AGENDA ITEM NO. 8.c

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION
P.O. Box 1369 — 132 W. Gabilan Street, Suite 102
Salinas, CA 93902 — Salinas, CA 93901
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KATE McKENNA, AICP
Executive Officer

DATE: September 28, 2009

TO: Chair and Members of the Formation Commission

FROM: Kate McKenna, AICP, Executive Officer

SUBJECT: ESTABLISHMENT OF REGIONAL GOVERNANCE STRUCTURE FOR CALAFCO

SUMMARY OF RECOMMENDATION:

It is recommended that the Commission direct the Chair to continue discussions toward establishing a regional governance structure for the California Association of Local Agency Formation Commissions (CALAFCO).

EXECUTIVE OFFICER'S REPORT:

Background

In February 2009, the CALAFCO Board of Directors established a Structural Options Committee to consider various ways the Association could be structured to encourage more communication among members, strengthen the Association, and provide a vehicle for sharing different perspectives on LAFCO issues.

The Structural Options Committee is composed of four CALAFCO Board members, including Simón Salinas, Chair of the Monterey LAFCO. The Committee met several times to develop alternatives to the current structure of at-large elections to the CALAFCO Board of Directors. Recognizing the need for more geographical representation from throughout the State, the Committee developed a new governance structure based on regional elections. The proposal ensures that each of the four new regions would be represented on the CALAFCO Board of Directors.

Discussion

The CALAFCO Board of Directors met in August 2009 and unanimously endorsed a Committee proposal to establish a regional structure of governance, to be implemented over 14 months. Please see pages 6 through 8 of the attachment for the policy statement, strategic plan for regional implementation and draft amendment to Association By-Laws. CALAFCO requests each LAFCO to provide comments on the proposal. All comments will be discussed at the Annual Conference in October. Based on that discussion, the CALAFCO Board may prepare revisions to the draft governance plan and begin work to establish regional boundaries. The membership may vote on the governance structure and By-Laws change at the 2010 Annual Business Meeting.

It is recommended that the Commission authorize Chair Salinas to continue discussions of geographical representation on the CALAFCO Board of Directors. Depending on the discussion at the Annual Conference, the CALAFCO Board of Directors may vote to continue or stop the process.

ALTERNATIVE ACTIONS:

In lieu of voting to continue to discuss the geographical representation structure, the Commission may recommend that CALFAFCO:

1. Take no action. Keep the current at-large, statewide governance structure.

2. Modify the proposed governance structure or process.

Respectfully Submitted,

Kate McKenna

Kate McKenna, AICP
Executive Officer

Attachment: CALAFCO 2009 Annual Business Meeting Agenda Package

CALIFORNIA
ASSOCIATION OF
LOCAL AGENCY
FORMATION
COMMISSIONS

CALAFCO

2009
Board of Directors

Chair
ROGER ANDERSON
Santa Cruz LAFCo

Vice Chair
SUSAN VICKLUND WILSON
Santa Clara LAFCo

Treasurer
JERRY GLADBACH
Los Angeles LAFCo

Secretary
SEPI RICHARDSON
San Mateo LAFCo

CHERYL BROTHERS
Orange LAFCo

MARY JANE GRIEGO
Yuba LAFCo

KAY HOSMER
Colusa LAFCo

GAY JONES
Sacramento LAFCo

GEORGE LANGE
Ventura LAFCo

THEODORE NOVELLI
Amador LAFCo

DENISE RUSHING
Lake LAFCo

SIMÓN SALINAS
Monterey LAFCo

CATHY SCHLOTTMANN
Santa Barbara LAFCo

ALLEN SETTLE
San Luis Obispo LAFCo

CHRIS TOOKER
Sacramento LAFCo

Staff

WILLIAM S. CHIAT
Executive Director

PAUL HOOD
Executive Officer

CLARK ALSOP
Legal Counsel

JOYCE CROSTHWAITE
Deputy Executive Officer

SR JONES
Deputy Executive Officer

1215 K Street, Suite 1650
Sacramento, CA 95814

Voice 916-442-6536
Fax 916-442-6535

www.calafco.org

2 September 2009

Dear LAFCo Commission Chair:

For some time the CALAFCO Board of Directors has been considering how to engage member LAFCos on a regional level to discuss issues of mutual concern and to provide input to the Board on LAFCo policy and legislative issues. At our strategic retreat last February the Board discussed a proposal to create regions within CALAFCO. Over the intervening six months a Board committee studied the various options and brought a recommendation to the Board.

