

## **LOCAL AGENCY FORMATION COMMISSION OF ORANGE COUNTY**

### **REGULAR MEETING AGENDA**

**Wednesday, January 11, 2023  
8:15 a.m.**

**County Administrative North (CAN)  
First Floor Multipurpose Room 101  
400 W. Civic Center Drive, Santa Ana, CA 92701**

***Any member of the public may request to speak on any agenda item at the time the Commission is considering the item.***

- 1. CALL THE MEETING TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. ROLL CALL**
- 4. ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATION**  
**(Communications received after agenda distribution for agendized items.)**
- 5. 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 off-agenda items unless authorized by law.

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

**a.) December 14, 2022 – Regular Commission Meeting Minutes**

The Commission will consider approval of the December 14, 2022 meeting minutes.

**b.) Fiscal Year 2022-23 Quarterly Financial Report (*Second Quarter*)**

The Commission will receive the second quarter financial report for the Fiscal Year 2022-23.

**c.) Quarterly Legislative Report**

The Commission will receive the second quarter legislative report of the 2022-2023 Legislative Session.

**d.) Appointment Processes for OC LAFCO Expiring Term and Vacancies**

The Commission will receive an update on the appointment processes for the county and city members seats that have an expiring term or are currently vacant.

**7. PUBLIC HEARING**

No public hearing items scheduled.

**8. COMMISSION DISCUSSION AND ACTION**

**a.) OC LAFCO 2022-2025 Workplan Mid-Year Update**

The Commission will receive a mid-year update on the agency's projects and activities.

**b.) OC LAFCO Professional Services Agreements Update and First Amendment to Agreement with Berkson and Associates**

The Commission will receive the annual update on the current professional services agreements and consider an amendment to the agreement with Berkson Associates for continued development and technical support with the Fiscal Indicators program and MSRs.

**c.) Adoption of a Resolution Approving the Third Amendment to Memorandum of Agreement for the Position of Executive Officer with Carolyn Emery**

The Commission will consider adopting a resolution approving the Third Amendment to Memorandum of Agreement for the Position of Executive Officer.

**d.) Election of OC LAFCO Officers for 2023**

The Commission will elect an OC LAFCO Chair and Vice Chair for 2023.

**9. 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.

**10. EXECUTIVE OFFICER'S REPORT**

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

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

No informational items and announcements.

#### **12. CLOSED SESSION**

No closed session items scheduled.

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

The Commission will adjourn to the next Regular Commission Meeting on Wednesday, February 8, 2023 at 8:15 a.m. at the County Administrative North (CAN), First Floor Multipurpose Room 101, 400 W. Civic Center Drive, Santa Ana, CA 92701.

#### **PUBLIC PARTICIPATION:**

The Local Agency Formation Commission of Orange County welcomes your participation. The public may share general comments or comments on agenda items through the following options:

- 1) **In-person** comments may be provided during the general comment period on off-agenda items and during the hearing of a specific agenda item. In accordance with the OC LAFCO guidelines, each speaker's comments may not exceed three (3) minutes for the respective item. If you have documents for the Commission, please bring 15 copies and submit to the Commission Clerk for distribution.
- 2) **Written** general comments or comments on specific agenda items may be submitted by email to the Commission Clerk at [ccarter-benjamin@oclafco.org](mailto:ccarter-benjamin@oclafco.org). Comments received no less than twenty-four (24) hours prior to the regular meeting will be distributed to the Commission and included in the record.

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 [www.oclafco.org](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.

#### **AMERICANS WITH DISABILITIES ACT (ADA)**

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.

# 2023 MEETING AND EVENTS CALENDAR

Approved November 9, 2022

2023



January						
S	M	T	W	T	F	S
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21	22	23	24	25	26	27
28	29	30	31			

April						
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23	24	25	26	27	28	29
30						

July						
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16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

October						
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29	30	31				

February						
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August						
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27	28	29	30	31		

November						
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26	27	28	29	30		

March						
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26	27	28	29	30	31	

June						
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11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

September						
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					1	2
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10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

December						
S	M	T	W	T	F	S
					1	2
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10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

- OC LAFCO Regular Meeting (*begins at 8:15 a.m.*)  
**Location:** County Administrative North, First Floor Multipurpose Room 101, 400 W. Civic Center Dr., Santa Ana, CA 92701.
- Office closure due to legal holidays and flexible work schedule.
- CALAFCO Annual Conference - October 18 - 20, 2023 at Hyatt Regency Monterey.

## DRAFT MINUTES

### OC LAFCO REGULAR MEETING

**Wednesday, December 14, 2022  
8:15 a.m.**

**County Administrative North (CAN)  
First Floor Multipurpose Room 101  
400 W Civic Center Drive, 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 8:15 a.m.

#### **2. PLEDGE OF ALLEGIANCE**

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

#### **3. ROLL CALL**

The following Commissioners were present:

City Members

Wendy Bucknum

Special District Members

Douglass Davert (**Chair**)

James Fisler

Kathryn Freshley (Alt.)

Public Members

Derek J. McGregor

Lou Penrose (Alt.)

The following staff members and general counsel were present:

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

General Counsel Scott Smith summarized the issue involving Commissioner Bucknum and the City Selection Committee's appointment to the city member seat. He noted that her OC LAFCO term extends through June 30, 2024 and ask that the Committee confirm her seat in writing. General Counsel added that if any changes are made by the Committee, OC LAFCO will respond accordingly.

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

Executive Officer Carolyn Emery noted that no supplemental communication was received.

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

**Chair Davert** requested public comments on any non-agenda items. Commission Clerk Cheryl Carter-Benjamin noted that there were no requests to speak from the public.

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

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

**Chair Davert** called for a motion on the consent calendar. There was no discussion from Commissioners, and the Commission Clerk noted that there were no requests from the public to speak on the item. **Chair Davert** called for a motion on the consent calendar. **Commissioner McGregor** motioned for approval of the consent calendar, and **Commissioner Fisler** seconded the motion.

##### **6a. – Approval of Minutes – November 9, 2022 Regular Commission Meeting Minutes**

**MOTION:** Approve the Consent Calendar. (Derek J. McGregor)  
**SECOND:** James Fisler  
**FOR:** Derek J. McGregor, James Fisler, Wendy Bucknum,  
Douglass Davert  
**AGAINST:** None  
**ABSTAIN:** None

**MOTION PASSED: 4-0.**

#### **7. PUBLIC HEARINGS**

No public hearing items scheduled.

## 8. COMMISSION DISCUSSION AND ACTION

### **8a. – OC LAFCO Post-Municipal Service Review (MSR) Survey**

Policy Analyst Gavin Centeno gave the staff presentation and highlighted the survey process and responses.

**Chair Davert** called for Commission discussion and public comments. General comments were made by Commissioners, and the Commission Clerk noted that there were no requests from the public to speak on the item. **Chair Davert** closed the public comments and called for a motion on the staff recommended action. **Commissioner McGregor** motioned to approve the staff recommended action, and **Commissioner Fisler** seconded the motion.

**MOTION:** Receive and file OC LAFCO Post-Municipal Service Review Survey. (Derek J. McGregor)  
**SECOND:** James Fisler  
**FOR:** Derek J. McGregor, James Fisler, Wendy Bucknum, Douglass Davert  
**AGAINST:** None  
**ABSTAIN:** None

**MOTION PASSED: 4-0.**

## 9. COMMISSIONER COMMENTS

**Commissioner McGregor** provided an oral update on CALAFCO activities and noted that he was appointed to the elections and annual conference program committees for 2023. He added that the CALAFCO Strategic Planning Meeting will take place in February 2023.

General comments were made by the Commissioners.

## 10. EXECUTIVE OFFICER'S REPORT

The Executive Officer gave a brief report on upcoming activities of the Commission's strategic plan.

## 11. INFORMATIONAL ITEMS & ANNOUNCEMENTS

No informational items and announcements.

## 12. CLOSED SESSION

The Commission adjourned to closed session at 8:31 a.m.



The Commission reconvened in open session at 9:53 a.m., and General Counsel Smith noted that there were no reportable actions.

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

**Chair Davert** adjourned the Regular Commission Meeting at 9:53 a.m. to January 11, 2023.

Douglass Davert, Chair  
Orange County Local Agency Formation Commission

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

January 11, 2023

**6b** | Consent  
Calendar**REGULAR MEMBERS**

CHAIR

**Douglass Davert**  
Special District Member

VICE CHAIR

**Donald P. Wagner**  
County Member

IMMEDIATE PAST CHAIR

**Derek J. McGregor**  
Public Member**Wendy Bucknum**  
City Member**James Fisler**  
Special District Member**Vacant**  
City Member**Vacant**  
County Member**ALTERNATES****Andrew Do**  
County Member**Kathryn Freshley**  
Special District Member**Lou Penrose**  
Public Member**Vacant**  
City Member**STAFF****Carolyn Emery**  
Executive Officer**Scott Smith**  
General Counsel**TO:** Local Agency Formation Commission  
of Orange County**FROM:** Executive Officer**SUBJECT:** Fiscal Year 2022-2023 Quarterly Financial Report  
(*Second Quarter*)

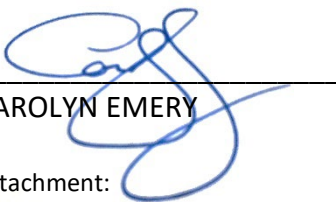
The attached quarterly financial report provides an assessment of the agency's budget and investment portfolio for the period of October 1 through December 31, 2022. Upon review by the Commission, the quarterly reports are published on the transparency page of the agency's website. The next report on the agency's financial status will be presented in April 2023.

**RECOMMENDED ACTION**

Staff recommends the Commission:

1. Receive and file the Fiscal Year 2022-2023 Financial Quarterly Report (*Second Quarter*).

Respectfully Submitted,

  
CAROLYN EMERY

Attachment:

1. Fiscal Year 2022-2023 Financial Quarterly Report (Second Quarter)



# Quarterly Financial Report

## *Fiscal Year 2022-23 (Second Quarter)*

*Prepared: January 11, 2023*

### HIGHLIGHTS:

**FY 2022-23 Budget Overview – Pages 2-4**

**Balance Sheet & Reserves Analysis – Pages 5-6**

## FY 2022-23 BUDGET OVERVIEW

This report provides a summary of the agency's budget and investment portfolio performance for the period of October 1, 2022 through December 31, 2022.<sup>1</sup> The Fiscal Year 2022-23 budget of approximately \$1.5 million supports the operations of the Commission and the resources needed to accomplish the work plan. During the second quarter, overall expenditures were approximately nine percent below the target level while continuing to meet the needs of the agency.

### Revenues

The OC LAFCO funding apportionment collected from the County, 34 cities and 27 special districts totaling \$1,227,730 was at 100% at the end of second quarter. The agency also earns interest from its investment portfolio. At the end of the second quarter, the Commission's earnings totaled \$4,046, which is approximately 64% of the interest revenues anticipated for the fiscal year.

Another source of OC LAFCO revenue is application filing fees. These filing fees are not used for budgeting purposes as they are used to offset the costs associated with the processing of the respective applications. During the second quarter, \$12,500 in filing fees were received. These filing fees, along with application fees rolled over from other pending applications are shown in the financial overview as revenue within the Special Fund column. The Special Fund column in the chart on page 4 also includes an accounting of application expenses incurred during the second quarter of the 2022-23 fiscal year.

### Expenditures

The General Fund expenditures as of December 31, 2022 are below the second quarter target level totaling \$637,399 or 41% of the total budget. The following table provides a comparison of the percentage of actual funds used and the target levels for the current fiscal year.<sup>2</sup>

Total Funds Used				
	1 <sup>st</sup> Qtr.	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	4 <sup>th</sup> Qtr.
<b>Target</b>	25%	50%	75%	100%
<b>Actual</b>	18%	41%	-	-

Most expenditures during the second quarter are within target levels with expenses attributed to key operational costs, such as, salaries, benefits and office lease, and audit and accounting services. Line items that include expenses of consultant services, travel and registration and office equipment are above the target levels of the second quarter due to expenditures of these areas being due or expended at the beginning of the fiscal year. Hence, anticipated expenses within these line items are expected to balance within budgeted levels by fiscal year-end.

<sup>1</sup> All financial statements contained in this report are on an accrual accounting basis.

<sup>2</sup> Actual expenditures for the quarterly reporting are unaudited and subject to change.

