

V. MATTERS FROM STAFF

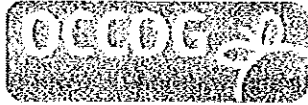
A question was raised regarding the Public Policy Institute's recent report regarding state housing needs and its possible effects on RHNA. Bill Gayk commented that the PPI report was more regional in nature.

VI. ADJOURNMENT

Joel Rosen

Next Meeting: Tuesday, May 4, 2004 at the City of Orange, City Hall, Conference Room C.

City of Orange
City Hall, Conference Room C
300 East Chapman
Orange, CA 92866



ORANGE COUNTY
COUNCIL OF GOVERNMENTS

ITEM IV. C.

STAFF REPORT

Subject: Air Quality Report

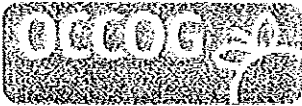
Summary: An update on air quality issues of importance to OCCOG and the region is provided.

Recommendation: Receive report.

Attachment: April 2004 Report

Staff Contact: Annabel Cook, Regional Issues Consultant - (714) 571-5844

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**ORANGE COUNTY
COUNCIL OF GOVERNMENTS**

**AIR QUALITY UPDATE
April 2004**

SCAQMD Adopts Measure to Reduce Emissions from Stationary Diesel Engines

The SCAQMD Governing Board adopted on April 2, 2004, a measure to reduce toxic emissions from stationary diesel-fueled engines, including stricter requirements for equipment near schools. The regulation, Rule 1470, will reduce emissions during normal engine maintenance and testing, as well as during unpredictable, inevitable emergencies. The rule includes more stringent provisions for engines located on or within 100 meters of schools and other "sensitive receptors," including daycare centers and hospitals. The AQMD has \$250,000 in state funding available to assist schools in retrofitting their own existing emergency diesel engines with particulate filters.

State Pursuing Law to Allow SCAQMD to Reduce Emissions from Locomotives

Senator Martha Escutia has introduced SB 1397, which would allow the SCAMD to adopt a Locomotive Emissions Reduction & Mitigation Program, unless or until the Federal EPA requires more stringent controls on trains. Studies have shown that one of the largest and most under-regulated source of air pollution in the South Coast Air Basin is locomotive operations and rail traffic is expected to double in the next 20 years. The SCAQMD is soliciting support for SB 1397.

SCAQMD Conducting Outreach for Draft Model Air Quality Element

The South Coast Air Quality Management District (SCAQMD) is holding a series of outreach sessions regarding a draft Model Air Quality Element (MAQE) for consideration by local jurisdictions in the adoption or amendment of their general plans. This draft document has been developed as part of SCAQMD's Environmental Justice program. It contains a wide range of options for local governments to meet their particular needs and is entirely voluntary. Once this round of outreach is completed, the draft MAQE will be presented to the AQMD Governing Board most likely in May 2004. If approved, SCAQMD staff plans to present the MAQE to city and county governments within Orange, Los Angeles, Riverside and San Bernardino counties for their voluntary consideration. Special presentations are slated for Orange County, through OCCOG.

In Case You Missed it - SCAQMD is Providing \$12 Million for Clean School Buses

The SCAQMD adopted in February 2004 a Clean School Bus Initiative, committing \$12 million to replace and retrofit diesel buses. The school bus initiative will provide funding to help purchase clean-burning natural gas-powered buses as well as particulate traps for installation on diesel-powered buses. Specifically, the initiative will provide:

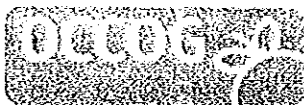
- \$7.2 million, and up to \$60,000 per CNG bus purchased, resulting in the replacement of at about 120 diesel buses. Public schools and private companies will be eligible for the funding, with public schools receiving first priority. Public schools can receive an additional \$12,000 per bus for natural gas fueling infrastructure. Buses eligible for replacement must be 1986 and older models, with 1976 and older models given priority. Replaced diesel buses must be completely destroyed by crushing; and
- \$4.8 million -- \$6,500 per diesel bus -- for installation of retrofit particulate traps capable of reducing particulate matter by more than 85 percent. The traps are effective only on 1994 and newer model buses. Both public and private fleets are eligible, and most 1994 and newer public school buses already have been retrofitted with the traps. The funding, which also includes \$500 per fleet for the initial incremental cost of low-sulfur diesel fuel, is expected to place more than 650 particulate traps on buses.

OCCOG's Subregional Work Program Sponsored by the SCAQMD

OCCOG continues its work with the SCAQMD, a partnership started in 2002 that provides OCCOG with funding to develop a model air quality element and to provide outreach assistance to local governments in the subregion. Through this funding the following has occurred:

- A draft model air quality element (MAQE) has been developed by OCCOG and Western Riverside COG. The MAQE has been distributed to cities and other interested parties for review and comment, and a final MAQE will be distributed to local governments in Spring 2004. The MAQE can be considered by cities and counties as a tool to assist local communities address air quality issues. Adoption of MAQEs by local governments is entirely voluntary. OCCOG will host a workshop in the Summer of 2004 to present the MAQE.
- The OCCOG Alternative Fuel Vehicle and Infrastructure Program is continuing, with a recent workshop being provided on Moyer Funding. Any OCCOG member agency may request support and assistance under this program

For additional information on air quality issues, please contact Annabel Cook at (714) 571-5844.



**ORANGE COUNTY
COUNCIL OF GOVERNMENTS**

ITEM IV. D.

STAFF REPORT

Subject: Growth Visioning Update

Summary: The final report outlining phase IV of OCCOG 's Growth Visioning program will be issued in early May 2004. The growth visioning consultants, with assistance from OCCOG staff, are in the final phases of formatting and incorporating graphics and pictures into the report. OCCOG staff will make the report available in both hard copy and electronic form to OCCOG Board Members and Alternates, as well as member agencies. Other interested parties may access the report and additional growth visioning information from the OCCOG website.

Recommendation: Receive report.

Attachment: None

Staff Contact: Heather Dion, Regional Issues Analyst, 917/972-0077



ORANGE COUNTY
COUNCIL OF GOVERNMENTS

ITEM V. A.

STAFF REPORT

Subject: Approve Reduce orange County Congestion Program Criteria and Call for Projects

Summary: In 2003, as part of its federal funding effort, the Orange County Council of Governments (OCCOG) received a federal earmark of \$1 million for the Reduce Orange County Congestion (ROCC) program. The ROCC Program was funded from the Federal Highway Administration's (FHWA) Transportation and Community and System Preservation (TCSP) Program, which has an important focus on land-use approaches to reducing traffic congestion. The ROCC Program is a pilot project representing OCCOG's first grant-awarding program in which OCCOG member agencies will be able to apply for ROCC Program funds for specific projects.

In October 2003, the OCCOG Board of Directors approved the creation of the ROCC Technical Advisory Group (ROCC Group). The ROCC Group, composed of local, regional, state and federal representatives was created to develop the project solicitation/Call for Projects, to craft the criteria by which submitted projects would be ranked and to perform an initial ranking of proposals received. Members of this group included the following individuals:

Chair D. James Hart, Ph.D.
Orange County City Managers Association Representative

Vice-Chair Jennifer Johnson
Transportation Corridors Agencies Representative

Sandra Balmir
Federal Highway Administration Representative

Pat Dapkus (Huntington Beach)
OCCOG Technical Advisory Committee Representative

Maureen El Harake
CalTrans Representative

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Lynn Harris
Southern California Association of Governments

Richard Marcus
Orange County Transportation Authority Representative

Harry Persaud
County of Orange Representative

Heather Sowers (Fullerton)
OCCOG Technical Advisory Committee Representative

The ROCC Group worked from early February 2004 to mid-April 2004 drafting the proposed criteria with a goal of submitting the ROCC Call for Projects to the OCCOG Board of Directors at its regular April 22, 2004 meeting.

Pending approval of the criteria, notification of the Call for Projects will be released on Monday, April 26, 2004.

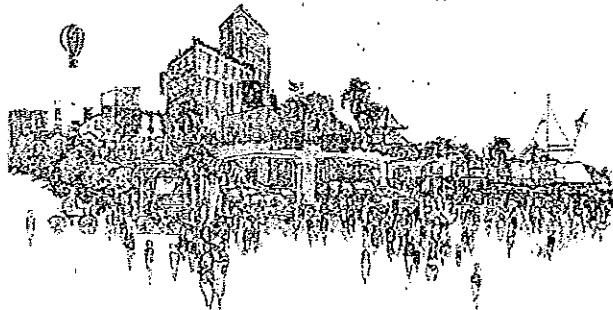
Recommendation: Approve Reduce Orange County Congestion Program criteria and Call for Projects.

Attachment: Reduce Orange County Congestion Program criteria and Call for Projects.

Contact: D. James Hart, Ph.D., City Manager
City of Rancho Santa Margarita – (949) 635-1800

Matthew Henkes, Policy Analyst – (714) 972-0077

Reduce Orange County Congestion (ROCC) Technical Advisory Group Draft Criteria



Orange County Council of Governments
600 West Santa Ana Boulevard, Suite 214
Santa Ana, CA 92701
(714) 972-0077 / (714) 972-1816 Fax

Introduction

Reduce Orange County Congestion (ROCC) is an innovative program designed and implemented by the Orange County Council of Governments (OCCOG) to assist communities throughout Orange County combat the region's growing congestion and transportation safety issues. The ROCC Program's innovation lies in its flexibility to encourage and provide funding to OCCOG member agencies to develop land-use solutions to transportation problems thereby linking two traditionally distinct fields.

In addition to its dedication to the realization of meaningful, congestion-reducing, local and subregional projects, the ROCC Program also seeks:

- To ensure a geographic balance in the funding of projects;
- To provide financial aid to jurisdictions who may have difficulty accessing traditional funding sources;
- To encourage a multi-jurisdictional and multi-objective approach to congestion relief; and
- To determine strategies based on those set forth by the Federal Highway Administration's (FHWA) Transportation and Community and System Preservation (TCSP) Program.

Grant Information

In 2003, the Orange County Council of Governments initiated its Reduce Orange County Congestion Program to assist communities throughout the County, and to develop innovative responses to combat the region's growing congestion and transportation safety problems.

OCCOG, with 55 member agencies, is the largest single-county council of governments in California. With its diverse membership and representation on its Board of Directors, the growing list of OCCOG member agencies currently includes 34 cities, the County of Orange, sanitation districts, transportation agencies, water districts, the regional air district, universities and the private sector.

Background

As part of the TEA-21 program, TCSP was established to provide "a comprehensive initiative to investigate and address the relationships between transportation and community and system preservation and identify private sector-based initiatives (Sec. 1221 of the Transportation Equity Act for the 21st Century)." Administered by the Federal Highway Authority, TCSP was initially allotted \$120,000,000 over a series of four years (FY1999-2003).

TCSP, though originally a program based on competitive bidding by regional and county agencies, has recently shifted procedurally. The program is now structured around congressional earmarks. In the final year of the program's pilot phase, the Orange County Council of Governments received a federal earmark for congestion relief purposes.

Several factors have led to the County's increasing traffic, congestion and safety issues:

- Orange County has some of the most congested highways in the nation, including State Route 91, which carries an estimated 250,000 vehicles per day, in each direction. This project will assist significantly by providing agencies in Orange County with necessary funding to improve circulation and increase safety.
- The County's population has been steadily increasing. In 2000, Orange County added 58,000 people to its population, more people overall than any other county in California, making Orange County the second most populated county in the state and the fifth most populated county in the nation.
- Orange County continues to create more jobs than housing, making it a destination for workers. By 2030, Orange County is expecting a 27% increase in jobs, but only a 15% increase in housing.

ROCC is helping to alleviate congestion by bringing financial and educational resources directly to Orange County communities. This collaborative strategy will provide funding to cities and other public agencies in Orange County for a multitude of projects and planning that will reduce congestion, improve safety, protect the environment (including air quality and water quality), and benefit the over three million residents in the County.

Goals

- Reduce traffic congestion and improve the efficiency of the transportation system.
- Reduce the environmental impacts of transportation.
- Reduce the need for costly future public infrastructure investments.
- Ensure efficient access to jobs, services and centers of trade.
- Examine development patterns and identify strategies to encourage private-sector development patterns that achieve any of the previously stated goals.

Grant Size

- OCCOG has approximately \$900,000 to sub-award to its member agencies.
- Grants may range in size, but no individual grant will exceed \$200,000.

Project Specifics

- Multiple projects may be submitted by the same project sponsor, however that project sponsor must prioritize these projects in the order in which they should be considered.
- Any necessary Rights-of-Way must be obtained before a project may be considered.
- Projects must already have completed necessary environmental documents including California Environmental Quality Act (CEQA) or National Environmental Protection Act (NEPA) documentation, or demonstrate a reasonable expectation of CEQA and NEPA having been met prior to fund obligation.
- Projects must be programmed or demonstrate a reasonable expectation of being programmed into the Regional Transportation Improvement Plan by October 1, 2004, or the Overall Work Program by December 1, 2004.
- Due to a limited window in which funds are allocated, all projects must be prepared to obligate¹ awarded funds by September 30, 2005. Projects that do not obligate funds and begin invoicing OCCOG by August 1, 2005 will have their funds withdrawn.

¹ The term obligate means that the Federal Highway has authorized the project through CalTrans and monies have been set aside in FMIS (this is FHWA's financial system). Once funding is obligated then funds become available in perpetuity.

- Projects may be construction or planning oriented. Preferred planning projects are those that are not “concept-oriented,” but instead work to reduce traffic congestion through the implementation of subregional and regional growth visioning programs, or local and county general plans. Examples may include (but are not limited to):
 - Changing land-uses to correspond to the implementation of regionally or subregionally significant transportation projects²;
 - The development of an ordinance for transportation oriented development (TOD) along a transit corridor; and
 - The creation of a transportation overlay plan.

Eligible Agencies

- All OCCOG members are eligible to apply for ROCC monies. Members may elect to partner with outside organizations or with other members. Due to the subregional focus of OCCOG, cooperative partnerships or projects beneficial to multiple jurisdictions are highly encouraged.

Reimbursement

- ROCC is a reimbursement-based program. All project proposals must include a schedule including significant milestones. Agencies may invoice based on completion of a designated milestone. OCCOG will invoice CalTrans on a quarterly basis and will reimburse awardees once OCCOG receives its reimbursement³.
- All recipients are subject to the rules and regulations set forth by the Federal Office of Management and Budget (OMB) Circular A-87⁴.
- OCCOG will hold back 10% of the total funds awarded to each project until project completion and approval of the project's submitted evaluation.
- OCCOG will receive invoices on an ongoing basis. However, to be included in a particular quarter's cycle invoicing for that quarter must be completed by the dates provided on the following page.

² 2004 Regional Transportation Plan – Thinking out of the Box: Land-use-Transportation Connection, Southern California Association of Governments.

³ Please refer to Attachment B or <http://www.occities.org/occog/>.

⁴ A link to OMB Circular A-87 can be found at <http://www.occities.org/occog/>.

ROCC Reimbursement Calendar

Fiscal Year 2004 – 2005 Invoice Submittal Dates

December 3, 2004

March 18, 2005

June 17, 2005

September 16, 2005

December 2, 2005

Note: Invoices will be submitted by OCCOG to CalTrans one to two weeks after the dates listed above. Agencies will receive payment of invoices after OCCOG receives funds from CalTrans.

Evaluation Process

Submittal Date

All project proposals should be addressed to:

*D. James Hart, PhD, Chair
Reduce Orange County Congestion
Technical Advisory Group
c/o OCCOG
600 West Santa Ana Boulevard, Suite 214
Santa Ana, CA 92701*

All submittals must be received by 5:00 p.m. on Thursday, June 24, 2004 and may be submitted by mail, electronic mail or in person (please do not fax). **Electronic submittals (on CD or via e-mail) are strongly encouraged.**

All incomplete proposals⁵ will be returned by staff within two weeks of receipt.

ROCC Technical Advisory Group

All proposals will be evaluated based upon the attached criteria. The ROCC Technical Advisory Group will rank projects based on these criteria and the principles outlined in the introduction. This ordered list, with recommendations for funding will be forwarded to the OCCOG Board of Directors.

OCCOG Board of Directors

Projects recommended by the ROCC Technical Advisory Group will be submitted to the OCCOG Board of Directors for approval. Upon approval, project sponsors will be notified of their project's status. The OCCOG Board of Directors retains the right to exercise its judgment concerning the selection of a project for inclusion in the ROCC Program. The Board of Directors is the ultimate decision-making body and makes the final determinations necessary to arrive at a decision to award, or not award funding.

Notice to Proceed

Due to the coordination involved with various local, regional, state and federal agencies, there may be a short delay between when the project is selected for funding and when reimbursable activities may begin. No work will be reimbursed that is performed before contract execution and the Notice to Proceed is given by OCCOG to a selected project sponsor.

⁵ Please refer to attachment A or <http://www.occities.org/occog>.

Project Ranking/Criteria

All submitted projects will be ranked on a 1000-point scale. This criteria was developed by the ROCC Technical Advisory Committee, a panel of local, regional, state and federal representatives appointed by the OCCOG Board of Directors and subsequently approved by the Board at their April 22, 2004 Meeting. Please note that points indicated for a given subcategory are maximums and, at their discretion, committee members may assign a lower score.

Cooperation (220 Points Possible)

- Project is consistent with local, subregional and regional long range transportation goals and policies including:
 - SCAG Regional Transportation Plan⁶; _____ (20 points)
 - Implementation of SCAG Compass Program (Growth Visioning)⁷; _____ (20 points)
 - OCTA Directions 2030⁸; and _____ (20 points)
 - Applicable City and County General Plans, or member agency policy-planning document⁹. _____ (20 points)
- Project has secured matching funds or leverages other available resources. _____ (30 points)
- Project is a multi-agency partnership. _____ (40 points)
- Project has a sub-regional or multi-jurisdictional focus. _____ (40 points)
- Project links existing facilities. _____ (30 points)

Cooperation Subtotal _____ / 220 points

⁶ For more information, please consult <http://www.scag.ca.gov/rtp/2004draft/>

⁷ For more information, please consult <http://www.socalcompass.org/>

⁸ For more information, please consult <http://www.octa.net/programs/directions/intro.asp>

⁹ For more information, please contact applicable entity or visit <http://www.occities.org/occog> for OCCOG member contact information.

Land-Use (220 Points Possible)

- Project promotes mixed-use/incorporates mixed-use facilities. _____ (40 points)
- Project promotes reuse of underutilized facilities. _____ (40 points)
- Project advances Jobs-Housing balance development patterns, e.g., infill, or transit oriented development. _____ (50 points)
- Project encourages pedestrian, bicycle, HOV, etc. resulting in greater access for residents to activity centers, e.g., health care, jobs, or shopping. _____ (50 points)
- Project encourages expanded usage of public facilities. _____ (40 points)

Land-Use Subtotal _____ / 220 points

Community Development/Outreach (100 Points Possible)

- Project facilitates a high quality of life. _____ (20 points)
- Project includes a public outreach component, or demonstrates a commitment to seeking/involving community support. _____ (20 points)
- Project targets specific populations, e.g., students, seniors, disabled. _____ (30 points)
- Project addresses/enhances an identified need. _____ (30 points)

Community Development/Outreach Subtotal _____ / 100 points

Environmental/Safety (150 Points Possible)

- Project contributes to attainment of local and regional air-quality standards. _____ (30 points)
- Project encourages water-quality by addressing/reducing urban run-off. _____ (30 points)
- Project has the potential to correct/eliminate an existing safety problem and improves safety conditions for users. _____ (30 points)
- Project has potential to reduce the number of accidents or injuries. _____ (30 points)
- Project works to preserve the natural environment. _____ (30 points)

Environmental/Safety Subtotal _____ / 150 points

Transportation (220 Points Possible)

- Project improves mobility/reduces vehicle delays. _____ (20 points)
- Project provides inter-modal and/or transit connections. _____ (30 points)
- Project increases off-peak hour transportation options. _____ (30 points)
- Project promotes alternative forms of transportation. _____ (40 points)
- Project shortens automobile trip lengths. _____ (30 points)
- Project reduces SOV (Single Occupancy Vehicle) trips. _____ (30 points)
- Project incorporates use/development of best practices or incorporation of new technologies, e.g., Intelligent Transportation Systems. _____ (30 points)
- Project enhances/provides for telecommuting opportunities. _____ (10 points)

Transportation Subtotal _____ / 220 points

Evaluation (100 Points Possible)

- Project sponsors committed to evaluation/
documentation Plan¹⁰. _____ (40 points)
- Project sponsors clearly identify a grant manager and
provide a clear set of project milestones and/or
timeline. _____ (60 points)

Evaluation Subtotal _____ / 100 points

Extra Points

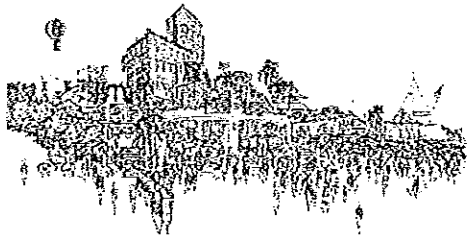
- Project includes at least 20% matching funds. _____ (10 points)
- No more than 5% of awarded funds will be used
for administrative purposes. _____ (10 points)

Project Subtotal (excluding extra points) _____ / 1000 points

Extra Points Subtotal _____ / 20 points

Project Total _____

¹⁰ Example evaluation plans are available at <http://www.occities.org/occog/>.



Orange County Council of Governments

ROCC Program: Project Identification Form (Attachment A)

Project Sponsor: _____

Partners: _____

Project Title: _____

Project Location: _____

Project Type: _____ Planning _____ Construction

Project Description (Please attach additional sheets as necessary):

Request for ROCC Dollars (not to exceed \$200,000): \$ _____

Total Project Cost: \$ _____

Percentage Administration: _____ %

Percentage Match: _____ %

Contact Information:

Name: _____

Title: _____

Phone/Fax: _____

Email: _____

Address: _____

Please attach to Project Identification Form a complete description of project responding to requirements and criteria of OCCOG ROCC Call for Projects.



Orange County Council of Governments

ROCC Program: Reimbursement Invoice Form (Attachment B)

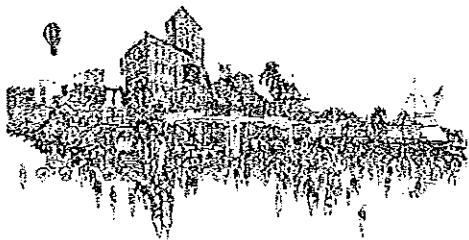
1. Project Title	2. Project Manager
3. Project Number	4. Date of Invoice
5. Payment Requested	
Indirect Costs: _____ Direct Costs: _____	Administrative: _____ Reimbursables: _____

Completed Milestones: _____

Signature of Contract-Authorized Person: _____
Date: _____

Payment Approval (OCCOG)	Date
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This form must be accompanied by complete and accurate documentation of expenses. Please attach a progress report detailing activities completed and an itemized list of all charges documenting check numbers, amounts, dates, recipients and purposes of the charges. Complete requests ensure timely processing.



Orange County Council of Governments

ROCC Program: Pre-Submittal Checklist (Attachment C)

- Cover letter: A concise statement introducing the project (2 page maximum).
- Project Identification Form is Complete.
- Letters of Commitment from Partnering Organizations are attached.
- If submitting multiple projects, projects are prioritized for review.
- Rights of way have been obtained, if necessary.
- CEQA/NEPA status (Provide Documentation):
 - Incomplete, but supporting documentation provided demonstrating ability to have met requirement before funding obligation.
 - Complete
 - Negative Declaration
 - Not Applicable
- Project's status in RTIP or OWP:
 - Programmed
 - Not Programmed, but supporting documentation provided demonstrating ability to have met requirement before October 1, 2005 (RTIP) or December 1, 2005 (OWP).



Orange County Council of Governments

ROCC Program: Request for Information (Attachment D)

All questions for OCCOG must be submitted in writing. Responses will be returned immediately, however, for the benefit of others question responses will be posted at <http://www.occities.org/occog>. Requests for Information may be submitted electronically to mphenkes@occities.org. Please indicate "Request for Information re: ROCC" as the subject.

