

**SOUTHERN MARIN SERVICE REVIEW AND
SPHERE OF INFLUENCE UPDATE**

PUBLIC REVIEW DRAFT

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SUMMARY & RECOMMENDATIONS

Uses of Spheres of Influence Adopted by LAFCO

This report is presented as part of a process mandated by Sections 56425 and 56430 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. As stated in that section, "In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local government agencies so as to advantageously provide for the present and future needs of the county and its communities, the Local Agency Formation Commission shall develop and determine the sphere of influence of each local governmental agency within the county." As used in this section, *"sphere of influence" means a plan for the probable physical boundaries and service area of a local government agency.*

In determining a sphere of influence, the Commission is required to consider and make written findings with respect to the following factors:

- ❑ The present and planned land uses in the area, including agricultural and open space lands.
- ❑ The present and probable need for public facilities and services in the area.
- ❑ The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide.
- ❑ The existence of any social or economic communities of interest in the area if the commission determines they are relevant to the agency.

Following adoption, spheres of influence act as a guide to LAFCO review of future proposals for changes to local government boundaries. LAFCO is now required to update adopted spheres of influence every five years. Other local agencies, especially cities and counties, recognize and incorporate adopted spheres of influence in their general plans. Cities usually rely on spheres to define the planning area of their general plans. The Community Facilities Element of the Countywide General Plan designates "urban service areas."

New legislation effective in 2001 requires LAFCO to perform "service reviews" prior to updating spheres of influence. In conducting a service review, LAFCOs review all of the

agencies that provide each local service within a designated geographic area. Service reviews are intended to open discussion of alternatives to existing service arrangements that may improve service levels, efficiency and/or political accountability.

Local Government Structure in Southern Marin

Local government agencies in southern Marin County provide service through a complex pattern of jurisdictional and inter-jurisdictional relationships between four cities, eleven independent special districts plus various county service areas governed by the Board of Supervisors and joint-powers authorities made up of combinations of cities and special districts. The existing structure of local government is exceptionally complex for an area the approximate size of the City of San Rafael.

The study area encompasses a population of approximately 52,000. The four cities together (Belvedere, Tiburon, Mill Valley and Sausalito) encompass a population of approximately 32,000 or 62% of the total study area population. A series of unincorporated areas ranging in population size of less than 1,000 (Alto and Muir Woods Park) to over 5,000 (Tamalpais Valley). All areas within the study area receive services from a combination of a city, the county and one or more special districts.

The Strawberry area, for example, receives police, community development, library and road maintenance services from the County of Marin. Strawberry residents also receive water service from Marin Municipal Water District, fire protection from the Southern Marin Fire Protection District, sewer service from Richardson Bay Sanitary District and recreation and park services from the Strawberry Recreation District.

The wide variety and small scale of local agencies in southern Marin often requires multiple agencies to work together to provide a single a single facility or program. For example, six independent agencies have formed the Sewerage Agency of Southern Marin (SASM) in order to build and operate a single sewage treatment plant. SASM, in turn, joins with a seventh agency, Sanitary District #5 (Tiburon Sanitary) to operate outfall facilities in Raccoon Strait. The City of Belvedere and the Town of Tiburon operate combined library and recreation facilities. The Tamalpais Community Services District contracts with the Sausalito-Marín City Sanitary District for treatment and disposal of sewage from Tamalpais Valley. Other examples abound.

Local governments in southern Marin form an interdependent network of service arrangements that define the study area as shown in the maps contained in the body of the report. The study area was purposefully designated to encompass these interagency service relationships. The maps and statistics presented in the report describe a system of

local government structure that has adapted to current service demand, but is fragmented and sometimes difficult to understand. Far fewer agencies are required to provide services to larger populations in the Novato and San Rafael areas. It follows from these circumstances that the potential for consolidation of public agencies is a central theme of this report.

Service Reviews

Chapter 2, "Service Reviews" focuses on fire protection and sewer services. These two services present the widest array of alternatives for reorganization. Fire protection and sewer service are the subjects of expanded study to examine the incentives and obstacles to reorganization of the many different agencies providing those services:

Working with the Southern Marin Fire Protection District and the cities of Sausalito and Mill Valley, LAFCO has completed the first phase of a focused study of the transfer of fire protection service from the two cities to the Southern Marin Fire Protection District. That study (*Southern Marin Fire Protection Consolidation Study*, Economic & Planning Systems, Berkeley, 2003) concluded that cost savings and service enhancements resulting from the transfer of fire service from the two cities to the Southern Marin Fire Protection District would not be negated by the District's higher personnel costs. The District and the City of Sausalito have executed an agreement for preliminary steps toward transfer of fire service. The consultant's report is included as Appendix I.

In March 2004, LAFCO authorized expanded study of consolidation of sewer agencies in southern Marin. The *Southern Marin Sewer Service Alternatives Study* will be completed later this year. The study will include alternatives for enhancing service efficiency through contracts between existing agencies and for the political consolidation of special districts. Proposed service review determinations and sphere of influence recommendations for the six sanitary districts will, therefore, not be included in this report until the study's information becomes available to the Commission.

Changes Affecting Adopted Spheres of Influence

Spheres of influence were originally adopted for cities and special districts in southern Marin in the mid-1980s. At that time, the definition of sphere of influence was "... a plan for the *ultimate* boundary and service area of a local government agency." Under that definition, all urbanized and urbanizing areas of southern Marin were allocated to the

spheres of one of the four cities, indicating that in the long term, these areas were expected to annex to a city. Some areas, such as Alto, are so closely associated with a city's boundary, street system and services that the expectation of city annexation is unavoidable. In other cases, more autonomous unincorporated communities such as Strawberry, Tamalpais Valley and Marin City were included in city spheres of influence.

The sphere of influence definition (Government Code Section 56076) was amended in 1992 to read "... a plan for the *probable* boundary and service area of a local government agency." Also in 1992, the Legislature began to "redirect" to its own use a significant proportion of local property tax revenues generated in cities, counties and special districts to fulfill statewide responsibilities for funding education. The loss of revenues has seriously impaired provision of all municipal services within existing city boundaries. Annexation of additional territory to cities, especially areas with large populations or deficient infrastructure, has become increasingly difficult. Together, these and other changes of circumstance described in the report argue for smaller, more "probable" city spheres of influence.

Recommended Spheres of Influence

LAFCO's policy and procedure for updating adopted spheres of influence focuses on the impact of changes affecting local government services. The amended sphere of influence definition, fiscal stress on local government and other changes since the 1980s, have led to staff recommendations for significant changes to the adopted spheres of Tiburon, Mill Valley and Sausalito as well as minor modifications and, in some cases, reaffirmation of existing spheres. The following table lists staff's recommendations for the individual spheres of influence for the cities and special districts in the southern Marin area.

<u>Agency</u>	<u>SOI Recommendation</u>	<u>Map Reference</u>
City of Belvedere	Coterminous sphere of influence with minor realignment of the boundary between Belvedere and Tiburon at the Boardwalk Shopping Center and Corinthian Island.	Map 7
Town of Tiburon	Amend the Town's sphere of influence to delete the Strawberry unincorporated area and portions of Ring Mountain in public ownership. Paradise Drive and West Tiburon areas should be retained in the Town's sphere of influence.	Map 8

<u>Agency</u>	<u>SOI Recommendation</u>	<u>Map Reference</u>
Town of Tiburon (Contd.)	Request amendments to the Countywide General Plan Community Facilities Element to delete Strawberry from the Tiburon USA and establish an “area of interest” to maintain policy coordination between Tiburon and the County.	
City of Mill Valley	Amend the City’s sphere of influence to exclude the Tamalpais Valley and Muir Woods Park unincorporated areas. The Alto, Almonte and Homestead Valley areas should remain in the City’s sphere of influence. Request amendments to the Countywide General Plan Community Facilities Element deleting Tamalpais Valley and Muir Woods Park areas from the Mill Valley Urban Service Area and establish an “area of interest” to maintain policy coordination between Mill Valley and the County.	Map 9 & Map 10
Sausalito	Amend the City’s sphere of influence to exclude the Marin City unincorporated area and the Manzanita/Heliport shoreline area without access from Sausalito city streets. The Fort Baker area should be retained in the City’s sphere of influence. Request amendments to the Countywide General Plan Community Facilities Element deleting Marin City and Manzanita/Heliport areas from the Sausalito Urban Service Area and establish an “area of interest” to maintain policy coordination between Sausalito and the County.	Map 11
Sanitary Districts	As of the date of this draft report, the service review of southern Marin sewer agencies has been extended to include study by an independent consultant. The study is now in progress. Staff recommendations for sanitary district spheres of influence will not be made until after the consultant’s study is complete.	

<u>Agency</u>	<u>SOI Recommendation</u>	<u>Map Reference</u>
Sanitary Districts (Contd.)	Upon completion of the consultant's work, staff will prepare an addendum to this report that will include recommended service review and sphere of influence determinations.	
Fire Protection Districts:		
Tiburon Fire Protection District	Amend the District's sphere of influence to designate an "interim" sphere of influence including the current jurisdiction of TFPD and the City of Belvedere. The "interim" designation defines an area within which annexations may take place prior to eventual reorganization to form a larger fire protection district.	<u>Map 19</u>
Southern Marin Fire Protection District	Amend the District's sphere of influence to designate an "interim" sphere of influence coterminous with the current jurisdiction of SMFPD. The "interim" designation anticipates eventual reorganization to form a larger fire protection district which may include the cities of Belvedere, Mill Valley and Sausalito and the area served by the Tiburon Fire Protection District.	<u>Map 20</u>
Other Special Districts:		
Tamalpais Community Services District	Reaffirm the TCSD sphere of influence without change.	<u>Map 16</u>
Marin City Community Services District	Amend the existing "interim" sphere of influence to designate a coterminous sphere of influence (equal to existing District boundaries) in the expectation that the Marin City area will remain unincorporated and benefit from the services of MCCSD for the foreseeable future.	<u>Map 21</u>

<u>Agency</u>	<u>SOI Recommendation</u>	<u>Map Reference</u>
Strawberry Recreation District	Amend the existing “interim” sphere of influence to designate a coterminous sphere of influence (equal to existing District boundaries) in the expectation that the Strawberry area will remain unincorporated and benefit from the services of SRD for the foreseeable future.	Map 22

Publication of the Report, Maps and Appendices

Copies of the complete report, maps and appendices may be obtained in several ways. The report can be downloaded from the Marin LAFCO website at lafco.marin.org. Copies on compact disk can be requested from the Marin LAFCO office. Call (415) 446-4409. Printed copies are available from the LAFCO office for \$40 per copy.

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CHAPTER 1. INTRODUCTION

I. PURPOSE

This report will review the spheres of influence of local government agencies in the southern Marin area. The discussion is intended to provide a basis for boundary planning decisions to be made by the Marin Local Agency Formation Commission and will include analysis and recommendations for the revision of the spheres of influence of the following local government agencies:

City of Belvedere	Sanitary District #5 (Tiburon)
Town of Tiburon	Richardson Bay Sanitary District
City of Mill Valley	Alto Sanitary District
City of Sausalito	Homestead Valley Sanitary District
	Almonte Sanitary District
	Sausalito/Marin City Sanitary District
	Tamalpais Community Services District
	Marin City Community Services District
	Tiburon Fire Protection District
	Southern Marin Fire Protection District
	Strawberry Recreation District
	County Service Areas #14, #29, and #31

In addition, the following joint-powers agencies are of interest to this study:

- Sewerage Agency of Southern Marin (SASM)
- Southern Marin Emergency Medical Paramedic System (SMEMPS)
- Richardson Bay Regional Authority
- Marin Emergency Radio Authority (MERA)
- Belvedere-Tiburon Library Agency
- Belvedere-Tiburon Recreation Agency

II. BACKGROUND

This report is presented as part of a process mandated by Section 56425 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. As stated in that section, "In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local government agencies so as to advantageously provide for the present and future needs of the county and its communities, the Local Agency Formation Commission shall develop and determine the sphere of influence of each local governmental agency within the county." As used in this section, *"sphere of influence" means a plan for the probable physical boundaries and service area of a local government agency.*

In determining a sphere of influence, the Commission is required to consider and make written findings with respect to the following factors:

- ❑ The present and planned land uses in the area, including agricultural and open space lands.
- ❑ The present and probable need for public facilities and services in the area.
- ❑ The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide.
- ❑ The existence of any social or economic communities of interest in the area if the commission determines they are relevant to the agency.

While designating an area as part of an agency's sphere does not mandate that the area will be annexed or reorganized, it does signify the belief of the Commission that, in the long-term, the agency is the logical and most efficient provider of municipal services.

Changes to State law effective on January 1, 2001 require LAFCOs to study the service relationships between agencies providing municipal services within different sub-regions in each county prior to the periodic review of adopted spheres of influence. "Service Reviews" for municipal services in the Southern Marin area are incorporated in this study in Chapter 2.

Once adopted, the sphere of influence is an important guideline in reviewing individual proposals for changes in boundaries or organization in local government agencies. However, the specific changes in boundaries or organization recommended in a sphere of influence determination must be initiated by registered voters, landowners, or an affected city, special district or county. LAFCO itself may only initiate limited types of proposals affecting the organization of special districts.

Revisions to State law, court action, changes in land use and service plans and the passage of time have made some of the County's established spheres of influence outdated or otherwise insufficient. All LAFCOs in California are required to periodically review and update adopted spheres to account for such changes under Government Code Section 56425(b). Marin LAFCO adopted policies for the periodic review of spheres of influence in September 2000.

The actual effect of this or any other adopted sphere of influence will be to augment local agency plans with policy guidance on matters relating to the organization of local government. In short, the purpose of the Commission's sphere determinations is to answer the question, "What local agencies should provide which services to what geographical area as change occurs?"

III. EXISTING SPHERES OF INFLUENCE

Marin LAFCO engaged in studies of local agency services and jurisdictions in the mid-1980s. The spheres of influence adopted by Marin LAFCO for cities and special districts at that time are shown on the following maps:

[Map 1](#) *Existing City Boundaries and Spheres of Influence*

[Map 2](#) *Existing Sewer Agency Boundaries and Spheres of Influence*

[Map 3](#) *Existing Fire Boundaries and Spheres of Influence*

There are several notable features of the existing boundary and sphere of influence maps. All urbanized unincorporated communities in the southern Marin area are within the sphere of influence of one of the four cities. All of the incorporated and unincorporated communities are within the current boundary or service area of an agency that provides fire protection and emergency medical service. The only developed areas not provided sanitary sewer service are unincorporated portions of the Tiburon Peninsula and Muir Woods Park.

Also notable but not shown on this series of maps is the fact that the entire study area is within the boundary of the Marin Municipal Water District.

The outward expansion of urban land uses in the study area is generally constrained by San Francisco Bay and by publicly owned lands of National Park and State Parks, and the Marin Municipal Water District. Boundary changes in the study area since the adoption of the existing spheres of influence in the 1980s have been limited to annexations of small areas to the Town of Tiburon, Sanitary District #5 (Tiburon), Richardson Bay Sanitary District, City of Mill Valley, and the Homestead Valley Sanitary District. Since 1990, only 15 annexations to cities and 21 annexations to special districts have been completed. Total acreage involved in those annexations has been less than 110 acres for all agencies. Local government boundaries in the study area are stable.

A number of important changes have occurred in State law and in Marin County since these spheres of influence were adopted. These changes may have an impact on the review of existing spheres of influence:

- A. Definition of Sphere of Influence** – The definition of “sphere of influence” in 1982 was “... a plan for the *ultimate* boundary and service area of a local government agency.” The definition now reads “... a plan for the *probable* boundary and service area of a local government agency.”
- B. General Plans and Development Regulations** – The provisions of general plans, community plans and zoning ordinances of the County and cities within the County have been made more restrictive, decreasing potential growth in unincorporated areas.
- C. Preservation of Open Space** – Additional areas of open space land are now permanently preserved, restricting the outward expansion of urban land uses and limiting the potential demand for urban services in unincorporated areas and within the Town of Tiburon and City of Mill Valley. (See [Map 4: Parks and Open Space](#).)
- D. Sewer vs. Septic Wastewater Treatment Systems** – Deterioration of private septic wastewater treatment systems in the unincorporated rural residential areas is creating increasing water quality protection problems. The County has adopted policies to encourage connection to public sewers in unincorporated areas. This trend creates demand for sewer service in unincorporated areas. Strengthened planning regulations have reduced the potential for inducement of disorderly growth that might have accompanied extension of sewer service under earlier conditions.

To View

Map 1: Existing City Boundaries and Spheres of Influence

[Click Here](#)

To View

**Map 2: Existing Sewer Agency Boundaries
and Spheres of Influence**

[Click Here](#)

To View

**Map 3: Existing Fire Boundaries
and Spheres of Influence**

[Click Here](#)

To View

Map 4: Parks and Open Space

[Click Here](#)

IV. DESCRIPTION OF EXISTING AGENCIES

Local government services in southern Marin County are provided by a variety of different types of small local agencies - cities, special districts and joint-powers agencies or JPAs. The small scale and highly segmented system of local agencies evolved over time to serve scattered communities developing around the periphery of Richardson Bay. Those small communities have grown to become adjacent to one another, but retain some distinguishing characteristics such as place name, geographic identity (water, ridgeline or highway separation) and/or local government organization. Small communities that were once separate now share some common regional interests in terms of efficient local government services. Small agencies have, for some purposes, cooperated to form larger joint powers authorities to allow them to build and operate facilities that infrastructure that very small cities or districts could not independently provide. The following sections describe the cities, special districts and JPAs that provide municipal-type services in Southern Marin.

A. Cities

Table 1 lists the four cities described in this report and shows summary data for each. The boundaries of the four cities, shown on [Map 1](#), encompass approximately 60% of total land area and population of the southern Marin study area.

Table 1
Summary Data - Southern Marin Cities

City	Year Incorp.	Services	Population	Area (sq. mi.)	Full-Time Staff	02 Budget (\$million)
City of Belvedere	1896	Police, Sewage Collection, Street Maint., Parks & Rec. Library	2,125	.62	21.5	\$5.8
Town of Tiburon	1964	Police, Street Maint., Parks & Recreation, Library	8,666	4.5	43	\$6.1
City of Mill Valley	1900	Police, Fire, Sewage Collection, Street Maint., Parks & Rec., Library	13,600	4.8	111	\$16.3
City of Sausalito	1893	Police, Fire, Street Maint., Parks & Rec., Library	7,330	1.6	128	\$12.8

The study area as a whole has the size and population of a single small- to medium-sized city. However, the area is physically very diverse, containing cities and unincorporated communities that, in the past, were established and developed independently. Groups of communities such as Almonte, Tamalpais Valley, Mill Valley and Alto or Belvedere and Tiburon or Tiburon and Strawberry used to be separated by undeveloped areas and poor transportation links are now directly adjacent and difficult to distinguish in some respects. Each of these communities has some measure of perceived community identity and a unique set of local service providers that contribute to that perceived identity.

The City of Mill Valley provides all municipal services except for domestic water. (The entire study area is within the boundaries of Marin Municipal Water District.) The other three cities in the study area and the unincorporated areas in their spheres of influence receive services from various independently governed sanitary districts, fire protection

districts, community services districts and park and recreation districts. The services that are provided by cities always include general administration, land use planning, police, parks and recreation and street maintenance.

In addition, the various cities and special districts combine with each other to form joint powers agencies in order to provide more specialized services on a more efficient regional basis, such as emergency medical service or sewage treatment. Table 2 summarizes the sources of municipal services for the cities and unincorporated communities in Southern Marin. A more specific and detailed description of how each service is provided in the study area and the inter-relationships between local government agencies are the subjects of Chapter 2 of this report.

Table 2
Sources of Municipal Services
Southern Marin Cities

	Belvedere	Tiburon	Mill Valley	Sausalito
Police Protection	City of Belvedere	Town of Tiburon	City of Mill Valley	City of Sausalito
Fire Protection	Contract w/ TFPD	TFPD & SMFPD	City of Mill Valley	City of Sausalito
Water	MMWD	MMWD	MMWD	MMWD
Sewage Collection	Contract w/ CMSA	TSD & RBSD	City of Mill Valley	SMCSD
Sewage Treatment & Disposal	Contract w/ TSD	TSD & SASM	SASM	SMCSD
Solid Waste	City/ MV Refuse	City/ MV Refuse	City/ MV Refuse	SMCSD/Bay Cities
Street Maintenance	City of Belvedere	Town of Tiburon	City of Mill Valley	City of Sausalito
Parks and Rec	JPA w/ Tiburon	JPA w/ Belvedere	City of Mill Valley	City of Sausalito
Library	JPA w/ Tiburon	JPA w/ Belvedere	City of Mill Valley	City of Sausalito

B. Existing City Boundaries

Comparisons between Maps 1 and 3 show that city and special district boundaries are not closely related. None of the service areas of the special districts in the study area lies entirely within the boundaries of any city. The ability of any of the four cities to absorb the functions of any special district would require the annexation of substantial unincorporated territory in their spheres of influence. Annexation of territory by southern Marin cities since 1990 totals only approximately 64 acres, an indication of the cities' fiscal constraints on annexation of residential areas.

There are several perennial boundary issues in Southern Marin affecting city spheres of influence:

- ❑ The City of Belvedere and the Town of Tiburon share a somewhat irregular boundary near Tiburon Boulevard that divides the Boardwalk shopping center and several other parcels.
- ❑ Annexations to the Town of Tiburon along Paradise Drive are costly to the Town due to the high costs of maintaining the Paradise Drive roadway. The fiscal impact of such annexations was the subject of a 1996 study, *Paradise Drive Rezoning Study*, produced for the Town by planning consultant Scott Hochstrasser. The Town has sought to annex territory in order to impose uniform land use regulations on the Tiburon Peninsula. LAFCO and County of Marin policies call for the associated portion of roadway to be included in annexation boundaries, costs to the Town notwithstanding.
- ❑ The Town of Tiburon sphere of influence was established in 1983 following the *Strawberry Area Annexation Feasibility and Cost Capability Analysis* by Angus N. McDonald and Associates. That study determined that the Strawberry area would be most logically annexed by the Town of Tiburon, rather than Mill Valley. Due to adopted policy at that time, the study did not consider the possibility of incorporation of Strawberry a new city or the area remaining unincorporated indefinitely.
- ❑ The Muir Woods Park area at the western boundary of the City of Mill Valley is not served by any public sewer system. Sewer service would logically be provided partly by the City of Mill Valley and partly by Homestead Valley Sanitary District. All of the area is within the sphere of the City. The City is reluctant and/or unable to extend the full range of its services to the area. Residents of the area are researching methods other than annexation to the City to obtain sewer service.

- The spheres of influence of the cities of Mill Valley and Sausalito both include an area near the Marin Heliport and the Manzanita park and ride facility. City spheres of influence cannot logically overlap and designate the same area to be served by more than one city.
- The Marin City unincorporated community lies within the adopted sphere of influence of the City of Sausalito. The City has adopted a policy disavowing any intent to annex Marin City.

The sphere of influence of the Town of Tiburon includes all of the unincorporated territory along Paradise Drive and the Strawberry Peninsula. The spheres of influence of Mill Valley and Sausalito include all of the remaining developed unincorporated territory in the study area as shown on [Map 1](#). The sphere of influence of the City of Belvedere is coterminous with its current boundaries.

Since the designation of the city spheres of influence, the cities and the County have used spheres of influence to coordinate the land use designations of their respective general plans. The County's General Plan focuses additional attention on areas within the city spheres of influence through adopted community plans for the Strawberry, Tamalpais (includes Tamalpais Valley, Almonte, Homestead Valley and Muir Woods Park) and Marin City areas and through the designation of "urban service areas". The community plans add greater specificity of County land use policy in each of those areas which are shown on [Map 5: Community Planning Areas](#).

The 1993 County General Plan Community Facilities Element designates "urban service areas" within city spheres of influence as a means of delineating areas where urban development patterns can best be accommodated over the next ten years given the availability of services and close proximity to existing urban areas and facilities. Map 1 shows the relationship between the present city boundaries, County-designated urban service areas, and adopted city spheres of influence.

Except for the Paradise Drive area, all of the unincorporated communities in the study area are within one of the County's community plan areas. Nearly all of the unincorporated territory in the study area is also within the County-designated urban service area of one or another of the four cities. The designation of urban service areas by the County is an outgrowth of the general scheme of the Countywide Plan to allocate expected growth in Marin County to areas within and adjacent to existing cities in the Eastern Urban Corridor. This overall feature of the Countywide Plan is consistent with the general policy language of the Cortese-Knox-Hertzberg Act.

The adopted city spheres of influence and the characteristics of the unincorporated areas within them are further discussed under Projected Growth and Service Demand, below.

To View

**Map 5:
Community Planning Areas**

[Click Here](#)

C. Sanitary Sewer Agencies

Sewer service in southern Marin County is provided by eleven different agencies including six sanitary districts, three cities, one community services district and one joint-powers agency.

[Map 2: Existing Sewer Agency Boundaries and Spheres of Influence](#) shows the boundaries of each agency except the Sewerage Agency of Southern Marin (SASM), a joint-powers agency whose service area overlaps the jurisdictions of the City of Mill Valley, Tamalpais CSD and the Almonte, Alto, Homestead Valley and Richardson Bay Sanitary Districts. As shown on Map 2, nearly all of the study area is within the current boundary of one or another of the existing agencies. The Muir Woods Park and Paradise Drive areas currently do not receive sewer service. The Muir Woods Park area is within the sphere of influence of the City of Mill Valley. The Paradise Drive area is within the sphere of influence of Sanitary District #5 (Tiburon) and the Corte Madera Sanitary District. Only 2.2% of the study area population and 7% of its land area does not receive sewer service.

Table 3 shows descriptive data for agencies providing sewer service in the study area. Sanitary districts are authorized in State law under Health and Safety Code Section 6400, et seq. Sanitary districts may acquire, construct and operate works for the collection, treatment and disposal of garbage, storm water and sewage and operate water recycling systems. A district may include incorporated or unincorporated territory. The governing board consists of five elected members. Cities and community services districts are able to provide the full range of municipal type services, except that CSDs are not enabled to exercise land use planning authority. Joint powers agencies such as SASM are contractual relationships among two or more existing government agencies and may jointly exercise any power common to the contracting parties.

All of the eleven sanitary service agencies are governed by independent boards, except for SASM, whose members are appointed by each of its six member agencies. Board members of the sanitary districts and community services districts receive stipends of between \$75 and \$100 per meeting. The members of SASM do not receive additional stipends.

Of the eleven agencies listed in Table 3, only Tiburon and Sausalito-Marin City sanitary districts provide sewer collection, treatment and disposal services. SASM treats and disposes of sewage for six other agencies participating in its joint-powers agreement. Eight of the eleven agencies maintain collection systems and contract for treatment and disposal. Collection system maintenance is frequently carried out by contract with private companies such as Roto-Rooter or Roy's Sewer Service.

Table 3
Summary Data - Southern Marin Sanitary Service Agencies

City/District	Services	Date Formed	Service Popul.	Area (sq. mi.)	Full-Time Staff	02-03 Budget (\$million)
Almonte Sanitary District <i>Health & Safety Code 6400</i>	Sewage collection Solid waste disposal	1952	1478	0.4	0.3	0.25
Alto Sanitary District <i>Health & Safety Code 6400</i>	Sewage collection Solid waste disposal	1951	939	1	0.1	0.18
Homestead Valley San. Dist. <i>Health & Safety Code 6400</i>	Sewage collection Solid waste disposal	1931	2354	0.75	0.1	0.25
Richardson Bay Sanitary Dist. <i>Health & Safety Code 6400</i>	Sewage collection Water reclamation	1946	9494	3.1	4	2.1
Sanitary Dist. #5 (Tiburon) <i>Health & Safety Code 6400</i>	Sewage collection, treatment & disposal Solid waste disposal	1922	3690	1.4	9	1.9
Sausalito-Marin City San. Dist. <i>Health & Safety Code 6400</i>	Sewage collection Solid waste disposal	1952	10756	3.4	8.2	2.4
Tamalpais Community Services District <i>Government Code 61000</i>	Sewage collection Solid waste disposal (other district services)	1955	5851	1.7	2.6	2.2
City of Sausalito	Sewage collection (other city services)	1893	7330	1.7	4	0.47
City of Belvedere	Sewage collection (other city services)	1896	2125	0.6	0.7	1.0
City of Mill Valley	Sewage collection Solid waste disposal (other city services)	1900	13600	4.8	2.5	0.4
Sewerage Agency of Southern Marin <i>Government Code 6500</i>	Sewage treatment & disposal Water reclamation	1979	28567	5.3	11	1.9

Solid waste disposal and recycling is usually, but not always, provided by each local sanitary service agency. Table 4 lists 12 different solid waste franchise authorities and the private franchisee for each different solid waste service area. The Town of Tiburon and the Strawberry Recreation District are the two agencies providing solid waste service that are not otherwise involved in sanitation services.

Table 4
Southern Marin Solid Waste Providers

Jurisdiction	Service Provider	Base Rate	Total Accts.	Green Cans	Curbside Recycling
City of Belvedere	Mill Valley Refuse	\$17.67/\$22.15	900	\$2.35	\$2.50
Town of Tiburon	Mill Valley Refuse	\$15.36/\$37.95	2805	\$1.14/\$2.82	\$2.50
City of Mill Valley	Mill Valley Refuse	\$17.64/20.41	4568	\$1.34/\$1.56	\$2.52
City of Sausalito	Bay Cities Refuse	\$24.00	2400	included	n/a
Paradise Dr.(County)	Mill Valley Refuse	\$14.72	197	\$1.49	\$2.00
Strawberry Rec.	Mill Valley Refuse	\$14.17	877	\$0.67	\$2.44
Alto Sanitary	Mill Valley Refuse	\$13.68	298	\$1.22	\$2.43
Almonte Sanitary	Mill Valley Refuse	\$16.19	631	\$1.13	\$2.34
Homestead Sanitary	Mill Valley Refuse	\$13.29	958	included	\$2.36
Tam Valley CSD	Tam Valley CSD	\$18.84	2560	included	inclu.
Muir Wds Park(Co)	Mill Valley Refuse	\$28.54	n/a	\$2.90	\$2.00
Marin City	Bay Cities Refuse	\$19.00	200	included	n/a

Wastewater recycling is not widely used in the southern Marin study area. SASM provides recycled wastewater for irrigation purposes to Mill Valley's Bayfront and Hauke parks adjacent to the SASM treatment plant. Several other nearby school sites and the City's Community Center are potential consumers of recycled wastewater. Total current recycled wastewater capacity is 180,000 gallons per day. The City's purchase of recycled wastewater conserves water supply for other uses and lowers costs to all members of the SASM joint powers agency. The Sausalito-Marin City Sanitary District is currently developing an agreement for the provision of recycled wastewater for irrigation to the National Park facilities at Fort Baker. The deep water outfall facilities of the three treatment plants in the study area do not require periods of zero discharge to San Francisco Bay, as is the case with other plants north of San Rafael.

Chapter 2 of this report will discuss service relationships, boundary issues and organizational alternatives to the present structure of sanitary service agencies in Southern Marin.

D. Fire Protection Agencies

In addition to the municipal fire departments of the Cities of Mill Valley and Sausalito, fire protection and emergency medical services are provided by the Tiburon Fire Protection District, the Southern Marin Fire Protection District and the County Fire Department. The jurisdictions of the five agencies are shown on [Map 3](#) and the basic descriptive information for each is listed in Table 5.

Table 5
Summary Data - Southern Marin Emergency Service Agencies

City/District	Services	Service Popul.	Area (sq. mi.)	Stations	Full-Time Staff	Budget (\$million)
Tiburon Fire Protection Dist. <i>Health & Safety Code 13800</i>	Structural fire protection, emergency medical	8749	4.7	2	21	2.6
Southern Marin Fire Protection District <i>Health & Safety Code 13800</i>	Structural fire protection, emergency medical	18534	6.0	2	37	4.6
City of Mill Valley Fire Dept.	Structural fire protection, emergency medical	13600	4.8	2	25.5	2.7
City of Sausalito Fire Dept.	Structural fire protection, emergency medical	7330	1.7	2	18.6	2.2
County Fire Department & County Service Area 31 (Marin City & Throckmorton only)	Structural fire protection, wildland fire protection, emergency medical	3664	1.2	2	53	n/a

Notes:

County Fire area & service population in study area only (population outside of other fire agencies).
Tiburon FPD statistics include Belvedere contract area and population.

All areas of the County are within the service area of a city or a special district empowered to provide emergency services (such as a fire protection district or a community services district) or are under the responsibility of the County Fire Department. Within the southern Marin study area, the Marin County Fire Department provides service to the Marin City unincorporated area and also provides wildland fire protection services that are typically the responsibility of the California Department of Forestry (CDF). The City of Belvedere contracts with the Tiburon Fire Protection District to provide service to its incorporated area.

The Southern Marin Fire Protection District was created through the consolidation of the Tamalpais and Alto Richardson Bay Fire Protection Districts in 1999. Fire protection districts are authorized by Section 13800, et seq., of the State Health and Safety Code. A fire protection district may provide fire protection services including ambulance services, rescue and first aid services, clearing of land, adoption of fire prevention ordinances, issuance of burning permits and dissemination of fire prevention information. A district may establish special fire protection zones when improvements are made which benefit only a portion of the district or for similar purposes. A district may consist of any incorporated and unincorporated territory which has not been declared the responsibility of the state for wildland fire protection. The district board may be three, five or seven members directly elected or, in some cases, appointed by a city council or the Board of Supervisors. LAFCO expanded the board of the Southern Marin Fire Protection District to seven members in order to include board members of both predecessor districts.

All of the agencies listed in Table 5 provide structural fire protection, emergency medical, emergency preparedness, rescue, hazardous materials mitigation, fire prevention and plan checking services. These services are provided uniformly throughout the study area by mutual aid agreement, joint-powers agreements and other contracts. "First-in" or order of response assignments are made on the basis of proximity, not jurisdiction, under the auspices of the Marin County Mutual Aid System, the Southern Marin Emergency Medical Paramedic System (SMEMPS) and the Marin Emergency Radio Agency (MERA). The response standard or goal adopted by member agencies is to enable response to calls for medical assistance with advanced life support capability within 5 minutes for at least 90% of all such calls.

The level of service integration achieved by the five agencies working cooperatively in functional consolidation has achieved some of the service and fiscal benefits that might otherwise have flowed from political consolidation of the agencies.

The five emergency service agencies in Southern Marin operate a total of ten fire stations and employ a total of 155 full time equivalent personnel. Since 1985, when LAFCO was last involved in studies of emergency service response in the study area, two fire stations in Alto and Homestead Valley have been closed. The location and size of the remaining

ten stations is generally regarded as effective and stable, with the possible exception of the station locations in the City of Sausalito. Sausalito is currently evaluating public safety facility needs for both police and fire services.

The Insurance Services Office, Inc., calculates ratings for fire protection agencies in the United States. The Insurance Services Office collects information on a community's public fire protection and analyzes the data using a classification rating schedule from 1 (most effective fire suppression) to 10 (no qualifying fire suppression organization). The rating schedule is a fire insurance rating tool which takes into account building types, fire flow, equipment, personnel, training and communications systems. The rating system does not account for urban/wildland fire protection capabilities. The ratings generated by the Insurance Services Office classification system correlate statistically with the cost of fire insurance claims within rated areas, but does not reflect all aspects of the effectiveness of a public fire protection program.

Within the study area, ISO ratings range from 3 (Mill Valley) to 5 (Tiburon FPD). Nationwide, only 1,534 (3.4%) of approximately 45,000 rated fire agencies have an Insurance Services Offices rating of 3 or better.

For areas under the responsibility of County Fire, the Insurance Services Office rating is 4 for structures within five miles of a fire station and within 1,000 feet of a fire hydrant. Areas not meeting those requirements have an Insurance Services Office rating of 9.

E. Marin Municipal Water District

The Marin Municipal Water District (MMWD) provides water for domestic use and fire flow to all of the eastern urban corridor of Marin County south of Novato, including all of the southern Marin study area with the exception of a small portion of the City of Sausalito between Highway 101 and the boundary of the Golden Gate National Recreation Area. The residential area centering on Wolfback Ridge Terrace is served by a small private water company, but is located within the boundaries of MMWD.

MMWD is a municipal water district authorized under Section 71000, et seq., of the State Water Code. A municipal water district is empowered to provide water, fire protection, emergency medical and sewer services and to operate recreational facilities associated with water service facilities. A municipal water district may include both incorporated and unincorporated territory. The governing board consists of a five-member elected board of directors elected to serve electoral divisions within the district's boundaries. MMWD provides only domestic water service to 147 square miles of incorporated and unincorporated land in central and eastern Marin County.

The District currently provides water service to a total of approximately 59,000 service connections (92% residential) and a total population of approximately 182,000. The bulk of the District's sources of supply (more than 75%) are local surface waters flowing to five reservoirs. Local sources of supply are fully exploited. The balance of the District's supply is received from the Russian River through agreements with the Sonoma County Water Agency and the North Marin Water District.

The availability of additional water to support future development is sufficient under the terms of the District's agreement with Sonoma County Water Agency. That is, MMWD's maximum supply entitlement to Russian River water under the terms of that agreement would support build-out of city and County general plan land use designations throughout the District. Expected population growth in the study area at 1% per year or less will not significantly impact MMWD's overall supply sufficiency.

Calculation of water demand under buildout assumptions of city and County general plans includes successful implementation of water conservation and wastewater recycling programs. Also, future actions of regulatory agencies for environmental protection could affect total available water from Russian River sources for urban uses and conceivably reduce North Marin Water District's anticipated supply under the agreement.

The District's water distribution system consists of approximately 898 miles of water main, storage facilities with a capacity of 82 million gallons, three treatment plants and 146 storage tanks. The District employs a total of 230 full-time equivalent employees. The District's total budget for fiscal year 2000-01 is approximately \$43 million.

MMWD works with the Las Gallinas Valley Sanitary District in San Rafael to develop and distribute recycled wastewater in the northern portion of the District's jurisdiction. The District currently has no such program within the southern Marin study area. Only small scale and incidental applications of recycled wastewater are produced at the SASM treatment plant and applied to adjacent park irrigation uses.