## Balances and Investment Report

The following table illustrates the balance of OC LAFCO's bank accounts as of December 31, 2022:

As of 09/30/22	Balance
770-Payroll Account	\$333,720
Wells Fargo Checking	\$171,312
Wells Fargo Savings	<u>\$213,503</u>
<b>Total</b>	<b>\$718,535</b>

To maximize the interest accrued on the agency's revenues, apportionment fees are deposited in the Local Agency Investment Fund (LAIF) and OC Fund accounts. Throughout the fiscal year, funds are transferred from the investment accounts to the bank accounts to cover the agency's operational expenses. Additionally, the agency earns investment revenue through the Section 115 Public Agencies Post-Employment Benefits Trust (Trust). The current balance of the Trust account at the end of the second quarter is \$52,973. This represents an overall loss of approximately \$9,027 from the agency's initial deposit of \$62,000 in 2021. In accordance with the Commission's investment policy, deposits are made to the Trust following the annual audit and normally during the second quarter. However, as the audited financial statements for the fiscal year ending June 30, 2022 did not represent a surplus, there was no deposit to the Trust in 2022. Staff will assess the opportunity to transfer to the Section 115 account at the end of the 2022-23 fiscal year.

The following table illustrates the balance of OC LAFCO's investment portfolio as of December 31, 2022.

As of 09/30/22	Balance
LAIF	\$633,300
OC Fund	\$502,044
PARS Trust	<u>\$ 52,973</u>
<b>Total</b>	<b>\$1,188,317</b>

**APPENDIX A**  
**OC LAFCO - Quarterly Budget Overview<sup>3</sup>**  
**October 1, 2022 – December 31, 2022**

	1st Qtr. General Fund	2nd Qtr. General Fund	YTD General Fund	YTD Special Revenue Funds	TOTAL FY 22/23 Budget	General Fund %
Revenue:						
Addition/(Use) of Unreserved Equity	\$ -	\$ -	\$ -	\$ -	\$ 322,090	0.0%
LAFCO Apportionment	1,216,871	10,859	1,227,730	-	1,227,730	100.0%
Filing Fees	-	-	-	44,189	-	0.0%
Misc Revenue	-	-	-	-	-	0.0%
Interest & Dividends	724	3,322	4,046	-	6,300	64.2%
PARS Trust Investment Gain/Loss	(2,592)	1,533	(1,059)	-	-	0.0%
<b>Total Revenue</b>	<b>\$ 1,215,003</b>	<b>\$ 15,714</b>	<b>\$ 1,230,717</b>	<b>\$ 44,189</b>	<b>\$ 1,556,120</b>	<b>79.1%</b>
Expenditures:						
Salaries	\$ 123,295	\$ 105,209	\$ 228,504	\$ 7,449	\$ 574,500	39.8%
Hourly Employees	-	529	529	-	20,800	2.5%
Benefits & Insurance						
Optional Benefit Plan	-	-	-	-	18,500	0.0%
Deferred Compensation	3,655	3,201	6,856	-	17,500	39.2%
Retirement Benefits	52,462	46,222	98,684	-	250,300	39.4%
Health Insurance	14,910	12,780	27,690	-	65,600	42.2%
Retiree Health Benefits	4,155	3,673	7,828	-	19,300	40.6%
Dental Insurance	585	502	1,087	-	2,700	40.3%
Life Insurance	84	72	156	-	460	33.9%
Workers Compensation	-	-	-	-	3,520	0.0%
Medicare	1,795	1,566	3,361	-	8,900	37.8%
Unemployment Insurance	17	-	17	-	-	0.0%
Salary Continuance	309	274	583	-	1,510	38.6%
Accidental Death Insurance	21	18	38	-	170	22.5%
Executive Car Allowance	1,800	1,800	3,600	-	7,200	50.0%
<b>Total - Benefits &amp; Insurance</b>	<b>79,792</b>	<b>70,107</b>	<b>149,899</b>	<b>-</b>	<b>395,660</b>	<b>37.9%</b>
Information Technology	2,370	2,473	4,843	-	12,800	37.8%
Telephone & Internet	3,022	2,052	5,073	-	14,500	35.0%
County of Orange	213	70	283	-	8,200	3.4%
General Liability Insurance	1,913	1,913	3,825	-	7,600	50.3%
Memberships	8,919	9,019	17,938	-	36,400	49.3%
Office Equipment/Supplies	11,414	1,825	13,239	-	22,500	58.8%
Professional Services:						
Legal	6,341	6,287	12,629	15	60,000	21.0%
Accounting/Audit	14,500	10,485	24,985	-	49,700	50.3%
Human Resources	1,050	173	1,223	-	10,000	12.2%
Mapping/Archiving	850	850	1,700	-	9,300	18.3%
Other Professional Services	57,268	33,481	90,749	-	150,000	60.5%
<b>Total - Professional Services</b>	<b>80,009</b>	<b>51,276</b>	<b>131,285</b>	<b>15</b>	<b>279,000</b>	<b>47.1%</b>
Investment Admin Fees	320	67	386	-	660	58.5%
SBE	-	-	-	12,834	-	0.0%
Public Noticing	1,019	-	1,019	4,742	11,650	8.7%
Unincorporated Areas Program	-	-	-	-	8,000	0.0%
Rents/Maintenance	34,973	26,230	61,203	-	104,100	58.8%
Equipment Leases	1,367	1,659	3,026	-	8,700	34.8%
Comm. & Staff Expense	124	656	780	-	7,000	11.1%
Comm. Stipends & Taxes/Fees	2,041	3,696	5,737	-	15,950	36.0%
Professional Development	-	52	52	-	5,000	1.0%
Transportation/Travel	4,457	3,711	8,168	-	13,600	60.1%
Commission Meeting Expense	1,304	307	1,611	-	9,500	17.0%
Refund of Deposit	-	-	-	-	-	0.0%
<b>Total Expenditures</b>	<b>356,550</b>	<b>280,849</b>	<b>637,399</b>	<b>25,040</b>	<b>1,556,120</b>	<b>41.0%</b>
<b>Total Net Income (Loss)</b>	<b>\$ 858,453</b>	<b>\$ (265,135)</b>	<b>\$ 593,318</b>	<b>\$ 19,149</b>	<b>\$ -</b>	

\*Financial data represents pre-audited amounts, which does not include all year end adjustments.

<sup>3</sup> Financial data represents pre-audited amounts, which does not include all year-end adjustments.

## Balance Sheet and Reserves Balance Analysis

This report includes the balance sheet to provide an understanding of OC LAFCO's financial status. The financial document on this page summarizes the agency's assets and liabilities as of December 31, 2022. Please note that the figures provided in this balance sheet are unaudited and subject to change. Additionally, an analysis of the agency's reserve balances is provided on page 6.

### APPENDIX B OC LAFCO BALANCE SHEET As of December 31, 2022

	Dec 31, 22
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Cash and Investments</b>	
County Acct-Payroll	\$ 333,720
Wells Fargo Checking	171,312
Wells Fargo Savings	213,503
OC Fund	502,044
Investment Acct - LAIF	633,300
PARS Trust	52,973
Fair Market Value Adjustments	(11,317)
<b>Total Cash and Investments</b>	<b>1,895,535</b>
<b>Other Current Asset</b>	
Prepaid Expenses - Other	16,886
Retirement Prepaid Expense	124,366
<b>Total Other Current Asset</b>	<b>141,253</b>
<b>Total Current Assets</b>	<b>2,036,787</b>
<b>Fixed Assets</b>	22,028
<b>Other Assets</b>	
Right to Use Assets	799,586
Pension Deposit	190,542
Def. Outflows Pension Related	396,140
Deferred OPEB Contributions	8,794
Deferred Outflows OPEB Related	34,000
<b>Total Other Assets</b>	<b>1,429,062</b>
<b>TOTAL ASSETS</b>	<b>3,487,877</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Salaries Payable	27,369
Compensated Absences	46,394
<b>Total Current Liabilities</b>	<b>73,763</b>
<b>Long Term Liabilities</b>	
Lease Liabilities	823,326
Deferred Inflows OPEB Related	44,000
Net OPEB Liability	103,000
Net Pension Liability	912,794
Def. Inflows Pension Related	746,724
<b>Total Long Term Liabilities</b>	<b>2,629,844</b>
<b>Total Liabilities</b>	<b>2,703,607</b>
<b>Equity</b>	784,270
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 3,487,877</b>

\*Figures are subject to change as they have been projected through December 31, 2022 and represent pre-audited amounts.

**APPENDIX C**  
**OC LAFCO RESERVE BALANCE**  
**As of December 31, 2022**

<b>Cash &amp; Investments Description</b>	<b>Dec 31, 2022 Balance</b>	<b>Commission Approved Balances</b>	<b>Balance Excess / (Deficiency)</b>
County Payroll	\$ 333,720	\$ 247,740 <sup>1</sup>	\$ 85,980
Checking - Wells Fargo	171,312	141,290 <sup>1</sup>	30,022
Savings - Wells Fargo	213,503	205,000 <sup>1</sup>	8,503
OC Fund Investment	502,044	-	502,044
LAIF Investment	633,300	-	633,300
PARS Trust	52,973	-	52,973
<b>Total</b>	<b>\$ 1,906,852</b>	<b>\$ 594,030</b>	<b>\$ 1,312,822 <sup>2</sup></b>

**Footnotes:**

*1 - Per the Cash and Cash Management Policy, the Commission must maintain \$594,030 during fiscal year 2022/23 in order to cover three months of payroll costs (County Payroll), 3 months of operational expenses (Checking - Wells Fargo) and a minimum of \$205,000 (Savings - Wells Fargo) to cover contingency, litigation and unfunded liabilities.*

*2 - Remaining Available Cash to fund Operations and Reserves.*



**REGULAR MEMBERS**

CHAIR  
**Douglass Davert**  
Special District Member

VICE CHAIR  
**Donald P. Wagner**  
County Member

IMMEDIATE PAST CHAIR  
**Derek J. McGregor**  
Public Member

**Wendy Bucknum**  
City Member

**James Fisler**  
Special District Member

**Vacant**  
City Member

**Vacant**  
County Member

**ALTERNATES**

**Andrew Do**  
County Member

**Kathryn Freshley**  
Special District Member

**Lou Penrose**  
Public Member

**Vacant**  
City Member

**STAFF**

**Carolyn Emery**  
Executive Officer

**Scott Smith**  
General Counsel

January 11, 2023

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

**FROM:** Executive Officer  
Assistant Executive Officer

**SUBJECT:** Legislative Quarterly Report (2<sup>nd</sup> Quarter)

**BACKGROUND**

The Legislature reconvened from winter recess on January 4 to continue the 2023 legislative session. As legislation is proposed in the Capitol, two fast-approaching deadlines of note include the submittal of bill requests to the Office of the Legislative Council (January 20) and the last day for bills to be introduced (February 17). Additional key deadlines are identified in the legislative calendar attached to this report.

This legislative report provides an introduction to the focus of the California Association of LAFCOs' (CALAFCO) annual omnibus bill and the recent appointments of members from the Southern Region LAFCOs to the association's legislative and advisory committees. With the recent call-to-order of the legislative session, currently, there are no proposed bills to highlight within this report. However, staff anticipates that the pace in Sacramento will pick up in the coming months and monitoring of the activity of LAFCO-interest will continue. An update on any activity will be presented in your next legislative report in February.

[Omnibus Bill \(Assembly Committee on Local Government\)](#)

The annual Omnibus Bill is the vehicle used by CALAFCO to introduce technical and non-substantive amendments to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH Act"). The CALAFCO Legislative Committee, comprised of staff and Commissioners from LAFCOs across the State, jointly review and recommend potential amendments to the CKH Act. The amendments assist in clarifying and providing consistency in how the CKH Act is applied throughout the State. The following proposed amendments to the CKH Act have been submitted to the Assembly Local Government Committee for consideration:

- **Delivery of Executed Resolution:** Currently, the CKH Act requires that the Executive Officer provide a copy of resolution adopted by the Commission approving a change of organization to the affected local agencies by regular mail. The proposed amendment to the Act would allow the Executive Officer to transmit a copy of the resolution by a method preferred by the respective agency. Methods may include regular mail or electronic delivery by email or fax.
- **Application to Initiate Proceedings:** Currently, the CKH Act specifies the requirements for the Executive Officer to deem an application complete and issue a certificate of filing. The proposed amendment would clarify that one of the requirements includes an executed property tax exchange agreement.
- **Obsolete Code Sections of CKH Act:** Currently, the CKH Act includes code sections that only apply to redevelopment agencies. The proposed amendment would remove the code sections as the Governor dissolved redevelopment agencies in 2012.

