# Marin Local Agency Formation Commission

## Municipal Service Review

## **Golden Gate Corridor Region**

PUBLIC DRAFT

January 2023

# PREFACE

This Municipal Services Review (MSR) documents and analyzes services provided by local governmental agencies in the Golden Gate Corridor region. Specifically, it evaluates the adequacy and efficiency of local government structure and boundaries within the region and provides a basis for boundary planning decisions by the Marin Local Agency Formation Commission (LAFCo).

## Context

Marin LAFCo is required to prepare this MSR in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §56000, et seq.), which took effect on January 1, 2001. The MSR reviews services provided by public agencies—cities and special districts—whose boundaries and governance are subject to LAFCo. The analysis and recommendations included herein serve to promote and coordinate the efficient delivery of local government services and encourage the preservation of open space and agricultural lands.

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| Dennis Rodoni | County | District 4 Supervisor |
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# Table of Contents


**1.0 INTRODUCTION ..... 7**

1.1 ROLE AND RESPONSIBILITY OF LAFCO ..... 7
1.2 MUNICIPAL SERVICE REVIEWS ..... 8
1.3 MARIN LAFCO COMPOSITION ..... 9

**2.0 EXECUTIVE SUMMARY ..... 10**

2.1 AFFECTED PUBLIC AGENCIES ..... 10
2.2 PLANS, POLICIES, STUDIES ..... 11
2.3 AGENCY AND PUBLIC PARTICIPATION ..... 12
2.4 WRITTEN DETERMINATIONS ..... 13

**3.0 DETERMINATIONS ..... 15**

**4.0 REGIONAL SETTING ..... 20**

**5.0 CITY OF MILL VALLEY ..... 23**

5.1 OVERVIEW ..... 23
5.2 FORMATION AND DEVELOPMENT ..... 23
5.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE ..... 25
5.4 GROWTH AND POPULATION ..... 26
5.5 MUNICIPAL SERVICES ..... 27
5.6 ORGANIZATION STRUCTURE ..... 27
5.7 ACCOUNTABILITY AND TRANSPARENCY ..... 28
5.8 FINANCIAL OVERVIEW ..... 35
5.9 SUSTAINABILITY ..... 40

**6.0 CITY OF SAUSALITO ..... 42**

6.1 OVERVIEW ..... 42
6.2 FORMATION AND DEVELOPMENT ..... 42
6.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE ..... 44
6.4 GROWTH AND POPULATION ..... 45
6.5 MUNICIPAL SERVICES ..... 46
6.6 ORGANIZATION STRUCTURE ..... 47
6.7 ACCOUNTABILITY AND TRANSPARENCY ..... 48
6.8 FINANCIAL OVERVIEW ..... 53
6.9 SUSTAINABILITY ..... 56

**7.0 SOUTHERN MARIN FIRE PROTECTION DISTRICT ..... 58**

7.1 Overview ..... 58
7.2 Formation and Development ..... 59
7.3 District Boundary and Sphere of Influence ..... 60
7.4 growth and population ..... 60
7.5 municipal services ..... 61
7.6 organization structure ..... 63
7.7 accountability and transparency ..... 65
7.8 financial overview ..... 65
7.9 wildland fire suppression ..... 69

**8.0 TAMALPAIS COMMUNITY SERVICES DISTRICT ..... 71**

8.1 Overview ..... 71
8.2 Formation and Development ..... 71
8.3 District boundary and Sphere of influence ..... 73
8.4 growth and population ..... 73
8.5 municipal services ..... 73
8.6 Organization structure ..... 77
8.7 accountability and transparency ..... 78
8.8 financial overview ..... 79
8.9 Sustainability ..... 81

**9.0 MARIN CITY COMMUNITY SERVICES DISTRICT ..... 82**

9.1 Overview ..... 82
9.2 Formation and Development ..... 82
9.3 District Boundary and Sphere of Influence ..... 85
9.4 growth and population ..... 85
9.5 Municipal Services ..... 86
9.6 Organization Structure ..... 86
9.7 Accountability and Transparency ..... 87
9.8 Financial Overview ..... 88

**10.0 SAUSALITO-MARIN CITY SANITARY DISTRICT ..... 91**

10.1 Overview ..... 91
10.2 Formation and Development ..... 91
10.3 District Boundary and Sphere of Influence ..... 93
10.4 growth and population ..... 93

10.5 MUNICIPAL SERVICES ..... 94
10.6 ORGANIZATION STRUCTURE ..... 96
10.7 ACCOUNTABILITY AND TRANSPARENCY ..... 96
10.8 FINANCIAL OVERVIEW ..... 97
10.9 SUSTAINABILITY ..... 99

11.0 COUNTY SERVICE AREA 14 ..... 100

11.1 OVERVIEW ..... 100
11.2 FORMATION AND DEVELOPMENT ..... 100
11.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE ..... 101
11.4 GROWTH AND POPULATION ..... 102
11.5 MUNICIPAL SERVICES ..... 103
11.6 ORGANIZATION STRUCTURE ..... 104
11.7 ACCOUNTABILITY AND TRANSPARENCY ..... 105
11.8 FINANCIAL OVERVIEW ..... 106

12.0 FLOOD CONTROL ZONE 3 ..... 108

12.1 OVERVIEW ..... 108
12.2 FORMATION AND DEVELOPMENT ..... 108
12.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE ..... 109
12.4 GROWTH AND POPULATION ..... 110
12.5 MUNICIPAL SERVICES ..... 111
12.6 ORGANIZATION STRUCTURE ..... 113
12.7 ACCOUNTABILITY AND TRANSPARENCY ..... 114
12.8 FINANCIAL OVERVIEW ..... 114
12.9 SUSTAINABILITY ..... 115

## List of Figures

FIGURE 4-1: ALTO SUTTON (HORSE HILL) UNINCORPORATED ISLAND MAP ..... 22
FIGURE 5-1: CITY OF MILL VALLEY ZONING MAP ..... 26
FIGURE 5-2: CITY OF MILL VALLEY STATEMENT OF GENERAL FUND ..... 37
FIGURE 6-1: CITY OF SAUSALITO ZONING MAP ..... 46
FIGURE 7-1: SOUTHERN MARIN FIRE PROTECTION DISTRICT CALLS FOR SERVICE STATISTICS ..... 62
FIGURE 7-2: SMFPD ORGANIZATION CHART ..... 64
FIGURE 7-3: SMFPD REVENUES AND EXPENDITURES DETAIL ..... 67
FIGURE 8-1: TCSD WASTEWATER TREATMENT PLANT FLOW DESIGNATION MAP ..... 75
FIGURE 8-2: TCSD SOLID WASTE RATE SCHEDULE ..... 77
FIGURE 11-1: HOMESTEAD VALLEY TRAIL MAP ..... 104
FIGURE 11-2: CSA 14 MEASURE A DATA ..... 107
FIGURE 12-1: FCZ3 BASELINE BUDGET DETAIL ..... 59

## List of Tables


TABLE 1-1: LAFCO'S REGULATORY POWERS....8
TABLE 1-2: MANDATORY DETERMINATIONS....9
TABLE 1-3: MARIN LAFCO COMMISSION MEMBERSHIP....9
TABLE 2-1: GOLDEN GATE CORRIDOR REGIONAL MSR AGENCIES....10
TABLE 2-2: GOLDEN GATE CORRIDOR REGIONAL MSR AGENCIES' MEETING INFORMATION....12
TABLE 5-1: CITY OF MILL VALLEY OVERVIEW....23
TABLE 5-2: CITY OF MILL VALLEY CITY COUNCIL....27
TABLE 5-3: CITY OF MILL VALLEY POLICE DEPARTMENT CRIME STATISTICS....29
TABLE 5-4: CITY OF MILL VALLEY SEWER SERVICE RATE SCHEDULE....34
TABLE 5-5:CITY OF MILL VALLEY REVENUES AND EXPENSES....36
TABLE 6-1: CITY OF SAUSALITO OVERVIEW....42
TABLE 6-2: CITY OF SAUSALITO CITY COUNCIL....47
TABLE 6-3: CITY OF SAUSALITO CRIME STATISTICS....48
TABLE 6-4:CITY OF SAUSALITO SEWER SERVICE RATE SCHEDULE....52
TABLE 6-5: CITY OF SAUSALITO GENERAL FUND REVENUES AND EXPENDITURES....54
TABLE7-1: SOUTHERN MARIN FIRE PROTECTION DISTRICT OVERVIEW....58
TABLE 7-2:SOUTHERN MARIN FIRE PROTECTION DISTRICT BOARD OF DIRECTORS....64
TABLE 7-3: SMFPD FINANCIAL AUDIT SUMMARY....69
TABLE 8-1: TAMALPAIS COMMUNITY SERVICES DISTRICT OVERVIEW....71
TABLE 8-2: TCSD SEWER SERVICE RATE SCHEDULE....74
TABLE 8-3: TCSD BOARD OF DIRECTORS....78
TABLE 8-4: TCSD OPERATING REVENUES AND EXPENDITURES....79
TABLE 9-1: MARIN CITY COMMUNITY SERVICES DISTRICT OVERVIEW....82
TABLE 9-2: MARIN CITY COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS....87
TABLE 9-3: MARIN CITY COMMUNITY SERVICES DISTRICT FINANCIAL AUDIT SUMMARY....90
TABLE 10-1: SAUSALITO-MARIN CITY SANITARY DISTRICT OVERVIEW....91
TABLE 10-2: SMCSD SEWER SERVICE CHARGES FOR CONVEYANCE AND TREATMENT ONLY....95
TABLE 10-3: SMCSD COLLECTION SUPPLEMENTAL CHARGE FOR UNINCORPORATED AREAS (ADDITIONAL TO CONVEYANCE)....95
TABLE 10-4: SMCSD BOARD OF DIRECTORS....96
TABLE 10-5: SMCSD OPERATING REVENUES AND EXPENDITURES....98
TABLE 11-1: COUNTY SERVICE AREA 14 OVERVIEW....100
TABLE 11-2: MARIN COUNTY BOARD OF SUPERVISORS....105
TABLE 11-3: CSA 14 ADVISORY BOARD....105
TABLE 12-1: FLOOD CONTROL ZONE OVERVIEW....108
TABLE 12-2: MARIN COUNTY BOARD OF SUPERVISORS....113
TABLE 12-3: FLOOD CONTROL ZONE 3 ADVISORY BOARD....113

# 1.0 INTRODUCTION

## 1.1 ROLE AND RESPONSIBILITY OF LAFCO

Local Agency Formation Commissions (LAFCos) were established in 1963 and are political subdivisions of the State of California responsible for providing regional growth management oversight in all 58 counties. LAFCos' authority is currently codified under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH"), which specifies regulatory and planning powers delegated by the Legislature to coordinate and oversee the establishment, expansion, and organization of cities and special districts as well as their municipal service areas.

Guiding LAFCos' regulatory and planning powers is to fulfill specific purposes and objectives that collectively construct the Legislature's regional growth management priorities under Government Code (G.C.) Section 56301. This statute reads:

> ***"Among the purposes of the commission are discouraging urban sprawl, preserving open space and prime agricultural lands, efficiently providing governmental services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances. One of the objects of the commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities."***

LAFCo decisions are legislative in nature and not subject to an outside appeal process. LAFCos also have broad powers with respect to conditioning regulatory and planning approvals so long as not establishing terms that directly control land uses, densities, or subdivision requirements.

### Regulatory Responsibilities

LAFCos' principal regulatory responsibility involves approving or disapproving all jurisdictional changes involving the establishment, expansion, and reorganization of cities and most special districts.[1] More recently LAFCos have been tasked with also overseeing the approval process for cities and districts to provide new or extended services beyond their jurisdictional boundaries by contract or agreement as well as district actions to either activate a new service or divest an existing service. LAFCos generally exercise their regulatory authority in response to applications submitted by the affected agencies, landowners, or registered voters.

Recent CKH amendments, however, now authorize and encourage LAFCos to initiate on their own jurisdictional changes to form, consolidate, and dissolve special districts consistent with

[1] CKH defines "special district" to mean any agency of the State formed pursuant to general law or special act for the local performance of governmental or proprietary functions within limited boundaries. All special districts in California are subject to LAFCo with the following exceptions: school districts; community college districts; assessment districts; improvement districts; community facilities districts; and air pollution control districts.

current and future community needs. LAFCo regulatory powers are described in Table 1.1 below.

**Table 1-1: LAFCo's Regulatory Powers**

| Regulatory Powers Granted by Government Code (G.C.) Section 56301 | |
|---|---|
| • City Incorporations / Disincorporations | • City and District Annexations |
| • District Formations / Dissolutions | • City and District Detachments |
| • City and District Consolidations | • Merge/Establish Subsidiary Districts |
| • City and District Outside Service Extensions | • District Service Activations / Divestitures |

### Planning Responsibilities

LAFCos inform their regulatory actions through two central planning responsibilities: (a) making sphere of influence ("sphere") determinations and (b) preparing municipal service reviews. Sphere determinations have been a core planning function of LAFCos since 1971 and effectively serve as the Legislature's version of "urban growth boundaries" with regard to cumulatively delineating the appropriate interface between urban and non-urban uses within each county. Municipal service reviews, in contrast, are a relatively new planning responsibility enacted as part of CKH and are intended to inform – among other activities – sphere determinations. The Legislature mandates, notably, all sphere changes as of 2001 be accompanied by preceding municipal service reviews to help ensure LAFCos are effectively aligning governmental services with current and anticipated community needs.

## 1.2 MUNICIPAL SERVICE REVIEWS

Municipal service reviews were a centerpiece to CKH's enactment in 2001 and are comprehensive studies of the availability, range, and performance of governmental services provided within a defined geographic area. LAFCos generally prepare municipal service reviews to explicitly inform subsequent sphere determinations. LAFCos also prepare municipal service reviews irrespective of making any specific sphere determinations in order to obtain and furnish information to contribute to the overall orderly development of local communities. Municipal service reviews vary in scope and can focus on a particular agency or governmental service. LAFCos may use the information generated from municipal service reviews to initiate other actions under their authority, such as forming, consolidating, or dissolving one or more local agencies.

All municipal service reviews – regardless of their intended purpose – culminate with LAFCos preparing written statements addressing seven specific service factors listed under G.C. Section 56430. This includes, most notably, infrastructure needs or deficiencies, growth and population trends, and financial standing. The seven mandated service factors are summarized in the following table.

**Table 1-2: Mandatory Determinations**

| Mandatory Determinations / Municipal Service Reviews (Government Code Section 56430) |
|---|
| 1. Growth and population projections for the affected area. |
| 2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to affected spheres of influence. |
| 3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies. |
| 4. Financial ability of agencies to provide services. |
| 5. Status and opportunities for shared facilities. |
| 6. Accountability for community service needs, including structure and operational efficiencies. |
| 7. Matters relating to effective or efficient service delivery as required by LAFCo policy. |

## 1.3 MARIN LAFCO COMPOSITION

Marin LAFCo is governed by a 7-member board comprised of two county supervisors, two city councilmembers, two independent special district members, and one representative of the general public. Each group also gets to appoint one "alternate" member. Each member must exercise their independent judgment, separate from their appointing group, on behalf of the interests of all residents, landowners, and the public. Marin LAFCo is independent of local government and employs its own staff. Marin LAFCo's current commission membership is provided below in Table 1-3.

**Table 1-3: Marin LAFCo Commission Membership**

| Name | Position | Agency Affiliation |
|---|---|---|
| Lew Kious, Chair | Special District | *Almonte Sanitary District* |
| Barbara Coler, Vice Chair | City | *Town of Fairfax* |
| Eric Lucan | County | *District 5 Supervisor* |
| Dennis Rodoni | County | *District 4 Supervisor* |
| Steve Burdo | City | *Town of San Anselmo* |
| Craig Murray | Special District | *Las Gallinas Valley Sanitary District* |
| Larry Loder | Public | *Commission* |
| Richard Savel | Public Alternate | *Commission* |
| Tod Moody | Special District Alternate | *Sanitary District #5* |
| Stephen Burke | City Alternate | *City of Mill Valley* |
| Stephanie Moulton-Peters | County Alternate | *District 3 Supervisor* |

Marin LAFCo offices are located at 1401 Los Gamos Drive, Suite 220 in San Rafael. Information on Marin LAFCo's functions and activities, including reorganization applications, are available by calling (415) 448-5877 by e-mail to staff@marinlafco.org or by visiting www.marinlafco.org.

# 2.0 EXECUTIVE SUMMARY

This study represents Marin LAFCo's scheduled regional municipal service review of local agencies in the Golden Gate Corridor region of southern Marin County. The underlying aim of the study is to produce an independent assessment of municipal services in the region over the next five to ten years relative to the Commission's regional growth management duties and responsibilities. The information generated as part of the study will be directly used by the Commission in (a) guiding subsequent sphere of influence updates, (b) informing future boundary changes, and – if merited – (c) initiating government reorganizations, such as special district formations, consolidations, and/or dissolutions.

## 2.1 AFFECTED PUBLIC AGENCIES

This report focuses on eight agencies operating in the Golden Gate Corridor region as listed below and shown in Figure 2.1.

**Table 2-1: Golden Gate Corridor Region MSR Agencies**

| Golden Gate Corridor Region Agency Names |
|---|
| City of Mill Valley |
| City of Sausalito |
| Sausalito-Marin City Sanitary District |
| Marin City Community Services District |
| Tamalpais Community Services District |
| Southern Marin Fire Protection District |
| Marin County Service Area 14 |
| Marin County Flood Control Zone 3 |

Together, these agencies provide a range of municipal services to the communities in which they serve, including:

### Water

Water services include the access to, treatment of, and distribution of water for municipal purposes. An in-depth review of countywide water services was prepared by Marin LAFCo in 2016.

### Wastewater

Wastewater services include the collection, transmission, and treatment of wastewater.

### Fire Protection and Emergency Services

Fire protection and emergency services consist of firefighting and fire prevention, emergency medical response, hospital service, ambulance, and rescue services. These services are somewhat interrelated in nature and overlap in functional application.

### Parks and Recreation Services

Parks and recreation services include the provision and maintenance of parks and recreation services.

### Open Space Management

Open Space land is commonly set aside for recreation and stormwater management purposes, as well as for natural resource protection, preservation of cultural and historic resources, preservation of scenic vistas, and many other reasons.

### Channel Maintenance

Channel maintenance includes periodic dredging of creek channels.

### Roadway Services

Roadway services include construction, maintenance, planning of roads, and roadway lighting.

## 2.2 PLANS, POLICIES, STUDIES

Key references and information sources for this study were gathered for each agency considered. The references utilized in this study include published reports; review of agency files and databases (agendas, minutes, budgets, contracts, audits, etc.); Master Plans; Capital Improvement Plans; engineering reports; EIRs; finance studies; general plans; and state and regional agency information (permits, reviews, communications, regulatory requirements, etc.). Additionally, the LAFCo Executive Officer and Deputy Executive Officer contacted each agency with requests for information.

The study area for this MSR includes two cities as well as a number of unincorporated areas adjacent to the cities. In the areas entirely outside of the cities, Marin County has the primary authority over local land-use and development policies (and growth). The City of Mill Valley and the City of Sausalito have authority over land use and development policies within their respective jurisdictions. City, County, and Community plans were vital for the collection of baseline and background data for each agency. The following is a list of documents used in the preparation of this MSR:

- County General Plans
- Specific Plans
- Community Plans
- Previous municipal service reviews
- Agency databases and online archives (agendas, meeting minutes, website information)

## 2.3 AGENCY AND PUBLIC PARTICIPATION

Within the approved scope of work, this study has been prepared with an emphasis on soliciting outside public review and comment as well as multiple opportunities for input from the affected agencies. This included an agency startup meeting with Marin LAFCo, information requests sent to individual agencies, draft agency profiles also sent to agencies, and review of the draft report prior to Commission action.

This MSR is posted on the Commission's website (www.marinlafco.org). It may also be reviewed at the LAFCo office located at 1401 Los Gamos Drive, Suite 220 in San Rafael during open hours.

**Table 2-2: Golden Gate Corridor Region Agencies' Meeting Information**

| Golden Gate Corridor Municipal Service Review – Agency Transparency | | | | | |
|---|---|---|---|---|---|
| **Agency** | **Governing Body** | **Meeting Date/Time** | **Meeting Location** | **Televised/ Streaming** | **Website** |
| City of Mill Valley | City Council | 1st and 3rd Monday at 6:30 p.m. | Mill Valley City Hall<br>26 Corte Madera Avenue<br>Mill Valley, CA 94941 | Yes | cityofmillvalley.org/city-council |
| City of Sausalito | City Council | 1st and 3rd Tuesday at 7:00 p.m. | Sausalito City Hall<br>420 Litho Street<br>Sausalito, CA 94965 | N/A | sausalito.gov/city-government/city-council |
| Marin City Community Services District | Board of Directors | 1st Thursday 6:30 p.m. | Marin City Community Center<br>640 Drave Avenue.<br>Marin City, CA 94965 | No | marincitycsd.com/board-meetings |
| Tamalpais Community Services District | Board of Directors | 2nd Wednesday 7:00 p.m. | Tam Valley Community Center<br>203 Marin Drive<br>Mill Valley, CA 94941 | No | tamcsd.org/board-of-directors |
| Sausalito – Marin City Sanitary District | Board of Directors | 1st Tuesday 12:00 p.m. | SMCSD Office<br>1 East Road<br>Sausalito, CA 94965 | No | sausalitomarincitysanitarydistrict.com/about-us/board/board-of-directors |
| Southern Marin Fire Protection District | Board of Directors | 4th Wednesday at 7:00 p.m. | SMFPD Headquarters<br>28 Liberty Ship Way<br>Sausalito, CA 94965 | No | smfd.org/our-district-overview/board-of-directors |
| Flood Control Zone 3 | Marin County Board of Supervisors | Tuesdays at 9:00 a.m. | Board of Supervisors Chambers, Room 330<br>3501 Civic Center Drive<br>San Rafael, CA 94903 | Community Media Center of Marin | http://www.marincounty.org/depts/bs/meeting-archive |
| County Service Area No. 14 | Marin County Board of Supervisors | Tuesdays at 9:00 a.m. | Board of Supervisors Chambers, Room 330<br>3501 Civic Center Drive<br>San Rafael, CA 94903 | Community Media Center of Marin | http://www.marincounty.org/depts/bs/meeting-archive |

## 2.4 WRITTEN DETERMINATIONS

The Commission is directed to prepare written determinations to address the multiple governance factors enumerated under G.C. Section 56430 anytime it prepares a municipal service review. These determinations are similar to findings and serve as independent statements based on information collected, analyzed, and presented in this study's subsequent sections. The underlying intent of the determinations is to identify all pertinent issues relating to the planning, delivery, and funding of municipal services as it relates to the Commission's role and responsibilities. An explanation of these seven determination categories is provided below.

1. **Growth and Population**
   This determination evaluates existing and projected population estimates for each of the unincorporated communities within the study area.

2. **Location and Characteristics of any Disadvantaged Unincorporated Communities Within or Contiguous to the Sphere of Influence.**
   This determination was added by Senate Bill (SB) 244, which became effective in January 2012. A disadvantaged community is defined as an inhabited community of 12 or more registered voters having a median household income of 80 percent or less than the statewide median household income.

3. **Capacity and Infrastructure**
   Also discussed is the adequacy and quality of the services provided by each agency, including whether sufficient infrastructure and capital are in place (or planned for) to accommodate planned future growth and expansions.

4. **Financing**
   This determination provides an analysis of the financial structure and health of each service provider, including the consideration of rates and service operations, as well as other factors affecting the financial health and stability of each provider. Other factors considered include those that affect the financing of needed infrastructure improvements and compliance with existing requirements relative to financial reporting and management.

5. **Shared Facilities**
   Opportunities for districts to share facilities are described throughout this MSR. Practices and opportunities that may help to reduce or eliminate unnecessary costs are examined, along with cost avoidance measures that are already being utilized. Occurrences of facilities sharing are listed and assessed for more efficient delivery of services.

6. **Government Structure and Local Accountability**
   This subsection addresses the adequacy and appropriateness of existing boundaries and spheres of influence and evaluates the ability of each service provider to meet its demands under its existing government structure. Also included is an evaluation of compliance by each provider with public meeting and records laws (Brown Act).

7. **Other Matters Related to Effective or Efficient Service Delivery, as Required by Commission Policy**

   Marin LAFCo has specified the sustainability of local agencies as a priority matter for consideration in this MSR. Sustainability is not simply about the environment but can consider the sustainability of an organization and its ability to continue to provide services efficiently for many years to come. Sustainable local governments that take practical steps to protect the environment and our natural resources through land conservations, water recycling and reuse, preservation of open space, and opting to use renewable energy are the key players in determining the sustainability of the region.

   In addition, other matters for consideration could relate to the potential future SOI determination and/or additional effort to review potential advantages or disadvantages of consolidation or reorganization.

A summary of determinations regarding each of the above categories is provided in Chapter 3 of this document and will be considered by Marin LAFCo in assessing potential future changes to an SOI or other reorganization.

# 3.0 DETERMINATIONS

The Commission is directed to prepare written determinations to address the multiple governance factors specified under Government Code Section 56430 anytime it prepares a municipal service review. These determinations serve as independent statements based on information collected, analyzed, and presented in this study's subsequent sections. The underlying intent of the determinations is to provide a succinct detailing of all pertinent issues relating to the planning, delivery, and funding of public services in the study area as it relates to the Commission's role and responsibilities.

***Growth and population projections for the affected area.***

a) Anticipated growth in the study area is projected to be minimal. Both of the municipalities in the study area are essentially built out at this time with minimal growth potential remaining under current zoning policies. The City of Mill Valley has been growing at an average annual rate of less than 0.24% over the past decade, while the City of Sausalito experienced an annual growth rate over the same span of approximately 0.29%. The projected annual growth rate for the City of Mill Valley through 2040 is less than 0.38%, and the City of Sausalito is projected to experience approximately a 0.34% growth rate over the same timeframe.

b) The projected annual population growth rate in unincorporated spaces around the study area is just over 0.23% through 2040. The census-designated place of Marin City experienced the highest annual growth rate over the past decade with a 1.2% annual population increase between 2010 and 2020 and the census-designated place of Tamalpais-Homestead Valley has seen an annual growth rate of less than 0.66% during that same window.

***The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.***

a) A census tract block group (Tract 1290, Block Group 1) that has been designated by Marin LAFCo as a disadvantaged unincorporated community (DUC) based on 2020 U.S. Census Bureau Redistricting Data has been identified within the study area. The block group is situated within the census-designated place of Marin City. A disadvantaged community is defined in Water Code Section 7905.5(a) as a community with an annual median household income of less than 80 percent of the statewide median household income. The statutory definition of DUCs comes from Government Code Section 56033.5, which defines DUCs as "inhabited territory" that constitutes all or a portion of a disadvantaged community. "Inhabited territory" may be defined by Government Code Section 56046 as having at least 12 registered voters, or it can be determined by "commission policy".

Per Marin LAFCo's policy, Marin LAFCo will include considerations of disadvantaged unincorporated communities within a city or district sphere of influence in statements of written determinations of municipal service reviews. Marin LAFCo will prohibit the approval of city annexations greater than 10 acres that are contiguous to a disadvantaged

unincorporated community unless the city applies to annex the disadvantaged unincorporated community as well. At this time Marin LAFCo has no applications for annexation for any lands contiguous to the identified DUC. Should LAFCo in the future get such a request then it will work with the community to determine if it is in the best interest of those living within the DUC to be annexed. If it is not within the community's best interest, then they would not be included with that application.

***Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated communities within or contiguous to the sphere of influence.***

As noted above, there is one census block group within the study area that has been identified and designated by Marin LAFCo as a disadvantaged unincorporated community (DUC). The municipal services within that block group are provided by the County of Marin, Marin City Community Services District, Sausalito-Marin City Sanitary District, and the Marin Municipal Water District. All of the agencies mentioned have shown to have the capacity, both in infrastructure and service levels, to both continue to provide adequate levels of service to the area as well as for the capacity for additional services given current growth projections for the area. While recently concerns have been raised by residents within the block group regarding the quality of the drinking water being provided, to date there has been no official testing done that presented contaminant readings that proved to be outside the maximum contaminant level (MCL) set by the Office of Environmental Health Hazard Assessment of the State of California.

***Financial ability of agencies to provide services.***

a) The City of Mill Valley, City of Sausalito, Southern Marin Fire Protection District, Tamalpais Community Services District, Sausalito-Marin City Sanitary District, Marin City Community Services District, County Service Area 14, and Flood Control Zone 3 all prepare annual budgets and prepare financial statements in accordance with established governmental accounting standards. The City Councils, SMFPD, SMCSD, TCSD, MCCSD Boards, and the County Board of Supervisors, acting as the Board for CSA 14 and the Marin County Flood Control and Water Conservation District, may amend their budgets by resolution during the fiscal year in order to respond to emerging needs, changes in resources, or shifting priorities. Expenditures may not exceed appropriations at the fund level, which is the legal level of control.

b) The City Managers, Fire Chief, District General Managers, and County Administrative Officer are authorized to transfer budgeted amounts between accounts, departments, or funds under certain circumstances, however; the City Councils, Special District Boards, and County Board of Supervisors, acting as the Board for the Marin County Flood Control and Water Conservation District as well as CSA 14, must approve any increase in the operating expenditures, appropriations for capital projects, and transfers between major funds and reportable fund groups. Audited financial statements are also prepared for each agency by independent certified public accounting firms.

c) While additional revenues are needed to provide some services and maintain infrastructure covered in this MSR, each agency meets its financial responsibilities to provide services. In the short term, as fiscal recovery from the Covid-19 pandemic continues, governing bodies for each agency should remain judicious in maintaining and, when possible, increasing reserve funds to guard against the possibility of future economic downturns.

d) While no significant financial concerns were raised by the available financial documentation from both the independent auditor and the State Controller regarding the Marin City Community Services District, the District's inability to provide Marin LAFCo with more granular financial data (specifically, adopted operating budgets for any of the past 5 fiscal years or the current fiscal year) leaves a level of ambiguity for Marin LAFCo in these determinations. As such, Marin LAFCo must abstain from making any determination on the District's financial ability to provide services beyond the study window.

***Status of, and opportunities for, shared facilities.***

a) With the recent approval by LAFCo of consolidation of the SMFPD and Mill Valley Fire Departments, no other specific opportunities for shared facilities that would prove advantageous to both participating parties were identified in the course of this study.

***Accountability for community service needs, including governmental structure and operational efficiencies.***

a) The City of Sausalito and the Sausalito-Marin City Sanitary District have been engaged in discussions and, ultimately, full feasibility studies surrounding the possible consolidation of the City's sewer collection services to the District. At this time, Marin LAFCo is in full support of the conclusions and recommendations made within the feasibility study for the continued pursuit of the consolidation and/or, at a minimum, a complete reworking of the original agreement between the two agencies in an effort to continue to provide the best possible service to the community as well as addressing the significant capital improvements that have been identified.

In the continuation of this process, it is the recommendation of Marin LAFCo that as both agencies continue to meet and explore possibilities, that staff from Marin LAFCo be included in future discussions in order to provide technical expertise on the overall process. The recent consolidation of the City of Mill Valley's fire services into the Southern Marin Fire Protection District has created a model of success that both agencies asserted was significantly easier due to the early involvement of Marin LAFCo staff in the process as a whole.

b) Flood Control Zone 3 (FCZ 3) is funded by ad valorem collected throughout its jurisdictional boundary, which includes the City of Mill Valley, the unincorporated communities of Marin City, Almonte, Tamalpais Valley, Homestead Valley, Sutton Manor, and an apportionment of the community of Strawberry. The approximate annual percentages

(and the exact percentage for FY 22-23) of the jurisdiction from which that funding is generated is 51.51% from within the City of Mill Valley and 48.06% from the unincorporated spaces. In March of 2021, the consulting firm of Schaaf & Wheeler completed the Mill Valley Flood Management and Storm Drain Master Plan which was subsequently adopted by the City in April of 2021. The plan was funded by FCZ 3 and is intended to function as a multipurpose flood management and storm drain system resource guide for the City's staff and leadership. The plan presents a myriad of potential projects and mitigation measures within the City's boundary in the continued effort to avert significant future flooding events.

In September of 2021, the City submitted a request for funds to FCZ 3 for a total of seven projects and cited the Flood Management and Storm Drain Master Plan in the request. The total estimated funds requested was $4,480,000, which is approximately double what the Zone's annual baseline budget is, but well within that fiscal year's fund balance. This total estimated amount covered just six of the seven projects listed in the request, as one of the projects was still "too early to develop a scope and cost estimate". Two weeks after the funding request was submitted, the FCZ 3 Advisory Board met and agreed to establish an ad-hoc subcommittee of advisory board members with the established purpose of recommending an investment strategy for Zone 3 and responding to the funding request from the City. The subcommittee met in March of 2022 to review a draft proposal for prioritizing Zone 3 fund investments which was presented at the full Advisory Board meeting in April of 2022. Since that meeting, no additional meetings have been publicly posted on the Flood Control District's web page.

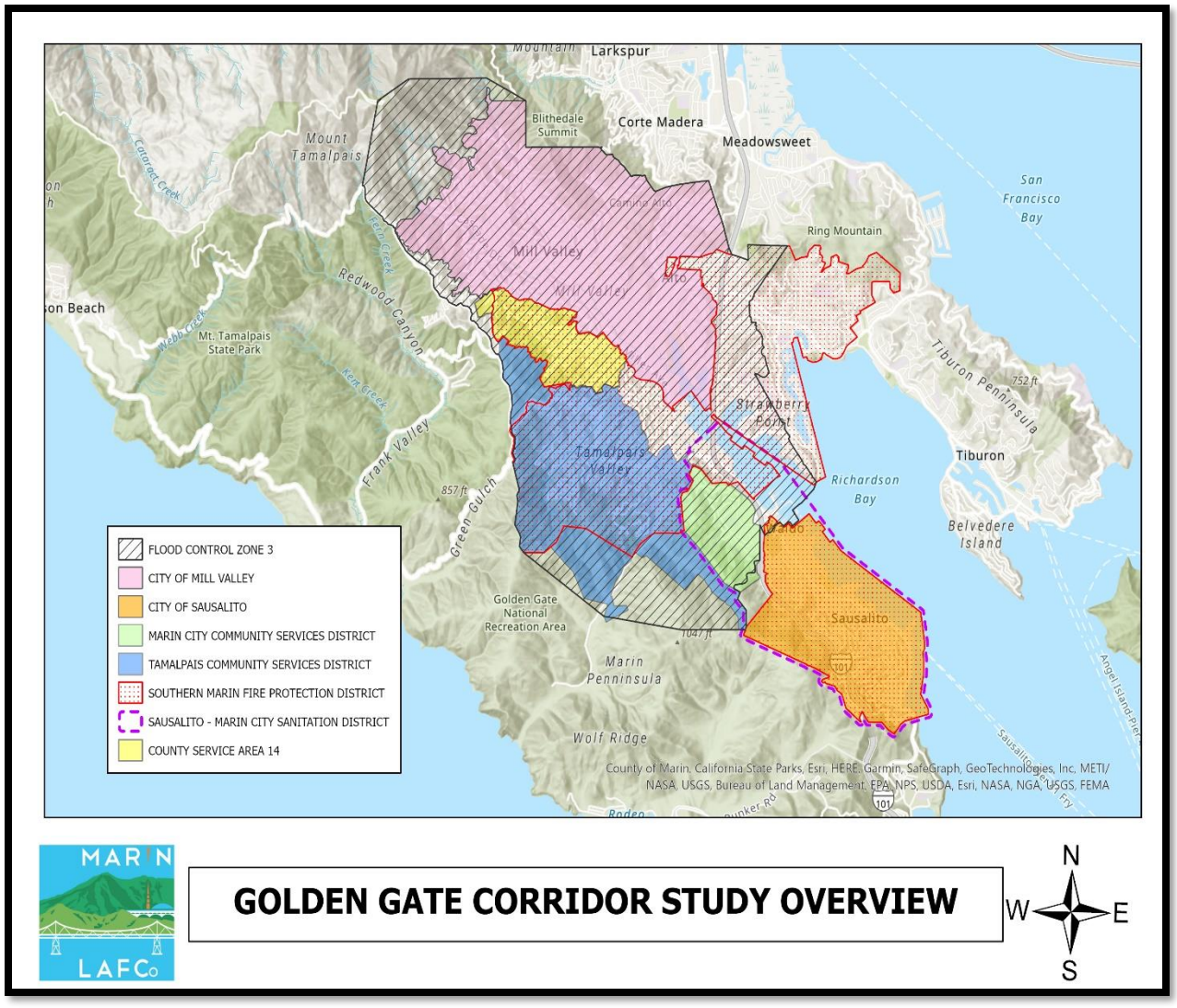
Leadership from the City has expressed concerns regarding the differences in the number of projects funded by the Zone within City boundaries in juxtaposition to the amount of the Zone's annual revenue that is generated from within the City. As such, given the Zone's relatively steady annual revenue stream, Marin LAFCo recommends a collaborative exploration between the Zone and the City, in conjunction with the currently established investment strategy subcommittee efforts, towards the creation of a longer-term (5 or 10-year as opposed to the current 3-year) project plan in order to ensure that these critical services continue to be provided in an equitable and fully transparent manner.

c) The City of Mill Valley completely surrounds a small pocket of inhabited unincorporated space (Alto). Access to the unincorporated area can be gained only by way of going directly through the City itself, which creates what LAFCo classifies as an unincorporated island. Marin LAFCo's Unincorporated Island policy encourages annexations of islands to cities, where supported by the island community, to further reduce and/or eliminate islands to provide more orderly local governmental boundaries and cost-efficiencies. However, Marin LAFCo will not independently proceed with an entire island annexation to a municipality where local residents have voiced opposition. At this time, Marin LAFCo recommends that City staff members explore the willingness of residents within the Alto unincorporated space to consider annexation by way of meeting with community groups within the area, as well as examining its own ability to extend services to the area if they are not already doing so unofficially.

