

August 9, 2023

9a | Commission
Discussion

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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 Year-End Comprehensive Report

BACKGROUND

Throughout the fiscal year, the Commission receives quarterly financial reports and mid-year and year-end reports on the agency's work plan. The attached comprehensive report combines the review of the accomplishments of the 2022-2025 Work Plan and an assessment of the agency's budget and investment portfolio for July 1 through June 30, 2023. The Work Plan, which includes the status of approved projects and activities, is referenced as Attachment 2 to this report and includes the following recommended updates:

- Goal 2: Improve MSR Process for Future MSRs (page 3)
Update schedule for objectives 2.2 and 2.3 from 2023-2025 to 2025 to better align with the completion of MSR schedule currently underway.

RECOMMENDED ACTION

Staff recommends the Commission:

1. Receive and file the Year-End Comprehensive Report for Fiscal Year 2022-2023.
2. Approve update to the 2022-2025 Work Plan.

Respectfully submitted,



CAROLYN EMERY

Attachments:

1. Fiscal Year 2022-2023 Year-End Comprehensive Report
2. 2022-25 OC LAFCO Work Plan (Upd: 8.09.23)
3. OC LAFCO MSR Program Schedule (Upd.: 8.09.23)



Year-End Comprehensive Report

Fiscal Year 2022-23

Prepared: August 9, 2023

HIGHLIGHTS:

FY 2022-23 Work Plan Accomplishments– Pages 2-4

FY 2022-23 Commission Mandates and Analytics – Pages 4-5

FY 2022-23 Budget Year-End Assessment – Pages 6-8

Balance Sheet & Reserves Analysis – Pages 9-10

INTRODUCTION

The Year-End Comprehensive Report presents an overview of the Commission's Work Plan accomplishments and the agency's budget and investment portfolio performance for Fiscal Year 2022-23.

WORK PLAN ACCOMPLISHMENTS

This section highlights the accomplishments of the agency's 2022-2025 Work Plan during the current fiscal cycle. In addition to the processing of filed applications and responding to the legislative mandate to prepare Municipal Service Reviews, a Work Plan has been adopted by the Commission that includes objectives assigned to the following strategic goals: *Goal One*: Staff Development, Retention, and Recruitment; *Goal Two*: Improve Municipal Service Review (MSR) Process for Future MSRs; *Goal Three*: Promote Legislative Engagement; and, *Goal Four*: Optimize External Communication. A discussion of each goal and the respective status of each objective are provided in the next section of this report and referenced in **Attachment 2**.

Goal One: *Staff Development, Retention, and Recruitment*

With each of the Commission's five budgeted positions currently filled, the latter part of the fiscal year for Goal One included a focus on the cross-training and mentoring of both tenured and newly hired staff. Training included hands-on tutelage in the areas of budget preparation, accounting, audit process, and project management that included processing applications, preparing in-house MSRs and sphere reviews, and external communications. Staff development in these areas aligns with the objectives identified by the Commission and completed for this goal during FY 2022-23.



**RECRUITMENT -
SELECTION
AND TRAINING**

Goal Two: *Improve Municipal Service Review (MSR) Process for Future MSRs*

Commission staff has continued to address ways to improve the process for future MSRs. To assist in this endeavor, staff has used the pre and post-MSR questionnaires to assess and improve in areas where warranted. This included ongoing refinement and streamlining of the questionnaires involving data collection, use of agency feedback to improve the overall process and allocation of budgeting resources for use of professional consultant services to assist staff in MSR preparation. The latter has been most instrumental in moving the MSR schedule for the fourth cycle forward, balanced with the use of staff resources with filed applications and other competing priorities. To date, the accomplishments of the Commission for this goal includes the completion of six regional MSRs, two of which were completed during the 2022-23 fiscal cycle and will be considered by the Commission at the August 9 meeting. Collectively, the reviews have included **31** of the **67** agencies to be reviewed by OC LAFCO.

The MSR schedule is attached to this report for reference and is also available to the agencies and other interested parties on the agency's website.