#### CALAFCO Legislative and Advisory Committees

At the start of every legislative session, the CALAFCO Board reviews its legislative policies and appoints the members of the Legislative Committee. The committee's structure includes five Board Members, eight voting staff members, three legal counsel, and five alternate members. Additionally, the Board has also established a Legislative Advisory Committee consisting of LAFCO staff and legal counsel volunteers who are not voting or alternate members of the Legislative Committee. The CALAFCO Board appointments to these committees were confirmed at its meeting on December 9, 2022. The following Commissioners and staff members will represent the Southern Region for the 2023 legislative session:

##### Board Members:

Joe MacKenzie, San Diego LAFCO (voting member)  
Michael Kelley, Imperial LAFCO (alternate member)

##### Staff:

##### **Carolyn Emery, Executive Officer – OC LAFCO (voting member)**

Gary Thompson, Executive Officer – Riverside LAFCO (voting member)  
Adriana Romo, Deputy Executive Officer – Los Angeles LAFCO (alternate member)

##### **Luis Tapia, Assistant Executive Officer – OC LAFCO (advisory committee)**

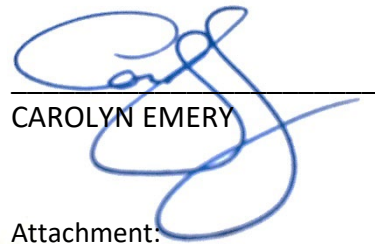
Priscilla Mumpower Policy Analyst II – San Diego LAFCO (advisory committee)

**RECOMMENDED ACTION**

Staff recommends the Commission:

1. Receive and file the January 11, 2023 Legislative Quarterly Report.

Respectfully submitted,



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CAROLYN EMERY



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LUIS TAPIA

Attachment:

1. 2023 Legislative Calendar

## 2023 TENTATIVE LEGISLATIVE CALENDAR

COMPILED BY THE OFFICE OF THE SECRETARY OF THE SENATE AND THE OFFICE OF THE ASSEMBLY CHIEF CLERK  
Revised 11/4/2022

## DEADLINES

JANUARY						
S	M	T	W	TH	F	S
<u>1</u>	2	3	<u>4</u>	5	6	7
8	9	<u>10</u>	11	12	13	14
15	<u>16</u>	17	18	19	<u>20</u>	21
22	23	24	25	26	27	28
29	30	31				

FEBRUARY						
S	M	T	W	TH	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	<u>17</u>	18
19	<u>20</u>	21	22	23	24	25
26	27	28				

MARCH						
S	M	T	W	TH	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	<u>30</u>	<u>31</u>	

APRIL						
S	M	T	W	TH	F	S
						1
2	3	4	5	6	7	8
9	<u>10</u>	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	<u>28</u>	29
30						

MAY						
S	M	T	W	TH	F	S
	1	2	3	4	<u>5</u>	6
7	8	9	10	11	<u>12</u>	13
14	15	16	17	18	<u>19</u>	20
21	22	23	24	25	26	27
28	<u>29</u>	<u>30</u>	<u>31</u>			

Jan. 1 Statutes take effect (Art. IV, Sec. 8(c)).

Jan. 4 Legislature **reconvenes** (J.R. 51(a)(1)).

Jan. 10 Budget must be submitted by Governor (Art. IV, Sec. 12(a)).

Jan. 16 Martin Luther King, Jr. Day

Jan. 20 Last day to submit **bill requests** to the Office of Legislative Counsel

Feb. 17 Last day for bills to **be introduced** (J.R. 61(a),(1)(J.R. 54(a)).

Feb. 20 Presidents' Day.

Mar. 30 **Spring recess** begins upon adjournment of this day's session (J.R. 51(a)(2)).

Mar. 31 Cesar Chavez Day.

Apr. 10 Legislature reconvenes from **Spring recess** (J.R. 51(a)(2)).

Apr. 28 Last day for **policy committees** to hear and report to **fiscal committees** **fiscal bills** introduced in their house (J.R. 61(a)(2)).

May 5 Last day for **policy committees** to hear and report to the floor **non-fiscal bills** introduced in their house (J.R. 61(a)(3)).

May 12 Last day for **policy committees** to meet prior to June 5 (J.R. 61(a)(4)).

May 19 Last day for **fiscal committees** to hear and report to the Floor **bills** introduced in their house (J.R. 61(a)(5)).

Last day for **fiscal committees** to meet prior to June 5 (J.R. 61(a)(6)).

May 29 Memorial Day.

May 30-June 2 **Floor Session Only**. No committees, other than conference or Rules committees, may meet for any purpose (J.R. 61(a)(7)).

## 2023 TENTATIVE LEGISLATIVE CALENDAR

COMPILED BY THE OFFICE OF THE SECRETARY OF THE SENATE AND THE OFFICE OF THE ASSEMBLY CHIEF CLERK  
Revised 11/4/2022

JUNE						
S	M	T	W	TH	F	S
				<u>1</u>	<u>2</u>	3
4	<u>5</u>	6	7	8	9	10
11	12	13	14	<u>15</u>	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

June 2 Last day for each house to pass bills introduced in that house (J.R. 61(a)(8)).

June 5 Committee meetings may resume (J.R. 61(a)(9)).

June 15 Budget must be passed by **midnight** (Art. IV, Sec. 12(c)(3)).

JULY						
S	M	T	W	TH	F	S
						1
2	3	<u>4</u>	5	6	7	8
9	10	11	12	13	<u>14</u>	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

July 4 Independence Day.

July 14 Last day for **policy committees** to meet and report bills (J.R. 61(a)(10)).

**Summer Recess** begins upon adjournment of session provided Budget Bill has been passed (J.R. 51(a)(3)).

AUGUST						
S	M	T	W	TH	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	<u>14</u>	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Aug. 14 Legislature reconvenes from **Summer Recess** (J.R. 51(a)(3)).

SEPTEMBER						
S	M	T	W	TH	F	S
					<u>1</u>	2
3	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	9
10	<u>11</u>	<u>12</u>	<u>13</u>	<u>14</u>	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Sept. 1 Last day for **fiscal committees** to meet and report bills to Floor (J.R. 61(a)(11)).

Sept. 4 Labor Day.

Sept. 5-14 **Floor session only.** No committees, other than conference or Rules committees, may meet for any purpose (J.R. 61(a)(12)).

Sept. 8 Last day to **amend** on the floor (J.R. 61(a)(13)).

Sept. 14 Last day for **each house to pass bills** (J.R. 61(a)(14)).  
**Interim Study Recess** begins at the end of this day's session (J.R. 51(a)(4)).

\*Holiday schedule subject to Senate Rules committee approval

## IMPORTANT DATES OCCURRING DURING INTERIM STUDY RECESS

**2023**

Oct. 14

Last day for Governor to sign or veto bills passed by the Legislature on or before Sept. 14 and in his possession after Sept. 14 (Art. IV, Sec.10(b)(1)).

**2024**

Jan. 1

Statutes take effect (Art. IV, Sec. 8(c)).

Jan. 3

Legislature reconvenes (J.R. 51(a)(4)).

## REGULAR MEMBERS

CHAIR  
**Douglass Davert**  
Special District Member

VICE CHAIR  
**Donald P. Wagner**  
County Member

IMMEDIATE PAST CHAIR  
**Derek J. McGregor**  
Public Member

**Wendy Bucknum**  
City Member

**James Fisler**  
Special District Member

**Vacant**  
City Member

**Vacant**  
County Member

## ALTERNATES

**Andrew Do**  
County Member

**Kathryn Freshley**  
Special District Member

**Lou Penrose**  
Public Member

**Vacant**  
City Member

## STAFF

**Carolyn Emery**  
Executive Officer

**Scott Smith**  
General Counsel

January 11, 2023

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

**FROM:** Executive Officer  
Office Manager/Commission Clerk

**SUBJECT:** Appointment Processes for OC LAFCO Expiring Terms and  
Vacancies

## BACKGROUND

Below are the member seat terms that will expire in 2023 and current  
vacancies of the Commission:

<i>OC LAFCO Expiring Terms in 2023</i>		
Incumbent	Member Seat	Current Term
<b>Vacant</b>	Regular County Member	2019 – 2023
<b>Andrew Do</b>	Alternate County Member	2019 – 2023
<b>Vacant</b>	Regular City Member	2022 – 2026
<b>Vacant</b>	Alternate City Member	2020 – 2024

## Appointment Authority and Process

In accordance with Government Code Section 56334, the term of office for each OC LAFCO Commissioner shall be four years, and there are no term limits. Pursuant to the OC LAFCO Bylaws, the term of office for each Commissioner begins on July 1<sup>st</sup> of the year appointed and expires June 30<sup>th</sup> of the final year of the term. The following sections describe the appointment process for each seat that will expire in 2023 or is currently vacant.

County Member Seats

County member seats are appointed annually at the discretion of the Chair of the Board of Supervisors (BOS) with final approval by the County BOS. The appointments will be considered by the BOS on January 24. New county members appointed will be administered the Oath of Office at the following Regular Commission Meeting. County members continuing for the term expiring June 30 will be administered the Oath of Office at the July 12, 2023 Commission meeting.

City Member Seats

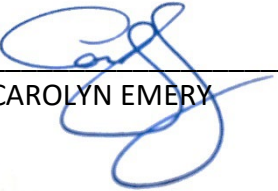
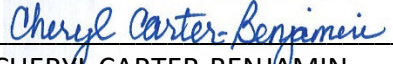
The City Selection Committee (comprised of 34 Orange County City Mayors) is responsible for appointing the Regular and Alternate City Members to OC LAFCO. The process is administered by the Orange County Clerk of the Board (COB) and is usually conducted during the Committee's bi-annual meetings in May and November. The City Selection Committee will conduct a special meeting in January to consider the appointment of the two city member seats that are currently vacant. Once the appointments have been made by the Committee, the Oath of Office will be administered at the following Regular Commission meeting.

**RECOMMENDED ACTION**

Staff recommends the Commission:

1. Receive and file the report on the appointment processes for the OC LAFCO expiring terms and vacancies.

Respectfully submitted,

  
\_\_\_\_\_  
CAROLYN EMERY  
\_\_\_\_\_  
CHERYL CARTER-BENJAMIN

**8a** | Commission  
Discussion

January 11, 2023

**REGULAR MEMBERS**

CHAIR

**Douglass Davert**

Special District Member

VICE CHAIR

**Donald P. Wagner**

County Member

IMMEDIATE PAST CHAIR

**Derek J. McGregor**

Public Member

**Wendy Bucknum**

City Member

**James Fisler**

Special District Member

**Vacant**

City Member

**Vacant**

County Member

**ALTERNATES****Andrew Do**

County Member

**Kathryn Freshley**

Special District Member

**Lou Penrose**

Public Member

**Vacant**

City Member

**STAFF****Carolyn Emery**

Executive Officer

**Scott Smith**

General Counsel

**TO:** Local Agency Formation Commission  
of Orange County**FROM:** Executive Officer**SUBJECT:** 2022-2025 Work Plan Mid-Year Update

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**BACKGROUND**

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On August 10, 2022, the Commission approved the 2022-2025 OC LAFCO Work Strategic Plan. The Work Plan identifies key objectives for the implementation of the agency's goals outlined in the three-year Strategic Plan. At mid-point of each fiscal year, staff provides a report to the Commission on the status of the objectives, as well as applications filed with the agency. This report provides an update on the activities of the work plan through the end of 2022.

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**DISCUSSION**

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**Project Applications**

In accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH Act"), OC LAFCO is required to efficiently process applications for changes of organization or reorganization. Because of statutory timelines, filed applications take precedence over other agency activities and projects. During the current fiscal year, staffing resources have been attributed to five filed applications that include a municipal service and sphere of influence review and proposed changes of organization. To date, two of those applications are missing one or more requirements as established by the CKH Act and OC LAFCO policy, two others have been completed, and the process for the remaining one is underway. The table shown on the next page provides additional details on those applications.



