

2015 Orange County LAFCO Strategic Plan



Friday, March 20, 2015

OC LAFCO Mission Statement

"LAFCO serves the citizens of Orange County by facilitating constructive changes in governmental structure and boundaries through special studies, programs, and actions that resolve intergovernmental issues, by fostering orderly development and governance, and by promoting the efficient delivery of services. LAFCO also serves as a resource for local governments and citizens by providing a structure for sharing information among stakeholders in Orange County."

OC LAFCO's Strategic Plan

March 20, 2015

Introduction

The 2015 Orange County LAFCO (OC LAFCO) Strategic Plan includes the following two sections:

1. **2014-2015 Work Plan Accomplishments** - a discussion of agency projects completed and/or underway identified in the current work plan; this section also includes a summary of the new mandated projects added to the Work Plan mid-year.
2. **Key Project Opportunities for FY 2015-2016** - a discussion of key agency projects (indicated below) for possible inclusion in the 2015-2016 Work Plan. This section will also include an interactive discussion of OC LAFCO's emerging role as a leader and partner with Orange County's local agencies, communities and stakeholders. Other focus areas may be identified by the Commission.
 - Unincorporated Islands Program
 - South Orange County Governance and Visioning Process
 - Collaborative Service Opportunities ("Shared Services")
 - Fiscal Trends Program
 - Municipal Service Reviews and the Next Cycle
 - Legislative Advocacy and Affairs
 - Administrative Projects
 - Internal audit of comprehensive policies and procedures
 - Advancing agency communication and technology

In accordance with government statute, the Commission is required to adopt annually a proposed and final budget. Based on feedback from the Commission during the 2015 strategic planning session, staff will prepare the FY 2015-2016 Proposed Budget and Work Plan for Commission consideration at the April 8, 2015 regular meeting. Adoption of the final budget is expected in May 2015.

The Strategic Planning Session will be held on **Friday, March 20, 2015 starting at 9:00 a.m. at the Orange County Transportation Authority, Board Room located at 600 South Main Street in Orange.**

Part I: Work Plan Accomplishments (2014 – 2015)

At the March 14, 2014 Strategic Planning Session, the Commission discussed OC LAFCO’s legislative mandate and continued role as a resource to the County, cities, special districts, the public and other LAFCO stakeholders. Subsequently, the Commission approved the key areas and staff activities for the 2014-2015 Work Plan. These areas include: (1) Mandated Projects (required processing in accordance with state law); (2) Commission-Initiated Projects (discretionary projects prioritized by the Commission); and, (3) Internal Efficiencies (administrative and operational activities).

*“However beautiful
the strategy, you
should occasionally
look at the results.”*

Sir Winston Churchill

This section of the Strategic Plan provides a summary of the Commission’s key accomplishments of the 2014-2015 approved work plan. Additional details on each project are also provided in **Exhibit 1** of this report.

OC LAFCO Mandated Projects

The Commission’s mandated projects take precedence, and LAFCO is required to efficiently process these projects in accordance with the Cortese-Knox-Hertzberg Reorganization Act of 2000 (“CKH Act”). The 2014-2015 Work Plan included 13 mandatory projects involving changes of organization, spheres of influence reviews and updates, and municipal service reviews (MSRs). Two projects, the Via Vista Annexation to the Orange County Sanitation District (OCSD) and Ridgeline Country Club Reorganization, were added to the Work Plan subsequent to its approval.

ACCOMPLISHMENTS: The Commission successfully completed four projects as discussed in **Exhibit 1**. Completed projects include the transitioning of two small islands to adjacent cities and annexations to Orange County Water District (multi-year effort) and OCSD. The remaining projects that have not been placed “on-hold” continue to require staff time and resources to complete these projects and meet OC LAFCO application requirements. Staff anticipates completion of the MSR for the proposed “East Orange County Water District Reorganization for Local Sewer Service” and continuing discussions with City and County staff regarding potential annexation and transfer of retail water involving the La Habra islands by mid spring. For both projects, the

Commission has committed significant staffing resources to ensure a collaborative and open process for both agency and public stakeholders.