Name: _____
Title: _____
Organization: _____

Date Request Submitted: _____

Question:

Please mail to:

Orange County Council of Governments
Attn: ROCC RFI
600 West Santa Ana Boulevard
Santa Ana, CA 92701



Orange County Council of Governments

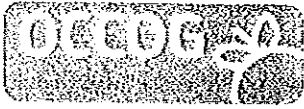
ROCC Program: Resources (Attachment E)

In order to provide further information for to interested parties the following individuals' contact information and the following website address have been provided.

Orange County Council of Governments
<http://www.occities.org/occog>
Information regarding the ROCC Program can be found under the title
"Projects/Programs."

Mr. Joe Carreras
Lead Regional Planner
Community Development
Southern California Association of Governments
(213) 236-1856
carreras@scag.ca.gov

Mr. Christopher Wright
Associate Planner
Long Range Planning Division
Orange County Transportation Authority
(714) 560-5749
cwright@octa.net



ORANGE COUNTY
COUNCIL OF GOVERNMENTS

Agenda Item 29
April 22, 2004
Page 69 of 74

ITEM VI. A.

STAFF REPORT

Subject: Contemporary Infill Development.

Summary: As part of OCCOG's Growth Visioning Program, OCCOG staff will be inviting various stakeholders and partners to provide information and examples of livable communities concepts to the OCCOG Board. This month, OCCOG has invited Tom Bak, Managing Director of Trammell Crow Company's Southern California Development and Investment Group, to provide case studies that profile different types of infill development projects including suburban office, business park and environmental superfund sites. Mr. Bak will be providing a Power-Point presentation, highlighting these case studies, focusing on opportunities and constraints to various development types.

Recommendation: Receive report.

Attachment: None.

Staff Contact: Annabel Cook, Regional Issues Consultant - (714) 571-5844

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ORANGE COUNTY
COUNCIL OF GOVERNMENTS

ITEM VII. A.

STAFF REPORT

Subject: Update on SCAG's Overall Work Program for 2004-2005.

Summary: OCCOG is currently in discussions with SCAG regarding its 2004-05 Overall Work Program (OWP) items for the coming fiscal year, beginning July 1, 2004. As in previous years, SCAG and OCCOG staff work in conjunction on developing a list of proposed projects, which is then brought to the OCCOG board for preliminary discussion. Subsequently, these projects will be incorporated into the agreement between SCAG and OCCOG and brought to the OCCOG Board for approval in May or June.

The projects being proposed for the 2004-05 OWP are:

Growth Visioning/Smart Growth - \$120,000

This is a continuation of our efforts in Growth Visioning to build upon our past programs in Phases I – III. The final project work has not yet been defined and the scope of work is general enough to allow some flexibility.

The Growth Visioning effort from this year could be expanded or the Board could consider other projects it wishes to undertake.

Data and Modeling - \$120,000

This funding is to assist with OCCOG's work through the Center for Demographic Research in providing demographic information to member agencies.

Homes for California Families - \$60,000

This project is jointly funded with Western Riverside COG (they received \$30,000) and could provide a portion of the money needed to continue the work of the Inter-Regional Partnership. As has been reported to the board in the past, one of the major outgrowths from the IRP has been a proposal to engage residents in the County in a dialog about housing issues that would provide policy makers a framework to make critical housing decisions. The \$90,000 in the OWP offered to WRCOG and OCCOG could assist with the staffing needs of the program, should it continue. A final decision and structure for this program has not yet been made.

Staff is requesting that the Board provide any feedback or comments regarding the proposed OWP projects prior to the agreement, which should be presented in May or June.

Recommendation: Receive Report.

Attachment: None.

Contact: Michael Gold, Acting Executive Director – (714) 972-0077



ORANGE COUNTY
COUNCIL OF GOVERNMENTS

ITEM VII. B.

STAFF REPORT

Subject: Inter-Regional Partnership Update

Summary: The IRP Policy Committee will meet Friday, April 16, 2004. During the meeting the policy committee will consider final approval for the following work products:

- Schedule and Scope of Work for the "Workforce Housing Solution"
- Business Site Ready Database
- Mixed-use toolkit
- Mixed-use power point presentation and script

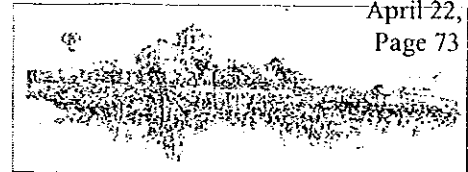
Pending approval of these work products OCCOG and the Western Riverside Council of Governments (WRCOG) staff will finalize the products for distribution. All work products will be available to the OCCOG and WRCOG member agencies and other interested parties. Additionally, the final products will be sent to the California Department of Housing and Community Development along with a final report in June 2004.

Recommendation: Receive report.

Attachment: Inter-Regional Partnership Policy Committee Agenda for Friday, April 16, 2004.

Staff Contact: Heather Dion, Regional Issues Analyst, 917/972-0077

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Interregional

PARTNERSHIP

WORKING TOGETHER TO SHAPE OUR FUTURE

Western Riverside Council of Governments | Orange County Council of Governments

IRP POLICY COMMITTEE MEETING

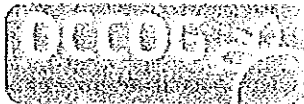
AGENDA

Friday, April 16, 2004

11:30 AM – 1:30 PM

ACTION

- | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| <p>1. Welcome and Introductions
<i>Co-Chairs Bev Perry and Jeff Miller</i></p> | |
| <p>2. Summary of the Nov 14, 2003 Policy Committee Meeting
<i>Co-Chair Jeff Miller</i></p> | DISCUSSION |
| <p>3. “What’s In It For Us?” –Homes for California Families Initiative
<i>Susan DeSantis, WRCOG</i></p> <ul style="list-style-type: none"> • Strategy Update • Next Steps | DISCUSSION |
| <p>4. Business Site Ready Database
<i>Kyler Diershaw, ACT Director of Operations</i></p> <ul style="list-style-type: none"> • Live Demonstration | DISCUSSION |
| <p>5. Mixed-Use Toolkit
<i>Heather Dion, OCCOG</i></p> | APPROVE |
| <p>6. Mixed Use Presentation
<i>Rick Bishop, WRCOG</i></p> | APPROVE |
| <p>7. Next Meeting Date and Location</p> <ul style="list-style-type: none"> • Set Next Meeting Date: Friday, June 18, 2004 • Location: City of Corona Corporation Yard | APPROVE MEETING DATE |



ORANGE COUNTY
COUNCIL OF GOVERNMENTS

ITEM VII. C.

STAFF REPORT

Subject: OCCOG Chair Update

Summary: The OCCOG Chair will provide a report to the OCCOG Board of Directors.

Recommendation: Receive report.

Attachment: None

Staff Contact: Annabel Cook, Regional Issues Consultant, (714)972-0077

000047

PLACENTIA LIBRARY DISTRICT BOARD OF TRUSTEES

TO: Library Board of Trustees

FROM: Elizabeth D. Minter, Library Director *EM*

SUBJECT: Report from Saundra Stark on the Special District Risk Management Authority Board Meeting held on March 24, 2004

DATE: April 26, 2004

Saundra Stark, Placentia Library District's representative to the Special District Risk Management Authority (SDRMA) Board of Directors, reported on March 24, 2004 that she had participated in that day's Board meeting by telephone.

SDRMA has purchased a new headquarters building in Sacramento and it is now in escrow. The building has approximately 20,000 square feet. SDRMA will occupy approximately 10,000 square feet, California Special Districts Association (CSDA) will occupy approximately 5,000 square feet and the remaining 5,000 square feet will be rented. The current building has been sold resulting in a cash position for SDRMA.

SDRMA will soon be distributing an offer for a health insurance package for its member districts. As soon as there are 500 participants for the plan it will be activated. (Placentia Library District's current plan expires at the end of February, 2005.)

There has been a change in the rules for covering drivers on the SDRMA policies. The District will seek additional information from SDRMA about the impact of these changes.



REPORTING

California State Library Mid-Year Report FY 2003/2004

Name of Library: Placentia Library District

[Main Menu](#)

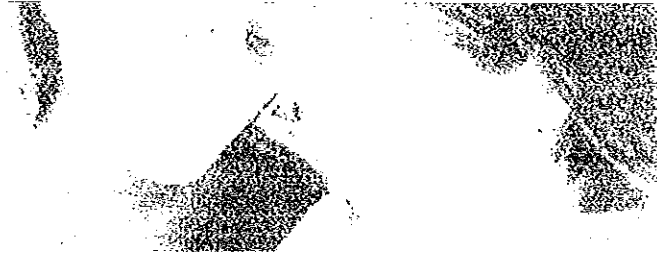
Page 1 of 15

Reporter's Information

Name of Library	Placentia Library District
Applicant contact:	<input type="checkbox"/> Jim Roberts
Phone: (xxx)xxx-xxxx	<input type="checkbox"/> 714-524-8408
Fax: (xxx)xxx-xxxx	<input type="checkbox"/> 714-528-8236
E-mail:	<input type="checkbox"/> jroberts@placentialibrary.org
Address:	<input type="checkbox"/>

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[Continue](#)



REPORTING

California State Library Mid-Year Report FY 2003/2004

Name of Library: **Placentia Library District**

[Main Menu](#)

Page 2 of 15

CLLS Adult Learner Activity Report ?

SEMI-ANNUAL SUMMARY

	TOTAL
1. Continuing Adult Learners from previous filing period ? Override	142
2. Adult Learners who began instruction <i>during this filing period.</i> ?	44
3. Total Adult Learners who received instruction <i>during this filing period.</i> ? (=1 + #2 = #3)	186
4. Adult Learners who left <i>during this filing period.</i> ?	10
5. Adult Learners receiving instruction at the end of this filing period. ? (=3 - #4 = #5)	176
6. Cumulative total adult learners who received instruction <i>this fiscal year to date</i> ? (=1 + #2 = #6)	186
7. Adults referred to other programs (never instructed) this filing period ?	0
8. Adult Learners awaiting instruction or rematch at end of this filing period ?	25
9. Total number of Adult Learner instruction <u>hours</u> for this filing period (can include one-on-one tutoring, small group, computer instruction, etc.) ?	0

[Back](#)

[Save and quit](#)

[Continue](#)



REPORTING

California State Library
Mid-Year Report FY 2003/2004

Name of Library: **Placentia Library District**

[Main Menu](#)

Page 3 of 15

Adult Learner Demographics ?

Ethnicity								
Asian	Black	Latino	Native American	Pacific Islander	White	Other	Unknown	Total
94	3	57	0	0	6	26	0	186 ✓

Age Distribution								
16-19	20-29	30-39	40-49	50-59	60-69	70+	Unknown	Total
5	28	44	46	40	14	9	0	186 ✓

Gender			
Male	Female	Not Specified	Total
44	142	0	186 ✓



REPORTING

California State Library Mid-Year Report FY 2003/2004

Name of Library: **Placentia Library District**

[Main Menu](#)

Page 4 of 15

Family Activity Report

The number of Families participating (families can participate in a number of different ways; attending special FFL programs is just one way to participate):

Note: These are unduplicated counts	Mid-Year	Final	Total
Total Number of Adult Learner Families Served (?)	35	0	35
Total Number of non-Adult Learner Families Served (?)	0	0	0
Note: These are cumulative counts	Mid-Year	Final	Total
Number of FFL Meetings Held (?)	1	0	1
Number of FFL Attendees as of <i>report date</i> (?)	30	0	30
Number of ELLI Meetings Held (?)	0	0	0
Number of ELLI Attendees as of <i>report date</i> (?)	0	0	0
Number of LLABS Site Visits (?)	0	0	0
Number of LLABS Attendees as of <i>report date</i> (?)	0	0	0
<input type="button" value="Back"/> <input type="button" value="Save and quit"/> <input type="button" value="Continue"/>			



REPORTING

California State Library
Mid-Year Report FY 2003/2004

Name of Library: **Placentia Library District**

[Main Menu](#)

Page 6 of 15

Staff Commitment - Library Personnel

Library Personnel (staff is city, county or district employee)

Position/Job Title	FTE of Hours Per Week		
	Adult Program	Family Program	ELI Program
	0	0	0

The following has been entered:

Position/Job Title	FTE of Hours Per Week				
	Adult Program	Family Program	ELLI Program	LLABS Program	
	0	0	0	0	Delete
	0	0	0	0	Delete
	0	0	0	0	Delete
Literacy Coordinator	20	0	10	0	Delete
Litreracy Coordinator	20	0	10	0	Delete
ELLI & FFL Coordinator/Asst Literacy Coordinator	10	10	20	0	Delete
	0	0	0	0	Delete



REPORTING

California State Library Mid-Year Report FY 2003/2004

Name of Library: **Placentia Library District**

[Main Menu](#)

Page 7 of 15

Staff Commitment - Contract Personnel

Contract Personnel (not a city/county/district employee)

Position/Job Title	FTE of Hours Per 1		
	Adult Program	Family Program	ELL Program
	0	0	0

The following has been entered:

Position/Job Title	FTE of Hours Per Week				
	Adult Program	Family Program	ELLI Program	LLABS Program	
Federal Work Study	40	40	60	0	Delete
Literacy Interns	20	20	0	0	Delete
	0	0	0	0	Delete



REPORTING

California State Library
Mid-Year Report FY 2003/2004

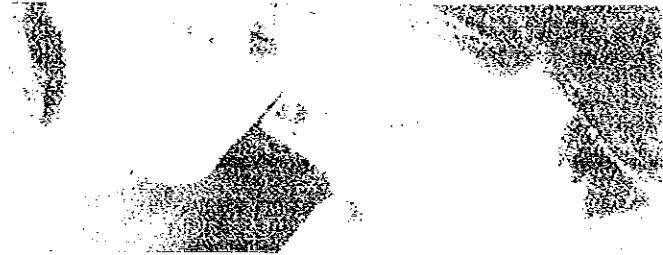
Name of Library: **Placentia Library District**

[Main Menu](#)

Page 8 of 15

Population Served

1 ?	2 ?	3 ?	4 ?	5 ?	6 ?	7 ?	8 ?
1st or Home Language	ALS English-Speaking Adult Learners	FFL Adults Who Are Not ALS Learners	ELLI Adults Who Are Not in ALS Services	ESL/Other Adults Served (Not part of state funded target groups)	FFL + LLABS Children Under 5 Years	ELLI Children Ages 5 and Over	Children Served Ages 0 - 17 (Not part of the target groups)
English	6	0	0	0	0	0	0
Spanish	56	28	0	0	0	283	0
Vietnamese	6	0	0	0	0	0	0
Hmong	0	0	0	0	0	0	0
Chinese	35	0	0	0	0	0	0
Other:	83	7	0	0	0	26	0
Totals:	186	35	0	0	0	309	0
Back	Save and quit					Continue	



REPORTING

California State Library Mid-Year Report FY 2003/2004

Name of Library: **Placentia Library District**

[Main Menu](#)

Page 9 of 15

Volunteer Hours Accrued

Volunteer Hours Accrued (In Hours) ?	Mid-Year	Final	Total
1. All Volunteer Adult Literacy Instruction (ALS/FFL/LLABS) (Can include one-on-one tutoring, small group, computer instruction, etc. provided by volunteer) ?	8000	0	8000
2. English Language Literacy in ELLI (Volunteer tutor hours for adults & children) ?	864	0	864
3. ESL Volunteer Tutor Instructional Hours (Not State Library grant supported) ?	0	0	0
4. All Other Volunteer Hours In Literacy Services (Non-instructional hours volunteered) ?	442	0	442
5. Families for Literacy (FFL & LLABS) (Non-instructional hours volunteered) = 5 is a subset of # 4 ?	210	0	210

[Back](#)

[Save and quit](#)

[Continue](#)



REPORTING

California State Library
Mid-Year Report FY 2003/2004

Name of Library: **Placentia Library District**

[Main Menu](#)

Page 11 of 15

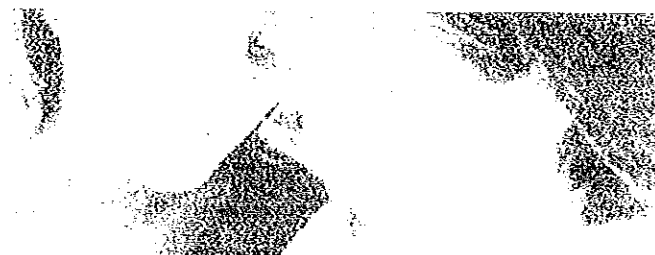
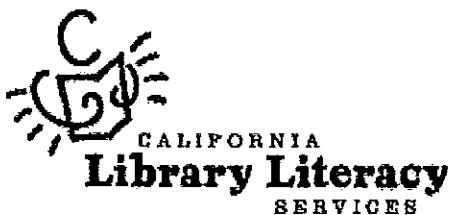
Volunteer Tutor Demographics ?

Ethnicity								
Asian	Black	Latino	Native American	Pacific Islander	White	Other	Unknown	Total
34	0	49	0	0	99	13	0	195 ✓

Age Distribution								
16-19	20-29	30-39	40-49	50-59	60-69	70+	Unknown	Total
3	65	29	40	29	19	10	0	195 ✓

Gender			
Male	Female	Not Specified	Total
40	155	0	195 ✓

Back [Save and quit](#) Continue



REPORTING

California State Library Mid-Year Report FY 2003/2004

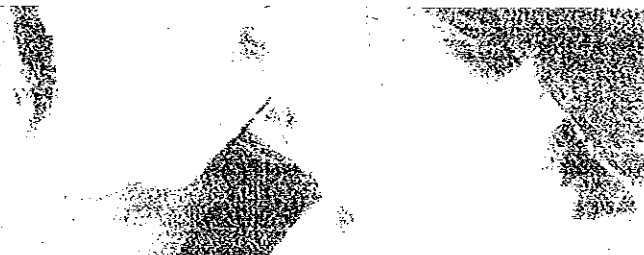
Name of Library: **Placentia Library District**

[Main Menu](#)

Page 13 of 15

In-Kind Resource Development ?

Who Donated?	What did they donate? (Hold ctrl and click to choose more than one)	Dollar Equivalent For This Filing Period	Total Year-To-Date
Business	Space <input type="checkbox"/>	0	0
	Materials <input type="checkbox"/>		
County/Municipal	Equipment <input type="checkbox"/>	900	900
	Printing <input type="checkbox"/>		
	Space <input type="checkbox"/>		
Education	Materials <input type="checkbox"/>	0	0
	Equipment <input type="checkbox"/>		
	Printing <input type="checkbox"/>		
Faith Based	Space <input type="checkbox"/>	0	0
	Materials <input type="checkbox"/>		
	Equipment <input type="checkbox"/>		
Foundation/Non-profit	Printing <input type="checkbox"/>	0	0
	Space <input type="checkbox"/>		
	Materials <input type="checkbox"/>		
Friends of the Library	Equipment <input type="checkbox"/>	900	900
	Printing <input type="checkbox"/>		
	Space <input type="checkbox"/>		
Individual	Materials <input type="checkbox"/>	0	0
	Equipment <input type="checkbox"/>		
	Printing <input type="checkbox"/>		
Library Literacy Regional Network	Space <input type="checkbox"/>	0	0
	Materials <input type="checkbox"/>		
	Equipment <input type="checkbox"/>		
Membership Organizations	Printing <input type="checkbox"/>	0	0
	Space <input type="checkbox"/>		



REPORTING

California State Library
Mid-Year Report FY 2003/2004

Name of Library: **Placentia Library District**

[Main Menu](#)

Mid-Year Financial Report for Fiscal Year 2003/2004

Budget Categories	Literacy Budget ?		Approved Bu		LL
			Adult Literacy Services	Families For Literacy	
	State Revenue	Other Revenue			
1. Salaries and Benefits	51194	133916	158110	10000	
2. Contract Staff	0	0	0	0	
3. Operations	0	16500	16500	0	
4. Library Materials (circulate)	0	0	0	0	
5. Library Materials (giveaway)	0	5000	0	2000	
6. Equipment (\$5K+)	0	0	0	0	
7. Indirect Costs (not to exceed 10%)	0	0	0	0	
Total	51194	155416	174610	12000	
Grand Total:	206610				

Budget Categories	Expended Funds for Mid-Year Report ?		Expenditures		
	State Revenue	Other Revenue	Adult Literacy Services	Families For Literacy	LLABS
1. Salaries and Benefits	26000	41000	62000	5000	0
2. Contract Staff	0	0	0	0	0
3. Operations	0	9000	9000	0	0
4. Library Materials (circulate)	0	0	0	0	0
5. Library Materials (giveaway)	0	4500	2500	2000	0
6. Equipment (\$5K+)	0	0	0	0	0
7. Indirect Costs (not to exceed 10%)	0	0	0	0	0
Total Expended	26000	54500	73500	7000	0
Grand Total Expended:	80500				
Back		Save and quit			

NOTICE

MARK YOUR CALENDAR!

Independent Special Districts of Orange County
QUARTERLY MEETING

Luncheon Meeting

Thursday, April 29, 2004

11:30 a.m.

MWDOC Headquarters
10500 Ellis Avenue, Fountain Valley
(Ellis & Ward)

SPEAKER:

Ken Lee, LAFCO Staff

Luncheon Charge: \$12.00

\$15.00 without a reservation

RSVP DEADLINE: Friday, April 23, 2004

It is imperative that reservations be made by the deadline,
Otherwise the cost is \$15.00. **NO EXCEPTIONS!**

Representation from your Special District is important to vote on the Independent Special District Selection Committee for a Regular Special District Member to LAFCO. The Committee is comprised of the presiding officer of each Independent Special District or a designated alternate. (Proof indicating Board action for the designation must be provided.)

Joan Finnegan at 949-548-3690

Make checks payable to ISDOC

Mail check to:

Joan Finnegan

258 Sherwood Street

Costa Mesa, CA 92627



ANAHEIM
REDEVELOPMENT
AGENCY

April 2, 2004

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Elizabeth Minter
Director - Placentia Library District
411 E. Chapman Avenue
Placentia, CA 92870

**SUBJECT: Preliminary Report for the Proposed Amendments to the
Redevelopment Plans Merging the Alpha, River Valley, Plaza,
Commercial/Industrial, West Anaheim Commercial Corridors, and
Stadium Redevelopment Projects**

Dear Ms. Minter:

On January 23, 2004, I sent you a letter indicating the Anaheim Redevelopment Agency's ("Agency") intention to merge its six existing project areas. The proposed merger is an administrative change to the management of the Agency's redevelopment project areas. Proceeding to effect the merger ("Merger") of the Redevelopment Plans for the Alpha, Stadium, Commercial/Industrial, Plaza, River Valley and West Anaheim Commercial Corridor Redevelopment Projects (together, "Project Areas") have been initiated. The proposed Merger does not change or add to the boundaries of the existing Project Areas or change any of the financial or time limits currently in effect and as stated in the Redevelopment Plans for the respective Projects.

The Merger will allow the Agency to combine the tax increment revenue from the existing Project Areas and allocate the revenues throughout the Merged Project Area that will best facilitate the revitalization of blighted areas through increased economic vitality, and increased and improved housing opportunities. The proposed Merger will also allow the Agency to maximize efficiency in the implementation of the Agency's redevelopment program. In addition to the proposed Merger, by Amendment of the Alpha Redevelopment Plan, the text of the Redevelopment Plan for the Alpha Redevelopment Project is being revised to ensure that the land use provisions of the Alpha Redevelopment Plan are, and continue to be, consistent with the City's General Plan, as may be amended from time to time.

Preliminary Report Transmittal
to Taxing Entities
April 2, 2004
Page 2

On March 30, 2004, the Agency, by Resolution No. ARA2004-3, approved the Preliminary Report prepared for the proposed Amendments and authorized Agency staff to transmit a copy of the Preliminary Report to all affected taxing entities in accordance with Section 33344.5 of the California Community Redevelopment Law ("CCRL"). The enclosed Preliminary Report is provided for the purpose of facilitating consultations pursuant to CCRL Section 33328. The Agency, over the next month, will transmit the Report to the City Council to all affected taxing entities regarding the adoption of the proposed Amendments as required by the CCRL.

