

Board of Directors Meeting
7 August 2009

Agenda Item No. 3.4
MEMORANDUM

To: CALAFCO Board of Directors
From: William Chiat, Executive Director
Date: 7 August 2009
RE: Structural Change Committee Report

RECOMMENDATION

1. Receive Committee report and take action on Committee recommendations as appropriate.

DISCUSSION

At the 15 May 2009 meeting of the Board of Directors the Structural Change Committee presented a report and recommendations for your Board's consideration. A number of issues were raised by directors. At the conclusion of the discussion, the Committee was asked to meet again to refine the proposal and bring the recommendations back to the Board for your consideration on 7 August.

On 14 July the Committee met in Irvine to consider the comments from the Board and obtain further input from member LAFcos. Committee members in attendance included Susan Vicklund Wilson, Cheryl Brothers and Jerry Gladbach. Executive Director Bill Chiat and Legal Counsel Clark Alsop also participated in the meeting. A number of staff members from member LAFcos attended the meeting and provided helpful input to the Committee. Represented LAFcos included Los Angeles, Orange and Riverside.

In its discussions the Committee recognized that its original recommendation consisted of three different actions: 1) creating a regional structure; 2) changing the structure of the Board of Directors to be seated by region; and 3) changing the method of electing directors. Based on the feedback from the Board in May and from member LAFcos, the Committee focused its efforts on recommendations that would move towards establishing a regional structure, and to set aside for now discussion or action on changing the structure of the Board or how directors are elected.

Director Wilson prepared the attached report on behalf of the Committee outlining the issues, purpose and components of the Committee's recommendation.

For your consideration, staff has prepared the following proposed change to the Association's strategic plan based on the Committee's recommendations. These would be implemented over the next 14 months. If approved, it is anticipated that regions would meet at least three times a year beginning with the 2010 conference: during the annual conference (staff and commissioners), at the staff workshop (staff), and a meeting in the region (staff and commissioners).

STRATEGIC GOAL 3A: Geographic Regions

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 one additional Deputy Executive Officer (assuming that four regions are established). 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 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.

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.

ATTACHMENTS

- A. Summary of Committee Recommendations
- B. Draft Policy Manual and By-law Recommendations

July 24, 2009

TO: Jerry Gladbach, Cheryl Brothers, Simon Salinas

CC: Bill Chiat, Clark Alsop

FROM: Susan Wilson

RE: **REVISED** Subcommittee Re: CALAFCO Organizational Structure

In summarizing our recent meeting, the Subcommittee followed the direction of the Board of Directors to consider the comments from the recent Board meeting and obtain further input from individual LAFCoS. Many issues were raised both at the Board meeting and through further input from various LAFCoS commissioners and staff. In our deliberation, the Subcommittee determined that the ultimate goal of our recommendation would be to strengthen and unify CALAFCO, thus increasing our productivity and presence with our individual LAFCoS and within the legislative process. It was not necessary to attribute any motivation to any particular position in reaching our recommendation, but rather determine if there were benefits to formalizing a regional approach in CALAFCO, and, if such approach benefits CALAFCO, determining how to implement same. We also discussed the fact that CALAFCO Board has continually verbalized and promoted structuring regions within which individual LAFCoS could meet and share common interests, issues, and resources. Creating such regions only implements such direction.

Creating regions will allow LAFCoS throughout the state to have a structure within which localized issues can be discussed, addressed, and resolved with neighboring LAFCoS. LAFCoS within regions would have increased involvement in LAFCoS and more immediate accountability

Regions would be a vehicle to provide input on policy and legislative issues to the Board and the Legislative Committee, which would enhance communications with legislative representatives on CALAFCO issues. Regions would also allow better communication with Member LAFCoS on legislative issues.

Regions will provide a mechanism for succession within CALAFCO generating growth both of board representation but also staffing for CALAFCO. The subcommittee envisioned that each region would provide a staff person for CALAFCO; thus balancing and distributing the workload more evening throughout the state. CALAFCO relies heavily on volunteer staff to assist the organization; in the past, we have over-utilized some staff without any real succession strategy to replenish and share the workload. We would create a 3rd Deputy Officer position. It should be noted that there are several staff members that have greatly assisted CALAFCO and many of same will be retiring within the next few years.

Creating regions within CALAFCO would also promote more efficient and effective communication. Ease of travel at a regional level would promote more participation. Local and neighboring LAFCoS could specifically target their common interests.

Within each region would be the increased opportunity to share resources and provide more economical approaches to various matters. For example, a group of individual LAFCoS recently consolidated a RFP for audit services; they were able to reduce the costs of same by banding together.

A CALAFCO regional approach would also assist in growth and regional transportation plans which will be acted upon regionally.

Creating regions would formalize a structure and forum at a Commissioner level for local LAFcos to address differing policies which may influence other local LAFcos. This structure would provide various viewpoints and different perspectives which may assist in making better decisions. CALAFCO has always promoted individual LAFcos to adopt CKH to their local policies, circumstances, and conditions; a regional approach would strengthen LAFcos especially in area where there is no COGs.

Implementing a Regional Approach:

1. Need a strong strategic policy to establish regions. This is all about our members and our current policies which, following CKH, calls for geographic diversity.

2. Create a policy statement for creating regions which can be presented to the membership at the conference.

3. Provide a pre-conference package to individual LAFcos setting forth the concept of regions for CALAFCO.

4. Receive input and feedback from the Conference regarding the concept of regions. Once input/feedback is received on the concept of regions, then proceed with the following:

5. Define "geographic diversity" in Section 3b- Nominations of our policies including responsibility of regions to identify candidates for the Board.