Commission-Initiated Projects

Commission-initiated projects are discretionary, and as a part of the 2014-2015 Work Plan, the Commission prioritized (“high,” “medium,” or “low”) multiple strategic projects (Table A) to further enhance OC LAFCO’s role as a leader and partner for the region. This section summarizes the Commission’s accomplishments for these projects. Additional milestones for each of the strategic projects are included in **Exhibit 1**.

Table A: Commission-Initiated Projects (prioritized by the Commission on May 14, 2014)

PROJECTS	SUMMARY DESCRIPTION	PRIORITY LEVEL
South Orange County Future Governance	Stakeholder process to explore future governance options for South Orange County study areas.	“HIGH”
County Unincorporated Areas & Community Islands Task Force (CTF)	Collaborative effort to transition and facilitate alternative service delivery options for County unincorporated areas.	“HIGH”
Shared Services Program - Next Level	Evolve Shared Services Program through regional forums and working groups and increased awareness.	“HIGH”
CALAFCO	Continue active membership and participation in CALAFCO through working committees, workshops, and conferences.	“HIGH”
Orange County Executive Group - <i>Leading, Innovating, Navigating, and Connecting</i> (“OC LINC”)	Build relationships with Orange County regional CEOs and executive staff.	“MEDIUM”
Fiscal Trends Program - Next Level	Evolve the Fiscal Trends Program through financial data and annual reports.	“MEDIUM”
Coalition of California LAFCOs (CCL)	Continue active membership and participation in CCL, including staff leadership and administrative support.	“LOW”

ACCOMPLISHMENTS:

(1) South Orange County Future Governance

During the past year, the Commission has proactively moved discussions forward regarding future governance for the Rancho Mission Viejo and Rancho Santa Margarita South County study areas. Identified as a “high” Commission priority, project activity has included multiple stakeholder meetings, preparation of comprehensive fiscal data, and identification of potentially viable governance options. These efforts have been instrumental in assisting the stakeholders to envision governance plans that position their respective agencies and communities for efficient and viable short, mid- and long-term options for municipal services. A report on the stakeholder process will be presented to the Commission in late spring. Additional details on milestones achieved during the 2014-2015 Work Plan are provided in **Exhibit 1**.

(2) County Unincorporated Areas & Community Islands Task Force

During the 2014-15 Work Plan, the Commission identified islands as a “high” priority” and directed staff to continue to proactively work with the County and adjacent cities to encourage delivery of an adequate level of municipal services to these areas. The Commission’s leadership led to the recent annexation of two of the County’s smallest yet challenging islands – Carmel Lampson (annexed to Garden Grove) and Santa Ana/Colleen (annexed to Costa Mesa). Additionally, staff engaged in preliminary discussions with multiple cities (Buena Park, La Habra, Placentia, Stanton and Westminster) regarding islands located in their spheres. Discussions are moving forward with the City of La Habra, and staff has begun the preparation of a user-friendly format for fiscal data (County revenue and expenditures) based on the Commission’s prioritization of islands and Cities’ interest.

(3) Shared Services Program - Next Level

At the 2014 Annual Strategic Planning Session, the Commission identified its innovative Shared Services Program and associated efforts as a “high” priority for this year’s work plan. One of the specific activities approved by the Commission was the hosting of a Shared Services Summit to increase awareness of, and participation in, the Shared Services Program. During the first half of the year, staff worked collaboratively with a planning committee comprised of executive staff from the County of Orange, Cities of Costa Mesa, Placentia, and San Juan Capistrano, Irvine Ranch Water District, Rossmoor Community Services District, and the Orange County Transportation Authority to shape a dynamic program on collaborative services. Taking place on February 26, the Summit attracted approximately 140

attendees, including local elected officials and staff representatives from state elected offices, multiple cities, special districts and the County. Other attendees included attorneys and consultants serving local government and members of the Orange County Grand Jury. The success of the Summit represents another area in which the Commission provided leadership and a platform for agencies to discuss working collaboratively to expand options for government efficiency in Orange County.