On August 7th the Board unanimously (and we might add enthusiastically) endorsed the committee's recommendation and asked that it be sent to the members for consideration and discussion at the upcoming CALAFCO conference.

By now your executive officer has received the details on the proposal to establish a regional structure for CALAFCO. We believe this is an important benefit to members by providing a structure to facilitate communication among commissioners within a region and assure that the many perspectives on LAFCo policies and issues are shared and considered by the Board. We hope that it will also encourage more regional sharing of information and resources amongst commissioners and staff. The staff report sent to your executive officer provides more depth on the purpose, benefits and implementation of a regional structure.

The Board is very interested in your input! We encourage you to discuss the proposal at an upcoming commission meeting and bring your thoughts and suggestions to the CALAFCO conference and business meeting for discussion. Two things we want to point out: 1) no specific number or boundaries of regions have been identified – we would first like your input on which LAFCos you share interests; and 2) the vote to make the implementing change to the Association By Laws will occur in 2010 after the Board has established the regions and members have provided input.

Clearly the governance world that LAFCos operate within is changing. We believe the proposal before you will strengthen the capacity of each member LAFCo and of the Association. The whole Board looks forward to talking with you about this at Tenaya Lodge on October 28-30. Thank you for taking time to discuss this with your commission and sharing your thoughts.

Yours Sincerely,

Roger Anderson
Chair

Susan Vicklund Wilson
Vice Chair

William Chiat
Executive Director

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MEMORANDUM

21 August 2009

TO: Member LAFCo Executive Officers
CALAFCO Associate Members

FROM: Bill Chiat, Executive Director

RE: **CALAFCO 2009 Annual Business Meeting Notice and Agenda**

CALAFCO Bylaws (§3.4) require the Association to notify each Member LAFCo and Associate Member of the Corporation of meetings, not less then 30 days prior to that meeting.

NOTICE

The Annual Meeting of the California Association of Local Agency Formation Commissions will be held at 8:00 a.m. on Thursday, 29 October 2009 at the Tenaya Lodge at Yosemite Grand Ballroom, 1122 Highway 41, Fish Camp, California. Attached please find the agenda for the meeting.

CALAFCO Bylaws (§3.7.1) also requires each Member LAFCo to designate in writing their voting delegate prior to or at the meeting. Attached is the current list of voting delegates. If you have not done so, please e-mail the name of your delegate to me prior to the meeting. An updated list of voting delegates is being maintained on the members section of the website and will be available at the conference.

Thank you for sharing and discussing this information with your Commission. Please contact me with questions or for additional information.

CALIFORNIA ASSOCIATION OF LOCAL AGENCY FORMATION COMMISSIONS **CALAFCO**

Sharing information and resources

Annual Business Meeting

Thursday, October 29, 2009
8:00 a.m. to 10:00 a.m.

Tenaya Lodge at Yosemite Grand Ballroom
1122 Highway 41
Fish Camp, California

AGENDA

1. Call to Order/Roll Call of the LAFCos — Roger Anderson, Chair

2. Approve Minutes from the September 4, 2008 CALAFCO Business Meeting at the Sheraton Universal Hotel, Universal City, CA.

3. Election of the Board of Directors — Chris Tooker, Nominations Committee Chair
   - 3.1. Nominations Committee Report
   - 3.2. Nominations From the Floor
   - 3.3. Candidates Forum
   - 3.4. Voting Process

4. New Business
   - 4.1. Discussion of Establishment of Regional Structure for CALAFCO — Susan Vicklund Wilson, Vice Chair

5. Report from the Board of Directors on significant Board and Association activities in 2009 — Roger Anderson, Chair

6. Adjourn to 2010 Business Meeting, Thursday, October 7, 2010, Hilton Palm Springs Resort, Palm Springs, CA

UPDATED 18 August 09

CALIFORNIA ASSOCIATION OF LOCAL AGENCY FORMATION COMMISSIONS **CALAFCO**

CALAFCO Annual Business Meeting
29 October 2009

Agenda Item No. 4.1

MEMORANDUM

To:	CALAFCO Members
From:	William Chiat, Executive Director
Date:	29 October 2009
RE:	**Discussion of Establishment of Regional Structure for CALAFCO**

RECOMMENDATION

1. Discuss the policy and strategy adopted by the CALAFCO Board of Directors and provide input to the Board on strategic implementation of the regional structure.

DISCUSSION

Background

The CALAFCO Board of Directors has long believed that one of the most valuable services provided by the association is the facilitation of communications and sharing of information among its members. At each of the last four biannual strategic retreats the Board has identified communications and facilitation of regional meetings as an important goal of the association.

