



**Local Agency Formation Commission of Napa County**  
Subdivision of the State of California

1700 Second Street, Suite 268  
Napa, California 94559  
(707) 259-8645 Telephone  
<http://napa.lafco.ca.gov>

Bill Dodd, Chair  
Lewis Chilton, Vice Chair  
Joan Bennett, Commissioner  
Brian J. Kelly, Commissioner  
Brad Wagenknecht, Commissioner  
Juliana Inman, Alternate Commissioner  
Mark Luce, Alternate Commissioner  
Gregory Rodeno, Alternate Commissioner

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**REGULAR MEETING AGENDA**

Monday, August 1, 2011  
County of Napa Administration Building  
1195 Third Street, Board Chambers  
Napa, California 94559

**1. CALL TO ORDER BY CHAIR; ROLL CALL: 4:00 P.M.**

**2. PLEDGE OF ALLEGIANCE**

**3. AGENDA REVIEW**

The Chair will consider any requests by Commissioners or staff to remove or re-arrange agenda items at this time.

**4. PUBLIC COMMENTS**

In this time period, anyone may comment to the Commission regarding any subject over which the agency has jurisdiction. No comments will be allowed involving any subject matter that is scheduled for hearing, action, or discussion as part of the current agenda. Individuals will be limited to a three-minute presentation. No action will be taken by the Commission as a result of any item presented at this time.

**5. CONSENT ITEMS**

All items calendared as consent are considered ministerial or non-substantive. With the concurrence of the Chair, a Commissioner may request discussion of an item on the consent calendar.

**a) Fourth Quarter Budget Report for 2010-2011 (Action)**

The Commission will receive a fourth quarter budget report for 2010-2011. The report compares budgeted versus actual revenues and expenses and notes the Commission nearly eliminated its budgeted shortfall of (\$44,459) by finishing the fiscal year with an operating balance of (\$2,515). The report is being presented to the Commission to receive and file.

**b) Approval of a Professional Services Agreement for Video and Audio Recording and Related Amendment to the Fiscal Year 2011-12 Budget (Action)**

The Commission will consider approving a professional services agreement with Napa Valley Television to provide video and audio recording services for all regular and special meetings in 2011-12. The Commission will also consider making a related amendment to its fiscal year budget to increase its communication expense account by \$2,470.

**c) Approval of Meeting Minutes (Action)**

The Commission will consider approving minutes prepared by staff for the June 6, 2011 meeting.

**d) Current and Future Proposals (Information)**

The Commission will receive a report summarizing current and future proposals. The report is being presented for information. One new proposal has been submitted since the June 6, 2011 meeting.

**e) CALAFCO Quarterly Report (Information)**

The Commission will receive a report prepared by the California Association of Local Agency Formation Commissions summarizing the Board's actions at its most recent meeting held on April 29, 2011.

**6. PUBLIC HEARING ITEMS**

Any member of the public may address the Commission with respect to a scheduled public hearing item. Comments should be limited to no more than five minutes unless additional time is permitted by the Chair.

**a) Ratification of an Outside Service Agreement Approval for the Napa Sanitation District Involving 48 Garfield Lane in the City of Napa**

The Commission will consider ratifying an outside service agreement approved by the Chair authorizing the Napa Sanitation District to provide temporary public sewer service to 48 Garfield Lane in Napa to address a public health threat. Staff recommends ratification approval along with waiving the application fee due to special circumstances. The County of Napa Assessor's Office identifies the affected parcel as 038-160-034.

**7. ACTION ITEMS**

Items calendared for action do not require a public hearing before consideration by the Commission. Applicants may address the Commission. Any member of the public may receive permission to provide comments on an item at the discretion of the Chair.

**a) Adoption of Policy on Records Retention and Destruction**

The Commission will review a draft policy establishing standards with respect to managing, retaining, and, if authorized, destroying agency records. The draft policy is being presented to the Commission for adoption.

**b) Report on California Forward**

The Commission will receive a report from staff summarizing the initiative efforts undertaken by California Forward to restructure governance relationships and duties throughout the state. The report follows a discussion by the Commission at the June 2011 meeting and is accompanied by a draft comment letter presented for Chair signature.

**8. DISCUSSION ITEMS**

A member of the public may receive permission to provide comments on any item calendared for discussion at the discretion of the Chair. General direction to staff for future action may be provided by Commissioners.

**a) Update on Law Enforcement Municipal Service Review**

The Commission will receive an update on its scheduled municipal service review on law enforcement services provided throughout Napa County. This includes receiving draft agency profiles on the five principal law enforcement providers subject to the review: the County of Napa and the Cities of American Canyon, Calistoga, Napa, and St. Helena. Staff anticipates presenting a complete draft report on the municipal service review as early as the next regularly scheduled meeting.

**b) Legislative Report**

The Commission will receive a report on the first year of the 2011-2012 session of the California Legislature as it relates to bills directly or indirectly effecting Local Agency Formation Commissions. The Commission will also receive an update on efforts to amend California Government Code Section 56133 to provide more flexibility to LAFCOs in authorizing new or extended services outside spheres of influence.

**9. EXECUTIVE OFFICER REPORT**

The Commission will receive a verbal report from the Executive Officer regarding current staff activities, communications, studies, and special projects. This includes, but is not limited to, the following topics:

- Commission Biennial Workshop, November 7, 2011
- Planning for the CALAFCO 2011 Annual Conference at the Silverado Resort, August 31-September 2, 2011
- Central Napa County Municipal Services Review

**10. CLOSED SESSION**

None

**11. COMMISSIONER COMMENTS; REQUEST FOR FUTURE AGENDA ITEMS**

**12. ADJOURNMENT TO NEXT REGULAR SCHEDULED MEETING:**

October 3, 2011

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Materials relating to an item on this agenda that have been submitted to the Commission after distribution of the agenda packet are available for public inspection at the LAFCO office during normal business hours. Commissioners are disqualified from voting on any proposals involving entitlements of use if they have received campaign contributions from an interested party. The law prohibits a Commissioner from voting on any entitlement when he/she has received a campaign contribution(s) of more than \$250 within 12 months of the decision, or during the proceedings for the decision, from any interested party involved in the entitlement. An interested party includes an applicant and any person with a financial interest actively supporting or opposing a proposal.