(4) California Association of LAFCOs (CALAFCO)

OC LAFCO staff has been a member of the CALAFCO Legislative Committee since 1999 and has contributed to the review and drafting of proposed legislation by the Committee that supports LAFCO's mission. During the current work plan, the Commission has reviewed and commented on proposed legislation on LAFCO's role in the review of joint powers authorities (JPAs), infrastructure financing for disadvantaged unincorporated communities (DUCs), state funding for large inhabited annexations and incorporations, and groundwater sustainability. The Commission adopted positions on six legislative bills of LAFCO-interest, and staff participated as a member of the Disincorporation Committee, a working group appointed by CALAFCO, to explore and draft proposed changes to the government statute for disincorporation proceedings. The Committee also completed preparation of proposed legislation on this issue, which is currently being reviewed by Legislative counsel and staff.

This year, OC LAFCO Commissioners and staff provided support to CALAFCO for the CALAFCO Annual Conference that took place in the southern region, hosted by San Bernardino LAFCO. Significant staff contributions to the effort included participation on the conference planning committee and coordination and moderating of conference breakout sessions. Commissioner Derek McGregor participated on the panel for the "Spheres Aren't Really Scary" session, and Commissioner Cheryl Brothers was successfully elected to the CALAFCO Executive Board as one of four members representing the southern region. OC LAFCO received a letter of appreciation for its support from the CALAFCO Executive Director and a personal thank you from Jim Curatalo, Chair of the San Bernardino LAFCO and CCL Board Member.

(5) Coalition of California LAFCOs (CCL)

Both OC LAFCO Commissioners and staff continued participation in quarterly meetings involving the southern region LAFCOs (Imperial, Los Angeles, Orange, Riverside, San Bernardino, and San Diego) to discuss and collaborate on regional and

local issues. In 2014, Commissioner Brothers was appointed as the CCL Treasurer, and Ben Legbandt provides administrative support as the Coalition's Executive Officer. During this time, Ben has worked closely with the CCL Chair, Stephen Tomanelli, Riverside LAFCO, to develop a thoughtful and forward-thinking work plan for CCL that will involve leadership and professional development for both staff and Commissioners.

Internal Efficiencies

OC LAFCO staff continues to improve administrative and internal processes to increase overall efficiency, keep administrative costs static or reduced, provide a model for organizational effectiveness, and enhance resources for our funding agencies through continued partnerships.

ACCOMPLISHMENTS:

The following key administrative projects were completed during the 2014-2015 Work Plan:

- 1) Approval of the draft and final 2014-2015 OC LAFCO budgets with no increase in the OC LAFCO apportionment funded by the County, cities, and special districts.
- 2) Comprehensive review and update to the Commission's Bylaws, policies and procedures (LAFCO Handbook).
- 3) Annual audited financial statements completed for the year ending June 30, 2014 (with no material issues noted).
- 4) Preparation of quarterly legislative and budget reports to keep the Commission and OC LAFCO stakeholders informed of the agency's fiscal status and legislative and project-related activities.
- 5) Office space options analysis and eventual relocation of LAFCO administrative offices and others services (i.e., IT and telephone).

Part II: Key Project Opportunities for 2015-2016

Codified in nearly 300 pages is the government statute that outlines LAFCO's legislative mission and establishes procedures for local government changes of organization, including city incorporations, city/special district annexations, and city/special district consolidations. For the past five decades, OC LAFCO has carried out this mission by approving numerous boundary changes resulting in the majority of Orange County receiving local services (i.e., water, sewer, land use, street sweeping, parks, recreation services, etc.) from a city and/or special district. OC LAFCO has shaped its mission to align with the Legislature's purpose of LAFCOs and the demographic changes of Orange County. As we enter another fiscal cycle, the Commission has the opportunity through many of the OC LAFCO projects to continue the encouragement of logical boundaries and orderly formation that increases efficiency in local government and provides leadership in areas of innovative government. This section includes discussion on key projects that present those opportunities for Commission consideration.