F. Community Services Districts and Recreation & Park Districts

Community services districts are authorized under Section 61000, et seq., of the State Government Code. A community services district may be formed to provide water, sewer or garbage services, fire protection, public recreation, street lighting, mosquito abatement, police services, library services, street improvements, conversion of overhead electric and communication facilities to underground locations, ambulance services, airport facilities, flood control and transportation services. The board of directors may consist of three or five members elected at large, or may be appointed by the county board of supervisors.

In the southern Marin study area, two community services districts provide various services to the Tamalpais Valley and Marin City unincorporated communities. [Map 6: Recreation and Community Services Districts](#) shows the jurisdictional areas of these districts in relation to the boundaries of the four cities.

Table 6
Summary Data - Other Southern Marin Special Districts

District	Date of Formation	Services	Service Popul.	Full-Time Staff	Budget (\$million)
Tamalpais Community Services District <i>Government Code 61000</i>	1955	Parks & recreation, sewer collection, solid waste	5851	12	2.18
Marin City Community Services District <i>Government Code 61000</i>	1955	Parks & recreation, solid waste, street lighting	2962	4	0.47
Strawberry Recreation District <i>Public Resources Code 5780</i>	1950	Parks & recreation, solid waste disposal	4419	6	1.05

To View

**Map 6:
Recreation and Community Services Districts**

[Click Here](#)

1. Tamalpais Community Services District

The Tamalpais Community Services District (TCSD) provides sewage collection, solid waste disposal and parks and recreation services. The TCSD service area includes a population of approximately 5,850. The District employs a staff of 12 and has a budget of \$2.3 million (excluding capital expenditures). Approximately 41% of the TCSD budget is spent on sewer service, 42% on solid waste disposal and 17% on recreation. Sewer and solid waste services are funded by user fees which are set as needed by the District Board. Recreation programs and facilities are funded primarily by the District's share of property tax with incidental amounts from facility rental fees and miscellaneous other sources. The District offers a limited range of recreational and educational activities. Recreational facilities include a community center, a "cabin" meeting structure, three small parks (less than 3 acres total), approximately 20 acres of dedicated open space and trail. The District also maintains the sports field at the Tamalpais Valley Elementary School.

TCSD retains its own refuse collection and sewer maintenance staff. As noted above, the District is a member of the Sewerage Agency of Southern Marin, which presently treats wastewater flow from approximately 200 households in the Kay Park area north of Coyote Creek. The District contracts with Sausalito Marin City Sanitary District for treatment of the balance of its wastewater flow. The TCSD Board is currently considering realignment of its trunk lines and pumping stations to treat all wastewater through the SASM plant in Mill Valley. All district residents are charged the same fee for sewer service, \$301 per year.

TCSD is governed by a five-member board of directors. The Board meets monthly. Board members receive \$100 per board meeting for their service.

2. Marin City Community Services District

The Marin City Community Services District (MCCSD) provides parks and recreation, street lighting and solid waste disposal services to the Marin City unincorporated area. The District's jurisdictional area is approximately 0.9 square miles with a population of 2,962. The District's service area is within the sphere of influence of the City of Sausalito designated by LAFCO in 1985.

MCCSD employs a total staff of four full time equivalent positions including a General Manager, Recreation Coordinator, Senior Center Director and maintenance personnel. The District operates a community recreation center (with gymnasium, classrooms and boxing facilities) and a small park with playground equipment, currently closed for tree removal.

MCCSD receives less than 2% of the local property tax and collects user fees from some of its recreational and social service programs. The District's programs have been hampered in recent years by unrealized revenues owed by the Gate Shopping Center. The District has recently received a lump-sum settlement for the disputed revenues which will restore program funding for a three-year period.

3. Strawberry Recreation District

Strawberry Recreation District (SRD) is a recreation and park district, organized under Section 5780, et seq., of the Public Resources Code. Recreation and park districts are authorized to provide recreational programs and facilities and exercise all of the powers of a fire protection district (fire and emergency medical service).

SRD provides recreation and solid waste disposal services to the Strawberry unincorporated area. As shown on Map 6, the District's jurisdiction includes the Strawberry Peninsula and does not include any of the unincorporated area north of Tiburon Boulevard. "Strawberry" as defined by the U.S. Census Bureau as a "Census Designated Place," does include all of the unincorporated area between Tiburon's western boundary and Highway 101, leading to some minor confusion concerning SRD's service area. The District's actual jurisdiction encompasses approximately 1.25 square miles and a population of approximately 4,400. However, the District's programs are open to all, both from within the District boundary and from outside.

The District is governed by a five-member board of directors. The Board meets monthly. Board members receive a stipend of \$75 per meeting for their service.

The District owns and operates a variety of recreation and park facilities including its community center, (gym/auditorium, classrooms, pool, tennis courts, ball fields) and several "pocket park" facilities with playgrounds, trails or passive recreation opportunities. SRD offers a wide variety of sports and educational programs for youth and adults in a published program guide.

SRD also describes its board meetings as the "Town Hall" for the Strawberry area in its mission statement. It is the only local government agency that provides service exclusively to Strawberry residents.

The District employs a full-time general manager, facilities manager, recreation supervisor and maintenance personnel totaling six full-time equivalent positions, not including a larger number of contract instructors and part-time seasonal help. Total budgeted revenues for fiscal year 2002-03 are \$1,066,000. The bulk of the

District's operating revenue is derived from user fees. Approximately 16% of revenue is from the property tax. The District receives less than 4% of total property taxes collected within its jurisdiction. The District's programs and facilities are open to residents and non-residents. User fees for pool, tennis and building rentals are higher for non-residents.

4. County Service Areas

County service areas are authorized under Government Code Section 25210, et seq. County service areas may provide extended police protection; structural fire protection; park, recreation facilities and services; extended library facilities and services; television translator station facilities and services; and any other governmental services which the county is authorized by law to perform and which the county does not perform to the same extent on a countywide basis both within and without cities. Contiguous or noncontiguous unincorporated territory may be included in a county service area (i.e., the area within a County service area may include separate geographic areas). All or a portion of a city may be annexed to a county service area with the consent of the city council. The County Board of Supervisors is the governing body of all county service areas.

The southern Marin study area also contains smaller areas served by County Service Areas #14, #29 and #31. CSA #14 provides limited recreation and open space maintenance services to the Homestead Valley unincorporated area. CSA #14's revenues are allocated to two private non-profit organizations, the Homestead Valley Community Association and the Homestead Valley Land Trust.

CSA#29 provides dredging services for the maintenance of navigation in the Paradise Cay area in the Paradise Drive unincorporated area.

CSA#31 provides funding for the County Fire Department in areas outside the jurisdictions of fire protection districts or city fire departments. (See [Map 3: Existing Fire Boundaries and Spheres of Influence.](#))

G. Board Member Compensation

The members of city and special district governing boards are compensated in a variety of different ways as shown in Table 7. State law sets maximum compensation either by population size or type of agency.

Table 7

Board Member Compensation - Southern Marin Cities & Special Districts

Cities	Stipend per Meeting	Maximum	Benefits
Belevedere	\$0	No	None
Sausalito	\$300/mo	\$1800/yr	Health
Mill Valley	\$200 (\$250 mayor)	Per ordinance	None
Tiburon	\$0	No	None
Special Districts			
Sanitary District #5 (Tiburon)	\$100	None	None
Richardson Bay Sanitary	\$100	\$600/mo	Dental
Alto Sanitary	\$75 (\$85 Chair)	\$600/mo	None
Almonte Sanitary	\$80 (\$100 Chair)	\$600/mo	\$80/Cmte Mtg
Homestead Sanitary	\$50 (\$75 Chair)	\$600/mo	None
Sausalito/Marin City Sanitary	\$160	\$600/mo	None
Tam CSD	\$100	None	\$50/Cmte Mtg
Marin City CSD	\$75	\$75/mo	None
Tiburon Fire Protection	\$75	None	Dental
Southern Marin Fire Protection	\$100	None	None
Strawberry Recreation	\$75	None	None

V. PROJECTED GROWTH AND SERVICE DEMAND

As noted earlier in this report, LAFCO is required to consider present and planned land uses and the need for public facilities and services when reviewing adopted spheres of influence. The following sections describe trends in population, housing, employment and land use that will affect the provision of local government services in the southern Marin study area.

A. Marin County

1. Historic Growth

Compared to other Bay Area counties, Marin experienced slow population growth from 1980 to 1990, adding only 7,500 persons (a 3.4% increase). (Source: Marin Housing Workbook, February 2002, page 2-1). The following decade, the rate of population increase more than doubled to 8.8%. Overall, Marin remains the slowest growing county in the Bay area.

2. Current and Projected Population and Employment

Marin County's population was 250,400 in 2000, according to the Association of Bay Area Governments (ABAG). As Table 8 shows, between 2000 and 2020, ABAG projects that Marin County as a whole will grow at an average rate of 0.5%, adding approximately 1,220 people per year or roughly 500 households per year countywide. The projected population for the County in 2020 is 275,400.

During the same period, 2000 to 2020, Marin County is expected to add 27,000 jobs. Marin County is expected to have about 16,590 fewer jobs than employed residents in the year 2020.

Table 8
Marin County Population and Employment, 2000 and 2020

	2000	2020	Change 2000- 2020	% Change	Annual Growth
Population	250,400	275,400	25,000	9.98%	0.50%
Jobs	123,510	150,510	27,000	21.86%	1.09%
Employed Residents	140,400	167,100	26,700	19.02%	0.95%

Source: Marin Housing Workbook, February 2002, page 2-3.

3. Trends

a. Population¹

The greatest increases in population age groups over the next 40 years are expected to be elderly and young adult households, which tend to have the lowest income levels. According to the U.S. Census, 23.5% of all households in Marin County are age 65 or older, with a median age of 41.3 years. By the year 2020, one out of every three Marin residents will be 60 years or older. (Source: Marin Commission on Aging, 2002). This age group is anticipated to double in size from 40,000 to 74,000 persons by 2020. Finally, three out of four individuals 85 years of age or older, are expected to be women.

Growth in population in the County is currently limited by the lack of available land for development, disinterest by most residents in significantly increasing the densities of their communities, and fears of increasing traffic congestion among other factors.

b. Jobs-Housing Balance

The benefits of having a balance of jobs and employed residents has been well established and typically includes: less congested freeways due to shorter commutes; reduced fuel consumption; improved air quality; reduced expenditures on major transportation projects; and savings in travel time for both businesses and individuals. However, even a 1:1 ratio of jobs to housing does not guarantee that the local workforce will be employed in the County. The more important focus is to match housing costs and types to the needs and incomes of the County's workforce.

Over the next 20 years, ABAG projects that the ratio of employed residents per job in Marin County will decrease from 1.14:1 in 2000 to 1.11:1 in 2020, based on a projected increase of 26,700 employed residents and an increase of 27,000 jobs. However, approximately 71% of the new jobs are expected to be relatively lower paying services and retail sectors. Thus, the increase in jobs may not actually address the specific job/housing imbalance in Marin County. (Source: Marin County Housing Element, June 2003, page 10-11.)

¹ Sources for this section: Marin Housing Workbook, February 2002, page 2-1; Marin County Housing Element, June 3, 2003; Conversation with Fred Vogler, Marin County Community Development Agency, September 2002.

4. Development Need/Development Potential

a. Housing Needs²

California State Housing law requires that every housing element address how the community will meet its “regional fair share” of housing need. For the unincorporated area of Marin County and other Bay Area jurisdictions, the regional housing need is determined by the Association of Bay Area Governments (ABAG), based on an overall regional housing need number established by the State Department of Housing and Community Development (HCD).

The housing need allocation is based on:

- The vacancy rate in each town and the existing need for housing it implies;
- The projected growth in the number of households;
- The local and regional distribution of income; and
- The need for housing generated by local job demand.

Table 9 summarizes the housing need determinations for all of the jurisdictions in Marin County.

Table 9
Regional Housing Needs – Marin County

Location	Very Low	Percent Need	Low	Percent Need	Moderate	Percent Need	Above Moderate	Percent Need	Total Need	Percent of County
Belvedere	1	10.0%	1	10.0%	2	20.0%	6	60.0%	10	0.2%
Corte Madera	29	16.2%	17	9.5%	46	25.7%	87	48.6%	179	2.7%
Fairfax	12	18.8%	7	10.9%	19	29.7%	26	40.6%	64	1.0%
Larkspur	56	18.5%	29	9.6%	85	28.1%	133	43.9%	303	4.7%
Mill Valley	40	17.8%	21	9.3%	56	24.9%	108	48.0%	225	3.5%
Novato	476	18.4%	242	9.4%	734	28.4%	1,130	43.8%	2,582	39.6%
Ross	3	14.3%	2	9.5%	5	23.8%	11	52.4%	21	0.3%
San Anselmo	32	21.5%	13	8.7%	39	26.2%	65	43.6%	149	2.3%
San Rafael	445	21.3%	207	9.9%	562	26.9%	876	41.9%	2,090	32.1%
Sausalito	36	17.4%	17	8.2%	50	24.2%	104	50.2%	207	3.2%
Tiburon	26	15.9%	14	8.5%	32	19.5%	92	56.1%	164	2.5%
Marin Unincorporated	85	16.3%	48	9.2%	96	18.4%	292	56.0%	521	8.0%
Marin County Total	1,241	19.0%	618	9.5%	1,726	26.5%	2,930	45.0%	6,515	100.0%

Source: County of Marin Housing Element, June 2003, page 28.

² Sources for this section: Marin County Housing Element, June 2003; Interviews with County and City Planning Staff in June, September and October 2002: Rory Walsh, Mill Valley; Scott Anderson, Tiburon; Drummond Buckley, Sausalito; Jessica Cofield, Belvedere.

Marin County's fair share of the regional housing need within the unincorporated areas is a total of 521 units for the period from January 1999 to June 2006. Of this total, 85 units must be affordable to very low income households (16.3% of total); 48 units affordable to low income households (9.2% of total); 96 units affordable to moderate income households (18.4% of total); and 292 units to above moderate income households (46.0% of total). (See Table 9.) For comparison, the County estimates that 39% of all Marin County households fall in the very low and low income categories.

The County met and exceeded its fair share responsibilities for the last planning period, with construction of a total of 1,073 units; 561 of these were very low, low and moderate income units. The County expects to be able to meet the current fair share of the regional housing need by 2006. Total housing units built to date for the planning period between 1999 and 2006 total 332.

The total housing need for all of Marin County is 6,515 housing units. Of this total, 1,241 units must be affordable to very low income households (19.0% of total); 618 units affordable to low income households (9.5% of total); 1,726 units affordable to moderate income households (26.5% of total); and 2,930 units to above moderate income households (45.0% of total). (See Table 9.)

The County and the cities expect that the total estimated housing need of 6,515 units will be built within the five-year planning period. However, it is unlikely that the requisite number of low and very low income units will be built, unless local policies favoring second units are successfully implemented and these units remain affordable to low and very-low income households.

b. Unincorporated Area Development Potential³

As part of the County's Housing Element update, the County recently completed an inventory of land available for development in the unincorporated portion of the County. Only vacant parcels as of November 2001 were included in the analysis. Ongoing investigations of infill⁴ potential currently being conducted by the County may result in additional housing opportunity sites being identified beyond the vacant parcels.

³ Source: Marin County Housing Element, June 2003, pages 28-32.

⁴ Infill is defined as housing development (subdivision, site preparation, and/or improvement construction) occurring on vacant land or land that is not developed substantially below its market potential (e.g., a parking lot on a parcel zoned for multi-family housing) where the parcel is located in an area already largely developed.

Of the 37,000 total parcels in County unincorporated lands, approximately 1,100 parcels (51,000 acres) were listed as vacant. Roughly 700 of those parcels (39,000 acres) are in permanent open space, including Federal lands, County open space, and State lands. An additional 200 vacant parcels (7,000 acres) are tax exempt and further analysis is being completed to analyze possible development potential. Of the 180 remaining parcels, most are rural and designated with low densities under the General Plan. Only 18 of these parcels are zoned for some sort of urban use.

These remaining 180 parcels are zoned mostly for between one-half and four units per acre, with a handful designated for up to 20 units per acre. Together, the 180 parcels located throughout the County would allow for approximately 5,000 residential units under current General Plan designations and zoning regulations not counting under-utilized parcels, second unit potential and reuse/redevelopment potential.

c. Development Potential and Planning Policy⁵

Marin County is essentially an “infill” County. Unlike other counties that accommodate new development largely with conversion of open space and agricultural land to suburban or urban development, Marin County’s development patterns are limited by longstanding land use regulations in the Marin Countywide Plan which channel new development to existing communities along the city-centered corridor. The Countywide Plan contains policies that protect “community separators” between communities in the city-centered corridor and reflect a high level of public interest in protecting remaining open space lands. Of Marin County’s 520 square miles of land area, only 11% is developed in urban uses and only 5% of the remaining land is potentially developable under existing policies. Agricultural lands make up 36% of the County’s total area, park lands 33% with the remaining 15% in public or private open space use.

City General Plans also call for infill development as the primary means of meeting housing and other development demands. In southern Marin, the city and county plans and policies together act to restrict sprawl, preserve open space lands surrounding communities and direct new development into existing developed areas and on existing lots of record. This report reflects the confirmation in the updated County and city general plans that housing needs projected by ABAG can be accommodated within existing communities, and

⁵ Source: Marin County Issues and Trends Report, Chapter 1, page 5, www.future-marin.org.

that there is no policy basis for the expansion of city or special district sphere's of influence for that purpose.

B. Southern Marin Study Area

1. Study Area Description

The southern Marin study area includes the cities of Tiburon, Sausalito, Mill Valley and Belvedere and the unincorporated communities of Strawberry, Paradise Drive, Marin City, Waldo Point/Heliport, Alto, Tamalpais Valley, Muir Woods Park, Homestead Valley, and Almonte. (See [Map 1.](#)) The Study area comprises approximately 12,000 acres, less than 5% of the County's overall land area.

2. Trends

a. Population and Employment

In the past, population growth in Southern Marin has resembled trends throughout the County. (See Table 10). It is anticipated that Southern Marin's population growth will continue to resemble countywide growth into the future because of the following common factors:

Limited Land Supply: The County and cities have a shortage of remaining vacant land designated for development. The majority of vacant land consists of individual lots, rather than large parcels. Only a few vacant large parcels remain undeveloped in the County, including the approximately 110 acre Easton Point (Martha Company) property on the Tiburon Peninsula and St. Vincents-Silvera in San Rafael.

High Price of Land: The limited supply of land and high demand for this land will keep the price of development sites and existing housing prices high throughout the County. Recent information indicates that vacant lots are available in Mill Valley for prices ranging from \$179,950 (.14 acre lot) to \$1.5 million (for lots ranging 2 to 5 acres). Vacant lots are available in Tiburon for prices ranging from \$999,000 (1/2 acre) to over \$3 million (1.25 acres). (Source: www.realtor.com, March 2003.)

High Cost Housing: From 1993 to 2000 the median home sales price in Marin County increased from \$314,250 to \$523,000, requiring an income over \$150,000 per year to qualify for a home loan. Rents have also increased dramatically over the same period. While the household size data do not yet reflect it, given the high price of housing and low vacancy rates, some expect that the incidence of overcrowding will increase due to multiple families sharing housing units. (Source: County of Marin Housing Element, June 2003, pages 15-16.)

Household Characteristics: While there is a trend for larger families in some areas as home sizes increase and families with children move from San Francisco to Marin communities, household size is anticipated to decline within the next 20-year period. According to the U. S. Census, the average household size in Marin County was 2.40 persons in 2000. The Countywide household size is expected to increase to 2.41 by 2005, before declining to 2.39 by 2020.

Limited Transportation Choices: Another factor that may ultimately limit population growth in Southern Marin and the County as a whole is the fact that additional transport capacity, either as a result of improvements to Highway 101 or transit, is unlikely to be provided due to a lack of support by local residents. Traffic capacity increases are equated with growth inducement. Two initiatives to improve capacity in Marin County have failed at the ballot box. Traffic capacity limitations will be a major factor in the acceptability of significant new infill development requiring increased density.

The population of the cities and unincorporated communities has grown at less than one-percent per year and will continue its slow growth pattern. The population of the study area is aging, with an associated reduction in household size.

Table 10
Population Growth in Southern Marin Communities: 1990-2020

	1990	2000	2020	Change 2000- 2020	% Change 2000-2020
Belvedere	2,147	2,125	2,205	80	3.8%
Tiburon	7,532	8,666	9,766	1,100	12.7%
Tiburon Planning Area ¹	13,330	14,720	15,800	1,080	7.3%
Mill Valley	13,038	13,600	14,400	800	5.9%
Mill Valley Planning Area	22,599	24,488	26,300	1,812	7.4%
Sausalito	7,152	7,330	8,330	1,000	13.6%
Sausalito Planning Area	9,722	10,764	11,600	836	7.7%
Total	47,798	52,097	55,905	3,808	7.3%

¹ Planning areas are defined as the City or Town's Sphere of Influence.

Source: Marin County Community Development Agency; Association of Bay Area Governments—Projections 2002.

b. Land Use

The communities in Southern Marin are primarily residential, with large tracts of permanently preserved open space. (See Table 11.) The unincorporated community of Strawberry partially defies this rule due to the dominance of Strawberry Village. However, because the University of California owns this shopping area, it is tabulated as public land rather than commercial. Another exception is the City of Sausalito, which has nearly two-thirds as much commercial and industrial area as it has residential. At the other end of the spectrum are the unincorporated communities adjacent to Mill Valley, which have virtually no significant non-residential uses. The relatively small area devoted to non-residential uses within Southern Marin has important implications for jobs-housing balance and future development of the area. With limited acreage currently in commercial or industrial use, intensive conversion of the few remaining undeveloped parcels to such uses is unlikely to be supported. In turn, this indicates that currently planned commercial and industrial development is not going to significantly affect the current imbalance between jobs and housing that exists in the study area and throughout the County.

Table 11
Land Use and Acreage of Southern Marin Communities – 2001

	Acreage of Community or City ¹	SF Residential ²	MF Residential ²	Open Space	Commercial and Industrial	Public Land	Other	Total Parcel Acreage ³
Belvedere	397	216.4	15.2	0.0	22.5	999.9	101.5	1,355.6
Tiburon	2,848	1,030.3	90.1	196.3	49.2	7,474.7	492.4	9,333.0
Strawberry	1,437	292.4	76.5	338.6	40.3	230.6	274.2	1,252.6
Paradise Dr ⁴	846	196.0	45.2	0.0	13.7	93.2	374.7	722.9
Mill Valley	3,066	1,227.1	52.1	549.6	91.5	340.8	408.4	2,669.5
Alto	74	5.0	0.9	0.0	0.0	1.4	0.0	7.3
Tamalpais	884	514.8	28.8	0.1	26.8	67.5	85.7	723.9
Muir Wds Pk	218	99.2	16.5	0.0	1.8	22.8	51.1	191.4
Homestead	432	220.8	17.9	2.7	1.8	82.0	37.0	362.1
Almonte	351	99.0	10.6	77.1	31.1	15.9	34.4	268.2
Sausalito	1,107	215.2	100.7	0.0	177.3	412.6	84.3	989.9
Marin City	577	389.4	0.7	0.2	1.7	1.7	129.1	522.9
Waldo Point/ Heliport	614	4.9	0.0	0.0	35.6	414.6	49.0	504.2

¹ Total acreage within community or city boundaries.

² Residential acreage may be low because in most cases common areas within condominiums are not counted as residential uses, but rather as open space.

³ Total acreage within parcels counted by County Assessor's office – excludes roads, rights-of-way, and other lands not assessed.

⁴ Summation of Unincorporated Tiburon and Paradise Cay numbers from the County.

(Source: Marin County Community Development Agency)

c. Jobs-Housing Balance

Communities in Marin generally have a wide range of ratios of residents per job, ranging from 2.94 for the City of Fairfax to 0.56 in Corte Madera. The County average is 1.14:1 residents per job. The communities in Southern Marin are typical of those throughout the county that have a high ratio of employed residents, although the Sausalito/Marin City area is more balanced than the others at 1.18 residents per job. As shown in Table 12, the ratio of residents per job is much higher in the Belvedere, Tiburon, and Mill Valley areas. Employment and population projections do not anticipate significant changes in these ratios.

Not shown in the table is the mismatch between job type and employed residents in southern Marin. Wages of a large proportion of service jobs provide insufficient income to pay high local rents and housing costs. This requires local employers to rely on workers commuting to the area from other communities and local employed residents to commute to higher-paying jobs in other employment centers.

Table 12
Jobs-Housing Balance in Southern Marin – 2000-2020

Planning Area	Estimates for 2000			Estimates for 2020			Residents Per Job	
	Jobs	House-holds	Employed Residents	Jobs	House-holds	Employed Residents	2000	2020
Belvedere	470	956	909	510	1,000	980	1.93	1.92
Tiburon	4,420	6,556	9,060	5,080	7,140	9,900	2.05	1.95
Mill Valley	8,820	10,736	15,200	9,570	11,550	16,900	1.72	1.77
Sausalito/Marin City	5,910	5,860	7,000	7,110	6,290	7,700	1.18	1.08

(Source: Association of Bay Area Governments)

3. Development Need/Development Potential

a. Housing Needs

The total regional fair share housing need for the southern Marin study area allocated by ABAG is approximately 700 units. 606 units are located within the four cities and approximately 100 units are in the County unincorporated areas (Source: Dan Dawson, Marin County Community Development Agency). Of the 606 units, Mill Valley is responsible for building 225 units, Sausalito for

207 units and Tiburon for 164 units. Belvedere's share is 10 units. (See Table 9.)

Only two of the housing sites identified by the County to meet affordable housing demand are located in the unincorporated portion of the southern Marin study area: the Fireside Motel site and the Marin City Church site. Together, these sites may accommodate a total of 56 affordable units by 2006. Vacant developable parcels in the ten unincorporated communities in the study area together may accommodate a maximum of approximately 1000 total additional units at build-out; more than the current housing needs allocation. However, the vast majority of these vacant lots is designated for single-family homes, and therefore, will not be affordable to very low, low and moderate income households.

Remaining development potential on existing vacant parcels in Sausalito and Belvedere is less than the housing need allocated to these communities. (See Tables 13 and 21.) Sausalito, Mill Valley and Tiburon have sufficient vacant lots to accommodate the housing needs allocation, assuming these lots have no other constraints and that virtually all of the lots are built-out in the next five years. Because of the shortage of vacant lots in these communities and the high price of vacant lots, the majority of the affordable housing need is anticipated to be met by the construction of second units and limited opportunities for infill development in Tiburon and Mill Valley. Tiburon and Mill Valley are pursuing infill projects in their commercial areas.⁶

b. Southern Marin Study Area Development Potential

Tables 13 and 21 show existing and potential housing units in the study area's cities and unincorporated communities. Estimates of potential units are based on existing general plans and zoning and reasonable estimates for limited increased housing development with implementation of housing programs proposed in recent housing element drafts. As noted elsewhere, the limited availability of land constrains development potential in the southern Marin study area. In addition, development potential estimates do not include some existing vacant assessor's parcels that cannot realistically be developed due to significant constraints (e.g.; slope and lack of access). With roads at capacity, particularly the Highway 101-corridor, there is little public acceptance of

⁶ Sources: Scott Anderson and Kevin Bryant, Tiburon Planning; Rory Walsh, Mill Valley Planning; Drummond Buckley, Sausalito Planning; and Jessica Cofield, Belvedere Planning; Belvedere Housing Element, Sausalito Draft Housing Element; Mill Valley Housing Element; Marin County Housing Element, June 2003.

higher-density development.⁷ In addition, high property values (median home prices of \$599,000 in 2000) in combination with consumer interest in larger homes may result in fewer, larger homes being built on remaining vacant lots due to lot mergers.

⁷ Ibid.

CHAPTER 2. SERVICE REVIEWS

I. NEW REQUIREMENTS FOR SERVICE REVIEWS

In 1997, the State Legislature enacted AB 1484 establishing the Commission on Local Governance for the 21st Century (CLG). The members of the CLG were appointed by the Governor and represented a broad spectrum of constituent groups and perspectives including counties, cities, special districts, educators, industry, and elected officials. The Commission was asked to assess governance issues and make appropriate recommendations, directing special attention to the Cortese-Knox Local Government Reorganization Act of 1985, the 57 Local Agency Formation Commissions (LAFCOs) governed by the Act, and citizen participation in local government.

The results of those efforts were published in Growth Within Bounds, which was published in January 2000. In Growth Within Bounds (pp. 98-99), the Commission reported that:

LAFCO's legislated directives imply that each LAFCO has comprehensive knowledge of the services available within its county, the current efficiency of providing service within various areas of the county, future needs for each service, and expansion capacity of each service provider. Although some LAFCOs may have access to such essentials, many do not, and the Cortese-Knox Act offers no mechanism for assisting and encouraging them to gather the basic necessary information. The Commission believes that such provision should be added to the statute.

Information on public service capacity could be gathered as part of the implementation of a new requirement for periodic service reviews. LAFCOs could conduct such reviews prior to or in conjunction with amendments to spheres of influence. A service review would encompass a comprehensive study of each identifiable public service provided by counties, special districts, and the cities in the region. The review would not focus exclusively on an individual jurisdiction to determine its future boundary or service areas. Rather, it would require LAFCO to look broadly at all agencies within a geographic region that provide a service. The review would also include a component that examines the benefits or disadvantages of consolidation or reorganization of service providers. LAFCOs should be provided flexibility in designating the geographic area to be analyzed, the timing of conducting particular reviews, and the scope of the reviews.

The State Legislature recognized the validity of the Commission's findings and codified

a tool that could be used to collect information and evaluate service provision from a broader perspective. The tool for conducting service reviews is provided in Section 56430 of the Government Code. Section 56430 requires “that in order to prepare and to update spheres of influence in accordance with Section 56425, LAFCOs are required to conduct a service review of the municipal services provided in the county or other appropriate designated area. LAFCOs must include in the area designated for service review the county, the region, the sub-region, or other geographic area as is appropriate for an analysis of the service or services to be reviewed and, as noted previously, must prepare a written statement of its determination with respect to each of the following:

- ❑ Infrastructure needs or deficiencies;
- ❑ Growth and population projections for the affected area;
- ❑ Financing constraints and opportunities;
- ❑ Cost avoidance opportunities;
- ❑ Opportunities for rate restructuring;
- ❑ Opportunities for shared facilities;
- ❑ Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers;
- ❑ Evaluation of management efficiencies; and
- ❑ Local accountability and governance.

In conducting a service review, LAFCOs must comprehensively review all of the agencies that provide the identified service or services within the designated geographic area. In addition, service reviews are to be conducted before, or in conjunction with, but no later than the time it is considering an action to establish or update a sphere of influence (Sections 56425–56430 of the Cortese-Knox-Hertzberg Act). The Commission on Local Governance for the 21st Century advised and recommended that:

A service review should not replace designations or updates of spheres of influence, but should be conducted in the establishment or amendment of any spheres (Growth Within Bounds, p. 99).

The Governor’s Office of Planning and Research has been charged with developing service review guidelines to assist LAFCOs with this effort. A final draft of the State guidelines was issued for comment on October 3, 2002, but have not yet been finally adopted.

For this set of service reviews associated with the periodic review of spheres of influence in the southern Marin area, the scope of the service review will be confined to municipal-type services provided by the County of Marin, the Cities of Belvedere, Tiburon, Mill Valley and Sausalito and special districts and joint-powers agencies

servicing those cities and unincorporated areas in their spheres of influence. For purposes of these service reviews, “municipal-type services” generally include police, fire protection, water, sewer, street maintenance, and parks and recreation.

II. LEVEL OF ANALYSIS

The current study will include focused information on the organization of sewer and fire protection services. With a modest population of about 50,000, the services in the southern Marin area are provided by eleven different sewer agencies and five fire protection agencies. The focus on sewer and fire protection services is driven by the complexity and obsolescence of these service arrangements and the need to define organizational alternatives for public discussion. Other municipal services – water, police, street maintenance and recreation – are of less interest to the current effort. Police and street maintenance services for example, are provided only by the County or by the four cities. These services are available throughout the study area. Neither service levels nor the structure of the local governments that provide these services would be significantly affected by LAFCO policy decisions. The aggregate amount of public revenue available to provide these services would likewise be unaffected by local boundary decisions. And in the case of recreation services, the use of recreational facilities is not confined to residents within agency boundaries.

The maintenance cost and responsibility for Paradise Drive is an exception to this conclusion. This problem is discussed in Chapter 3, Section II.B on the Tiburon sphere of influence ability to extend service.

III. TYPES OF REORGANIZATION ALTERNATIVES

Under current State law, “consolidation” of special districts has a particular meaning, but changes to the organization of cities and special districts may take on several different forms as separately defined in the Cortese-Knox-Hertzberg Act. The definition of those types of changes is as follows:

A. Functional Consolidation

Cities and/or special districts often agree to work together to provide a service or accomplish a service objective. Examples range from simple letter agreements between managers to formal contracts adopted by resolution of agency governing boards to joint exercise of power agencies formed under Government code Section 6500. The principle behind such agreements is that two or more agencies may jointly exercise any power that each participating agency may exercise individually. Such contractual service arrangements do not alter the governance or boundaries of existing agencies and generally do not require approval by LAFCO. This report refers to these service arrangements collectively as examples of “functional consolidation” in contrast to other forms of “political consolidation” which do affect governance or boundaries of existing agencies and require LAFCO approval.

B. Subsidiary Districts

“Subsidiary district means a district of limited powers in which a city council is designated as, and empowered to act as, the ex officio board of directors of the district.” (Government Code Section 56078)

Subsidiary districts are used to establish a city council as the governing board of a previously independent special district, presumably when independent governance of the district is no longer needed and the city council is able to provide adequate political accountability for provision of the service. Establishment of a subsidiary district does not require that all of the district’s jurisdictional area lie within the city’s boundary. A minimum of 70% of the affected district’s jurisdictional area and 70% of the district’s registered voters must overlap or lie within the city’s boundary. (Government Code Section 57105)

Alternatives for the establishment of subsidiary districts meeting the 70% criteria in the current study area would include the establishment of Sanitary District #5 (Tiburon) (TSD) as a subsidiary of the Town of Tiburon. The necessary criteria could not be met if TSD annexed the City of Belvedere.

C. Merger

“Merger means the extinguishments, termination and cessation of the existence of a district of limited powers by the merger of that district with a city as a result of proceedings taken pursuant to [this] division.” (Government Code Section 56056) The functions of the merged district then become functions of the merging city and are governed by the city council.

Mergers of special districts with cities require that 100% of the affected district’s jurisdictional area lie within the affected city’s boundary. None of the special districts providing sewer service in the study area currently could meet this criteria without annexation of their service areas by a city; e.g., the Homestead Valley Sanitary District could be merged with the City of Mill Valley if the district’s entire service area was first annexed to the City of Mill Valley.

D. Consolidation

“Consolidation means the uniting or joining of two or more cities located in the same county into a single new successor city or two or more districts into a single new successor district. In the case of consolidation of special districts, all of those districts shall have been formed pursuant to the same principal act.” (Government Code Section 56030)

Fire protection districts operating under Section 13800 of the Health and Safety Code may consolidate with other fire protection districts, or two municipal water districts operating under Section 71000 of the State Water Code could consolidate under the formal definition in the Cortese-Knox-Hertzberg Act. However, a municipal water district could not consolidate with a county water district because county water districts are formed under a different section of the State Water Code (Section 30000). In order for two agencies set up under different enabling statutes to become one agency, some different form of reorganization would be required as described below.

In Southern Marin, the Southern Marin Fire Protection District and the Tiburon Fire Protection District could consolidate. Any two or more of the six sanitary districts in the study area could consolidate, but a different type of procedure would be required to combine the Tamalpais Community Services District with the Sausalito-Marín City Sanitary District.

E. Dissolution

“Dissolution means the dissolution, disincorporation, extinguishment, and termination of the existence of a district and the cessation of all its corporate powers, except for the purpose of winding up the affairs of the district.” (Government Code Section 56035)

Dissolution might be proposed if a special district no longer provided service or if its service functions could be undertaken by a city, the county or another special district. For example, more than twenty years ago, the board of the Homestead Valley Sanitary District requested that their district’s service responsibilities be assumed by Marin Municipal Water District. Municipal water districts are enabled to provide water, sanitary sewer, fire and recreation services under their enabling act. Implementing the HVSD board’s request would have taken the form of dissolution of HVSD with Marin Municipal Water District designated as the “successor agency.”

F. Reorganization

“Reorganization means two or more changes of organization initiated in a single proposal.” (Government Code Section 56073)

This very general concept can be employed to combine two special districts set up under different enabling acts. For example, combining the Almonte Sanitary District and the Tamalpais Community Services District would require two different actions linked in a reorganization procedure: dissolution of the Almonte Sanitary District and annexation of its service area to Tamalpais CSD.

IV. WASTEWATER COLLECTION, TREATMENT AND DISPOSAL

A. Summary of Previous Studies

Staff has examined two studies related to consolidation of member agencies of the Sewerage Agency of Southern Marin (SASM). The most relevant study was initiated in 1984 by the SASM board of directors soon after the completion of the SASM treatment plant. A consulting firm, Angus McDonald & Associates, was retained to perform the study. The study identified alternatives for consolidation of member agencies and examined one alternative (consolidation of four sanitary districts combined with a joint-powers agreement with the City of Mill Valley). The consultant's preliminary research showed that other operating costs would be reduced by \$65,843 or about 11% of the aggregate operating costs of member agencies other than their contributions to SASM for sewage treatment costs. A key fact brought out in the study was that the joint powers agreement forming SASM requires the unanimous consent of its members to changes of organization of member agencies. No further analysis was completed. The study was discontinued by the SASM board when the board concluded that the consultant was not sensitive to the board's concerns.

In April 2003, the Sausalito-Marín City Sanitary District staff completed a preliminary study of regional consolidation of all southern Marin sewer agencies. The study compares aggregate sewer service costs of the existing eleven agencies with the likely costs of a single consolidated agency. The study concludes that annual cost savings resulting from a reconfigured personnel structure would be approximately \$1.1 million.

