



LAFCO - San Luis Obispo - Local Agency Formation Commission
SLO LAFCO - Serving the Area of San Luis Obispo County

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TO: MEMBERS, FORMATION COMMISSION

FROM: BRIAN PIERIK, LAFCO LEGAL COUNSEL (BP)

DATE: JULY 16, 2020

SUBJECT: FY 20/21 LAFCO BUDGET ADJUSTMENT - EXECUTIVE OFFICER END OF EMPLOYMENT SICK LEAVE PAYOUT

Recommendation. It is respectfully recommended that the Commission Adopt the attached Resolution to authorize a budget adjustment be submitted to the Auditor's Office for the payment of the sick leave hours from an existing designation pursuant to the Executive Officer's employment agreement.

The current Executive Officer is retiring on July 24, 2020. The employment agreement states under section 6.a (below) that the employee shall be reimbursed for all unused sick leave up to the contractual limits of 90 days/720 hours at the end of employment. These hours were tracked in the LAFCO Time-Off log from 2001-2020. The source of this payout is from an existing designation as included in the FY 20/21 budget. Today's item adjusts the Salaries budget line item (5001210) to include the payout amount.

ATTACHMENTS

A: Resolution Authorizing Budget Adjustment For Payment to Executive Officer of Sick Leave From Fund Balance/Reserves

6. Other Supplemental Benefits.

a. Vacation, Holidays, Sick Leave, and Administrative Leave. Employee shall be entitled to twenty (20) vacation days annually and shall be entitled to accrue twenty (20) days of vacation per year subject to a maximum payoff of 320 hours. Employee will be entitled to thirteen (13) paid holidays per year on the same schedule as employees of the County of San Luis Obispo. Employee shall be entitled to twelve (12) days of sick leave per year and shall be entitled to accrue twelve (12) days of sick leave per year up to a maximum of 90-days. Employee shall be entitled to compensation at the end of employment for all unused vacation and sick leave, subject to the limits specified above. Employee is also entitled to paid administrative leave of six (6) days per year.

The hourly rate for the payout is based on the EO's base salary without benefits; \$73.38, times the number of sick leave accrued to date or up to 90 days. Current hours accrued are 622 hours for a total payout of \$45,642. The hours have been accrued and tracked since Mr. Church

began employment with LAFCO in 2001. The methodology for this payout has been reviewed by the County's Auditors office.

Total Reserves and Fund Balance at the beginning of Fiscal Year 19/20 were \$177,072. The year-end budget report for FY 19/20 anticipates that an additional \$35,014 will be added to Fund Balance. This brings the total Fund Balance and Designation available to \$212,086. The payout reduces the Fund Balance/Designation to \$166,444. This payment would leave an overall Fund Balance and Designation of about 30% of the FY 20/21 budget. This well exceeds the Commission's 15% policy target for reserves/fund balance.

It is recommended that the Commission adopt the proposed Resolution to authorize payment of the sick leave payout as described in this report.

Attachment A

Resolution Authorizing Budget Adjustment For Payment to Executive
Officer of Sick Leave From Fund Balance/Reserves

IN THE LOCAL AGENCY FORMATION COMMISSION
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

Date: July 16, 2020

PRESENT:

ABSENT:

RESOLUTION NO. 2020-__

**Resolution Authorizing Budget Adjustment For Payment to
Executive Officer of Sick Leave From Fund Balance/Reserves**

The following resolution is now offered:

WHEREAS, the matter was set for public hearing at 9:00 a.m. on Thursday, July 16, 2020, a staff report prepared, and the public hearing was duly conducted under the Covid-19 modified meetings laws; and

WHEREAS, at said hearing, this Commission heard and received all written protests, objections and evidence which were made, presented, or filed, and all person's present were given the opportunity to hear and be heard in respect to any matter relating to said proposed budget adjustment; and

WHEREAS, the Executive Officer gave notice of his retirement effective July 24, 2020 in February, 2020; and

WHEREAS, Mr. Church first entered into an employment agreement on September 1, 2001 and his sick leave and other time off has been tracked by LAFCO; and

WHEREAS, the Commission entered into the Employment Agreement on November 1, 2009 that continued to provide for the employee to be compensated for all unused sick leave at the end of employment as found in section 6a. of the agreement;

WHEREAS, Mr. Church has accrued 622 hours of sick leave and his hourly base salary rate is \$73.38 and this equals a total payout of \$45,642 to be funded from the existing LAFCO Designation; and

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Local Agency Formation Commission of the County of San Luis Obispo, State of California, as follows:

1. That the recitals set forth hereinabove are true, correct, and valid.
2. That a budget adjustment shall be made to the Salaries Line Item 5001210 in the amount stated herein with the source of funds being the existing LAFCO Designation.

Upon a motion of Commissioner _____, seconded by Commissioner _____, and on the following roll call vote:

AYES:

NAYS:

ABSTAIN:

Tom Murray, Chairperson Date
Local Agency Formation Commission

ATTEST:

APPROVED AS TO FORM AND LEGAL EFFECT:

Brian Pierik Date
LAFCO Legal Counsel