



FINAL MINUTES

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

1. CALL TO ORDER

Chair Susan Wilson called the Regular Meeting of the Orange County Local Agency Formation Commission (OC LAFCO) to order at 8:34 a.m.

2. PLEDGE OF ALLEGIANCE

Commissioner John Withers led the Pledge of Allegiance.

3. ROLL CALL

The following Commissioners and Alternates were present:

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

The following Commissioner was absent:

- **Commissioner Todd Spitzer**

The following LAFCO staff members were present:

- **Executive Officer Carolyn Emery**
- **Commission Clerk Cheryl Carter-Benjamin**
- **LAFCO Accountant Lynne Netty**
- **Legal Counsel Matthew Richardson**

4. ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS

None

5. APPROVAL OF MINUTES

December 11, 2013 - Regular Commission Meeting Minutes

The minutes were approved with no revisions.

MOTION: Approve the December 11, 2013 Regular Commission Meeting Minutes. (John Withers)

SECOND: Charley Wilson

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

AGAINST: None

ABSTAIN: None

MOTION PASSED

6. PUBLIC COMMENT

Chair Susan Wilson requested public comments on any non-agenda items. There were none.

Chair Susan Wilson closed public comments.

7. CONSENT CALENDAR

None

8. PUBLIC HEARING

None

9. COMMISSION DISCUSSION AND ACTION

9a. - Election of LAFCO Officers for 2014

Executive Officer Carolyn Emery presented the staff report on the election of a LAFCO Chair and Vice-Chair for 2014.

Chair Susan Wilson nominated **Commissioner Carchio** to serve as the 2014 LAFCO Chair. **Chair Susan Wilson** called for other nominations for LAFCO Chair. There were none.

MOTION: Nominate Commissioner Carchio to serve as the 2014 LAFCO Chair. (Susan Wilson)
SECOND: John Moorlach
FOR: Susan Wilson, Joe Carchio, Pat Bates, Cheryl Brothers, John Moorlach, Charley Wilson, John Withers
AGAINST: None
ABSTAIN: None

MOTION PASSED

Chair Susan Wilson called for nominations for LAFCO Vice-Chair for 2014. Commissioner Withers nominated Commissioner Bates to serve as the LAFCO Vice-Chair.

MOTION: Nominate Commissioner Bates to serve as the 2014 LAFCO Vice-Chair. (John Withers)
SECOND: Joe Carchio
FOR: Susan Wilson, Joe Carchio, Pat Bates, Cheryl Brothers, Charley Wilson, John Withers
AGAINST: John Moorlach
ABSTAIN: None

MOTION PASSED

As the newly appointed LAFCO Chair, Commissioner Carchio assumed conduct of the meeting agenda and expressed his appreciation to Commissioners for their support.

9b. - Yorba Linda Unincorporated Areas

Executive Officer Carolyn Emery notified the Commission that staff had submitted comments to the County on the draft environmental documents for the Cielo Vista and Esperanza Hills projects.

Commissioner Withers left the LAFCO meeting at 8:40 a.m.

9c. - Schedule and Selection Process for LAFCO County, City, Special District and Public Member Seats

Executive Officer Carolyn Emery presented the report on the schedule and selection processes for the LAFCO County, City, Special District and Public Member seats.

MOTION: Receive and file the staff report on the selection process for the LAFCO City, Special District and Public Member upcoming vacancies; direct the Executive Officer to prepare

and distribute a press release regarding the Public Member vacancy. (John Moorlach)

SECOND: Cheryl Brothers

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

AGAINST: None

ABSTAIN: None

MOTION PASSED

9d. - Staff Assessment

Executive Officer Carolyn Emery presented the staff assessment report.

Chair Carchio asked the Executive Officer to explain the recruitment process and the projected timeline for filling the current staff vacancy. The Executive Officer stated that a panel comprised of two Assistant City Managers and a special district General Manager conducted the first round of interviews. Ms. Emery noted that the panel had chosen the top three candidates to be interviewed by Executive Officer. She added that she expects to complete interviews and make a final selection within the next few weeks.

MOTION: Receive and file the staff assessment report. (Joe Carchio)

SECOND: Susan Wilson

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

AGAINST: None

ABSTAIN: None

MOTION PASSED

9e. - LAFCO Retirement Costs and Contribution Rates

LAFCO Accountant Lynne Netty presented the staff report on LAFCO retirement costs and contribution rates.