***Any other matter related to effective or efficient service delivery, as required by commission policy***

a) The City of Mill Valley's current sphere of influence includes the unincorporated communities of Homestead Valley, Almonte, and Alto. When originally adopted in 1984, the sphere of influence also included Tamalpais Valley. Tamalpais Valley was removed from the City's sphere in 2004 when Marin LAFCo deemed there to be no probable chance of future annexation of the area to the City for a multitude of reasons. The definition of a sphere of influence in State Government Code is "A plan for the probable physical boundaries and service area of a local agency". At this time both the Homestead Valley and Almonte communities, despite sharing a border with the City, are unlikely to be annexed to the City in the foreseeable future as both are distinct communities in and of themselves with other agencies providing necessary services. In addition, the annexation of the two communities would result in a population increase to the City of over 25% which would create a significant strain on the City's delivery of services. As such, it is recommended that the City's sphere of influence be amended to remove the communities of Homestead Valley and Almonte, and retain the area of Alto as a majority of the area is surrounded by the City, creating an unincorporated island. The area currently in the City's sphere along Edgewood Avenue should also be retained within the updated sphere.

# 4.0 REGIONAL SETTING




The Golden Gate Corridor Region Municipal Service Review (MSR) study area consists of the southernmost public agencies and communities within Marin County and stretches along the County's southern 101 corridor to the northernmost point of the City of Mill Valley. Eight public agencies, including one County Service Area (CSA) and one Flood Control Zone, are included. Many distinct communities lie within and adjacent to the Study Area. These communities are served by a number of municipal service providers that have been established over time to meet local conditions and needs. While jurisdictional boundaries define the geographical extent of an agency's authority and responsibility to provide services, there are several instances of overlapping boundaries and service responsibilities in the Study Area. These service arrangements and relationships for providing fire protection, parks and recreation, open space management, and other municipal services within the Study Area are described in this report.

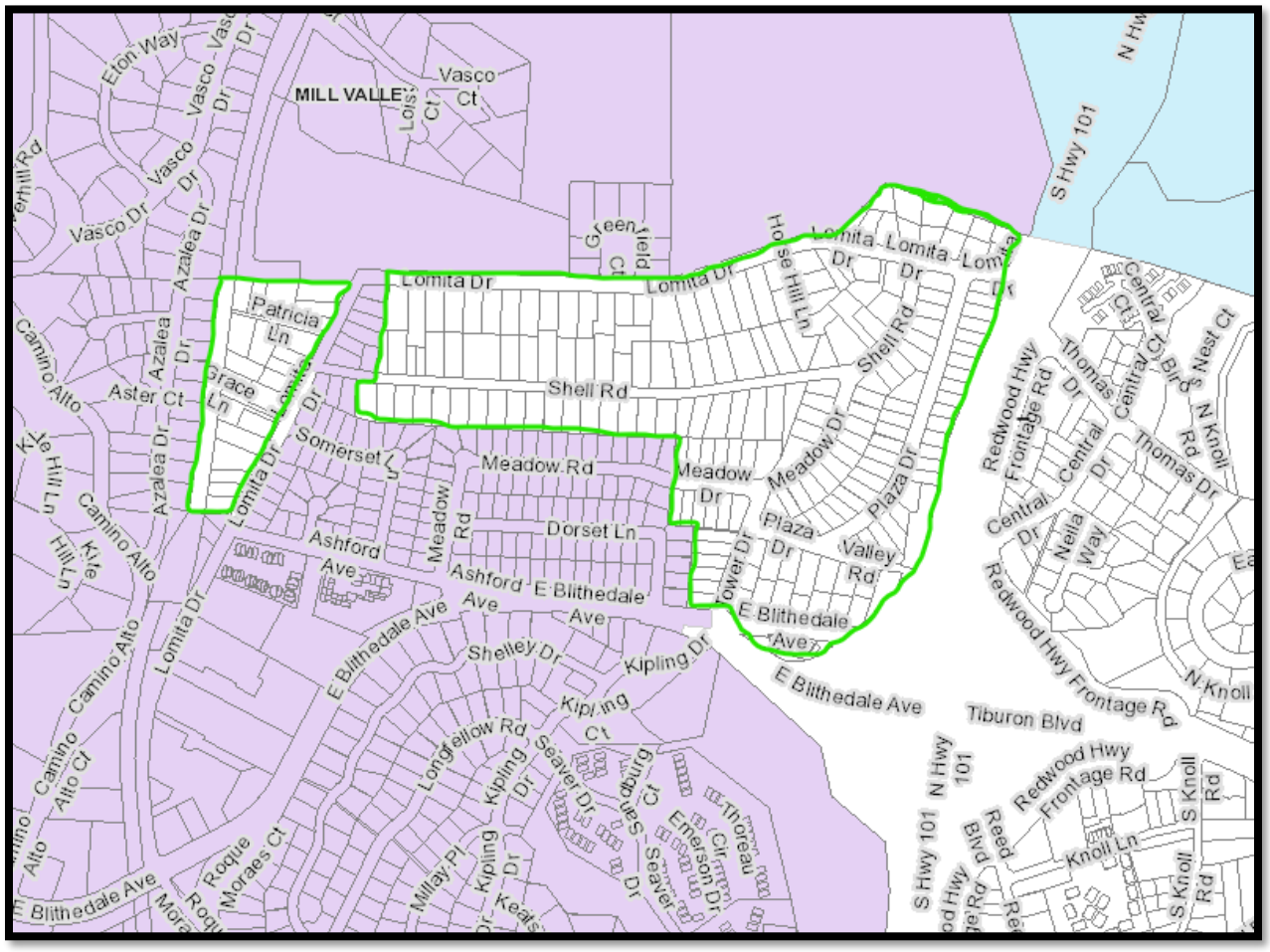
Within the Study Area, all incorporated and unincorporated communities are within the current boundary or service area of a fire protection and emergency medical service provider. While there are several small pockets of development in the Study Area that are not currently provided sanitary sewer service by a local agency, the vast majority is within the jurisdictional boundary of one of the sanitary sewer agencies. The Marin Municipal Water District provides water for domestic use and fire-flow to the entire Study Area.

## 4.1 UNINCORPORATED ISLANDS

The State Legislature has recognized that pockets of unincorporated territory that are surrounded or substantially surrounded by incorporated cities, typically known as "islands", create governance and service delivery inefficiencies and deficiencies. Marin LAFCo's Unincorporated Island policy encourages annexations of islands to cities, where supported by the island community, to further reduce and/or eliminate islands to provide more orderly local governmental boundaries and cost-efficiencies. However, Marin LAFCo will not independently proceed with an entire island annexation to a municipality where local residents have voiced opposition.

There is one identified unincorporated island in the Golden Gate Corridor region that is substantially surrounded by the City of Mill Valley: the Alto Sutton (Horse Hill) neighborhood in the eastern border area of the City of Mill Valley. The Alto Sutton island is comprised of approximately 200 parcels, a majority of which are developed, and is approximately 40 acres in size. The unincorporated island is relatively unique as the City's jurisdictional boundary actually bisects the unincorporated neighborhood completely in one area leaving a patch of 23 parcels completely surrounded by City lands. The Alto Sutton area has a population of approximately 700. Access to the Alto Sutton area is through Mill Valley Streets and is currently within the City's sphere of influence. The Alto Sutton area is located so close to City facilities that the area may already be deemed to benefit from them. If the area were annexed to the City, Alto Sanitary District would logically be dissolved or established as a subsidiary of the City. The City of Mill Valley would provide services and facilities at service levels which are the same or higher than currently provided by the County and Alto Sanitary District. A map of the area can be seen below in Figure 4-1 with the City of Mill Valley's jurisdiction shown in purple shading and the Alto Sutton island outlined in green.

**Figure 4-1: Alto Sutton (Horse Hill) Unincorporated Island Map**



# 5.0 CITY OF MILL VALLEY

## 5.1 OVERVIEW

The City of Mill Valley is situated in the southern end of Marin County's Highway 101 corridor. The City shares a border to the northwest with the Town of Corte Madera and to the north with the City of Larkspur. The census-designated place of Tamalpais-Homestead Valley lies to the south of the City, and the census-designated place of Strawberry flanks the City's eastern border on the adjacent side of Highway 101. The jurisdictional boundary of the City of Mill Valley is approximately 4.86 square miles and, on the basis of the City's current zoning standards, is predominantly built out[1] at this time with very few vacant parcels remaining that are zoned for development. According to the United States Census Bureau[2], the City had a population of 14,231 as of the 2020 U.S. Census.

The City provides a range of municipal services including parks and recreation, street maintenance, community development, library, police, and fire/emergency medical. Other municipal services to the Town are provided by various special districts.

**Table 5-1: City of Mill Valley Overview**

| City of Mill Valley Overview | |
|---|---|
| **City Manager:** | Todd Cusimano |
| **Main Office:** | 26 Corte Madera Avenue, Mill Valley |
| **Council Chambers:** | 26 Corte Madera Avenue, Mill Valley |
| **Formation Date:** | March 1, 1908 |
| **Services Provided:** | Parks & Recreation, Street Maintenance, Community Development, Library, Police, Fire/Emergency Medical, Sanitation |
| **City Boundary:** | 4.86 sq. mi city limit; 5.92 sq. mi SOI |
| **Population Served:** | 14,231 |

## 5.2 FORMATION AND DEVELOPMENT

Originally inhabited by the Coast Miwoks, the City of Mill Valley began taking shape in the mid-1830s when John Reed built the first sawmill in Marin County on the Cascade Creek (current day Old Mill Park) and settled near what is now Locke Lane and LaGoma Avenue.[3] Reed, along with William Richardson, had been awarded two large tracts of land in the area by the Mexican government – Rancho Corte Madera del Presidio to Reed and Rancho Saucelito to Richardson. In an effort to pay off a large debt, Richardson gave a large part of his Rancho, including the part of what is now Mill Valley, to Samuel Reading Throckmorton. Between 1853 and 1854 Throckmorton built his own Rancho, "The Homestead", on what is now Linden Lane and Montfort Avenue. In 1860, Richardson's heirs successfully sued Reed's heirs claiming the

mill was built on their property. The border was officially marked as running along the Arroyo Corte Madera del Presidio along present-day Miller Avenue. Everything to the east of the creek was Reed property and everything to the west was Richardson land.

In 1873, Dr. John Cushing discovered 320 unclaimed acres between the Reed and Richardson boundaries between present-day Corte Madera Avenue and into West Blithedale Canyon. Using the Homestead Act, he petitioned the government and managed to acquire the land. It was here that he originally built a hospital that was eventually turned into the Blithedale Hotel in 1884. This renovation was the beginning of what would become an increased draw to the area for recreational activities such as fishing, hiking, swimming, and horseback riding. Other resort hotels such as the Abbey, the Eastland, and the Redwood Lodge were built and the area that was popular for vacationers continued to evolve into a space where individuals who worked in San Francisco would move to and commute.

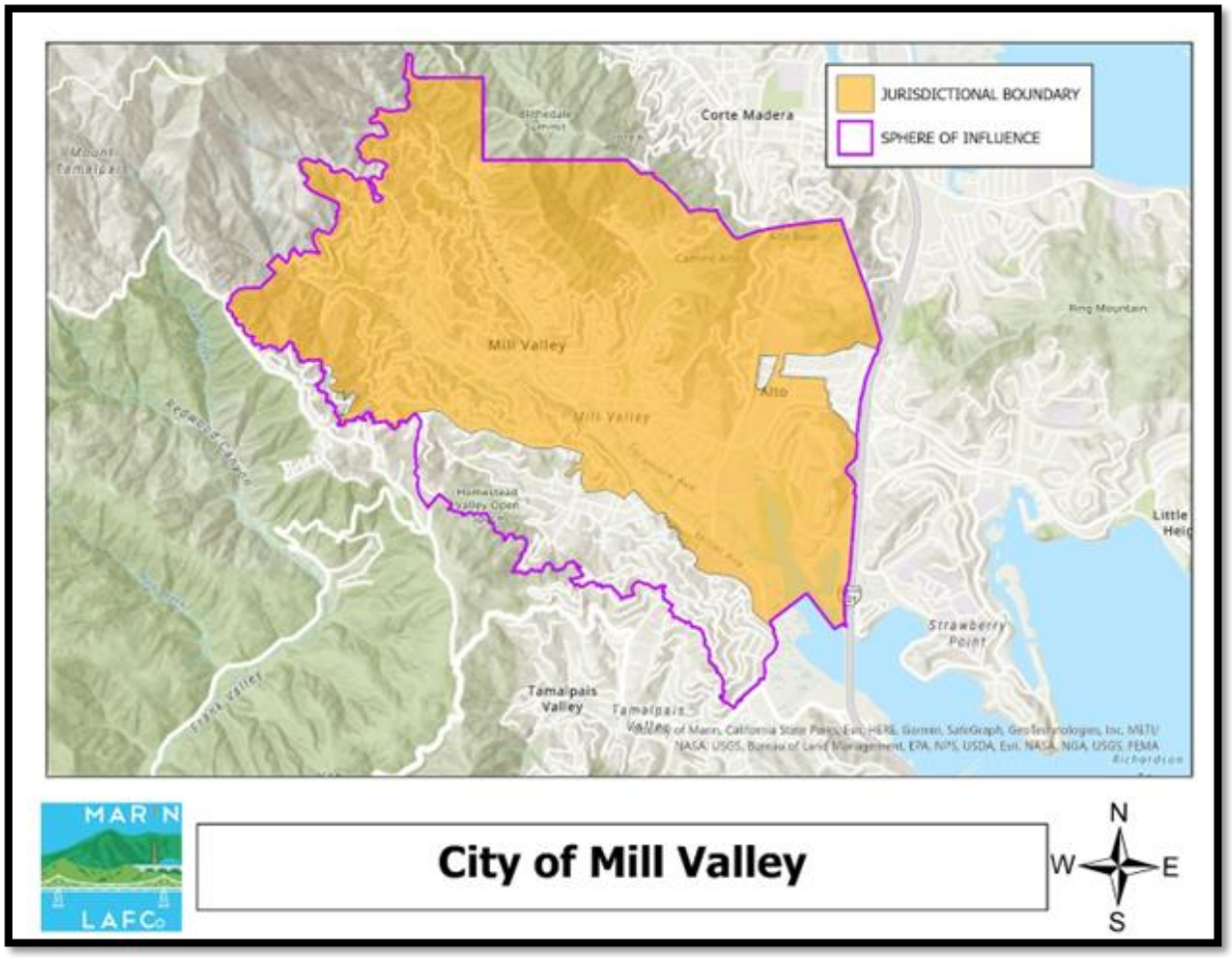
The San Francisco Savings & Union Bank organized the Tamalpais Land & Water Company in 1889 as an agency for disposing of the Richardson land gained from the Throckmorton debt. The Board of Directors included Secretary Louis L. Janes (Janes Street), Thomas Magee (Magee Avenue), Albert Miller (Miller Avenue), and Lovell White (Lovell Avenue).[4] Janes, eventually becoming the Director of the Tamalpais Land & Water Company (and the City's first Clerk), worked to bring a railroad up Mt. Tamalpais. The Mt. Tamalpais Scenic Railway completed construction and began operation in 1896 and ran from the town center (present day Lytton Square) all the way to the summit. The railway operated until 1929 when a majority of it was destroyed by a fire. The tracks were removed in 1930.

By 1900 the population in the area was close to 900 and local residents pushed for incorporation. In August of that year, elections were held and a total of 168 votes were cast approving incorporation. Town trustees were chosen from among prominent citizens and organized city government was put in place. In April of 1906, the Great Earthquake struck San Francisco and other communities on the San Andreas Fault. Many San Franciscans who had established second dwellings in Mill Valley fled the city and became permanent residents in Mill Valley. By 1920, with a population of over 2,500, many roads were paved and mail delivery was initiated.

With the accessibility to San Francisco exponentially increased by the completion of the construction of the Golden Gate Bridge in 1937, real estate became a principal business in the area and construction boomed. By the early 1950's the population had ballooned to well over 7,000. The City Hall was constructed in 1936 and renovated in 1978. The Mill Valley Public Library was built in 1966 and in 1998 an addition to the building of just over 9,000 square feet was completed. In 2001, after over a decade of planning, the City opened the doors to its new Community Center on a five-acre site.

The City's population growth saw its most significant boom between 1950 and 1960, when the total number of residents grew from 7,331 to 10,411. Today, the City's total population has extended to 14,231 total residents.

## 5.3 JURISDICTIONAL BOUNDARY AND SPHERE OF INFLUENCE




The current jurisdictional boundary for the City of Mill Valley is approximately 4.86 square miles (3113 acres). A majority of the City's northwestern border is shared with the Town of Corte Madera and the City of Larkspur. The southernmost edge of the City encapsulates parts of Richardson Bay, with Highway 101 separating the City from the unincorporated lands that make up the census-designated place of Strawberry. The Panoramic Highway touches Mill Valley's westernmost point and creates one of the two primary thoroughfares that connect the communities in southern Marin to the communities of Stinson Beach and Bolinas on Marin County's western coastline. The unincorporated communities of Homestead Valley, Muir Woods Park, Almonte, and Tamalpais Valley (jointly designated by the U.S. Census Bureau as the Tamalpais-Homestead Valley census-designated place) and the Mount Tamalpais State Park reside directly to the City's southern boundary.

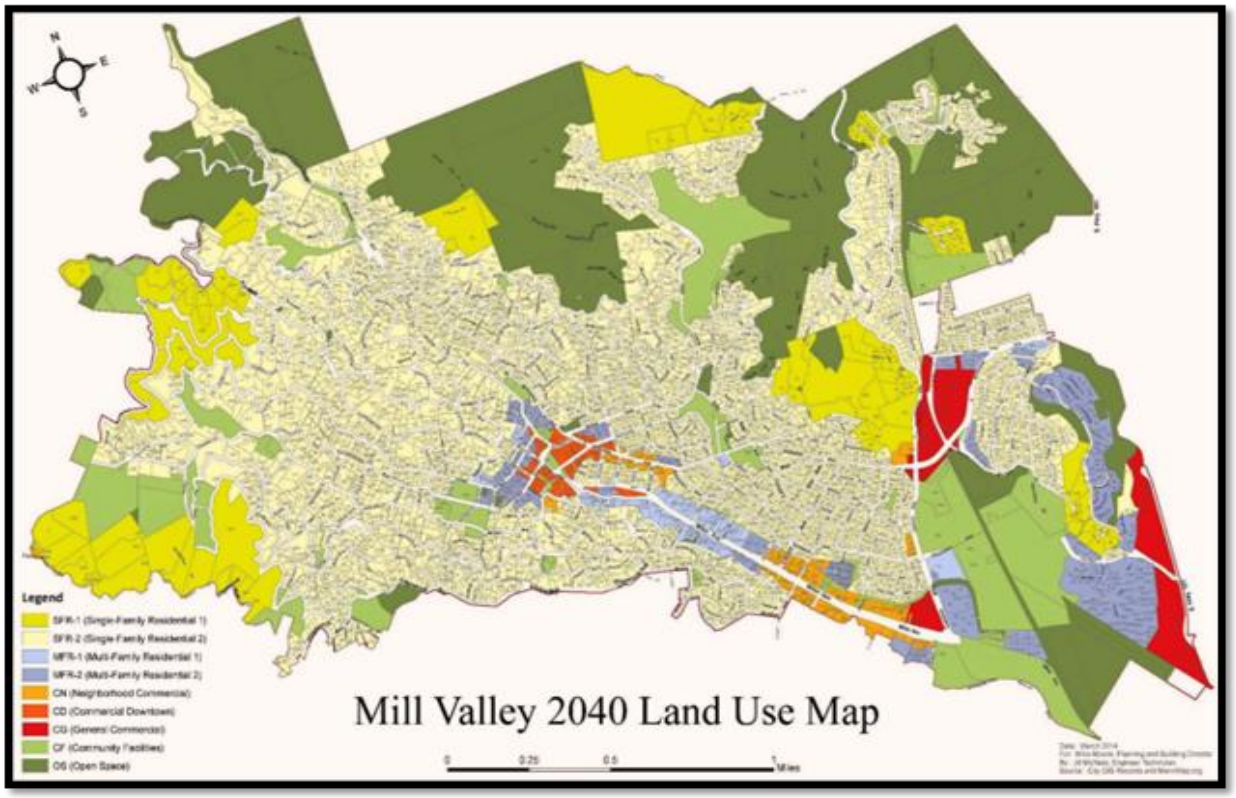
Most recently updated in 2010, the City's sphere of influence (SOI) is a fair amount larger than the jurisdictional boundary at approximately 5.92 square miles (3,788 acres). The total area included in the sphere that is outside of the city limits encompasses the entirety of the

unincorporated communities of Homestead Valley, Alto, and Almonte. The original sphere of influence that was adopted for the City in 1984 also included the unincorporated communities of Tamalpais Valley and Muir Woods Park. In 2004, the sphere was amended by Marin LAFCo to remove the majority of Muir Woods Park and Tamalpais Valley after the conclusion that the extension of the City's services to those areas was improbable. This sphere of influence was reaffirmed by the Commission in 2010.

## 5.4 POPULATION AND GROWTH

The City of Mill Valley saw its greatest population boom between 1940 and 1970 when the total population of the City grew from 4,847 to 12,942. Since then, population growth has been relatively minimal with an annual growth rate of approximately 0.18% over the course of the last 50 years. The official count from the 2020 Census put the City's population at 14,231. The City is essentially built[5] out at this time, with few remaining vacant lots zoned for development that have not already been given a prospective project designation. In an effort to comply with current housing mandates passed by the State, the City is exploring options including the updating of the zoning of certain areas as well as publicly owned properties that could be candidates for higher-density developments. A map of the zoning for the City can be seen below in figure 5-1.

**Figure 5-1: City of Mill Valley Zoning Map**



## 5.5 ORGANIZATION STRUCTURE

### Governance

The City of Mill Valley operates under a council-manager form of government, in which legislative and policy functions are vested in the City Council while the City Manager conducts the day-to-day city business. The City Council for Mill Valley is comprised of five members. The positions of Mayor and Vice-Mayor are rotated amongst the members on an annual basis. Members are elected to four-year terms, with elections held in March/June of even-numbered years with three council members elected in one cycle and two in the following cycle.

City Council duties include establishing legislation and policies governing the City; adopting all ordinances, resolutions, and major contracts; approving and modifying annual budgets; making appointments to advisory boards, commissions, and committees; and appointing the City Manager and City Attorney. City Council meetings are regularly held on the first and third Monday of each month at 6:30 p.m. at the City Council Chambers at 26 Corte Madera Avenue in Mill Valley.

**Table 5-2: City of Mill Valley City Council**

| Member | Position | Term End |
|---|---|---|
| Jim Wickham | Mayor | 2024 |
| Urban Carmel | Vice Mayor | 2024 |
| Stephen Burke | Member | 2026 |
| Max Perrey | Member | 2026 |
| Vacant | Member | 2024 |

### Administration

The City Manager is appointed by the City Council and is responsible for City operations management and policy implementation on behalf of the City Council. The City Manager is an at-will employee and administers the City of Mill Valley's departments through the eight department directors: City Librarian, Director of Planning and Building, Finance and Human Resources Director, Fire Chief, General Manager of Wastewater Treatment Plant, Parks and Recreation Director, Police Chief, and Public Works Director.

## 5.6 ACCOUNTABILITY AND TRANSPARENCY

When conducting service reviews and reviewing proposals, LAFCo considers an agency's accountability for community service needs, including governmental structure, operational efficiencies, financial resources, and promoting public access. The City offers multiple ways to keep the public informed about services, meetings, finances, and decision-making processes. The City Council's meeting agendas area posted on the bulletin boards in the front and rear of City Hall by 5 p.m. each Thursday preceding regular City Council Meetings, as well as copies

available at the Library and posted on the City website. Past meeting agendas and meeting minutes can be found in the City's "Archive" page on its website that is linked from the City Council page. The public may also provide verbal comments or concerns by phone or in person at City Hall during business hours and/or at Town Council meetings during the public comment period. Given the current issues with public gatherings due to COVID-19, the City offers its residents the ability to attend all public meetings remotely and offers recordings of its meetings on the City's website as soon as possible after the meeting. All City Council meetings are broadcast on Marin TV which is available with both Comcast and AT&T cable subscriptions. The City also offers a variety of digital newsletters that residents can sign up to automatically receive ranging from broader citywide news, to departmental specific updates. At this time, all legal requirements for public agency transparency are being met or exceeded.

## 5.7 MUNICIPAL SERVICES

The City of Mill Valley provides its residents with the municipal services of police, parks and recreation, public works, fire and emergency response, street maintenance, and sanitation. The City also partners with outside agencies for the provision of certain municipal services including municipal water, wastewater treatment and disposal, and garbage collection. A description of these services is provided below.

### Law Enforcement

The City of Mill Valley provides law enforcement services to all areas within the jurisdictional boundary. The Mill Valley Police Department headquarters is located at 1 Hamilton Drive in Mill Valley in the Mill Valley Public Safety Building that adjoins Fire Station #7. The projected expenditures for police services in FY 2022-23 are $7,992,904 which accounts for 17.6% of the City's budgeted operating expenditures for the year. This appropriation is an increase of $590,698 (8%) from the previous fiscal year.

The Police Department employs a total of 30 FTE (full-time equivalent) employees with 22 sworn officers and eight professional staff. Of those eight, three are part-time employees. The Department's staff makes a concerted effort to engage with the community on a consistent basis. Some of the Police Department community events that have been put on in the past year include:

- Marin County Multi-Use Path education event
- National Night Out
- Book reading in schools and the Mill Valley Library
- Skateboard park event
- Coffee with a cop
- Ice cream or pizza with a student
- Educational presentations to youth/seniors/homeowners associations

The Department has also participated in a number of community events in collaboration with the City of Mill Valley Community Engagement Team. Some of these events include:

- Trunk or Treat
- Mill Valley Music Festival
- Mill Valley Little League Parade
- Dipsea Marathon
- High School Graduation
- Community Campout
- Memorial Day Parade

The City's annual crime statistics as well as the Department's calls for service for the past five years can be seen below in Table 5-3

**Table 5-3: City of Mill Valley Police Department Crime Statistics**

| Category | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|
| **Case Reports** | 888 | 981 | 987 | 970 | 898 |
| **Calls for Service** | 16,942 | 17,333 | 22,421 | 17,908 | 18,622 |
| **Homicide** | 0 | 0 | 0 | 0 | 0 |
| **Rape** | 0 | 0 | 0 | 1 | 0 |
| **Felony Assault** | 5 | 5 | 10 | 4 | 6 |
| **Misdemeanor Assault** | 23 | 10 | 23 | 18 | 23 |
| **Residential Burglary** | 22 | 33 | 24 | 21 | 27 |
| **Burglary, Other** | 21 | 25 | 12 | 23 | 9 |
| **Theft, All** | 171 | 240 | 177 | 137 | 163 |
| **Auto Theft** | 7 | 14 | 10 | 15 | 12 |
| **Traffic Accidents** | 91 | 101 | 110 | 109 | 121 |
| **Moving Violation Citations** | 475 | 898 | 880 | 1,615 | 1,815 |
| **Alarm Responses** | 689 | 602 | 562 | 407 | 898 |
| **Drunk Driving Arrests** | 25 | 22 | 43 | 43 | 43 |
| **Vandalism** | 35 | 73 | 33 | 32 | 39 |

## Fire and Emergency Response

The City of Mill Valley's Fire Department originated in 1890 as a volunteer brigade. The town trustees passed an ordinance in 1901 creating the official department, with the first fire station being constructed in 1936 in conjunction with City Hall. That original fire station was renovated

in 1978 and is still in use today, along with the City's second fire station (Fire Station #7) that adjoins the City's Police Department (known as the Mill Valley Public Safety Building) at 1 Hamilton Drive in Mill Valley. Each of the stations has one engine staffed with three firefighters, and a shared ambulance (Medic 4) that is stationed at the Mill Valley Public Safety Building is also staffed with a firefighter/paramedic, making for a total of seven firefighters on duty at all times.

The Department has a projected expenditure budget for FY 2022-23 of $8,401,476. This amount is $512,311 (6.5%) higher than the previous fiscal year. The City is a member agency of the Marin Wildfire Prevention Authority (MWPA). MWPA is a joint powers authority with 17 member agencies throughout Marin County that receive funding for fuel removal projects, defensible space evaluations, and other helpful resources by way of a voter-approved parcel tax that was passed in March of 2020. The projected funding from MWPA to the City of Mill Valley in FY 2022-23 is $466,164.

In October of 2014, the Mill Valley Fire Department and the Southern Marin Fire Protection District (SMFPD) recognized a mutual opportunity for a trial of shared services. Both the City and the District had a vacancy in one of the three Battalion Chief positions that provide incident command and perform program management duties. Rather than promoting replacement employees into the two positions, the agencies agreed to test sharing Battalion Chiefs with the hopes of reducing costs and increasing staffing availability during absences. The trial proved to be successful, and on October 19, 2016, the City and the District entered into a formal shared services agreement combining the four Battalion Chief positions into a single command team. The agreement has resulted in a net savings of over $500,000 per fiscal year.

The success of this shared services model led the agencies to pursue the evaluation of the possibility of a greater consolidation. The evaluation led to the City and the District agreeing in January of 2020 to combine the senior management teams of both agencies into a single team as well as combining the fire prevention and wildfire risk reduction resources into a single team. This agreement was viewed by the agencies as a large-scale test to see if a full formal consolidation of the two departments would be in the best interest of both parties. In the time since this agreement was reached, both agencies have deemed it successful and after a full independent study by a consulting firm, the City and the District have agreed to consolidate the City's fire services into the District. An application for annexation has been submitted to Marin LAFCo and a public hearing for the application was held on December 8, 2022. The application was approved, and the Southern Marin Fire Protection District will begin full operation of the City's fire and emergency response services in July of 2023.

## Recreation

The impacts of the COVID-19 pandemic have been consequential across all municipal departments for agencies all across the state and even the country. A noteworthy apportionment of the City of Mill Valley's annual General Fund Revenues are generated by way of charges for service, with the Recreation Department creating a significant percentage of those revenues. In fiscal year 2019-20, the City realized a combined net position decrease for approximately $5.6 million. The major reasons for the decline in profitability were due to the fact that, while

revenues declined by roughly 1%, total expenses increased by roughly 9% over the prior fiscal year. The main factor in the decline in revenue was due to a nearly $2.85 million decrease in charges for services attributable to so many services being halted, particularly within the Recreation Department whose projected Recreation Program Fees for FY 2021-22 went from $3,477,431 at the time the budget was originally adopted to $1,869,550 when the mid-year adjustments were proposed to the City Council. With Covid-19 restrictions easing and numerous services returning to nearly pre-pandemic operations, the Recreation Department's fiscal projections are significantly brighter, with projected program fees for FY 2022-23 of $2,377,800 and $2,712,800 in FY 2023-24.

The Recreation Department's main facility, the Mill Valley Community Center, is located at 180 Camino Alto in Mill Valley. The multi-use facility sits on a 5-acre plot and was constructed in 2001. The facility includes multi-purpose athletic fields, an aquatic center, a fitness center, a community garden, a commercial kitchen, multiple classrooms, a teen center, and a large ballroom. The parking lot of the Community Center was the site of one of the City's first major solar projects, with a covered parking area being constructed and equipped with solar panels. The Community Center itself was also retrofitted with solar panels on its building roofs.

The Director of Arts and Recreation is supported by staff that includes one Superintendent of Recreation and Community Services and one Business Services Supervisor who directly supervise multiple full-time staff members. The Director works in concert with the Parks and Recreation Commission as an additional layer of community oversight ensuring that the services meet the needs of the community.

The City of Mill Valley offers a number of parks within its jurisdictional boundary including the following:

- Bayfront Park
- Blithedale Park
- Ernest Bloch Memorial Park
- Boyle Park
- Cascade Park
- Mill Valley Dog Park
- Freeman Park
- Hauke Park
- Miller Grove Park
- Old Mill Park
- Park Terrace
- Scott Highlands Park
- Sycamore Park

The Department offers a wide array of programming and services including (but not limited to):

- Youth summer camps
- After-school enrichment classes

- Daily seniors programs
- Swimming lessons
- Personal training
- Group fitness classes
- Adaptive needs camps and classes
- Special events
- Facility rentals

The City also owns and operates a 9-hole golf course that was managed by the Recreation Department until early 2022 at which time a contract for services was entered into with Touchstone Golf, a Bay Area golf course management firm, to assume operations. The agreement is for Touchstone to manage operations under direction from the City with the City agreeing to pay Touchstone a monthly fee of $4,000 and reserve 2.5% of all course revenues to a fund dedicated to capital improvements. In the event the course turns a profit, the City will receive 75% and Touchstone 25%.

## Library

The City of Mill Valley provides its residents with comprehensive library services. The City's library, located at 375 Throckmorton Avenue in Mill Valley, was originally constructed in 1966 and was renovated in 1998 with the addition of approximately 9,000 square feet to the main structure. The Mill Valley Public Library offers programming for all ages, from early childhood programming such as Family Story Time, to it's Teen Advisory Board, to its First Wednesday History Talks.

The Mill Valley Library is a member of MARINet, a Joint Powers Authority established in June of 1991. The JPA is governed by a board of directors consisting of the nine member libraries: Belvedere-Tiburon Library, Larkspur Public Library, Marin County Free Library, Mill Valley Public Library, San Anselmo Public Library, San Rafael Public Library, Sausalito Public Library, College of Marin Library, and Dominican University Library. The consortium share access to each of the members' catalogs and an automation system.

The adopted operating expenditure budget for the Mill Valley Public Library for FY 2022-23 is $3,276,625, an increase of $482,816 (17.2%) from FY 2021-22.

## Water

The water services to the City of Mill Valley are provided by the Marin Municipal Water District (MMWD), an independent special district, which is a separate local agency from the City. The District's services are reviewed separately in Marin LAFCo's Countywide Water Service Study (2016). This study can be viewed at marinlafco.org.

MMWD's jurisdictional boundary spans 148 square miles. 61% of this area is unincorporated and the additional 39% lies in 10 cities/towns, including the entirety of Mill Valley and its

surrounding unincorporated areas. MMWD is currently authorized to provide three specific services within its jurisdictional boundary: (1) domestic water; (2) non-potable water; (3) and recreation. The district's governing board is comprised of five members who are elected by electoral divisions to staggered 4-year terms. The City of Mill Valley is represented by electoral Division 4. Cynthia Koehler is the elected official holding the seat for Division 4. MMWD currently meets on the first and third Tuesday of each month at 7:30 p.m. at the District's Administrative Office at 220 Nellan Avenue in Corte Madera.

## Wastewater

The City of Mill Valley provides the wastewater collection system within the City's jurisdictional boundary which leads to the treatment plant of the Sewerage Agency of Southern Marin (SASM). The sewer service operations are housed within the City's Public Works Department under the Sewer Maintenance Division. The treatment plant is located in the City of Mill Valley at 450 Sycamore Avenue and is jointly owned by each of the six collection agencies (City of Mill Valley, Tamalpais Community Services District, Alto Sanitary District, Almonte Sanitary District, Homestead Valley Sanitary District, and Richardson Bay Sanitary District) that make up the joint powers authority. The different agencies' ownership shares are measured in equivalent dwelling units (EDU) of the treatment plant's capacity. An EDU has been determined in the joint powers agreement to be the "average flow of wastewater produced by a single family equivalent dwelling unit, which has been agreed equates to 200 gallons per day." The City of Mill Valley is allocated at 49.2%, or 8,856 EDUs.

The City's sewer collection system services approximately 7,200 EDUs by way of infrastructure consisting of 59 miles of sewer pipes, two pumping stations, and just under one mile of force main. Once wastewater is conveyed to and treated at the SASM plant, it is discharged through a deep water discharge to the San Francisco Bay. As required by the State Water Resource Control Board, the City created and updates a sewer system management plan in order to establish goals that align the City's sewer collection system operation, management, and capacity assurance activity as well as ensuring compliance with the Statewide Water Discharge Requirements. The City's current sewer system management plan was most recently updated in December of 2019.

On March 1, 2021, the Mill Valley City Council adopted a proposed resolution updating the City's sewer service charges. The updated fee schedule covers five fiscal years (2021-22 through 2025-26) and comes after undertaking a full cost-of-service study that is required to update sewer service rates, per Proposition 218. The recommendation by staff to the City Council was to move away from the previously implemented 100% volumetric rate approach to a 40% fixed and 60% volumetric approach with the rationale that the City's sewer service costs are mostly fixed, and a 100% volumetric rate approach causes significant variance in annual revenues providing more stable revenues without raising overall system costs. In an effort to mitigate the impact of the rate changes for residential customers (which make up over 80% of the City's usage), a phased approach was used that shifted the 100% volumetric rates to 20% fixed

in year one, 30% fixed in year two, and reaching the target of 40% fixed in year three. The current residential sewer service rates for the City can be seen below in Table 5-4.

**Table 5-4: City of Mill Valley Sewer Service Rate Schedule**

| Land Use of Premises | FY 2021-22 | FY 2022-23 | FY 2023-24 | FY 2024-25 | FY 2025-26 |
|---|---|---|---|---|---|
| **Residential Monthly Fixed Service Charge** | | | | | |
| **Single Family Residential** | $27.28 | $40.93 | $54.57 | $54.57 | $54.57 |
| **Multi-Family Residential** | $16.02 | $24.02 | $32.03 | $32.03 | $32.03 |
| **Residential Volumetric Charge** | | | | | |
| **Single Family Residential** | $16.10 | $14.08 | $12.07 | $12.07 | $12.07 |
| **Multi-Family Residential** | $16.10 | $14.08 | $12.07 | $12.07 | $12.07 |

## Public Works

The City of Mill Valley's Public Works Department fulfills its municipal service responsibilities through the maintenance and operation of the public facilities and public rights of way throughout the City's boundary. In addition to the standard operations and maintenance of things such as parks maintenance, streets, storm drains, street lights, traffic signals, and public buildings that a municipality's public works department would typically oversee, the City of Mill Valley's Public Works Department also manages the City's wastewater collection system by performing minor repairs, locating mains and laterals for utility requests, clearing and preventing stoppages within the lines, and responding to emergency sanitary sewer overflows.