On 12 February 2009 the Board held its most recent Strategic Planning Workshop in Irvine California. Based on input from a number of member LAFCos, a key issue the Board discussed was how to best structure the association to both facilitate communication among members, and also assure that the many perspectives on LAFCo policies and issues are heard and considered by the Board of Directors and its key policy and legislative committees.

At its 13 February 2009 meeting the Board established a Structural Options Committee to consider various ways the association could be structured to encourage more communication among members, strengthen the association, and provide a vehicle for sharing different perspectives on LAFCo issues. The committee included Board Members Susan Vicklund Wilson (Santa Clara), Simón Salinas (Monterey), Cheryl Brothers (Orange), and Jerry Gladbach (Los Angeles). Executive Director Bill Chiat and Legal Counsel Clark Alsop provided staff support. The Committee met several times and presented an initial recommendation to the Board on 15 May 2009 in Sacramento. The Board provided significant feedback on the ideas presented by the Committee. The Committee met again and formulated a revised proposal. That proposal was presented to the Board on 7 August 2009. At that meeting the Board of Directors unanimously adopted the Committee recommendation and directed staff to share the strategy and policy with all Member LAFCos in anticipation of a discussion on the issue at the Annual Business Meeting in October.

Adopted Recommendation and Implementation
The recommendation adopted by the Board is captured in the attached policy statement and strategic plan. The plan calls for a 14-month implementation of the regional structure. Following input from members in October, the Board may prepare revisions to the plan and begin work on establishing regional boundaries. Preliminary regions will be sent to members for review and input next spring. The membership will vote on the ultimate structure and By-law change at the 2010 Annual Business Meeting in Palm Springs. Regional meetings will begin at the 2010 conference.

The attached policy statement discussed the purposes and benefits the Board has identified for regions. Ultimately the Board envisions that the regions could meet three times a year to share information and resources, and provide input to CALAFCO: 1) commissioners and staff at the annual CALAFCO Conference; 2) staff at the CALAFCO Staff Workshop; and 3) a third meeting in the region of commissioners and staff. Regions may hold additional meetings as desired by the members.

Member LAFCo Input Sought
The Board has asked that all member LAFCos consider this approach and provide input to the Board at the Annual Business meeting. The Board will use the input to further refine the regional structure policy and implementation. Among the questions the Board would like input:

- Does having a regional forum make sense for your LAFCo?
- What are some of the common interests you believe you share with your neighboring LAFCos?
- Which LAFCos do you work – or would like to work – more closely with?
- As the Board works to establish regions, which LAFCos would you want to see included in your region.

ATTACHMENTS

1. Policy Statement
2. Strategic Approach for Implementation
3. Proposed language for By Law Change

Policy Statement on Creating Regions within CALAFCO

CALAFCO Board of Directors – 7 August 2009

The Board has concluded after several months of review that creating a regional approach with our member LAFCos would strengthen and unify CALAFCO, thus increasing our productivity and presence with our individual members and within the legislative process. Our Board has continually verbalized and promoted structuring regions within CALAFCO in which individual LAFCos could meet and share common interests, issues, and resources. We have determined that there are significant benefits to formalizing regions.

Benefits of a regional approach include but are not limited to:

Communication:

- Promotes more efficient and effective communication.
- Provides a vehicle to give input on policy and legislative issues to the Board and the Legislative Committee, which would enhance communications with legislative representatives.
- Formalizes a structure and forum at the Commissioner level for local LAFCos to address policies which may influence other LAFCos.
- Provides various viewpoints and different perspectives to assist in making better decisions.

Economical:

- Ease of travel within a region may invite more participation in regional approaches to common interests.
- Increased opportunity for LAFCos in each region to share resources and provide more economical approaches to various matters. e.g., a group of neighboring LAFCos recently consolidated a RFP for audit services thereby reducing their costs.

Commonality Geographically:

- Local and neighboring LAFCos could specifically target their common interests.
- Localized issues can be discussed, addressed, and resolved with neighboring LAFCos.
- Recognition of geographic issues and differences impacting LAFCos
- Consistency with creation of regional transportation plans which will be acted upon regionally.
- Strengthens LAFCos in areas without COGs .

Education of Legislature:

- Legislators will recognize that CALAFCO represents all areas, regions of the state

Succession and Leadership:

- Increased involvement in LAFCo by our members and more immediate accountability of Board members to the membership.
- Provides a mechanism for succession within CALAFCO generating growth and interest of board representation.
- With each region providing a staff person for CALAFCO, the volunteer workload would be balanced and more evenly distributed throughout the state and provide a mechanism for development and succession for future staff. The Board noted that several LAFCo staff members have greatly assisted CALAFCO, but many of same will be retiring within the next few years.

