in June 2019 for said service review.

With regard to establishing a sphere of influence for the Wrightwood CSD, it has been the practice of the Commission that the sphere of influence establishment be coterminous with the agency's boundaries. This fulfills its requirement of establishing a sphere of influence for the newly formed agency within one year of its formation without obligating the agency to plan the extension of its range of services beyond its existing boundaries. In keeping with this practice, staff is recommending that the Commission initiate the sphere of influence establishment for the Wrightwood CSD to be conterminous with its existing boundaries within San Bernardino County.

Los Angeles LAFCO will also be taking an action to defer its service review for the Wrightwood CSD requesting that a single service review be conducted for the District as a whole by San Bernardino LAFCO as well as establishing a coterminous sphere of influence for the Wrightwood CSD for the District's boundaries within Los Angeles County.

As a sphere of influence proposal being initiated by the Commission, no filing fees will be assessed. However, if the Wrightwood CSD wishes to expand its sphere of influence establishment area beyond its existing boundaries and/or requests the activation/divestiture of function and/or service, that would then be an application subject to payment of all processing fees and deposits as well as submission of all required application materials.

KRM/sm

Attachment: Vicinity Map

