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Carolyn Emery
Executive Officer

Scott Smith
General Counsel

MEETING DATE: July 10, 2024

TO: Local Agency Formation Commission
of Orange County

FROM: Executive Officer

SUBJECT: Fiscal Year 2023-2024 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, 2024. 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 update:

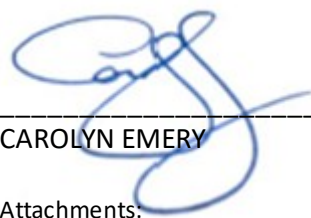
- Goal 4: Optimize External Communication (page 4)
Update objective 4.1 [*“Conduct annual OC LAFCO 101 sessions (virtual) to engage agencies and public to inform of OC LAFCO activities.”*] to [*“Use agency communications tools (bi-annual news, website, video FAQs, fiscal indicators and shared services programs) to engage agencies and public to inform of OC LAFCO activities.”*]. The existing tools referenced in the updated language are effective resources for successfully achieving this ongoing objective.

RECOMMENDED ACTION

Staff recommends the Commission:

1. Receive and file the Year-End Comprehensive Report for Fiscal Year 2023-2024.
2. Approve update to the 2022-2025 Work Plan.

Respectfully submitted,



CAROLYN EMERY

Attachments:

1. Fiscal Year 2023-2024 Year-End Comprehensive Report
2. 2022-25 OC LAFCO Work Plan (Upd.7-2024)
3. OC LAFCO MSR Program Schedule (Upd.1-2024)



Year-End Comprehensive Report

Fiscal Year 2023-24

Prepared: July 10, 2024

HIGHLIGHTS:

- FY 2023-24 Work Plan Accomplishments – Pages 2-5
- FY 2023-24 Commission Mandates and Analytics – Pages 6-7
- FY 2023-24 Budget Year-End Assessment – Pages 8-10
- Balance Sheet & Reserves Analysis – Pages 11-12

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 2023-24.

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.

With a single fiscal year remaining for the 2022-2025 Strategic Plan, the agency's overall performance includes the completion of several objectives within the timeline established by the Commission and others on track to be completed prior to the Commission's adoption of a new plan in 2025. A discussion of each goal and the accomplishments and 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

Staff development, retention and recruitment continued to be an area of priority during the FY 23-24 fiscal cycle. During the latter part of the cycle, the agency experienced some staff attrition through transitional and unanticipated vacancies. While the temporary loss of two key positions has presented some interruptions to projects and activities, the ongoing objective of this goal involving cross-training of staff has allowed for operational efficiencies to continue. Additionally, a recruitment to fill the currently vacant Policy Analyst position is near completion, and we anticipate having a new member to join the OC LAFCO team during the Summer season. Staff is also reviewing options to address other staffing matters, including updates to the agency's current personnel policy involving protocols for unanticipated and temporary vacancies and leaves.



Professional development involving staff continued to be supported and encouraged by executive management during this cycle. Staff participated in LAFCO-related and external activities to expand their acumen in the areas of human resources, leadership, geographic information systems, and municipal fiscal analyses.

During the past fiscal cycle, OC LAFCO completed the following activities to align with the key priorities of staff development, retention, and recruitment:

- ✓ Enhancement of vacation leave accrual benefit for existing and future OC LAFCO employees.
- ✓ \$25K annual funding for staff participation in professional development and training activities.
- ✓ Conducting of classification, compensation, and benefits assessment (*to begin in Fall 2024*).

With the current global challenges involving retaining and recruiting strong talent, the Commission continued identification of this area as a priority in future strategic plans will play a critical role to the agency's success in this area.

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

With 70 percent of the objectives completed for this goal, the MSR process has experienced many changes under the current strategic plan that have resulted in efficiencies in report preparation, data collection, and feedback from agencies. Report preparation and data collection areas have been enhanced through the budgeting and use of consultants to complement **staff's expertise and resources**. This has resulted in the completion of MSRs for 24 agencies and a joint powers authority over the past year, with three others that include 12 additional agencies underway.

In addition to the use of surveys before and after the process to gather data and feedback from cities and special districts, the MSR process also now includes the conducting of agency interviews. These direct discussions with agency staff have allowed OC LAFCO staff and consultants to receive clarification on information provided in the surveys when needed. The interviews also provide an additional opportunity for the agency staff to receive answers or clarification on the MSR process.

