

# LAFCO

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*Yolo County Local Agency Formation Commission  
625 Court Street, Suite 203, Woodland, CA 95695  
lafco@yolocounty.org (email) www.yololafco.org (web)  
(530) 666-8048 (office)*

To: Olin Woods, Chair, and Members of the  
Yolo Local Agency Formation Commission

From: Elisa Carvalho  
Interim Executive Officer

Date: September 26, 2011

Subject: Review and Consider Letter from City of West Sacramento Urging Joint Powers Agencies and Other Shared Service Groups of Which West Sacramento is a Member to Align Compensation and Benefit Practices with Those of Member Agencies and Authorize the Chair to Sign a Letter to the City of West Sacramento Regarding Yolo LAFCO's Efforts to Reduce Costs

## **Recommended Action**

1. Review and Consider letter from City of West Sacramento (Attachment A) urging joint powers agencies and other shared service groups of which West Sacramento is a member to align compensation and benefit practices with those of member agencies; and
2. Authorize the Chair to sign a letter to the City of West Sacramento (Attachment B) regarding Yolo LAFCO's efforts to reduce costs.

## **Fiscal Impact**

None. LAFCO has already implemented employee and compensation changes in an effort to reduce costs.

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### **COMMISSIONERS**

★ *Public Member* Olin Woods, Chair ★  
★ *County Member* Matt Rexroad, Vice Chair ★  
★ *City Members* Stephen Souza, Skip Davies ★ *County Member* Don Saylor ★

### **ALTERNATE COMMISSIONERS**

★ *Public Member* Robert Ramming ★ *City Member* Bill Kristoff ★ *County Member* Jim Provenza ★

### **STAFF**

★ *Interim Executive Officer* Elisa Carvalho ★  
★ *Commission Clerk* Terri Tuck ★ *Commission Counsel* Robyn Truitt Drivon ★

## **Reason for Recommended Action**

Yolo LAFCO received a letter from the City of West Sacramento on August 5, 2011 urging joint powers agencies and other shared service groups of which West Sacramento is a member to align compensation and benefit practices with those of member agencies. The City of West Sacramento is a member on Yolo LAFCO and pays a share of the Commission's operational costs. The City's share is allocated in proportion to its total revenues, minus grants, and population.

## **Background**

Yolo LAFCO has implemented several measures to help maintain lower costs for the organization and its member agencies, which include Yolo County and the Cities of West Sacramento, Woodland, Winters, and Davis. These measures include furloughs, increased employee retirement contributions, and employee downsizing. Yolo LAFCO approved a budget of \$343,668 for the current fiscal year an amount which has steadily decreased since fiscal year 2007-08, when the LAFCO budget was \$477,652. In the last four years, the Yolo LAFCO budget has decreased by \$133,984, nearly 30 percent.

Yolo LAFCO is affiliated with the County for administrative purposes. Through Yolo County initiatives, Yolo LAFCO has realized approximately \$49,615 in salary savings over the last three fiscal years through furloughs and/or increased employee CalPERS contributions. The County implemented furloughs for all County employees starting in the 2009-10 fiscal year. Employees were furloughed 112 hours, which resulted in a 5 percent salary savings of \$6,287.

In fiscal year 2010-11 and 2011-12 employees have been furloughed 60 hours and paid an additional 6.5 percent of the employee's share of the CalPERS contribution, an estimated 9.4 percent in salary savings. Furloughs for these two years resulted in a savings of \$26,746 and CalPERS contributions resulted in an additional savings of \$16,582. It is important to note that anticipated savings in the 2011-12 fiscal year may fluctuate depending on employee changes in the LAFCO office.

The Commission has also achieved additional salary savings by eliminating one of the three LAFCO positions. The Senior Management Analyst position in the LAFCO office has been eliminated. The current annual salary for this position is \$89,088; however, some salary savings have already been realized since the LAFCO Executive Officer retired in 2009 and worked until June 30, 2011 as a part-time retired annuitant in the LAFCO office.

All salary savings are automatically applied to Yolo LAFCO's fund balance. Over the last several years, Yolo LAFCO has used a portion of the fund balance as carry forward to reduce payments for each of the jurisdictions, to pay for additional extra help support, and/or to pay for consultant services.

The Commission has been responsive to the changes resulting from the slowing economy in recent years. Costs to LAFCO and its member agencies have been

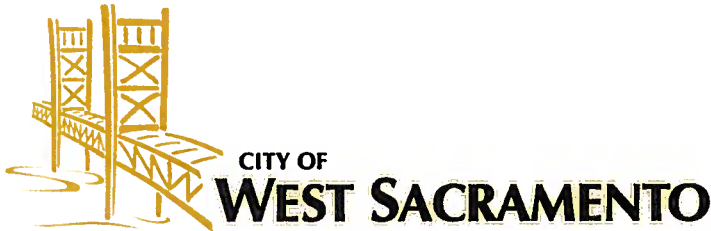
reduced through furloughs, increased employee retirement contributions, and employee downsizing. Yolo LAFCO has also saved costs by maintaining its office at the County and using many Yolo County services, such as information technology, payroll, treasury, human resources, legal counsel, and other support services, which reduces costs to its members.

Yolo LAFCO has consistently functioned as a lean and efficient organization in fulfilling its responsibilities and mandates and will continue to do so through its budgeting process and work management planning. At this time, Yolo LAFCO cannot further reduce its operations; however, the Commission understands, and has been responsive to, the need to develop solutions that address significant financial reductions that are being experienced in all levels of government.