Goal Three: *Promote Legislative Engagement*

The relatively moderate activity of legislation of LAFCO interest during this fiscal cycle provided opportunity for staff and the Commission's legislative ad hoc committee to develop guidelines to facilitate OC LAFCO's continued proactive activity on the legislative front and to expand the agency's engagement in this area to include informing and collaboration with external groups and organizations. The Commission's past year accomplishments for this goal includes adoption of guidelines to facilitate a communication platform on legislative affairs involving Orange County's legislators and organizations, including the Association of California Cities - Orange County, California Special Districts Association, California State Association of Counties, League of California Cities, League of California Cities – Orange County, and the Orange County Council of Governments. Additionally, OC LAFCO reviewed and adopted positions on multiple bills of LAFCO interest introduced over the past year and continued participation as a member of the CALAFCO Legislative and Advisory Committees.

Goal Four: *Optimize External Communication*

The Commission experienced many accomplishments involving connecting with our local agencies and other external organizations and communities on the agency's legislative mandates and the services and resources OC LAFCO provides. Below is a list of the strategic plan objectives completed during FY 2022-23:

- ✓ Published two editions of the Pulse with distributions to local agencies and other external organizations and associations.
- ✓ Prepared and provided OC LAFCO media kits to OC legislators and other interested stakeholders.
- ✓ Deployed video FAQs on website to inform OC LAFCO stakeholders.

Additional objectives that were also completed or started during the past fiscal year to support the Commission's effort to more effectively communicate OC LAFCO's mission and resources include:

- Conversion of fiscal indicators to digital platform for future access by local agencies and public.
- Engagement of professional consultant to begin website improvements, including enhanced navigation and accessibility tools.
- Development of local policy to facilitate more effective communication with individuals of limited English proficiency (to be considered by the Commission at August 9 meeting).

- Reformatting of OC LAFCO Handbook with improved electronic accessibility of the Commission's local bylaws, policies, and procedures.

Finally, in an effort to also stay informed of the activities of our local agencies and other stakeholders, staff and Commissioners continued participation with the following groups during the past year:

- CALAFCO Board of Directors
- CALAFCO Legislative and Advisory Committees
- Independent Special Districts of Orange County (ISDOC)
- Orange County City Managers Association
- Orange County Council of Governments
- Orange County Business Council
- Center for Demographic Research (CDR)

COMMISSION MANDATES

While not included within the Commission's Work Plan, the Commission is required to efficiently process filed applications and conduct MSR and sphere reviews and updates in accordance with the timelines prescribed in State law and adopted local policies. Because of statutory timelines and mandates, filed applications and MSRs take precedence over other agency activities and projects.

During FY 2022-23, the following applications and MSRs indicated below were processed or conducted. Additionally, the status of each project is reflected below:

Completed

Applications:

- Aera Property Annexation to the City of Brea – *Approved May 2023.*
- Santa Ana River Reorganization to the City of Anaheim – *Approved October 2022.*
- Orange County Sanitation District Annexations – *Approved August 2022.*

MSR/SOI Reviews:

- County Service Areas 13, 22 and 26 – *Approved August 2022.*
- Orange County Cemetery District – *Approved October 2022.*

Underway

Applications

- Orange County Water District (OCWD) Municipal Service Review – *Complete by July 2024.*

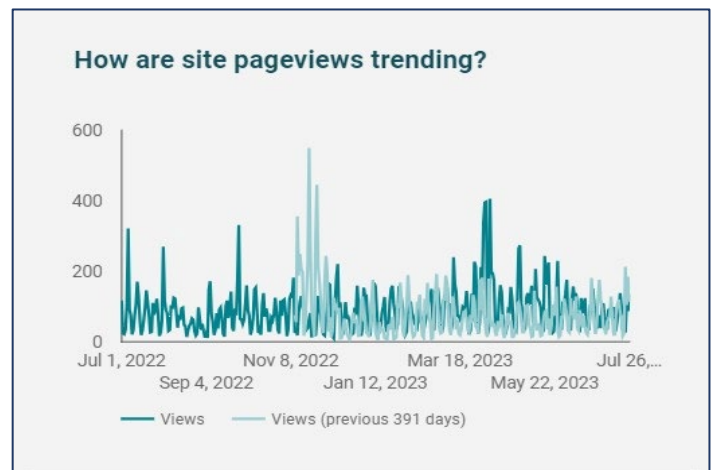
- Capistrano Bay Community Services District Activation of Latent Powers – *Application is currently pending due to a study being conducted by the District, and the future hearing date is unknown at this time.*

MSR/SOI Reviews:

- Southwest Region – *Complete by August 2023.*
- West Region – *Complete by August 2023.*
- Orange County Mosquito and Vector Control District – *Complete by April 2024.*

FY 2022-23 ANALYTICS

An objective within the Commission’s Work Plan includes the presentation of a year-end analytics report on MSR agency feedback and the use of the agency’s web-based programs, including social media. During the past fiscal cycle, the agency’s website continued functioning as a key gateway for external users to access the Commission’s services and resources. Additionally, Facebook and Twitter social media feeds were utilized to communicate key OC LAFCO events and projects, including monthly meetings, new commissioner appointments and project activity of high interest.