Enhancements to the MSR process discussed in this section have contributed to the completion of **approximately 51 percent of the Commission's current five-year cycle MSR program** with expectation of this increasing to 64 percent during the next fiscal cycle. The updated MSR program 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

With minimal activity and a shift in proactive actions at CALAFCO on the legislative front, OC LAFCO's actions involving legislation of LAFCO interest were relatively mild in comparison to recent cycles. However, during this legislative session, the Commission's monitoring of state

and federal legislation led to the adoption of four positions on bills involving failing wastewater systems, property tax exchange for district formation proposals, LAFCO's ability to require indemnification from applicants, and federal assistance funding for special districts.

During FY 2023-24, the Commission also became more involved in the CALAFCO Legislative Committee with the appointment of Commissioner McGregor to the committee and continued participation of staff in this effort. A report that includes the past year actions of the Commission in this area, as well as a snapshot of things to come, is provided under a separate agenda item and report for the July 10 meeting.

Goal Four: Optimize External Communication

The Commission's communication tools and resources remain key in keeping OC LAFCO Commissioners and staff connected with our local agencies and other external organizations and groups. Below is a list of the strategic plan objectives for this goal completed during FY 2023-24:

- ✓ Published Winter edition of the Pulse with distributions to local agencies and other external organizations and associations.
- ✓ Distributed introduction letters and OC LAFCO media kits to new OC legislators and other interested stakeholders.

Additional objectives that were also completed or started during the past fiscal year to support effective efforts of internal and external communication include the following efforts:

- Completion of website enhancements and improvements.
- Migration to the agency website and electronic access improvements of OC LAFCO local bylaws, policies, and procedures.
- Development of Draft Commissioner Handbook.

Finally, to ensure OC LAFCO stays connected with various external groups, staff and Commissioners continued participation with the following groups over the past fiscal year:

- CALAFCO Board of Directors (Commissioner McGregor, Board Director)
- CALAFCO Legislative and Advisory Committees (Commissioner McGregor and Luis Tapia, Assistant Executive Officer)
- CALAFCO Southern Region (Imperial, Orange, Los Angeles, Riverside, San Bernardino, San Diego LAFCOs) – staff and Commissioners, with Commissioner McGregor service as the 2024-25 Chair.
- Center for Demographic Research (CDR) - staff

- o Independent Special Districts of Orange County (ISDOC) (Commissioner Fisler and Gavin Centeno, Policy Analyst II)
- o Orange County City Managers Association – staff
- o Orange County Council of Governments (Chair Wagner - OCCOG Chair, Vice Chair Bucknum - OCCOG Immediate Past Chair)
- o Orange County Business Council – staff
- o UC Berkeley, LAFCO and Water/Wastewater Systems Consolidation Working Group (Carolyn Emery, Executive Officer)

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 MSR take precedence over other agency activities and projects.

The past fiscal cycle presented a slow-down in filed applications, however, staff resources were allocated to efforts and inquiries involving potential changes of organization. Summaries below include highlights of these efforts.

Completed

MSR/SOI Reviews:

- Southwest Region (6 cities, 7 special districts, 1 JPA) – *Approved August 2023.*
- West Region – (7 cities, 4 special districts) – *Approved August 2023.*

Underway

Application

- Orange County Water District (OCWD) Municipal Service Review – *Anticipated Completion – November 2024.*

MSR/SOI Reviews:

- Orange County Mosquito Vector Control District – *Complete by October 2024.*
- Central Region – *Complete by January 2025.*

Potential Applications

- City of Westminster exploring annexation of four islands within the City's SOI.
- South Coast Water District exploring annexation of South Laguna area.

FY 2023-24 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 Commission approved the update to the agency's website, which functions as a key gateway for external users to access the Commission's services and resources. Additionally, staff continued to utilize these platforms to communicate key OC LAFCO events and projects, including monthly meetings, new commissioner appointments and project activity of high interest.

Enhancements to the website were formally unveiled in October 2023. In addition and during this time, the website's analytical tool ("google analytics") used to gauge the website's performance underwent a transitional upgrade. Because of this change, analytics on the new site were not captured during the months of October through April 2024. However, below are the analytics for the agency's key communications tools over the past two months. To capture a wider timeframe of analytics and allow users of the new website to explore, staff will review and provide an update on analytics to the Commission at the website's one year anniversary.

Website Analytics (May 1 – July 1, 2024):

- ❖ 2,352 views
- ❖ 852 persons visited website through google search.
- ❖ 767 persons visited website through direct connection at oclafco.org.
- ❖ 61 persons visited website through other paths.
- ❖ Most commonly viewed pages: homepage, unincorporated areas, and agency meetings.

