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**LOCAL AGENCY FORMATION COMMISSION  
OF  
ORANGE COUNTY**

**REGULAR MEETING AGENDA**

**Wednesday, February 9, 2022  
8:15 a.m.**

Due to COVID-19, this meeting will be conducted virtually pursuant to the provisions of AB 361 in an effort to protect the safety of the Commission and its constituents. Participation by Commissioners and staff will be from remote locations. Public access and participation will only be available telephonically and electronically. The public may participate by joining the meeting virtually by Zoom or by phone and may provide comments during the meeting as described below:

**Instructions for Viewing or Listening to the Meeting:**

**Members of the public may:**

- Join the virtual meeting on Zoom using the following link:  
<https://us02web.zoom.us/j/85424322021>.
- Listen to the meeting by calling (669) 900-9128 and enter the Meeting ID: **854 2432 2021**.

**Instructions for Making Public Comments:**

**Members of the public may provide comments during the public comment and specific agenda items by:**

- *On Zoom video conference via the Zoom App*, click the “Raise Hand” button when the item you wish to comment on is being discussed.
- *On Zoom via phone*, you can also raise your hand by pressing \*9 when the item you wish to comment on is being discussed.

Alternatively, you may submit written general comments or comments on specific agenda items by email to the Commission Clerk at [ccarter-benjamin@oclafco.org](mailto:ccarter-benjamin@oclafco.org). Written comments must be received no later than 8:00 a.m. on the meeting day. Written comments shall be subject to the same rules as would otherwise govern speaker comments made electronically or in person at a regular Commission meeting. Public comments submitted in accordance with these guidelines shall become part of the record of the regular Commission meeting. Written public comments received after 8:00 a.m. on the day of the meeting or via text or social media (Facebook, Twitter, etc.) will not be accepted.

The Chair, at his discretion, may reduce the time allowance for public comments if warranted by the volume of public comments received.

**1. CALL THE MEETING TO ORDER**

**2. PLEDGE OF ALLEGIANCE**

**3. BOARD APPOINTMENT – COMMISSIONER DO**

The Commission will receive a report on the recent board appointment made by the Board of Supervisors.

**4. ROLL CALL**

**5. ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS**  
(Communications received after agenda distribution for agendized items.)

**6. PUBLIC COMMENT**

This is an opportunity for members of the public to address the Commission on items not on the agenda, provided that the subject matter is within the jurisdiction of the Commission and that no action may be taken by the Commission on an off-agenda item(s) unless authorized by law.

**7. CONSENT CALENDAR**

**a.) January 12, 2022 – Regular Commission Meeting Minutes**

The Commission will consider approval of the January 12, 2022 meeting minutes.

**8. PUBLIC HEARING**

No public hearing items scheduled.

**9. COMMISSION DISCUSSION AND ACTION**

**a.) OC LAFCO Personnel Policies and Procedures Update**

The Commission will consider proposed amendments to the Personnel Policies and Procedures.

**b.) Legislative Policy and Guidelines**

The Commission will consider proposed amendments to the agency's legislative policy and guidelines.

**c.) Six-Month Strategic Objectives Update**

The Commission will receive a report on strategic objectives completed through February 2022.

**d.) 2022 Meeting and Events Calendar**

The Commission will consider amending the 2022 Meeting and Events Calendar to reschedule the strategic planning workshop to June 8, 2022.

**10. COMMISSIONER COMMENTS**

This is an opportunity for Commissioners to comment on issues not listed on the agenda, provided that the subject matter is within the jurisdiction of the Commission. No discussion or action may occur or be taken except to place the item on a future agenda if approved by the Commission majority.

**11. EXECUTIVE OFFICER'S REPORT**

Executive Officer's announcement of upcoming events and brief report on activities of the Executive Officer since the last meeting.

**12. INFORMATIONAL ITEMS & ANNOUNCEMENTS**

**a.) OC LAFCO Web-based Programs**

The Commission will receive a digital presentation of the agency's Municipal Services Dashboard and Shared Services Program.

**13. CLOSED SESSION**

No closed session items scheduled.

**14. MEETING ADJOURNMENT**

The Commission will adjourn to the March 9, 2022 Regular Meeting in person at the Planning Commission Hearing Room, 10 Civic Center Plaza in Santa Ana, or virtually by Zoom, in accordance with AB 361 and LAFCO Resolution No. CP 21-08.

Pursuant to Government Code Section 54957.5, public records that relate to open session agenda items that are distributed to a majority of the Commission less than seventy-two (72) hours prior to the meeting will be made available to the public on the OC LAFCO website at <http://www.oclafco.org>.

State law requires that a participant in an OC LAFCO proceeding who has a financial interest in a decision and who has made a campaign contribution of more than \$250 to any commissioner in the past year must disclose the contribution. If you are affected, please notify the Commission's staff before the hearing.

All regular meeting agendas and associated reports are available at [www.oclafco.org](http://www.oclafco.org). Any person with a disability under the Americans with Disabilities Act (ADA) may receive a copy of the agenda or associated reports upon request. Any person with a disability covered under the ADA may also request a disability-related modification or accommodation, including auxiliary aids or services, to participate in a public meeting. Requests for copies of meeting documents and accommodations shall be made with OC LAFCO staff at (714) 640-5100 at least three business days prior to the respective meeting.

# 2022 MEETING AND EVENTS CALENDAR

Approved November 10, 2021

2022



January						
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- OC LAFCO Regular Meeting (*begins at 8:15 a.m.*)  
**Location:** Hall of Administration, Planning Commission Hearing Room, 10 Civic Center Plaza, Santa Ana, CA 92701.
- Strategic Planning Workshop (*8:00 a.m. to 2:30 p.m.*)  
**Location:** Santa Ana Police Department, Community Room, 60 Civic Center Plaza, Santa Ana, CA 92701.
- Office closure due to legal holidays and flexible work schedule.
- CALAFCO Annual Conference - October 19 - 21, 2022 at Hyatt Regency Newport Beach John Wayne Airport.

February 9, 2022

**3** | Board  
Appointment**REGULAR MEMBERS**

CHAIR

**Douglass Davert**

Special District Member

VICE CHAIR

**Donald P. Wagner**

County Member

IMMEDIATE PAST CHAIR

**Derek J. McGregor**

Public Member

**Lisa Bartlett**

County Member

**Wendy Bucknum**

City Member

**James Fisler**

Special District Member

**Mike Posey**

City Member

**ALTERNATES****Andrew Do**

County Member

**Kathryn Freshley**

Special District Member

**Peggy Huang**

City Member

**Lou Penrose**

Public Member

**STAFF****Carolyn Emery**

Executive Officer

**Scott Smith**

General Counsel

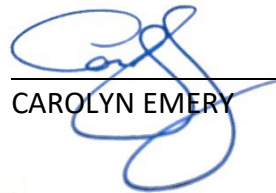
**TO:** Local Agency Formation Commission  
of Orange County**FROM:** Executive Officer  
Commission Clerk**SUBJECT: Board Appointment**

The following appointment of the LAFCO member was made to fill a current term ending July 1, 2023:

- Andrew Do, Alternate County Member (*Appointed by the Board of Supervisors on January 25, 2022*).

Commissioner Do will be seated at the February 9 meeting, and the Oath of Office has been administered electronically due to the pandemic.

Respectfully submitted,

  
CAROLYN EMERY  
CHERYL CARTER-BENJAMIN

## DRAFT MINUTES

### OC LAFCO REGULAR MEETING

Wednesday, January 12, 2022  
8:15 a.m.

Planning Commission Hearing Room  
Hall of Administration  
333 W. Santa Ana Blvd.  
10 Civic Center Plaza, Santa Ana, CA. 92701

#### 1. CALL TO ORDER

**Chair Davert** called the meeting of the Local Agency Formation Commission of Orange County (OC LAFCO) to order at 8:17 a.m.

#### 2. PLEDGE OF ALLEGIANCE

**Commissioner McGregor** led the Pledge of Allegiance.

#### 3. ROLL CALL

The following Commissioners were present:

- **Chair Douglass Davert**
- **Vice Chair Donald Wagner**
- **Commissioner Wendy Bucknum**
- **Commissioner James Fisler**
- **Commissioner Derek J. McGregor**
- **Commissioner Mike Posey**
- **Alternate Commissioner Kathryn Freshley**
- **Alternate Commissioner Peggy Huang (arrived at 8:20 a.m.)**
- **Alternate Commissioner Lou Penrose**

The following Commissioners were absent:

- **Commissioner Lisa Bartlett**
- **Alternate Commissioner Katrina Foley**

The following OC LAFCO staff members were present:

- Executive Officer Carolyn Emery
- Assistant Executive Officer Raymond Barragan
- Policy Analyst Luis Tapia
- Commission Clerk Cheryl Carter-Benjamin
- General Counsel Scott Smith

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

Commission Clerk Cheryl Carter-Benjamin noted that supplemental communication was received for Agenda Items 10 and 13, and copies were made available for the Commissioners and the public.

#### **5. PUBLIC COMMENT**

**Chair Davert** requested public comments on any non-agenda items. Commission Clerk Cheryl Carter-Benjamin noted that no speaker cards were received.

**Chair Davert** closed the hearing of public comments.

#### **6. CONSENT CALENDAR**

**Chair Davert** asked if the Commissioners would like to pull any consent items for discussion. There were no requests from Commissioners.

**Chair Davert** called for a motion on the consent calendar. **Commissioner McGregor** motioned for approval of the consent calendar and **Commissioner Bucknum** seconded the motion. **Commissioner Posey** noted his abstention in the approval of the November minutes due to his absence at that meeting.

#### **6. – Approval of Consent Calendar**

<b>MOTION:</b>	<b>Approval of Consent Calendar. (Derek J. McGregor)</b>
<b>SECOND:</b>	<b>Wendy Bucknum</b>
<b>FOR:</b>	<b>Derek J. McGregor, Wendy Bucknum, James Fisler, Mike Posey, Donald Wagner, Douglass Davert</b>
<b>AGAINST:</b>	<b>None</b>
<b>ABSTAIN:</b>	<b>Mike Posey (for 6a. only)</b>

**MOTION PASSED: 6-0.**

## 7. PUBLIC HEARING

No public hearing items scheduled.

## 8. COMMISSION DISCUSSION AND ACTION

### **8a. – OC LAFCO 2021-2022 Workplan Mid-Year Update**

Executive Officer Carolyn Emery provided an update on the progress of the current Work Plan. She noted that a mid-year update on key areas and activities of the plan is presented annually to the Commission.

**Chair Davert** called for Commission discussion and public comments. Commissioners made general comments, and there were no public comments.

**Chair Davert** called for a motion on the recommended action. **Commissioner Posey** motioned to approve the staff recommended action and **Commissioner Bucknum** seconded the motion.

**MOTION:** Receive and file Fiscal Year 2020-2021 Work Plan Mid-Year Update.  
(Mike Posey)  
**SECOND:** Wendy Bucknum  
**FOR:** Mike Posey, Wendy Bucknum, James Fisler, Derek J. McGregor,  
Donald Wagner, Douglass Davert  
**AGAINST:** None  
**ABSTAIN:** None

**MOTION PASSED: 6-0.**

### **8b. – FY 2021-2022 Mid-Year Budget Adjustments**

Assistant Executive Officer Raymond Barragan gave the staff presentation and highlighted key areas of the staff recommendations.

**Chair Davert** called for Commission discussion and public comments. Commissioners made general comments, and there were no public comments.

**Chair Davert** called for a motion on the recommended action. **Commissioner Bucknum** motioned to approve the staff recommended action and **Commissioner McGregor** seconded the motion.

**MOTION:** Approve the FY 2021-22 Mid-Year Budget Adjustments. (Wendy Bucknum)  
**SECOND:** Derek J. McGregor

**FOR:** Wendy Bucknum, Derek J. McGregor, James Fisler, Mike Posey,  
Donald Wagner, Douglass Davert,

**AGAINST:** None

**ABSTAIN:** None

**MOTION PASSED: 6-0.**

**8c. – Quarterly Legislative Report (2<sup>nd</sup> Quarter)**

Policy Analyst Luis Tapia presented an overview of the legislative report and noted additional key deadlines of the current legislative session.

**Chair Davert** called for Commission discussion and public comments. Commissioners made general comments, and there were no public comments.

**Chair Davert** called for a motion on the recommended action. **Commissioner McGregor** motioned to approve the staff recommended action and **Commissioner Bucknum** seconded the motion.

**MOTION:** Receive and file the Second Quarterly Legislative Report.  
(Derek J. McGregor)

**SECOND:** Wendy Bucknum

**FOR:** Derek J. McGregor, Wendy Bucknum, James Fisler, Mike Posey,  
Donald Wagner, Douglass Davert

**AGAINST:** None

**ABSTAIN:** None

**MOTION PASSED: 6-0.**

**8d. – Election of OC LAFCO Officers for 2022**

**Chair Davert** called for nominations for the LAFCO Chair and Vice Chair for 2022.

**Commissioner McGregor** nominated **Commissioner Davert** to serve another term as the Chair and **Commissioner Wagner** to serve another term as the Vice Chair.

**Chair Davert** called for any additional nominations. There were no additional nominations.

**MOTION:** Appoint Commissioner Davert to serve as OC LAFCO Chair for 2022;  
Appoint Commissioner Wagner to serve as OC LAFCO Vice Chair for 2022.  
(Derek J. McGregor)

**SECOND:** Mike Posey

**FOR:** Derek J. McGregor, Mike Posey, Wendy Bucknum, James Fisler,  
Donald Wagner, Douglass Davert

**AGAINST:** None  
**ABSTAIN:** None

**MOTION PASSED: 6-0.**

## **9. COMMISSIONER COMMENTS**

Commissioners made general comments.

## **10. EXECUTIVE OFFICER'S REPORT**

The Executive Officer provided the following updates:

- Six-month strategic objectives are on track with one adjustment to the South Orange County governance options document.
- The Executive Officer will present at the January 27 ISDOC Quarterly Meeting.
- The CALAFCO Executive Board will consider the appointment of Commissioner McGregor on January 21.

## **11. INFORMATIONAL ITEMS & ANNOUNCEMENTS**

No informational items and announcements scheduled.

## **12. Closed Session**

No closed session items scheduled.

## **13. ADJOURNMENT OF THE REGULAR COMMISSION MEETING**

**Chair Davert** called for discussion on meeting in February. **Commissioner Bucknum** made a motion to adjourn to a virtual meeting on February 9 in accordance with the requirements of AB 361 and the respective OC LAFCO resolution. **Vice Chair Wagner** seconded the motion.

**MOTION:** Renew findings contained in OC LAFCO Resolution No. CP21-08 in accordance with AB 361; Adjourn to a virtual Regular Commission meeting on February 9, 2022. (Wendy Bucknum)  
**SECOND:** Donald Wagner  
**FOR:** Wendy Bucknum, Donald Wagner, James Fisler, Derek J. McGregor, Mike Posey, Douglass Davert  
**AGAINST:** None  
**ABSTAIN:** None

**MOTION PASSED: 6-0.**

**Chair Davert** adjourned the Regular Commission Meeting at 8:42 a.m.

Douglass Davert, Chair  
Orange County Local Agency Formation Commission

By: \_\_\_\_\_  
Cheryl Carter-Benjamin  
Commission Clerk

**9a** | Commission  
Discussion

February 9, 2022

**REGULAR MEMBERS****CHAIR**  
**Douglass Davert**  
Special District Member**VICE CHAIR**  
**Donald P. Wagner**  
County Member**IMMEDIATE PAST CHAIR**  
**Derek J. McGregor**  
Public Member**Lisa Bartlett**  
County Member**Wendy Bucknum**  
City Member**James Fisler**  
Special District Member**Mike Posey**  
City Member**ALTERNATES****Andrew Do**  
County Member**Kathryn Freshley**  
Special District Member**Peggy Huang**  
City Member**Lou Penrose**  
Public Member**STAFF****Carolyn Emery**  
Executive Officer**Scott Smith**  
General Counsel**TO:** Local Agency Formation Commission**FROM:** Executive Officer  
Commissioner Clerk/Office Manager  
General Counsel**SUBJECT:** OC LAFCO Personnel Policies and Procedures Update**BACKGROUND**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §56000 et seq.) requires that each LAFCO adopt written policies and procedures. The agency's policies and procedures are housed in the "Orange County LAFCO Bylaws, Policies and Procedures Handbook." The Handbook is divided into five major sections: (I) Commission Bylaws, (II) Accounting and Financial Policies and Procedures, (III) Personnel Policies and Procedures, (IV) Administrative Policies and Procedures, and (V) Project Processing Policies.

The agency's personnel and administrative policies and procedures (Sections III and IV) are reviewed annually by staff and counsel to identify any amendments that may be necessary due to changes in the law or adjustments in the operating procedures. This year's annual review includes multiple recommended administrative changes and additions to the personnel policies and procedures. For ease of review, the proposed amendments are indicated in redline format in Attachment 1 and are also summarized in *Table 1* on the next page of this report.

**Table 1: Summary of Proposed Amendments**

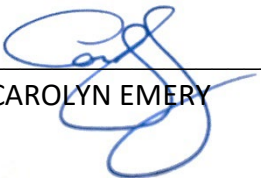
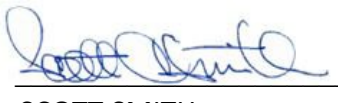
Section	Pages	Summary of Changes
<b>Employee Acknowledgment: 3.1</b>	56-57	Updated language for the acknowledgement and receipt of the agency handbook by employees.
<b>Equal Employment Opportunity Policy: 3.3B</b>	58-59	Updated language to comply with federal and state laws.
<b>Lactation Accommodation: 3.4</b>	59-60	Added language to comply with current federal and state laws.
<b>Reasonable Accommodation: 3.5A, B</b>	61-62	Updated language to comply with current federal and state laws.
<b>Policy Against Harassment, Discrimination and Retaliation: 3.6B</b>	63	Updated language to comply with current federal and state laws.
<b>Hiring and Staffing: 3.10D, E</b>	70	Updated language for consistency with current federal and state laws; added language to clarify OC LAFCO's authority.
<b>Employment Categories: 3.12C</b>	72	Updated language to clarify and comply with current federal and state laws.
<b>Sick Leave Benefits: 3.18C</b>	77	Added language to establish a limit on the maximum hours of sick leave that may be earned by employees.
<b>Other Time Off: 3.23B</b>	89	Updated language to clarify OC LAFCO's policy on bereavement leave.
<b>Other Time Off: 3.23C</b>	90	Updated language to amend process for allowing use of accrued vacation leave and unpaid leave for jury duty service.
<b>Other Time Off: 3.23D, E, F, I</b>	90-94	Updated and added language to comply with federal and state laws.

**RECOMMENDED ACTION**

Staff recommends that the Commission:

1. Adopt the OC LAFCO Personnel Policies and Procedures, as amended.

Respectfully submitted,

  
CAROLYN EMERY  
CHERYL CARTER-BENJAMIN  
SCOTT SMITH

Attachment 1: OC LAFCO Personnel Policies and Procedures (Redline)

Attachment 2: OC LAFCO Personnel Policies and Procedures (As Amended)

# SECTION 3: Personnel Policies and Procedures

# Personnel Policies & Procedures of the Orange County Local Agency Formation Commission

## PART 1 - EMPLOYMENT

### 3.1 EMPLOYEE ACKNOWLEDGEMENT FORM

PLEASE READ THE EMPLOYEE HANDBOOK, FILL OUT AND RETURN THIS PORTION TO HUMAN RESOURCES WITHIN FIVE BUSINESS DAYS.

I acknowledge that I have received and read a copy of the Orange County LAFCO ("LAFCO") employee policy manual and understand all the policies, guidelines and procedures stated within. I understand that I am responsible for reading the Handbook and for knowing and complying with the policies set forth in the Handbook during my employment with LAFCO.

Additionally, I specifically acknowledge that I have read and understand the following policies: Equal Employment Opportunity, Timekeeping, Overtime Pay, and Policy Against Harassment, Discrimination and Retaliation.

The guideline manual describes important information about LAFCO, and I understand that I should consult the LAFCO Executive Officer regarding any questions I might have. I have entered into my employment relationship with LAFCO voluntarily and acknowledge that there is no specific length of employment. Accordingly, either I or LAFCO can terminate the relationship at will, with or without cause, at any time, so long as there is no violation of applicable federal or state law. Furthermore, I acknowledge that this manual is not a contract of employment.

I understand and agree that the terms of this Acknowledgment may not be modified or superseded except by a written agreement signed by me and the LAFCO Executive Officer, that no other employee or representative of LAFCO has the authority to enter into any such agreement, and that any agreement to employ me for any specified period of time or that is otherwise inconsistent with the terms of this Acknowledgment will be unenforceable unless in writing and signed by me and the LAFCO Executive Officer. I further understand and agree that if the terms of this Acknowledgment are inconsistent with any guideline or practice of LAFCO now or in the future, the terms of this Acknowledgment shall control.

Since the information, policies, and benefits described herein are necessarily subject to change, I acknowledge that revisions to the manual may occur, except to LAFCO's policy of employment-at-will. I understand that LAFCO reserves the right to modify, supplement or rescind any or all of its policies whenever it deems necessary or useful to do so, at any time with or without notice.

I have carefully read this Acknowledgment Form.

---

EMPLOYEE'S NAME (printed)

---

EMPLOYEE'S SIGNATURE

---

DATE

### 3.2 AT-WILL EMPLOYMENT

#### A. Overview

The intent of this policy is to establish the At-Will-Employment Policy of LAFCO.

#### B. Policy

The employment relationship between LAFCO and its employees is for an unspecified term and may be terminated by the employee, or LAFCO Executive Officer or the Commission at any time, with or without cause or advanced notice. LAFCO reserves the right to transfer, demote, suspend, or administer discipline with or without cause or advance notice.

None of the policies, procedures, or contents of this manual is intended to create any contractual obligations which in any way conflict with LAFCO's policy of At-Will-Employment. The at-will relationship can only be modified by a written agreement signed by the employee and the LAFCO executive Officer.

### 3.3 EQUAL EMPLOYMENT OPPORTUNITY POLICY

#### A. Overview

The intent of this policy is to establish the Equal Employment Opportunity Policy of LAFCO.

#### B. Policy

LAFCO is strongly committed to providing equal opportunity to all employees and applicants for employment. LAFCO does not discriminate on the basis of race (including but not limited to, hair texture and protective hairstyles such as braids, locks, and twists), color, religious creed (including religious dress and religious grooming practices), national origin, ancestry, citizenship status, age (40 years and older), sex (including pregnancy, perceived pregnancy, childbirth, breastfeeding, or related medical conditions), gender, gender identity and expression (including transgender identity and expression), because an individual has transitioned (to live as the gender with which they identify), is transitioning (or is perceived to be transitioning), sexual orientation, sex stereotyping, marital status, domestic partner status, military service and veteran status, physical and/or mental disability (including HIV and AIDS), legally protected medical condition or information (including genetic information), protected medical leaves (requesting or approved), status as a victim of domestic violence, sexual

~~assault or stalking, enrollment in a public assistance program, or any other basis protected by local, state or federal laws. race, color, religion, national origin, ancestry, sex, gender, age, medical condition, sexual orientation, marital status, pregnancy, physical or mental disability, veteran or other protected status, or on the basis of any perception that an applicant or employee is associated with someone who has or is perceived to have these characteristics.~~ LAFCO strictly prohibits the harassment of any individual on any basis listed above (see the Policy Against Harassment for further clarification).

This policy applies to all employment practices, including recruitment, advertising, job application procedures, hiring, firing, advancement, compensation training, benefits, transfers, social and recreational programs, and any other terms, conditions and privileges of employment.

An employee who believes that he or she has been subjected to any form of unlawful discrimination should make a complaint, preferable written, to the Executive Officer, or if it involves the Executive, to the Chair of the Commission. Complaints should be specific and should include the names of individuals involved and the names of any witnesses. LAFCO will immediately undertake an effective, thorough and objective investigation and attempt to resolve the situation. If LAFCO determines that unlawful discrimination has occurred, effective remedial action will be taken to determine any future discrimination.

Employees will not be retaliated against for bringing a complaint in good faith under the Equal Employment Opportunity Commitment Policy or the Policy against Harassment, or for honestly assisting in investigating such a complaint, even if the investigation produces insufficient evidence that there has been a violation, or if the charges cannot be proven. However, disciplinary action may be taken if false or frivolous accusations are made in bad faith.

### **3.4 LACTATION ACCOMMODATION**

LAFCO provides accommodations to lactating employees who need to express breastmilk during work hours in accordance with applicable law. LAFCO will provide a room or other location (not a bathroom) for employees to express breastmilk in private. LAFCO will ensure that the lactation room or location will:

- Be in close proximity to the employee's work area, shielded from view, and free from intrusion while the employee is expressing milk;
- Be clean, safe and free of hazardous materials;
- Contain a surface to place a breast pump and other personal items;

- Contain a place to sit; and
- Have access to electricity or alternative devices, including, but not limited to, extension cords or charging stations, needed to operate an electric or battery powered breast pump.

In addition, LAFCO will provide access to a sink with running water and a refrigerator suitable for storing milk (or other cooling device suitable for storing milk) in close proximity to an employee's workspace. In the event that more than one employee needs use of the lactation room, LAFCO will discuss alternative options with the employees to determine what arrangement addresses their needs, such as finding an alternative space or creating a schedule for such use.

LAFCO shall also provide a reasonable amount of break time for an employee to express any breast milk each time that she needs to do so. The break time, if possible, should run concurrently with any break time already provided to the employee. Break time for a nonexempt employee that does not run concurrently with rest time already authorized for the employee is unpaid. However, if the employee performs any work during such break, she must accurately record all time worked and LAFCO will compensate her for such time.

Employees who are nursing have a right to request a lactation accommodation. Such requests may be made verbally or in writing, should indicate the need for an accommodation in order to express breastmilk at work, and should be directed to LAFCO's Human Resources Department. LAFCO shall respond to such requests in a reasonable manner, not exceeding five business days. If LAFCO cannot provide break time, location, or other reasonable accommodations in accordance with this policy, it will inform the requesting employee in writing. Because lactation accommodation needs may change over time, employees may request changes to existing accommodations by a written request to LAFCO's Human Resources Department that describes the nature of the change that is requested.

LAFCO prohibits any form of retaliation or discrimination against an employee for exercising or attempting to exercise any rights provided under the above policies. Any such conduct or violations of the above-referenced policies should be reported to the Human Resources Department. Employees also have the right to file a complaint with the California Labor Commissioner for violation of a lactation accommodation right described in the policy above.

### **3.43.5 DISABILITY REASONABLE ACCOMMODATION**

#### **A. Overview**

The intent of this policy is to establish the ~~Disability~~ Reasonable Accommodation Policy of LAFCO.

## B. Policy

LAFCO is committed to complying fully with state and federal disability discrimination laws. As previously stated, no program or activity administered by the employer shall exclude from participation, deny benefits to or subject to discrimination any individual based on an employee's actual or perceived disability or based on an employee's association with someone who has an actual or perceived disability.

~~LAFCO is further committed to providing reasonable accommodation to the know physical or mental limitations of an otherwise qualified applicant or employee. If you believe you are a qualified individual with a disability and functions of your job, please notify the Executive Officer. The accommodation process is interactive and allows the applicant or employee to identify possible accommodations. However, LAFCO has the right to choose among effective accommodations.~~  
Reasonable Accommodations Related to Disability and Religion: LAFCO will provide reasonable accommodations for applicants and employees with disabilities in accordance with the Americans with Disabilities Act (the "ADA") and California law, and for applicants and employees based on their sincerely-held religious beliefs, practices, or observance under state and federal law. Employees seeking such accommodations should promptly notify LAFCO's Human Resources Department.

Reasonable Accommodations Relating to Pregnancy: LAFCO will provide reasonable accommodations to employees who are affected by a pregnancy, childbirth, or related medical conditions, as medically advisable. Such accommodations may consist of:

- Modified work duties or a modified schedule to permit earlier or later hours or more frequent breaks; stools, chairs or other furniture; modified or acquired equipment or devices; reduced work hours; or other accommodations,
- Temporary transfers to a less strenuous or less hazardous position, if such transfer can be reasonably accommodated, or
- A "Pregnancy-Related Disability Leave" if the employee is disabled by pregnancy, as described in LAFCO's leave of absence policy.

Employees seeking a pregnancy-related accommodation, including transfer under this policy, should notify LAFCO's Human Resources Department. This notice must be timely and be provided by employees in advance when the need for reasonable accommodation is foreseeable; in all other circumstances, notice must be provided as soon as practicable. Failure to give advance notice when the need is foreseeable may delay the reasonable accommodation or transfer until 30 days after the date the employee provides notice (unless such delay would endanger the health of the employee, her

pregnancy or her coworkers).

Reasonable Accommodations for Victims of Domestic Violence, Stalking, or Sexual Assault: LAFCO will also provide reasonable accommodations for an employee who is the victim of domestic violence, stalking or sexual assault if: (i) the employee has disclosed that status to LAFCO, and (ii) the employee requests an accommodation for the employee's safety while at work.

In such circumstances, LAFCO will engage, in good faith, in a timely and interactive process with the employee to determine an effective reasonable accommodation. In this process, the employee may be asked to provide: (i) a written statement, signed by the employee or someone acting on the employee's behalf, certifying that the accommodation is for the purposes stated above, and (ii) a certification confirming the employee's status as a victim of domestic violence, sexual assault or stalking. Six months after the date of each previous certification, LAFCO may request a recertification of such status. LAFCO will maintain any such certification as confidential if it identifies the employee as a victim of domestic violence, sexual assault or stalking, disclosing such information only as required by law, or as needed to protect the employee's workplace safety, and with prior notice of such disclosure to the employee.

Retaliation and Discrimination Prohibited: LAFCO prohibits discrimination, discharge, retaliation, or any other unlawful acts against an individual because such person requests or receives an accommodation under this (or another applicable) policy, or because such individual engaged in any other conduct protected by the law. Additionally, as addressed in LAFCO's separate policy on harassment, discrimination and retaliation, LAFCO prohibits unlawful harassment, discrimination or retaliation against any employee on the basis of an individual's disability, religion, religious creed, sex (including pregnancy, childbirth and related medical conditions), status as a victim of domestic violence, sexual assault or stalking, or any other status as protected by law.

### **3.53.6 POLICY AGAINST HARASSMENT, DISCRIMINATION AND RETALIATION**

## A. Overview

The intent of this policy is to establish the Policy Against Harassment for LAFCO.

## B. Policy

LAFCO prohibits and will not tolerate harassment of employees, applicants, or persons providing services pursuant to a contract based on factors such as sex (which includes harassment based on sex, pregnancy, perceived pregnancy, childbirth, breastfeeding, and related medical conditions), as well as harassment, discrimination, and retaliation based on such factors as race (including hair texture, protective hairstyles, and other traits historically associated with race), color, religion and religious creed (including religious dress and religious grooming practices), national origin, ancestry, citizenship, age (40 years and older), mental disability and physical disability (including HIV and AIDS), legally-protected medical condition or information (including genetic information), protected medical leaves (requesting or approved for leave under the Family and Medical Leave Act or the California Family Rights Act), military and/or veteran status, service, or obligation, reserve status, national guard status, marital status, domestic partner status, gender, gender identity (including transgender identity), gender expression (including transgender expression), because an individual has transitioned or is (or is perceived to be) transitioning, sex stereotyping, sexual orientation, status as a victim of domestic violence, sexual assault or stalking, enrollment in a public assistance program, engaging in protected communications regarding employee wages or otherwise exercising rights protected under the National Labor Relations Act or California Fair Pay Act, requesting a reasonable accommodation on a protected basis such as disability or sincerely-held religious belief, practice, or observance, or any other characteristic protected by federal, state, or local laws~~race, color, religion, national origin, ancestry, sex, gender, age, medical condition, sexual orientation, marital status, pregnancy, physical and mental disabilities, veteran or other protected status, including persons perceived to have any of these characteristics or associating with someone who has or is perceived to have any of these characteristics.~~ LAFCO will also take all reasonable steps to prevent harassment based on protected status by third parties, such as customers, clients and suppliers. All such harassment is prohibited by LAFCO and is against the law.

## C. Definition

Harassment is unwelcomed, and inappropriate conduct directed at an employee, based upon one of the characteristics protected under the federal and state anti-discrimination laws, that substantially prevents an employee from performing his or her duties, serves to threaten or intimidate an employee, and/or produce a hostile work environment.

Prohibited unlawful harassment includes, but not limited to, the following behavior:

1. Verbal conduct such as epithets derogatory jokes or comments, slurs or unwanted sexual advances, invitations or comments.
2. Visual conduct such as derogatory and/or sexually oriented posters, photography, cartoons, drawing or gestures.
3. Physical conduct such as assault, unwanted touching blocking normal movement or interfering with work because of sex, race or any other protected basis.
4. Threats, demands to submit to sexual requests as a condition of continued employment, or to avoid some other loss, and offers of employment benefits in return for sexual favors.

#### D. Reporting and Complaint Procedure

An employee who believes that he or she has been subjected to any form of unlawful harassment should promptly make a complaint, preferable written, to the Executive Officer, or if it involves the Executive Officer, to the Chair of the Commission. Complaints should be specific and should include the names of individuals involved and the names of any witnesses. LAFCO will immediately undertake an effective, thorough and objective investigation and attempt to resolve the situation. If LAFCO determines that unlawful harassment has occurred, effective remedial action will be taken commensurate with the severity of the offense, up to and including termination. Appropriate action will also be taken to deter any future unlawful harassment.

#### E. Retaliation

Employees will not be retaliated against for bringing a complaint in good faith under the Equal Employment Opportunity Policy or the Policy Against Harassment, or for honestly assisting in investigating such a complaint, even if the investigation produces insufficient evidence that there has been a violation, or if the charges cannot be proven. However, disciplinary action may be taken if false or frivolous accusations are made in bad faith. An employee who believes that he or she has been subjected to any form of unlawful retaliation should promptly make a complaint, preferable written, in the same manner as described above. Complaints of harassment will be investigated, and appropriate action will be taken to protect LAFCO employees from any form of unlawful retaliation.

### **3.63.7 PERFORMANCE MANAGEMENT**

#### **A. Overview**

The intent of the performance review process is to create a supportive, safe, professional performance review process and environment that optimizes the employee's ability to receive and actualize constructive performance feedback and that motivates the employee to authentically and actively pursue personal and professional growth/excellence.

#### **B. Performance Review Policy – General Employees**

A review and discussion of each employee's performance is conducted to:

- Ensure assigned projects/tasks are completed at an acceptable level of quality to effectively serve the mission, vision, and values of the agency.
- Plan for maximizing employee performance to serve the agency's needs.
- Motivate and assist employees in achieving their personal growth and career objectives.

#### **C. Performance Review Procedure – General Employees**

The discussion of job performance and goals on an informal, weekly basis is strongly encouraged. The formal employee performance review process will include:

- Assessment of Employee Job Performance – At the beginning of the fiscal year, both the employee and supervisor will complete an assessment of his/her job performance. The assessment will include a summary of projects/tasks completed and a well-organized, clear and in-depth self-analysis of job performance as related to projects/tasks.
- Assessment of Employee Professional Strengths and Weakness – Both employee and supervisor will prepare an individual written statement of employee's professional and personal strengths and weaknesses as they relate to the work environment.
- Discussion of Employee Assessments – Following preparation of the assessments (job performance and professional strengths and weaknesses), a meeting will be convened with the employee/supervisor to compare, contrast and discuss assessments/statements and identify areas for goal setting.

- Development of Discussion of Goals – Based upon discussion with supervisor, employee prepares draft annual goals for discussion and review with the Assistant Executive Officer and/or Executive Officer, Goals should be specific, concise, measurable and represent commitment to professional growth.
- Finalization of Goals and Performance Review – Following goal development, a meeting will be convened involving employee/Assistant Executive Officer/Executive Officer to jointly discuss and finalize employee goals. The employee will be responsible for preparing the final, agreed to written goals and submitting them to supervisor.

Performance reviews will be completed for all General Employees by no later than the end of the first quarter of each fiscal year.

While merit-based pay adjustments are awarded by LAFCO in an effort to recognize truly superior employee performance, positive performance evaluations do not always guarantee increases in salary or promotions. Salary increases, and promotions are solely within the discretion of LAFCO and depend on many factors in addition to performance. Pay increases or bonuses will be tied to the accomplishment of specific established employee goals.

After receiving their review an employee will be required to sign the evaluation report acknowledging that it has been presented and discussed between the employee and the Assistant Executive Officer or the Executive Officer. LAFCO's provision of performance evaluations does not alter the at will employment relationship.

D. Policy for Executive Officer Performance Evaluation Process (Adopted May 11, 2016)

1. As part of the Strategic Planning process each year:
  - a. The Executive Officer will submit a report summarizing the agency's performance against the previous period's past annual work plan.
  - b. The Executive Officer will also provide a recommended strategic plan and draft annual work plan for the upcoming period.
  - c. The Strategic direction and projects will be prioritized for the upcoming annual work plan at the Annual Strategic Planning workshop.
  - d. The Annual work plan will be adopted by the Commission at a Regular

meeting.

2. The Executive Officer will complete a self-evaluation indicating his/her performance against the previous period's annual work plan and Agency goals in accordance with the next period's annual work plan. The Executive Officer will also include a professional development plan for the upcoming period. This can be continuous skills training and exposure to new ideas and concepts obtained through seminars, professional association programs, conferences or other educational programs.
3. The Chair will provide each Commissioner the Executive Officer's self-evaluation and a blank evaluation form for that Commissioner's completion prior to the full Commission closed session performance discussion.
4. The Chair will lead the Commission's closed session discussion on the Executive Officer's performance and professional development goals and the agency goals, soliciting feedback and input from all Commissioners.
5. The Chair will be given financial parameters for negotiating compensation with the Executive Officer and delegated authority to represent the Commission in compensation discussions with the Executive Officer.
6. The Chair will meet with the Executive Officer to provide the Commission's feedback, sentiments of the discussion and to negotiate compensation.
7. The Chair will report back to the Board to close out the Executive Officer Evaluation Process and to prepare any necessary agenda items and public action required to complete the process.
8. The Executive Committee will meet with the Executive Officer quarterly to check on progress to annual work plan, make any necessary adjustments, and bring the annual work back to the Commission for consideration.