Below and depicted above are the analytics and some trending for the OC LAFCO website and social media activity that occurred during the past fiscal cycle.

Website Analytics:

- ❖ 34,534 views
- ❖ 21,196 persons visited website through google search.
- ❖ 11,060 persons visited website through direct connect at oclafco.org.
- ❖ 2,278 persons visited website through other paths.
- ❖ Most commonly viewed pages: **homepage, unincorporated areas, and agency meetings.**

Social Media Analytics:

- ❖ **Facebook** (89 friends)
- ❖ **Twitter** (83 followers)

A report on MSR agency feedback will be distributed to the Commission following approval of the Southwest and West MSRs and distribution and receipt of the post-MSR survey from participating agencies from these regions.

YEAR-END BUDGET OVERVIEW

This report provides an update on the agency's budget and investment portfolio performance for the period of July 1, 2022, through June 30, 2023.¹ The Fiscal Year 2022-23 budget of approximately \$1.5 million supports the operations of the Commission and the resources needed to accomplish the agency's work plan.

Revenues

The OC LAFCO revenues (agency apportionments and interest earnings) exceeded budget projections at the end of the fiscal cycle. The year-to-date agency revenues received include \$1,227,730 in agency apportionments and \$26,982 in interest earnings received from the Commission's investment accounts. The fiscal year budget for 2022-23 included conservative projections for the interest earnings that were based on the market performance at that time. However, interest earnings at year-end were performing well and exceeded those projections.

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 processing the respective applications. During the 2022-2023 fiscal year, the agency had filing fees for five applications on deposit as shown in the financial overview as revenue within the Special Revenue Fund column. By year-end of the same fiscal cycle, three applications were completed, and fees reconciled. The Special Fund column in the chart on page 8 includes year-to-date accounting of all application fees and expenses incurred during the current fiscal year.

Expenditures

The General Fund expenditures as of June 30, 2023 are at approximately 92 percent of the overall budget of approximately \$1.5 million. The following table provides a comparison of the percentage of actual funds used and the target levels for the 2022-2023 budget cycle.²

Total Funds Used (as of June 30, 2023)				
	1 st Qtr.	2 nd Qtr.	3 rd Qtr.	4 th Qtr.
Target	25%	50%	75%	100%
Actual	18%	41%	67%	92%

¹ All financial statements contained in this report are on an accrual accounting basis.

² Actual expenditures for the year-end reporting are unaudited and subject to change.

As indicated in the table on page 8, the overall budget expenditures are projected to be at approximately 8 percent less than the approved budget total by June 30. This reflects that most year-end expenditures are generally within target levels, and larger costs are attributed to key operational expenditures that include salaries, benefits, and professional services. There are, however, other budget line items, which include human resources, legal, and office lease expenses that are expected to exceed the respective budgeted amounts. The exceeded amounts are generally attributed to unanticipated events involving the labor and employee relations, legal, and operational expenditures, including the agency's office lease. The additional costs associated with these line items are offset by other line items that ended below their budgeted levels, keeping the overall budget within the approved level.

Balances and Investment Report

The following table illustrates the balance of OC LAFCO's bank accounts as of June 30, 2023:

As of 06/30/23	Balance
770-Payroll Account	\$303,351
Wells Fargo Checking	\$365,195
Wells Fargo Savings	\$214,550
Total	<u>\$874,096</u>

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, during the past fiscal year, the agency's Section 115 Public Agencies Post-Employment Benefits Trust (Trust) experienced quarterly increases in the investment earnings, excepting the first quarter. The balance of the Trust account is \$57,285 as of June 30, 2023.

The following table illustrates the balance of OC LAFCO's investment portfolio as of June 30, 2023.