The SMCS D study is preliminary in nature and does not address other sources of cost savings, improvements to service, implications for local political accountability or the complexity of implementing a reorganization of eleven different agencies.

B. Subjects Requiring Written Determinations

All of southern Marin's eleven sewer agencies are relatively small. Table 3 summarizes information on each of the eleven agencies. The budgets of southern Marin sanitary agencies range from approximately \$200,000 to \$2.4 million with staff ranging from 0.1 to 12 full-time equivalent positions. Novato Sanitary District (NSD) by contrast, provides sewage collection treatment and disposal to a similar population size of 56,000. NSD operates two treatment plants, has a budget of approximately \$4.5 million and retains 26 full time employees in the relatively less complex Novato area. Although the southern Marin and Novato areas are dissimilar in some important ways, sewer service provided by southern Marin's eleven separate agencies currently requires total full-time staff of 42.5 and agency budgets totaling \$8.1 million for FY 2003-04.

The contrast between a single regional sanitary district in the Novato area and eleven separate sewer agencies in southern Marin shows clearly the need for a public examination of the local government system providing this vital service in the study area. The service review requirements added to LAFCO's responsibilities in 2000 are intended to generate a rethinking of government structure where change might yield either cost savings or improvements to service. More recent economic and fiscal problems affecting local government revenues add to the reasons for an active approach to considering alternative service arrangements where the possibility of greater efficiency clearly exists.

The service review criteria and findings required by Government Code Section 56430 are intended to ensure that LAFCO process considers not only the boundaries and service areas of individual agencies, but the service relationships between agencies as well.

Table 13
Summary Data – Southern Marin Sanitary Service Agencies

City/District	Formed	Services	Service Popul.	Area (sq. mi.)	Total EDU	Full-Time Staff	02-03 O&M Costs	Annual Sewer Charge (\$EDU)	Treatment Capacity	Available Capacity
Almonte Sanitary District <i>Health & Safety Code 6400</i>		Sewage collection Solid waste disposal	1,478	0.4	795	0.3	0.23	277	936	141
Alto Sanitary District <i>Health & Safety Code 6400</i>		Sewage collection Solid waste disposal	939	1	502	0.1	0.2	285	612	110
Homestead Valley San. Dist. <i>Health & Safety Code 6400</i>		Sewage collection Solid waste disposal	2,354	0.75	1,049	0.1	0.225	250	1,314	265
Richardson Bay Sanitary Dist. <i>Health & Safety Code 6400</i>		Sewage collection Water reclamation	9,494	3.1	4,605	4	1.504	248	6,030	1,425
Sanitary District #5 (Tiburon) <i>Health & Safety Code 6400</i>		Sewage collection, Treatment & disposal Solid waste disposal	3,690	1.4	2,520	9	1.665	298	4,022	1,502
Sausalito-Marin City San. Dist. <i>Health & Safety Code 6400</i>		Sewage collection Solid waste disposal	10,756	3.4	8,226	8.2	1.792	160	10,000	2,600
Tamalpais Community Services District <i>Government Code 61000</i>		Sewage collection Solid waste disposal (Other district services)	5,851	1.7	2,572	2.6	0.439	301	252 (SASM capacity only)	50
City of Sausalito		Sewage collection (Other city services)	7,330	1.7	2,800	4	0.482	101	n/a	n/a
City of Belvedere		Sewage collection (Other city services)	2,125	0.6	1,116	0.7	0.157	700	n/a	n/a
City of Mill Valley		Sewage collection Solid waste disposal (Other city services)	13,600	4.8	7,344	2.5	1.467	243	8,856	1,511
Sewerage Agency of Southern Marin <i>Government Code 6500</i>		Sewage treatment & disposal Water reclamation	28,567	5.3	14,497	11		n/a	18,000	3,503

1. Government Structure Options, including advantages and disadvantages of consolidation or reorganization of service providers

Among the ten different local agencies providing sewer services in Southern Marin, all of the possible alternative organizational structures would be too numerous to list. There are, however several types of alternatives that can be discussed with pertinent examples.

a. Annexations

Residential land uses in the Muir Woods Park and Paradise Drive areas are presently un-served by public sewer systems despite poor soils, steep slopes and aging septic systems. In the Paradise Drive area, Sanitary District #5 is currently planning extension of its collection system and realignment of its treatment plants to provide service to the area. Proposals for significant annexations of territory within the District's existing sphere of influence may follow completion of these plans.

In the Muir Woods Park area, sewer service may be extended either by annexation to the City of Mill Valley or by the County through the creation of a sewer maintenance district or similar financing mechanism. Annexation of the area to the City will not be possible if the area is removed from the City's sphere of influence as recommended in Chapter III, Section C, Item 8. Formation of a sewer maintenance district is discussed in Item 2, "Infrastructure Needs or Deficiencies" below.

The City of Belvedere operates a sewer collection system and contracts with Sanitary District #5 (Tiburon) for treatment and disposal and contracts with San Rafael Sanitation Agency for maintenance of its collection system. The City contributes approximately one-third of the operating revenues of Sanitary District #5 based on its total equivalent dwelling unit count, but Belvedere residents may not vote in the District's elections or serve on its governing board because the City is outside the District's boundaries. Annexation of the City's incorporated area by the District has been impeded in the past by collection system maintenance problems and insufficient reserves in its sewer fund. The City has invested considerable effort in its attempts to resolve both problems. Renewed negotiations between the City and the District should result in identification of terms and conditions that would allow annexation to move forward.

Option: Annexations of Belvedere and Paradise
Drive areas to Sanitary District #5

ADVANTAGES & INCENTIVES

Extension of service to unserved areas
Enhanced environmental protection
Provide appropriate political accountability

DISADVANTAGES & OBSTACLES

Requires amendment of San. Dist. #5 SOI to
include the City of Belvedere
Separate rate zones required to ensure equity

b. Functional Consolidations

Like other local government agencies, southern Marin sewer agencies may enter into contractual relationships to jointly engage in service activities. The existing joint-powers agency, Sewerage Agency of Southern Marin, is an example of a functional consolidation in which six separate agencies have entered into an agreement to jointly own and operate a treatment plant. Further agreements for functional consolidations are possible for activities including laboratory services, collection system maintenance, human resources functions, and joint purchasing of services and supplies.

ADVANTAGES & INCENTIVES

Does not require political reorganization
Facilitates transition to formal consolidation
Pathway to further consolidation

DISADVANTAGES & OBSTACLES

Reversible and impermanent
Complex government structure
Legal and management services not
appropriate for functional consolidation

c. Sewer Service Provided by Cities

The existing spheres of influence of Tiburon, Mill Valley and Sausalito include the service areas of all other sewer agencies in southern Marin. If these areas were annexed to the cities, the six sanitary districts, Tamalpais CSD, and the SASM joint-powers agency could be dissolved with their service functions assumed by the city public works departments.

ADVANTAGES & INCENTIVES

Cities ability to weigh competing service
priorities & coordinate services
Simplified govt. structure

DISADVANTAGES & OBSTACLES

City of Belvedere would be dependent on
Tiburon for sewage treatment
No further consolidations possible
Requires annexation of all unincorporated
communities

d. Consolidation and Reorganization of Collection - Only Sewer Agencies

Four of the six sanitary districts in southern Marin are collection-only districts and members of SASM utilizing the same treatment plant. Alto, Almonte, Richardson Bay and Homestead Valley sanitary districts could consolidate into a single collection-only district, reducing membership in SASM to three agencies: City of Mill Valley, Tamalpais Community Services District and the consolidated sanitary district. Those three agencies could, in turn, be reorganized as a single sanitary district to replace SASM. The reorganized sanitary district would assume responsibility for maintenance of the City's collection system. Also, the reorganized sanitary district would include the portion of Tamalpais CSD (about 12%) that flows to the SASM treatment plant.

If the portion of Tamalpais CSD south of Coyote Creek were annexed to Sausalito-Marín City Sanitary District, all sewer service in southern Marin would then be provided by three sanitary districts, each operating the collection system and treatment plant within its jurisdiction.

ADVANTAGES & INCENTIVES

Modest cost savings
Simplified govt. structure
Pathway to regional sewer consolidation

DISADVANTAGES & OBSTACLES

Would require amendment of SASM agreement
Separate rate zones needed for each
pre-existing agency's service area

e. Regional Sanitary District

If other consolidations occurred first, all sewer service in southern Marin could be provided by a single regional sanitary district.

ADVANTAGES & INCENTIVES

Significant cost savings
Simplified govt. structure

DISADVANTAGES & OBSTACLES

Difficult to implement, multiple elections required

2. Infrastructure Needs or Deficiencies

Existing treatment capacity will be sufficient to serve regional population under the general plans adopted by all four cities and the County. Each of the three main treatment plants has remaining capacity, including sufficient capacity to serve the Paradise Drive and Muir Woods Park areas.

Sanitary District #5 is currently planning the extension of its collection system to serve the Paradise Drive area by installation of storage and pumping facilities at its Paradise Cove site connecting to the District's gravity collection system at the top of Tiburon Ridge. The project will be privately financed with newly annexing parcels subject to a reimbursement agreement. As of this writing, the District is preparing for the environmental review phase of the project.

Sewer collection facilities for Muir Woods Park could be extended by the City of Mill Valley if the area annexed to the City. However, if the area were removed from the City's sphere of influence (as recommended in Chapter 3), Muir Woods Park would be most efficiently served by a County-governed special district, such as a sewer maintenance district under Section 4860 of the State Health and Safety Code. Such a district would be set up by the County Board of Supervisors and, with voter approval, would levy assessments and fees to cover its costs. The County would need to purchase treatment capacity from the members of SASM and negotiate other agreements for transport of sewage with the City of Mill Valley and the Homestead Valley Sanitary District in order to reach the SASM treatment plant.

The condition of separately maintained collection systems varies from agency to agency throughout the region. Some systems are characterized by significant deterioration, others maintained in good condition through greater emphasis on monitoring and maintenance. The level of maintenance effort is discretionary and is reflected in differences in the rates charged.

3. Growth and Population Projections for the Affected Area

As discussed in Chapter 1, high land and housing prices, public acquisition of open space and restrictive development policies all work together to limit land supply in southern Marin. Population growth is expected to occur in established urbanized areas at 1% per year or less under existing general plans. Existing sewer agencies will be able to serve increased demand at this rate of growth.

4. Financing Constraints and Opportunities

The low population growth and the well established sewer collection and treatment facilities indicate relatively low demand for capital financing for this service in southern Marin. Capital financing of projects oriented toward upgrading of facilities and correction of deferred maintenance have recently been addressed by fee increases in Sausalito-Marín City and Homestead Valley Sanitary Districts. Sanitary District #5 is planning to utilize available private financing for expansion of its collection system in the Paradise Drive area.

The most difficult financial problem in southern Marin sewer service identified in this study is the future extension of service to the Muir Woods Park area. An annexing agency (such as City of Mill Valley) or a new County-governed maintenance district will need to finance new collection facilities and annual operating costs in an area where some parcels have adequately functioning septic systems and some parcels urgently need sewer service.

In these circumstances, the problem will be to identify a geographic area in which two-thirds of registered voters will support fees and assessments to pay for the necessary improvements. The owners of parcels with functioning septic systems will be less likely to support the financing of new public facilities, impeding the required two-thirds majority necessary for approval of a benefit assessment. Even initial effort to formulate a plan to provide service to the area, specify a method of financing improvements and explaining the proposal to the community represents a significant investment of staff effort with un-recoverable costs.

5. Cost Avoidance Opportunities

Cost avoidance opportunities in varying amounts are available under all consolidation alternatives discussed in Item 1, "Government Structure Options" above. Under the various alternatives (including functional consolidation not requiring reorganization of existing agencies), cost savings may be available in the following areas:

- Governing board
- Election costs
- Senior management
- Legal counsel
- Laboratory services
- Accounting/audit
- Billing
- Human resources management
- Collection system maintenance
- Joint purchasing
- Engineering services

The previous studies of consolidation of SASM member agencies (not including the City of Mill Valley) show savings of 10% to 12%. At the time the study was conducted, SASM's operating budget was approximately \$612,000. Under the preliminary calculations, projected cost savings from consolidation would have been approximately than \$65,800 from reductions in personnel, office, operating and maintenance expenses. Applied to the current operation and maintenance

costs of SASM agencies, the equivalent proportional cost savings would be approximately \$225,000 per year.

The recent preliminary study of regional consolidation of all southern Marin sewer agencies projects annual savings of \$1.1 million in personnel costs, 13% of total annual operating costs for all southern Marin sewer agencies of approximately \$8.1 million. [Consolidation of Southern Marin Wastewater Agencies](#), released by Sausalito-Marín City Sanitary District, is included in this report as [Appendix II](#). The District's preliminary projection of cost savings is conservative and similar in result to the earlier study of SASM consolidation. The District's study assumes governance by a single seven-member governing board and focuses only on the overall number of employees and personnel structure. The study does not attempt to map steps toward implementation or explore service improvements from sharing equipment, higher levels of training, reduced contract maintenance or the general advantages stemming from a larger organization with a clearer community presence as an important local government function.

Cost savings from consolidation alternatives have not attracted action on the part of the governing boards or the public attention necessary to demonstrate demand for such action. Achieving significant cost savings is only possible in the long term following short-term costs of re-alignment of service and intermediate consolidation steps with only marginal savings. Any cost savings in the short-term may be temporarily over-shadowed by transition costs for feasibility studies, labor negotiations, retraining, and other one-time costs.

Costs of transition and marginal initial cost savings are sometimes cited as the basis for the inaction of governing boards toward consolidation of sewer agencies. The other major reason cited for inaction is the presumed reduction in local political control ascribed to consolidation. (See Item 9, "Local Accountability and Governance" below.)

6. Opportunities for Rate Restructuring

This study has not identified opportunities for rate restructuring. Given the differences in topography, condition and reserve account balances of the existing agencies, consolidation of sewer agencies would require preservation of the boundaries of the predecessor agencies as rate zones within a consolidated sewer district in order to take into account varying costs and historic levels of effort. The need for continued maintenance of rate zones within a consolidated sanitary district would be a future policy decision of that district's governing board.

7. Opportunities for Shared Facilities

The only way that the many small sewer agencies in southern Marin have remained separate under current wastewater system standards is through the use of shared facilities. Ten agencies share three treatment plants, but maintain separate collection systems, usually contracting for collection system maintenance service with private companies.

Further opportunities for increased efficiency from the sharing of facilities or programs are present in both functional and political consolidation alternatives. Those opportunities lie in the following areas of overlapping budget activity:

- ❑ Existing shared facility arrangements
- ❑ Joint collection system maintenance
- ❑ Joint laboratory functions/facilities
- ❑ Use of existing corporation yard facilities
- ❑ MarinMap membership

At the time that federal grants became available for upgrading treatment and outfall facilities to meet new wastewater quality standards, the prospect of consolidation of sewer agencies represented a source of controversy and an obstacle to securing federal funding.

8. Evaluation of Management Efficiencies

Southern Marin sewer agencies operating treatment plants meet or exceed the terms of their discharge permits issued by the Regional Water Quality Control Board excepting only occasional violations as shown in Table 14. Total violations have generally declined to very low levels. SASM, Sanitary District #5 and SMCSO monitor the content of their plant discharge and are liable for fines in instances when content limits for heavy metals or other waste constituents are exceeded.

Table 14
Southern Marin Sewer Treatment Permit Violations

	2000	2001	2002	2003
SASM	1	2	0	0
Sanitary Dist. #5	4	5	0	2
Sausalito-Marín City	10	6	1	2
Total	15	13	1	4

Sewer agencies in the study area are generally not faced with significant growth management issues due to low population growth. The exception is Sanitary District #5 which retains significant un-sewered areas within its sphere of influence along Paradise Drive. Infrastructure development to serve growth demands in this area are discussed in Item 2, "Infrastructure Needs and Deficiencies" above.

As mentioned elsewhere in this report, the division of the study area's sewer service in eleven different agencies requires the employment of a greater number of management personnel than would otherwise be required to oversee sewer service to a population of 50,000. Management efficiencies that might be realized under consolidation alternatives will be the subject of expanded study later in 2004.

9. Local Accountability and Governance

The six independent sanitary districts in southern Marin are each governed by independent, five-member boards of directors. Board members receive stipends of \$75 to \$100 per monthly meeting for their service. The appointed members of the SASM board receive no additional compensation. City council and community service district board members receive no separate stipend for the sewer services provided by their general-purpose agencies.

The level of public participation in matters relating to sewer service in southern Marin is very low for the cities, special districts and SASM. Public attendance at board meetings is rare. Public information on sewer operations through budgets, audits, progress reports and websites is not widely distributed. Exceptions to this general pattern include recent capital improvement planning and rate review processes undertaken by Sausalito-Marin City and Homestead Valley Sanitary Districts in the last two years. The cities and TCSD operate websites; the six sanitary districts do not operate websites.

Since 1990, members of the six sanitary district governing boards have stood for election only five times in a total of 33 possible elections. In all other instances, seats were filled by appointment or re-appointment. At an election rate of 15%, sanitary districts have by far the lowest rate of contested elections among local governments in southern Marin as shown in Table 15. Among collection-only sanitary districts (Alto, Almonte, Homestead Valley and Richardson Bay), the contested elections rate is under 10%. Political participation in selection of governing board membership is generally higher in other types of local government units as shown in Table 15. Some sanitary districts do not budget for election costs, given the infrequency of contested elections.

Table 15
Contested Elections Since 1990
by Agency Type

<u>Type of Agency</u>	<u>Possible Elections Since 1990</u>	<u>Contested Elections</u>	<u>Percent Contested</u>
Cities	23	18	78%
Community Service Districts	12	7	58%
Sanitary Districts	33	5	15%
Fire Districts	7	2	29%
Recreation Districts	6	3	50%
Water District	13	7	54%

The three cities, Tamalpais CSD and four of the six sanitary districts are collection-only sewer agencies. The greater part of their annual sewer service expenditures goes to the cost of contract treatment service by an external organization. The operation and maintenance of a collection system generally does not create issues requiring the policy guidance of an elected board on a month-to-month basis, particularly in areas of small area and population.

Would consolidation result in a loss of “local control” over sewer service for the residents of the consolidating agencies? The local control over a municipal service afforded by a special district board is meaningful if the scope of activities and decisions of that governing board are known to the public and attract participation by constituents. Where this is not the case because the service role is very limited or the budget is small or board discretion over spending is very narrow, local control has little practical meaning. The political accountability of agencies of very small size or limited scope may arguably be improved if consolidation would create a larger, more capable organization with a detectable presence in the community and an enhanced ability to communicate effectively with the public.

Fewer and larger organizations with full-time staff capabilities would be better able to maintain public awareness, access to information and increased participation at lower cost. Continued segmentation of sewer service between collection and treatment functions and between small neighborhood areas no longer adds value to the provision of this service.

All eleven sewer agencies adopt budgets and hold regular public meetings. The three cities and Tamalpais CSD maintain websites. The six sanitary districts do not maintain websites. Three of the collection-only sanitary districts (Alto, Almonte and Homestead Valley) maintain no office facilities and are accessible only through a telephone answering machine. All agencies except SASM obtain billing services from the County of Marin as part of the County's property tax collection system.

Public communication and outreach with respect to sewer service is most critical during consideration of rate increases and funding for capital improvements. The Sausalito-Marin City Sanitary District undertook extensive public outreach efforts to communicate its recently adopted capital improvement program and the associated rate increase. Homestead Valley Sanitary District held a widely-noticed special meeting before adopting a rate increase to fund replacement of deteriorated portions of its collection system.

In the absence of rate increases or other special events, the implementation of newsletters, websites and other means of customer communications media is not considered as justified by the six sanitary districts which rely on external local newspapers for meeting notices and other communications. The three cities and TCSD are able to include communication on sewer service matters as a part of their own more general customer outreach efforts.

Proposed Determinations: As of the date of this draft report, the service review of southern Marin sewer agencies has been extended to include study by an independent consultant. The study is now in progress. Staff recommendations for service review determinations pursuant to Government Code Section 56430 will not be made until after the consultant's study is complete. Upon completion of the consultant's work, staff will prepare an addendum to this report that will include recommended service review determinations.

V. FIRE PROTECTION AND EMERGENCY SERVICES

A. Summary of Previous Studies

Enhancing the efficiency of emergency services has been an ongoing interest of LAFCO and local agencies in Southern Marin for many years. The most recent significant study was produced in 1994 during the last general fiscal 'crisis' in funding for local government services. The study was entitled [Final Report, Phase I: An Evaluation of Feasibility for a Southern Marin Fire Service Agency](#) (Davis Company, 1994). The study area included Larkspur and Corte Madera and services provided by County Fire at the Marin City and Throckmorton stations.

Three alternatives were examined:

- ❑ Formation of a regional fire protection district.
- ❑ Formation of a regional fire authority through a joint powers agreement.
- ❑ A "cafeteria style" series of measures to jointly share provide some services without a formal joint powers agreement or changing the political organization of the existing agencies.

Under the consolidation alternatives, service levels would be likely to improve with regard to prevention services. Improvement to disaster management was also implied.

The Davis study assumed that costs and revenues would remain relatively constant and concluded that "... it would be practical and feasible to combine the existing seven fire departments and two County stations into a single fire service agency."

The study noted that fire service costs in Southern Marin were 15% to 20% higher than in single fire agency jurisdictions in San Rafael and Novato. Cost savings from consolidation in Southern Marin (including Larkspur and Corte Madera) were estimated up to \$1.2 million per year, representing about 9.5% of total appropriations of all affected agencies in the base year at the time of the study. The study did not assume closure of any fire stations. Two stations (in Homestead Valley and Sausalito) have been closed since the completion of the study.

With the easing of fiscal pressure on local agencies in 1995, Phase II of the Davis study (on implementation of the consolidation alternatives) was never completed. Since that time, all southern Marin fire agencies have continued and expanded their efforts to cut costs and improve operating efficiency through cooperative programs and cost sharing, the SMEMPS joint powers authority being the most important example of contractual service arrangement among the agencies. Some of these actions were included in the "cafeteria style" alternative described in the Davis study.

As an outgrowth of the Davis study, the Alto-Richardson Bay and Tamalpais fire protection districts consolidated in 1999. The consolidation process was initiated by the adoption of resolutions of application to LAFCO by the governing boards of both districts. LAFCO approved the consolidation proposal, including terms and conditions calling for an expanded governing board composed of members of both previous boards of directors as requested in the resolutions of application. Political controversy during the consolidation proceedings was minimal, partly due to the inclusion of representatives of employee groups in the process and the efforts of the affected districts to explain the benefits of consolidation to the public. No public protest was received following LAFCO approval of the consolidation. Because the governing boards of both of the districts affected by the consolidation consented to the consolidation, no election was required.

Following the 1999 consolidation that created the Southern Marin Fire Protection District, staff of the new district reported significant annual cost savings from reduced management personnel and insurance costs.

Southern Marin fire agencies including SMFPD, Tiburon Fire Protection District, and the cities of Sausalito and Mill Valley took an active interest in further consolidation of fire protection service. SMFPD, Sausalito, Mill Valley and LAFCO jointly funded Phase I of the Southern Marin Fire Protection Consolidation Study, a preliminary feasibility study of expansion of SMFPD to include the jurisdictions of the two cities. TFPD participated in the study process as an interested observer, but did not otherwise contribute to the study. The Phase I analysis, conducted by Economic & Planning Systems, is included in this report as [Appendix I](#).

B. Subjects Requiring Written Determinations

1. Government Structure Options, including advantages and disadvantages of consolidation or reorganization of service providers

a. Status Quo and Functional Consolidation

This alternative includes no changes to the organization of the five existing emergency service agencies in Southern Marin except the annexation of the City of Belvedere by the Tiburon Fire Protection District as a means of making permanent the TFPD's existing provision of service to the City by contract. The existing system includes both formal agreement for cooperative extension of service (SMEMPS, MERA), and informal arrangements for joint training, vehicle maintenance etc. Other changes to existing service arrangements that do not involve political organization would be possible.

Extension of service to cities by a fire protection district or County Fire on a contractual basis. Under the most probable example, Southern Marin FPD would contract with the Cities of Mill Valley and Sausalito to provide emergency services. The District would hire the emergency service employees of the cities and unify the management and personnel systems of the District and the city or cities. This alternative represents an extension of the joint powers alternative described in the 1994 Davis study.

Alternative: Status Quo (Including Functional Consolidation)

	Advantages/Incentives	Disadvantages/Obstacles
Service Level, Operations, or Efficiency	Allows for reconfiguration of staff structure to reduce management staff & increase line staff. Permits greater efficiency in management of overtime & disability leave. Allows for optimized location of specialized equipment (rescue & ladder trucks). Enhances safety through unified training, equipment & procedures. Reduces reliance on mutual aid. Permits full time prevention officer & unified guidelines, vegetation management, school programs.	
Cost Savings	Reduced personnel costs (chief officers); elimination of redundant purchases for apparatus, reduced maintenance of reserve equipment, building space, training facilities, supplies, maintenance services. Reduced workers compensations rates. Single enhanced information management system.	Aggregate increase in cost of benefits would partially offset savings from reduced number of positions.

Alternative: Status Quo (Including Functional Consolidation), Contd.

	Advantages/Incentives	Disadvantages/Obstacles
Political Accountability		Reduced accountability for residents of areas contracting for service with external agencies.
Implementation	Does not require LAFCO approval or permanent transfer of property tax revenue. This alternative is useful as a transitional step toward political consolidation.	Does not represent a permanent solution to structural problems of small fire protection organizations. Subject to disruption or termination from disputes between contracting agencies.

b. Expansion and Consolidation of Fire Protection Districts

Southern Marin FPD and Tiburon FPD consolidate to form a single fire protection district.

Alternative: Consolidation and Expansion of Fire Protection Districts to Include Cities

	Advantages/Incentives	Disadvantages/Obstacles
Service Level, Operations, or Efficiency	Allows for reconfiguration of staff structure to reduce management staff & increase line staff. Permits greater efficiency in management of overtime & disability leave. Allows for optimized location of specialized equipment (rescue & ladder trucks). Enhances safety through unified training, equipment & procedures. Reduces reliance on mutual aid. Permits full time prevention officer & unified guidelines, vegetation management, school programs.	

Alternative: Consolidation and Expansion of Fire Protection Districts to Include Cities, Contd.

	Advantages/Incentives	Disadvantages/Obstacles
Cost Savings	Reduced personnel costs (chief officers); elimination of redundant purchases for apparatus, reduced maintenance of reserve equipment, building space, training facilities, supplies, maintenance services. Reduced workers compensations rates. Single enhanced information management system.	Aggregate increase in cost of benefits would partially offset savings from reduced number of management positions.
Political Accountability		Political representation would be shifted from general purpose agencies (cities) to a single purpose special district.
Implementation		Most complex implementation process involving three cities, two fire districts, and County Fire. Wildland fire protection responsibilities of County Fire awkward to combine with other existing fire organizations.

2. Infrastructure Needs or Deficiencies

The main fire stations of Tiburon FPD, County Fire (at Marin City), SMFPD and City of Mill Valley are of recent construction and up-to-date design. The City of Sausalito is in the process of planning new public safety office and fire station facilities to replace Station #1. Upgraded facilities will be built on the existing site. The City has closed Station #2, as it did not add significantly to the City's fire protection capabilities. The City has ordered construction of a fireboat funded primarily by private donations. The City's ladder truck is obsolete and needs replacement. The ladder truck operated by the City of Mill Valley is similarly outdated. Replacement of both trucks would be unnecessarily costly and duplicative. The County is planning to rebuild the obsolete Throckmorton Station to accommodate current apparatus and firefighters of both genders. The new station will probably require sewer service from the City of Mill Valley.

Due to low population density, the Marin Municipal Water District has not included fire flow upgrades in the Paradise Drive, Sugarloaf and Gilmartin Drive areas in its capital improvement program. Low fire flow has reduced allowable structure size in some parts of unincorporated Tiburon.

3. Growth and Population Projections for the Affected Area

As discussed in Chapter 1, high land and housing prices, public acquisition of open space and restrictive development policies all work together to limit land supply in southern Marin. Population growth is expected to occur in established urbanized areas at 1% per year or less under existing general plans. Existing fire agencies will be able to serve increased demand at this rate of growth with the existing emergency service infrastructure. City and County general plan policies and LAFCO policies calling for containment of urban growth within the already urbanized area will avoid aggravating fire safety problems at the urban/wildland interface.

4. Financing Constraints and Opportunities

Overall demand for financing of new capital projects is low with the exception of Sausalito's construction of replacement facilities for Station #1. Southern Marin FPD and other fire agencies regularly apply for and obtain grant funding for vegetation control projects in hillside areas in their jurisdictions. Each fire protection district has passed a parcel tax to finance new station facilities.

Likely reorganization alternatives involving the expansion of SMFPD through the annexation of incorporated areas will require the permanent transfer of property tax revenues from the cities to the district. Property tax transfers will require the District and annexing cities to negotiate an agreement that places an equitable price on the cost of service provided by the District. Phases II and III of the Southern Marin Fire Protection Consolidation Study will provide support for those service price negotiations.

5. Cost Avoidance Opportunities

In the development of this report thus far, it is very clear that emergency service organizations in Southern Marin have worked together continuously to reduce costs across the full spectrum of such opportunities: informal agreements for joint training, automatic aid, joint powers agreements (such as SMEMPS) and district consolidation.

The Southern Marin Fire Protection Consolidation Study identifies further cost avoidance opportunities through the functional or political consolidation of SMFPD with the cities of Mill Valley and Sausalito. Those cost savings include apparatus replacement; facilities replacement and maintenance; office equipment and computer systems; management personnel; reduction of overtime, workers compensation, liability insurance and membership in federal, state and local organizations; and purchasing economies of scale.

For example, Mill Valley and Sausalito each have ladder trucks although one ladder truck would be sufficient to serve the southern Marin area. Both trucks are now obsolete and difficult to maintain. Consolidation of the cities with SMFPD would allow replacement of both trucks with a single ladder truck maintained at a central location with significant replacement, storage and maintenance cost savings.

Net cost savings from this particular consolidation alternative total \$335,000 per year. Although the cost savings identified are moderate with respect to total aggregate costs of fire protection, they are currently significant with respect to city budgets. City general funds and discretionary spending is vulnerable to the disposition of the State's budget deficit. Cost increases and revenue shortfalls elsewhere in city budgets tend to increase the importance of even marginal cost savings, especially where fees for service cannot be adjusted to cover short term needs. With the exception of fees for paramedic service calls, the costs of fire protection service are supported by general-purpose revenues such as the property tax, local share sales tax, and vehicle license fee allocations from the State.

6. Opportunities for Rate Restructuring

Fire protection service is not significantly funded by user fees or other rates that could be readily restructured. Some costs of emergency medical service calls are billed to users based on available private insurance and ability to pay. Fee revenues support regional SMEMPS service and thus would not be affected by further consolidation of fire agencies in southern Marin.

7. Opportunities for Shared Facilities

As described above, functional or political consolidation offers opportunities for sharing facilities that are actively pursued by southern Marin fire protection agencies, including the replacement and relocation of key fire apparatus. In addition, SMFPD and the City of Sausalito have agreed to the joint use of SMFPD's training tower facility at Station 9. SMFPD, TFPD and Sausalito are also planning the joint use of personnel for the fire prevention functions of all three agencies.

All southern Marin fire agencies engage in joint training programs and coordinate backup coverage during training periods. Joint purchasing is also practiced on an ad hoc basis whenever possible. Regular meetings of the chief officers of all fire agencies facilitate opportunities for sharing facilities, equipment and programs as they arise.

Emergency services for the east Fort Baker area of the Golden Gate National Recreation Area are provided by the National Park Service fire stations in the San Francisco Presidio and at Rodeo Beach. The Sausalito Fire Department (recently operating under the auspices of Southern Marin Fire Protection District) routinely respond to emergency calls in east Fort Baker, most commonly for emergency medical service. Responsibility for east Fort Baker has been unclear, resulting in problems of command and control between responding agencies. In March 2004, County Fire, the National Fire Service and Southern Marin Fire Protection District executed an agreement to clarify response to the area and establish procedures to evaluate response effectiveness.

8. Evaluation of Management Efficiencies

The five different fire protection agencies providing service to the southern Marin study respond to the challenges to management efficiency on a continuing basis. With the exception of County Fire, the five organizations are small, serving populations of 7,000 to 20,000, but must perform a wide range of emergency service functions. The five organizations approach the inherent management inefficiency of the existing structure through functional consolidation of service (e.g., Southern Marin Emergency Medical Paramedic Service joint powers agreement) and through continuing interest in political consolidation. The opportunities for the five agencies to become more efficient through streamlining management structure through functional and political consolidation are the subject of significant portions of this report and many previous reports.

9. Local Accountability and Governance

Southern Marin FPD is governed by an expanded seven-member board of directors elected to serve four-year terms. Both of the two elections for seats on the District Board since consolidation have been contested elections. The District board meets once a month. Members receive a stipend of \$100 per meeting for their service.

Tiburon FPD's five-member board meets once a month, its members receiving a stipend of \$75 per meeting for their service. None of the last five elections for seats on the District Board have been contested elections.

The governing boards of the city and County fire departments – the city councils and the County Board of Supervisors – do not receive separate stipends or other compensation for fire-related activities.

Public information on emergency service activities is communicated through regular board meetings, budget process, and weekly newspaper publication of service call data. Each of the five fire agencies in southern Marin operates a website for dissemination of program information. Southern Marin fire agencies also offer fire safety and volunteer training programs such as Community Emergency Response Training (CERT), which includes earthquake survival, fire prevention and suppression, search and rescue, disaster first aid and emergency preparedness training for private citizens.

CHAPTER 3. SPHERES OF INFLUENCE

I. FACTORS AFFECTING SPHERE OF INFLUENCE DETERMINATIONS

As noted in Chapter 1, LAFCO allocated all urbanized places in the study area to the sphere of influence of one of the four cities, including Strawberry, Tamalpais Valley and Marin City. These areas that are geographically distinct from the present boundaries of the cities of Tiburon, Mill Valley and Sausalito to a greater degree than other unincorporated areas that are surrounded or immediately adjacent to city boundaries (Alto, Almonte, Paradise Drive, Homestead). Under currently adopted spheres, these three unincorporated communities are planned for annexation to cities. Special districts serving those communities (e.g., Tamalpais CSD, Strawberry Recreation District and Marin City CSD) would be dissolved in that process and their functions assumed by the annexing city.

The revised definition of sphere of influence in the Cortese-Knox-Hertzberg Act from “.... *ultimate* boundary and service area” to “.... *probable* boundary and service area” is one of several changes that have occurred since the 1980s that raise a fundamental question for this review: How *probable* is the annexation of such large areas and populations to these cities? Should the spheres of influence of Tiburon, Mill Valley and Sausalito exclude Strawberry, Tamalpais Valley and Marin City in the expectation that these communities will remain unincorporated indefinitely?

In the course of reviewing existing spheres of influence, LAFCO may carefully consider the logic of potential annexation of each unincorporated area based on a variety of factors including the geographic association or proximity of each area to a city and the service impacts of annexation on both the city and the County. For example, some unincorporated areas are very closely associated to a neighboring city through contiguous or surrounding boundaries and by relying on the city for street access and for local commercial services. Other areas presently within city spheres are more distant, without contiguous boundaries and having other attributes that help to define them as separate, unincorporated communities.

Some unincorporated areas may be gradually annexed to a city without significant impacts on the services provided by either the city or the County. Special district or County services in other areas may indicate that require that the entire area be annexed at one time, creating large proportional increments to a city’s population and demand for services.

Each unincorporated area and special district sphere of influence will be discussed separately in subsequent sections of this report, but currently adopted city spheres of influence have all been affected by the following trends since 1985:

A. Fiscal Stress on Cities

Since the passage of Proposition 13 in 1978, the ability of property tax revenue to fund the extension of city services to developed communities has been impaired. Even in Marin County where assessed values have kept pace and sometimes exceeded inflation in the cost of municipal services, significant sales tax generating land uses would need to be present in annexing communities to avoid adverse fiscal impacts from annexation of developed communities. State legislative policies continue to favor annexation of unincorporated communities to cities, but fiscal disincentives persist. In recent years and for the short-term future, policies encouraging city annexation are undermined to the extent that the Legislature re-directs or “borrows” revenue intended to support local services (including property tax, vehicle license fees and gas tax) to resolve funding shortfalls at the state level.

B. Increased Recognition of Role of Special Districts

The previous language of the Cortese-Knox-Hertzberg Act gave primacy to the role of cities in the provision of urban services. The revised text recognizes the fact that special districts may fill a vital role in the efficient provision of urban services in some cases. In cases where cities are small, greater efficiencies may be provided by regional special districts (serving more than one city) than could be achieved by small cities each providing the widest possible range of services. Water sewer and fire services may be examples of this conclusion in southern Marin County.

C. Stronger County Planning Regulations

The County of Marin has tightened development regulations since the mid 1980's so that permitted development densities in unincorporated areas are generally equal to or less than those available from an annexing city. Annexation of unincorporated territory to cities is no longer required to assure appropriate development density.

D. Closer City/County Planning Coordination

The Community Facilities Element of the Countywide General Plan designates Urban Service Areas (USAs) within city spheres of influence adopted by LAFCO⁸. USAs are areas adjacent to city boundaries where services are available and development is likely to occur. When the County receives an application for development within an adopted USA, the application is referred to the adjacent city. That city is offered a “right of first refusal.”

That is, if the developing area is contiguous to the city boundary and the city wishes to annex and oversee development, the County ceases processing the application and requires the applicant to seek development approvals from the city.

In areas that LAFCO has removed from city spheres of influence, the County continues to voluntarily consult with that city on development applications (rezonings and general plan amendments), as it would be required to if the area remained in the city’s sphere of influence. These areas are designated as “spheres of interest” in the Countywide Plan.

E. Acquisition of Public Open Space Surrounding and Defining the Outward Growth of City Boundaries

Large areas of open space are now permanently preserved in their present uses, restricting the outward expansion of urban land uses and reducing the potential demand for urban services in undeveloped, unincorporated areas surrounding the communities of southern Marin. The Countywide Plan continues to include policies for the acquisition of open space, particularly areas designated as upland greenbelt or community separators to define and limit the extent of urbanization within the eastern urban corridor.

