

LAFCO

Santa Barbara Local Agency Formation Commission
105 East Anapamu Street ♦ Santa Barbara CA 93101
805/568-3391 ♦ FAX 805/568-2249
www.sblafco.org ♦ lafco@sblafco.org

March 5, 2026 (Agenda)

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

Executive Office Salary Increase

Dear Members of the Commission:

RECOMMENDATION

It is recommended that the Commission approve a 3.6% salary increase, based on the CPI, for Executive Officer Mike Prater, setting his annual salary at \$191,863.44, effective April 1, 2026.

DISCUSSION

The current Employment Contract between the Executive Officer Mike Prater and the Commission is effective December 14, 2023 until December 10, 2026. (Attachment A.) The current contract sets Mr. Prater's annual salary at \$178,073.43, or \$14,836.46 a month, which was 3% over his prior contract. The Commission last approved a 4% raise for Mr. Prater effective April 1, 2025.

The Commission agreed to annual salary discussions with the Executive Officer in conjunction with the annual employee performance review required in Section 7 of the Agreement. The Commission conducted an employee performance review in December 2025 and is now considering this salary increase based on CPI. The most recent Consumer Price Index for All Urban Consumers for Los Angeles-Long Beach-Anaheim increased 3.6 percent for the 12 months ending in November 2025, pursuant to the U.S. Bureau of Labor Statistics. (See Consumer Price Index, Los Angeles area — November 2025 : Western Information Office : U.S. Bureau of Labor Statistics.)

In addition to his salary, Mr. Prater also receives the following benefits under his current contract: (1) retirement and health care benefits, (2) a flexible spending account to which he can contribute, (3) disability insurance, (4) term life insurance, (5) an extra cash allowance of \$118 per month, (6) a deferred compensation contribution of \$350 per month, and (7) a phone and car allowance.

BACKGROUND

The Commission appointed Mr. Prater as Executive Officer in November 2020, for a one-year term and renewed that appointment in December 2021 for two years through December 2023. The

Commission reappointed and renewed Mr. Prater's employment contract in December 2023 for a three-year term.

Attachment

Attachment A – Executive Officer Employment Contract

Sincerely,

A handwritten signature in blue ink that reads "Shane Stark". The signature is written in a cursive, flowing style.

Shane Stark
Chair of the Commission

AGREEMENT FOR LAFCO EXECUTIVE OFFICER SERVICES

This AGREEMENT is entered into by and between the Santa Barbara Local Agency Formation Commission (hereafter "LAFCO" or "Commission") and Michael Prater (hereinafter "Mr. Prater" or "Executive Officer"), collectively referred to as "the parties."

WHEREAS, the Commission and Mr. Prater entered into an Agreement for LAFCO Executive Officer Services that was effective on December 9, 2021 and by its terms will expire on December 9, 2023, or if such hearing does not occur, the next regularly scheduled Commission hearing date.

WHEREAS, the Commission has adopted a schedule of regular meetings that sets the Commission's December regular meeting on December 14, 2023; therefore, that is the date Mr. Prater's employment agreement is scheduled to expire.

WHEREAS, the parties wish to extend the Agreement and reappoint Mr. Prater for a three-year term as LAFCO's executive officer.

WHEREAS, the parties wish to update the Agreement to reflect certain change in circumstances, including LAFCO's hiring an employee to serve as the clerk to the Commission and as a LAFCO analyst.

NOW, THEREFORE, the parties agree as follows:

Section 1. Duties.

- A. LAFCO agrees to employ Mr. Prater as Executive Officer as detailed below for the term specified in Section 2.
- B. Mr. Prater shall perform all Executive Officer duties as specified in the Cortese Knox Hertzberg Local Government Reorganization Act of 2000, Government Code section 56000 et seq., as amended from time to time, any other applicable statutes, and as authorized or directed by the Commission. Mr. Prater shall also perform those duties identified in the Commissioner Handbook, as amended from time to time.
- C. Standards of Performance. Mr. Prater's experience demonstrates that he has the skills, expertise, and licenses and permits necessary to serve as LAFCO's Executive Officer. Accordingly, Mr. Prater shall perform all such services in the manner and according to the standards observed by a competent practitioner of the same profession.