As of 06/30/23	Balance
OC Fund	\$509,322
LAIF	\$ 51,337
PARS Trust	\$ 57,285
Total	<u>\$617,944</u>

APPENDIX A
OC LAFCO – Year-End Budget Overview
July 1, 2022 – June 30, 2023

	YTD Special Revenue Funds	1st Qtr. General Fund	2nd Qtr. General Fund	3rd Qtr General Fund	4th Qtr General Fund	YTD General Fund	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	344,189	-	-	-	-	-	-	0.0%
Misc Revenue	-	-	-	-	105	105	-	0.0%
Interest & Dividends	-	724	5,362	9,770	11,127	26,982	6,300	428.3%
PARS Trust Investment Gain/Loss	-	(2,592)	2,391	2,041	1,412	3,253	-	0.0%
Total Revenue	\$ 344,189	\$ 1,215,003	\$ 18,612	\$ 11,811	\$ 12,644	\$ 1,258,070	\$ 1,556,120	80.8%
Expenditures:								
Salaries	\$ 15,991	\$ 123,295	\$ 123,460	\$ 132,766	\$ 147,373	\$ 526,895	\$ 574,500	91.7%
Hourly Employees	-	-	1,645	4,423	5,865	11,932	20,800	57.4%
Benefits & Insurance								
Optional Benefit Plan	-	-	15,000	2,917	-	17,917	18,500	96.8%
Deferred Compensation	-	3,655	3,734	3,838	4,014	15,241	17,500	87.1%
Retirement Benefits	-	52,462	54,067	56,889	62,990	226,408	250,300	90.5%
Health Insurance	-	14,910	15,116	14,015	15,944	59,984	65,600	91.4%
Retiree Health Benefits	-	4,155	4,295	4,545	5,101	18,095	19,300	93.8%
Dental Insurance	-	585	705	1,419	1,774	4,484	2,700	166.1%
Life Insurance	-	84	84	83	104	354	460	77.1%
Workers Compensation	-	-	-	3,514	-	3,514	3,520	99.8%
Medicare	-	1,795	2,043	2,037	2,249	8,124	8,900	91.3%
Health Reimbursement	-	-	-	-	300	300	-	0.0%
Unemployment Insurance	-	17	-	-	-	17	-	0.0%
Salary Continuance	-	309	319	341	380	1,350	1,510	89.4%
Accidental Death Insurance	-	21	21	21	26	88	170	51.5%
Executive Car Allowance	-	1,800	2,400	1,200	2,400	7,800	7,200	108.3%
Total - Benefits & Insurance	15,991	79,792	97,784	90,819	95,281	363,675	395,660	91.9%
Information Technology	-	2,370	3,130	3,069	3,045	11,612	12,800	90.7%
Telephone & Internet	-	3,022	3,051	3,193	3,723	12,989	14,500	89.6%
County of Orange	-	213	209	1,448	1,994	3,864	8,200	47.1%
General Liability Insurance	-	1,913	1,913	1,913	2,869	8,607	7,600	113.3%
Memberships	-	8,919	9,019	9,078	8,978	35,994	36,400	98.9%
Office Equipment/Supplies	-	11,414	2,342	4,327	3,376	21,458	22,500	95.4%
Professional Services:								
Legal	3,782	6,341	13,518	30,021	23,515	73,395	60,000	122.3%
Accounting/Audit	-	14,500	13,985	14,000	7,000	49,485	49,700	99.6%
Human Resources	-	1,050	7,744	4,298	5,907	18,999	10,000	190.0%
Mapping/Archiving	-	850	850	850	850	3,400	9,300	36.6%
Other Professional Services	11,622	17,006	43,075	29,451	47,663	137,196	150,000	91.5%
Total - Professional Services	15,404	39,747	79,172	78,620	84,935	282,474	279,000	101.2%
Investment Admin Fees	-	320	108	97	50	574	660	87.0%
SBE	13,196	-	-	-	-	-	-	0.0%
Public Noticing	4,742	1,019	-	576	962	2,557	11,650	21.9%
Unincorporated Areas Program	-	-	-	-	-	-	8,000	0.0%
Rents/Maintenance	-	34,973	26,230	26,924	18,950	107,077	104,100	102.9%
Equipment Leases	-	1,367	1,659	1,409	1,473	5,908	8,700	67.9%
Comm. & Staff Expense	-	124	885	264	1,113	2,386	7,000	34.1%
Comm. Stipends & Taxes/Fees	-	2,041	3,696	3,090	3,082	11,909	15,950	74.7%
Professional Development	-	-	52	-	3,300	3,352	5,000	67.0%
Transportation/Travel	-	4,457	3,711	2,859	2,530	13,557	13,600	99.7%
Commission Meeting Expense	-	1,304	463	489	1,146	3,402	9,500	35.8%
Refund of Deposit	3,319	-	-	-	-	-	-	0.0%
Total Expenditures	52,652	316,289	358,526	365,363	390,047	1,430,225	1,556,120	91.9%
Total Net Income (Loss)	\$ 291,537	\$ 898,714	\$ (339,914)	\$ (353,553)	\$ (377,403)	\$ (172,155)	\$ -	