The Department also manages and maintains the City's unique Steps, Lanes, and Paths (SLP) program. These pathways throughout the City were originally constructed during the earliest formations of the community as a means of directly connecting different areas for those primarily traveling on horseback or on foot as opposed to the major roads which were switchbacks. In 2000, a citizen-driven effort to identify Mill Valley's public SLPs emerged and a renewed recognition of the additional value of the pathways in the event of emergency evacuations added interest from the community and local leaders. Since 2006, numerous SLPs have been re-opened, reconstructed or rebuilt. An index and map of the SLPs throughout the City has been made publicly available with included designations for paths that have been deemed by the City's fire department as functional emergency egress in the event of evacuation.

The Public Works Department oversees the formation and implementation of the City's Capital Improvement Program (CIP). The program is a five-year planning tool that identifies anticipated capital improvements as well as their funding sources. The current CIP encompasses FY's 2020/21 – 2024/25. While the CIP receives funding from multiple sources, the adopted General

Fund allocations to the CIP for FY 2022-23 is $1,180,040. Some of the major projects within the current CIP include (but are not limited to):

- **East Blithedale Avenue Rehabilitation**
- **Steps, Lanes and Paths Design and Construction Program**
- **Pump Station Improvement Program**
- **Corporation Yard Master Plan**
- **Flood management and Drainage Master Plan**

The operating expenditure budget for the City's Public Works Department for FY 2022-23 is $6,451,251. This amount is an increase of $851,562 (15.2%) from FY 2021-22.

## 5.8 FINANCIAL OVERVIEW

The City of Mill Valley prepares an annual report on the City's financial statements in accordance with established governmental accounting standards. The most recent audited financial statement was prepared by the independent certified accounting firm, Maze & Associates, which issued an unqualified, or "clean", opinion on the City's financial statements for the fiscal year ending in June 30, 2020.

The City operates on a two-year budget cycle which is adopted and effective July 1st for the initial fiscal year and reexamined and adjusted "mid-year" as necessary for the second year. The budget reflects estimated revenues and expenditures. Appropriations and spending authorizations are approved by the City Council. The City Council may amend the budget by resolution during the fiscal year in order to respond to emerging needs, changes, or shifting priorities. Expenditures may not exceed appropriations at the fund level, which is the legal level of control. The City Manager is authorized to transfer budgeted amounts between accounts, departments, or funds. The City maintains a Capital Improvement Program based on a five-year funding plan. The program funds projects for civic buildings, parks and open space, streets and transportation, and utilities. The funding allocation to the program for FY 2022-23 is $9,161,220.

### Revenues and Expenditures

The FY 2022-23 General Fund expenditure budget for the City of Mill Valley is $36,521,377. The expenditure budget is supported predominantly by a projected revenue of $39,362,738, with the majority of the remaining difference coming from transfers in from other funds.

For the FY 2022-23, the City reports that operating expenditures are projected to be $3,431,720 (10.4%)[6] greater than the previous fiscal year. The City's total funding for general operations in FY 2022-23 is projected to be $919,609 (2.4%)[7] greater than the total for FY 2021-22. The City derives revenue from several sources. The primary sources of revenue are generated by different types of taxes, with property taxes being the most significant followed by sales tax, municipal tax, franchise tax, transient occupancy tax, and other taxes. Charges for service account for approximately one-third of the City's total revenues. These charges for services are derived

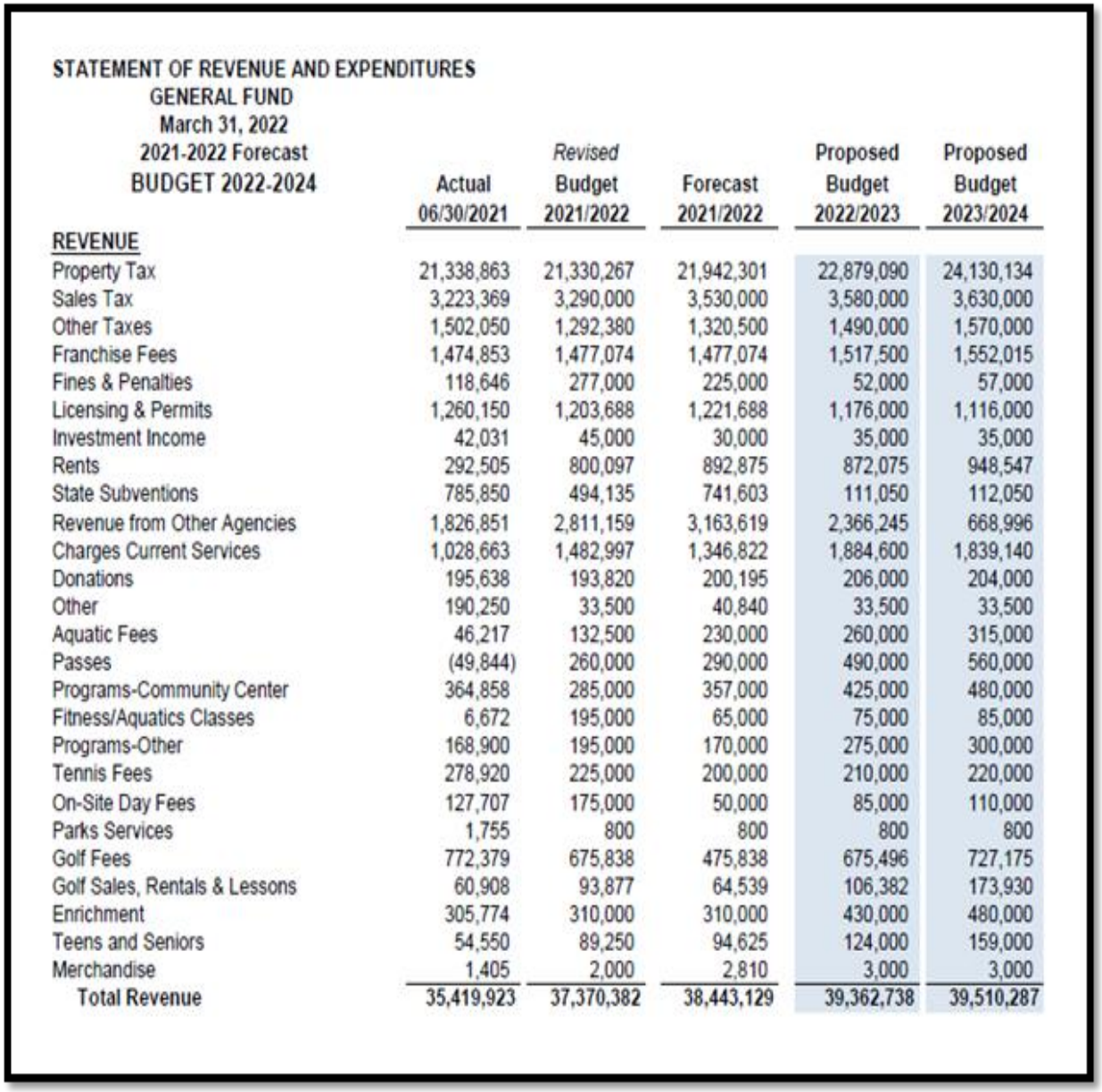
from sewer service fees, community recreation fees, and general government fees such as permits and planning fees. Grants and contributions make up the other most significant portion of annual revenues. Approximately one-third of the City's operating expenses are incurred to provide police and fire protection services. A variety of cultural and recreation services including operation of the City's community center, recreation programs, golf course, and City library account for approximately one-fifth of all annual expenditures. General government administration costs account for approximately 15% of all operating expenses and the remaining expenses are derived from public works, streets, sewer services, and other programs.

The City has created and maintained the financial policies of an annual 15% Contingency Reserve and a 10% General Fund balance in an effort to create and maintain the necessary funds for any unforeseen expenses during the course of any fiscal year. For FY 2022-23, the budget provides the City with a projected General Fund balance of $3,845,281 (10.5%), as well as a 15% Contingency Reserve amounting to $5,478,207. A table of governmental-type activities for the most recently available 5 audited fiscal years can be seen below in table 5-5 and a full General Fund summary of both revenues and expenditures for the past 2 years as well as budgetary projections for the current and following fiscal years can be seen below in figure 5-2.

**Table 5-5: City of Mill Valley Revenues and Expenses**

| Revenues | FY 2019-20 | FY 2018-19 | FY 2017-18 | FY 2016-17 | FY 2015-16 |
|---|---|---|---|---|---|
| **Charges for Services** | $14,987,741 | $17,838,000 | $16,041,000 | $14,480,000 | $13,944,000 |
| **Grants and Contributions** | $1,421,677 | $1,685,000 | $6,936,000 | $8,435,000 | $2,256,000 |
| **Property Taxes** | $18,367,290 | $17,591,000 | $16,439,000 | $15,701,000 | $14,405,000 |
| **Other Taxes** | $10,411,236 | $10,410,000 | $10,662,000 | $9,257,000 | $9,902,000 |
| **Other** | $2,174,648 | $338,000 | $146,000 | $94,000 | $88,000 |
| **Total** | $47,362,592 | $47,862,000 | $50,224,000 | $47,967,000 | $39,785,000 |
| **Expenses** | **FY 2019-20** | **FY 2018-19** | **FY 2017-18** | **FY 2016-17** | **FY 2015-16** |
| **General Government** | $11,950,364 | $6,184,000 | $6,056,000 | $5,335,000 | $5,479,000 |
| **Public Safety** | $15,729,443 | $12,165,000 | $11,422,000 | $10,975,000 | $10,474,000 |
| **Sanitary Sewer** | $5,054,507 | $5,760,000 | $6,508,000 | $7,223,000 | $3,476,000 |
| **Public Works** | $11,640,823 | $13,662,000 | $13,098,000 | $10,463,000 | $9,069,000 |
| **Library** | $2,710,113 | $3,367,000 | $3,051,000 | $2,846,000 | $2,710,000 |
| **Recreation/Culture** | $4,944,086 | $6,207,000 | $5,937,000 | $5,822,000 | $4,835,000 |
| **Parking** | $501,126 | $566,000 | $520,000 | $361,000 | $365,000 |
| **Other** | $492,394 | $568,000 | $610,000 | $634,000 | $619,000 |
| **Total** | $53,022,856 | $48,479,000 | $47,202,000 | $43,649,000 | $37,027,000 |

**Figure 5-2: City of Mill Valley Statement of General Fund**



STATEMENT OF REVENUE AND EXPENDITURES
GENERAL FUND
March 31, 2022
2021-2022 Forecast
BUDGET 2022-2024

| | Actual 06/30/2021 | *Revised* Budget 2021/2022 | Forecast 2021/2022 | Proposed Budget 2022/2023 | Proposed Budget 2023/2024 |
|---|---|---|---|---|---|
| **REVENUE** | | | | | |
| Property Tax | 21,338,863 | 21,330,267 | 21,942,301 | 22,879,090 | 24,130,134 |
| Sales Tax | 3,223,369 | 3,290,000 | 3,530,000 | 3,580,000 | 3,630,000 |
| Other Taxes | 1,502,050 | 1,292,380 | 1,320,500 | 1,490,000 | 1,570,000 |
| Franchise Fees | 1,474,853 | 1,477,074 | 1,477,074 | 1,517,500 | 1,552,015 |
| Fines & Penalties | 118,646 | 277,000 | 225,000 | 52,000 | 57,000 |
| Licensing & Permits | 1,260,150 | 1,203,688 | 1,221,688 | 1,176,000 | 1,116,000 |
| Investment Income | 42,031 | 45,000 | 30,000 | 35,000 | 35,000 |
| Rents | 292,505 | 800,097 | 892,875 | 872,075 | 948,547 |
| State Subventions | 785,850 | 494,135 | 741,603 | 111,050 | 112,050 |
| Revenue from Other Agencies | 1,826,851 | 2,811,159 | 3,163,619 | 2,366,245 | 668,996 |
| Charges Current Services | 1,028,663 | 1,482,997 | 1,346,822 | 1,884,600 | 1,839,140 |
| Donations | 195,638 | 193,820 | 200,195 | 206,000 | 204,000 |
| Other | 190,250 | 33,500 | 40,840 | 33,500 | 33,500 |
| Aquatic Fees | 46,217 | 132,500 | 230,000 | 260,000 | 315,000 |
| Passes | (49,844) | 260,000 | 290,000 | 490,000 | 560,000 |
| Programs-Community Center | 364,858 | 285,000 | 357,000 | 425,000 | 480,000 |
| Fitness/Aquatics Classes | 6,672 | 195,000 | 65,000 | 75,000 | 85,000 |
| Programs-Other | 168,900 | 195,000 | 170,000 | 275,000 | 300,000 |
| Tennis Fees | 278,920 | 225,000 | 200,000 | 210,000 | 220,000 |
| On-Site Day Fees | 127,707 | 175,000 | 50,000 | 85,000 | 110,000 |
| Parks Services | 1,755 | 800 | 800 | 800 | 800 |
| Golf Fees | 772,379 | 675,838 | 475,838 | 675,496 | 727,175 |
| Golf Sales, Rentals & Lessons | 60,908 | 93,877 | 64,539 | 106,382 | 173,930 |
| Enrichment | 305,774 | 310,000 | 310,000 | 430,000 | 480,000 |
| Teens and Seniors | 54,550 | 89,250 | 94,625 | 124,000 | 159,000 |
| Merchandise | 1,405 | 2,000 | 2,810 | 3,000 | 3,000 |
| **Total Revenue** | **35,419,923** | **37,370,382** | **38,443,129** | **39,362,738** | **39,510,287** |

STATEMENT OF REVENUE AND EXPENDITURES
GENERAL FUND
March 31, 2022
2021-2022 Forecast
BUDGET 2022-2024

| | Actual 06/30/2021 | *Revised* Budget 2021/2022 | Forecast 2021/2022 | Proposed Budget 2022/2023 | Proposed Budget 2023/2024 |
|---|---|---|---|---|---|
| **EXPENDITURES** | | | | | |
| 10 City Council | 101,281 | 67,483 | 67,483 | 62,363 | 82,358 |
| 12 City Manager | 493,036 | 677,188 | 533,708 | 632,582 | 735,384 |
| 13 City Clerk | 241,897 | 259,217 | 260,989 | 263,034 | 323,549 |
| 14 Finance | 873,001 | 960,007 | 1,037,309 | 1,176,144 | 1,214,685 |
| 16 City Attorney | 977,598 | 334,425 | 534,425 | 382,600 | 382,400 |
| 18 Planning | 905,651 | 1,340,704 | 1,340,704 | 1,342,181 | 1,232,518 |
| 21 Non Departmental | 2,693,912 | 3,000,193 | 3,000,193 | 3,166,621 | 3,266,551 |
| 40 Police Services | 6,260,483 | 6,660,308 | 6,660,308 | 7,056,963 | 7,367,407 |
| 42 Fire Services | 8,130,462 | 7,459,863 | 7,695,863 | 7,963,462 | 8,357,551 |
| 44 Building | 1,499,530 | 1,589,389 | 1,536,585 | 1,818,563 | 1,707,000 |
| 50 City Engineer | 477,012 | 659,813 | 659,813 | 873,484 | 894,406 |
| 52 Street Maintenance | 742,101 | 979,656 | 979,656 | 1,104,582 | 1,137,115 |
| 70 Library | 2,316,211 | 2,809,137 | 2,793,809 | 3,276,625 | 3,391,791 |
| 80 Recreation | 518,606 | 518,000 | 518,000 | 839,916 | 829,903 |
| 81 Parks Maintenance | 1,270,241 | 1,268,496 | 1,268,496 | 1,656,457 | 1,714,904 |
| 84 Community Programs | 354,192 | 563,611 | 563,861 | 603,028 | 632,047 |
| 85 Golf Course | 721,199 | 825,080 | 775,080 | 930,857 | 969,164 |
| 86 Recreation Services | 812,294 | 788,947 | 788,947 | 923,254 | 1,027,962 |
| 87 Aquatics & Fitness | 649,140 | 1,108,182 | 1,107,382 | 1,300,565 | 1,432,861 |
| 88 Community Center | 734,297 | 922,047 | 922,047 | 1,103,096 | 1,174,384 |
| 65 Corpyard Outside Services | 36,587 | 45,000 | 45,000 | 45,000 | 45,000 |
| Total Operating Expenditures | 30,808,731 | 32,836,745 | 33,089,657 | 36,521,377 | 37,918,942 |
| General Fund CIP Current Year | - | 2,099,528 | 2,099,528 | 1,705,528 | - |
| General Fund CIP Carryover | - | - | - | - | - |
| Net Funds Available | 4,611,192 | 2,434,109 | 3,253,943 | 1,135,833 | 1,591,346 |

## Debt

The City generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt. High debt levels can overburden a municipality, while low debt levels may indicate underutilized capital investment capacity. The totality of the City's long-term debt obligations (not including pension and OPEB obligations) for the fiscal year ended June 30, 2020, are $17,147,594.[8] The Town's current long-term debt obligations are as follows:

- **Local Agency Refunding Revenue Bonds (Public Library Project)** –The City of Mill Valley Public Financing Authority, on January 20, 2016, issued $2,885,000 in local agency refunding revenue bonds with an interest rate of 2.75% to provide funds primarily

for the advance of refunding and purchasing the City of Mill Valley Community Facilities District 1996-1 Local Agency Revenue Bonds 2006 Series A. The refunding revenue bonds are secured by a voter-approved special tax levy on dwelling units of no more than $64 per dwelling unit annually. Under the arrangement, the 2006 bonds are considered to have been defeated and refunded, and the liability for the 2006 bonds has been removed from the financial statements.

- **Certificates of Participation 2011 Community Center Refinancing –** The City in 2011 entered into a site and project lease arrangement with the Mill Valley Facilities Financing Corporation to enable the Corporation to issue $4,115,000 of Certificates of Participation to provide funds for the refunding of the 1999 certificates issued to fund construction of the City's new Community Center. Interest on the certificates bear interest rates of 3.4% to 4.25%.
- **Certificates of Participation 2012 Sewer System –** The City in 2012 entered into a site and project lease arrangement with the Mill Valley Facilities Financing Corporation to enable the Corporation to issue $5,620,000 of Certificates of Participation to provide funds to finance improvements to the City's wastewater collection system. The certificates consist of $885,000 in serial certificates and $4,735,000 in term certificates maturing at various dates.
- **Pension Obligation Bonds –** On May 7, 2008, the City issued $6,775,000 of taxable Pension Obligation bonds, Series 2008 for the purpose of obtaining financing to refund and pay down the unfounded actuarial accrued liability to the State of California Public Employees Retirement System (PERS) applicable to the police and fire employee groups and the non-safety employee group. The pension obligation bonds bear interest at the rate of 5.76% compared to the 7.75% rate of the unfounded actuarial accrued liability. The bonds are not an obligation for which the City is obligated to levy or pledge any form of taxation. The City has agreed to pay the debt service on these bonds, but it has not pledged any specific source of revenue or funds for such repayments.
- **Direct Borrowings Financed Purchases –** The City entered into purchase arrangements for the purchase of a parcel of land in an original amount of $652,500, fire engines for $576,015 (2012) and $427,239 (2017), construction of solar power facilities in an original amount of $843,537, and $237,569 for parking meters. Under the arrangements, the City is obligated to appropriate in its annual budget sufficient amounts to provide for the debt payments. The solar facilities arrangement is payable in annual installments with zero interest. The land parcel lease bears interest at 4.6%.

The City also provides a pension plan for employees and is part of the California Public Employees Retirement System (CalPERS). CalPERS provides retirement, disability, and death benefits based on the employee's years of service, age, and final compensation. As of June 30, 2020, the City's Net Pension Liability was $41,470,544.[9] As of the most recent CalPERS actuarial Valuation on June 30, 2018, the City's pension funded ratio was 70.8%. In addition to the pension plan, the City provides other post-employment benefits (OPEB) to its retirees. As of June 30, 2020, the Town carried a net OPEB liability of $22,934,294. The City currently has 178 employees, both active and inactive, in its OPEB plan.

## 5.9 SUSTAINABILITY

In 2007, the Mill Valley City Council adopted resolution number 44/07 which designated the City as a participant in the Cities for Climate Protection Campaign. The campaign is highlighted by five milestones for participants to reduce their greenhouse gas and air pollution emissions within the community by way of the following:

- Conduct a greenhouse gas emissions inventory and forecast to determine the source and quantity of greenhouse gas emissions in the jurisdiction;
- Establish a greenhouse gas emissions reduction target;
- Develop an action plan with both existing and future actions which when implemented will meet the local greenhouse gas reduction target;
- Implement the action plan;
- Monitor and report progress

In accordance with these action items, in 2009, the City approved its 2005 Greenhous Gas Emissions Inventory and directed staff to complete a Climate Action Plan to reduce both government and community greenhouse gas emissions (GHG) over the course of the following ten years. In 2014, the City Council adopted the City's Climate Action Plan as well as a target of reducing the City's GHG by 15% below the 2005 recorded levels by the year 2020. As of 2020, the City had reduced its community GHG emissions by over 37,000 metric tons[10] of CO2e (carbon dioxide equivalent) from an estimated 105,000 in 2005 to 67,779 in 2020. The last government operations inventory of GHG emissions was completed in 2018 and showed that emissions from municipal operations had declined 15% from 2005 levels. This was a total reduction of approximately 35%. The City was presented with the Beacon Award by the Institute for Local Governments in 2018. The award (at that time) had only been received by a total of 31 jurisdictions (approximately 6% of all California jurisdictions). The award recognizes an agency's achievements in community greenhouse gas reductions, agency greenhouse gas reductions, energy savings, and sustainability best practices. Some of the steps taken by the City to achieve this goal include:

- In 2017, the City began purchasing 100% renewable electricity (Deep Green) from Marin Clean Energy for all municipal facilities.
- The City has converted nearly 80% of its streetlights to LED fixtures, which use approximately 50% less electricity of conventional lighting.
- The City has adopted green building regulations that exceed State building code requirements.
- In 2017, the City adopted an updated Bicycle and Pedestrian Plan that provides for a city-wide network of bicycle and pedestrian facilities, including new and upgraded sidewalks, multi-use paths, and bicycle lanes and routes. Mill Valley is also a silver-designated bicycle-friendly community.
- The City partners with the organization Resilient Neighborhoods to provide outreach and education on ways residents can reduce their carbon footprint.

The City is currently in the process of updating its original Climate Action Plan with a target of the end of 2022 for the formal presentation of the plan and updated plan priorities to the City Council.

# 6.0 CITY OF SAUSALITO

## 6.1 OVERVIEW

The City of Sausalito is Marin County's southernmost municipality. The City's eastern border is flanked by the Richardson Bay, while the remainder of the City is landlocked by unincorporated lands. To the south and to the west, the City's boundary is contiguous with the Golden Gate National Recreation Area (GGNRA). To the north of the City lies the census-designated place of Marin City. Highway 101 runs throughout the western edge of of the City, connecting it to the rest of Marin County. The jurisdictional boundary of the City of Sausalito is approximately 2.12 square miles and, on the basis of the City's current zoning standards, is predominantly built out[1] at this time with very few vacant parcels remaining that are zoned for development and many of those face significant physical constraints. According to the United States Census Bureau[2], the City had a population of 7,269 as of the 2020 U.S. Census.

The City provides a range of municipal services including parks and recreation, street maintenance, community development, library, police, and sewage collection. Other municipal services to the City are provided by various special districts.

**Table 6-1: City of Sausalito Overview**

| City of Sausalito Overview | |
|---|---|
| **City Manager:** | Chris Zapata |
| **Main Office:** | 420 Litho Street, Sausalito |
| **Council Chambers:** | 420 Litho Street, Sausalito |
| **Formation Date:** | September 4, 1893 |
| **Services Provided:** | Police, Street Maintenance, Parks and Recreation, Library, Sewer Collection |
| **City Boundary:** | 2.12 sq. mi city limit; 3.41 sq. mi SOI |
| **Population Served:** | 7,269 |

## 6.2 FORMATION AND DEVELOPMENT

Originally inhabited by the Coast Miwoks, the City of Sausalito began taking shape in the late 1830s as a place where ships could pick up fresh water near San Francisco. One of the area's most popular locations was a stand of small willow trees where fresh water ran down to the bay. The original Spanish name for the area was Saucelito, pronounced sow-say-LEE-to, which was ultimately changed to Sausalito in 1887. In 1838, an Englishman by the name of William Richardson married the daughter of the Commander of the Mexican military garrison in San Francisco and was gifted a 19,571 acre land grant that spanned a large portion of current day southern and western Marin County. Richardson constructed his primary estate in the area of

Sausalito's present-day Caledonia Street. The bay that sits adjacent to the land, Richardson Bay, was named in his honor. Richardson would ultimately lose the majority of his estate, and the bulk of the plot of land that included Sausalito was sold in 1868 to the Sausalito Land and Ferry Company. The company laid out streets and subdivided lots and then purchased a small ferry, the Princess, to bring in prospective buyers from San Francisco.

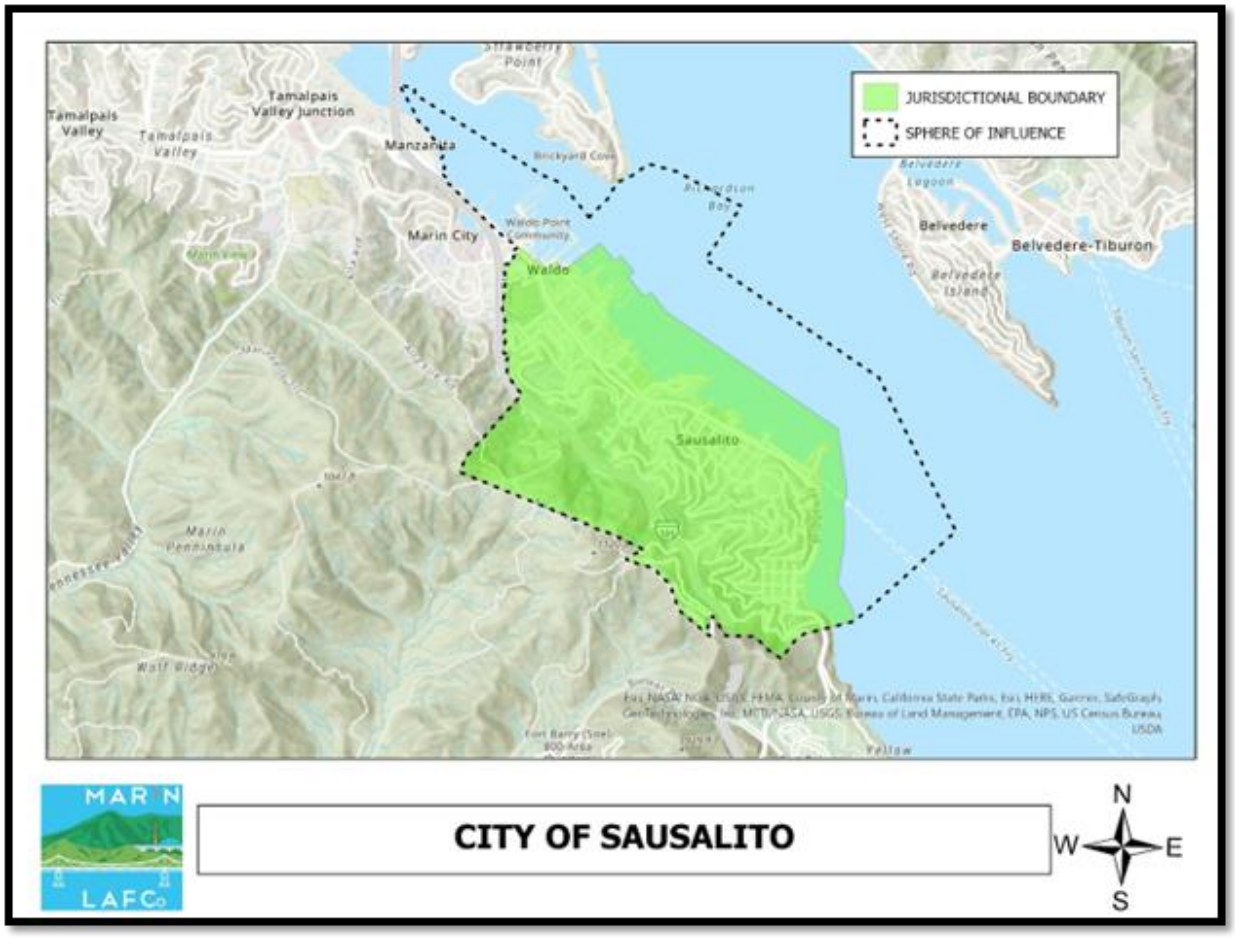
The community grew throughout the mid-1800's into a small fishing, boat repair, and ranching center. In the late 1800s the railroad construction reached Sausalito, linking the area to the northern portion of California. With the railroad connecting to the north and the numerous ferry boats that sailed to San Francisco, Sausalito became a growing transportation hub and at the time was the second largest community in Marin County, with only San Rafael having a greater population. The City of Sausalito was officially incorporated on September 4, 1893.

With the completion of the Golden Gate Bridge in 1937, Sausalito's train and ferry services were discontinued, with the final southbound passenger train arriving in 1941. This was also the time that car ferry service came to an end. With the onset of World War II, a marshy area to the north of the city center of Sausalito was filled in with dredgings from the Richardson Bay in order to construct a major shipyard of the Bechtel Corporation called Marinship. Thousands of laborers descended upon the area from across the country, in particular the deep south, to work in the shipyard producing merchant ships to carry supplies around the world. The majority of the workers were housed in a nearby community, Marin City, that had been constructed to accommodate the influx. The City's population grew by over 36% between 1940 and 1950. The Marinship yard operated 24/7 until September of 1945 and produced 93 Liberty Ships and tankers for the war effort. In honor of the City's contribution to the war effort, a Tacoma-class frigate was christened the USS Sausalito in 1943. The USS Sausalito was not built in Sausalito, however, but at one of the shipyards in Richmond.

After the war ended the shipyard was abandoned in short order and the Army Corps of Engineers was given control of the property which was sold off in portions. By the late 1960s multiple houseboat communities had formed in the waterfront along Sausalito's shore. In the 1970s, what is commonly referred to as the "houseboat wars" broke out between houseboat owners and local authorities over the safety and legality of the houseboats. Over time, legal houseboat marinas were created, and the houseboat community became an established part of the fabric of Sausalito. Three main houseboat communities remain in the area today.

In 1965, the City of Sausalito sued the County of Marin and a private developer for the illegal zoning of 2,000 acres of land to build a city named Marincello adjacent to Sausalito. Marincello was planned as a bedroom community for San Franciscans in the interior landscape of the Marin Headlands. Originally, the community was designed to house over 150,000. This vision was eventually scaled down through the planning process and settled on the creation of a municipality of 30,000. Between the lawsuit and other financial issues for the developers, the land was ultimately sold to the Nature Conservancy in 1972 for the newly established Golden Gate National Recreation Area. The only architectural evidence of the project, the planned community's entry gates, were demolished in 1976. Passenger ferries returned to the City in 1970, and Sausalito quickly became a popular tourist destination for visitors to the greater Bay Area.

## 6.3 JURISDICTIONAL BOUNDARY AND SPHERE OF INFLUENCE




The current jurisdictional boundary for the City of Sausalito is approximately 2.12 square miles (1,358 acres). A majority of the City's northern border is shared with the census-designated place (CDP) of Marin City as well as the Waldo Point area. The eastern edge of the City extends beyond the shoreline and into the Richardson Bay. The western and southern regions of the City's boundary are surround by the Golden Gate National Recreation Area.

Originally established in 1984, the City's current sphere of influence (SOI) is a fair amount larger than the jurisdictional boundary at approximately 3.41 square miles (2,186 acres). The total area included in the sphere that is outside of the city limits encompasses the entirety of the Waldo Point area and extends north up Highway 101 to the Richardson Bay Bridge and also encompasses the floating homes between Waldo Point and the bridge. The SOI extends east across the Richardson Bay to be contiguous with the western edge of the jurisdictional boundary of the City of Belvedere. The original sphere of influence that was adopted for the City in 1984 also included the unincorporated community of Marin City as well as the Fort Baker area of the GGNRA and the Manzanita/Heliport area, which created an overlap with the City of Mill Valley's SOI. In 2004, the sphere was amended by Marin LAFCo to remove Marin City, Fort Baker, and the Manzanita/Heliport area as it was deemed that annexation and/or extension of the

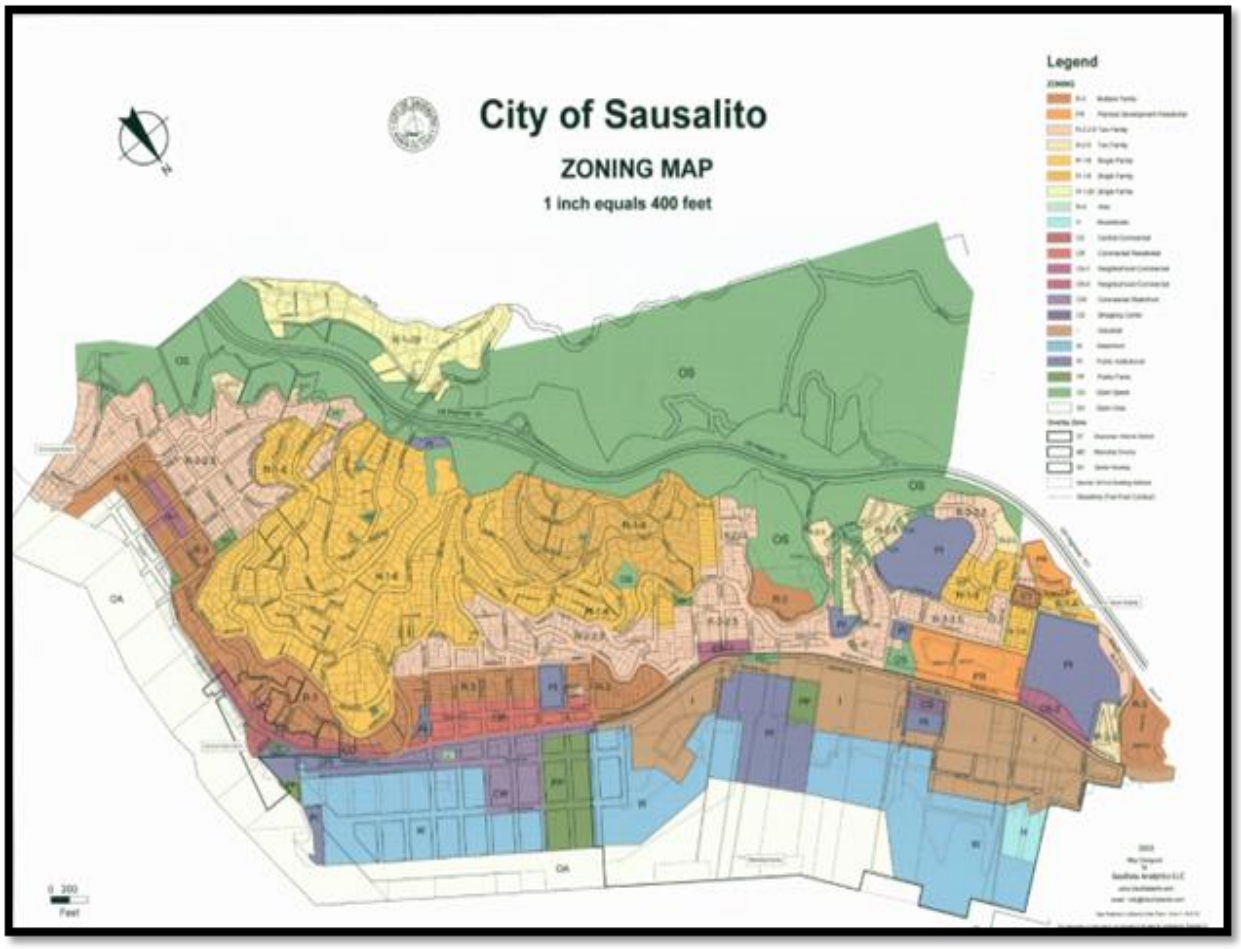
City’s services to those areas was improbable. This sphere of influence was reaffirmed by the Commission in 2010.

The City's current sphere of influence is contiguous to a census tract block group (Tract 1290, Block Group 1) that has been designated by Marin LAFCo as a disadvantaged unincorporated community (DUC) based on 2020 U.S. Census Bureau Redistricting Data. A disadvantaged community is defined in Water Code Section 7905.5(a) as a community with an annual median household income of less than 80 percent of the statewide median household income. The statutory definition of DUCs comes from Government Code Section 56033.5, which defines DUCs as “inhabited territory” that constitutes all or a portion of a disadvantaged community. “Inhabited territory” may be defined by Government Code Section 56046 as having at least 12 registered voters, or it can be determined by “commission policy”.

## 6.4 POPULATION AND GROWTH

The City of Sausalito saw its greatest population boom between 1940 and 1950 when the total population of the City grew from 3,540 to 4,828. The City continued to see steady growth until roughly 1980 when it reached its peak population of 7,338. Since then, population has seen a slight decline with the 2020 U.S. Census showing the City to have a population of 7,269. This number, however, is an increase of 2.9% from the 2010 Census number of 7,061. The City is essentially built[3] out at this time, with few remaining vacant lots zoned for development, and those that are face significant topographical development difficulties. The City is shown to have 4,425 housing units, with 433 of those units being vacant. The maximum development allowed by the current General Plan policies would give the City 5,134 dwelling units. A map of the zoning for the City can be seen below in Figure 6-1.