PROJECT APPLICATIONS		
Project	Status/Description	Comments
<b>Aera Property Annexation to the City of Brea</b>	<b>Status: Incomplete</b>  Proposed city annexation.	Application requirements are pending.
<b>Capistrano Bay Community Services District Activation of Latent Powers</b>	<b>Status: Incomplete</b>  Proposed activation of a Latent Power for flood control protection services.	Plan for Service and application requirements are pending.
<b>Orange County Sanitation District Annexations</b>	<b>Status: Complete</b>  Proposed annexation of properties located in the Cities of Anaheim, Villa Park and Yorba Linda.	Approved by the Commission on August 10, 2022.
<b>Orange County Water District Municipal Service and Sphere of Influence Review</b>	<b>Status: Underway</b>  Conducting of Municipal Service and Sphere of Influence Reviews	Application filed by OCWD to include preparation of comprehensive MSR and SOI reviews and assessment of potential consolidation of OCWD and MWDOC.
<b>Santa Ana River Reorganization – Areas 1, 1A, 2, and 3</b>	<b>Status: Complete</b>  Proposed reorganization of recreational and open space areas located along the Santa Ana River involving boundaries of the cities of Anaheim and Orange.	Approved by the Commission on October 10, 2022.

In addition to the filed applications, during the first half of fiscal year 2022-2023, staff participated in discussions with the cities of Fountain Valley, Yorba Linda, and Westminster regarding the potential annexation of unincorporated areas within their respective spheres. Should the discussions progress to the filing of applications, the efforts and status will be added to the table above, and the Commission will be updated.

### **2022-2025 Strategic Plan Goals**

The section of this report provides summaries of the progress of the Commission's multi-year work plan that has occurred since its approval in August 2022. The approved plan may also be referenced through **Attachment 1 (pages 4-7)** to this report.

#### *Staff Development, Retention and Recruitment*

During the current year strategic planning session, the Commission identified succession planning as key priority and established key objectives to support the development and retention of current OC LAFCO staff and effective recruitment of new employees when vacancies occur. Below are the accomplishments involving the objectives of this goal. Additional details for this area may also be found in the attached work plan.

- ✓ Completed an assessment of staff resources in line with current and anticipated projects and activities and conducted recruitment process for a Policy Analyst vacancy. The new hire will begin in January 2023.
- ✓ Cross-training of staff in budgeting and auditing areas is significantly underway.

#### *Improve Municipal Service Review (MSR) Process for Future MSRs*

At last year's strategic planning session, the Commission identified improving the process for the preparation of future MSRs as a key goal. Below are highlights of the related activities that have occurred to date for this area.

- ✓ **MSR Schedule for Future MSRs**  
Since enactment of the MSR law in 2000, OC LAFCO has conducted MSRs regionally and in five-year cycles. To improve the process, the MSR schedule has been updated to reflect when the next MSR will occur for each agency/region. The schedule identifies the regions established by the Commission, the timeline for fourth cycle of MSRs, and the date of the agency's next MSR. The latter will be added to the schedule upon the completion of the agency/region's fourth cycle MSR. The MSR schedule is attached for reference (**Attachment 2**) and is available to the agencies and other interested parties on the OC LAFCO website.

✓ **MSR Questionnaires**

The collection of data from the agencies is a critical component of the MSR process. For that purpose, a questionnaire at the beginning of the process is distributed to each agency. Additionally, a survey was recently developed to receive feedback from the agencies on their experience during the process. Both instruments complete the objectives of the work plan and will be used to maintain the effective and efficient components of the process and enhance areas where applicable.

*Promote Legislative Engagement*

Commonly, the introduction of legislation of LAFCO interest occurs during each legislative session. Because of that, it is important for OC LAFCO to stay engaged on the legislative front and for staff to keep the Commission apprised of proposed legislation impacting the agency, and as appropriate, the County, cities and districts. To achieve this, over the past six months, staff has continued participation on the CALAFCO legislative and advisory committees. Additionally, quarterly reports have been provided to the Commission outlining the activities of the legislature and details on proposed bills. During the latter part of the current fiscal cycle, staff will continue to monitor legislation as it surfaces and work with the Chair to establish a legislative ad-hoc committee to develop and enhance OC LAFCO principles and guidelines as indicated in the work plan.

*Optimize External Communication*

Over the past six months, the following key tasks of the strategic plan were completed to support the agency's communication with local agencies and the public:

- Video FAQs capturing background on OC LAFCO's legislative and local missions, key projects and resources published on agency website.
- Second Edition of The Pulse published and distributed to local agencies and other interested parties.
- Preparation of OC LAFCO Media Kit to disseminate to OC legislators and other interested parties.

The effort to optimize the Commission's communications resources will be continued during the latter part of the fiscal cycle through meetings with legislators and the development of educational platforms to inform stakeholders of OC LAFCO's role, projects and key resources.

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***SUMMARY***

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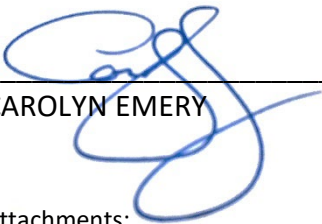
During the second half of the current fiscal cycle, staff will continue to focus on the objectives of the Commission's multi-year strategic plan. It is expected that resources will largely be attributed to the processing of filed applications, continued preparation of the fourth cycle of MSRs and facilitating discussions on island annexations. The next update on the agency's work plan will be given during the year end fiscal report.

**RECOMMENDED ACTION**

Staff recommends the Commission:

1. Receive and file the FY 2022-2025 Work Plan Mid-Year Update.

Respectfully submitted,



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CAROLYN EMERY

Attachments:

1. 2022-2025 Strategic Plan and Work Plan
2. OC LAFCO MSR Schedule (Fourth Cycle)



# Three-Year **STRATEGIC PLAN**

2022-2025



IN CONSULTATION WITH  
KELLY ASSOCIATES MANAGEMENT GROUP



# OC LAFCO 2022-2025 Strategic Plan

**August 10, 2022**

## **The Commission**

Douglass Davert, Chair

Donald P. Wagner, Vice Chair

Derek J. McGregor, Immediate Past Chair

Lisa Bartlett, County Member

Wendy Bucknum, City Member

James Fisler, Special District Member

Peggy Huang, City Member

Andrew Do, Alternate County Member

Kathryn Freshley, Alternate Special District Member

Lou Penrose, Alternate Public Member

## **Commission Staff**

Carolyn Emery, Executive Officer

## **Consulting Staff**

Kelly Associates Management Group LLC

William R. Kelly, President/CEO



## Introduction

The Orange County Local Agency Formation Commission (OCLAFCO) on November 10, 2021 adopted the 2021 Strategic Plan. The process to prepare the 2021 plan included the following:

- Identification of the agency's strengths, weaknesses, opportunities and threats (S.W.O.T process)
- Adoption of new mission statement:  
"OC LAFCO serves Orange County cities, special districts, and the county to ensure effective and efficient delivery of municipal services."
- Established Three Year 2021-2024 Goals:
  - ▣ Optimize external communication.
  - ▣ Facilitate a continuing dialogue of South County governance options.
  - ▣ Refine and enhance the MSR process.

As of June 30, 2022, the goals and most objectives had been completed.

## The Process

With an updated mission statement and substantial completion of the three-year goals and objectives identified in 2021, the Commission retained Kelly Associates Management Group (KAMG) to facilitate the process for the preparation of a new three-year plan 2022-2025. KAMG began the process by introducing the "Steps in the Strategic Planning Process" outlined as follows:

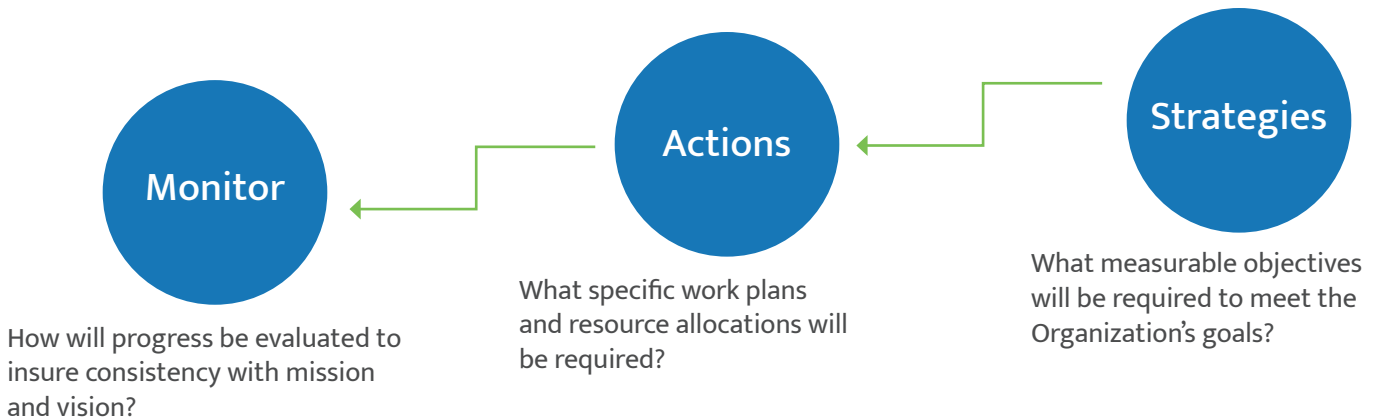
Why does the organization exist and how does it meet community needs?

What does the future of the community and organization look like?

What needs to be accomplished in order to fulfill the mission and achieve the vision?

**POLICY**  
**OC LAFCO Commissioners**

**IMPLEMENTATION**  
**OC LAFCO Staff**



## Goal-Setting and Identification

The initial step in OC LAFCO's most recent strategic planning process included an update to the agency's S.W.O.T responses. This was done by KAMG circulating a S.W.O.T questionnaire to Commissioners and staff to assist in the preparation of the new strategic plan. The cumulative summary of the S.W.O.T exercise responses is appended to this document.

At the strategic planning workshop conducted on July 13, 2022 the S.W.O.T responses were displayed for review and discussion by OC LAFCO Commissioners and staff. During the meeting, each commissioner was asked to identify his/her top five out of 24 goals of the agency over the next three years. Based on this exercise, the following five goals were identified (not in priority order):

- 1: Succession Planning.
- 2: Further refine Municipal Service Reviews (MSRs) to develop an abbreviated document for future cycles.
- 3: Legislative Engagement – build coalitions with CALAFCO, CSAC, CSDA, cities, League of California Cities and LAFCOs statewide on policy issues of mutual interest.
- 4: Increased Communication with all interest groups – on agenda for organizations such as OCCOG, ACCOC, Special Districts, Regional Chamber/business groups etc.
- 5: Commission can create more analytics or performance standards for quantifying MSRs.

## 2022-2025 Work Plan

As directed by the Commission, the five goals identified by the Board have been refined by staff and KAMG to allow for implementation of respective objectives to effectively accomplish each goal. As a note, goals #2 and #5 were combined for efficiency as both are relative to the Commission's goal to improve the MSR process.

The 2022-2025 Work Plan depicted in the following section clearly defines the agency's goals, objectives, and schedules over the next three years. As a note, the multi-year work plan may be amended, if warranted, by the Commission.