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**August 1, 2011**

**Agenda Item No. 5a (Consent/Action)**

July 25, 2011

**TO:** Local Agency Formation Commission

**FROM:** Keene Simonds, Executive Officer

**SUBJECT: Fourth Quarter Budget Report for 2010-2011**

The Commission will receive a fourth quarter budget report for 2010-2011. The report compares budgeted versus actual revenues and expenses and notes the Commission nearly eliminated its budgeted shortfall of (\$44,459) by finishing the fiscal year with an operating balance of (\$2,515). The report is being presented to the Commission to receive and file.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 mandates operating costs for Local Agency Formation Commissions (LAFCOs) shall be annually funded by the affected counties, cities, and, if applicable, special districts. In most instances, the county is responsible for one-half of the LAFCO's annual budget with the remaining amount proportionally shared by the cities based on a weighted calculation of population and tax revenues. LAFCOs are also authorized to establish and collect fees for purposes of offsetting agency contributions.

**A. Discussion**

LAFCO of Napa County's ("Commission") adopted final budget as amended for 2010-2011 totaled \$415,479. This amount represents the total approved operating expenditures for the fiscal year within the Commission's three expense units: salaries/benefits; services/supplies; and capital replacement. Budgeted revenues totaled \$371,020 within three revenue units: agency contributions; applicant fees; and investments. Markedly, an operating shortfall of (\$44,459) was intentionally budgeted to reduce the funding requirements of the local agencies given the recession and to be covered by drawing down on unreserved funds; the latter totaling \$168,819 as of July 1, 2010.

**Overall Revenues**

Actual revenues collected through the fourth quarter totaled \$386,070. This amount represents 104% of the adopted budget with the \$15,051 surplus attributed to collecting more than double the amount budgeted with respect to application fees. The following table compares budgeted and actual revenues through the fourth quarter.

| Budget Units         | Adopted Revenues | Actual Revenues Through 4 <sup>th</sup> Quarter | Difference | Collected |
|----------------------|------------------|---|------------|-----------|
| Agency Contributions | 356,020          | 356,020   | 0          | 100       |
| Applicant Fees       | 10,000           | 27,479  | 17,479     | 275       |
| Investments          | 5,000            | 2,571   | (2,429)    | (51)      |
| Total                | \$371,020        | \$386,070                                       | \$15,051   | 104%      |

Lewis Chilton, Vice Chair  
Councilmember, Town of Yountville

Joan Bennett, Commissioner  
Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner  
Councilmember, City of Napa

Bill Dodd, Chair  
County of Napa Supervisor, 4th District

Brad Wagenknecht, Commissioner  
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County of Napa Supervisor, 2nd District

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Representative of the General Public  
Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Keene Simonds  
Executive Officer

An expanded discussion on budgeted and actual revenues through the fourth quarter within the Commission's three revenue units follows.

### ***Agency Contributions***

The Commission budgeted \$356,020 in agency contributions in 2010-2011. Half of the total was invoiced to the County of Napa in the amount of \$178,009. The remaining amount was proportionally invoiced based on a weighted calculation of population and general tax revenues to the Cities of American Canyon, Calistoga, Napa, St. Helena, and Yountville in the amounts of \$27,468, \$10,642, \$119,647, \$12,657, and \$7,596, respectively. All agency invoices were paid in full.

### ***Applicant Fees***

The Commission budgeted \$10,000 in applicant fees in 2010-2011. At the end of the fourth quarter, actual revenues collected within this unit nearly tripled the budgeted amount and totaled \$27,479. This is the highest year-end total amount of application fees the Commission has received and is principally attributed to processing three reorganization proposals from American Canyon: (a) Town Center, (b) Eucalyptus Grove/High School, and (c) Clarke Ranch West/Middle School.

### ***Investments***

The Commission budgeted \$5,000 in investment income in 2010-2011. This budgeted amount is entirely tied to interest earned on the Commission's fund balance, which is under investment by the County of Napa Treasurer. The balance within this account at the end of the fourth quarter was nearly half the budgeted amount as a result of lower than expected returns and totaled \$2,571.

### ***Overall Expenses***

Actual expenses through the fourth quarter, including encumbrances, totaled \$388,585. This amount represents 94% of the adopted budget with a monetary savings of \$26,894. The savings is principally attributed to unexpended funds tied to Commission's legal and office supply expense accounts. The following table compares budgeted and actual expenses through the fourth quarter.

| Budget Units        | Adopted Expenses | Actual Expenses<br>Through 4 <sup>th</sup> Quarter | Difference | Remaining |
|---------------------|------------------|--|------------|-----------|
| Salaries/Benefits   | 293,973          | 283,954  | 10,019     | 3         |
| Services/Supplies   | 117,575          | 100,670  | 16,875     | 14        |
| Capital Replacement | 3,932            | 3,931  | 0          | 0         |
| Total               | \$415,479        | \$388,585  | \$26,894   | 6%        |

An expanded discussion on budgeted and actual expenses through the third quarter within the Commission's three expense units follows.

### ***Salaries/Benefits***

The Commission budgeted \$293,973 in salaries and benefits in 2010-2011. The Commission's actual expenses within the eight affected accounts through the fourth quarter totaled \$283,954, representing 97% of the budgeted amount and a savings of \$10,109. None of the affected accounts finished with negative balances.

### ***Services/Supplies***

The Commission budgeted \$117,575 in services and supplies in 2010-2011.<sup>1</sup> The Commission's actual expenses within the 15 affected accounts through the end of the fourth quarter totaled \$100,670, representing 86% of the budgeted amount and \$16,875 in savings. Two accounts – private vehicle mileage and transportation/travel – finished with negative balances. A summary of expenses in these accounts follows.

#### ***Private Vehicle Mileage***

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This account covers same-day automobile travel costs for staff and commissioners with \$1,000 budgeted in 2010-2011. Through the end of the fourth quarter, expenses in this account totaled \$1,298, which represents approximately 30% of the total amount budgeted. Expenses principally related to staff traveling to Sacramento and Oakland for CALAFCO Legislative Committee meetings.

