

MARIN LOCAL AGENCY FORMATION COMMISSION

RESOLUTION NO 06-05

**ADOPTION OF DETERMINATIONS
FOR THE SAN RAFAEL AREA SERVICE REVIEW**

WHEREAS, Section 56430 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires that Local Agency Formation Commissions (LAFCOs) conduct service reviews prior to, or in conjunction with, consideration of actions to establish a Sphere of Influence (SOI) as defined in Section 56076, and in accordance with Section 56425 or 56426.5, or update an SOI pursuant to Section 56425; and

WHEREAS, as part of such reviews, LAFCOs must compile and evaluate service-related information and make written determinations regarding infrastructure needs or deficiencies, growth and population projections for the affected area, financing constraints and opportunities for shared facilities, government structure options, including advantages and disadvantages of consolidation or reorganization of service providers, evaluation of management efficiencies, and local accountability and governance; and

WHEREAS, Marin Local Agency Formation Commission initiated a service review of local government services in the San Rafael area as part of their overall program to complete all sphere of influence and service reviews by January 1, 2008; and

WHEREAS, Marin LAFCO consulted with affected and interested agencies, interested parties; and

WHEREAS, Marin LAFCO gathered and compiled the information necessary to conduct the required review and independently evaluated such information; and

WHEREAS, Marin LAFCO issued a Draft Service Review on February 1, 2006 and provided a 21-day public review of said document; and

WHEREAS, Marin LAFCO considered the data, recommendations and determinations contained in the *San Rafael Area Service Review and Spheres of Influence* report at a noticed public hearing on April 13, 2006 and received all oral testimony and evidence, which were made, presented or filed, and all persons present were given the opportunity to hear and be heard in respect to any matter relating to the review, its data, recommendations and determinations; and

WHEREAS, the San Rafael Area Service Review collects and analyzes information on local government services in order to provide information to the public and to assist Marin LAFCO in its periodic review of adopted spheres of influence.

NOW, THEREFORE, the Marin Local Agency Formation Commission **DOES HEREBY RESOLVE, DETERMINE AND ORDER**, based upon the information contained in the Executive Officer's report, correspondence from affected agencies and information received during the public hearings, as follows:

Section 1. Pursuant to powers provided in Section 56430 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, the Marin Local Agency Formation Commission adopts written determinations as set forth in Exhibit A.

Section 2. Pursuant to Section 15306 of the State CEQA Guidelines, the Commission finds that this service review is exempt from the provisions of the California Environmental Quality Act. That exemption applies to basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource.

PASSED AND ADOPTED by the Marin Local Agency Formation Commission on this 8th day of June, 2006, by the following vote:

AYES: Commissioners Adams, Asbo, Burdick, Heller, Rodoni and Slavitz

NOES: None

ABSENT: Commissioner McGlashan



BARBARA HELLER, Vice-Chairperson

ATTEST:



PETER V. BANNING, Executive Officer

EXHIBIT A

Statement of Written Determinations San Rafael Area Service Review

1. Regarding government structure options, including advantages and disadvantages of consolidation or reorganization of service providers, the Commission determines:

Alternative organizational structures for sewer service in the San Rafael area were analyzed in the service review. Alternatives include 1) Reorganization of SRSD & LGVSD including dissolution of both districts and formation of a new independent sanitary district; 2) Enlargement of SRSD to include incorporated and unincorporated areas served by LGVSD, dissolution of LGVSD; or 3) Annexations of un-served areas within current SOIs (e.g. Country Club) and changes to contractual arrangements between existing agencies. No recommendations have been made for consolidation of these sewer agencies.

Each of the three fire service agencies in the San Rafael sphere of influence has a contractual relationship with one or more other agencies in addition to its own service responsibilities. The contractual relationships (including mutual aid and automatic aid) make up for deficiencies in station location and a generally poor relationship between the boundaries and service responsibilities of the agencies. The service agreement between the City of San Rafael and County Fire provides a reasonable and efficient means of providing service to unincorporated areas within the City's sphere of influence.

The City of San Rafael currently provides police protection services to approximately 80% of the population of the study area. The balance of the area's population is divided among ten different unincorporated enclaves, many of them entirely surrounded by the City's boundaries. City police respond to calls for emergency service in unincorporated areas within the sphere of influence. County Sheriff's personnel also respond in support of City police when requested. Organizational alternatives to the existing service arrangements are not available beyond eventual annexation of unincorporated areas to the City and alteration of existing contractual relationships.

The City of San Rafael provides the majority of street maintenance services for the incorporated areas of their sphere of influence. Organizational alternatives to the existing service responsibilities of the City and the County are not available beyond eventual annexation of unincorporated areas to the City and possible City/County contractual relationships for maintenance of streets in unincorporated islands.