### **3.73.8 PERSONNEL RECORDS**

#### **A. Overview**

The intent of this policy is to clarify the guidelines for treatment of employee personnel records and information.

#### **B. Policy**

Employees have the right to inspect certain documents in their personnel file,

as provided by law, in the presence of a LAFCO representative at a mutually convenient time. Employees may add written versions of any disputed item of their file.

LAFCO will attempt to restrict disclosure of an employee's personnel file to authorized individuals within the organization. Any request for information from the file must be made to the Executive Officer or specific designee. Only the Executive Officer or specific designee is authorized to release information regarding current or former employees. Disclosure of personnel information to outside sources will be limited to the extent allowed by law. However, LAFCO will cooperate with requests from authorized law enforcement or local, state or federal agencies conducting official investigations, with validly issued subpoenas and as otherwise required by law or legal proceeding to be released.

### **3.83.9 TERMINATION**

#### **A. Overview**

The intent of this policy is to explain the types of termination and LAFCO's procedures for processing terminations.

#### **B. Policy**

Termination of employment is an inevitable part of personnel activity within any organization, and many of the reasons for termination are routine. Below are examples of some of the most common circumstances under which employment is terminated.

##### **1. Voluntary Resignation**

An employee who voluntarily resigns his/her employment is asked to prepare a written letter of resignation informing LAFCO of the intended resignation date. Although not required, employees who voluntarily resign are asked as a courtesy to give LAFCO at least two weeks' notice prior to the resignation date in order to provide time to search for an adequate replacement if necessary and to ensure a smooth transition.

An employee is also considered to have voluntarily terminated employment by failing to report to work for three consecutive scheduled workdays without notice, or without prior approval by the Executive Officer or Assistant Executive Officer.

##### **2. Discharge**

The violation of the policies and procedures of LAFCO or any other illegal

acts may result in disciplinary action up to and including termination. Disciplinary actions may include verbal and written warnings, suspension, probationary periods, and termination of employment, depending on the conduct involved. LAFCO maintains its at-will status at all times. LAFCO reserves the right to utilize any form of disciplinary action, up to and including termination, at any stage it deems appropriate, depending on the circumstances.

#### C. Exit Interview

LAFCO will generally schedule exit interviews at the time of employment termination. The exit interview will provide an opportunity to discuss such issues as employee benefits, conversion privileges, repayment of outstanding debts to LAFCO, or return of property owned by LAFCO. Suggestions, complaints and questions are encouraged. Employees will receive their final pay in accordance with applicable state law.

#### D. At-Will Employee

Because employment with LAFCO is based on mutual consent, both the employee and LAFCO have the right to terminate employment at will, with or without cause, at any time. Nothing in this termination policy changes the At-Will Employment policy of LAFCO.

#### E. Benefits

Employee benefits will be affected by employment termination in the following manner. All accrued, vested benefits that are due and payable upon termination will be paid in accordance with applicable state law. Some benefits may be continued at the employee's expense if the employee so chooses. The employee will be notified in writing of the benefits that may be continued, and of the terms, conditions and limitations of such continuance.

## **PART 2 - SALARY AND WAGE ADMINISTRATION**

### **3.93.10 HIRING AND STAFFING**

#### A. Overview

The intent of this policy is to provide guidelines on the hiring and staffing practices of LAFCO.

#### B. Policy

To attract and retain qualified staff for LAFCO, it is the policy of LAFCO to use a criterion-based recruitment process and behavioral-based interview

process to ensure the most qualified candidates are hired.

#### C. Recruiting

Recruiting applicants will be aggressive enough to assure an adequate supply of qualified candidates. The recruitment process may include, but is not limited to, the use of professional recruitment firms, referrals from current or past employees, walk-in applicants, and/or web-based postings.

#### D. Interviews

The employment interview is a major element in the selection process. It allows the applicant an opportunity to demonstrate his or her capabilities to perform the job and provides information to the candidate about the position. Interviews may be conducted by telephone or in face-to-face sessions.

All interview questions must be job-related and have direct bearing on the tasks of the position. Interviews and questions are standardized so that all applicants are evaluated equally. Questions that express (directly or indirectly) any preference, limitation, or general reference to ~~race, national origin, sex, age, physical handicap or any other protected category~~ any individual on the basis of a protected category are prohibited.

#### E. Probationary Period

All LAFCO new hires will have a twelve-month probationary period beginning on the first day of employment. The LAFCO supervisor will provide job training during this time period and the employee will be evaluated every three months during the probationary period. LAFCO may terminate an employee during this twelve-month probationary period at any point in time therein. LAFCO retains the right to extend the probationary period. Nothing in this provision shall alter the at-will status of any employee.

### **3.103.11 COMPENSATION PRACTICES**

#### A. Overview

The intent of this policy is to provide guidelines on the compensation practices of LAFCO.

#### B. Policy

It is LAFCO's policy to provide salaried exempt and salaried non-exempt employees with equitable salary compensation for the specific job assignment. The LAFCO salary compensation program is a "pay for performance" system and is designed to ensure LAFCO maintains an equitable value of its jobs

while encouraging excellent employee performance. Consideration is given to relevant external factors such as economic conditions and the LAFCO annual budget. The program is implemented through established salary structures and grades, with salary ranges for both exempt and non-exempt employees. These grades provide different rates of pay for positions requiring different degrees of responsibility, experience, skills and knowledge.

Utilization of these criteria permit LAFCO to give individual consideration to each employee's pay in relation to his or her responsibilities, degree of contribution to the success of the agency, and job performance.

### C. Salary Increases

Individual salary increases are not awarded on the basis of length of service but based on performance and LAFCO affordability.

#### Merit Reviews

- a. Merit increases may be awarded during the compensation year in recognition of the employee's performance. The employee's performance is measured primarily on the following criteria as documented in the annual performance review: (1) did the employee successfully achieve his/her agreed upon goals and objectives? (2) what is the employee's overall value to the organization?
- b. The following factors may be considered in the determination of the amount of increase: the employee's position in the pay range; compensation compared to other employees in comparable jobs; and the annual budget of the organization.
- c. Merit increases, if awarded, are typically effective at the beginning of the fiscal year but may also be deferred to any effective date within the compensation year. Employees may also receive a "pass" on any merit increase in base salary if (1) his/her performance in the fiscal year has not been worthy of an increase, and/or (2) the agency's budget does not have sufficient funds for increases
- d. Probationary Merit Increase  
  
If an employee is appointed at Step 1 of the salary range, he/she may be eligible to receive a 2.5% step increase upon completion of six-months of service based on his/her performance.
- e. Merit Performance Incentive Pay Program for Employee at Top-Step

Once an employee reaches the top-step of the salary range for his/her classification, each year, in conjunction with the annual performance evaluation, the employee may be eligible to receive Merit Performance Incentive Pay ranging from zero to three percent of his/her annual base salary.

#### D. Organizational Promotion

- A. A promotional increase may be awarded to an employee who experiences a significant change in the level or kind of work performed.
- B. A promotional increase may be awarded to an employee who performs at a high level of competence and has demonstrated readiness to assume broader, more complex assignments if these assignments become available.

Proposed promotions from non-exempt to exempt salaried status, or from hourly to salaried status, must meet the exemption tests of the California Department of Industrial Relations Industrial Welfare Commission Wage Order (California Wage Orders) and the Federal Fair Labor Standards Act.

### **3.113.12 EMPLOYMENT CATEGORIES**

#### A. Overview

The intent of this policy is to define employment classifications so that employees understand their employment status and benefit eligibility.

#### B. Policy

These classifications do not guarantee employment for any specified period of time. Accordingly, the right to terminate the employment relationship at will at any time is retained by both the employee and LAFCO.

#### C. Exempt/Nonexempt

Each employee is designated as either NONEXEMPT or EXEMPT from federal and state wage and hour laws. An employee's EXEMPT or NONEXEMPT classification may be changed only upon written notification by the Executive Officer. Generally, EXEMPT employees (as defined by the Fair Labor Standards Act of 1938) are not eligible for ~~minimum wage or~~ overtime pay and are paid on a salary basis. ~~Conversely, while~~ NON-EXEMPT employees are generally paid on an hourly basis and are eligible for overtime pay.

#### D. Employment Categories

In addition to the above categories, each employee will belong to one other employment category:

Regular Full Time – Employees who are not in an extra help status and who are regularly scheduled to work LAFCO’s full-time schedule. Generally, they are eligible for LAFCO’s benefit package, subject to the terms, conditions, and limitations of each benefit program.

1. Part-Time – Employees who are not assigned to an extra help status and who are regularly scheduled to work less than 30 hours per week. While part time employees do receive all legally mandated benefits (such as Social Security and workers’ compensation insurance), they may be ineligible for some of LAFCO’s other benefit programs.
2. Extra Help – Employees who are hired as interim replacements, to temporarily supplement the work force, or to assist in the completion of a specific project. Employment assignments in this category are of a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status. Extra help employees retain that status unless and until notified of a change in writing signed by the Executive Officer. Extra help employees are ineligible for LAFCO’s benefit programs unless otherwise required by law.
3. Intern – LAFCO sometimes utilizes the services of paid student interns. Interns are used to supplement the LAFCO work force and provide opportunities for local students to gain local government work experience. Employment is for a specified period of time. Interns are ineligible for LAFCO’s benefit programs.

#### E. Job Descriptions

Job descriptions are adopted by the Commission in the Classification and Compensation Resolution. Please refer to Resolution CP 18-04 for the current job descriptions.

### **3.123.13 PAY POLICIES**

#### I. Overview

The intent of this policy is to explain and clarify wage administration, work hours and timekeeping.

#### II. Payment of Wages

All of employees are paid biweekly (every two weeks). There are 26 pay periods each year with paydays being every other Friday. In the event that the

normal payday falls on a LAFCO holiday, the pay date will be the first day immediately prior to the normal pay date.

### III. Pay Advances

LAFCO does not give advances against wages or un-accrued vacation time.

### IV. Corrections to Payroll

Errors arising from the payroll processing will be worked out with the payroll contact and the employee. Payment due to a correction will be processed in accordance with state law.

### V. Overtime Pay

When LAFCO's needs cannot be met during regular working hours, employees may be required to work overtime. All overtime work for nonexempt employees must receive prior authorization of the Executive Officer. Overtime compensation is paid to all nonexempt employees in accordance with federal and state wage and hour laws, based on actual hours worked.

### VI. Work Hours

Staffing needs and operational demands may necessitate variations in starting and ending times, as well as variations in the total hours that may be scheduled each day and week, at the discretion of the Executive Officer.

### VII. Timekeeping

Accurately recording time worked is the responsibility of every nonexempt employee. Federal and state laws require LAFCO to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked is all the time actually spent on the job performing assigned duties.

Nonexempt employees shall accurately record the actual time they begin and end their work electronically. An employee who submits erroneous timesheets will be subject to discipline, up to and including termination. Altering, falsifying, or tampering with time records may result in termination.

Any modifications to a time record must be initialed by the employee, supervisor and the Executive Officer.

Exempt employees are expected to also keep track of their hours on a timesheet to be provided by LAFCO.

The compensation structure is performance-based with ten-step salary ranges for each classification (See the Classification and Compensation Resolution CP 18-04 for details).

### **PART 3 – BENEFITS**

#### **3.143.15 INSURANCE AND OTHER BENEFITS**

##### **A. Overview**

The intent of this policy is to provide insurance and other benefits to all regular full-time and part-time employees of LAFCO. The Commission will review and may change these benefits on an annual basis at its discretion.

##### **B. Policy**

LAFCO employees will receive health insurance, dental insurance and other insurance depending on their particular classifications. These insurance benefits will generally, but are not required to be, the same as provided to County of Orange employees. LAFCO employees are also eligible to participate in the Orange County Employees Retirement System (OCERS) and the County of Orange Defined Contribution 457(b) and 401(a) Plans. The Commission will review and establish the benefits annually at its discretion. A Benefits Summary Chart will be prepared annually setting forth these benefits and provided to all LAFCO employees.

#### **3.153.16 TUITION REIMBURSEMENT**

##### **A. Overview**

LAFCO encourages and supports efforts by its employees to improve their skills and educate themselves for advancement. LAFCO believes that assisting the employee in the pursuit of an educational agenda or to otherwise expand their work-related knowledge base will benefit both the employee and LAFCO.

##### **B. Policy**

All regular full-time employees of LAFCO, who have successfully completed the twelve-month probationary period, are eligible to receive educational assistance.

Upon pre-approval by the Executive Officer, the following reimbursement policies have been outlined to cover tuition and course/seminar or degree related expenses:

Maximum company reimbursement for all course or degree related expenses is \$3,000 per calendar year in pursuit of any approved courses, seminars, certifications, associate degree, or bachelor's degree. Reimbursement in pursuit of an approved masters or doctoral degree program is \$5,000 per calendar year.

1. Employees will not be reimbursed for more than two (2) courses in a single semester or quarter.
2. Course must be related to the work of the employee's position or occupation and must be taken at accredited institutions.
3. Pre-approval of classes (or course of study) is required by the Executive Officer. Employees must submit a written request for tuition reimbursement, prior to enrolling in the class, to the Executive Officer for approval.
4. Must be a LAFCO employee throughout the duration of the course.
5. The percentage of reimbursement is based on the grade earned for each college seminar, certification, associate, bachelors, masters or doctoral degree course:

Grade A	100%
Grade B	100%
Grade C*	50%
Pass/Credit	50%

\*Master's and doctoral degree courses completed with a letter grade of "C" or below are not eligible for any reimbursement.

6. Reimbursable expenses include tuition, required textbooks, lab fees, library fees, and required registration and parking fees.
7. Upon completion of the course, official grades and receipts must be submitted to the Executive Officer for reimbursement. Taxes are withheld on educational reimbursements when required by law.

### **3.163.17 STAFF MILEAGE REIMBURSEMENT**

#### **A. Policy**

LAFCO staff will be reimbursed at the currently applicable IRS rates for reasonable and necessary mileage expenses when personal vehicles are used for LAFCO-related business, including, but not limited to, meetings, project site visits, and conferences. To receive mileage reimbursement, a

form indicating the date of the trip, number of miles traveled, purpose of the trip, and reimbursement calculation is required to be submitted for review and approval by the Executive Officer. If approved, the form is submitted to the Bookkeeper for issuance of a reimbursement check.

#### **PART 4 - TIME OFF**

##### **3.173.18 SICK LEAVE BENEFITS**

###### **A. Overview**

The intent of this policy is to provide paid time off for the purpose of illness or other medical requirements.

The Commission will review and may change any of these sick leave benefit provisions on an annual basis at its direction.

###### **B. Policy**

LAFCO provides paid sick leave benefits to all regular full-time and regular part-time and extra help employees for periods of temporary absence due to illnesses or injuries described in Section 3.17D of this policy.

###### **C. Accumulation of Sick Leave**

During the first three (3) years of employment, an employee shall earn .0347 hours of sick leave with pay for each paid hour in a regular scheduled workweek or period (approximately seventy-two (72) hours per year).

After an employee has been paid for six thousand two hundred forty (6240) regular scheduled hours, approximately three (3) years, the employee shall earn .0462 hours of sick leave with pay for each paid hour in a regularly scheduled work period (approximately ninety-six (96) hours per year).

Sick leave earned shall be added to the employee's sick leave accumulation account upon the completion of the pay period, with no credit to be applied during the progress of the pay period or for a portion of the pay period or for a portion of the pay period during which the employee terminates service.

Employees may only accumulate up to a maximum of 1500 hours of sick leave.

Extra Help Employees shall accrue sick leave at a rate of not less than one hour per every 30 hours worked beginning at the commencement of employment.

Extra Help Employees will have a maximum sick leave accrual of 48 hours. Extra Help Employees will not accrue any additional sick leave hours once they hit 48 hours in their sick leave balance. Once they fall below 48 hours of sick leave accrual, they will begin to accrue sick leave again. Extra Help Employees may use up to a maximum of 24 hours sick leave annually.

Should an Extra Help Employee become a regular full time or part time employee, the pro-rated sick leave hours they accrued as an Extra Help will roll over into their sick leave account as a regular full time or part time employee.

D. Uses of Sick Leave

Sick leave may be applied to the following circumstances:

1. An absence necessitated by an employee's personal illness or injury.
2. Medical and dental office appointments.
3. Absence from duty because the employee's presence is needed to attend to the serious illness of a member of his or her immediate family. Employees may use up to one-half of their yearly sick leave for the purpose of this policy, immediate family shall mean father, father-in-law, mother, mother-in-law, stepparent, brother, sister, grandparent, spouse, child, grandchild, domestic partner or legal guardian. All conditions and restrictions placed on an employee's use of sick leave apply also to sick leave used for care of a family member.
4. Illness while on paid vacation will be charged to sick leave rather than vacation only under the following conditions:
  - a. The illness or injury of the employee or member of the employee's immediate family was of a nature that would preclude the effective use of vacation and would prevent the employee from performing his or her normal duties.
  - b. The employee must notify the Executive Officer within four (4) calendar days of the beginning of the illness or prior to the end of his or her vacation leave.
  - c. LAFCO shall be under no obligation to extend the vacation beyond the original scheduled vacation ending date.
  - d. Upon the employee's return to work, the employee must furnish LAFCO with a certificate signed by a licensed physician or registered nurse stating the nature of the medical condition and

the period of disablement.

5. Absence from duty because of personal emergencies is not to exceed twenty (20) working hours during the fiscal year. A personal emergency is something unanticipated that requires the employee to personally attend to the situation and must be attended to during normal working hours.
6. An absence due to the air pollution alert, which prevents the employee traveling to his or her work location.
7. If an employee is a victim of domestic violence, sexual assault, or stalking as described in Labor Code Section 230(c) and 230.1(a).

Sick leave shall not be applied to an absence which occurs on a holiday observed by LAFCO.

In any use of sick leave, an employee's account shall be charged to the nearest quarter hour for a non-exempt employee, which exempt employees will be charged only for full-day absences. Exempt employees are defined as those employees who are exempt from overtime rules under the Fair Labor Standards Act.

Employees are required to notify the Executive Officer or immediate supervisor by telephone within one-half hour after the start of the workday on their first day of absence due to illness or injury. It is the responsibility of the employee to keep the supervisor informed as to continued absence beyond the first day.

An employee may be required to furnish a certificate issued by a licensed health care provider or other satisfactory evidence of illness, injury, medical condition or medical or dental office calls when LAFCO has notified the employee in advance of such a requirement or when the employee has been under the care of a physician.

LAFCO employees, with the approval of the Executive Officer, may transfer up to 80 hours of sick leave per year to another LAFCO employee if needed to cover time off for medical or dental appointments or personal emergencies.

Any accrued, unused sick leave will roll over into the next calendar year.

E. No Payout of Sick Leave

There is no payout for unused accumulated sick leave when an employee leaves employment with LAFCO.

F. Transfer of Sick Time between LAFCO Employees

LAFCO employees, with the written approval of the Executive Officer, may transfer a portion of their unused sick time balance to another LAFCO employee under the following circumstances:

1. A LAFCO employee may transfer no more than 80 hours of sick time to any one LAFCO employee during any calendar year.
2. The LAFCO employee receiving the sick time transfer must be experiencing personal or family medical issues requiring extended periods of time away from the office.
3. The LAFCO employee transferring sick time must maintain a minimum balance of at least 40 hours of sick time after an approved transfer.
4. All sick time transfer requests must be approved by the Executive Officer.

### **3.183.19 VACATION**

A. Overview

This policy applies to all regular full-time and part-time employees of LAFCO. The intent of this policy is to provide paid time off for employees as a means of rest and rejuvenate. LAFCO encourages employees to utilize this benefit every year. LAFCO believes personal time off is an important means to enable continuation of strong performance and positive contribution to LAFCO, as well as encourage a balanced and enriching life for employees.

The Commission will review and may change any of these vacation benefit provisions on an annual basis at its discretion.

B. Policy

During the first three years of employment, an employee shall earn approximately .0385 hours of vacation leave with pay for each hour in a regularly scheduled workweek or period (80 hours or 10 days per year).

After an employee has been paid for 6,240 regularly scheduled hours,

approximately three years, the employee shall earn approximately .0577 hours of vacation leave with pay for each paid hour in a regularly schedule work period (120 hours or 15 days per year).

After an employee has been paid for 20,800 regularly scheduled hours, approximately ten years, the employee shall earn approximately .0769 hours of vacation leave with pay for each paid hour in a regularly scheduled work period (160 hours or 20 days per year).

Regular part-time employees with continuous service working 20 hours or more per week will accrue vacation in accordance with the above schedule, on a pro-rated basis determined by normal hours worked. Active service for all regular employees commences with their first day of work and continues thereafter unless broken by an absence without pay or leave of absence. Extra help employees do not accrue paid vacation.

Employees cannot accumulate more than 240 hours of vacation.

Accrual ceases until vacation is utilized to bring the amount of accrued vacation below the applicable cap or vacation is cashed out as permitted by this policy.

In order to request vacation time, employees should submit a written request to the Executive Officer or Assistant Executive Officer. Efforts will be made to accommodate all employees' requests for specific vacation leave time. However, the Executive Officer or Assistant Executive Officer will also consider the needs of LAFCO when evaluating vacation requests.

In rare cases, the Executive Officer may allow an employee to take an advance on vacation accrual time; however, this advance shall not be allowed to exceed the amount of time the employee is scheduled to accrue during the current service year. Before any advance on vacation is granted, the employee will sign an authorization which authorizes LAFCO to deduct from his/her final paycheck the amount of any un-accrued vacation time advanced to the employee which has not subsequently been accrued.

During each fiscal year an employee may request to be paid for accrued vacation in either two (2) separate increments of up to forty-five (45) hours each or one (1) increment of up to ninety (90) hours.

Upon separation from LAFCO employment, an employee is eligible to be paid for accrued, unused vacation days up to a maximum of 240 hours at 100% of the employee's hourly salary. In cases where an employee terminates employment with LAFCO and has been permitted to take

vacation time prior to actual accrual, the final paycheck will reflect a deduction relative to the amount of un-accrued time off taken.

A holiday that falls during an employee's vacation leave will be treated and paid as a holiday and not as a day of vacation leave.

### **3.193.20 HOLIDAY**

#### **A. Overview**

The intent of this policy is to provide paid time off for eligible employees for holidays throughout the year.

#### **B. Policy**

Holiday time off with pay will be granted to all regular full-time employees and regular part-time employees (prorated) for the days designated by the County of Orange on an annual basis. Each part-time employee scheduled to work, but permitted to take the day off, shall receive pay computed at the employee's basic hourly rate for the number of hours the employee was regularly scheduled to work. A part-time employee shall receive compensatory time at the rate of one (1) hour for each five (4) hours of regularly scheduled work in the workweek up to a maximum of eight (8) hours of compensatory time. Holidays will vary year to year and a schedule will be published each year.

### **3.203.21 COMPENSATORY TIME**

#### **A. Overview**

LAFCO employees earn compensatory time ("comp time") when a County holiday falls on a "flex" day. Limited comp time is also earned during the calendar year to all employee's time off to attend special religious or other designated events.

#### **B. Policy**

For employees who are not scheduled to work on a holiday (whose regular day off is the holiday) or their flex day falls on a holiday, management should work with employees to offer one of the following options:

- The employee may change his or her schedule and take another day off in the same pay period where operationally feasible and without incurring overtime liability.

- For employees who are not on an eight-hour day schedule, the employee may go on an eight-hour day schedule for the workweek in which the holiday falls.
- The employee may bank eight (8) hours of non-cashable compensatory time for use at a later date.

Compensatory time may be used in lieu of vacation time for time off. Compensatory time shall have *no cash value* and any unused hours will be forfeited upon separation from the County.

### ~~3.21~~3.22 **PREGNANCY LEAVE**

#### A. Eligibility

In accordance with applicable law and this policy, female employees are eligible for a leave of absence and/or transfer on account of pregnancy, regardless of length of service with LAFCO Orange County ("LAFCO").

#### B. Pregnancy Disability Leave

1. A woman is "disabled by pregnancy" if, in the opinion of her healthcare provider, she is unable to work at all or is unable to perform one or more of the essential functions of her job or to perform these without undue risk to herself, to the successful completion of her pregnancy, or to other persons.
2. Pregnancy disability leave is for any period(s) of actual disability caused by pregnancy, childbirth, or related medical conditions. Where medically advisable, pregnancy disability leave may be taken for a reasonable period of time, up to four months per pregnancy (eighty-eight workdays for a full-time employee). Employees who regularly work more or less than a 40-hour workweek are entitled to such leave on a pro rata basis.
3. Time off for necessary prenatal or postnatal care, as well as for any conditions such as severe morning sickness, doctor-ordered bed rest, gestational diabetes, pregnancy-induced hypertension, preeclampsia, post-partum depression, childbirth, loss and end of pregnancy, and recovery from childbirth are all covered by pregnancy disability leave.

#### C. Leave Due to Childbirth

Even if the employee is not disabled by pregnancy, childbirth, or related medical conditions, a pregnant employee is entitled to up to six weeks of

leave for normal childbirth. A pregnant employee is entitled to up to eight weeks of leave for cesarean section. Employees working more or less than a 40-hour work week are entitled to such leave on a pro rata basis.

D. Leave, Transfer and Other Reasonable Accommodation Requests

1. Pregnant employees should notify the Executive Officer as soon as possible regarding their intent/need to take a leave of absence or to transfer due to pregnancy, childbirth, or related medical conditions. Such notice should specify the anticipated timing and duration of the leave or transfer.
2. Where the need for a leave of absence or transfer is foreseeable, employees must provide such notice at least 30 days prior to the date the leave or transfer is to begin. Further, employees must consult with the Executive Officer regarding the scheduling of any planned medical treatment or supervision so as to minimize any disruption to LAFCO's operations. (Actual scheduling of the leave/transfer is subject to the approval of the employee's healthcare provider.)
3. Where 30 days advance notice is not possible, notice must be given as soon as possible. However, LAFCO will not deny a pregnancy disability leave or transfer where the need for leave is an emergency or was otherwise unforeseeable.
4. LAFCO shall respond to the leave or transfer request as soon as practicable and, in any event, no later than 10 calendar days after receiving the request. LAFCO shall attempt to respond to the leave request before the date of leave is due to begin. Once, given, approval shall be deemed retroactive to the date of the first day of the leave.
5. Reasonable accommodation other than leave or transfer will be granted upon request. Such requests must be supported by a written certification from the employee's healthcare provider.

E. Intermittent Leave

Pregnancy Disability Leave need not be taken in one continuous block. It may be taken on an as-needed basis, intermittently or on a reduced work schedule. If it is medically advisable and foreseeable that an employee will be taking intermittent leave or leave on a reduced work schedule, LAFCO may require that the employee transfer temporarily to an available alternative position.

1. An “alternative position” is one that provides pay and benefits equivalent to those of the employee’s regular position and better accommodates recurring periods of leave than the employee’s regular job. It does not have to have equivalent duties. However, the employee must be qualified for the position.
2. Transfer to an alternative position may include altering an existing job to better accommodate the employee’s need for intermittent leave or a reduced work schedule.

F. Temporary Transfers

1. An employee may request a temporary transfer to a position with less strenuous or less hazardous duties when the employee’s healthcare provider certifies that such a transfer is medically advisable.
2. Temporary transfers will be granted where appropriate and when LAFCO is able to reasonably accommodate the transfer, provided that the transfer would not require LAFCO to:
  - a. Create additional employment.
  - b. Discharge another employee
  - c. Violate collective bargaining agreement.
  - d. Transfer a more senior employee in order to make room for the pregnant employee’s transfer; or
  - e. Promote or transfer the employee or any other employee to a position for which he/she is not qualified.

G. Certifications

1. As a condition of taking a Pregnancy Disability Leave or transfer, the employee must provide medical certification from her healthcare provider that she is disabled due to pregnancy, childbirth or related medical conditions and/or that a transfer to an alternative position is medically advisable.
2. The medical certification should include:
  - a. The date on which the employee became disabled due to pregnancy or the date of the medical advisability for the transfer.
  - b. The probable duration of the period(s) of disability or the period(s) for the advisability of the transfer; and

- c. A statement that, due to the disability, the employee is unable to work at all or to perform any one or more of the essential functions of her position without undue risk to herself, to the successful completion of her pregnancy, or to other persons or a statement that, due to pregnancy, the transfer is medically advisable.

#### H. Fitness for Duty

The employee must provide certification from her healthcare provider of her fitness for duty prior to being reinstated.

#### I. Pay During Leave

1. Pregnancy Disability Leave is unpaid leave. However, the employee may elect to use, or LAFCO may require that the employee use accrued sick leave to provide pay during the period of Pregnancy Disability Leave.
2. An employee may also elect, at her option, to use accrued vacation or other accrued paid time off, if any, to provide pay during pregnancy disability leave. The use of paid leave runs concurrently with Pregnancy Disability Leave and does not extend the length of the Pregnancy Disability Leave.
3. The employee may also be eligible to receive temporary disability insurance payments during her Pregnancy Disability Leave, and to coordinate the use of any accrued sick leave and/or vacation to supplementary temporary disability insurance payments.

#### J. Reinstatement

1. The employee is entitled to be reinstated to the same or comparable position upon release to return to work by her healthcare provider.
  - a. Where a definite date of reinstatement has been agreed upon at the beginning of the leave, the employee will be reinstated by the date agreed upon, provided that the employee has provided medical certification of her fitness for duty.
  - b. If the actual reinstatement date differs from the original agreement, the employee will be reinstated within two business days, where feasible, after the employee notifies LAFCO of her readiness to return and provides medical certification of her fitness for duty.
  - c. Failure to return to work on the next workday following the expiration of pregnancy disability leave may be grounds for termination of employment.

2. The employee is not, however, entitled to any greater right of reinstatement than she would have had if she had not taken leave. Thus, reinstatement to the “same position” may be denied if for legitimate business reasons unrelated to the employee having taken a Pregnancy Disability Leave or transfer, the employee would not otherwise have been employed in her same position at the time reinstatements requested.
3. Also, the employee has no greater right to reinstatement to a “comparable position” or to other benefits and conditions of employment than an employee who has been continuously employed. Thus, reinstatement to a comparable position may be denied if there is no comparable position open on the employee’s scheduled date of reinstatement or within 60 calendar days thereafter.
4. In the event that the employee takes family and medical leave under the California Family Rights Act (“CFRA”) following her pregnancy disability leave for the birth of her child, the employee’s right to reinstatement shall be governed by the CFRA and LAFCO’s Family and Medical Leave Policy rather than these provisions.

#### K. Seniority and Benefits

1. In general, employees taking Pregnancy Disability Leave will be treated the same as other similarly situated employees taking disability leave.
2. The employee returning from a Pregnancy Disability Leave shall return with no less seniority than she had when the leave commenced for purposes of layoff, recall, promotion, job assignment, and seniority related benefits such as vacation.
3. The employee shall retain employee status during the period of leave, and the leave shall not constitute a break in service for purposes of longevity and/or seniority.

#### L. Federal Family and Medical Leave

In accordance with the FMLA, LAFCO shall count each day of pregnancy disability leave against an eligible employee’s entitlement to up to 12 weeks of federal family and medical leave under the FMLA.

#### M. Group Health Insurance

Where an eligible employee is on Pregnancy Disability/FMLA Leave, LAFCO

will continue the employee's group health insurance coverage under the same terms and conditions as applied prior to the leave of absence.

1. In the event that the employee fails to return from leave, LAFCO may recover premiums it paid to maintain group health insurance coverage. (For details, see LAFCO's Family and Medical Leave Policy.)
2. If the employee coverage ceases after the exhaustion of Pregnancy Disability Leave/FMLA or other leaves, the employee may continue group health insurance coverage pursuant to federal and state COBRA guidelines.

#### N. California Family Rights Act ("CFRA")

The right to take a Pregnancy Disability Leave is separate and distinct from the right to take family and medical leave under the California Family Right Act. In accordance with CFRA, employees may be eligible to take an unpaid family care leave for any of the following purposes.

1. The birth or adoption of a child, or the placement of a child in foster care.
2. To care for the employee's child (including adult child over 18 years of age), spouse, sibling registered domestic partner, child of a registered domestic partner or parent, grandchild, or grandparent with a serious health condition.
3. A serious personal health condition that prevents the employee from performing an essential function of his/her job, except for leave taken for disability on account of pregnancy, childbirth or related medical conditions, or.
4. Military spousal, and military caregiver and exigency leave.

For purposes of this policy, a serious health condition is defined as an illness, injury, impairment, or physical or mental condition of the employee or a child, grandchild, sibling, parent or spouse (including registered domestic partner) that involves either inpatient care or continuing treatment, including treatment for substance abuse.

Family care leave is a maximum of 12 weeks in a backward rolling 12-month period during which the employee's position is held for his/her return. If both parents of a child are employed by LAFCO, family care leave taken shall be 12 weeks of leave for each parent of the child. For military caregiver leave, employees may take 26 workweeks of family care leave during a single 12-month period, which begins on the first day the employee takes leave for this

reason and ends 12 months later. Family care leave, (Family Medical Leave Act/California Family Rights Act) may run concurrently with LAFCO's extended medical leave.

Employees will be required to use any accrued paid time off balances in place of unpaid leave within the approved period of family care leave unless the leave is due to an injury or illness on the job or is not otherwise unpaid. In a situation where family care leave is running concurrently with California Pregnancy Disability Leave, the employee will have the option to use accrued PTO. Employees are entitled to reinstatement to return to the same or comparable positions following a family care leave, except under very limited exceptions. Employee health benefits will be continued on the same cost-share basis as while working their regular schedule during a family care leave.

### **3.223.23 OTHER TIME OFF**

#### **A. Overview**

This policy applies to all regular full-time and regular part-time employees of LAFCO. The intent of this policy is to outline other types of paid and unpaid time-off available to eligible employees.

#### **B. Bereavement Leave**

~~In the event of a death in the immediate family, up to 5 consecutive days of paid bereavement leave will be provided to all regular full-time and regular part-time employees of LAFCO.~~

~~Immediate family is defined as the employee's spouse, parent, child, sibling; the employee's spouse's parent, child, or sibling; the employee's child's spouse; grandparents or grandchildren; the employee's domestic partner. Special consideration will also be given to any other person whose association with the employee is similar to any of the above relationships.~~

Upon request, regular full-time and regular part-time employees shall receive time off with pay, not to exceed five (5) consecutive days for each death in the immediate family. For purposes of this section, immediate family is defined as the employee's spouse, parent, child, sibling; the employee's spouse's parent, child, or sibling; the employee's child's spouse; grandparents or grandchildren; the employee's domestic partner or the child of a domestic partner; person whom the employee has/had a legal guardian relationship.

Bereavement leave will normally be granted unless there are unusual business needs or staffing requirements. Employees may also, with the approval of the Executive Officer, use any available paid leave for additional time off as

necessary. If more time off is requested, it will be granted only at the discretion of the Executive Officer. Bereavement pay is calculated based on the base pay rate at the time of absence and prorated for part-time employees.

### C. Jury Duty Leave

LAFCO encourages employees to fulfill their civic responsibilities by serving jury duty or appearing in court as a witness when required. LAFCO provides 30 days of paid time off at the employee's regular rate of pay for jury duty service provided the employee deposits fees paid for hours of jury duty, excluding mileage. For service longer than 30 days, employees ~~will receive unpaid leave if approved by the Executive Officer, subject to review by the Commission. Employees~~ may use any accrued vacation leave or receive unpaid leave for jury duty service.

Employees must show the jury duty summons to the Executive Officer as soon as possible so that arrangements may be made to accommodate their absence. Employees are expected to report for work whenever the court schedule permits, including any remaining parts of a normally scheduled workday.

LAFCO will continue to provide health insurance benefits for the full term of the jury duty absence. Vacation, sick leave, and holiday benefits will continue to accrue during jury duty leave.

### D. Domestic Violence Victim Leave, Sexual Assault or Stalking

~~Employees who are victims of domestic violence may take unpaid time off to appear in court to attempt to obtain relief for themselves or their child. In addition, they may take unpaid time off to seek medical attention, obtain services from a domestic violence program, obtain psychological counseling, or participate in safety planning. If desired, employees may use any accrued time off. Reasonable notice must be given to the Executive Officer before appearing in court. Note that under the sick leave policy it would be possible for employees to access their accrued sick time and/or vacation for this purpose.~~ LAFCO will provide time off to an employee who has been the victim of domestic violence, sexual assault or stalking to seek any relief, including, but not limited to, a temporary restraining order, restraining order, or other injunctive relief, to help ensure the health, safety, or welfare of the victim or his or her child. This includes time off for court proceedings, services from a domestic violence shelter, program or rape crisis center, counseling, medical attention, and participation in safety planning programs. LAFCO requires reasonable advance notice of the leave when feasible. If time off is taken due to an emergency, the employee must, within 15 days of the absence, provide LAFCO with certification of the need for the leave such as a police report, court order, documentation from a healthcare provider, victims advocate, or counselor.

Employees eligible for paid sick leave benefits under California law may take any such available paid time off, consistent with such law, for the purposes set forth in this policy. For more information, please see the Sick Leave policy. In the event paid sick leave benefits are not available, employees taking leave under this policy may elect to apply accrued and unused vacation to such time.