*No assurance provided on financial statements. Financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States not included **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 in this year-end report summarizes the agency's assets and liabilities as of June 30, 2023. Additionally, an analysis of the agency's reserve balances is provided on page 10.

APPENDIX B OC LAFCO BALANCE SHEET As of June 30, 2023

	<u>Jun 30, 23</u>
ASSETS	
Current Assets	
Cash and Investments	
County Acct-Payroll	\$ 303,351
Wells Fargo Checking	356,195
Wells Fargo Savings	214,550
OC Fund	509,322
Investment Acct - LAIF	50,261
PARS Trust	57,285
Fair Market Value Adjustments	(11,317)
Total Cash and Investments	<u>1,479,646</u>
Other Current Asset	
Interest Receivable	1,076
Prepaid Expenses	31,256
Retirement Prepaid Expense	12,522
Total Other Current Asset	<u>44,854</u>
Total Current Assets	<u>1,524,500</u>
Fixed Assets	29,830
Other Assets	
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
Total Other Assets	<u>1,429,062</u>
TOTAL ASSETS	<u>2,983,392</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	33,907
Salaries Payable	27,369
Compensated Absences	46,394
Total Current Liabilities	<u>107,670</u>
Long Term Liabilities	
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
Total Long Term Liabilities	<u>2,629,844</u>
Total Liabilities	<u>2,737,514</u>
Equity	245,878
TOTAL LIABILITIES & EQUITY	<u>\$ 2,983,392</u>

*No assurance provided on financial statements. Financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States not included.

APPENDIX C
OC LAFCO RESERVE BALANCE
As of June 30, 2023

Cash & Investments Description	Jun 30, 2023 Balance	Commission Approved Balances	Balance Excess / (Deficiency)
County Payroll	\$ 303,351	\$ 247,740 ¹	\$ 55,611
Checking - Wells Fargo	356,195	141,290 ¹	214,905
Savings - Wells Fargo	214,550	205,000 ¹	9,550
OC Fund Investment	509,322	-	509,322
LAIF Investment	50,261	-	50,261
PARS Trust	57,285	-	57,285
Total	\$ 1,490,963	\$ 594,030	\$ 896,933 ²

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.

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	Complete

GOAL 2:

Improve Municipal Service Review (MSR) Process For Future MSR's

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	Complete Ongoing
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"> 1. Comprehensive 2. Reconfirm 3. Update 	Consultant	2025	Not started
2.3	AEO/Analyst	Develop and distribute the following MSR questionnaires: <ol style="list-style-type: none"> 1. Pre-MSR/SOI – to assess which process will be conducted. 2. Post-MSR/SOI process – to receive feedback on the MSR/SOI process. 		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	Complete 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	Complete Ongoing

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	Complete
3.2	EO/AEO	Monitor key legislation of LAFCO-interest through participation on CALAFCO legislative and advisory committees.		2022-2025	Complete 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	Complete
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	Complete Ongoing



OC LAFCO
4TH Cycle - Municipal Service Review (MSR) and Sphere of Influence Update (SOI) Program