If you have any questions regarding the proposed Merger Amendments or would like to schedule a consultation meeting, please contact Ms. Ramona Castañeda, Project Manager at (714) 765-4318.

Sincerely,



Elisa Stipkovich
Executive Director

Attachment

**PRELIMINARY REPORT
for the
MERGER OF THE
ANAHEIM REDEVELOPMENT PROJECTS**

Prepared for:

ANAHEIM REDEVELOPMENT AGENCY

MARCH 2004

Prepared by:

Keyser Marston Associates, Inc.
500 South Grand Avenue, Suite 1480
Los Angeles, California 90017

1660 Hotel Circle North, Suite 716
San Diego, California 92108

Golden Gateway Commons
55 Pacific Avenue Mall
San Francisco, California 94111

TABLE OF CONTENTS

I. INTRODUCTION..... 1

A. PRELIMINARY REPORT PURPOSE AND CONTENTS..... 1

B. BACKGROUND 2

 1. *Redevelopment Project Alpha (Proposed Eighth Amendment)* 2

 2. *River Valley Redevelopment Project (Proposed Sixth Amendment)*..... 4

 3. *Commercial/Industrial (Proposed Third Amendment)*..... 5

 4. *Plaza Redevelopment Project (Third Amendment)*..... 5

 5. *West Anaheim Commercial Corridors Redevelopment Project (Fourth Amendment)*... 6

 6. *Anaheim Stadium Redevelopment Project (First Amendment)*..... 6

C. GOALS AND OBJECTIVES 7

D. AGENCY ACCOMPLISHMENTS 8

II. REASONS FOR AMENDING THE REDEVELOPMENT PLANS 12

A. MERGER AMENDMENT 12

B. LAND USE AMENDMENT TO THE ALPHA REDEVELOPMENT PLAN..... 12

III. PROPOSED PROJECTS AND PROGRAMS..... 14

A. REDEVELOPMENT PROGRAMS 15

 1. *Commercial Upgrade and Expansion Program* 15

 2. *Industrial Upgrade and Expansion Program*..... 15

 3. *Public Facility Improvements Program*..... 15

 4. *Infrastructure Improvements Program*..... 16

 5. *Affordable Housing Program* 16

IV. PRELIMINARY ASSESSMENT OF PROPOSED METHOD OF FINANCING, ECONOMIC FEASIBILITY, AND REASONS FOR INCLUDING DIVISION OF TAXES PURSUANT TO SECTION 33670 18

A. ESTIMATED TOTAL PROJECT COSTS 18

B. FINANCING METHODS AVAILABLE TO THE AGENCY 20

C. PROPOSED FINANCING METHOD, ECONOMIC FEASIBILITY, AND REASONS FOR INCLUDING TAX INCREMENT FINANCING 22

Figure

1. Anaheim Redevelopment Project Areas.....3

I. INTRODUCTION

A. PRELIMINARY REPORT PURPOSE AND CONTENTS

This Preliminary Report ("Report") for the proposed adoption of the merger amendments ("Amendments" or "Merger") to the existing Redevelopment Plans ("Redevelopment Plans" or "Plans") for the Redevelopment Project Alpha, River Valley Redevelopment Project, Commercial/Industrial Redevelopment Project, Plaza Redevelopment Project, West Anaheim Commercial Corridors Redevelopment Project, and the Anaheim Stadium Redevelopment Project ("Project Areas", "Projects" or "Merged Project Area") has been prepared by the Anaheim Redevelopment Agency ("Agency") to fulfill the requirements of Sections 33486, 33457.1, 33354.6 and 33344.5 of the Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*, the "CRL"). As discussed in the following section, the purpose of the proposed Amendments is to combine tax increment revenues from the Project Areas and allocate the revenues throughout the entire Merged Project Area. The Merger will also facilitate the revitalization of blighted areas through increased economic vitality, increase and improve housing opportunities, and streamline administrative activities related to reporting requirements. In addition, by amendment of the Redevelopment Plan for the Redevelopment Project Alpha, the text of the Alpha Redevelopment Plan is being revised to ensure that the land use provisions of the Alpha Redevelopment Plan are, and continue to be, consistent with the City's General Plan, as it exists and as it may be amended from time to time.

Section 33354.6(a) of the CRL requires that when an agency proposes to amend a redevelopment project that utilizes tax increment to add territory to a project area; to increase either the limitation on the number of dollars (tax increment limit) to be allocated to the redevelopment agency or the time limit on establishing loans, advances, and indebtedness (debt establishment); to lengthen the period during which the Plan is effective (plan effectiveness); **to merge projects**, or to add significant additional capital improvement projects; an agency shall follow the same procedures it would for the adoption of a plan.

Section 33486 of the CRL provides a merger may proceed by amendment of each redevelopment plan as provided in Article 12 (commencing with CRL Section 33450). Section 33457.1 of the CRL provides that "[t]o the extent warranted by a proposed amendment to a redevelopment plan, (1) the ordinance adopting an amendment to the redevelopment plan shall contain the findings required by Section 33367..." Therefore, because the Agency is proposing to merge projects, which is a technical amendment, the Agency will follow applicable provisions, to the extent warranted, of CRL Sections 33320.1, *et seq.* and 33450, *et seq.* Pursuant to Section 33457.1 of the CRL, the Merger of the Projects does not and will not require re-establishing blight or demonstrating that significant blight remains within the Project Areas.

The amendment to the Alpha Redevelopment Plan to ensure consistency with the General Plan is also a technical amendment, and therefore does not require that the Agency make blight or financial feasibility findings. Furthermore, the Agency when changing land uses or merging project areas does not require certain documents and actions required when adopting a redevelopment plan, such as the preparation and adoption of a preliminary plan (CRL Section 33322) establishing project area boundaries.

As part of the process of amending the Plans, the CRL requires that specific information be provided to taxing agencies and officials ("affected taxing entities") prior to adoption of the proposed Amendments. Such information includes, the Preliminary Report required by Section 33344.5, with discussion and sections included to the extent warranted by Section 33457.1. This Preliminary Report includes: 1) the reasons for amending the Redevelopment Plans to merge the Project Areas and amend the land use provisions in the Alpha Redevelopment Plan; 2) a description of the on-going projects and programs proposed by the Agency for the Merged Project Area; and 3) a preliminary assessment of the method of financing the redevelopment of the Merged Project Area, including an assessment of the continued economic feasibility of the Projects after merging the Project Areas.

B. BACKGROUND

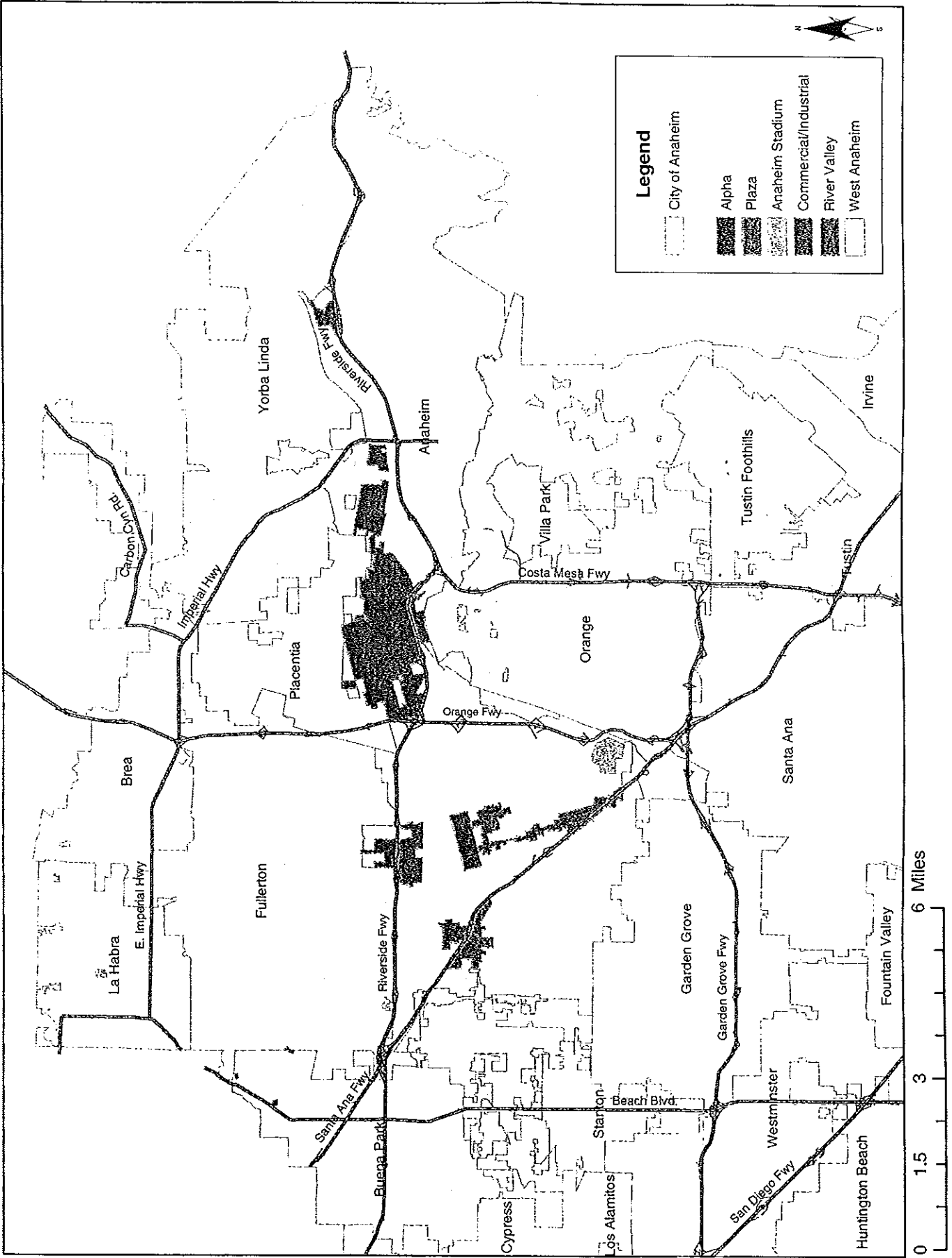
The Agency is in charge of implementing redevelopment within the City of Anaheim. As previously stated, the Agency is proposing to merge all six (6) of the City's redevelopment project areas (Redevelopment Project Alpha, River Valley Redevelopment Project, Commercial/Industrial Redevelopment Project, Plaza Redevelopment Project, West Anaheim Commercial Corridors Redevelopment Project, and the Anaheim Stadium Redevelopment Project) into one Merged Project Area. In total, the Merged Project Area will contain approximately 4,967 acres, which comprises approximately 16 percent of the total acres located in the City. Figure 1 shows the boundaries of the Project Areas, which are located primarily in the western and central portions of the City. The following is an overview of the Redevelopment Projects:

1. Redevelopment Project Alpha (Proposed Eighth Amendment)

The Redevelopment Project Alpha was adopted by the City Council on July 19, 1973 by Ordinance No. 3190. The project area is comprised of two (2) non-contiguous areas including 200-acre area in the Downtown and 2,169-acre area located in the City's primary industrial area, three miles northeast of Downtown. The Downtown area is bounded by Cypress Street on the north, Harbor Boulevard on the west, East Street on the east, and Broadway on the south. The industrial area northwest of Downtown is

FIGURE 1

Anaheim Redevelopment Project Areas



generally bounded by the 57 Freeway on the west, Orangethorpe Avenue on the north, La Palma Avenue on the south, and Imperial Highway on the east. Land uses within the project area are designated general commercial, general industrial and residential and by this Amendment are proposed to track and conform with the City's General Plan. The Alpha Redevelopment Plan has been amended seven times. The City Council adopted the first amendment to the Alpha Redevelopment Plan on July 20, 1976 by Ordinance No. 3567, to delete portions of the industrial area from the project area boundaries. The second amendment to the Alpha Redevelopment Plan was adopted on November 30, 1976 by Ordinance No. 3631, which modified land uses within the Downtown area. The third amendment to the Alpha Redevelopment Plan adopted on January 2, 1982 by Ordinance No. 4300, further modified specific land uses within the Downtown area. The fourth amendment adopted by the City Council on December 16, 1986 by Ordinance No. 4786, made modifications to the Alpha Redevelopment Plan as required by the Legislature which established certain fiscal and time limitations. The fifth amendment was adopted by the City Council on December 13, 1994 by Ordinance No. 5468, establishing certain time limits in compliance with Assembly Bill 1290 ("AB 1290"). The sixth amendment was adopted by the City Council on December 16, 2003 by Ordinance No. 5895, and extended the time limit of the Alpha Redevelopment Plan effectiveness, payment of incurred indebtedness, and receipt of tax increment by one year in accordance with Senate Bill 1045 ("SB 1045"). The seventh amendment adopted by the City Council on January 27, 2004 by Ordinance No. 5899, deleted the time limit to incur debt in the Alpha Redevelopment Plan pursuant to Senate Bill 211 ("SB 211"). The proposed Merger and technical language amendment regarding General Plan consistency will be the eighth amendment to the Alpha Redevelopment Plan.

2. River Valley Redevelopment Project (Proposed Sixth Amendment)

The River Valley Redevelopment Project was adopted by the City Council on November 29, 1983 by Ordinance No. 4463. The project area is comprised of 160 acres located near Anaheim's eastern City limit. Major roadways traversing this project area include the 91 Freeway, Weir Canyon Road, and La Palma Avenue. Land uses within the project area are designated general commercial, general industrial, and open space. The River Valley Redevelopment Plan has been amended five times. The City Council adopted the first amendment to the River Valley Redevelopment Plan on February 6, 1990 by Ordinance No. 5091, to modify land uses. The second amendment adopted on December 13, 1994 by Ordinance No. 5467, established certain time limits in compliance with AB 1290. The third amendment, adopted by the City Council on December 19, 2000 by Ordinance No. 5751, modified land uses to track and be consistent with the City's General Plan. The fourth amendment was adopted by the City Council on December 16, 2003 by Ordinance No. 5895, and extended the time limit of the River Valley Redevelopment Plan effectiveness, payment of incurred indebtedness, and receipt of tax increment by one year in accordance with SB 1045. The fifth

amendment adopted by the City Council on January 27, 2004 by Ordinance No. 5899, deleted the time limit to incur debt in the River Valley Redevelopment Plan pursuant to SB 211. The proposed Merger will be the sixth amendment to the River Valley Redevelopment Plan.

3. Commercial/Industrial (Proposed Third Amendment)

The Commercial/Industrial Redevelopment Project was approved and adopted by the City Council on December 21, 1993 by Ordinance No. 5415. The project area consists of 882 acres and is comprised of two (2) non-contiguous areas, the North Central Industrial Area (405 acres) and the South Anaheim Boulevard Commercial/Industrial Corridor (477 acres). The North Central Industrial Area is generally bounded by La Palma Avenue on the south, Harbor Boulevard and Lemon Street on the west, Orangethorpe Avenue on the north, and East Street on the east. The South Anaheim Boulevard Commercial/Industrial Corridor includes the businesses fronting along the length of Anaheim Boulevard from Broadway on the north to Orangewood Avenue on the south, as well as a heavy industrial zone generally bounded by Santa Ana Street on the north, Olive Street on the west, Vermont Street on the south and East Street on the east. Land uses designated within the project area include residential, general commercial, commercial professional, general industrial, and business office/service/industrial. Subsequent to the adoption of the Commercial/Industrial Redevelopment Plan, the City Council adopted the first amendment to the Commercial/Industrial Redevelopment Plan on December 13, 1994 by Ordinance No. 5464, which established certain time limits in compliance with AB 1290. The second amendment adopted by the City Council on December 16, 2003 by Ordinance No. 5895, extended the time limit of the Commercial/Industrial Redevelopment Plan effectiveness, payment of incurred indebtedness, and receipt of tax increment by one year in accordance with SB 1045. The proposed Merger will be the third amendment to the Commercial/Industrial Redevelopment Plan.

4. Plaza Redevelopment Project (Third Amendment)

The Plaza Redevelopment Project was approved and adopted by the City Council on June 12, 1990 by Ordinance No. 5136. The Project Area is comprised of 350 acres located near the central portion of the City and is bisected by Interstate 5. Primary uses in the area include commercial, retail, office, and industrial land uses. The Plaza Redevelopment Plan has been amended twice on December 13, 1994 by Ordinance No. 5465, which established certain time limits in compliance with AB 1290, and on December 16, 2003 by Ordinance No. 5895, which extended the time limit of the Plaza Redevelopment Plan effectiveness, payment of incurred indebtedness, and receipt of tax increment by one year in accordance with SB 1045. The proposed Merger will be the third amendment to the Plaza Redevelopment Plan.

5. West Anaheim Commercial Corridors Redevelopment Project (Fourth Amendment)

The West Anaheim Commercial Corridor Redevelopment Project includes two areas, the original 316-acre Brookhurst Commercial Corridor Redevelopment Project (adopted by the City Council on December 7, 1993 by Ordinance No. 5412), encompassing the commercial corridor of Brookhurst Avenue between La Palma and Orange Avenues, and 731 acres of frontage along the commercial corridors in the West Anaheim area located south of the Santa Ana Freeway, generally between Magnolia and Knott Avenues. Streets within the West Anaheim area include Lincoln Avenue, Knott Avenue, Magnolia Avenue, Western Avenue, Orange Avenue, W. La Palma Avenue, S. Beach Boulevard, and Ball Road. The 731-acre West Anaheim area was added to the Brookhurst Avenue Redevelopment Project on June 23, 1998 by Ordinance No. 5637, and the combined amended area was renamed the West Anaheim Commercial Corridors. General Plan land uses along Brookhurst include residential, general commercial, commercial professional, general industrial, and public. The General Plan land use designations in the balance of the West Anaheim Commercial Corridors area includes residential, general commercial, commercial professional, general industrial and public. The West Anaheim Commercial Corridors Project was amended by the City Council on December 13, 1994 by Ordinance No. 5466, to establish certain time limits in compliance with AB 1290, and again in 1998 to add the West Anaheim Commercial Corridors to the Brookhurst Avenue Project Area. The third amendment adopted by the City Council on December 16, 2003 by Ordinance No. 5895, extended the time limit of the West Anaheim Commercial Corridors Redevelopment Plan effectiveness, payment of incurred indebtedness, and receipt of tax increment by one year in accordance with SB 1045. The proposed Merger will be the fourth amendment to the West Anaheim Commercial Corridors Redevelopment Plan.

6. Anaheim Stadium Redevelopment Project (First Amendment)

The Anaheim Stadium Project Area contains 159 acres of land including Anaheim Stadium facility and surrounding parking areas owned by the City of Anaheim. A recovery plan was adopted for the Anaheim Stadium Redevelopment Project by the City Council on August 9, 1994 by Ordinance No. 5442, in response to damage caused by the Northridge earthquake on January 17, 1994, pursuant to the Community Redevelopment Financial Assistance and Disaster Project Law, Section 34000 *et seq.* of the Health and Safety Code. The proposed Merger will be the first amendment to the Anaheim Stadium Redevelopment Plan.

C. GOALS AND OBJECTIVES

The Agency's Second Five-Year (1999-2004) AB 1290 Implementation Plan ("Five-Year Implementation Plan") outlines various redevelopment plan goals and objectives for each of the Project Areas. In general, the goals and objectives for the Merged Project Area includes, but are not limited to:

- Eliminate blighting conditions through abatement, compliance, or elimination of incompatible uses and inadequate lot sizes through reconstruction and assembly of parcels into more developable sites for more compatible uses.
- Provide opportunities for participation by owners and tenants in the revitalization of their properties.
- Rehabilitation or removal of substandard and deteriorating buildings.
- Consolidate parcels suitable for modern integrated development.
- The revitalization of the City's Downtown area and the utilization of underdeveloped properties in the attraction of commerce and jobs to the City.
- An improved system of vehicle and pedestrian traffic.
- Construction of public improvements and infrastructure required to permit development to proceed.
- The elimination of certain public improvements, facilities and environmental deficiencies, including substandard vehicular circulation systems; inadequate water, sewer and storm drainage systems; insufficient off-street parking; and other similar improvements, facilities and utility deficiencies.
- Replan, redesign and encourage development of underutilized areas.
- The establishment of modern, convenient industrial and commercial areas to serve the needs of the City.
- Create and develop local job opportunities and preserve the area's existing employment base.
- Provide for increased sales, business license, hotel occupancy and other fees, taxes and revenues to the City.

- The expansion of the community's supply of housing, including opportunities for very low-, low, and moderate income households.
- Rehabilitate and develop low and moderate income housing.
- The provision of walls and landscaping to create a buffer between commercial/ industrial properties and residential areas.
- The reduction in crime and graffiti through coordination of efforts with property owners, residents, businesses, the Anaheim Police Department, and the Anaheim Code Enforcement Division.
- The elimination of drug, prostitution and other criminal activities and uses.
- The provision of additional parks or improve existing parks and open space and ensure they are clean, safe, and desirable places for use by the community.
- The provision for tax increment to provide funds as necessary to finance public improvements and development programs which cannot be accomplished through existing publicly funded programs or by the private sector acting alone to eliminate blighting influences.

D. AGENCY ACCOMPLISHMENTS

The Agency has been actively involved in community redevelopment since the adoption of Redevelopment Plan for Project Alpha in 1973. Since that time, the Agency has consistently focused on the elimination of blight, facilitation of economic development, and improving, increasing, preserving and maintaining affordable housing. In all, the Agency has invested over hundreds of millions of public dollars to facilitate commercial, residential and public infrastructure projects, which has resulted in excess of billions in private development in the Project Areas. The following is a summary of the Agency's accomplishments:

- Construction of 770,000 square feet of new commercial space and rehabilitation of 127,000 square feet of commercial space;
- Construction of 993,000 square feet of new industrial space and rehabilitation and expansion of 704,000 square feet of industrial space;
- Caused the creation of 5,300 new jobs as a result of redevelopment activities; and

- Caused rehabilitation and/or development of 824 affordable housing units.

The most recent notable accomplishments are the following completed and/or ongoing projects:

RESIDENTIAL DEVELOPMENT

- **Tyrol Plaza** – 60-unit affordable senior project under construction
- **Historic Broadway Homes** – Restoration of three single-family homes underway
- **Linbrook** – Completed 81-unit senior affordable housing project
- **Solara Court** – Completed 132-unit senior affordable housing project
- **Casa Alegre** – Completed 23-unit affordable special needs housing project
- **Brookfield Homes** – 32 single-family attached and 50 detached units under construction
- **Cherry Orchard** – Entitled 84-unit affordable senior motel conversion housing project
- **Presidential Tract** – Acquisition underway of property for an affordable for-sale 34-unit condominium project
- **John Laing Homes** – 36 affordable attached and 20 single-family for-sale units under construction
- **Vine Street** – Entered into negotiation agreement for a 60-unit affordable multi-family rental housing project
- **Kwikset** – Entered into development agreement for 138 single-family and 211 multi-family housing units with demolition underway

COMMERCIAL DEVELOPMENT

- **Lincoln & East** – Completed restoration of two historic buildings for commercial reuse
- **Filling Station** – Completed reuse of 5,000 square foot restaurant
- **BOVA Contracting Company** – New construction of 12,000 square foot building
- **Bassani Manufacturing** – New construction of 14,000 square foot building

- **Harris Freeman** - New construction of 15,000 square foot building
- **Westgate** – New construction of a 275,000 square foot shopping center
- **Northeast corner of Euclid and Crescent** – Completed repositioning and rehabilitation of 140,000 square foot commercial center
- **Northwest corner of Euclid and Crescent** – Completed rehabilitation of 133,000 square foot retail center
- **Anaheim Plaza** – Completed plans for construction of 5,200 square foot commercial building
- **Kinsbursky Brothers** – Completed 70,000 square foot industrial expansion
- **Northwest corner of Elm and Anaheim Boulevards** – Entered into development agreement for restoration and commercial reuse of historic building
- **Auto Dealer** – Completed concept plans for relocation and expansion of an existing auto dealer

MIXED-USE DEVELOPMENT

- **CIM Project** – Started construction on first phase of 472 market-rate high density rental apartments and 120 for-sale lofts, completed concept design for parking structures, and entitled 60,000 square feet of retail space
- **Historic Five Points Building** – Entered into development agreement to restore historic building to include four affordable residential units and 7,000 square feet of retail space
- **Packing House Block** – Entered into negotiation agreement for historic adaptive reuse and a 60-unit for-sale loft residential mixed-use project

OTHER/PUBLIC IMPROVEMENTS

- **Canyon Identification Signs** – Completed installation of identification signs
- **Lincoln Avenue** – Phase II widening completed
- **Freeway Landscaping Improvements** – Completed SR91 and SR57 Freeway overlay planting in conjunction with CalTrans
- **Utility Undergrounding** – Construction underway of utility undergrounding at Lincoln Avenue and Rose Street
- **Friendship Plaza** – Completed perimeter stonework, signage, and installation of two walkway pergolas

- **Philadelphia Street Public Parking Lot** – Completed construction drawings
- **Weir Canyon/Savi Ranch** – Completed traffic improvement feasibility analysis
- **Euclid and Lincoln** - Completed landscape improvements at intersection and median
- **West Anaheim Basin** – Completed Master Sewer Study
- **West Anaheim Community Center and Police Station** – Completed plans for construction of facilities
- **Commercial Street Beautification** – Completed construction of street beautification in conjunction with NorCal Beverage expansion
- **SR91 and Lemon Street Beautification** - Completed construction of street beautification in conjunction with Kinsbursky Brothers expansion
- **Central Anaheim Basin** – Completed master plan for drainage
- **Lemon/Water Phase II** – Completed utility, street and alley improvements
- **Santa Ana Street Revitalization** – Completed design development drawings for Santa Ana Street conversion from industrial to residential character between Harbor and East
- **Anaheim Boulevard Improvements**– Completed median and landscape improvements south of Cerritos

II. REASONS FOR AMENDING THE REDEVELOPMENT PLANS

The Agency is proposing to amend the Redevelopment Plans to 1) merge the existing Project Areas, and 2) to insure the land use provisions within the Alpha Redevelopment Plan track and are consistent with the City's General Plan.