F. Types of Sphere of Influence Designations

Bearing in mind the definition of sphere of influence as “... a plan for the probable boundary and service area of a local government agency,” LAFCO’s action to adopt such a plan can take one of several different forms. In every case, the Commission acts by adoption of a resolution which includes a statement of determinations. The resolution will describe the future boundary of the city or district with or without reference to an attached map. The statement of determinations gives the Commission’s response to the four factors that it must consider in adopting a sphere of influence specified by Section 56133 of the Government Code:

⁸“Urban service areas” are defined differently in the Cortese-Knox-Hertzberg Act. Such areas are adopted by LAFCO in recognition of the inclusion of unincorporated areas in city spheres of influence and city infrastructure investments in those areas. When adopted by LAFCO, city annexation proposals within USAs may not be denied when annexation is sought by the city.

- ❑ The present and planned land uses in the area, including agricultural and open space lands.
- ❑ The present and probable need for public facilities and services in the area.
- ❑ The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide.
- ❑ The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

A sphere of influence usually designates a planned boundary in the form of a map showing a geographic area smaller than, equal to or larger than the existing boundary of the city or special district. Mapped spheres of influence are adopted in the form of a resolution, with the map included as an attachment. In other instances, an adopted sphere of influence may take verbal form in the text of the resolution. For example, a “status quo” sphere of influence designation indicates no change from a previous adopted sphere of influence. A “coterminous” sphere of influence means that the present and planned boundaries of the agency are the same. A zero sphere of influence contains no territory and indicates that the agency for which it is adopted should be dissolved and its service responsibilities assumed by another agency.

Some of the spheres previously adopted for sanitary and fire districts in southern Marin are called “interim” spheres of influence, indicating that the planned boundary for the agency shown on a map will define an area that may annex to the district until that district is consolidated with another similar special district. The “interim” designation also provides for the assumption of the districts service responsibilities by a city following annexation of the district’s service area to that city and the dissolution of the district.

II. CITY SPHERES OF INFLUENCE

A. City of Belvedere

1. Existing Sphere of Influence

The sphere of influence of the City of Belvedere includes the currently incorporated area of the City plus approximately 0.2 square miles of San Francisco Bay to the south of the City's boundary. There are no anchorages, facilities or land area of any kind in the City's extended sphere.

The boundary between the City of Belvedere and the Town of Tiburon splits a series of parcels on Corinthian Island and the Boardwalk Shopping Center. The boundary in this area has been acknowledged as disorderly since the incorporation of Tiburon in 1964. Recommendations to correct the boundary were made in a 1971 study by Livingston & Blaney with recommendations for realignment. Negotiations to correct the boundary between Belvedere and Tiburon have not been successful.

2. Service Relationships

The sources of municipal services in the City of Belvedere and areas within its sphere of influence are shown in Table 16. Belvedere is so small that it has historically sought to provide some services through larger organizations. Belvedere and Tiburon have established joint powers agencies to provide library and recreation services. The City contracts with Sanitary District #5 (Tiburon) (TSD) and Tiburon Fire Protection District (TFPD) for the provision of sewer treatment and fire protection services respectively. The service provided under these arrangements is satisfactory, but such contracts do not provide the necessary political accountability for the residents of Belvedere through membership on the two district governing boards. Belvedere residents cannot vote to elect district board members or serve on the district boards.

Belvedere has pursued a program of upgrading its sewer facilities and building a balance in its sewer reserve account in order to address equity issues and other conditions that have impeded the City's annexation to Sanitary District #5 (Tiburon). City and District officials have recently resumed efforts to identify and resolve any further outstanding issues that would obstruct annexation to TSD and the resulting representation of Belvedere residents on the District's Board of Directors.

Table 16
Sources of Service: Belvedere Sphere of Influence
Areas in City Sphere of Influence

Service	Incorporated	
	City of Belvedere	(None)
Police	City	
Fire/Emer. Medical	TFPD (contract)	
Water	MMWD	
Sewer	City/TSD (contract)	
Solid Waste	City (MVR)	
Comm. Development	City	
Street Maintenance	City	
Parks & Recreation	City (JPA w/ Tiburon)	
Library	City (JPA w/ Tiburon)	

3. Demand for Services

Existing and potential population for the City of Belvedere is shown in Table 17.

Table 17
Estimated Population and Development Potential - City of Belvedere

Belvedere	Land Area (acres)	Population 2000	Existing Units	Potential		
				New Units	Estimated Max. Pop.	% Potential Pop. Increase
Incorporated Area	397	2,125	1,024	17	2,164	1.84%
Total SOI	397	2,125	1,024	17	2,164	1.84%

City of Belvedere continues to provide general administration, police, fire (by contract), community development, sewer, recreation and street maintenance services to a stable population. There is very little development potential remaining in Belvedere. The City has approved the addition of an average of less than two new housing units per year since 1990. Therefore, demand for new services does not pose additional challenges to service providers.

4. Ability to Extend Services

Service providers should be able to continue to extend services to existing population at existing levels of service. The City's ability to provide services would be strengthened if it were annexed to both Sanitary District #5 (Tiburon) and Tiburon Fire Protection District.

5. Applicable General Plan Provisions

Belvedere is essentially built out and its sphere of influence is mostly coterminous with the City's boundary except for a small area of San Francisco Bay to the south. The Belvedere General Plan contains a policy (LU Policy 11) which refers to ongoing discussions and intent to resolve two boundary issues with the Town of Tiburon:

- The current City limit line extends through the Boardwalk Shopping Center; and
- The Corinthian Yacht Club has its clubhouse in Belvedere and its berths and parking areas in Tiburon.

LAFCO's adopted Policies, Procedures and Guidelines stress that local government boundaries should conform to parcel boundaries. The City of Belvedere and the Town of Tiburon have unsuccessfully attempted to negotiate an exchange of territory along their common boundary to avoid splitting parcels. Recommendations for realignment of the City boundaries are shown on [Map 7: Recommended Sphere of Influence, City of Belvedere](#).

6. Recommended Sphere of Influence

There is no contiguous unincorporated territory that might be considered for annexation to the City of Belvedere. Staff recommends a coterminous sphere of influence for the City of Belvedere with minor realignment of the boundary between Belvedere and Tiburon as shown on Map 7.

To View

**Map 7:
Recommended Sphere of Influence,
City of Belvedere**

[Click Here](#)

B. Town of Tiburon

1. Existing Sphere of Influence

The sphere of influence of the Town of Tiburon includes unincorporated territory along Paradise Drive, Ring Mountain, Eagle Rock and Strawberry areas west to Highway 101. The Town’s SOI encompasses all of the Tiburon and Strawberry peninsulas as shown on [Map 1](#).

2. Service Relationships

The Town of Tiburon provides general administration, police, community development, solid waste disposal and parks and recreation, and library services (with the City of Belvedere) to a slowly expanding population.

The sources of municipal services in the Town of Tiburon and areas within its sphere of influence are shown in Table 18. The Town of Tiburon has developed mutually advantageous service relationships with the City of Belvedere, including JPAs for library and recreation services. The Town does not control fire protection or sewer services that are provided by special districts to the Town and adjacent unincorporated areas.

Table 18
Sources of Service: Tiburon Sphere of Influence

Service	Areas in City Sphere of Influence			
	Incorporated			
	Town of Tiburon	Paradise Dr.	West Tiburon	Strawberry
Police	Town	County	County	County
Fire/Emer. Medical	TFPD & SMFPD	TFPD	SMFPD	SMFPD
Water	MMWD	MMWD	MMWD	MMWD
Sewer	TSD & RBSD	TSD & CMSD	RBSD	RBSD
Solid Waste	Town (MVR)	County	County	SRD (MVR)
Comm. Development	Town	County	County	County/SDRB
Street Maintenance	Town	County	County	County
Parks & Recreation	Town (JPA w/Belv)	County	County	SRD
Library	City (JPA w/Tiburon)	County	County	County

3. Demand for Services

Existing and projected population for the Town of Tiburon and unincorporated areas within the Town’s sphere of influence are shown in Table 19.

Table 19
Estimated Population & Development Potential, Town of Tiburon

Tiburon	Land Area (acres)	Population 2000	Existing Units	Potential New Units	Estimated Max. Pop.	% Potential Pop. Increase
Incorporated Area	2,848	8,666	3,961	147	9,004	3.90%
Paradise Drive	846	989	400	146	1,325	14.71%
West Tiburon	558	733	325	9	754	8.37%
Strawberry	1,437	4,432	2,691	170	4,823	53.56%
Total SOI	5,689	14,820	7,377	472	15,906	76.65%

The development potential remaining within Tiburon’s currently incorporated area is estimated at approximately 147 units, including 86 units on vacant parcels, 45 units from new subdivisions and an estimated potential for 16 second units. Approval and construction of new housing units has averaged 31 units per year since 1990.

Even though the unincorporated areas in the existing Tiburon sphere of influence contain a significant amount of undeveloped land, current estimates of development potential are relatively low as shown in Table 19. The Paradise Drive and Strawberry areas represent significant service impacts if annexed to Tiburon primarily due to demand for service from existing population and facilities.

The unincorporated portions of Paradise Drive receive their urban services from a variety of sources. The County provides general administration, sheriff, community development, road maintenance and parks and recreation services to the unincorporated area. While much of the area is still on individual septic systems, the area north of Trestle Glen receives sewer service from Sanitary District #2 and Sanitary District #5 provides service to pockets of unincorporated territory along Paradise Drive as shown on [Map 2](#) through a “pocket” treatment plant at Paradise Cove. The Seafirth area provides its own sewer system owned and operated by a private homeowners association. Facilities for extension of sewer service to the balance of the area are currently in planning stages. Fire protection services are provided by the Tiburon Fire Protection District.

The development potential remaining in the Paradise Drive unincorporated area is approximately 146 units. Remaining raw land in the area will be developed at very low densities due to site constraints and planning policies of both the Town and the County.

The Strawberry area receives police, community development, and road maintenance services from the County and a number of service districts including Richardson Bay Sanitary District, Southern Marin Fire and the Strawberry Recreation District. The development potential remaining in Strawberry is approximately 221 units. Redevelopment of the Strawberry Town and Country Shopping Center increasing its commercial area approximately 20% from 140,000 to 170,000 square feet is in preliminary planning stages. New demand for services does not pose challenges to existing service providers in the area, but annexation of such a significant area and population to the Town of Tiburon would deeply impact the scale and organization of existing Town services. This potential is indicated by the 54% increase in the Town's population that would result from annexation of the area as shown in Table 19.

4. Ability to Extend Services

The Town's ability to extend its services to outlying areas of its existing sphere of influence may be questioned in two respects:

- The Paradise Drive roadway is very costly to maintain. The road lies in a narrow right-of-way on steep topography and was not built to a modern engineering standard. It is susceptible to slides and other costly repairs. The County Department of Public Works annually surveys road condition in unincorporated territory. Paradise Drive's current condition index is 42 out of a maximum of 100, indicating a need for chip-sealing and other major maintenance tasks. Sealing on a five to ten year cycle prevents further deterioration and emergency repairs. However, County DPW staff advises that cyclical chip-sealing is not being undertaken for any of the County's road system due to reduced State gas tax revenue allocations. The allocations have been reduced approximately 50% for both cities and counties by the State Legislature and used for other budgetary priorities. In the absence of sufficient revenue, minor annual maintenance activity (including striping, signage, vegetation control and drain clearance) is performed, but chip-sealing and other significant preventative maintenance projects have not been a part of the County's road maintenance program for several years.

The County's accumulated backlog of needed maintenance procedures, including chip-sealing of Paradise Drive, is calculated approximately

\$100 million for unincorporated areas only. Cities and counties may appropriate additional funds for road maintenance from general sources of revenue, but rarely do so due to service demands in other program areas (e.g., public safety). Unless and until the State legislature restores gas tax revenues to at least their former levels, deterioration of local road facilities in Marin County can be expected to accelerate. Recently enacted road impact fees levied on new development by some local jurisdictions (including the County and the Town of Tiburon) will not be sufficient to alter this trend.

In the past, annexations to the Town of Tiburon in the Paradise Drive area have excluded the road right-of-way. LAFCO policy, however, calls for the inclusion of the full width of the right-of-way with the annexation of parcels annexing to cities. Routine annual maintenance costs, cyclical preventative maintenance procedures and the risk of ground failure and emergency repair exceed the Town's ability to support this service given revenues generated by the low density residential uses characteristic of the area. The Town and the County have begun to discuss maintenance of Paradise Drive as a shared problem that impedes annexation, but no solution has been identified. Policies of the Town of Tiburon, LAFCO and the County all encourage annexation and the extension of the Town's land use planning authority over new development in the area. Neither the Town nor owners of developing land can bear the costs of service.

- Strawberry (population approximately 4,250) is geographically distinct from the Town and the Tiburon Peninsula as a whole. Strawberry residents are provided a high level of services by the County (e.g., Strawberry Design Review Board) and the independent Strawberry Recreation District. The Town's park and recreation services do not provide the depth and range of services provided by the District. If the Strawberry area were to annex to the Town of Tiburon, the Town would face two general service issues: the impact of a large new population (54% increase) on the Town's existing services and disposition of the activities of the Strawberry Recreation District.

SRD would logically be dissolved and its functions undertaken by the Town's Department of Parks and Recreation. However, the differences in programs and services between the Town and the District may indicate that SRD would be more effectively operated as a subsidiary district of the Town. That is, SRD would be preserved as a separate entity within the Town, but would be governed by the Town Council rather than by an independent governing board. Existing differences in recreational service levels could be separately maintained and financed.

5. Applicable General Plan Provisions

The Town's General Plan contains several policies directed at annexation of the Paradise Drive area and Strawberry/Eagle Rock/Bay Vista based on a number of factors, including: "resident-property owner interest, cost/revenue implications of specific annexation requests and provision of Town services to the property" (LU-5, LU-6, LU-7). In addition, General Plan policy LU-8 calls for coordination with LAFCO to study the current sphere of influence and possibly modify the sphere of influence boundary where inconsistencies occur with the Town's planning area boundary. The Town's policies support retention of the Strawberry area in the Tiburon sphere of influence.

Emerging issues in Tiburon are similar to other cities in Southern Marin and include increasing pressure by the State Department of Housing and Community Development to provide new affordable housing for the local workforce. Since there is limited land for the development of new housing, Tiburon like other southern Marin communities, is proposing more aggressive policies for the creation of second units to meet housing demand. Other ongoing and emerging issues include the increasingly high price of scarce vacant land, larger home sizes and limited transportation choices, which in turn fuels the "no-growth" sentiment in the County.

Planning policies of the Town are consistent with those of the Countywide Plan including provisions for preservation of open space. The urban service area designated for Tiburon in the Public Review Draft Marin Countywide Plan update (February 2004) is inconsistent with the Town's existing sphere of influence.

6. Service and Organizational Alternatives

- ❑ Status Quo: No change to the existing sphere of influence
- ❑ Annexations within the existing sphere of influence including annexations of contiguous territory in Paradise Drive, West Tiburon and Strawberry areas.
- ❑ Annexations and detachments to follow parcel boundaries between Tiburon and Belvedere on Corinthian Island and Boardwalk Shopping Center. (See [Map 7: Recommended Sphere of Influence, City of Belvedere.](#))
- ❑ Exclusion of territory from Tiburon sphere of influence: The Strawberry area might be considered for exclusion from the Tiburon sphere of influence due to its geographic differences from the Town and impacts on municipal services. (See Table 20.) Annexation of the Paradise Drive area would also create high service costs. Exclusion of the Paradise Drive area from the Town's sphere of

influence based on the Town's inability to fund maintenance of Paradise Drive is not considered an organizational alternative due to the existing Town boundary that entirely surrounds the unincorporated area.

- Establishment of Subsidiary Districts: Both the Tiburon Fire Protection District and the Sanitary District #5 (Tiburon) could be established as subsidiary districts of the Town of Tiburon. A subsidiary district would remain as a separate entity (with its own boundary and budget), but would be governed by the Town Council rather than an independent governing board. Establishing subsidiary districts requires that 70% of the district's land and assessed value lie within the city's incorporated territory. Both Tiburon Fire Protection District and Sanitary District #5 currently meet the 70% criteria. The advantages of consolidation of special districts with cities are compared to those of consolidation of special districts with other special districts in Chapter 2.

7. Recommended Sphere of Influence

Staff believes that the currently adopted sphere of influence of the Town of Tiburon is not consistent with the revised definition of sphere of influence in the Cortese-Knox-Hertzberg Act because much of the unincorporated area within the sphere is unlikely to be annexed to the Town in the foreseeable future.

The Commission's actions in reviewing the Tiburon SOI should focus on defining a more probable boundary plan that would remove irregular pockets of unincorporated territory along Paradise Drive and aiding the Town and the County in resolving the maintenance cost of Paradise Drive as a barrier to annexation.

The Strawberry area may be distinguished from other unincorporated areas in the Town's sphere of influence in a number of ways as summarized in Table 20. Strawberry Peninsula is a landform distinct from the Tiburon Peninsula, not presently contiguous to the Town boundaries. Strawberry has its own highway access, retail and service center. Strawberry receives enhanced local services from the Strawberry Design Review Board and Strawberry Recreation District. Because gradual annexation of the Strawberry Peninsula is unlikely, the Town of Tiburon would expect significant service impacts from a single annexation that increased population by 54%.

Staff recommends the following amendments to the sphere of influence of the Town of Tiburon as shown on [Map 8: Recommended Sphere of Influence, Town of Tiburon](#):

- Unincorporated portions of Ring Mountain in public ownership should be removed from the Town's SOI as they will remain undeveloped and will not require urban services.

- Strawberry should be removed from the Town's sphere of influence.

If these actions are taken, the Commission should also direct communications with the County Community Development Agency encouraging amendments to the Countywide General Plan Community Facilities Element deleting Strawberry from the Tiburon Urban Service Area.

Further amendments to the Strawberry Community Plan may also be necessary to reflect removal of Strawberry from the Tiburon sphere of influence. An "area of interest" should be maintained to enhance policy coordination between Tiburon and the County in the Strawberry area. Defining such an area in the Countywide General Plan and any affected community plans would maintain the County's recognition of development impacts in the Strawberry unincorporated area on the Town. The designation would further continue formal consultations between the County and the Town on applications for rezonings or general plan amendment in the unincorporated area in the Town's old sphere of influence area.

The Town's SOI should continue to include West Tiburon/Eagle Rock and unincorporated portions of Paradise Drive. Despite obstacles to annexation of the Paradise Drive area, unincorporated portions of Paradise Drive should remain in the Town's SOI because it is completely surrounded by the Town's very irregular boundary between the ridge and the shoreline. In so doing, the Commission would plan to maintain the Tiburon Peninsula as a geographic whole under the jurisdiction of the Town. West Tiburon/Eagle Rock should remain in the Town's SOI because is in closer proximity to the Town and provides a key access into the Town at the Tiburon Boulevard interchange of Highway 101. Planned upgrades to the interchange will be of crucial interest to the Town.

Table 20
Comparison of Areas in Tiburon Sphere of Influence

Factor	Paradise Dr.	West Tiburon	Strawberry
Physical Relationship to Incorporated Area			
Boundary Contiguity	Contiguous & surrounded by city boundary	Contiguous to city boundary	Contiguous to city boundary
Access	Through city streets	Through unincorporated area	Through unincorporated area
Common or Different Landform	Common peninsula	Common peninsula	Separate peninsula
Separators	Ridgeline		Richardson Bay, Tiburon Blvd.
Service Impacts			
Staged Annexation	Incremental	Incremental	Impacts on SRD
Area Planning Issues	Development density, jurisdiction	Freeway interchange, enhanced commercial use	GGTS reuse, St. Village
Service & Infrastructure Issues	Road maintenance, extension of sewer	None identified	Dissimilar to city park & recreation programs
Added City Population	15%	8%	54%
Community Autonomy			
City Services Received			
Residential/Mixed Land Uses	Residential	Residential & commercial	Mixed
Local Shopping/Services	None	Hwy. 101 frontage commercial	Strawberry Village
Local Governing Boards	None	SDRB	SDRB

To View

**Map 8:
Recommended Sphere of Influence,
Town of Tiburon**

[Click Here](#)

C. City of Mill Valley

1. Existing Sphere of Influence (description in relation to existing boundary)

The Mill Valley SOI includes the unincorporated areas of Muir Woods Park, Homestead Valley, Almonte, Tamalpais Valley (which together comprise the planning area of the County’s Tamalpais Community Plan) and Alto. The City’s SOI overlaps the Sausalito sphere of influence in the Manzanita/Heliport area at the southern end of the Richardson Bay Bridge as shown on [Map 1: Existing City Boundaries and Spheres of Influence](#). The Mill Valley SOI also includes several large parcels now in the Golden Gate National Recreation Area to the south of Tamalpais Valley as shown on [Map 4: Parks and Open Space](#).

2. Service Relationships

The sources of municipal services in the City of Mill Valley and areas within its sphere of influence are shown in Table 21.

Table 21
Sources of Service: Mill Valley Sphere of Influence

Service	Areas in City Sphere of Influence					
	Incorp. City of Mill Valley (13,600)	Alto (700)	Almonte (1,519)	Homestead (2,260)	Tam Valley (5,851)	Muir Woods Park (710)
Police	City	County	County	County	County	County
Fire/Emer. Medical	City	SMFPD	SMFPD	SMFPD	SMFPD	Co. Fire/ City
Water	MMWD	MMWD	MMWD	MMWD	MMWD	MMWD
Sewer	City	ASD	Alm. SD	HVSD	TCSD	(none)
Solid Waste	City (MVR)	ASD (MVR)	Alm. SD (MVR)	HVSD (MVR)	TCSD	County (MVR)
Comm. Development	City	County/ TDRB	County/ TDRB	County/ TDRB	County/ TDRB	County/ TDRB
Street Maintenance	City	County	County	County	County	County
Parks & Recreation	City	County	County	County/ CSA14	County/ TCSD	County
Library	City	County	County	County	County	County

As previously stated, City recreational and library services are available to unincorporated area residents within its SOI and City emergency service personnel respond to calls as needed. Four different special districts provide sewer service to Homestead, Alto, Almonte and Tam Valley. Those districts and the City jointly own and operate the SASM sewage treatment facility through a joint powers agreement. Previous consolidation studies have shown potential cost savings for both SASM member agencies and for all southern Marin sewer agencies.

The Southern Marin Fire Protection District serves all the unincorporated areas in the City's SOI except Muir Woods Park, which is served by County Fire. However, both County Fire and Mill Valley Fire Department will respond to fire calls on any part of Edgewood Road. Mill Valley Fire Department maintains close working relationships with all other emergency service agencies in southern Marin, including participation in the Southern Marin Emergency Medical Paramedic System, a joint powers agency. Sausalito, Mill Valley and the Southern Marin Fire Protection District are currently studying provision of emergency service to all three jurisdictions through a single fire protection district.

3. Demand for Services

Existing and projected population for the City of Mill Valley and unincorporated areas within the City's sphere of influence are shown in Table 22.

Table 22
Estimated Population and Development Potential, City of Mill Valley

Mill Valley	Land	Population 2000	Existing Units	Potential	Estimated Max. Pop.	% Potential Pop. Increase
	Area (acres)			New Units		
Incorporated Area	3,066	13,600	6,356	750	15,325	12.68%
Alto	74	700	270	1	702	4.58%
Homestead	432	2,260	1,064	103	2,497	16.29%
Almonte	351	1,519	716	38	1,606	10.48%
Tam Valley	884	5,851	2,493	268	6,467	42.20%
Muir Woods Park	218	710	350	75	883	5.76%
Total SOI	5,025	24,640	11,249	1,235	27,481	79.32%

The City of Mill Valley provides all municipal services except for water and sewage treatment to a slowly expanding population. The City of Mill Valley estimates development potential at buildout at approximately 750 units, including approximately 125 undeveloped units in multi-family zones, approximately 111 new

housing sites identified in the housing element update, approximately 186 second units, 50 units within the Miller Avenue precise plan area and additional units in the downtown area on sites designated for commercial use. Projected demand for services to new population within the City's existing boundary at a total of 12.7% should not require significant changes to city services or facilities. The City has approved an average of less than 12 new housing units per year since 1990.

Unincorporated areas within the City's Sphere of Influence are provided urban services by the County and numerous special districts. With the exception of Muir Woods Park (which is still served primarily by individual septic systems), these unincorporated areas receive all municipal services. As with the Strawberry area, the adequacy of County and special district services tends to diminish the demand for annexation to the City. The City makes its library and recreational facilities available to residents of surrounding unincorporated areas.

4. Unincorporated Areas Within the Mill Valley Sphere of Influence

The Tamalpais Valley, Homestead Valley, Almonte and Muir Woods Park areas together comprise the planning area covered by the County's Tamalpais Valley Community Plan and the authority of the Tamalpais Valley Design Review Board. These areas have very modest remaining development potential, but annexation of these areas' existing populations to the City would significantly increase the City's service population. Tamalpais Valley alone would increase the City's population by more than 40% including development potential for up to 268 new housing units. Infrastructure improvements to Tamalpais Valley streets, drainage and commercial facilities remains a significant issue to local organizations and to the County. The City of Mill Valley has had no direct involvement in the County's efforts to approach such problems within the City's sphere of influence.

The need for road improvements or new sewer service in Muir Woods Park has similarly not actively engaged the City due to local efforts to avoid annexation and to more immediate priorities by the City.

5. Ability to Extend Services

The City is better able to extend its services to some areas than to other areas in its present SOI as outlined in the sections below.

Alto

The Alto area (population approximately 700) is an unincorporated pocket of territory surrounded by the City's boundaries on three sides.

Access to the Alto area is through Mill Valley streets especially East Blithedale Avenue. The City's recreation and library services are available to Alto residents. Mill Valley police and fire departments respond to emergencies in Alto as needed.

If the area were annexed to the City of Mill Valley, Alto Sanitary District would logically be dissolved or established as a subsidiary of the City.

The operating departments and public facilities of the City of Mill Valley are adequate to provide city services to the Alto area. The Alto area is located so closely to City facilities that the area may already be deemed to benefit them. The City of Mill Valley would provide services and facilities at service levels which are the same as or higher than currently provided by the County and Alto Sanitary District.

Homestead Valley

Homestead Valley (population approximately 2,260) is located immediately to the west of Miller Avenue, in close proximity to City businesses and facilities. The area is almost exclusively residential. Although Homestead residents have some of their own recreational programs and facilities through a private community association with funding from CSA #14, the City's recreational and library programs are also available to Homestead residents. Mill Valley police and fire departments respond to emergency calls in Homestead as needed to supplement the availability of Southern Marin Fire and County Sheriff's personnel.

Access to Homestead Valley is exclusively through Mill Valley streets, primarily Miller Avenue. If the area were annexed to the City of Mill Valley, Homestead Valley Sanitary District would logically be dissolved or established as a subsidiary of the City.

The disposition of CSA#14 is not as clear because the facilities and programs funded by CSA#14 belong to private non-profit corporations (Homestead Valley Land Trust and Homestead Valley Community Association).

The operating departments and public facilities of the City of Mill Valley are adequate to provide continued service to the Homestead Valley area. The Homestead Valley area is located so closely to City facilities that the area may already be deemed to benefit from City services and facilities. The City of Mill Valley would be able to provide services and facilities at service levels which are the same as or higher than currently provided by the County and HVSD.

Almonte

The Almonte (population approximately 1,520) area lies south of Homestead on the northeast facing side of a ridge that separates Tamalpais Valley from Mill Valley. The area extends roughly from Tamalpais High School to Tam Junction at the intersection of Highway 1 and Almonte Blvd/Miller Avenue. The northern part of Almonte, near Tamalpais High School and the intersection of Miller Avenue and Camino Alto is close to Mill Valley facilities and shopping areas. The southernmost part of Almonte lies in the Tam Valley drainage area, near the unincorporated Tam Junction shopping area.

Access to Almonte is either through Mill Valley streets or from the South through Tam Valley. The City's recreation and library services are available to Almonte residents. Mill Valley police and fire departments respond to emergencies in Almonte as needed.

If the area were annexed to the City of Mill Valley, Almonte Sanitary District would logically be dissolved or established as a subsidiary of the City.

The operating departments and public facilities of the City of Mill Valley are adequate to provide continued service to the Almonte area. The Almonte area is located so closely to City facilities that the area may already be deemed to benefit from City services and facilities. The City of Mill Valley would be able to provide services and facilities at service levels which are the same as or higher than currently provided by the County, Southern Marin Fire Protection District and Almonte Sanitary District.

Tamalpais Valley

Tamalpais Valley (population approximately 5,850) or Tam Valley is located south of Almonte. The area lies in an entirely separate drainage and view-shed from the City of Mill Valley. Access to Tam Valley is primarily from Highway 101 at Manzanita, Highway 1 or through the Almonte unincorporated area.

City of Mill Valley recreation and library services are available to Almonte residents. However, other recreation and library facilities are located more closely in Marin City. Mill Valley police and fire departments respond to emergencies in Almonte as needed. The Southern Marin Fire Protection District maintains Station #4 in Tamalpais Valley and the County Sheriff and Fire Department operate public safety facilities in Marin City.

Tamalpais Community Services District (TCSD) provides recreation, sewage collection, and solid waste services in the area. Each of these services could be provided by the City of Mill Valley with TCSD dissolved or established as a subsidiary district. However, annexation of Tam Valley by the City would represent a 43% increase in the City's population much greater than the populations of the other unincorporated areas in the City's SOI. The City's management structure, services and political responsibility would be significantly affected by annexation. Residents of Tam Valley benefit from services and facilities provided the City of Mill Valley, but perhaps to a lesser extent than residents of other more closely located areas.

Muir Woods Park

Muir Woods Park (population 710) is an approximately 218 acre unincorporated community located between the Golden Gate National Recreation Area, Mt. Tamalpais State Park, the Marin Municipal Water District lands and the City of Mill Valley. This residential community was subdivided in the early 1900s and many lots remain undeveloped because of environmental and other constraints.⁹

Approximately 710 Muir Woods Park residents receive all municipal-type services except for public sewer service. Agencies providing services to the Muir Woods Park area are shown in Table 21. Service providers listed in Table 21 can accommodate the limited new development that could occur in the area.

Streets and other rights-of-way in Muir Woods Park are poorly constructed and difficult to maintain. The City of Mill Valley's recreational and library services are available to residents of the area. The City's police respond to emergency calls in Muir Woods Park as needed. The area's distance from City facilities (especially fire stations) coupled with unusual service costs for sewer and road

⁹ Many small lots in the area were given away as premiums during the 1920's to encourage subscriptions to the San Francisco Call Bulletin newspaper. These lots are undersized, and many are located on steep slopes with no access.

maintenance services makes Muir Woods Park problematic for annexation and extension of City services.

The Muir Woods Park Homeowners Association is attempting to address the emerging need for a sewer system while protecting the value placed by residents on the rural informality of public improvements in the area. Muir Woods Park is the largest community in Southern Marin without a public sewer system.¹⁰ About twenty homes in Muir Woods Park are within the boundaries of the Homestead Valley Sanitary District and connected to the District's main in Sequoia Valley Road.

Sewer service would logically be provided partly by the City of Mill Valley and partly by Homestead Valley Sanitary District. However, the City is reluctant and/or unable to extend the full range of services to the area due to its remote access and infrastructure problems. Residents of the area are actively exploring options other than annexation to the City to obtain sewer service and are currently in the process of preparing a specific plan for Muir Woods Park.

According to the draft Muir Woods Park Community Specific Plan (May 2003):

“It has become apparent from all the septic tank failures that the community must move to explore the feasibility of bringing public sewerage facilities to those who need it without forcing those who have good septic systems to pay for a service they don't need.”

Since 1972, the Marin County Division of Environmental Health Services has been documenting complaints of failing septic systems in the area.¹¹ The area has steep slopes, clay soils and areas of rocky ground strata, which are poorly suited for septic systems. Deterioration of private septic systems in the unincorporated rural residential areas creates water quality problems. The County has adopted policies to encourage connection to public sewers in unincorporated areas.

In the past, those opposing sewer were fearful that the introduction of sewer service would result in over-development of the area. Strengthening planning regulations through the community planning process is expected to reduce the potential for inducement of disorderly growth that might accompany extension of sewer services to rural residential areas.

¹⁰ Other southern Marin communities without sewer service include portions of Paradise Drive and Wolfback Ridge in Sausalito.

¹¹ Source: Muir Woods Park Community Plan, May 2003, page 58.

Access for the majority of residents is off of Panoramic Highway, not through the City of Mill Valley. Some residents to access the area via lower Edgewood Avenue, which extends into the City of Mill Valley. All access points to Muir Woods Park are relatively distant from downtown Mill Valley.

The County's General Plan Community Facilities Element designates Muir Woods Park as an urban service area (USA), which indicates that the City is immediately able to provide services to the area.

Muir Woods Park currently has approximately 3,444 dwelling units¹⁰ and a population of about 710 people. The majority of the units are single-family, ranging from cabins to large homes. Of the total existing units, about 285 are single-family homes, 59 are either second- or multiple-family units. While there are an estimated 235 unimproved parcels zoned for single-family residential use, only about 70 of these lots are considered developable as a result of lot mergers in the mid-1980's and recent development activity.¹² Many of those are located on steep slopes and/or have no feasible street access. In addition, some of the lots would not meet County requirements for installation of septic systems.

The City of Mill Valley and the Homestead Valley Sanitary District both have treatment capacity to provide sewer service to the area. However, there are significant challenges to providing such service with respect to high capital costs and lack of organizational structure. Extension of service would require the participation of both the City of Mill Valley and Homestead Valley Sanitary District.

Muir Woods Park drains toward both Mill Valley and Homestead Valley. Either agency could annex the Muir Woods Park area and organize the financing and construction of a collection system. However, the new collection system would logically make use of the existing trunk lines of both the City and the District in order to reach the SASM treatment plant. The City and/or the District would have to agree to sell or provide treatment capacity to Muir Woods Park. If a new collection system were financed and built by a separate agency such as a County-governed sewer maintenance district, transfer of treatment capacity and utilization of City and District trunk lines would still be necessary.

¹² Source: Fred Vogler, Marin County Planning Department estimated the development potential of the area to be about 79 units. Based on assessor parcel maps, merger information and assessor data, Terry Watt and Steve Thompson have estimated the development potential to be between 65 and 70 units. Development of many of these is constrained as described in the report.

Not all residents in Muir Woods Park need sewer service. Many or most homes in the area have properly functioning septic systems. Not all residents will have an equal interest in funding the extension of services to the area. Therefore, development of a sewage collection system that was perceived to benefit some residents and not others (at least not in the immediate future) might not easily find the necessary financial and political support.

6. Applicable General Plan Provisions

The overall intent of the City's sphere of influence and annexation policies is to "address jurisdictional and public service boundary conflicts that are currently resulting in confusion or inefficient provision of urban services." (Mill Valley General Plan at page 2-74) Policy SI-1 calls for the City to work with Marin County, LAFCO and other affected agencies to resolve the current inefficiencies in the City's boundaries. Specific policies include:

- Favorably consider any requests for annexation of certain parcels fronting on Miller Avenue and of the Alto area west of Highway 101 (Programs SI-1-1 and SI-1-2);
- Determine an appropriate boundary along Edgewood Avenue (Program SI-1-3 and SI-1-4);
- Discuss a transfer of land in the Blithedale Canyon watershed from Larkspur to the City (Program SI-1-5); and
- Adjust the City's boundary along its eastern and southern edges (Program SI-2-1).

Emerging issues include increasing pressure from the State Housing and Community Development Department to provide housing affordable to the local workforce. Like other southern Marin communities, Mill Valley is proposing that second units fulfill much of the future demand for such housing. In addition, Mill Valley's revised Housing Element identifies a number of downtown parcels capable of accommodating new housing at higher densities. Scarcity of vacant land for new development, larger new homes and rising housing prices as a result are also ongoing trends in Mill Valley. **The City's updated housing element does not assume that annexation of unincorporated areas will play a significant role in providing sites for affordable housing.**

Development in Muir Woods Park is currently governed by the 1992 Tamalpais Community Plan. (See Marin Countywide Plan Policy CD-14.3.) The goals of the community plan call for maintaining the semi-rural character of the community as defined by its small town residential nature and quality of the natural environment in the area.

Recently, the Muir Woods Park Community Association working in collaboration with the County has released a public review draft Muir Woods Park Specific Plan proposing that Muir Woods Park be defined as a separate planning district and have its own Design Review Board because of its unique location, bordered on three sides by parklands, and residential character. The proposed specific plan retains the land uses and development limits established in the Tamalpais Community Plan, while calling for the provision of sewer service without annexation to the City of Mill Valley. The goal of the Community Association in developing its own specific plan is community "self determination." The specific plan describes the trend of "mega-homes" in recently annexed areas, and states that "[t]he consensus is that this is undesirable and that our Community Plan must deal with that issue unless we aspire to become a mountain of retaining walls."

The recommendations in the Specific Plan include:

- ❑ **Boundaries:** The Plan recommends that an appropriate city boundary line be created along Edgewood Avenue that reduces inefficiencies in road maintenance and emergency services.
- ❑ **Annexation:** The Plan recommends that the County and LAFCO discourage any annexation of Muir Woods Park Community parcels to the City of Mill Valley.

The specific plan also contains new policies directed at studying the feasibility of sewage connections between areas of Muir Woods Park and a public sewer system and if feasible, assisting in the creation of a "community sanitary disposal district."

7. Service and Organizational Alternatives

- ❑ **Status Quo/No Change:** Annexations within Existing Sphere of Influence including Alto, Almonte, Homestead Valley and Tamalpais Valley. Full implementation of this alternative would imply extension of city services to these areas now provided by special districts. Alto, Almonte, Homestead Valley Sanitary Districts and Tamalpais Valley CSD would logically be dissolved if their service areas were annexed to the City of Mill Valley under their present "interim" sphere designations.