Social Media Analytics (May 1 – July 1, 2024):

- ❖ Facebook (99 friends)
- ❖ **X** (formerly Twitter) (96 followers)

The agency's social media volume experienced a minor increase of one percent indicating that interest in OC LAFCO's activities is most likely explored through the agency's website.

MSR Survey Feedback

The table on the next page includes a summary of survey responses collected from agencies reviewed during the MSR process for the southwest and west regions. As staff continues to assess ways to improve the MSR process, staff has determined that distribution of this instrument immediately following completion of the process may yield a higher response from agencies.

SUMMARY OF MSR SURVEY RESPONSES

SURVEY QUESTIONS:

- 1) Was your agency notified by OC LAFCO in advance of the MSR process commencing?
- 2) Did OC LAFCO provide regular or sufficient communication throughout the MSR process?
- 3) How many hours were required of your agency’s staff during the MSR process?
- 4) Overall, how would you rate the MSR process?
- 5) Additional comments?

Southwest and West MSR Regions	General Responses	MSR Completed	Next MSR
<p>CITY RESPONSES:</p> <p><i>13 Cities 3 responses received</i></p>	<ul style="list-style-type: none"> 1) Received notification of upcoming MSR process. 2) Received sufficient communication during the MSR process. 3) 20-30 hours of staff time required. 4) MSR process viewed as mostly or very collaborative process. 5) No additional feedback provided. 	<p>August 2023</p>	<p>2028</p>
<p>SPECIAL DISTRICT RESPONSES:</p> <p><i>11 Special Districts 4 responses received</i></p>	<ul style="list-style-type: none"> 1) Received notification of upcoming MSR process. 2) Received sufficient communication during the MSR Process. 3) Less than 20 hours of staff time required. 20-30 hours staff time required. 4) MSR process viewed as mostly or very collaborative process. 5) Cyle was most comprehensive and engaging process. There was opportunity to provide input and revisions to consultant that were incorporated into the final report. 6) OC LAFCO and RSG staff demonstrated excellent communication and responsiveness throughout the MSR process. Staff and consultant promptly addressed questions, engaged in meetings, and ensured a comprehensive understanding of our District and perspective on relevant issues. The commitment and effort invested by OC LAFCO and RSG staff in crafting a well-written report for adoption by the OC LAFCO board are appreciated. 	<p>August 2023</p>	<p>2028</p>

YEAR-END BUDGET OVERVIEW

This report provides an update on the agency's budget and investment portfolio performance for the period of July 1, 2023, through June 30, 2024.¹ The Fiscal Year 2023-24 budget of approximately \$1.74 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 \$1,411,890 in agency apportionments and \$53,985 in interest earnings received from the Commission's investment accounts. The fiscal year budget for 2023-24 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 2023-2024 fiscal year, the agency had filing fees for one application on deposit as shown in the financial overview as revenue within the Special Revenue Fund column. By year-end of the same fiscal cycle, no additional applications were filed with the Commission. The Special Fund column in the table on page 10 includes year-to-date accounting of the application fees and expenses incurred during the current fiscal year.

Expenditures

Throughout FY 2023-24, the General Fund expenditures were trending between nine and 15 percent below quarterly target levels, and as of June 30, 2024, expenditures are at approximately 81 percent of the overall budget of approximately \$1.7 million. The following table provides a comparison of the percentage of actual funds used and the target levels for the 2023-2024 budget cycle.²

Total Funds Used (as of June 30, 2024)				
	1 st Qtr.	2 nd Qtr.	3 rd Qtr.	4 th Qtr.
Target	25%	50%	75%	100%
Actual	16%	39%	60%	81%

As indicated in the table on page 10, at close of the fourth quarter, overall expenses are projected to be approximately 19 percent below the approved budget total by June 30. Ending below the target level is largely attributed to savings within the salaries and benefits

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.

line items resulting from unanticipated staff vacancies. Other year-end expenditures are generally within target levels, and larger costs are attributed to key operational expenditures that include salaries, benefits, and professional services. Line items, including mapping, unincorporated islands, and commission meeting expenses reflect low percentages of expenses due to delays (external and internal) in projects, potential applications, and other relative actions.

Balances and Investment Report

The following table illustrates the balance of OC LAFCO's bank accounts as of June 30, 2024:

As of 06/30/24	Balance
770-Payroll Account	\$414,569
Wells Fargo Checking	\$181,265
Wells Fargo Savings	\$216,678
Total	<u>\$812,512</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, the past fiscal year saw continued improvement involving the investment earnings of the agency's Section 115 Public Agencies Post-Employment Benefits Trust (Trust). The balance of the Trust account is \$77,377 as of June 30, 2024.