A. MERGER AMENDMENT

Section 33485 *et seq.* of the CRL allows for merger of redevelopment project areas as a matter of public policy if they will result in substantial benefit to the public, and if they contribute to the revitalization of the Project Areas through the increased economic vitality of such areas and through increased and improved housing opportunities in or near such areas. The CRL also provides that redevelopment project areas, under the jurisdiction of a redevelopment agency, may be merged without regard to contiguity of the areas, by the amendment of each affected redevelopment plan. Furthermore, with certain exceptions, taxes attributable to each project area merged that are allocated to the redevelopment agency may be allocated to the entire merged project area for the purpose of paying the principal of, and interest on, indebtedness incurred by the redevelopment agency to finance or refinance, in whole or in part, the merged redevelopment project.

Proposed Merger of the Project Areas is a technical amendment that will allow the Agency to combine revenues from the six separate Project Areas. The Merger will also allow the Agency to prioritize spending of available tax increment revenue in order to maximize efficiency in the implementation of the Agency's redevelopment program. The Agency's redevelopment program will continue to be those activities identified in its Five-Year Implementation Plan (currently 1999-2004). The proposed Merger will have a substantial benefit to the public by allowing the Agency to combine tax increment revenues from the Project Areas and reallocate the revenues throughout the entire Merged Project Area. The Merger will also facilitate the revitalization of blighted areas through increased economic vitality, increase and improve housing opportunities, and streamline administrative activities related to reporting requirements. The proposed Merger will not allow the Agency to collect any additional tax increment beyond the limits identified in each of the Redevelopment Plans. No increase in any financial limit or extension of any time limit is proposed as part of the Amendments.

B. LAND USE AMENDMENT TO THE ALPHA REDEVELOPMENT PLAN

As previously discussed, the Alpha Redevelopment Plan was adopted in 1973 and has since been amended five times to delete territory, modify land uses, and establish certain fiscal and time limitations. In order to track and maintain the Redevelopment

Plan's consistency with the City's General Plan, the Agency is proposing to amend the Alpha Redevelopment Plan by deleting Sections 401 through 408 that identify specific land uses and by replacing the language with the directive that the Redevelopment Plan land uses will track and be consistent with those identified in the General Plan as it exists and as it may be amended from time to time. This change is consistent with language currently within all Redevelopment Plans.

III. PROPOSED PROJECTS AND PROGRAMS

In the past, the Agency has implemented separate programs in each of the six redevelopment Project Areas. The Agency's existing Five-Year Implementation Plan includes all of the six Project Areas within this single document and outlines the projects and programs for each of the six Project Areas. With the proposed Merger, the Agency will be able to consolidate the projects and programs for each of the six Project Areas into one set of projects and programs for all six Project Areas that will be funded from the combined tax increment from the Merged Project Area. The Agency is not adding any new projects and programs and the existing Five-Year Implementation Plan will continue to be the implementation plan for the Merged Project Area. How and which programs are implemented within the Merged Project Area depends on the needs and objectives within the Merged Project Area and will be determined by the Agency and will continue to be identified in each subsequent Five-Year Implementation Plan.

Due to the lengthy timeframe for implementing a redevelopment plan, the redevelopment program needs to be flexible and provide the capability to respond to changes and private sector interest in the Project Areas. The strategy to attain the goals and objectives is to use public investment to attract and stimulate private investment. The Agency uses legal agreements to form public-private partnerships leading to development of industrial sites, commercial centers, office buildings, and housing. The following description of projects and programs is presented for the Merged Project Area. As stated above, the Agency will continue to address the needs within the Merged Project Area as described in each subsequent Five-Year Implementation Plan. However, the Agency will approach community redevelopment from the perspective of how best to achieve the redevelopment objectives from a citywide basis.

Based upon the Agency's current Five-Year Implementation Plan, the proposed redevelopment program for the Merged Project Area includes five (5) programs, as follows: 1) Commercial Upgrade and Expansion; 2) Industrial Upgrade and Expansion; 3) Public Facility Improvements; 4) Infrastructure Improvements; and 5) Affordable Housing. Within Section IV of this Report (financial feasibility analysis), the above listed programs are considered within the cash flow analysis as discretionary funds since exact future allocation of Agency revenues for each of the redevelopment programs beyond the current Five-Year Implementation Plan period cannot be determined. The Agency will allocate the necessary funds for each program as needed over the remaining life of the Redevelopment Plans.

The programs are designed to address the most significant blighting conditions in the proposed Merged Project Area and provide additional housing opportunities. The most significant blighting conditions are reduced, further private sector investment will occur in the proposed Merged Project Area leading to maximum removal of blight. The Agency's program of redevelopment will therefore serve as a catalyst to remove blighting conditions and spur the preservation, improvement, creation and maintenance of affordable housing.

A. REDEVELOPMENT PROGRAMS

1. Commercial Upgrade and Expansion Program

The Commercial Upgrade and Expansion Program will consist of three primary components that include site assembly, commercial rehabilitation and complementary infrastructure improvements. Agency involvement in site assembly may continue to be necessary for the revitalization of the Merged Project Area to occur. The Agency's efforts in this program will provide expansion opportunities to existing businesses as well as encourage the revitalization of the proposed Merged Project Area through new commercial development. The Agency may continue its commercial rehabilitation program in the proposed Merged Project Area by assisting businesses through the provision of loans for minor and major structural rehabilitations. Finally, the Agency proposes a concurrent program of upgrading existing infrastructure systems to enable and facilitate development of certain commercial sites.

2. Industrial Upgrade and Expansion Program

The Industrial Upgrade and Expansion Program will consist of four primary components and include site assembly, tenant assistance, industrial rehabilitation, and complementary infrastructure improvements. Agency involvement in a site assembly program may be necessary to provide expansion opportunities to existing industrial businesses, and encourage new industrial investment in the Merged Project Area. In order to encourage industrial businesses to remain in the Merged Project Area, the Agency may implement the establishment of tenant assistance incentives. The Agency also proposes an Industrial Rehabilitation Program, to address the physical blighting conditions within the Merged Project Area. This proposed program will assist Merged Project Area industrial businesses through the provision of loans for minor and major structural rehabilitations. The Agency proposes a concurrent program of upgrading existing infrastructure systems to enable and facilitate development of certain industrial sites. The Agency's involvement in these complementary infrastructure improvements includes transportation and circulation, storm drain, sewer and water system improvements.

3. Public Facility Improvements Program

Community-based projects focus on the need for new or improved community facilities such as parks, community centers, and related facilities. The Agency may participate financially in providing upgraded or new facilities that are of benefit to the Merged Project Area. In order to provide adequate public facilities in the proposed Merged Project Area, the Agency proposes to provide improvements within the Merged Project

Area. The Agency's involvement in a site assembly program may be necessary to provide expanded community and recreational facilities. To augment the public and recreational improvements, the Agency proposes a concurrent program of upgrading existing infrastructure systems serving these facilities. The Agency's involvement in these improvements includes transportation and circulation, storm drain, water and sewer system improvements.

4. Infrastructure Improvements Program

Infrastructure improvements include transportation and circulation improvements, storm drain improvements, sewer system improvements, water system improvements, and landscape and streetscape improvements. It is assumed that the major portion of the funding for these improvements would be paid by, or otherwise provided for by, a combination of the City, the Agency, developers and other public entities.

5. Affordable Housing Program

As required by State law, not less than 20 percent of the tax increment funds allocated to the Agency pursuant to CRL Section 33670 must be deposited into the housing fund ("Housing Fund") to be used to assist in increasing, improving, and preserving the City's supply of low and moderate income housing available at affordable housing cost. Most of the Agency's affordable housing requirements will be met through the development of the affordable housing within the Merged Project Area. The Agency has adopted resolutions for all Project Areas to allow expenditures from the Housing Fund to be used outside of Project Areas' boundaries. Therefore, money could be spent anywhere in the City depending on the need. The Agency will evaluate projects outside of the Merged Project Area to determine the overall merits and benefits to the Merged Project Area and to the Agency and City as a whole. The Agency in its current Five-Year (1999-2004) Implementation Plan has outlined four (4) primary programs related to affordable housing: 1) Developer Incentives to Promote Housing Development; 2) Home Ownership; 3) Rehabilitation – Neighborhood Preservation; and 4) Rental Assistance.

The Developer Incentives to Promote Housing Development Program involves incentives and concessions the Agency may provide to developers to offset increased costs associated with an affordable housing programs' requirements. The specific incentives and concessions may include the following: fund development fees, write-down land costs to developers, lease to developers Agency-owned property, provide pre-development loans/grants, provide off-site improvements, subsidize interest rates, allow transfer of affordable housing "credits", streamline development process, provide density bonus, bond financing, tax credits, and implementation of the Community Reinvestment Act in order to provide favorable financing for developers.

The intent of the Home Ownership Program is to provide affordable homeownership opportunities to assist low and moderate households transition into the homebuying market through some financial assistance and homebuyer education. The Agency has established a first-time home buyer assistance program.

The intent of the Neighborhood Preservation Program is to reach both owner-occupant and renter households throughout the City in order to stabilize transitional neighborhoods through improvement of existing residential structures and preservation of existing stock, which is usually more affordable to low and moderate income households. The Agency will leverage its Housing Funds to implement its Neighborhood Improvement Plan and eliminate blighting conditions in targeted neighborhoods by increasing on-site management, relocating tenants from overcrowded apartment units, rehabilitation of housing units, and infrastructure improvements. The Agency will also offer rehabilitation loans to homeowners for improvements, including plumbing and electrical repairs, roof repair/replacement, floor coverings and correction of health and safety code violations.

The Agency, in conjunction with the Anaheim Housing Authority, will continue to provide rental assistance to meet the needs of very low-income households who are either homeless or "at risk" of homelessness. The City and the Agency believe that the most efficient and cost effective means of reaching individuals and families who are homeless or at risk of homelessness is through the provision of financial and technical assistance to support facilities and programs which are designed and equipped with trained staff to meet the needs of this population.

IV. PRELIMINARY ASSESSMENT OF PROPOSED METHOD OF FINANCING, ECONOMIC FEASIBILITY, AND REASONS FOR INCLUDING DIVISION OF TAXES PURSUANT TO SECTION 33670

Sections 33485, *et seq.* and 33344.5(c) of the CRL provides that the Preliminary Report for the merger contain a preliminary assessment of the proposed method of financing the Merged Project Area, including an assessment of economic feasibility, and the reasons for including a provision for the division of taxes pursuant to Section 33670 of the CRL. Economic feasibility, for purposes of this analysis, is defined to be a comparative analysis of anticipated costs for implementation of projects and programs within the Merged Project Area and the resulting revenues expected to be generated. Economic feasibility is determined through a summarized feasibility cash flow analysis of the Project Fund for the Merged Project Area as summarized below. The Merged Project Area funds will allow flexibility in addressing the most pressing needs and respond to market forces more effectively.

A. ESTIMATED TOTAL PROJECT COSTS

A determination of economic feasibility requires an identification of the future resources to finance future costs associated with redevelopment of the Merged Project Area and the elimination of remaining blighting conditions. Redevelopment could require significant participation from the Agency in activities to promote and achieve the desired goals and objectives of the Redevelopment Plans.

The redevelopment program described in this section outlines a set of activities to be implemented by the Agency for the purpose of facilitating private reinvestment in the Merged Project Area, eliminating physical and economic blighting influences, and providing for affordable housing development. For purposes of this analysis, housing set aside revenues and their related expenditures are not incorporated on the cash flow summary below. The net present value increment revenues projected for the Merged Project Area over the term of the feasibility cash flow projection are \$479,323,000, of which \$95,865,000 would be deposited into the Housing Fund over the same time period. The estimated costs, expressed in net present value, of potential future redevelopment programs over the term of the cash flow projection¹ are as follows:

-Total Estimated Costs	\$383,458,000	NPV
Bond Debt Service	(136,893,000)	NPV
Educational Revenue Augmentation Fund (ERAF)	(19,429,000)	NPV
Pass-Through Obligations	(70,583,000)	NPV
Contractual Obligations	<u>(37,811,000)</u>	NPV
Projects, Programs, Activities	\$118,742,000	NPV

¹ The cash flow projections are based upon the analysis prepared by Keyser Marston Associates, Inc. dated March 11, 2004 on file with the Agency and incorporated herein by reference.

1. Bond Debt Service

The Agency will continue to make principal and interest payments on the 1992 Tax Allocation Revenue Bonds and the 1997 Tax Allocation Refunding Bonds.² The annual debt service is secured by tax increment revenues. While the Agency may elect to incur additional bonded indebtedness in the future, for purposes of this financial feasibility analysis no additional future bond issues are assumed in the feasibility projection.

2. ERAF

Chapter 260, Statutes of 2003, (SB 1045) requires redevelopment agencies to shift \$135 million in property tax revenues to K-12 schools and community colleges during the 2003-04 fiscal year. The shift of tax increment revenues will be placed into ERAF. SB 1045 provides that one-half of the ERAF obligation of the Agency is calculated based on the gross tax increment apportioned to the Agency and the other one-half of the ERAF obligation is calculated based on net tax increment revenues retained by the Agency (net of any pass-through payments to other taxing entities), as such tax increment revenues are reported in the Community Redevelopment Agencies Annual Report of the California State Controller for FY 2001-02.

The Agency will be required to allocate an ERAF payment to the County Auditor-Controller totaling \$1,586,000 on or before May 10, 2004. It is uncertain at the present time as to whether or not future ERAF payments will be required by the State. It is also not known whether the ERAF amounts will increase in future years. Therefore, for purposes of the feasibility projection, it is assumed that future ERAF payments will continue to be required by the Merged Project Area in subsequent fiscal years and reflect an assumed two percent annual increase over the current year requirement.

3. Pass-Through Obligations

The Agency entered into a series of pass-through agreements with various affected taxing agencies as the respective Project Areas were adopted. The merger will not affect the nature of the respective pass-through obligations nor the determination of the formula amounts that would otherwise be due to the respective taxing agencies (\$70,583,000 in net present value). The merger does not trigger any additional tax sharing obligations to the affected taxing agencies.

² The 2000 Tax Allocation Revenue Bonds, Series A and B are secured by Housing Set-Aside revenues and are therefore reflected in the feasibility cash flow as a credit against the annual Set-Aside.

4. Contractual Obligations

The Agency annually budgets for various existing contractual obligations unique to specific Project Areas as well as those of the Agency as a whole. These annual obligations include County administrative charges, economic development agreements, cooperative agreements with the City General Fund, and other obligations related to site-specific projects.

5. Projects, Programs, Activities

The Merged Project Area funds will allow flexibility in addressing the most pressing needs and respond to market forces more effectively. To the extent future tax increment revenues continue to be allocated to the Agency and exceed pre-existing debt service, pre-existing contractual obligations, administrative costs, pass-through obligations, and any ERAF requirements by the State, the financial feasibility analysis assumes that the Agency will exercise its discretion in funding and administering other future projects, programs or activities of benefit to the Merged Project Area. The anticipated projects, programs or activities that the Agency may undertake as future resources become available have been presented in this Report.

B. FINANCING METHODS AVAILABLE TO THE AGENCY

The Agency has the legal authority and flexibility to implement the revitalization of the Merged Project Area utilizing any or all of the following revenue sources: (1) city; (2) state; (3) federal government; (4) tax increment funds in accordance with provisions of the existing CRL; (5) new tax allocation bonds; (6) interest income; (7) loans from private financial institutions; (8) lease or sale of Agency-owned property; (9) donations; (10) developer payments and (11) any other legally available public or private sources.

Current provisions of the CRL provide authority to the Agency to create indebtedness, issue bonds, borrow funds or obtain advances in implementing and carrying out the specific intents of a redevelopment plan. The Agency is authorized to fund the principal and interest on the indebtedness, bond issues, borrowed funds or advances from tax increment revenue and any other funds available to the Agency. To the extent that it is able to do so, the City may also supply additional assistance through City loans or grants for various public facilities or other project costs.

1. Agency's Housing Fund

The feasibility cash flow reflects net present value increment revenues of approximately \$479,323,000 over the term of the cash flow. From this projected amount, \$95,865,000 would be deposited into the Agency's Housing Fund, resulting in a cumulative net tax increment revenue amount of \$383,458,000 in net present value. Although other funds

may be available to the Agency, the feasibility cash flow only reflects net tax increment revenues and the expenditure line items that are funded from tax increment. The estimated resources, expressed in net present value, are as follows:

Gross Housing Revenues	\$95,865,000	NPV
Housing Set-Aside:		
• Housing Bond Debt Service	(33,097,000)	NPV
• Housing Projects, Programs, Activities	(62,768,000)	NPV

2. Tax Increment Revenues and Housing Set Aside

The combined summary of tax increment revenues were projected for the Merged Project Area. Reported assessed values for each Project Area provide the basis for the respective tax increment projections (values as reported by the Orange County Auditor-Controller for FY 2003-04). Future tax increment revenues are based upon assumed increases in the annual incremental assessed valuation resulting from a real property annual inflationary increase allowable under Article XIII A of the California Constitution.

The net present value increment revenues projected for the Merged Project Area over the term of the feasibility cash flow projection are \$479,323,000, of which \$95,865,000 would be deposited into the Housing Fund over the same time period. Annual Housing Set Aside is allocated to fund the annual debt service required from the 1997 and 2000 Housing Bonds, and on-going housing administrative expenditures.

3. Housing Set Aside

The Agency is annually required to set aside and deposit not less than 20 percent of all tax increment revenues allocated to the Agency pursuant to CRL Section 33670 from the Merged Project Area into the low and moderate income Housing Fund for the purposes of increasing, improving and preserving the community's supply of low and moderate income housing available at affordable housing cost. Specific housing-related projects, programs and activities are not delineated in the feasibility cash flow, but assume that as housing set aside funds become available they are used by the Agency to fund such expenditures.



Costa Mesa Sanitary District

... an Independent Special District

Board of Directors

Arlene Schafer
Greg Woodside
James Ferriman
Art Perry
Dan Worthington

March 18, 2004

RE: Statement of Qualifications for Member of LAFCO Representing Special Districts

Dear ISDOC Member:

I have had the honor of serving on the Local Agency Formation Commission (LAFCO) representing Special Districts, and have been an active member on LAFCO. My track record speaks for itself.

My background and experience have given me a great opportunity to represent Special Districts. I have served as Mayor, Vice Mayor, City Council member and Planning Commissioner for the City of Costa Mesa. I am now President of Independent Special Districts (ISDOC) and President of the Costa Mesa Sanitary District. I have served as Alternate on LAFCO, Full Member and Chair of LAFCO. I attend all meetings to have a full understanding of subjects at hand. I feel I have represented all Special Districts to the best of my ability

I am now running for a reelection on LAFCO as a full member and my Board has given me 100% support. At this time I am asking for your vote so I may continue to serve you. I feel I have a good background and understanding of land use planning and issues concerning Special Districts and LAFCO.

I enlist your support. Please attend the April 29, 2004 meeting and vote for me, Arlene Schafer, a representative you can be proud of.

Sincerely,

Arlene Schafer
President
Costa Mesa Sanitary District

Staff

Robin B. Hamers
Manager

District Engineer
(949) 681-1731

Thomas A. Fauth
Assistant Manager
(714) 754-5043

Jean Renik
Clerk of the District
(714) 754-5087

Fax

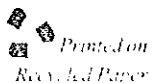
(714) 432-1436

Mailing Address

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92628-1200

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77 Fair Drive
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March 18, 2004

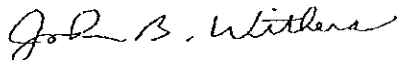
TO: Independent Special Districts of Orange County

We have had the experience of serving on LAFCO with Commissioner Arlene Schafer, representing Special Districts.

We are asking you to give Arlene a vote of support for reelection. She has been a very active member on LAFCO and served as Chair, Vice Chair and is currently immediate Past Chair. Arlene has an outstanding background in government and represents Special Districts very well on LAFCO.

We enjoy working with Arlene and she is easy to communicate with. Her term is up and we look to you to reelect a good member of our team.

Sincerely,



John B. Withers
LAFCO Commissioner



Charley Wilson
LAFCO Commissioner

California State Library
Library Services and Technology Act (LSTA)
Global Languages Materials Grant Program
Fiscal Year 2004/2005

APPLICATION

Submit ORIGINAL and four (4) copies by 4:00 p.m. on May 6, 2004 to: California State Library, Attn: Global Languages Materials Grant Program, P.O. Box 942837, Sacramento, CA 94237-0001. (Street address: 900 N Street – Suite 500, Sacramento, CA 95814; Telephone 916-653-5217)

1. Library/Jurisdiction: Placentia Library District

Contact person: Elizabeth D. Minter, M.L.S. Title: Library Director

Mailing address: 411 E. Chapman Ave.

City: Placentia Zip Code +4: 92870-6198

Phone: (714) 528-1925 ext. 212 Fax: (714) 528-8236

Email: administration@placentialibrary.org

2. What underserved language group(s) do you intend to target?

Our target language groups are native speakers of Korean, Chinese, Vietnamese, and Spanish. These language groups reflect those currently seeking literacy tutors. We will reassess and revise our target language groups, if necessary, before we order materials with Global Language Grant funds.

3. How did you determine your library currently under serves the targeted language group(s)?

The Placentia Library District has a literacy service which offers English language tutoring to members of the community. The native languages that are targeted represent those who are presently in the literacy program and those who are requesting tutoring services.

Project: Global Languages Materials Grant Program
Library/Jurisdiction:

6. On behalf of (library jurisdiction) the Placentia Library District, I will accept a Library Services and Technology Act grant award of \$6,000 for the Global Languages Materials Grant Program of 2004/2005. I agree to the conditions of this award and stipulate that the funds will be used for the purchase of materials that meet the needs of our immigrant population(s), and that materials will be processed and made available promptly. I understand that all funds must be expended by June 30, 2005, or returned to the State Library.

Signature:  Date: April 22, 2004

Director name: Elizabeth D. Minter, M.L.S. Phone: (714) 528- 1925
ext. 202

Fax: (714) 528-8236 Email: administration@placentialibrary.org

Library/Jurisdiction: Placentia Library District

Mailing address: 411 E. Chapman Ave.