**Figure 6-1: City of Sausalito Zoning Map**




## 6.5 ORGANIZATION STRUCTURE

### Governance

The City of Sausalito operates under a council-manager form of government, in which legislative and policy functions are vested in the City Council while the City Manager conducts the day-to-day city business. The City Council for Sausalito is comprised of 5 members. The positions of Mayor and Vice-Mayor are selected annually by way of nominations and voting by the Council members. Members are elected to staggered four-year terms during even-numbered years with three council members elected in one cycle and two in the following cycle.

City Council duties include establishing legislation and policies governing the City; adopting all ordinances, resolutions, and major contracts; approving and modifying annual budgets; making appointments to advisory boards, commissions, and committees; and appointing the City Manager. City Council meetings are regularly held on the first and third Tuesday of each month at 7:00 p.m. at the City Council Chambers at 420 Litho Street in Sausalito, though meetings are currently being held via a virtual meeting setting.

**Table 6-2: City of Sausalito City Council**

| Member | Position | Term End |
|---|---|---|
| Janelle Kellman | Member | 2024 |
| Melissa Blaustein | Mayor | 2024 |
| Jill Hoffman | Member | 2026 |
| Ian Sobieski | Vice-Mayor | 2026 |
| Joan Cox | Member | 2026 |

### Administration

The City Manager is appointed by the City Council and is responsible for City operations management and policy implementation on behalf of the City Council. The City Manager is an at-will employee and administers the City of Sausalito's departments through the support of multiple department heads such as (but not limited to) the City Librarian/Director of Communications, Director of Planning and Building, Finance Director, Community and Economic Development Director, Director of Public Works, and Police Chief. The City Manager is also charged with appointing a City Attorney who is retained on a contract basis.

## 6.6 ACCOUNTABILITY AND TRANSPARENCY

When conducting service reviews and reviewing proposals, LAFCo considers an agency's accountability for community service needs, including governmental structure, operational efficiencies, financial resources, and promoting public access. The City offers multiple ways to keep the public informed about services, meetings, finances, and decision-making processes. The City Council's meeting agendas are posted on the City website at least 72 hours prior to each scheduled meeting. Past meeting agendas and meeting minutes can be found in the City's "Archive" page on its website that is linked from the City Council page. The public may also provide verbal comments or concerns by phone or in person at City Hall during business hours and/or at City Council meetings during the public comment period. Given the current issues with public gatherings due to COVID-19, the City offers its residents the ability to attend all public meetings remotely and offers recordings of its meetings on the City's website as soon as possible after the meeting. All City Council meetings are broadcast on Marin TV which is available with both Comcast (Channel 27) and AT&T (Channel 99) cable subscriptions.

The City offers a variety of digital newsletters that residents can sign up to automatically receive ranging from broader citywide news, to departmental specific updates. Within the Finance Department's section of the website, the City also offers a unique transparency tool that displays multiple areas of the City's finances with easily digestible images and graphics. At this time, all legal requirements for public agency transparency are being met or exceeded.

## 6.7 MUNICIPAL SERVICES

The City of Sausalito provides its residents with the municipal services of police, parks and recreation, public works, community development, sewage collection, and library. The City also partners with outside agencies for the provision of certain municipal services including municipal water, wastewater treatment and disposal, fire and emergency medical, and garbage collection. A description of these services is provided below.

### Law Enforcement

The City of Sausalito provides law enforcement services to all areas within the jurisdictional boundary. The Sausalito Police Department headquarters is located at 29 Caledonia Street in Sausalito, directly adjacent to the Southern Marin Fire Protection District Fire Station #1. The projected expenditures for police services in FY 2022-23 are $6,749,208 which accounts for 31.1% of the City's budgeted operating expenditures for the year. This appropriation is a decrease of $585,277 (8%) from the previous fiscal year. The City Council has maintained the prior approval of the freezing of 2 Police Officer positions in an effort to minimize expenditures across all City departments to slow the depletion of General Fund reserves.

The Police Department employs a total of 18 FTE (full-time equivalent) employees with 13 sworn officers and five professional staff. The City's annual crime statistics as well as the Department's calls for service for the past five years can be seen below in Table 6-2.

**Table 6-3: City of Sausalito Crime Statistics**

| Category | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|
| **Calls for Service** | 11,797 | 11,750 | 12,739 | 14,084 | 14,419 |
| **False Alarm** | 423 | 432 | 621 | 590 | 677 |
| **Extra Patrol** | 449 | 845 | 635 | 928 | 1,380 |
| **Assault Battery** | 25 | 11 | 9 | 23 | 23 |
| **Domestic Violence** | 11 | 12 | 7 | 9 | 12 |
| **Residential Burglary** | 21 | 14 | 9 | 8 | 21 |
| **Burglary, Other** | 122 | 58 | 122 | 68 | 74 |
| **Theft (Grand and Petty)** | 132 | 142 | 100 | 108 | 104 |
| **Auto Theft** | 24 | 25 | 18 | 10 | 19 |
| **DUI** | 10 | 20 | 34 | 19 | 19 |
| **Arrests** | 151 | 17 | 198 | 301 | 241 |

| | | | | | |
|---|---|---|---|---|---|
| **Traffic Accidents** | 40 | 62 | 70 | 79 | 80 |
| **Moving Violations** | 40 | 146 | 399 | 633 | 354 |
| **Parking Violation** | 8,790 | 8,188 | 15,145 | 12,917 | 13,265 |

## Fire and Emergency Response

The City of Sausalito's fire and emergency medical response services are provided by the Southern Marin Fire Protection District. In 2004, the City formed a Joint Powers Agreement (JPA) with the District in order to share personnel. This agreement, over time, ultimately evolved into the District annexing the City of Sausalito in June of 2012. The Southern Marin Fire Protection District receives a full review in Section 3 of this document.

## Parks & Recreation

The City of Sausalito offers its residents a broad scope of recreation programming and facilities despite operating with very lean staffing levels. As was the case for a number of municipalities around the state, the Covid-19 pandemic had significant impacts on both the City's and the Recreation Department's finances. As many recreation departments are dependent upon program offerings to generate a good apportionment of their annual revenue streams, the inability to do so during Covid-19 restrictions forced many departments to reassess their program offerings and staffing levels. As part of the effort to slow the depletion of General Fund reserves in FY 2021-22, the Sausalito City Council approved the reorganization of the Parks and Recreation Department by phasing out the Parks and Recreation Director position and downsizing the Recreation Superintendent position to a Recreation Coordinator, offering the City a sizable savings in the Department's staffing expenditures.[4] The Department utilizes the services of a number of independent contractors in order to provide the community with high quality recreation programming while still maintaining lean staffing levels.

Some of the programming and services that the Parks and Recreation Department offers includes (but not limited to):

- Tai Chi
- Pickleball Clinics
- Tennis Lessons
- Line Dancing
- After School Enrichment Classes
- Youth Day Camps
- Taekwondo
- Bocce Ball League
- Edgewater Seniors Club

The City of Sausalito also offers a number of parks within its jurisdictional boundary as well as sport courts and indoor facility space, many of which are available for rental. The City's parks include the following:

- Cloud View Park
- CazneauPark
- Dunphy Park
- Gabrielson Park
- Lagendorf Playground
- Marinship Park
- Mary Ann Sears Park
- MLK Park
- Remington Dog Park
- Robin Sweeny Park
- Southview Park
- Tiffany Park
- Yee Tock Chee Park

## Library

The City of Sausalito provides its residents with comprehensive library services. The City's library, located at 420 Litho Street in Sausalito, was originally Formed in 1906 on the second floor of the Sausalito Land and Ferry Company building on Brigeway. In 1974, the Library was moved to its current location at 420 Litho Street. Since that time, the Library has undergone two remodels with one in 1979 and most recently in 2013. The Sausalito Public Library offers programming for all ages, from early childhood programming such as Story Time In The Park, to it's Read To A Dog program in partnership with the Marin Humane Society to help aid reading and literacy, as well as a Banned Books Club literature program for middle school and high school students.

The Sausalito Library is a member of MARINet, a Joint Powers Authority established in June of 1991. The JPA is governed by a board of directors consisting of the nine member libraries: Belvedere-Tiburon Library, Larkspur Public Library, Marin County Free Library, Mill Valley Public Library, San Anselmo Public Library, San Rafael Public Library, Sausalito Public Library, College of Marin Library, and Dominican University Library. The consortium share access to each of the members' catalogs and an automation system.

The adopted operating expenditure budget for the Sausalito Public Library for FY 2022-23 is $1,203,596, an increase of $343,082 (39%) from FY 2021-22.

## Water

The water services to the City of Sausalito are provided by the Marin Municipal Water District (MMWD), an independent special district, which is a separate local agency from the City. The

District's services are reviewed separately in Marin LAFCo's Countywide Water Service Study (2016). This study can be viewed at marinlafco.org.

MMWD's jurisdictional boundary spans 148 square miles. 61% of this area is unincorporated and the additional 39% lies in 10 cities/towns, including the entirety of Sausalito and its surrounding unincorporated areas. MMWD is currently authorized to provide three specific services within its jurisdictional boundary: (1) domestic water; (2) non-potable water; (3) and recreation. The district's governing board is comprised of five members who are elected by electoral divisions to staggered 4-year terms. The City of Sausalito is represented by electoral Division 4. Jed Smith is the elected official holding the seat for Division 4. MMWD currently meets on the first and third Tuesday of each month at 7:30 p.m. at the District's Administrative Office at 220 Nellan Avenue in Corte Madera.

## Wastewater

The City of Sausalito provides the wastewater collection system within the City's jurisdictional boundary which leads to the treatment plant of the Sausalito-Marin City Sanitary District (SMCSD). The City has maintained the same original agreement for these services that it has had with SMCSD since 1953. The City's collection system is made up of approximately 21 miles of sewer pipes as well as four pump stations that the City contracts with SMCSD to provide operation, maintenance, and rehabilitation. The entirety of the City's jurisdictional boundary lies within the jurisdictional boundary of SMCSD. The sewer service operations are housed within the City's Public Works Department under the Sewer Maintenance Division.

In 2019, the City enlisted the services of the consulting firm NBS to perform a sewer rate study. The study was completed in April of 2019 and presented to the Sausalito City Council for review. After the completion of the Proposition 218 process, the City Council adopted the proposed rate adjustments on June 18, 2019. The previously adopted rates were adopted in 2014. The updated sewer service rates can be seen below in Table 6-4.

In 2019, the Board of Directors for SMCSD and the City Council authorized the City to seek proposals for a joint study on consolidation from qualified consultants and that they would share the cost of a Phase 1 Consolidation Feasibility Study. On January 28, 2020, the contract for the study was awarded by the Sausalito City Council to Causey Consulting. In June of 2020, the completed Phase 1 Feasibility Study exploring the possibility of consolidating the City's collection services and infrastructure to the District was presented to both agencies. The study ultimately recommended two options for the agencies: formal consolidation or, as an alternative, an updating of the current service agreement with a potential expansion of the current scope of services. Phase 2 of the feasibility study, the Operational Plan, has also been completed. Most recently on October 11th, a committee of both City and District staff (as well as the study's consultant) presented at the Sausalito City Council Meeting and informed the Council that after the recent televising and review of the City's collection system, it appears that the City's collection system is in need of approximately $18 million in repairs. With the City's current revenue of $1.7 million annually, improvements can be accomplished over a 14-year period (not

including possible inflation costs). A consensus from both agencies after the report was that the District and the City will continue to move the consolidation effort forward and next steps will include seeking legal assistance to develop the procedure for consolidation, including consultation with Marin LAFCo staff. A joint committee of members from the City and the District is continuing to meet to consider the recommendations, with the hope that a final decision will be reached in the near future.

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**Table 6-4: City of Sausalito Sewer Service Rate Schedule**

| Land Use of Premises | FY 2019-20 | FY 2020-21 | FY 2021-22 | FY 2022-23 | FY 2023-24 |
|---|---|---|---|---|---|
| **Residential Customers (Fixed and Volumetric)** | | | | | |
| **Single Family** | $624.24 | $649.21 | $675.18 | $702.19 | $730.27 |
| **Single-Family Attached** | $339.22 | $352.79 | $366.91 | $381.58 | $396.84 |
| **Duplexes** | $339.26 | $352.83 | $366.95 | $381.62 | $396.89 |
| **Multi-Family** | $300.41 | $312.43 | $324.93 | $337.93 | $351.44 |
| **Residential Volumetric Charge** | $1.09 | $1.13 | $1.18 | $1.22 | $1.27 |
| **Commercial/Industrial Customers (Fixed and Volumetric)** | | | | | |
| **Fixed Charge** | $561.67 | $584.14 | $607.51 | $631.81 | $657.08 |
| **Volumetric Charge** | $1.09 | $1.13 | $1.18 | $1.22 | $1.27 |

## Public Works

The City of Sausalito's Public Works Department fulfills its municipal service responsibilities through the maintenance and operation of the public facilities and public rights of way throughout the City's boundary. In addition to the standard operations and maintenance of things such as parks maintenance, streets, storm drains, street lights, traffic signals, and public buildings that a municipality's public works department would typically oversee, the City of Sausalito's Public Works Department also manages the City's wastewater collection system by performing minor repairs, locating mains and laterals for utility requests, clearing and preventing stoppages within the lines, and responding to emergency sanitary sewer overflows.

The Public Works Department oversees the formation and implementation of the City's Capital Improvement Program (CIP). The program is a five-year planning tool that identifies anticipated capital improvements as well as their funding sources and is re-evaluated on an annual basis towards the end of each fiscal year. The Department works to identify both priority projects that they deem to be infrastructure issues that warrant immediate attention as well as secondary projects that are tackled when the resources become available. For FY 2022-23 the Sausalito City Council approved an amount of $4.4 million[5] to be allocated to capital improvements. The operating expenditure budget for the City's Public Works Department (combined Engineering, Maintenance, and Landscaping) for FY 2022-23 is $3,660,830.

## 6.8 FINANCIAL OVERVIEW

The City of Sausalito prepares an annual report on the City's financial statements in accordance with established governmental accounting standards. The most recent audited financial statement was prepared by the independent certified accounting firm, Maze & Associates, which issued an unqualified, or "clean", opinion on the City's financial statements for the fiscal year ending in June 30, 2021.

Previously working under a biennial budget process, the City Council moved to a one year budget adoption in FY 2020-21 due to the Covid-19 pandemic. The City annually adopts an operating budget which is adopted no later than the end of the active fiscal year and is effective July 1st through June 30th. The budget reflects estimated revenues and expenditures.

Appropriations and spending authorizations are approved by the City Council. The City Council may amend the budget by resolution during the fiscal year in order to respond to emerging needs, changes, or shifting priorities. Expenditures may not exceed appropriations at the fund level, which is the legal level of control. The City Manager is authorized to transfer budgeted amounts of operational expenditure categories within funds as deemed necessary in order to meet the City's operational needs. City Council approval is required for all inter-fund transfers, fund reserve to appropriations transfers, new revenue sources with offsetting appropriations, and for transfers to/from the capital expenditure category.

### Revenues and Expenditures

The FY 2022-23 Citywide expenditure budget for the City of Sausalito is $35,650,620. The expenditure budget is supported predominantly by a projected revenue of $34,423,886. For the FY 2022-23, the City projects that citywide expenditures will be $5,007,929 (12.3%)[6] less than the adopted amount in the previous fiscal year. The City's total citywide revenues in FY 2022-23 is projected to be $3,693,729 (10.2%)[7] lower than the total for FY 2021-22. The City derives revenue from several sources. The primary sources of revenue are generated by different types of taxes, with property taxes being the most significant percentage at approximately 35% of General Fund revenues. What makes Sausalito so financially unique in comparison to the other municipalities in Marin County is its reliance on sales tax and transient occupancy tax (TOT) to make up a large apportionment of its annual General Fund revenues with sales tax annually providing approximately 20% of the City's total revenues and TOT making up approximately 11%. These two areas were appreciably impacted over the past couple of fiscal years due to Covid-19 restrictions.

In FY 2020-21, these impacts posed a considerable challenge within the City's budget, creating an identified $4.5 million gap in revenues and expenditures for FY 2021-22. Staff presented a plan to the City Council which in turn adopted a budget for FY 2020-21 that was balanced by using $1.7 million in Federal American Recovery Act Funds, $1.2 million from Measure O (the City's voter approved 0.5% sales tax levy), $1 million dollars from the City's Parking Fund, and $930,000 from the General Fund Reserve. In addition to these one-time revenue adjustments, the City identified and enacted areas for cost reductions such as downsizing the City Manager

Office by eliminating the Assistant City Manager position, lowering the City Manager compensation package, freezing two vacant Police Officer positions, and phasing out the Parks and Recreation Director position and downsizing the Recreation Superintendent position to Recreation Coordinator. This budget allowed the City to maintain their current service levels as well as avoiding layoffs. In October of 2021, staff presented to the City Council projecting additional budget deficits in coming years as well as considerable basic infrastructure needs. In an effort to bolster revenues, the Council approved the hiring of grant writing resources as well as the hiring of a property manager.

In preparation for FY 2022-23, the City Manager presented to Council the significant factors that would continue to impact the City's budget in the coming fiscal year such as rising pension costs and increasing debt service costs for Police, fire stations, and major park improvements. Through the best efforts of staff and the Council, the adopted budget gap of revenues to expenditures was closed from $4 million to $2.6 million. This gap will be filled by funds from the city's unassigned General Fund Reserve in lieu of service and staff cuts. This amount leaves the City's undesignated general fund balance at approximately $2.5 million. Combined with the current funds in the Budget Stabilization fund and the Shortfall fund, the City has approximately $5.8 million, or 26% of the General Fund operating expenditures, which exceeds the recommended two-month operating threshold. In addition to the previously mentioned measures taken by the Council to generate additional revenue, approval was also given to go forward with a ballot measure to renew and replace Measure O sales tax. Measure L was put before the voters in November of 2022 and was approved. The measure extends the pre-existing tax measure for ten years and raises it from 0.5% to 1%, generating a projected $2.8 million annually.

A table of General Fund revenues and expenditures for the most recently available five audited fiscal years can be seen below in Table 6-4.

**Table 6-5: City of Sausalito General Fund Revenues and Expenditures**

| Revenues | FY 2020-21 | FY 2019-20 | FY 2018-19 | FY 2017-18 | FY 2016-17 |
|---|---|---|---|---|---|
| **Property Tax** | $6,310,385 | $5,977,754 | $5,704,360 | $5,295,149 | $5,060,976 |
| **Sales Tax** | $4,071,720 | $3,845,633 | $3,607,786 | $3,600,023 | $3,480,087 |
| **Other Tax** | $1,650,159 | $2,084,090 | $2,699,645 | $2,378,416 | $2,432,321 |
| **Licenses and Permits** | $1,443,537 | $1,763,872 | $631,060 | $641,887 | $564,123 |
| **Fines and Forfeitures** | $344,804 | $504,712 | $676,406 | $558,573 | $532,679 |
| **Use of Money and Property** | $655,332 | $616,242 | $522,884 | $392,971 | $385,217 |
| **Intergovernmental** | $86,521 | $11,738 | $12,823 | $12,923 | $12,823 |
| **Charges for Services** | $1,386,263 | $1,256,004 | $1,757,075 | $1,630,106 | $1,481,313 |
| **Other Revenue** | $635,145 | $150,243 | $1,092,407 | $216,536 | $112,081 |
| **Total** | $16,583,866 | $16,210,288 | $16,704,446 | $14,726,584 | $14,061,620 |

| Expenses | FY 2020-21 | FY 2019-20 | FY 2018-19 | FY 2017-18 | FY 2016-17 |
|---|---|---|---|---|---|
| **General Government** | $6,418,953 | $5,019,891 | $4,021,872 | $3,864,252 | $3,487,116 |
| **Library** | $684,278 | $859,080 | $913,151 | $888,923 | $880,082 |
| **Police** | $6,178,011 | $5,672,031 | $5,242,137 | $5,225,737 | $4,773,520 |
| **Community Development** | $1,568,392 | $1,685,301 | $1,923,504 | $1,643,279 | $1,576,144 |
| **Public Works** | $1,912,411 | $1,976,807 | $1,967,910 | $1,764,648 | $1,797,401 |
| **Parks and Recreation** | $1,377,580 | $1,497,017 | $824,193 | $779,468 | $715,871 |
| **Capital Outlay** | $58,000 | $0 | $58,000 | $58,000 | $0 |
| **Total** | $18,197625 | $16,710,127 | $14,950,767 | $14,224,307 | $13,230,134 |

## Debt

The City generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt. High debt levels can overburden a municipality, while low debt levels may indicate underutilized capital investment capacity. The totality of the City's long-term debt obligations (not including pension and OPEB obligations) for the fiscal year ended June 30, 2021, are $32,300,609.[8] The City's current long-term debt obligations are as follows:

- **Southern Marin Fire Protection District Annexation Agreement –** In September 2011, the City entered into an annexation agreement with the Southern Marin Fire Protection District (SMFPD). The City agreed to pay SMFPD $58,000 annually for 30 years, a total of $1,740,000 which represented the retiree medical costs of the nine firefighters who worked for the City prior to annexation. The first payment was made in 2013 and the final payment is due in FY 2042.
- **Department of Boating and Waterways –** Between April 1995 and March 1996, the City borrowed $1.2 million from the California Department of Boating and Waterways to finance certain improvements. The loan bears interest at 4.5%. The payments on the loan are in annual installments of $72,156 with the final payment scheduled for August 1, 2025.
- **Building Acquisition Lease –** On October 1, 2020, the City entered into a lease agreement with the Sausalito Financing Authority in the amount of $1,858,000 to finance the acquisition of a former Bank of America building located at 750 Bridgeway. This lease agreement was assigned to Zions Bancorporation. The lease bears interest at a rate of 2.79%. Payments are due semi-annually with the final payment scheduled for 2035.
- **General Obligation Bond 2006 Series A –** On November 16, 2006, the City issued General Obligation Bonds Series A in the amount of $8,205,000. The bond proceeds from this series and the bond proceeds from Series B (listed below) are being used to

finance the demolition and replacement of a police building and fire station. Interest payments are due each February 1 and August 1, and principal payments are due each August 1 with the final payment scheduled for August 1, 2026.

- **General Obligation Bond 2006 Series B (Capital Appreciation Bonds) –** On November 16, 2006, the City issued General Obligation Bonds Series B in the amount of $7,293,894. Repayments of the accreted principal will commence August 1, 2026, with the final repayment scheduled for August 1, 2041.
- **2015 Sewer Revenue Bonds –** In January 2015, the City, via the Sausalito Financing Authority, issued the 2015 Sewer Revenue Bonds in the amount of $6,750,000. The proceeds are being used to finance the acquisition and construction of sewer improvements and facilities, fund a reserve fund for the bonds, and pay issuance costs. The Bonds are payable from the net revenues of the City's Sewer Enterprise fund. The final payment is scheduled for August 1, 2044.
- **California State Water Resources Control Board Project Finance Agreement –** On September 28, 2011, the City entered into a project finance agreement with the State Water Resources Control Board in the amount of $1,036,480 to replace existing sewer pipe and build a new grease interceptor.
- **2016 Certificates of Participation –** In January 2016, the City, via the Sausalito Financing Authority, issued the 2016 Certificates of Participation in the amount of $6,940,000. The bond proceeds are being used to finance capital improvements to the City's MLK Campus and Robin Sweeny, Southview, and Dunphy Parks. Payments are made on May 1 and November 1 annually with the final payment scheduled for May 1, 2030.

The City also provides a pension plan for employees and is part of the California Public Employees Retirement System (CalPERS). CalPERS provides retirement, disability, and death benefits based on the employee's years of service, age, and final compensation. As of June 30, 2021, the City's Net Pension Liability was $31,924,136.[9] As of the most recent CalPERS actuarial valuation the City's pension funded ratio was approximately 78%[10]. In addition to the pension plan, the City provides other post-employment benefits (OPEB) to its retirees. As of June 30, 2021, the Town carried a net OPEB liability of $4,372,838. The City currently has 145 employees, both active and inactive, in its OPEB plan.

## 6.9 SUSTAINABILITY

February 26, 2008, the Sausalito City Council adopted resolution number 4935 which designated the City as a participant in the Cities for Climate Protection Campaign. The campaign is highlighted by five milestones for participants to reduce their greenhouse gas and air pollution emissions within the community by way of the following:

- Conduct a greenhouse gas emissions inventory and forecast to determine the source and quantity of greenhouse gas emissions in the jurisdiction;
- Establish a greenhouse gas emissions reduction target;

- Develop an action plan with both existing and future actions which when implemented will meet the local greenhouse gas reduction target;
- Implement the action plan;
- Monitor and report progress

In accordance with these action items, on June 7, 2011, the City approved its 2005 Greenhous Gas Emissions Inventory and directed staff to complete a Climate Action Plan to reduce both government and community greenhouse gas emissions (GHG) over the course of the following ten years. On June 16, 2015, the City Council accepted and adopted the City's Climate Action Plan as well as a target of reducing the City's GHG by 25% below the 2005 recorded levels by the year 2020. As of 2019, the City had reduced its community GHG emissions by over 16,800 metric tons[11] of CO2e (carbon dioxide equivalent) from an estimated 73,763 in 2005 to 56,909 in 2019.

The City formed a Sustainability Commission to advise the City Council issues and impacts related to the current climate emergency and assist in the implementation of the City's Climate Action Plan and Low Emissions Action Plan. The Low Emissions Action Plan was authored by the seven-member commission in April of 2019 and provides recommendations to aid in the City meeting or exceeding the statewide goal of reducing emissions by 40% below the 2005 baseline by 2030. The Low Emissions Action Plan as well as the Climate Action plan were both incorporated in the City's updated General Plan within the Sustainability – Climate Change Mitigation and Resiliency Element.

On February 8, 2022, the City adopted a Climate Emergency Resolution, which established climate change as a high priority for the City Council. It directs the City Manager to pursue grant funding and resourcing to implement the City's goals. On August 30th, the City Council unanimously approved a new ordinance banning gas-powered lawn mowers, hedge trimmers, weed trimmers, and weed whackers which goes into effect January 31, 2023. The City will also ban gas-powered chainsaws and pole-mounted trimmers effective December 31, 2023.

# 7.0 SOUTHERN MARIN FIRE PROTECTION DISTRICT

## 7.1 OVERVIEW

The Southern Marin Fire Protection District (SMFPD) was established on April 8, 1999,[1] as an independent special district by way of the consolidation of the Alto-Richardson Fire Protection District and the Tamalpais Fire Protection District. The SMFPD boundary surrounds just over 5.9 square miles of the southern portion of Marin County's Highway 101 corridor. The District maintains contracts for service with the National Park Service (NPS) that expand the District's full area of service to 20.5 square miles. The district serves a population of approximately 25,000[2] persons. The last Municipal Service Review that included the SMFPD was conducted in April of 2004 as part of the Southern Marin Service Review and Sphere of Influence Update.

The primary function of SMFPD is to provide structural fire protection, emergency medical response, water rescue, and disaster planning and response to the census-designated places (CDP) of Strawberry and Tamalpais-Homestead Valley, as well as the City of Sausalito and the northwestern area of the Town of Tiburon, with the City of Mill Valley recently approved for annexation to the District with the District taking operational control of the City's Fire Department services in July of 2023. The District also provides services to the Marin Headlands and the Fort Baker areas of the Golden Gate National Recreation Area by way of a contract with the National Park Service. The SMFPD participates in the Marin County and California Mutual Aid System with nearby fire districts and responds to wildland fires as needed. The District is also a member agency of the Southern Marin Emergency Medical Paramedic System (SMEMPS) as well as the Marin Wildfire Prevention Authority (MWPA). SMEMPS has a board of directors that is comprised of representatives from the City of Mill Valley, Town of Tiburon, Southern Marin Fire Protection District, City of Sausalito, and the County of Marin. The City of Belvedere is also a non-voting member. Meanwhile, MWPA's 17 member agencies throughout Marin County receive funding for fuel removal projects, defensible space evaluations, and other helpful resources by way of a voter-approved parcel tax that was passed in March of 2020.

**Table 7-1: Southern Marin Fire Protection District Overview**

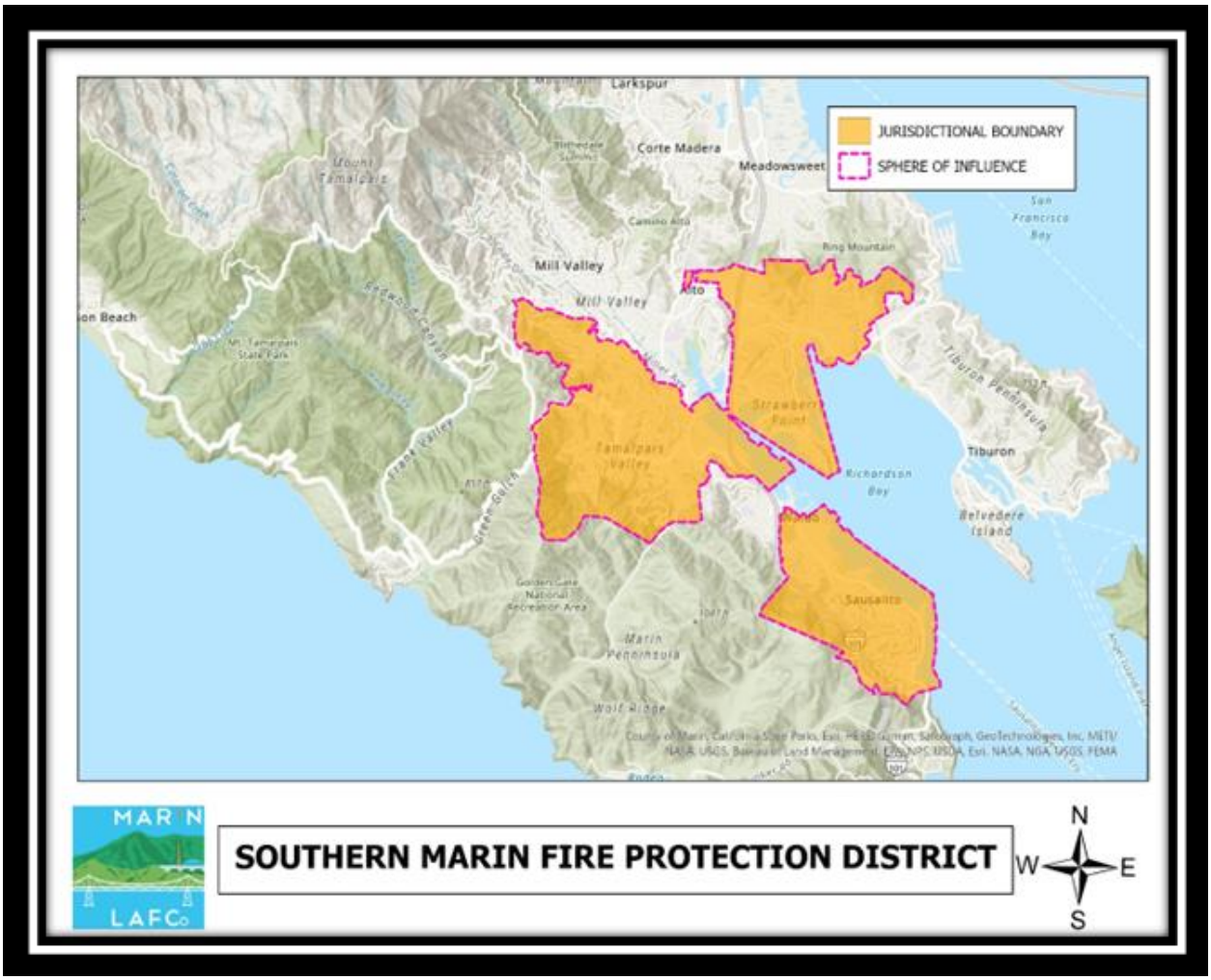
| **Southern Marin Fire Protection District** | | | |
|---|---|---|---|
| **Primary Contact:** | Chief Chris Tubbs | **Phone:** | (415)-388-8182 |
| **Headquarters:** | 28 Liberty Ship Way, Suite 2800, Sausalito, CA | | |
| **Formation Date:** | April 8, 1999 | | |
| **Services Provided:** | Fire Protection and Emergency Medical/Rescue | | |
| **Service Area:** | 3,830 acres | **Population Served:** | ≈25,000 |

## 7.2 FORMATION AND DEVELOPMENT

The Southern Marin Fire Protection District was established as an independent Special District whose legal authority and responsibilities are contained in the State of California Health and Safety Code Sections 13800-13970. While the official formation of the Southern Marin Fire Protection District took place on April 8, 1999, the two departments that were consolidated in order to form the District, the Alto-Richardson Bay Fire Protection District and the Tamalpais Fire Protection District (with the Tamalpais Fire Protection District also having been the product of a previous consolidation with the Homestead Fire Protection District), were spawned back in the early 1940s. In 1942 the Alto Fire Department was set up by three local residents, Mabel Berger, Joe Reis, and Clinton Thoney (the former Fire Chief to the City of Mill Valley), who had recently received civil defense service training. The training was a five-week course instructing members of the public on how to battle fires and administer first aid. The training was provided by Marin County Fire Chief Lloyd De La Montanya. With no formal fire fighting equipment, the founders of the Alto Fire Department would carry fire hoses, hand tools, and any other piece of equipment that could be used to control a small fire in the trunks of their cars. In September of 1946, volunteers began construction on the first fire station for the department, located on Shell Road. The building was 700 square feet which was just large enough to house the old fire truck that had been purchased from the Muir Woods Improvement Club.

In 2004, the District formed a Joint Powers Agreement (JPA) with the City of Sausalito in order to share personnel. This agreement, over time, ultimately evolved into the District annexing the City of Sausalito Fire Department in June of 2012. In October of 2010, the District entered into a service agreement with the National Park Service to provide service to the Marin Headlands and Fort Baker areas of the Golden Gate National Recreation Area.

In the early part of 2015, the District entered into an operational cost-sharing agreement with the City of Mill Valley Fire Department in order to reduce administrative redundancies, reduce command redundancy, and create a single shared Training Division. In 2020 this agreement grew into a greater shared services agreement that combined the administrative and prevention components of both agencies to form a single management with the SMFPD Fire Chief serving as the Chief for both agencies. Most recently the District and the City of Mill Valley have submitted a formal application to Marin LAFCo for the District to annex the City and take over fire and emergency response services beginning in July of 2023. The application was approved at Marin LAFCo's regular meeting on December 8, 2022.




## 7.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE

Southern Marin Fire Protection District's service boundary, which currently encompasses just under six square miles, includes all of the census-designated places (CDP) of Strawberry and Tamalpais-Homestead Valley, as well as the City of Sausalito and the northwestern area of the Town of Tiburon. A large apportionment of SMFPD's boundary is contiguous with the City of Mill Valley's southern boundary. The District's sphere of influence is coterminous with its jurisdictional boundary. The sphere of influence was last updated on November 10, 2011[3].

## 7.4 GROWTH AND POPULATION

The Southern Marin Fire Protection District's jurisdictional boundary encompasses the entirety of the jurisdictional boundary of the City of Sausalito and will soon include the City of Mill Valley. The District encompasses unincorporated spaces as well, such as the census-designated

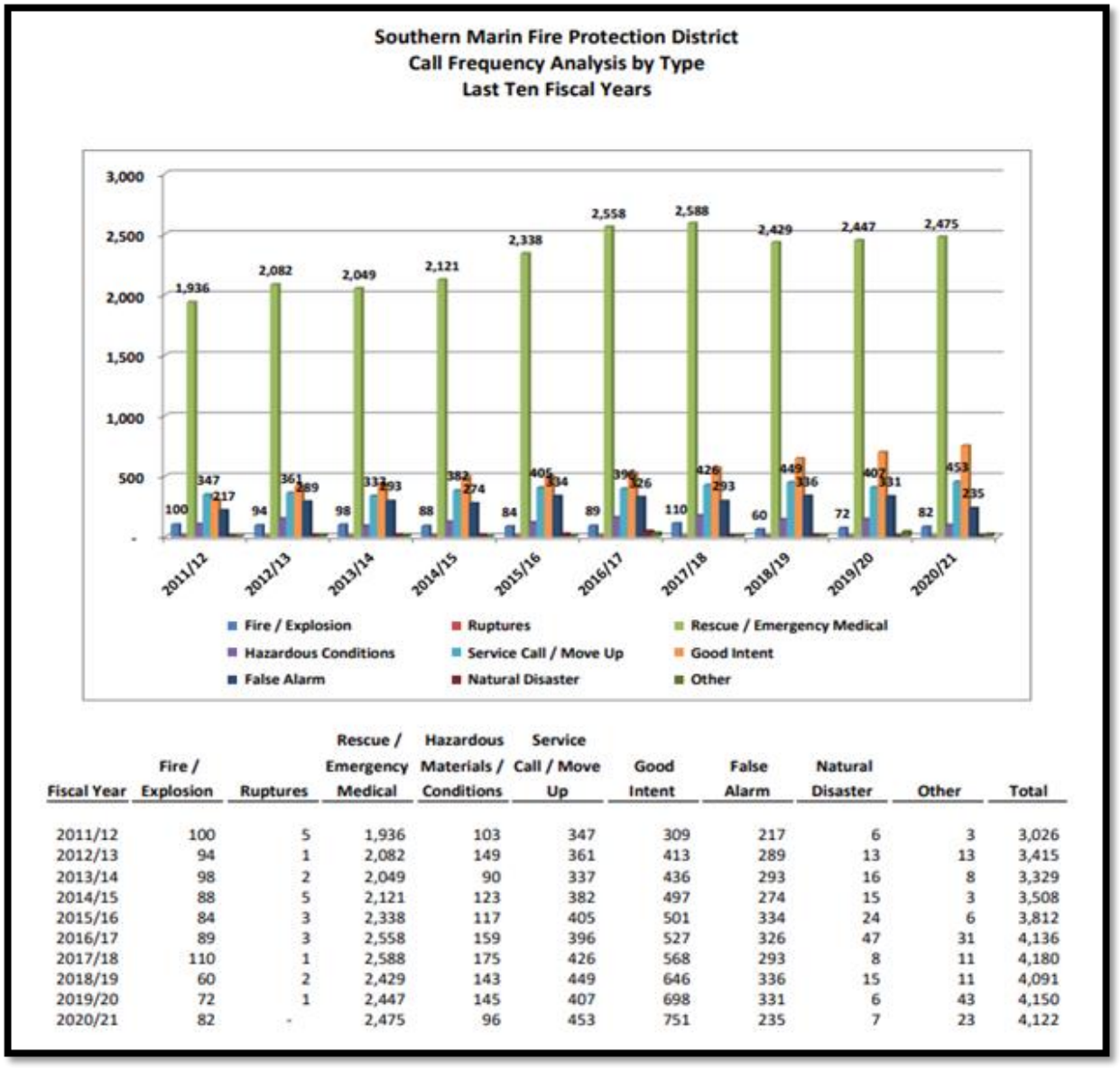
places (CDP) of Tamalpais-Homestead Valley and Strawberry. The District also includes the area on the northwestern end of the Town of Tiburon. According to 2020 U.S. Census Redistricting Data, the population of the Tamalpais-Homestead CDP is 11,492, which is approximately a 7% increase from the 2010 population number of 10,735[4]. The most recent census data shows the CDP to have 4,678 total housing units, with 218 of those units vacant. The remaining development potential in the planning area is minimal as current zoning regulations designated by the Community Plan make the area essentially built out. According to 2020 U.S. Census Redistricting Data, the population of the City of Sausalito is 7,269, which is approximately a 2.9% increase from the 2010 population number of 7,061. The City is shown to have 4,425 housing units, with 433 of those units being vacant. The maximum development allowed by the current General Plan policies would give the City 5,134 dwelling units. The City of Mill Valley's official count from the 2020 Census put the City's population at 14,231. The City is essentially built[5] out at this time, with few remaining vacant lots zoned for development that have not already been given a prospective project designation. The total population of the CDP of Strawberry as of the 2020 Census was 5,447, which was an increase from 5,393 in 2010. While there is still some room for development in the northern pocket of the CDP, the majority of the CDP is essentially built out and shows little growth potential.