#### ***Transportation and Travel***

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This account covers overnight non-automobile travel costs for staff and commissioners with \$3,500 budgeted in 2010-2011. Through the end of the fourth quarter, expenses in this account totaled \$5,172, which represents approximately 148% of the total amount budgeted. Nearly all expenses are associated with attendance at CALAFCO's Annual Conference in Palm Springs and Annual Workshop in Ventura.

### ***Capital Replacement***

The Commission budgeted \$3,391 for capital depreciation in 2010-2011. This budgeted amount reflects the Commission's five-year funding replacement program for the agency's electronic document management system. The budgeted expense was booked in full at the end of the fourth quarter.

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<sup>1</sup> This total budget amount incorporates a \$2,000 budget amendment approved by the Commission on June 6, 2011 to make a matching contribution to CALAFCO in support of the 2011 Annual Conference.

## **B. Analysis**

The Commission was successful in significantly closing its budgeted funding gap in 2010-2011 from (\$44,459) to (\$2,515); an amount producing a net savings of \$41,944. This savings is attributed to sizeable cost-decreases involving legal and office supply services as well as additional application fees. The savings also produces a relatively minimal decrease to the Commission's unreserved fund balance from \$168,819 to \$166,304. It is also worthwhile to note the year-end operating balance of (\$2,515) is an improvement over the (\$7,742) projection incorporated in adopting a final budget for 2011-2012. This means the Commission is now on pace to experience a \$5,277 savings in its unreserved fund balance at the end of the 2011-2012 fiscal year.

## **C. Alternatives for Action**

The following two alternatives are available to the Commission:

**Alternative One:** Receive and file the staff report as presented.

**Alternative Two:** Continue consideration of the staff report to a future meeting and provide direction for more information as needed.

## **D. Recommendation**

It is recommended the Commission proceed with Alternative One as outlined in the preceding section.

Respectfully submitted,

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Keene Simonds  
Executive Officer

Attachment:

- 1) General Ledger, July 1, 2010 to June 30, 2011



**Local Agency Formation Commission**  
 Subdivision of the State of California

**Final General Ledger for 2010-2011**

**Expenses**

|                                   |                                 | Final Budget   | Adjustments  | Expenditures   | Remaining Balance | Percent Available |
|-----------------------------------|---------------------------------|----------------|--------------|----------------|-------------------|-------------------|
| <b>Salaries and Benefits</b>      |                                 |                |              |                |                   |                   |
| <u>Account</u>                    | <u>Description</u>              |                |              |                |                   |                   |
| 51100000                          | Regular Salaries                | 198,347        | -            | 198,280        | 67                | 0.03              |
| 51300500                          | Group Health Insurance          | 37,954         | -            | 33,873         | 4,081             | 10.75             |
| 51300100                          | Retirement: Pension             | 34,992         | -            | 33,955         | 1,037             | 2.96              |
| 51200500                          | Commissioner Per Diems          | 9,600          | -            | 4,900          | 4,700             | 48.96             |
| 51300120                          | Retirement: Non-Pension         | 9,138          | -            | 9,138          | -                 | -                 |
| 51300300                          | Medicare                        | 2,876          | -            | 2,739          | 137               | 4.79              |
| 51301800                          | Cell Phone Allowance            | 840            | -            | 843            | (3)               | (0.42)            |
| 51301200                          | Workers Compensation            | 226            | -            | 226            | -                 | -                 |
| 51200100                          | Extra Help                      | -              | -            | -              | -                 | -                 |
| 51200200                          | Overtime                        | -              | -            | -              | -                 | -                 |
|                                   |                                 | <b>293,973</b> | <b>-</b>     | <b>283,954</b> | <b>10,019</b>     | <b>3.41</b>       |
| <b>Services and Supplies</b>      |                                 |                |              |                |                   |                   |
| <u>Account</u>                    | <u>Description</u>              |                |              |                |                   |                   |
| 52240500                          | Property Lease                  | 29,280         | -            | 29,280         | -                 | -                 |
| 52180500                          | Legal Services                  | 26,010         | -            | 17,660         | 8,350             | 32.10             |
| 52180200                          | Information Technology Services | 18,439         | -            | 17,625         | 814               | 4.41              |
| 52170000                          | Office Expenses                 | 15,000         | -            | 9,628          | 5,372             | 35.81             |
| 52180510                          | Audit/Accounting Services       | 8,277          | -            | 7,301          | 976               | 11.79             |
| 52250800                          | Training                        | 4,000          | -            | 3,969          | 31                | 0.78              |
| 52250000                          | Transportation and Travel       | 3,500          | -            | 5,172          | (1,672)           | (47.77)           |
| 52070000                          | Communications                  | 3,500          | -            | 1,585          | 1,915             | 54.71             |
| 52150000                          | Memberships                     | 2,275          | -            | 2,200          | 75                | 3.30              |
| 52190000                          | Publications and Notices        | 1,500          | -            | 1,433          | 67                | 4.44              |
| 52235000                          | Special Departmental Purchases  | 1,000          | 2,000        | 2,482          | 518               | 17.27             |
| 52251200                          | Private Mileage                 | 1,000          | -            | 1,298          | (298)             | (29.77)           |
| 52243900                          | Filing Fees                     | 850            | -            | 450            | 400               | 47.06             |
| 52250700                          | Meals Reimbursement - Taxable   | 500            | -            | 172            | 328               | 65.61             |
| 52100300                          | Insurance: Liability            | 444            | -            | 444            | -                 | -                 |
|                                   |                                 | <b>115,575</b> | <b>2,000</b> | <b>100,700</b> | <b>16,875</b>     | <b>14.35</b>      |
| <b>Contingencies and Reserves</b> |                                 |                |              |                |                   |                   |
| <u>Account</u>                    | <u>Description</u>              |                |              |                |                   |                   |
| 54000900                          | Operating Reserve               | -              | -            | -              | -                 | -                 |
| 54001000                          | Consultant Contingency          | -              | -            | -              | -                 | -                 |
| 53980200                          | Capital Replacement             | 3,931          | -            | 3,931          | -                 | -                 |
|                                   |                                 | <b>3,931</b>   | <b>-</b>     | <b>3,931</b>   | <b>-</b>          | <b>-</b>          |
|                                   | <b>EXPENSE TOTALS</b>           | <b>413,479</b> | <b>2,000</b> | <b>388,585</b> | <b>26,894</b>     | <b>6.47</b>       |