- ❑ Transfer of responsibility for fire protection service to Southern Marin Fire Protection District. Annexation of the City of Mill Valley to SMFPD is under study. See Chapter 2 and Appendix I.
- ❑ Transfer of responsibility for sewage collection from the City to a regional sanitary district. Reorganization of southern Marin sewer agencies (both cities and sanitary districts) to form a regional sanitary district is an organizational alternative for ten separate agencies in this report.
- ❑ Delete unincorporated areas from the City sphere of influence: The continued inclusion of Muir Woods Park and Tamalpais Valley in the City's sphere of influence is open to question, given the revised definition of sphere of influence as "... a plan for the probable boundary and service area of a local government agency."
- ❑ Formation of a County-governed sewer maintenance district for the financing and construction of a sewer collection system in Muir Woods Park.

8. Recommended Sphere of Influence

The recommended sphere of influence for the City of Mill Valley is shown on [Map 10](#). Table 23 compares the different unincorporated areas within the City's existing sphere of influence with respect to their physical relationship to the City's boundary, service impacts and community autonomy. As shown on the map, the Recommended Sphere of Influence proposes the following:

Retain Alto, Almonte and Homestead Valley in the Mill Valley SOI:

Each of these residential areas is contiguous to or surrounded by the City's present borders and relies on City streets for access. The three areas share common drainage and view-shed with the City. Mill Valley shopping and recreational facilities are in close proximity to unincorporated area residents. Annexation of these areas would create small to moderate impacts on total City population. Incremental annexations of individual parcels or portions of these areas would have little or no impact on special districts providing service to unincorporated areas.

Exclude Tamalpais Valley and Muir Woods Park from the Mill Valley SOI:

As shown on [Map 5](#), the Tamalpais Valley area is not contiguous to the City, being separated from the City's incorporated area by the Almonte area and lying in a

To View

**Map 10:
Recommended Sphere of Influence,
City of Mill Valley**

[Click Here](#)

separate drainage and view-shed. Annexation to the City would result in very significant additional population and unresolved infrastructure and commercial redevelopment issues.

The Muir Woods Park Community is a rural residential community distinguishable from the City of Mill Valley (and other unincorporated areas within the Mill Valley sphere of influence) by its lack of sewer service, adequate streets and other public facilities. Access to the majority of residents is off of Panoramic Highway rather than through city street system. Although the area is contiguous to the city boundary, Muir Woods Park lies at an 800-foot elevation above Mill Valley's center, inhibiting convenient direct access. Portions of the area face westward, outside of the City's drainage and view-shed.

The present City boundary along Edgewood Avenue is irregular and inefficient with both the City and the County responsible for police and road maintenance services along Edgewood's one-mile length. Amendment of the City's sphere of influence should seek to resolve this problem by retaining all of Edgewood Avenue, and all of the properties deriving access from the road within the City's sphere as shown on [*Map 9: Recommended Sphere of Influence, City of Mill Valley \(Edgewood Avenue Area\)*](#). The bulk of the Muir Woods Park area to the west of Edgewood Avenue should be excluded from the City's SOI.

Request City and County General Plan Amendments:

Staff recommends that the Commission request amendments to the City and County General Plans designating an "Area of Interest" to include the City's sphere of influence plus the Muir Woods Park and Tamalpais Valley areas. The designation would continue official notifications and other communications from the County to the City concerning land use development issues. Also, the Community Facilities Element of the County's General Plan should be amended to exclude Tamalpais Valley and Muir Woods Park from the Mill Valley Urban Service Area.

Table 23
Comparison of Areas in the Mill Valley Sphere of Influence

Factor	Alto	Almonte	Homestead	Tam Valley	Muir Woods Park
Physical Relationship to Incorporated Area					
Boundary Contiguity	Contiguous to & surrounded by city boundary	Contiguous to city boundary	Contiguous to city boundary	Not contiguous to city boundary	Contiguous to city boundary
Access	Through city streets	Unincorporated streets	Through city streets	Unincorporated streets	Unincorporated streets
Common or Different Landform	Common drainage	Common drainage & hillside	Common drainage	Separate drainage	Common & separate drainage
Separators	None	None	None	Ridge	Elevation
Service Impacts					
Major Planning & Infrastructure Issues	No	No	No	Drainage, flood control, commercial redevelopment	Road maintenance, extension of sewer service
Added City Population	5%	11%	17%	43%	5%
Community Autonomy					
City Services Received	Library, recreation	Library, recreation	Library, recreation	Library, recreation	Library, recreation
Residential/Mixed Land Uses	Residential only	Residential only	Residential only	Residential & commercial	Residential only
Local Shopping/Services	None	None	None	Tam Junction	None
Local Governing Boards	Alto Sanitary	SDRB	HVSD, non-profits service under CSA14	TCSD	None

To View

**Map 9:
Recommended Sphere of Influence,
City of Mill Valley (Edgewood Avenue Area)**

[Click Here](#)

D. City of Sausalito

1. Existing Sphere of Influence

The sphere of influence of the City of Sausalito includes the Fort Baker area of the Golden Gate National Recreation Area (GGNRA) to the south, Marin City, the Waldo Point Community Plan area and the Manzanita/Heliport area. (See [Map 1: Existing City Boundaries and Spheres of Influence](#).) The City’s SOI overlaps the current SOI of Mill Valley in the Heliport area at the south end of the Richardson Bay Bridge. To the southwest of Marin City, the Sausalito SOI extends to include open space lands in GGNRA. (See [Map 4: Parks and Open Space](#).)

All areas in the City’s sphere of influence lie within the boundaries of the Sausalito Elementary School District and the Tamalpais Union High School District. Similarly, mailing addresses and zip code for these areas are “Sausalito 94965.” However, both the Fort Baker and Marin City areas are physically separated from central Sausalito by parkland and Highway 101 respectively. Highway 101 descends a ridge that divides Sausalito from Marin City in two separate drainage areas.

2. Service Relationships

The sources of municipal services in the City of Sausalito and areas within its sphere of influence are shown in Table 24. The City provides all municipal services except for water and sewage treatment. Although the City is within the boundaries of the Sausalito-Marin City Sanitary District, the City maintains the sewage collection system within its boundaries through its Department of Public Works.

Table 24
Sources of Service: Sausalito Sphere of Influence

Service	Areas in City Sphere of Influence		
	Incorporated City of Sausalito	Unincorporated Marin City	Fort Baker
Police	City	County	GGNRA
Fire/Emer. Medical	City	County Fire	GGNRA
Water	MMWD	MMWD	MMWD
Sewer	SMCSD	SMCSD	SMCSD (contract)
Solid Waste	City (BCR)	MCCSD (BCR)	
Comm. Development	City	County	GGNRA
Street Maintenance	City	County	GGNRA
Parks & Recreation	City	MCCSD	GGNRA

Library

City

County

County

The City of Sausalito Fire Department maintains close working relationships with all other emergency service agencies in southern Marin, including participation in the Southern Marin Emergency Medical Paramedic System, a joint powers agency. Sausalito, Mill Valley and the Southern Marin Fire Protection District are currently studying provision of emergency service to all three jurisdictions through a single fire protection district. The City and Southern Marin Fire Protection District have executed a memorandum of understanding providing for the provision of fire service to Sausalito for Southern Marin Fire Protection District and the transfer of the City's fire personnel to Southern Marin Fire Protection District. See Chapter 2 and Appendix I for further discussion of consolidation of fire protection service.

The County, Marin City Community Services District, Sausalito-Marín City Sanitary District provide services in Marin City. The County maintains a library and police and fire stations in Marin City. The Marin City Community Plan governs land use in the area and community development services are provided by the Redevelopment Agency of the County.

Sausalito does not provide services to Marin City residents. The City's library and recreational services are available to Marin City residents, but are not frequently utilized due to the availability of library and recreational services offered by the County and the Marin City Community Services District.

Unlike the Strawberry and Tamalpais Valley areas, Marin City is not served by a design review board. However, social and economic affairs in Marin City are actively governed by a variety of public and private organizations, all involving a significant role for the County government. Those organizations include the Marin County Housing Authority and the Marin County Redevelopment Agency.

3. Demand for Services

Existing and projected population for the City of Sausalito and unincorporated areas within the City's sphere of influence are shown in Table 25.

**Table 25
Existing Population & Potential Growth:
Sausalito Sphere of Influence**

Sausalito	Land Area (acres)	Population 2000	Existing Units	Potential New Units	Estimated Max. Pop.	% Potential Pop. Increase
Incorporated Area	1,107	7,330	4,189	375	8,193	11.77%
Fort Baker	500	5	2	0	5	0.05%
Marin City	577	2,962	1,307	124	3,247	33.87%
Waldo Point	614	401	396	68	557	5.81%
Heliport	10	30	17	15	65	0.67%
Total SOI	2,808	10,728	5,911	582	12,067	47.29%

The City of Sausalito provides all municipal services except water and sewer to a slowly expanding population within its current boundaries. Remaining development potential in Sausalito is approximately 375 units as reported in the City's current General Plan Housing Element. An average of five units per year were added to the City's housing stock between 1990 and 2000.¹³

Marin City is nearly built out with a development potential remaining of approximately 124 units. Annexation of Marin City to Sausalito would increase the City's population by up to 34% and would require significant expansion of the scope and organization of City services.

The City has not sought extensive involvement in the Marin City redevelopment process or other major projects undertaken by the County in the area. Partial redesign of the Gateway Shopping Center to enhance upper story residential uses is currently under discussion.

Demand for service in the other unincorporated areas of the City's current sphere of influence are not significant in terms of new population growth.

4. Ability to Extend Services

Annexation of Marin City would represent a 34% population increase to the City of Sausalito. The presence of significant sales tax generating land uses in Marin City would not be sufficient to mitigate the fiscal impact of annexation or other impacts associated with a dramatic increase in population and service costs.

¹³Source: Association of Bay Area Governments.

The replacement of County services presently provided in Marin City by City of Sausalito services would pose some difficulties for the County. The County recently constructed a new library and a public safety facility in Marin City to house operations of the County Sheriff and County Fire Department. Those facilities serve a much greater area of southern Marin County than Marin City alone and could not be readily transferred to the City of Sausalito if Marin City was annexed.

The other smaller areas within the present Sausalito sphere of influence are not significant in terms of the City's ability to provide services. However, the Manzanita/Heliport area is not contiguous to the Sausalito city boundary and also lacks direct access from Sausalito city streets.

5. Applicable General Plan Provisions

Sausalito's sphere of influence and annexation policies call for the City to work with LAFCO to ensure that the appropriate studies are completed prior to amending the City's boundaries. The City's policies indicate that, with respect to Marin City, Sausalito is primarily concerned with preserving the environmental and aesthetic integrity of the area. In addition, City policy calls for the areas along Highway 101 at the Richardson Bay Bridge (where spheres of influence for Sausalito and Mill Valley overlap) to be part of Sausalito, primarily for the purpose of protecting wetlands in the area. The General Plan does not contain a policy concerning annexation of the Fort Baker area, but supports marine and educational uses in that area.

In general, the City General Plan policies emphasize the City's interest in reviewing and commenting on development projects within its SOI, rather than the City's intent to ultimately annex any of these areas.

6. Service and Organizational Alternatives

- ❑ Status Quo/No Change: Annexations within Existing Sphere of Influence including Fort Baker, Waldo Point, Manzanita/Heliport and Marin City. Full implementation of this alternative would imply extension of City services to the service area of the Marin City Community Services District. Marin City CSD would logically be dissolved if its service area were annexed to the City of Sausalito.

- ❑ Transfer of responsibility for sewage collection to either the Sausalito-Marin City Sanitary District or to a regional sanitary district. Reorganization of southern Marin sewer agencies (both cities and sanitary districts) to form a regional sanitary district is an organizational alternative for ten different agencies in this report. Recommended sphere of influence amendments reflect

the potential advantages of a larger consolidated sanitary district over many smaller sewer agencies including municipal sanitation departments.

- Transfer of responsibility for fire protection service from Sausalito Fire Department to a regional fire protection district. The City of Sausalito and the Southern Marin Fire Protection District are currently implementing this alternative. Consolidation would occur first through contract between the City and SMFPD and, if successful, through annexation of Sausalito to SMFPD and transfer of city property tax revenues to SMFPD.

- Delete unincorporated areas from City sphere of influence: Fort Baker, Waldo Point, Manzanita/Heliport, and Marin City.

7. Recommended Sphere of Influence

The inclusion of the Marin City and Manzanita/Heliport areas of the City's sphere of influence may stretch the definition of 'sphere of influence' beyond the City's "probable boundary and service area." Marin City is physically separated from Sausalito by Highway 101 and displays many of the characteristics of a distinct, self-contained community. Marin City receives extensive services from the County and the Marin City CSD that could not be transferred to the City of Sausalito without significant impacts on service levels in both city and unincorporated areas.

Annexation of the entire area to Sausalito at one time would add approximately 34% to the City's existing population, representing very significant changes to existing City departments, management structure and political responsibility. It is difficult to foresee circumstances under which the City would be able to plan, finance and implement a change of organization on that scale. Marin City has direct access to Highway 101 and a local commercial shopping district of its own. Table 26 summarizes similarities and differences between Marin City and other areas within the Sausalito sphere of influence.

Without the annexation of Marin City, the Manzanita/Heliport area could not be annexed to the City of Sausalito without creating an extended corridor of incorporated territory only accessible from streets in the unincorporated area. This type of boundary configuration (sometimes derisively referred to as a "cherry stem" annexation) no longer meets the definition of "contiguous" under the State Law.

The recommended sphere of influence for the City of Sausalito is shown on [Map 11](#). As shown on the map, the Recommended Sphere of Influence proposes the following:

- The Ft. Baker area should be retained in the City's SOI. The area is not likely to annex, but the City and GGRNA may enter into service contracts for emergency services.
- The Marin City area should be excluded from the City's SOI. It is unlikely that this area will ever be annexed to the City due to its size, geographic separation and service structure as described above.
- Amend Sausalito's SOI to exclude shoreline unincorporated territory north of the present city boundary at Gate 6.

- Request that the County amend the Community Facilities Element of its General Plan to exclude Marin City and Manzanita/Heliport areas from the Sausalito Urban Service Area.

- Request amendments to City and County General Plans to designate an “area of interest” to include the City’s sphere of influence plus the Marin City and Manzanita/Heliport areas. The designation would continue official notifications and other communications from the County to the City concerning land use development issues.

Table 26
Comparison of Areas in the Sausalito Sphere of Influence

Factor	Fort Baker	Waldo Point	Marin City	Manzanita/Heliport
Physical Relationship to Incorporated Area				
Boundary Contiguity	Contiguous	Contiguous	Contiguous	Not contiguous
Access	Through unincorporated area	Through unincorporated area	Through unincorporated area	Through unincorporated area
Common or Different Landform	Different drainage	Common waterfront	Different drainage	Common waterfront
Separators	Undeveloped area	None	Ridge, Highway 101	Highway 101
Service Impacts				
Area Planning Issues	None	None	Redevelopment, housing authority	SOI overlap with Mill Valley SOI
Service & Infrastructure Issues	Emergency response turf issues	None	Gateway Center expansion, redesign	None
Added City Population	.05%	6%	34%	.7%
Community Autonomy				
City Services Received	Fire/paramedic	None	None	None
Residential/Mixed Land Uses	Military	Residential & commercial	Residential & commercial	Office, hotel, industrial, commercial
Local Shopping/Services	None	Harbor Center	Gateway Center	None
Local Governing Boards	None	None	MCCSD	None

To View

**Map 11:
Recommended Sphere of Influence,
City of Sausalito**

[Click Here](#)

E. Special Districts

1. Alto Sanitary District

a. Existing Sphere of Influence

The District's service area is surrounded by the City of Mill Valley and by territory served by the Richardson Bay Sanitary District (RBSD). (See [Map 2: Existing Sewer Agency Boundaries and Spheres of Influence](#).) In 1983, LAFCO adopted a "zero" sphere of influence designation for Alto Sanitary District (ASD), indicating that the district should be dissolved and its service functions assumed by the City of Mill Valley on the west side of Highway 101 and Richardson Bay Sanitary District on the east side of Highway 101.

b. Service Relationships

The Alto unincorporated area is also served by MMWD and SMFPD. The City of Mill Valley and the Richardson Bay Sanitary District, with boundaries surrounding Alto, would be able to extend sewer collection services if ASD were reorganized. Larger scale reorganizations are also possible, such as consolidation of the six members of SASM and regional consolidation of all sewer agencies in southern Marin.

ASD is a "collection only" sewer agency, relying on Sewerage Agency of Southern Marin (SASM) for treatment and disposal. The District maintains no office or other facilities of its own other than the collection system. A part-time general manager administers ASD's contractual relationships with SASM, with Roto-Rooter for collection system maintenance and Mill Valley Refuse for solid waste disposal.

SASM is a joint powers agency created in 1984 to own and operate a single treatment plant for six agencies – four sanitary districts, one community services district and one city. Each of the six member agencies continues to maintain a sewage collection system, all six collection systems terminating at the SASM plant. SASM member agencies include both agencies with no office and no full-time staff and agencies with staff functions that partly overlap the functions of other southern Marin sewer agencies.

c. Demand for Services

The Alto Sanitary District provides "collection only" sewer service to the unincorporated community of Alto. Sewage treatment is provided by SASM.

Alto is nearly built-out with a remaining development potential of only one unit as shown in Table 22 above.

d. Ability to Extend Services

ASD is a “collection only” sanitary district that operates and maintains a system of sewer mains and pump stations. The District receives sewage treatment and disposal service through the Sewerage Agency of Southern Marin. ASD also holds the franchise for providing solid waste disposal service. The ASD service area has no appreciable development potential that could strain the District’s ability to continue providing services. ASD retains sufficient treatment capacity rights in the SASM plant to extend service to the small amount of anticipated growth in the Alto unincorporated area. The Alto Sanitary District’s service area is within the Mill Valley urban service area designated in the Countywide Plan.

New federal requirements for monitoring the performance of sewer collection systems are under development by the Environmental Protection Agency. If adopted, small sewer agencies would be likely to experience some diseconomies of scale in implementation of the mapping and monitoring requirements under discussion. Implementation of new requirements might be undertaken jointly by all the member agencies of SASM.

e. Applicable General Plan Provisions

General plan provisions concerning the Alto area are included in discussion of the sphere of influence of the City of Mill Valley in Section II.C above. Staff did not identify general plan provisions that directly concerned provision of sewer service to the Alto area.

f. Service and Organizational Alternatives

- ❑ Status Quo: Reaffirm zero sphere (annexation of ASD service area to City of Mill Valley and RBSD and dissolution of ASD).
- ❑ Coterminous SOI: Change ASD’s “zero” sphere of influence designation to a “coterminous” sphere of influence equal to the District’s current boundaries. This designation would imply that ASD would remain in operation for the foreseeable future and that LAFCO anticipated neither annexations of the ASD service area to the City of Mill Valley or the consolidation of ASD with other sanitary districts.

- Interim Sphere of Influence: Transfer of responsibility for sewage collection to a larger sanitary district or a city. Interim sphere of influence designations adopted for other collection only districts indicate that the planned boundary for the agency will define an area that may annex to the district until that district is consolidated with another similar special district. The “interim” designation also provides for the assumption of the District’s service responsibilities by a city following annexation of the District’s service area to that city and the dissolution of the District.

g. Recommended Sphere of Influence

As of the date of this draft report, the service review of southern Marin sewer agencies has been extended to include study by an independent consultant. The study is now in progress. Staff recommendations for sanitary district spheres of influence will not be made until after the consultant’s study is complete. Upon completion of the consultant’s work, staff will prepare an addendum to this report that will include recommended service review and sphere of influence determinations.

2. Homestead Valley Sanitary District

a. Existing Sphere of Influence

LAFCO adopted an “interim sphere of influence” for the Homestead Valley Sanitary District (HVSD) in 1983 designating a projected maximum service area that will remain in effect until the District’s service area is annexed to the City of Mill Valley or until the district is consolidated with another special district that provides the same services. The Homestead Valley Sanitary District sphere of influence is coterminous with the District’s boundaries except for some additional territory to the west between Sequoia Valley Road and Panoramic Highway as shown on [Map 2: Existing Sewer Agency Boundaries and Spheres of Influence](#).

b. Service Relationships

As shown in Table 21, HVSD is one of several special districts providing services to Homestead Valley unincorporated area. The District owns a 7% share of treatment capacity in the SASM treatment plant and enjoys co-equal representation (one of six members) on the SASM governing board. HVSD also provides solid waste disposal service through its franchise contract with Mill Valley Refuse.

HVSD is a “collection only” sewer agency, relying on SASM for treatment and disposal. The District maintains no office or other facilities of its own. A part-time general manager administers HVSD’s contractual relationships with SASM, with Roto-Rooter for collection system maintenance and Mill Valley Refuse for solid waste disposal.

SASM is a joint powers agency created in 1984 to own and operate a single treatment plant for six agencies – four sanitary districts, one community services district and one city. Each of the six member agencies continues to maintain a sewage collection system, all six collection systems terminating at the SASM plant. SASM member agencies include both agencies with no office and no full-time staff and agencies with staff functions that partly overlap the functions of other southern Marin sewer agencies.

c. Demand for Services

Homestead Valley Sanitary District provides “collection only” sewer service and solid waste service to the unincorporated community of Homestead Valley. Remaining development potential in the service area is approximately 103 units. Remaining capacity of the District is sufficient to serve this development potential.

d. Ability to Extend Services

HVSD is a collection only sewer agency faced with limited demand for additional service. The District has the ability to provide service to its small SOI and possibly to a portion of Muir Woods Park given its remaining treatment capacity rights in the SASM plant. The District owns a 7.3% share of capacity in the SASM treatment plant and enjoys co-equal representation (one of six members) in the SASM governing board. Extension of new sewer mains would be funded by property owners in the area to be served.

The HVSD governing board recently increased residential sewer service charge from \$100 per year to \$250 per year in order to fund the costs of replacement of deteriorated mains identified in a survey of the older portions of the collection system. The new rates will permit the District to incrementally replace problem mains at an average expenditure of \$156,000 per year.

e. Applicable General Plan Provisions

General plan provisions concerning the Homestead Valley area are included in discussion of the sphere of influence of the City of Mill Valley in Section II.C

above. Staff did not identify general plan provisions that directly concerned provision of sewer service to the Homestead Valley area. Homestead Valley is within the Mill Valley urban service area designated by the Countywide Plan.

f. Service and Organizational Alternatives

- ❑ Status Quo: Reaffirm interim sphere of influence designation (implies annexation of HVSD service area to City of Mill Valley or consolidation with another sewer agency).
- ❑ Coterminous SOI: Amend the HVSD sphere of influence to be coterminous with District boundaries. This designation would imply that HVSD would remain in operation for the foreseeable future and that LAFCO anticipated neither annexations of the HVSD service area to the City of Mill Valley or the consolidation of HVSD with other sanitary districts.
- ❑ Regional consolidation of sewer agencies to form a larger sanitary district: Transfer responsibility for sewage collection to a regional sanitary district and reorganize southern Marin sewer agencies (both cities and sanitary districts) to form a regional sanitary district.

g. Recommended Sphere of Influence

As of the date of this draft report, the service review of southern Marin sewer agencies has been extended to include study by an independent consultant. The study is now in progress. Staff recommendations for sanitary district spheres of influence will not be made until after the consultant's study is complete. Upon completion of the consultant's work, staff will prepare an addendum to this report that will include recommended service review and sphere of influence determinations.

3. Richardson Bay Sanitary District

a. Existing Sphere of Influence

In 1983, LAFCO adopted a sphere of influence for the Richardson Bay Sanitary District (RBSD) that includes the District's current service area plus the portion of Also Sanitary District's jurisdiction east of Highway 101, land taking access off Hacienda Drive up to the ridgeline (including Tamfield Road and Acacia Drive), De Silva Island and a portion of Ring Mountain as shown on [Map 2: Existing Sewer Agency Boundaries and Spheres of Influence](#).

Since adoption of the District's sphere, De Silva Island was annexed to RBSD and the portion of Ring Mountain included in the RBSD sphere was acquired as public open space.

The existing sphere adopted by LAFCO does not indicate any expectation that RBSD should undertake any change of organization other than annexations within its sphere of influence.

b. Service Relationships

RBSD's service area lies within the current sphere of influence of the town of Tiburon. The District's sphere represents the portion of the Tiburon peninsula that is not within the sphere of Sanitary District #5 (Tiburon) plus the Strawberry peninsula. (See Map 2.) Table 18 shows all other service providers for areas within the sphere of influence of the Town of Tiburon.

Unlike most other sanitary districts in southern Marin, RBSD does provide solid waste disposal service. That service is provided to residents of RBSD by Strawberry Recreation District and Marin County.

RBSD is a "collection only" sewer agency, relying on Sewerage Agency of Southern Marin (SASM) for treatment and disposal. Unlike other sanitary districts in SASM, the District retains full-time staff, maintains office and small treatment facilities of its own. The District's treatment facilities supply treated wastewater for Tiburon's McKegney Green and Lineal Park. The District owns a 33% share of treatment capacity in the SASM treatment plant and enjoys co-equal representation (one of six members) on the SASM governing board.

SASM is a joint powers agency created in 1984 to own and operate a single treatment plant for six agencies - four sanitary districts, one community services district and one city. Each of the six member agencies continues to maintain a sewage collection system, all six collection systems terminating at the SASM plant. SASM member agencies include both agencies with no office and no full time staff and agencies with staff functions that partly overlap the functions of other southern Marin sewer agencies.

c. Demand for Services

Richardson Bay Sanitary District provides sewer service to portions of Tiburon and the unincorporated community of Strawberry. Remaining development potential in the service area is approximately 270 units. Remaining capacity of the District is sufficient to serve this development potential.

d. Ability to Extend Services

RBSD is a collection only sewer agency faced with limited demand for additional service. The District has the ability to provide service to its existing customers and limited growth anticipated within its jurisdiction. The District's service activities are funded primarily through user fees which may be adjusted by action of the governing board when needed.

e. Applicable General Plan Provisions

General plan provisions concerning the area served by RBSD are included in discussion of the sphere of influence of the Town of Tiburon in Section II.B. above. Staff did not identify general plan provisions that directly concerned provision of sewer service to the District's service area. RBSD's jurisdiction lies within the Tiburon urban service area designated by the Countywide Plan.

f. Service and Organizational Alternatives

- ❑ Status Quo: Reaffirm existing sphere of influence shown on Map 2.
- ❑ Interim SOI: The existing SOI defines an area eligible for annexation to RBSD prior to its consolidation with one or more other sewer agencies.
- ❑ Coterminous SOI: Amend the RBSD sphere of influence to be coterminous with District boundaries. This designation would imply that RBSD would remain in operation for the foreseeable future and that LAFCO anticipated neither annexations of the RBSD service area to the Town of Tiburon or the consolidation of RBSD with other sanitary districts.
- ❑ Regional consolidation of sewer agencies to form a larger sanitary district: Transfer responsibility for sewage collection to a regional sanitary district and reorganize southern Marin sewer agencies (both cities and sanitary districts) to form a regional sanitary district.

g. Recommended Sphere of Influence

As of the date of this draft report, the service review of southern Marin sewer agencies has been extended to include study by an independent consultant. The study is now in progress. Staff recommendations for sanitary district spheres of influence will not be made until after the consultant's study is complete. Upon completion of the consultant's work, staff will prepare an addendum to this

report that will include recommended service review and sphere of influence determinations.

4. Almonte Sanitary District

a. Existing Sphere of Influence

LAFCO adopted an “interim sphere of influence” for the Almonte Sanitary District in 1983 designating a projected maximum service area that will remain in effect until the District’s service area is annexed to the City of Mill Valley or until the district is consolidated with another special district that provides the same services. The adopted interim sphere is coterminous with the District’s boundary. As shown on [Map 2: Existing Sewer Agency Boundaries and Spheres of Influence](#), the District’s service area is the unincorporated territory between Homestead Valley and Tamalpais Valley along the west side of Miller Avenue and Almonte Boulevard extending to Tamalpais Junction. The territory also includes the open space areas and businesses on the northeast side of the Tamalpais Junction commercial area.

b. Service Relationships

Almonte Sanitary District is a “collection only” sewer agency, relying on Sewerage Agency of Southern Marin (SASM) for treatment and disposal. The District maintains no office or other facilities of its own. A part-time general manager administers Almonte Sanitary District’s contractual relationships with SASM, with Roto-Rooter for collection system maintenance and Mill Valley Refuse for solid waste disposal.

As shown in Table 21, Almonte Sanitary District is one of several special districts providing services to the Almonte unincorporated area. The District owns a 5% share of treatment capacity in the SASM treatment plant and enjoys co-equal representation (one of six members) on the SASM governing board. The District also provides solid waste disposal service through its franchise contract with Mill Valley Refuse.

SASM is a joint powers agency created in 1984 to own and operate a single treatment plant for six agencies – four sanitary districts, one community services district and one city. Each of the six member agencies continues to maintain a sewage collection system, all six collection systems terminating at the SASM plant. SASM member agencies include both agencies with no office and no full-time staff and agencies with staff functions that partly overlap the functions of other southern Marin sewer agencies.

c. Demand for Services

Almonte Sanitary District provides sewer service to the unincorporated community of Almonte. Remaining development potential in the service area is approximately 38 units.

d. Ability to Extend Services

Almonte Sanitary District is a collection only sewer agency faced with limited demand for additional service. The District has the ability to provide service to its existing customers and limited growth anticipated within its jurisdiction.

e. Applicable General Plan Provisions

General plan provisions concerning the Almonte area are included in discussion of the sphere of influence of the City of Mill Valley in Section II.C. above. Staff did not identify general plan provisions that directly concerned provision of sewer service to the Almonte area. Almonte is within the Mill Valley urban service area designated by the Countywide Plan.

f. Service and Organizational Alternatives

- ❑ Status Quo: Reaffirm interim sphere of influence designation (implies annexation of Almonte Sanitary District service area to City of Mill Valley or consolidation with another sewer agency).
- ❑ Coterminous SOI: Amend the Almonte Sanitary District sphere of influence to be coterminous with District boundaries. This designation would imply that Almonte Sanitary District would remain in operation for the foreseeable future and that LAFCO anticipated neither annexations of the Almonte Sanitary District service area to the City of Mill Valley or the consolidation of Almonte Sanitary District with other sanitary districts.
- ❑ Regional consolidation of sewer agencies to form a larger sanitary district: This alternative would anticipate transfer of responsibility for sewage collection to a regional sanitary district. Reorganization of southern Marin sewer agencies (both cities and sanitary districts) to form a regional sanitary district is an organizational alternative for ten different agencies in this report. Recommended sphere of influence amendments reflect the potential advantages of a larger consolidated sanitary district over many smaller sewer agencies including municipal sanitation departments.

g. Recommended Sphere of Influence

As of the date of this draft report, the service review of southern Marin sewer agencies has been extended to include study by an independent consultant. The study is now in progress. Staff recommendations for sanitary district spheres of influence will not be made until after the consultant's study is complete. Upon completion of the consultant's work, staff will prepare an addendum to this report that will include recommended service review and sphere of influence determinations.

5. Sausalito-Marin City Sanitary District

a. Existing Sphere of Influence

In 1984, LAFCO adopted an "interim" sphere of influence for the Sausalito-Marin City Sanitary District (SMCSD) designating a maximum service area that will remain in effect until the district is consolidated with another special district that provides the same services. The District's interim sphere of influence is coterminous with its present boundaries. Those boundaries include the City of Sausalito, Marin City and the shoreline area as far north as Manzanita at the Richardson Bay Bridge. (See [Map 2: Existing Sewer Agency Boundaries and Spheres of Influence](#).) The District's boundary and sphere of influence does not include the Fort Baker and Tamalpais Valley areas to which the District provides service on a contractual basis. The District's SOI also does not include the un-sewered Wolfback Ridge area west of Highway 101.

b. Service Relationships

SMCSD provides sewer treatment and disposal service to the area within its boundaries and to Fort Baker and Tamalpais Community Services District (TCSD) on a contractual basis for treatment of 88% of TCSD's flow originating on the south side of Coyote Creek. The balance of TCSD flow goes to the SASM plant in Mill Valley. TCSD accounts for approximately 18% of total flow to the SMCSD plant. The contract between the two districts allocates treatment and disposal costs on the basis of flows.

SMCSD maintains the sewer collection system only in the unincorporated portion of its territory; i.e., Marin City. The City of Sausalito and TCSD maintain the collection systems within their boundaries.

SMCSD recently undertook extensive capital improvement planning studies. The District adopted a ten-year program for modernizing its facilities and adopted new rates to pay the costs of the planned improvements. The new SMCSD capital improvement plan and the associated rate structure assumed continued service to TCSD.

The cost increases associated with SMCSD's capital improvement program have caused the TCSD governing board to evaluate an alternative method of obtaining treatment services exclusively from SASM. Rerouting 100% of TCSD flow to SASM was initially expected to yield significant advantages to TCSD's operating costs and to provide the District with better control over future costs through TCSD's representation on the SASM governing board. Rerouting of TCSD flows to SASM would have been disruptive for implementation of the SMCSD capital improvement plan.

Subsequent engineering studies by TCSD have shown that there would be no economic advantage to rerouting of all TCSD flows to SASM. TCSD continues to evaluate the assumptions of the study. The cost savings shown in SMCSD's preliminary study of regional sewer consolidation remain of interest to LAFCO.

c. Demand for Services

The Sausalito-Marin City Sanitary District provides sewer service to Sausalito and the unincorporated communities of Waldo Point and Marin City. The District also provides service on a contractual basis to Fort Baker and Tamalpais Valley. Remaining development potential in the District's service area is approximately 850 units including potential development in the Tamalpais Valley area. Remaining capacity of the District is sufficient to provide for marginal population growth including extending service to Wolfback Ridge.

d. Ability to Extend Services

SMCSD's adopted capital improvement plan provides for significant upgrades to its treatment plant. The District will be able to provide for marginal population growth within its present service area (including Fort Baker and Tamalpais Valley) and to extend service to the presently unserved Wolfback Ridge area given the projected slow population growth.

e. Applicable General Plan Provisions

General plan provisions concerning the SMCSD service area are included in discussion of the sphere of influence of the City of Sausalito in Section II.D above.

Staff did not identify general plan provisions that directly concerned provision of sewer service to the District's service area. The unincorporated portions of SMCSD's jurisdiction are within the Sausalito urban service area designed by the Countywide Plan.

f. Service and Organizational Alternatives

- ❑ Status Quo: Reaffirm interim sphere designation coterminous with the District's existing boundaries.
- ❑ Coterminous SOI: Amend the SMCSD sphere of influence to be coterminous with District boundaries. This designation would imply that SMCSD would remain in operation for the foreseeable future and that LAFCO does not anticipate consolidation with other sanitary districts.
- ❑ Regional consolidation of sewer agencies to form a larger sanitary district: Reorganization of southern Marin sewer agencies (both cities and sanitary districts) to form a regional sanitary district is an organizational alternative for ten different agencies in this report. Recommended sphere of influence amendments reflect the potential advantages of a larger consolidated sanitary district over many smaller sewer agencies including municipal sanitation departments.

g. Recommended Sphere of Influence

As of the date of this draft report, the service review of southern Marin sewer agencies has been extended to include study by an independent consultant. The study is now in progress. Staff recommendations for sanitary district spheres of influence will not be made until after the consultant's study is complete. Upon completion of the consultant's work, staff will prepare an addendum to this report that will include recommended service review and sphere of influence determinations.

6. Sanitary District #5 (Tiburon)

a. Existing Sphere of Influence

LAFCO adopted the sphere of influence for the Sanitary District #5 (Tiburon) (TSD) in 1983 including the un-served portions of the Paradise Drive area to Trestle Glen. (See [Map 2: Existing Sewer Agency Boundaries and Spheres of Influence](#).) The existing sphere of influence designation does not include any expectation that TSD should undertake any reorganization. The adopted sphere

of influence also does not include the City of Belvedere despite the District's contractual relationship with the City to provide treatment and disposal services.

b. Service Relationships

TSD provides sewer collection, treatment and disposal services for a population of less than 6,000 including the City of Belvedere as a contracting agency. The Town of Tiburon controls solid waste disposal service within TSD's service area. Other agencies providing services in the Tiburon area are listed in Table 18.

c. Demand for Services

The Sanitary District #5 (Tiburon) provides sewer service to portions of Tiburon, Belvedere and portions of the unincorporated area along Paradise Drive.

Potential new demand for service by TSD throughout its sphere of influence would combine potential new units in the City of Belvedere (approximately 17 units), the Town of Tiburon now served by TSD (approximately 75 units) plus existing and potential units in the Paradise Drive area east of Trestle Glen (approximately 400 units), a total potential for new service demand of approximately 500 new units. Assuming use of 200 gallons per day per additional unit, build-out of the TSD sphere of influence would require approximately 0.1 million gallons per day (mgd).

d. Ability to Extend Services

TSD's current connections utilize approximately 61% of the District's treatment capacity of 1.0 million gallons per day (mgd) at the District's main treatment plant. An additional 500 units would require capacity to treat 100,000 gallons per day or 0.1 mgd, equal to one-quarter to one-third of the District's remaining treatment capacity.

The District's much smaller Paradise Cove Plant serves part of the Paradise Drive area and is currently operating at or near capacity, causing LAFCO to deny annexation proposals in 2002. The District's ability to extend service to the Paradise Drive area depends on finding an efficient method of providing that service utilizing the unused treatment capacity at Tiburon Main, rather than undertaking the costs and regulatory uncertainties of expansion of Paradise Cove.

The TSD governing board is currently evaluating a proposal to construct storage and pumping facilities at Paradise Cove and a force main connecting Paradise Cove to existing sewer mains at Gilmartin Drive, thereby connecting the center of

the Paradise Drive area to Tiburon Main. This plan would allow the gradual expansion of the collection system centered on Paradise Drive without obtaining voter approval for public financing of collection system improvements.

The improvements under study would be privately financed and constructed to the requirements of TSD. TSD would own and operate the facilities after construction. The District's previously preferred alternative for serving Paradise Drive area anticipated the replacement of the Paradise Cove plant with a sewer main in Paradise Drive extended several miles from Tiburon Main.