## 7.5 MUNICIPAL SERVICES

### Fire Protection and Emergency Response

The SMFPD provides fire protection, emergency medical response, water rescue, and disaster planning and response services. Incident call types fielded by the agency include rescue/emergency medical response, fire/explosion, service calls, good intention calls, natural disasters, false alarm, and hazardous conditions (no fire). Over the past 10 years, the District has averaged 3,777 calls for service annually. The majority of those calls (approximately 60% annually) are for rescue/emergency medical response. On average, the District receives 2,302 rescue/emergency medical calls each year. A breakdown of the District's calls for service between FY 2011/12 and 2020/21 can be seen below in Figure 7-1.

**Figure 7-1: Southern Marin Fire Protection District Calls for Service Statistics**




| Fiscal Year | Fire / Explosion | Ruptures | Rescue / Emergency Medical | Hazardous Materials / Conditions | Service Call / Move Up | Good Intent | False Alarm | Natural Disaster | Other | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| 2011/12 | 100 | 5 | 1,936 | 103 | 347 | 309 | 217 | 6 | 3 | 3,026 |
| 2012/13 | 94 | 1 | 2,082 | 149 | 361 | 413 | 289 | 13 | 13 | 3,415 |
| 2013/14 | 98 | 2 | 2,049 | 90 | 337 | 436 | 293 | 16 | 8 | 3,329 |
| 2014/15 | 88 | 5 | 2,121 | 123 | 382 | 497 | 274 | 15 | 3 | 3,508 |
| 2015/16 | 84 | 3 | 2,338 | 117 | 405 | 501 | 334 | 24 | 6 | 3,812 |
| 2016/17 | 89 | 3 | 2,558 | 159 | 396 | 527 | 326 | 47 | 31 | 4,136 |
| 2017/18 | 110 | 1 | 2,588 | 175 | 426 | 568 | 293 | 8 | 11 | 4,180 |
| 2018/19 | 60 | 2 | 2,429 | 143 | 449 | 646 | 336 | 15 | 11 | 4,091 |
| 2019/20 | 72 | 1 | 2,447 | 145 | 407 | 698 | 331 | 6 | 43 | 4,150 |
| 2020/21 | 82 | - | 2,475 | 96 | 453 | 751 | 235 | 7 | 23 | 4,122 |

On July 25, 2016, Southern Marin Fire Protection District was given a Class 1/1x Public Protection Classification (PPC) rating by the Insurance Services Office (ISO), an organization that independently evaluates municipal fire-protection efforts throughout the United States. Ratings range on a scale of 1 to 10. Class 1 generally represents superior property fire protection, and class 10 indicates that the area's fire suppression program does not meet ISO's minimum criteria.[6] While many communities receive a single number classification, many smaller and more rural communities receive a split classification to reflect the risk of loss more precisely. In the case of a split classification, the first number refers to the classification of properties within five road miles of a fire station and within 1,000 feet of a creditable water supply. The second number, with either the X or Y designation, applies to properties within five road miles of a fire station but beyond 1,000 feet of a creditable water supply (i.e. fire hydrant).

ISO generally assigns Class 10 to properties beyond 5 road miles. The majority of insurance agencies throughout the country use the PPC classification for underwriting and calculating premiums on residential, commercial, and industrial properties. SMFPD's rating of 1/1x puts the district in the top 1% of fire protection agencies in the country. The District's PPC rating is currently under review by the ISO.

### Facilities and Apparatuses

The SMFPD owns, operates, and maintains three fire stations. The stations are:

- Station 1 – 333 Johnson Street, Sausalito
- Station 4 – 309 Poplar Avenue, Mill Valley
- Station 9 – 308 Reed Boulevard, Mill Valley

The District leases space for its administrative, prevention, and preparedness operations in a building at 28 Liberty Ship Way in Sausalito. The SMFPD also has a variety of apparatus that serves the community ranging from support vehicles to paramedic trucks. SMFPD's apparatus listed by station is provided below.

*Station 1:* 1 Type 1 Engine, 1 Advanced Life Support Ambulance, 1 Inflatable Rescue Boat, 1 Dive Team Tender, 1 40' Metalcraft Fire Boat, 2 Rescue Watercraft, 1 Utility Vehicle

*Station 4:* 1 Type 1 Engine, 1 Aerial Ladder Truck, 1 Type 3 Engine, 1 Advanced Life Support Ambulance, 1 Utility Vehicle

*Station 9:* 2 Type 1 Engine (1 in reserve), 1 Medium Duty Rescue Truck, 2 Utility Vehicles, 1 Rescue Water Craft, 1 Utility Vehicle

The District maintains a long-range (12-year) capital improvement plan (CIP) and allocates funding to the plan annually based on the estimated replacement cost of major assets in addition to any funds needed for forecasted facilities' upgrades. In FY 20/21 the District allocated $1,534,500 to the CIP fund from its net revenue for the year.

## 7.6 ORGANIZATION STRUCTURE

### Board of Directors

The Southern Marin Fire Protection District is governed by a seven-member board that is elected to four-year terms through an at-large election. All directors are required to live within the District's jurisdictional boundary. The Board of Directors maintains current certificates for the AB 1234 Ethics Training Compliance as well as AB 1666 Sexual Harassment Prevention Training. Certificates for each of the board members can be viewed on the SMFPD website. Over the course of the last 10 years (five Board of Directors election cycles), the District's Board of Directors has experienced fairly regular turnover with a total of nine new Board members being either elected or appointed in that span. In November 2020, the Marin County

Board of Supervisors made an appointment to the District's board as the empty seat had no candidate running for the seat. The only other occurrence of this in the District's history came in 2005The Board of Directors meets regularly on the 4th Wednesday of each month at 5:00 p.m. at the SMFPD Administration Headquarters located at 28 Liberty Ship Way, Suite 2800, in Sausalito.

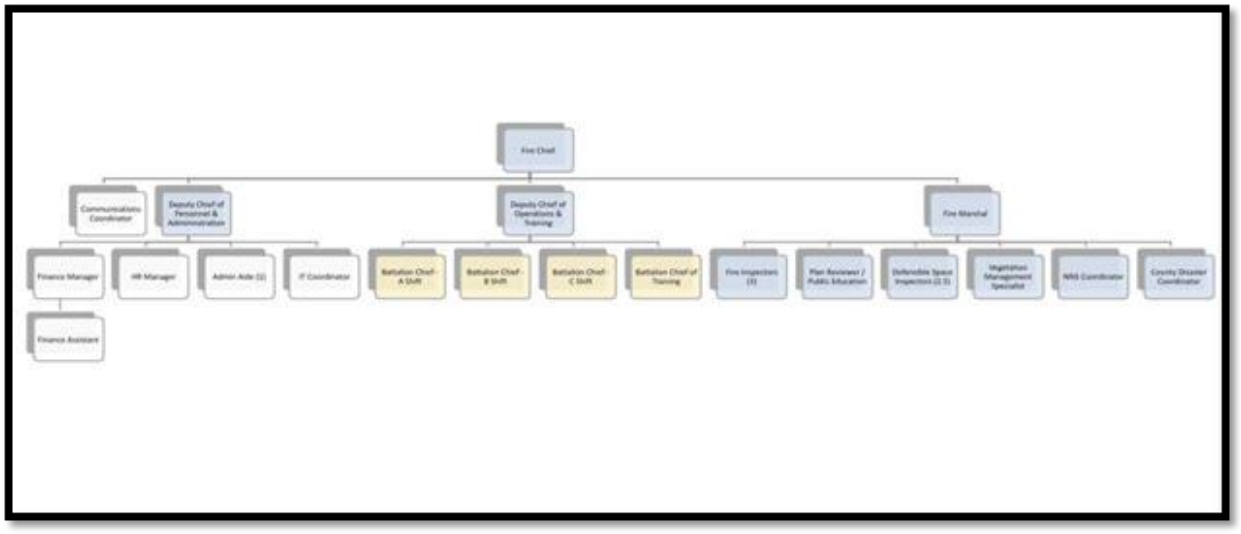
**Table 7-2: Southern Marin Fire Protection District Board of Directors**

| Member | Position | Term Expiration |
|---|---|---|
| Tom Perazzo | President | November 2022 |
| Cristine Soto DeBerry | Vice President | November 2022 |
| Kurt Chun | Director | November 2022 |
| Stephen Willis | Director | November 2024 |
| Peter Fleming | Director | November 2022 |
| Cathryn Hilliard | Director | November 2024 |
| Ashley Raveche | Director | November 2024 |

## Staffing and District Operations

The SMFPD currently carries a staffing equivalent of 62.5 full-time employees. This staffing level includes a Fire Chief, Deputy Fire Chief, Battalion Chiefs, Fire Marshal, Fire Inspectors, Prevention Administrative Aide, Fire Captains, Paramedic Engineers, Firefighters, and administrative staff members. An organization chart for the District can be seen below in Figure 7-2.

**Figure 7-2: SMFPD Organization Chart**



Operations for the full service area (not limited to the jurisdictional boundary) are divided into three distinct zones in order to streamline responses and shorten response times. The first zone, Zone 1, includes the City of Sausalito and the Marin Headlands area of the Golden Gate National Recreation Area. The second zone, Zone 4, includes Tamalpais Valley and Homestead Valley. The third zone, Zone 9, encompasses the areas of Alto and Strawberry. The three zones have a minimum daily on-duty staff of 15 personnel cross-staffing four firefighting apparatus.

## 7.7 ACCOUNTABILITY AND TRANSPARENCY

The Southern Marin Fire Protection District offers a very informationally expansive website. The website (smfd.org) gives members of the public access to the District's financial, operational, historical, and preventative information. It offers a wealth of different offerings for disaster preparation instructions for homes, families, and businesses, as well as access to PulsePoint, which is a 911-connected app that offers real-time information on emergencies occurring locally. The District also contracts with a private firm to ensure that the website is ADA compliant and that all links throughout the website are functional.

### Meetings and Agendas

The SMFPD Board of Directors meets regularly on the 4th Wednesday of each month at 5:00 p.m. at the SMFPD Administration Headquarters located at 28 Liberty Ship Way, Suite 2800, in Sausalito. Special meetings are held as needed to go over specific topics. Meeting agendas and minutes can be found on the SMFPD website (https://www.smfd.org/our-district/district-overview/board-of-directors/meeting-documents).

### Annual Budget Review

The District's budget, adopted no later than the June Board meeting each year, provides overall control of revenue and expenditures including appropriations on a line item basis and the means of financing them. The Bookkeeper produces monthly reports on expense activity that assist the Chief in monitoring activities and programs. These reports are reported to the Board every month to assure budgetary compliance.

## 7.8 FINANCIAL OVERVIEW

The Southern Marin Fire Protection District has ended the year with a budget surplus in four of the past five fiscal years with completed financial audits. The District has seen a steady increase in its net position annually over the course of the past four fiscal years. The District's Board of Directors has established a policy of funding an Unallocated Reserve Fund for Financial Emergencies, with a target of 40% of annual operating costs available in the fund. As of June 30, 2021, the fund balance was $6.7 million[7] which represents a value of approximately 37% of the annual expenditure figure over the course of the study period (previous five audited fiscal years). The SMFPD recently received a Certificate of Completion from the Government Finance Officers Association (GFOA) for its first-ever Annual Comprehensive Financial Report (ACFR) submittal.

### Revenues and Expenditures

The primary revenue source for the SMFPD comes primarily from the portion of the 1% property tax on residents within its district boundaries. Of the 1% property tax, the SMFPD receives between 10.8% and 17.9% dependent upon the area of the District, which amounts to approximately $15.96 million for FY 2020-21, and a projected amount of approximately $17.26 million for FY 2022-23. The District's total operational revenues for FY 2020-21 were $25.2

million. Other fundamental sources of annual revenue for the District include the charges for service, special assessments, and interest income. The charges for service saw a significant increase of $1,598,693 from FY 2019-20 to FY 2020-21 due to the addition of the reimbursements from the City of Mill Valley for the shared Battalion Chiefs and Administrative Cleark, as well as charges to the Marin Wildfire Prevention Authority for finance and administrative services. The special assessment line item also saw an increase between FY 2019-20 and 2020-21 of $3,127,923 thanks to the passage of Measure U in November of 2018 that went into effect in July of 2019. Measure U is a special tax that is levied annually at a rate of $200 per residential parcel, $150 per undeveloped parcel, and $0.18 per improved square foot of business parcels. Measure U was passed with an agreed upon automatic 5% annual elevator to account for inflation which can be adjusted by the Board of Directors to be less than that amount if deemed appropriate. To date, the Board of Directors has not utilized the automatic elevator of 5%.

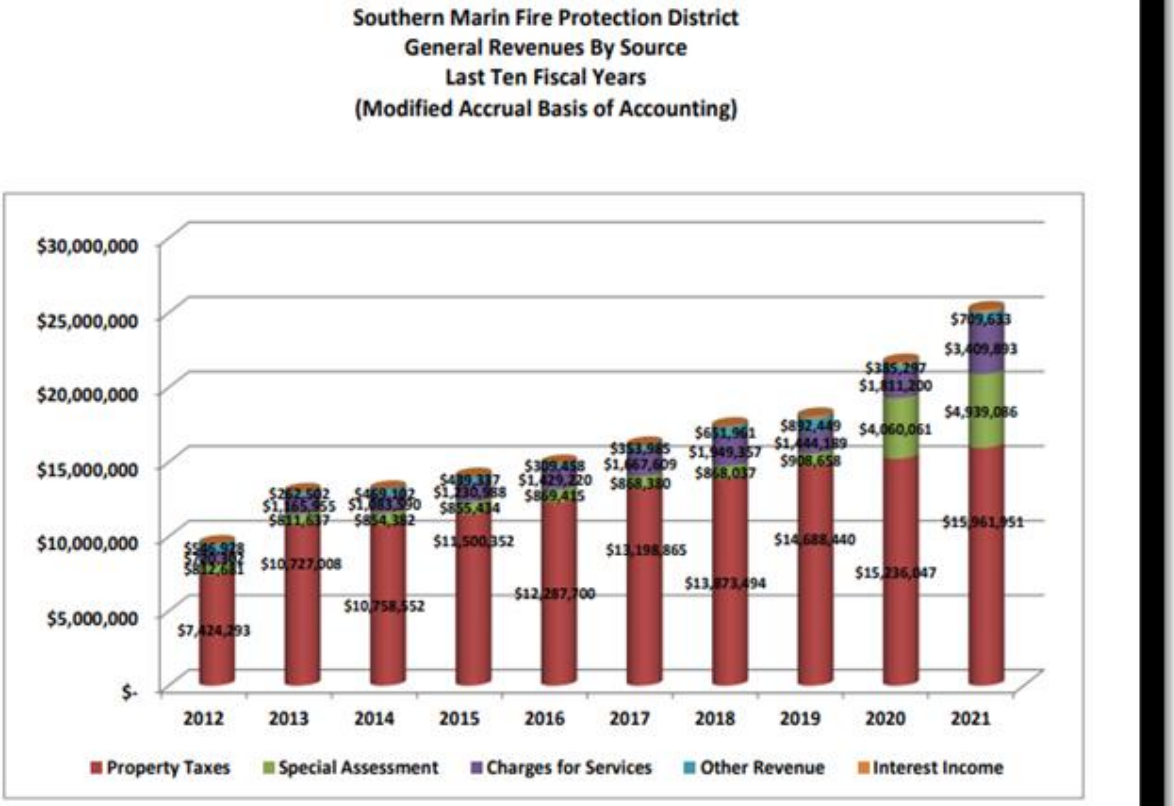
The primary expense for the District comes in the form of personnel costs (salaries, benefits, overtime), accounting for approximately 78% of the District's $21.9 million in total expenditures in FY 2020-21. The other primary expenditures annually for the District are materials and services, equipment, and capital outlay and debt service. Expenses and revenues over the course of ten previous fiscal years can be seen below in figure 7-3.

## Debt

The SMFPD currently does not utilize long-term debt to fund operations or growth[8].

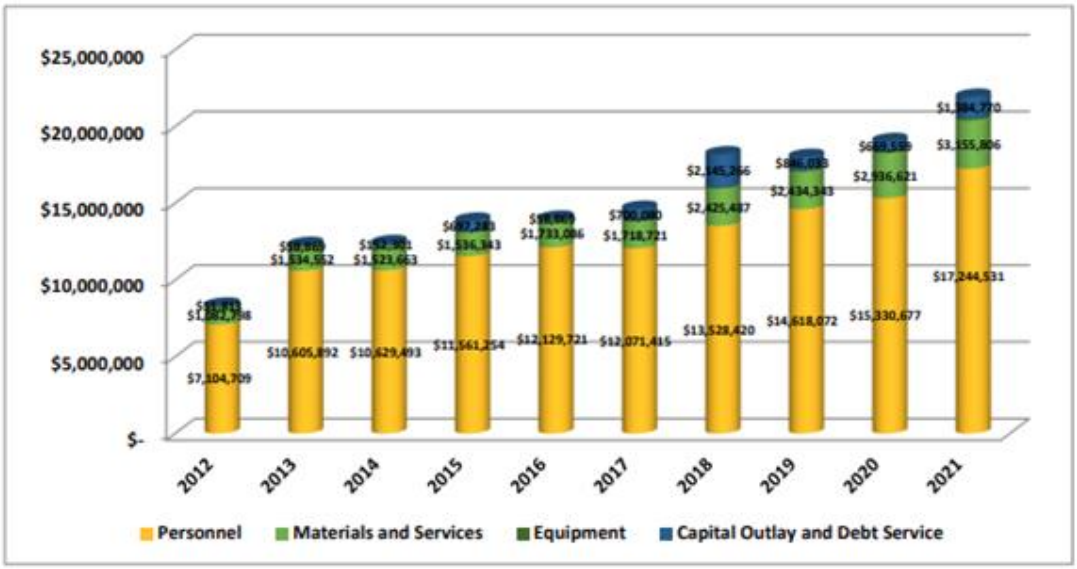
The SMFPD also provides a pension plan for employees and is part of the Marin County Employees' Retirement Association (MCERA). MCERA provides retirement, disability, and death benefits based on the employee's years of service, age, and final compensation. As of June 30, 2021, the SMFPD Net Pension Liability[9] was $13,296,989. The SMFPD pension funded ratio is approximately 85% which is above average for fire districts. In addition to the pension plan, the SMFPD previously provided other post-retirement health care benefits (OPEB) to its retirees. In 2014, the District ceased providing OPEB benefits and switched to offering its employees the option of health savings accounts (HSA) as a means of trying to address its OPEB liability. As of June 30, 2021, the District carried a Net OPEB liability[10] total of $5,427,113. The District currently has 65 employees, both active and inactive, in their OPEB plan. The District also currently carries a total of $1,192,141 in compensated absences. The District's general revenues and expenditures can be seen in greater detail below in Figure 7-3.

**Figure 7-3: SMFPD Revenues and Expenditures Detail**




| Fiscal Year Ended June 30 | Property Taxes | Special Assessment | Charges for Services | Other Revenue | Interest Income | Total |
|---|---|---|---|---|---|---|
| 2012 | $ 7,424,293 | $ 812,681 | $ 720,302 | $ 546,928 | $ 10,523 | $ 9,514,727 |
| 2013 | 10,727,008 | 811,637 | 1,165,955 | 262,502 | 41,907 | 13,009,009 |
| 2014 | 10,758,552 | 854,382 | 1,083,590 | 469,102 | 11,441 | 13,177,067 |
| 2015 | 11,500,352 | 855,434 | 1,230,988 | 439,337 | 12,086 | 14,038,197 |
| 2016 | 12,287,700 | 869,415 | 1,429,220 | 309,458 | 15,839 | 14,911,632 |
| 2017 | 13,198,865 | 868,380 | 1,667,609 | 353,985 | 35,359 | 16,124,198 |
| 2018 | 13,873,494 | 868,037 | 1,949,357 | 651,961 | 71,329 | 17,414,178 |
| 2019 | 14,688,440 | 908,658 | 1,444,189 | 892,449 | 137,559 | 18,071,295 |
| 2020 | 15,236,047 | 4,060,061 | 1,811,200 | 385,297 | 184,379 | 21,676,984 |
| 2021 | 15,961,951 | 4,939,086 | 3,409,893 | 709,633 | 178,618 | 25,199,181 |

**Southern Marin Fire Protection District**
**Expenditures By Function**
**Last Ten Fiscal Years**
**(Modified Accrual Basis of Accounting)**




| Fiscal Year Ended June 30 | Personnel | Materials and Services | Equipment | Capital Outlay and Debt Service | Total |
|---|---|---|---|---|---|
| 2012 | $ 7,104,709 | $ 1,082,798 | $ 86,939 | $ 51,813 | $ 8,326,259 |
| 2013 | 10,605,892 | 1,534,552 | 71,257 | 58,869 | 12,270,570 |
| 2014 | 10,629,493 | 1,523,663 | 87,058 | 152,301 | 12,392,515 |
| 2015 | 11,561,254 | 1,536,343 | 55,081 | 697,283 | 13,849,961 |
| 2016 | 12,129,721 | 1,733,086 | 68,902 | 58,869 | 13,990,578 |
| 2017 | 12,071,415 | 1,718,721 | 138,119 | 700,080 | 14,628,335 |
| 2018 | 13,528,420 | 2,425,487 | 81,349 | 2,145,266 | 18,180,522 |
| 2019 | 14,618,072 | 2,434,343 | 112,056 | 846,033 | 18,010,504 |
| 2020 | 15,330,677 | 2,936,621 | 102,875 | 669,559 | 19,039,732 |
| 2021 | 17,244,531 | 3,155,806 | 143,269 | 1,384,770 | 21,928,376 |

## Financial Audit

The Southern Marin Fire Protection District annually contracts with an outside accounting firm, most recently Badawi & Associates, to audit the District's financial statements. The most recent audited financial statement made publicly available on the District's website was prepared for the fiscal year ending June 30, 2021.

**Table 7-3: SMFPD Financial Audit Summary**

| Revenues | FY 2020-2021 Audit |
|---|---|
| **Property Taxes** | $15,961,951 |
| **Special Assessment** | $4,041,799 |
| **MWPA Revenue** | $243,356 |
| **Charges for Services** | $1,501,576 |
| **Grants** | $243,356 |
| **Other Revenue** | $466,277 |
| **Investment Earnings** | $119,344 |
| **Interest Income** | $59,274 |
| **Total Revenues** | $25,199,181 |

| Expenditures | FY 2020-2021 Audit |
|---|---|
| **Salaries and Benefits** | $17,244,531 |
| **Operating Expenditures** | $3,299,075 |
| **Grant Related Expenditures** | $218,924 |
| **Capital Outlay** | $1,165,846 |
| **Total Expenditures** | $21,928,376 |

## 7.9 WILDLAND FIRE PREPAREDNESS

Local agencies such as the Southern Marin Fire Protection District play a critical role in protecting natural resources and the environment. Extended periods of drought, changing climate patterns, wind, and low humidity has the potential to increase the occurrence and severity of wildland fires which could threaten structures and lives in the Wildland Urban Interface.

The SMFPD participated in the Community Wildfire Protection Plan that was published in 2016 by way of a $123,200 grant from the State Resource Area Fire Prevention Fee Fund. The plan was most recently updated again in 2020. This was a collaborative effort among fire agencies in the county, local fire organizations including FIRESafe Marin, land management agencies, and community stakeholders. Through this effort, areas of concern throughout the county were identified based on population, fire behavior, vegetation, and other factors.

The SMFPD, with a significant area within its jurisdictional boundary being a part of the wildland-urban interface, is taking steps on multiple fronts to aid in the safeguarding of the communities it serves. Some of these efforts include (but are not limited to) the following:

- Targeted vegetation management program
- Conducting multiple public education events annually
- Providing inspection services
- Processing and permitting new construction and improvement projects

- Partnering with the Southern Marin Community Emergency Response and NRG teams
- Offering neighborhood chipper events
- Creating fuel breaks and buffer zones in high-risk areas

# 8.0 TAMALPAIS COMMUNITY SERVICES DISTRICT

## 8.1 OVERVIEW

The Tamalpais Community Services District (TCSD) was established in 1967 as an independent special district under Section 61000 of the California State Government Code. The District provides wastewater, solid waste management, and parks and recreation services to the unincorporated community of Tamalpais Valley which makes up a portion of the census-designated place (CDP) of Tamalpais-Homestead Valley. The full CDP includes the unincorporated communities of Tamalpais Valley, Homestead Valley, Almonte, and Muir Woods Park. The community is considered by the County of Marin as part of the greater Richardson Bay planning area[1].

The District is a member agency of the Joint Powers Agency of the Sewerage Agency of Southern Marin, and also contracts for service with the Sausalito-Marin City Sanitary District for wastewater treatment. The District's jurisdictional boundary encompasses just under 3.02 square miles. The last municipal service review that included the TCSD was conducted in 2011.

**Table 8-1: Tamalpais Community Services District Overview**

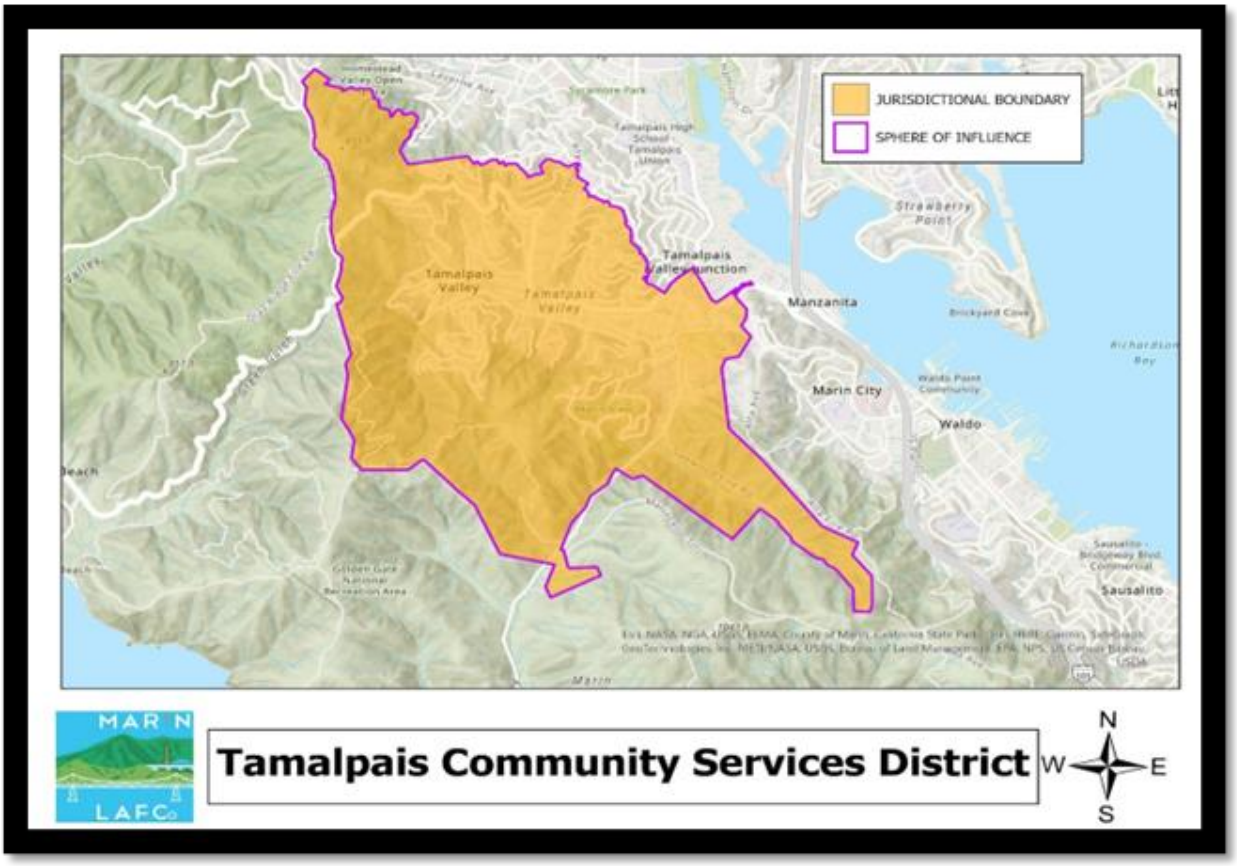
| Tamalpais Community Services District | | | |
|---|---|---|---|
| **Primary Contact:** | Garrett Toy | **Phone:** | (415)-388-6393 |
| **Mailing Address:** | 305 Bell Lane, Mill Valley, CA 94941 | | |
| **Formation Date:** | August 4, 1967 | | |
| **Services Provided:** | Wastewater Collection, Solid Waste Management, Parks and Recreation | | |
| **Service Area:** | 1,933 acres | **Population Served:** | ≈7,000 |

## 8.2 FORMATION AND DEVELOPMENT

The Tamalpais Community Services District was formed in 1967, but the District's original service roots date back to 1954 when the Tamalpais Valley Sanitary District was formed. The original sanitary district was petitioned in 1966 to be reorganized as a community services district primarily out of the desire of residents within the District to be able to increase the public availability of parks, recreation, and open space preservation in the community. This came following the purchase of an 11-acre property at 203 Marin Avenue by the Tamalpais Valley Improvement Club (which was also the entity that penned and submitted the petition). The original petition states the following reasons for the reorganization request:

"1. There is a great need for recreation and park facilities in Tamalpais Valley. The Tamalpais Valley Improvement Club has purchased eleven acres suitable for a park and recreation facility. 2. The district proposed is the most effective, efficient, and equitable way to construct park and recreation facilities on this land, and will also aid long-range planning for both park and recreation as well as sanitation facilities in our community. 3. The natural and feasible area for such long-range planning is the entire watershed of the Tamalpais and Tennessee Valleys."

On August 4, 1967, the Certificate of Completion was received from the California Secretary of State for the reorganization by way of detaching territory from the Sausalito-Marin City Sanitary District and dissolving of the Tamalpais Valley Sanitary District in order to complete the formation of the Tamalpais Community Services District with the activated powers of wastewater collection, solid waste management, and parks and recreation. In 1968, The Hall, which is now referred to as the Tamalpais Valley Community Center, was constructed by the Tamalpais Valley Improvement Club (TVIC) and opened to residents. In 1994, TVIC signed a 50-year lease with the District to manage the property and the community center. In 2017, TCSD purchased the community center and land from TVIC for the agreed upon price of $1 as well as agreement for the construction of a new historical archive room by the District, which has since been completed adjacent to the community center. The agreement was made "... in order to keep the Community Center in use for the public benefit in perpetuity."[2]



## 8.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE

The Tamalpais Community Services District's jurisdictional boundary encompasses approximately 3.02 square miles of unincorporated lands within the census-designated place of Tamalpais-Homestead Valley. Marin LAFCo has no record of changes in the District's jurisdictional boundary. In 2005, the District's leadership began exploring the possibility of annexation of lands within the jurisdictional boundary of the Almonte Sanitary District strictly for the purposes of expanding its recreation services. The area would have included the commercial area east of Shoreline Highway at Tam Junction and the Manzanita/Heliport areas. TCSD inquired to Marin LAFCo about the process and how to proceed. The action was staunchly opposed by both the leadership of the Almonte Sanitary District as well as the Almonte District Improvement Club. In addition, LAFCo as a matter of best practice does not encourage two districts that provide the same municipal service to have overlapping jurisdictional boundaries. Ultimately, the District decided against formally moving forward with any application for annexation.

The District's sphere of influence was established by Marin LAFCo in 1983 as being an "interim sphere" that is coterminous with its jurisdictional boundary. The sphere was last reaffirmed in 2005.

## 8.4 GROWTH AND POPULATION

The Tamalpais Community Services District jurisdictional boundary encompasses an apportionment of the census-designated place (CDP) of Tamalpais-Homestead Valley. According to 2020 U.S. Census Redistricting Data, the population of the Tamalpais-Homestead CDP is 11,492, which is approximately a 7% increase from the 2010 population number of 10,735[3]. The most recent census data shows the CDP to have 4,678 total housing units, with 218 of those units vacant. The remaining development potential in the planning area is minimal as current zoning regulations designated by the Community Plan make the area essentially built out. While the U.S. Census Bureau does not directly recognize the community of Tamalpais Valley, population estimates for the community are approximately 7,000 residents. The two agencies that provide the District with wastewater treatment, the Sausalito-Marin City Sanitary District and the Sewerage Agency of Southern Marin, each have sufficient remaining treatment capacity to support the District's wastewater collections at the currently projected buildout.[4] In the past five years (scope of the study window) the District has only added a total of four service connections for wastewater collection.

## 8.5 MUNICIPAL SERVICES

### Wastewater Collection

TCSD provides wastewater collection to the residents and businesses within its jurisdictional boundary. The majority of the collections flow to the Sausalito-Marin City Sanitary District's (SMCSD) treatment plant, with the remainder flowing to the Sewerage Agency of Southern

Marin's (SASM) treatment plant. A map of the District's collection system showing the areas that flow to each treatment plant can be seen below in Figure 8-1. The District is one of the six member-agencies that make up the Joint Powers Agency of SASM, along with the City of Mill Valley, Alto Sanitary District, Almonte Sanitary District, Homestead Valley Sanitary District, and Richardson Bay Sanitary District. The treatment plant is jointly owned by each of the six member agencies, with the different agencies' ownership shares measured in equivalent dwelling units (EDU) of the treatment plant's capacity. An EDU has been determined in the joint powers agreement to be the "average flow of wastewater produced by a single-family equivalent dwelling unit, which has been agreed equates to 200 gallons per day." The TCSD is allocated at 0.01%, or 252 EDUs.

The District currently has 2,180 service connections, with 2,161 of those consisting of residential connections, 16 being commercial, and three additional connections for Muir Woods, Tamalpais Elementary School, and the community fire station. The system's infrastructure consists of approximately 29 miles of gravity sewer line, four miles of force main, and four pump stations. The average age of the District's sewer lines is approximately 67 years, and is in need of rehabilitation. In 2020, the District enlisted the services of Nute Engineering to assist in the formulation of an accelerated Captial Improvement Program. This accelerated program was adopted in August of 2020, and provides the District with a five-year road map of capital improvement projects.