# GOAL 1:

## Staff Development, Retention and Recruitment

Obj. No.	Staff Assigned	Objective Description	Resources	Schedule	Status
1.1	EO	Conduct Classification, Compensation and Benefits Assessment.	Consultant	2023-2024	Not started
1.2	EO/AEO/CC	Complete staff assessment and conduct recruitment for vacancy(ies).	Consultant	2022-2023	Complete
1.3	EO/CC	Complete cross-training of staff in budgeting and auditing areas.		2022-2023	Underway

## GOAL 2:

### Improve Municipal Service Review (MSR) Process For Future MSRs

Obj. No.	Staff Assigned	Objective Description	Resources	Schedule	Status
2.1	All	Create MSR schedule that eliminates the MSR cycles and identifies the next scheduled comprehensive MSR as five years from last date of agency MSR and SOI review.		2022-2025	Underway
2.2	EO/AEO/ Analyst	Develop criteria for conducting the following MSR and SOI review processes for future reviews: <ol style="list-style-type: none"> <li>1. Comprehensive</li> <li>2. Reconfirm</li> <li>3. Update</li> </ol>	Consultant	2022-2023	Underway
2.3	AEO/Analyst	Develop and distribute the following MSR questionnaires: <ol style="list-style-type: none"> <li>1. Pre-MSR/SOI – to assess which process will be conducted.</li> <li>2. Post-MSR/SOI process – to receive feedback on the MSR/SOI process.</li> </ol>		2023-2025 2022	Not started Complete
2.4	AEO/Analyst	Continued use of web-based programs (fiscal indicators, shared services, and MS dashboard) to maintain agency data for MSR determinations.		2022-2025	Ongoing
2.5	AEO/Analyst/CC	Present year-end report to the Commission that provides analytics on MSR agency feedback and the use of the agency's web-based programs.		2023-2025	Underway

## GOAL 3:

### Promote Legislative Engagement

Obj. No.	Staff Assigned	Objective Description	Resources	Schedule	Status
3.1	Commissioners/ EO/AEO	Establish a legislative ad-hoc committee to develop engagement principles and guidelines involving external organizations (CSDA, CSAC, League of CA Cities, OC League of CA Cities).		2022-2023	Not started
3.2	EO/AEO	Monitor key legislation of LAFCO-interest through participation on CALAFCO legislative and advisory committees.		2022-2025	Ongoing

## GOAL 4:

### Optimize External Communication

Obj. No.	Staff Assigned	Objective Description	Resources	Schedule	Status
4.1	All	Conduct annual OC LAFCO 101 sessions (virtual) to engage agencies and public to inform of OC LAFCO activities.		2023-2025	Not started
4.2	Analyst/CC	Conduct visits and disseminate media kits to OC legislators and stakeholders.		2023-2025	Not started
4.3	Analyst	Deploy video FAQs on website to inform OC LAFCO stakeholders.	Consultant	2022	Complete
4.4	EO/Analyst	Distribute bi-annual news to inform of OC LAFCO activities.	Consultant	2022-2025	Ongoing

# S.W.O.T ANALYSIS

Strengths | Weaknesses | Opportunities | Threats



## STRENGTHS

Characteristics of the agency that will allow OC LAFCO to pursue the agency's goals and be successful.

1. Experienced Staff.
2. Strong Legal Counsel.
3. Very competent executive director with significant experience in LAFCO.
4. The LAFCO staff seemed to have been well trained and competent in their roles within the agency.
5. Knowledgeable and forward-thinking staff.
6. Objective and thorough reports.
7. Legislative Updates to Commissioners.
8. The commitment of staff to uphold the OC LAFCO mission and provide reports that serve the Commission to make well informed decisions.
9. Commission updates.
10. Leadership.
11. Camaraderie among Commissioners.
12. Commissioners come prepared to meetings.
13. Consistent outcomes due to application of standardized approach between staff and the Commissioners.
14. Open door policy between staff and Commissioners enhances communication, collaboration and sets a high bar for productivity and creativity in the decision-making process.
15. Experienced and diverse Board.
16. Governance is strong.
17. We can be an independent/third party oversight aiding with efficiency and fiscal status.
18. We have a diverse commission that represents all public agencies.
19. Diverse Commission and ability to make countywide decisions.
20. Independent and objective agency.
21. Unincorporated Islands program – waiver of application fees.
22. Diverse Commission and ability to make countywide decisions.
23. Independent and objective agency.
24. Provide an unbiased analysis of the level of municipal services provided by local agencies located within the County through municipal service reviews.
25. A Commission committed to uphold the CKH Act and making decisions on what is best for the County and its residents.
26. OC LAFCO is a forward-thinking agency that provides reports and programs to further assist the agencies.
27. Engaged Commissioners who are policy focused in decision making process.
28. Good relationship with County and clients we serve.
29. OC LAFCO has no competitors as an organization.
30. Increased stakeholder outreach has been successful (i.e., Website).
31. Outreach to stakeholders has improved (e.g., OCLAFCO.org).
32. Success achieved when process is proceeded by thorough outreach.
33. Implementation of the new communication plan.
34. Customer Service – Staff assistance with public inquiries, representatives from agencies, and application processing.

STRENGTHS (continued)

## STRENGTHS (continued)

- 35. Communication and External outreach to agencies and unincorporated communities.
- 36. OC LAFCO's ability to collaborate with agencies to find solutions that will meet the requirements provided within the CKH Act.
- 37. Community outreach.
- 38. Budget is dependable.
- 39. Revenues are guaranteed.
- 40. Both staff and Commissioners partake in continued education to learn the latest best practices and organizational development techniques.
- 41. Records Management has significantly improved (digitized).
- 42. New web site has provided more information to elected officials and the community at-large.
- 43. Innovative tools (shared services, MSR dashboard, fiscal indicators) to assess agencies and keep data relevant.

## WEAKNESSES

## Characteristics of the agency that hinder OC LAFCO's ability to achieve the agency's goals.

- 1. Succession planning.
- 2. At times, less than market rate compensation has led to staff turnover.
- 3. Small employee team limits upward mobility in the organization and reduces the overall bandwidth of taking on additional MSR and other types of work.
- 4. We need to provide a greater level for personal growth and career enhancement for the Executive Director and staff members.
- 5. Milestones delayed (i.e., MSRs).
- 6. Commissioners could be more collaborative with each other and stakeholders.
- 7. The ability to discuss other agencies' effectiveness.
- 8. Competing mandated applications – Limited staffing directs office focus to applications.
- 9. Misconception that LAFCOs are proactively seeking to dissolve and consolidate agencies.
- 10. Misunderstanding the purpose and mandates associated with municipal service reviews.
- 11. LAFCOs have a bigger role than just processing application.
- 12. Political influences.
- 13. Lack of knowledge of what LAFCO does/our role.
- 14. Letting social media influence our decisions.
- 15. Historically, poor communication with the public. Improvements have been made the past year with revised web site and monthly report to elected officials.
- 16. The public at-large does not know or understand the existence and role of the commission.
- 17. Not clear understanding by external stakeholders of LAFCO's purpose and authority.
- 18. Difficult to inform and make aware 3M resident of LAFCO's existence, resources and value.
- 19. Unincorporated areas don't understand fiscal impacts of incorporation.
- 20. Need to spend more time with special districts so they understand the LAFCO laws and procedures.
- 21. We need to be more proactive in promoting the work and services of OC LAFCO.
- 22. Reliance on consultants.
- 23. Budget is very modest.
- 24. Resources – Consider studying internal and external resources to improve OC LAFCO's economical, effective, and efficient performance... particularly related to the cost, quality, and timeliness of MSRs.
- 25. Limited staff and budget resources.
- 26. Limitations in OC LAFCO fees changes to member agencies has a domino effect in not being able to attract and retain more senior employees with significant LAFCO experience.
- 27. Website Analytics – Provide monthly updates during Commission meetings.

## OPPORTUNITIES


Factors that are available in the environment that can help OC LAFCO achieve the agency's goals.

1. Succession plan.
2. We will have new commissioners with new perspectives.
3. Further streamline MSRs to develop an abbreviated document for future cycles.
4. Improving on the accuracy of the fiscal trends program.
5. Making sure everyone in the commission is using the communication plan.
6. Assist agencies that are fiscally challenged through studies or exploring opportunities.
7. Agencies use of the Shared Services and Fiscal Indicators to assist with fiscal challenges.
8. OC LAFCO has the opportunity to provide assistance to agencies by performing studies that can assist an agency to find solutions to problems.
9. Assist agencies and residents with organizations and reorganizations in the areas where there are illogical boundaries.
10. The MSRs can provide agencies with the information required to make decisions on the delivery of services.
11. Homelessness.
12. If OC LAFCO can attract new business, it will be able to augment the financial capacity and allow for more variety in its service provider model and gives staff an opportunity to expand the learning curve.
13. Legislative Engagement – Build coalitions with Cal LAFCO, CSAC, CSDA, cities, League of California Cities and LAFCOs statewide, on policy issues of mutual interest.
14. Increased Communication with all interest groups – on agenda for organizations such as OCCOG, ACCOC, Special Districts, Regional Chamber/ business groups, etc.
15. Assist stakeholder entities on their implementation/interest in Shared Services to the extent that OC LAFCO needs to be involved.
16. Stakeholder Engagement and Transparency – Study and learn from other LAFCOs and stakeholders statewide to implement more effective strategies and tactics for reporting OC LAFCO performance.
17. Continued rebranding of LAFCO resources to keep stakeholders engaged.
18. Commission can facilitate better communication about the differences of county services versus city services to unincorporated area or county islands.
19. Commission can create more analytics or performance standards for quantifying MSRs.
20. Hybrid zoom meetings.
21. Use social media wisely to the advantage of the commission.
22. Continued use of technology as it continues to evolve.
23. Seeking out the latest technology to utilize is good for staff and can expand beyond the basic service model of the organization.
24. Enhancing the website and messaging out to current and potential clients reminds people of what we do and how we can help them in their decision-making process by providing analytical data.


## THREATS

Pitfalls looming in the environment that could throw up roadblocks or otherwise keep the OC LAFCO from achieving the agency's goals.

1. Executive Office retirement or movement to another organization.
2. Lack of upward mobility with such a small team means that talented employees will ultimately get hired away elsewhere.
3. Noncompetitive compensation means that we will continue to lose good employees to others in the market.
4. If there is a lack in variation in the day to day work employees will get stagnant and seek out other job opportunities elsewhere.
5. Leadership and staffing changes leave a void in the overall organization.
6. South OC issue will be a politically challenging process due to varied interests.
7. The commission is split on which direction the commission should proceed in.
8. Not every commissioner is using the communication plan.
9. If agency input is not balanced, the perception of LAFCO's mission and authority may be misunderstood.
10. Economic impacts on cities and special districts.
11. Environmental threats on the delivery of municipal services.
12. Rising gas prices.
13. State laws or mandates that omit LAFCOs from a local government reorganization process.
14. The major threat to the commission is any legislation that requires the commission to operate differently or being required to become involved with government agencies more broadly than currently required.
15. Ill-informed entities.
16. Misperception that LAFCO is a "rubber stamp" agency.
17. The perception agencies have of OC LAFCO.
18. The perception of what an MSR is intended to provide for the Public, Local Agencies, and Legislature.
19. Meeting space availability.
20. Fiscal instability.
21. Remote work – future pandemic.
22. Cybersecurity and Information Technology – Like many government entities today, OC LAFCO should protect the organization – and its stakeholders – from online vulnerability.
23. Misuse of social media.

<div>  <div> OC LAFCO  4<sup>TH</sup> Cycle - Municipal Service Review (MSR) and Sphere of Influence Update (SOI) Program  YEAR 2022-23 </div> </div>			
MSR Region	Areas of Interest	Cities	Special Districts
<b>Southwest</b> <i>(in-progress)</i>	<ul style="list-style-type: none"> <li>■ Public Works</li> <li>■ Water <ol style="list-style-type: none"> <li>1. Agency collaboration on urban water run-off and water treatment.</li> <li>2. Collaboration between water districts and cities.</li> <li>3. Impacts of water conservation.</li> <li>4. Water reliability.</li> </ol> </li> <li>■ Possible opportunities for consolidation of districts.</li> </ul>	Aliso Viejo Dana Point Laguna Beach Laguna Hills Laguna Niguel Laguna Woods	Capistrano Bay CSD Emerald Bay CSD El Toro WD Laguna Beach County WD Moulton Niguel WD South Coast WD Three Arch Bay CSD South Orange County Wastewater Authority(JPA)
<b>West</b> <i>(in-progress)</i>	<ul style="list-style-type: none"> <li>■ Public Safety (Police and Fire) <ol style="list-style-type: none"> <li>1. Utilization of shared service models to decrease costs of services and maximize delivery efficiency.</li> <li>2. Shared services database for areas that include: detectives, SWAT, traffic enforcement.</li> <li>3. Fiscal sustainability.</li> <li>4. Political pressures.</li> <li>5. Internal and external demands to maintain level of services with increasing costs.</li> <li>6. Maintaining related pension costs.</li> <li>7. Providing the most efficient and cost-effective services to residents.</li> </ol> </li> <li>■ Parks and Recreation</li> <li>■ Fiscal sustainability of maintenance of facilities and programs with scarce resources.</li> <li>■ Public Works <ol style="list-style-type: none"> <li>1. Achieving economies of scale.</li> <li>2. Shared services database that includes: operational and staffing costs; population growth impacts on infrastructure and land use.</li> </ol> </li> </ul>	Cypress Buena Park Garden Grove Fountain Valley La Palma Stanton Westminster	Buena Park LD Cypress Rec. & Park District Garden Grove SD Midway SD
<b>Orange County Water District</b> <i>(in-progress)</i>	<ul style="list-style-type: none"> <li>■ Water: recycled water efforts, addressing the drought and water conservation.</li> <li>■ Use of MSRs as tool/resource to update on services provided by the district.</li> <li>■ Focused review of potential consolidation of OCWD and MWDOC</li> </ul>	<b>Countywide District</b>	