TSD already provides treatment and disposal service to the City of Belvedere on a contractual basis. If the City were annexed to TSD, the District would also take on responsibility for maintenance of the City's collection system. Extension of service to Belvedere is feasible, but may be more costly than service provided within the District's existing boundaries. Creation of a separate rate zone for Belvedere will be necessary to address cost and equity considerations. The City of Belvedere is currently updating information on its collection system and sewer fund requirements in order to support a proposal for annexation.

e. Applicable General Plan Provisions

General plan provisions concerning the TSD service area are included in discussion of the sphere of influence of the Town of Tiburon in Section II.B above. Staff did not identify general plan provisions that directly concerned provision of sewer service to the TSD service area. The unincorporated portion of TSD's sphere of influence is within the Tiburon urban service area designated by the Countywide Plan.

f. Service and Organizational Alternatives

- ❑ Status Quo/Existing sphere of influence: Under the existing sphere of influence, TSD could continue to provide service to Belvedere on a contractual basis and extend new service to residences in the Paradise Drive area to Trestle Glen through annexations to District boundaries.
- ❑ Establishment of TSD as a subsidiary district of the Town of Tiburon: TSD could be established as a subsidiary district of the Town of Tiburon. The District would remain a separate administrative entity from the Town, but would be governed by the Town Council rather than an independent governing board. This change would require that 70% of the District's land area and assessed valuation lie within the Town's boundary. This alternative

would preclude consolidation of TSD with other sewer agencies to form a regional sanitary district.

- Expansion of SOI to Include Belvedere: Amendment of the District's SOI and annexation of the City of Belvedere would allow Belvedere residents to vote in district elections and gain representation on the TSD Board. The annexation of Belvedere to TSD would preclude establishment of TSD as a subsidiary district because less than 70% of the enlarged TSD land area and assessed value would lie within the Tiburon Town boundary.
- Interim Sphere of Influence: Consolidation of southern Marin sewer agencies to form a regional sanitary district could include the Sanitary District #5 (Tiburon).

g. Recommended Sphere of Influence

As of the date of this draft report, the service review of southern Marin sewer agencies has been extended to include study by an independent consultant. The study is now in progress. Staff recommendations for sanitary district spheres of influence will not be made until after the consultant's study is complete. Upon completion of the consultant's work, staff will prepare an addendum to this report that will include recommended service review and sphere of influence determinations.

7. Tamalpais Community Services District

a. Existing Sphere of Influence

LAFCO adopted an "interim sphere of influence" for the Tamalpais Community Services District (TCSD) in 1983 designating a projected maximum service area that will remain in effect until the District's service area is annexed to the City of Mill Valley or until the district is consolidated with another special district that provides the same services. The sphere of influence adopted for TCSD is significantly smaller than the District's current jurisdiction. The sphere deletes lands that are within the TCSD boundary but owned by the Golden Gate National Recreation Area. Federal lands within the TCSD jurisdiction will not require the District's services.

The District's sphere of influence roughly conforms to the inhabited portion of the Coyote Creek drainage basin. The adjoining Almonte Sanitary District boundary includes the north side of the intersection of Shoreline Boulevard (Highway 1) and Almonte Boulevard known as Tamalpais Junction.

b. Service Relationships

TCSD's service area is within the current sphere of influence of the City of Mill Valley. All services provided by TCSD are also provided by the City. TCSD residents are able to use library and recreation services offered by the City that are not otherwise available to County residents. However, as noted in Section II.C, the Tamalpais Valley area is geographically distinct from Mill Valley and is unlikely to annex in the foreseeable future.

For the provision of sewer service, TCSD maintains a collection system, but relies on other agencies for sewage treatment and disposal outside the District. Most of TCSD flow (88%) originates south of Coyote Creek and is treated at the Sausalito-Marín City Sanitary District plant at Fort Baker. TCSD receives this service through a contract with SMCS D and is not represented on the SMCS D governing board. TCSD sewage flows originating north of Coyote Creek flow to the SASM plant in Mill Valley. TCSD is a member agency of SASM and is represented co-equally on the SASM governing board with the other five SASM members.

SASM is a joint powers agency created in 1984 to own and operate a single treatment plant for six agencies – four sanitary districts, one community services district and one city. Each of the six member agencies continues to maintain a sewage collection system, all six collection systems terminating at the SASM plant. SASM member agencies include both agencies with no office and no full-time staff and agencies with staff functions that partly overlap the functions of other southern Marin sewer agencies.

Reorganization alternatives involving the transfer of responsibility for sewage collection in Tam Valley from TCSD to a larger, consolidated agency would reduce the range of services provided by TCSD and reduce the District's ability to spread management costs over multiple services.

c. Demand for Services

The Tamalpais CSD provides sewage collection, solid waste disposal and parks and recreation services to the unincorporated community of Tamalpais Valley. Remaining development potential in the service area is approximately 268 units.

d. Ability to Extend Services

TCSD will be able to continue to provide services at current levels to residents and businesses within its sphere of influence. Wastewater and solid waste

disposal services are supported by collection of fees for service which may be adjusted as necessary to cover costs. Fee-supported service functions also contribute to the cost of professional district management.

Recreation services and facilities provided by TCSD are supported primarily by the District's small share of the property tax, approximately 5% of total property tax collections and fees for participation in programs and classes. In Marin County, increase in property tax collections have kept pace with inflation in the cost of providing services in most cases, averaging over 6% increase per year for the past ten years.

As is the case with other agencies providing park and recreation services in southern Marin, residents enjoy abundant passive recreation resources in the form of public open space preserves, nearby national parks, state parks and watershed areas. However, high land costs limit the availability and expansion of active recreation facilities and programs. TCSD residents depend on surrounding city and county facilities for many recreational programs not within the scope of TCSD's activities.

e. Applicable General Plan Provisions

General plan provisions concerning the TCSD service area are included in discussion of the sphere of influence of the City of Mill Valley in Section II.C above. Staff did not identify general plan provisions that directly concerned provision of sewer, solid waste or recreation services to the District's service area other than an obsolete reference to study of TCSD's sewer treatment capacity allocation in the 1992 Tamalpais Area Community Plan. TCSD's jurisdiction lies within the Mill Valley urban service area designated in the Countywide Plan.

f. Service and Organizational Alternatives

- ❑ Status Quo: No changes to TCSD's present "interim" sphere of influence which anticipate the annexation of TCSD service area to the City of Mill Valley, and dissolution of TCSD. Although the interim designation would permit consideration of sewer reorganization alternatives including annexation of TCSD service area by SMCSD (south of Coyote Creek) and a consolidation of other SASM agencies (north of Coyote Creek) and transfer of TCSD sewer service to those two other agencies.
- ❑ Regional consolidation of southern Marin sewer agencies: TCSD recently studied the feasibility of expanding its participation in SASM to provide treatment for 100% of the District's wastewater and terminating its contract for

treatment with SMCSO. The study concluded that there was no clear economic justification for the District's capital costs for facilities required to redirect its wastewater flow exclusively to SASM. However, the SASM plant has sufficient treatment capacity and the conclusion may change with further analysis.

g. Recommended Sphere of Influence

Staff recommends that the TCSD sphere of influence be reaffirmed without change.

8. Tiburon FPD

a. Existing Sphere of Influence

LAFCO adopted a sphere of influence for the Tiburon Fire Protection District in 1983 that includes the District's present jurisdiction, the City of Belvedere and portions of Ring Mountain proposed for residential development.

The TFPD sphere was amended in 1988 to place the area developing around Turtle Rock Court in the sphere of influence of TFPD and remove it from the sphere of the Alto-Richardson Bay Fire Protection District (now the Southern Marin Fire Protection District). Turtle Rock Court is much closer and easily accessible to TFPD facilities than to SMFPD facilities. The jurisdictional boundary between the two fire districts was reorganized concurrently with the sphere amendment.

The portion of Ring Mountain in the TFPD sphere of influence has been acquired as public open space since the District's sphere was adopted.

The existing sphere adopted by LAFCO does not indicate any expectation that TFPD should undertake any change of organization other than annexations within its sphere.

b. Service Relationships

Table 18 shows service providers for all areas in the sphere of influence of the Town of Tiburon including the territory served by TFPD. TFPD works closely with all other emergency service providers in southern Marin through mutual aid agreements, the SMEMPS joint exercise of powers agreement and through informal cooperative ventures for training, equipment maintenance, etc.

To View

**Map 16:
Recommended Sphere of Influence,
Tamalpais Community Services District**

[Click Here](#)

TFPD's boundaries include most of the Town of Tiburon and the unincorporated Paradise Drive areas. The District provides service to the City of Belvedere on a contractual basis similar to the relationship between Belvedere and Sanitary District #5 (Tiburon). Belvedere residents are not represented on the TFPD governing board.

c. Demand for Services

The Tiburon Fire Protection District provides fire and emergency medical services to the Town of Tiburon and the unincorporated areas along Paradise Drive. Remaining development potential in the District's sphere of influence is approximately 320 units in the incorporated area of the Town, the City of Belvedere and the unincorporated Paradise Drive area. Remaining capacity of the District is sufficient to serve this development potential.

d. Ability to Extend Services

The District is able to continue to extend services to all areas within its sphere of influence including the City of Belvedere at current service levels. Some parts of the Paradise Drive area have low fire flow capabilities that have not been included for upgrade in MMWD's capital improvement plans. Fire flow limitations reduce the scale of new structures permitted in the Paradise Drive area.

The District's services are funded by a share of the local property tax (approximately 12% of total property tax collections), fees for emergency medical assistance and a voter-approved parcel tax. To date, fire protection districts have been exempted from contributions to the Educational Revenue Augmentation Fund and other such intrusions in local revenues mandated by the legislature. Existing sources of revenue should be sufficient to continue to provide service at current levels to the District's existing population, the City of Belvedere and to limited growth anticipated within TFPD's sphere of influence.

e. Applicable General Plan Provisions

General plan provisions concerning the TFPD service area are included in discussion of the sphere of influence of the Town of Tiburon in Section II.B above. Staff did not identify general plan provisions that directly concerned provision of fire service to the District's service area other than discussion of fireflow limitations in the Paradise Drive area. The unincorporated portion of TFPD's jurisdiction lies within the Tiburon urban service area designated in the Countywide Plan.

f. Service and Organizational Alternatives

- Status Quo: No change to existing sphere of influence which includes the City of Belvedere. Service to the City of Belvedere would be continued on a contract basis until Belvedere is annexed to the District.

Annexation of the City of Belvedere would allow Belvedere residents to vote in District elections and gain representation on the TFPD Board. Annexation would require the negotiation of a permanent property tax transfer from the City to the TFPD to replace contract payments for service. The annexation of Belvedere to TFPD would preclude establishment of TFPD as a subsidiary district.

TFPD could be established as a subsidiary district of the Town of Tiburon. The District would remain a separate administrative entity, but would be governed by the Town Council rather than an independent governing board. This change would require that 70% of the District's land area and assessed valuation lie within the Town's boundary. If TFPD became a subsidiary of the Town of Tiburon, annexation of Belvedere to the District would be precluded because less than 70% of the District would be within the Town's boundaries. The dependence of one city or service provided by another city would also be inappropriate.

- Consolidation with Southern Marin Fire Protection District: TFPD could consolidate with SMFPD. Recent study of fire consolidation in Southern Marin (Appendix I) describes obstacles and incentives for expansion of SMFPD services to include the incorporated areas of Sausalito and Mill Valley. Although TFPD is able to provide service to its current jurisdiction and the City of Belvedere under prevailing costs and current sources of revenue, some safety functions such as safety officer, plan checking and training might be enhanced by consolidation to form a larger organization. Cost savings would be small to moderate from reduced management staffing similar to consolidation of SMFPD and Sausalito.

g. Recommended Sphere of Influence

Staff recommends an "interim" sphere of influence including the current jurisdiction of TFPD and the City of Belvedere as shown on [Map 19: Recommended Sphere of Influence, Tiburon Fire Protection District](#). As with the spheres of influence designated for southern Marin special districts, this designation defines an area within which annexations may take place prior to eventual reorganization to form

a larger district. If adopted, the Commission's resolution should anticipate consolidation with SMFPD and not the establishment of TFPD as a subsidiary of the Town of Tiburon.

9. Southern Marin FPD

a. Existing Sphere of Influence

Southern Marin Fire Protection District (SMFPD) was formed through the consolidation of the Alto-Richardson Bay FPD and the Tamalpais FPD in 1999. At that time, LAFCO specified that the sphere of influence of the consolidated district would be the combined spheres of the two predecessor districts. The spheres of influence of the two districts were coterminous with the current district boundaries with two exceptions: the sphere of the Alto-Richardson Bay FPD included portions of Ring Mountain proposed for residential development and excluded the Alto unincorporated area west of Highway 101.

Undeveloped areas of Ring Mountain included in the Alto-Richardson Bay FPD sphere of influence in 1983 have since been acquired as public open space. The Alto area west of Highway 101 remains unincorporated and within the boundaries of SMFPD.

The existing sphere adopted by LAFCO does not indicate any expectation that SMFPD should undertake any change of organization other than annexations within its sphere.

b. Service Relationships

SMFPD was formed in 1999 through the consolidation of the Tamalpais FPD and the Alto-Richardson Bay FPD. The Tamalpais FPD, in turn, also included the previous consolidation with the Homestead FPD. Other agencies providing service in the SMFPD service area are shown in Tables 14 and 17.

SMFPD maintains close working relationships with all other emergency service agencies in southern Marin, including participation in mutual and automatic aid agreements and the Southern Marin Emergency Medical Paramedic System, a joint powers agency. Sausalito, Mill Valley and the Southern Marin Fire Protection District are currently studying provision of emergency service to all three jurisdictions through a single fire protection district.

To View

**Map 19:
Recommended
Sphere of Influence,
Tiburon Fire Protection District**

[Click Here](#)

SMFPD, LAFCO and the Cities of Mill Valley and Sausalito are currently engaged in a consolidation feasibility study. The results of Phase I of that study are attached to this report as Appendix I.

c. Demand for Services

The Southern Marin Fire Protection District provides fire and emergency medical services to the unincorporated communities of Strawberry, Tamalpais Valley, Almonte and Homestead Valley. Remaining development potential in the District's service area is approximately 750 units. Remaining capacity of the District is sufficient to serve this development potential.

d. Ability to Extend Services

The District will be able to continue to extend services to all areas within its sphere of influence at current service levels.

The District's services are funded by a share of the local property tax (approximately 15% of total property tax collections), fees for emergency medical assistance and a voter-approved parcel tax. Barring further transfers of District revenues by the State, existing sources of revenue should be sufficient to continue to provide service at current levels to the District's existing population and to limited growth anticipated within SMFPD service area occurring as in-fill development. The potential annexation of the City of Sausalito would require the transfer of a portion of the City's property tax revenue to the District. Separate financial provision for capital for capital improvement costs for replacement of Station 1 in Sausalito may be necessary.

e. Applicable General Plan Provisions

General plan provisions concerning the SMFPD service area are included in discussion of the spheres of influence of the City of Mill Valley and the Town of Tiburon in Sections II.B and II.C above. The Public Review Draft of the Countywide Plan update discusses fire protection service in the context of coordination of development planning with cities in order to reduce risk of wildland fire and to encourage development in areas designated for urban use – the urban service areas of each city mapped in the Community Facilities Element. The draft also contains policies and programs for ensuring adequate fire flow and vegetation management and the restriction of development where structural fire protection cannot be provided.

f. Service and Organizational Alternatives

- Status Quo/Current Sphere of Influence: coterminous with the current district boundaries with two exceptions: includes portions of Ring Mountain previously proposed for residential development (since purchased for public open space) and excluded the Alto unincorporated area west of Highway 101.
- Interim Sphere of Influence: Designate the District's sphere as "interim" in order to anticipate consolidation with Sausalito, Mill Valley and/or Tiburon Fire Protection District.

g. Recommended Sphere of Influence

Staff recommends that the Commission designate an "interim" sphere of influence for SMFPD coterminous with the District's current boundaries. As with other such designation, the adopting resolution should anticipate possible annexation or consolidations that would eventually form a regional fire protection district encompassing the jurisdictions of SMFPD, Tiburon FPD and the cities of Sausalito and Mill Valley. The recommendation is based on management and service level advantages accruing to fire service agencies larger than those existing in southern Marin and the highly developed working relationships that already enhance fire protection in the study area. Areas currently served by County Fire would not be included in the interim sphere recommended for SMFPD and TFPD because of the County's wildland fire protection responsibilities and the configuration of fire facilities in Marin City.

10. Marin City CSD

a. Existing Sphere of Influence

The Marin City Community Services District (MCCSD) service area is within the sphere of influence of the City of Sausalito. LAFCO adopted an "interim sphere of influence" for MCCSD coterminous with the District's present boundary in 1984 that will remain in effect until the District's service area is annexed to the City of Sausalito or until the district is consolidated with another special district that provides the same services. The District's sphere of influence is coterminous with its present boundaries.

b. Service Relationships

Service providers for all municipal services in the Marin City area are shown in Table 24. MCCSD's service area is currently within the sphere of influence of the

To View

**Map 20:
Recommended Sphere of Influence,
Southern Marin Fire Protection District**

[Click Here](#)

City of Sausalito. If the Marin City area were to annex to Sausalito, the continuation of MCCSD as an independent special district would be in question. The programs and services of MCCSD are very different from those offered by the City of Sausalito. The differences in the types of services provided by the City and the District is part of the reasoning for the recommendation for exclusion of Marin City from the sphere of influence of Sausalito. At the same time, Marin City will continue to rely on the County for housing, library, fire, and redevelopment services that are, in some cases, unlike services available from the City of Sausalito.

c. Demand for Services

The Marin City Community Services District provides parks and recreation, street lighting and solid waste disposal services to the unincorporated community of Marin City. Remaining development potential in the service area is approximately 82 units. Potential growth at buildout in Marin City is estimated at 124 new units, or slightly less than 10%. Redevelopment of the Gateway Shopping Center to include additional housing could significantly increase development potential and therefore potential service demand for MCCSD services without creating new funding for MCCSD programs.

d. Ability to Extend Services

In the early 1990s, MCCSD gave up its lease of land used for a flea market in order to allow for implementation of the Marin City Redevelopment Plan. The operation of the flea market provided the District with its largest source of revenue. The Redevelopment Plan included financing for a variety of public infrastructure improvements and facilitated the development of the Gateway Shopping Center. In return, District revenues from the flea market would be replaced by a percentage share of profits from operation of the Gateway Shopping Center. The Gateway Shopping Center was not profitable in recent years and those revenues did not flow to the District. MCCSD's ability to maintain recreational and social programs has been severely affected.

Increased property tax revenue from development of the shopping center does not flow to the District, but to the Redevelopment Agency to finance the cost of public improvements. The County of Marin provided loans to the District to continue in operation at a minimal level until the sale of the Gateway Center was completed in 2003. The terms of sale included a lump-sum distribution to MCCSD of \$450,000 over three years, sufficient to restore district programs for that period. MCCSD still lacks a stable source of revenue to fund its programs.

The District's ability to continue to provide its services at the present level beyond three years is not clear in the absence of additional sources of revenue.

e. Applicable General Plan Provisions

General plan provisions concerning the MCCSD service area are included in discussion of the sphere of influence of the City of Sausalito in Section II.D above. Staff did not identify general plan provisions that directly concerned MCCSD or provision of recreation services to the District's service area. Marin City is within the Sausalito urban service area designated in the Countywide Plan.

f. Service and Organizational Alternatives

- Status Quo/No change to existing "interim" sphere of influence: MCCSD would remain an independent special district serving its current service area until consolidated with another agency providing similar services or until the District's service area is annexed to the City of Sausalito.
- Coterminous sphere of influence: MCCSD would remain in operation as an independent special district for the foreseeable future.
- Zero sphere of influence: MCCSD would be dissolved and its service responsibilities assumed by the City of Sausalito or the County of Marin.

g. Recommended Sphere of Influence

Staff has recommended above that the sphere of influence of the City of Sausalito be amended to exclude the Marin City area. Annexation of the area to Sausalito would do little to address the need to augment financial support for the programs offered by MCCSD and would be likely to worsen short-term financial problems in the City. If the area is not anticipated to annex to the City, the Community Services District would continue to play a key role in representing community interests with the County and providing services that the County does not provide.

MCCSD's future ability to continue to provide services in Marin City is not assured in the absence of stable sources of revenue. If, however, the Marin City area is expected to remain unincorporated, an independent general purpose local government is useful in maintaining communication with other government agencies. Neither annexation to the City of Sausalito or dissolution of MCCSD represents potential solution or even marginal improvement to the

District's current program uncertainties.

To View

**Map 21:
Recommended Sphere of Influence,
Marin City Community Services District**

[Click Here](#)

Staff recommends that LAFCO amend the existing “interim” sphere of influence (anticipating annexation of Marin City to Sausalito and dissolution of MCCSD) and designate a sphere of influence coterminous with current MCCSD boundaries in the expectation that the Marin City area will remain unincorporated for the foreseeable future.

11. Strawberry Recreation District

a. Existing Sphere of Influence

LAFCO adopted an “interim sphere of influence” for the Strawberry Recreation District (SRD) in 1983 designating a projected maximum service area that will remain in effect until the District’s service area is annexed to a city or until the district is consolidated with another special district that provides the same services. The designated sphere is coterminous with the District’s boundary.

The District’s boundary and sphere includes unincorporated territory south of Tiburon Boulevard – the Strawberry Peninsula and De Silva Island. All of the area within the District’s boundary and sphere is also within the sphere of influence of the Town of Tiburon.

The existing sphere adopted by LAFCO indicates that SRD would be reorganized when and if the Strawberry area is annexed to the Town of Tiburon based on the 1983 *Strawberry Annexation Feasibility and Cost Capability Study*.

b. Service Relationships

Service providers for all municipal services in the Strawberry are shown in Table 18. The District’s service area is currently within the sphere of influence of the Town of Tiburon. If the Strawberry area were to annex to the Town of Tiburon, the continuation of SRD as an independent special district would be in question.

c. Demand for Services

The Strawberry Recreation District provides park and recreation and solid waste services to the Strawberry area. Remaining development potential in the service area is approximately 170 units. The District allows participation in its programs by non-residents and derives significant revenue from non-resident fees for service. The District has capacity to continue to provide recreation facilities and programs to its current residents plus population from potential new development.

d. Ability to Extend Services

SRD depends on property tax (approximately 3.5% of total property tax collections) and user fee revenue to support its recreational facilities and programs. The District should be able to continue to provide services at current service levels to its present and potential population. Access to SRD facilities and programs is not exclusive to residents of the District. User fees derived from non-district residents play an important part in SRD's financial capabilities. Development of significant new facilities or programs would probably require new sources of revenue; e.g., a voter-approved special tax.

SRD's provision of solid waste disposal service is funded through user fees. The franchise fee paid by Mill Valley Refuse as franchisee generates net revenue for the District.

e. Applicable General Plan Provisions

General plan provisions concerning the SRD service area are included in discussion of the sphere of influence of the Town of Tiburon in Section II.B above. Staff did not identify general plan provisions that directly concerned SRD or provision of recreation services to the District's service area in the pending updates of either the Town of Tiburon's General Plan or the Marin County General Plan Update. The Strawberry area is within the Tiburon urban service area designated by the Countywide Plan.

f. Service and Organizational Alternatives

- Status Quo/no change to existing "interim" sphere of influence: SRD would remain an independent special district serving its current service area until consolidated with another agency providing similar services or until the District's service area is annexed to the Town of Tiburon.
- Coterminous sphere of influence: If the Strawberry area is not anticipated to annex to the Town of Tiburon, the District would be expected to continue to provide services to its current service area for the foreseeable future. The "coterminous" sphere designation would not preclude future reorganization as a community services district if warranted by broadening of service demands and new sources of revenue.

g. Recommended Sphere of Influence

Staff recommends that the Commission amend the existing “interim” sphere of influence (anticipating annexation of Strawberry to the Town of Tiburon and dissolution of SRD) and designate a sphere of influence coterminous with current SRD boundaries in the expectation that the Strawberry area will remain unincorporated for the foreseeable future. The proposed District sphere of influence is shown on [*Map 22: Recommended Sphere of Influence, Strawberry Recreation District*](#). This recommendation is consistent with the recommended sphere of influence for the Town of Tiburon in Section II.B above. This recommendation would not preclude the possibility that SRD and LAFCO could consider reorganization of SRD as a community services district similar to Marin City CSD and Tamalpais Valley CSD if the District’s ability to provide service would be enhanced.

To View

**Map 22:
Recommended Sphere of Influence,
Strawberry Recreation District**

[Click Here](#)

APPENDIX I

Draft Report

Southern Marin Fire Protection Consolidation Study

Phase I: Preliminary Feasibility Analysis

Prepared by: Economic & Planning Systems

October 13, 2003

DRAFT REPORT

SOUTHERN MARIN FIRE PROTECTION CONSOLIDATION STUDY

PHASE I: PRELIMINARY FEASIBILITY ANALYSIS

Prepared for:

The Marin Local Agency Formation Commission

Prepared by:

Economic & Planning Systems, Inc.

October 13, 2003

EPS #13038





**Economic &
Planning Systems**

*Real Estate Economics
Regional Economics
Public Finance
Land Use Policy*

Peter Banning
Marin LAFCO
165 North Redwood Drive, Suite 160
San Rafael, CA 94903

Subject: Transmittal of Draft Report – Southern Marin Fire Protection Consolidation Study, Phase I; EPS #13038

Dear Peter,

Economic and Planning Systems, Inc. (EPS) is pleased to submit our draft report for public review and distribution. This report is the product of Phase I, the preliminary feasibility analysis. The report was completed under the auspices of Marin LAFCO, and was jointly sponsored by the Southern Marin Fire Protection District and the Cities of Mill Valley and Sausalito.

The draft report evaluates major factors influencing the feasibility of the consolidation of fire protection services in Southern Marin. A number of assumptions have been made to construct evaluation scenarios and to forecast future costs. If a decision is made to proceed with a more detailed analysis, it is anticipated that these assumptions will be further refined based on additional research, analysis and public input.

We look forward to working with you further on this assignment.

Sincerely,

ECONOMIC & PLANNING SYSTEMS, INC.

Walter Kieser
Managing Principal

Richard L. Berkson
Principal



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Appendix A: Estimates of Anticipated Staffing Costs—
Baseline vs. Consolidation

Appendix B: Plan for Providing Services

I. INTRODUCTION

As a part of its review of municipal services as mandated by State law¹, the Marin Local Agency Formation Commission (LAFCO) reviewed fire protection services in southern Marin County. In addition to the Cities of Mill Valley and Sausalito, fire protection services are provided by the Southern Marin Fire Protection District (SMFPD), the Tiburon Fire Protection District, and the County Fire Department. In the course of its review, LAFCO engaged in the ongoing efforts in the area to assess the potential for consolidation and improvement of fire protection services among the multiple service providers. Both functional and political consolidation are of interest in this effort.

The SMFPD was created through the consolidation in 1999 of the Tamalpais and Alto Richardson Bay Fire Protection Districts. Over the past several years, the District has been working with the other fire protection agencies to continue to improve coordination and sharing of resources.

Due to the geography of the area and the limited facilities and staff available within each entity, a majority of the calls for service in the area trigger mutual aid among the departments. While mutual aid provides a mechanism for marshalling sufficient emergency personnel, a lack of standardization, cross-staffing of equipment², and differing management structures create a less predictable response to a call for mutual aid. For example, a specific vehicle may be unavailable if it is cross-staffed, and the staff are out on another call; when a vehicle does arrive, the level and type of training of its staff and the type of equipment they carry may not be familiar to the fire fighting staff that called for mutual aid.

The Southern Marin fire protection agencies have been meeting on an ongoing basis to discuss coordination issues, and are engaged in the possible creation of a Joint Powers Agreement to deal with liability and insurance concerns that arise as a result of mutual aid and shared equipment and staff. Other areas of functional consolidation that have occurred include the development of hiring standards. Additional possibilities for functional consolidation include development of a shared training facility and purchase of equipment.

¹ Section 56425 of the Cortese-Knox-Hertzberg Government Reorganization Act of 2000.

² "Cross-staffing" refers to a staffing plan in which there are not personnel dedicated full-time to a specific vehicle; rather, the staff respond to a call on whatever type of vehicle is most appropriate to the call, leaving the other vehicle(s) unstaffed if another call occurs in the meantime.

Although continued functional consolidation is an objective of the fire protection agencies, there are practical limits to what can be achieved without political consolidation; for example, local concerns about commitment and control of shared staff and facilities, labor agreements and negotiations, and differing management and policy bodies limit full consolidation. Consequently, the current investigation into the feasibility of full consolidation was initiated.

There may be a number of legal approaches to full consolidation, e.g., cities could contract for services from the existing SMFPD (which would expand its staff), or the boundaries of the SMFPD could be expanded to include the cities. In either case, the basic organization and cost structure would be similar and is the subject of the current preliminary study.

PURPOSE OF THIS STUDY

LAFCO initiated this Consolidation Study, in conjunction with the SMFPD and the Cities of Mill Valley and Sausalito, to evaluate the feasibility of consolidating fire protection services. While the subject agencies are engaged in continuing efforts to coordinate services and standards, there is interest in determining whether a single, unified entity could achieve improved levels of service and efficiency at an equal or lower cost.

This Report presents Phase I of the Consolidation Study, a preliminary feasibility analysis. Phase I assesses major potential financial hurdles and benefits of consolidation, focusing upon issues related to retirement benefits. Based on further discussion of the findings and issues raised in this Phase I Report, a decision will be made by the involved agencies whether to proceed with a more detailed analysis of consolidation feasibility. In the subsequent phase of work, a full range of implementation issues can be addressed.

APPROACH AND METHODOLOGY

The Consolidation Study is a financial feasibility analysis that compares estimated budgets for fire services in Southern Marin County under several scenarios including a “baseline” (continuation of current services) and a “consolidation scenario” where fire fighting services would be provided by a single agency. The time frame for the budget forecast is ten years. The budget forecast includes a detailed assessment of revenues and

costs, including estimates of current staffing and other major costs that would be affected by consolidation; these estimates are presented for the existing agencies and compared to a consolidated agency.

The analysis contained in this report is based upon budget documents, actuarial reports and other materials provided by the participating entities, in addition to consolidation plans prepared by SMFPD (see **Appendix B**). The initial forecasts presented in this Phase I Report are preliminary and are intended to identify any major obstacles to consolidation. It is anticipated that the analysis and projections will change as a result of adjustments to the Consolidation Plan, and as an outcome of more detailed review, research and analysis conducted as a part of Phase II of the Consolidation Study.

The assumptions described in this report and the resulting conclusions are presented for discussion and evaluation of possible scenarios. Further analysis, public input and future policy decisions will refine and modify the underlying assumptions contained in this report. Future economic and fiscal conditions will also influence the analysis and conclusions contained herein.

II. SUMMARY OF FINDINGS

1. Existing levels of service can be improved through consolidation.

A review of existing staff, equipment and station locations indicates that a re-configuration of resources to areas of greater demand will improve response times for specialized equipment. Increased full-time dedicated staffing of vehicles will result from the consolidation, improving response times and reducing the need to rely on mutual aid. A single, consolidated department will provide for uniform levels of management, operational standards, equipment and planned responses to incidents that are difficult to achieve under the current system of multiple responding agencies.

2. Future costs for the consolidated entity are lower than future costs of the three agencies.

The preliminary feasibility analysis indicates that costs and revenues of the consolidation scenario compares favorably to the baseline scenario, over a five- to ten-year period. However, this finding is dependent on managing the phasing of changes in salaries, benefits and staffing in order to minimize potential short-term cost impacts. The comparison also assumes that retirement plan costs facing the Cities of Mill Valley and Sausalito are likely to increase significantly within the consolidation time-frame.

3. A number of assumptions regarding cost factors influence the findings.

- The analysis does not provide increased retirement benefits for service prior to transfer of Mill Valley and Sausalito employees to SMFPD. This approach is based on discussions regarding the legal and administrative feasibility of such an approach with the administrator of SMFPD's retirement plan.
- Retirement costs may increase, but it appears that these costs can be managed to minimize adverse impacts. For example, a "two-tier" system can be created to provide continuing benefits to transferred employees, without reducing benefits to existing SMFPD staff. As new staff are hired into the same tier as transferred staff and attrition of SMFPD staff occurs, average costs will decline.

- If a single tier of benefits is continued and applied to future service by transferred employees, the additional costs attributable to transferred staff may be offset by a lower SMFPD share of the employees' contributions, relative to current Mill Valley and Sausalito contributions.
- Average salaries will increase to the extent that salary schedules are equalized; however, these costs will be largely offset by reductions in total number of staff. The salary changes can be phased over time as staff reductions and salary savings occur.
- Costs for other benefits, e.g., health insurance plans, may increase and contribute to higher costs, if all staff are equalized at the generally higher SMFPD cost. A more detailed analysis may indicate that costs would not increase as shown due to differences in participation rates, and/or the increased benefits could be phased over time as staff reductions and salary savings occur.
- Equipment reductions and lower operating and amortization costs will help offset the additional costs described above.

4. Analysis conducted as part of Phase II will refine these conclusions and consider other factors including revenue exchanges and other fiscal implications.

Key cost variables to be further researched include the employee contribution rates, salary and benefit schedules and phasing of changes, annual cost projections and staff attrition rates.

NEXT STEPS

This Phase I Preliminary Feasibility Analysis did not identify any significant, adverse factors that would increase total costs. Thus it can be recommended that further analysis be conducted as a part of Phase II in order to refine the assumptions in this preliminary analysis, reduce uncertainty, address policy concerns, and provide a solid plan for implementation. Specifically, these steps include:

- Retain an actuarial firm to perform a detailed analysis of future contribution rates given the proposed staffing and staff characteristics of a consolidated entity.

- Prepare a detailed, annualized cost and revenue forecast, as described in Phase II of the Consolidation Study scope of work, including an evaluation of fiscal implications to each individual local agency.
- Submit the refined consolidation plan for legal review to assure that all legal concerns are addressed, including issues related to the tiering of benefit programs.

III. PROPOSED CONSOLIDATION PROGRAM

The preliminary analysis is based on the consolidation program that has been developed and proposed as a result of ongoing discussions and planning among the fire protection agencies. It is likely that the program will continue to evolve and be refined over time as this evaluation continues. At this stage of analysis, consolidation is conceptual and generic for purposes of overall financial evaluation, and does not address specific changes to governance or other issues unique to Sausalito or Mill Valley.

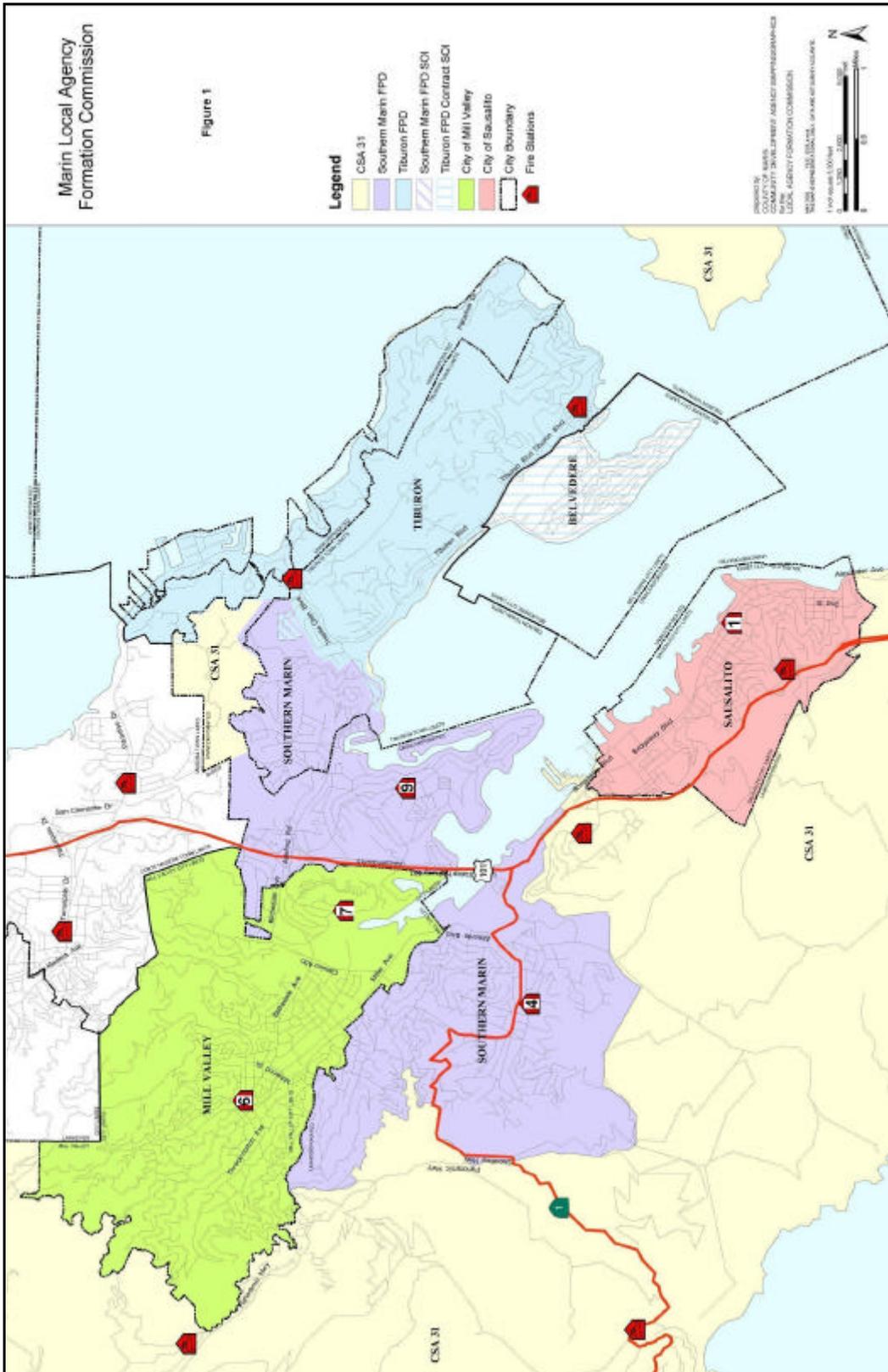
FACILITIES

Figure 1 shows existing stations and equipment. The Consolidation Plan would retain the existing five stations at their current locations; however, staffing and equipment would be re-located to centralize certain specialized equipment, improve response times, increase the level of full-time staffed equipment, and eliminate redundancies.