Strategic Plan for Regional Implementation

Adopted by the CALAFCO Board of Directors on 7 August 2009

GOAL Structure member LAFCos into geographic regions to encourage communication among LAFCo commissioners and staff, increase involvement in Association activities and policies, collaborate on inter-LAFCo policies and issues, share resources, and provide regional input to the Board on legislative issues and regional policy issues.

ACTION 1 Adopt a policy statement on the value of regions to the members and the Association, and signal the intent of the Board to formally establish CALAFCO regions.

Timeframe: Draft statement to be presented to Board for adoption on 7 August 2009*.

ACTION 2 Amend the 2009-2011 CALAFCO Strategic Plan to reflect the revised strategic goal and the five actions described in this letter.

Timeframe: Draft strategy to be presented to Board for adoption on 7 August 2009*.

ACTION 3 Amend the CALAFCO Policy Manual to accomplish two things:

Action 3a: Define and increase the number of staff officers, and require that one staff officer be selected from each region.

This would add additional Deputy Executive Officers to the CALAFCO staff. Having a staff officer from each region would provide a resource to organize regional meetings; help identify Board candidates for the Recruitment Committee; be a voice on regional issues to Association staff; and provide professional growth opportunities for staff from around the state. The new officer(s) could be added as soon as 2010 once the Board has adopted the preliminary boundaries. This would add a $2,000/year stipend to the CALAFCO budget for each additional staff officer.

Action 3b: Clarify "geographic diversity" in the nominations procedure.

This would specify that Nominations Committee assure that candidates are representative of all the regions. This could be done for the 2010 elections using the adopted preliminary regional boundaries.

Timeframe: Draft policy changes presented to Board for adoption on 7 August 2009*. Additional staff would be added in 2010 once the Board adopts preliminary boundaries. Nominations representative of regions could apply to the 2010 elections.

ACTION 4 Discussion of proposal to create regions and the benefits and intent of regions to be discussed at CALAFCO Annual Business Meeting on 29 October 2009.

Information packets will be sent to each member in advance of the meeting. Packet will include cover letter, policy, strategy and actions, initial by-law language and process for input and creation of regions. Discussion will be held at annual meeting.

Timeframe: Packet to be distributed to members by 29 August 2009. Discussion and any action item on 29 October 2009.

ACTION 5 Establish regions and change the Association By-Laws

Based on input from members at the 2009 Annual Meeting, the Board will establish preliminary regions for member review and comment. Board will finalize recommended

changes to By-laws to establish the regions and adopt the necessary policies to identify the members and operations of each region.

Timeframe: Preliminary regions sent to member for comment by February, 2010. Proposed policies adopted by August, 2010. By-law change to implement regions considered at Annual Meeting on 7 October 2010 in Palm Springs.

* Adopted by Board on 7 August 2009

Draft Amendments to Association By-Laws

For discussion purposes only; consideration of by-law changes anticipated at 2010 Annual Meeting in Palm Springs

2.1 **Classification and Qualifications of Members**. The Corporation shall have three (3) classes of members as follows: Member LAFCOs; Officers of Member LAFCOs; and Associate Members. Member LAFCOs shall be any local agency formation commission ("LAFCO"), which have paid the required annual membership dues and assessments and have indicated by appropriate action their desire to join the Corporation. Officers of Member LAFCOs shall be any regular or alternate Commissioner, executive officer, deputy executive officer, legal counsel, or deputy legal counsel of any LAFCO in good standing as a Member LAFCO. Associate Members of the Corporation shall be any member of the public, a government agency, a business, or an educational institution, either who or which has paid the required annual membership dues and assessments and has indicated by appropriate action its desire to join the Corporation. Notwithstanding any other provision in these Bylaws to the contrary, the terms generally meaning "approval of members or the membership" or "ratification by the members or membership" or "adopted by the members or membership" shall mean such approval or ratification or adoption by members eligible to vote.

2.1.1 Member LAFCOs shall be organized into XXXX geographic regions to facilitate interaction and communication among member LAFCOs, share resources, and provide increased opportunity for Member LAFCO input to the Board of Directors on regional and statewide issues and Corporation activities.

2.1.2 The boundaries of the regions shall be determined by action of the Board of Directors.

2.1.3 The regions shall not have authority to act independently of the Corporation.