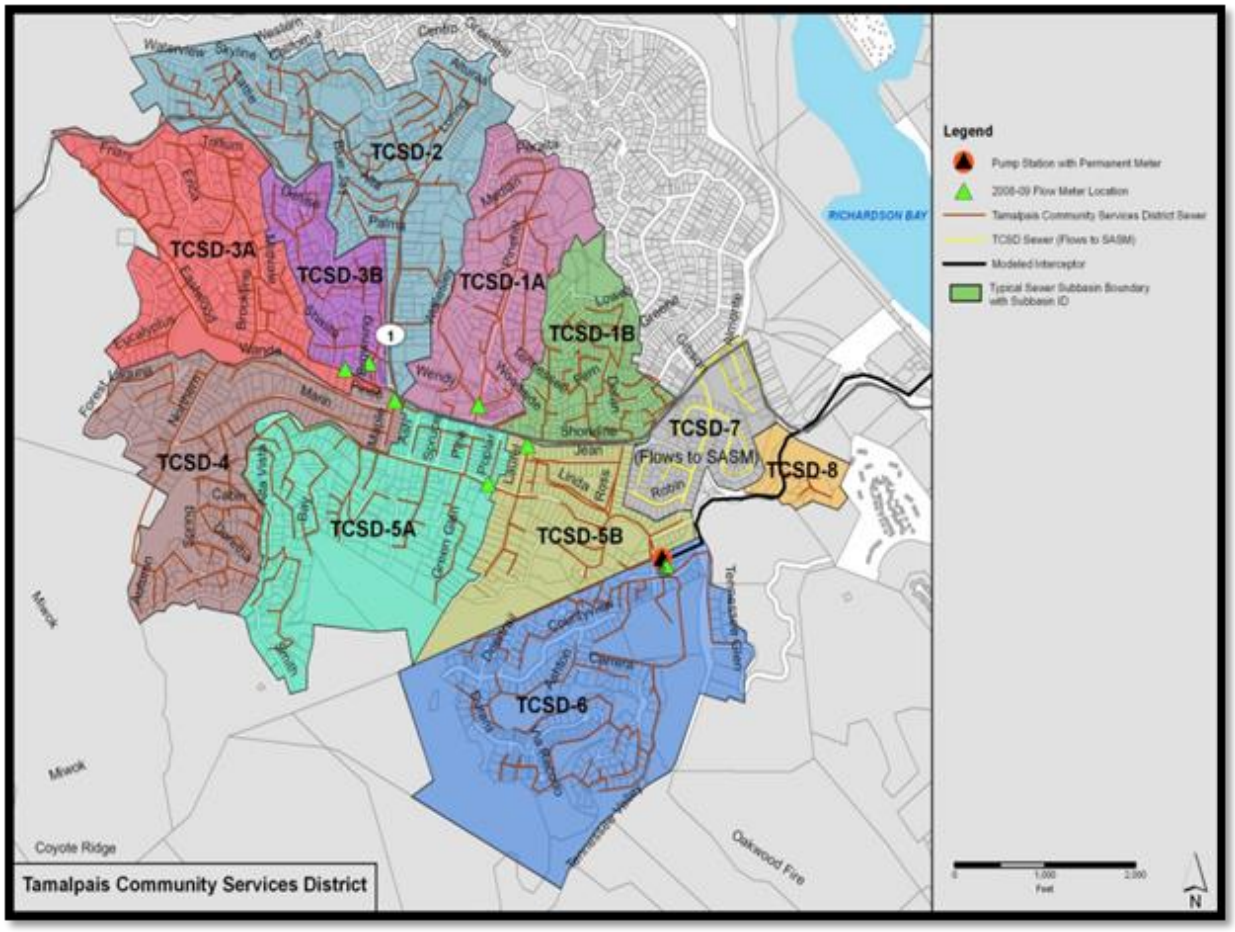
On May 12, 2021, the District updated its five-year sewer rate plan. The charges for service fund the District's sewer collections operations and capital improvements. The plan runs through FY 2025/26, at which time the District will engage in a new rate study and completion of the Proposition 218 process. The current charges for annual sewer service can be seen below in Table 8-2.

In 2017, the District and the Sausalito-Marin City Sanitary District (SMCSD) had unresolved disputes over the interpretation of a number of terms and conditions contained within the two district's 2013 services agreement which led to the filing of a complaint by SMCSD and a cross-complaint by TCSD in the Marin County Superior Court. On June 11, 2018, SMCSD and TCSD submitted their disputes to mediation. The two agencies reached a settlement during the course of mediation of all the disputes that was ultimately agreed to by both of the district's Board of Directors. In February of 2020, both of the districts accepted the updated settlement agreements into an amended and restated agreement which supersedes and replaces the 2013 agreement that the districts had been operating under.

**Table 8-2: TCSD Sewer Service Rate Schedule**

| | FY 2021/22 | FY 2022/23 | FY 2023/24 | FY 2024/25 | FY 2025/26 |
|---|---|---|---|---|---|
| **Base Sewer System Charge** | $1,374.88 | $1,429.86 | $1,487.04 | $1,546.52 | $1,608.40 |
| **Usage Charge** | $33.42 | $34.74 | $36.12 | $37.56 | $39.06 |

**Figure 8-1: TCSD Wastewater Treatment Plant Flow Designation Map**




## Parks and Recreation

The District's initial petition to reorganize from a sanitation district to a community services district was born out of the community's intrinsic value in parks, recreation, and open space preservation. Today, the Tamalpais Community Services District continues to prioritize its parks and recreation service provisions with renewed emphasis on long-term planning. In September of 2020, the Board of Directors for TCSD approved a contract for services with the consulting firm, Management Partners, to specifically review and make recommendations for the sustainability and growth of the District's parks and recreation services. The consultants returned to the District in February of 2021 with a full study of the District's parks and recreation services that included a list of 23 recommendations. The primary recommendations made included the creation of a one-year and five-year strategic plan, as well as the formation of a 25-year master plan.

In April of 2021, the Board adopted the District's first financial reserves policy specifically for parks and recreation of maintaining two-months of operating expenditures in reserves, per the consultant's recommendation. In June of 2021, the Board held a work session to examine the District's operations with the intention of working towards a five-year plan. In October of 2022,

the Board conducted another work session at which time District staff reported on the status of the progress of each of the 23 recommendations that the 2021 study had contained. Most recently, in December of 2022, the Board adopted an ordinance establishing the TCSD Parks and Recreation Commission (as well as the Commission's powers and duties) and replacing the Parks and Recreation Advisory Commission. In early 2023, the Board and staff plan to convene for a retreat at which time the initial discussions of the 5-year strategic plan are set to take place.

TVCSD provides a variety of community classes and programs as well as a number of annual community events. The District maintains eight major parks and recreation facilities. The facilities are listed below:

- Tam Valley Community Center
- Cabin Facility
- Kay Park
- Eastwood Park
- Hawk Hill
- Jim Knott Park
- Flamingo Park
- McGlashan Park

The District makes four of the listed facilities, specifically the Community Center, Eastwood Park, Kay Park, and the Tennessee Valley Cabin, available for private rentals. The District owns a total of 54 parcels of open space and miscellaneous lands that amount to approximately 46 acres. Within these areas, the District also maintains a number of trailheads, access points, and open space. The District works in close concert with local volunteers to procure grant funding for open space maintenance and wildland fire fuel management. Since 2010, the District has received over just under $500,000 from State and Federal grants to address fire mitigation within the District's jurisdictional boundary. The District also had a Tree Inventory and Management Plan completed in June of 2019 by Bartlett Tree Experts. The inventory and plan includes the areas of Kay Park, McGlashan Park, Eastwood Park, the Cabin Facility, and the area surrounding the Community Center.

## Solid Waste Management

Tamalpais Community Services District provides solid waste management to both commercial and residential properties within its jurisdictional boundary. While most other small special districts in Marin County and elsewhere throughout the state that offer solid waste management typically do so by way of a contract for services with an outside agency, TCSD is fairly unique in providing this service by way of its own staff and collection fleet in house. The District provides residential collection services, commercial collection services, and other services such as drop-off programs for E-waste, sharps, batteries, and other items, as well as collection day events for paper shredding, green waste, and household debris. The District staff that is dedicated solely to waste management services operates the fleet of solid waste collection vehicles that are customized to navigate the narrow roads and steep terrain within the District's boundary. The District also provides services to a handful of hard-to-service residences with a small pickup truck.

The District adopted its current rate schedule for solid waste management services in May of 2018[5] after enlisting the services of R3 Consulting Group to perform a Financial Plan and Rate Study. The rate schedule is in place from FY 2018-20 – FY 2022-23. The rates for FY 2020-21 – FY 2022-23 can be seen below in Figure 8-2.

**Figure 8-2: TCSD Solid Waste Rate Schedule**

| SERVICE* | FY 2020-21 CHARGES | FY 2021-22 CHARGES | FY 2022-23 CHARGES |
|---|---|---|---|
| SMALL CART SERVICE RESIDENTIAL (35-GAL) | $789.06/YR | $852.20/YR | $920.36/YR |
| LARGE CART SERVICE RESIDENTIAL (1, 65-GAL OR 2, 35-GAL) | $1,191.34/YR | $1,286.66/YR | $1,389.58/YR |
| 1 LG & 1 SM CART SERVICE RESIDENTIAL (1, 65-GAL + 1, 35-GAL) | $1,616.36/YR | $1,745.68/YR | $1,885.32/YR |
| TWO LARGE CART SERVICE RESIDENTIAL (2, 65-GAL) | $2,023.18/YR | $2,185.04/YR | $2,359.84/YR |
| ADDITIONAL 65-GAL CARTS (3+) | $1,213.20/YR | $1,310.24/YR | $1,415.06/YR |
| 1.44 CUBIC YARD BIN | $5,227.70/YR | $5,645.90/YR | $6,097.58/YR |
| **HILL (SURCHARGE) | $32.76/YR | $35.38/YR | $38.22/YR |
| **PRIVATE DRIVEWAY (SURCHARGE) | $76.44/YR | $82.56/YR | $89.16/YR |

## 8.6 ORGANIZATION STRUCTURE

### Board of Directors

The Tamalpais Community Services District receives oversight and policy direction by way of a five-member board that is elected to staggered four-year terms with election cycles held in even-numbered years. All directors are required to be registered voters residing within the District's jurisdictional boundary. Over the course of the last 10 years (five Board of Directors election cycles), the District's Board of Directors has experienced minimal turnover with a total of two new Board Members in that span with no directors needing to be appointed by the Marin County Board of Supervisors.

**Table 8-3: Tamalpais Community Services District Board of Directors**

| Member | Position | Term Expiration |
|---|---|---|
| Matt McMahon | President | December 2024 |
| Jeff Brown | Vice-President | December 2026 |
| Steffen Bartschat | Director | December 2024 |
| Steven Levine | Director | December 2024 |
| James Jacobs | Director | December 2026 |

### Administration

The Board of Directors of TCSD appoints the District's General Manager who leads and manages the District's day-to-day operations. The General Manager conducts the day-to-day management of the District as specified by Board policy, and is supported administratively by an Assistant General Manager. The General Manager also oversees the work of the Superintendent, and Programs and Finance Manager, and District Clerk, who oversee the remaining full and part-time staff members as well as contract workers. In total, the District employs 13 full-time equivalent (FTE) employees.

## 8.7 ACCOUNTABILITY AND TRANSPARENCY

The Tamalpais Community Services District makes a concerted effort to maintain high accountability and transparency with all its activities. The TCSD website (www.tamcsd.org) provides documentation and information on Board meetings, financial reports, services, facility rentals, contracts, sewer system management plan, and more. At this time the District is meeting, if not exceeding, all the transparency requirements of special districts for the State of California.

### Meeting and Agendas

The TCSD Board of Directors meets regularly on the 2nd Wednesday of each month at 7:00 p.m. at the Tam Valley Community Center at 203 Marin Drive in Mill Valley. Special meetings are held as needed to go over specific topics. Meeting agendas and minutes can be found on the TCSD website (tamcsd.org/board-of-directors).

### Annual Budget Review

The District's budget, typically adopted no later than the June Board meeting each year, provides overall control of revenue and expenditures including appropriations on a line item basis and the means of financing them. The General Manager presents financial reports to the Board every month to assure budgetary compliance.

## 8.8 FINANCIAL OVERVIEW

Over the course of the study window (past 5 fiscal years), TCSD has maintained increases in total net position each year for both governmental activities and business-type activities, with the one exception coming in FY 2017-18 with the decrease in net position coming as a result of the District implementing Governmental Accounting Standards Board Statement No. 75 (GASB 75). The District's funds are reported in a manner that separates governmental activities and Business-type activities. Governmental activities include services financed mainly through property taxes. The District's parks and recreation, community center services, and Measure A services comprise its governmental activities. Business-type activities include services financed, in whole or in part, by fees paid by those who directly benefit from the service. The District's business-type activities include wastewater collection and treatment and solid waste collection and disposal.

The District's revenues have outpaced expenditures in each of the past four fiscal years, by an annual average of approximately $2.4 million. The average annual operating revenues for the District over the five-year period were $7,188,304. The primary revenue sources for the District amongst governmental activities are property taxes (75%) and charges for services (12%) with operating grants and contributions supplementing the District's total revenues at approximately 10%. The primary revenue source for the District amongst the business-type activities is charges for service (98%). The primary annual operating expenses for TCSD are contract services as well as salaries and wages. The projected total revenue for the District for fiscal year 2022-23 is $9,679,600. A breakdown of the past 5 years of operational revenues and expenses can be seen below in Table 8-4.

**Table 8-4: TCSD Operating Revenues and Expenditures**

| Operating Revenue | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | Average |
|---|---|---|---|---|---|---|
| **Charges for Services** | $4,352,764 | $5,131,875 | $5,852,402 | $7,099,748 | $7,395,570 | $5,966,472 |
| **Operating Grants** | $50,195 | $162,645 | $35,291 | $69,403 | $141,986 | $91,904 |
| **Capital Grants** | | | $876,984 | | | $175,397 |
| **Property Taxes** | $789,385 | $870,414 | $915,534 | $970,319 | $997,750 | $908,680 |
| **Investment Earnings** | $4,699 | $7,911 | $8,979 | $45,693 | $62,677 | $25,992 |
| **Miscellaneous** | $51,396 | $24,746 | $12,257 | $7,905 | $5,994 | $20,460 |
| **Total** | $5,245,439 | $6,197,591 | $7,701,447 | $8,193,068 | $8,603,977 | $7,188,304 |

| Operating Expenses | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | Averages |
|---|---|---|---|---|---|---|
| **Parks and Recreation** | $1,095,406 | $1,287,036 | $1,049,513 | $1,102,747 | $1,091,026 | $1,125,146 |
| **Community Center** | $31,068 | $37,858 | | | | $13,785 |
| **Measure A** | $52,661 | $40,375 | $26,321 | $77,839 | $57,958 | $51,031 |
| **Sanitation** | $2,827,448 | $2,687,274 | $3,896,471 | $4,061,134 | $4,033,004 | $3,501,066 |
| **Refuse** | $1,648,879 | $1,894,997 | $1,719,462 | $1,743,854 | $1,628,023 | $1,727,043 |
| **Total** | $5,655,202 | $5,947,540 | $6,691,767 | $6,985,574 | $6,810,011 | $6,418,019 |

## Debt

As of June 30, 2020, TCSD was carrying $3,471,632 in long-term liabilities. This amount is not inclusive of net pension, other post-employment benefits (OPEB), and compensated absences liabilities. The sources of the District's long-term liabilities are outlined below.

- **2013 Loan Agreement -** In December of 2013, the District entered into a loan agreement with Municipal Finance Corporation for the purpose of refinancing the costs to upgrade and replace certain wastewater collection improvements to the District's sanitation enterprise system. The District also entered into a loan agreement with Municipal Finance Corporation at the same time for the purpose of obtaining financing for the acquisition and construction of additional enterprise facilities consisting generally of sewer line replacements and improvements to the inflow and infiltration system. Municipal Finance Corporation assigned both loans to City National Bank. The loans carry note payable in semi-annual principal and interest payments of $204,884 and $17,737 respectively.
- **2020 Loan Agreement -** In May of 2020 the District entered into a loan agreement with Mercedes-Benz Financial Services for the purpose of obtaining financing for the acquisition of two refuse collection trucks. The note payable in annual principal and interest payments of $44,804 annually.
- **Net Pension Liability -** The TCSD provides a pension plan for employees and is part of the Marin County Employees' Retirement Association (MCERA). MCERA provides retirement, disability, and death benefits based on the employee's years of service, age, and final compensation. As of June 30, 2020, the TCSD's Net Pension Liability was $1,304,834. TCSD's pension-funded ratio is approximately 88%.
- **Other Post-Employment Benefits (OPEB) –** TCSD provides other post-employment benefits to its retirees. As of June 30, 2020, the District carried a Net OPEB liability of $1,674,934. There are 18 total employees, both active and inactive, within the District's OPEB plan.
- **Compensated Absences –** The District provides its employees with different forms of paid leave. As of June 30, 2021, the total liability of the District's compensated absences totaled $130,317.

### Financial Audit

The Tamalpais Community Services District annually has its financial statements audited and contracts with an outside accounting firm, Croce, Sanguineti, & Vander Veen. The most recent publicly available audited financial statement was prepared for the fiscal year ending June 30, 2020.

## 8.9 SUSTAINABILITY

Local agencies such as the Tamalpais Community Services District play a critical role in protecting natural resources and the environment. Extended periods of drought and increasingly unpredictable climate patterns have significantly increased the importance for local agencies to step up their own conservation and long-term planning measures as well as making a concerted effort towards higher levels of public outreach.

The District has recently taken an aggressive approach to expedite the rehabilitation of its collection system infrastructure. This prioritization towards the replacement of aging pipes will assist the District in minimizing future sewer system overflows that can have significant ecological impacts.

# 9.0 MARIN CITY COMMUNITY SERVICES DISTRICT

## 9.1 OVERVIEW

The Marin City Community Services District (MCCSD) was established in January of 1958 as an independent special district. The MCCSD jurisdictional boundary is composed of approximately 0.6 square miles of Marin County's southern Highway 101 corridor. The district serves a population of approximately 2,993[1] persons. The District's most recent inclusion in a municipal service review came in April of 2004 in the Southern Marin Service Review and Sphere of Influence Update. The primary function of MCCSD is to provide parks and recreation, solid waste disposal, and street lighting services to the census-designated place (CDP) of Marin City.

**Table 9-1: Marin City Community Services District Overview**

| Marin City Community Services District | | | |
|---|---|---|---|
| **Primary Contact:** | Juanita Edwards | **Phone:** | (415)-332-1441 |
| **Headquarters:** | 640 Drake Avenue, Marin City, CA | | |
| **Formation Date:** | January 27, 1958 | | |
| **Services Provided:** | Parks & Recreation, Solid Waste Disposal, Street Lighting | | |
| **Service Area:** | 384.5 acres | **Population Served:** | 2,993 |

## 9.2 FORMATION AND DEVELOPMENT

The census-designated place (CDP) of Marin City was founded in 1942, when housing was built for employees who worked at the nearby Marinship Corporation during World War II, building ships for the war effort. Marinship was one of many early 1940's emergency shipyards established on the West Coast to fuel America's need for oil tankers and war cargo ships. In the early 1940s, many African Americans migrated from southern states such as Louisana and Mississippi in search of shipbuilding work after being excluded from higher-paying industrial jobs back home as it was not uncommon for a shipbuilder to make in an hour what they formerly would make in a day back in the South. Shipbuilding had gained a reputation as steady work that paid generous wages and included family housing, and it was ultimately these benefits that made the lengthy migration worthwhile[2]. The community of Marin City was formed by building housing, churches, and schools to accommodate the influx of approximately 6,000 newly arrived workers.

Despite such a diverse workforce and blossoming community, racial discrimination was rampant within the Marinship organization. Workers of color were only allowed as "auxiliary" members to the Boilermakers Union, which meant they were unable to vote on union matters and received smaller insurance benefits[3]. In November of 1943, African American Marinship workers from

Marin City as well as Richmond and Oakland all went on strike and refused to pay their auxiliary member dues. This matter went all the way to the Supreme Court and in 1945 it was found that it was "readily apparent that the membership offered to minorities is discriminatory and unequal." Marinship ultimately closed in May of 1946 and as the war wound down, African American employment also plummeted. In July of 1945, approximately 20,000 African American Marinship workers were employed, and by September of the same year, there were less than 8,000. When Marinship ultimately closed, many African American Marin City residents found they could not afford to leave, and those that could afford it were unable to relocate due to the discriminatory rental and homeowner statutes that stipulated against renting to minorities that were common throughout the Bay Area until the 1960s.

On February 16, 1944, residents formed the Marin City Council, Inc., in an effort to provide basic services to Marin City residents. The Marin City Community Services District (MCCSD) was formed in January of 1958 under California State Government Code section 61000 with the activated service powers of providing recreation, parks and landscape management, street lighting, and solid waste management.

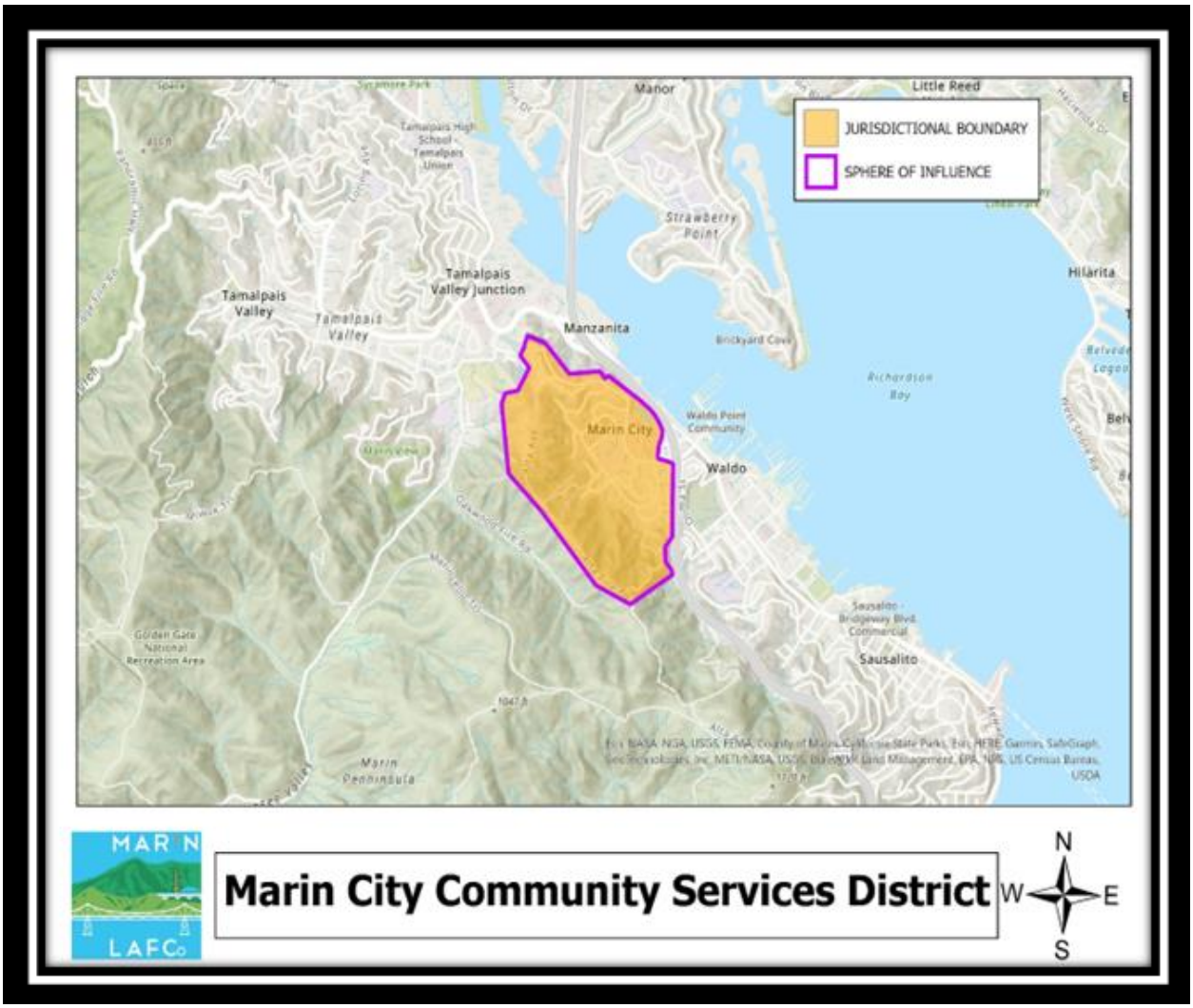
In the early 1990s, MCCSD gave up its lease of land used for a flea market in order to allow for the implementation of the Marin City Redevelopment Plan. At that time the operation of the flea market provided the District with its largest source of revenue. The Redevelopment Plan included financing for a variety of public infrastructure improvements and facilitated the development of the Gateway Shopping Center. In return, it was agreed that the District revenues from the flea market would be replaced by a percentage share of profits from the operation of the Gateway Shopping Center. The Gateway Shopping Center, however, did not prove to produce the level of profit that had been anticipated, and as such those revenues did not flow to the District. Additionally, the increased property tax revenue from the development of the shopping center did not flow to the District, but rather to the Redevelopment Agency to finance the cost of public improvements. The County of Marin provided loans to the District to continue 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.

In 2004, the District started planning for the development of a new state-of-the-art community center to replace the existing Manzanita Center. In 2009, a Master Plan for the project was developed and submitted to the County of Marin for approval. The proposed project's cost was approximately $30 million. In early 2010, the proposed project was deemed economically unfeasible by District staff and the Board of Directors due to the economic downturn. As such, the focus shifted to renovating in a more phased manner with the top priority in the process being a new gymnasium and teen center.

In 2014, the District, in partnership with the Trust for Public Land, broke ground on a 1.095 acre plot of land in Marin City that would be developed into the community's first and only outdoor recreational space, Rocky Graham Park. The development of the park was made possible by way of a grant in the amount of $4.93 million from the Proposition 84 California Parks Bond Act. The construction of the park was completed in May of 2015 and today the park is managed

through a cooperative operations agreement between the District and Marin County Parks. The current agreement sunsets in March of 2023 and negotiations for renewal are ongoing.

At its January meeting in 2022, the Board of Directors approved a contract with the firm dSantana Arquitectura to develop a feasibility study and new master plan in a renewed effort towards renovating and expanding the District's community center. The updated plan would include the construction of an aquatics center, a sports complex and gymnasium, an early education center, classrooms, a health center, and a multi-level parking structure. The District plans to employ the services of consultants in order to assist in applying for grant funding for the projects.



## 9.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE

The Marin City Community Services District's service boundary, which currently encapsulates just over 384 acres, includes all of the residential area of the census-designated place of Marin City. The entirety of the District's western border is contiguous with the jurisdictional boundary of the Tamalpais Community Services District. The District's boundary is separated from the City of Sausalito to the southeast by Highway 101. Previously, MCCSD staff has reported that the District's board has explored expanding the jurisdictional boundary to include the unincorporated houseboat area and commercial center immediately to the north of the City of Sausalito's boundary at Gate 6 (which is currently within the City's sphere of influence). To date, no application has been submitted to LAFCo.

The District's current jurisdictional boundary surrounds a census tract block group (Tract 1290, Block Group 1) that has been designated by Marin LAFCo as a disadvantaged unincorporated community (DUC) based on 2020 U.S. Census Bureau Redistricting Data. A disadvantaged community is defined in Water Code Section 7905.5(a) as a community with an annual median household income of less than 80 percent of the statewide median household income. The statutory definition of DUCs comes from Government Code Section 56033.5, which defines DUCs as "inhabited territory" that constitutes all or a portion of a disadvantaged community. "Inhabited territory" may be defined by Government Code Section 56046 as having at least 12 registered voters, or it can be determined by "commission policy".

The District's sphere of influence was originally set by Marin LAFCo in 1984 as an "interim" sphere of influence as the Marin City community was included in the sphere of influence of the City of Sausalito with the anticipation of the continued operation of MCCSD until the annexation of Marin City to the City of Sausalito which then would have dissolved the District and its services into the City. In 2004, Marin LAFCo concluded that annexation of the area to the City of Sausalito was improbable and designated a coterminous sphere of influence for the District with its boundary and simultaneously removed the District from the sphere of influence of the City of Sausalito. The sphere of influence was last reaffirmed in 2010.

## 9.4 GROWTH AND POPULATION

The Marin City Community Services District jurisdictional boundary encompasses the entirety of the census-designated place (CDP) of Marin City. According to 2020 U.S. Census Redistricting Data, the population of the Marin City CDP is 2,993, which is approximately a 12% increase from the 2010 population number of 2,666[1]. The most recent census data shows the CDP to have 1,337 total housing units, with 34 of those units vacant. The remaining development potential in the planning area is minimal as current zoning regulations designated by the current Community Plan make the area essentially built out. Since 2000, only 28 units have been added to the planning area, making the annual residential unit additions approximately 1.4 units per year.

## 9.5 MUNICIPAL SERVICES

### Recreation and Parks

The Marin City Community Services District offers the residents within its jurisdictional boundary assorted recreation programs and facility rentals. Programs are offered by way of community partnerships, independent contractors, and in-house staff. Some of the programs offered by the District include:

- Boxing/Fitness Class
- Teen Social Group
- Midnight Basketball
- Intergenerational Garden
- Computer Classes
- Zumba Dance Class
- Sunshine Club – Senior Social Group

One of the District's biggest strengths is its collaborative efforts with other local entities, both public and private, throughout Marin County in order to offer as many opportunities as possible to residents within the District. Some of the local partners the district works in concert with include:

- Age Friendly Sausalito
- Marin Center for Independent Living
- Innovative Health and Human Services
- Vivalon
- Marin City Library
- Dominican University
- County of Marin Health and Human Services
- Zero Waste Marin

As well as the main Community Center location, the District also oversees the programming of the area of Rocky Graham Park. The District has a cooperative operations agreement with the Marin County Parks Department for maintenance and needed improvements of the park.

### Solid Waste Management

The District contracts with Bay Cities Refuse for residential and commercial trash removal and recycling services. The current contract for services was entered into in March of 2019 and is good for ten years, with an option to review the terms in year eight. As part of the contract for services, Bay Cities Refuse also provides street-sweeping services within the District.

## 9.6 ORGANIZATION STRUCTURE

### Board of Directors

The Marin City Community Services District has a five-member board that is elected to four-year terms through an at-large election. As of the writing of this document, the Board has one vacant seat that has been open since May of 2022. All directors are required to live within the District's jurisdictional boundary. Over the course of the last 10 years (five Board of Directors election cycles), the District's Board of Directors has experienced fairly regular turnover with a total of six new Board Members being either elected or appointed in that span. In addition, a recent occurrence has been noticed. Both in 2020 and 2022 they have not had enough candidates filing to run for office which is causing the Board of Supervisors to make an appointment to fill empty seats.

The Board of Directors meets regularly on the 1st Thursday of each month at 6:30 p.m. at the Marin City Community Center located at 640 Drake Avenue in Marin City.

**Table 9-2: Marin City Community Services District Board of Directors**

| Member | Position | Term Expiration |
|---|---|---|
| Lynette Egenluaf | Chair | November 2024 |
| Henry Mim | Vice-Chair | November 2024 |
| Terrie Green | Director | November 2026 |
| Angela Haynes | Director | November 2026 |
| Kevin Douglas | Director | November 2026 |

## 9.7 ACCOUNTABILITY AND TRANSPARENCY

The Marin City Community Services District has made great strides recently in increasing its public transparency. During the initial meetings that Marin LAFCo staff had with MCCSD staff in preparation for this municipal service review, the District's website was shown to be out of compliance with numerous State requirements for public agencies as well as being fairly informationally outdated. The District worked with LAFCo in finding a new website provider that works specifically with public agencies and ensures they are compliant with all current requirements and regulations and updated the website to its current state. The MCCSD website (www.marincitycsd.com) provides information on Board meetings, financial reports, district history, district staff, and more. While the District has made a good faith effort to make the necessary change to be in compliance with the minimum requirements by state law, further public transparency could be offered with the addition of the District's budgets for the current and recent fiscal years as well as Board meeting minutes and Board meeting agenda packet materials. The District is also aware of and actively working towards ensuring that the uploaded documents on its site are compliant with the Americans with Disabilities Act (ADA).

### Meeting and Agendas

The MCCSD Board of Directors meets on the 1st Thursday of each month at 6:30 p.m. at the Marin City Community Center located at 640 Drake Avenue in Marin City. Special meetings are held as needed to go over specific topics such as the annual budget. Meeting agendas can be found on the MCCSD website (www.marincitycsd.com/board-meetings).

### Annual Budget Review

The District's budget, adopted no later than the June Board meeting each year, provides overall control of revenue and expenditures including appropriations on a line-item basis and the means of financing them. The Bookkeeper produces monthly reports on expense activity that assist the General Manager in monitoring activities and programs. These reports are reported to the Board every month to assure budgetary compliance.

## 9.8 FINANCIAL OVERVIEW

Revenue sources for the MCCSD come primarily from grants and contributions from outside agencies, accounting for an average annual revenue percentage of approximately 74% over the past five fiscal years. This figure becomes a bit skewed towards the latter stages of the study window due to the inclusion of the anomalistic Prop 84 funding. That average will also be impacted in the near term by the recent exhausting of the Marin City Community Services District Trust Fund. In June of 2013, the County of Marin Established the Marin City Community Services District Trust Fund with the proceeds from the sale of the Gateway Shopping Center. When initially established, the fund reserved $774,932 for MCCSD operations. Annual payments were made of $115,000. The balance of this fund was exhausted in June of 2020.

The other main source of revenue for the District is its apportionment of the 1% of property tax that it receives, as well as Measure A funding and charges for services and rentals. Over the course of the study window, the District has seen revenues outpace expenditures in three of the five fiscal years. As of the writing of this document, despite a good faith effort on the part of LAFCo staff to collect financial documentation from the District as well as collaboration with the District's auditor over the course of the past nine months, the District has been unsuccessful in providing LAFCo with the requested copies of its adopted operating budgets for any fiscal year within the study window. As such, determining the specific sources of annual operating income as well as the expenditures has been rendered to a certain level of ambiguity without the full picture provided by viewing the District's annual finances at a line-item level. One of the more recent recommendations made by the District's auditor that the auditor has reported that the District has implemented is that "… the Board participate in the District budget process and help put in place policies that facilitate the District's ability to overtake the negative fund balances." The auditor reported in July of 2021 that the District had implemented this recommendation for the General Fund, but there were two other funds with deficit fund balances still needing to be addressed.

### Debt

At this time, the District does not utilize long-term debt to fund operations or growth.
The MCCSD provides a pension plan for employees and is part of the Marin County Employees' Retirement Association (MCERA). MCERA provides retirement, disability, and death benefits based on the employee's years of service, age, and final compensation. As of June 30, 2021, the MCCSD Net Pension Liability was $0.

The District grants employees' vacation and sick leave in varying amounts. In the event of retirement or termination, an employee is reimbursed at full salary rates for accumulated vacation days. The current portion of accumulated vacation and sick leave is recognized in the General Fund. All compensated absences are accrued when incurred in the government-wide financial statements. The liability for accrued vacation, administrative, and compensatory time off leave was $7,346 for the year ended June 30, 2021.

## Financial Audit

The Marin City Community Services District annually contracts with an outside accounting firm, most recently R.J. Ricciardi, Inc., to audit the District's financial statements in accordance with established governmental accounting standards. The firm has been the District's auditor for the past seven fiscal years and has made several financial best practices recommendations to the District in that time span. In addition to the recommendations made, when auditing the financial statements for the fiscal year ending June 30, 2018, the auditing firm was compelled to include a disclaimer of opinion, stating, "Marin City Community Services District does not maintain accounting records sufficient to assure that all transactions are recorded. Accordingly, it was not practicable for us to extend our procedures sufficiently to determine that all of the assets and liabilities of Marin City Community Services District and changes in their net position are recorded in the financial statements referred to above. We were unable to obtain sufficient appropriate audit evidence about the completeness, accuracy and occurrence of revenue and expense accounts or subsequent events by other auditing procedures. In addition, we were unable to obtain written representations from management of the Marin City Community Services District as required by generally accepted auditing standards. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements referred to in the first paragraph." In the three fiscal years following this disclaimer, the auditor has received the necessary documentation to confidently offer an opinion on the District's financial statements as having presented fairly in all material respects.

Some of the most recent recommendations that the accounting firm has made that have been implemented by the District include the following:

- Recommendation that the District implement policies and procedures to maintain copies of employee's timesheets to substantiate labor costs and to complete employee personnel records.
- Recommendation that the District develop an operating reserve of at least $250,000 through budget monitoring and reducing expenses when possible (in process).

- Recommendation that the District keep and maintain copies of all checks, check stubs, and related supporting documents for all checks and revenues received by the District.

The most recent audited financial statement was prepared for the fiscal year ending June 30, 2021.

**Table 9-3: Marin City Community Services District Financial Audit Summary**

| Revenues | FY 2020-2021 | FY 2019-20 | FY 2018-19 | FY 2017-18 | FY 2016-17 |
|---|---|---|---|---|---|
| **Taxes** | $484,903 | $350,224 | $428,910 | $197,420 | $162,640 |
| **Grant and Contributions** | $624,439 | $980,654 | $762,947 | $1,178,729 | $2,127,336 |
| **Total Revenues** | $1,109,342 | $1,330,878 | $1,191,857 | $1,376,149 | $2,289,976 |
| **Expenditures** | | | | | |
| **Services and Supplies** | $1,351,485 | $1,102,739 | $902,188 | $1,872,757 | $1,691,763 |
| **Total Expenditures** | $1,351,485 | $1,102,739 | $902,188 | $1,872,757 | $1,691,763 |
| **Change in Net Position** | $(242,143) | $228,139 | $289,669 | ($496,608) | $598,213 |

# 10.0 SAUSALITO-MARIN CITY SANITARY DISTRICT

## 10.1 OVERVIEW

The Sausalito-Marin City Sanitary District (SMCSD) was established in 1950 as an independent special district under Section 6400 of the California State Government Code. The District provides wastewater conveyance and treatment to the City of Sausalito by way of a 1953 services agreement and wastewater collection, conveyance, and treatment to unincorporated areas, primarily the census-designated place of Marin City, within the District's jurisdictional boundary. Additionally, the District maintains contracts for wastewater conveyance and treatment service with the Tamalpais Community Services District and the National Park Service including Fort Baker, Fort Barry, Fort Cronkite, the Marine Mammal Center, and the Cavallo Point Resort.

The District's jurisdictional boundary encompasses just under 3.4 square miles. The last municipal service review that included the SMCSD was conducted in 2004.