Key changes include the following:

- A rescue unit would be placed at Station 7 in Mill Valley, in order to respond more efficiently to the greatest number of rescue calls. Currently, the rescue unit located at Station 9 (SMFPD headquarters in Strawberry) responds to calls, but is further from the largest concentration of rescue calls.
- A dedicated truck company, also to be stationed at Station 7 in Mill Valley, would be available at all times. At the present time there are two truck companies (one in Sausalito, one in Mill Valley); however, they are cross-staffed and not available at all times if staff is assigned to respond with another vehicle.

In addition to reduced response times from stations within the area, increased full-time staffing of equipment will reduce the need for mutual aid from other areas. As described previously, mutual aid provides needed firefighting resources; however, it also adds to response times and to uncertainties in anticipating and coordinating the staffing, equipment and skills of the mutual aid firefighters from other departments.



EQUIPMENT

The Consolidation Plan proposes to eliminate certain vehicles that will be redundant, or no longer required due to the re-location of equipment and staffing. Following is a summary of the equipment that could be eliminated under consolidation:

<u>Item</u>	<u>Entity</u>	<u>Vehicles</u>	<u>Replacement Cost</u>
Type 1 Engine (1 st out)	Sausalito	1	\$ 400,000
Type 1 (reserves)	Sausalito/SMFPD	2	800,000
Type 3	Sausalito	1	350,000
Truck ³	Sausalito/Mill Valley	<u>1</u>	<u>750,000</u>
		5	\$2,300,000

The consolidation would save on the annualized cost of replacing the equipment, as well as the cost for operating and maintaining the vehicles. These costs are estimated in **Chapter V**.

STAFFING

The Consolidation Plan will result in a net reduction in total staff. The reductions will occur at the management level; the number of line staff will remain unchanged, although the command structure will change and staff will be re-located. Staff reductions are anticipated to occur through attrition.

Major changes include the following:

- Once consolidation is stabilized, there will be one Chief, rather than the current 2.5 FTE in the three separate entities.
- A Deputy Chief position will be eliminated.
- There will be a combined 5 FTE Division Chiefs and Battalion Chiefs, where currently there are 6 Battalion Chiefs.

³ Currently there are two trucks, one in each city; one of the two would no longer be required.

- The classification of Lieutenant will be eliminated, and the current Lieutenants will be moved to a Captain position; there will be no net change in the combined total 18 positions.
- The total number of firefighters and engineers will be unchanged, although there are anticipated to be changes in rank. In addition, the existing three firefighter trainees would be promoted to full time.

The effects of these staffing changes on costs are described in **Chapter V**.

IV. EVALUATION OF RETIREMENT PROGRAM OPTIONS

The potential retirement-related costs of consolidation have been considered to be a potential significant cost factor; therefore, this initial study focuses on determining the approximate magnitude of this potential cost and factors influencing the cost. **Table 1** summarizes the existing retirement programs provided to the firefighters by the three entities. The Cities of Sausalito and Mill Valley are both members of Public Employees Retirement System (PERS), and the SMFPD is a member of the Marin County Employees' Retirement Association (MCERA).

A number of key issues arise in the potential consolidation, including the following:

- 1) the magnitude of additional costs to the SMFPD to provide salaries and benefits to all employees at a level that may be greater than the benefits provided by either city; and
- 2) the ability to "phase in" benefits packages in order to manage costs during the initial consolidation and reduction in overhead staff, which could require several years.

This chapter estimates the potential retirement benefit costs and describes several options for managing these costs

RETIREMENT PROGRAM COSTS

Retirement programs are funded from two sources: 1) an employer contribution and 2) an employee contribution. Some portion of the employees' contributions may also be paid by the employer. The following sections describe in greater detail the program costs facing SMFPD and the two cities.

SMFPD

As shown in **Table 1**, SMFPD provides a "3% at 50" plan under MCERA. The employer's contribution for 2003-2004 is approximately 35 percent of the employees' salaries. SMFPD's 35 percent employer contribution is comprised of the following:

- 1) a "normal cost" rate of about 24 percent, which is the rate which, in combination with the employee contribution, is projected to fund future benefits; and

Table 1
Summary of Retirement Benefit Programs

Item	Entity		
	Southern Marin FPD	Sausalito	Mill Valley
Program	3% @ 50 MCERA ¹	3% @ 55 CalPERS ²	3% @ 55 CalPERS ²
Accrual of Benefits	3% of salary (based on highest 12 consecutive months) for every year of service	3% of salary (based on highest 12 consecutive months) for every year of service ³	3% of salary (based on highest 12 consecutive months) for every year of service ³
Max. Benefit as % of Final Average Salary	100%	90%	90%
Employee Contribution			
Requirement	8.5%-11.5% of salary ⁴	9% of salary	9% of salary
Employer Share	35% of requirement	100% of requirement	6% of salary ⁵
Cost of Living Adjustment (COLA)	CPI (not to exceed 4%)	CPI (not to exceed 2%)	CPI (not to exceed 2%)

1) Marin County Employees Retirement Association

2) California Public Employees Retirement System

3) If retirement occurs between age 50 and 55, benefit ranges from 2.5% for every year of service for retirement at 50, up to 3% at age 55.

4) Employee contribution in MCERA varies depending on age and years of service.

5) 100% of requirement for battalion chiefs.

- 2) an additional 11 percent covers an “Unfunded Accrued Actuarial Liability” (UAAL) related to the SMFPD’s increase in benefits in 2000 from a “2% at 50” to “3% at 50” plan; the rate will fund the increased benefits applicable to years of service prior to adoption of the current plan.

The employees contributions vary from about 8.5 percent to 11.5 percent of salaries, of which the SMFPD pays about one-third. In total, SMFPD contributes the equivalent of just under 40 percent of salaries towards retirement costs.

No estimate is currently available about potential future contribution rate increases.

MILL VALLEY

The City of Mill Valley belongs to the California Public Employees Retirement System (CalPERS), and provides a “3% at 55” plan. The employer’s contribution for 2003-2004 is based on the following:

- 1) the payment for “normal cost” is 13.3 percent of salaries; and
- 2) an adjustment reduces the “normal cost” payment for 2003-2004 significantly. The adjustment is an amortization due to changes in asset value that occurred in prior years. The current payment is reduced by 10.9 percentage points to approximately 2.4 percent of salaries, but is likely to increase substantially by the 2006-2007 fiscal year by about \$400,000 after the final amortization payment.

The employees’ contributions are a uniform rate established by CalPERS of 9 percent of salaries. The City of Mill Valley pays for 6 percent out of the 9 percent, or two-thirds of this cost. In total, Mill Valley pays a combined rate of approximately 19.3 percent of salaries (prior to “amortization bases”).

CalPERS projects Mill Valley’s employer contribution rate for 2004-2005 to be 18.6 percent; this is before adjusting for Mill Valley’s amortization bases, which may reduce the rate to about 7.7 percent in 2004-2005 (compared to the current 2.4 percent after adjustments). As noted above, Mill Valley’s rate may continue to be reduced by a similar amount through the 2006-2007 fiscal year.

SAUSALITO

The City of Sausalito provides a “3% at 55” plan under the auspices of MCERA. The City’s contribution rate for 2003-2004 is approximately 7.7 percent of salaries. The contribution rate for 2003-2004 is based on the following:

- 1) the payment for “normal cost” is 16.1 percent of salaries; and
- 2) an adjustment reduces the “normal cost” payment for 2003-2004 significantly. The adjustment is an amortization due to changes in asset value that occurred in prior years. The current payment is reduced to approximately 7.7 percent of salaries.

The employees’ contribution to PERS equal to 9 percent of salaries is fully funded by the City. The City’s total contribution is about 16.7 percent of salaries.

CalPERS projects Sausalito’s employer contribution rate for 2004-2005 to be 23.2 percent; this is before adjusting for Sausalito’s amortization bases, which may reduce the rate to about 15 percent in 2004-2005 (compared to the current 7.7 percent after adjustments). Sausalito’s rate may continue to be reduced by a similar amount through the 2007-2008 fiscal year.

CONSOLIDATION OPTIONS

Two retirement benefit options were defined for evaluation purposes. The options include:

- 1) A “Single Prospective Option”, in which all transferred and new employees would accrue benefits for future service at the same level as existing SMFPD employees. The analysis also assumes that SMFPD continues to fund one-third of all employees’ contributions. According to the MCERA administrator, no provision exists to enable transferred employees to gain credit for past service (above the benefits provided by their prior PERS plan for service until the date of transfer); therefore, this was not considered in the evaluation.
- 2) A “Two-Tier Option”, which would create two tiers of retirement benefits for all future service:

Tier A: existing SMFPD employees would retain current retirement benefits applicable to future service;

Tier B: transferred employees from Mill Valley and Sausalito would join MCERA with benefits for future service comparable to their prior benefits. New employees who replace retiring SMFPD employees would also earn benefits at the same level as transferred employees. Over time as existing employees retire, only this single Tier B would remain.

The costs of each option are described in more detail below. If Phase II of the current study proceeds, it will be necessary to request legal review of the options as well as conduct more detailed actuarial analysis.

COSTS OF RETIREMENT PROGRAM OPTIONS

The employer rates for transferred employees under either option are nominally lower than the current rate of 35 percent by SMFPD. The higher SMFPD rates, as noted previously, are due to the additional costs to retroactively apply the increased benefits from its recently adopted 3%/50 program to all years of prior service for existing employees; these additional retroactive costs are not assumed to be applied to transferred and new employees.

The following paragraphs describe the cost assumptions under each option.

1) “Single Prospective Option”

Under a “Single Prospective Option”, an employer contribution rate is assumed at 24 percent for transferred employees, and no change is assumed to the current cost for SMFPD employees. The rate is equal to SMFPD’s current rate before adjusting for unfunded liabilities associated with its recent plan change.

Compared to the anticipated Sausalito and Mill Valley contributions, the 24 percent contribution rate is higher partially due to an increase in prospective benefits⁴; the maximum annual benefit increases from 90 percent of final average salary to 100 percent, and the full benefits are available at age 50 rather than age 55⁵. In addition, the SMFPD Cost of Living Adjustment can increase up to 4 percent (depending on the Consumer Price Index), rather than 2 percent.

⁴ PERS and MCERA plan costs are difficult to compare directly due to differences in actuarial assumptions and rates of returns, as well as specific plan differences.

⁵ Benefits are phased-in beginning at age 50 under the “3% at 55” plans.

Under this option, SMFPD is assumed to continue to contribute approximately one-third of the employees' contributions for both existing and transferred employees. This results in a reduction in costs equal to about three to six percent of salaries of transferred employees.

Once the consolidation process has stabilized and management staff have been reduced through retirements, total retirement plan contributions by SMFPD are lower by \$278,000 compared to the anticipated total costs for the three separate entities. Although the employer's contribution rate is higher (24 percent compared to 18 to 22 percent), the analysis assumes a reduction in contributions towards the employees' required contribution (about 3 percent compared to 6 to 9 percent). Without the reduction in employer's share of the employees' required contribution, total retirement plan savings would be about \$178,000.

2) "Two-Tier Option"

Under a "Two-Tier Option", retirement costs for employees transferred to MCERA are assumed to be similar to MCERA costs for comparable programs.⁶ For purposes of analysis, an employer contribution rate of 20 percent is assumed for transferred employees, and no change is assumed to the current cost for SMFPD employees. This 20 percent rate is similar to the County's contribution rate for Safety workers in a 3%/55 program (including unfunded liabilities)⁷.

The employer's share of the employee's required contributions are assumed to continue to be paid by SMFPD in the same proportions as they are currently paid by Mill Valley and Sausalito.

Once the consolidation process has stabilized and management staff have been reduced through retirements, total retirement plan contributions by SMFPD are \$385,000 less compared to anticipated total costs for the three separate entities⁸; although assumed employer contribution rates are slightly greater than anticipated Mill Valley and Sausalito rates, and salaries increase as a result of pay scale standardization and

⁶ In the near-term, significant cost differences can occur due to adjustments made to the "basic" or "normal" employer contribution in both programs. For example, employer contributions may be adjusted year-to-year (or amortized over several years) as necessary to adjust for unfunded liabilities, shortfalls or excess contributions, etc.

⁷ The current County public safety rate is about 15 percent prior to adding approximately another 7 percent for short-term adjustments required to cover unfunded liabilities; the transferred and new SMFPD employees would not immediately incur an unfunded liability, however the 20 percent is assumed as a conservative rate that will depend upon future economic and actuarial conditions.

⁸ Inflation and salary increases are assumed to affect all agencies, independent of whether consolidation occurs, and is not included in the current analysis.

promotions, these increases are more than offset by staff attrition and by staff turnover; new staff are assumed to enter at the lower, "Tier B" rates provided to transferred employees.

V. NET COSTS OF CONSOLIDATION

RETIREMENT PROGRAM COSTS

As described in **Chapter IV**, retirement program costs are not anticipated to represent a significant factor in increasing costs. This finding is based on the contribution rates under a “two-tier option” that are similar to anticipated rates facing Mill Valley and Sausalito. Under a “single prospective option” all retirement benefits (applicable to prospective service) and rates are equal to the higher, current SMFPD rates; these increases are mitigated by an SMFPD share of employee contributions at the lower, current SMFPD rate assumed to apply to all employees including transfers.

Over time, it is possible that total costs could be reduced under a “two-tier option” as attrition of existing SMFPD staff occurs, and they are replaced by employees in the lower cost tier.

OTHER COSTS AND SAVINGS

Consolidation will result in reductions in overhead staff through attrition, as well as reductions in equipment and related costs. Estimates of the resulting savings are described in the following sections.

OTHER BENEFIT PROGRAMS

The costs per person for other benefit programs (e.g., health insurance) are higher for SMFPD; however, more detailed analysis of the programs and costs could indicate that costs would differ from the estimates used in the current analysis due to changes in providers, different elections of options by staff, etc. In addition, policy decisions will be required about the appropriate level of benefits, phasing of benefits, and whether a “tiering” plan similar to retirement benefits is appropriate.

Assuming that the costs for all staff are similar to existing SMFPD staff, total costs for other taxes and benefits under consolidation would be approximately \$209,000 greater than existing total costs.

STAFF COST SAVINGS

As described in **Chapter II**, the consolidation would result in an overall reduction of 3 FTE compared to the existing entities' total staff. The reduction in staff approximately offsets the increased salary-only costs associated with management changes.

EQUIPMENT COST SAVINGS

The consolidation will reduce the need for several vehicles, as described in **Chapter II**. The estimated replacement cost of those vehicles is approximately \$2.3 million. Based on the annualized replacement costs of those vehicles, the consolidation would save \$250,000 annually.

In addition, there will be some reduction in ongoing operating and maintenance costs for the vehicles. This annual cost reduction is estimated at \$25,000.⁹

OTHER COST SAVINGS

Other costs savings are possible, but have not been evaluated as part of this preliminary analysis. For example, there may be cost savings associated with a reduced need for centralized services, such as computer services and maintenance, and fewer costs due to less management equipment (computers, network servers, etc.). Other costs, such as Workman's Comp and health insurance, could be reduced per person as the size of SMFPD grows.

CONSOLIDATION COMPARED TO BASELINE CASE

Table 2 summarizes major operating costs for consolidation and compares them to a base case. As shown, a \$335,000 reduction in total costs for the consolidation is shown compared to costs under the Baseline Case.

The consolidation assumes that all staff changes have been implemented, and that transferred employees are hired under a "two-tier option" whereby they continue under a program similar to their prior PERS program (e.g., 3% at 55, and similar employer's contribution towards the employees required retirement contribution). Salary levels and other benefits (health plans, etc.) are assumed to be equalized for all staff at current

⁹ Operating and maintenance cost savings based on 50 percent of existing SMFPD costs.

Table 2
Summary of Major Annual Costs Affected by Reorganization¹
Comparison of Baseline to Consolidation²

Item	Baseline	Stabilized Consolidation ³	Increase or (Savings)
STAFF COSTS			
Salaries	\$6,082,000	\$6,174,000	\$92,000
Other Taxes and Benefits	1,235,000	1,470,000	235,000
<u>Retirement</u>			
Employer Contribution to Retirement	1,658,000	1,440,000	(218,000)
Employer Share of Employee Contribution	<u>422,000</u>	<u>255,000</u>	<u>(167,000)</u>
Subtotal Retirement	2,080,000	1,695,000	(385,000)
Subtotal, Staff Costs	9,397,000	9,339,000	(58,000)
VEHICLE COSTS⁴			
Annualized Capital Cost ⁵			(252,000)
Operations and Maintenance ⁶			<u>(25,000)</u>
Subtotal			(277,000)
TOTAL			(335,000)

(1) Represents only major cost items; actual budget will include other costs that have not been estimated as a part of this analysis.

(2) Results shown are for the "two-tier" retirement program option.

(3) Stabilized Consolidation after planned staff reductions through attrition, and turnover of 50% of remaining staff (e.g., over a 5 to 10 year period).

(4) Only the estimated incremental changes are shown; existing costs are not estimated.

(5) Annualized cost savings assumes:

2,300,000 replacement cost
5.0% interest rate
12.5 years (avg.)

(6) Based on 50% of current SMFPD costs (actual equipment reductions will come from other entities)

SMFPD levels or prior levels, whichever are greater, to avoid any reductions in existing compensation and benefits. This assumption of an increase is applied to positions other than the chief positions, which are assumed to remain at existing levels.

At a future stabilized year (in the current case year 10 is depicted), it is assumed that turnover of 50 percent of existing staff would have occurred; the resulting salaries and retirement contribution are based on an average of 50 percent new staff, and 50 percent of the initial combined staffs of Mill Valley, Sausalito, and SMFPD. Consequently, the average retirement contribution declines; most of the employees would be under the lower, "Tier B" retirement plan (3% at 55) and lower SMFPD share of employee required contribution.

A number of key variables influence the feasibility findings described above:

- If the costs of other benefits (health insurance, etc.) remain similar to existing costs for each employee under City plans (rather than the potentially higher SMFPD costs), the projected annual costs under consolidation would be approximately \$240,000 lower than shown.
- The "Single Prospective Option" for retirement benefits, in which the transferred employees are provided the same "3% at 50" plan as existing SMFPD employees, would add approximately \$170,000 of employer contribution cost annually; however, this is partially offset by the assumption that the SMFPD share of all employees' contribution is reduced to the current SMFPD rate (adding about \$70,000 of savings).
- If consolidation occurs prior to any staff reductions that may result from "functional consolidation", annual costs could be as much as \$600,000 higher per year compared to baseline costs. As staff attrition occurs, the additional costs would decline. This staff reduction is expected to occur over a two- to four-year period. This additional cost could also be managed by phasing salary and benefit changes gradually from the existing lower rates to the higher rates assumed in the current analysis. Implementing equipment reductions in the near-term could also help reduce annual costs.

Further analysis can be conducted as a part of the subsequent phase of the consolidation analysis, if the process continues. For example, more detailed actuarial analysis can be conducted to validate or revise the contribution rate assumptions. Also, further review and decisions regarding salary and benefit packages, and the timing of potential consolidation and staff changes will reduce the uncertainties noted above.

VI. OTHER FEASIBILITY ISSUES

This Phase I Preliminary Feasibility Analysis has focused on major factors influencing the potential financial implications of consolidation compared to current total costs of the three agencies. There are a number of additional issues that should be investigated in detail if Phase II proceeds, including the following key issues:

TRANSFER OF RESPONSIBILITY

Transfer of fire protection responsibilities will reduce the scope of management involved in operations of the two cities. This transfer has the potential to reduce costs for a range of activities including management, legal, personnel administration and labor negotiations.

STAFF IMPLICATIONS

There may be implications of the consolidation upon the budgets and remaining staff of the two cities. A key concern will be the reduction in operating responsibilities and cost allocations for city management staff (non-fire department personnel, e.g., city finance staff), without a corresponding reduction in city staff. It may be possible to adjust the transfer of revenue from the cities to the consolidated entity to reflect these non-transferred costs that remain with the cities.

FUNDING AND REVENUE IMPLICATIONS

One possible consolidation option would presume that general funds currently available to the cities will be structurally transferred to the new consolidated fire protection entity through an adjustment in the “property tax allocation factors” as specified in State law. The magnitude of these transfers in proportion to existing property tax receipts are large. This loss may limit future budget flexibility despite potential cost savings realized through consolidation.

PASS-THROUGH OF POTENTIAL SAVINGS TO CITIES

It may be possible to structure the property tax exchange to reflect or respond to cost savings that may be realized over time by the consolidated fire protection agency. The magnitude of potential cost savings will be estimated during Phase II and mechanisms for adjusting the tax exchange will be identified.

It should be noted that in the consolidation process under study, revenue would be permanently transferred from the cities to SMFPD. The precise amount to be transferred is established through negotiation between the consolidating agencies. The resulting transfer agreement will provide the expanded District with sufficient revenues to pay for all identified costs, and the agreement can include provisions for allocating cost savings among the consolidating agencies.



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APPENDIX A

ESTIMATES OF ANTICIPATED STAFFING COSTS— BASELINE VS. CONSOLIDATION

Appendix A

Estimates of Staff Costs - Baseline & Consolidation

Table	Title	
Table A-1	Summary of Staff Positions (FTE)	Before and After Consolidation
Table A-2	Summary of Staff Costs (2003\$)	City of Mill Valley Fire Department
Table A-3	Summary of Staff Costs (2003\$)	City of Sausalito Fire Department
Table A-4	Summary of Staff Costs (2003\$)	Southern Marin FPD
Table A-5	Summary of Staff Costs (2003\$)	SMFPD Initial Consolidation
Table A-6	Summary of Staff Costs (2003\$)	SMFPD Consolidation (Stable)
Table A-7	Comparison of Staff Costs (2003\$)	SMFPD Consolidation

Table A-1
Summary of Staff Positions (FTE)
Before and After Consolidation

Position	Existing			Total	Consolidation	
	Mill Valley	Sausalito	SMFPD		Initial	Stabilized
Fire Chief	0.5 ⁽¹⁾	1.0	1.0	2.5	2.5	1.0 ⁽²⁾
Deputy Chief	0.0	0.0	1.0	1.0	1.0	0.0 ⁽³⁾
Division Chief	0.0	0.0	0.0	0.0	0.0	2.0 ⁽⁴⁾
Battalion Chief	3.0	0.0	3.0	6.0	6.0	3.0 ⁽⁴⁾
Captain	6.0	3.0	6.0	15.0	15.0	18.0 ⁽⁵⁾
Lieutenant	0.0	3.0	0.0	3.0	3.0	0.0 ⁽⁵⁾
Firefighter/Paramedic	6.0	6.0	9.0	21.0	21.0	21.0
Firefighter/Engineer	6.0	6.0	15.0	27.0	27.0	30.0 ⁽⁶⁾
Firefighter Trainee	3.0	0.0	0.0	3.0	3.0	0.0
Admin. Services Mngr.	0.0	0.0	1.0	1.0	1.0	1.0 ⁽⁶⁾
Admin. Assistant	<u>1.0</u>	<u>0.6</u>	<u>1.0</u>	<u>2.6</u>	<u>2.6</u>	<u>3.0</u> ⁽⁷⁾
Total	25.5	19.6	37.0	82.1	82.1	79.0

(1) Mill Valley City Director of Police and Fire Services

(2) 1 Fire Chief to remain, following retirement of Mill Valley Director of Police and Fire Services and following retirement of one of remaining Chiefs.

(3) When Deputy Chief retires or fills the Fire Chief position, the Deputy Chief position is eliminated.

(4) Following retirement of one existing Battalion Chief, two existing Battalion Chiefs are promoted to Division Chiefs.

(5) Existing three Lieutenants promoted to Captain.

(6) Trainees promoted to firefighters when one chief remains.

(7) When Mill Valley Director of Police and Fire Services retires, existing .6 Admin. Aide increased to full time.

Table A-2
Summary of Staff Costs (2003\$)
City of Mill Valley Fire Department

Position	Positions	Salary ⁽¹⁾	Employer Contrib.		Other ⁽³⁾	% of Salary	Total\$ per Employee	Total
			Employer ⁽²⁾	Employee				
Fire Chief								
Dir. Police/Fire ⁽¹⁾	0.5	\$137,240	\$25,527	\$12,352	\$36,012	26%	211,130	\$105,565
Deputy Chief	0.0	-	-	-	-	-	-	-
Division Chief	0.0	-	-	-	-	-	-	-
Battalion Chief	3.0	91,704	17,057	8,253 ⁽⁴⁾	16,995	19%	134,009	402,028
Captain	6.0	74,260 ⁽⁷⁾	13,812	4,456 ⁽⁵⁾	15,690	21%	108,217	649,305
Lieutenant	0.0	-	-	-	-	-	-	-
Firefighter/Paramedic	6.0	61,965 ⁽⁷⁾	11,525	3,718 ⁽⁵⁾	12,145	20%	89,353	536,119
Firefighter/Engineer	6.0	63,411 ⁽⁷⁾	11,794	3,805 ⁽⁵⁾	13,597	21%	92,607	555,641
Firefighter Trainee	3.0	51,852 ⁽⁷⁾	9,644	34,568	7,954	15%	104,018	312,055
Admin. Services Mngr.	0.0	-	-	-	-	-	-	-
Admin. Assistant	<u>1.0</u>	57,312	10,660	4,585 ⁽⁶⁾	11,942	21%	84,499	<u>84,499</u>
Total	25.5	\$1,754,416	\$326,321	\$211,094	\$353,382			\$2,645,213

(1) Allocation of Mill Valley City Director of Police and Fire Services to fire protection.

(2) The employer's share of PERS payment is assumed to be 18.6% of the salary, based on PERS forecast for '04-05, before amortization bases.

(3) Includes group insurance, dental, life insurance, disability, worker's comp, medicare coverage, and def comp.

(4) Mill Valley pays 100% of employees' PERS contribution of 9% of the salary for these positions.

(5) Mill Valley pays 6% of salary for employees' PERS contribution of 9% for these positions.

(6) Mill Valley pays 8% of salary for employees' PERS contribution of 9% for these positions.

(7) Weighted average salary of the current positions.

Table A-3
Summary of Staff Costs (2003\$)
City of Sausalito Fire Department

Position	Positions	Salary	Employer Contrib.		Other ⁽³⁾	% of Salary	Total\$ per Employee	Total
			Employer ⁽¹⁾	Employee ⁽²⁾				
Fire Chief	1	\$104,790	\$24,311	\$9,431	\$6,119	6%	\$144,651	\$144,651
Deputy Chief	0.0	-	-	-	-	-	-	-
Division Chief	0.0	-	-	-	-	-	-	-
Battalion Chief	0.0	-	-	-	-	-	-	-
Captain	3.0	87,160 ⁽⁴⁾	20,221	7,844	9,989	11%	125,215	375,645
Lieutenant	3.0	78,045 ⁽⁴⁾	18,106	7,024	13,661	18%	116,836	350,508
Firefighter/Paramedic	6.0	66,803 ⁽⁴⁾	15,498	6,012	8,158	12%	96,472	578,830
Firefighter/Engineer	6.0	63,597 ⁽⁴⁾	14,755	5,724	10,230	16%	94,306	565,836
Admin. Services Mngr.	0.0	0	0	0				
Admin. Assistant	<u>0.6</u>	40,878	9,484	2,200	12,690	31%	\$65,252	<u>39,151</u>
Total	19.6	\$1,407,336	\$326,502	\$125,773	\$195,011			\$2,054,622

(1) The employer's share of PERS payment assumed to be 23.2% of the salary (PERS '04-'05 estimate before amortization bases).

(2) Sausalito pays 100% of employees' PERS contribution of 9% of the salary.

(3) Includes FLSA, medicare, dental, health and LTD & Life insurance; average for the current positions.

(4) The weighted average "PERS salary" (inc. ed. pay, holiday, uniform allowance, of the current positions).

Table A-4
Summary of Staff Costs (2003\$)
Southern Marin FPD

Position	Positions	Salary	Employer Contrib.		Other ⁽¹⁾	% of Salary	Total\$ per Employee	Total
			Employer	Employee				
Fire Chief	1	\$133,139	\$46,906 ⁽²⁾	\$3,904 ⁽³⁾	\$29,252	22%	\$213,196	\$213,196
Deputy Chief	1	108,997	38,401 ⁽²⁾	3,196 ⁽³⁾	23,316	21%	173,905	173,905
Division Chief	-	0	-	-	-	-	-	0
Battalion Chief	3	103,639 ⁽⁵⁾	36,513 ⁽²⁾	3,039 ⁽³⁾	24,441	24%	167,621	502,863
Captain	6	85,067 ⁽⁵⁾	29,970 ⁽²⁾	2,494 ⁽³⁾	20,490	24%	138,012	828,070
Lieutenant	-	-	-	-	-	-	-	0
Firefighter/Paramedic	9	77,721	27,382 ⁽²⁾	2,279 ⁽³⁾	18,340	24%	125,716	1,131,448
Firefighter/Engineer	15	69,185	24,374 ⁽²⁾	2,029 ⁽³⁾	16,770	24%	112,353	1,685,288
Admin. Services Mngr.	1	63,299	9,994 ⁽⁵⁾	1,820 ⁽⁶⁾	6,972	11%	82,074	82,074
Admin. Assistant	<u>1</u>	56,272	8,885 ⁽⁵⁾	1,618 ⁽⁶⁾	13,984	25%	80,747	<u>80,747</u>
Total	37	\$2,920,285	\$1,005,594	\$85,563	\$686,391			\$4,697,591

(1) Includes longevity, health, dental, vision and LTD insurance, long-term care, clothing allowance, and workers compensation; average for the current positions.

(2) The employer's contribution is assumed to be 35% of the salary.

(3) SMFPD pays approximately 31% of employees' contribution of 9.5% of the salary (based on average of payments, which vary by employee).

(4) The average salary of the current positions.

(5) The employer's contribution is assumed to be 16% of the salary.

(6) Average is approximately 30% of employees' contribution of 9.5% of the salary (amounts vary by employee).

Table A-5
Summary of Staff Costs (2003\$)
SMFPD Initial Consolidation

Position	FTE	Base Salary ⁽¹⁾	Employer Contrib. ⁽²⁾		Other ⁽³⁾	% of Salary	Total\$ per Employee	Total
			Employer	Employee				
<u>Fire Chief</u>								
Fire Chief (SMFPD)	1.0	\$133,139	46,906	3,904	29,252	22%	\$213,201	\$213,201
Fire Chief (transfer)	1.0	104,790	20,958	9,431	6,119	6%	141,298	141,298
Dir. Police/Fire (transfer)	<u>0.5</u>	137,240	27,448	12,352	36,012	26%	213,052	<u>106,526</u>
Subtotal	2.5							461,025
<u>Deputy Chief</u>								
Deputy Chief (SMFPD)	<u>1.0</u>	108,997	38,401	3,196	23,316	21%	173,910	<u>173,910</u>
Subtotal	1.0							173,910
<u>Division Chief</u>								
	-	-	-	-	-	-	-	-
<u>Battalion Chief</u>								
Battalion Chief (SMFPD)	3.0	103,639	36,513	3,039	24,441	24%	167,631	502,893
Battalion Chief (transfer)	<u>3.0</u>	103,639	20,728	9,327	24,441	24%	158,135	<u>474,404</u>
Subtotal (avg.)	6.0	103,639	28,620	6,183	24,441	24%	162,883	977,297
<u>Captain</u>								
Captain (SMFPD)	6.0	87,160	30,707	2,556	20,994	24%	141,417	848,504
Captain (transfer)	<u>9.0</u>	87,160	17,432	6,537	20,994	24%	132,123	<u>1,189,110</u>
Subtotal (avg.)	15.0	87,160	22,742	4,945	20,994	24%	135,841	2,037,613
<u>Lieutenant</u>								
Lieutenant (transfer)	<u>3.0</u>	78,045	15,609	7,024	13,661	18%	114,339	<u>343,016</u>
Subtotal	3.0							343,016
<u>Firefighter/Paramedic</u>								
Firefighter/Paramedic (SMFPD)	9.0	77,721	27,382	2,279	18,340	24%	125,721	1,131,493
Firefighter/Paramedic (transfer)	<u>12.0</u>	77,721	15,544	5,829	18,340	24%	117,434	<u>1,409,207</u>
Subtotal (avg.)	21.0	77,721	20,617	4,308	18,340	24%	120,986	2,540,700
<u>Firefighter/Engineer</u>								
Firefighter/Engineer (SMFPD)	15.0	69,185	24,374	2,029	16,770	24%	112,358	1,685,363
Firefighter/Engineer (transfer)	12.0	69,185	13,837	5,189	16,770	24%	104,980	<u>1,259,763</u>
Subtotal (avg.)	27.0	69,185	19,691	3,433	16,770	24%	109,079	2,945,126
Firefighter Trainee	<u>3.0</u>	51,852	10,370	3,889	7,954	15%	74,065	<u>222,196</u>
Subtotal	30.0							3,167,322
<u>Admin. Services Mngr.</u>								
Admin. Services Mngr. (SMFPD)	<u>1.0</u>	63,299	9,994	1,820	6,972	11%	82,085	<u>82,085</u>
Subtotal	1.0							82,085
<u>Admin. Assistant</u>								
Admin. Assistant (SMFPD)	1.0	57,312	9,049	1,648	14,242	25%	82,251	82,251
Admin. Assistant (transfer)	<u>1.6</u>	57,312	11,462	4,872	14,242	25%	87,888	<u>140,621</u>
Subtotal (avg.)	2.6	57,312	10,534	3,632	14,242	25%	85,720	222,872
Total	82.1	\$6,234,595	\$1,675,404	\$349,869	\$1,441,015		\$9,700,883	\$10,005,840

(1) Base salaries assumed equal to the highest rate among the three entities for each position.

(2) SMFPD employees assumed to earn benefits at level prior to consolidation; transferred employees assumed to earn benefits at level prior to transfer, at estimated cost for 3% at 55 of 20% of the salary for the employer share and 6% to 9% of the salary for employee share.

(3) Assumes the highest rate for each position.

Table A-6
Summary of Staff Costs (2003\$)
SMFPD Consolidation (Stable)

Position	FTE	Base Salary ⁽¹⁾	Employer Contrib. ⁽²⁾		Other ⁽³⁾	% of Salary	Total\$ per Employee	Total
			Employer	Employee				
<u>Fire Chief⁽⁴⁾</u>								
Fire Chief (SMFPD)	0.0	-	-	-	-		-	-
Fire Chief (new)	1.0	\$133,139	\$26,628	\$3,904	\$29,252	22% ⁽³⁾	\$192,923	\$192,923
Dir. Police/Fire	<u>0.0</u>	-	-	-	-		-	-
Subtotal	1.0	\$133,139	\$26,628	\$3,904	\$29,252	22% ⁽³⁾	\$192,923	\$192,923
<u>Deputy Chief⁽⁵⁾</u>								
Deputy Chief (new)	<u>0.0</u>	-	-	-	-		-	-
Subtotal	0.0	-	-	-	-		-	-
<u>Division Chief⁽⁶⁾</u>								
Division Chief (SMFPD/transfer)	1.0	108,997	30,100	6,503	25,704	24%	171,304	171,304
Division Chief (new)	<u>1.0</u>	108,997	21,799 ⁽⁷⁾	3,196 ⁽⁷⁾	25,704	24% ⁽⁸⁾	159,683	<u>159,683</u>
Subtotal	2.0							330,987
<u>Battalion Chief⁽⁹⁾</u>								
Battalion Chief (new)	1.0	103,639	20,728	3,039	24,441	24%	151,846	151,846
Battalion Chief (SMFPD/transfer)	<u>2.0</u>	103,639	28,620	6,183	24,441	24%	162,883	<u>325,766</u>
Subtotal	3.0							477,612
<u>Captain⁽¹⁰⁾</u>								
Captain (new)	9.0	87,160	17,432	2,556	20,994	24%	128,142	1,153,279
Captain (SMFPD/transfer)	<u>9.0</u>	87,160	22,742	4,945	20,994	24%	135,841	<u>1,222,568</u>
Subtotal	18.0							2,375,847
<u>Lieutenant⁽⁵⁾</u>								
Lieutenant (transfer/new)	0.0	-	-	-	-		-	<u>0</u>
Subtotal	0.0	-	-	-	-		-	0
<u>Firefighter/Paramedic</u>								
Firefighter/Paramedic (new)	10.0	77,721	15,544	2,279	18,340	24%	113,884	1,138,839
Firefighter/Para. (SMFPD/transfer)	<u>11.0</u>	77,721	20,617	4,308 ⁽⁷⁾	18,340	24%	120,979	<u>1,330,766</u>
Subtotal	21.0							2,469,605
<u>Firefighter/Engineer⁽¹¹⁾</u>								
Firefighter/Engineer (new)	15.0	69,185	13,837	2,029	16,770	24%	101,820	1,527,301
Firefighter/Engineer (SMFPD/trans)	<u>15.0</u>	69,185	19,691	3,433 ⁽⁷⁾	16,770	24%	109,072	<u>1,636,076</u>
Subtotal	30.0							3,163,378
<u>Admin. Services Mngr.</u>								
Admin. Services Mngr. (new)	<u>1.0</u>	63,299	9,994	1,820	6,972	11%	82,085	<u>82,085</u>
Subtotal	1.0							82,085
<u>Admin. Assistant⁽¹²⁾</u>								
Admin. Assistant (SMFPD)	1.0	57,312	9,049	1,648	14,242	25%	82,251	82,251
Admin. Assistant (transfer/new)	<u>2.0</u>	57,312	9,049	1,648 ⁽⁷⁾	14,242	25%	82,244	<u>164,488</u>
Subtotal	3.0							246,739
Total	79.0	\$ 6,064,847	\$ 1,410,256	\$ 248,873	\$ 1,444,104			\$9,339,175

Notes to Table A-6

- (1) Base salaries assumed equal to the highest rate among the three entities. 50% turnover assumed; existing employees rates based on average of "Initial Consolidation" scenario for the position.
- (2) SMFPD employees assumed to earn retirement benefits at level prior to consolidation; transferred employees assumed to earn benefits at level prior to transfer i.e., 3% at 55, and cost estimated at 20% of salary for the employer share and 6% to 9% of the salary for employee share.
- (3) Assumes the highest rate for each position.
- (4) All fire chiefs assumed to retire, and a new fire chief assumed to join the district.
- (5) This position will be eliminated.
- (6) Two battalion chiefs assumed to be promoted to the division chief position.
- (7) Assumes the SMFPD rate.
- (8) Assumed same rate as the fire chief.
- (9) One SMFPD battalion chief is assumed to retire; one SMFPD battalion chief and one transferred battalion chief are assumed to be promoted to division chief position.
- (10) 3 lieutenants assumed to be promoted to the captain position.
- (11) Firefighter trainees assumed to be promoted.
- (12) The part-time administrative assistant is assumed to retire, replaced by a full-time position.