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Section 2. Term.

The term of this Agreement shall be as follows:

- A. Three-Year Appointment. The reappointment of Mr. Prater as Executive Officer shall be effective on December 14, 2023, and shall expire on December 10, 2026, or if such hearing does not occur on that date, then the next regularly scheduled Commission hearing date, unless otherwise extended by the Commission, subject to Section 3.
- B. Exclusive Employment. The Executive Officer agrees to remain in the exclusive employment of the LAFCO and shall neither accept other employment nor to become employed by any other employer. The term “exclusive employment” shall not be construed to preclude occasional teaching or writing, performed on the Executive Officer’s personal time.
- C. Reappointment. The Commission may in its discretion reappoint Mr. Prater as Executive Officer for an appropriate period subject to Mr. Prater’s acceptance of such reappointment.

Section 3. Termination; Severance Pay.

- A. For Convenience. Either party may terminate this Agreement on sixty (60) days written notice. If the Commission terminates for convenience, payment of severance pursuant to Paragraph C below shall be made by LAFCO.
- B. For Cause. The Commission shall have the right to terminate this Agreement immediately upon written notice at any time for employee malfeasance, breach or habitual neglect of duties under this Agreement, commission of a crime or offense punishable under state law by removal from office, or commission of acts of moral turpitude, including acts of dishonesty, fraud, or misrepresentation.
- C. Severance Payment. In the event the Commission terminates the Agreement for convenience, the Commission agrees to pay Mr. Prater a cash payment equal to three months aggregate salary. Said cash payment may be paid, at the option of Mr. Prater, in (1) a lump sum upon date of the termination; (2) lump sum on January 1 of the year following termination; or (3) three equal monthly payments.
- D. Reduction in Salary or Financial Benefits. In the event the Commission at any time during the term of this Agreement reduces the salary or other financial benefits of the Executive Officer, and the Commission refuses, following a written notice, to comply with providing such financial benefits, then Mr. Prater may, at his option, be deemed to be “terminated” at the date of such reduction or such refusal to comply, terminating the Agreement for convenience, within the meaning and context of the Paragraph C.
- E. Voluntary Resignation. In the event the Executive Officer voluntarily resigns his position with LAFCO, he shall be compensated for any accrued vacation, holidays, compensatory time and other accrued benefits.

Section 4. Disability.

If the Executive Officer is permanently disabled or is otherwise unable to perform his duties because of sickness, accident, injury, beyond any accrued leave period, the Commission shall have the option to terminate this Agreement, subject to the limitations of any applicable protected leave and any other applicable ordinances and laws. The Executive Officer shall be compensated for any accrued vacation, holidays, compensatory time and other accrued benefits.

Section 5. Salary.

- A. Payment for Executive Officer Services. LAFCO shall pay Contractor the amount of \$14,839.46 monthly or \$178,073.43 annually for Executive Officer services pursuant to this Agreement, payable monthly.
- B. Salary Increases. Anytime the County Board of Supervisors authorizes salary increases or onetime payment for Unit 41 "Appointed Department Heads," the Commission shall consider applying the increase or onetime payment to the Executive Officer.
- C. Annual Salary Review. The Commission agrees to salary discussions with the Executive Officer in conjunction with the annual employee performance review required in Section 7.

Section 6. Expenses.

- A. LAFCO shall reimburse Executive Officer for expenses incurred in performing services as set forth in Exhibit A. Expenses not explicitly set forth in Exhibit A shall not be reimbursed without the written consent of LAFCO. Expenses will be reimbursed only if incurred during the contract period.
- B. Executive Office is responsible for operating within adopted LAFCO budget appropriations. The process for reimbursement of expenses that exceed given appropriations shall require review and approval by LAFCO.