LAFCO prohibits discrimination, discharge, or retaliation against an employee for taking time off or requesting an accommodation under this policy, or based on the employee's status as a victim of domestic violence, sexual assault, and/or stalking

#### E. Crime Victims' Leave

LAFCO will provide time off to an employee to attend judicial proceedings related to a crime, if that employee is a victim of crime, an immediate family member of a victim, a registered domestic partner of a victim, or the child of a registered domestic partner of a victim. LAFCO requires that where feasible, in advance of taking leave, the employee provide it with a copy of the notice of each scheduled proceeding that is provided to the victim by the agency responsible for providing notice. If advance notice is not possible, the employee is required to provide LAFCO with a copy of the notice within a reasonable time.

No employee who is absent from work pursuant to this provision will be discharged or otherwise discriminated against in compensation or other terms, conditions or privileges of employment, because of such absence. Such leave is unpaid. Employees taking leave under this policy may elect to apply vacation time to such leave.

#### F. Leave for Organ and Bone Marrow Donation

LAFCO will grant an employee the following leaves of absence:

- Bone Marrow Donation: A paid leave of absence of up to five business days in any one-year period for the purpose of donating the employee's bone marrow to another person.
- Organ Donation:
  - A paid leave of absence of up to 30 business days in any one-year period for the purpose of the employee donating the employee's organ to another person.
  - An additional unpaid leave of absence, not exceeding 30 business days in a one-year period, for the purpose of the employee donating the employee's organ to another person.

For leaves of absence under this policy that are paid, if an employee has earned and unused sick or vacation time available, the employee is required to first use up to five days of such paid sick or vacation time for a bone marrow donation and up to two weeks of sick or vacation time for organ donation.

In order to receive a leave of absence pursuant to this policy, the employee must provide written verification to LAFCO's Human Resources Department that the employee is an organ or bone marrow donor and that there is a medical necessity for the donation of the organ or bone marrow.

Any leave taken for the donation of an organ or bone marrow will not constitute a break in service for purposes of the employee's right to salary adjustments, sick leave, vacation, annual leave, or seniority. During any leave taken under this policy, LAFCO will maintain and pay for coverage under any group health plan, for the full duration of this leave.

Leave provided under this policy may be taken in one or more periods. Leave taken under this policy will not run concurrently with any leave taken pursuant to the federal Family and Medical Leave Act or the California Family Rights Act.

Upon expiration of a leave of absence authorized by this policy, LAFCO will restore the employee to the position held by the employee when the leave began or to a position with equivalent seniority status, employee benefits, pay, and other terms and conditions of employment. LAFCO may decline to restore an employee because of reasons unrelated to the employee's exercise of rights under this policy.

#### E.G. Time Off to Vote

Generally, employees are able to find time to vote either before or after their regular work schedule. If, however, full-time employees are unable to vote in an election during their non-working hours, LAFCO will grant up to 2 hours of paid time off to vote.

Employees requiring time off to vote should make their requests at least two working days prior to the Election Day. Advance notice is required so that the necessary time off can be scheduled at the beginning or end of the work shift, whichever provides the least disruption to the normal work schedule. Employees must submit a voter's receipt on the first working day following the election to qualify for paid time off.

#### F.H. Military Leave

Military leave of absence will be granted to employees who are absent from work because of service in the U.S. uniformed services in accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA)

and Military and Veterans Code Section 394.5. Advance notice of military serve is required, unless military necessity prevents such notice, or it is otherwise impossible or unreasonable.

Employees, who have been employed at least one year, are eligible for up to 30 days of paid leave for active-duty training.

Employees on military leave will receive rights and benefits comparable to those they would receive under LAFCO's policies for other types of leave. Continuation of health insurance benefits is available based on the length of the leave and subject to the terms, conditions and limitations of the applicable plan for which the employee is otherwise eligible. Employees on leave for no more than 30 days will receive continued health insurance benefits but are responsible for paying their portion of the health care coverage continuation rights. Vacation, sick leave and holiday benefits will continue to accrue during any paid portion of a military leave of absence.

CFRA permits employees to take up to 12 workweeks of unpaid protected leave during a 12-month period for a "qualifying exigency" related to the covered active duty or call to covered active duty of an employee's spouse, domestic partner, child or parent in the U.S. armed forces. The Federal Family and Medical Leave Act (FMLA) also entitles eligible employees to take leave for a covered family member's service in the Armed Forces. This policy supplements our FMLA policy and provides a general notice of employee rights to this leave. Except as stated below, such rights and obligations for service member FMLA are governed by our existing FMLA policy. Service member FMLA runs concurrent with other leave entitlements provided under federal, state and local law. Service member FMLA provides eligible employees unpaid leave for anyone, or combination of the following reasons:

- A "qualifying exigency" arising when the employee's spouse, son, daughter or parent, who is a member of the Armed Forces (including National Guard and Reserves), is on covered active duty or has been notified of an impending call to order to covered active duty; and/or
- To care for a covered family member who has incurred an injury or illness while in the Armed Forces provided that such injury or illness renders the family member medically unfit to perform duties of the member's office, grade, rank or rating and is certified by the service member's healthcare provider.

When leave is due because of a "qualified exigency" concerning the military duty of a family member, an eligible employee may take up to 12 workweeks of leave during any 12-month period.

When leave is to care for an injured or ill service member, an eligible employee may take up to 26 weeks of leaving during a single 12-month period to care for a service member. Leave to care for an injured or ill service member, when combined with other FMLA-qualifying leave, may not exceed 26 workweeks in a single 12-month period.

Where spouses are both employed by LAFCO, they may take up to, in aggregate, 26 workweeks of service member FMLA, provided that any portion of the aggregate leave that is not for care of a family service member does not exceed 12 workweeks.

In any case where it is foreseeable that an employee will need service member FMLA, that employee must provide notice of his or her intent to take leave as soon as reasonably possible and provide certification of either the “qualified exigency” or family service member’s need for care as soon as practicable.

#### I. Military Spouse Leave

Qualified California employees will be given up to 10 days leave during that time in which the employee’s spouse or domestic partner is on leave from deployment in a combat zone with the active duty or reserve military or national guard during a period of military conflict. Employees may use accrued vacation time to cover this absence. If the employee has no accrued vacation, the employee must request time off without pay.

Qualifying employees are employees who work an average of 20 hours per week and have a spouse or domestic partner who is serving as (1) a member of the U.S. Armed Forces and who has been deployed during a period of military conflict to an area designated as a combat theater or combat zone by the President of the United States or (2) a member of the Armed Forces Reserve Components or the National Guard and has been deployed during a period of military conflict.

Qualifying employees who wish to request this leave must provide LAFCO with a written request for such leave within two business days of receiving official notice that the military spouse or domestic partner will be on leave from deployment. The employee must also provide written documentation to LAFCO certifying that the military member will be on military leave from deployment.

#### G.I. Workers’ Compensation Leave

If an employee sustains a work-related injury, he or she will be eligible for a medical leave of absence for a period of disability in accordance with all applicable laws covering occupational injuries.

Where an employee's work-related injury qualifies as a serious health condition, any Workers' Compensation Leave taken will be considered part of his or her entitlement, if any, to leave under the Family and Medical Rights Act ("FMLA") and the California Family Rights Act ("CFRA"). Employees on Workers' Compensation Leave should keep their supervisors informed as to their work status and will need to provide a doctor's release before returning to work.

#### H.K. Volunteer Emergency Leave and Training

If employees volunteer as a firefighter, reserve peace officer, or emergency rescue personnel, they may be entitled to unpaid leave to perform emergency duty. In addition, they may take unpaid leave of up to 14 days per calendar year for the purpose of engaging in fire or law enforcement training. If an employee qualifies for these types of leave, he or she may use accrued vacation during the leave. Time spent on this leave counts for purposes of determining "length of service." However, vacation will not be accrued, and holiday pay will not be received during this leave.

#### H.L. Time Off for Parents to Attend School Activity

Employees, who are parents of one or more children in kindergarten, or in grades 1 through 12, may take time off of up to forty (40) hours per school year to attend authorized school activities which involve one or more of the employee's school age children. To be eligible for parental time off, the employee must obtain from the school, written verification that he or she attended or participated in the school activity. Parental time off may not exceed eight hours in any calendar month.

Employees may use any accrued vacation while they attend their child's school activities. If not, employee's parental time off will be unpaid. For scheduling purposes, employees must notify the Executive Officer at least one (1) week before the date of the school activity, so that their work duties may be covered.

#### J.M. Literacy Education Leave

LAFCO will reasonably accommodate employees who are seeking to enroll in an adult literacy education program provided the accommodation requested would not result in an undue hardship to LAFCO. LAFCO does not provide paid time off for participation in an adult literacy education program.

#### K.N. Alcohol and Drug Rehab Leave

LAFCO will reasonably accommodate employees who wish to voluntarily enter and participate in an alcohol and drug rehabilitation program provided that the accommodation does not impose an undue hardship on LAFCO. LAFCO does not provide paid time off for participation in an alcohol or drug rehabilitation program.

The policy in no way restricts LAFCO's right to impose discipline, including actions up to and including termination of employment, for violation of LAFCO's drug and alcohol policy.

### **3.233.24 FAMILY AND MEDICAL LEAVE**

#### **A. Overview**

The intent of this policy is to outline and explain some of the rules and requirements applying to Family and Medical Leave Act (FMLA) and the California Family Rights Act (CFRA).

Note: Employers with at least 50 employees are required to comply with FMLA, whereas employers with at least 5 or more employees are required to comply with the CFRA.

#### **B. Eligibility**

Regular full-time and regular part-time employees are eligible to request unpaid Family and Medical Leave under CFRA/FMLA if, at the time leave commences, all of the following apply:

1. Must have worked for LAFCO for at least twelve (12) months at any time (need not be continuous).
2. Must have worked at least 1,250 hours during the twelve (12) months immediately preceding the start of the leave.

Part-time employees who meet the requirements will calculate Family and Medical Leave on a prorated basis according to the number of hours they are normally scheduled to work.

#### **C. Reasons for Leave**

Leave may be requested for any of the following reasons:

1. The birth or adoption of a child, or the placement of a child in foster care.
2. To care for the employee's child (including adult child over 18 years of age),

spouse, sibling, registered domestic partner, child of a registered domestic partner or parent, grandchild, or grandparent with a serious health condition.

3. A serious health condition that prevents the employee from performing an essential function of his/her job, except for leave taken for disability on account of pregnancy, childbirth or related medical conditions; or
4. Military spousal, and military caregiver and exigency leave.

Family and Medical Leave is not available for non-serious conditions (including minor illnesses or for voluntary or cosmetic treatments) unless inpatient care is required or for routine preventive physical examinations.

#### D. Length of Leave

The length of Family and Medical Leave is up to twelve workweeks within a twelve-month period (exception for Pregnancy Disability and Military Caregiver – see policies). The twelve-month period begins the date the leave is taken. There is no carryover of unused leave from one twelve-month period to the next twelve-month period. Holidays that fall during the leave are counted against leave entitlement.

If at the end of twelve weeks the employee is unable to return to work, they may request a personal leave without pay. Such leave is granted at the discretion of LAFCO, and there is no requirement to hold the job available during the personal leave. LAFCO will, however, be governed by the Americans with Disabilities Act, the California Fair Employment and Housing Act, and Workers' Compensation regulations, if applicable.

#### E. Intermittent or Reduced Scheduled Leave

Family leave taken for the purpose of birth or placement of a child will generally be granted in minimum amounts of two weeks. However, an employee may request smaller increments of leave time which will be subject to company approval based upon business requirements.

Family and Medical Leave for the employee's own serious health condition, family care leave for the serious health condition of the employee's child (including adult child over 18 years of age), spouse, sibling, registered domestic partner, child of a registered domestic partner, or parent, grandchild, or grandparent and military caregiver leave may be taken intermittently or on a reduced schedule when medically necessary. Where the intermittent or reduced schedule leave is for planned medical treatment, the employee must make an attempt to schedule the

treatment so as not to unduly disrupt LAFCO's operations. Military exigencies leave also may be taken intermittently or on a reduced schedule.

If leave is taken intermittently or as a reduced work schedule, the amount of time used under Family and Medical Leave is only the time actually taken. For example, one day of leave per week for an employee who works five days per week is the equivalent of 1/5 of a week of Family/Medical Leave used.

#### F. Temporary Alternative Positions

An employee may be placed in a temporary alternative position if they request intermittent or reduced schedule leave, or the existing position description may be altered, to better accommodate the employee's need for recurring periods of leave. The alternative position may not have equivalent duties but will receive equivalent pay and benefits. The employee must be qualified for the position. They may also be transferred to a part-time job with the same hourly rate of pay and benefits.

#### G. Impact on Benefits

Health insurance premiums that are normally paid by LAFCO will continue to be paid during Family and Medical Leave for a maximum of twelve workweeks in a twelve-month period. The employee is still responsible for his or her share of the healthy insurance premiums during the period of leave. If the employee substitutes paid leave for the unpaid leave, such payments will be deducted from the employee's pay through payroll deductions. Otherwise, the employee must make arrangements with LAFCO to pay for such premiums.

LAFCO may recover any health insurance premiums it paid during the leave if the employee fails to pay his or her share of the premiums during the leave or the employee fails to return to work from leave for a reason other than recurrence, continuation, or onset of a serious healthy condition for which leave under this policy is allowed or other circumstance beyond the employee's control.

Service time, as well as vacation and incidental absence time, will continue to accrue during, but not exceeding, the twelve-week period. Employees will not be paid for holidays if they are in an unpaid status. For Family and Medical Leave of thirty days or less, reviews relating to salary and performance will continue as usual. A salary action which would have ordinarily taken place during the time of the leave will become effective upon the employees return to work. For Family and Medical Leave of over thirty days, Salary and Performance Reviews will be extended equal to the length of the leave.

#### H. Pregnancy Disability

In addition to the pregnancy disability leave described in this handbook, an eligible pregnant California employee is entitled to up to twelve additional workweeks of CFRA Leave. The maximum time to be taken off is: four months pregnancy disability/FMLA (with a healthcare provider's certification) plus twelve workweeks CFRA.

#### I. Requesting a Leave

An employee will be asked to provide certification from a health care provider that the leave is medically necessary when requesting a leave for their own health condition. If the health condition is that of a parent, spouse, or child, the healthcare provider must certify that the employee's care is required.

All requests must be provided in writing and include information and a schedule relative to the leave. Employees are requested to give as much advance notice as possible. Thirty (30) days is considered a minimum. In cases of emergency, give as much notice as possible under the circumstances. If the leave schedule is flexible, employees are required to try to schedule the leave so as not to unduly disrupt LAFCO's operations.

#### J. Integration with Paid Leave

Leave provided under FMLA/CFRA is unpaid. However, at the option of LAFCO or the employee, accrued vacation (or Sick Leave where the leave is required due to the employee's serious health condition or the serious health condition of a family member and Sick Leave would otherwise be permitted under LAFCO's policy) may be substituted for any unpaid Family/Medical Leave. This designation of Family and Medical Leave will be made by LAFCO at the time the employee requests the leave or when LAFCO determines that the leave qualifies as Family and Medical Leave based on the information provided. In either case, the total of paid and unpaid leave provided is limited to twelve workweeks.

#### K. Upon Return from Leave

Employees timely returning from a leave covered under this policy are entitled to reinstatement to the same or equivalent position consistent with applicable law. An employee has no greater right to reinstatement than if he or she had been continuously employed rather than on leave. LAFCO will comply with all applicable laws pertaining to reinstatement of employees including, where required, the reasonable accommodation of employees who have been on an approved leave. LAFCO will be governed by the Americans with Disabilities Act, the Fair Employment and Housing Act, CFRA/FRMA, and/or Workers' Compensation regulations where applicable. Family and Medical Leave will not result in the loss of any employment benefit that was earned or entitled to before

use of Family and Medical Leave.

Employees using Family and Medical Leave for their own serious medical condition must bring a healthcare provider's release to work upon returning from leave.

## **PART 5 – CONDUCT AND PROBLEMS**

### **3.243.25 SAFETY**

#### **A. Overview**

The intent of this policy is to outline safety expectations.

#### **B. Policy**

Every employee is responsible for safety. To achieve our goal of providing a completely safe workplace, everyone must be safety conscious. Employees should report any unsafe or hazardous condition directly to their supervisor immediately.

In case of an accident involving a personal injury, regardless of how serious, employees should notify the Executive Officer or Assistant Executive Officer immediately. Failure to report accidents can result in a violation of legal requirements and can lead to difficulties in processing insurance and benefit claims.

If an employee is injured on the job, he or she will be entitled to benefits under the state workers' compensation law in most cases. LAFCO carries workers' compensation insurance and will assist employees to obtain all benefits to which they are legally entitled.

### **3.253.26 WORKPLACE VIOLENCE POLICY**

LAFCO is committed to providing a safe work environment that is free of violence and the threat of violence. LAFCO will not tolerate any violent or dangerous behavior of any kind, whether through physical abuse, threats of any kind, intimidation, coercion, stalking or otherwise, defacing LAFCO's property or causing physical damage to the facilities, bring weapons or firearms of any kind onto LAFCO's premises, parking lots, or while conducting business, or any other behavior that suggests a propensity towards violence. LAFCO strictly prohibits employees, consultants, customers, visitors, or anyone else on LAFCO premises or engaging in a LAFCO-related activity from behaving in a violent or threatening manner. Employees may report all incidents of direct or indirect violence or dangerous behavior to their immediate supervisor or the Executive Officer as soon as possible. Reporting incidents and concerns early can help prevent a situation

from escalating and becoming even more dangerous. Employees should never attempt to handle a potentially dangerous situation by themselves. Any LAFCO employee that violates this policy will be subject to discipline, up to and including termination, as well as potential legal action.

### **3.263.27 DRUG AND ALCOHOL POLICY**

#### **A. Overview**

The intent of this policy is to provide a drug and alcohol-free work environment for all LAFCO employees.

#### **B. Policy**

It is LAFCO's desire to provide a drug-free, healthful, and safe workplace. To promote this goal, employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner.

While on LAFCO's premises and while conducting business-related activities off LAFCO's premises, no employee may use, possess, distribute, sell, or be under the influence of alcohol or illegal drugs. The legal use of prescribed drugs is permitted on the job only if it does not impair an employee's ability to perform the essential functions of the job effectively and in a safe manner that does not endanger other individuals in the workplace.

Violations of this policy may lead to disciplinary action, up to and including immediate termination of employment, and/or required participation in a substance abuse rehabilitation or treatment program. Such violations may also have legal consequences.

Employees with questions or concerns about substance dependency or abuse are encouraged to use the resources of the Employee Assistance Program. They may also wish to discuss these matters with the Executive Officer or Assistant Executive Officer to receive assistance or referrals to appropriate resources in the community.

Employees with drug or alcohol problems that have not resulted in, and are not the immediate subject of, disciplinary action may request approval to take unpaid time off to participate in a rehabilitation or treatment program through LAFCO's health insurance benefit coverage. Leave may be granted if the employee agrees to abstain from use of the problem substance; abides by all LAFCO's policies, rules and prohibitions relating to conduct in the workplace; and if granting the leave will not cause LAFCO any undue hardship.

Under the Drug-Free Workplace Act, an employee who performs work for a

government contract or grant must notify LAFCO of a criminal conviction for drug-related activity occurring in the workplace. The report must be made within five days of the conviction.

### **3.273.28 DESK INSPECTION POLICY**

#### **A. Overview**

The intent of this policy is to assist in the understanding of the usage of E-mail, the Internet, computer files and software.

#### **B. Policy**

Although desks, cabinets and shelves are made available for the convenience of employees while at work, employees should remember that all desks, cabinets and shelves remain the sole property of LAFCO. Moreover, LAFCO reserves the right to open and inspect desks, cabinets, and shelves, as well as any contents, effects, or articles in desks, cabinets, and shelves. Such an inspection can occur at any time, with or without advance notice or consent. An inspection may be conducted before, during, or after working hours by the Executive Officer or Assistant Executive Officer or designee. Employees have no expectation of privacy in any of these items.

Prohibited materials, including weapons, explosives, alcohol and non-prescribed drugs or medications, may not be placed in a desk, cabinet or shelf. Employees who, if requested, fail to cooperate in any inspection will be subject to disciplinary action, up to and including termination. LAFCO is not responsible for any articles that are placed or left in a desk, cabinet, or shelf that are lost, damaged, stolen or destroyed.

### **3.283.29 THEFT OR LOSS OF OFFICE EQUIPMENT**

#### **A. Overview**

The intent of this policy is to outline procedures in the event LAFCO office equipment is lost or stolen.

#### **B. Policy**

The use of any LAFCO-related equipment (computers, cell phones, iPads, projectors, or other office-related equipment) outside of the LAFCO offices must be approved by the Executive Officer. LAFCO employees are fully responsible for the care and safekeeping of all office equipment offsite. Should an item be stolen or lost offsite while under the care of a LAFCO employee, the LAFCO employee is responsible to reimburse LAFCO for the replacement cost of all lost or stolen items.

The care and safekeeping of an iPad provided to a Commissioner for LAFCO-related business is the sole responsibility of the Commissioner. Any loss or theft of the iPad must be reported immediately to the Executive Officer, and the Commissioner is responsible to reimburse LAFCO for the replacement cost of the device.

### **3.293.30 PROBLEM RESOLUTION PROCEDURE**

#### **A. Overview**

The intent of this policy is to outline LAFCO's problem resolution procedure.

#### **B. Policy**

LAFCO is committed to encouraging an open and frank atmosphere in which any problem, complaint, suggestion, or question receives a timely response. LAFCO strives to ensure fair and honest treatment of all employees. All employees are expected to treat each other with mutual respect. All employees are encouraged to offer positive and constructive criticism.

If there is a disagreement concerning established rules of conduct, policies, or practices, employees may express their concern through the problem resolution procedure. No one will be penalized, formally or informally, for voicing a complaint with LAFCO in a reasonable, business-like manner, or for using the problem resolution procedure.

If a situation occurs where an employee believes that a condition of employment or a decision affecting them is unjust or inequitable, they are encouraged to make use of the following steps:

1. Employee presents problem to the Assistant Executive Officer after incident occurs. If the Assistant Executive Officer is unavailable or employee believes it would be inappropriate to contact the person, employee may present problem to the Executive Officer.
2. The Assistant Executive Officer responds to problem during discussion or after consulting with the Executive Officer, when necessary, and documents discussion.
3. Employee presents problem to the Executive Officer in writing if problem is unresolved.
4. The Executive Officer reviews and considers problem. The Executive Officer

informs employee of decision and forward copy of written response to the employee's file. The Executive Officer has full authority to make any adjustment deemed appropriate to resolve the problem.

Original Adoption Date: 1/8/2003

Date of Last Review: ~~2/10/2021~~

2/9/2022

~~Date of Last Revision: 2/10/2021~~

2/9/2022

# SECTION 3: Personnel Policies and Procedures

# Personnel Policies & Procedures of the Orange County Local Agency Formation Commission

## PART 1 - EMPLOYMENT

### 3.1 EMPLOYEE ACKNOWLEDGEMENT FORM

PLEASE READ THE EMPLOYEE HANDBOOK, FILL OUT AND RETURN THIS PORTION TO HUMAN RESOURCES WITHIN FIVE BUSINESS DAYS.

I acknowledge that I have received and read a copy of the Orange County LAFCO ("LAFCO") employee policy manual and understand all the policies, guidelines and procedures stated within. I understand that I am responsible for reading the Handbook and for knowing and complying with the policies set forth in the Handbook during my employment with LAFCO.

Additionally, I specifically acknowledge that I have read and understand the following policies: Equal Employment Opportunity, Timekeeping, Overtime Pay, and Policy Against Harassment, Discrimination and Retaliation.

The guideline manual describes important information about LAFCO, and I understand that I should consult the LAFCO Executive Officer regarding any questions I might have. I have entered into my employment relationship with LAFCO voluntarily and acknowledge that there is no specific length of employment. Accordingly, either I or LAFCO can terminate the relationship at will, with or without cause, at any time, so long as there is no violation of applicable federal or state law. Furthermore, I acknowledge that this manual is not a contract of employment.

I understand and agree that the terms of this Acknowledgment may not be modified or superseded except by a written agreement signed by me and the LAFCO Executive Officer, that no other employee or representative of LAFCO has the authority to enter into any such agreement, and that any agreement to employ me for any specified period of time or that is otherwise inconsistent with the terms of this Acknowledgment will be unenforceable unless in writing and signed by me and the LAFCO Executive Officer. I further understand and agree that if the terms of this Acknowledgment are inconsistent with any guideline or practice of LAFCO now or in the future, the terms of this Acknowledgment shall control.

Since the information, policies, and benefits described herein are necessarily subject to change, I acknowledge that revisions to the manual may occur, except to LAFCO's policy of employment-at-will. I understand that LAFCO reserves the right to modify, supplement or rescind any or all of its policies whenever it deems necessary or useful to do so, at any time with or without notice.

I have carefully read this Acknowledgment Form.

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EMPLOYEE'S NAME (printed)

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EMPLOYEE'S SIGNATURE

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DATE

### 3.2 AT-WILL EMPLOYMENT

#### A. Overview

The intent of this policy is to establish the At-Will-Employment Policy of LAFCO.

#### B. Policy

The employment relationship between LAFCO and its employees is for an unspecified term and may be terminated by the employee, or LAFCO Executive Officer or the Commission at any time, with or without cause or advanced notice. LAFCO reserves the right to transfer, demote, suspend, or administer discipline with or without cause or advance notice.

None of the policies, procedures, or contents of this manual is intended to create any contractual obligations which in any way conflict with LAFCO's policy of At-Will-Employment. The at-will relationship can only be modified by a written agreement signed by the employee and the LAFCO executive Officer.

### 3.3 EQUAL EMPLOYMENT OPPORTUNITY POLICY

#### A. Overview

The intent of this policy is to establish the Equal Employment Opportunity Policy of LAFCO.

#### B. Policy

LAFCO is strongly committed to providing equal opportunity to all employees and applicants for employment. LAFCO does not discriminate on the basis of race (including but not limited to, hair texture and protective hairstyles such as braids, locks, and twists), color, religious creed (including religious dress and religious grooming practices), national origin, ancestry, citizenship status, age (40 years and older), sex (including pregnancy, perceived pregnancy, childbirth, breastfeeding, or related medical conditions), gender, gender identity and expression (including transgender identity and expression), because an individual has transitioned (to live as the gender with which they identify), is transitioning (or is perceived to be transitioning), sexual orientation, sex stereotyping, marital status, domestic partner status, military service and veteran status, physical and/or mental disability (including HIV and AIDS), legally protected medical condition or information (including genetic information,) protected medical leaves (requesting or approved), status as a victim of domestic violence, sexual assault or stalking, enrollment in a public assistance program, or any other

basis protected by local, state or federal laws. . LAFCO strictly prohibits the harassment of any individual on any basis listed above (see the Policy Against Harassment for further clarification).

This policy applies to all employment practices, including recruitment, advertising, job application procedures, hiring, firing, advancement, compensation training, benefits, transfers, social and recreational programs, and any other terms, conditions and privileges of employment.

An employee who believes that he or she has been subjected to any form of unlawful discrimination should make a complaint, preferable written, to the Executive Officer, or if it involves the Executive, to the Chair of the Commission. Complaints should be specific and should include the names of individuals involved and the names of any witnesses. LAFCO will immediately undertake an effective, thorough and objective investigation and attempt to resolve the situation. If LAFCO determines that unlawful discrimination has occurred, effective remedial action will be taken to determine any future discrimination.

Employees will not be retaliated against for bringing a complaint in good faith under the Equal Employment Opportunity Commitment Policy or the Policy against Harassment, or for honestly assisting in investigating such a complaint, even if the investigation produces insufficient evidence that there has been a violation, or if the charges cannot be proven. However, disciplinary action may be taken if false or frivolous accusations are made in bad faith.

### 3.4 LACTATION ACCOMMODATION

LAFCO provides accommodations to lactating employees who need to express breastmilk during work hours in accordance with applicable law. LAFCO will provide a room or other location (not a bathroom) for employees to express breastmilk in private. LAFCO will ensure that the lactation room or location will:

- Be in close proximity to the employee's work area, shielded from view, and free from intrusion while the employee is expressing milk;
- Be clean, safe and free of hazardous materials;
- Contain a surface to place a breast pump and other personal items;
- Contain a place to sit; and
- Have access to electricity or alternative devices, including, but not limited to, extension cords or charging stations, needed to operate an electric or battery powered breast pump.

In addition, LAFCO will provide access to a sink with running water and a refrigerator suitable for storing milk (or other cooling device suitable for storing

milk) in close proximity to an employee's workspace. In the event that more than one employee needs use of the lactation room, LAFCO will discuss alternative options with the employees to determine what arrangement addresses their needs, such as finding an alternative space or creating a schedule for such use.

LAFCO shall also provide a reasonable amount of break time for an employee to express any breast milk each time that she needs to do so. The break time, if possible, should run concurrently with any break time already provided to the employee. Break time for a nonexempt employee that does not run concurrently with rest time already authorized for the employee is unpaid. However, if the employee performs any work during such break, she must accurately record all time worked and LAFCO will compensate her for such time.

Employees who are nursing have a right to request a lactation accommodation. Such requests may be made verbally or in writing, should indicate the need for an accommodation in order to express breastmilk at work, and should be directed to LAFCO's Human Resources Department. LAFCO shall respond to such requests in a reasonable manner, not exceeding five business days. If LAFCO cannot provide break time, location, or other reasonable accommodations in accordance with this policy, it will inform the requesting employee in writing. Because lactation accommodation needs may change over time, employees may request changes to existing accommodations by a written request to LAFCO's Human Resources Department that describes the nature of the change that is requested.

LAFCO prohibits any form of retaliation or discrimination against an employee for exercising or attempting to exercise any rights provided under the above policies. Any such conduct or violations of the above-referenced policies should be reported to the Human Resources Department. Employees also have the right to file a complaint with the California Labor Commissioner for violation of a lactation accommodation right described in the policy above.

### **3.5 REASONABLE ACCOMMODATION**

#### **A. Overview**

The intent of this policy is to establish the Reasonable Accommodation Policy of LAFCO.

#### **B. Policy**

LAFCO is committed to complying fully with state and federal disability discrimination laws. As previously stated, no program or activity administered by the employer shall exclude from participation, deny benefits to or subject to discrimination any individual based on an employee's actual or perceived disability or based on an employee's association with someone who has an actual or perceived disability.

Reasonable Accommodations Related to Disability and Religion: LAFCO will provide reasonable accommodations for applicants and employees with disabilities in accordance with the Americans with Disabilities Act (the “ADA”) and California law, and for applicants and employees based on their sincerely-held religious beliefs, practices, or observance under state and federal law. Employees seeking such accommodations should promptly notify LAFCO’s Human Resources Department.

Reasonable Accommodations Relating to Pregnancy: LAFCO will provide reasonable accommodations to employees who are affected by a pregnancy, childbirth, or related medical conditions, as medically advisable. Such accommodations may consist of:

- Modified work duties or a modified schedule to permit earlier or later hours or more frequent breaks; stools, chairs or other furniture; modified or acquired equipment or devices; reduced work hours; or other accommodations,
- Temporary transfers to a less strenuous or less hazardous position, if such transfer can be reasonably accommodated, or
- A “Pregnancy-Related Disability Leave” if the employee is disabled by pregnancy, as described in LAFCO’s leave of absence policy.

Employees seeking a pregnancy-related accommodation, including transfer under this policy, should notify LAFCO’s Human Resources Department. This notice must be timely and be provided by employees in advance when the need for reasonable accommodation is foreseeable; in all other circumstances, notice must be provided as soon as practicable. Failure to give advance notice when the need is foreseeable may delay the reasonable accommodation or transfer until 30 days after the date the employee provides notice (unless such delay would endanger the health of the employee, her pregnancy or her coworkers).

Reasonable Accommodations for Victims of Domestic Violence, Stalking, or Sexual Assault: LAFCO will also provide reasonable accommodations for an employee who is the victim of domestic violence, stalking or sexual assault if: (i) the employee has disclosed that status to LAFCO, and (ii) the employee requests an accommodation for the employee’s safety while at work.

In such circumstances, LAFCO will engage, in good faith, in a timely and interactive process with the employee to determine an effective reasonable accommodation. In this process, the employee may be asked to provide: (i) a written statement, signed by the employee or someone acting on the employee’s behalf, certifying that the accommodation is for the purposes stated above, and (ii) a certification confirming the employee’s status as a victim of domestic violence, sexual assault or stalking. Six months after the date of each previous certification, LAFCO may request a recertification of

such status. LAFCO will maintain any such certification as confidential if it identifies the employee as a victim of domestic violence, sexual assault or stalking, disclosing such information only as required by law, or as needed to protect the employee's workplace safety, and with prior notice of such disclosure to the employee.

Retaliation and Discrimination Prohibited: LAFCO prohibits discrimination, discharge, retaliation, or any other unlawful acts against an individual because such person requests or receives an accommodation under this (or another applicable) policy, or because such individual engaged in any other conduct protected by the law. Additionally, as addressed in LAFCO's separate policy on harassment, discrimination and retaliation, LAFCO prohibits unlawful harassment, discrimination or retaliation against any employee on the basis of an individual's disability, religion, religious creed, sex (including pregnancy, childbirth and related medical conditions), status as a victim of domestic violence, sexual assault or stalking, or any other status as protected by law.

### **3.6 POLICY AGAINST HARASSMENT, DISCRIMINATION AND RETALIATION**

#### **A. Overview**

The intent of this policy is to establish the Policy Against Harassment for LAFCO.

#### **B. Policy**

LAFCO prohibits and will not tolerate harassment of employees, applicants, or persons providing services pursuant to a contract based on factors such as sex (which includes harassment based on sex, pregnancy, perceived pregnancy, childbirth, breastfeeding, and related medical conditions), as well as harassment, discrimination, and retaliation based on such factors as race (including hair texture, protective hairstyles, and other traits historically associated with race), color, religion and religious creed (including religious dress and religious grooming practices), national origin, ancestry, citizenship, age (40 years and older), mental disability and physical disability (including HIV and AIDS), legally-protected medical condition or information (including genetic information), protected medical leaves (requesting or approved for leave under the Family and Medical Leave Act or the California Family Rights Act), military and/or veteran status, service, or obligation, reserve status, national guard status, marital status, domestic partner status, gender, gender identity (including transgender identity), gender expression (including transgender expression), because an individual has transitioned or is (or is perceived to be) transitioning, sex stereotyping, sexual orientation, status as a victim of domestic violence, sexual assault or stalking, enrollment in a public assistance program, engaging in protected communications regarding

employee wages or otherwise exercising rights protected under the National Labor Relations Act or California Fair Pay Act, requesting a reasonable accommodation on a protected basis such as disability or sincerely-held religious belief, practice, or observance, or any other characteristic protected by federal, state, or local laws. LAFCO will also take all reasonable steps to prevent harassment based on protected status by third parties, such as customers, clients and suppliers. All such harassment is prohibited by LAFCO and is against the law.

### C. Definition

Harassment is unwelcomed, and inappropriate conduct directed at an employee, based upon one of the characteristics protected under the federal and state anti-discrimination laws, that substantially prevents an employee from performing his or her duties, serves to threaten or intimidate an employee, and/or produce a hostile work environment.

Prohibited unlawful harassment includes, but not limited to, the following behavior:

1. Verbal conduct such as epithets derogatory jokes or comments, slurs or unwanted sexual advances, invitations or comments.
2. Visual conduct such as derogatory and/or sexually oriented posters, photography, cartoons, drawing or gestures.
3. Physical conduct such as assault, unwanted touching blocking normal movement or interfering with work because of sex, race or any other protected basis.
4. Threats, demands to submit to sexual requests as a condition of continued employment, or to avoid some other loss, and offers of employment benefits in return for sexual favors.

### D. Reporting and Complaint Procedure

An employee who believes that he or she has been subjected to any form of unlawful harassment should promptly make a complaint, preferable written, to the Executive Officer, or if it involves the Executive Officer, to the Chair of the Commission. Complaints should be specific and should include the names of individuals involved and the names of any witnesses. LAFCO will immediately undertake an effective, thorough and objective investigation and attempt to resolve the situation. If LAFCO determines that unlawful harassment has occurred, effective remedial action will be taken commensurate with the severity of the offense, up to and including

termination. Appropriate action will also be taken to deter any future unlawful harassment.

#### E. Retaliation

Employees will not be retaliated against for bringing a complaint in good faith under the Equal Employment Opportunity Policy or the Policy Against Harassment, or for honestly assisting in investigating such a complaint, even if the investigation produces insufficient evidence that there has been a violation, or if the charges cannot be proven. However, disciplinary action may be taken if false or frivolous accusations are made in bad faith. An employee who believes that he or she has been subjected to any form of unlawful retaliation should promptly make a complaint, preferable written, in the same manner as described above. Complaints of harassment will be investigated, and appropriate action will be taken to protect LAFCO employees from any form of unlawful retaliation.

### 3.7 PERFORMANCE MANAGEMENT

#### A. Overview

The intent of the performance review process is to create a supportive, safe, professional performance review process and environment that optimizes the employee's ability to receive and actualize constructive performance feedback and that motivates the employee to authentically and actively pursue personal and professional growth/excellence.

#### B. Performance Review Policy – General Employees

A review and discussion of each employee's performance is conducted to:

- Ensure assigned projects/tasks are completed at an acceptable level of quality to effectively serve the mission, vision, and values of the agency.
- Plan for maximizing employee performance to serve the agency's needs.
- Motivate and assist employees in achieving their personal growth and career objectives.