City: Placentia Zip code +4: 92870-6198





April 19, 2004

CHAIR
CHARLES V. SMITH
Supervisor
First District

VICE CHAIR
SUSAN WILSON
Representative of
General Public

RANDAL J. BRESSETTE
Councilmember
City of Laguna Hills

BILL CAMPBELL
Supervisor
Third District

PETER HERZOG
Councilmember
City of Lake Forest

ARLENE SCHAFER
Director
Costa Mesa
Municipal District

JOHN B. WITHERS
Director
Irvine Ranch Water
District

ALTERNATE
ROBERT BOUER
Councilmember
City of Laguna Woods

ALTERNATE
RHONDA MCCUNE
Representative of
General Public

ALTERNATE
JAMES W. SILVA
Supervisor
Second District

ALTERNATE
CHARLEY WILSON
Director
Santa Margarita
Water District

BOB ALDRICH
Acting Executive Officer

Elizabeth D. Minter, Library Director
Placentia Library District of Orange County
411 East Chapman Avenue
Placentia, CA 92870-6198

Subject: Proposed LAFCO Budget Allocations for FY 2004-2005

Dear Ms. Minter:

On April 14, 2004, Orange County LAFCO adopted a proposed budget for LAFCO operations for Fiscal Year 2004-2005. Government Code Section 56381(a) requires that LAFCO distribute the budget for review and comment to each of its funding agencies, the Orange County cities, the independent special districts, and the County of Orange. LAFCO is required to adopt a final budget no later than June 15, 2004.

The proposed FY 2004-2005 budget, for the fourth consecutive year, is a static budget with expenditures (less revenues) totaling \$930,920. Individual city and special district cost allocations are attached for your review. FY 2004-2005 will likely be the last year that LAFCO can fully fund its work program without increases to our funding agency contributions.

Please review the attached staff report, budget and funding agency allocations, and provide me any comments no later than April 30, 2004. If you have any questions regarding this matter, please feel free to contact me at (714) 834-2556 or by email at baldrich@orange.lafco.ca.gov.

Sincerely,

Bob Aldrich
Acting Executive Officer



April 14, 2004

CHAIR
ARLENE SCHAFFER
Director
Costa Mesa
Sanitary District

VICE CHAIR
CHARLES V. SMITH
Supervisor
First District

RANDAL J. BRESSETTE
Councilmember
City of Laguna Hills

BILL CAMPBELL
Supervisor
Third District

PETER HERZOG
Councilmember
City of Lake Forest

SUSAN WILSON
Representative of
General Public

JOHN B. WITHERS
Director
Irvine Ranch Water
District

ALTERNATE
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Representative of
General Public

ALTERNATE
JAMES W. SILVA
Supervisor
Second District

ALTERNATE
CHARLEY WILSON
Director
Santa Margarita
Water District

DANA M. SMITH
Executive Officer

TO: Local Agency Formation Commission

FROM: Acting Executive Officer

SUBJECT: Proposed Budget for Fiscal Year 2004-2005

Background

Government Code Section 56381(a) requires the Commission to adopt a proposed budget for all LAFCO operations by May 1st of each year. Following adoption, the proposed budget is distributed for review and comment to the Board of Supervisors, each city, the city selection committee, each independent special district and the independent special district selection committee. The final LAFCO budget is required to be adopted by the Commission no later than June 15, 2004.

For your Commission's consideration, the proposed LAFCO budget for FY 2004-2005 is presented in Exhibit A of this report. LAFCO's Executive Committee, consisting of Chair Chuck Smith, Vice Chair Susan Wilson and Past Chair Arlene Schaffer, met with LAFCO staff on March 10, 2004 to discuss and review the proposed budget. At the outset of the Executive Committee's review of the proposed budget, three key guiding principles were adopted:

- No increase to funding agencies' contributions
- Maintain 10 percent emergency fund
- Maintain quality staffing to implement the Commission's adopted work plan

The proposed FY 2004-2005 LAFCO budget is consistent with the guiding principles and is recommended for Commission approval by the Executive Committee.

Increasing LAFCO Costs/Challenges for FY 2004-2005

FY 2004-2005 will be the fourth year that LAFCO has operated as a completely independent agency. Since July 2001, as required by state law, the Commission has been solely responsible for approving a budget for all LAFCO operations. Funding for LAFCOs is provided in equal proportion by cities, special districts and the County. Prior to 2001, the County provided all funding for LAFCO operations.

FY 2004-2005 brings a number of fiscal challenges to LAFCO. These challenges include increasing health care and retirement costs and the elimination of the Unincorporated Islands Program funding. The Islands funding was used in prior fiscal years to offset salary/benefits costs for two of LAFCO's Policy Analyst positions. Designed and funded as a three-year program, the Islands Program funding will be fully exhausted by the end of the FY 2003-2004 fiscal year. The key fiscal issues are addressed in detail below.

Rising Health Care/Retirement Costs

The chart below provides your Commission with a comparison of LAFCO's rising retirement and health care costs for Fiscal Years 2002-2003, 2003-2004 and 2004-2005. While LAFCO is an independent agency from the County, its employees share commensurate benefit packages offered to County employees, including participation in the Orange County Retirement System (OCERS) and health insurance benefits.

	FY 02-03	FY 03-04	FY 04-05
Retirement	\$60,090	\$70,554	\$104,292
Health Care	\$43,060	\$45,383	\$56,448

Increasing costs for employee health care and retirement are a statewide issue, with California's medical premium increases significantly outpacing those of the country as a whole. Recent rate increases in California are attributed to a number of factors, including changes to managed-care plans in California allowing consumer access to more doctors and hospitals and rising hospital expenses to meet new nursing staffing requirements and seismic retrofit requirements. In addition, fewer insurers are now operating in California, giving them more control of premium rates. Rising retirement costs are largely attributable to the overall decline in the stock market during the last few years which has adversely affected OCERS reserves. County projections indicate a continued rise in retirement costs for FY 2005-2006.

April 14, 2004
Proposed FY 2004-2005 LAFCO Budget
Page 3

Unincorporated Islands Program

The Unincorporated Islands Program will expire in July 2004. The Islands Program is a collaborative program of the County, League of Cities and LAFCO to annex 50 small, unincorporated islands in Orange County within three years. Since the program's inception, 21 small islands have been successfully annexed.

In June 2000, your Commission adopted a three-year work program and resource plan to fund the Islands Program. The total cost of the work program was \$297,000 plus two full time staff positions. The County agreed to fully fund the first two years of the Islands Program and provide two full time staff positions for two years. Current costs for the third and final year of the program are fully funded through the LAFCO budget.

In April 2003, both of LAFCO's limited term Policy Analyst positions were due to expire. Policy Analyst Jay Wong departed LAFCO and returned to a position within the County's CEO department. On the recommendation of LAFCO's personnel committee, the Commission converted the other position from a limited-term to a permanent position, allowing Policy Analyst Kim Koeppen to remain with LAFCO. Funding for this position in FY 2003-2004 is funded at 50% from the Unincorporated Islands budget and 50% from the regular LAFCO budget. In FY 2004-2005, this position is fully funded through the regular LAFCO budget.

Budget Overview - Proposed LAFCO 2004-2005 Budget

Despite the increased costs outlined above, the proposed FY 2004-2005 LAFCO budget is static for our funding agencies, with expenditures (less revenues) totaling \$930,920. The County, cities and special districts will equally divide this cost, each paying \$310,306. This is equivalent to the funding agencies' contributions to LAFCO for FY 2001-2002, FY 2002-2003, and FY 2003-2004. It is also consistent with the Executive Committee's direction to staff to not increase funding agency contributions for FY 2004-2005 above current year levels. Given the rising costs of employee health care and retirement, in addition to expected cost increases in LAFCO's office lease and overall office expenses, FY 2004-2005 will likely be the last year that LAFCO can be fully funded without increasing contributions from our funding agencies.

City and Special District Contributions

Individual city and special district contributions for the proposed FY 2004-2005 budget have been calculated by staff using the cost allocation formulas

April 14, 2004
 Proposed FY 2004-2005 LAFCO Budget
 Page 4

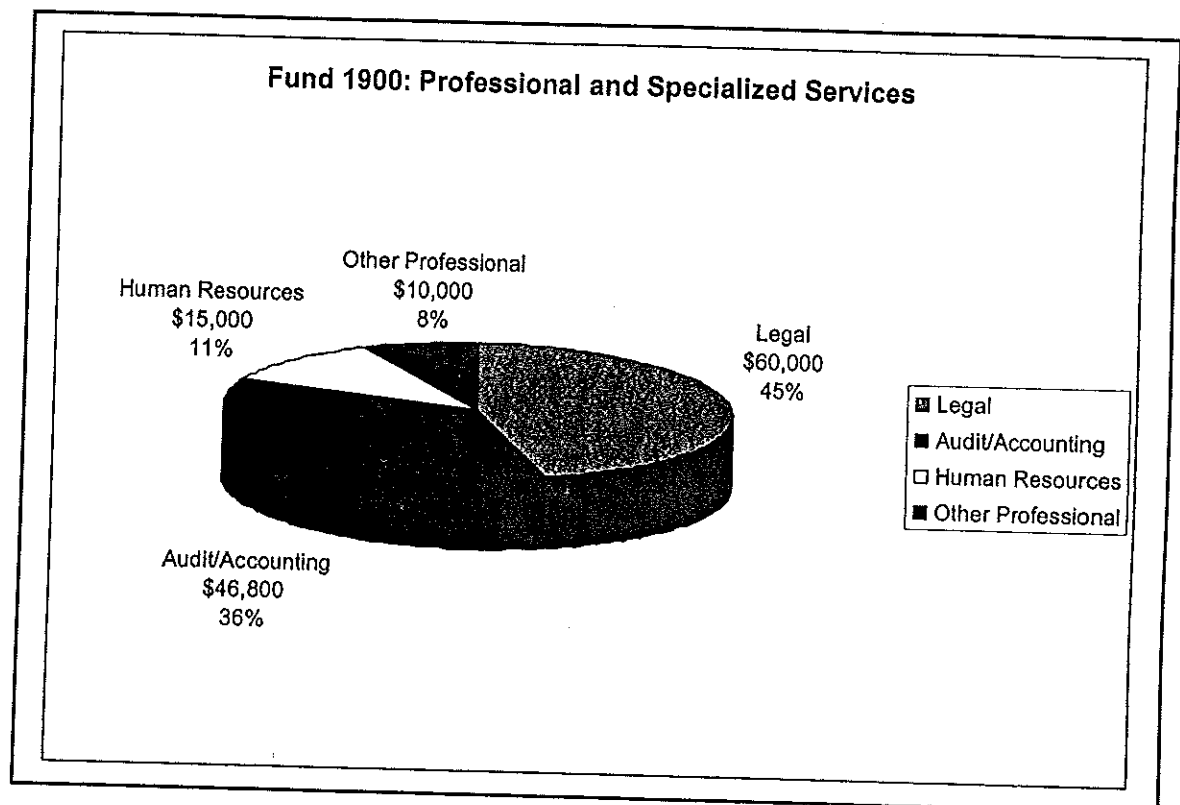
previously adopted by the Independent Special Districts of Orange County and the Orange County League of Cities. City and special district contribution summaries are included as Exhibits C and D, respectively.

Trust Fund Revenues

Staff was able to develop a budget which remains static for our funding agencies for the fourth consecutive fiscal year despite increasing costs for retirement and health care and the loss of Islands funding. This is possible due to higher than expected revenues from FY 2003-2004, specifically moneys from the El Toro and Talega trust accounts. The trust accounts were set up by the project proponent to reimburse LAFCO staff for extraordinary staff time and costs in processing both of these complex annexations. Both projects were closed out during FY 2003-2004.

Professional and Specialized Services Costs

The "Professional and Specialized Services" category is the largest fund in the services and supply account totaling \$131,800. It includes bookkeeping and accounting/auditing services and contracted services for legal counsel, human resources, and other professional services. The percentage and distribution of these costs are depicted on the chart below:



April 14, 2004
Proposed FY 2004-2005 LAFCO Budget
Page 5

For reference, a summary listing of all LAFCO expenditure categories is included as Exhibit B.

Conclusion

The proposed LAFCO budget for FY 2004-2005 is consistent with the guiding principles outlined by the Executive Committee. The proposed budget is static in its funding demands by maintaining level funding contributions for our funding agencies. Finally, it provides sufficient funding to carry out your Commission's adopted work plan for the next fiscal year.

Recommendation

The Acting Executive Officer recommends that the Commission:

1. Adopt the Proposed FY 2004-2005 Local Agency Formation budget, and direct the Acting Executive Officer to distribute the proposed budget for review and comment to the Board of Supervisors, each city, the city selection committee, each independent special district and the independent special district selection committee.

Respectfully submitted,



BOB ALDRICH

Exhibits:

- A - Proposed FY 2004-2005 LAFCO Budget
- B - LAFCO Expenditure Categories
- C - Projected City Contributions
- D - Projected Special District Contributions

Local Agency Formation Commission

Proposed Budget

Fiscal Year 2004/2005

Exhibit A

	FY 02/03 Actual	FY 03/04 Approved Budget	FY 03/04 Projected Actual	FY 04/05 Proposed Budget	
Revenues:					
Prior year's unspent budget	\$ -	35,395	45,204	173,890	
Prior year's project revenues		87,000	112,222	-	
7590 LAFCO Apportionment	930,920	930,920	930,920	930,920	Funding agencies' contributions held constant for 4th consecutive year
7580 Application Fees	68,488	20,000	143,367	20,000	
6610 Interest	17,875	20,000	22,445	20,000	
Total Revenues	1,017,283	1,093,315	1,254,158	1,144,810	Includes revenues from MCAS El Toro
Expenditures:					
Salaries	494,189	524,031	516,764	572,925	Includes 7% increase for budgeting purposes + 1/2 analyst salary previously funded by Islands Program
Retirement Benefits	60,090	60,682	70,554	104,292	32% increase over FY 03/04
0301 Unemployment Ins	679	754	775	859	20% increase over FY 03/04
0305 Salary Continuance	2,599	2,966	3,013	3,048	
0306 Health Insurance	37,168	43,060	45,383	56,448	
0308 Dental Insurance	5,143	5,945	5,547	5,488	
0309 Life Insurance	1,051	1,358	1,092	1,240	
0310 Acc Death Ins	205	200	220	155	
0319 Other Insurance	692	580	789	624	
0352 Worker's Comp	2,216	3,296	3,528	4,240	Benefits tied to County administrative management positions
2405 Optional Benefit Plan	14,780	13,500	13,500	18,500	
0401 Medicare	5,976	7,290	6,744	8,278	
Benefits and Insurance	70,509	78,949	80,591	98,880	
0700 Information Technology	1,844	2,400	10,163	8,000	
0701 Telephone	15,042	16,000	12,652	14,000	
1000 Cleaning and maintenance	9,767	8,000	8,337	-	New LAFCO office lease includes cleaning and maintenance costs
1100 Insurance	29,104	41,143	41,143	40,533	
1300 Maint-Equipment	-	-	127	70	
1400 Maint-Building	4,763	1,800	6,933	3,000	
1402 Minor Alterations	509	-	-	-	
1600 Membership	2,070	2,070	7,100	7,500	
1700 Miscellaneous Expenses	9,234	-	-	-	
1701 Municipal Service Reviews	-	100,000	57,490	42,510	
1800 Office Expense	35,652	25,000	25,885	26,500	
1900 Professional Services:	160,927				
Legal		65,000	53,737	60,000	\$40K Accounting \$6.8K Annual Audit
Audit/Accounting		41,200	37,249	46,800	
Human Resources		5,000	16,984	15,000	Includes Commission-approved contract for EO recruitment
Other professional		25,000	62,536	10,000	
Mapping		-	-	10,000	
1912 Investment Admin Fees	1,208	1,240	1,245	1,260	
2000 Public Noticing	3,422	18,000	5,032	6,000	New office lease includes cleaning, maintenance and utility costs
2100 Rents & Leases	5,086	6,800	4,392	27,600	

Local Agency Formation Commission
Proposed Budget
Fiscal Year 2004/2005 *Exhibit A*

	<u>FY 02/03 Actual</u>	<u>FY 03/04 Approved Budget</u>	<u>FY 03/04 Projected Actual</u>	<u>FY 04/05 Proposed Budget</u>	
2400 Special Dept Exp	18,742	35,000	19,855	25,000	← Commissioner stipends = \$20,000 Training = \$5,000
2600 Transportation	11,459	11,000	12,357	12,940	
2700 Travel - Meetings:	28,314	15,000			
Travel			8,204	4,000	
Meeting expenses			10,449	8,000	
2800 Utilities	10,148	10,000	10,488	-	← Office lease includes
Subtotal Services & Supplies	<u>347,291</u>	<u>429,653</u>	<u>412,359</u>	<u>368,713</u>	
Total Expenditures	<u>972,079</u>	<u>1,093,315</u>	<u>1,080,269</u>	<u>1,144,810</u>	← 5% overall increase
Revenues over expenditures	<u>\$ 45,204</u>	<u>-</u>	<u>173,890</u>	<u>(0)</u>	

EXHIBIT B

LAFCO Budget Expenditure Categories

The following summarizes the expenditure categories used in the proposed FY 2004-2005 LAFCO Budget:

Salaries, Retirement and Employee Benefits

These accounts are used to pay for LAFCO employee salaries and benefits, including retirement, unemployment insurance, health and dental insurance, workers compensation and Medicare. This category includes regular and extra help employees.

Communications (0700)

This account is used to pay for the costs associated with the telephone, fax, modem lines and Internet access.

Insurance (1100)

This account is used to pay for required commercial crime and liability insurance coverage for staff and Commissioners.

Maintenance/Equipment (1300)

These costs include the maintenance of the office computers, typewriters, and the assigned cost of GSA communication personnel at LAFCO hearings.

Memberships (1600)

This account is used to pay for Orange County LAFCO's membership in CALAFCO and other organizations.

Municipal Service Reviews (1701)

This category includes both direct costs and consultant assistance necessary to conduct municipal service reviews.

Office Expense (1800)

This category provides for the purchase of computer and office supplies/equipment and software for on-going office automation requirements.

Professional/Specialized Services (1900)

This category covers the costs for LAFCO legal counsel through the law offices of Best, Best & Krieger (BB&K), human resources administration through Alcock & McFadden, Inc., and bookkeeping and accounting services through Conrad Business Services, Inc. This account also pays for a certified public accounting firm to conduct mandated annual audits of LAFCO's financial statements project and miscellaneous Commission support services including map review and preparation through the County Surveyor.

Publications/Legal (2000)

This category covers the cost of legal noticing.

Rents/Leases Equipment (2100)

This account reflects costs associated with rental and maintenance of office equipment such as the copier and postage meter.

Special Department Expense (2400)

This budget category is use to pay for Commissioner stipends, staff training, and upgrades to our mapping data base.

Transportation & Travel - General (2600)

This account is used to provide funding for the costs associated with Commissioner parking (i.e., parking debit cards), mileage reimbursement for Commissioners and staff, and the Executive Officer's automobile allowance.

Transportation & Travel - Meetings (2700)

This category represents costs associated with Commissioners and staff attending CALAFCO workshops and conferences.

Exhibit C

**DRAFT LAFCO BUDGET
(FY 2004-2005)
City Cost Allocations**

City	Jan. 1, 2003		Area		2/3rd Allocation		1/3rd Allocation		Combined	
	Population ¹		Sq. Miles ²	Based on Population	Based on Sq. Miles	%	Based on Sq. Miles	%	City Allocation	
Aliso Viejo	43,879		7.2	\$ 3,179.61	\$ 1,488.30	1.53%	\$ 1,488.30	1.45%	\$ 4,667.91	
Anaheim	337,440		49.7	\$ 24,451.98	\$ 10,273.38	11.76%	\$ 10,273.38	10.03%	\$ 34,725.36	
Brea	37,962		10.9	\$ 2,750.85	\$ 2,253.12	1.32%	\$ 2,253.12	2.20%	\$ 5,003.96	
Buena Park	80,617		10.1	\$ 5,841.77	\$ 2,087.75	2.81%	\$ 2,087.75	2.04%	\$ 7,929.51	
Costa Mesa	111,512		15.6	\$ 8,080.52	\$ 3,224.64	3.89%	\$ 3,224.64	3.15%	\$ 11,305.16	
Cypress	47,644		6.9	\$ 3,452.44	\$ 1,426.28	1.66%	\$ 1,426.28	1.39%	\$ 4,878.72	
Dana Point	36,247		6.4	\$ 2,626.57	\$ 1,322.93	1.26%	\$ 1,322.93	1.29%	\$ 3,949.50	
Fountain Valley	56,268		9.6	\$ 4,077.36	\$ 1,984.39	1.96%	\$ 1,984.39	1.94%	\$ 6,061.75	
Fullerton	131,574		22.5	\$ 9,534.27	\$ 4,650.93	4.59%	\$ 4,650.93	4.54%	\$ 14,185.20	
Garden Grove	169,911		17.9	\$ 12,312.29	\$ 3,700.07	5.92%	\$ 3,700.07	3.61%	\$ 16,012.36	
Huntington Beach	196,954		27.3	\$ 14,271.92	\$ 5,643.12	6.86%	\$ 5,643.12	5.51%	\$ 19,915.04	
Irvine	164,923		47.6	\$ 11,950.85	\$ 9,839.29	5.75%	\$ 9,839.29	9.61%	\$ 21,790.14	
Laguna Beach	24,589		7.8	\$ 1,781.80	\$ 1,612.32	0.86%	\$ 1,612.32	1.57%	\$ 3,394.12	
Laguna Hills	32,875		6.6	\$ 2,382.23	\$ 1,364.27	1.15%	\$ 1,364.27	1.33%	\$ 3,746.50	
Laguna Niguel	65,092		14.7	\$ 4,716.77	\$ 3,038.60	2.27%	\$ 3,038.60	2.97%	\$ 7,755.38	
Laguna Woods	18,208		3.0	\$ 1,319.41	\$ 620.12	0.63%	\$ 620.12	0.61%	\$ 1,939.53	
La Habra	61,188		7.3	\$ 4,433.88	\$ 1,508.97	2.13%	\$ 1,508.97	1.47%	\$ 5,942.84	
Lake Forest	77,332		16.8	\$ 5,603.72	\$ 3,472.69	2.70%	\$ 3,472.69	3.39%	\$ 9,076.41	
La Palma	15,954		2.0	\$ 1,156.08	\$ 413.42	0.56%	\$ 413.42	0.40%	\$ 1,569.49	
Los Alamitos	11,817		4.3	\$ 856.30	\$ 888.84	0.41%	\$ 888.84	0.87%	\$ 1,745.14	
Mission Viejo	98,943		17.4	\$ 7,169.73	\$ 3,596.72	3.45%	\$ 3,596.72	3.51%	\$ 10,766.44	
Newport Beach	79,987		25.2	\$ 5,796.11	\$ 5,206.97	2.79%	\$ 5,206.97	5.08%	\$ 11,003.08	
Orange	134,523		23.3	\$ 9,747.97	\$ 4,816.29	4.69%	\$ 4,816.29	4.70%	\$ 14,564.26	
Placentia	49,097		6.6	\$ 3,557.73	\$ 1,364.27	1.71%	\$ 1,364.27	1.33%	\$ 4,922.00	
Rancho Santa Margarita	48,810		13.1	\$ 3,536.93	\$ 2,707.87	1.70%	\$ 2,707.87	2.64%	\$ 6,244.80	
San Clemente	60,701		17.2	\$ 4,398.59	\$ 3,555.37	2.12%	\$ 3,555.37	3.47%	\$ 7,953.96	
San Juan Capistrano	35,215		14.1	\$ 2,551.79	\$ 2,914.58	1.23%	\$ 2,914.58	2.85%	\$ 5,466.37	
Santa Ana	347,237		27.3	\$ 25,161.90	\$ 5,643.12	12.10%	\$ 5,643.12	5.51%	\$ 30,805.03	
Seal Beach	24,921		10.7	\$ 1,805.86	\$ 2,211.77	0.87%	\$ 2,211.77	2.16%	\$ 4,017.63	
Stanton	38,411		3.1	\$ 2,783.38	\$ 640.79	1.34%	\$ 640.79	0.63%	\$ 3,424.18	
Tustin	69,754		11.0	\$ 5,054.60	\$ 2,273.79	2.43%	\$ 2,273.79	2.22%	\$ 7,328.38	
Villa Park	6,206		2.1	\$ 449.71	\$ 434.09	0.22%	\$ 434.09	0.42%	\$ 883.79	
Westminster	90,643		10.2	\$ 6,568.28	\$ 2,108.42	3.16%	\$ 2,108.42	2.06%	\$ 8,676.70	
Yorba Linda	62,678		19.9	\$ 4,541.85	\$ 4,113.49	2.18%	\$ 4,113.49	4.02%	\$ 8,655.33	
TOTALS	2,869,112		495.4	\$ 207,905.02	\$ 102,400.98	100.00%	\$ 102,400.98	100.00%	\$ 310,306.00	

