



FINAL MINUTES

LAFCO REGULAR MEETING
Wednesday, April 9, 2014, 8:30 a.m.
Planning Commissioner Hearing Room, Hall of Administration
10 Civic Center Plaza, Santa Ana

1. CALL TO ORDER

Chair Joe Carchio called the regular meeting of the Local Agency Formation Commission (LAFCO) to order at 8:34 a.m.

2. PLEDGE OF ALLEGIANCE

Commissioner Pat Bates led the Pledge of Allegiance.

3. ROLL CALL

The following Commissioners and Alternates were present:

- **Chair Joe Carchio**
- **Vice Chair Pat Bates**
- **Commissioner Cheryl Brothers**
- **Commissioner John Moorlach**
- **Commissioner Charley Wilson**
- **Commissioner Susan Wilson**
- **Commissioner John Withers**
- **Alternate Commissioner James Fisler**
- **Alternate Commissioner Derek McGregor**

The following Commissioner was delayed:

- **Commissioner Todd Spitzer (arrived at 8:51 a.m.)**

The following LAFCO staff members were present:

- **Executive Officer Carolyn Emery**
- **Assistant Executive Officer Ken Lee**
- **Project Manager Benjamin Legbandt**
- **Legal Counsel Clark Alsop**

The following LAFCO staff member was delayed:

- Commission Clerk Cheryl Carter-Benjamin (arrived at 8:40 a.m.)

**4. ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS
(Received After Agenda Distribution)**

None

5. APPROVAL OF MINUTES

March 14, 2014 – Regular Commission Meeting Minutes

The minutes were approved with no revisions.

MOTION: Approve the March 14, 2014 Regular Commission Meeting Minutes (John Moorlach)

SECOND: Susan Wilson

FOR: Joe Carchio, Pat Bates, Cheryl Brothers, John Moorlach, Charley Wilson, Susan Wilson, John Withers

AGAINST: None

ABSTAIN: None

MOTION PASSED

6. PUBLIC COMMENT

Chair Joe Carchio requested public comments on any non-agenda items. There were none.

Chair Joe Carchio closed public comments.

7. CONSENT CALENDAR

None

8. PUBLIC HEARING

8a. – LAFCO Proposed Budget for Fiscal Year 2014-2015 Update

Chair Joe Carchio informed the Commission that the consideration of the LAFCO proposed budget for Fiscal Year 2014-2015 is continued to the May 14, 2014 regular meeting.

9. COMMISSION DISCUSSION AND ACTION

9a. - Yorba Linda Unincorporated Areas

Executive Officer Carolyn Emery notified the Commission that staff had no new reportable action.

9b. - LAFCO Policies and Procedures Update

Executive Officer Carolyn Emery presented the staff report to the Commission to consider revisions and updates to the LAFCO Handbook, the agency's comprehensive policies and procedures manual.

MOTION: Adopt the LAFCO Policies and Procedures Handbook as amended. (John Withers)

SECOND: Susan Wilson

**FOR: Joe Carchio, Pat Bates, Cheryl Brothers, John Moorlach
Charley Wilson, Susan Wilson, John Withers**

AGAINST: None

ABSTAIN: None

MOTION PASSED

9c. - Retirement Report

Project Manager Benjamin Legbandt presented the staff report on factors related to increases in the Commission's retirement costs and alternative employee retirement plans.

Commissioner Moorlach asked if Best, Best & Krieger was under advisement during staff's analysis and directed staff to research the item further for new LAFCO employees. Legal Counsel Clark Alsop responded that he did not participate in the staff analysis. Executive Officer Carolyn Emery affirmed that staff would utilize LAFCO's legal counsel for additional research on the issue. **Commission Moorlach** asked that this agenda item be continued to the May 14 meeting.

Commissioner Bates recommended that staff utilize OCERS in addition to LAFCO's legal counsel in exploring alternatives to the current retirement plan.

Commissioner Susan Wilson asked the research to include options for both current employees and new hires.

MOTION: Continue the Retirement Report for further analysis of alternative retirement plan options for new LAFCO employees. (John Moorlach)

SECOND: Susan Wilson

FOR: Joe Carchio, Pat Bates, Cheryl Brothers, John Moorlach,
Charley Wilson, Susan Wilson, John Withers
AGAINST: None
ABSTAIN: None

MOTION PASSED

The Commission Clerk Cheryl Carter-Benjamin arrived at 8:40 a.m.