<div>  <div> OC LAFCO  4<sup>TH</sup> Cycle - Municipal Service Review (MSR) and Sphere of Influence Update (SOI) Program  YEAR 2023-24 </div> </div>			
MSR Region	Areas of Interest	Cities	Special Districts
Central	<ul style="list-style-type: none"> <li>■ Police</li> <li>■ Public Works <ol style="list-style-type: none"> <li>1. Affordable housing.</li> <li>2. Lack of alignment regarding Infrastructure limitations and legislative mandates on affordable and regular housing.</li> <li>3. Population growth demands on existing infrastructure.</li> </ol> </li> <li>■ Accessory dwellings' impact on service delivery.</li> </ul>	Anaheim Irvine Orange Santa Ana Tustin Villa Park	East Orange County WD Irvine Ranch WD Serrano WD Silverado-Modjeska Parks & Rec. District
Southeast	<ul style="list-style-type: none"> <li>■ Public Works <ol style="list-style-type: none"> <li>1. Location and condition of public infrastructure.</li> </ol> </li> <li>■ Police <ol style="list-style-type: none"> <li>1. Fiscal sustainability of increasing costs of contracts with County Sheriff.</li> <li>2. Impacts of and ability to maintain related pension costs.</li> </ol> </li> <li>■ Water <ol style="list-style-type: none"> <li>1. Water quality involving low flow run-off issues.</li> <li>2. Assistance for agencies from treatment agencies on flow diversion and low flow funding mechanisms.</li> <li>3. Water rate structures and conservation.</li> </ol> </li> </ul>	Lake Forest Mission Viejo Rancho Santa Margarita San Clemente San Juan Capistrano	El Toro WD Irvine Ranch WD Moulton Niguel WD Santa Margarita WD South Coast WD Trabuco Canyon WD South Orange County Wastewater Authority(JPA)
Orange County Vector Control District	<ul style="list-style-type: none"> <li>■ Public Works: mosquito breeding and conveyance systems.</li> <li>■ Parks and Recreation: mosquito breeding and lack of grounds maintenance.</li> </ul>		<b>Countywide District</b>



**OC LAFCO**  
**4<sup>TH</sup> Cycle - Municipal Service Review (MSR) and Sphere of Influence Update (SOI) Program**

**YEAR 2024-25**

<b>MSR Region</b>	<b>Areas of Interest</b>	<b>Cities</b>	<b>Special Districts</b>
<b>North</b>	<ul style="list-style-type: none"> <li>■ Fire and Emergency Response               <ol style="list-style-type: none"> <li>1. Integration of fire and water services for more effective response during emergency and disaster events.</li> <li>2. Consolidation of internal services (i.e. procurement, HR, training).</li> <li>3. Regionalization of service delivery involving medical calls and reduction in costs.</li> <li>4. Maintaining of adequate fire suppression.</li> </ol> </li> <li>■ Police               <ol style="list-style-type: none"> <li>1. Consolidation of specialty services that may include: CSI, dispatch, commercial and traffic enforcement.</li> <li>2. External issues involving consolidation of departments.</li> </ol> </li> <li>■ Shared Services               <ol style="list-style-type: none"> <li>1. Maximizing of funding opportunities supported by County for unincorporated islands.</li> <li>2. Shared service models to increase funding for additional services that may include: IT, purchasing, training, HR, class comps.</li> </ol> </li> <li>■ Development of shared services system for areas such as: landscape and fleet maintenance.</li> </ul>	Brea Fullerton La Habra Placentia Yorba Linda	Placentia LD Yorba Linda WD
<b>Coastal</b>	<ul style="list-style-type: none"> <li>■ Public Works               <ol style="list-style-type: none"> <li>1. Public outreach for better understanding of the financing of infrastructure.</li> <li>2. Correlation of level and cost of services.</li> <li>3. Economies of scale and potential shared services system for areas such as: fleet, tree trimming, and purchasing.</li> </ol> </li> <li>■ Solid Waste               <ol style="list-style-type: none"> <li>1. Impacts of having fewer haulers on competitive bidding and rates.</li> </ol> </li> <li>■ Parks and Recreation</li> <li>■ Police               <ol style="list-style-type: none"> <li>4. Impediments involving consolidation of agencies Shared services database that includes: operational and staffing costs; population growth impacts on infrastructure and land use.</li> </ol> </li> </ul>	Costa Mesa Huntington Beach Los Alamitos Newport Beach Seal Beach	Costa Mesa SD Irvine Ranch WD Mesa WD Rossmoor CSD Rossmoor/Los Alamitos SD Sunset Beach SD Surfside Colony CSD Surfside Colony SWSD

	<p style="text-align: center;"><b>OC LAFCO</b>  <b>Municipal Service Review (MSR) and Sphere of Influence Update (SOI) Program</b></p> <p style="text-align: center;"><b>COMPLETED MSR's</b></p>			
MSR Region	Services Provided	MSR Approved	SOI Status	Next Scheduled MSR
<b>County Service Area Nos. 13, 22, and 26</b>	Fund wastewater and park and recreation services countywide and within unincorporated areas adjacent to the cities of Buena Park and Yorba Linda.	August 2022	<b>Reconfirmed</b>	<b>2027</b>
<b>Municipal Water District of Orange County</b>	Manages Orange County's imported water supply and resource planning, with the exception of the cities of Anaheim, Fullerton, and Santa Ana.	September 2020	<b>Reconfirmed</b>	<b>2025</b>
<b>Orange County Cemetery District</b>	Owns and operates three public cemeteries located in the cities of Anaheim, Lake Forest and Santa Ana.	October 2022	<b>Reconfirmed</b>	<b>2027</b>
<b>Orange County Sanitation District</b>	Provides regional sewer collection and treatment for 20 cities, four special districts (containing five cities), and several unincorporated areas generally located in the northern and central parts of the County.	September 2020	<b>Reconfirmed</b>	<b>2025</b>

**8b** | 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

**Wendy Bucknum**  
City Member

**James Fisler**  
Special District Member

**Vacant**  
City Member

**Vacant**  
County Member

**ALTERNATES**

**Andrew Do**  
County Member

**Kathryn Freshley**  
Special District Member

**Lou Penrose**  
Public Member

**Vacant**  
City Member

**STAFF**

**Carolyn Emery**  
Executive Officer

**Scott Smith**  
General Counsel

January 11, 2023

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

**FROM:** Executive Officer  
Policy Analyst II

**SUBJECT:** OC LAFCO Professional Services Agreements Update and  
First Amendment to Agreement with Berkson Associates

**BACKGROUND**

OC LAFCO utilizes private sector firms to complement staff resources for a variety of professional services, such as accounting, auditing, legal counsel, project facilitation, and other services. Annually, the Commission receives an update on the current professional services agreements for these services. Some of the agreements are for services that are ongoing or as needed, while others are for one-time projects.

Attachment 1 to this report references agreements that have been approved by the Commission, the respective costs and a general description of the services provided. Also noted in the attachment for reference are the agreements that are within the signature authority of the Executive Officer. In accordance with OC LAFCO's "Accounting and Financial Procedures," the Commission delegates authority to the Executive Officer for: (1) the purchase of goods and materials for office use not exceeding \$10,000, and (2) the approval and execution of agreements not exceeding \$10,000.

**Amendment to Professional Services Agreement with Berkson Associates**

One of the items listed in Attachment 1 is an amendment of the current agreement with Berkson Associates to continue providing services to support the development of the fiscal indicators for the Southwest and West Municipal Service Review (MSR) regions. To date, consultant Richard Berkson has developed the indicators for each of the 13 cities, 11 special districts and one joint powers authority from interviews and data submitted by the agencies and to be included in the MSR. Mr. Berkson's continued expertise involving the fiscal data is needed in the preparation of the public review and final incorporation of this information into the fiscal indicators web-based program and in assisting staff with developing fiscal data for future MSRs. The amendment to the agreement with

Berkson Associates proposes to expand the initial scope of the agreement to include these additional services.

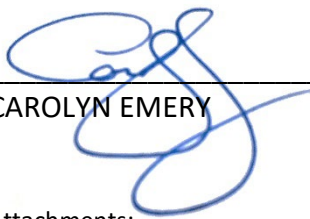
Staff is recommending that the Commission approve an amendment to increase the current agreement amount of \$15,000 to \$22,500. The amendment to the agreement is referenced as Attachment 2 to this report. Additionally, the initial agreement with Berkson Associates is included for your reference as Attachment 3.

**RECOMMENDED ACTION**

Staff recommends the Commission:

1. Receive and file the annual OC LAFCO Professional Services Agreements Update.
2. Approve the First Amendment to OC LAFCO Professional Consultant Services Agreement with Berkson Associates and authorize the Executive Officer to execute the amendment.

Respectfully submitted,

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

Attachments:

1. OC LAFCO Professional Services Agreements Summary for Fiscal Year 2022-23
2. First Amendment to OC LAFCO Professional Consultant Services Agreement with Berkson Associates
3. Professional Consultant Services Agreement with Berkson Associates

**OC LAFCO Professional Services Agreements**  
**Fiscal Year 2022-2023**

OC LAFCO Consultant	Primary Responsibilities	Agreement Status/Amount	Comments
<b>Berkson Associates</b>	Fiscal Analysis	Proposed \$7,500	Proposed amendment to an agreement for continued development of fiscal indicators for Southwest and West MSRs, future data development and staff training.
<b>Best, Best &amp; Krieger LLP</b>	Legal Services	Current/Budgeted at \$60K for FY 2022-23	Three-year agreement for legal services extended for two years through 2023.
<b>CSUF/Center for Demographic Research</b>	Specialized Demographic Data and Reports	Current/ not to exceed \$17K per fiscal year	Three-year MOU for FYs 2020-2023 to provide annual updates on specialized demographic data and prepare an annual countywide annexation boundary change report.
<b>Davis Farr LLP</b>	Annual Audit Services	Current/ Budgeted at \$7,600 for FY 2022-23	Four-year agreement for auditing services through 2024.
<b>Eide Bailly</b>	Accounting, Budgeting and Bookkeeping	Current/ not to exceed \$42K per fiscal year	Ongoing agreement for accounting, bookkeeping and budget services awarded through a competitive quote process.
<b>Respond Tech</b>	Information Technology Support Services	Current/ not to exceed \$10K per fiscal year	Ongoing agreement for information technology services awarded through a competitive quote process.
<b>Robert Aldrich &amp; Associates</b>	Specialized Project Assistance	Current/not to exceed \$20K per fiscal year	Agreement for assistance with special projects, as needed.
<b>RSG Inc.</b>	Southwest and West Municipal Service Reviews	Current/not to exceed \$199,945	One time agreement for preparation of municipal service reviews for Southwest and West regions.
<b>Sentric</b>	Commissioner Payroll Processing	Current/not to exceed \$1,700 per fiscal year	Ongoing agreement for processing of Commissioner stipends, mileage reimbursements, and W-2s awarded through a competitive quote process.

**ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION**  
**FIRST AMENDMENT TO PROFESSIONAL CONSULTANT SERVICES AGREEMENT**  
**WITH BERKSON ASSOCIATES**

**1. PARTIES AND DATE.**

This First Amendment to the Agreement for Professional Consultant Services (“First Amendment”) is entered into on the \_\_\_\_ day of January 2023, by and between the Orange County Local Agency Formation Commission, organized and operating pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Government Code Section 56000 et seq., with its principal place of business at 2677 North Main Street, Suite 1050, Santa Ana, CA, 92701 (“LAFCO”) and Berkson Associates, a sole proprietorship, with its principal place of business at 34 Terrace Avenue, San Anselmo, CA 94996 (“Consultant”). LAFCO and Consultant are sometimes individually referred to herein as “Party” and collectively as “Parties.”

**2. RECITALS.**

2.1 Agreement. On April 13, 2022, the Parties entered into that certain Professional Consultant Services Agreement (“Agreement”) for consulting services to assist in updating the fiscal indicators web-based program for agencies located within the Southwest and West MSR regions (“the Project”); and

2.2 First Amendment. The Parties now desire to amend the Agreement in order to expand the scope of services, extend the term and increase the total compensation under the Agreement (“First Amendment”); and

**3. TERMS.**

3.1 Scope of Services. Exhibit “A” of the Agreement is hereby amended in its entirety in the form of Attachment “2” to this First Amendment, attached hereto and incorporated herein by reference.