Section 7. Performance Evaluation.

The Executive Officer shall be subject to an annual performance evaluation by the Commission. At least one month prior the evaluation, the Executive Officer shall prepare and submit to the Commission a list of accomplishments for the past year and performance goals for the next year. It is anticipated the Commission will conduct the Executive Officer's employee performance evaluation in December of each year and, as appropriate, consider salary in the following January.

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Section 8. Benefits.

Except as expressly provided in this Agreement, Executive Officer shall be eligible for the benefits set forth in the LAFCO Commissioner Handbook, Section 13 "Employee Handbook," Part 3 "Benefits" and Part 4 "Time Off." These include retirement and health care.

A. Flexible Spending Account. Through Benefits Coordinate Corporation, Executive Officer is eligible to pay for eligible out-of-pocket healthcare expenses with pre-tax dollars. Eligible expenses include medical, dental, or vision costs such as plan deductibles, copays, coinsurance amounts, and other non-covered healthcare costs for you and your tax dependents. For 2024, Executive Officer can set aside up to \$2,700.

B. Disability Insurance. The following policies may be acquired directly by Mr. Prater and his expenses for such shall be "reimbursable expenses" under Exhibit A to the Agreement.

1. Short term. LAFCO shall provide Short Term Disability Insurance for Executive Officer. The waiting period for benefit eligibility will be 7 days. The benefit will equal sixty percent of the first \$2,500 of pre-disability earnings in accordance with specific plan provisions, limitations, and exclusions.

2. Long Term. LAFCO shall provide Long Term Disability Insurance for Executive Officer. The waiting period for benefit eligibility will be 60 days. The benefit will equal sixty percent of pre-disability earnings in accordance with specific plan provisions, limitations, and exclusions.

3. State of California Disability Insurance ("SDI"). The Executive Office participates in SDI. Benefits shall be integrated with paid leave as follows:

i. Executive Officer may use his sick leave credits to supplement his SDI benefits so that the sum of the SDI benefits and sick leave credits used equals 85 percent of his gross salary.

ii. Executive Officer may apply with the State for approval as soon as possible following the date of his eligibility for SDI benefits. Current eligibility begins on the eighth consecutive calendar day of an extended illness or injury.

C. Term Life Insurance. LAFCO will provide Executive Officer basic Group Term Life Insurance at an insured amount of \$50,000.

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Section 9.

- A. Extra Cash Allowance. LAFCO shall pay to the Executive Officer an extra one hundred eighteen dollars (\$118) per month.
- B. Deferred Compensation Contribution. LAFCO shall contribute \$350.00 monthly to the Executive Officer's deferred compensation account.
- C. Social Security. LAFCO shall provide the employer contribution to the federal Social Security Program.

Section 10. Automobile and Phone

- A. Automobile. The Executive Officer shall receive a taxable automobile compensation allowance at five hundred eighty-three and 33/100 dollars (\$583.33) per month plus a non-taxable per mile business reimbursement for travel, as increased or updated annually by the Santa Barbara County Auditor Controller pursuant to guidelines of the Internal Revenue Service. The Executive Officer shall obtain and maintain general liability automobile insurance and provide proof of insurance to the LAFCO Counsel within sixty (60) days of execution of this agreement and annually thereafter within 60 days of any renewal of such policy.
- B. Phone. The Executive Officer shall receive a non-taxable phone reimbursement of eighty-five dollars (\$85.00) per month for business use of his personal cell phone.

Section 11. General Provisions.

- A. Support by LAFCO.

Executive Office may use his own office as necessary to provide services under this Agreement. Executive Officer shall have use of the LAFCO office space and telephone service at the County Administration Building.

- B. Conflicts of Interest.

Executive Officer is subject to and shall comply with the Political Reform Act, Government Code section 81000 et seq., the regulations of the Fair Political Practices Commission and LAFCO's Conflict of Interest Code and any applicable LAFCO policies.