#### C. Performance Review Procedure – General Employees

The discussion of job performance and goals on an informal, weekly basis is strongly encouraged. The formal employee performance review process will include:

- Assessment of Employee Job Performance – At the beginning of the fiscal

year, both the employee and supervisor will complete an assessment of his/her job performance. The assessment will include a summary of projects/tasks completed and a well-organized, clear and in-depth self-analysis of job performance as related to projects/tasks.

- Assessment of Employee Professional Strengths and Weakness – Both employee and supervisor will prepare an individual written statement of employee's professional and personal strengths and weaknesses as they relate to the work environment.
- Discussion of Employee Assessments – Following preparation of the assessments (job performance and professional strengths and weaknesses), a meeting will be convened with the employee/supervisor to compare, contrast and discuss assessments/statements and identify areas for goal setting.
- Development of Discussion of Goals – Based upon discussion with supervisor, employee prepares draft annual goals for discussion and review with the Assistant Executive Officer and/or Executive Officer, Goals should be specific, concise, measurable and represent commitment to professional growth.
- Finalization of Goals and Performance Review – Following goal development, a meeting will be convened involving employee/Assistant Executive Officer/Executive Officer to jointly discuss and finalize employee goals. The employee will be responsible for preparing the final, agreed to written goals and submitting them to supervisor.

Performance reviews will be completed for all General Employees by no later than the end of the first quarter of each fiscal year.

While merit-based pay adjustments are awarded by LAFCO in an effort to recognize truly superior employee performance, positive performance evaluations do not always guarantee increases in salary or promotions. Salary increases, and promotions are solely within the discretion of LAFCO and depend on many factors in addition to performance. Pay increases or bonuses will be tied to the accomplishment of specific established employee goals.

After receiving their review an employee will be required to sign the evaluation report acknowledging that it has been presented and discussed between the employee and the Assistant Executive Officer or the Executive Officer. LAFCO's provision of performance evaluations does not alter the at will employment relationship.

- D. Policy for Executive Officer Performance Evaluation Process (Adopted May 11, 2016)
1. As part of the Strategic Planning process each year:
    - a. The Executive Officer will submit a report summarizing the agency's performance against the previous period's past annual work plan.
    - b. The Executive Officer will also provide a recommended strategic plan and draft annual work plan for the upcoming period.
    - c. The Strategic direction and projects will be prioritized for the upcoming annual work plan at the Annual Strategic Planning workshop.
    - d. The Annual work plan will be adopted by the Commission at a Regular meeting.
  2. The Executive Officer will complete a self-evaluation indicating his/her performance against the previous period's annual work plan and Agency goals in accordance with the next period's annual work plan. The Executive Officer will also include a professional development plan for the upcoming period. This can be continuous skills training and exposure to new ideas and concepts obtained through seminars, professional association programs, conferences or other educational programs.
  3. The Chair will provide each Commissioner the Executive Officer's self-evaluation and a blank evaluation form for that Commissioner's completion prior to the full Commission closed session performance discussion.
  4. The Chair will lead the Commission's closed session discussion on the Executive Officer's performance and professional development goals and the agency goals, soliciting feedback and input from all Commissioners.
  5. The Chair will be given financial parameters for negotiating compensation with the Executive Officer and delegated authority to represent the Commission in compensation discussions with the Executive Officer.
  6. The Chair will meet with the Executive Officer to provide the Commission's feedback, sentiments of the discussion and to negotiate compensation.
  7. The Chair will report back to the Board to close out the Executive Officer Evaluation Process and to prepare any necessary agenda items and public action required to complete the process.

8. The Executive Committee will meet with the Executive Officer quarterly to check on progress to annual work plan, make any necessary adjustments, and bring the annual work back to the Commission for consideration.

### 3.8 PERSONNEL RECORDS

#### A. Overview

The intent of this policy is to clarify the guidelines for treatment of employee personnel records and information.

#### B. Policy

Employees have the right to inspect certain documents in their personnel file, as provided by law, in the presence of a LAFCO representative at a mutually convenient time. Employees may add written versions of any disputed item of their file.

LAFCO will attempt to restrict disclosure of an employee's personnel file to authorized individuals within the organization. Any request for information from the file must be made to the Executive Officer or specific designee. Only the Executive Officer or specific designee is authorized to release information regarding current or former employees. Disclosure of personnel information to outside sources will be limited to the extent allowed by law. However, LAFCO will cooperate with requests from authorized law enforcement or local, state or federal agencies conducting official investigations, with validly issued subpoenas and as otherwise required by law or legal proceeding to be released.

### 3.9 TERMINATION

#### A. Overview

The intent of this policy is to explain the types of termination and LAFCO's procedures for processing terminations.

#### B. Policy

Termination of employment is an inevitable part of personnel activity within any organization, and many of the reasons for termination are routine. Below are examples of some of the most common circumstances under which employment is terminated.

##### 1. Voluntary Resignation

An employee who voluntarily resigns his/her employment is asked to prepare a written letter of resignation informing LAFCO of the intended resignation date. Although not required, employees who voluntarily resign are asked as a courtesy to give LAFCO at least two weeks' notice prior to the resignation date in order to provide time to search for an adequate replacement if necessary and to ensure a smooth transition.

An employee is also considered to have voluntarily terminated employment by failing to report to work for three consecutive scheduled workdays without notice, or without prior approval by the Executive Officer or Assistant Executive Officer.

## 2. Discharge

The violation of the policies and procedures of LAFCO or any other illegal acts may result in disciplinary action up to and including termination. Disciplinary actions may include verbal and written warnings, suspension, probationary periods, and termination of employment, depending on the conduct involved. LAFCO maintains its at-will status at all times. LAFCO reserves the right to utilize any form of disciplinary action, up to and including termination, at any stage it deems appropriate, depending on the circumstances.

### C. Exit Interview

LAFCO will generally schedule exit interviews at the time of employment termination. The exit interview will provide an opportunity to discuss such issues as employee benefits, conversion privileges, repayment of outstanding debts to LAFCO, or return of property owned by LAFCO. Suggestions, complaints and questions are encouraged. Employees will receive their final pay in accordance with applicable state law.

### D. At-Will Employee

Because employment with LAFCO is based on mutual consent, both the employee and LAFCO have the right to terminate employment at will, with or without cause, at any time. Nothing in this termination policy changes the At-Will Employment policy of LAFCO.

### E. Benefits

Employee benefits will be affected by employment termination in the following manner. All accrued, vested benefits that are due and payable upon termination will be paid in accordance with applicable state law. Some benefits may be continued at the employee's expense if the employee so

chooses. The employee will be notified in writing of the benefits that may be continued, and of the terms, conditions and limitations of such continuance.

## **PART 2 - SALARY AND WAGE ADMINISTRATION**

### **3.10 HIRING AND STAFFING**

#### **A. Overview**

The intent of this policy is to provide guidelines on the hiring and staffing practices of LAFCO.

#### **B. Policy**

To attract and retain qualified staff for LAFCO, it is the policy of LAFCO to use a criterion-based recruitment process and behavioral-based interview process to ensure the most qualified candidates are hired.

#### **C. Recruiting**

Recruiting applicants will be aggressive enough to assure an adequate supply of qualified candidates. The recruitment process may include, but is not limited to, the use of professional recruitment firms, referrals from current or past employees, walk-in applicants, and/or web-based postings.

#### **D. Interviews**

The employment interview is a major element in the selection process. It allows the applicant an opportunity to demonstrate his or her capabilities to perform the job and provides information to the candidate about the position. Interviews may be conducted by telephone or in face-to-face sessions.

All interview questions must be job-related and have direct bearing on the tasks of the position. Interviews and questions are standardized so that all applicants are evaluated equally. Questions that express (directly or indirectly) any preference, limitation, or general reference to any individual on the basis of a protected category are prohibited.

#### **E. Probationary Period**

All LAFCO new hires will have a twelve-month probationary period beginning on the first day of employment. The LAFCO supervisor will provide job training during this time period and the employee will be evaluated every three months during the probationary period. LAFCO may terminate an employee during this twelve-month probationary period at any

point in time therein. LAFCO retains the right to extend the probationary period. Nothing in this provision shall alter the at-will status of any employee.

### 3.11 COMPENSATION PRACTICES

#### A. Overview

The intent of this policy is to provide guidelines on the compensation practices of LAFCO.

#### B. Policy

It is LAFCO's policy to provide salaried exempt and salaried non-exempt employees with equitable salary compensation for the specific job assignment. The LAFCO salary compensation program is a "pay for performance" system and is designed to ensure LAFCO maintains an equitable value of its jobs while encouraging excellent employee performance. Consideration is given to relevant external factors such as economic conditions and the LAFCO annual budget. The program is implemented through established salary structures and grades, with salary ranges for both exempt and non-exempt employees. These grades provide different rates of pay for positions requiring different degrees of responsibility, experience, skills and knowledge.

Utilization of these criteria permit LAFCO to give individual consideration to each employee's pay in relation to his or her responsibilities, degree of contribution to the success of the agency, and job performance.

#### C. Salary Increases

Individual salary increases are not awarded on the basis of length of service but based on performance and LAFCO affordability.

##### Merit Reviews

- a. Merit increases may be awarded during the compensation year in recognition of the employee's performance. The employee's performance is measured primarily on the following criteria as documented in the annual performance review: (1) did the employee successfully achieve his/her agreed upon goals and objectives? (2) what is the employee's overall value to the organization?
- b. The following factors may be considered in the determination of the amount of increase: the employee's position in the pay range; compensation compared to other employees in comparable jobs; and the annual budget of the organization.

- c. Merit increases, if awarded, are typically effective at the beginning of the fiscal year but may also be deferred to any effective date within the compensation year. Employees may also receive a “pass” on any merit increase in base salary if (1) his/her performance in the fiscal year has not been worthy of an increase, and/or (2) the agency’s budget does not have sufficient funds for increases

- d. Probationary Merit Increase

If an employee is appointed at Step 1 of the salary range, he/she may be eligible to receive a 2.5% step increase upon completion of six-months of service based on his/her performance.

- e. Merit Performance Incentive Pay Program for Employee at Top-Step

Once an employee reaches the top-step of the salary range for his/her classification, each year, in conjunction with the annual performance evaluation, the employee may be eligible to receive Merit Performance Incentive Pay ranging from zero to three percent of his/her annual base salary.

#### D. Organizational Promotion

- A. A promotional increase may be awarded to an employee who experiences a significant change in the level or kind of work performed.
- B. A promotional increase may be awarded to an employee who performs at a high level of competence and has demonstrated readiness to assume broader, more complex assignments if these assignments become available.

Proposed promotions from non-exempt to exempt salaried status, or from hourly to salaried status, must meet the exemption tests of the California Department of Industrial Relations Industrial Welfare Commission Wage Order (California Wage Orders) and the Federal Fair Labor Standards Act.

### 3.12 EMPLOYMENT CATEGORIES

#### A. Overview

The intent of this policy is to define employment classifications so that employees understand their employment status and benefit eligibility.

#### B. Policy

These classifications do not guarantee employment for any specified period of time. Accordingly, the right to terminate the employment relationship at will at any time is retained by both the employee and LAFCO.

#### C. Exempt/Nonexempt

Each employee is designated as either NONEXEMPT or EXEMPT from federal and state wage and hour laws. An employee's EXEMPT or NONEXEMPT classification may be changed only upon written notification by the Executive Officer. Generally, EXEMPT employees (as defined by the Fair Labor Standards Act of 1938) are not eligible for overtime pay and are paid on a salary basis. Conversely, NON-EXEMPT employees are generally paid on an hourly basis and are eligible for overtime pay.

#### D. Employment Categories

In addition to the above categories, each employee will belong to one other employment category:

1. Regular Full Time – Employees who are not in an extra help status and who are regularly scheduled to work LAFCO's full-time schedule. Generally, they are eligible for LAFCO's benefit package, subject to the terms, conditions, and limitations of each benefit program.
2. Part-Time – Employees who are not assigned to an extra help status and who are regularly scheduled to work less than 30 hours per week. While part time employees do receive all legally mandated benefits (such as Social Security and workers' compensation insurance), they may be ineligible for some of LAFCO's other benefit programs.
3. Extra Help – Employees who are hired as interim replacements, to temporarily supplement the work force, or to assist in the completion of a specific project. Employment assignments in this category are of a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status. Extra help employees retain that status unless and until notified of a change in writing signed by the Executive Officer. Extra help employees are ineligible for LAFCO's benefit programs unless otherwise required by law.
4. Intern – LAFCO sometimes utilizes the services of paid student interns. Interns are used to supplement the LAFCO work force and provide opportunities for local students to gain local government work experience. Employment is for a specified period of time. Interns are ineligible for LAFCO's benefit programs.

#### E. Job Descriptions

Job descriptions are adopted by the Commission in the Classification and Compensation Resolution. Please refer to Resolution CP 18-04 for the current job descriptions.

### 3.13 PAY POLICIES

#### I. Overview

The intent of this policy is to explain and clarify wage administration, work hours and timekeeping.

#### II. Payment of Wages

All of employees are paid biweekly (every two weeks). There are 26 pay periods each year with paydays being every other Friday. In the event that the normal payday falls on a LAFCO holiday, the pay date will be the first day immediately prior to the normal pay date.

#### III. Pay Advances

LAFCO does not give advances against wages or un-accrued vacation time.

#### IV. Corrections to Payroll

Errors arising from the payroll processing will be worked out with the payroll contact and the employee. Payment due to a correction will be processed in accordance with state law.

#### V. Overtime Pay

When LAFCO's needs cannot be met during regular working hours, employees may be required to work overtime. All overtime work for nonexempt employees must receive prior authorization of the Executive Officer. Overtime compensation is paid to all nonexempt employees in accordance with federal and state wage and hour laws, based on actual hours worked.

#### VI. Work Hours

Staffing needs and operational demands may necessitate variations in starting and ending times, as well as variations in the total hours that may be scheduled each day and week, at the discretion of the Executive Officer.

#### VII. Timekeeping

Accurately recording time worked is the responsibility of every nonexempt

employee. Federal and state laws require LAFCO to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked is all the time actually spent on the job performing assigned duties.

Nonexempt employees shall accurately record the actual time they begin and end their work electronically. An employee who submits erroneous timesheets will be subject to discipline, up to and including termination. Altering, falsifying, or tampering with time records may result in termination.

Any modifications to a time record must be initialed by the employee, supervisor and the Executive Officer.

Exempt employees are expected to also keep track of their hours on a timesheet to be provided by LAFCO.

### **3.14 COMPENSATION STRUCTURE**

The compensation structure is performance-based with ten-step salary ranges for each classification (See the Classification and Compensation Resolution CP 18-04 for details).

## **PART 3 – BENEFITS**

### **3.15 INSURANCE AND OTHER BENEFITS**

#### **D. Overview**

The intent of this policy is to provide insurance and other benefits to all regular full-time and part-time employees of LAFCO. The Commission will review and may change these benefits on an annual basis at its discretion.

#### **E. Policy**

LAFCO employees will receive health insurance, dental insurance and other insurance depending on their particular classifications. These insurance benefits will generally, but are not required to be, the same as provided to County of Orange employees. LAFCO employees are also eligible to participate in the Orange County Employees Retirement System (OCERS) and the County of Orange Defined Contribution 457(b) and 401(a) Plans. The Commission will review and establish the benefits annually at its discretion. A Benefits Summary Chart will be prepared annually setting forth these benefits and provided to all LAFCO employees.

### **3.16 TUITION REIMBURSEMENT**

#### **D. Overview**

LAFCO encourages and supports efforts by its employees to improve their skills and educate themselves for advancement. LAFCO believes that assisting the employee in the pursuit of an educational agenda or to otherwise expand their work-related knowledge base will benefit both the employee and LAFCO.

#### E. Policy

All regular full-time employees of LAFCO, who have successfully completed the twelve-month probationary period, are eligible to receive educational assistance.

Upon pre-approval by the Executive Officer, the following reimbursement policies have been outlined to cover tuition and course/seminar or degree related expenses:

1. Maximum company reimbursement for all course or degree related expenses is \$3,000 per calendar year in pursuit of any approved courses, seminars, certifications, associate degree, or bachelor's degree. Reimbursement in pursuit of an approved masters or doctoral degree program is \$5,000 per calendar year.
2. Employees will not be reimbursed for more than two (2) courses in a single semester or quarter.
3. Course must be related to the work of the employee's position or occupation and must be taken at accredited institutions.
4. Pre-approval of classes (or course of study) is required by the Executive Officer. Employees must submit a written request for tuition reimbursement, prior to enrolling in the class, to the Executive Officer for approval.
5. Must be a LAFCO employee throughout the duration of the course.
6. The percentage of reimbursement is based on the grade earned for each college seminar, certification, associate, bachelors, masters or doctoral degree course:

Grade A	100%
Grade B	100%
Grade C*	50%
Pass/Credit	50%

\*Master's and doctoral degree courses completed with a letter grade of "C" or below are not eligible for any reimbursement.

7. Reimbursable expenses include tuition, required textbooks, lab fees, library fees, and required registration and parking fees.
8. Upon completion of the course, official grades and receipts must be submitted to the Executive Officer for reimbursement. Taxes are withheld on educational reimbursements when required by law.

### **3.17 STAFF MILEAGE REIMBURSEMENT**

#### **A. Policy**

LAFCO staff will be reimbursed at the currently applicable IRS rates for reasonable and necessary mileage expenses when personal vehicles are used for LAFCO-related business, including, but not limited to, meetings, project site visits, and conferences. To receive mileage reimbursement, a form indicating the date of the trip, number of miles traveled, purpose of the trip, and reimbursement calculation is required to be submitted for review and approval by the Executive Officer. If approved, the form is submitted to the Bookkeeper for issuance of a reimbursement check.

## **PART 4 - TIME OFF**

### **3.18 SICK LEAVE BENEFITS**

#### **A. Overview**

The intent of this policy is to provide paid time off for the purpose of illness or other medical requirements.

The Commission will review and may change any of these sick leave benefit provisions on an annual basis at its direction.

#### **B. Policy**

LAFCO provides paid sick leave benefits to all regular full-time and regular part-time and extra help employees for periods of temporary absence due to illnesses or injuries described in Section 3.17D of this policy.

#### **C. Accumulation of Sick Leave**

During the first three (3) years of employment, an employee shall earn .0347 hours of sick leave with pay for each paid hour in a regular scheduled workweek or period (approximately seventy-two (72) hours per year).

After an employee has been paid for six thousand two hundred forty (6240)

regular scheduled hours, approximately three (3) years, the employee shall earn .0462 hours of sick leave with pay for each paid hour in a regularly scheduled work period (approximately ninety-six (96) hours per year).

Sick leave earned shall be added to the employee's sick leave accumulation account upon the completion of the pay period, with no credit to be applied during the progress of the pay period or for a portion of the pay period or for a portion of the pay period during which the employee terminates service.

Employees may only accumulate up to a maximum of 1500 hours of sick leave.

Extra Help Employees shall accrue sick leave at a rate of not less than one hour per every 30 hours worked beginning at the commencement of employment.

Extra Help Employees will have a maximum sick leave accrual of 48 hours. Extra Help Employees will not accrue any additional sick leave hours once they hit 48 hours in their sick leave balance. Once they fall below 48 hours of sick leave accrual, they will begin to accrue sick leave again. Extra Help Employees may use up to a maximum of 24 hours sick leave annually.

Should an Extra Help Employee become a regular full time or part time employee, the pro-rated sick leave hours they accrued as an Extra Help will roll over into their sick leave account as a regular full time or part time employee.

#### D. Uses of Sick Leave

Sick leave may be applied to the following circumstances:

1. An absence necessitated by an employee's personal illness or injury.
2. Medical and dental office appointments.
3. Absence from duty because the employee's presence is needed to attend to the serious illness of a member of his or her immediate family. Employees may use up to one-half of their yearly sick leave for the purpose of this policy, immediate family shall mean father, father-in-law, mother, mother-in-law, stepparent, brother, sister, grandparent, spouse, child, grandchild, domestic partner or legal guardian. All conditions and restrictions placed on an employee's use of sick leave apply also to sick leave used for care of a family member.
4. Illness while on paid vacation will be charged to sick leave rather than

vacation only under the following conditions:

- a. The illness or injury of the employee or member of the employee's immediate family was of a nature that would preclude the effective use of vacation and would prevent the employee from performing his or her normal duties.
  - b. The employee must notify the Executive Officer within four (4) calendar days of the beginning of the illness or prior to the end of his or her vacation leave.
  - c. LAFCO shall be under no obligation to extend the vacation beyond the original scheduled vacation ending date.
  - d. Upon the employee's return to work, the employee must furnish LAFCO with a certificate signed by a licensed physician or registered nurse stating the nature of the medical condition and the period of disablement.
5. Absence from duty because of personal emergencies is not to exceed twenty (20) working hours during the fiscal year. A personal emergency is something unanticipated that requires the employee to personally attend to the situation and must be attended to during normal working hours.
  6. An absence due to the air pollution alert, which prevents the employee traveling to his or her work location.
  7. If an employee is a victim of domestic violence, sexual assault, or stalking as described in Labor Code Section 230(c) and 230.1(a).

Sick leave shall not be applied to an absence which occurs on a holiday observed by LAFCO.

In any use of sick leave, an employee's account shall be charged to the nearest quarter hour for a non-exempt employee, which exempt employees will be charged only for full-day absences. Exempt employees are defined as those employees who are exempt from overtime rules under the Fair Labor Standards Act.

Employees are required to notify the Executive Officer or immediate supervisor by telephone within one-half hour after the start of the workday on their first day of absence due to illness or injury. It is the responsibility of the employee to keep the supervisor informed as to continued absence beyond the first day.

An employee may be required to furnish a certificate issued by a licensed health care provider or other satisfactory evidence of illness, injury, medical condition or medical or dental office calls when LAFCO has notified the employee in advance of such a requirement or when the employee has been under the care of a physician.

LAFCO employees, with the approval of the Executive Officer, may transfer up to 80 hours of sick leave per year to another LAFCO employee if needed to cover time off for medical or dental appointments or personal emergencies.

Any accrued, unused sick leave will roll over into the next calendar year.

E. No Payout of Sick Leave

There is no payout for unused accumulated sick leave when an employee leaves employment with LAFCO.

F. Transfer of Sick Time between LAFCO Employees

LAFCO employees, with the written approval of the Executive Officer, may transfer a portion of their unused sick time balance to another LAFCO employee under the following circumstances:

1. A LAFCO employee may transfer no more than 80 hours of sick time to any one LAFCO employee during any calendar year.
2. The LAFCO employee receiving the sick time transfer must be experiencing personal or family medical issues requiring extended periods of time away from the office.
3. The LAFCO employee transferring sick time must maintain a minimum balance of at least 40 hours of sick time after an approved transfer.
4. All sick time transfer requests must be approved by the Executive Officer.

### 3.19 VACATION

A. Overview

This policy applies to all regular full-time and part-time employees of LAFCO. The intent of this policy is to provide paid time off for employees as a means of rest and rejuvenate. LAFCO encourages employees to utilize this benefit every year. LAFCO believes personal time off is an important

means to enable continuation of strong performance and positive contribution to LAFCO, as well as encourage a balanced and enriching life for employees.

The Commission will review and may change any of these vacation benefit provisions on an annual basis at its discretion.

## B. Policy

During the first three years of employment, an employee shall earn approximately .0385 hours of vacation leave with pay for each hour in a regularly scheduled workweek or period (80 hours or 10 days per year).

After an employee has been paid for 6,240 regularly scheduled hours, approximately three years, the employee shall earn approximately .0577 hours of vacation leave with pay for each paid hour in a regularly schedule work period (120 hours or 15 days per year).

After an employee has been paid for 20,800 regularly scheduled hours, approximately ten years, the employee shall earn approximately .0769 hours of vacation leave with pay for each paid hour in a regularly scheduled work period (160 hours or 20 days per year).

Regular part-time employees with continuous service working 20 hours or more per week will accrue vacation in accordance with the above schedule, on a pro-rated basis determined by normal hours worked. Active service for all regular employees commences with their first day of work and continues thereafter unless broken by an absence without pay or leave of absence. Extra help employees do not accrue paid vacation.

Employees cannot accumulate more than 240 hours of vacation.

Accrual ceases until vacation is utilized to bring the amount of accrued vacation below the applicable cap or vacation is cashed out as permitted by this policy.

In order to request vacation time, employees should submit a written request to the Executive Officer or Assistant Executive Officer. Efforts will be made to accommodate all employees' requests for specific vacation leave time. However, the Executive Officer or Assistant Executive Officer will also consider the needs of LAFCO when evaluating vacation requests.

In rare cases, the Executive Officer may allow an employee to take an advance on vacation accrual time; however, this advance shall not be allowed to exceed the amount of time the employee is scheduled to accrue during the current service year. Before any advance on vacation is granted, the

employee will sign an authorization which authorizes LAFCO to deduct from his/her final paycheck the amount of any un-accrued vacation time advanced to the employee which has not subsequently been accrued.

During each fiscal year an employee may request to be paid for accrued vacation in either two (2) separate increments of up to forty-five (45) hours each or one (1) increment of up to ninety (90) hours.

Upon separation from LAFCO employment, an employee is eligible to be paid for accrued, unused vacation days up to a maximum of 240 hours at 100% of the employee's hourly salary. In cases where an employee terminates employment with LAFCO and has been permitted to take vacation time prior to actual accrual, the final paycheck will reflect a deduction relative to the amount of un-accrued time off taken.

A holiday that falls during an employee's vacation leave will be treated and paid as a holiday and not as a day of vacation leave.

### **3.20 HOLIDAY**

#### **A. Overview**

The intent of this policy is to provide paid time off for eligible employees for holidays throughout the year.

#### **B. Policy**

Holiday time off with pay will be granted to all regular full-time employees and regular part-time employees (prorated) for the days designated by the County of Orange on an annual basis. Each part-time employee scheduled to work, but permitted to take the day off, shall receive pay computed at the employee's basic hourly rate for the number of hours the employee was regularly scheduled to work. A part-time employee shall receive compensatory time at the rate of one (1) hour for each five (4) hours of regularly scheduled work in the workweek up to a maximum of eight (8) hours of compensatory time. Holidays will vary year to year and a schedule will be published each year.

### **3.21 COMPENSATORY TIME**

#### **A. Overview**

LAFCO employees earn compensatory time ("comp time") when a county holiday falls on a "flex" day. Limited comp time is also earned during the calendar year to all employee's time off to attend special religious or other designated events.

## B. Policy

For employees who are not scheduled to work on a holiday (whose regular day off is the holiday) or their flex day falls on a holiday, management should work with employees to offer one of the following options:

- The employee may change his or her schedule and take another day off in the same pay period where operationally feasible and without incurring overtime liability.
- For employees who are not on an eight-hour day schedule, the employee may go on an eight-hour day schedule for the workweek in which the holiday falls.
- The employee may bank eight (8) hours of non-cashable compensatory time for use at a later date.

Compensatory time may be used in lieu of vacation time for time off. Compensatory time shall have *no cash value* and any unused hours will be forfeited upon separation from the County.

## 3.22 PREGNANCY LEAVE

### A. Eligibility

In accordance with applicable law and this policy, female employees are eligible for a leave of absence and/or transfer on account of pregnancy, regardless of length of service with LAFCO Orange County ("LAFCO").

### B. Pregnancy Disability Leave

1. A woman is "disabled by pregnancy" if, in the opinion of her healthcare provider, she is unable to work at all or is unable to perform one or more of the essential functions of her job or to perform these without undue risk to herself, to the successful completion of her pregnancy, or to other persons.
2. Pregnancy disability leave is for any period(s) of actual disability caused by pregnancy, childbirth, or related medical conditions. Where medically advisable, pregnancy disability leave may be taken for a reasonable period of time, up to four months per pregnancy (eighty-eight workdays for a full-time employee). Employees who regularly work more or less than a 40-hour workweek are entitled to such leave on a pro rata basis.
3. Time off for necessary prenatal or postnatal care, as well as for any

conditions such as severe morning sickness, doctor-ordered bed rest, gestational diabetes, pregnancy-induced hypertension, preeclampsia, post-partum depression, childbirth, loss and end of pregnancy, and recovery from childbirth are all covered by pregnancy disability leave.

C. Leave Due to Childbirth

Even if the employee is not disabled by pregnancy, childbirth, or related medical conditions, a pregnant employee is entitled to up to six weeks of leave for normal childbirth. A pregnant employee is entitled to up to eight weeks of leave for cesarean section. Employees working more or less than a 40-hour work week are entitled to such leave on a pro rata basis.

D. Leave, Transfer and Other Reasonable Accommodation Requests

1. Pregnant employees should notify the Executive Officer as soon as possible regarding their intent/need to take a leave of absence or to transfer due to pregnancy, childbirth, or related medical conditions. Such notice should specify the anticipated timing and duration of the leave or transfer.
2. Where the need for a leave of absence or transfer is foreseeable, employees must provide such notice at least 30 days prior to the date the leave or transfer is to begin. Further, employees must consult with the Executive Officer regarding the scheduling of any planned medical treatment or supervision so as to minimize any disruption to LAFCO's operations. (Actual scheduling of the leave/transfer is subject to the approval of the employee's healthcare provider.)
3. Where 30 days advance notice is not possible, notice must be given as soon as possible. However, LAFCO will not deny a pregnancy disability leave or transfer where the need for leave is an emergency or was otherwise unforeseeable.
4. LAFCO shall respond to the leave or transfer request as soon as practicable and, in any event, no later than 10 calendar days after receiving the request. LAFCO shall attempt to respond to the leave request before the date of leave is due to begin. Once, given, approval shall be deemed retroactive to the date of the first day of the leave.
5. Reasonable accommodation other than leave or transfer will be granted upon request. Such requests must be supported by a written certification from the employee's healthcare provider.

E. Intermittent Leave

Pregnancy Disability Leave need not be taken in one continuous block. It may be taken on an as-needed basis, intermittently or on a reduced work schedule. If it is medically advisable and foreseeable that an employee will be taking intermittent leave or leave on a reduced work schedule, LAFCO may require that the employee transfer temporarily to an available alternative position.

1. An “alternative position” is one that provides pay and benefits equivalent to those of the employee’s regular position and better accommodates recurring periods of leave than the employee’s regular job. It does not have to have equivalent duties. However, the employee must be qualified for the position.
2. Transfer to an alternative position may include altering an existing job to better accommodate the employee’s need for intermittent leave or a reduced work schedule.

#### F. Temporary Transfers

1. An employee may request a temporary transfer to a position with less strenuous or less hazardous duties when the employee’s healthcare provider certifies that such a transfer is medically advisable.
2. Temporary transfers will be granted where appropriate and when LAFCO is able to reasonably accommodate the transfer, provided that the transfer would not require LAFCO to:
  - a. Create additional employment.
  - b. Discharge another employee
  - c. Violate collective bargaining agreement.
  - d. Transfer a more senior employee in order to make room for the pregnant employee’s transfer; or
  - e. Promote or transfer the employee or any other employee to a position for which he/she is not qualified.

#### G. Certifications

1. As a condition of taking a Pregnancy Disability Leave or transfer, the employee must provide medical certification from her healthcare provider that she is disabled due to pregnancy, childbirth or related medical conditions and/or that a transfer to an alternative position is medically advisable.
2. The medical certification should include:
  - a. The date on which the employee became disabled due to pregnancy

or the date of the medical advisability for the transfer.

- b. The probable duration of the period(s) of disability or the period(s) for the advisability of the transfer; and
- c. A statement that, due to the disability, the employee is unable to work at all or to perform any one or more of the essential functions of her position without undue risk to herself, to the successful completion of her pregnancy, or to other persons or a statement that, due to pregnancy, the transfer is medically advisable.

#### H. Fitness for Duty

The employee must provide certification from her healthcare provider of her fitness for duty prior to being reinstated.

#### I. Pay During Leave

- 1. Pregnancy Disability Leave is unpaid leave. However, the employee may elect to use, or LAFCO may require that the employee use accrued sick leave to provide pay during the period of Pregnancy Disability Leave.
- 2. An employee may also elect, at her option, to use accrued vacation or other accrued paid time off, if any, to provide pay during pregnancy disability leave. The use of paid leave runs concurrently with Pregnancy Disability Leave and does not extend the length of the Pregnancy Disability Leave.
- 3. The employee may also be eligible to receive temporary disability insurance payments during her Pregnancy Disability Leave, and to coordinate the use of any accrued sick leave and/or vacation to supplementary temporary disability insurance payments.

#### J. Reinstatement

- 1. The employee is entitled to be reinstated to the same or comparable position upon release to return to work by her healthcare provider.
  - a. Where a definite date of reinstatement has been agreed upon at the beginning of the leave, the employee will be reinstated by the date agreed upon, provided that the employee has provided medical certification of her fitness for duty.
  - b. If the actual reinstatement date differs from the original agreement, the employee will be reinstated within two business days, where feasible, after the employee notifies LAFCO of her readiness to return and provides medical certification of her fitness for duty.
  - c. Failure to return to work on the next workday following the expiration

of pregnancy disability leave may be grounds for termination of employment.

2. The employee is not, however, entitled to any greater right of reinstatement than she would have had if she had not taken leave. Thus, reinstatement to the “same position” may be denied if for legitimate business reasons unrelated to the employee having taken a Pregnancy Disability Leave or transfer, the employee would not otherwise have been employed in her same position at the time reinstatements requested.
3. Also, the employee has no greater right to reinstatement to a “comparable position” or to other benefits and conditions of employment than an employee who has been continuously employed. Thus, reinstatement to a comparable position may be denied if there is no comparable position open on the employee’s scheduled date of reinstatement or within 60 calendar days thereafter.
4. In the event that the employee takes family and medical leave under the California Family Rights Act (“CFRA”) following her pregnancy disability leave for the birth of her child, the employee’s right to reinstatement shall be governed by the CFRA and LAFCO’s Family and Medical Leave Policy rather than these provisions.

#### K. Seniority and Benefits

1. In general, employees taking Pregnancy Disability Leave will be treated the same as other similarly situated employees taking disability leave.
2. The employee returning from a Pregnancy Disability Leave shall return with no less seniority than she had when the leave commenced for purposes of layoff, recall, promotion, job assignment, and seniority related benefits such as vacation.
3. The employee shall retain employee status during the period of leave, and the leave shall not constitute a break in service for purposes of longevity and/or seniority.

#### L. Federal Family and Medical Leave

In accordance with the FMLA, LAFCO shall count each day of pregnancy disability leave against an eligible employee’s entitlement to up to 12 weeks of federal family and medical leave under the FMLA.

#### M. Group Health Insurance

Where an eligible employee is on Pregnancy Disability/FMLA Leave, LAFCO

will continue the employee's group health insurance coverage under the same terms and conditions as applied prior to the leave of absence.

1. In the event that the employee fails to return from leave, LAFCO may recover premiums it paid to maintain group health insurance coverage. (For details, see LAFCO's Family and Medical Leave Policy.)
2. If the employee coverage ceases after the exhaustion of Pregnancy Disability Leave/FMLA or other leaves, the employee may continue group health insurance coverage pursuant to federal and state COBRA guidelines.

#### N. California Family Rights Act ("CFRA")

The right to take a Pregnancy Disability Leave is separate and distinct from the right to take family and medical leave under the California Family Right Act. In accordance with CFRA, employees may be eligible to take an unpaid family care leave for any of the following purposes.

1. The birth or adoption of a child, or the placement of a child in foster care.
2. To care for the employee's child (including adult child over 18 years of age), spouse, sibling registered domestic partner, child of a registered domestic partner or parent, grandchild, or grandparent with a serious health condition.
3. A serious personal health condition that prevents the employee from performing an essential function of his/her job, except for leave taken for disability on account of pregnancy, childbirth or related medical conditions, or.
4. Military spousal, and military caregiver and exigency leave.

For purposes of this policy, a serious health condition is defined as an illness, injury, impairment, or physical or mental condition of the employee or a child, grandchild, sibling, parent or spouse (including registered domestic partner) that involves either inpatient care or continuing treatment, including treatment for substance abuse.

Family care leave is a maximum of 12 weeks in a backward rolling 12-month period during which the employee's position is held for his/her return. If both parents of a child are employed by LAFCO, family care leave taken shall be 12 weeks of leave for each parent of the child. For military caregiver leave, employees may take 26 workweeks of family care leave during a single 12-month period, which begins on the first day the employee takes leave for this

reason and ends 12 months later. Family care leave, (Family Medical Leave Act/California Family Rights Act) may run concurrently with LAFCO's extended medical leave.

Employees will be required to use any accrued paid time off balances in place of unpaid leave within the approved period of family care leave unless the leave is due to an injury or illness on the job or is not otherwise unpaid. In a situation where family care leave is running concurrently with California Pregnancy Disability Leave, the employee will have the option to use accrued PTO. Employees are entitled to reinstatement to return to the same or comparable positions following a family care leave, except under very limited exceptions. Employee health benefits will be continued on the same cost-share basis as while working their regular schedule during a family care leave.

### **3.23 OTHER TIME OFF**

#### **A. Overview**

This policy applies to all regular full-time and regular part-time employees of LAFCO. The intent of this policy is to outline other types of paid and unpaid time-off available to eligible employees.

#### **B. Bereavement Leave**

Upon request, regular full-time and regular part-time employees shall receive time off with pay, not to exceed five (5) consecutive days for each death in the immediate family. For purposes of this section, immediate family is defined as the employee's spouse, parent, child, sibling; the employee's spouse's parent, child, or sibling; the employee's child's spouse; grandparents or grandchildren; the employee's domestic partner or the child of a domestic partner; person whom the employee has/had a legal guardian relationship.

Bereavement leave will normally be granted unless there are unusual business needs or staffing requirements. Employees may also, with the approval of the Executive Officer, use any available paid leave for additional time off as necessary. If more time off is requested, it will be granted only at the discretion of the Executive Officer. Bereavement pay is calculated based on the base pay rate at the time of absence and prorated for part-time employees.