Commissioner Spitzer arrived at 8:51 a.m. **Chair Carchio** readdressed Agenda Item 9a - Yorba Linda Unincorporated Area to allow **Commissioner Spitzer** to provide an update to the Commission.

9a. - Yorba Linda Unincorporated Areas

Commissioner Spitzer provided an update to the Commission regarding the EIR comment period for Cielo Vista and Esperanza Hills, evacuation procedures for the unincorporated areas in Yorba Linda, and the resolution of public policy and land use planning issues.

9d. - Interim Legislative Report

Project Manager Benjamin Legbandt presented the interim legislative report to the Commission with recommended positions on 2014 proposed legislation affecting LAFCOs.

Commissioner Bates asked for clarity on the Omnibus Bill regarding terms and conditions, to understand the limits if any, regarding special and standard terms. Mr. Legbandt replied that in state law, the current restrictions only allow for special or standard terms but the change will allow for use of both. **Commissioner Bates** asked staff to provide her with a copy of the special and standard terms for her review.

Commissioner Moorlach asked that staff send copies of SB 69 (Roth) support letters to the full Senate.

MOTION: Receive and file the April 9, 2014 Interim Legislative Report;
Adopt recommended positions on 2014 proposed legislation
and submit letters of support. (John Moorlach)
SECOND: Pat Bates
FOR: Joe Carchio, Pat Bates, Cheryl Brothers, John Moorlach,
Charley Wilson, Susan Wilson, John Withers
AGAINST: None
ABSTAIN: None

MOTION PASSED

9e. – 2014 LAFCO Strategic Plan (Continued Discussion Item from March 14, 2014)

Executive Officer Carolyn Emery presented the staff report on the continued discussion item, which provided an overview of mid-year accomplishments from the current FY 2013-2014 Work Plan, key projects for FY 2014-2015, and the adoption of the 2014 LAFCO Strategic Plan. Staff prompted Commission discussion on key LAFCO projects for FY 2014-2015, including:

- South Orange County Governance and Visioning Process
- County Unincorporated Areas
- Orange County Leadership Symposium (OCLS)
- Administrative Projects and OC LAFCO Internal Efficiencies
- Next Level - Shared Services & Fiscal Trends Programs

South Orange County Governance and Visioning Process

Commissioner Brothers requested staff to provide a copy of the scheduled South County stakeholder meetings to the Commission. Ms. Emery responded that the meetings would begin at the staff level with about five meetings scheduled. Ms. Emery added that staff would keep the Commission apprised of scheduling with regular updates.

Commissioner Bates inquired about Ladera Ranch and the protocol for keeping them informed since they have no formal “staff.” Ms. Emery replied that the Ladera Ranch Civic Council has identified Carlo Tomaino as its representative on the stakeholder working group.

Commissioner Withers requested that staff include in updates to the Commission an overview of key milestones to be completed over the next year. Ms. Emery replied that staff would provide key milestones with the understanding that the information is tentative.

County Unincorporated Areas

Commissioner Spitzer asked how staff would manage leadership of the five large unincorporated areas while encouraging discussion opportunities. Ms. Emery replied that LAFCO would keep them bookmarked until interest from the city, County, and/or communities was expressed. She added that these areas would still be included during Municipal Service Reviews for the affected areas.

Commissioner Withers recommended that LAFCO staff engage each affected Supervisorial Board office to develop a statement that comprehensively establishes expectations and lays out the requirements of LAFCO for the unincorporated areas.

Commissioner McGregor asked staff to provide a written overview stating the challenges for the five unincorporated islands.

Orange County Leadership Symposium (OCLS)

Commissioner Charley Wilson commented on the reengaging of the OCLS and the benefits of meeting with agency staff that are not familiar with the previous efforts. He added that at a later date similar discussions at the elected level would need to occur but highlighted the importance of an outreach effort amongst staff to develop relationships, build momentum for the effort, along with opportunities to generate funding for the symposium.

Commissioner Spitzer commented on the importance of building relationships and the opportunity to do that in an uninterrupted setting. He also suggested renaming the effort to include the term “executive” rather than “leadership.”