## Revenues

|  |                            | Final Budget      | Adjustments        | Collected Revenue | Remaining Balance  | Percent Collected |
|--|----------------------------|-------------------|--------------------|-------------------|--------------------|-------------------|
| <b>Intergovernmental Contributions</b> |                            |                   |                    |                   |                    |                   |
| <u>Account</u>                         | <u>Description</u>         |                   |                    |                   |                    |                   |
| 45080600                               | County of Napa             | 185,560.00        | (7,550)            | 178,010           | -                  | 100               |
| 45082200                               | City of Napa               | 124,722.00        | (5,075)            | 119,647           | -                  | 100               |
| 45082400                               | City of American Canyon    | 28,633.00         | (1,165)            | 27,468            | -                  | 100               |
| 45082300                               | City of St. Helena         | 13,193.00         | (536)              | 12,657            | -                  | 100               |
| 45082100                               | City of Calistoga          | 11,094.00         | (452)              | 10,642            | -                  | 100               |
| 45082500                               | Town of Yountville         | 7,918.00          | (322)              | 7,596             | -                  | 100               |
|  |                            | <b>371,120.00</b> | <b>(15,100)</b>    | <b>356,020</b>    | <b>-</b>           | <b>100</b>        |
| <b>Service Charges</b>                 |                            |                   |                    |                   |                    |                   |
| <u>Account</u>                         | <u>Description</u>         |                   |                    |                   |                    |                   |
| 46003400                               | Standard Applications Fees | 10,000            | -                  | 24,293            | (14,292.60)        | 243               |
| 46003300                               | Special Application Fees   | -                 | -                  | 3,187             | (3,186.50)         | -                 |
| 48040000                               | Miscellaneous              | -                 | -                  | -                 | -                  | -                 |
|  |                            | <b>10,000</b>     | <b>-</b>           | <b>27,479</b>     | <b>(17,479.10)</b> | <b>275</b>        |
| <b>Investments</b>                     |                            |                   |                    |                   |                    |                   |
| <u>Account</u>                         | <u>Description</u>         |                   |                    |                   |                    |                   |
| 44000300                               | Interest                   | 5,000.00          | -                  | 2571.49           | 2428.51            | 51                |
|  |                            | <b>5,000.00</b>   | <b>-</b>           | <b>2571.49</b>    | <b>2428.51</b>     | <b>51</b>         |
|  | <b>REVENUE TOTALS</b>      | <b>386,120.00</b> | <b>(15,100.00)</b> | <b>386,070.13</b> | <b>(15,050.59)</b> | <b>104</b>        |

YEAR-END (2,515.17)



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**August 1, 2011**

**Agenda Item No. 5b (Consent/Action)**

July 26, 2011

**TO:** Local Agency Formation Commission

**FROM:** Keene Simonds, Executive Officer  
Kathy Mabry, Secretary

**SUBJECT: Approval of a Professional Services Agreement for Video and Audio Recording and Related Amendment to the Fiscal Year 2011-12 Budget**  
The Commission will consider approving a professional services agreement with Napa Valley Television to provide video and audio recording services for all regular and special meetings in 2011-12. The Commission will also consider making a related amendment to its fiscal year budget to increase its communication expense account by \$2,470.

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Local Agency Formation Commissions (LAFCOs) are authorized under California Government Code Section 56380 to enter into agreements or contracts with public and private parties for services necessary to fulfill its regulatory and planning responsibilities.

**A. Background**

LAFCO of Napa County (“Commission”) currently records audio from all regular and special meetings held in the County of Napa’s Board Chambers using FortheRecord (FTR) digital software; no video is recorded. The Commission’s access to FTR is entirely dependent on utilizing the County’s license and related audio equipment. This includes accessing one of the County’s network servers to playback and reproduce FTR recordings. No direct costs are associated with the current recording system.

Beginning in January 2008, the County has been gradually phasing out its use of FTR in favor of utilizing on-demand video/recording streaming powered by Granicus software. The “phase-out” is nearly complete and the Commission is one of the few remaining boards/committees accessing the Board Chambers that continue to record with FTR. The phase-out also now means – *as of the beginning of the current fiscal year* – the County will no longer provide technical assistance to FTR users (emphasis).

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Keene Simonds  
Executive Officer

## **B. Discussion**

The County's decision to phase-out FTR highlights the need for the Commission to make alternative arrangements as it relates to recording regular and special meetings. The County has graciously invited the Commission to utilize its Granicus audio and video recording services at no direct cost in terms of equipment and licensee fees given our existing and planned use of the Board Chambers. Making use of Granicus, however, does have indirect costs to the Commission. This includes allocating resources to provide appropriate training to staff, which would be considerable since, among other things, all agenda items would need to be posted on the County website as a precondition to accessing Granicus; this would be separate and in addition to posting agenda items on the Commission's website. Using Granicus, additionally, would further "tie" the Commission to the County with regards to the recording, storage, and distribution of LAFCO records. This tie would contrast with the Commission's recent efforts to invest in stand-alone resources to reinforce its status as an independent agency. Relevant examples include investing in an independent website and electronic document management system.

With the preceding comments in mind, staff has explored others alternatives to utilizing the County's Granicus software system for recording services. This process ultimately led staff to contact the Napa County Transportation and Planning Agency (NCTPA), which contracts with Napa Valley Television to audio and video record its meetings. NCTPA's arrangement involves paying a flat hourly fee to Napa Valley Television to provide a camera operator to audio/video record all meetings along with providing post-production services as needed for broadcasting on public access Channels 27 and 28. The hourly-fee is currently \$150.00 and includes the camera operator's travel time to and from meetings as well as set-up and equipment use.<sup>1</sup> The hourly-fee also incorporates providing a master copy of the audio/video recording and on-line streaming at [www.napavalleytv.org](http://www.napavalleytv.org).