The following table illustrates the complete balance of OC LAFCO's investment portfolio as of June 30, 2024.

As of 06/30/24	Balance
OC Fund	\$353,340
LAIF	\$ 72,948
PARS Trust	\$ 77,377
Total	<u>\$503,665</u>

APPENDIX A
 OC LAFCO – Year-End Budget Overview
 July 1, 2023 – June 30, 2024

	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 23/24 Budget	General Fund
Revenue:								
Addition/(Use) of Unreserved Equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 318,390	0.0%
LAFCO Apportionment	-	1,286,153	125,737	-	-	1,411,890	1,411,890	100.0%
Filing Fees	291,537	-	-	-	-	-	-	0.0%
Misc Revenue	-	119	197	-	77	393	-	0.0%
Interest & Dividends	-	3,797	18,450	19,475	12,263	53,985	14,200	380.2%
PARS Trust Investment Gain/Loss	-	(1,938)	4,886	2,042	102	5,093	-	0.0%
Total Revenue	\$ 291,537	\$ 1,288,131	\$ 149,270	\$ 21,517	\$ 12,443	\$ 1,471,361	\$ 1,744,480	84.3%
Expenditures:								
Salaries	\$ 6,727	\$ 135,747	\$ 170,076	\$ 128,966	\$ 115,623	\$ 550,412	\$ 621,200	88.6%
Hourly Employees	-	4,037	5,037	4,416	3,887	17,377	20,800	83.5%
Benefits & Insurance								
Optional Benefit Plan	-	-	18,500	-	-	18,500	18,500	100.0%
Deferred Compensation	-	3,535	4,642	3,694	3,654	15,525	17,900	86.7%
Retirement Benefits	-	52,378	66,714	51,068	45,787	215,947	247,700	87.2%
Health Insurance	-	14,015	16,642	15,746	13,593	59,996	68,500	87.6%
Retiree Health Benefits	-	4,556	5,750	4,353	3,892	18,551	22,000	84.3%
Dental Insurance	-	1,521	1,594	384	310	3,808	6,900	55.2%
Life Insurance	-	89	104	78	63	333	420	79.4%
Workers Compensation	-	-	-	1,909	636	2,545	2,550	99.8%
Medicare	-	1,994	2,754	1,930	1,736	8,413	9,400	89.5%
Unemployment Insurance	-	-	-	-	-	-	620	0.0%
Health Reimbursement	-	1,800	2,100	1,560	1,260	6,720	-	0.0%
Salary Continuance	-	342	430	327	290	1,389	1,560	89.0%
Accidental Death Insurance	-	22	26	19	16	83	120	68.9%
Executive Car Allowance	-	1,200	2,400	1,200	1,800	6,600	7,200	91.7%
Total - Benefits & Insurance	6,727	81,452	121,655	82,267	73,037	358,410	403,370	88.9%
Information Technology	-	2,922	3,465	10,823	7,408	24,618	32,850	74.9%
Telephone & Internet	-	3,903	4,782	4,383	1,294	14,362	16,480	87.1%
County of Orange	-	1,045	462	3,762	4,411	9,681	10,300	94.0%
General Liability Insurance	-	2,869	2,869	2,869	3,302	11,910	14,030	84.9%
Memberships	-	9,758	5,083	5,128	19,653	39,621	39,900	99.3%
Office Equipment/Supplies	-	9,002	5,965	4,942	3,881	23,790	24,100	98.7%
Professional Services:								
Legal	1,114	12,032	10,192	14,834	6,351	43,409	60,000	72.3%
Accounting/Audit	-	15,340	11,195	22,680	3,780	52,995	53,000	100.0%
Human Resources	-	1,421	10,306	6,338	1,913	19,977	20,000	99.9%
Mapping/Archiving	-	935	935	935	935	3,740	13,900	26.9%
Other Professional Services	148,133	12,963	4,938	19,211	50,100	87,211	180,000	48.5%
Total - Professional Services	149,247	42,691	37,566	63,998	63,078	207,332	326,900	63.4%
Investment Admin Fees	-	140	189	22	22	372	850	43.8%
Public Noticing	-	2,288	-	819	2,405	5,512	14,800	37.2%
Unincorporated Areas Program	-	-	-	-	-	-	18,000	0.0%
Rents/Maintenance	-	36,647	27,485	27,199	18,043	109,376	111,600	98.0%
Equipment Leases	-	1,409	1,753	1,416	1,377	5,955	7,700	77.3%
Comm. & Staff Expense	-	2,468	1,167	1,091	320	5,047	7,000	72.1%
Comm. Stipends & Taxes/Fees	-	1,916	3,050	3,654	1,653	10,273	16,000	64.2%
Professional Development	-	-	52	2,053	-	2,105	25,000	8.4%
Transportation/Travel	-	7,303	7,807	3,303	2,543	20,955	21,300	98.4%
Commission Meeting Expense	-	363	253	402	363	1,381	12,300	11.2%
Refund of Deposit	7,016	-	-	-	-	-	-	0.0%
Total Expenditures	162,990	345,959	398,717	351,513	322,300	1,418,489	1,744,480	81.3%
Total Net Income (Loss)	\$ 128,548	\$ 942,172	\$ (249,446)	\$ (329,996)	\$ (309,857)	\$ 52,873	\$ -	