1 2003 Progress Report, Center for Demographic Research at Cal State Univ. Fullerton
2 County of Orange Geomatics/Land Information Systems Boundary Unit

DRAFT LAFCO BUDGET
(FY 2004-2005)
Independent Special District Allocations

Exhibit D

District	Category	Percent	2002-03	2003-04	2004-05
			LAFCO Cost	LAFCO Cost	LAFCO Cost
Surfside Colony Stormwater	N-E 1	--	\$250	\$250	\$250
Surfside Colony CSD	N-E 1	--	\$250	\$250	\$250
Capistrano Bay CSD	N-E 2	--	\$500	\$500	\$500
Rossmoor CSD	N-E 2	--	\$500	\$500	\$500
Silverado-Modjeska Rec. & Park	N-E 2	--	\$500	\$500	\$500
Rossmoor/Los Alamitos Sewer	N-E 2	--	\$500	\$500	\$500
Three Arch Bay CSD	N-E 3	--	\$1,000	\$1,000	\$1,000
Placentia Library	N-E 3	--	\$1,000	\$1,000	\$1,000
Buena Park Library	N-E 4	--	\$2,000	\$2,000	\$2,000
Emerald Bay CSD	A	1.7	\$5,164.70	\$5,164.70	\$5,164.70
Santiago County Water	A	1.7	\$5,164.70	\$5,164.70	\$5,164.70
Sunset Beach Sanitary	A	1.7	\$5,164.70	\$5,164.70	\$5,164.70
East Orange County Water	B	3.7	\$11,240.82	\$11,240.82	\$11,240.82
Costa Mesa Sanitary	B	3.7	\$11,240.82	\$11,240.82	\$11,240.82
Midway City Sanitary	B	3.7	\$11,240.82	\$11,240.82	\$11,240.82
Serrano Water	B	3.7	\$11,240.82	\$11,240.82	\$11,240.82
Trabuco Canyon Water & Sewer	B	3.7	\$11,240.82	\$11,240.82	\$11,240.82
South Coast Water & Sewer	C	5.6	\$17,013.14	\$17,013.14	\$17,013.14
Yorba Linda Water & Sewer	C	5.6	\$17,013.14	\$17,013.14	\$17,013.14
El Toro Water & Sewer	D	7.6	\$23,089.26	\$23,089.26	\$23,089.26
Mesa Consolidated Water	D	7.6	\$23,089.26	\$23,089.26	\$23,089.26
Irvine Ranch Water & Sewer	E	10	\$30,380.60	\$30,380.60	\$30,380.60
Moulton Niguel Water & Sewer	E	10	\$30,380.60	\$30,380.60	\$30,380.60
MWDOC Water	E	10	\$30,380.60	\$30,380.60	\$30,380.60
OCWD Water	E	10	\$30,380.60	\$30,380.60	\$30,380.60
Santa Margarita Water & Sewer	E	10	\$30,380.60	\$30,380.60	\$30,380.60
Total			\$310,306.00	310,306.00	310,306.00

PLACENTIA LIBRARY DISTRICT BOARD OF TRUSTEES

TO: Library Board of Trustees

FROM: Elizabeth D. Minter, Library Director *EDM*

SUBJECT: Legislative Issues and a Review of the Status of the State Budget and State Library Budget

DATE: April 26, 2004

BACKGROUND

The recent Legislative Alerts from the California Special Districts Association and the California Library Association are contained in Agenda Item 24.

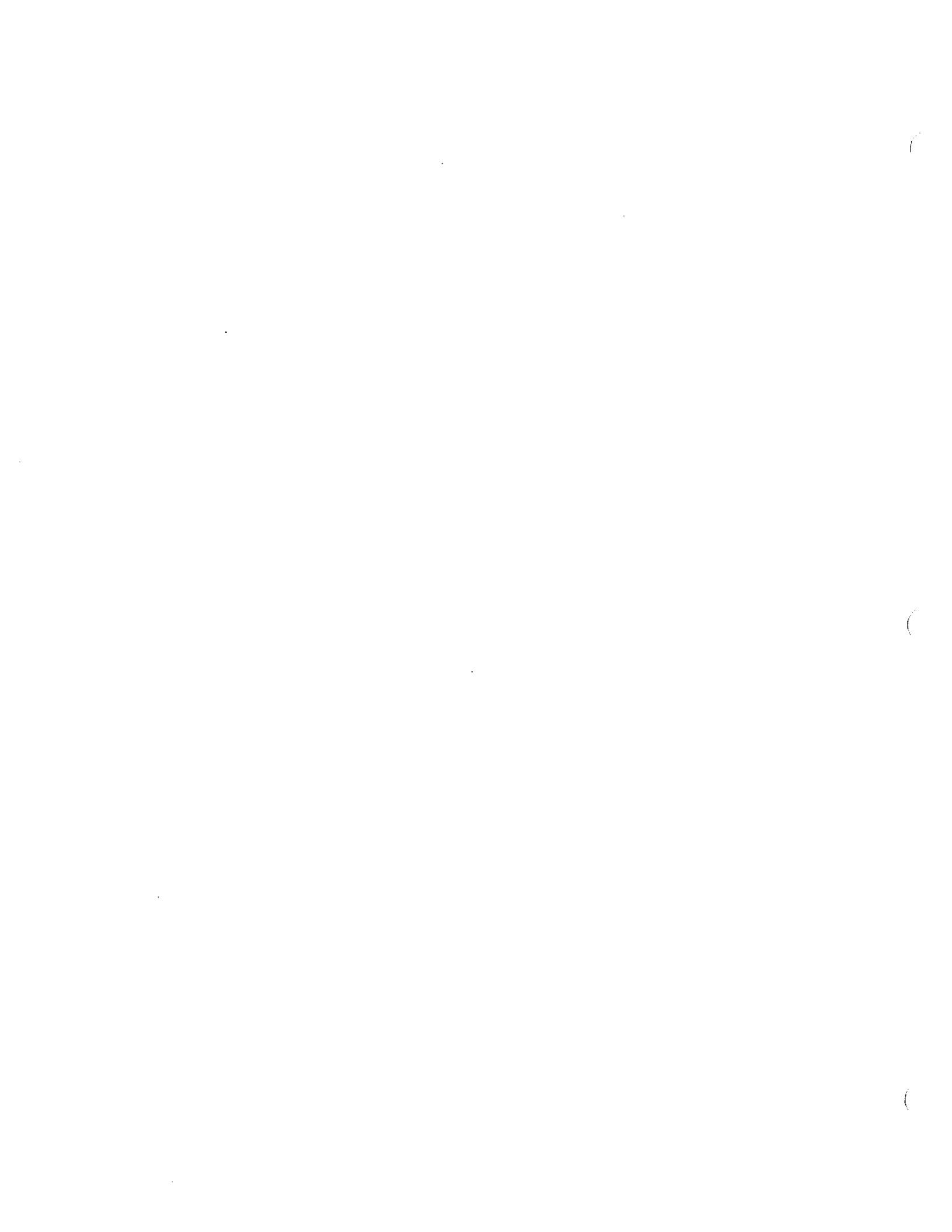
The discussions about property tax shifts to ERAF are particularly disturbing. Either a cap is needed on the percentage amount of the shifts or some guarantee is needed to ensure that the County Board of Supervisors cannot use independent special district funds for its own purposes.

The news about the California Constitutional Amendment Referendum to protect the use of property tax seems to be somewhat encouraging. We should know in several weeks if the signatures are adequate to get the measure on the November ballot.

Information received after the posting of the Agenda will be announced at the Library Board Meeting.

RECOMMENDATION

Action to be determined by the Library Board of Trustees.



PLACENTIA LIBRARY DISTRICT BOARD OF TRUSTEES

TO: Library Board of Trustees
FROM: Elizabeth D. Minter, Library Director *EDM*
SUBJECT: Personnel Policy Review
DATE: April 26, 2004

BACKGROUND

At its Work Session on March 29, 2004 the Library Board completed its review of the second draft of the Personnel Policies as prepared by Personnel Consultant Gail Koff. Attachment A is a copy of the Policies as amended.

At the end of the Work Session the Board asked the Library Director to prepare the policies with the original numbering system from the first draft.

The following items are still outstanding:

2040 Sick Leave – review revised copy provided by the Library Director including the sick leave incentive program in 2040.11

2110 Health and Welfare Benefits – review section 2110.5.1 establishing the matching contribution program for deferred compensation participants.

2115 Volunteer Personnel Workers' Compensation Insurance – review revisions proposed by Library Director in light of Special District Risk Management Authority's (SDRMA) requirement for a resolution authorizing and governing the use of volunteers.

2150 Compensation – review new wording regarding the criteria for bilingual pay.

2165.3 Unauthorized Voluntary Absence – awaiting opinion from SDRMA on whether Skelly applies

2180 Grievance Procedure – provide CA Code citation for Skelly hearing process. There were 2 Grievance policies – both are included and one needs to be selected.

2190.7 Drug and Alcohol Abuse – awaiting explanation/opinion from SDRMA regarding notification of conviction.

2230 Nepotism – Library Director was asked to revise the structure, blending old and new policies

Once all of the above items are resolved the Board will be ready to adopt the policies as a "first reading" and, if desired, forward them to the staff for review and suggestions. Other than the items that were

submitted to the Board from the staff, none of the other proposed policies or changes have been reviewed or discussed by the staff.

RECOMMENDATION

Action to be determined by the Library Board of Trustees.

Placentia Library District

POLICY HANDBOOK

TABLE OF CONTENTS

SERIES 1000 – GENERAL

<u>POLICY #</u>	<u>POLICY TITLE</u>
1000	Purpose of Board Policies
1010	Adoption/Amendment of Policies
1015	Placentia Library District Mission Statement
1020	Conflict of Interest
1030	Public Complaints
1040	Claims Procedure
1050	Copying Public Documents

SERIES 2000 – PERSONNEL

<u>POLICY #</u>	<u>POLICY TITLE</u>
2000	Executive Officer
2015	Employee Status
2010	Hours of Work and Overtime
2020	Vacation
2030	Holidays
2040	Sick Leave
2050	Bereavement Leave
2060	Jury Duty
2070	Continuity of Service
2100	Vehicle Cost Reimbursement
2110	Health and Welfare Benefits
2115	Volunteer Workers' Compensation Insurance
2120	Educational Assistance
2130	Pay Periods and Distribution of Pay Checks
2140	Advancement of Wages
2150	Compensation
2155	Guidelines on Accepting and Providing Gifts, Entertainment, and Services

2160	Authorized Leave
2165	Unauthorized Voluntary Absence
2170	Performance Evaluation
2180	Grievance Procedure
2190	Drug and Alcohol Abuse
2195	Tobacco Use and Smoke-Free Workplace
2200	Pre-Employment Physical Examination
2210	Unlawful Harassment
2220	Equal Employment Opportunities
2230	Nepotism
2240	Outside Employment
2250	Separation from District Employment
2251	Confidentiality Regarding Resignations
2255	Letters of Recommendation
2260	Progressive Discipline
2270	Internet, E-mail, and Electronics Communication Ethics, Usage and Security
2300	Job Description – Library Director
2305	Job Description – Manager of Public Services
2307	Job Description – Manager of Technical Services
2309	Job Description – Administrative Assistant
2315	Job Description – Librarian II
2317	Job Description – Librarian I
2319	Job Description – Library Assistant
2321	Job Description – Library Clerk II
2323	Job Description – Library Clerk I
2325	Job Description – Library Aide
2327	Job Description – Library Page

SERIES 3000 -- FINANCIAL

<u>POLICY #</u>	<u>POLICY TITLE</u>
3010	Illness and Injury Prevention Program
3020	Budget Preparation
3030	Fixed Asset Accounting Control
3035	Investment of District Funds
3037	Customer Payment Arrangements
3040	Expense Authorization & Petty Cash
3042	Employment of Outside Contractors and Consultants
3045	Travel Reimbursement
3080	Purchasing

3085 Surplus Property
3090 Records Retention

SERIES 4000 -- BOARD OF TRUSTEES

<u>POLICY #</u>	<u>POLICY TITLE</u>
4010	Code of Ethics
4015	Voluntary Candidate Expenditure Ceiling
4017	Qualifications of Library Trustees
4018	Selection & Appointment of Library Trustees
4020	Attendance at Meetings
4030	Reimbursement of Expenses
4040	Board President
4045	Board Secretary
4050	Members of the Board of Trustees
4060	Committees of the Board of Trustees
4070	Basis of Authority
4075	Duties and Responsibilities of Library Trustees
4077	Rules for Library Trustees
4080	Membership in Associations
4085	Support Organizations
4090	Training, Education and Conferences

SERIES 5000 -- BOARD MEETINGS

<u>POLICY #</u>	<u>POLICY TITLE</u>
5010	Board Meetings
5020	Board Meeting Agenda
5030	Board Meeting Conduct
5040	Board Actions and Decisions
5050	Review of Administrative Decisions
5060	Minutes of Board Meetings
5070	Rules of Order for Board and Committee Meetings

SERIES 6000 – LIBRARY OPERATIONS

<u>POLICY #</u>	<u>POLICY TITLE</u>
6010	Materials Selection Policy
6020	Internet Access Policy
6025	Public Internet Use Policy
6030	Circulation Policy
6035	Fines & Fees Schedule
6037	Debit Card Policy
6040	Beverage & Food Policy
6050	Meeting Room Policy
6060	Patron Behavior & Latchkey Children
6070	Art Displays & Exhibits
6080	Use of Facilities & Services by the City of Placentia

POLICY TITLE: Executive Officer
POLICY NUMBER: 2000

2000.1 The Library Director will be the Executive Officer of Placentia Library District.

2000.2 The terms and conditions of the Library Director's employment may be specified in the agreement of employment established between the Library Director and the Board of Trustees. The agreement of employment will be for the period of time as specified therein.

2000.3 Whenever the agreement of employment established between the Library Director and the Board of Trustees is in conflict with any District policy, said agreement of employment will prevail.

2000.4 The Library Director works at the pleasure of the Board of Trustees and is considered to be an at-will employee. Employment at-will may be terminated with or without cause and with or without notice at any time by the employee or the Library Board. Nothing in this handbook will limit the right to terminate at-will employment. No manager, supervisor, or employee of the Library has any authority to enter into an agreement for employment for any specified period of time or to make an agreement for employment on other than at-will terms. Only the Board of Trustees has the authority to make any such agreement that is binding only if it is in writing.

POLICY TITLE: Hours of Work and Overtime
POLICY NUMBER: 2010

2010.1 This policy will apply to all non-exempt employees.

2010.2 The regular hours of work each day will be consecutive except for interruptions for meal and break periods.

2010.3 The workweek will consist of seven consecutive days from 12:01 o'clock A.M. Friday, through midnight Thursday.

2010.4 Overtime is defined as:

2010.4.1 Time worked in excess of 80 hours in a pay period; or

2010.4.2 Time worked on a designated holiday.

POLICY TITLE: Employee Status
POLICY NUMBER: 2015

2015.1 A "Regular" employee is one who has been hired to fill a regular position in any job classification and has completed his/her probationary period. Regular employees may be full-time or part-time.

2015.2 A "Probationary" employee is one who has been hired to fill a regular position in any job classification and has less than six continuous months of service with the District. Upon completion of six months of continuous service with the District in said classification, and upon the Library Director's decision to retain said employee, said employee will be granted regular employee status.

2015.3 A "Temporary" employee is one who is hired to work within any job classification, but whose position is not regular in nature. The duration of the work assignment of a temporary employee may range from one day to a maximum of two years of continuous service.

POLICY TITLE: Vacations
POLICY NUMBER: 2020

2020.1 This policy will apply to regular and probationary full-time and part-time employees in all classifications.

2020.2 Paid vacations will be accrued according to the following schedule on an annual basis:

- (a) During the first four years of continuous work, eighty (80) hours.
- (b) Five through nine years of service, one hundred twenty (120) hours.
- (c) After ten years of service, one hundred sixty (160) hours.
- (d) Vacation accrual is based on a forty (40) hour work week. Employees working less than forty (40) hours per week, but working 20 or more regularly scheduled hours per week, will receive a pro-rata allocation of vacation hours.

2020.3 Employees who have completed six months in regular status may take their vacation time all at once, or gradually. No vacation may be taken until the employee has completed at least six months in regular employee status

2020.4 Vacation time is accrued at the second pay period of each month.

2020.5 Vacation time may be accumulated or postponed. The total accumulated vacation time will not exceed thirty (30) days (for full time employees 240 hours). The Library Director will require staff members with excessive vacation balances to use them immediately.

2020.6 At termination of employment for any reason, the District will compensate the employee for his/her accumulated vacation time at his/her straight time rate of pay at the time of termination.

2020.7 The District will not require an employee to take vacation time in lieu of sick leave or leave of absence during periods of illness. However, the employee may elect to take vacation time in case of extended illness where sick leave has been fully used.

2020.8 If a holiday falls on a workday during an employee's vacation period, that day will be considered as a paid holiday and not vacation time.

2020.9 Vacations may be scheduled at any time during the year upon approval of the employee's immediate supervisor and the Library Director.

2020.10 Probationary employees will not accrue vacation time during the probationary period. Once regular status has been granted at the completion of the probationary period, vacation time is calculated from the date of employment. No vacation may be taken until the employee has completed at least six months in regular employee status.

2020.11 Vacations are provided by the District to employees as a period of exemption from work with pay for the purpose of rest, relaxation and recreation. This respite is a benefit and is intended as an aid in maintaining the long-term and consistent productivity and contentment of the employee. As such, pay in lieu of vacation time away from work will not be permitted.

POLICY TITLE: Holidays
POLICY NUMBER: 2030

2030.1 This policy will apply to all regular full-time and part-time employees who work twenty hours or more per week.

2030.2 The following days will be recognized and observed as paid holidays:

- New Years Day
- President's Day
- Memorial Day
- Independence Day
- Labor Day
- Veteran's Day
- Thanksgiving Day
- Christmas Eve Day
- Christmas Day
- New Year's Eve Day

2 Floating Holidays, one accrued in April and one accrued in October on the second pay period of the month.

2030.3 All regular work will be suspended and employees will receive one-day's pay for each of the holidays listed above. An employee is eligible for any paid holiday if he/she works the day before and the day after said holiday. Eligibility is also granted if the employee is on vacation or has notified his/her supervisor and the Library Director and received permission to be absent from work on that specific day or days.

2030.4 Holiday hours are based on an eight hour day of a forty (40) hour work week. Employees working less than forty (40) hours per week will receive a pro-rata allocation of holiday hours.

2030.5 When a holiday falls on an employee's day off or when the Library is closed, the employee will request any day during the work week of the holiday, approved by his/her scheduling supervisor, to compensate for this holiday.

2030.6 Placentia Library is closed on the Sundays preceding Monday holidays. The Sunday closings are not paid leave. Staff may either take vacation time or schedule the hours on other days during that workweek.

2030.7 If any employee works on any of the holidays listed above, excluding floating holidays, he/she will be paid for all hours worked at the rate of time and one-half (1½) his/her regular rate of pay, or as otherwise specified under Policy #2010, "Hours of Work and Overtime."

Revised is Attachment B

POLICY TITLE: Sick Leave
POLICY NUMBER: 2040

2040.1 This policy will apply to probationary and regular employees in all classifications.

2040.2 Sick leave is defined as absence from work due to illness, non-industrial injury, or quarantine due to exposure to a contagious disease. In addition, dentist and doctor appointments and prescribed sickness prevention measures will be subject to sick leave provided prior notice is provided to the employee's supervisor and the Library Director.

2040.3 Full time regular employees will earn sick leave at the rate of one working day per month. Regular part-time employees working 20 or more hours per week will receive a pro-rata allocation of sick leave

2040.4 Sick leave is accrued at the second pay period of each month.

2040.6 Sick leave is not a privilege that an employee may use at his/her discretion, but will be allowed only in case of necessity and actual sickness or disability of the employee, or because of illness in his/her immediate family.

2040.6.1 The definition of "immediate family" will be the same as specified in Section 2050.3 of the *Bereavement Leave* policy (#2050).

2040.7 In order to receive compensation while on sick leave, the employee will notify his/her supervisor prior to the time for beginning the regular work day, or as soon thereafter as practical.

2040.8 . A medical release from the treating physician is required for all absences of three or more work days, regardless of the sick leave balance; however the District reserves the right to request a medical release form for any absence taken.

2040.9 Illness while on paid vacation will be charged to sick leave rather than vacation only under the following conditions:

2040.9.1 The illness or injury of the employee was of a nature that would preclude the effective use of vacation and would prevent the employee from performing his/her normal work duties. A physician's statement is required.

2040.9.2 The employee must notify the Library Administrative Office within four (4) calendar days of the beginning of the illness or prior to the end of his/her vacation leave, whichever is sooner, to request that his/her illness on vacation be charged to sick leave.

2040.9.3 The District will be under no obligation to extend the vacation beyond the originally scheduled vacation ending date. Unusual cases can be brought to the Library Board of Trustees by the Library Director for review.

2040.10 The District provides a sick leave payoff plan upon termination, resignation or retirement as follows:

2040.10.1 After ten (10) years of employment, twenty-five (25) percent of accumulated sick leave will be paid at the current salary.

2040.10.2 After fifteen (15) years of employment, thirty-seven and one half (37.5) percent of accumulated sick leave will be paid at the current salary.

2040.10.3 After twenty (20) years of employment, fifty (50) percent of accumulated sick leave will be paid at the current salary.

2040.10.4 The maximum accumulated sick leave for this purpose is eight hundred (800) hours before calculations.

2040.10.5 Sick leave payoff will be based on the amount of time employed in the District's salaried classifications.

2040.11 The District provides an incentive program for the accumulation of sick leave hours.

2040.11.1 For each calendar quarter that an employee has used no hours of sick leave he/she will receive four hours of vacation.

2040.11.2 The sick leave incentive program based on an eight-hour day of a forty (40) hour work week. Employees working less than forty (40) hours per week will receive a pro-rata allocation of the sick leave bonus.

2040.11.3 The sick leave bonus hours will be added to the vacation leave balance at the second pay period following the end of the calendar quarter.

2040.12 A pregnant employee will be permitted to work as long as she is able to safely perform the duties of her position as recommended by her attending physician.

2040.12.1 A pregnant employee will be allowed to be absent for the period during which, in the opinion of her attending physician, she is temporarily disabled because of pregnancy, miscarriage, abortion, childbirth and recovery. The cumulative total may not exceed four (4) months.

2040.12.2 The employee may use sick leave and vacation for such absence and will be granted leave of absence without pay to the extent required to reach the four (4) month maximum.

POLICY TITLE: Bereavement Leave
POLICY NUMBER: 2050

2050.1 This policy will apply to probationary and regular employees in all classifications.

2050.2 In the event of a death in the immediate family, an employee may be granted a paid leave of absence not to exceed five days. Bereavement leave is not charged against either sick leave or vacation time. The Library Director may require certification.

2050.3 Bereavement leave is based on an eight-hour day of a forty (40) hour work week. Employees working less than forty (40) hours per week will receive a pro-rata allocation of bereavement leave.

2050.4 "Immediate family" is defined as being spouse, parents, children, brother, sister, grandparents, father-in-law, mother-in-law, sister-in-law, brother-in-law or any other person who is a legal dependent of the employee.