#### **C. Jury Duty Leave**

LAFCO encourages employees to fulfill their civic responsibilities by serving jury duty or appearing in court as a witness when required. LAFCO provides 30 days of paid time off at the employee's regular rate of pay for jury duty

service provided the employee deposits fees paid for hours of jury duty, excluding mileage. For service longer than 30 days, employees may use any accrued vacation leave or receive unpaid leave for jury duty service.

Employees must show the jury duty summons to the Executive Officer as soon as possible so that arrangements may be made to accommodate their absence. Employees are expected to report for work whenever the court schedule permits, including any remaining parts of a normally scheduled workday.

LAFCO will continue to provide health insurance benefits for the full term of the jury duty absence. Vacation, sick leave, and holiday benefits will continue to accrue during jury duty leave.

#### D. Domestic Violence Victim Leave, Sexual Assault or Stalking

LAFCO will provide time off to an employee who has been the victim of domestic violence, sexual assault or stalking to seek any relief, including, but not limited to, a temporary restraining order, restraining order, or other injunctive relief, to help ensure the health, safety, or welfare of the victim or his or her child. This includes time off for court proceedings, services from a domestic violence shelter, program or rape crisis center, counseling, medical attention, and participation in safety planning programs. LAFCO requires reasonable advance notice of the leave when feasible. If time off is taken due to an emergency, the employee must, within 15 days of the absence, provide LAFCO with certification of the need for the leave such as a police report, court order, documentation from a healthcare provider, victims advocate, or counselor.

Employees eligible for paid sick leave benefits under California law may take any such available paid time off, consistent with such law, for the purposes set forth in this policy. For more information, please see the Sick Leave policy. In the event paid sick leave benefits are not available, employees taking leave under this policy may elect to apply accrued and unused vacation to such time.

LAFCO prohibits discrimination, discharge, or retaliation against an employee for taking time off or requesting an accommodation under this policy, or based on the employee's status as a victim of domestic violence, sexual assault, and/or stalking

#### E. Crime Victims' Leave

LAFCO will provide time off to an employee to attend judicial proceedings related to a crime, if that employee is a victim of crime, an immediate family member of a victim, a registered domestic partner of a victim, or the child of a registered domestic partner of a victim. LAFCO requires that where feasible, in

advance of taking leave, the employee provide it with a copy of the notice of each scheduled proceeding that is provided to the victim by the agency responsible for providing notice. If advance notice is not possible, the employee is required to provide LAFCO with a copy of the notice within a reasonable time.

No employee who is absent from work pursuant to this provision will be discharged or otherwise discriminated against in compensation or other terms, conditions or privileges of employment, because of such absence. Such leave is unpaid. Employees taking leave under this policy may elect to apply vacation time to such leave.

#### F. Leave for Organ and Bone Marrow Donation

LAFCO will grant an employee the following leaves of absence:

- Bone Marrow Donation: A paid leave of absence of up to five business days in any one-year period for the purpose of donating the employee's bone marrow to another person.
- Organ Donation:
  - A paid leave of absence of up to 30 business days in any one-year period for the purpose of the employee donating the employee's organ to another person.
  - An additional unpaid leave of absence, not exceeding 30 business days in a one-year period, for the purpose of the employee donating the employee's organ to another person.

For leaves of absence under this policy that are paid, if an employee has earned and unused sick or vacation time available, the employee is required to first use up to five days of such paid sick or vacation time for a bone marrow donation and up to two weeks of sick or vacation time for organ donation.

In order to receive a leave of absence pursuant to this policy, the employee must provide written verification to LAFCO's Human Resources Department that the employee is an organ or bone marrow donor and that there is a medical necessity for the donation of the organ or bone marrow.

Any leave taken for the donation of an organ or bone marrow will not constitute a break in service for purposes of the employee's right to salary adjustments, sick leave, vacation, annual leave, or seniority. During any leave taken under this policy, LAFCO will maintain and pay for coverage under any group health plan, for the full duration of this leave.

Leave provided under this policy may be taken in one or more periods. Leave taken under this policy will not run concurrently with any leave taken pursuant to the federal Family and Medical Leave Act or the California Family Rights Act.

Upon expiration of a leave of absence authorized by this policy, LAFCO will

restore the employee to the position held by the employee when the leave began or to a position with equivalent seniority status, employee benefits, pay, and other terms and conditions of employment. LAFCO may decline to restore an employee because of reasons unrelated to the employee's exercise of rights under this policy.

#### G. Time Off to Vote

Generally, employees are able to find time to vote either before or after their regular work schedule. If, however, full-time employees are unable to vote in an election during their non-working hours, LAFCO will grant up to 2 hours of paid time off to vote.

Employees requiring time off to vote should make their requests at least two working days prior to the Election Day. Advance notice is required so that the necessary time off can be scheduled at the beginning or end of the work shift, whichever provides the least disruption to the normal work schedule. Employees must submit a voter's receipt on the first working day following the election to qualify for paid time off.

#### H. Military Leave

Military leave of absence will be granted to employees who are absent from work because of service in the U.S. uniformed services in accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA) and Military and Veterans Code Section 394.5. Advance notice of military service is required, unless military necessity prevents such notice, or it is otherwise impossible or unreasonable.

Employees, who have been employed at least one year, are eligible for up to 30 days of paid leave for active-duty training.

Employees on military leave will receive rights and benefits comparable to those they would receive under LAFCO's policies for other types of leave. Continuation of health insurance benefits is available based on the length of the leave and subject to the terms, conditions and limitations of the applicable plan for which the employee is otherwise eligible. Employees on leave for no more than 30 days will receive continued health insurance benefits but are responsible for paying their portion of the health care coverage continuation rights. Vacation, sick leave and holiday benefits will continue to accrue during any paid portion of a military leave of absence.

CFRA permits employees to take up to 12 workweeks of unpaid protected leave during a 12-month period for a "qualifying exigency" related to the covered active duty or call to covered active duty of an employee's spouse, domestic

partner, child or parent in the U.S. armed forces. The Federal Family and Medical Leave Act (FMLA) also entitles eligible employees to take leave for a covered family member's service in the Armed Forces. This policy supplements our FMLA policy and provides a general notice of employee rights to this leave. Except as stated below, such rights and obligations for service member FMLA are governed by our existing FMLA policy. Service member FMLA runs concurrent with other leave entitlements provided under federal, state and local law. Service member FMLA provides eligible employees unpaid leave for anyone, or combination of the following reasons:

- A "qualifying exigency" arising when the employee's spouse, son, daughter or parent, who is a member of the Armed Forces (including National Guard and Reserves), is on covered active duty or has been notified of an impending call to order to covered active duty; and/or
- To care for a covered family member who has incurred an injury or illness while in the Armed Forces provided that such injury or illness renders the family member medically unfit to perform duties of the member's office, grade, rank or rating and is certified by the service member's healthcare provider.

When leave is due because of a "qualified exigency" concerning the military duty of a family member, an eligible employee may take up to 12 workweeks of leave during any 12-month period.

When leave is to care for an injured or ill service member, an eligible employee may take up to 26 weeks of leaving during a single 12-month period to care for a service member. Leave to care for an injured or ill service member, when combined with other FMLA-qualifying leave, may not exceed 26 workweeks in a single 12-month period.

Where spouses are both employed by LAFCO, they may take up to, in aggregate, 26 workweeks of service member FMLA, provided that any portion of the aggregate leave that is not for care of a family service member does not exceed 12 workweeks.

In any case where it is foreseeable that an employee will need service member FMLA, that employee must provide notice of his or her intent to take leave as soon as reasonably possible and provide certification of either the "qualified exigency" or family service member's need for care as soon as practicable.

## I. Military Spouse Leave

Qualified California employees will be given up to 10 days leave during that time

in which the employee's spouse or domestic partner is on leave from deployment in a combat zone with the active duty or reserve military or national guard during a period of military conflict. Employees may use accrued vacation time to cover this absence. If the employee has no accrued vacation, the employee must request time off without pay.

Qualifying employees are employees who work an average of 20 hours per week and have a spouse or domestic partner who is serving as (1) a member of the U.S. Armed Forces and who has been deployed during a period of military conflict to an area designated as a combat theater or combat zone by the President of the United States or (2) a member of the Armed Forces Reserve Components or the National Guard and has been deployed during a period of military conflict.

Qualifying employees who wish to request this leave must provide LAFCO with a written request for such leave within two business days of receiving official notice that the military spouse or domestic partner will be on leave from deployment. The employee must also provide written documentation to LAFCO certifying that the military member will be on military leave from deployment.

#### J. Workers' Compensation Leave

If an employee sustains a work-related injury, he or she will be eligible for a medical leave of absence for a period of disability in accordance with all applicable laws covering occupational injuries.

Where an employee's work-related injury qualifies as a serious health condition, any Workers' Compensation Leave taken will be considered part of his or her entitlement, if any, to leave under the Family and Medical Rights Act ("FMLA") and the California Family Rights Act ("CFRA"). Employees on Workers' Compensation Leave should keep their supervisors informed as to their work status and will need to provide a doctor's release before returning to work.

#### K. Volunteer Emergency Leave and Training

If employees volunteer as a firefighter, reserve peace officer, or emergency rescue personnel, they may be entitled to unpaid leave to perform emergency duty. In addition, they may take unpaid leave of up to 14 days per calendar year for the purpose of engaging in fire or law enforcement training. If an employee qualifies for these types of leave, he or she may use accrued vacation during the leave. Time spent on this leave counts for purposes of determining "length of service." However, vacation will not be accrued, and holiday pay will not be received during this leave.

#### L. Time Off for Parents to Attend School Activity

Employees, who are parents of one or more children in kindergarten, or in grades 1 through 12, may take time off of up to forty (40) hours per school year to attend authorized school activities which involve one or more of the employee's school age children. To be eligible for parental time off, the employee must obtain from the school, written verification that he or she attended or participated in the school activity. Parental time off may not exceed eight hours in any calendar month.

Employees may use any accrued vacation while they attend their child's school activities. If not, employee's parental time off will be unpaid. For scheduling purposes, employees must notify the Executive Officer at least one (1) week before the date of the school activity, so that their work duties may be covered.

#### M. Literacy Education Leave

LAFCO will reasonably accommodate employees who are seeking to enroll in an adult literacy education program provided the accommodation requested would not result in an undue hardship to LAFCO. LAFCO does not provide paid time off for participation in an adult literacy education program.

#### N. Alcohol and Drug Rehab Leave

LAFCO will reasonably accommodate employees who wish to voluntarily enter and participate in an alcohol and drug rehabilitation program provided that the accommodation does not impose an undue hardship on LAFCO. LAFCO does not provide paid time off for participation in an alcohol or drug rehabilitation program.

The policy in no way restricts LAFCO's right to impose discipline, including actions up to and including termination of employment, for violation of LAFCO's drug and alcohol policy.

### 3.24 FAMILY AND MEDICAL LEAVE

#### A. Overview

The intent of this policy is to outline and explain some of the rules and requirements applying to Family and Medical Leave Act (FMLA) and the California Family Rights Act (CFRA).

Note: Employers with at least 50 employees are required to comply with FMLA, whereas employers with at least 5 or more employees are required to comply with the CFRA.

## B. Eligibility

Regular full-time and regular part-time employees are eligible to request unpaid Family and Medical Leave under CFRA/FMLA if, at the time leave commences, all of the following apply:

1. Must have worked for LAFCO for at least twelve (12) months at any time (need not be continuous).
2. Must have worked at least 1,250 hours during the twelve (12) months immediately preceding the start of the leave.

Part-time employees who meet the requirements will calculate Family and Medical Leave on a prorated basis according to the number of hours they are normally scheduled to work.

## C. Reasons for Leave

Leave may be requested for any of the following reasons:

1. The birth or adoption of a child, or the placement of a child in foster care.
2. To care for the employee's child (including adult child over 18 years of age), spouse, sibling, registered domestic partner, child of a registered domestic partner or parent, grandchild, or grandparent with a serious health condition.
3. A serious health condition that prevents the employee from performing an essential function of his/her job, except for leave taken for disability on account of pregnancy, childbirth or related medical conditions; or
4. Military spousal, and military caregiver and exigency leave.

Family and Medical Leave is not available for non-serious conditions (including minor illnesses or for voluntary or cosmetic treatments) unless inpatient care is required or for routine preventive physical examinations.

## D. Length of Leave

The length of Family and Medical Leave is up to twelve workweeks within a twelve-month period (exception for Pregnancy Disability and Military Caregiver – see policies). The twelve-month period begins the date the leave is taken. There is no carryover of unused leave from one twelve-month period to the next twelve-month period. Holidays that fall during the leave are counted against leave entitlement.

If at the end of twelve weeks the employee is unable to return to work, they may request a personal leave without pay. Such leave is granted at the discretion of LAFCO, and there is no requirement to hold the job available during the personal leave. LAFCO will, however, be governed by the Americans with Disabilities Act, the California Fair Employment and Housing Act, and Workers' Compensation regulations, if applicable.

#### E. Intermittent or Reduced Scheduled Leave

Family leave taken for the purpose of birth or placement of a child will generally be granted in minimum amounts of two weeks. However, an employee may request smaller increments of leave time which will be subject to company approval based upon business requirements.

Family and Medical Leave for the employee's own serious health condition, family care leave for the serious health condition of the employee's child (including adult child over 18 years of age), spouse, sibling, registered domestic partner, child of a registered domestic partner, or parent, grandchild, or grandparent and military caregiver leave may be taken intermittently or on a reduced schedule when medically necessary. Where the intermittent or reduced schedule leave is for planned medical treatment, the employee must make an attempt to schedule the treatment so as not to unduly disrupt LAFCO's operations. Military exigencies leave also may be taken intermittently or on a reduced schedule.

If leave is taken intermittently or as a reduced work schedule, the amount of time used under Family and Medical Leave is only the time actually taken. For example, one day of leave per week for an employee who works five days per week is the equivalent of 1/5 of a week of Family/Medical Leave used.

#### F. Temporary Alternative Positions

An employee may be placed in a temporary alternative position if they request intermittent or reduced schedule leave, or the existing position description may be altered, to better accommodate the employee's need for recurring periods of leave. The alternative position may not have equivalent duties but will receive equivalent pay and benefits. The employee must be qualified for the position. They may also be transferred to a part-time job with the same hourly rate of pay and benefits.

#### G. Impact on Benefits

Health insurance premiums that are normally paid by LAFCO will continue to be paid during Family and Medical Leave for a maximum of twelve workweeks in a twelve-month period. The employee is still responsible for his or her share of the

healthy insurance premiums during the period of leave. If the employee substitutes paid leave for the unpaid leave, such payments will be deducted from the employee's pay through payroll deductions. Otherwise, the employee must make arrangements with LAFCO to pay for such premiums.

LAFCO may recover any health insurance premiums it paid during the leave if the employee fails to pay his or her share of the premiums during the leave or the employee fails to return to work from leave for a reason other than recurrence, continuation, or onset of a serious healthy condition for which leave under this policy is allowed or other circumstance beyond the employee's control.

Service time, as well as vacation and incidental absence time, will continue to accrue during, but not exceeding, the twelve-week period. Employees will not be paid for holidays if they are in an unpaid status. For Family and Medical Leave of thirty days or less, reviews relating to salary and performance will continue as usual. A salary action which would have ordinarily taken place during the time of the leave will become effective upon the employees return to work. For Family and Medical Leave of over thirty days, Salary and Performance Reviews will be extended equal to the length of the leave.

#### H. Pregnancy Disability

In addition to the pregnancy disability leave described in this handbook, an eligible pregnant California employee is entitled to up to twelve additional workweeks of CFRA Leave. The maximum time to be taken off is: four months pregnancy disability/FMLA (with a healthcare provider's certification) plus twelve workweeks CFRA.

#### I. Requesting a Leave

An employee will be asked to provide certification from a health care provider that the leave is medically necessary when requesting a leave for their own health condition. If the health condition is that of a parent, spouse, or child, the healthcare provider must certify that the employee's care is required.

All requests must be provided in writing and include information and a schedule relative to the leave. Employees are requested to give as much advance notice as possible. Thirty (30) days is considered a minimum. In cases of emergency, give as much notice as possible under the circumstances. If the leave schedule is flexible, employees are required to try to schedule the leave so as not to unduly disrupt LAFCO's operations.

#### J. Integration with Paid Leave

Leave provided under FMLA/CFRA is unpaid. However, at the option of LAFCO or the employee, accrued vacation (or Sick Leave where the leave is required due to the employee's serious health condition or the serious health condition of a family member and Sick Leave would otherwise be permitted under LAFCO's policy) may be substituted for any unpaid Family/Medical Leave. This designation of Family and Medical Leave will be made by LAFCO at the time the employee requests the leave or when LAFCO determines that the leave qualifies as Family and Medical Leave based on the information provided. In either case, the total of paid and unpaid leave provided is limited to twelve workweeks.

#### K. Upon Return from Leave

Employees timely returning from a leave covered under this policy are entitled to reinstatement to the same or equivalent position consistent with applicable law. An employee has no greater right to reinstatement than if he or she had been continuously employed rather than on leave. LAFCO will comply with all applicable laws pertaining to reinstatement of employees including, where required, the reasonable accommodation of employees who have been on an approved leave. LAFCO will be governed by the Americans with Disabilities Act, the Fair Employment and Housing Act, CFRA/FRMA, and/or Workers' Compensation regulations where applicable. Family and Medical Leave will not result in the loss of any employment benefit that was earned or entitled to before use of Family and Medical Leave.

Employees using Family and Medical Leave for their own serious medical condition must bring a healthcare provider's release to work upon returning from leave.

### **PART 5 – CONDUCT AND PROBLEMS**

#### **3.25 SAFETY**

##### A. Overview

The intent of this policy is to outline safety expectations.

##### B. Policy

Every employee is responsible for safety. To achieve our goal of providing a completely safe workplace, everyone must be safety conscious. Employees should report any unsafe or hazardous condition directly to their supervisor immediately.

In case of an accident involving a personal injury, regardless of how serious, employees should notify the Executive Officer or Assistant Executive Officer immediately. Failure to report accidents can result in a violation of legal

requirements and can lead to difficulties in processing insurance and benefit claims.

If an employee is injured on the job, he or she will be entitled to benefits under the state workers' compensation law in most cases. LAFCO carries workers' compensation insurance and will assist employees to obtain all benefits to which they are legally entitled.

### **3.26 WORKPLACE VIOLENCE POLICY**

LAFCO is committed to providing a safe work environment that is free of violence and the threat of violence. LAFCO will not tolerate any violent or dangerous behavior of any kind, whether through physical abuse, threats of any kind, intimidation, coercion, stalking or otherwise, defacing LAFCO's property or causing physical damage to the facilities, bring weapons or firearms of any kind onto LAFCO's premises, parking lots, or while conducting business, or any other behavior that suggests a propensity towards violence. LAFCO strictly prohibits employees, consultants, customers, visitors, or anyone else on LAFCO premises or engaging in a LAFCO-related activity from behaving in a violent or threatening manner. Employees may report all incidents of direct or indirect violence or dangerous behavior to their immediate supervisor or the Executive Officer as soon as possible. Reporting incidents and concerns early can help prevent a situation from escalating and becoming even more dangerous. Employees should never attempt to handle a potentially dangerous situation by themselves. Any LAFCO employee that violates this policy will be subject to discipline, up to and including termination, as well as potential legal action.

### **3.27 DRUG AND ALCOHOL POLICY**

#### **A. Overview**

The intent of this policy is to provide a drug and alcohol-free work environment for all LAFCO employees.

#### **B. Policy**

It is LAFCO's desire to provide a drug-free, healthful, and safe workplace. To promote this goal, employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner.

While on LAFCO's premises and while conducting business-related activities off LAFCO's premises, no employee may use, possess, distribute, sell, or be under the influence of alcohol or illegal drugs. The legal use of prescribed drugs is permitted on the job only if it does not impair an employee's ability to perform the essential functions of the job effectively and in a safe manner that does not endanger other

individuals in the workplace.

Violations of this policy may lead to disciplinary action, up to and including immediate termination of employment, and/or required participation in a substance abuse rehabilitation or treatment program. Such violations may also have legal consequences.

Employees with questions or concerns about substance dependency or abuse are encouraged to use the resources of the Employee Assistance Program. They may also wish to discuss these matters with the Executive Officer or Assistant Executive Officer to receive assistance or referrals to appropriate resources in the community.

Employees with drug or alcohol problems that have not resulted in, and are not the immediate subject of, disciplinary action may request approval to take unpaid time off to participate in a rehabilitation or treatment program through LAFCO's health insurance benefit coverage. Leave may be granted if the employee agrees to abstain from use of the problem substance; abides by all LAFCO's policies, rules and prohibitions relating to conduct in the workplace; and if granting the leave will not cause LAFCO any undue hardship.

Under the Drug-Free Workplace Act, an employee who performs work for a government contract or grant must notify LAFCO of a criminal conviction for drug-related activity occurring in the workplace. The report must be made within five days of the conviction.

### **3.28 DESK INSPECTION POLICY**

#### **A. Overview**

The intent of this policy is to assist in the understanding of the usage of E-mail, the Internet, computer files and software.

#### **B. Policy**

Although desks, cabinets and shelves are made available for the convenience of employees while at work, employees should remember that all desks, cabinets and shelves remain the sole property of LAFCO. Moreover, LAFCO reserves the right to open and inspect desks, cabinets, and shelves, as well as any contents, effects, or articles in desks, cabinets, and shelves. Such an inspection can occur at any time, with or without advance notice or consent. An inspection may be conducted before, during, or after working hours by the Executive Officer or Assistant Executive Officer or designee. Employees have no expectation of privacy in any of these items.

Prohibited materials, including weapons, explosives, alcohol and non-prescribed drugs or medications, may not be placed in a desk, cabinet or shelf. Employees who, if requested, fail to cooperate in any inspection will be subject to disciplinary action, up to and including termination. LAFCO is not responsible for any articles that are placed or left in a desk, cabinet, or shelf that are lost, damaged, stolen or destroyed.

### **3.29 THEFT OR LOSS OF OFFICE EQUIPMENT**

#### **A. Overview**

The intent of this policy is to outline procedures in the event LAFCO office equipment is lost or stolen.

#### **B. Policy**

The use of any LAFCO-related equipment (computers, cell phones, iPads, projectors, or other office-related equipment) outside of the LAFCO offices must be approved by the Executive Officer. LAFCO employees are fully responsible for the care and safekeeping of all office equipment offsite. Should an item be stolen or lost offsite while under the care of a LAFCO employee, the LAFCO employee is responsible to reimburse LAFCO for the replacement cost of all lost or stolen items.

The care and safekeeping of an iPad provided to a Commissioner for LAFCO-related business is the sole responsibility of the Commissioner. Any loss or theft of the iPad must be reported immediately to the Executive Officer, and the Commissioner is responsible to reimburse LAFCO for the replacement cost of the device.

### **3.30 PROBLEM RESOLUTION PROCEDURE**

#### **A. Overview**

The intent of this policy is to outline LAFCO's problem resolution procedure.

#### **B. Policy**

LAFCO is committed to encouraging an open and frank atmosphere in which any problem, complaint, suggestion, or question receives a timely response. LAFCO strives to ensure fair and honest treatment of all employees. All employees are expected to treat each other with mutual respect. All employees are encouraged to offer positive and constructive criticism.

If there is a disagreement concerning established rules of conduct, policies, or

practices, employees may express their concern through the problem resolution procedure. No one will be penalized, formally or informally, for voicing a complaint with LAFCO in a reasonable, business-like manner, or for using the problem resolution procedure.

If a situation occurs where an employee believes that a condition of employment or a decision affecting them is unjust or inequitable, they are encouraged to make use of the following steps:

1. Employee presents problem to the Assistant Executive Officer after incident occurs. If the Assistant Executive Officer is unavailable or employee believes it would be inappropriate to contact the person, employee may present problem to the Executive Officer.
2. The Assistant Executive Officer responds to problem during discussion or after consulting with the Executive Officer, when necessary, and documents discussion.
3. Employee presents problem to the Executive Officer in writing if problem is unresolved.
4. The Executive Officer reviews and considers problem. The Executive Officer informs employee of decision and forward copy of written response to the employee's file. The Executive Officer has full authority to make any adjustment deemed appropriate to resolve the problem.

Original Adoption Date: 1/8/2003

Date of Last Review: 2/9/2022

Date of Last Revision: 2/9/2022

February 9, 2022

**9b** | Commission  
Discussion**REGULAR MEMBERS**

CHAIR

**Douglass Davert**

Special District Member

VICE CHAIR

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**ALTERNATES****Andrew Do**

County Member

**Kathryn Freshley**

Special District Member

**Peggy Huang**

City Member

**Lou Penrose**

Public Member

**STAFF****Carolyn Emery**

Executive Officer

**Scott Smith**

General Counsel

**TO:** Local Agency Formation Commission  
of Orange County**FROM:** Executive Officer  
Policy Analyst**SUBJECT:** Proposed Amendments to the “Legislative Policy and  
Guidelines”**BACKGROUND**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires each LAFCO to adopt written policies and procedures. The “Orange County LAFCO Handbook” is a compilation of the Commission’s adopted written policies and procedures. The policies and procedures contained within the handbook are intended to supplement State law and guide the Commission in carrying out its legislative and local missions.

The Commission’s “Legislative Policy and Guidelines” were first adopted by the Commission in 1999 and were last amended in 2015. A review of the policy is included in the current Work Plan, and staff is recommending several amendments to the policy to improve the effectiveness of the Commission in reviewing legislation and adopting positions on bills.

For ease of review, the proposed amendments are indicated in redline format in Attachment 1 and are summarized in the table on the next page of this report.

Table 1: Summary of Proposed Changes

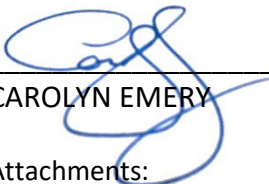

Section	Page	Summary Changes
Policy	1	Updated language for consistency with current agency review process.
Guidelines: A, B, C, D	1-4	Updated language to add clarity and improvement to the guidelines and policy areas.
Procedures: A, B	4	Updated language to add clarity and improvement to the procedures for monitoring and reviewing legislation.
Procedures C	4-5	Amended language for types of positions.
Procedures: C1 thru C4	5-6	Updated language for consistency with current agency process and to improve efficiency.

**RECOMMENDED ACTION**

Staff recommends that the Commission:

1. Adopt the Legislative Policy and Guidelines, as amended.

Respectfully Submitted,

  
\_\_\_\_\_  
CAROLYN EMERY  
\_\_\_\_\_  
LUIS TAPIA

Attachments:

1. OC LAFCO Legislative Policy and Guidelines (Redline)
2. OC LAFCO Legislative Policy and Guidelines (As Amended)

# Legislative Policy and Guidelines

## I. POLICY

Orange County LAFCO (OC LAFCO) has long recognized the importance of participating in the legislative process and making recommendations on legislation of interest to the Commission and LAFCOs statewide. It is the policy of OC LAFCO to actively participate in the legislative process under the guidelines further expressed in this policy. The Commission will provide feedback and guidance on legislation of LAFCO interest and through the procedures outlined below utilize ~~an ad hoc legislative committee~~ the OC LAFCO Chair to provide interim review and direction on legislation requiring immediate response.

## II. GUIDELINES

The following guidelines are intended to provide guidance for the Commission and staff as they participate in the legislative process through discussions with legislators and affected stakeholders and ~~during the adoption of legislative positions~~ consider proposed legislation of LAFCO interest. The guidelines are organized into the following policy sections: (A) LAFCO Purpose and Authority; (B) LAFCO Organization; (C) Orderly Growth; (D) Service Delivery and Local Agency Effectiveness. This section of the policy provides guidelines for the review and consideration of legislation involving the four key policy areas: (A) LAFCO Purpose and Authority; (B) LAFCO Governance; (C) Orderly Formation of Boundaries; and (D) Service Delivery and Local Agency Effectiveness.

### A. LAFCO Purpose and Authority

- A1. Support legislation that enhances LAFCO's authority and powers to perform the duties mandated by the California Legislature and codified in the Cortese-Knox-Hertzberg Local Reorganization Act of 2000 (Government Code Section 56000 et seq.).
- A2. Support legislation that recognizes the authority for each LAFCO to establish local policies to apply Government Code Section 56000 et seq. based on local needs and conditions and oppose any limitations to that authority.

- A3. Oppose legislation that dilutes LAFCO's authority and ability to meet its legislative mandates and primary mission.
- A4. Oppose legislation that restricts the independent judgment of Commissioners in voting on matters being considered by ~~OE~~ LAFCO.
- A5. Oppose legislation that grants special status to any individual agency or proposal to circumvent the LAFCO process.

**B. LAFCO ~~Organization~~ Governance**

- B1. Support legislation that confirms the independence of ~~OE LAFCO~~ LAFCO from local agencies.
- B2. Support legislation that recognizes the importance of balanced representation on ~~OE LAFCO~~ LAFCO provided by cities, the county, special districts, and the public in advancing the public interest.
- B3. Support legislation that ~~promotes~~ encourages communication and collaborative decision-making among neighboring LAFCOs when growth pressures and multi-county special districts extend beyond ~~OE LAFCO's~~ LAFCO's jurisdiction.

**C. Orderly ~~Growth~~ Formation of Boundaries**

- C1. Support legislation that ~~promotes~~ encourages the recognition and use of spheres of influence as long-range planning tools for ~~OE LAFCO~~ LAFCOs and local agencies that guide future Commission decisions on individual jurisdictional boundary changes involving cities or special districts, the incorporation of a new city, ~~or~~ the formation of a new special district, and other complex reorganizations that include consolidations, mergers, or the formation of a subsidiary district.
- C2. Support legislation that ~~promotes~~ encourages the recognition of LAFCO spheres of influence by other agencies by requiring that those agencies refer to LAFCO determined spheres of influence in the development of local and regional planning documents by the county, cities, and district and facilitate the logical and economical extensions of all their facilities and services.
- C3. Support legislation that ~~promotes~~ encourages orderly boundaries of local agencies and encourages the transition of unincorporated areas to adjacent local agencies based upon within the their designated spheres

of influence ~~of local agencies~~.

- C4. Support legislation that ~~promotes~~ encourages collaboration among cities, special districts, the County of Orange, and the public ~~that promote the alignment of interests~~ to address municipal service deficiencies within unincorporated areas and facilitate annexation.
- C5. Support legislation that ~~promotes~~ encourages cooperation between cities, the County of Orange, and other affected agencies and stakeholders on decisions involving new development within the ~~City's cities'~~ designated spheres of influence.

#### D. Service Delivery and Local Agency Effectiveness

- D1. Support legislation that ~~promotes~~ encourages the use of ~~OC-LAFCO~~ LAFCO resources to review Regional Transportation Plans, including with a focus on sustainable community strategies and other growth plans to ensure reliable services, orderly growth, ~~sustainable communities~~, and conformity with LAFCO's legislative mandates. Support efforts that enhance meaningful collaboration between LAFCOs and regional planning agencies.
- D2. Support legislation that promotes LAFCO authority and tools that provide communities with local governance and efficient service delivery options, including the authority to impose conditions that assure a proposal's conformity within LAFCO's legislative mandates.
- D3. Support legislation that ~~promotes~~ encourages the creation or reorganization of local governments in a deliberative, open process which will fairly evaluate the proposed new or successor agency's long-term financial viability, governance structure and ability to efficiently deliver proposed services.
- D4. Support legislation that enhances ~~OC-LAFCO's~~ LAFCO's ability to mitigate the fiscal impacts of change of organization proposals through tax sharing conditions or other terms and conditions.
- D5. Support legislation that promotes legislation that encourages the availability of tools for ~~OC-LAFCO~~ LAFCOs to insure equitable distribution of revenues to local government agencies consistent with their service delivery responsibilities.
- D6. Support legislation that supports collaborative efforts among agencies

and LAFCOs ~~that~~ and encourage opportunities for sharing of services, staff and facilities to provide more efficient and cost-effective services.

- D7. Support legislation which clarifies LAFCO's ability to review shared service agreements and provides LAFCO with additional opportunities to encourage shared services.
- D8. Support legislation providing tax reform to mitigate negative fiscal impacts to local governments from past and present tax revenue shifts away from those local governments.
- D9. Oppose legislation that shifts tax revenue away from local governments without the adequate provision of a constitutionally guaranteed "backfill" to offset the lost revenues of those local governments.

### III. PROCEDURES

The following procedures will provide guidance to the Commission for the active monitoring of legislation and activities ~~related to OC LAFCO's mission, the County of Orange and Southern California~~ of LAFCO interest.

- A. Newly introduced or identified legislation of LAFCO interest is to be reviewed by OC LAFCO's staff and ~~bills of LAFCO interest will be~~ presented to the Commission for review and ~~possible potential~~ action in a quarterly or interim legislative report. The legislative ~~updates reports~~ shall be presented to the Commission in ~~a timely manner that aligns line~~ with the legislative deadlines and to allows for the greatest potential for the Commission's comments to be received by the legislators and affected stakeholders. In the event that there is a need to respond immediately, the ~~Ad Hoc Legislative Committee~~ OC LAFCO Chair may direct the Executive Officer to respond accordingly ~~to legislation~~.
- B. To increase the efficiency of staff resources and the preparation of legislative ~~updates reports, the Commission may encourage participation in the California Association of LAFCOs (CALAFCO) Legislative Committee and legislative discussions by the Coalition of California LAFCOs (CCL)~~ staff will monitor the legislative activities of LAFCO interest through participation on the California Association of LAFCOs (CALAFCO) Legislative and Advisory Committees and discussions with the CALAFCO Southern Region LAFCOs.
- C. The Commission may consider adopting legislative positions ~~where~~ when deemed appropriate. The general position categories include:

Position	Description
<b>Support</b>	A position given to bills that the Commission believes are consistent with or would further OC LAFCO policy positions, LAFCO's authority in general, implementation of the Cortese-Knox-Hertzberg Act, or reflects good governance principles as public policy.
<b>Neutral</b>	A position given to bills that have no direct impact upon OC LAFCO, the LAFCO Community, or have been sufficiently amended to remove OC LAFCO's support or opposition, <del>but the sponsor and/or legislative author requests a position from OC LAFCO.</del>
<b>Watch</b>	A position given to bills that are of LAFCO interest but do not directly affect OC LAFCO or LAFCO's statewide at that time, including spot bills or two-year bills where the author has indicated that the bill will be amended, or the subject area may change to not impact OC LAFCO, the Commission's mandated activities or the Cortese-Knox-Hertzberg Act. <del>These bills will be tracked but do not warrant taking a position at that time.</del>
<b>Oppose</b>	A position given to bills that the Commission believes would be detrimental to LAFCO's authority in general, the policy positions of OC LAFCO, or to good governance principles as public policy.
<b>Support Unless Amended—or Oppose Unless Amended</b>	A position given to bills for which a support <del>or oppose</del> position could be taken if amendments were made to address identified concerns of the Commission. This may include changing a previously stated position of the Commission. <del>These</del> <u>This</u> positions can be changed by the Commission (or the <del>Ad Hoc Committee</del> <u>OC LAFCO Chair</u> under certain circumstances) if identified amendments are presented and accepted by the legislator. <u>This position warrants the preparation of draft amendments by the Commission.</u>
<b><u>Sponsor</u></b>	<u>A position given to a bill for which OC LAFCO is the sponsor or co-sponsor. Inherent in this position is OC LAFCO's support of the bill.</u>

1. Staff recommendations of legislative positions shall be accompanied by a draft position letter for distribution to the bill author, committee chair, or

governor depending on the status of the bill and the legislative cycle. Neutral or watch positions may not warrant distribution of a position letter. An oppose unless amended position warrants the Commission to provide proposed amendments for transmittal to the bill author.

2. The ~~Ad Hoc Legislative Committee comprised of three Commissioners~~ OC LAFCO Chair provides assistance to staff and the Commission in reviewing and responding to legislation of LAFCO interest that requires immediate attention.
3. To allow for the timely transmittal of a ~~legislative position letter on a bill or bills~~ that may affect one or more of the Commission's legislative policy and guidelines, the Commission's Executive Officer is authorized to submit a letter, provided the Commission has previously adopted a position on the bill.
4. To allow for the timely transmittal of a legislative position on a bill or bills that may affect one or more of the Commission's legislative policy and guidelines, the ~~Commission's Legislative Ad Hoc Committee~~ OC LAFCO Chair may direct the Commission's Executive Officer to submit a letter on the Commission's behalf if the Commission has not yet previously adopted a position on the bill.

Original Adoption Date: 5/12/1999

Date of Last Review: ~~10/14/2015~~ 2/09/2022

Date of Last Revision: ~~10/14/2015~~ 2/09/2022

## Legislative Policy and Guidelines

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- A3. Oppose legislation that dilutes LAFCO's authority and ability to meet its legislative mandates and primary mission.

- A4. Oppose legislation that restricts the independent judgment of Commissioners in voting on matters being considered by LAFCO.
- A5. Oppose legislation that grants special status to any individual agency or proposal to circumvent the LAFCO process.

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**C. Orderly Formation of Boundaries**

- C1. Support legislation that encourages the recognition and use of spheres of influence as long-range planning tools for LAFCOs and local agencies that guide future Commission decisions on individual jurisdictional boundary changes involving cities or special districts, the incorporation of a new city, the formation of a new special district, and other complex reorganizations that include consolidations, mergers, or the formation of a subsidiary district.
- C2. Support legislation that encourages the recognition of LAFCO spheres of influence by other agencies by requiring that those agencies refer to LAFCO determined spheres of influence in the development of local and regional planning documents by the county, cities, and district and facilitate the logical and economical extensions of all their facilities and services.
- C3. Support legislation that encourages orderly boundaries of local agencies and the transition of unincorporated areas to adjacent local agencies based upon their designated spheres of influence.
- C4. Support legislation that encourages collaboration among cities, special districts, the County of Orange, and the public to address municipal service deficiencies within unincorporated areas and facilitate annexation.