6. Create a 4th staff position on CALAFCO, thus balancing the volunteer staff workload and creating a mechanism for development and succession for future staff.

7. Board will solicit input from each Member LAFCo to determine and identify the regions and the LAFcos within each region. Provide an appeal process for individual LAFcos regarding its regional assignment.

PROPOSED 2009-2011 STRATEGIC PLAN CHANGE

B. Build Strong Member LAFcos and a Strong Association

1. Communications
Increase communications with members on Association operations and issues affecting LAFcos through the website, newsletter, personal visits, e-mail updates, list-serves and other channels.
2. Recognition of Volunteer Contributions
Expand efforts which visibly recognize and acknowledge the contributions of member LAFcos, commissioners, and staff to the operations and services of CALAFCO
3. ~~Geographic Regions Facilitate Regional Meetings~~
Structure Member LAFcos into geographic regions to encourage communication among LAFco commissioners and staff, increase involvement in Association activities and policies, share resources, and provide regional input to the Board on legislative issues and regional policy issues. Encourage and support regional meetings of LAFco commissioners and staff
4. Mentoring
Provide assistance to members in transition or moving towards independence with resources and mentors from the membership

PROPOSED POLICY MANUAL CHANGES

SECTION 1

Definition of Primary Responsibilities and Evaluation Criteria for CALAFCO Executive Director and Staff Officers

The Board of Directors (Board) determines that the California Association of Local Agency Formation Commission's (CALAFCO) stated purposes will best be achieved by assigning duties to the Executive Director, Executive Officer, two Deputy Executive Officers, Legal Counsel, and Legislative Committee Chair.

1.1 Association Staff Officers

The staff of the Association shall consist of the following officers:

- a. Executive Director appointed by the Board of Directors
- b. Legal Counsel appointed by the Board of Directors
- c. Executive Officer, who shall be an Executive Officer of a Member LAFCo, appointed by the Board of Directors
- d. Three Deputy Executive Officers, who shall be an Executive Officer or Assistant/Deputy Executive Officer of a Member LAFCo.
- e. The Executive Officer and Deputy Executive Officers shall collectively represent each of the Association's geographic regions.

SECTION 5

Board of Directors Operations

5.5 Board Nomination and Election Procedures

The procedures for nominations and election of the CALAFCO Board of Directors [Board] are designed to assure full, fair and open consideration of all candidates, provide confidential balloting for contested positions and avoid excessive demands on the time of those participating in the CALAFCO Annual Conference.

3. THE NOMINATIONS COMMITTEE:

- a. The Nominations Committee shall assure that candidates are representative of each of the Association's geographic regions as well as category diversity between urban, suburban and rural LAFCOs.
- b. No later than two weeks prior to the Annual Conference, the Nominations Committee Chair shall distribute to the members of the Nominations Committee copies of all nominations and resumes, which are received prior to the end of the nomination period.
- c. In the event that there are insufficient nominations for all offices subject to the election, the Nominations Committee Chairman shall call a meeting of the Nominations Committee (which may be held by phone) to:
 - i. Determine the number and category of nominations needed to fill all offices;
 - ii. Divide responsibilities among its member to seek candidates to fill those vacancies, giving consideration to representation from each of the Association's geographic regions ~~geographical diversity~~ as well as category diversity between urban, suburban and rural LAFCOs.
- d. Once sufficient nominations are received to fill all offices subject to the election, the Recruitment Committee shall meet again, no later than 36 hours prior to the Business Session of the Annual Conference. The meeting may be held by telephone.

DRAFT AMENDMENT TO BY-LAWS

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.

SECTION 4

Operational Policies

4.1 Dues

A LAFCo must pay member dues in full by 1 September of each fiscal year in order to maintain membership for the current fiscal year. Any LAFCo joining after 1 September of any fiscal year will be considered a member upon payment of the full annual dues for the current fiscal year. All rights and privileges of membership shall automatically terminate for any member LAFCo not paid in full by that date.

Anyone qualified to join CALAFCO as an Associate Member will be considered an Associate Member upon full payment of Associate Member dues. Associate Membership will automatically terminate one calendar year after the full payment of dues, unless renewed prior to the one-year expiration date.

No dues refunds will be made, except for overpayments, unless approved by the Board.

4.2 Conference and Workshops

CALAFCO shall hold an annual conference and a staff workshop. The goal of all CALAFCO educational activities is to provide LAFCo commissioners, staff, and stakeholders with high quality and timely sessions and networking opportunities that assist them in advancing the purposes and objectives of LAFCo.

Date and Site Selection

1. The Executive Director shall maintain a five-year calendar for the annual conference.
2. Conference and workshop sites shall be rotated each year between northern and southern California.
3. The selection and approval of Annual Conference and Staff Workshop locations and hotel contracts shall be approved by the Board of Directors based on recommendations from the Executive Director. Sites and contracts for other courses and seminars shall be approved and executed by the Executive Director. Contracts with hotels shall be signed by the Chair or the Executive Director.

Conference and Staff Workshop Planning Committees

The Planning Committee consists of the Host Committee and the Program Committee. The committees shall be established for each event as described in the Conference and Staff Workshop Planning Guide. The Executive Officer will assist with recruitment of volunteers to serve on the planning committee.

1. The **Host Committee** is responsible for the facilities, hotel, registration, marketing, and budget as approved by the Executive Director, meals, entertainment, tours and other on-site logistics and arrangements. The committee is chaired by the host LAFCo(s) and coordinates its work with the Executive Director.
2. The **Program Committee** is responsible for the program construction, theme, speakers and panelists, speaker equipment and arrangements, handout materials, session moderators or facilitators, speaker preparation, and other program-related activities. The