3.2 Compensation. Section 3, subdivision (b) of the Agreement is hereby amended in its entirety and restated to read as follows:

“The compensation for services rendered by Consultant under this Agreement at the rate set forth in Exhibit “A” shall not exceed TWENTY- TWO THOUSAND and FIVE HUNDRED DOLLARS (\$22,500).”

3.3 Remaining Provisions of Agreement. Except as provided in this First Amendment, the remaining provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this First Amendment as of the date first written above.

**ORANGE COUNTY LOCAL AGENCY  
FORMATION COMMISSION**

**BERKSON ASSOCIATES**

By: \_\_\_\_\_  
Carolyn Emery  
Executive Officer

By: \_\_\_\_\_  
Richard Berkson  
Consultant

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_  
General Counsel, Orange County Local  
Agency Formation Commission



## ATTACHMENT “2” TO FIRST AMENDMENT

EXHIBIT “A”  
SCOPE OF SERVICES

**Agreement:** Work with Commission staff, consultant and agencies to review and finalize fiscal data for public and final drafts of the Southwest and West MSRs.

Tasks	Deliverables	Estimate
Task 1- Compile Financial Data	Data summary in spreadsheet tables for revenue, expenditure, and balance (reserve) information.	<b>\$8,000</b>
Task 2- Prepare Fiscal Indicators	<p>Brief paragraph synopsis to highlight key findings of indicators that include:</p> <ul style="list-style-type: none"> <li>• Revenue changes annually and over time, compared to expenditures.</li> <li>• Expenditure changes annually and over time, compared to long-term inflation.</li> <li>• Reserves vs. expenditures.</li> </ul>	<b>\$4,000</b>
Task 3- Provide Spreadsheets with data indicators	Spreadsheets with data and indicators for LAFCO use only.	<b>\$3,000</b>
Task 4 – Coordinate review of draft and final MSRs	<ul style="list-style-type: none"> <li>• Work with Commission staff, consultant and agencies to review and finalize fiscal data for public and final drafts of the Southwest and West MSRs.</li> <li>• Provide training to staff on fiscal indicators.</li> </ul>	<b>\$7,500</b>
<b>TOTAL</b>		<b>\$22,500</b>

**ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION  
PROFESSIONAL CONSULTANT SERVICES AGREEMENT**

This Agreement is made effective, April 13, 2022, by and between ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION (hereinafter referred to as "LAFCO"), organized and operating pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, as amended (Government Code Sections 56000 et seq.), and Berkson Associates (hereinafter referred to as "Consultant").

**RECITALS**

A. LAFCO is a public agency of the State of California and is in need of professional consulting services to assist in updating the fiscal indicators web-based program for agencies located within the Southwest and West MSR regions (hereinafter referred to as "the Project").

B. Consultant is qualified by virtue of experience, training, education and expertise to provide such services.

C. This Agreement is to establish the terms and conditions for LAFCO to retain Consultant to provide the services described herein.

**AGREEMENT**

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Term and Time of Performance.

The term of this Agreement shall be from the effective date through August 31, 2022, unless terminated in accordance with the procedures outlined in Section 15 of this Agreement. Consultant shall perform its services hereunder in a prompt and timely manner and shall commence performance upon the execution of this Agreement.

2. Services.

Consultant shall provide LAFCO with the services described in the Scope of Services attached hereto as Exhibit "A."

3. Compensation.

a. Subject to paragraph 3(b) below, LAFCO shall pay for such services in accordance with the Schedule of Charges set forth in Exhibit "B."

b. The compensation for services rendered by Consultant pursuant to Exhibit "A" shall not exceed \$15,000.

c. Consultant shall invoice monthly for completed tasks and actual costs, as shown in Exhibit B.

d. Consultant shall submit to LAFCO a statement for services rendered. LAFCO shall cause payment to be made to Consultant within thirty (30) working days from receipt of statement for services and LAFCO's determination that Consultant has adequately performed those services for which LAFCO has been invoiced.

4. Additional Work

If changes in the work seem merited by Consultant or LAFCO, and informal consultations with the other party indicate that a change is warranted, it shall be processed by LAFCO in the following manner: Consultant shall forward a letter outlining the changes to LAFCO with a statement of estimated changes in fee or time schedule. An amendment to the Agreement shall be prepared by LAFCO and executed by both parties before performance of such services or LAFCO will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

5. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the Agreement period and for four (4) years from the date of final payment under the contract for inspection by LAFCO.

6. Delays in Performance.

Neither LAFCO nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint.

Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

7. Compliance with Law.

a. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government.

b. Consultant shall assist LAFCO in obtaining and maintaining all permits required of Consultant by Federal, State and local regulatory agencies.

8. Standard of Care.

Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

9. Assignment and Sub-consultant.

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of LAFCO, which may be withheld for any reason. Nothing contained herein shall prevent Consultant from employing independent associates and sub-consultants as Consultant may deem appropriate to assist in the performance of services hereunder.

10. Independent Contractor.

It is agreed that Consultant shall act and be an independent contractor and is not an agent or employee of LAFCO and is not entitled to participate in any compensation plans or other benefits LAFCO provides for its employees. All services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the services, subject to the requirements of this Agreement. Any additional personnel performing the services under this Agreement on behalf of Consultant shall also not be employees of LAFCO and shall at all times be under Consultant's exclusive direction and control. Consultant shall be responsible for all reports and obligations respecting such personnel, including but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance and workers' compensation insurance.

11. Integration.

This Agreement represents the entire understanding of LAFCO and Consultant as to those matters contained herein and supersedes and cancels any prior oral or written understanding, promises or representations with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing signed by both parties hereto. This is an integrated Agreement.

12. Insurance.

Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, all insurance set forth in "Exhibit C" hereto, in a form and with insurance companies acceptable to LAFCO.

13. Indemnification.

To the fullest extent permitted by law, Consultant shall defend, indemnify and hold LAFCO, its Board, members of the Board, employees, and authorized volunteers free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to the alleged negligent acts, errors or omissions caused by the negligence, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services or this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorney's fees and other related costs and expenses. Notwithstanding the foregoing, to the extent Consultant's services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

In addition, Consultant shall defend, with counsel of LAFCO's choosing and, to the extent permitted by Civil Code Section 2782.8, at Consultant's own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind covered by this section arising out of, pertaining to, or incident to the alleged negligent acts, errors or omissions caused by the negligence, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services or this Agreement that may be brought or instituted against LAFCO or its Board, members of the Board, employees, and authorized volunteers. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against LAFCO or its Board, members of the Board, employees, and authorized volunteers as part of any such claim, suit, action or other proceeding. Consultant shall also reimburse LAFCO for the cost of any settlement paid by LAFCO or its Board, members of the Board, employees, or authorized volunteers as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for LAFCO's attorney's fees and costs, including expert witness fees. Consultant shall reimburse LAFCO and its Board, members of the Board, employees, and/or authorized volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by LAFCO, its Board, members of the Board, employees, or authorized volunteers. Consultant shall have no duty or obligation to defend, indemnify, and/or pay settlement expenses of LAFCO, its Board, its Board members, employees, or authorized volunteers due to the negligence, errors or omissions caused by the sole negligence, and/or willful misconduct of LAFCO, its Board, its Board members, employees or authorized volunteers.

14. Laws, Venue, and Attorneys' Fees.

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Orange, State of California. In the event of any such litigation between the parties, the prevailing party shall be entitled to recover all reasonable costs incurred, including reasonable attorney's fees, as determined by the court.

15. Termination or Abandonment.

a. LAFCO may terminate this Agreement for any reason or no reason by giving thirty (30) calendar days' written notice of termination. LAFCO shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by LAFCO and Consultant of the portion of such task completed but not paid prior to said termination. LAFCO shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to LAFCO only in the event of substantial failure by LAFCO to perform in accordance with the terms of this Agreement through no fault of Consultant.

16. Key Personnel.

Consultant shall assign Richard Berkson as the Principal Consultant. The Principal Consultant shall not be removed from the Project or reassigned without the prior written consent of LAFCO.

17. Notice.

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

LAFCO:  
Carolyn Emery, Executive Officer  
OC LAFCO  
2677 N. Main Street, Suite 1050  
Santa Ana, CA 92705

Consultant:  
Richard Berkson, Principal  
Berkson Associates  
34 Terrace Avenue  
San Anselmo, CA 94996

and shall be effective upon receipt thereof.

18. Third Party Rights.

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than LAFCO and the Consultant.

19. Severability.

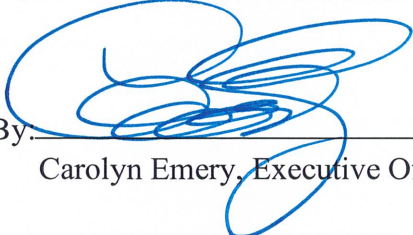
The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the other provisions unenforceable, invalid or illegal.

20. Acknowledgment.

Consultant acknowledges that by executing this agreement, they are also, in good faith, determining that the appointment meets each of the requirements set forth in Government Code Section 7522.56, including the unemployment insurance requirement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**ORANGE COUNTY LOCAL AGENCY  
FORMATION COMMISSION**

By:   
Carolyn Emery, Executive Officer


**BERKSON ASSOCIATES**

By:   
Richard Berkson, Principal

Dated: 5/10/2022

Dated: 5/3/2022

Approved as to form:

  
Scott C. Smith, General Counsel  
Orange County Local Agency Formation Commission

Attest:

  
Cheryl Carter-Benjamin Commission  
Clerk

**EXHIBIT “A”****SCOPE AND SCHEDULE OF SERVICES****Task 1: Compile past revenues, expenditures, and balance (reserve) data for each agency from financial reports.**

Compile financial documents for each of the 24 agencies being reviewed for the Southwest and West MSR regions. The documents shall include financial audits from FY 2017-18 through FY 2020-21 and adopted budgets for the same period plus FY2021-22 and FY2022-23. Consultant will coordinate the request for financial documents with the MSR consultant, as part of the MSR preparation/survey process.

***Deliverable:*** Data summary in spreadsheet tables for revenue, expenditure, and balance (reserve) information.

***Schedule:*** June 1 – June 31

**Task 2: Prepare Fiscal Indicators for each Agency (24 agencies)**

Provide key indicators of financial capacity for each item (total revenue, expenditure, and balances over time). These items are primary indicators of the financial conditions of an agency that can point towards and be supplemented by more in-depth analysis by LAFCO.

***Deliverable:*** Brief paragraph synopsis to highlight key findings of indicators that include:

- Revenue changes annually and over time, compared to expenditures
- Expenditure changes annually and over time, compared to long-term inflation
- Reserves vs. expenditures

***Schedule:*** June 15 – July 15

**Task 3: Provide spreadsheets with the data and indicators**

Develop spreadsheets that include the data compiled and indicators for ongoing use and update by LAFCO for the purpose of identifying and reporting fiscal trends and indicators.

***Deliverable:*** Spreadsheets with data and indicators for LAFCO use only.

***Schedule:*** July 31



**EXHIBIT “B”**  
**SCHEDULE OF CHARGES/PAYMENTS**

Fee Schedule for  
 Berkson Associates

The following fee schedule shall apply to work performed under this Agreement:

<b>Name, Title</b>	<b>Hourly Rate</b>
<b>Richard Berkson, Consultant</b>	<b>\$250.00</b>
<b>Data Entry Staff</b>	<b>\$50.00</b>
 <b>Task 1: Compile past Financial data</b>	 <b>\$8,000</b>
<b>Task 2: Prepare Fiscal Indicators (24 agencies)</b>	<b>\$4,000</b>
<b>Task 3: Provide spreadsheets with data and indicators</b>	<b><u>\$3,000</u></b>
 <b>Total not to Exceed</b>	 <b>\$15,000</b>

\*Charges assume that all meetings are held by conference calls or video conferencing.

Consultant shall bill LAFCO for the actual hours incurred in performing the services required under this Agreement in accordance with the fee schedule set forth in this Exhibit B and subject to the provisions of Section 3 of this Agreement.