POLICY TITLE: Jury Duty
POLICY NUMBER: 2060

2060.1 This policy will apply to probationary and regular employees in all classifications.

2060.2 An employee summoned for jury duty will immediately notify his/her supervisor and the Library Director. While serving on a jury, he/she will be given a paid leave of absence for the duration of said jury duty. Said paid leave of absence is conditional upon the employee returning to work upon dismissal each day to complete his/her remaining normal workday assuming that 2+ hours remain in the workday. It is also conditional upon the employee's conveyance to the District of any compensation received as a juror, not including any travel allowance received.

2060.3 Employees working less than forty (40) hours per week will receive a pro-rata allocation of jury duty leave.

POLICY TITLE: Continuity of Service
POLICY NUMBER: 2070

2070.1 For probationary and regular employees in all classifications, length of continuous service with the District will be used as the basis for determining benefits such as sick leave and vacation time. Length of continuous service will also be one of the considerations in promotions, demotions and layoffs.

2070.2 Continuous service with the District will start with the date of employment and continue until one of the follow occurs:

2070.2.1 An employee is discharged for cause;

2070.2.2 An employee voluntarily terminates his/her employment; or,

2070.2.3 An employee is laid off.

2070.3 Continuity of an employee's service will not be broken by absence for the following reasons, and his/her length of service will accrue for the period of such absence:

2070.3.1 Absence by reason of industrial disability;

2070.3.2 Authorized absence without pay for less than 30 days in a calendar year; or,

2070.3.3 Absences governed by applicable state and/or federal laws such as military or National Guard service and Family Medical Leave.

2070.4 A re-employment list will be maintained by the District. The re-employment list will be used to determine the order in which part-time and temporary employees will be employed when other than regular work is available and additional employees are needed. The list will be arranged on the basis of seniority. An individual is considered to have seniority if his/her length-of-service, as defined above, is greater than that of another individual on the list. An individual on the re-employment list will be rehired to fill a vacant position within a specific job classification if:

2070.4.1 He/she was previously employed within said job classification or within a job classification requiring higher qualifications, and/or satisfies the qualifications as specified in the job description for said vacant position; and,

2070.4.2 He/she has seniority, as defined above.

2070.5 When an individual on the re-employment list is called to work and is unavailable to work, the next person on the list having seniority and satisfying the conditions listed in Section 2070.4, above, will be called. If an individual is called to work three times without being available to work, his/her name may be removed from the re-employment list. An individual will be removed from the re-employment list when he/she notifies the District that he/she has taken a regular position elsewhere and is unavailable to work for the District.

2070.6 Regular employees who are laid off will be placed on the re-employment list and will receive seniority based on previously earned length-of-service.

2070.7 Previous regular employees who were laid off and called back for work not being regular in nature will have their employment service records maintained so that they accumulate length-of-service as they work on an "hour-for-hour" basis.

2070.8 Part-time and temporary employees who are hired for a position having regular status will have previously earned length-of-service maintained in their employment service records.

2070.9 Previous temporary employees who are rehired within 18 months of their last date of employment will have their employment service records restored to include previously earned length-of-service.

POLICY TITLE: **Vehicle Costs**
POLICY NUMBER: **2100**

2100.1 When an employee is authorized to use his/her personal vehicle in the performance of District work, he/she will be reimbursed for the cost of said use on the basis of total miles driven and at the rate specified in the Internal Revenue Service Guidelines in effect at the time of said usage.

2100.2 Proof of adequate insurance covering collision, personal injury, and property damage will be required by the District of any employee using a personal vehicle in the performance of District work.

POLICY TITLE: Health and Welfare Benefits
POLICY NUMBER: 2110

2110.1 Medical Expense Insurance. The District provides health, hospital, vision, dental and disability insurance to cover non-occupational injuries and sickness for regular probationary and full time and part-time employees working twenty or more hours per week. The District pays the premium for the employee coverage for full-time employees and a pro-rata payment for regular part-time employees.. Family coverage is available for all policies except disability insurance if the employee pays the additional premium cost. The scope of coverage and the payment of premiums are subject to periodic review and revision by the Board of Directors.

2110.2 Workers' Compensation Insurance. All District employees will be insured against injuries received while on the job as required by State law.

2110.3 Retirement Plan. Upon achieving regular employee status, employees will be enrolled in the District's employee retirement plan.

2110.3.1 The District contributes seven per cent of an employee's annual salary to the plan. There is no employee contribution to the retirement plan.

2110.3.2 Employees are vested in the retirement plan at a rate of twenty per cent per year for the first five full fiscal years of employment, and beginning in year six are fully vested.

2110.4 Life Insurance. Life Insurance in the amount of \$50,000 is provided for all full-time and regular part-time employees working twenty hours per week or more. \$15,000 of this coverage is provided only if the employee has elected to accept the medical insurance coverage. The carrier reduces the amount of coverage after age sixty-five.

2110.5 Deferred Compensation. Probationary and regular employees in all job classifications are eligible to participate in the United States Conference of Mayors Deferred Compensation Plan or any other deferred compensation adopted by the Library Board of Trustees. Participation is voluntary and the employee must process the application.

2110.5.1 The District will match employee contributions to the deferred compensation plan to a maximum of \$2,600 per calendar year for full-time employees and a pro-rata allocation of the maximum of the deferred compensation match for part-time employees.

[REPLACEMENT POLICY IS ATTACHMENT C]

POLICY TITLE: Volunteer Personnel Workers' Compensation Insurance
POLICY NUMBER: 2115

2115.1 Literacy tutors, Friends of Placentia Library and Placentia Library Foundation Board of Directors members, or any unpaid person authorized to perform volunteer service for the District will be deemed to be an employee of the District for the purposes of Workers' Compensation Insurance benefits provided for by law for any injury or illness sustained by them while engaged in the performance of services for the District under its direction and control.

2115.1.1 The Legislature of the State of California has provided through legislation (Labor Code §3363.5) authorization for the inclusion of such coverage in the District's Workers' Compensation Insurance policy.

POLICY TITLE: Educational Assistance
POLICY NUMBER: 2120

2120.1 Employees of the District are encouraged to pursue educational opportunities that are related to their present work, that will prepare them for foreseeable future opportunities within the District, or that will prepare them for future career advancement in librarianship. To be eligible for reimbursement of course costs, the employee must receive advance approval for the class(es) from the Library Director.

2120.2 The District will reimburse regular employees for approved courses of study by the following criteria:

2120.2.1 The District will refund the entire cost of tuition and required class materials will be made if the employee received a grade of "B" or higher for the class.

2120.2.2 The District will refund one-half (½) of the cost of tuition and required class materials will be made if the employee received a grade of "C" for the class.

2120.2.3 The District will make no refund to employees who receive a grade below "C" for the class.

2120.2.4 The total amount that the District will reimburse an employee for educational assistance is limited to \$2,500 in any calendar year.

2120.2.5 Educational reimbursement is based on an eight-hour day of a forty (40) hour work week. Employees working less than forty (40) hours per week will receive a pro-rata allocation of educational reimbursement.

2120.2.6 Class time will not be considered part of the work week.

2120.3 Requests for reimbursement should be submitted in writing. The employee will be notified of final approval, or the reasons for disapproval. Those requests for reimbursement that are received after the class begins will be eligible for only one-half (½) of the usual reimbursement.

2120.4 Upon completion of the class(es) the employee is responsible for providing copies of the grade slip(s) and expense receipt(s) to the Library Director.

2120.5 Two types of classes are generally eligible for reimbursement per this policy:

2120.5.1 Classes that are related to the employee's present work assignment or which may prepare him or her for future foreseeable opportunities within the District. Such classes may be taken individually and need not be directed toward a degree or certificate.

2120.5.2 Classes that are taken as part of the requirement for a degree or certificate. In this case the employee must first have completed the equivalent of two (2) full years of college level study and have reached the equivalent of the "junior" year of a four-year degree program.

2120.6 Only campus-based or web-based courses are approved for reimbursement. Correspondence courses are not reimbursable under this policy.

POLICY TITLE: Pay Periods and Distribution of Pay Checks
POLICY NUMBER: 2130

2130.1 The salaries and wages of all District employees will be paid every other Wednesday.

2130.1.1 In the event a payday falls on a day the library is closed, the payday will be the previous work day.

2130.2 Paychecks are available in the Administrative Assistant's Office from 9:00 A.M. until 4:30 P.M. each payday.

2130.2.1 Paychecks not picked-up in the Administrative Assistant's Office by 4:30 P.M. will be placed in the mail.

2130.3 Paychecks will be issued only to the employee.

2130.3.1 No one may remove a paycheck from the Administrative Office that doesn't belong to him/her.

2130..2 Paychecks may not be given to parents, spouses, siblings, other staff members or friends unless there is a written, dated and signed directive from the employee.

POLICY TITLE: Advancement of Wages
POLICY NUMBER: 2140

2140.1 This policy will apply to all regular and probationary full-time and part-time District employees.

2140.2 Employees requesting payment of wages in advance of regular pay days as defined in Policy No. 2130, "Pay Periods", will submit said request in writing to the Library Director. The request must include a specific reason for the advance.

2140.3 The Library Director may authorize the requested advancement of wages if the amount requested does not exceed the wages accrued (excluding applicable deductions) by the employee to the date of said request.

2140.4 Advancement of wages prior to a regular payday is not a privilege that an employee may use at his/her discretion, but may be authorized by the Library Director, or in the absence of the Library Director the Library Board President, at his/her discretion only in the case of proven employee necessity and/or personal financial emergency.

2140.5 Frequent requests will be grounds for denial.

POLICY TITLE: Compensation
POLICY NUMBER: 2150

2150.1 This policy will apply to all District employees.

2150.2 Compensation at Hiring.

2150.2.1 New Employees. All newly appointed employees will be paid at the first step of the salary range for the position to which the employee is appointed except as provided elsewhere herein.

2150.2.2 Advanced Step Hiring. If the Library Director finds that a qualified applicant cannot be successfully recruited at the first step of the salary range, he/she may authorize an appointment at an advanced step of the salary range.

2150.2.3 Former Employees. A person who previously held a full-time position from which the person was separated in good standing may, when re-employed in a position with the same or lower pay range than held at separation, be appointed at the same salary rate which was paid at the effective date of the person's termination, or the nearest lower applicable step for the range to which the person is appointed, provided such re-employment occurs within twelve (12) months from the date of said termination.

2150.3 Merit Advancement Within Range.

2150.3.1 Performance Evaluation Required. The Library Director will authorize a merit advancement within the salary range only after evaluating the employee's performance review as submitted by the employee's supervising manager and determining that it is satisfactory. This determination will be noted on a performance evaluation form to be placed in the employee's file, with a copy given to the employee.

2150.3.2 Period of Employment Required for Merit Advancement. Unless otherwise specified herein, each employee will, in addition to receiving a satisfactory performance evaluation, complete the following required time of employment to be eligible to receive a merit increase:

2150.3.2.1 New Employees. A person hired as a new employee will have a merit advancement date which is six (6) months following the appointment date.

2150.3.2.2 Promotion or Demotion. An employee who is promoted or demoted will have a new merit advancement date that will be one year from the date of promotion or demotion.

2150.3.2.3 Voluntary Demotion. An employee who voluntarily demotes to a position at a lower salary range will have no change in merit advancement date.

2150.3.2.4 Change-in-Range Allocation. If the salary range for an employee's position is changed, the employee's merit advancement date will not change.

2150.3.2.5 Position Reclassification. An employee whose position is reclassified to a position having the same or lower salary range will have no change in merit advancement date. An employee whose position is reclassified to a position having a higher salary range will have a new merit advancement date which is one year following the effective date of the position reclassification.

2150.3.2.6 Non-Merit Step Adjustments. An employee whose salary step is adjusted to a higher step for reasons other than regular merit advancement will have a new merit advancement date effective one year from the date of said adjustment.

2150.3.3 Effective Date. An employee's merit increase will take place on the day on which his/her merit advancement date falls. The Library Director may delay authorizing the merit advancement up to 90 days beyond the employee's merit advancement date without affecting the normal merit advancement date if performance is not satisfactory. If authorization for a merit advancement is delayed beyond 90 days from the employee's merit advancement date, the employee will not be eligible for a merit increase until his/her next normal merit advancement date.

2150.4 Promotion. Employees promoted to a position with a higher salary range may be paid either at the minimum rate of the new range or at the nearest higher rate that the employee would otherwise be entitled to on the date the promotion is effective, whichever is greater, provided that an employee promoted to a salary range in excess of one range above his/her former range will receive no less than five per cent (5%), at the same step, in rate.

2150.5 Bi-Lingual Pay. Employees in all classifications are eligible to be tested for Spanish bi-lingual pay. The test includes both verbal and written Spanish and is administered by a consultant selected by the Library Director. Staff members who pass the test will receive a five per cent addition to their regular pay rate effective the date that he/she completes the test.

Employees who accept bi-lingual pay will be required to provide translation services for clients and for other staff members.

2150.5.1 Bi-lingual pay is available for any language spoken by more than 10% of the population of Placentia Library District as shown by the United States Census.

POLICY TITLE: Guidelines on Accepting and Providing Gifts, Entertainment and Services
POLICY NUMBER: 2155

2155.1 An employee or his/her immediate family may not accept from, or provide to, individuals or companies doing or seeking to do business with the District, gifts, entertainment, and/or other services or benefits unless the transaction meets all of the following guidelines:

2155.1.1 Is customary and gives no appearance of impropriety and does not have more than a nominal value (approximately twenty dollars (\$20) or less);

2155.1.2 Does not impose any sense of obligation on either the giver or the receiver;

2155.1.3 Does not result in any kind of special or favored treatment;

2155.1.4 Cannot be viewed as extravagant, excessive, or too frequent considering all the circumstances including the ability of the recipient to reciprocate at District expense.

2155.1.5 Is given and received with no effort to conceal the full facts by either the giver or receiver.

POLICY TITLE: Authorized Leave
POLICY NUMBER: 2160

2160.1 With the approval of the Library Director, an employee may request a leave of absence without pay for a period of up to ninety (90) days.

2160.2 Such a leave of absence must be taken in conjunction with, and at the conclusion of, an authorized use of vacation.

2160.3 At the conclusion, once the employee who has been authorized leave of absence without pay has used all available vacation and any other accrued leave time, then the continuation of such leave will be without any accrual of pay and/or other benefits available to regular employees of the District.

2160.4 The term of an authorized leave of absence without pay cannot be guaranteed beyond thirty (30) days. Employees returning from a leave of absence will be reinstated with the first available job classification for which they are qualified.

POLICY TITLE: Unauthorized Voluntary Absence
POLICY NUMBER: 2165

2165.1 Voluntary absence from work without permission for three consecutive working days will be considered an automatic resignation.

2165.1.1 After two consecutive days of voluntary absence from work without permission, the employee will be notified that the absence will be considered as resignation if it continues consecutively through the third working day. Said notice will provide factual evidence that the employee's absence is voluntary and unauthorized and an invitation to the employee to present his/her version of the "facts" at an informal hearing before the Library Director.

2165.1.1.1 Constructive resignation will not be determined to have occurred until after the employee has an opportunity to present his/her version of the "facts" at the informal fact-finding hearing.

2165.1.1.2 The fact-finding hearing will be held within ten days after the end of the three consecutive days of unauthorized voluntary absence.

2165.2 The Library Director may, prior to the informal fact-finding hearing, reinstate the employee who has been voluntarily absent without leave for three consecutive days if the employee provides a satisfactory explanation. If the employee is reinstated after providing a satisfactory explanation, back pay for the period of absence may be disallowed, including the employee's use of vacation or "comp" time to cover the period of absence.

2165.3 If the Library Director determines, as a result of the evidence presented at the fact-finding hearing, that the employee was voluntarily absent without leave and did not have a satisfactory explanation, the employee will not be entitled to a post-severance evidentiary hearing and the employee's resignation will be considered to be effective at the end of the third consecutive day of his/ her unauthorized voluntary absence.

POLICY TITLE: Performance Evaluation
POLICY NUMBER: 2170

2170.1 This policy will apply to all employees.

2170.2 The Manager of Public Services or the Manager of Technical Services or his/her designated representative will conduct a scheduled performance review of each employee prior to the merit advancement date. If the employee's immediate supervisor is not the evaluator, he/she will be consulted during the preparation of the evaluation.

2170.3 Performance evaluations for employees not eligible for merit advancement will be conducted during the month of July.

2170.4 Performance evaluations will be in writing on forms prescribed by the Library Director. Said evaluation will provide recognition for effective performance and also identify areas that need improvement. In addition to providing scaled scores in each performance and characteristic category, the evaluator will also provide a narrative explanation of the reason for each score.

2170.5 Performance evaluations will be reviewed by the Library Director prior to being discussed with the employee.

2170.6 The performance evaluation will be signed by the evaluator and will be discussed with the employee. The employee will be provided an opportunity to prepare a written response to the evaluation that will be attached to the evaluation for inclusion in his/her personnel file.

2170.7 Unscheduled performance evaluations may be made at the discretion of the Library Director or his/her designated representative.

POLICY TITLE: Grievance
POLICY NUMBER: 2180

2180.1 This policy will apply to all regular full-time and part-time employees in all classifications.

2180.2 The purpose of this policy is to provide a procedure by which employees may formally claim that he/she has been affected by a violation, misapplication, or misinterpretation of a law, District policy, rule, regulation, or instruction.

2180.3 Specifically excluded from the grievance procedure are subjects involving the amendment of state or federal law; resolutions adopted by the District's Board of Trustees, ordinances or minute orders, including decisions regarding wages, hours, and terms and conditions of employment.

2180.4 Grievance Procedure Steps.

2180.4.1 Level I, Preliminary Informal Resolution - Manager Level. Any employee who believes he/she has a grievance will present the evidence thereof orally or in writing to his/her immediate supervisor within five working days after the employee knew, or reasonably should have known, of the circumstances which form the basis for the alleged grievance. The immediate supervisor will hold discussions and attempt to resolve the matter within three working days after the presentation of such evidence. It is the intent of this informal meeting that at least one personal conference be held between the employee and the immediate supervisor.

2180.4.2 Level II - Library Director. If the grievance has not been resolved at Level I, the grievant must present his/her grievance in writing on a form provided by the District (attached hereto as Appendix "A") to the Library Director within ten working days after the occurrence of the act or omission giving rise to the grievance.

2180.4.2.1 The statement will include the following:

- (a) A concise statement of the grievance including specific reference to any law, policy, rule, regulation, and/or instruction deemed to be violated, misapplied or misinterpreted;
- (b) The circumstances involved;
- (c) The decision rendered by the immediate supervisor at Level I;

(d) The specific remedy sought.

2180.4.2.2 The Library Director will communicate his/her decision within ten days after receiving the grievance. Decisions will be in writing setting forth the decision and the reasons therefore and will be transmitted promptly to all parties in interest. If the Library Director does not respond within the time limits, the grievant may appeal to the next level. Time limits for appeal will begin the day following receipt of the Library Director's written decision. Within the above time limits, either party may request a personal conference with the other.

2180.4.3 Level III, Board of Trustees. In the event the grievant is not satisfied with the decision at Level II, the grievant may appeal the decision in writing on a form provided by the District (attached hereto as Appendix "A") to the District's Board of Trustees within five (5) days. The statement will include a copy of the original grievance; a copy of the written decision by the Library Director; and a clear, concise statement of the reasons for the appeal to Level III.

2180.4.3.1 The Board of Trustees, or designee, as soon as possible at a regular monthly meeting of the Board, will schedule a hearing in closed session to formally receive the written grievance and the answers thereto at each step and to hear evidence regarding the issue or issues. The Board's decision will be announced in open session immediately after the closed session in which it was made. The Board's decision is the final step in the grievance procedure.

2180.5 Basic Rules.

2180.5.1 If an employee does not present the grievance, or does not appeal the decision rendered regarding the grievance within the time limits specified above, the grievance will be considered resolved.

2180.5.2 By agreement in writing, the parties may extend any and all time limitations specified above.

2180.5.3 The Library Director may temporarily suspend grievance processing on a District-wide basis in an emergency situation. Employees covered by this policy may appeal this decision to the Board of Trustees.

2180.5.4 A copy of all formal grievance decisions will be placed in the employee's permanent personnel file

Appendix "A"

EMPLOYEE GRIEVANCE FORM
Placentia Library District

Employee's Name: _____ Date: _____

Statement of grievance, including specific reference to any law, policy, rule, regulation and/or instruction deemed to be violated, misapplied or misinterpreted:

Circumstances involved:

Decision rendered by the informal conference:

Specific remedy sought:

POLICY TITLE: Grievance
POLICY NUMBER: 2180

2180.1 The Library has established an internal problem-solving process to provide a prompt and fair review of employee work-related issues.

2180.2 Employees will be advised that using this process will not affect their job status, security or relationship. Employees can exercise this problem solving resolution process without retribution.

2180.3 A grievance is a claimed violation, misinterpretation, inequitable application or non-compliance, with provisions of a collective bargaining agreement, or resolutions, rules, regulations or existing practices affecting the status or working conditions of Library employees.

2080.4 A grievance may be filed by an employee on his/her own behalf or jointly by any group of employees, or by an employee organization.

2180.5 Procedure

2080.5.1 The purpose of a grievance procedure is to develop and practice a reasonable and effective means of resolving difficulties that may arise among employees, to reduce potential problems, to establish channels of communication, and to settle differences that arise as close to the point of origin as possible; and to provide a program as fair as possible that will resolve differences promptly and without fear of reprisal.

2080.5.2 Informal Grievance

2080.5.2.1 The grievant will, within five (5) working days of the discovery of an event giving rise to a grievance, informally present and discuss any difference or grievance with his/her most immediate supervisor.

2080.5.2.2 Both will make a *bonafide* effort to amicably settle such differences.

2080.5.2.3 The supervisor will respond within five (5) working days after the final meeting with the grievant.

2080.5.2.4 The informal grievance procedure will be utilized prior to formal grievance procedures.

2080.5.2 Formal Grievance

2080.5.2.1 If the grievant believes the grievance has not been redressed within five (5) working days, he/she may initiate a formal grievance by filing a written grievance with the Library office within twenty (20) working days thereafter. The form should contain the following information:

2080.5.2.1.1 Name(s) of grievant

2080.5.2.1.2 Class Title

2080.5.2.1.3 Department

2080.5.2.1.4 A clear statement of the nature of the grievance, citing the then current language of any ordinance, rule, regulation or other pertinent document involved

2080.5.2.1.5 The date on that the event occurred

2080.5.2.1.6 Proposed solution to the grievance

2080.5.2.1.7 Date grievance form completed

2080.5.2.1.8 Signature of grievant; and

2080.5.2.2 Step 1: Within ten (10) working days after a formal grievance is filed, the Supervisor will investigate the grievance and confer with the grievant in an attempt to resolve the grievance and make a decision in writing. If the Supervisor is the Library Director, the grievant will go to Step Two upon filing the Formal Grievance and omit Step One.

2080.5.2.3 Step 2: If the grievance is not resolved in Step One to the satisfaction of the grievant, he/she may, within five (5) working days from his/her receipt of the Supervisor's decision, request consideration of the grievance by the Library Director, by so notifying the Library Office in writing.

2080.5.2.3.1 Within ten (10) working days after such notification, the Library Director will investigate the grievance, confer with

persons affected and their representatives, and render a decision in writing.

2080.5.2.3.2 If the decision of the Library Director resolves the grievance to the satisfaction of the grievant, it will bind the Library subject to ratification by the Board if the decision requires an unbudgeted expenditure.

2080.5.2.4 Step Three: If the grievance is not resolved in Step Two to the satisfaction of the grievant, he/she may, within five (5) working days from his/her receipt of the Library Director's decision, request consideration of the grievance by the Board of Directors or designee, by so notifying the Library Office in writing.

2080.5.2.4.1 Within ten (10) working days after such notification, the Board of Directors or designee will investigate the grievance, confer with persons affected and their representatives, and render a decision in writing. The decision of the Board is final.

2080.6 The Library Office will act as a central repository for all grievance records.

2080.7 Any time limit may be extended only by mutual agreement in writing.

2080.8 In certain grievances, the first step may be deleted if the grievance arises out of an action by a Library employee above the level of the grievant's supervisor. However, no grievance will originate higher than Step Two (2).