Merging of the park and recreation functions of the City and Marinwood CSD could be accomplished through the annexation of the Marinwood area to the City and the probable dissolution of Marinwood CSD. Voters within Marinwood CSD have recently approved an increase in special assessments; therefore, a reorganization of the Parks and Recreation Department with the city would be problematic to implement. Reorganization would not result in any significant costs savings and could result in a decline in the level of service provided. No reorganization alternatives for the recreation and park function were identified which could be expected to expand funding or improve service levels.

2. Regarding infrastructure needs or deficiencies, the Commission determines:

Las Gallinas Valley Sanitary District is currently able to operate within permitted treatment capacity and the terms of its discharge permit. The District expects to recondition and/or re-route problem areas of the collection system to reduce wet weather inflow and infiltration and to improve collection system capacity.

Treatment capacity at the Central Marin Sanitation Agency plant is not sufficient to sustain existing trends toward increasing wet weather flows due to severe inflow and infiltration in member agencies collection systems. CMSA requires new management strategies and improvements to collection systems of member agencies to comply with new regulations of the Regional Water Quality Control Board.

The City is undergoing an assessment of all City properties including their fire and police stations and administration offices. A structural and use analysis was performed in 2003 by an engineering consultant. The City Council established the Critical Facilities Strategies group, an assessment committee made up of citizens from the community that has confirmed the fire stations as being in critical condition and in need of major repairs and renovation. The depreciation and replacement of infrastructure has not been established over time and is being addressed under the Critical Facilities study. The outcome of the study is to identify the needs, assess a cost for replacement or upgrades and develop a funding source.

Limitations of existing police facilities maintained by the City of San Rafael impair effective service delivery to some degree. The lack of adequate office space has required leasing of additional off-site space and storage needs have led to multiple space rentals. The off-site workspace and storage creates delays in accessing necessary resources.

The City of San Rafael requires substantial investment to its roadway system to address years of deferred maintenance due to past and present funding allocation. The decision to defer maintenance has contributed to the decline of driving

conditions in San Rafael and could exponentially increase future service costs with regard to long-term road maintenance.

San Rafael's General Plan 2020 identifies improvement and upgrade needs for its community centers, community parks and neighborhood parks as well as specifying the need of new parks. According to the Critical Facilities Committee, the Terra Linda community center is a strong candidate for replacement while the San Rafael Community Center needs relatively less renovation. In order to make these improvements and additions, however, new funding sources, such as grants and donations, would have to be developed.

The foregoing infrastructure needs do not have implications for local government boundaries and organization under the purview of LAFCO.

3. Regarding growth and population projections for the affected area, the Commission determines:

Projected growth in the study area is expected to be moderate in relation to existing population. The City of San Rafael expects population growth of approximately 12% by 2020. The amount and rate of expected population growth in unincorporated areas within the City's sphere of influence varies significantly from area to area.

The aging population and changing medical environment may have an affect of future service demand for emergency medical service throughout the study area. The rate and total amount of population growth anticipated for the study area will not require major changes to the facilities and operations of the existing agencies.

Projected population growth in the study area will create moderate increases in demand for services on local law enforcement agencies, street and landscape maintenance and park and recreation facilities and programs. LAFCO actions will not significantly affect population growth in the study area.

4. Regarding financing constraints and opportunities, the Commission determines:

Upward pressure on sewer rates in all sewer agency jurisdictions is currently increasing due to rising personnel, insurance and regulatory costs. New regulations require reporting and mitigating all sewage spills and an extensive planning process for improving the integrity of collection systems. Sewer rates throughout Marin County are expected to increase due to the costs of compliance with new regulations and the costs of improvements to collection systems with high rates of inflow and infiltration.

The City of San Rafael and Marinwood CSD are both experiencing budget shortfalls and both have sought voter approval of revenue enhancement measures as existing sources of revenue are insufficient to fund services at existing service levels.

Marinwood CSD is seeking extension of its contract with the City. The District would have to seek a 70% increase in its fire protection assessment to replace the revenue lost if the automatic aid agreement is not renewed.

The City of San Rafael has had several years of revenue reduction coupled with increased expenditures. This has led to the staffing of the San Rafael Police Department being diminished by four full time patrol officers and three non-sworn positions. The City has not experienced sufficient growth to create significant adverse impacts on demand for law enforcement services for either the City or the County. The recent passage of Measure S in the City will aid in the maintenance of current service levels.