**Table A-7
Comparison of Staff Costs (2003\$)
SMFPD Consolidation**

Position	Baseline ⁽¹⁾		Consolidation (Initial) ⁽²⁾		Consolidation (Stable)	
	Positions	Cost	Positions	Cost	Positions	Cost
Fire Chief	2.5	\$463,413	2.5	\$461,025	1 ⁽³⁾	\$192,923
Deputy Chief	1.0	173,905	1.0	173,910	0 ⁽⁴⁾	-
Division Chief	0.0	-	0.0	-	2 ⁽⁵⁾	330,987
Battalion Chief	6.0	904,891	6.0	977,297	3 ⁽⁶⁾	477,612
Captain	15.0	1,853,019	15.0	2,037,613	18 ⁽⁷⁾	2,375,847
Lieutenant	3.0	350,508	3.0	343,016	0 ⁽⁴⁾	-
Firefighter/Paramedic	21.0	2,246,397	21.0	2,540,700	21	2,469,605
Firefighter/Engineer	27.0	2,806,766	27.0	2,945,126	30	3,163,378
Firefighter Trainee	3.0	312,055	3.0	222,196	0	
Admin. Services Mngr.	1.0	82,074	1.0	82,085	1	82,085
Admin. Assistant	<u>2.6</u>	<u>204,398</u>	<u>2.6</u>	<u>222,872</u>	<u>3</u> ⁽⁸⁾	<u>246,739</u>
Total	82.1	\$9,397,426	82.1	\$10,005,840	79	\$9,339,175
Increase or (Reduction) vs. Baseline			-	\$608,414	(3.1)	(\$58,251)

(1) Baseline salaries assumed equal to existing salaries. Number of positions based on budgeted positions, which may differ from actual positions at any given point in time during the year.

(2) Transferred employees assumed to earn retirement at level prior to transfer; salary and other benefits are at the highest rate among the three entities (except chiefs, assumed to remain at current levels).

(3) All fire chiefs assumed to retire, and a new fire chief assumed to join the district.

(4) This position will be eliminated.

(5) Two battalion chiefs assumed to be promoted to the division chief position.

(6) One SMFPD battalion chief is assumed to retire; one SMFPD battalion chief and one transferred battalion chief are assumed to be promoted to division chief position.

(7) 3 lieutenants assumed to be promoted to the captain position.

(8) The part-time administrative assistant is assumed to retire, then replaced by a full-time position.

(9) Following consolidation and staff changes, 50% turnover is assumed; new employees would earn retirement benefits of 3% at 55. Employers share of employees retirement contribution would be equal to current SMFPD.

Salary and other benefits would be comparable to initial consolidation (generally, the highest of 3 entities).



**Economic &
Planning Systems**

Real Estate Economics

Regional Economics

Public Finance

Land Use Policy

APPENDIX B

PLAN FOR PROVIDING SERVICES

Consolidation of Southern Marin FPD, Mill Valley & Sausalito Fire Departments

PLAN FOR PROVIDING SERVICES

PROPOSED ORGANIZATIONAL CHANGE

The Southern Marin Fire Protection District (SMFPD), Mill Valley and Sausalito Fire Departments will reorganize and consolidate operations as a single regional fire protection district. This would require approval of the annexation of the incorporated territories of the cities of Sausalito and Mill Valley to SMFPD by the Marin Local Agency Formation Commission (LAFCO).

Prior to reorganization, the affected agencies may consolidate functionally through a joint powers agreement or other form of contractual agreement. Functional consolidation by contract does not require LAFCO approval or the permanent transfer of property tax revenue.

OBJECTIVES

Cost Savings

The consolidated agency will be better able to operate with financial and operational stability into the future, given the recent fiscal trends and relationships between state/county government agencies and special districts. A larger agency has an expanded ability to manage unexpected budget cuts and/or financial downturns.

Savings are anticipated in apparatus replacement; facilities replacement and maintenance; office equipment and computer systems; personnel costs such as the reduction of chief officers through attrition, the reduction of overtime, workers compensation, liability insurance, and membership in federal, state and local organizations; and purchasing economies of scale.

Enhanced Service Levels

Emergency and non-emergency operations will improve because of better, more efficient utilization of personnel and equipment, through standardization of training, equipment, policies and procedures.

Enhanced Operating Efficiency & Safety

The greater depth of the new organization, along with the flexibility it provides, will allow for a wider range of specialized equipment and personnel available to the citizenry of the new district. This will also benefit the other fire agencies and emergency service providers in Marin County because of the improved response and service they will receive in Automatic Aid, Mutual Aid and other related activities.

GOVERNANCE

The consolidation process must provide for equal political representation and accountability to all geographic areas within the district. The Fire Protection District Act (Health & Safety Code Section 13800) provides for expansion of the governing board of a fire protection district as it reorganizes to include representatives of areas or agencies affected by the consolidation.

If the resulting changes to the district board through annexation were not found to be satisfactory to the affected agencies, the consolidation could be redefined as a reorganization including the dissolution of the existing SMFPD and the formation of a new, expanded district including the jurisdictions of the former SMFPD and the cities of Sausalito and Mill Valley.

RANGE OF SERVICES TO BE EXTENDED

The services to be extended by the consolidated fire protection district would be the same as the services provided by the SMFPD and the cities of Sausalito and Mill Valley. That is, structural fire protection, emergency medical, wildland fire fighting, heavy rescue, water rescue and truck company operations. The services continued by the consolidated district would be extended to the same geographic area as the combined jurisdictions of SMFPD and the cities of Sausalito and Mill Valley.

The consolidated district would remain a party to the joint powers agreements of its predecessors such as Marin County Mutual and Automatic Aid and Southern Marin Emergency Medical Paramedic System (SMEMPS).

LEVEL OF SERVICES TO BE EXTENDED

Overall level of service in terms of “first in” response time will not be affected by the proposed consolidation. All emergency service agencies in southern Marin presently align their resources and work cooperatively to respond to 85% of emergency calls within five minutes or less. This adopted performance standard would not be affected by consolidation. However, consolidation would permit the relocation of specialized equipment and personnel so that response to particular types of emergency calls for service would be improved as discussed in the sections below.

OPERATIONAL CHANGES

Standardization of Training, Equipment, Policies & Procedures

The training programs, equipment and emergency procedures of all three organizations will be standardized under the policies of the SMFPD.

Because the existing fire organizations are small, mutual and automatic aid agreements are frequently invoked. Emergency and non-emergency operations will improve because of better, more efficient utilization of personnel and equipment when compared to the more complex procedures required to coordinate manpower and equipment of different agencies under mutual and automatic aid.

Reconfiguration of Personnel Structure

Total Staff Resources

Total (aggregate) staff in the area affected by the reorganization will change from 82.1 to 79. Changes to management structure and reclassification of line personnel will occur through attrition without penalty to existing employees of any of the consolidating agencies.

Combine and Standardize Compensation & Benefits

SMFPD will hire all existing employees of the Sausalito and Mill Valley Fire Departments at their existing rank. Newly-hired members of SMFPD will receive compensation greater than or equal to their previous salary and benefits as city

employees under SMFPD classifications. Following consolidation, newly-hired employees of SMFPD may receive tiered retirement benefits.

Reduce and Restructure Management Staff & Increase Line Personnel

The Chief Officer of the Sausalito Fire Department may act as Assistant Chief until his retirement or voluntary departure. The Chief Officers of the Mill Valley Fire Department may act as either Division Chiefs or Battalion Chiefs until their retirement or voluntary departure.

Upon retirement of the Mill Valley Public Safety Director, the Administrative Aid position currently at 0.6 full-time equivalent (FTE) will be expanded to 1.0 FTE.

When the next Battalion Chief retires, two remaining Battalion Chiefs will be classified as Division Chiefs and three Lieutenants will be reclassified as Captains (one chief officer eliminated).

Upon retirement of one of the two remaining Chiefs, five firefighters per shift will be reclassified as Engineers and Firefighter/Trainees will be reclassified as Firefighters.

Upon the retirement of either the Administrative Services Manager or the Administrative Assistant, the position will be reclassified as Administrative Aide and assigned to the Division Chiefs at a lesser salary than either retiree.

Improvements in Specialized Services

Currently, each agency has some type of waterfront within its boundaries. Each agency, however, has limited water rescue capabilities. Combining the resources of all three organizations will result in an improved, more efficient water rescue team. Other specialized services benefiting from larger scale operations include: truck company operations, hazardous materials control, heavy rescue, confined space rescue, and search and rescue capabilities.

The level of service through a reorganization of all three agencies will improve. While adequate cooperative Mutual Aid/Automatic Aid agreements exist, each community must first plan autonomously. As the current organizations consolidate into one larger agency, staffing levels for these specialized services will improve. Reorganization will allow for the more efficient use of scarce resources, greater staff

flexibility, fewer equipment needs, stronger internal programs and increased opportunities to expand specialized services.

Communications

Dispatch policies and procedures would be combined and standardized under SMFPD protocols. Efficient, quick and accurate receiving and dispatching of emergency calls is a vital function of emergency service providers. The role of the dispatcher will be somewhat simplified and less stressful by dispatching for one district with a standardized, uniform dispatch set of policies and procedures rather than dispatching for three existing agencies with different policies, equipment and responses. The Southern Marin Fire Protection District will be the largest emergency responder in the southern portion of the County.

Capacity

Fire station locations will remain unchanged with the exception of elimination of Station 2 (Sausalito).

A rescue unit will be relocated from Station 9 (Strawberry) to Station 7 (Mill Valley) in order to respond more efficiently to the greatest concentration of rescue calls.

A dedicated truck company, also to be stationed at Station 7, will be available at all times. (Existing truck companies are cross-staffed and not available at all times if staff is assigned to respond with another vehicle.)

Equipment inventory will be reduced to eliminate unnecessary duplication and operating expense, including elimination of one Type 1 engine, one Type 1 reserve engine, one Type 3 engine and one truck.

IMPLEMENTATION PROCESS

Prior to formal, political consolidation through LAFCO process, the affected agencies may choose to form a joint exercise of powers agreement providing for service to be extended to the cities by SMFPD on a contractual basis in exchange for a payment amount negotiated by SMFPD and the cities. Such extension of service by contract would not require approval by LAFCO or permanent transfer of property tax revenue from the cities to SMFPD or voter approval. Extension of service by contract is impermanent, which is simultaneously its primary advantage and its most significant limitation.

Permanent political “consolidation” of SMFPD and the Sausalito and Mill Valley Fire Departments would be accomplished through expansion of the jurisdictional area of the SMFPD to include the incorporated areas of Sausalito and Mill Valley. The proposed annexation is subject to approval by the Marin Local Agency Formation Commission under Government Code Section 56000 et seq., also known as the Cortese-Knox-Hertzberg Act. Initiation of the annexation process requires application to LAFCO by resolution of at least one of the governing boards of the affected agencies. If all three governing boards submit substantially similar resolutions of application, confirmation by the voters of each affected agency is not required.

Prior to processing the annexation proposal, the governing boards of the three affected agencies must enter into a property tax transfer agreement under Section 99 and 99.1 of the Revenue and Taxation Code. The property tax transfer agreement provides for permanent transfer of property tax revenue from the general funds of the two cities to SMFPD to pay the costs of extending the District’s services to the cities’ territories.

When the application is complete (including adoption of the property tax transfer agreement), LAFCO holds one or more public hearings. The Commission may approve or deny the proposal. LAFCO also has broad authority to attach conditions to approval under Government Code Section 56886.

If the proposal is approved, registered voters or property owners may protest by petition. An administrative hearing is held to evaluate written protest. If written protest submitted by petition is less than 25% of the total number of registered voters or property owners, LAFCO will order completion of the proceedings. If protest is between 25% and 50%, LAFCO will request that the County Board of Supervisors call an election to determine the outcome of the proposal. If protest is greater than 50%, the proposal is terminated.

PROPOSED CONDITIONS OF APPROVAL

The willingness of the affected agencies to support consolidation will hinge largely on the assurance of all responsible parties that the consolidation is not only financially feasible, but is also equitable to each agency’s constituents and employees. Toward this end, the State Legislature authorizes LAFCO to attach conditions to its approval of a consolidation proposal under Government Code Section 56886.

LAFCO’s authority to set conditions is sufficiently inclusive in scope, but is only enforceable up to the effective date of the consolidation. Therefore, a necessary practice in

consolidation is for LAFCO to require that the annexing fire protection district and the city(ies) enter into a contract that extends beyond the effective date of the consolidation. The agreement or memorandum of understanding (MOU) would be negotiated between SMFPD, Sausalito and Mill Valley prior to submittal of the application to LAFCO under Government Code Section 56886(v). The following list describes only the minimal contents of a city/district MOU and requested terms and conditions of consolidation approval.

Many of the following terms would also be needed in the event that the affected agencies decide to consolidate through a joint exercise of powers agreement prior to (or in place of permanent political consolidation).

Governance (56886[n])

The governing boards of SMFPD and the two cities would negotiate an appropriate and mutually agreeable system of board representation under the wide latitude for such boards provided by Health & Safety Code 13842 et seq. Fire protection district boards may be composed of odd numbers of up to eleven members, either elected or appointed, serving electoral districts or at large. Members may be appointed by and from the governing boards of SMFPD and the two cities. Except for reduction in the size of the governing board by planned attrition, the governing board may later be changed only by the voters of the district. (This conclusion is subject to further research.)

For example, the governing board of the consolidated fire protection district could be composed initially of three members appointed by the SMFPD from the SMFPD Board of Directors, three members appointed by the City of Sausalito from its City Council and three members appointed by the City of Mill Valley from its City Council. As the terms of the initial office-holders expire, they may be replaced by board members elected at large.

Personnel Management, Compensation & Benefits (56886[l])

Upon the effective date of the annexation/reorganization, all employees of the Sausalito and Mill Valley Fire Departments will be hired as employees of SMFPD receiving pay and benefits under the SMFPD classification system equal to or greater than their previous pay and benefits.

The numbers of positions, pay rates and benefit entitlements should be enumerated specifically in the MOU adopted by all affected agencies prior to the effective date of the consolidation.

Transfer of Real Property (56886[h])

Upon the effective date of the annexation/reorganization, ownership and/or rights of use of equipment, real property and other assets associated with emergency services will be transferred from the cities to the SMFPD. Precise identification of assets, changes of ownership and/or long-term leases must be negotiated and agreed prior to approval of the proposed reorganization and requested as a condition of LAFCO approval.

The inventory of property and equipment to be transferred from the cities to the District should be enumerated specifically in the MOU adopted by all affected agencies prior to the effective date of the consolidation.

Other Financial Arrangements/Conditions (56886[a])

Requested terms and conditions of approval may also include almost any other provision for the distribution of money, property, bonded indebtedness or liability as necessary to ensure the viability and equity of the consolidation.

Effective Date of Annexation (56886[p])

Requested terms and conditions of approval may include an effective date for the consolidation in order to coincide with election dates, revenue allocation cycles, labor agreements or other important considerations of the agencies affected by the consolidation.

56886. Any change of organization or reorganization may provide for, or be made subject to one or more of, the following terms and conditions. However, none of the following terms and conditions shall directly regulate land use, property development, or subdivision requirements:

(a) The **payment of a fixed or determinable amount of money**, either as a lump sum or in installments, for the acquisition, transfer, use or right of use of all or any part of the existing property, real or personal, of any city, county, or district.

(b) The levying or fixing and the collection of any of the following, for the purpose of providing for any payment required pursuant to subdivision (a):

(1) Special, extraordinary, or additional **taxes or assessments**.

(2) Special, extraordinary, or additional service charges, rentals, or rates.

(3) Both taxes or assessments and service charges, rentals, or rates.

(c) The imposition, exemption, transfer, division, or apportionment, as among any affected cities, affected counties, affected districts, and affected territory of **liability for payment of all or any part of principal, interest**, and any other amounts which shall become due on account of all or any part of any outstanding or then authorized but thereafter issued bonds . . .

(e) The formation of a new improvement district or districts or the annexation or detachment of territory to, or from, any existing improvement district or districts . . .

(h) **The acquisition, improvement, disposition, sale, transfer, or division of any property, real or personal.**

(i) **The disposition, transfer, or division of any moneys or funds, including cash on hand and moneys due but uncollected, and any other obligations . . .**

(l) **The employment, transfer, or discharge of employees, the continuation, modification, or termination of existing employment contracts, civil service rights, seniority rights, retirement rights, and other employee benefits and rights.**

(m) The designation of a city, county, or district, as the successor to any local agency which is extinguished as a result of any change of organization or reorganization, for the purpose of succeeding to all of the rights, duties, and obligations of the extinguished local agency with respect to enforcement, performance, or payment of any outstanding bonds, including revenue bonds, or other contracts and obligations of the extinguished local agency.

(n) **The designation (1) of the method for the selection of members of the legislative body of a district or (2) the number of those members, or (3) both, where the proceedings are for a consolidation, or a reorganization providing for a consolidation or formation of a new district and the principal act provides for alternative methods of that selection or for varying numbers of those members, or both.**

(o) The initiation, conduct, or completion of proceedings on a proposal made under, and pursuant to, this division.

(p) **The fixing of the effective date of any change of organization**, subject to the limitations of Section 57202 . . .

(s) The levying of assessments, including the imposition of a fee pursuant to Section 50029 or 66484.3 or the approval by the voters of general or special taxes . . .

(v) **Any other matters necessary or incidental to any of the terms and conditions specified in this section.**

APPENDIX II

**“Consolidation of
Southern Marin Wastewater Agencies:
Preliminary Assessment and Invitation to Participate”**

**Prepared by: Sausalito-Marín City Sanitary District
April 22, 2003**



Consolidation of Southern Marin Wastewater Agencies

Preliminary Assessment and Invitation to Participate

Purpose of This Assessment

- Present a draft process by which the relative cost effectiveness of existing wastewater service delivery in Southern Marin can be evaluated
- Develop awareness of how Southern Marin customers may be better served through consolidation and present a preliminary assessment for discussion
- Elicit support for a study to identify the possible service benefits, costs savings, and start-up costs associated with consolidation
- Summarize Southern Marin wastewater facilities, labor classifications and costs

What This Analysis Does Not Do

- This analysis focuses on the big picture issue of the overall number of employees and organization.
- There are many additional issues that remain to be analyzed:
 - Potential service improvements that could come by sharing facilities and equipment, higher levels of training, integration of employees, etc.
 - Governance issues. How to transition to a smaller board, at-large or district wide voting, etc.
 - Rates and Charges. How rates would be affected in the various areas.
 - And more

Suggested Ground Rules

- Participation in the study is voluntary
- All agencies, irrespective of funding participation will be represented
- Employee involvement and acceptance (no lay-offs)
- Openness to new ideas and ways of conducting business
- Customer service orientation
- Approval of voters.
- Win/win outcomes
- Costs shared equitably
- Equal votes

Wastewater Facilities In South Marin

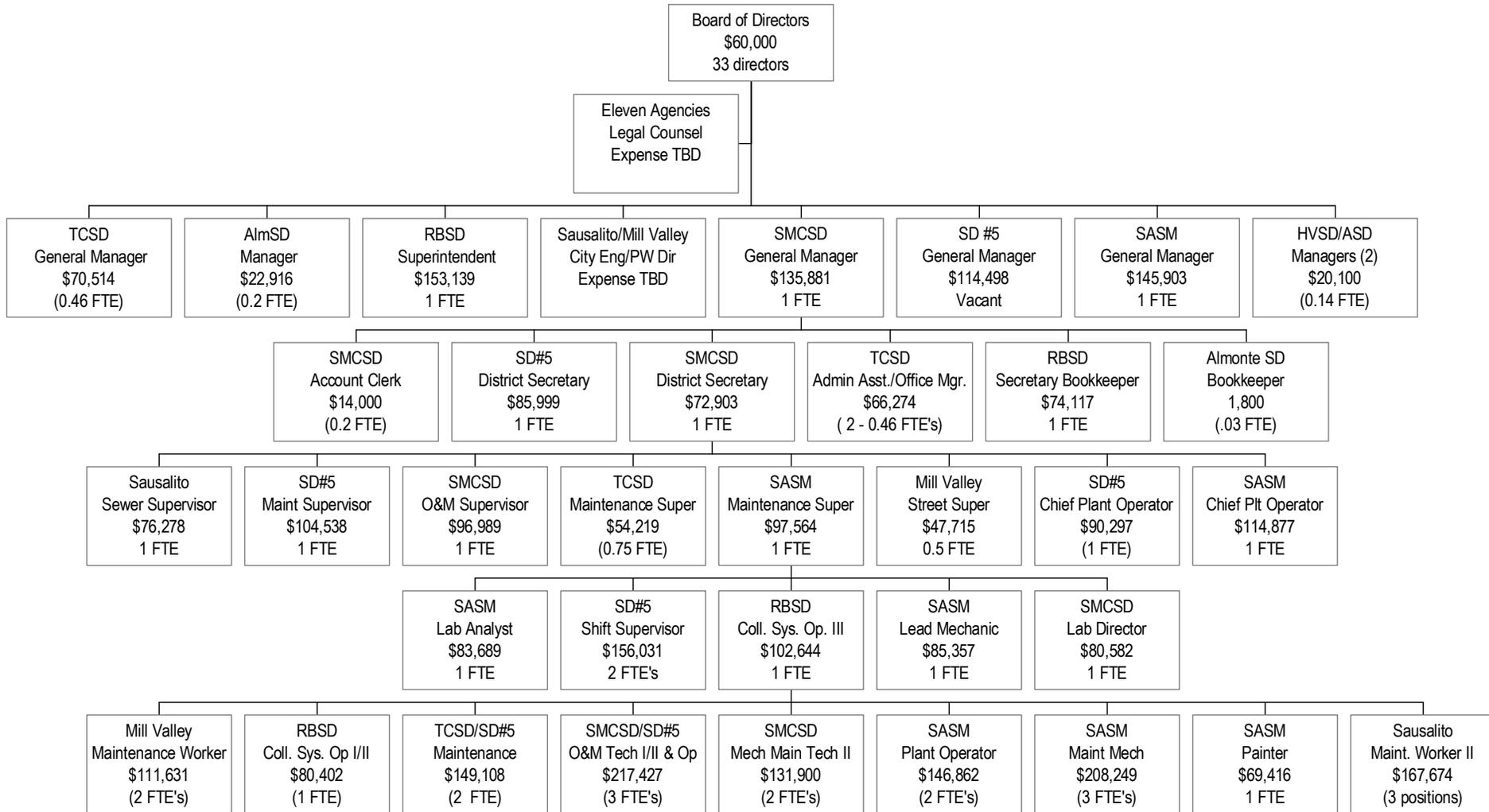
Agency	Sewer Pipelines Miles	Force Mains Miles	Pump Stations	Treatment Plants Million gallon/day (mgd)
SMCSD	6	3	7	1.57 mgd
Sausalito	27	0.3	3	
SASM	5	-	6	2.55 mgd
SD #5	11	-	9	0.98 mgd 0.01 mgd
RBSD	40	4	24	
TCSD	27	0.8	3	
Belvedere	11 (est)	-	15	
Mill Valley	65 (est)	-	5	
Homestead	10 (est)	-		
Alto SD	5 (est)	-		
Almonte Sd	8 (est)	-		
TOTAL	215 miles	8.1	72	4.87 mgd

Existing Organizational Structure:

Opportunities for efficiencies

- There are 11 different agencies providing sewer service to a population of approximately 50,000 – the population of a single medium-sized city.
- If this were a single agency, the organization chart would look like the one on the following slide
- It shows that combined, the agencies are:
 - Top heavy. It is possible to streamline management, administration, and supervisory functions, and also to “flatten” it.
 - Employees with special expertise could be grouped and shared to create regional core services in lieu of outsourcing (collection systems, electrical/instrumentation, & engineering)
 - There may be room for more universal application of “best practices”

Existing Organizational Structure



Existing Labor Costs

Classification	FTE's	Costs
Managers	4.8	\$ 749,367. ¹
Supervisors	7.3	\$ 682,477.
Administration	4.1	\$ 315,093.
Laboratory	2 .0	\$ 164,271.
Lead Positions	4.0	\$ 344,032.
Ops/Coll Sys/Mech	19	+ \$1,282,669.
TOTAL	41.2	= \$3,537,909.

¹Also note that Belvedere management employees are charged to the wastewater function at the rate of \$86,416.

Existing Other Costs (Very Rough)

Contract Services

Contract Collection System O&M \$ 225,000.

Contract Elect/Instrument \$100,000.

Legal \$ 30,000.

Board Governance \$ 60,000

Contract Engineering \$100,000.

Safety Officer (p/t) \$ 38,000.

Total Contract Services: = \$553,000.

Total Labor and Contract Costs: \$4,091,000.

Potential Steps Forward

Step 1: Assessment study needed to build awareness of relative cost effectiveness

- Support required by all agencies
- Experienced consultant helpful for timely evaluation.
- Outcome: identification of possible cost savings and service benefits

Step 2: Vision and goals

- Policymakers Participation key to establishing vision and goals for a potential new organization

Step 3: Designing the new organization

- Employee-driven “Functional Task Analysis” could be used as a tool to design the new organization and to build consensus among staff members.

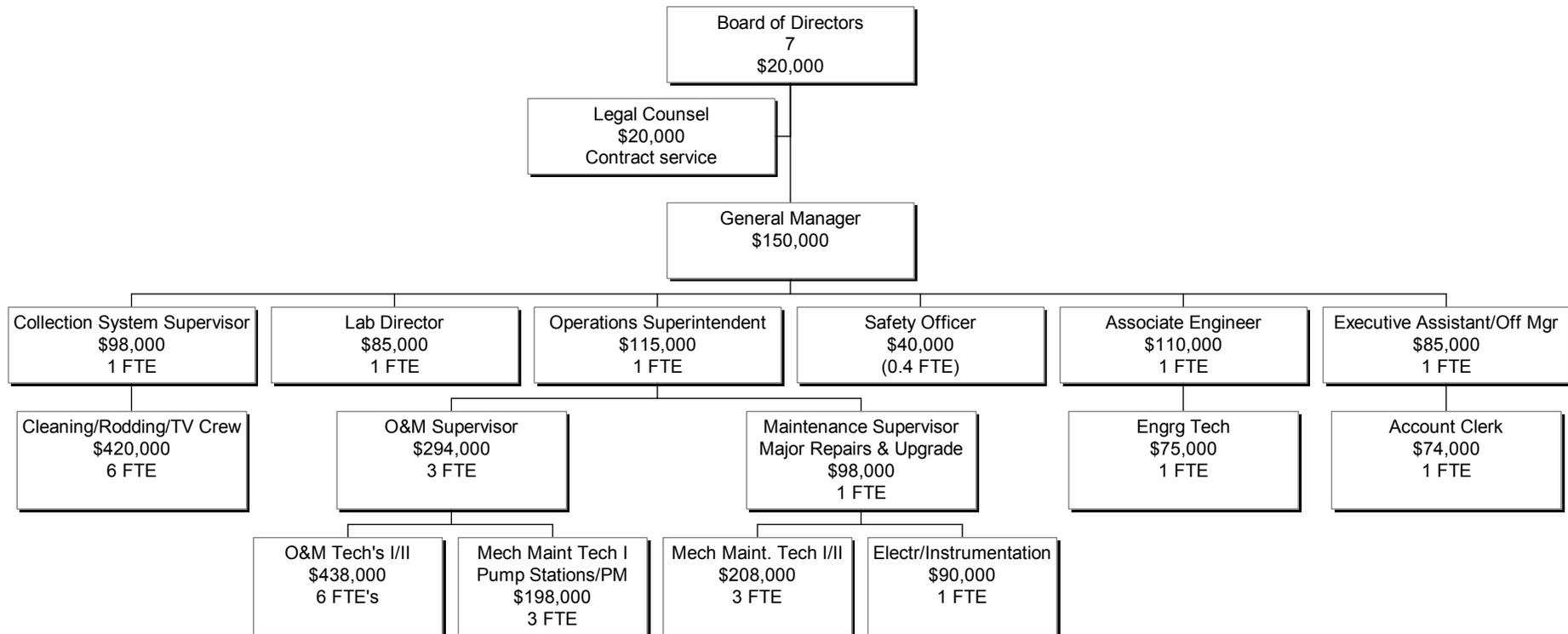
Ex: of Functional Task Analysis

Sewer Hydro-Cleaning Staffing Needs

- Workload Requirement: 215 miles of sewer (1,135,200 LF), 60/40 ratio of sewers located in streets vs. easements, and 3-year cleaning cycle (1/3 of system cleaned every year).
- Production Rates (streets @ 2,500 LF/day & easements @ 800 LF/d)
- Personnel Requirements: 2 collection system workers/crew
- Workday Productivity: 6.0 hours - (8 hr day - travel, set-up, breaks, & clean-up time)
- Workdays/person/yr: 225 (260 days minus holidays, vacation, & S/L leave)
- **Staff Requirements: 2 collection system crews**
- Similar process used to identify staffing needs in all functional areas

Concept: "More Efficient" Org Chart

This represents an example of a "most efficient" organization. The actual organization will depend on the vision and goals that are established by policy makers and an employee driven functional task analysis.



Consolidated Org. Positions / Costs

Board Governance	-	\$20,000
General Manager	1	\$150,000.
Counsel & Safety	-	\$60,000.
Superintendent	1	\$115,000.
Administration	2	\$159,000.
Supervisor/Lab/Eng	8	\$760,000.
Ops/Coll Sys/Mech	19	\$1,354,000.
TOTAL	31	\$2,618,000

Comparison:

Existing and Consolidated Positions and Costs

	Existing Positions	New Positions	Retained Positions	Difference
Positions	41	31	2	8
Costs	\$4.09 million	\$2.62 million	-	\$1.47 million

Personnel Related Transition Costs

	New Org FTEs	Existing FTEs	Potential Openings ¹	TCSD/MV FTE ²	Stranded FTEs	Cost
Managers	1	4.8	3	0.5	0.3	\$43,000
Admin.	2	4.1	2.1	0.5	-	-
Engineering	2	1	-	-	-	-
Superintend.	1	0	-	-	-	-
Ops Supers	3	3	-	-	-	-
Main Super.	1	2.5	1	0.5	-	-
Coll. Sys. Sup	1	0.75	-	-	-	-
Lab	1	2	-	-	1	\$82,000
Operators	6	7	?	-	1	\$72,000
Mech Main	6	9	2	1	-	--
Collect System	6	7	?	-	1	\$70,000
Elect Instrum.	1	0	-	-	-	-
TOTAL	31	41	8	2.5	3.3	\$267,000

Preliminary Savings

Labor & Other Misc. costs	
Existing organization	\$4,091,000.
“Most efficient” organization	(\$2,618,000.)
Transitional Costs	(\$267,000.)
Other Miscellaneous costs	(\$100,000.)
Total Potential Annual Savings	\$1,106,000.

One-Time Consolidation Costs

- Technical and Financial Analysis
- SCADA Compatibility Improvements
- Accounting and billing consolidation
- Legal Services for Establishing new Agency
- Employee Negotiations/Training
- Maintenance Management Program
- Operations Data Management System
- Collection System Equipment
- Early retirement incentive

Estimated Costs: \$2,000,000?

Preliminary Savings

Based on the information presented, the following is an estimate of each agency's potential savings from consolidation:

SASM Members:	\$660,000 per year
SMCSD:	\$220,000 per year
TCSD:	\$220,000 per year
San Dist #5:	\$220,000 per year

Proposed Approach

- Commitment from Interested Agencies to fund an initial study to better understand relative efficiency of service to our customers.
- Retain a qualified Consulting Engineering Firm to conduct initial study. Expected cost: about \$50k. Time commitment: about 6 months.
- Upon completion of study, seek consensus and a shared vision of the future direction of the delivery of sanitary service in Southern Marin.
- Design new regional organization to integrate sanitary functions: ~ \$200-300k
 - Establish Executive Committee with representative from each Board of Directors to provide policy direction.
 - Establish Labor-Management Committee to manage technical and financial evaluation
 - Establish facilitated labor-management teams to provide recommendations on technical issues and key elements of the proposed new organization.
 - Retain the necessary legal, financial, and technical advisors to address key issues of governance, rates, reserves, etc.
- Submit Reorganization proposal to LAFCO for approval with elections to follow.

What's Next

- SMCSD is requesting LAFCO facilitation of joint meeting to review preliminary assessment and issues
 - Explore potential benefits
 - Discuss issues
 - Identify level of interest
 - Outline initial steps in further studying the issues
 - Attended by manager and Board representatives of each agency
- Details to follow

APPENDIX III

GLOSSARY: Common LAFCO and Planning Terms

LAFCO Terms

Annexation: The inclusion of territory in a city or special district.

Areas of Interest: A geographic area outside of a city sphere of influence within which the county will continue to notify and consult with the city on matters relating to development proposals, general plan amendments and rezoning.

Change of organization: An alteration of government structure, including: city incorporation; district formation/annexation to, or detachment from a city or district; city disincorporation; district dissolution; city or district consolidation; or merger or establishment of a subsidiary district.

Consolidation: The uniting or joining of two or more cities, or two or more districts located in the same county into a single new successor city or successor district.

Contiguous: In the case of annexation, territory adjacent to an agency to which annexation is proposed. Territory is not contiguous if the only contiguity is based upon a strip of land more than 300 feet long and less than 200 feet wide.

Dependent special district: A special district whose board of directors is another legislative body, such as a city council or board of supervisors. Also see special district.

Detachment: The exclusion of territory from a city or district.

Dissolution: The termination of the existence of a district.

Formation: The creation of a district.

Incorporation: The creation of a city.

Independent special district: A special district that has a directly elected board of directors. Also see special district.

Inhabited territory: Territory within which 12 or more registered voters reside.

APPENDIX III

Glossary: Common LAFCO Terms and Planning Terms

Initiating petition: A document signed either by registered voters or landowners that requests LAFCO to consider a change of organization or reorganization.

Island: Unincorporated territory substantially surrounded by a city, or territory surrounded by a city on one or more sides and the Pacific Ocean on the remaining sides.

Merger: The termination of the existence of a district, and the assumption of the district's responsibilities by a city.

Reorganization: Two or more changes of organization initiated in a single proposal.

Special district: A local governmental agency formed pursuant to general law of the state or special act.

Sphere of influence: A plan for the probable physical boundaries and service areas of a city or district.

Sphere-of-influence amendment: The changes or updating of an adopted sphere of influence.

Sphere-of-influence designations: Common types of sphere of influence designations:

1. **Coterminous:** A sphere may be designated for a city or special district that is the same as its existing boundaries if there is no anticipated need for services outside the boundaries of the agency, or if there is insufficient information to support inclusion of additional territory within the sphere.
2. **Larger than:** A sphere may be designated for a city or special district that is larger than its existing boundaries if there is a need for services beyond its boundaries.
3. **Smaller than:** An agency may be designated a sphere that encompasses less territory than its existing boundaries if there is not need for services from the agency in the affected territory, or if the territory is included in the sphere of another agency.

APPENDIX III

Glossary: Common LAFCO Terms and Planning Terms

4. **Zero:** A zero sphere which includes no territory maybe designated for an agency, usually a special district. A zero sphere assumes that the public service responsibility and function of the agency should ultimately be reassigned to another agency.
5. **Interim Sphere of Influence:** A sphere of influence designation adopted by LAFCO describing a projected maximum service area for a special district that will remain in effect until the district's service area is annexed to a city or until the district is consolidated with another special district that provides the same services.

Sphere-of-influence determinations: In establishing a sphere of influence, the Commission must consider and prepare written determinations related to present and planned land uses, need and capacity of public facilities, and existence of social and economic communities of interest.

Subsidiary district: A district of limited powers for which a city council is designated as the ex officio board of directors of the district. At least 70% of the district's land area and number of registered voters must be within the city limits for a district to become a subsidiary district.

Uninhabited territory: Territory within which less than 12 registered voters reside.

Urban Services: Generally those services provided by cities and special districts and required for urban development: Water, sewer, fire, police, road maintenance/public works, recreation and associated services. Urban services as used in this context do not include schools or services typically provided on a regional basis by county or state agencies, such as public health and criminal justice (courts).

Planning Terms

Community plan: A focused planning policy document that is part of a general plan. The community plan addresses a particular region within the overall planning area of an agency and is adopted in the same manner as a general plan. Also called area plan.

General plan: a document containing a statement of development policies including a diagram and text setting forth the objections of the plan. The general plan must include certain state-mandated elements related to land use, circulation, housing, conservation, open space, noise and safety.

APPENDIX III

Glossary: Common LAFCO Terms and Planning Terms

Pre-zoning: (Also see zoning) A zoning action taken by a city prior to annexation of unincorporated territory. Pre-zoning is required prior to city annexation in order to identify land use regulations that would apply if annexation is completed. Pre-zoning has no regulatory effect until the property is formally annexed.

Specific plan: A policy statement and implementation tool that is used to address a single project or planning problem. Specific plans contain concrete standards and development criteria that supplement those of the general plan.

Urban growth boundary or urban limit line: A planning boundary established by a city or county that shows that limits of urban development (i.e., development greater than one residence per acre).

Zoning: The primary instrument for implementing the general plan. Zoning divides a community into districts or “zones” which specify the permitted/prohibited land uses.