- C5. Support legislation that encourages cooperation between cities, the County of Orange, and other affected agencies and stakeholders on decisions involving new development within the cities' designated spheres of influence.

#### **D. Service Delivery and Local Agency Effectiveness**

- D1. Support legislation that encourages the use of LAFCO resources to review Regional Transportation Plans, with a focus on sustainable community strategies and other growth plans to ensure reliable services, orderly growth, and conformity with LAFCO legislative mandates. Support efforts that enhance meaningful collaboration between LAFCOs and regional planning agencies.
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- D6. Support legislation that supports collaborative efforts among agencies and LAFCOs and encourage opportunities for sharing of services, staff and facilities to provide more efficient and cost-effective services.
- D7. Support legislation which clarifies LAFCO's ability to review shared service agreements and provides LAFCO with additional opportunities to encourage shared services.
- D8. Support legislation providing tax reform to mitigate negative fiscal impacts to local governments from past and present tax revenue shifts

away from those local governments.

- D9. Oppose legislation that shifts tax revenue away from local governments without the adequate provision of a constitutionally guaranteed “backfill” to offset the lost revenues of those local governments.

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The following procedures will provide guidance to the Commission for the active monitoring of legislation and activities of LAFCO interest.

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- B. To increase the efficiency of staff resources and the preparation of legislative reports, staff will monitor the legislative activities of LAFCO interest through participation on the California Association of LAFCOs (CALAFCO) Legislative and Advisory Committees and discussions with the CALAFCO Southern Region LAFCOs.
- C. The Commission may consider adopting legislative positions when deemed appropriate. The general position categories include:

Position	Description
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<b>Watch</b>	A position given to bills that are of LAFCO interest but do not

	directly affect OC LAFCO or LAFCO's statewide at that time, including spot bills or two-year bills where the author has indicated that the bill will be amended, or the subject area may change to not impact OC LAFCO, the Commission's mandated activities or the Cortese-Knox-Hertzberg Act.
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<b>Oppose Unless Amended</b>	A position given to bills for which a support position could be taken if amendments were made to address identified concerns of the Commission. This may include changing a previously stated position of the Commission. This position can be changed by the Commission (or the OC LAFCO Chair under certain circumstances) if identified amendments are presented and accepted by the legislator. This position warrants the preparation of draft amendments by the Commission.
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1. Staff recommendations of legislative positions shall be accompanied by a draft position letter for distribution to the bill author, committee chair, or governor depending on the status of the bill and the legislative cycle. Neutral or watch positions may not warrant distribution of a position letter. An oppose unless amended position warrants the Commission to provide proposed amendments for transmittal to the bill author.
2. The OC LAFCO Chair provides assistance to staff and the Commission in reviewing and responding to legislation of LAFCO interest that requires immediate attention.
3. To allow for the timely transmittal of a position letter that may affect one or more of the Commission's legislative policy and guidelines, the Commission's Executive Officer is authorized to submit a letter, provided the Commission has previously adopted a position on the bill.
4. To allow for the timely transmittal of a legislative position on a bill or bills that may affect one or more of the Commission's legislative policy and guidelines, the OC LAFCO Chair may direct the Commission's Executive Officer to submit a letter on the Commission's behalf if the Commission has

not yet previously adopted a position on the bill.

Original Adoption Date: 5/12/1999

Date of Last Review: 2/09/2022

Date of Last Revision: 2/09/2022

**9c** | Commission  
Discussion

February 9, 2022

**TO:** Local Agency Formation Commission  
of Orange County

**FROM:** Executive Officer  
Policy Analyst

**SUBJECT:** Six-Month Strategic Objectives Update

**BACKGROUND**

On November 10, 2021, the Commission adopted key goals and objectives for the current fiscal cycle. The strategic objectives identified for completion by the February 9 Regular Meeting are highlighted in the table below and discussed in more detail in the next section of this report.

Goal	When	Objective
<b>Optimization of External Communication</b>	February 9	Prepare a report to Commissioners on increased public engagement from stakeholders (public comments, attendance at public meetings, and sign-ups for bi-annual news).
<b>South Orange County Governance</b>	February 1	Prepare a document that outlines the processes for potential governance options for South Orange County Connected Communities (SOCCC).
<b>MSRs</b>	February 1	Survey other LAFCOs to examine the types of MSRs that is used, and report results to the Commission.

**DISCUSSION**

The following provides a discussion of the accomplishments of three key strategic objectives.

*Increasing Public Engagement*

Implementation of the tools and resources of the OC LAFCO Communication Plan continues to strengthen the agency's external communication efforts. One critical component of the Plan is increasing users of the agency's website. Today, visitors of this key Commission resource experience navigation of the website through quicker browsing speed and more visually appealing features. Additionally, the site

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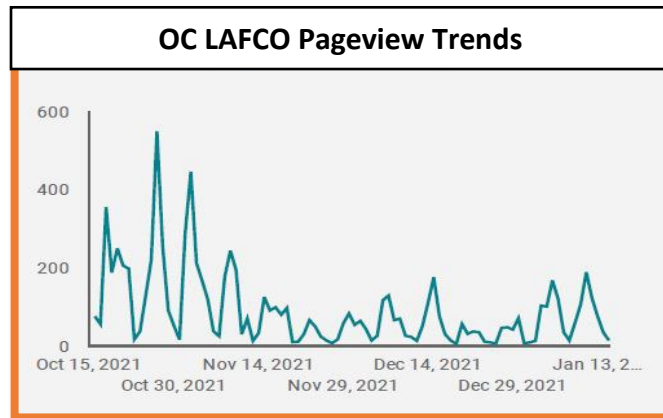
**Lou Penrose**  
Public Member

**STAFF**

**Carolyn Emery**  
Executive Officer

**Scott Smith**  
General Counsel

complies with federal laws, in particular the American with Disabilities Act. The newly designed [www.oclafco.org](http://www.oclafco.org) was formally unveiled in October 2021. From October 15, 2021, through January 15, 2022, the website reached approximately 8,300 views and attracted about 2,400 new visitors to the site.

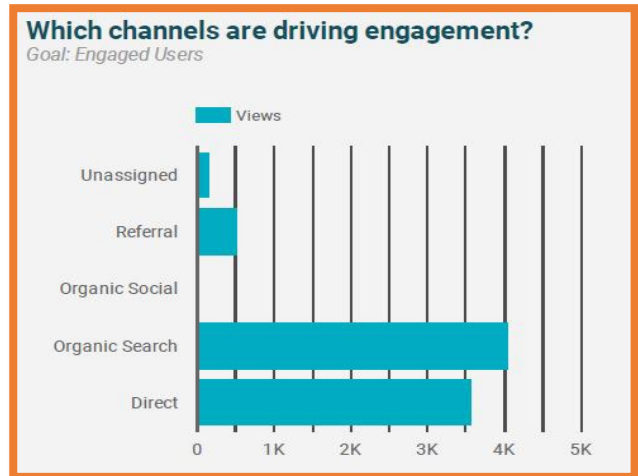


The graph depicted to the left shows that the website received approximately 600 views during the month of October. The analytics of the past four months also demonstrate that the most visited pages on the site, are the home page, agency meetings, unincorporated areas, municipal service reviews, and agency background. As one of the top five visited pages, the *Orange County Unincorporated Areas* web page provides visitors with an interactive map that depicts the locations

of the remaining 24 unincorporated areas and the adjacent city boundaries. Additionally, the site now provides visitors with the opportunity to print a variety of maps (spheres, service boundaries, unincorporated areas). Moreover, the public and our local agencies may now access reports for annexations approved by the Commission over 15 years ago to the present.

The analytics for channels of engagement reflect how visitors arrive on the agency's website. The chart to the right depicts several channels of engagement for the OC LAFCO website. Two in particular (organic and direct) represent the most common ways our agency website is found. The *Organic Search* channel involves when visitors type the agency name on Google to reach the website. To date, there have been approximately 4,000 organic searches since October 2021. The second most common way visitors find the website is through the *Direct* channel. This occurs when the visitor types the exact website address to reach the site. There are over 3,500 *Direct* searches to the site. Although there are other channels shown above, the most telling indication of the agency's efforts are the *Direct* searches because visitors must know the exact website address to reach the site.

### Channels of Engagement



These analytics show that the comprehensive effort of the Communication Plan is increasing public engagement and directing more traffic to the agency website, where visitors have access to a wealth of information about the agency and the Commission's projects, resources and tools.

Additionally, and in part to the Commission's effort to optimize external communication, the agency debuted the first edition of the bi-annual news, integrated the Shared Services and MSR Dashboard programs into the website, and other outreach. The biannual news, now known as *The Pulse*, was distributed to City Managers, General Managers, County of Orange, and ISDOC and also has a permanent home on the agency's website. Each of these resources are intended as tools and to keep the public and local agencies informed and apprised of the Commission's latest projects and activities.

Finally, additional outreach to local agencies and participation in other meetings have occurred to inform of OC LAFCO's mission and role in Orange County. The outreach effort has included visits with continuing and newly elected Orange County legislators, attendance at the meetings of the Independent Special Districts of Orange County (ISDOC), Orange County City Managers Association, and Orange County Division League of Cities, and LAFCO 101 presentations to external groups and associations.

#### South Orange County Governance Options

Future governance options continue to be of interest for some of the South Orange County unincorporated communities. In 2016, in part to a multi-year effort conducted by OC LAFCO, stakeholders were provided with the opportunity to learn about and discuss governance options and the respective processes. The unincorporated communities and local agencies that participated in this effort were encouraged to share the information derived from the effort with their respective councils, boards and residents and shown in the diagram below. More recently, representatives from the Ladera Ranch Civic Council and community have inquired about future governance options for their community. Additionally, staff has participated in discussions with the City of San Clemente staff in response to their interest in the potential annexation of an area located within the Rancho Mission Viejo development.



Based on the recent interest, the Commission identified the preparation of a document that outlines the processes for potential governance options for the South Orange County unincorporated communities as one of the six-month objectives. Attached to this report is an update to the 2016 document previously provided to the communities and local agencies. The “South Orange County Future Governance Options” provides a comprehensive discussion of potential governance options that may be explored by the South Orange County communities and local agencies (Attachment 1). The document is not intended to draw any conclusions or function as an analysis involving the viability of these options. Rather, it is intended to inform interested parties of the options and general processes within OC LAFCO and other governing bodies’ authority. Should communities or agencies be further interested in receiving a presentation on the document or filing an application with OC LAFCO, they are encouraged to contact staff directly.

#### *Refine and Enhance the MSR Process*

As part of the Strategic Objectives, the Commission identified the goal to refine and enhance the MSR process for future Municipal Service Review (MSR) cycles. As part of the goal, the Commission directed staff to survey other LAFCOs regarding their MSR processes. In response, staff surveyed LAFCOs with similar demographics to OC LAFCO. These demographics included: the number of cities and special districts and County designation (i.e., urban, rural, coastal). The following LAFCOs were surveyed in part to this objective: Imperial, Los Angeles, Riverside, San Bernardino, San Diego, Santa Clara, and Yolo. Each LAFCO was asked to provide responses to the following:

- How many cities and special districts are in your county?
- How often do you conduct MSRs (every five years, every eight years, as needed)?
- Outside of your Commission’s mandate to conduct an MSR, what other reasons might your Commission conduct an MSR?
- Has your Commission ever reconfirmed previously adopted MSR determinations? If yes, what method or criteria was utilized in the Commission’s consideration to reconfirm the MSR determinations?
- Do you conduct an MSR for each agency, by region/group, by service, or other?
- How often do you receive an application to conduct an MSR? In these instances, has the focus been a single service or issue?
- How are your MSRs funded?
- Does your LAFCO prepare the MSRs in-house or use consultants?

The responses provided by the LAFCOs surveyed are included in Attachment 2. In summary, staff noted the following based on these responses:

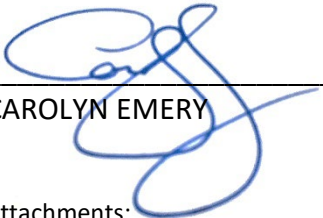
- Timelines for preparing MSRs are similar to OC LAFCO (i.e., prepared every five to eight years).
- Previous MSR determinations are reviewed in part to a new MSR.
- MSRs are prepared for each agency or by region.
- MSRs are prepared in-house and by consultants.

### **RECOMMENDED ACTION**

Staff recommends that the Commission:

1. Receive and file the update on the Six-Month Strategic Objectives update.

Respectfully submitted,

  
\_\_\_\_\_  
CAROLYN EMERY  
\_\_\_\_\_  
GAVIN CENTENO

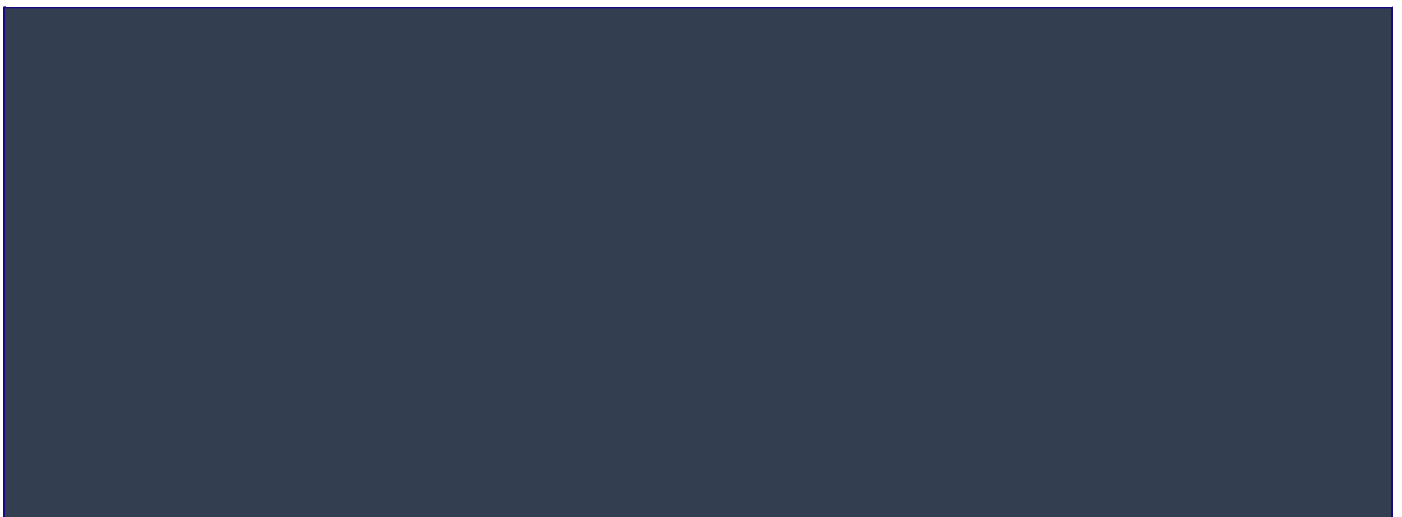
#### Attachments:

1. South Orange County Governance Options
2. MSR Survey Responses
3. Six-Month Strategic Objectives



# South Orange County Governance Options

February 9, 2022



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### **APPENDICES**

- Exhibit A. - Annexation Fact Sheet
- Exhibit B. - County Service Area Fact Sheet
- Exhibit C. - Community Services District Fact Sheet
- Exhibit D. - Incorporation Fact Sheet
- Exhibit E. - South County Governance Options Matrix
- Exhibit F. – Map of South Orange County

## INTRODUCTION

Future local governance for the South Orange County unincorporated communities has been a key topic of discussion for the Commission and affected communities and agencies for decades. The most recent dialogue of this subject involved a multi-year effort led by OC LAFCO that began in 2013 and concluded in 2016. Coined as the South Orange County Visioning Process, the effort included representatives from the County, adjacent cities and special districts, and the unincorporated communities of Coto de Caza, Ladera Ranch, Los Flores, Stonecliffe, Wagon Wheel, and Rancho Mission Viejo. A charge of the visioning process was a comprehensive look at potential governance options for the region and provide a document outlining those options to the stakeholders that could be shared with their respective leadership and communities.

This document contains the information presented during the 2013 visioning process and has been updated where applicable. It is intended to inform the South Orange County affected local agencies and unincorporated communities and other interested parties through a comprehensive presentation of governance options within OC LAFCO's purview. This document is not intended to draw any conclusions or serve as an analysis or study relative to future governance options for the South Orange County region. Agencies or communities interested in a more direct presentation of this document to their respective boards, councils and other leadership, may contact OC LAFCO staff directly.

## SOUTH ORANGE COUNTY GOVERNANCE OPTIONS

This section provides a comprehensive overview of potential governance options available to the local agencies and unincorporated communities in South Orange County. Each governance option includes a description and a summary discussion involving the respective purpose, revenue opportunities, sustainability factors, and the OC LAFCO or other agency processes. The primary governance options that require OC LAFCO review and approval include: (1) annexation to an adjacent city; (2) formation of a county service area; (3) formation of a community services district; and (4) city incorporation. Potential governance options not directly under LAFCO authority are also referenced within this document and include the status quo governance provided by homeowners' associations and master maintenance agreements, the formation of an advisory council to the Board of Supervisors, or contractual arrangements for service levels with other public agencies. The three governance options not under OC LAFCO purview may provide local governance by addressing service levels or local control, or both. Additionally, *Fact Sheets* for each governance option and a matrix summarizing the options within OC LAFCO's

purview are referenced in Exhibits A through E. The fact sheets provide extensive details involving the OC LAFCO proceedings for each respective option, and the matrix is intended to highlight the key points of these document.

## Annexation

Transitioning of unincorporated areas to adjacent cities (“annexation”) has been a key priority of OC LAFCO for over the past twenty-five years. The Commission has been successful in this effort through its partnership with the County and cities as represented by over 50 approved annexations. Additionally, OC LAFCO has worked with local residents interested in joining adjacent cities to facilitate annexation. As the South Orange County unincorporated communities include large in size and population areas, OC LAFCO’s efforts and discussions with the community representatives and local agencies within the region have been deliberative and span over two decades.

Annexation of the unincorporated communities located within South Orange County to an adjacent city would facilitate the provision of municipal services by the respective city to the annexing community. Key municipal services provided by a city to its residents include public safety (police and fire), parks and recreation, and land use planning and regulation. The fiscal sustainability of an annexation to a city is largely dependent upon the annexing city’s financial ability to provide services over the long term within the subject area and negotiations involving the County and annexing city.

Prior to starting the annexation process, every effort should be made to assess community support or opposition relative to annexation, as registered voters, and landowners within the South Orange County unincorporated communities have an opportunity to protest the annexation by filing a written protest with the Commission. An overview of the OC LAFCO proceedings for annexation is referenced in Exhibit A.

## County Service Areas (CSAs)

County Service Areas (“CSAs”) are special districts that are “dependent” to the County. As a dependent district they are governed by the County Board of Supervisors and administered by County staff. They are established to provide specific services within county unincorporated areas and, the fiscal sustainability of CSAs may be funded by a portion of the property tax revenue generated in the district’s boundary and other taxes, fees, and assessments. There are currently three CSAs in Orange County that have been in existence for over 50 years. These CSAs provide a range of services that include maintenance of sewer infrastructure and local and regional parks and recreational facilities.

Similar to annexation, parties interested in the formation of a CSA should make an effort to engage residents and assess the relative support of the respective community, as registered voters and landowners within the community have an opportunity to protest the formation of a CSA by filing a written protest with the Commission. An overview of the OC LAFCO proceedings for the formation of a CSA is referenced in Exhibit B.

## Community Services Districts (CSDs)

Community Services Districts (“CSDs”) are independent special districts that are governed by a locally elected board of directors. CSDs have broad statutory authority to provide services within their boundaries as permanent or transitional forms of governance. The fiscal sustainability of CSDs may be dependent in large part on property taxes or other taxes, and assessments and fees that are generated from the community to fund its operations. There are five CSDs in operation in Orange County providing a variety of services, including but not limited to, water, garbage collection, wastewater management, security, fire protection, public recreation, and street lighting.

Proponents of the formation of a CSD should engage the community to assess support to a change in local governance within their community. The formation of a CSD requires a defined service boundary, voter approval of the CSD, and any required taxes must demonstrate adequate long-term financing and reserve funding, and OC LACO approval. The formation of a CSD may also require County approval involving property taxes and other matters. An overview of the OC LAFCO proceedings for the formation of a CSD is referenced in Exhibit C.

## Incorporation

Incorporation is the creation or establishment of a new city. State law provides broad statutory authority for cities to enforce the state’s laws and provide services. State law also places a high bar on the formation of new public agencies, specifically the incorporation of new cities. Orange County is home to large full-service cities and small contract cities, and the most recent approval by OC LAFCO of the County’s 34<sup>th</sup> city occurred in 2001. Many older cities, such as Anaheim, Fullerton and Santa Ana provide a full array of municipal services (i.e., law enforcement, fire suppression and protection, water, sewer, parks and recreation). While some of the newer cities, such as Rancho Santa Margarita and Laguna Woods provide municipal services through contractual agreements with agencies such as Orange County Sheriff. Additionally, within the South Orange County region, some municipal services, such

as parks and recreation and local sewer and water are provided by special districts and HOAs.

As stated above, the minimum threshold to demonstrate long-term financial sustainability is very high for incorporations. Proponents seeking incorporation must demonstrate minimum reserves prior to OC LAFCO considering a formal application. Additionally, State legislation has limited potential tax revenue generation that could be realized by new cities, thus, making it challenging for unincorporated areas to demonstrate financial capacity without an existing tax base to cover the cost of providing services.

Much like the other governance options mentioned within this section, a deliberative and proactive effort to engage the community should be a key part of the proponents' exploration of forming a new city. As the incorporation process is extensive and costly, OC LAFCO staff encourages proponents to conduct community engagement prior to filing an application with the Commission. Exhibit D provides an overview of the OC LAFCO proceedings for incorporation.

### Homeowners Associations and Master Maintenance Corporations

Homeowners' Associations ("HOAs") are legal entities created and recognized by state law and not under OC LAFCO's purview. They are commonly non-profit mutual benefit corporations. Membership in the association is automatic and occurs when a person buys a lot, home, townhouse, or condominium in a common interest development. HOAs are inward focused whereby the associations regulate and maintain the properties and common areas within the HOA's boundary. The HOA is funded by dues collected from each homeowner, and its main objective is to enhance the community's property values by establishing and enforcing rules (covenant, conditions, and restrictions (CC&Rs)) and guidelines for the properties and residents located within the HOA's jurisdiction. HOAs also provide key services such as maintenance of common areas, including, but not limited to, landscape areas, swimming pools, tennis courts, and other common areas located within the HOA boundary.

HOAs have service provision and regulatory sustainability over the long term because they are required by zoning regulations, and their fiscal sustainability is supported through their revenue structure. HOA dues can increase overtime to cover increased maintenance costs and CC&Rs can be revised to address issues over time.

Master Maintenance Corporations (“MMCs”) are HOAs; however, MMCs provide services and maintenance to multiple HOAs or to a HOA that requires a service that is not covered by the primary HOA.

The following are examples of established MMCs in South Orange County:

- Rancho Santa Margarita Landscape and Recreation Corporation (SAMLARC) is a California non-profit mutual benefit corporation organized for the residential property owners within its boundaries. The HOA is funded by dues collected from each homeowner and provides landscape and recreation services to communities in the City of Rancho Santa Margarita.
- Ladera Ranch has two organizations that provide landscape and recreation services to the residents of the community. The Ladera Ranch Maintenance Corporation (LARMAC) provides landscaping services and aesthetic review, and Ladera Ranch Community Services (LARCS) provides recreation services.
- CZ Master Association provides an example of a status quo governance structure that provides security and street maintenance services to the residents of the gated Coto de Caza community.
- Rancho Mission Viejo also has a community services organization called RanchLife that funds recreational and educational programs and a community-wide web portal. RanchLife funds the management and maintenance of Rancho Mission Viejo community recreational facilities including all-access clubhouses, gardens/farms, parks, common area landscaping, hardscape, lighting, trails, and monuments as well as related staffing and administration. RanchLife is funded by a fee collected on the initial home sales and on the resale of all homes in the community. Additionally, there is a monthly general Rancho MCC assessment for Sendero homeowners. Additional fees may be assessed for other purposes including sub-associations and “special benefit areas” (i.e., covering the maintenance of slopes, alley areas, and gated access points).

HOAs are a prevalent form of service administration and regulation in the South Orange County region, and multiple HOAs within the region work together to address various regional issues.

## Municipal Advisory Councils (MACs)

A Municipal Advisory Council could serve as a valuable conduit of communicating for both the Orange County Board of Supervisors (BOS) and the unincorporated communities they represent. The authority to create a MAC resides with the Orange County Board of Supervisors, and State law allows the Board of Supervisors (BOS) to establish and provide funds, by resolution, for the operation of a MAC as an advisory body to the BOS. Unless the BOS specifically provides to the contrary, a MAC may represent the community to any state, county, city, special district or school district, agency or commission, or any other organization on any matter concerning the community. MACs can provide those living in unincorporated areas a platform to discuss and voice concerns that affect their community. Currently, there are no MACs in Orange County.

## Shared Services

Shared services allow unincorporated communities to receive an enhancement of existing services or services not currently enjoyed by residents in the area by entering into contractual agreements with adjacent service providers. Agreements for shared services require the support of each affected local agency and community representation (i.e., HOA). Additionally, shared agreements should involve the guidance of each respective agency and community's legal counsel.

**EXHIBIT A**  
**ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION**

**ANNEXATION  
FACT SHEET**

**LEGISLATIVE INTENT**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, as amended (Government Code §§56000 et seq.) establishes a legislative preference for annexation of territory to an existing public agency over the formation of a new agency, when appropriate: *"...the Legislature further finds and declares that this policy should be effected by the logical formation and modification of the boundaries of local agencies, with a preference granted to accommodating additional growth within, or through the expansion of, the boundaries of those local agencies which can best accommodate and provide necessary governmental services and housing for persons and families of all incomes in the most efficient manner feasible..."* (Government Code 56001)

**OC LAFCO'S ROLE**

Annexation is the transition of territory to a city or district and allows the annexing city or special district to provide a full range of municipal or special services (in the case of special district annexations) to the area. The legislature has charged OC LAFCO with the responsibility of reviewing annexation proposals and ultimately approving, modifying, or denying the proposals. Annexation territory must already be within an annexing agency's sphere of influence, or a concurrent amendment to the sphere of influence must be approved with the annexation. Annexations may be initiated by: (1) petition of registered voters or landowners within the annexation area; or (2) resolution of any affected agency, including the annexing city or special district, the county board of supervisors, or any other agency with jurisdictional or sphere of influence boundaries that overlap the annexation territory. Initiation of annexation triggers a set of processing and procedural requirements that must be completed before the proposal can be scheduled for public hearing by OC LAFCO. (See page 6 of this Exhibit for an OC LAFCO flowchart.) The following section outlines these requirements.

**OC LAFCO APPLICATION**

Prior to initiation of annexation and filing of any documents, applicants are required to meet with OC LAFCO staff for a pre-application meeting to discuss the LAFCO process, required application documents, and OC LAFCO's filing and processing fees. Standard

## ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION

application requirements include but are not limited to: (1) resolution of application or landowner/registered voter petition (5% of registered voters or 5% of the landowners owning at least 5% of the assessed value); (2) filing fees; (3) plan for services; (4) property tax exchange agreements; (5) map and legal description; (6) disclosure of political expenditures; and (7) indemnification agreement. Certain application requirements, most notably the property tax exchange agreement, may be developed during the course of the application process and are not expected to be submitted upfront by the applicant or County as part of the initial application submittal.

**Fees:** OC LAFCO filing fee for an annexation is \$4,600 (\$5,600 if the annexation includes a concurrent sphere of influence amendment). The fees are used to pay for the costs of: (1) verifying the signatures on the petition, if applicable; (2) preparing environmental review documents required under the California Environmental Quality Act ("CEQA"); and (3) other OC LAFCO direct and indirect costs, including staff time, legal costs, noticing, etc. Complex proposals may warrant the submission of additional fees.

**Boundary Map:** A map of the proposed annexation boundary is required. OC LAFCO staff, affected local agencies, and interested parties will review the boundary map to determine consistency with the boundaries of existing local agencies and to ensure that the boundaries are logical and reasonable. A more detailed map and legal description that meets specified requirements of the Orange County Surveyor's Office (stamp of approval from OC Surveyor required) and the State Board of Equalization must be completed before the proposal can be scheduled for public hearing.

**Property Tax Exchange Agreement:** OC LAFCO must consider the sufficiency of the city or special district revenues for the services following annexation. Revenue sources may include a portion of the property taxes, special taxes, and special benefit assessments (city annexations may also include other revenue sources, such as sales tax or transient occupancy tax). The County and other affected agencies are required to adopt resolutions agreeing to an exchange of property tax revenues generated in the proposed annexation territory. The amount of property taxes transferred is negotiated and agreed upon but typically aligns with the types, levels, and costs of services to be transferred to the annexing agency. For city annexations, the County typically retains a certain amount of the property tax revenues to support the provision of regional services provided by the County. Annexations to enterprise special districts usually do not result in the transfer of any property tax revenues from the County. Several cities have adopted master property tax exchange agreements with the County to streamline the process for standard annexations. However, each annexation may be negotiated separately, if so desired by the affected agencies.

**Plan for Services:** The "Plan for Services" must describe the current and future service providers and anticipated service level enhancements, if any (see table below). Services

## EXHIBIT A

### ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION

that may be addressed in the Plan for Services include the following (the provision of some services may not change):

Potential Municipal Services	Regional Services Retained by County
<b>Law enforcement and police protection</b>	General government administration
<b>Fire protection</b>	Legislative functions
<b>Parks, recreation, and open-space conservation</b>	Criminal justice (courts, prosecution, etc.)
<b>Animal control</b>	Regional parks
<b>Libraries</b>	Elections and voter services
<b>Community facilities</b>	Social services
<b>Flood control/drainage</b>	Sheriff and coroner
<b>Utilities (water &amp; sewer)</b>	Health services
<b>Solid waste</b>	
<b>Funding for services of a municipal advisory council</b>	
<b>Funding for land use planning (i.e., area planning commission)</b>	

The Plan for Services must also describe the long-term financing plan for the services to be transferred as part of the annexation. OC LAFCO is required to analyze the Plan for Services to determine the financial ability of the agency to provide the proposed services and other factors. Of importance is the financial viability of the proposal to ensure that the service provision to the annexation territory will be sustainable in the long-term.

**Sphere of Influence (SOI):** The annexation territory must be within the annexing agency's existing sphere of influence, or the proposal must include concurrent amendment of the annexing agency's sphere of influence. A sphere of influence is a long-range planning tool used by OC LAFCO and is defined in state law as "a plan for the probable physical boundaries and service area of a local agency, as determined by the Commission" (Government Code Section 56076). OC LAFCO is required to review and update the sphere of influence for each city and special district every five years, or as necessary. When an annexation request includes a sphere of influence amendment, OC LAFCO is required to analyze the request and prepare written statements of determinations with respect to each of the following:

- The present and planned land use in the area, including agricultural and open space lands.
- The present and probable need for public facilities and services in the area.
- The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
- The existence of any social or economic communities of interest in the area.

ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION

- For those cities that provide public facilities or services related to sewers, water or fire protection, the present and probable need for those public facilities and services in any Disadvantaged Unincorporated Communities within the existing SOI.

**PUBLIC HEARING**

Once OC LAFCO receives an application, OC LAFCO staff will prepare and distribute a preliminary staff report to affected agencies for initial comments on the proposal. During the public review, OC LAFCO staff will continue to work with the County and various public agencies to analyze the proposal and craft a recommendation. When the OC LAFCO Executive Officer deems the application complete, the proposal will be scheduled for a legally noticed public hearing, as required.

During the annexation proceedings, based on various factors required to be considered by state law (see page 7 for information on factors), OC LAFCO may deny, approve, or conditionally approve the annexation with modifications and subject to terms and conditions. If OC LAFCO denies the proposal, the application is terminated. If approved or approved with modifications, subsequent steps in the annexation process are outlined in the following sections of this fact sheet.

**REQUEST FOR RECONSIDERATION**

Within 30 days of the adoption of the OC LAFCO resolution either approving or disapproving the proposal, any interested party can request the Commission to reconsider the action. Such a request must identify the new or different facts that warrant the reconsideration and requires the payment of a fee as determined by the OC LAFCO Schedule of Filing and Processing Fees in effect at that time. Upon receipt of a timely request, OC LAFCO will hold a legally noticed (at least 21 days prior to the hearing) public hearing on the reconsideration request. At the reconsideration hearing OC LAFCO may approve, deny, or continue the reconsideration request.

**PROTEST PROCEEDINGS**

If OC LAFCO approves the annexation proposal, the Commission may be required to conduct a protest hearing to collect written and oral opposition to the OC LAFCO action. The hearing is conducted at the conclusion of a protest period (may range between 21 to 60 days). Under certain circumstances, the Commission may waive protest proceedings.

The annexation for territory is ordered without election if written protests have been filed and not withdrawn by the following:

ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION

- For inhabited territory either (1) less than 25% of the registered voters or (2) less than 25% of the number of landowners owning less than 25% of the land in the annexation boundary.
- For uninhabited territory, landowners owning less than 50% of the total assessed value of land within the annexation boundary

The annexation is terminated if a majority protest is deemed according to the following:

- For inhabited territory, written protests filed by 50% or more of the voters residing in the annexation boundary.
- For uninhabited territory, written protests filed by landowners owning 50% or more of the assessed value of the land within the annexation boundary.

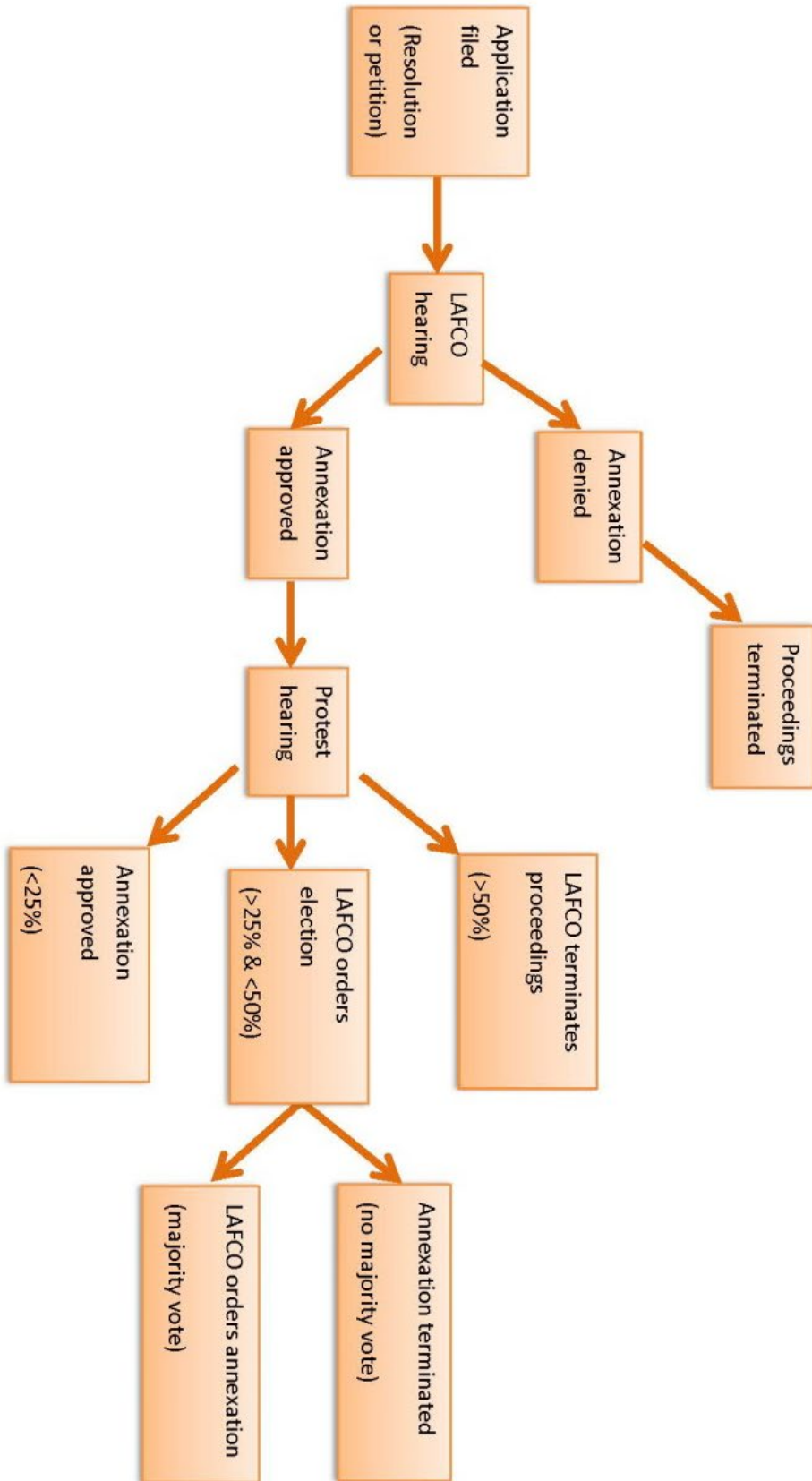
For inhabited territory, the Commission shall order the annexation subject to voter confirmation according to either of the following:

- At least 25%, but less than 50%, of the registered voters residing in the annexation boundary.
- At least 25% of the number of owners of land who also own at least 25% of the assessed value of land within the annexation boundary.