Unincorporated Islands Program

OC LAFCO's Unincorporated Islands Program continues to be a model of success for implementing the streamlined island annexation statutes enacted by the State Legislature 15 years ago. In August 2014, the Commission approved an "Unincorporated Areas Strategic Opportunities Work Plan," a multi-year program designed to focus staff resources and engage community representatives in addressing the complex issues surrounding the remaining 31 unincorporated areas in Orange County (see Table A). Last year, two islands with multiple challenges were annexed to the Cities of Costa Mesa and Garden Grove. Additionally, the La Habra islands have been moved from "opportunity" areas to the "priority" grouping.

Successful annexation or implementation of alternative service options for "priority" and "opportunity" areas over the next fiscal year will require the Commission's proactive role in leading and facilitating discussions with the staff of each affected city and the County. The remaining islands each have a unique set of challenges (e.g., strong resident and/or agency opposition, lack of infrastructure financing, differences in development standards, etc.). Based on Commission discussion at the Strategic Planning Session, staff will identify specific milestones for these islands as part of the 2015-2016 Work Plan.

As noted in the 2014 Strategic Plan, large islands in South County are not identified as part of the Unincorporated Islands Program. They are included in the Commission's

South Orange County Visioning Process currently underway and discussed in a separate section of this Strategic Plan.

Table A: Strategic Opportunities for County Unincorporated Areas

Group	Name	City Sphere	Supervisor	
Priority Areas <i>Discussions include support from the County and City for annexation and/or existing momentum to address future municipal service delivery.</i>	Banning Ranch	Newport Beach	2 nd District	
	Bolsa Chica	Huntington Beach		
	Citrus/Entrada	La Habra	4 th District	
	Citrus/Idaho			
	Cypress/Terry			
	Hensel/Magda/Walker Macy/Randall			
Opportunity Areas <i>Discussions with County and/or City scheduled or in progress to gauge interest and address challenges related to infrastructure, finance, or community opposition.</i>	17 th and Tustin Beach/McFadden	Santa Ana	1 st District	
	Bolsa/Midway Bolsa/Pacific	Westminster		
	McFadden/Monroe	Fountain Valley		
	North Island	Costa Mesa		
	Santa Ana Country Club/South Mesa	Yorba Linda	3 rd District	
	Country Club Fairlynn	Orange		
	El Modena North El Modena	Buena Park	4 th District	
	Andora/Fairhope Hamer	Placentia		
	Long-Range Areas <i>Unincorporated areas that currently do not have County and/or City interest in pursuing annexation due to challenges that may include infrastructure, service delivery costs, or community opposition.</i>	Rossmoor	Los Alamitos	2 nd District
		Dale/Augusta Katella/Rustic	Stanton	
Mac/Syracuse		Orange		
Lincoln/Glassell				
Santiago Creek Olive Heights				
Orange Park Acres				
North Tustin		Orange/Tustin	3 rd District	
Canyon Areas		None		
Southwest Anaheim	Anaheim	4 th District		

Yorba Linda Large Unincorporated Area

Currently, there is a large unincorporated area (approximately 640 acres) located within the City of Yorba Linda's sphere of influence. This area includes two proposed residential development projects. While an annexation application by one of the developers has been filed, this area was not included in the Commission's prioritization of unincorporated islands due to ongoing discussions involving the developers, the City, County, and Yorba Linda residents regarding key services such as fire safety and other issues such as access points and retail water provision. More recently, staff was invited to participate in a community workshop to answer questions regarding the LAFCO process and has also responded to information requests from the City of Yorba Linda and the developer with the application on file who has expressed interest in moving the application forward. At this time, because an application has been filed, the project will remain on the work plan as a mandated project.

South Orange County Governance and Visioning Process

The future governance of the remaining unincorporated developed and developing communities in South Orange County has been discussed by this Commission for almost 15 years. Over that time, established communities like Coto de Caza have explored solutions to long-standing service issues, and newer communities, such as Ladera Ranch, have expressed interest in having more autonomy on service issues impacting their community.

The Commission's current and most recent effort (South Orange County Visioning Process) set out to reengage stakeholders in the development of short, mid, and long-term governance options that are both fiscally viable and have a broad base of stakeholder and community support. These governance discussions, while grounded in LAFCO's statutory mandates, explored such interconnected issues as local government finance, municipal service levels, traffic impacts, and community identity. The discussions also explored the changing role of homeowners associations which now commonly provide municipal services once only handled by local governments. This spring the Commission will receive a comprehensive report capturing the efforts of the Visioning Process and thoughts from the stakeholders (and their communities) on future governance.