**Attachments:**

Attachment A: Letter from City of West Sacramento urging joint powers agencies and other shared service groups of which West Sacramento is a member to align compensation and benefit practices with those of member agencies

Attachment B: Letter to City of West Sacramento Regarding Yolo LAFCO's Efforts to Reduce Costs



RECEIVED

AUG - 5 2011

YOLO LAFCO

**CITY HALL**  
1110 West Capitol Avenue  
West Sacramento, CA 95691

**City Council**  
**City Manager**  
**City Clerk**  
**Information Technology**  
(916) 617-4500

**Community Development**  
**Planning/**  
**Development Engineering**  
(916) 617-4645  
**Building**  
(916) 617-4683  
**Redevelopment**  
(916) 617-4535  
**Housing & Community**  
**Investment**  
(916) 617-4555  
**Economic Development**  
(916) 617-4880

**Public Works**  
**Operations**  
**Engineering**  
**Flood Protection**  
(916) 617-4850

**Finance**  
**Administration**  
(916) 617-4575  
**Refuse & Recycling**  
(916) 617-4590  
**Utility Billing**  
(916) 617-4589

**Human Resources**  
(916) 617-4567

**Parks & Recreation**  
(916) 617-4620

**FIRE**  
2040 Lake Washington Blvd.  
West Sacramento, CA 95691  
(916) 617-4600  
Fax (916) 371-5017

**POLICE**  
550 Jefferson Boulevard  
West Sacramento, CA 95605  
(916) 617-4900  
**Code Enforcement**  
(916) 617-4925

**PUBLIC WORKS**  
**Operations**  
1951 South River Road  
West Sacramento, CA 95691  
(916) 617-4850

[www.cityofwestsacramento.org](http://www.cityofwestsacramento.org)

August 1, 2011

Elisa Carvalho  
Assistant Executive Officer  
Yolo County LAFCO  
625 Court St. Room 203  
Woodland, CA 95695

Dear Ms. Carvalho:

The City of West Sacramento, like most public agencies, has had to endure significant financial reductions over the last few years. Our employees have contributed to the solutions by taking time off without pay, agreeing to pay a portion of the employee's contribution to PERS and having limits placed on medical insurance. Salary ranges have been frozen and other miscellaneous benefits have either been reduced or eliminated also. The sacrifices made by City of West Sacramento employees are similar to those in other cities and counties.

The West Sacramento City Council recognizes the need for systemic change to employee compensation. Public agencies can no longer support the level of benefits that employees have experienced in the past. The Council also noted that the City of West Sacramento is a member of or belongs to several public agencies that have employees. The Council felt that these agencies should also be examining their employee compensation structure in consideration of what their member agencies have had to do. The Council passed Resolution # 11-47 in support of their policy position. A copy of the resolution is enclosed. The Council asked that each one of the agencies to which West Sacramento belongs be requested to have this as a discussion item with their governing board.

Although not mentioned in the resolution some of the specific items that are under consideration in West Sacramento and other cities and counties include 2 tiered retirement systems, employees paying all or some of the employee's share of PERS, elimination of the Employer Paid Member Contribution (EPMC) and limits on medical and retiree medical insurance.

It is hoped that you will be able to bring this discussion forward soon. If you have any questions regarding this request please feel free to contact me at [carolr@cityofwestsacramento.org](mailto:carolr@cityofwestsacramento.org) or (916) 617-4584.

Sincerely,

Carol B. Richardson  
Assistant City Manager

**RESOLUTION 11-47**

**A RESOLUTION OF THE CITY OF WEST SACRAMENTO URGING JOINT POWERS AGENCIES AND OTHER SHARED SERVICE GROUPS OF WHICH WEST SACRAMENTO IS A MEMBER TO ALIGN COMPENSATION AND BENEFIT PRACTICES WITH THOSE OF THE MEMBER AGENCIES**

**WHEREAS**, the global recession and slow recovery have affected all facets of our society including reducing revenues available to local governmental agencies; and

**WHEREAS**, the rising cost of employee benefits has exacerbated the already difficult fiscal situation; and

**WHEREAS**, this fiscal situation threatens the delivery of needed community services; and

**WHEREAS**, the City Council of the City of West Sacramento asked employees to assist in solving the fiscal problem by reducing their compensation and paying more for their pension and other benefits; and

**WHEREAS**, the employees of the City of West Sacramento have understood the dire nature of the fiscal problem and agreed to significant financial concessions; and

**WHEREAS**, the City of West Sacramento participates in many Joint Powers Agencies and other Shared Service Groups for the delivery of services; and

**WHEREAS**, these agencies and groups often have their own employees with unique compensation packages; and

**WHEREAS**, it is vital that these agencies and their employees also contribute to the solution of the fiscal problems experienced by their member agencies.

**NOW THEREFORE BE IT RESOLVED** that the City Council of the City of West Sacramento hereby directs its representatives to various Joint Powers Agencies and other Shared Service Groups to request that those agencies or groups review policies and practices related to compensation and benefits to ensure alignment with those of the member agencies; and


**BE IT FURTHER RESOLVED** that the City Council directs the City Manager to convey this resolution to member agencies of the Joint Powers and other Shared Service Groups of which West Sacramento is a member requesting that they adopt similar resolutions supporting alignment of compensation and benefit policies with member agencies.

**PASSED AND ADOPTED** this 15<sup>th</sup> day of June, 2011 by the following vote:

**AYES:** Johannessen, Kristoff, Ledesma, Villegas, Cabaldon

**NOES:** None

**ABSENT:** None

  
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Christopher L. Cabaldon, Mayor

**ATTEST:**

  
Stephanie H. Chaney, deputy  
Kryss Rankin, City Clerk

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September 26, 2011

Carol Richardson  
Assistant City Manager  
City of West Sacramento  
1110 West Capitol Avenue  
West Sacramento, CA 95691

Dear Ms. Richardson:

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September 26, 2011

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Sincerely,

Olin Woods  
Chair