Administrative Projects and OC LAFCO Internal Efficiencies

Staff provided an overview of the following key administrative projects:

- Retirement Costs and Plan Alternatives
- LAFCO Office Lease
- Effective Commission Communication
- LAFCO Annual Budget

Commissioner Withers suggested that staff look into the properties owned in the downtown area by the City of Santa Ana regarding office space for shared facilities opportunities. **Commissioner Susan Wilson** responded that the Executive Committee is weighing all options to find the best possible fit.

Commissioner Charley Wilson asked staff to summarize the key projects that are not mandated for the May 14 meeting. He added that this would allow the Commission to prioritize those items for the work plan to better capture the remaining projects for alignment with required staff and budget resources.

Next Level - Shared Services & Fiscal Trends Programs

Assistant Executive Officer Ken Lee and Project Manager Benjamin Legbandt provided an overview of the following:

- Shared Services Programs
 - Shared Services Summit
 - Orange Pages
 - Measuring Success

- Fiscal Trends Program
 - Annual Report

Chair Carchio commended staff for their hard work on the Shared Services program. The **Chair** shared a success story occurring in Huntington Beach.

Commissioner Bates, Moorlach, and Spitzer left at 10:07 a.m.

Commissioner Withers added that the Shared Services program should extend beyond the County of Orange by looking at the private sector, other counties, and other parts of the state for best practice opportunities. **Commissioner Withers** concluded his comments by supporting earlier directive for the Commission to prioritize the Commission-initiated projects when the Commission reviews the work plan in May. The Executive Officer stated that the work plan would include two separate listings for mandated projects and Commission-initiated projects, allowing for prioritization by the Commission.

Commissioner McGregor asked staff to include the HOAs in the Shared Services Summit, as well as South County, given the important role they play in providing services that are otherwise normally provided by municipalities.

MOTION: Approve the 2014 Strategic Plan; Direct staff to present the Proposed 2014-2015 Work Plan and Budget at the LAFCO May 14, 2014 meeting. (John Withers)

SECOND: Susan Wilson

FOR: Joe Carchio, Cheryl Brothers, Charley Wilson, Susan Wilson, John Withers

AGAINST: None

ABSTAIN: None

MOTION PASSED

9f. – LAFCO Retirement Plan for New Employees

Project Manager Benjamin Legbandt presented the staff report to clarify the resolution adopted in December 2012 by the Commission regarding the LAFCO Retirement Plan for New Employees.

MOTION: Adopt the form of resolution clarifying that the elimination of the 2.7% @ 55 plan applies to all employees hired by LAFCO on or after December 12, 2012, including rehired employees, and that Grandfathered New Employees will be enrolled in the 1.62% @ 65 plan. (Charley Wilson)

SECOND: Susan Wilson

FOR: Joe Carchio, Cheryl Brothers, Charley Wilson, Susan Wilson, John Withers

AGAINST: None

ABSTAIN: None

MOTION PASSED

10. COMMISSIONER COMMENTS

Commissioner McGregor commended Executive Officer Carolyn Emery on her presentation at the well-attended South County Economic Collation meeting.

Chair Carchio informed the Commission that the Orange County Leaders Prayer breakfast would be taking place May 9, 2014 at the Irvine Marriott with four-complimentary tickets available for anyone wishing to attend.

11. INFORMATIONAL ITEMS AND ANNOUNCEMENTS

11a. - Expiring LAFCO Member Terms of Office

Executive Officer Carolyn Emery provided an update regarding the expiring terms of office for LAFCO city, special district, and public member seats. Ms. Emery noted that ACC-OC would hold their election for the city seat on May 14, 2014 and election results would be reported to the Commission upon receipt. Ms. Emery informed the Commission that the special districts nomination period was open and that the period closes April 18, 2014 at 3:00 p.m. Ms. Emery added that should LAFCO receive multiple nominations for the regular and alternate district seats, the Executive Officer will prepare the ballot and move forward with the election process. Ms. Emery concluded that the application period for the public member seat has opened and will close April 30 at 3:00 p.m.

11b. - Coalition of California LAFCOs (CCL) Update

The Commission was reminded that the next CCL meeting would take place on Monday, May 12, 2014 at the Santa Ana Train Station, 5th Floor.

12. CLOSED SESSION

None

13. ADJOURNMENT OF REGULAR COMMISSION MEETING

The meeting adjourned at 10:24 a.m.

Joe Carchio, Chair
Orange County Local Agency Formation Commission

By: _____
Cheryl Carter-Benjamin
Commission Clerk