2080.9 Failure at any step of this procedure to communicate a decision on the grievance within the specified time limits will mean that the grievance is denied at that step and will permit the lodging of an appeal at the next step. Failure to appeal a decision within the specified time limits will be deemed a withdrawal of the grievance.

2080.10 The Decision of the Board of Trustees is final.

POLICY TITLE: Drug and Alcohol Abuse
POLICY NUMBER: 2190

2190.1 It is the desire of the Board of Trustees that all work environments of District employees be safe and productive and free of the influence of drugs, alcohol and/or other controlled substances. The Board of Trustees is concerned with the physical safety of all employees, potential damage to property and equipment, mental and physical health of employees, productivity and work quality, medical insurance costs, and the harm done to employees and their families by the inappropriate use of controlled substances.

2190.2 The use (except as prescribed by a physician), sale, possession, purchase, or transfer of drugs, alcohol and/or other controlled substances by any District employee or officer on District property or work sites or while said employee or officer is on District business is prohibited.

2190.2.1 Employees are also prohibited from being under the influence of drugs, alcohol and/or other controlled substances during hours of work where such substances could impair the fitness of an employee to perform his/her work.

2190.2.2 Commission of any of the actions described above will subject the employee to disciplinary action up to and including termination.

2190.2.3 For the purpose of applying this policy, being under the influence of drugs, alcohol and/or other controlled substances means being impaired in any way from fully and proficiently performing job duties and/or having a detectable amount of said substances in one's body.

2190.3 The decision to discipline or terminate an employee found to have used and/or be under the influence of drugs, alcohol and/or other controlled substances during working hours may be waived or held in abeyance by the Library Director pending said employee's attempt at rehabilitation. The Library Director has discretion to handle each case individually with factors such as the employee's frequency of use, commitment to rehabilitation, and type of substance taken into consideration regarding the waiving of penalties.

2190.3.1 Discipline or termination that is waived or held in abeyance pending rehabilitation should be done on the condition, set forth in writing, that the employee:

2190.3.1.1 Successfully complete an approved rehabilitation program;

2190.3.1.2 Faithfully comply with maintenance and therapeutic measures (e.g., attendance at AA or NA meetings); and,

2190.3.1.3 Be subject to periodic random testing without further reasonable cause.

2190.3.2 Employees who are found to have brought drugs, alcohol or other non-prescription controlled substances onto District property or work sites and to have provided them to other employees will be terminated without recourse to a rehabilitation program.

2190.3.3 Discipline or termination should not be taken until a thorough investigation has been completed.

2190.4 To assure that employees, property and equipment are not endangered by other employees who are involved with, or under the influence of drugs, alcohol and/or other controlled substances, any employee whose conduct, appearance speech or other characteristics create a reasonable suspicion of involvement with, or influence of said substances will be taken to a medical facility and be subject to an exam by a qualified physician at District expense. If said physician determines that a drug/alcohol test is warranted, said employee will be subject to testing for the presence of alcohol or drugs in their bodies.

2190.4.1 Presence of such substances will result in disciplinary action up to and including termination, as described above.

2190.4.2 An employee who is suspected of involvement as described above and refuses to cooperate in the physician's exam and/or drug/alcohol testing is subject to termination.

2190.5 If a qualified physician, as a part of the examination specified in Section 2190.4, above, determines that an employee is not capable of working safely, said employee will be transported to his/her home by a supervising employee and not allowed to drive himself/herself home.

2190.6 Immediately prior to reporting for drug/alcohol testing, all employees will complete a Consent and Release form to be kept on file in the District office which will conform to the general format, as shown on Appendix A.

2190.7 District employees are required to notify the Library Director in writing of any criminal drug statute of which they are convicted for a violation occurring in the workplace no later than five calendar days after such conviction.

POLICY TITLE: Tobacco Use and Smoke Free Workplace
POLICY NUMBER: 2195

2195.1 Ample research exists demonstrating the health hazards of the use of tobacco products, including smoking and the breathing of second-hand smoke. Therefore, in the best interest of the health and safety of employees and the general public, the smoking of tobacco products will be banned completely within Placentia Library.

2195.1.1 The successful implementation of this policy depends upon the - thoughtfulness, consideration and cooperation of smokers and non-smokers. All individuals on District premises share in the responsibility of adhering to this policy.

2195.2 All District employees will be responsible for advising members of the public who are observed using tobacco products in the Library building of the District's policy on the matter. Said individuals will be asked by staff to refrain from using tobacco products.

2195.2.1 Members of the public who refuse to comply with this policy will be directed by the Librarian in Charge to leave the Library building.

2195.3 District employees who violate this policy will be subject to disciplinary action in accordance with Policy #2260.

2195.4 Extra care should be taken when working around combustible materials.

2195.4.1 Personnel who smoke outside should use extreme caution and dispose of cigarettes in a responsible and safe manner, using ashtrays, etc.

2195.5 Smoking is allowed in non-district vehicles with only one occupant.

POLICY TITLE: Pre-Employment Physical Examinations
POLICY NUMBER: 2200

2200.1 All individuals who are offered full-time, temporary or part-time employment must successfully pass a post-job-offer pre-employment medical examination and controlled substance test by the District's physician at District expense. The District will provide the examining physician a description of the job involved to assist in a determination of the individual's fitness to work.

2200.1.1 Employment will not occur until after a negative controlled-substance test result is certified, and until after a qualified physician has certified the individual as fit to perform the type of work required by the position applied for.

2200.1.2 Employment will not occur if the individual refuses to cooperate in the examination and testing.

2200.2 Retesting of an individual who was previously employed on a temporary, part-time or full-time basis will be required if more than twelve months have elapsed since the individual's last day of work for the District.

2200.3 Appointments with the medical facility providing the examination and controlled substance testing will be made at least one day prior to testing if possible, with the individual to be tested provided minimal advance notice (no more than one day, if practical).

2200.4 When the individual to be tested reports to the medical facility for the scheduled examination and controlled substance testing, they must provide proof of identification, such as a drivers license photo or a state-issued photo identification card.

2200.5 All test results will be kept confidential and maintained at the physician's office. Applicants will be told whether they passed or failed the tests. A copy of the pass/fail report from the physician's office will be included in the individual's personnel file.

2200.6 District employment application forms will contain a notice to applicants as follows:

Placentia Library District has a policy of requiring a physician's physical fitness exam, together with drug testing of persons who have been offered employment. Individuals who are determined by the physician not to be physically fit for duty, or who test positive for controlled substances, will not be employed. If you have reason to believe that you will not pass a physician's physical examination, or will test positive for the presence of controlled substances,

or if you are unwilling to consent to such an examination or test if offered employment, it is recommended that you not submit an application.

POLICY TITLE: Unlawful Harassment
POLICY NUMBER: 2210

2210.1 Placentia Library District is committed to providing a work environment that is free of unlawful harassment.

2210.1.1 The Library's policy prohibits sexual harassment, gender harassment and harassment based on pregnancy, childbirth, or related medical conditions, race, religious creed, color, national origin or ancestry, physical or mental disability, medical condition, marital status, age, sexual orientation or any other basis protected by federal, state or local law or ordinance or regulation.

2210.1.2 All such harassment is unlawful. It is intended that any change or modification to existing law will become part of Placentia Library District's policy.

2210.2 In keeping with its anti-harassment principle, Placentia Library District strictly prohibits an employee from engaging in any such harassment, including but not limited to ethnic slurs, racial epithets, derogatory jokes, physical intimidation, threats of violence or bodily harm and sexual harassment.

2210.3 Placentia Library District's anti-harassment policy applies to all persons involved in the operation of Placentia Library District, including Board Members/Alternates and consultants working on Placentia Library District -related projects, and prohibits unlawful harassment by any employee of Placentia Library District, including managers and coworkers.

2210.4 Prohibited unlawful harassment because of sex (sexual harassment, gender harassment and harassment due to pregnancy, childbirth or related medical condition), race, religion, color, national origin or ancestry, physical or mental disability, medical condition, marital status, age, sexual orientation or any other protected basis protected by federal, state or local law, ordinance or regulation includes, but is not limited to, the following behavior:

2210.4.1 Verbal conduct such as derogatory comments; epithets; slurs; sexual innuendos; jokes or comments that makes another employee uncomfortable; slurs or unwanted sexual advances, invitations or comments.

2210.6.4 The District will not retaliate against the employee for filing a complaint and will not tolerate or permit retaliation by management, employees or coworkers.

2210.6.5 Disciplinary action may also be taken against any supervisor or manager who condones or ignores unlawful harassment or otherwise fails to take appropriate action to enforce this unlawful harassment policy.

2210.7 Placentia Library District encourages all employees to report any incidents of harassment forbidden by this policy immediately so that complaints can be quickly and fairly resolved.

2210.7.1 The employee should also be aware that the Federal Equal Employment Opportunity Commission and the California Department of Fair Employment and Housing may investigate and prosecute complaints of prohibited harassment in employment. If an employee thinks that he/she has been harassed or retaliated against for resisting or complaining, the employee may file a complaint with the appropriate agency.

2210.8 Complaint Procedure

2210.8.1 An employee who believes that they have been unlawfully harassed will report the incident immediately and according to the following procedure so that the complaint can be resolved quickly and fairly.

2210.8.1.1 Whenever possible, the employee should confront the harasser and tell the person to stop. If the employee does not feel comfortable doing this, follow step 2 immediately.

2210.8.1.2 The employee should notify their own supervisor, another management person or the Library Director as soon as possible after the incident, giving dates and time of the incident(s). Include details on the incident(s), names of individuals involved and the names of any witnesses.

2210.8.1.3 Supervisors will refer all harassment complaints to the Library Director. The District will immediately undertake an effective, thorough and objective investigation of the harassment allegations.

2210.8.1.4 Employees who have any questions regarding Placentia Library District's policy against unlawful harassment or the procedure for filing complaints, should contact the Library Director.

POLICY TITLE: Equal Employment Opportunity
POLICY NUMBER: 2220

- 2220.1** Placentia Library District is an equal employment opportunity employer and makes employment decisions on the basis of merit. We want to have the best available persons in every job.
- 2220.1.1** The Library policy prohibits unlawful discrimination based on race, color, creed, gender, religion, marital status, age, national origin or ancestry, physical or mental disability, veteran status, sexual orientation or medical condition including genetic characteristics.
 - 2220.1.2** It also prohibits unlawful discrimination based on the perception that anyone has any of those characteristics, or is employed with a person who has or is perceived as having any of those characteristics.
 - 2220.1.3** All such discrimination is unlawful.
 - 2220.1.4** Placentia Library District considers the attainment of equal employment a major agency objective and is committed to providing equal employment opportunities to all qualified persons.

POLICY TITLE: Americans with Disabilities Act
POLICY NUMBER: 2225

- 2225.1** Placentia Library District's policy and practice is to comply with the Americans with Disabilities Act and ensure equal employment opportunity for all qualified persons with disabilities.
 - 2225.1.1** The Library is committed to ensuring non-discrimination in all terms, conditions and privileges of employment.
 - 2225.1.2** The Library will make reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or an employee unless undue library hardship would result.
- 2225.2** Qualified individuals with disabilities are entitled to equal pay and other forms of compensation as well as equal treatment and reasonable accommodation in job assignments.
 - 2225.2.1** Employment decisions are based upon the essential responsibilities of the position, in accordance with defined criteria, not the disability of the individual.
- 2225.3** Guidelines
 - 2225.3.1** An applicant or employee who requires an accommodation in order to perform the essential functions of the job should contact the Library Director and specify what accommodation is needed to perform the job.
 - 2225.3.2** The Library Director or designee will conduct an investigation to identify the barriers that make it difficult for the applicant or employee to have an equal opportunity to perform the job. The Library will identify possible accommodations, if any, that will help eliminate the limitation. If the accommodation is reasonable and will not impose an undue hardship, the library will make the accommodation.
 - 2225.3.3** An employee who believes that they have been subject to any form of unlawful discrimination will provide a written complaint to their manager or the Library Director. The complaint should be specific and should include the names of the individuals involved and the names of any witnesses.
 - 2225.3.4** The Library Director or designee will immediately undertake an effective, thorough and objective investigation and attempt to resolve the situation.

- 2225.3.4.1** If the Library Director or designee determines that unlawful discrimination has occurred, effective remedial action will be taken commensurate with the severity of the offense.
- 2225.3.4.2** Appropriate action will also be taken to deter any future discrimination. Whatever action is taken will be made known to the affected employee and the Library will take appropriate action to remedy any loss to the employee as a result of the discrimination.
- 2225.3.4.3** The Library will not retaliate against the employee for filing a compliant and will not knowingly permit retaliation by management employees or coworkers.
- 2225.3.4.4** During the interview process, managers may inquire generally as to whether a prospective employee can perform the essential functions of a job, with or without accommodation, but cannot inquire as to whether or not an individual has any type of disability.

POLICY TITLE: Nepotism
POLICY NUMBER: 2230

2230.1 Placentia Library District's policy is to seek for its staff the best possible candidates through appropriate search procedures. There will be no bars to appointment of close relatives in any staff category in the same or different departments so long as the following standard is met:

2230.1.1 No employee will vote, make recommendations, or in any way participate in decisions about any personnel matter that may directly affect the selection, appointment, promotion, termination, other employment status, or interest of a close relative.

2230.1.1.1 For the purpose of this policy, "close relative" is defined as spouse, parent, sibling, child, stepchild, in-law, aunt, uncle or grandparent, domestic partners and their children.

2230.2 When an individual is considered for appointment in a department in which an immediate family member is already assigned, review of this fact will be required at all appointing levels. The objective of this review will be to assure equity to all members of the department.

Members of the immediate family of elected or appointed Authority board members or alternates will not be appointed to library employment.

Members of the immediate family of regular employees will not be appointed to the same division, nor will they be transferred, promoted or demoted into the same division, nor be placed in such a position as to evaluate a relative or be in the same line of supervision. Each situation will be addressed based on the individual circumstances of that situation.

Members of the immediate family of regular employees will not be hired on a temporary basis.

POLICY TITLE: Outside Employment
POLICY NUMBER: 2240

- 2240.1** California law gives employees protection against discrimination by employers for lawful activities outside of work (including moonlighting)

- 2240.2** While the library does not seek to interfere with the off-duty and personal conduct of its employees, certain types of off-duty conduct may interfere with the library's legitimate business interests. For this reason, employees are expected to conduct their personal affairs in a manner that does not adversely affect the library's or their own integrity, reputation or credibility. Illegal or immoral off-duty conduct by an employee that adversely affects the library's legitimate business interests or the employee's ability to perform his or her job will not be tolerated.

- 2240.3** While employed by the library, employees are expected to devote their energies to their jobs. The following types of employment elsewhere are strictly prohibited:
 - 2240.3.1** Additional employment that conflicts with an employee's work schedule, duties and responsibilities at the library.

 - 2240.3.2** Additional employment that creates a conflict of interest or is incompatible with the employee's position with our library.

 - 2240.3.3** Additional employment that impairs or has a detrimental effect on the employee's work performance with our library.

 - 2240.3.4** Additional employment that requires the employee to conduct work or related activities on the library's property during the employee's working hours or using District facilities and/or equipment.

 - 2240.3.5** Additional employment that directly or indirectly competes with the business or the interests of the library.

- 2240.4** Employees who wish to engage in additional employment that may create a real or apparent conflict of interest must submit a written request to the Library Director explaining the details of the additional employment.
 - 2240.4.1** If the additional employment is authorized, the Library assumes no responsibility for it.

 - 2240.4.2** The Library will not provide workers' compensation coverage or any other benefit for injuries occurring from or arising out of additional employment.

2240.4.3 Authorization to engage in additional employment can be revoked at any time.

POLICY TITLE: Separation from District Employment
POLICY NUMBER: 2250

2250.1 Resignation. To leave Placentia Library District service in good standing, an employee must file a written notice of termination with the Library Director at least two weeks before the effective date. The Library Director may, however, grant good standing with less notice if he/she determines the circumstances warrant. Resignations may not be withdrawn without the Library Director's approval.

2250.2 Layoffs. Whenever, in the judgment of the District Board of Trustees, it becomes necessary, due to the lack of work, lack of funds, or other economic reason, or because the necessity for a position no longer exists, the Board of Trustees may abolish any position of employment, and the employee holding such position may be laid off or demoted.

2250.2.1 Employees to be laid off will be given notice at least 14 calendar days in advance of the layoff date.

2250.2.2 Except as otherwise provided, whenever there is a reduction in the work force, the Library Director will first demote to a vacancy, if any, in a lower position for which the employee who is the latest to be laid off (in accordance with ¶2250.2 of this policy) is qualified.

2250.2.3 An employee affected by layoff may have retreat rights to displace an employee who has less seniority in a lower position that the employee has previously occupied or supervised. For the purpose of this document, seniority includes all periods of full-time service at or above the retreat position being considered.

2250.2.4 In order to retreat to a former or lower position, an employee must request displacement action in writing to the Library Director within five working days of receipt of the layoff notice.

2250.2.4.1 Employees retreating to a lower position will be placed at the salary step representing the least loss of pay. In no case will the salary be above the top of the range of the new position.

2250.2.6 The names of persons laid off or demoted in accordance with this policy will be entered upon a re-employment list. The Library Director will use the re-employment list when a vacancy arises in the same or lower position before certification is made from an eligibility list.

2250.2.7 Names of persons laid off will be carried on the re-employment list for one year, except that persons appointed to tenured positions of the same level as that from which they were laid off, will upon such appointment, be removed from the list. Persons who refuse re-employment will be removed from the list. Persons re-employed in a lower position in the same classification, or on a temporary basis, will be continued on the list for the higher position for one year. At the discretion of the Library Director, the list may be extended for an additional year.

POLICY TITLE: Confidentiality Regarding Resignations¹
POLICY NUMBER: 2251

2251.1 To the extent permitted by law, District staff and Trustees will keep confidential the circumstances giving rise to an employee's resignation from the District.

2251.1.1 This policy is itself a public record which the District must release upon request.

¹ Source: Lozano Smith Smith Woliver & Behrens

POLICY TITLE: Letters of Recommendation²
POLICY NUMBER: 2255

2255.1 The Board of Trustees recognizes that Placentia Library District faces exposure to significant liability through the provision of letters of recommendation by District employees. The Board finds that it is, therefore, in the best interests of the District to ensure that letters of recommendation issued by individuals in their capacity as District employees, or which could be reasonably interpreted as written in the individual's capacity as a District employee, be accurate and conform to all requirements of law.

2255.1.1 The Library Director or designee will process all requests for references, letters of recommendation, or information about the reasons for separation regarding all district employees other than himself/herself. The Library Director or his/her designee must approve all letters of recommendation to be issued on behalf of the District for current or former employees.

2255.1.2 At his/her discretion, the Library Director or his/her designee may refuse to give a recommendation. Any recommendation he/she gives will provide a careful, truthful, and complete account of the employee's job performance and qualifications.

² Source: Lozano Smith Smith Woliver & Behrens

POLICY TITLE: Progressive Discipline
POLICY NUMBER: 2260

2260.1 It is essential that employees perform to the best of their ability at all times. It is expected that employees understand and demonstrate certain standards of job performance, interpersonal skills and conduct.

2260.1.1 Progressive discipline includes verbal warnings, written warnings, suspension with or without pay and/or termination.

2260.1.2 Progression from one disciplinary level to another occurs when an employee does not show improvement to a satisfactory level.

2260.1.3 Although one or more actions may be taken in disciplinary matters, the disciplinary action taken does not necessarily have to follow this stated order and will be commensurate with the offense.

2260.2 Grounds for Discipline

2260.2.1 The Library expects efficiency, productivity and cooperation among its staff employees. The following are examples of types of conduct that are not permitted and that may result in disciplinary action, including immediate termination. Although it is not possible to provide an exhaustive list of all types of unacceptable conduct, performance, or group interaction, the following are some examples:

2260.2.1.1 Insubordination, including improper conduct toward a supervisor or refusal to perform tasks assigned by a supervisor in the appropriate manner.

2260.2.1.2 Possession, distribution, sale, use, or being under the influence of alcoholic beverages or illegal drugs or controlled substances (other than prescription drugs for personal use) while on Library property, while on duty, or while operating a vehicle on Library business.

2260.2.1.3 Theft or unauthorized removal or possession of property from the Library, other employees, or anyone on Library property.

2260.2.1.4 Violation of Library rules, regulations or codes of conduct.

2260.2.1.5 Intentionally falsifying or making a material omission on an employment application, or on other Library records or documents.

2260.2.1.6 Misusing, destroying, or intentionally or negligently damaging property of the Library, another employee or a Library visitor.

2260.2.1.7 Actual or threatened physical violence, threatening, intimidating, coercing any member of the Library community; vulgar or abusive language.

2260.2.1.8 Possession or use of dangerous or unauthorized materials, such as explosives, firearms, or other similar items, while on Library property, while on duty, or while operating a vehicle leased or owned by the Library.

2260.2.1.9 Unsatisfactory performance, including poor accuracy, quantity, or quality of work product; lack of cooperation.

2260.2.1.10 Intentional or gross misconduct; gambling on premises.

2260.2.1.11 Unlawful harassment of another person.

2260.2.1.12 Excessive tardiness or absenteeism, including abuse of any of the Library policies or procedures relating to leaves or breaks.

2260.2.1.13 Dishonesty.

2260.2.1.14 Sleeping, or giving the appearance of sleeping, while on duty.

2260.2.1.15 Failure to follow instructions or safety guidelines.

2260.2.1.16 Failure to comply with "confidentiality of library records" requirements of the CA Government Code.

2660.3 Performance Improvement Process

2660.3.1 Verbal Counseling Session

2660.3.1.1 The Supervisor should counsel the employee verbally, specifying the unacceptable behavior and identify what corrective action or behavior is needed to meet a satisfactory level of performance.

2660.3.1.2 The Supervisor will provide an opportunity for the employee to express concerns and mutually agree on a course of action to improve performance, allow for positive two-way communication, and establish a reasonable target date for the follow-up review.

2660.3.1.3 Documentation, if any, will not be retained in the employee's personnel file. Informal documentation will include date and time of incident, date of counseling, responses given by the employee, and planned follow-up review.

2660.3.1.4 A follow-up review date should be scheduled far enough in advance to allow sufficient opportunity and time for the employee's performance to improve. The employee will always be advised that failure to correct the

behavior/performance may result in additional disciplinary action, up to and including termination of employment.

2660.3.2 Written Disciplinary Warnings (1st & 2nd)

2260.3.2.1 If the employee does not improve after the verbal counseling session or if there are repeated incidents of the unacceptable behavior or performance, or if the appropriate disciplinary action given the nature of the offense is a written warning, then the Supervisor will complete a written reprimand. The reprimand will include:

2260.3.2.1.1 Restating the problem to the employee. Explain clearly and precisely how the supervisor's expectations and standards have not been met. Specify the acceptable level of performance. Reference prior discussions or written warnings with the employee concerning the performance or behavioral problem. Note that signing the reprimand does not indicate agreement with the contents, only receipt and knowledge thereof and that the employee has a right to respond.

2260.3.2.1.2 Allow for two-way communication. Give the employee an opportunity to explain why the behavior has not been corrected.

2260.3.2.1.3 Provide specific examples and ideas for improvement. Clearly outline a corrective action plan to correct the problem.

2260.3.2.1.4 State dates for regular follow-up and set a reasonable date by that the problem must be eliminated or corrected.

2260.3.2.1.5 Indicate verbally and in writing that failure to correct the problem may lead to additional disciplinary action up to and including termination of employment.

2660.3.2.1.6 Sign and date the reprimand and request the same from the employee. State that signing the reprimand does not indicate agreement with the contents, only receipt and knowledge thereof and provide a copy to the employee. The employee may also sign the reprimand and indicate that he/she does not agree with its contents. If the employee refuses to sign the reprimand, the refusal will be noted by the supervisor who will, sign the warning and provide a copy to the employee.

2660.3.2.1.7 The employee may write comments on the form.

2660.3.2.1.8 Retain a copy of the written reprimand in the employee's personnel file.