## **EXHIBIT "C"**

### **INSURANCE REQUIREMENTS**

#### **1. Commercial General Liability**

- a. The Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to LAFCO.
- b. Coverage for Commercial General Liability insurance shall be at least as broad as the following: ISO Commercial General Liability coverage (Occurrence Form CG 0001)
- c. Commercial General Liability Insurance must include coverage for the following:
  - i. Bodily Injury and Property Damage
  - ii. Personal Injury/Advertising Injury
  - iii. Premises/Operations Liability
- d. All such policies shall give LAFCO, its Board, members of the Board, employees, and authorized volunteers insured status using ISO endorsement CG2010, CG2033, or equivalent.
- e. The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by LAFCO.

#### **2. Automobile Liability**

- a. At all times during the performance of the work under this Agreement the Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to LAFCO.
- b. Coverage for Automobile Liability Insurance shall be at least as broad as: ISO Form Number CA 0001 covering automobile liability (Coverage Symbol 1, any auto).
- c. The automobile liability program may utilize deductibles, but not a self-insured retention, subject to written approval by LAFCO.

#### **3. Workers' Compensation/Employer's Liability**

- a. Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for

workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

- b. Consultant shall maintain full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein. Consultant shall require all subconsultants to obtain and maintain, for the period covered by the work under this Agreement, workers' compensation of the same type and limits as specified in this section.
- c. Such insurance shall include an insurer's Waiver of Subrogation in favor of LAFCO and will be in a form and with insurance companies acceptable to LAFCO.

#### 4. Minimum Policy Limits Required

- a. The following insurance limits are required for the Agreement:

	Combined Single Limit
Commercial General Liability	\$1,000,000 per occurrence/\$2,000,000 aggregate for bodily injury, personal injury and property damage
Automobile Liability	\$1,000,000 per occurrence for bodily injury and property damage
Employer's Liability/ Workers' Compensation	\$1,000,000 per occurrence/ Statutory

#### 5. Evidence Required

- a. Prior to execution of the Agreement, the Consultant shall file with LAFCO evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 2010 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (ACORD Form 25-S or equivalent). All evidence of insurance shall be signed by a properly authorized officer, agent or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

## 6. Required Policy Provisions

- a. Certificates of insurance and policy endorsements shall require 30 days (10 days for non-payment of premium) notice of cancellation to LAFCO. Statements that the carrier “will endeavor” and “that failure to mail such notice shall impose no obligation and liability upon the company, its agents or representatives,” will not be acceptable on certificates. If any of the required coverage expires during the term of this Agreement, the Contractor shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to LAFCO at least ten (10) days prior to the expiration date.
- b. The Commercial General Liability policy shall contain a provision stating that Consultant's policy is primary insurance and that any insurance, self-insurance or other coverage maintained by LAFCO or any named insureds shall not be called upon to contribute to any loss.
- c. The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three (3) years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period i) if the retroactive date is advanced past the effective date of this Agreement; ii) if the policy is canceled or not renewed; or iii) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

## 7. Qualifying Insurers

- a. All policies required shall be issued by acceptable insurance companies, as determined by LAFCO, which satisfy the following minimum requirements:
- b. Insurance carriers shall have a current AM Best rating of not less than “A-” policyholder's rating and a financial rating of not less than “Class VII,” unless otherwise approved in advance by LAFCO.

## 8. Additional Insurance Provisions

- a. The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by LAFCO, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.
- b. If at any time during the life of the Agreement, the Consultant fails to maintain in full force any insurance required by the Agreement documents LAFCO may terminate the Agreement.

- c. The Consultant shall include all subconsultants as insureds under its policies or shall furnish separate certificates and endorsements for each subconsultant. All coverages for subconsultants shall be subject to all of the requirements stated herein.
- d. LAFCO may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.
- e. Neither LAFCO, its Board, members of the Board, employees, or authorized volunteers shall be personally responsible for any liability arising under or by virtue of the Agreement.

January 11, 2023

**8c** | 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**Wendy Bucknum**  
Commission Member**James Fisler**  
Special District Member**Vacant**  
Commission Member**Vacant**  
County Member**ALTERNATES****Andrew Do**  
County Member**Kathryn Freshley**  
Special District Member**Lou Penrose**  
Public Member**Vacant**  
Commission Member**STAFF****Carolyn Emery**  
Executive Officer**Scott Smith**  
General Counsel**TO:** Local Agency Formation Commission  
of Orange County**FROM:** Commission Chair  
General Counsel**SUBJECT:** Adoption of a Resolution Approving the Third Amendment  
to Memorandum of Agreement for the Position of  
Executive Officer with Carolyn Emery**BACKGROUND**

Carolyn Emery ("Emery") has served as LAFCO Executive Officer since 2013. The Memorandum of Agreement employing Emery as Executive Officer has been amended from time to time. On July 11, 2018 the Commission and Emery entered into an Amended and Restated Memorandum of Agreement for the Position of LAFCO Executive Officer, followed by the First Amendment on June 12, 2019 and the current Second Amendment on November 10, 2021 ("Agreement"). Sections 4 and 5 of the Agreement provide that the salary provided the Executive Officer may be increased by Commission action.

**DISCUSSION**

Pursuant to the Agreement and LAFCO policy, on December 14, 2022 the Commission conducted Emery's annual performance evaluation. The Commission and Emery now desire to amend the Agreement in the form of a Third Amendment to Memorandum of Agreement to set 2022-23 compensation.

Government Code subsections 54956(b) and 54957.6(a) require that any final Commission action on executive compensation occur during the public portion of a regular meeting. The attached Resolution provides final approval of the Third Amendment to Memorandum of Agreement presented by the Commission's labor negotiator (its Chair) and accepted by Emery.

**RECOMMENDED ACTION**

It is recommended that the Commission:

1. Adopt Resolution No. CP 23-01 approving the Third Amendment to Memorandum of Agreement for the Position of LAFCO Executive Officer for Carolyn Emery; and
2. Authorize Commission Chair Douglass Davert to execute and the Commission Clerk to attest to these documents.

Respectfully submitted,



SCOTT C. SMITH  
LAFCO General Counsel



Douglas Davert  
Chairperson of the OC LAFCO

*Attachment 1: Form of Resolution No. CP 23-01*

CP 23-01

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF  
ORANGE COUNTY, CALIFORNIA APPROVING THE THIRD AMENDMENT TO  
MEMORANDUM OF AGREEMENT FOR THE POSITION OF LAFCO EXECUTIVE  
OFFICER

January 11, 2023

On motion of Commissioner, duly seconded and carried, the following resolution was adopted:

WHEREAS, Carolyn Emery ("Emery") has served capably in the position of Executive Officer of the Orange County Local Agency Formation Commission ("Commission" or "LAFCO") since 2013; and

WHEREAS, the Commission and Emery have entered into a series of Memoranda of Agreement for the Position of LAFCO Executive Officer and amendments thereto over the years; and

WHEREAS, on December 14, 2022 the Commission completed its annual evaluation of Emery; and

WHEREAS, LAFCO and Emery have agreed to the compensation, duties, and other terms and conditions in the attached Third Amendment to Memorandum of Agreement for the Position of LAFCO Executive Officer, which shall apply to Emery's employment as Executive Officer, effective July 1, 2022; and

NOW, THEREFORE, the Commission DOES HEREBY RESOLVE, DETERMINE, AND ORDER that the Third Amendment to Memorandum of Agreement for the Position of LAFCO Executive Officer between LAFCO and Emery, attached to this Resolution as Exhibit "A" and incorporated herein by this reference is hereby approved.

Ayes:

Noes:



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 11th day of January 2023.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of January 2023.

Douglass Davert  
Chairperson of the Orange County  
Local Agency Formation Commission

By: \_\_\_\_\_  
DOUGLASS DAVERT

ATTEST:

Cheryl Carter-Benjamin, Commission Clerk  
Orange County LAFCO

\_\_\_\_\_

## EXHIBIT A

### THIRD AMENDMENT TO MEMORANDUM OF AGREEMENT FOR THE POSITION OF LAFCO EXECUTIVE OFFICER

January 11, 2023

WHEREAS, Carolyn Emery (“Emery”) has been serving as Executive Officer and previously served as Interim Executive Officer and in other positions for Local Agency Formation Commission, County of Orange (“LAFCO”) for more than 20 years; and

WHEREAS, LAFCO and Emery entered into an Amended and Restated Memorandum of Agreement for the Position of LAFCO Executive Officer on July 1, 2018 in order to restate their prior agreements and to memorialize the terms of her employment as Executive Officer going forward (“Agreement”); and

WHEREAS, LAFCO and Emery entered into a First Amendment to Memorandum of Agreement for the Position of LAFCO Executive Officer on June 12, 2019 (“First Amendment”); and

WHEREAS, LAFCO and Emery entered into a Second Amendment to Memorandum of Agreement for the Position of LAFCO Executive Officer on November 10, 2021 (“Second Amendment”); and

WHEREAS, after having completed Emery’s 2022 annual performance evaluation, LAFCO and Emery have reached agreement on the terms for her continued appointment as Executive Officer, as provided herein; and

WHEREAS, LAFCO and Emery now desire to amend the Agreement to memorialize the terms for her continued employment by the Commission (“Third Amendment”).

NOW, THEREFORE, in consideration for the mutual covenants herein, it is agreed by and between the parties as follows:

1. **Salary.** Section 4 of the Agreement is hereby amended in its entirety to read as follows:

“As salary for services rendered by this appointment, Emery shall receive, effective July 1, 2022, \$209,328 per annum, paid biweekly, which shall be paid in the same manner and at the same times as County of Orange employees generally.”

2. **Remaining Provisions of Agreement.** Except as otherwise specifically set forth in this Third Amendment, the remaining provisions of the Agreement shall remain in full force and effect.

## EXHIBIT A

3. **Acknowledgment and Consent.** I, Carolyn Emery, acknowledge that I have read and fully understand the terms and conditions of this Third Amendment to Memorandum of Agreement for the Position of LAFCO Executive Officer, and I consent and agree to each and every term and condition contained herein.

---

Carolyn Emery

---

Douglass Davert, LAFCO Chair

---

Date

---

Date

Approved as to form:

---

Best Best & Krieger LLP, General  
Counsel

---

Date

January 11, 2023

**8d** | Commission  
Discussion**REGULAR MEMBERS****CHAIR**  
**Douglass Davert**  
Special District Member**VICE CHAIR**  
**Donald P. Wagner**  
County Member**IMMEDIATE PAST CHAIR**  
**Derek J. McGregor**  
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County Member**Kathryn Freshley**  
Special District Member**Lou Penrose**  
Public Member**Vacant**  
City Member**STAFF****Carolyn Emery**  
Executive Officer**Scott Smith**  
General Counsel**TO:** Local Agency Formation Commission  
of Orange County**FROM:** Executive Officer**SUBJECT:** Election of OC LAFCO Officers for 2023**BACKGROUND**

In accordance with the OC LAFCO Bylaws, the Chair and the Vice Chair shall be elected annually and take office immediately. In addition to other duties outlined in the Bylaws, the Chair shall preside at all meetings of the Commission and conduct the business of the Commission pursuant to, and in compliance with, the Commission procedures. The Chair shall preserve order and decorum at all meetings and shall decide all questions of order and procedure, subject to the action of the majority of the Commission. In the event of the Chair's absence, or inability to act as the Chair, the Vice Chair shall have all the powers and duties of the Chair. Attached is a list of the current and prior year OC LAFCO Officers.

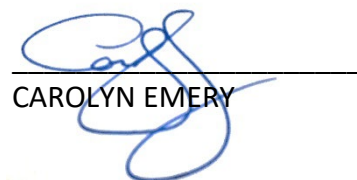
Additionally, in accordance with the Bylaws, the Executive Committee of the Commission shall be comprised of the current Chair, Vice Chair and Immediate Past Chair. The Executive Committee serves in an advisory role to the full Commission on the agency budget and work plans and the Public Member selection process.

**RECOMMENDED ACTION**

Staff recommends that the Commission:

1. Elect the Chair and Vice Chair for 2023.

Respectfully Submitted,

  
CAROLYN EMERY

Attachment 1: OC LAFCO Officers

OC LAFCO Officers			
Year	Chair	Vice Chair	Immediate Past Chair
2022	<i>Douglass Davert</i> (Special District Member)	<i>Donald Wagner</i> (County Member)	<i>Derek J. McGregor</i> (Public Member)
2021	<i>Douglass Davert</i> (Special District Member)	<i>Donald Wagner</i> (County Member)	<i>Derek J. McGregor</i> (Public Member)
2020	<i>Cheryl Brothers</i> (City Member)	<i>Douglass Davert</i> (Special District Member)	<i>Derek J. McGregor</i> (Public Member)