**Table 10-1: Sausalito-Marin City Sanitary District Overview**

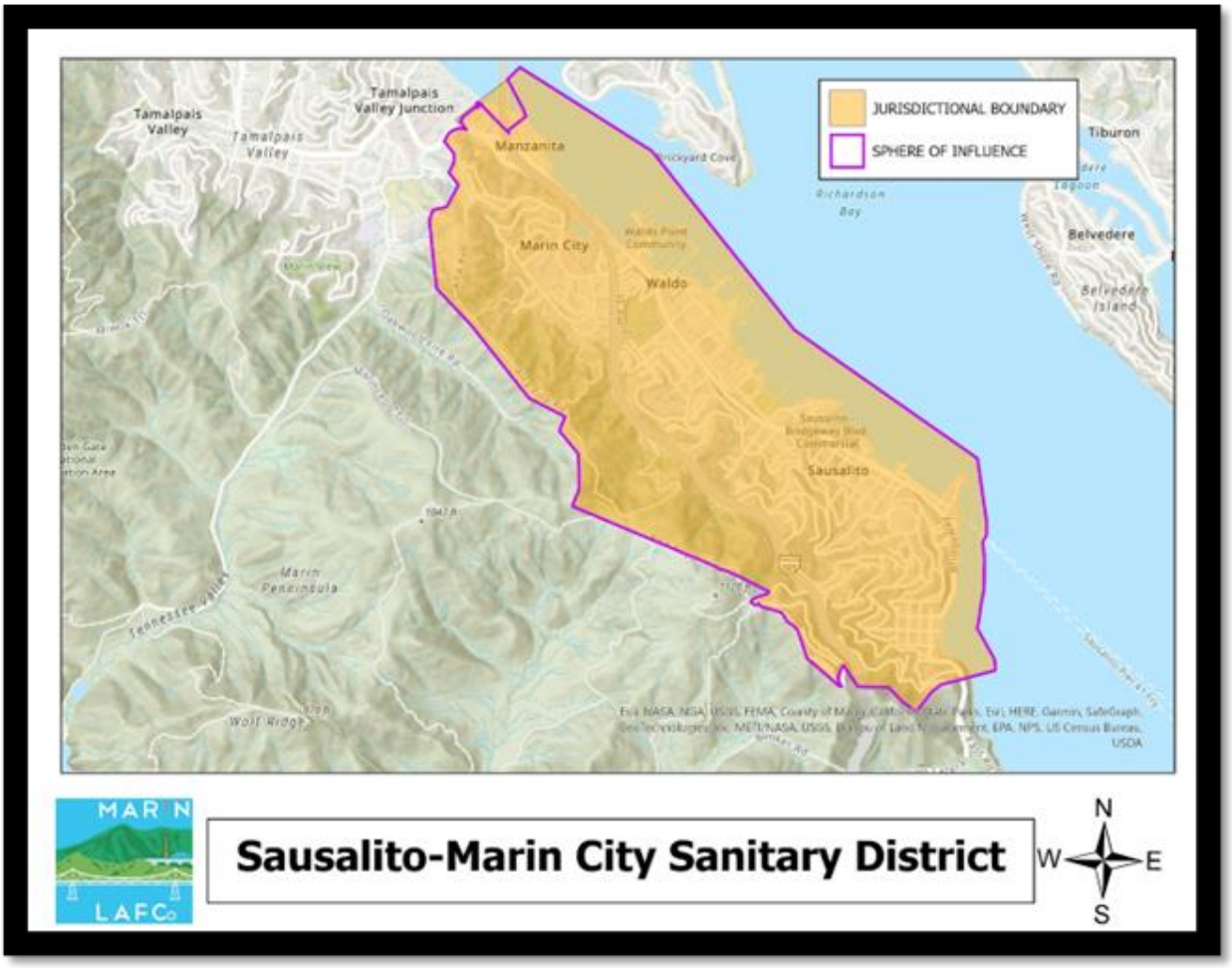
| **Sausalito-Marin City Sanitary District** | | | |
|---|---|---|---|
| **Primary Contact:** | Jeffrey Kingston | **Phone:** | (415)-332-0244 |
| **Mailing Address:** | 1 East Road, Sausalito, CA 94965 | | |
| **Formation Date:** | 1950 | | |
| **Services Provided:** | Wastewater Collection, Conveyance, and Treatment | | |
| **Service Area:** | 2163 acres | **Population Served:** | ≈18,000 |

## 10.2 FORMATION AND DEVELOPMENT

The Sausalito-Marin City Sanitary District was formed in 1950 out of a necessity to accommodate the influx of workers who had migrated to the area during World War II to work for the nearby Marinship Corporation building ships for the war effort. By the late 1940s, the Marin City community area had seen an influx of approximately 6,000 newly arrived workers, and the community of Marin City was taking shape by way of the building of housing, churches, and schools. The City of Sausalito also saw a nearly 40% growth in population from 1940 to 1950. The SMCSD treatment facility was constructed in 1953 at 1 East Road, just south of the jurisdictional boundary of the City of Sausalito, on land that was at that time under the jurisdiction of the United States Army. The Army authorized the construction of the facility and an easement in 1953 that was updated in 1967 for a 50-year term to accommodate the facility's secondary treatment upgrade project. The area of the treatment facility, as well as other surrounding areas of Fort Baker and the Marin Headlands, had their easements transferred to the

National Park Service on March 10, 1986. The District recently renewed its property lease agreement with the National Park Service which continues in effect through 2049.

The original facility consisted of a primary treatment plant and a system of pump stations and lines. A sludge dewatering facility was added in 1974. The facility underwent a major renovation in 1987 in order to increase capacity needs and comply with state and federal regulatory requirements. These upgrades included the addition of a secondary treatment with fixed film reactors on top of the new secondary sedimentation tanks. Two contact tanks were constructed to improve the facility's chlorination/dechlorination processes, and a sludge thickener and secondary digester were added to better manage the flow of solids. Most recently, the District completed a major renovation of the facility in 2020 to address updated discharge regulations, better manage peak wet weather flows, and improve the treatment plant's performance and reliability. The upgrade increased the plant's secondary treatment capacity to 9 million gallons per day (MGD) and increased tertiary treatment capacity to 6 MGD.



## 10.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE

The Sausalito-Marin City Sanitary District's jurisdictional boundary encompasses approximately 3.4 square miles of both incorporated lands in the City of Sausalito as well as unincorporated Marin County. Marin LAFCo has no record of changes in the District's jurisdictional boundary.

The District's current jurisdictional boundary surrounds a census tract block group (Tract 1290, Block Group 1) that has been designated by Marin LAFCo as a disadvantaged unincorporated community (DUC) based on 2020 U.S. Census Bureau Redistricting Data. A disadvantaged community is defined in Water Code Section 7905.5(a) as a community with an annual median household income of less than 80 percent of the statewide median household income. The statutory definition of DUCs comes from Government Code Section 56033.5, which defines DUCs as "inhabited territory" that constitutes all or a portion of a disadvantaged community. "Inhabited territory" may be defined by Government Code Section 56046 as having at least 12 registered voters, or it can be determined by "commission policy".

The District's sphere of influence was established by Marin LAFCo in 1984 as being coterminous with its jurisdictional boundary. The sphere was amended in 2005 to be an interim sphere of influence designation coterminous with the District's existing jurisdictional boundary. The purpose of the interim designation was to "…express this Commission's expectation that Sausalito-Marin City Sanitary District will continue to provide service within its present boundaries while engaged in functional collaboration efforts with neighboring sewer agencies and that political consolidations should be evaluated by southern Marin sewer agencies in the future as appropriate."

## 10.4 GROWTH AND POPULATION

The Sausalito-Marin City Sanitary District jurisdictional boundary encompasses the entirety of the jurisdictional boundary of the City of Sausalito as well as the census-designated place (CDP) of Marin City and another smaller area of unincorporated territory to the north of Sausalito (primarily floating homes). According to 2020 U.S. Census Redistricting Data, the population of the Marin City CDP is 2,993, which is approximately a 12% increase from the 2010 population number of 2,666[1]. The most recent census data shows the CDP to have 1,337 total housing units, with 34 of those units vacant. The remaining development potential in the planning area is minimal as current zoning regulations designated by the current Community Plan make the area essentially built out. Since 2000, only 28 units have been added to the planning area, making the annual residential unit additions approximately 1.4 units per year. According to 2020 U.S. Census Redistricting Data, the population of the City of Sausalito is 7,269, which is approximately a 2.9% increase from the 2010 population number of 7,061. The City is shown to have 4,425 housing units, with 433 of those units being vacant. The maximum development allowed by the current General Plan policies would give the City 5,134 dwelling units. While SMCSD's wastewater infrastructure has the capacity to support growth within the planning area that is beyond the planning area's potential buildout[2], minimal growth is projected in the area.

The District's total equivalent dwelling units (EDU) served has only increased by a total of 13 over the course of the study window (past five fiscal years).

## 10.5 MUNICIPAL SERVICES

### Wastewater Collection and Treatment

SMCSD provides wastewater conveyance, treatment, and disposal to all residents and businesses within its jurisdictional boundary. Although the City of Sausalito is within the District's current boundary, the District provides sewer service to the City as well as operates and maintains the four pump stations owned by the City by way of a services agreement that was formed in 1953. The District also maintains agreements for conveyance and treatment service with the Tamalpais Community Services District and the National Parks Service including Fort Baker, Fort Barry, Fort Cronkhite, the Marine Mammal Center, and Cavallo Point Resort. The District has experienced zero sanitary sewer overflows in the past five years.

In addition to the conveyance, treatment, and disposal provided to the other previously mentioned areas, the District provides collection services to the unincorporated areas within its jurisdictional boundary, primarily the census-designated place of Marin City. The District oversees the operations, maintenance, and capital improvements of the sewer collection system in the unincorporated territory within its jurisdictional boundary, as well as the seven pump stations that it owns. The District engaged in a significant rehabilitation of that system in 2012, rehabilitating approximately 36% of the system in total.

The District currently has 7,241 service equivalent dwelling units (EDU), with 5,728 of those consisting of residential EDU and 1,513 being commercial. On July 8, 2019, the District updated its five-year sewer rate plan. The charges for service fund the District's operations and capital improvements. The plan runs through FY 2023/24, at which time the District will engage in a new rate study and completion of the Proposition 218 process. The current charges for annual sewer service and the supplementary charges for collections services to unincorporated residents can be seen in Table 10-2.

In 2017, the District and the Tamalpais Community Services District (TCSD) had unresolved disputes over the interpretation of a number of terms and conditions contained within the two district's 2013 services agreement which led to the filing of a complaint by SMCSD and a cross-complaint by TCSD in the Marin County Superior Court. On June 11, 2018, SMCSD and TCSD submitted their disputes to mediation. The two agencies reached a settlement during the course of mediation of all the disputes that was ultimately agreed to by both of the district's Board of Directors. In February of 2020, both of the districts accepted the updated settlement agreements into an amended and restated agreement which supersedes and replaces the 2013 agreement that the districts had been operating under.

In June of 2020, the District and the City of Sausalito completed a Phase 1 Feasibility Study by way of a contracted consulting firm to explore the possibility of consolidating the City's collection services and infrastructure to the District. The study ultimately recommended two options for the agencies: formal consolidation or, as an alternative, an updating of the current service agreement with a potential expansion of the current scope of services. Phase 2 of the

feasibility study, the Operational Plan, has also been completed. Most recently on October 11th, a presentation by City staff (as well as the study's consultant) presented at the Sausalito City Council Meeting and informed the Council that after the recent televising and review of the City's collection system, it appears that the City's collection system is in need of approximately $18 million in repairs. With the City's current revenue of $1.7 million annually, improvements can be accomplished over a 14-year period (not including possible inflation costs). The information presented by the City was neither confirmed or agreed to by the District prior to presentation and both the cost and term of improvements need to be resolved prior to any further consolidation process. The terms of the report and approach to consolidation are to be further evaluated as consolidation efforts proceed. A joint committee of members from the City and the District is continuing to meet to consider the recommendations, with the hope that a final decision will be reached in the near future.

**Table 10-2: SMCSD Sewer Service Charges for Conveyance and Treatment Only**

| Customer Class | FY 2019/20 | FY 202/21 | FY 2021/22 | FY 2022/23 | FY 2023/24 |
|---|---|---|---|---|---|
| **Single-Family** | $866 | $906 | $942 | $970 | $999 |
| **Multi Family** | $771 | $793 | $824 | $849 | $875 |
| **Floating Homes** | $659 | $683 | $710 | $731 | $753 |
| **Non-Residential** | $866 | $906 | $942 | $970 | $999 |

**10-3: SMCSD Collection Supplemental Charge for Unincorporated Areas (Additional to Conveyance)**

| Customer Class | FY 2019/20 | FY 202/21 | FY 2021/22 | FY 2022/23 | FY 2023/24 |
|---|---|---|---|---|---|
| **Single Family** | $192 | $198 | $220 | $291 | $387 |
| **Multi Family** | $169 | $174 | $194 | $256 | $341 |
| **Floating Homes** | $144 | $148 | $165 | $218 | $290 |
| **Non-Residential** | $192 | $198 | $220 | $291 | $387 |

## 10.6 ORGANIZATION STRUCTURE

### Board of Directors

The Sausalito-Marin City Sanitary District receives oversight and policy direction by way of a five-member board that is elected to staggered four-year terms with election cycles held in even-numbered years. All directors are required to be registered voters residing within the District's jurisdictional boundary. Over the course of the last 10 years (five Board of Directors election cycles), the District's Board of Directors has experienced minimal turnover with a total of two new Board Members in that span with one being appointed by the Marin County Board of Supervisors.

**Table 10-4: Sausalito-Marin City Sanitary District Board of Directors**

| Member | Position | Term Expiration |
|---|---|---|
| Dan Rheiner | President | December 2026 |
| William Ring | Vice-President | December 2024 |
| Ann Arnott | Director | December 2026 |
| Donald Beers | Director | December 2024 |
| James DeLano | Director | December 2026 |

### Administration

The Board of Directors of SMCSD appoints the District's General Manager who leads and manages the District's day-to-day operations. The General Manager conducts the day-to-day management of the District as specified by Board policy, and is supported administratively by a Board Secretary/Office Manager. The General Manager also oversees the work of the Operations Superintendent, and District Engineer, who oversee a total of seven other employees. In total, the District currently employs 10 full-time equivalent (FTE) employees.

## 10.7 ACCOUNTABILITY AND TRANSPARENCY

The Sausalito-Marin City Sanitary District makes a concerted effort to maintain high accountability and transparency with all its activities. The SMCSD website (www.sausalitomarincitysanitarydistrict.com) provides extensive documentation and information on Board meetings, financial reports, services, history, contracts, sewer system management plan, and more. At this time the District is meeting, if not exceeding, all the transparency requirements of special districts for the State of California.

### Meeting and Agendas

The SMCSD Board of Directors meets regularly on the 1st Tuesday of each month at 12:00 p.m. by virtual meetings until further notice. Special meetings are held as needed to go over specific topics. Meeting agendas and minutes can be found on the SMCSD website (www.sausalitomarincitysanitarydistrict.com/about-us/board/agendas-and-minutes/).

### Annual Budget Review

The District's budget, typically adopted no later than the June Board meeting each year, provides overall control of revenue and expenditures including appropriations on a line item basis and the means of financing them. The General Manager presents financial reports to the Board every month to assure budgetary compliance.

## 10.8 FINANCIAL OVERVIEW

Over the course of the study window (past five fiscal years), SMCSD has maintained increases in total net position each year, with an average annual increase over that span of 4.46%. Strictly operationally, the District's revenues have outpaced expenditures in each of the past five fiscal years, by an annual average of approximately $2.4 million. The average annual operating revenues for the District over the five-year period were $9,004,426. The primary revenue sources for the District are sewer service charges (70%) and service contracts (23%) with property taxes supplementing the District's total revenues at approximately 6%. The primary annual operating expenses for SMCSD are salaries and benefits (60%), operations and maintenance (30%), and general and administrative costs (10%). The projected total revenue for the District for fiscal year 2022-23 is $10,471,493. A breakdown of the past five years of operational revenues and expenses can be seen below in Table 10-4.

The District maintains fiscal reserve policies that were most recently updated by the Board of Directors in 2018. The reserve policy takes a five-pronged approach to ensuring the multiple areas of the District are prepared for any sort of funding shortage. The different reserves are as follows:

- Operating – Provides working capital for operating expense cash flow during the year. Target balance threshold of six-months of annual operation and maintenance expenses. Minimum balance threshold equivalent to two months of annual operation and maintenance expenses. Also funding to cover any restricted reserve obligations.
- Capital – Provide capital for major capital projects in 10-year capital program. Target balance threshold equivalent to 1.5 times the average annual 10-year CIP expense. Includes debt service payments. Minimum balance threshold equivalent to funding to cover the 10-year capital improvement program debt service and other restricted reserve obligations.
- Repair and Replacement – Provide capital for renewal and replacement of equipment and appurtenances assets. Target balance threshold of two-years annual renewal replacement costs. Minimum balance threshold equivalent to one-year of average annual renewal and replacement costs.
- Disaster Recovery – Provide additional capital funding for emergency recovery until long-term funding is arranged from rate increases, loan, or debt. Target balance threshold of one-year of average annual 10-year capital improvement program cash-funded capital expense. Minimum balance threshold of $1,250,000.

- Self-Insurance and Deductible – Provide funding for the deductibles of the various insurance policies carried by the District. Target balance threshold of $100,000 to be adjusted if there are changes to policy coverages or deductibles. Minimum balance threshold of $100,000.

**Table 10-5: SMCSD Operating Revenues and Expenditures**

| Operating Revenue | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 | Averages |
|---|---|---|---|---|---|---|
| **Service Charges** | $6,081,006 | $6,284,135 | $6,386,328 | $6,530,609 | $6,762,935 | $6,409,003 |
| **TCSD Service Contract** | $1,648,912 | $2,409,451 | $2,893,082 | $2,107,451 | $2,201,773 | $2,252,134 |
| **NPS Service Charges** | $158,683 | $263,569 | | | | $84,450 |
| **Sausalito Service Contract** | $78,820 | $367,710 | $102,851 | $116,347 | $228,568 | $178,859 |
| **Other Operating Revenues** | $2,845 | $1,621 | $79,438 | $212,822 | $132,176 | $85,780 |
| **Total** | $7,970,266 | $9,315,486 | $9,443,699 | $8,967,229 | $9,325,452 | $9,004,420 |

| Operating Expenses | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 | Averages |
|---|---|---|---|---|---|---|
| **Salaries and Benefits** | $2,737,082 | $2,540,801 | $2,431,730 | $2,697,454 | $2,860,733 | $2,653,560 |
| **Plant Operations** | $647,082 | $799,129 | $817,482 | $827,007 | $856,276 | $789,395 |
| **Repairs and Maintenance** | $298,194 | $242,886 | $91,896 | $81,246 | $70,856 | $157,016 |
| **Permit Testing and Monitoring** | $54,394 | $53,508 | $68,430 | $57,587 | $66,851 | $60,154 |
| **Depreciation and Amortization** | $2,133,667 | $2,190,449 | $2,194,231 | $2,178,260 | $3,034,449 | $2,346,211 |
| **Utilities and Telephone** | $306,826 | $277,659 | $302,514 | $292,176 | $332,585 | $302,352 |
| **General Administrative** | $292,756 | $387,363 | $298,923 | $199,017 | $330,145 | $301,641 |
| **Total** | $6,470,016 | $6,491,795 | $6,205,206 | $6,332,747 | $7,551,895 | $6,610,332 |

## Debt

As of June 30, 2021, SMCSD was carrying $38,910,150 in long-term liabilities. This amount is inclusive of net pension and other post-employment benefits (OPEB) liabilities as well as

compensated absences. During the fiscal year 2020/21, the District paid off two long-term liabilities in full. The first was to the State Water Resource Control Board which was originally agreed to in August of 2011 to finance the Locust Street Pump Station Improvements project. The second was to City National Bank which was originally agreed upon in April of 2008 for the acquisition and construction of wastewater system improvements. The sources of the District's remaining long-term liabilities are outlined below.

- **2017 Revenue Bonds -** In April of 2017, the District issued $33,630,000 in Series 2017 Revenue Bonds through the Marin Public Financing Authority. The bonds were issued to provide funds to finance capital improvements to the District's wastewater system and to provide a debt service reserve for the bonds, which may be funded through the deposit of a reserve surety, and to pay the costs of issuing the bonds. The bonds carry an interest rate ranging from 3.0% - 4.0% and are expected to be fully repaid in 2046.
- **Net Pension Liability -** The SMCSD provides a pension plan for employees and is part of the California Public Employees Retirement System (CalPERS). CalPERS provides retirement, disability, and death benefits based on the employee's years of service, age, and final compensation. As of June 30, 2021, the SMCSD's Net Pension Liability was $3,893,670. The SMCSD's pension-funded ratio is approximately 79%.
- **Other Post Employment Benefits (OPEB) –** SMCSD provides other post-employment benefits to its retirees. As of June 30, 2021, the District carried a Net OPEB liability of $912,949. There are 24 total employees, both active and inactive, within the District's OPEB plan.
- **Compensated Absences –** The District provides its employees with different forms of paid leave. As of June 30, 2021, the total liability of the District's compensated absences totaled $161,221.

### Financial Audit

The Sausalito-Marin City Sanitary District annually has its financial statements audited and contracts with an outside accounting firm, Chavan and Associates, LLP. The most recent audited financial statement was prepared for the fiscal year ending June 30, 2021.

## 10.9 SUSTAINABILITY

Local agencies such as the Sausalito-Marin City Sanitary District play a critical role in protecting natural resources and the environment. Extended periods of drought and increasingly unpredictable climate patterns have significantly increased the importance for local agencies to step up their own conservation and long-term planning measures as well as making a concerted effort towards higher levels of public outreach.

SMCSD operates its wastewater treatment facilities with a focus on long-term planning and programs designed to safeguard the local environment. The District's proactive approach to both regular maintenance as well as capital improvements helps to ensure the minimization of opportunities for any instance of sanitary sewer overflows. These efforts have aided the District in recording zero sanitary sewer overflows over the course of the study window.

# 11.0 COUNTY SERVICE AREA 14

## 11.1 OVERVIEW

Marin County Service Area 14 (CSA 14) is a dependent special district that provides parks and recreation services as well as open space management to the unincorporated community of Homestead Valley. The CSA is funded by a special assessment that was approved by the voters within the District's boundary in 2009 (Measure A) as well as an apportionment of the ad valorem within the jurisdictional boundary. The revenues accrued by the assessment are split between two local non-profits, The Homestead Valley Community Association (HVCA) and the Homestead Valley Land Trust (HVLT), with 60% going to HVCA for maintenance and improvements to its Community Center and 40% going to HVLT for wildland fire hazard reduction projects, ongoing vegetation management, trail maintenance, and trail improvements to open space areas, and park improvements to Three Groves and Stolte Grove. CSA 14 has a local advisory board that advises the Marin County Parks Department and the Marin County Board of Supervisors on all matters relating to its services in the CSA.

**Table 11-1: County Service Area 14 Overview**

| County Service Area 14 Overview | |
|---|---|
| **Primary Contact:** | Jim Chayka, Superintendent Marin County Parks |
| **Main Office:** | 3501 Civic Center Drive, Suite 260 San Rafael, CA |
| **Contact Information:** | (415)-473-3639 |
| **Formation Date:** | December 12, 1967 |
| **Services Provided** | Parks & Recreation, Open Space Management |

## 11.2 FORMATION AND DEVELOPMENT

Marin County Service Area (CSA) 14 was formed on December 12, 1967, by way of the adoption of Resolution 9445 by the Marin County Board of Supervisors. The CSA was formed with the intention of preserving and maintaining the open space within the District's jurisdictional boundary. In the mid-1960s, there was a push by a private developer to develop a large apportionment of the land in the southern Marin Headlands. The proposed development, known as Marincello, was originally designed to form a new city in Marin County that would house upwards of 150,000 residents. Ultimately the development failed after multiple lawsuits as well as local protests. The land was eventually sold to the Nature Conservancy in 1972 for the newly established Golden Gate National Recreation Area.

With this attempt at large-scale development happening right in their backyard, the residents of Homestead Valley were eager to protect the natural environment surrounding their small community, so a group petitioned the Marin County Supervisors and in December of 1967, CSA

14 was formed with the activated powers of parks and open space maintenance. On September 18, 1973, the voters within the CSA's boundary passed a $600,000 bond measure to purchase approximately 80 acres of land in conjunction with Marin County and the Trust for Public Land with a significant amount bordering the Golden Gate National Recreation Area. The Homestead Valley Community Association sold Brown's Hall on Miller Avenue, and with matching funds from Marin County, the site of the current Homestead Valley Community Center was purchased. Local residents also donated additional parcels of land, bringing the total to approximately 85 acres. After the purchase, all of the lands were deeded to the Marin County Open Space District. In 1974 the Homestead Valley Land Trust was formed in conjunction with CSA 14 and the County of Marin and the entity became the caretaker of the open space and parklands in Homestead Valley.

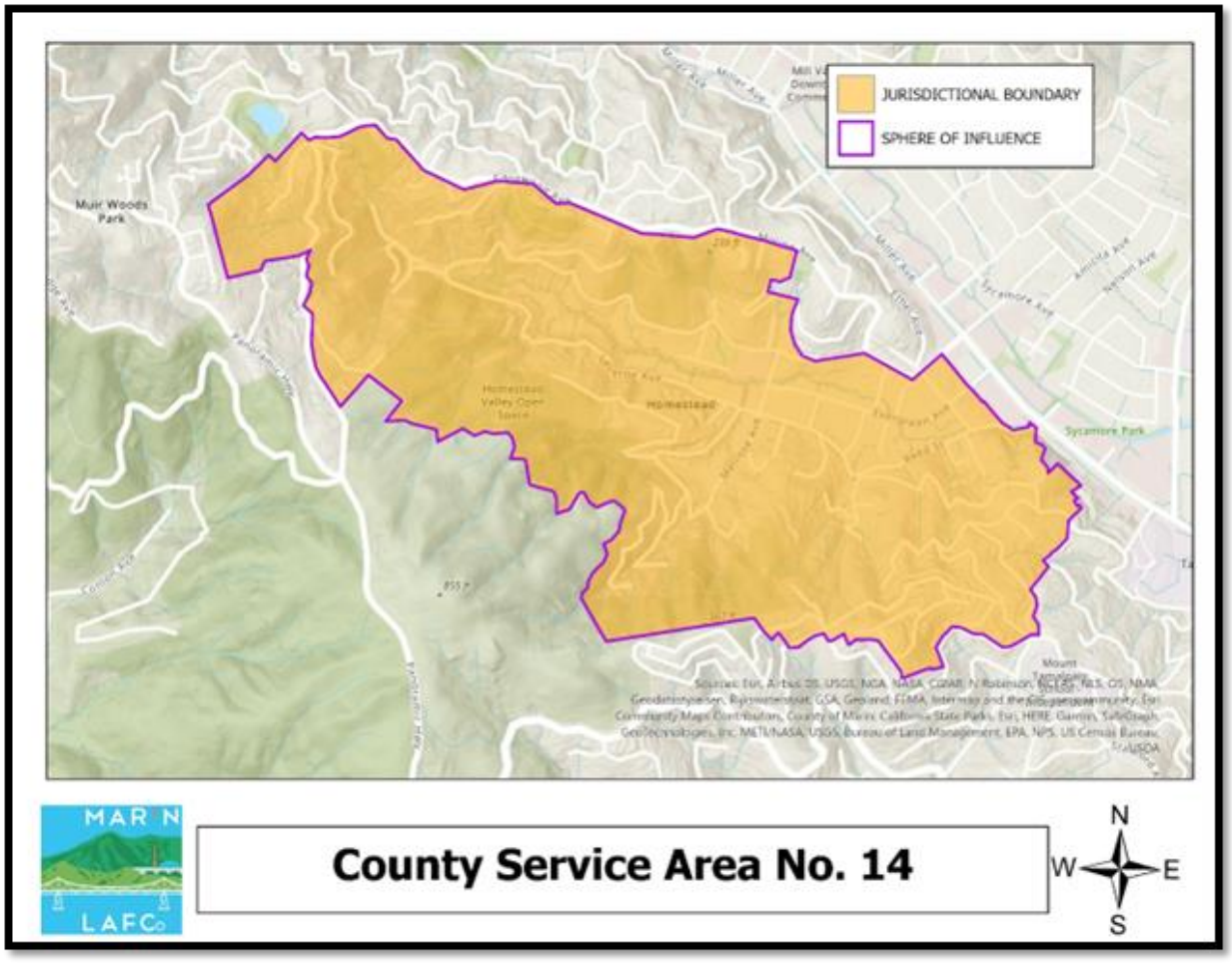
On September 28, 1976, the Homestead Valley Community Association entered into an agreement with the County of Marin to provide recreation programming in Homestead Valley. This agreement was updated in June of 1984. The agreement leases the Community Center to HVCA for $1.00. In return, the HVCA is charged with the recruitment, hiring, supervision, and pay of a Program Director for the Community Center and its programs. The HVCA also agrees to develop recreation programming, as well as provide supervision and maintenance for both the pool located at the Community Center, as well as the Community Center itself.

In 1993, the voters within CSA 14 approved another bond measure totaling $300,000 to provide improvements to the Community Center. These bonds were paid off in 2001. In 2009, the CSA voters approved a parcel tax measure, Measure A, to maintain open space, reduce wildland fire hazards, maintain and improve trails and parks, and renovate and update the Community Center. The tax is levied on every improved parcel within the CSA's boundary (952 parcels in total) for $125 annually with an annual inflation increase of 2% with an agreed upon 60% of the proceeds going to HVCA and 40% of the proceeds towards HVLT projects. The tax has no sunset.

In 2011, the County of Marin on behalf of CSA 14 agreed to a loan in the amount of $925,000 to fund needed updates and renovations to the Community Center with the loan being serviced from the Measure A tax. In 2013, the Community Center underwent a $1.2 million renovation including a new foundation. In 2020, Marin County arranged a combination of new financing as well as refinancing for the remaining balance on the 2011 financing (approximately $545,487 at that time) for a total amount of $1,339,000 to fund improvements to the Community Center Pool. In 2021, the Board of Supervisors approved an amendment to the financing amount due to additional costs to the project which updated the principal amount to $1,417,475. The loan is serviced through Westamerica Bank for a term of 19.5 years at a fixed interest rate of 2.85%. The renovation was completed in 2022 and includes a new saltwater filtration system, patio, and changing rooms, among other updates.

## 11.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE

Marin County Service Area 14's service boundary, which currently encompasses just under 472 acres (0.74 square miles), includes the entire unincorporated community of Homestead Valley. Approximately 40% of its jurisdictional boundary is contiguous with the City of Mill Valley. The District's sphere of influence is coterminous with its jurisdictional boundary. The sphere of influence was originally established by Marin LAFCo in 1983, with the Commission expecting the CSA to eventually be annexed by the City of Mill Valley. The sphere of influence has not been amended since its original establishment.




## 11.4 GROWTH AND POPULATION

CSA 14's jurisdictional boundary encompasses the unincorporated community of Homestead Valley which makes up an apportionment of the census-designated place (CDP) of Tamalpais-Homestead Valley. According to 2020 U.S. Census Redistricting Data, the population of the Tamalpais-Homestead CDP is 11,492, which is approximately a 7% increase from the 2010 population number of 10,735[3]. The most recent census data shows the CDP to have 4,678 total

housing units, with 218 of those units vacant. The remaining development potential in the planning area is minimal as current zoning regulations designated by the Community Plan make the area essentially built out. While the U.S. Census Bureau does not directly recognize the community of Homestead Valley, block group two within Marin County census tract 1282 approximately encompasses it. The population for the block group according to 2020 U.S. Census data is 2,222.

## 11.5 MUNICIPAL SERVICES

### Parks and Recreation

As an extension of the County of Marin, CSA 14 has a written agreement with the Homestead Valley Community Association. In exchange for the County of Marin leasing the Community Center to HVCA for the charge of $1.00, the HVCA agrees to provide the following services:

1. Recruit, hire, supervise, and pay a Director for the Community Center and its programs;
2. Develop a comprehensive recreation program to be operated at the Community Center, the Homestead Elementary School, and such other sites as the parties mutually upon;
3. Provide Supervision and maintenance for the pool located at the Community center;
4. Provide security and maintenance for the Community Center building and grounds.

In accordance with this agreement, the HVCA (by way of CSA 14 funding) provides the community of Homestead Valley with a wide array of community recreation programs for all ages year-round. The organization also hosts multiple community events throughout the year as well as an annual music festival. The HVCA makes multiple areas of the Community Center facility as well as the pool available for private party rental.

### Open Space Management

Since its formation in 1974, the Homestead Valley Land Trust has been the custodian of the county-owned open space and parklands within CSA 14. In December of 2013, HVLT and the County of Marin executed a memorandum of agreement that helped to more clearly define the roles and responsibilities for the management of those lands. The agreement is in place for 10 years, with an update set to be discussed in the coming fiscal year. The agreement also facilitated the implementation of a Land Management Plan (LMP) specific to Homestead Valley. The LMP was adopted in 2014 and provides a comprehensive list of land management actions as well as procedures for prioritizing land management actions and developing annual work plans.

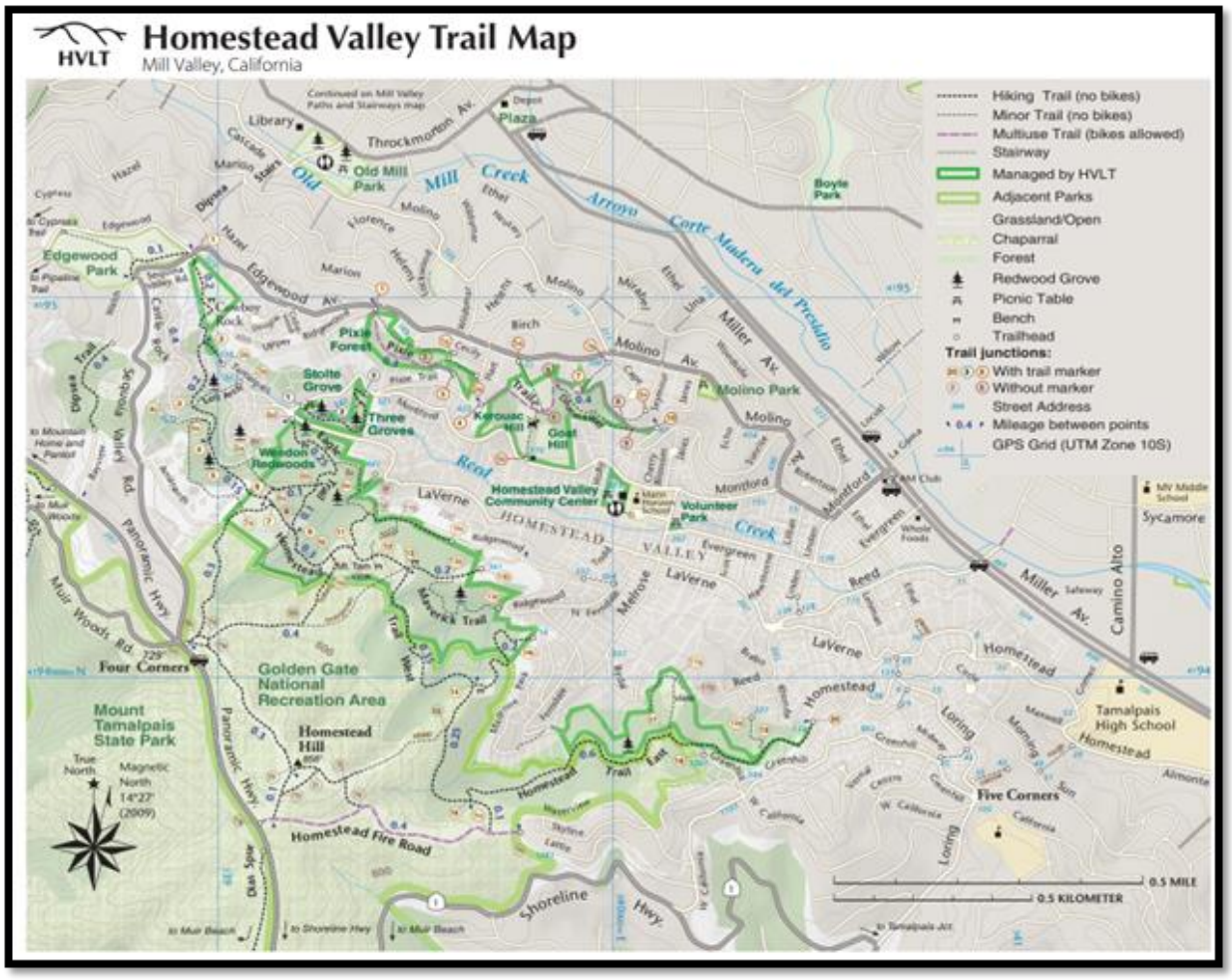
The HVLT is active throughout the CSA 14 boundary in numerous functions such as (but not limited to) the following:

- Fire fuel mitigation (including residential efforts such as chipper day programs and neighborhood debris boxes);
- Servicing local trails;
- Contracting tree professionals;
- Maintenance of the community's three parks: Stolte Grove, Three Groves, and Volunteer Park;

- Mitigation of invasive and non-native plants

In 2020, the HVLT created a detailed map of the trails in and around the community of Homestead Valley in order to better educate residents on all of the opportunities afforded to them by all of the efforts of those involved in CSA 14. The map can be seen below in Figure 11-1.

**Figure 11-1: Homestead Valley Trail Map**




## 11.6 ORGANIZATION STRUCTURE

### Board of Supervisors

As a dependent special district, the Marin County Board of Supervisors serves as the CSA's governing body. The five-member Board of Supervisors meets the second and fourth Tuesday every month at 9:00 am in the County of Marin Civic Building located at 3501 Civic Center Drive, Suite 260 in San Rafael. The Board of Supervisors determines policy, adopts annual budgets, fixes salaries, and is responsible for overseeing mandated district functions as carried out by various county departments.

CSA 14 also has a local advisory board that is comprised of members who reside within the CSA's boundaries. The advisory board is made up of seven members, four of whom are appointed by the Marin County Department of Parks and Open Space, one of whom is appointed by the Homestead Valley Sanitary District, one member appointed by the Homestead Valley Community Association, and one member appointed by the Homestead Valley Land Trust. The Board acts in an advisory capacity to Marin County Parks staff and the Board of Supervisors on matters relating to projects and programs that can be conducted with funding from the CSA 14 budget and that affect county land contained within the boundaries of CSA 14. The Advisory board typically meets twice a year, unless there is a need to schedule a special meeting for more urgent matters, with the first meeting generally on the third Thursday of February and the second meeting on the third Thursday of September. Advisory Board meetings are typically held at the Homestead Valley Community Center at 315 Montford Avenue in Mill Valley.