Fiscal constraints of both the City and the County have resulted in insufficient street maintenance budgets in the study area for several years. Recent passage of revenue enhancement measures (Measure A) will partly address a large backlog of maintenance needs in incorporated and unincorporated areas.

The City should be able to recover a portion of capital costs of new recreation facilities to serve new population through land exactions and impact fees paid by developers. The City currently collects slightly higher fees for participation of non-residents in its recreational programs. The City may consider raising non-resident fees as a means of generating modest additional funding.

5. Regarding cost avoidance opportunities, the Commission determines:

Cost avoidance opportunities through reorganization or enhanced cooperation between SRSD, LGVSD and CMSA are less likely to produce significant savings due

to the disparate nature of the three organizations, their facilities, service areas, management and governance.

Overall, the three fire protection agencies in the study area have taken advantage of opportunities to minimize overlapping service responsibilities, redundant facilities and other costs. The contractual relationships between the City and MCSD and between County Fire and the City are examples of all three agencies pursuing available opportunities to avoid costs.

Cost avoidance opportunities for police protection in the San Rafael area would not be enhanced by anticipated proposals for changes to local government boundaries or organization or other activity undertaken by LAFCO.

Staff has not identified significant cost avoidance opportunities in road maintenance activity in the San Rafael study area. Boundary changes anticipated by adopted spheres of influence will shift road maintenance responsibility from the County to the City and also shift funding for maintenance.

Staff has not identified significant cost avoidance opportunities in park and recreation services in the San Rafael study area related to annexations anticipated by adopted spheres of influence or other changes in the relationships between local agencies.

6. Regarding opportunities for rate restructuring, the Commission determines:

Rates charged by LGVSD and SRSD are both expected to increase in the immediate future to fund improvements to collection systems.

Rate restructuring is not applicable to police and fire protection or maintenance of roads and other public facilities, as these services are not supported by fees that could be restructured at the local level.

Increases in user fees for the recreational programs and services of the City of San Rafael and Marinwood CSD may assist both agencies in managing cost increases, but will not affect underlying fiscal problems of either agency.

7. Regarding opportunities for shared facilities, the Commission determines:

County Fire, the City of San Rafael and Marinwood CSD have a clear history of taking advantage of opportunities for shared facilities. The contractual arrangements between the three agencies make optimum use of station locations to mitigate the effects that the existing jurisdictional boundaries would otherwise have on service in the study area.

Staff has not identified any opportunities for shared facilities between City Police and County Sheriff's needs that would provide significant advantages for either agency.

Staff has not identified significant opportunities for shared facilities for road maintenance in the San Rafael study area. The only road maintenance facilities subject to sharing would be the corporation yards operated by the City and County. However, consolidation or sharing of City and County corporation yard facilities do not offer apparent cost savings or operational advantages.

The City of San Rafael utilizes recreational facilities of the San Rafael School District and Dixie School District. There are also various County-wide and regional parks that help account for the abundance of parks and open space land in San Rafael.

8. Regarding evaluation of management efficiencies, the Commission determines:

Management efficiency of the sewer service function in the study area would probably be most enhanced by consolidation of SRSD and LGVSD to form a single sanitary district serving the City of San Rafael and all unincorporated areas within the study area. A single sanitary district would be able to pursue possible economies of scale in the maintenance of the collection systems now operated by the two separate agencies and other, more minor operational costs. However, these cost savings would be minor and would create short-term cost impacts on both districts. The ability of a single sanitary district to participate as a member agency in the CMSA joint-powers agency would not differ significantly from the participation of SRSD.

San Rafael Fire and Police Departments as well as the County Sheriff's Office have the resources and management capability to provide services to the study area in both the short and long term.

The City, County and Marinwood CSD retain adequate staff to manage the broad range of programs and facilities provided by their departments. The provision of park and recreation services in the San Rafael area would not be enhanced or inhibited by reorganization of local agencies or other LAFCO action.

9. Regarding local accountability and governance, the Commission determines:

The City of San Rafael uses a variety of measures to communicate policy and service information to the public. These efforts facilitate local accountability and contribute to public involvement in local governance. These efforts include issuing notices of public meetings, publishing newsletters, posting information on San Rafael's city and department websites, a well-developed budget process, an annual report on city and department operations, annual audits and conducting workshops and hearings on focused topics and the appointment of citizen advisory committees as needed to help resolve particular issues.

The City of San Rafael Fire and Parks and Recreation Departments have Commissions, appointed as advisory bodies to the City Council. Public information on services provided by these departments is clearly communicated to the public through regular Commission meetings.

The Las Gallinas Valley Sanitary District funds and operates an unusually complete public outreach and education program. The Marinwood Community Services District also extends significant effort to inform its residents about the district's programs and current affairs.