**ELECTION PROCESS**

If required, the Commission shall inform the Board of Supervisors and the County elections official of the determination and request the Board to direct the elections official to conduct the necessary election. The election may occur at the next regularly scheduled election or at a special election. A simple majority of the registered voters (residing within the annexation boundary) is required to approve the annexation.

OC LAFCO PROCESS: ANNEXATION



## ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION

**EVALUATING VIABILITY:  
PLAN FOR SERVICES & FACTORS CONSIDERED BY LAFCO**

Applications for annexations must be accompanied by a Plan for Services enumerating and describing the services that will be extended to the annexation territory, including the level of services and financing plan for service provision. OC LAFCO evaluates the Plan for Services and a variety of factors outlined in state law when making decisions on annexations. Excerpts from LAFCO law addressing these requirements are provided below.

**PLAN FOR SERVICES (GOVERNMENT CODE SECTION 56653(b))**

The Plan for Services must include all of the following information:

- An enumeration and description of the services to be extended to the affected territory.
- The level and range of those services.
- An indication of when those services can feasibly be extended to the affected territory.
- An indication of any improvements or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.
- Information with respect to how those services will be financed.
- Any additional information required by the Commission or OC LAFCO Executive Officer.

**FACTORS CONSIDERED BY LAFCO IN THE REVIEW OF PROPOSALS (GOVERNMENT CODE SECTION 56668)**

Factors that LAFCO considers in the review of a proposal are outlined in state law (Government Code Section 56668) and listed below.

- (a) Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.
- (b) The need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs of those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of service and controls in the area and adjacent areas. "Services," as used in this subdivision, refers to governmental services whether or not the services

## ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION

- are services which would be provided by local agencies subject to this division, and includes the public facilities necessary to provide those services.
- (c) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.
  - (d) The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities in Section 56377.
  - (e) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.
  - (f) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.
  - (g) A regional transportation plan adopted pursuant to Section 65080, and its consistency with city or county general and specific plans.
  - (h) The sphere of influence of any local agency which may be applicable to the proposal being reviewed.
  - (i) The comments of any affected local agency or other public agency.
  - (j) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.
  - (k) Timely availability of water supplies adequate for projected needs as specified in Section 65352.2.
  - (l) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.
  - (m) Any information or comments from the landowner or owners, voters, or residents of the affected territory.
  - (n) Any information related to existing land use designations.
  - (o) The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.
  - (p) Information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone pursuant to Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to Section 4102 of the

EXHIBIT A

ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION

Public Resources Code, if it is determined that such information is relevant to the area that is the subject of the proposal.

**Exhibit B**  
**ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION**

**COUNTY SERVICE AREA  
FACT SHEET**

**LEGISLATIVE INTENT**

County Service Areas ("CSAs") are dependent special districts that are governed by the County Board of Supervisors. To accommodate new growth, state law authorizes CSAs to provide an array of public services, provided that the County does not perform the services to the same extent countywide.

*"State law declares that population growth and development in unincorporated areas result in new and increased demands for public facilities and services that promote the public peace, health, safety, and general welfare. Residents and property owners in these areas should have reasonable methods available to finance and provide these needed facilities and services. In the absence of independent special districts, County boards of supervisors should have alternative organizations and methods to finance and provide the needed public facilities and services to these areas."*

*"It is the intent of the California State Legislature to continue a broad statutory authority for county boards of supervisors to use county service areas as a method to finance and provide needed public facilities and services" and "to meet the diversity of local conditions, circumstances, and resources of unincorporated communities." (Government Code Sections 25210 et seq.)*

**OC LAFCO'S ROLE**

The legislature has charged OC LAFCO with the responsibility of determining the viability of a proposed county service area ("CSA") and ultimately approving, modifying, or denying the formation proposal. CSA formations may be initiated by: (1) petition of registered voters or landowners within the identified area; or (2) resolution of any the county board of supervisors. Initiation of a CSA formation triggers a lengthy and complex set of processing and procedural requirements that must be completed before the proposal can be scheduled for public hearing by OC LAFCO. (See page 5 for an OC LAFCO flowchart.) The following section outlines these requirements.

**OC LAFCO APPLICATION**

Prior to initiation and filing of any documents, applicants are required to meet with OC LAFCO staff for a pre-application meeting to discuss the OC LAFCO process, required application documents, and OC LAFCO's filing and processing fees. Standard application requirements include but are not limited to: (1) resolution of application or landowner/registered voter petition (either 25% of the registered voters or 25% of the

## ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION

landowners who own at least 25% of the assessed value of land); (2) filing fees; (3) plan for services; (4) map and legal description; (5) disclosure of political expenditures; and (6) indemnification agreement.

Certain application requirements may be developed during the course of the application process and all of the items listed are not expected to be submitted upfront by the applicant as part of the initial application submittal.

**Fees:** OC LAFCO filing fees for special district formations is \$10,000. The fees are used to pay for the costs of: (1) verifying the signatures on the petition, if applicable; (2) preparing environmental review documents required under the California Environmental Quality Act ("CEQA"); and (3) other OC LAFCO direct and indirect costs, including staff time, legal costs, noticing, etc. Complex proposals may warrant the submission of additional fees.

**Boundary Map:** A map of the proposed special district boundary is required. OC LAFCO staff, affected local agencies, and interested parties will review the boundary map to determine consistency with the boundaries of existing local agencies and to ensure that the boundaries are logical and reasonable. A more detailed map and legal description that meets specified requirements of the Orange County Surveyor's Office and the State Board of Equalization will need to be completed before the proposed CSA formation can be scheduled for Commission consideration.

**Property Tax Exchange:** State law requires that the Commission determine that the proposed CSA will have sufficient revenues to carry out its purposes. Revenue sources may include a portion of the property taxes, special taxes, and special benefit assessments. OC LAFCO is required to work with the County Auditor-Controller to determine the amount of property taxes, if any, that transfer from existing taxing entities to the proposed CSA. The amount of property taxes received by the CSA is typically associated with the number of services to be provided and their respective service levels. The County always retains a certain amount of the property tax revenues to support the provision of regional services retained by the County.

**Plan for Services:** A CSA may provide any governmental services within its boundary that the county is authorized to perform and does not perform to the same extent countywide. The "Plan for Services" must describe the current and future service providers and anticipated improvements in service levels, if any (See page 6 for more on plan for services.). Services that may be addressed in the Plan for Services include the following (the provision of some services may not change):

## EXHIBIT B

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Potential CSA Services	Regional Services Retained by County
Parks, recreation, and open-space conservation	General government/administration/legislative functions
Community facilities	Criminal justice (courts, prosecution, etc.)
Utilities (water & sewer)	Social services
Solid waste	Health services
Law enforcement and police protection	Regional parks
Funding for land use planning (i.e. area planning commission)	Sheriff and coroner
Funding for services of a municipal advisory council	Elections and voter services

OC LAFCO must perform a fiscal analysis to determine if the anticipated revenues are sufficient to provide the proposed services. OC LAFCO's analysis will include review of the current county revenues and departmental cost data, the calculation of the property tax allocation, and the analysis of fiscal and service level assumptions provided by the applicant. Formation proposals are highly scrutinized by the Commission and OC LAFCO staff to ensure that the new agency will be financially **viable and sustainable** long-term. Fiscal factors influencing long-term viability include, but are not limited to, the size of the community, diversity of the proposed revenue stream, costs of providing the proposed public services, the amount of property taxes, if any, as determined by OC LAFCO, existing assessments and fees, and any proposed new taxes, assessments, or fees.

#### **PUBLIC HEARING**

The CSA formation process is an open, public process with several opportunities for the public and affected local agencies to participate in discussions and provide input. Once OC LAFCO receives an application, OC LAFCO staff prepares and distributes a preliminary staff report to all affected agencies for initial comments on the proposal. During the public review, OC LAFCO staff will continue to work with the County and various public agencies to analyze the proposal and develop a recommendation. When the OC LAFCO Executive Officer deems the application complete, the proposal will be scheduled for public hearing. The formation proposal will be considered by OC LAFCO at a minimum of one public hearing. OC LAFCO may hold the public hearing in the community to ensure maximum exposure of the process and to solicit public testimony on the proposal.

During the application proceedings, based on various factors required to be considered by state law (See page 6 for more on factors.), OC LAFCO may deny, approve, or conditionally approve the proposal with modifications and subject to terms and conditions. If OC LAFCO denies the proposal, the application is terminated and no new

## ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION

proposal, which is the same, or substantially similar may be filed for one year. If approved or approved with modifications, subsequent steps in the formation process are outlined in the following sections of this fact sheet.

**REQUEST FOR RECONSIDERATION**

Within 30 days of the adoption of the LAFCO resolution either approving or disapproving the proposal, any interested party can request the Commission to reconsider the action. Such a request must identify the new or different facts that warrant the reconsideration and requires the payment of a fee as determined by the OC LAFCO Schedule of Filing and Processing Fees in effect at that time. Upon receipt of a timely request, OC LAFCO will hold a legally noticed (at least 21 days prior to the hearing) public hearing on the reconsideration request. At the reconsideration hearing OC LAFCO may approve, deny, or continue the reconsideration request.

**PROTEST PROCEEDINGS**

If OC LAFCO approves the proposal, the Commission is required to conduct a protest hearing to collect written and oral opposition to the OC LAFCO action. The hearing is conducted at the conclusion of a protest period (may range between 21 to 60 days). The CSA formation is terminated if a majority protest is deemed according to either of the following:

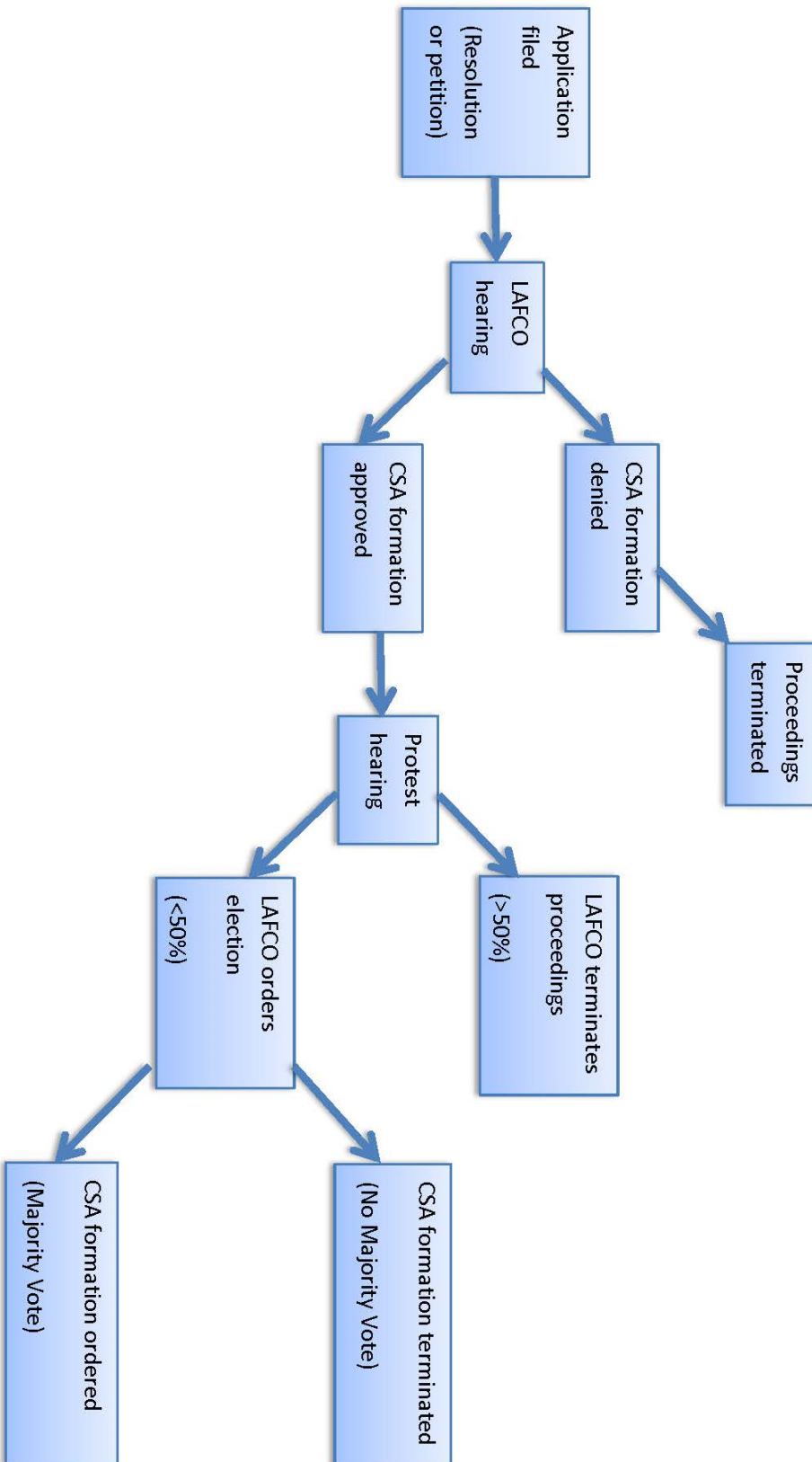
- For uninhabited territory, written protests filed by landowners owning 50% or more of the assessed value of the land within the boundary of the proposed CSA.
- For inhabited territory, written protests filed by 50% or more of the voters residing in the boundary of the proposed CSA.

**ELECTION PROCESS**

If there is no majority protest OC LAFCO shall order the formation without an election where all of the following apply: (1) the area is not inhabited; (2) there is 100% landowner consent; and (3) no special tax, benefit assessment, or property related fee or charge is needed.

Where the above requirements are not met, the Commission will order the proposal to be placed on the ballot for voter approval. A simple majority of the registered voters (residing within the proposed CSA boundary) is required to approve the formation of the new CSA. If OC LAFCO has conditioned the CSA formation upon a tax, fee, or assessment necessary to make the CSA financially viable, the proposed tax, fee, or assessment will be placed on the ballot along with the proposed formation. Some taxes may require two-thirds voter approval under Proposition 218.

## OC LAFCO PROCESS: CSA FORMATION



## ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION

**EVALUATING VIABILITY:  
PLAN FOR SERVICES & SUFFICIENCY OF REVENUES**

Applications for CSA formations must be accompanied by a detailed Plan for Services enumerating and describing the services that will be extended to the CSA territory, including the levels of services and financing plan for service provision. CSA law requires OC LAFCO to make a determination that the proposed CSA will have sufficient revenues to provide the services described in the Plan for Services, or otherwise condition approval of the formation on a special tax, benefit assessment, and/or property-related fee or charge, subject to voter approval. Excerpts from state law addressing these requirements are provided below.

**PLAN FOR SERVICES (GOVERNMENT CODE SECTION 56653(b))**

The Plan for Services must include all of the following information:

- An enumeration and description of the services to be extended to the affected territory.
- The level and range of those services.
- An indication of when those services can feasibly be extended to the affected territory.
- An indication of any improvements or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.
- Information with respect to how those services will be financed.
- Any additional information required by the Commission or OC LAFCO Executive Officer.

**DETERMINATION OF SUFFICIENCY OF REVENUES (GOVERNMENT CODE SECTION 25211.4(b))**

- (1) Notwithstanding any other provision of law, a local agency formation commission shall not approve a proposal that includes the formation of a county service area unless the commission determines that the proposed county service area will have sufficient revenues to carry out its purposes.
- (2) Notwithstanding paragraph (1), a local agency formation commission may approve a proposal that includes the formation of a county service area where the commission has determined that the proposed county service area will not have sufficient revenues provided that the commission conditions its approval on the concurrent approval of special taxes, benefit assessments, or property-related fees or charges that will generate those sufficient revenues. In approving the proposal, the commission shall provide that if the voters or property owners do not

## ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION

approve the special taxes, benefit assessments, or property-related fees or charges, the proposed county service area shall not be formed.

**EVALUTING VIABILITY:  
FACTORS CONSIDERED BY LAFCO**

Factors that LAFCO considers in the review of a proposal are outlined in state law (Government Code Section 56668) and listed below.

- (a) Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.
- (b) The need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs of those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of service and controls in the area and adjacent areas. "Services," as used in this subdivision, refers to governmental services whether or not the services are services which would be provided by local agencies subject to this division, and includes the public facilities necessary to provide those services.
- (c) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.
- (d) The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities in Section 56377.
- (e) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.
- (f) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.
- (g) A regional transportation plan adopted pursuant to Section 65080, and its consistency with city or county general and specific plans.
- (h) The sphere of influence of any local agency which may be applicable to the proposal being reviewed.
- (i) The comments of any affected local agency or other public agency.
- (j) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.

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- (k) Timely availability of water supplies adequate for projected needs as specified in Section 65352.2.
- (l) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.
- (m) Any information or comments from the landowner or owners, voters, or residents of the affected territory.
- (n) Any information related to existing land use designations.
- (o) The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.
- (p) Information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and pursuant to Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to Section 4102 of the Public Resources Code, if it is determined that such information is relevant to the area that is subject of the proposal.

**EXHIBIT C**  
**ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION**

**COMMUNITY SERVICES DISTRICT  
FACT SHEET**

**LEGISLATIVE INTENT**

Community Services Districts ("CSDs") are independent special districts that are governed by a locally elected board of directors. To accommodate new growth, state law authorizes the establishment of CSDs as permanent or transitional forms of governance.

*State law declares that differences among California's communities reflect the broad diversity of the state's population, geography, natural resources, history, and economy. The Community Services District Law was enacted to address the desires of California's diverse communities for public facilities and services that promote the public peace, health, safety, and welfare.*

*It is the intent of the Legislature: to provide a broad statutory authority for a class of limited-purpose special districts to provide a wide variety of public facilities and services; to encourage LAFCOs to use municipal service reviews, sphere of influence, and boundary powers, where feasible and appropriate, to combine special districts that serve overlapping or adjacent territory into multifunction community services districts; and that residents, property owners, and public officials use the powers and procedures provided by Community Services District Law to meet the diversity of the local conditions, circumstances, and resources.*

*The Legislature also finds and declares that community services districts can serve a wide range of purposes: a permanent form of governance that can provide locally adequate levels of public facilities and services; a multifunction special district in place of multiple individual special districts; a form of governance that is an alternative to city incorporation; or a transitional form of governance as a community approaches cityhood. (Government Code Sections 61000 et seq.)*

**LAFCO'S ROLE**

The legislature has charged OC LAFCO with the responsibility of determining the viability of a proposed county service area ("CSD") and ultimately approving, modifying, or denying the proposal. CSD formations may be initiated by: (1) petition of registered voters or landowners with the identified area; or (2) resolution of any affected agency, including the county board of supervisors or any other agency with jurisdictional

## ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION

boundaries overlapping the proposed CSD territory. Initiation of a CSD formation triggers a lengthy and complex set of processing and procedural requirements that must be completed before the proposal can be scheduled for public hearing by LAFCO. (See Page 6 of this Exhibit for a flowchart.) The following section outlines these requirements.

**OC LAFCO APPLICATION**

Prior to initiation and filing of any documents, applicants are required to meet with OC LAFCO staff for a pre-application meeting to discuss the OC LAFCO process, required application documents, and LAFCO's filing and processing fees. Standard application requirements include, but are not limited to: (1) resolution of application adopted by any county, city, or special district that contains any of the territory proposed to be included in the district or by petition of 25% of the registered voter residing in the area to be included in the district; (2) filing fees; (3) plan for services; (4) property tax exchange agreement; (5) map and legal description; (6) disclosure of political expenditures; and (7) indemnification agreement. Certain application requirements may be developed during the course of the application process and all of the items listed are not expected to be submitted upfront by the applicant as part of the initial application submittal.

**Fees:** OC LAFCO filing fee for special district formations is \$10,000. The fees are used to pay for the costs of: (1) verifying the signatures on the petition, if applicable; (2) preparing environmental review documents required under the California Environmental Quality Act ("CEQA"); and (3) other OC LAFCO direct and indirect costs, including staff time, legal costs, noticing, etc. Complex proposals may warrant the submission of additional fees.

**Boundary Map:** A map of the proposed special district boundary is required. OC LAFCO staff, affected local agencies, and interested parties will review the boundary map to determine consistency with the boundaries of existing local agencies and to ensure that the boundaries are logical and reasonable. A more detailed map and legal description that meets specified requirements of the Orange County Surveyor's Office and the State Board of Equalization will need to be completed before the proposed CSD formation can be scheduled for Commission consideration.

**Property Tax Exchange:** State law requires that the Commission determine that the proposed CSD will have sufficient revenues to carry out its purposes. Revenue sources may include a portion of the property taxes, special taxes, and special benefit assessments. OC LAFCO is required to work with the County Auditor-Controller to determine the amount of property taxes, if any, that transfer from existing taxing entities to the proposed CSD. The amount of property taxes received by the CSD is typically associated with the number of services to be provided and their respective service levels. The County always retains a certain amount of the property tax revenues to support the provision of regional services retained by the County.

## ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION

**Plan for Services:** CSDs may provide a wide array of municipal level services; however, certain regional services (e.g., social services, courts, etc.) and land use authority will be retained by the county. The “Plan for Services” must describe the current and future service providers and anticipated improvements in service levels, if any (see page 7 for more on plan for services). Services that may be addressed in the Plan for Services include the following (the provision of some services may not change):

Potential CSD Services	Regional Services Retained by County	
Law enforcement and police protection	General government/administration/legislative functions	
Fire protection	Health services	
Parks, recreation, and open-space conservation	Criminal justice (courts, prosecution, etc.)	
Animal control	Regional parks	
Libraries	Elections and voter services	
Community facilities	Social services	
Flood control/drainage	Sheriff and coroner	
Utilities (water & sewer)		
Solid waste		
Funding for services of a municipal advisory council		
Funding for land use planning (i.e. area planning commission)		

OC LAFCO must perform a fiscal analysis to determine if the anticipated revenues are sufficient to provide the proposed services (see page 7). LAFCO’s analysis will include review of the current county revenue and departmental cost data, the calculation of the property tax allocation, and the analysis of fiscal and service level assumptions provided by the applicant. State law prohibits OC LAFCO from approving formation of a CSD unless the Commission determines that the proposed district will be financially viable and sustainable long-term. Fiscal factors influencing long-term viability include, but are not limited to, the size of the community, diversity of the proposed revenue stream, costs of providing the proposed public services, the property tax allocation, if any, as determined by LAFCO, existing assessments and fees, and any proposed new taxes, assessments, or fees.

### **PUBLIC HEARING**

The CSD formation process is an open, public process with several opportunities for the public and affected local agencies to participate in discussions and provide input. Once OC LAFCO receives an application, OC LAFCO staff prepares and distributes a preliminary staff report to all affected agencies for initial comments on the proposal.

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During the public review, OC LAFCO staff will continue to work with the County and various public agencies to analyze the proposal and develop a recommendation. When the OC LAFCO Executive Officer deems the application complete, the proposal will be scheduled for public hearing. The formation proposal will be considered by OC LAFCO at a minimum of one public hearing. OC LAFCO may hold the public hearing in the community to ensure maximum exposure of the process and to solicit public testimony on the proposal.

During application proceedings, based on various factors required to be considered by state law (see page 8), OC LAFCO may deny, approve, or conditionally approve the proposal with modifications and subject to terms and conditions. If OC LAFCO denies the proposal, the application is terminated and no new proposal, which is the same, or substantially similar may be filed for one year. If approved or approved with modifications, subsequent steps in the formation process are outlined in the following sections of this fact sheet.

**REQUEST FOR RECONSIDERATION**

Within 30 days of the adoption of the LAFCO resolution either approving or disapproving the proposal, any interested party can request the Commission to reconsider the action. Such a request must identify the new or different facts that warrant the reconsideration and requires the payment of a fee as determined by the OC LAFCO Schedule of Filing and Processing Fees in effect at that time. Upon receipt of a timely request, OC LAFCO will hold a legally noticed (at least 21 days prior to the hearing) public hearing on the reconsideration request. At the reconsideration hearing OC LAFCO may approve, deny, or continue the reconsideration request.

**PROTEST PROCEEDINGS**

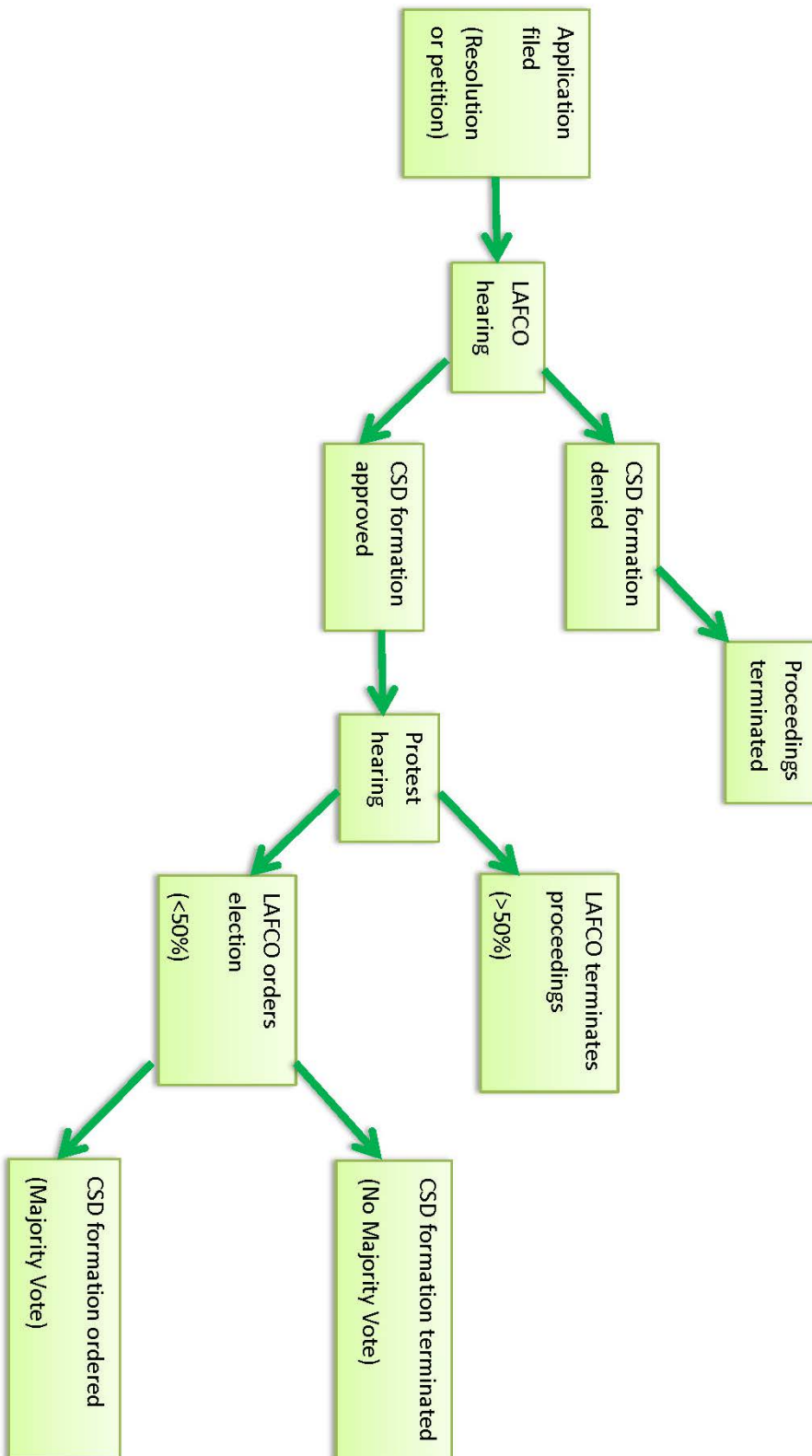
If OC LAFCO approves the proposal, the Commission is required to conduct a protest hearing to collect written and oral opposition to the OC LAFCO action. The hearing is conducted at the conclusion of a protest period (may range between 21 to 60 days). The CSD formation is terminated if a majority protest is deemed according to either of the following:

- For uninhabited territory, written protests filed by landowners owning 50% or more of the assessed value of the land within the boundary of the proposed CSD.
- For inhabited territory, written protests filed by 50% or more of the voters residing in the boundary of the proposed CSD.

**ELECTION PROCESS**

If there is no majority protest, the Commission will order the proposal to be placed on the ballot for voter approval. The election may occur at the next regularly scheduled election or at a special election. A simple majority of the registered voters (residing within the proposed CSD boundary) is required to approve formation of a new CSD. If OC LAFCO has conditioned the CSD formation upon a tax, fee, or assessment necessary to make the CSD financially viable, the proposed tax, fee, or assessment will be placed on the ballot along with the proposed formation. Some taxes may require two-thirds voter approval under Proposition 218.

## OC LAFCO PROCESS: CSD FORMATION



## ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION

**EVALUATING VIABILITY:  
PLAN FOR SERVICES & SUFFICIENCY OF REVENUES**

Applications for CSD formations must be accompanied by a detailed Plan for Services enumerating and describing the services that will be extended to the CSD territory, including the levels of services and financing plan for service provision. CSD law requires OC LAFCO to make a determination that the proposed CSD will have sufficient revenues to provide the services described in the Plan for Services, or otherwise condition approval of the formation on a special tax, benefit assessment, and/or property-related fee or charge, subject to voter approval. Excerpts from state law addressing these requirements are provided below.

**PLAN FOR SERVICES (GOVERNMENT CODE SECTION 56653(b))**

The Plan for Services must include all of the following information:

- An enumeration and description of the services to be extended to the affected territory.
- The level and range of those services.
- An indication of when those services can feasibly be extended to the affected territory.
- An indication of any improvements or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.
- Information with respect to how those services will be financed.
- Any additional information required by the Commission or OC LAFCO Executive Officer.

**DETERMINATION OF SUFFICIENCY OF REVENUES (GOVERNMENT CODE SECTION 61014)**

- (b) Notwithstanding any other provision of law, a local agency formation commission shall not approve a proposal that includes the formation of a district unless the commission determines that the proposed district will have sufficient revenues to carry out its purposes.
- (c) Notwithstanding subdivision (b), a local agency formation commission may approve a proposal that includes the formation of a district where the commission has determined that the proposed district will not have sufficient revenue provided that the commission conditions its approval on the concurrent approval of special taxes or benefit assessments that will generate those sufficient revenues. In approving the proposal, the commission shall provide that, if the voters or property owners do not approve the special taxes or benefit assessments, the proposed district shall not be formed.

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**EVALUTING VIABILITY:  
FACTORS CONSIDERED BY LAFCO**

Factors that OC LAFCO considers in the review of a proposal are outlined in state law (Government Code Section 56668) and listed below.

- (a) Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.
- (b) The need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs of those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of service and controls in the area and adjacent areas. "Services," as used in this subdivision, refers to governmental services whether or not the services are services which would be provided by local agencies subject to this division, and includes the public facilities necessary to provide those services.
- (c) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.
- (d) The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities in Section 56377.
- (e) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.
- (f) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.
- (g) A regional transportation plan adopted pursuant to Section 65080, and its consistency with city or county general and specific plans.
- (h) The sphere of influence of any local agency which may be applicable to the proposal being reviewed.
- (i) The comments of any affected local agency or other public agency.
- (j) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.
- (k) Timely availability of water supplies adequate for projected needs as specified in Section 65352.2.

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- (l) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.
- (m) Any information or comments from the landowner or owners, voters, or residents of the affected territory.
- (n) Any information related to existing land use designations.
- (o) The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.
- (p) Information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and pursuant to Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to Section 4102 of the Public Resources Code, if it is determined that such information is relevant to the area that is subject of the proposal.

**EXHIBIT D**  
**ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION**

**CITY INCORPORATION  
FACT SHEET**

**LEGISLATIVE INTENT**

State law places a high bar on the formation of new public agencies, specifically the incorporation of new cities, and requires LAFCOs to consider the ability of existing service providers to provide the needed services instead of creating a new entity.

*"When the formation of a new government entity is proposed, a commission shall make a determination as to whether existing agencies can feasibly provide the needed service or services in a more efficient and accountable manner." (Government Code Section 56301)*

**OC LAFCO'S ROLE**

The legislature has charged LAFCO with the responsibility of determining the viability of proposed incorporations and ultimately approving, modifying, or denying the proposal. City incorporations may be initiated by: (1) petition of registered voters or landowners within the identified area; or (2) resolution of any affected local agency, including the county board of supervisors or any other agency with jurisdictional boundaries overlapping the proposed incorporation territory. The processing of an incorporation proposal involves a lengthy and complex review of procedural and policy requirements and conduct of a public hearing by OC LAFCO. (See Page 5 of this Exhibit for an OC LAFCO flowchart.) The incorporation process can take one to two years to complete. The following section outlines these requirements.

**OC LAFCO APPLICATION PROCESS AND REQUIREMENTS**

Prior to initiation and filing of any documents, incorporation applicants are required to meet with OC LAFCO staff for a pre-application meeting to discuss the incorporation process, required documents, and OC LAFCO's fee/deposit requirements. Incorporation application requirements include, but are not limited to: (1) filing fees; (2) resolution of application by an affected agency, or landowner and/or registered voter petition (petitions must be signed by either 25% of registered voters or 25% of landowners owning at least 25% of the assessed valuation of the land); (3) plan for services; (4) comprehensive fiscal analysis (CFA); (5) revenue neutrality agreement; (6) map and legal description; (7) disclosure of political expenditures; and (8) indemnification agreement. Several of the application requirements, most notably the CFA and revenue neutrality

## ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION

agreement, are developed during the course of the application process and are not expected to be submitted upfront by the applicant as part of the initial application submittal.

**Fees:** Due to the complex nature of incorporation proposals, OC LAFCO fees for incorporation typically exceed \$150,000. The fees are used to pay for the costs of: (1) verifying the signatures on the petition, if applicable; (2) preparing a Comprehensive Fiscal Analysis; (3) preparing environmental review documents required under the California Environmental Quality Act ("CEQA"); and (4) other OC LAFCO direct and indirect costs, including but may not be limited to staff time, legal costs, and noticing.

**Boundary Map:** A map of the proposed incorporation boundary is required. OC LAFCO staff, affected local agencies, and interested parties will review the boundary map to determine consistency with the boundaries of existing local agencies and to ensure that the boundaries are logical and reasonable. A more detailed map and legal description that meets specified requirements of the Orange County Surveyor's Office and the State Board of Equalization are required.

**Revenue Neutrality:** To ensure that counties are kept "whole" in any incorporation, state law requires that the incorporation be "revenue neutral" and results "in a similar exchange of both revenue and responsibility for service delivery among the county, the proposed city, and other affected agencies" (see table on page 2). While cities can provide an array of services, certain regional services will always remain the responsibility of the county. Revenue neutrality requires: (1) a similar exchange of revenue and service responsibility between the proposed new city and the county and (2) a negotiated revenue neutrality payment accepted by the County. The revenue neutrality process may result in the adoption of agreements sharing property taxes, providing lump-sum payments, payments over a fixed period of time, modification of the incorporation boundary, or other provisions that keep the county financially whole following incorporation.

**Comprehensive Fiscal Analysis ("CFA"):** The incorporation proponents must describe the services that the new city (see page 6 for Plan for Service requirements) will provide and are required to submit a preliminary fiscal analysis ("PFA") for evaluation by OC LAFCO staff. The cost for preparing the PFA is not included in the OC LAFCO fees and is the responsibility of the applicant. The PFA includes a "Plan for Services" which must describe the current and future service providers and anticipated improvements in service levels, if any, for the following services (the provision of some services may not change):

## ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION

Potential New City Services	Regional Services Retained by County
General administration/legislative functions	General government/administration/legislative functions
Police protection	Health services
Planning and land use administration	Criminal justice (courts, prosecution, etc.)
Public works	Regional parks
Animal control	Elections and voter services
Parks and recreation	Social services
Fire protection	Sheriff and coroner
Library	
Flood control/drainage	
Solid waste	
Utilities (water & sewer)	

The PFA is the starting point for the Comprehensive Fiscal Analysis (CFA) that OC LAFCO must independently prepare, usually with the expert assistance of financial consultants (see page 6). Incorporation proposals are highly scrutinized by the Commission, OC LAFCO staff, county staff, other affected local agencies, and the public to ensure that the new city will not only be financially feasible, but financially viable and sustainable in the long-term over future economic cycles. Fiscal factors influencing long-term viability include, but are not limited to, the size of the community, strength of retail sales tax base, diversity of the proposed revenue stream, costs of providing the proposed public services, the property tax exchange and revenue neutrality negotiations with the county, existing assessments and fees, and any proposed new taxes, assessments, or fees.

### **PUBLIC HEARING**

The incorporation process is an open, public process with multiple opportunities for the public and affected local agencies to participate in discussions and provide input. Once OC LAFCO receives an application, OC LAFCO staff will prepare and distribute a preliminary staff report to affected agencies for initial comments on the proposal. Upon completion of the comprehensive fiscal analysis, OC LAFCO staff will publish a legal notice setting a 30-day public review period for the CFA. Depending on the comments received on the CFA, OC LAFCO may host a community workshop in the community. Once the CFA is finalized and the OC LAFCO Executive Officer deems the application complete, the proposal will be scheduled for public hearing. The incorporation proposal will be considered by OC LAFCO at a minimum of one, but most likely several, public hearings. These hearings will address the various factors required to be considered in state law (see page 9), the CFA (including the proposed Plan for Services and Revenue Neutrality requirement), the OC LAFCO staff report, and any other relevant information. OC LAFCO may also hold the public hearing in the community to ensure maximum exposure of the process and to solicit public testimony on the proposal. OC LAFCO may

## ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION

deny, approve, or conditionally approve the proposal with modifications and subject to terms and conditions. If OC LAFCO approves the proposal as submitted or with conditions, the item proceeds to the next steps listed below. If OC LAFCO denies the incorporation proposal, the

application is terminated. No new proposal which is the same or substantially similar may be filed for one year.