*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, 2024. Additionally, an analysis of the agency's reserve balances is provided on page 12.

APPENDIX B OC LAFCO BALANCE SHEET As of June 30, 2024

	<u>Jun 30, 24</u>
ASSETS	
Current Assets	
Cash and Investments	
County Acct-Payroll	\$ 414,569
Wells Fargo Checking	181,265
Wells Fargo Savings	216,678
OC Fund	353,340
Investment Acct - LAIF	72,948
PARS Trust	77,377
Fair Market Value Adjustments	(5,805)
Total Cash and Investments	<u>1,310,373</u>
Other Current Asset	
Miscellaneous Receivable	40
Prepaid Expenses	41,574
Retirement Prepaid Expense	21,867
Total Other Current Asset	<u>63,481</u>
Total Current Assets	<u>1,373,854</u>
Fixed Assets	47,022
Other Assets	
Right to Use Assets	697,611
Pension Deposit	217,970
Def. Outflows Pension Related	515,973
Deferred OPEB Contributions	9,645
Deferred Outflows OPEB Related	38,000
Total Other Assets	<u>1,479,199</u>
TOTAL ASSETS	<u><u>\$ 2,900,075</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accrued Liability	7,560
Salaries Payable	41,026
Compensated Absences	52,378
Total Current Liabilities	<u>100,964</u>
Long Term Liabilities	
Lease Liabilities	739,733
Deferred Inflows OPEB Related	23,000
Net OPEB Liability	119,000
Net Pension Liability	1,587,646
Def. Inflows Pension Related	229,870
Total Long Term Liabilities	<u>2,699,249</u>
Total Liabilities	2,800,213
Fund Balance	99,862
TOTAL LIABILITIES & FUND BALANCE	<u><u>\$ 2,900,075</u></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, 2024

Cash & Investments Description	June 30, 2024 Balance	Commission Approved Balances	Balance Excess / (Deficiency)
County Payroll	\$ 414,569	\$ 261,343 ¹	\$ 153,226
Checking - Wells Fargo	181,265	174,778 ¹	6,487
Savings - Wells Fargo	216,678	205,000 ¹	11,678
OC Fund Investment	353,340	-	353,340
LAIF Investment	72,948	-	72,948
PARS Trust	77,377	-	77,377
Total	\$ 1,316,178	\$ 641,121	\$ 675,057²

Footnotes:

¹Per the Cash and Cash Management Policy, the Commission must maintain \$261,343 during fiscal year 2023/24 in order to cover three months of payroll costs (County Payroll), \$174,778 to cover 3 months of operational expenses (Checking - Wells Fargo) and a minimum of \$205,000 (Savings - Wells Fargo) to cover contingency, litigation and unfunded liabilities.

²Remaining 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	Staff assessment complete. Analyst recruitment underway.
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 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	Complete
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 -- 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	Upgrades of programs complete. <i>Maintenance of programs ongoing.</i>
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	Completed annually.

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	Completed annually.

GOAL 4: Optimize External Communication

Obj. No.	Staff Assigned	Objective Description	Resources	Schedule	Status
4.1	All	Use agency communications tools (bi-annual news, website, video FAQs, fiscal indicators and shared services programs) to engage agencies and public to inform of OC LAFCO activities.		2023-2025	Complete Ongoing
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	"The Pulse" published twice each year.



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 <i>(in-progress)</i>	<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. 1. 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. ■ 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"> 2. Impediments involving consolidation of agencies 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

 OC LAFCO Municipal Service Review (MSR) and Sphere of Influence Update (SOI) Program COMPLETED MSRs					
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	August 2023	All city and six special district SOIs reconfirmed. South Coast SOI continued to discuss South Laguna annexation.	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	September 2020	All city and special district SOIs reconfirmed.	2028