Staff has contacted Napa Valley Television to inquire about establishing a similar audio/recording system implemented for NCTPA. Napa Valley Television is agreeable and has worked with staff in preparing the attached draft professional services agreement. The professional services agreement, if approved, would commit Napa Valley Television to audio/video record all Commission meetings so long as notice is provided no less than seven business days in advance. Billing will be made quarterly and based on the current \$150.00 flat hourly fee along with any authorized post-production charges.<sup>2</sup> Post-production costs may include \$25.00 to provide a custom title for opening and closing each show for airing on public access television and \$20.00 to provide a reproduced digital video/audio disc. There is no charge to air broadcasts filmed by Napa Valley Television. However, broadcast times are scheduled on a first-request basis. The Commission's meeting time, first Monday of each month at 4:00 P.M., is currently unavailable. Napa Valley Television, alternatively, is holding two-hour blocks to

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<sup>1</sup> The flat hourly rate of \$150.00 includes time associated with set-up and tear-down.

<sup>2</sup> It is proposed the first two hours associated with audio/video recording Commission meetings will charged on a non pro-rated basis (e.g. a 45 minute meeting (set-up to pack-up) will be billed at \$150.00). Time expended beyond the first two hours will be billed on a pro-rated basis.

rebroadcast Commission meetings on the second and fourth Tuesday at 8:00 P.M. and the second and fourth Wednesday at 1:00 P.M.

### **C. Analysis**

Staff believes the proposed agreement with Napa Valley Television to audio/video record Commission meetings is a superior alternative to continuing to rely on the County for recording services for reasons outlined in the preceding paragraphs. Staff also believes the agreement will help the Commission markedly improve customer service by transmitting meeting broadcasts to a currently-unreached segment of the population that relies on public access television to stay apprised on local government activities. The agreement will also allow the Commission to make available live and on-demand audio/video recordings on the agency website by establishing direct links to on-line recordings hosted by Napa Valley Television.

Staff anticipates the total annual cost of the agreement with Napa Valley Television will not exceed \$2,470. This amount has been calculated by staff based on a \$150.00 hourly flat fee and assumes the Commission will continue to meet every other month through the end of the fiscal year along with holding one special meeting in November for the biennial workshop. It is assumed each regular meeting should not take longer than two hours to record while the special meeting should not take longer than four hours to record. An additional \$70.00 charge is also included to pay an annual membership fee.

Given the associated costs, staff recommends the Commission pair its approval of the proposed agreement with Napa Valley Television to include a budget amendment to increase its communication expense account by \$2,470. Staff proposes the Commission absorb the added expense, which would increase the already-budgeted operating shortfall in 2011-2012 from (\$27,081) to \$(29,551). The net effect in absorbing this added expense to the Commission projected unreserved fund balance at the end of the fiscal year, however, is less than two percent.<sup>3</sup>

### **D. Alternatives for Action**

The following three alternative actions are outlined for Commission consideration.

**Alternative One:** Approve by motion the (a) attached draft professional services agreement with Napa Valley Television with any changes and (b) amendment to the 2011-2012 budget to increase the communication expense account (52070000) by \$2,470.

**Alternative Two:** Continue consideration to a future meeting and provide direction to staff for more information as needed.

**Alternative Three:** Take no action.

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<sup>3</sup> The Commission's June 6, 2011 adopted budget for 2011-2011 anticipates the unreserved fund balance will decrease from \$161,077 to \$133,996. An updated calculation performed on July 25, 2011 projects the beginning year unreserved fund balance will actually total \$166,304; an additional savings of \$5,227.

**E. Recommendation**

It is recommended the Commission proceed with Alternative One as outlined in the preceding section.

Respectfully submitted,

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Keene Simonds  
Executive Officer

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Kathy Mabry  
Secretary

Attachments:

- 1) Draft Professional Services Agreement
- 2) Adopted FY 2011-2012 Budget

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
AGREEMENT NO. \_\_\_\_\_**

**PROFESSIONAL SERVICES AGREEMENT**

**THIS AGREEMENT** is made and entered into as of this FIRST day of AUGUST, 2011, by and between the LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY, a political subdivision of the State of California, hereinafter referred to as "LAFCO", and NAPA VALLEY TELEVISION, hereinafter referred to as "CONTRACTOR";

**RECITALS**

**WHEREAS**, LAFCO wishes to obtain specialized services, as authorized by Government Code section 56380, in order to AUDIO AND VIDEO RECORD REGULAR AND SPECIAL PUBLIC MEETINGS FOR PURPOSES OF ARCHIVAL AND BROADCAST, and

**WHEREAS**, CONTRACTOR is willing to provide such specialized services to LAFCO under the terms and conditions set forth herein.

**TERMS**

**NOW, THEREFORE**, LAFCO hereby engages the services of CONTRACTOR, and CONTRACTOR agrees to serve LAFCO in accordance with the terms and conditions set forth herein:

1. **Term of the Agreement.** The term of this Agreement shall commence on the date first above written and shall expire on JULY 30, 2012 unless terminated earlier in accordance with Paragraphs 9 (Termination for Cause) or 10 (Other Termination); except that the obligations of the parties under Paragraphs 7 (Insurance) and 8 (Indemnification) shall continue in full force and effect after said expiration date or early termination in relation to acts or omissions occurring prior to such dates during the term of the Agreement, and the obligations of CONTRACTOR to LAFCO shall also continue after said expiration date or early termination in relation to the obligations prescribed by Paragraphs 15 (Confidentiality), 20 (Taxes), and 21 (Access to Records/Retention).
2. **Scope of Services.** CONTRACTOR shall provide LAFCO those services set forth in Exhibit "A", attached hereto and incorporated by reference herein.
3. **Compensation.**
  - (a) **Rates.** In consideration of CONTRACTOR's fulfillment of the promised work, LAFCO shall pay CONTRACTOR at the rates set forth in Exhibit "B".
  - (b) **Expenses.** No travel or other expenses will be reimbursed by LAFCO.