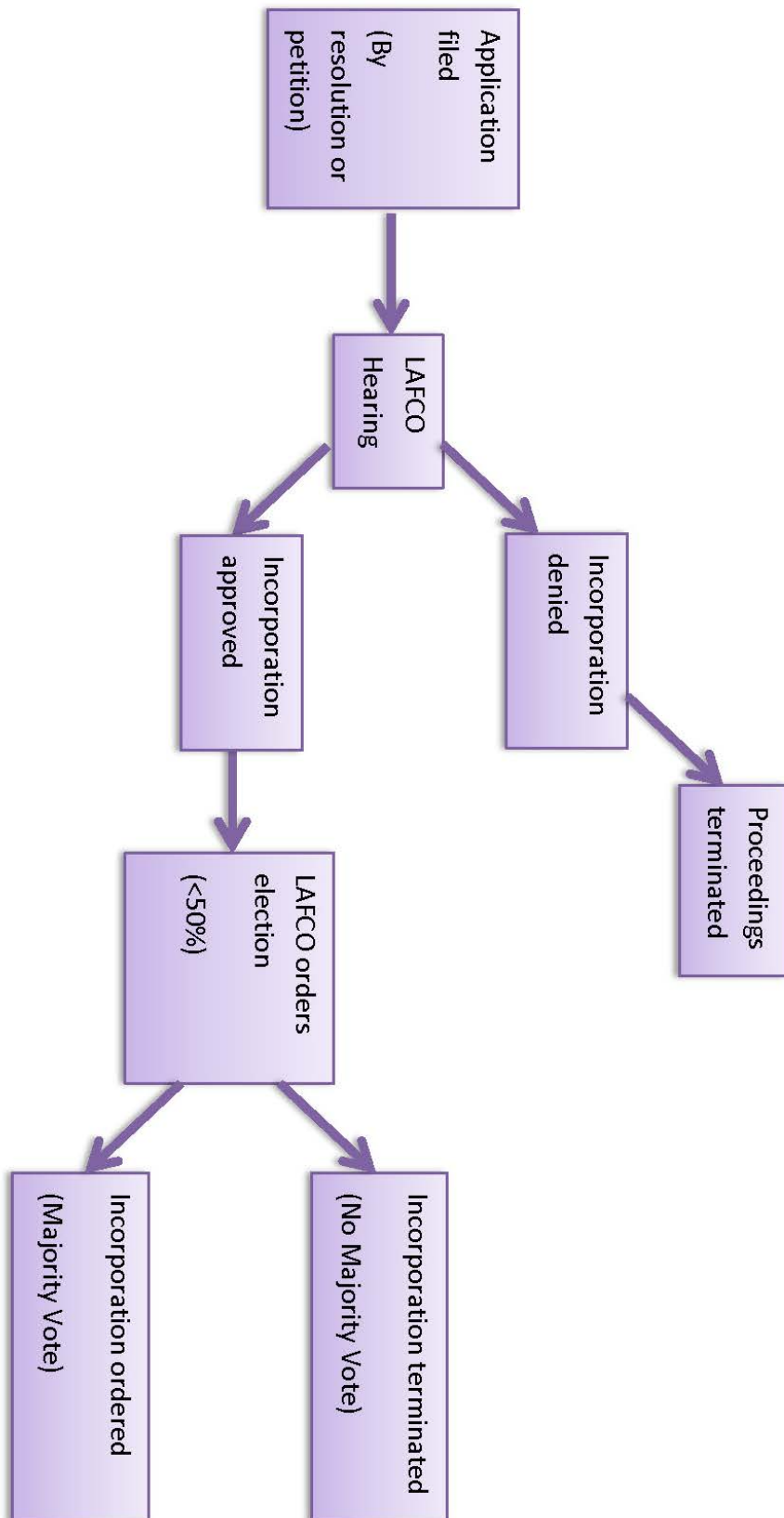
**REQUEST FOR RECONSIDERATION**

Within 30 days following the adoption of the LAFCO resolution either approving or disapproving the proposal, any interested party can request the Commission to reconsider the action. Such a request must identify the new or different facts that warrant the reconsideration and requires the payment of a fee as determined by the OC LAFCO Schedule of Filing and Processing Fees in effect at that time. Upon receipt of a timely request, OC LAFCO will hold a legally noticed (at least 15 days prior to the hearing) public hearing on the reconsideration request. At the reconsideration hearing OC LAFCO may approve, deny, or continue the reconsideration request.

**ELECTION PROCESS**

If OC LAFCO approves the incorporation of a new city at a public hearing, the Commission will order the incorporation proposal to be placed on the ballot for voter approval. The election may occur at the next regularly scheduled election or at a special election. A simple majority of the registered voters (residing within the proposed incorporation territory) is required to approve formation of a new city. Sometimes an additional tax may be placed on the ballot with the proposed incorporation in order for the incorporation to be feasible. Some taxes may require two-thirds voter approval under Proposition 218.

## OC LAFCO PROCESS: CITY INCORPORATION



## ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION

**EVALUATING VIABILITY:  
PLAN FOR SERVICES & SUFFICIENCY OF REVENUES**

Incorporation proposals require the preparation of a Plan for Services and Comprehensive Fiscal Analysis, which provide the information necessary for OC LAFCO to make a determination that the proposal will have sufficient revenues to carry out the proposed services and facilities, including reserves. Excerpts from LAFCO law addressing these requirements are provided below. OC LAFCO also has a locally adopted "Policy & Procedural Guidelines for Processing Incorporation Applications and Implementing Revenue Neutrality Provisions" that further guide the incorporation process. Visit the OC LAFCO web site at [www.oclafco.org](http://www.oclafco.org) to download the OC LAFCO Policies & Procedures Handbook.

**PLAN FOR SERVICES (GOVERNMENT CODE SECTION 56653(b))**

The Plan for Services must include all of the following information:

- An enumeration and description of the services to be extended to the affected territory.
- The level and range of those services.
- An indication of when those services can feasibly be extended to the affected territory.
- An indication of any improvements or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.
- Information with respect to how those services will be financed.
- Any additional information required by the Commission or OC LAFCO Executive Officer.

**COMPREHENSIVE FISCAL ANALYSIS (GOVERNMENT CODE SECTIONS 56720, 56800, and 56815)**

***Required LAFCO Findings for Incorporations (Government Code Section 56720)***

The commission shall not approve or conditionally approve any proposal that includes an incorporation, unless the commission finds, based on the entire record, that:

- The proposed incorporation is consistent with the intent of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, as amended (Government Code Sections 56000 et seq.), including, but not limited to, the policies of Sections 56001, 56300, 56301, and 56377.
- It has reviewed the spheres of influence of the affected local agencies and the incorporation is consistent with those spheres of influence.
- It has reviewed the comprehensive fiscal analysis prepared pursuant to Section 56800 and the Controller's report prepared pursuant to Section 56801.

## ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION

- It has reviewed the executive officer's report and recommendation prepared pursuant to Section 56665, and the testimony presented at its public hearing.
- The proposed city is expected to receive revenues sufficient to provide public services and facilities and a reasonable reserve during the three fiscal years following incorporation.

***Comprehensive Fiscal Analysis Requirements (Government Code Section 56800)***

For any proposal that includes an incorporation, the executive officer shall prepare, or cause to be prepared by contract, a comprehensive fiscal analysis. This analysis shall become part of the report required pursuant to Section 56665. Data used for the analysis shall be from the most recent fiscal year for which data are available, preceding the issuances of the certificate of filing. When data requested by the executive officer in the notice to affected agencies are unavailable, the analysis shall document the source and methodology of the data used. The analysis shall review and document each of the following:

- (a) The costs to the proposed city of providing public services and facilities during the three fiscal years following incorporation in accordance with the following criteria:
  - (1) When determining costs, the executive officer shall include all direct and indirect costs associated with the current provision of existing services in the affected territory. These costs shall reflect the actual or estimated costs at which the existing level of service could be contracted by the proposed city following an incorporation, if the city elects to do so, and shall include any general fund expenditures used to support or subsidize a fee-supported service where the full costs of providing the service are not fully recovered through fees. The executive officer shall also identify which of these costs shall be transferred to the new city that result in an administrative cost reduction to other agencies. In the analysis, the executive officer shall also review how the costs of any existing services compare to the costs of services provided in cities with similar populations and similar geographic size that provide a similar level and range of services and shall make a reasonable determination of the costs expected to be borne by the newly incorporated city.
  - (2) When determining costs, the executive officer shall also include all direct and indirect costs of any public services that are proposed to be assumed by the new city and that are provided by state agencies in the area proposed to be incorporated.
- (b) The revenues of the proposed city during the three fiscal years following incorporation.
- (c) The effects on the costs and revenues of any affected local agency during the three fiscal years of incorporation.

## ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION

- (d) Any other information and analysis needed to make the findings required by Section 56720.

***Revenue Neutrality Requirement (Government Code Section 56815)***

- (a) It is the intent of the Legislature that any proposal that includes an incorporation should result in a similar exchange of both revenue and responsibility for service delivery among the county, the proposed city, and other subject agencies. It is the further intent of the Legislature that an incorporation should not occur primarily for financial reasons.
- (b) The commission shall not approve a proposal that includes an incorporation unless it finds that the following two quantities are substantially equal:
- (1) Revenues currently received by the local agency transferring the affected territory that, but for the operation of this section, would accrue to the local agency receiving the affected territory.
  - (2) Expenditures, including direct and indirect expenditures, currently made by the local agency transferring the affected territory for those services that will be assumed by the local agency receiving the affected territory.
- (c) Notwithstanding subdivision (b), the commission may approve a proposal that includes an incorporation if it finds either of the following:
- (1) The county and all of the subject agencies agree to the proposed transfer.
  - (2) The negative fiscal effect has been adequately mitigated by tax sharing agreements, lump-sum payments, payments over a fixed period of time, or any other terms and conditions pursuant to Section 56886.
- (d) Nothing in this section is intended to change the distribution of growth on the revenues within the affected territory unless otherwise provided in the agreement or agreements specified in paragraph (2) of subdivision (c).
- (e) Any terms and conditions that mitigate the negative fiscal effect of a proposal that contains an incorporation shall be included in the commission resolution making determinations adopted pursuant to Section 56880 and the terms and conditions specified in the questions pursuant to Section 57134.

## ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION

**EVALUTING VIABILITY:  
FACTORS CONSIDERED BY LAFCO**

Factors that LAFCO considers in the review of a proposal are outlined in state law (Government Code Section 56668) and listed below.

- (a) Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.
- (b) The need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs of those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of service and controls in the area and adjacent areas. "Services," as used in this subdivision, refers to governmental services whether or not the services are services which would be provided by local agencies subject to this division, and includes the public facilities necessary to provide those services.
- (c) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.
- (d) The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities in Section 56377.
- (e) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.
- (f) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.
- (g) A regional transportation plan adopted pursuant to Section 65080, and its consistency with city or county general and specific plans.
- (h) The sphere of influence of any local agency which may be applicable to the proposal being reviewed.
- (i) The comments of any affected local agency or other public agency.
- (j) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.
- (k) Timely availability of water supplies adequate for projected needs as specified in Section 65352.2.
- (l) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined

## ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION

by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.

- (m) Any information or comments from the landowner or owners, voters, or residents of the affected territory.
- (n) Any information related to existing land use designations.
- (o) The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.
- (p) Information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and pursuant to Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to Section 4102 of the Public Resources Code, if it is determined that such information is relevant to the area that is subject of the proposal.

**EXHIBIT E**

South County Governance Options Matrix					
Governance Options	Description	Governance Objectives	Financing Sources	Average LAFCO Processing Time	Determining Variables
<b>Annexation</b>	Annexation to adjacent city	<ul style="list-style-type: none"> <li>• Service administration</li> <li>• Local control</li> <li>• Land use</li> <li>• Representation &amp; accountability</li> </ul>	<ul style="list-style-type: none"> <li>• Property taxes</li> <li>• Sales tax, TOT, etc.</li> <li>• Other taxes, assessments, and fees</li> </ul>	Up to 1 Year	<ul style="list-style-type: none"> <li>• City support</li> <li>• Community support</li> <li>• Voter approval of required taxes</li> <li>• County support</li> <li>• State legislation related to VLF revenue</li> <li>• Existing legal agreements</li> </ul>
<b>County Service Area (CSA)</b>	Dependent special district of the County	<ul style="list-style-type: none"> <li>• Service administration</li> <li>• Localized financial accounting</li> </ul>	<ul style="list-style-type: none"> <li>• Property taxes</li> <li>• Other taxes, assessments, and fees</li> </ul>	1 Year	<ul style="list-style-type: none"> <li>• County support</li> <li>• CSA boundary</li> <li>• Voter approval of CSA &amp; any required taxes</li> <li>• Adequate long-term financing and reserve funding</li> </ul>
<b>Community Services District (CSD)</b>	Independent special district	<ul style="list-style-type: none"> <li>• Service administration</li> <li>• Representation</li> <li>• Localized financial accounting</li> </ul>	<ul style="list-style-type: none"> <li>• Property taxes</li> <li>• Other taxes, assessments, and fees</li> </ul>	1 Year	<ul style="list-style-type: none"> <li>• County support</li> <li>• Community support</li> <li>• CSD boundary</li> <li>• Voter approval of CSD &amp; any required taxes</li> <li>• Adequate long-term financing and reserve funding</li> </ul>
<b>Incorporation</b>	Creation of new city	<ul style="list-style-type: none"> <li>• Service administration</li> <li>• Local control/land Use</li> <li>• Localized financial accounting</li> <li>• Representation and accountability</li> </ul>	<ul style="list-style-type: none"> <li>• Property taxes</li> <li>• Sales tax, TOT, etc.</li> <li>• Other taxes, assessments, and fees</li> </ul>	2 to 3 years	<ul style="list-style-type: none"> <li>• County support</li> <li>• Community support</li> <li>• Incorporation boundary</li> <li>• Voter approval of new city &amp; any required taxes</li> <li>• State legislation related to VLF revenue</li> <li>• Adequate long-term financing and reserve funding</li> </ul>

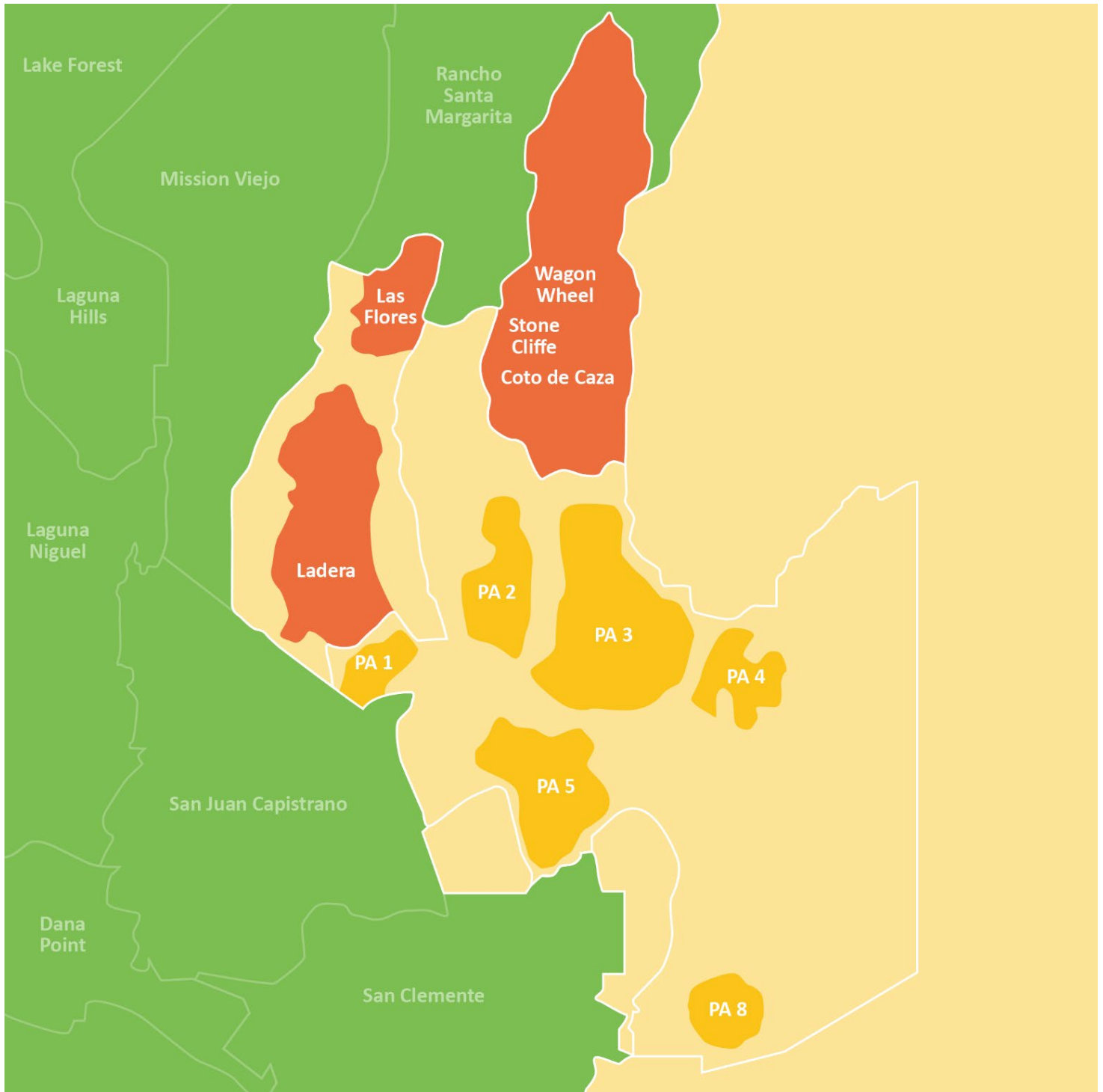
**EXHIBIT E**

**South County Governance Options Matrix**

Governance Options	Description	Governance Objectives	Financing Sources	Average LAFCO Processing Time	Determining Variables
<b>Homeowners Association (HOA)</b>	Status quo / expanded HOA role	<ul style="list-style-type: none"> <li>• Service administration</li> </ul>	<ul style="list-style-type: none"> <li>• HOA Dues</li> </ul>	NA	<ul style="list-style-type: none"> <li>• CC&amp;Rs</li> </ul>
<b>Municipal Advisory Council (MAC)</b>	Advisory Council to the Board of Supervisors	<ul style="list-style-type: none"> <li>• Representation and accountability</li> <li>• Advisory input on land use issues</li> </ul>	<ul style="list-style-type: none"> <li>• Administered by the County.</li> </ul>	NA	<ul style="list-style-type: none"> <li>• Community support</li> <li>• Supervisorial support</li> </ul>
<b>Shared Services</b>	Municipal services contract (e.g., joint use agreement)	<ul style="list-style-type: none"> <li>• Service administration</li> <li>• Local control</li> </ul>	<ul style="list-style-type: none"> <li>• Administration and contractual arrangement determined by affected agencies.</li> </ul>	NA	<ul style="list-style-type: none"> <li>• County support</li> <li>• Community support/HOA Board support</li> <li>• Support from other affected agencies</li> <li>• CC&amp;Rs/</li> <li>• Adequate funding</li> </ul>



## Map of South Orange County Governance Areas



### MSR Survey Responses

#### Survey Questions:

1. How many cities and special districts are in your county?
2. How often do you conduct MSRs (every 5 years, every 8 years, as needed)?
3. Outside of your Commission's mandate to conduct an MSR, what other reasons might your Commission conduct an MSR?
4. Has your Commission ever reconfirmed previously adopted MSR determinations? If yes, what method or criteria was utilized in the Commission's consideration to reconfirm the MSR determinations?
5. Do you conduct an MSR for each agency, by region/group, by service, or other?
6. How often do you receive an application to conduct an MSR? In these instances, has the focus been a single service or issue?
7. How are your MSRs funded?
8. Does your LAFCO prepare the MSRs in-house or use consultants?

LAFCO	Agencies	MSR Funding	MSR Process
<b>Imperial</b>	<ul style="list-style-type: none"> <li>• 7 Cities</li> <li>• 20 Special Districts</li> </ul>	Funded by the agencies.	<ul style="list-style-type: none"> <li>• MSRs are prepared every five years.</li> <li>• The Commission has prepared MSRs outside of an MSR cycle for large developments.</li> <li>• The Commission does not reconfirm previously adopted MSR determinations from past MSR cycles.</li> <li>• An MSR is prepared for each agency during an MSR cycle.</li> <li>• The Commission seldom receives an application for an MSR.</li> <li>• MSRs are completed by consultants.</li> </ul>
<b>Los Angeles</b>	<ul style="list-style-type: none"> <li>• 99 Cities</li> <li>• 88 Independent and Dependent Special Districts</li> </ul>	Funded through LAFCO budget.	<ul style="list-style-type: none"> <li>• MSR cycles are prepared on as needed basis.</li> <li>• The Commission has prepared MSRs outside an MSR cycle due to a project, boundaries, issues in the delivery of a service, or a new agency being formed in the County.</li> <li>• The Commission does not reconfirm previously adopted MSR determinations from past MSR cycles.</li> <li>• MSRs are prepared by agency, grouping several agencies or regions.</li> <li>• The Commission seldom receives an application for an MSR.</li> <li>• MSRs are prepared in-house and by consultants.</li> </ul>

LAFCO	Agencies	MSR Funding	MSR Process
<b>Riverside</b>	<ul style="list-style-type: none"> <li>• 28 cities</li> <li>• 122 dependent and Independent special districts</li> </ul>	Funded through LAFCO budget.	<ul style="list-style-type: none"> <li>• The Commission is preparing a baseline set of MSRs, and additional MSRs will be prepared as needed.</li> <li>• The Commission has prepared MSRs outside of an MSR cycle for a change of organization or reorganization encompassing 40 acres or more.</li> <li>• The Commission does not reconfirm previously adopted MSR determinations from past MSR cycles.</li> <li>• MSRs are prepared by service type and region.</li> <li>• The Commission seldom receives an application for an MSR.</li> <li>• MSRs are prepared in-house and by consultants.</li> </ul>
<b>San Bernardino</b>	<ul style="list-style-type: none"> <li>• 24 Cities</li> <li>• 57 Independent and Dependent Special District</li> <li>• 124 CSAs</li> </ul>	Funded through LAFCO budget.	<ul style="list-style-type: none"> <li>• MSRs are prepared every five to eight years.</li> <li>• The Commission has prepared MSRs outside of an MSR cycle to review a specific service.</li> <li>• The Commission does not reconfirm previously adopted MSR determinations from past MSR cycles.</li> <li>• The MSRs for the current MSR cycle are prepared by reviewing services at a countywide level.</li> <li>• The Commission seldom receives an application for an MSR.</li> <li>• MSRs are prepared in-house.</li> </ul>
<b>San Diego</b>	<ul style="list-style-type: none"> <li>• 18 Cities</li> <li>• 80 Independent and Dependent Special Districts</li> </ul>	Funded through LAFCO budget and collection of MSR fee.	<ul style="list-style-type: none"> <li>• MSRs are prepared every five years.</li> <li>• The Commission does prepare MSRs outside of an MSR cycle specifically when there is a timing constraint.</li> <li>• The Commission does not reconfirm previously adopted MSR determinations from past MSR cycles.</li> <li>• MSRs are prepared by regions and in some cases, agencies are grouped together.</li> <li>• The Commission seldom receives an application for an MSR.</li> <li>• MSRs are prepared in-house.</li> </ul>

LAFCO	Agencies	MSR Funding	MSR Process
<b>Santa Clara</b>	<ul style="list-style-type: none"> <li>• 15 Cities</li> <li>• 47 Independent and Dependent Special Districts</li> </ul>	Funded through LAFCO budget.	<ul style="list-style-type: none"> <li>• MSR cycles are prepared every five to eight years.</li> <li>• The Commission has not prepared MSRs outside an MSR cycle.</li> <li>• The Commission does not reconfirm previously adopted MSR determinations from past MSR cycles.</li> <li>• MSRs are prepared by agency, region, and service.</li> <li>• The Commission has not received an application for an MSR.</li> <li>• MSRs are prepared by consultants.</li> </ul>
<b>Yolo</b>	<ul style="list-style-type: none"> <li>• 4 Cities</li> <li>• 28 Special Districts</li> </ul>	Funded through LAFCO budget.	<ul style="list-style-type: none"> <li>• MSRs are prepared every five years.</li> <li>• The Commission has prepared MSRs outside an MSR cycle to address an issue identified in the County.</li> <li>• The Executive Officer reviews the determinations from previous MSRs to determine if a new MSR is needed.</li> <li>• MSRS are prepared by agency or region.</li> <li>• The Commission has not received an application for an MSR.</li> <li>• MSRs are prepared in-house.</li> </ul>
<b>Orange</b>	<ul style="list-style-type: none"> <li>• 34 Cities</li> <li>• 35 Independent and Dependent Special Districts</li> </ul>	Funded through LAFCO budget; Funded by applicant for MSR application.	<ul style="list-style-type: none"> <li>• MSRs are prepared every five years.</li> <li>• The Commission has prepared MSRs outside an MSR cycle for a potential or filed application for a change of organization or reorganization.</li> <li>• The Commission has reconfirmed previously adopted MSR determinations.</li> <li>• MSRs are prepared by region and countywide service providers. Additionally, MSRs focusing on specific services and or issues have been conducted.</li> <li>• The Commission has received applications to conduct MSRs.</li> <li>• MSRs are prepared in-house and by consultants.</li> </ul>

# Orange County LAFCO

## SIX-MONTH

# STRATEGIC OBJECTIVES

September 8, 2021 – March 8, 2022



### THREE-YEAR GOAL: Optimize External Communication

WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. Oct. 15, 2021	Ray Barragan – lead, working with Carolyn Emery and Gavin Centeno	Make the updated website available to the public and implement Google Analytics.	X			
2. At the Feb. 9, 2022 Commission meeting	Ray Barragan and Gavin Centeno	Report to Commissioners on increased public engagement from stakeholders (public comments, attendance at public meetings, and sign-ups for bi-annual news).	X			

### THREE-YEAR GOAL: Facilitate A Continuing Dialogue Of South County Governance Options

WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. By Nov. 1, 2021	Lisa Bartlett	Present to the OC LAFCO Commissioners an update on the establishment of the South Orange County Connected Communities (SOCCC).	X			Update provided on 11/10/21. The SOCCC will not be established due to lack of interest.
2. By Feb. 1, 2022	Carolyn Emery and Ray Barragan	Prepare a document that outlines the processes for potential governance options for SOCCC.	X			Completion date revised from 1/1/22.
3. March 1, 2022	Carolyn Emery and Lisa Bartlett	Present the governance options document to the SOCCC, upon request.		X		

THREE-YEAR GOAL: **Refine And Enhance The MSR Process\***

WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. By Feb. 1, 2022	Luis Tapia and Gavin Centeno, co-leads, with input from Carolyn Emery, Cheryl Carter-Benjamin and Ray Barragan	Survey other LAFCOs to examine the types of MSRs they use and report results to the Commission.	X			
2. FUTURE OBJECTIVE By June 2022	Carolyn Emery, working with the Staff (Luis Tapia, Gavin Centeno, Cheryl Carter-Benjamin, Ray Barragan)	Develop and present to the Commission a template that describes each type of MSR and identifies what would be required under each type.		X		
3. FUTURE OBJECTIVE By Dec. 2022	Carolyn Emery, working with the Staff (Luis Tapia, Gavin Centeno, Cheryl Carter-Benjamin, Ray Barragan)	Develop a matrix using the above template to assign each agency to a particular type of MSR that could range from a simple reaffirmation of the prior MSR to a more comprehensive review.		X		

\* Excludes Application-Based/Focused MSRs

## Next Steps/Follow-Up Process

WHEN	WHO	WHAT
By Sept. 9, 2021	Carolyn Emery	Distribute the retreat record to all invitees.
Within 48 hours of receipt	All recipients	Read the retreat record.
By Sept. 14, 2021	Cheryl Carter-Benjamin	Post the proposed Strategic Plan on the OC LAFCO website.
By Sept. 22, 2021	LAFCO Team Carolyn Emery - lead	Review the “Current Internal Weaknesses/Challenges” list for possible action items.
At the Oct. 13, 2021 Commission meeting	Carolyn Emery	Present the proposed Strategic Plan to the Board of Commissioners for action and for public input.
Monthly By the 22nd of the month	Ray Barragan and Gavin Centeno Objective “Leads”	Monitor progress on the goals and objectives and revise objectives (add, amend and/or delete), as needed. Report directly to Cheryl the status of the Objective.
Monthly	Cheryl Carter-Benjamin	Prepare and distribute the updated Strategic Plan Monitoring Matrix to OC LAFCO Commissioners.
March 9, 2022 (Wednesday) 8:00 am – 2:30 pm	OC LAFCO Commissioners OC LAFCO Staff	Strategic Planning Retreat to: <ul style="list-style-type: none"> <li>More thoroughly assess progress on the Goals and Strategic Objectives.</li> <li>Identify Core Values for OC LAFCO.</li> <li>Develop Objectives for the next six months.</li> </ul>

February 9, 2022

**9d** | Commission  
Discussion**REGULAR MEMBERS**

CHAIR

**Douglass Davert**  
Special District Member

VICE CHAIR

**Donald P. Wagner**  
County Member

IMMEDIATE PAST CHAIR

**Derek J. McGregor**  
Public Member**Lisa Bartlett**  
County Member**Wendy Bucknum**  
City Member**James Fisler**  
Special District Member**Mike Posey**  
City Member**ALTERNATES****Andrew Do**  
County Member**Kathryn Freshley**  
Special District Member**Peggy Huang**  
City Member**Lou Penrose**  
Public Member**STAFF****Carolyn Emery**  
Executive Officer**Scott Smith**  
General Counsel

**TO:** Local Agency Formation Commission  
of Orange County

**FROM:** Executive Officer

**SUBJECT:** 2022 Meeting and Events Calendar

The OC LAFCO 2022 Meeting and Events Calendar was approved by the Commission on November 10, 2021. In addition to the agency's regular meetings, the annual calendar identifies the date of the Commission's next Strategic Planning Workshop as March 9. Following discussions with the Commission Chair and workshop facilitator, staff is recommending the rescheduling of the workshop to Wednesday, June 8. Rescheduling of the workshop would allow for better alignment and integration of existing and future strategic objectives with the adoption of the Commission's annual work plan that occurs in July.

**RECOMMENDED ACTIONS:**

1. Reschedule Strategic Planning Workshop to June 8, 2022.
2. Approve the OC LAFCO 2022 Meeting and Events Calendar, as amended.

  
CAROLYN EMERYAttachment 1: OC LAFCO 2022 Meeting and Events Calendar (*as amended*)

# 2022 MEETING AND EVENTS CALENDAR

ATTACHMENT 1

Approved \_\_\_\_\_, 2022

2022



January						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
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- OC LAFCO Regular Meeting (*begins at 8:15 a.m.*)  
**Location:** Hall of Administration, Planning Commission Hearing Room, 10 Civic Center Plaza, Santa Ana, CA 92701.
- Strategic Planning Workshop (*8:00 a.m. to 2:30 p.m.*)  
**Location:** Santa Ana Police Department, Community Room, 60 Civic Center Plaza, Santa Ana, CA 92701.
- Office closure due to legal holidays and flexible work schedule.
- CALAFCO Annual Conference - October 19 - 21, 2022 at Hyatt Regency Newport Beach John Wayne Airport.

February 9, 2022

**14** | Adjournment**REGULAR MEMBERS**

CHAIR

**Douglass Davert**

Special District Member

VICE CHAIR

**Donald P. Wagner**

County Member

IMMEDIATE PAST CHAIR

**Derek J. McGregor**

Public Member

**Lisa Bartlett**

County Member

**Wendy Bucknum**

City Member

**James Fisler**

Special District Member

**Mike Posey**

City Member

**ALTERNATES****Andrew Do**

County Member

**Kathryn Freshley**

Special District Member

**Peggy Huang**

City Member

**Lou Penrose**

Public Member

**STAFF****Carolyn Emery**

Executive Officer

**Scott Smith**

General Counsel

**TO:** Local Agency Formation Commission  
of Orange County**FROM:** General Counsel**SUBJECT:** Extension of Virtual Meetings Pursuant to AB 361**BACKGROUND**

The Governor's Executive Order N-29-20 suspended some of the Brown Act's in-person attendance requirements, but has since expired. Assembly Bill (AB) 361 extends the waiver of in-person attendance requirements, under some additional rules.

On October 13, 2021, the Commission adopted Resolution CP 21-08 authorizing virtual public meetings in accordance with AB 361 in order to contain the spread of the COVID-19 virus and keep Commission staff, constituents, and the community safe and operational.

**DISCUSSION**

The adoption of Resolution CP 21-08 authorizes the Commission to continue to hold virtual, hybrid, or remote meetings for a period of 30 days based on the findings that a state of emergency remains in effect and that state or local officials recommend social distancing measures.

In order to continue to make use of virtual or telephonic meetings and relax in-person attendance requirements for Commission meetings and in accordance with Resolution CP 21-08, the Commission may extend the application of this Resolution by motion and majority vote, provided that the earlier findings be renewed by the Commission every 30 days, as practicable.

Because the Commission meets regularly on the second Wednesday of a given month, it is possible more than 30 days may elapse between consecutive meetings. As AB 361 is silent as to whether special meetings are required on a more frequent basis to keep up with the 30-day renewal of findings requirement, it is recommended the Commission make its renewed findings at the beginning of each meeting prior to any other action or discussion.

This item would extend the application of Resolution CP 21-08 until March 9, 2022 given the continued need to meet remotely in response to the COVID-19 pandemic. As set forth in the resolution, State and local officials have recommended social distancing and meeting in person presents imminent risks to the health and safety of attendees.

**RECOMMENDED ACTION:**

1. Extend Resolution CP 21-08 making renewed findings that a state of emergency remains in effect and that state and local officials continue to recommend measures that promote social distancing.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Scott Smith", is written over a horizontal line.

SCOTT SMITH

Attachment 1: CP21-08 Resolution Authorizing Virtual Commission Meetings Pursuant to AB 361

CP 21-08

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF ORANGE COUNTY  
AUTHORIZING VIRTUAL COMMISSION MEETINGS PURSUANT TO AB 361

October 13, 2021

On the motion of Commissioner Bucknum, duly seconded and carried, the following resolution was adopted:

WHEREAS, the Orange County Local Agency Formation Commission (“Commission”) is committed to preserving and nurturing public access and participation in meetings of the Commission; and

WHEREAS, all meetings of the Commission are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend and participate in the Commission’s meetings; and

WHEREAS, starting in March 2020, in response to the spread of COVID-19 in the State of California, the Governor issued a number of executive orders aimed at containing the COVID-19 virus; and

WHEREAS, among other things, these orders waived certain requirements of the Brown Act to allow legislative bodies to meet virtually; and

WHEREAS, pursuant to the Governor’s executive orders, the Commission has been holding virtual meetings during the pandemic in the interest of protecting the health and safety of the public, Commission staff and Commissioners; and

WHEREAS, the Governor’s executive order related to the suspension of certain provisions of the Brown Act expires on September 30, 2021; and

WHEREAS, on September 16, 2021 the Governor signed AB 361 (in effect as of October 1, 2021 – Government Code Section 54953(e)), which allows legislative bodies to meet virtually provided there is a state of emergency, and either (1) state or local officials have imposed or recommended measures to promote social distancing; or (2) the legislative body determines by majority vote that meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, such conditions now exist in Orange County, specifically, a state of emergency has been proclaimed related to COVID-19, state and local officials are

recommending measures to promote social distancing, and because of the ongoing threat of COVID-19, meeting in person would present imminent risks to the health and safety of attendees;

NOW, THEREFORE, BE IT RESOLVED BY THE ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION AS FOLLOWS:

Section 1. Recitals.

The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Remote Teleconference Meetings.

Consistent with the provisions of Government Code Section 54953(e), the Commission finds and determines that (1) a state of emergency related to COVID-19 is currently in effect; (2) state and local officials have recommended measures to promote social distancing in connection with COVID-19; and (3) due to the COVID-19 emergency, meeting in person would present imminent risks to the health and safety of attendees. Based on such facts, findings and determinations, the Commission authorizes staff to conduct remote teleconference meetings of the Commission under the provisions of Government Code Section 54953(e).

Section 3. Effective Date of Resolution.

This Resolution shall take effect upon adoption and shall be effective for 30 days unless earlier extended by a majority vote of the Commission in accordance with Section 4 of this Resolution.

Section 4. Extension by Motion.

The Commission may extend the application of this Resolution by motion and majority vote by up to 30 days at a time, provided that it makes all necessary findings consistent with and pursuant to the requirements of Section 54953(e)(3).

PASSED AND ADOPTED by the Orange County Local Agency Formation Commission this 13<sup>th</sup> day of October 2021, by the following vote:

AYES:	Wendy Bucknum, Mike Posey, Donald Wagner, Lisa Bartlett, James Fisler, Derek J. McGregor, Douglass Davert
NOES:	None
ABSENT:	None
ABSTAIN:	None

STATE OF CALIFORNIA)

) SS.

COUNTY OF ORANGE )

I, Douglass Davert, Chair of the Local Agency Formation Commission of Orange County, California, hereby certify that the above and foregoing resolution was duly and regularly adopted by said Commission at a regular meeting thereof, held on the 13<sup>th</sup> day of October 2021.

IN WITNESS WHEREOF, I have hereunto set my hand this 13<sup>th</sup> day of October 2021.

DOUGLASS DAVERT

Chair of the Local Agency Formation Commission of  
Orange County

By: \_\_\_\_\_

DOUGLASS DAVERT