YEAR 2023-24


MSR Region	Areas of Interest	Cities	Special Districts
Orange County Water District <i>(in-progress)</i>	<ul style="list-style-type: none"> ■ Water: recycled water efforts, addressing the drought and water conservation. ■ Use of MSRs as tool/resource to update on services provided by the district. ■ Focused review of potential consolidation of OCWD and MWDOC 		Countywide District
Central	<ul style="list-style-type: none"> ■ Police ■ Public Works <ol style="list-style-type: none"> 1. Affordable housing. 2. Lack of alignment regarding Infrastructure limitations and legislative mandates on affordable and regular housing. 3. Population growth demands on existing infrastructure. ■ Accessory dwellings’ impact on service delivery. 	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"> ■ Public Works <ol style="list-style-type: none"> 1. Location and condition of public infrastructure. ■ Police <ol style="list-style-type: none"> 1. Fiscal sustainability of increasing costs of contracts with County Sheriff. 2. Impacts of and ability to maintain related pension costs. ■ Water <ol style="list-style-type: none"> 1. Water quality involving low flow run-off issues. 2. Assistance for agencies from treatment agencies on flow diversion and low flow funding mechanisms. 3. Water rate structures and conservation. 	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 <i>(in-progress)</i>	<ul style="list-style-type: none"> ■ Public Works: mosquito breeding and conveyance systems. ■ Parks and Recreation: mosquito breeding and lack of grounds maintenance. 		Countywide District




OC LAFCO
4TH Cycle - Municipal Service Review (MSR) and Sphere of Influence Update (SOI) Program

YEAR 2024-25

MSR Region	Areas of Interest	Cities	Special Districts
North	<ul style="list-style-type: none"> ■ Fire and Emergency Response <ol style="list-style-type: none"> 1. Integration of fire and water services for more effective response during emergency and disaster events. 2. Consolidation of internal services (i.e. procurement, HR, training). 3. Regionalization of service delivery involving medical calls and reduction in costs. 4. Maintaining of adequate fire suppression. ■ Police <ol style="list-style-type: none"> 1. Consolidation of specialty services that may include: CSI, dispatch, commercial and traffic enforcement. 2. External issues involving consolidation of departments. ■ Shared Services <ol style="list-style-type: none"> 1. Maximizing of funding opportunities supported by County for unincorporated islands. 2. Shared service models to increase funding for additional services that may include: IT, purchasing, training, HR, class comps. 3. Development of shared services system for areas such as: landscape and fleet maintenance. 	Brea Fullerton La Habra Placentia Yorba Linda	Placentia LD Yorba Linda WD
Coastal	<ul style="list-style-type: none"> ■ Public Works <ol style="list-style-type: none"> 1. Public outreach for better understanding of the financing of infrastructure. 2. Correlation of level and cost of services. 3. Economies of scale and potential shared services system for areas such as: fleet, tree trimming, and purchasing. ■ Solid Waste <ol style="list-style-type: none"> 1. Impacts of having fewer haulers on competitive bidding and rates. ■ Parks and Recreation ■ Police <ol style="list-style-type: none"> 1. Impediments involving consolidation of agencies. 2. Shared services database that includes: operational and staffing costs; population growth impacts on infrastructure and land use. 	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;">OC LAFCO Municipal Service Review (MSR) and Sphere of Influence Update (SOI) Program</p> <p style="text-align: center;">COMPLETED MSR's</p>				
MSR Region	Services Provided	MSR Approved	SOI Status	Next Scheduled MSR
County Service Area Nos. 13, 22, and 26	Fund wastewater and park and recreation services countywide and within unincorporated areas adjacent to the cities of Buena Park and Yorba Linda.	August 2022	Reconfirmed	2027
Municipal Water District of Orange County	Manages Orange County's imported water supply and resource planning, with the exception of the cities of Anaheim, Fullerton, and Santa Ana.	September 2020	Reconfirmed	2025
Orange County Cemetery District	Owns and operates three public cemeteries located in the cities of Anaheim, Lake Forest and Santa Ana.	October 2022	Reconfirmed	2027
Orange County Sanitation District	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	Reconfirmed	2025

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MSR Region	Cities	Districts	MSR Approved	SOI Status	Next Scheduled MSR
Southwest	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 JPA: South Orange County Wastewater Authority	<i>Pending Commission Approval</i>	<i>Pending Commission Approval</i>	2028
West	Cypress Buena Park Garden Grove Fountain Valley La Palma Stanton Westminster	Buena Park LD Cypress Rec. & Park District Garden Grove SD Midway SD	<i>Pending Commission Approval</i>	<i>Pending Commission Approval</i>	2028