4. **Method of Payment.**

(a) Invoices. All payments for compensation and reimbursement shall be made only upon presentation by CONTRACTOR to LAFCO of an itemized billing invoice in a form acceptable to the LAFCO EXECUTIVE OFFICER, which indicates, at a minimum, CONTRACTOR's name, address, Social Security or Taxpayer Identification Number, itemization of the hours worked or, where compensation is on a per-task basis, a description of the tasks completed during the billing period, the person(s) actually performing the services and the position(s) held by such person(s), and the approved hourly or task rate. Requests for reimbursement shall also describe the nature and cost of the expense and the date incurred. CONTRACTOR shall submit invoices QUARTERLY to LAFCO EXECUTIVE OFFICER who, after review and approval as to form and content, shall submit the invoice FOR PAYMENT no later than fifteen (15) calendar days following receipt.

(b) Legal status. So that LAFCO may properly comply with its reporting obligations under federal and state laws pertaining to taxation, if CONTRACTOR is or becomes a corporation during the term of this Agreement, proof that such status is currently recognized by and complies with the laws of both the state of incorporation or organization and the State of California, if different, shall be provided to the LAFCO EXECUTIVE OFFICER upon request. Such proof shall include, but need not be limited to, a copy of any annual or other periodic filings or registrations required by the state of origin or California, the current address for service of process on the corporation or limited liability partnership, and the name of any agent designated for service of process by CONTRACTOR within the State of California.

5. **Independent Contractor.** CONTRACTOR shall perform this Agreement as an independent contractor. CONTRACTOR and the officers, agents and employees of CONTRACTOR are not, and shall not, be deemed LAFCO employees for any purpose, including workers' compensation and employee benefits. CONTRACTOR shall, at CONTRACTOR's own risk and expense, determine the method and manner by which duties imposed on CONTRACTOR by this Agreement shall be performed; provided, however, that LAFCO may monitor the work performed by CONTRACTOR. LAFCO shall not deduct or withhold any amounts whatsoever from the compensation paid to CONTRACTOR, including, but not limited to amounts required to be withheld for state and federal taxes. As between the parties to this Agreement, CONTRACTOR shall be solely responsible for all such payments.

6. **Specific Performance.** It is agreed that CONTRACTOR, including the agents or employees of CONTRACTOR, shall be the sole providers of the services required by this Agreement. Because the services to be performed by CONTRACTOR under the terms of this Agreement are of a special, unique, unusual, extraordinary, and intellectual or time-sensitive character which gives them a peculiar value, the loss of which cannot be reasonably or adequately compensated in damages in an action of law, LAFCO, in addition to any other rights or remedies which LAFCO may possess, shall be entitled to injunctive and other equitable relief to prevent a breach of this Agreement by CONTRACTOR.

7. **Insurance.** CONTRACTOR shall obtain and maintain in full force and effect throughout the term of this Agreement, and thereafter as to matters occurring during the term of this Agreement, the following insurance coverage:

(a) Workers' Compensation insurance. To the extent required by law during the term of this Agreement, CONTRACTOR shall provide workers' compensation insurance for the performance of any of CONTRACTOR's duties under this Agreement, including but not limited to, coverage for workers' compensation and employer's liability and a waiver of subrogation, and shall provide LAFCO with certification of all such coverages upon request by the LAFCO EXECUTIVE OFFICER.

(b) Liability insurance. CONTRACTOR shall obtain and maintain in full force and effect during the term of this Agreement the following liability insurance coverages, issued by a company admitted to do business in California and having an A.M. Best rating of A:VII or better, or equivalent self-insurance:

(1) General Liability. Commercial general liability [CGL] insurance coverage (personal injury and property damage) of not less than ONE MILLION DOLLARS (\$1,000,000) combined single limit per occurrence, covering liability or claims for any personal injury, including death, to any person and/or damage to the property of any person arising from the acts or omissions of CONTRACTOR or any officer, agent, or employee of CONTRACTOR under this Agreement. If the coverage includes an aggregate limit, the aggregate limit shall be no less than twice the per occurrence limit.

(2) Professional Liability/Errors and Omissions. [Reserved.]

(3) Comprehensive Automobile Liability Insurance. Comprehensive automobile liability insurance (Bodily Injury and Property Damage) on owned, hired, leased, and non-owned vehicles used in conjunction with CONTRACTOR's business of not less than THREE HUNDRED THOUSAND DOLLARS (\$300,000) combined single limit per occurrence.

(c) Certificates. All insurance coverages referenced in 7(b), above, shall be evidenced by one or more certificates of coverage or, with the consent of the LAFCO EXECUTIVE OFFICER, demonstrated by other evidence of coverage acceptable to the LAFCO EXECUTIVE OFFICER, which shall be filed by CONTRACTOR prior to commencement of performance of any of CONTRACTOR's duties; shall reference this Agreement by its LAFCO number; shall be kept current during the term of this Agreement; shall provide that LAFCO shall be given no less than thirty (30) days prior written notice of any non-renewal, cancellation, other termination, or material change, except that only ten (10) days prior written notice shall be required where the cause of non-renewal or cancellation is non-payment of premium; and shall provide that the inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, the coverage afforded applying as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the company's liability. For the commercial general liability insurance coverage referenced in 7(b)(1) and, where the vehicles are covered by a commercial policy rather than a personal policy, for the comprehensive automobile liability insurance coverage referenced in 7(b)(3) CONTRACTOR shall also file with the evidence of coverage an endorsement from the insurance provider naming LAFCO, its officers, employees, agents, and volunteers as additional insureds and waiving subrogation, and the certificate or other evidence of coverage shall provide that if the same policy applies to activities of CONTRACTOR not covered by this Agreement, then the limits in the applicable certificate relating to the additional insured coverage of LAFCO shall pertain only to liability for activities of CONTRACTOR under this Agreement, and that the

insurance provided is primary coverage to LAFCO with respect to any insurance or self-insurance programs maintained by LAFCO. The additional insured endorsements for the general liability coverage shall use Insurance Services Office (ISO) Form No. CG 20 09 11 85 or CG 20 10 11 85, or equivalent, including (if used together) CG 2010 10 01 and CG 2037 10 01; but shall not use the following forms: CG 20 10 10 93 or 03 94. Upon request by the LAFCO EXECUTIVE OFFICER, CONTRACTOR shall provide or arrange for the insurer to provide within thirty (30) days of the request, certified copies of the actual insurance policies or relevant portions thereof.

