



ORANGE COUNTY  
**LAFCO**



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# Three-Year **STRATEGIC PLAN**

**2022-2025**

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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

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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.

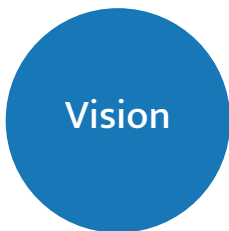
## The Process

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:

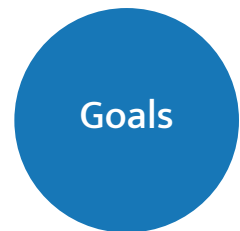
Why does the organization exist and how does it meet community needs?



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**



How will progress be evaluated to insure consistency with mission and vision?



What specific work plans and resource allocations will be required?



What measurable objectives will be required to meet the Organization’s goals?

# 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	
1.2	EO/AEO/CC	Complete staff assessment and conduct recruitment for vacancy(ies).	Consultant	2022-2023	
1.3	EO/CC	Complete cross-training of staff in budgeting and auditing areas.		2022-2023	

## 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	
2.2	EO/AEO/ Analyst	Develop criteria for conducting the following MSR and SOI review processes for future reviews: <ul style="list-style-type: none"> <li>1. Comprehensive</li> <li>2. Reconfirm</li> <li>3. Update</li> </ul>	Consultant	2022-2023	
2.3	AEO/Analyst	Develop and distribute the following MSR questionnaires: <ul 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> </ul>		2023-2025  2022	
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	
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	

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

## 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	
4.2	Analyst/CC	Conduct visits and disseminate media kits to OC legislators and stakeholders.		2023-2025	
4.3	Analyst	Deploy video FAQs on website to inform OC LAFCO stakeholders.	Consultant	2022	
4.4	EO/Analyst	Distribute bi-annual news to inform of OC LAFCO activities.	Consultant	2022-2025	

# 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.

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## 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.