There are fiscal and political challenges associated with each future governance alternative for the developed and developing communities in the South Orange County study areas. However, prior experience by this Commission has shown the value in

proactively engaging communities about how services will be delivered in the future and exploring potential governance structures that will most effectively address the issues of residents. OC LAFCO has the opportunity to continue the momentum regenerated through this third stakeholder effort by continuing dialogue beyond the report that will be presented to the Commission in the spring and work directly with interested stakeholders to chart the path toward interim and more stable governance options. Opportunities may include formation of advisory councils to address key issues such as community planning and identity, transportation, and traffic issues. Potential options to include in next year's Work Plan will be further addressed upon conclusion of the stakeholder meetings and as part of the proposed FY 2015-2016 work plan in April.

Collaborative Service Delivery – “Shared Opportunities”

It's been four years now since the Commission launched the OC LAFCO's Shared Services Program as a tool to meet its legislative mandate of reviewing how agencies are engaging in shared service opportunities. Also designed to be a resource, the Program may be used by local agencies to begin conversations on ways to improve or increase efficiency in service provision and possible cost-savings across jurisdictional and local boundaries. Today, this concept has become familiar to many organizations and has even grown as a common management practice among local government leaders. As public demands and expectations of public agencies increase and evolve, and fiscal pressures on local governments remain, collaboration across jurisdictions may become more appealing.

At the 2015 Collaborative Services Summit in February, hosted by OC LAFCO, approximately 140 representatives (that included local and state elected leaders, management and department staff from the County of Orange, cities, and special districts) participated in a regional forum to discuss shared services. The Summit provided yet another platform for government leaders to discuss ways to continue or enhance the delivery of municipal services to Orange County's residential and business communities. To continue the Commission's leadership in shared services and build on the momentum and success of the Summit, the following opportunities may be considered by the Commission for inclusion in the 2015-2016 Work Plan:

- Complete comprehensive review and updates to the Shared Services Program to improve navigation and use of program by agencies as well as agency participation. Staff would complete an intensive outreach program involving agencies to assist with improvements to the Program to make it more resourceful

to users. The mechanics and relative milestones of the outreach program would be specifically identified in the proposed Work Plan.

- Create “metrics of success” for shared services collaborations that illustrates the value of shared services to elected officials, executive staff, and the public. This effort involves the development of graphic depictions of cost savings and other interagency benefits associated with shared services arrangements throughout the County. As information gathering is critical to this effort, it is expected that the metrics would be a component of the outreach program discussed in previous paragraph.
- Develop the “Orange Pages” which includes an inventory (e.g., who, what, where, when, why, how) of ongoing collaborations in Orange County. This effort was identified in the 2014-2015 Work Plan and is currently underway. The inventory would be maintained with periodic updates and a comprehensive annual review and update. Additional tasks involving this effort for the 2015-2016 Work Plan would involve adding the “metrics of success” depictions, along with periodic updates and a year-end comprehensive review to assess the use and value of the publication.
- During the Collaborative Services Summit, the role of LAFCO and its mandated review of shared services were discussed. Additionally, surveys were sent to attendees requesting comments on how OC LAFCO could assist in this effort. Upon assessment of this information, the Commission may consider expanding OC LAFCO resources to assist with selected studies to assess the value of a shared service arrangement.

Orange County Regional Executives - Leading, Innovating, Navigating, and Connecting (OC LINC)

Last year, the OC LAFCO Executive Officer met with the Orange County City Managers Association, the Executive Directors and CEOs of the County’s largest regional agencies to initiate a new effort for executive staff to meet and discuss common interests and issues faced by their agencies as a collective group of the County. While there was eager response, the Commission identified this effort as a lower priority for the current work plan. As we move discussions on collaborative service delivery forward, the OC LINC may be used as a resource to building partnerships and creating opportunities for agency collaboration. Discussion of an initial meeting of the group will be discussed further at the strategic planning session for Commission consideration.