Commissioner Moorlach asked if the Commission's employer retirement rate is based on the projected payroll. Ms. Netty confirmed that the retirement contribution rate is based on projected staff salaries. **Commissioner Moorlach** asked if the Commission had explored other retirement plan options. Executive Officer Carolyn Emery responded that other options had been explored and at that time were not cost effective. **Commissioner Moorlach** informed the Commission that the Orange County Employee Retirement System Board sets the employer and employee contribution rates two years in advance and requested additional information and discussion of the Commission's retirement contributions be provided at a future

meeting. Ms. Emery replied that staff continues to monitor the activities of the OCERS Board, including changes to the employer contributions and future unfunded liabilities which may be discussed at the strategic planning session in March.

Chair Carchio asked Ms. Netty to explain the reduction in rate for the prepayment offered by OCERS. Ms. Netty indicated that the rate for the prepayment is approved by the Board annually and added that the Board had recently discussed eliminating the prepayment option. Ms. Netty also noted that the OCERS Board is negotiating an amortization schedule for each of the plan sponsors to pay down its unfunded liability.

Commissioner Bates asked that LAFCO include a discussion of the IRS ruling in additional reports on retirement options.

Kathryn Freshley and **Carolyn Moore**, residents of Laguna Woods commented on the agenda item and **Chair Carchio** encouraged them to work with staff if they had any additional questions.

Commissioner Moorlach requested additional information on the Commission's ability to convert from the defined benefit plan options currently available to a defined contribution plan for LAFCO employees at a future meeting.

Commissioner Withers returned to the LAFCO meeting at 9:20 a.m.

MOTION: Receive and file the report on Retirement Costs and Contributions Rates; Direct staff to provide additional information on retirement options, IRS ruling and other related items at a future meeting. (John Moorlach)

SECOND: Cheryl Brothers

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

AGAINST: None

ABSTAIN: None

MOTION PASSED

9f. – Unincorporated Islands Annexation Priorities

Executive Officer Carolyn Emery presented the staff report and recommended the Commission continue this item to the February 5 regular meeting.

MOTION: Continue discussion of the Unincorporated Island Annexation Priorities to the February 5 regular meeting. (John Moorlach)

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

9g. - Annual Filing of Form 700 and Bi-Annual Ethics and Sexual Harassment Avoidance Training Requirements

Commission Clerk Cheryl Carter-Benjamin presented the staff report on the filing of Form 700 and its deadline of April 1, 2014. Ms. Carter-Benjamin also informed the Commission that bi-annual training on Ethics and Sexual Harassment Avoidance must be completed before December 31, 2014.

9h. - Recognition of Service - Chair Susan Wilson

The Commission recognized **Commissioner Susan Wilson** for her service as the 2013 LAFCO Chair.

Commissioner S. Wilson expressed her gratitude for the opportunity to serve as Chair.

MOTION: Adopt resolution recognizing Susan Wilson for her service as the 2013 LAFCO Chair. (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

10. COMMISSIONER COMMENTS

The Commissioners expressed additional appreciation to **Commissioner Susan Wilson** for leadership and authoring of a recent editorial on South Orange County Governance.

Commissioner Withers requested an update on the Orange County Leadership Symposium. Executive Officer Carolyn Emery responded that she has initiated this effort and plans to meet with the leadership of Orange County regional agencies to explore their interest in partnering to revive OCLS. She added that staff would continue to update the Commission on the progress of this effort.

11. INFORMATIONAL ITEMS AND ANNOUNCEMENTS

11a. - Change of Meeting Location for February 2014 LAFCO Meeting

The Commission was reminded of the change in the location and date of the next regular meeting to February 5 in the Board Hearing Room.

11b. - Coalition of California LAFCOs (CCL) Annual Summit

Executive Officer Carolyn Emery reminded the Commission of the upcoming CCL annual meeting and asked for confirmation from Commissioners planning to attend the meeting.

12. CLOSED SESSION

None

13. ADJOURNMENT OF REGULAR COMMISSION MEETING

The meeting adjourned at 9:45 a.m.

Joe Carchio, Chair
Orange County Local Agency Formation Commission

By: _____
Cheryl Carter-Benjamin
Commission Clerk