- C. No assignment. Executive Officer shall not assign any of rights nor transfer any of obligations under this Agreement or have the power to delegate duties without the prior written consent of LAFCO and any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination.

D. Notices. All notices and other communications required or permitted hereunder to be effective shall be in writing and shall be deemed to have been duly given and received when delivered by hand, or if mailed, five (5) business days after deposit in the mail, with postage prepaid for registered or certified mail. Written notice to each party shall be addressed to:

LAFCO Counsel
c/o 105 E. Anapamu St., #201
Santa Barbara, CA. 93101

Michael Prater
8484 Carmelita Av.
Atascadero, CA. 93422

or at such other address or to such other person that the parties may from time to time designate in writing.

E. Ownership of documents and assets. LAFCO shall be the owner of any and all documents, publications, software, equipment, office supplies, and computers purchased by Executive Office with LAFCO funds or prepared or created by Executive Office while performing work for LAFCO. LAFCO shall also be the owner of any and all public records held by Executive Office. Executive Office shall annually report to LAFCO as part of the budget process a list of significant assets owned by LAFCO.

No materials produced in whole or in part under this Agreement shall be subject to copyright in the United States or in any other country except as determined at the sole discretion of LAFCO. LAFCO shall have the unrestricted authority to publish, disclose, distribute, and otherwise use in whole or in part, any reports, data, documents or other materials prepared under this Agreement.

F. Nondiscrimination. Executive Office shall comply with all laws and regulations regarding unlawful discrimination in the performance of this Agreement.

G. General Provisions. This Agreement shall be governed and construed in accordance with the laws of the State of California. It is agreed and understood by LAFCO and Executive Officer that this Agreement has been arrived at through negotiations, and that within the meaning of Civil Code section 1654 neither party is to be deemed to be the party which prepared this Agreement.

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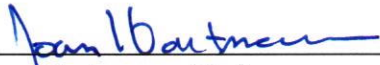
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H. Modifications. This Agreement constitutes the entire understanding of the parties hereto and no changes, amendments, or alterations shall be effective unless in writing and signed by both parties.

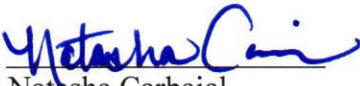
This Agreement is entered into this 14th day of December, 2023, in County of Santa Barbara, California and shall be effective when fully executed by the parties.

SANTA BARBARA COUNTY
LOCAL AGENCY FORMATION
COMMISSION




Joan Hartmann, Chair
Date: 12/14/23

ATTEST:
Clerk of the Commission

By 

Natasha Carbajal,
Analyst Clerk

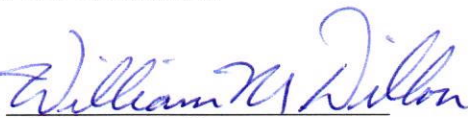
Date 12/14/23

Executive Officer


Michael Prater
Date: 12-14-23


APPROVED AS TO FORM:

LAFCO COUNSEL

By 

William M. Dillon
LAFCO Counsel

RISK MANAGEMENT

By: 

RISK MANAGER

EXHIBIT A

REIMBURSABLE EXPENSES

Travel, transportation and meals shall be reimbursed as set forth below. Reimbursable expenses include but are not limited to those listed below.

- Mileage at the standard Santa Barbara County rate, calculated from Executive Officer's office in Atascadero.
- Long distance telephone and fax charges
- Postage and express mail
- Messenger service
- Publications and software purchased for the Santa Barbara LAFCO
- Equipment and office supplies purchased exclusively for Santa Barbara LAFCO
- Duplicating and printing
- Computer and research services
- Travel expense, including air and other transportation, taxis, rental cars, hotel, meals and other related expenses related to LAFCO business, including CALAFCO meetings. Hotel expenses may include up to 5 stays per fiscal year on the south coast of Santa Barbara when necessary for attending multi-day or early morning meetings on the Santa Barbara south coast.
- Disability and Term-Life Insurance expenses authorized pursuant to Section 8 of this Agreement.