Fiscal Trends Program

The Fiscal Trends program was developed by the Commission to provide a resource for local agencies while addressing a state mandate to review the financial ability of agencies to provide services. The program was developed during the height of the most recent recession coupled with increased public scrutiny of local government finance and services. Last year, staff presented the Commission with a recommendation to take the Fiscal Trends Program “to the next level” by working with local stakeholders to create a new resource that would take the data from the Fiscal Trends Program and add contextual information about each agency to provide a more complete picture of each agency’s fiscal health and outlook. Although the Commission expressed interest in the effort, the Fiscal Trends Program was given a lower priority for the FY 2014-2015 work plan.

While the economy has experienced some bounce back and improvement, the Stockton and San Bernardino municipal bankruptcies are indicators of the continued financial pressures that local agencies face as they attempt to maintain service levels for their residents with diminishing revenues. Furthermore, some cities in the Southern California region have discussed the potential of future disincorporation. As a result, the LAFCO community is actively working to update the disincorporation procedures to be current and consistent with state law. The League of California Cities has also developed a tool to help agencies monitor their fiscal condition.

The Fiscal Trends Program has the potential to do more than just provide metrics of fiscal health. While each of our 34 cities and 27 independent special districts have both common and unique fiscal challenges, the program can provide another tool for fiscal self-awareness among local agencies and may assist in identifying opportunities to reevaluate internal functions. Over the next year, the Commission may consider working with local stakeholders regarding the use of the Fiscal Trends Program as a resource and to prepare for the next round of MSRs. Based on the Commission’s discussion at the Strategic Planning Session, the next level effort for the Fiscal Trends Program may be included in the 2015-2016 Work Plan.

Municipal Service Reviews – Preparing for the 4th Cycle

OC LAFCO is required to conduct Municipal Service Reviews (MSRs) for all cities and special districts located within the County to look at future growth and how agencies are planning for that growth within our municipal service and infrastructure systems. OC LAFCO’s outstanding efforts on Municipal Service Reviews over the years have proven

to be valuable on many fronts. MSRs have helped OC LAFCO develop stronger relationships with our member agencies (cities and special districts), highlight agency “best practices” and, when appropriate, plant “seeds for change” that have resulted in Commission-approved changes of organization that have ultimately benefited residents and service providers alike.

OC LAFCO has now completed three cycles of MSRs – the first round of MSRs (2003-2007) involved a collaborative, stakeholder-driven process involving County, city, special district and LAFCO staff. The results were detailed, data specific MSRs for each Orange County agency. For the second cycle of MSRs (2008-2012), the Commission largely “reaffirmed” the first round determinations for most of the County’s agencies. The third round of MSRs (2013-2017) embraced an innovative approach to both streamline the process and add increased value to our stakeholders. The Commission directed staff to approach MSRs from a countywide perspective using LAFCO’s Fiscal Trends, Shared Services, Demographic Trends and Public Engagement Programs to meet the mandated MSR requirements for Orange County’s cities and special districts.

As we look toward our fourth round of MSRs (2018-2022), it is time again to begin developing a new roadmap for successful completion of MSRs for the County’s 34 cities and 27 special districts over the next three years. Many of these agencies will require LAFCO staff to update detailed demographic, fiscal and infrastructure-related data, which were last comprehensively reviewed as part of LAFCO’s first round MSR cycle (2003-2007). The roadmap will include:

- An overall approach to reviewing municipal services – some services may be reviewed on a countywide basis; others may be more appropriately analyzed on an agency-by-agency basis.
- Development of report templates and charts to streamline the data collection and analysis portions of the MSR report process.
- An approach to integrate the Commission’s existing programs (e.g., Fiscal Trends, Shared Services, Demographic Trends, Public Engagement, etc.) into the overall MSR effort.
- Prioritization of agencies and services to undergo MSR reviews.
- Development of timeline and key milestones in the completion of the 4th round MSR project.

Based on Commission discussion, the proposed 2015-16 Work Plan to be presented at the April Commission meeting will include timeframes and additional specifics for the objectives of the MSR roadmap.