(d) Deductibles/Retentions. Any deductibles or self-insured retentions shall be declared to, and be subject to approval by, the LAFCO EXECUTIVE OFFICER, which approval shall not be denied unless the LAFCO EXECUTIVE OFFICER determines that the deductibles or self-insured retentions are unreasonably large in relation to compensation payable under this Agreement and the risks of liability associated with the activities required of CONTRACTOR by this Agreement. At the option of and upon request by the LAFCO EXECUTIVE OFFICER if the EXECUTIVE OFFICER determines that such deductibles or retentions are unreasonably high, either the insurer shall reduce or eliminate such deductibles or self-insurance retentions as respects LAFCO, its officers, employees, agents and volunteers or CONTRACTOR shall procure a bond guaranteeing payment of losses and related investigations, claims administration, and defense expenses.

#### **8. Hold Harmless/Defense/Indemnification.**

(a) In General. To the full extent permitted by law, CONTRACTOR shall hold harmless, defend at its own expense, and indemnify LAFCO and the officers, agents, employees, and volunteers of LAFCO from any and all liability, claims, losses, damages or expenses, including reasonable attorney's fees, for personal injury (including death) or damage to property, arising from all acts or omissions of CONTRACTOR or its officers, agents, employees, volunteers, contractors, and subcontractors in rendering services under this Agreement, excluding, however, such liability, claims, losses, damages or expenses arising from the sole negligence or willful acts of LAFCO or its officers, agents, employees, volunteers, or other contractors or their subcontractors. Each party shall notify the other party immediately in writing of any claim or damage related to activities performed under this Agreement. The parties shall cooperate with each other in the investigation and disposition of any claim arising out of the activities under this Agreement, providing that nothing shall require either party to disclose any documents, records or communications that are protected under peer review privilege, attorney-client privilege, or attorney work product privilege.

(b) Employee Character and Fitness. CONTRACTOR accepts responsibility for determining and approving the character and fitness of its employees (including volunteers, agents or representatives) to provide the services required of CONTRACTOR under this Agreement, including completion of a satisfactory criminal/background check and period rechecks to the extent permitted by law. Notwithstanding anything to the contrary in this Paragraph, CONTRACTOR shall hold LAFCO and its officers, agents, and employees harmless from any liability for injuries or damages resulting from a breach of this provision or CONTRACTOR's actions in this regard.

9. **Termination for Cause.** If either party shall fail to fulfill in a timely and proper manner that party's obligations under this Agreement or otherwise breach this Agreement and fail to cure such failure or breach within 20 days of receipt of written notice from the other party describing the nature of the breach, the non-defaulting party may, in addition to any other remedies it may have, terminate this Agreement by 5 days prior written notice to the defaulting party in the manner set forth in Paragraph 13 (Notices). The LAFCO EXECUTIVE OFFICER is hereby authorized to make all decisions and take all actions required under this Paragraph to terminate this Agreement on behalf of LAFCO for cause.

10. **Other Termination.** This Agreement may be terminated by either party for any reason and at any time by giving prior written notice of such termination to the other party specifying the effective date thereof at least days prior to the effective date, as long as the date the notice is given and the effective date of the termination are in the same fiscal year; provided, however, that no such termination may be effected by LAFCO unless an opportunity for consultation is provided prior to the effective date of the termination. LAFCO hereby authorizes the LAFCO EXECUTIVE OFFICER to make all decisions and take all actions required under this Paragraph to terminate this Agreement on behalf of LAFCO for the convenience of LAFCO.

11. **Disposition of, Title to and Payment for Work upon Expiration or Termination.**

(a) Upon expiration or termination of this Agreement, all finished or unfinished documents and other materials, INCLUDING AUDIO/VIDEO RECORDINGS, and all rights therein shall be promptly returned to LAFCO, although CONTRACTOR may retain a copy of such work for its personal records only. Unless otherwise expressly provided in this Agreement, any copyrightable or patentable work created by CONTRACTOR under this Agreement shall be deemed a "work made for hire" for purposes of copyright or patent law and only COUNTY shall be entitled to claim or apply for the copyright or patent thereof.

(b) CONTRACTOR shall be entitled to receive compensation for any satisfactory work completed prior to receipt of the notice of termination or commenced prior to receipt of the notice and completed satisfactorily prior to the effective date of the termination; except that CONTRACTOR shall not be relieved of liability to LAFCO for damages sustained by COUNTY by virtue of any breach of the Agreement by CONTRACTOR whether or not the Agreement expired or otherwise terminated, and LAFCO may withhold any payments not yet made to CONTRACTOR for purpose of setoff until such time as the exact amount of damages due to LAFCO from CONTRACTOR is determined.

12. **No Waiver.** The waiver by either party of any breach or violation of any requirement of this Agreement shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this Agreement.

13. **Notices.** All notices required or authorized by this Agreement shall be in writing and shall be delivered in person or by deposit in the United States mail, by certified mail, postage prepaid, return receipt requested. Any mailed notice, demand, request, consent, approval or communication that either party desires to give the other party shall be addressed to the other party at the address set forth below. Either party may change its address by notifying the other party of the change of address. Any notice sent by mail in the manner prescribed by this paragraph shall be deemed to have been received on the date noted on the return receipt or five days following the date of deposit, whichever is earlier.