**Table 11-2: Marin County Board of Supervisors**

| Member | Position | Term Expiration |
|---|---|---|
| Katie Rice | Supervisor | January 2, 2025 |
| Stephanie Moulton-Peters | President | January 2, 2025 |
| Dennis Rodoni | Vice President | January 2, 2025 |
| Eric Lucan | Supervisor | January 2, 2027 |
| Mary Sackett | 2nd Vice President | January 2, 2027 |

**Table 11-3: CSA 14 Advisory Board**

| Member |
|---|
| Alan Cowan |
| Andy Stoelting |
| Devi Brown |
| Brian Spring |
| Leslie Dixon |
| Marabeth Grahame |
| Al Wuthnow |

## Staffing and District Operations

As a dependent district of the County, all administrative services are provided by County departments, including legal counsel and compilation of financial transaction reports for the State Controller's Office required under Government Code Section 53891. CSA 14 is provided general oversight and management by the Marin County Parks Department with input and project guidance from the CSA 14 Advisory Board.

## 11.7 ACCOUNTABILITY AND TRANSPARENCY

When conducting service reviews, LAFCo considers an agency's accountability for community service needs, including governmental structure, operational efficiencies, financial resources, and promoting public access. Currently, while both the Homestead Valley Community Association and the Homestead Valley Land Trust each have their own websites that offer information on each of the entities, there is no dedicated page for CSA 14 itself (as is the case with multiple other CSAs in Marin County). As such, information such as meeting agendas and minutes is difficult to come by without a direct request for them to Marin County staff. While the County does offer a page within its own website that offers two links to different PDFs for information on special districts within Marin County, information on many of the CSAs is sparse, and the contact information listed is very dated, with all of the CSAs directing the public to Marin LAFCo's former web address that is no longer active. With that said, a number of the other CSAs that are under the umbrella of Marin County Parks offer a significant amount of information on the CSAs and their advisory boards within the Marin County Parks website. The HVCA has its Board meeting minutes posted on its website, however, the most recent posts are from October of 2021. The HVLT does not have meeting agendas or minutes available on its site.

## 11.8 FINANCIAL OVERVIEW

The funding for CSA 14's annual operating budget has two primary sources of annual revenue for the District. The first source is the voter-approved tax assessment, Measure A, which levies $125 per parcel per year in the District's service area. The second source of revenue is the ad valorem property tax the District collects annually as well as the small amount of excess ERAF tax. Each of these sources produces approximately $225,000 in revenue annually. The District's combined total projected revenues for FY 2022-23 are $448,446. The HVLT and HVCA each present annual expenditure budgets to the CSA for review around February of each year. After review, the budget is submitted to the Board of Supervisors for approval. A breakdown of CSA 14's Measure A revenues and expenditures for the past 13 years as well as an estimate of the non-Measure A fund balance can be seen below in Figure 11-2.

**Figure 11-2: CSA 14 Measure A Data**

| CSA 14 Measure A | Actuals FY 2009/10 | Actuals FY 2010/11 | Actuals FY 2011/12 | Actuals FY 2012/13 | Actuals FY 2013/14 | Actuals FY 2014/15 | Actuals FY 2015/16 | Actuals FY2016/17 | Actual FY2017/18 | Actual FY2018/19 | Actual FY2019/20 | Actual FY2020/21 | Budget FY2021/22 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Measure A Revenue | 118,750 | 120,743 | 123,668 | 126,008 | 128,535 | 131,100 | 133,722 | 136,401 | 139,137 | 141,910 | 144,742 | 147,630 | 159,596 |
| Measure A 60% | 71,250 | 72,446 | 74,201 | 75,605 | 77,121 | 78,660 | 80,233 | 81,841 | 83,482 | 85,146 | 86,845 | 88,578 | 95,758 |
| Measure A 40% | 47,500 | 48,297 | 49,467 | 50,403 | 51,414 | 52,440 | 53,489 | 54,560 | 55,655 | 56,764 | 57,897 | 59,052 | 63,838 |
| Loan proceeds, board contribution and plans recovery | | | 925,000 | 150,000 | 2,920 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Revenue | 118,750 | 120,743 | 1,048,668 | 276,008 | 131,455 | 131,100 | 133,722 | 136,401 | 139,137 | 141,910 | 144,742 | 147,630 | 159,596 |
| Measure A 60% | | 4,750 | 141,176 | 276,766 | 852,918 | 143,957 | 99,311 | 99,090 | 79,212 | 79,212 | 85,657 | 71,582 | 119,968 |
| Measure A 40% | | 47,600 | 42,639 | 29,483 | 10,674 | 25,301 | 52,546 | 89,186 | 77,722 | 32,488 | 59,312 | 47,910 | 103,460 |
| Total Expenses | 0 | 52,350 | 183,815 | 306,249 | 863,592 | 169,258 | 151,857 | 188,276 | 156,934 | 111,700 | 144,969 | 119,492 | 223,428 |
| Measure A 60% Balance | 71,250 | 138,946 | 996,971 | 945,810 | 172,933 | 107,636 | 88,558 | 71,309 | 75,579 | 81,513 | 82,701 | 99,697 | 75,487 |
| Measure A 40% Balance | 47,500 | 48,197 | 55,025 | 75,945 | 116,685 | 143,824 | 144,767 | 110,141 | 88,074 | 112,350 | 110,935 | 122,077 | 82,455 |
| Measure A Total Balance | 118,750 | 187,143 | 1,051,996 | 1,021,755 | 289,618 | 251,460 | 233,325 | 181,450 | 163,653 | 193,863 | 193,636 | 221,774 | 157,942 |

| At A Glance - Fund Balance | |
|---|---|
| FY2021 6/30 Fund Balance | 526,159 |
| FY2022 Revenue Budget | 424,958 |
| FY2022 Expense Budget | (543,866) |
| Unbudgeted Fund Balance | 407,251 |
| Measure A 60% | 75,487 |
| Measure A 40% | 82,455 |
| 6/30/2022 Estimate of Non Measure A Fund Balance | 249,309 |

# 12.0 FLOOD CONTROL ZONE NO. 3

## 12.1 OVERVIEW

Flood Control Zone No. 3 (FCZ 3) is an area of the greater Marin County Flood Control and Water Conservation District that encompasses approximately 13.3 square miles surrounding Richardson Bay. The zone includes the City of Mill Valley as well as the unincorporated communities of Marin City, Alto, Sutton Manor, Almonte, Tamalpais Valley, Homestead Valley, and a majority of the community of Strawberry. The boundaries of FCZ 3 were formed by the Marin County Flood Control and Water Conservation District and approved by the Board of Supervisors. The Zone was established in 1956 in an effort to address the impacts of flooding in the area tributary to the upper end of Richardson Bay.

| **Flood Control Zone 3** | | | |
|---|---|---|---|
| **Primary Contact:** | Hannah Lee, Senior Civil Engineer | **Phone** | (415)-473-2671 |
| **Main Office:** | 3501 Civic Center Drive, San Rafael | | |
| **Formation Date:** | April 17, 1956 | | |
| **Services Provided:** | Reduce flood risk within its boundaries | | |
| **Service Area:** | 8,535 acres | | |
| **Population Served:** | ≈34,000 | | |

## 12.2 FORMATION AND DEVELOPMENT

The Marin County Flood Control and Water Conservation District was established in 1953 by the State Legislature through the Marin County Flood Control and Water Conservation District Act. The boundaries of the District coincide with the County's boundaries, with the exception of the Town of Corte Madera not being included in the District. Within the District, several flood control zones have been created which are located principally in populated areas. The zones raise money through property taxes and assessment overrides. The zones fund their own flood control projects and contribute funds to the central administration of the Flood Control District. Funds raised within any particular zone may only be spent on efforts within that zone. Flood Control Zone 3 was formed on April 17th, 1956, in an effort to minimize the impacts of flooding events in a large apportionment of the Richardson Bay Watershed.

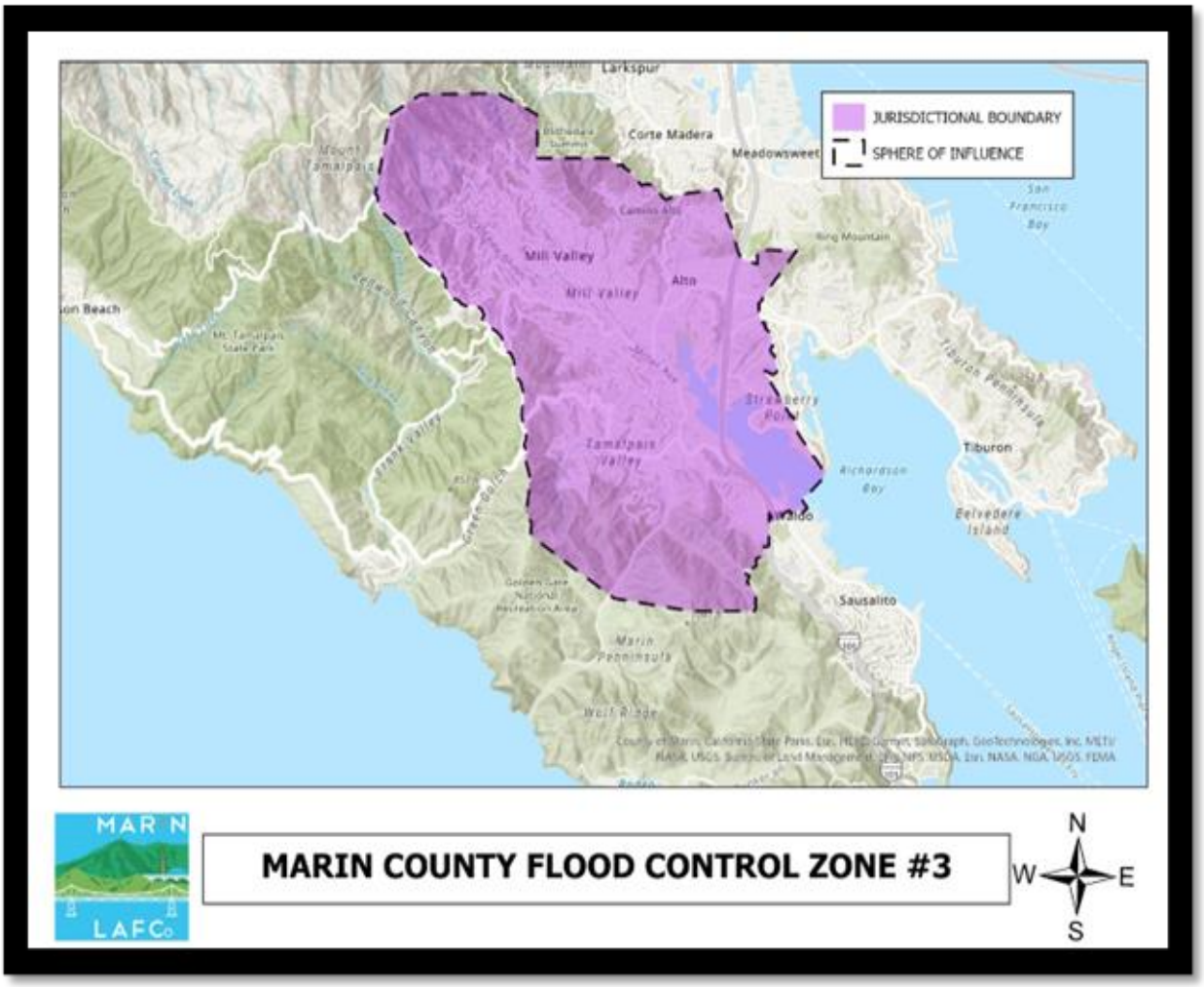
Since its formation, the Zone has annually performed impactful maintenance and larger-scale projects within its boundary, with some of the most impactful being the construction of pump stations at Cardinal Road, Marin Avenue, Shoreline Highway at Coyote Creek, and Ryan Creek. In addition to the significant infrastructure additions and maintenance work throughout the Zone, the District has been instrumental in a number of critical regional studies and planning

documents, many of which have led to significant project work, that have been both completed previously and some that are currently in progress. These studies/documents include (but are not limited to):

- Marin City Comprehensive Watershed and Flood Mitigation Plan
- Marin City Pond Flood Reduction Project
- Manzanita Area Flood Reduction Study
- Richardson Bay Shoreline Study
- Southern Marin Watershed Guide
- Coyote Creek Levee Evaluation Geotechnical Report
- Coyote Creek to Bothin Marsh Dredge Sediment Beneficial Reuse Feasibility Study
- Mill Valley Flood Management and Storm Drain Master Plan

## 12.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE

FCZ 3's jurisdictional boundary encompasses approximately 8,535 acres (13.3 square miles). The Zone encompasses the entirety of the City of Mill Valley, as well as the unincorporated communities of Marin City, Alto, Sutton Manor, Almonte, Tamalpais Valley, Homestead Valley, and a majority of the community of Strawberry. Within the jurisdictional boundary lies the sub-watersheds of the Arroyo Corte Madera del Presidio, Ryan Creek, Sutton Manor/Alto/Strawberry, Marin City, and Coyote Creek, each draining to the Richardson Bay. FCZ 3's sphere of influence is coterminous with its jurisdictional boundary.




## 12.4 GROWTH AND POPULATION

Flood Control Zone 3 encompasses the City of Mill Valley as well as the unincorporated communities of Marin City, Alto, Sutton Manor, Almonte, Tamalpais Valley, Homestead Valley, and a majority of the community of Strawberry. According to the 2020 U.S. Census, the population of the City of Mill Valley is 14,231. The City is essentially built out at this time, with few remaining vacant lots zoned for development that have not already been given a prospective project designation. The census-designated place (CDP) of Marin City has a current population of 2,993. Based on the current zoning within the Community Plan, the CDP is primarily built out at this time. The CDP of Tamalpais-Homestead Valley encompasses the unincorporated communities of Tamalpais Valley, Homestead Valley, Almonte, and Sutton Manor. According to the 2020 Census, the population of the CDP is 11,492. The remaining development potential within the CDP is minimal as current zoning within the Community Plan makes the CDP essentially built out at this time. The CDP of Strawberry has a population of 5,447. While there is still some room for development in the northern pocket of the CDP, the majority of the community is essentially built out and shows little growth potential.

## 12.5 MUNICIPAL SERVICES

FCZ 3 provides a myriad of flood abatement services within its jurisdictional boundary. These services include (but are not limited to):

- Regular servicing of 13 pumps at five pump stations
- Maintenance of 1.3 miles of flood protection levees
- Maintenance of tide gates and trash racks
- Annual vegetation maintenance program along three miles of creek
- Periodic dredging of lower Coyote Creek to remove accumulated sediment in the concrete channel to improve flow conveyance

The Zone operates four pump stations: Ryan Creek pump station, Shoreline pump station, Cardinal Road pump station, and Crest Marin pump station. Within the Mill Valley city limits, the City and Zone 3 share some responsibilities for flood abatement. The City operates one pump station and numerous tide gates, and partners with the Zone in some of the creek maintenance efforts. The City also provides regular roadway and drain inspections. The area within the Zone includes the entirety or portions of the Coyote Creek Watershed, the Arroyo Corte Madera del Presidio Watershed, the Ryan Creek Watershed, the Sutton Manor/Alto/Strawberry Watershed, and the Marin City Watershed. Each of the watersheds contains unique topography and hydrological resources that present a multitude of challenges in the flood control efforts throughout the area. A description of each of these distinctive watershed areas is given below along with some of the broader issues the District faces in the area in its flood control efforts.

**Ryan Creek Watershed –** Ryan Creek flows only after storms and winds through a multitude of ditches, culverts, and pipes in the neighborhood south of Blithedale Avenue and east of Camino Alto in Mill Valley. Downstream of Nelson Avenue, Ryan Creek conveys flows in an open channel which is interrupted by short culverted sections at Camino Alto and two pathways at the Mill Valley Middle School. At the edge of the school, stormwater enters the intake of the Ryan Creek Pump Station where it is pumped into Richardson Bay. A concrete tidal barrier wall at the pump station equipped with a manually operated tide gate regulates tides within the creek. The watershed is impacted by the lack of extensive storm drains to move stormwater which results in ponding and, during intense rainfall, uncontrolled runoff flowing down gutters and streets. Additionally, some storm drain outfalls in areas of the creek are not equipped with tide gates making some low-lying areas upstream of these outfalls susceptible to tidal flooding.

**Sutton Manor/Alto/Strawberry Watershed –** A majority of the Sutton Manor/Alto/Strawberry Watershed lies within Zone 3's jurisdictional boundary. The watershed includes the Sutton Manor Creek Watershed and lands on the Strawberry Peninsula that drain directly through very small drainages into Richardson Bay. In addition to the street drainage system, major drainage facilities include a series of both earthen and concrete-lined open channels, pipes, culverts, and a wetland retention facility. Flows upstream of Ashford Avenue concentrate in a T-shaped ditch, then flow into a concrete-lined channel that discharges into a marsh adjacent to Hauke Park. The area is faced with a storm drain system that is undersized and easily overwhelmed by storm

runoff. Isolated ponding occurs in areas that are lacking storm drains, and extreme high tides can inundate roadways, trails, and parking lots along the Richardson Bay shoreline.

**Marin City Watershed –** The Marin City watershed is the southernmost watershed and consists mostly of the unincorporated community of Marin City with the National Park Service owning most of the upper watershed and the lower watershed is a mix of housing and commercial development. Small channels drain down the hillsides to the valley floor where they meet the developed areas and enter underground storm drain pipes which converge in a small marsh known as the Marin City Pond. Water levels in the pond can be manipulated by a manually controlled tide gate that drains into Richardson Bay. A second tide gate on the southeast side of the marsh controls drainage between the marsh and the Highway 101 off-ramp. Often times the Marin City Pond's stormwater drainage can be limited by high tides. Additionally, the areas in the lower watershed are former tidal marshes and have subsided which inhibits draining, and causes localized ponding. Finally, while the trash racks in small channels collect debris which helps to reduce blockage of downstream pipes, the debris caught can block flow and flood the surrounding areas if there is a lack of regular debris cleaning, inspection, and maintenance. This has posed a consistent issue with the channel, trash rack, and stormwater drain residing outside of the public right-of-way.

**Coyote Creek Watershed –** The Coyote and Nyhan Creeks collect and convey stormwater runoff from the steep areas in the upper watershed through to the valley floor and join approximately a half mile from the Richardson Bay in a lowland area that was formerly a tidal marsh. This area is home to the Coyote Creek Flood Control Project, which was an effort to reduce frequent flooding by the U.S. Army Corps of Engineers that was completed in the 1960s. The project involved the construction of a concrete channel and earthen levee. This channel and levees area now the District's responsibility for ongoing operation and maintenance. In the 1970s and 1980s, the addition of stormwater pump stations and floodwalls also helped to reduce flooding frequency. Within this watershed the flood control facilities require frequent maintenance to address the continued settlement of the levees, aging culverts and floodwalls, impeding vegetation, and sediment accumulation. Additionally, high tides regularly flood the area east of Shoreline Highway. While the original Coyote Creek Flood Control Project extended downstream past Shoreline Highway, the development of the lands behind the levees was never realized and the majority of the levee was not maintained to its original design elevation. This subsequent tidal flooding consistently leads to the closure of the Shoreline Highway, Manzanita Park-and-Ride lot, and the Mill Valley-Sausalito Pathway.

**Arroyo Corte Madera del Presidio Watershed –** The Arroyo Corte Madera del Presidio watershed collects and drains from the peak of Mount Tamalpais to the Pickleweed Inlet on Richardson Bay. The Cascade Creek, Old Mill Creek, Reed Creek, Warner Canyon Creek, and Arroyo Corte Madera del Presidio Creek (ACMPC) all flow within this area. The ACMPC can spill over its banks at relatively low flows, causing flooding of homes and businesses several times over the past century. With a large apportionment of the area having undersized storm drains and debris-choked pipes in combination with the differential settlement of inlets and

pipes, stormwater overflow throughout the watershed is a consistent issue. Finally, extreme high tides can frequently inundate low-lying areas near the shoreline.

## 12.6 ORGANIZATION STRUCTURE

### Board of Supervisors

Flood Control Zone 3 was formed as a part of the dependent special district of the Marin County Flood Control and Water Conservation District with the Marin County Board of Supervisors as its governing body. County Supervisors are elected to four-year terms of office, with no term limits. The members are elected by district and they are required to live in the district they represent. The Board serves as the legislative and executive body of Marin County.

**Table 12-2: Marin County Board of Supervisors**

| Member | Position | Current Term |
|---|---|---|
| **Katie Rice** | Supervisor | Expires January 2025 |
| **Stephanie Moulton-Peters** | President | Expires January 2025 |
| **Dennis Rodoni** | Vice-President | Expires January 2025 |
| **Eric Lucan** | Supervisor | Expires January 2027 |
| **Mary Sackett** | 2nd Vice President | Expires January 2027 |

### Advisory Board

The FCZ 3 Advisory Board consists of seven members that are residents within the zone's jurisdictional boundary and are appointed by the Board of Supervisors. Members serve four-year terms. The Board holds an annual meeting on the third Thursday of March. At the annual meeting, the Advisory Board and the District Engineer schedule additional regular meetings to be held throughout the year and as the date approaches if there is no business to be conducted, the meeting can be canceled by the Engineer by noticing the Advisory Board and providing a written update on the Zone activities. Special meetings may be called by the District Engineer as well as at the request of the Advisory Board president when needs dictate such actions. Current advisory board members can be seen below in Table 12-3.

**Table 12-3: Flood Control Zone 3 Advisory Board**

| Member | Position |
|---|---|
| **Garry Lion** | Chair |
| **Kevin Conger** | Vice-Chair |
| **Terrie Green** | Member |
| **John McCauley** | Member |
| **Charles Oldenburg** | Member |
| **Janice Bosenko** | Member |
| **Kim Rago** | Member |

### Staffing and District Operations

As a dependent district of the County, all administrative services are provided by County departments, including legal counsel and compilation of financial transaction reports for the State Controller's Office required under Government Code Section 53891.

## 12.7 ACCOUNTABILITY AND TRANSPARENCY

### Meeting and Agendas

Advisory Board meetings are held annually on the third Thursday of March as well as any additional meetings that are deemed necessary by the District Engineer or the Board Chair. Advisory Board meeting notices are posted in three public places. Meeting notices and meeting documents are posted on the District's website (marinflooddistrict.org). The meeting date, time, and location are posted on the Marin County Flood Control District website. Also posted on the website are agendas, staff reports, and prior meeting minutes. The most recent meeting was on April 13, 2022.

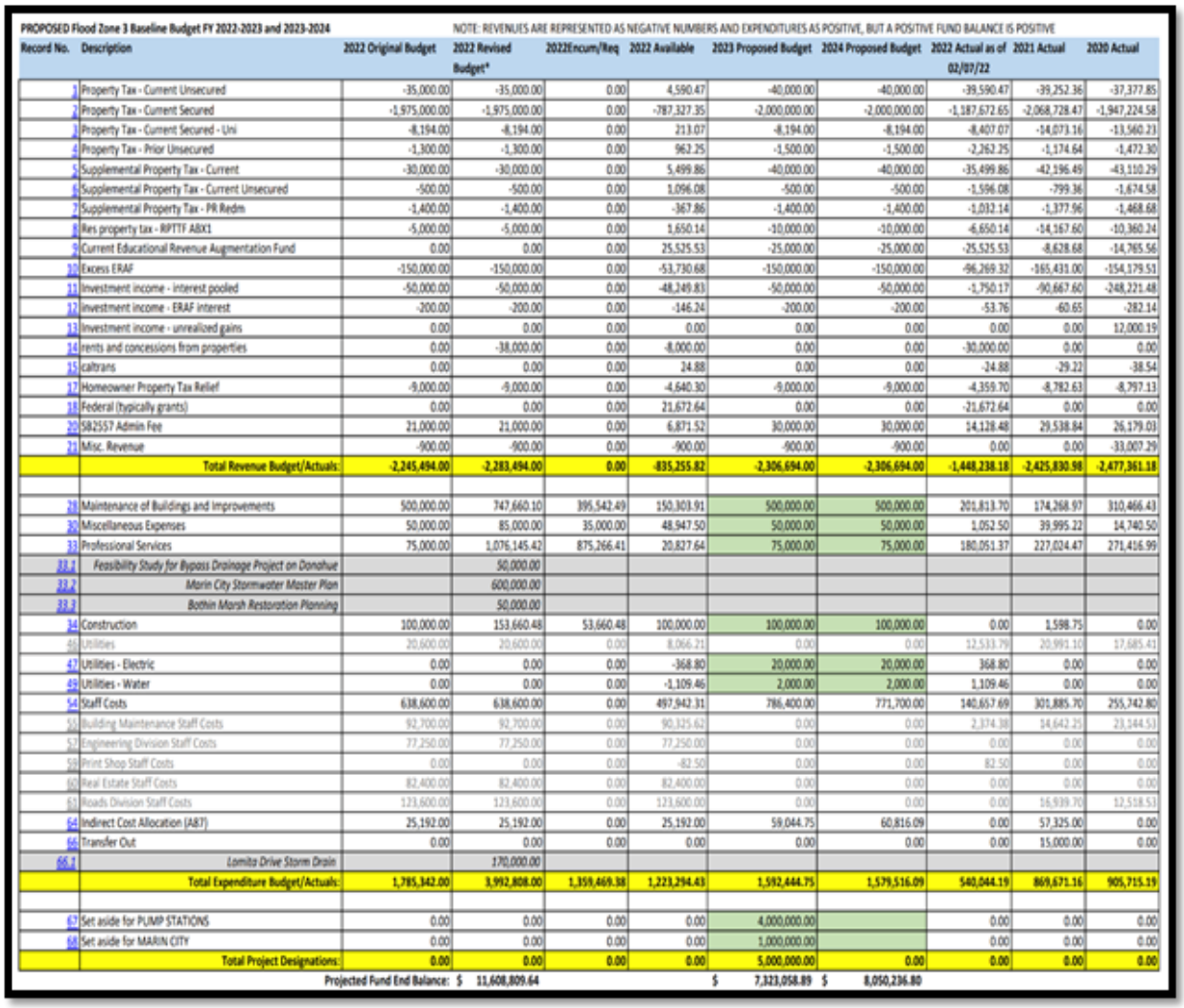
### Annual Budget Review

FCZ 3 posts draft budgets on the Marin County Flood Control District website as part of the advisory board meeting packet materials. The proposed baseline budget is reviewed by the Advisory Board at its annual meeting in March and then presented to the Board of Supervisors for adoption. The baseline budgets are within the Final Budget for the County of Marin. Starting in FY 2020-2021 the County Administrator, consistent with other funds they oversee, requested a baseline budget to start out the fiscal year and for the budget to be adjusted throughout the year for major project expenses as contracts are approved by the District Board of Supervisors. This means the advisory board will review an expenditure plan for the upcoming fiscal year and that the baseline budget submitted to the District Board will be adjusted as contracts are awarded for design and implementation. The FCZ is included in the County of Marin Comprehensive Annual Financial Report as a line item under Public Protection of the Budgetary Comparison Schedule.

## 12.8 FINANCIAL OVERVIEW

Annual operations for Flood Control Zone 3 are funded in their entirety by the ad valorem it receives from properties within its jurisdictional boundary. The annual tax revenue for the Zone is approximately $2.3 million for FY 2022-23. The Zone also receives grant funding when applicable to help supplement the expenditures of large projects and capital improvements within the zone. Expenditures for large projects that exceed annual revenues and grant funding are budgeted with the Zone's total fund balance. The projected fund balance for the end of FY 2022-23 is $7,323,058. The baseline budget for FCZ 3 for FY 2022-23 and 2023-24 can be seen below in figure 12-1.

**Figure 12-1: FCZ 3 Baseline Budget Detail**



PROPOSED Flood Zone 3 Baseline Budget FY 2022-2023 and 2023-2024 — NOTE: REVENUES ARE REPRESENTED AS NEGATIVE NUMBERS AND EXPENDITURES AS POSITIVE, BUT A POSITIVE FUND BALANCE IS POSITIVE

| Record No. | Description | 2022 Original Budget | 2022 Revised Budget* | 2022Encum/Req | 2022 Available | 2023 Proposed Budget | 2024 Proposed Budget | 2022 Actual as of 02/07/22 | 2021 Actual | 2020 Actual |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Property Tax - Current Unsecured | -35,000.00 | -35,000.00 | 0.00 | 4,590.47 | -40,000.00 | -40,000.00 | -39,590.47 | -39,252.36 | -37,377.85 |
| 2 | Property Tax - Current Secured | -1,975,000.00 | -1,975,000.00 | 0.00 | -787,327.35 | -2,000,000.00 | -2,000,000.00 | -1,187,672.65 | -2,068,728.47 | -1,947,224.58 |
| 3 | Property Tax - Current Secured - Uni | -8,194.00 | -8,194.00 | 0.00 | 213.07 | -8,194.00 | -8,194.00 | -8,407.07 | -14,073.16 | -13,560.23 |
| 4 | Property Tax - Prior Unsecured | -1,300.00 | -1,300.00 | 0.00 | 962.25 | -1,500.00 | -1,500.00 | -2,262.25 | -1,174.64 | -1,472.30 |
| 5 | Supplemental Property Tax - Current | -30,000.00 | -30,000.00 | 0.00 | 5,499.86 | -40,000.00 | -40,000.00 | -35,499.86 | -42,196.49 | -43,110.29 |
| 6 | Supplemental Property Tax - Current Unsecured | -500.00 | -500.00 | 0.00 | 1,096.08 | -500.00 | -500.00 | -1,596.08 | -799.36 | -1,674.58 |
| 7 | Supplemental Property Tax - PR Redm | -1,400.00 | -1,400.00 | 0.00 | -367.86 | -1,400.00 | -1,400.00 | -1,032.14 | -1,377.96 | -1,468.68 |
| 8 | Res property tax - RPTTF ABX1 | -5,000.00 | -5,000.00 | 0.00 | 1,650.14 | -10,000.00 | -10,000.00 | -6,650.14 | -14,167.60 | -10,360.24 |
| 9 | Current Educational Revenue Augmentation Fund | 0.00 | 0.00 | 0.00 | 25,525.53 | -25,000.00 | -25,000.00 | -25,525.53 | -8,628.68 | -14,765.56 |
| 10 | Excess ERAF | -150,000.00 | -150,000.00 | 0.00 | -53,730.68 | -150,000.00 | -150,000.00 | -96,269.32 | -165,431.00 | -154,179.51 |
| 11 | Investment income - interest pooled | -50,000.00 | -50,000.00 | 0.00 | -48,249.83 | -50,000.00 | -50,000.00 | -1,750.17 | -90,667.60 | -248,221.48 |
| 12 | Investment income - ERAF interest | -200.00 | -200.00 | 0.00 | -146.24 | -200.00 | -200.00 | -53.76 | -60.65 | -282.14 |
| 13 | Investment income - unrealized gains | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 12,000.15 |
| 14 | rents and concessions from properties | 0.00 | -38,000.00 | 0.00 | -8,000.00 | 0.00 | 0.00 | -30,000.00 | 0.00 | 0.00 |
| 15 | caltrans | 0.00 | 0.00 | 0.00 | 24.88 | 0.00 | 0.00 | -24.88 | -29.22 | -38.54 |
| 17 | Homeowner Property Tax Relief | -9,000.00 | -9,000.00 | 0.00 | -4,640.30 | -9,000.00 | -9,000.00 | -4,359.70 | -8,782.63 | -8,797.13 |
| 18 | Federal (typically grants) | 0.00 | 0.00 | 0.00 | 21,672.64 | 0.00 | 0.00 | -21,672.64 | 0.00 | 0.00 |
| 20 | SB2557 Admin Fee | 21,000.00 | 21,000.00 | 0.00 | 6,871.52 | 30,000.00 | 30,000.00 | 14,128.48 | 29,538.84 | 26,179.03 |
| 21 | Misc. Revenue | -900.00 | -900.00 | 0.00 | -900.00 | -900.00 | -900.00 | 0.00 | 0.00 | -33,007.29 |
| | **Total Revenue Budget/Actuals:** | **-2,245,494.00** | **-2,283,494.00** | **0.00** | **-835,255.82** | **-2,306,694.00** | **-2,306,694.00** | **-1,448,238.18** | **-2,425,830.98** | **-2,477,361.18** |
| | | | | | | | | | | |
| 28 | Maintenance of Buildings and Improvements | 500,000.00 | 747,660.10 | 395,542.49 | 150,303.91 | 500,000.00 | 500,000.00 | 201,813.70 | 174,268.97 | 310,466.43 |
| 30 | Miscellaneous Expenses | 50,000.00 | 85,000.00 | 35,000.00 | 48,947.50 | 50,000.00 | 50,000.00 | 1,052.50 | 39,995.22 | 14,740.50 |
| 33 | Professional Services | 75,000.00 | 1,076,145.42 | 875,266.41 | 20,827.64 | 75,000.00 | 75,000.00 | 180,051.37 | 227,024.47 | 271,416.99 |
| 33.1 | *Feasibility Study for Bypass Drainage Project on Donahue* | | 50,000.00 | | | | | | | |
| 33.2 | *Marin City Stormwater Master Plan* | | 600,000.00 | | | | | | | |
| 33.3 | *Bothin Marsh Restoration Planning* | | 50,000.00 | | | | | | | |
| 34 | Construction | 100,000.00 | 153,660.48 | 53,660.48 | 100,000.00 | 100,000.00 | 100,000.00 | 0.00 | 1,598.75 | 0.00 |
| 46 | Utilities | 20,600.00 | 20,600.00 | 0.00 | 8,066.21 | 0.00 | 0.00 | 12,533.79 | 20,991.10 | 17,685.41 |
| 47 | Utilities - Electric | 0.00 | 0.00 | 0.00 | -368.80 | 20,000.00 | 20,000.00 | 368.80 | 0.00 | 0.00 |
| 49 | Utilities - Water | 0.00 | 0.00 | 0.00 | -1,109.46 | 2,000.00 | 2,000.00 | 1,109.46 | 0.00 | 0.00 |
| 54 | Staff Costs | 638,600.00 | 638,600.00 | 0.00 | 497,942.31 | 786,400.00 | 771,700.00 | 140,657.69 | 301,885.70 | 255,742.80 |
| 55 | Building Maintenance Staff Costs | 92,700.00 | 92,700.00 | 0.00 | 90,325.62 | 0.00 | 0.00 | 2,374.38 | 14,642.25 | 23,344.53 |
| 57 | Engineering Division Staff Costs | 77,250.00 | 77,250.00 | 0.00 | 77,250.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 58 | Print Shop Staff Costs | 0.00 | 0.00 | 0.00 | -82.50 | 0.00 | 0.00 | 82.50 | 0.00 | 0.00 |
| 60 | Real Estate Staff Costs | 82,400.00 | 82,400.00 | 0.00 | 82,400.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 61 | Roads Division Staff Costs | 123,600.00 | 123,600.00 | 0.00 | 123,600.00 | 0.00 | 0.00 | 0.00 | 16,939.70 | 12,518.53 |
| 64 | Indirect Cost Allocation (A87) | 25,192.00 | 25,192.00 | 0.00 | 25,192.00 | 59,044.75 | 60,816.09 | 0.00 | 57,325.00 | 0.00 |
| 66 | Transfer Out | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 15,000.00 | 0.00 |
| 66.1 | *Lomita Drive Storm Drain* | | 170,000.00 | | | | | | | |
| | **Total Expenditure Budget/Actuals:** | **1,785,342.00** | **3,992,808.00** | **1,359,469.38** | **1,223,294.43** | **1,592,444.75** | **1,579,516.09** | **540,044.19** | **869,671.16** | **905,715.19** |
| | | | | | | | | | | |
| 67 | Set aside for PUMP STATIONS | 0.00 | 0.00 | 0.00 | 0.00 | 4,000,000.00 | | 0.00 | 0.00 | 0.00 |
| 68 | Set aside for MARIN CITY | 0.00 | 0.00 | 0.00 | 0.00 | 1,000,000.00 | | 0.00 | 0.00 | 0.00 |
| | **Total Project Designations:** | **0.00** | **0.00** | **0.00** | **0.00** | **5,000,000.00** | **0.00** | **0.00** | **0.00** | **0.00** |
| | **Projected Fund End Balance:** | **$ 11,608,809.64** | | | | **$ 7,323,058.89** | **$ 8,050,236.80** | | | |

## 12.9 SUSTAINABILITY

Local agencies play a critical role in protecting natural resources and the environment through land conservation, water recycling, preserving open space, and renewable energy projects. FCZ 3's purpose is to reduce the risk of flooding for the protection of life and property while utilizing sustainable practices. The work within the Zone to date has both endeavored to combat seasonal flooding as well as looking to the future and the impacts of climate change in the area. A myriad of assets within the region are regularly impacted by localized flooding and stand to be vulnerable to sea level rise in the future, including regional transportation on US-101 and SR-1 at the Manzanita and Marin City interchanges. Flooding in this area impacts not just the local community and residents' ability to commute and even access their homes, it also critically limits north-south connections for all of Marin County and the Northern Bay Area as a whole.

While the Zone has been proactive in flood prevention infrastructure since its formation, with sea level rise, the gravity drainage system will become less effective and the pumping system may need to be expanded in addition to other regional mitigation efforts. A rising bay tide level also makes direct coastal flooding more difficult and costly to manage, ultimately requiring longer and higher coastal barriers and drainage systems behind the barriers. Multiple sea level rise models show the significant impacts of 12" sea level rise to shoreline areas as well as 36" sea level rise to multiple communities within the Zone which would have severe consequences to a projected 889 parcels in the area with a combined land value of just under $737.5 million.[1] The continued work within the Zone is both endeavoring to prevent next winter's creeks from overflowing their banks as well as planning mitigation efforts that will protect these low-lying communities and the sensitive ecological habitats that surround them in 10, 25, and even 50 years from now.