Legislative Advocacy Efforts

OC LAFCO has historically been effective in developing relationships with local legislators and their district offices to inform them and their staff about LAFCO's mission and the Commission's priorities. Over the next year, staff will continue to build upon these efforts by pragmatically engaging and cultivating relationships with stakeholders at the local, regional, and state level to make sure they are aware of legislation of interest to LAFCO. To enhance the Commission's monitoring of legislation and participation in legislative activities of interest, the Commission may consider updating the agency's legislative policy guidelines. Updating the guidelines (not changed since 1999) will help to clarify the Commission's policy direction for legislative efforts, including the review and adoption of positions on proposed local and state legislation. A review of the guidelines will be included in the annual comprehensive review of the Commission's Handbook (comprised of OC LAFCO's bylaws, policies and procedures) that will be presented to the Commission in July.

Administrative Projects

Key administrative projects continue to support strong organizational effectiveness and internal efficiencies that keep administrative costs static and service levels maintained. In addition to continuing quarterly project, budget, and legislative reports that keep local agencies and the public informed about LAFCO, the following administrative projects are summarized for Commission discussion and consideration during the strategic planning session.

LAFCO Policies and Procedures Update

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.) requires that each LAFCO adopt written policies and procedures. In 2005, the Commission adopted its first "Orange County LAFCO Handbook" which consolidated and updated the Commission's bylaws and all of its written policies and procedures into a single document. Since that time, the LAFCO Handbook has been revisited at least annually to update any policy changes directed by the Commission and to incorporate updates required by revisions to State law.

The LAFCO Handbook organizes the Commission's policies and procedures into five categories: bylaws, accounting and finance, personnel policies, general administrative and project processing. It has been ten years since the initial adoption of the handbook which includes multiple policies and procedures for operational efficiencies and project processing and a more in-depth review is warranted as part of the FY 2015-2016 Work Plan. The comprehensive update would include a review of each Commission policy with recommended updates, as warranted, to reflect the current direction of the Commission and all recent changes to State law.

A summary of OC LAFCO policies and procedures is referenced as **Exhibit 2** for Commission discussion at the Strategic Planning Session. As part of a preliminary review, staff has identified the following policies that may require an update:

- **Bylaws of Orange County LAFCO**
Includes the mission and general rules of conduct, authority and compensation of the Commission and Executive Officer. Administrative changes warranted.
- **Personnel Policies and Procedures**
Includes policies and procedures intended for use in the consistent administration of personnel policies to ensure, protect, and clarify the rights and responsibilities of both LAFCO and its employees in accordance with local, state and federal laws and Commission policy. Administrative changes warranted to comply with state and federal law.
- **Guidelines for the Appointment of LAFCO's Regular and Public Alternate Members**
Includes policy and procedural guidelines for the appointment of LAFCO's regular and alternate public members. At previous meeting, the Commission discussed reviewing this policy for potential changes during the comprehensive review and update of handbook.
- **Legislative Policy Guidelines**
Guidelines used for Commission review and adoption of positions on legislation that supports LAFCOs' authority and powers to perform the duties mandated by the Legislature. Original guidelines last updated in 1999 and changes in state laws and Commission priorities since then warrant an update to the guidelines.

- **Policy and Procedures of Disincorporation**

Includes procedures and guiding principles for the analysis of a municipal disincorporation. Proposed state legislation may warrant updating this policy.

Technology and Communications

The OC LAFCO website continues to be a key source of contact and information that keep agencies and the public informed of the Commission's key projects and activities. Housed with a wealth of information, the website includes the Commission's meeting agendas and staff reports, Municipal Service Reviews, and other studies published by OC LAFCO and CALAFCO. Other components of the website include the Shared Services and Fiscal Trends Programs, the South Orange County Governance Web Page, the Unincorporated Islands Web Page and the Public Engagement Program, which is used to receive public feedback on LAFCO projects. The Commission has also used social media (e.g., twitter and Facebook) to provide information to its followers. The last major update to the OC LAFCO website occurred in 2011. As part of the Work Plan and budget review in April, the Commission may consider upgrading of the website and other technology components.

Exhibits:

1. FY 2014-2015 Work Plan Update
2. OC LAFCO Policies and Procedures Summary