LAFCO  
Keene Simonds, Executive Officer  
1700 Second Street, Suite 268  
Napa, California 94559  
(707) 259-8645  
[ksimonds@napa.lafco.ca.gov](mailto:ksimonds@napa.lafco.ca.gov)

CONTRACTOR  
James Raymond, Executive Director  
Post Office Box 4347  
Napa, California 94558  
(707) 257-0574  
[james@napavalleytv.org](mailto:james@napavalleytv.org)

14. **No Assignments or Subcontracts.**

(a) In general. A consideration of this Agreement is the personal reputation of CONTRACTOR; therefore, CONTRACTOR shall not assign any interest in this Agreement or subcontract any of the services CONTRACTOR is to perform hereunder without the prior written consent of LAFCO, which shall not be unreasonably withheld. The inability of the assignee to provide personnel equivalent in experience, expertise, and numbers to those provided by CONTRACTOR, or to perform any of the remaining services required under this Agreement within the same time frame required of CONTRACTOR shall be deemed to be reasonable grounds for LAFCO to withhold its consent to assignment. For purposes of this subparagraph, the consent of LAFCO may be given by the LAFCO EXECUTIVE OFFICER

(b) Effect of Change in Status. If CONTRACTOR changes its status during the term of this Agreement from or to that of a corporation, limited liability partnership, limited liability company, general partnership, or sole proprietorship, such change in organizational status shall be viewed as an attempted assignment of this Agreement by CONTRACTOR. Failure of CONTRACTOR to obtain approval of such assignment under this Paragraph shall be viewed as a material breach of this Agreement.

15. **Amendment/Modification.** Except as specifically provided herein, this Agreement may be modified or amended only in writing and with the prior written consent of both parties

16. **Interpretation; Venue.**

(a) Interpretation. The headings used herein are for reference only. The terms of the Agreement are set out in the text under the headings. This Agreement shall be governed by the laws of the State of California without regard to the choice of law or conflicts.

(b) Venue. This Agreement is made in Napa County, California. The venue for any legal action in state court filed by either party to this Agreement for the purpose of interpreting or enforcing any provision of this Agreement shall be in the Superior Court of California, County of Napa, a unified court. The venue for any legal action in federal court filed by either party to this Agreement for the purpose of interpreting or enforcing any provision of this Agreement lying within the jurisdiction of the federal courts shall be the Northern District of California.

The appropriate venue for arbitration, mediation or similar legal proceedings under this Agreement shall be Napa County, California; however, nothing in this sentence shall obligate either party to submit to mediation or arbitration any dispute arising under this Agreement.

17. **Compliance with Laws.** CONTRACTOR shall observe and comply with all applicable Federal, State and local laws, ordinances, and codes. Such laws shall include, but not be limited to, the following, except where prohibited by law:

(a) Non-Discrimination. During the performance of this Agreement, CONTRACTOR and its subcontractors shall not deny the benefits thereof to any person on the basis of race, color, ancestry, national origin or ethnic group identification, religion or religious creed, gender or self-identified gender, sexual orientation, marital status, age, mental disability, physical disability or medical condition (including cancer, HIV and AIDS) or political affiliation or belief, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, color, ancestry, national origin or ethnic group identification, religion or religious creed, gender or self-identified gender, sexual orientation, marital status, age (over 40), mental disability, physical disability or medical condition (including cancer, HIV and AIDS), use of family care leave, or political affiliation or belief. CONTRACTOR shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination or harassment. In addition to the foregoing general obligations, CONTRACTOR shall comply with the provisions of the Fair Employment and Housing Act (Government Code section 12900, et seq.), the regulations promulgated thereunder (Title 2, California Code of Regulations, section 7285.0, et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (sections 11135-11139.5) and any state or local regulations adopted to implement any of the foregoing, as such statutes and regulations may be amended from time to time. To the extent this Agreement subcontracts to CONTRACTOR services or works required of LAFCO by the State of California pursuant to agreement between LAFCO and the State, the applicable regulations of the Fair Employment and Housing Commission implementing Government Code section 12990 (a) through (f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are expressly incorporated into this Agreement by reference and made a part hereof as if set forth in full, and CONTRACTOR and any of its subcontractors shall give written notice of their obligations thereunder to labor organizations with which they have collective bargaining or other agreements.

(b) Documentation of Right to Work. CONTRACTOR agrees to abide by the requirements of the Immigration and Control Reform Act pertaining to assuring that all newly-hired employees of CONTRACTOR performing any services under this Agreement have a legal right to work in the United States of America, that all required documentation of such right to work is inspected, and that INS Form 1-9 (as it may be amended from time to time) is completed and on file for each employee. CONTRACTOR shall make the required documentation available upon request to LAFCO for inspection.

(c) Inclusion in Subcontracts. To the extent any of the services required of CONTRACTOR under this Agreement are subcontracted to a third party, CONTRACTOR shall include all of the provisions of this Paragraph in all such subcontracts as obligations of the subcontractor.

18. **Taxes.** CONTRACTOR agrees to file federal and state tax returns or applicable withholding documents and to pay all applicable taxes or make all required withholdings on amounts paid pursuant to this Agreement and shall be solely liable and responsible to make such withholdings and/or pay such taxes and other obligations including, without limitation, state and federal income and FICA taxes. CONTRACTOR agrees to indemnify and hold LAFCO harmless from any liability it may incur to the United States or the State of California as a consequence of CONTRACTOR's failure to pay or withhold, when due, all such taxes and obligations. In the event that LAFCO is audited for compliance regarding any withholding or other applicable taxes or amounts, CONTRACTOR agrees to furnish LAFCO with proof of payment of taxes or withholdings on those earnings.

19. **Access to Records/Retention.** LAFCO, any federal or state grantor agency funding all or part of the compensation payable hereunder, the State Controller, the Comptroller General of the United States, or the duly authorized representatives of any of the above, shall have access to any books, documents, papers, and records of CONTRACTOR which are directly pertinent to the subject matter of this Agreement for the purpose of making audit, examination, excerpts, and transcriptions. Except where longer retention is required by any federal or state law, CONTRACTOR shall maintain all required records for at least seven (7) years after LAFCO makes final payment for any of the work authorized hereunder and all pending matters are closed, whichever is later.

20. **Authority to Contract.** CONTRACTOR and LAFCO each warrant hereby that they are legally permitted and otherwise have the authority to enter into and perform this Agreement.

21. **Conflict of Interest.**

(a) Covenant of No Undisclosed Conflict. The parties to the Agreement acknowledge that they are aware of the provisions of Government Code section 1090, et seq., and section 87100, et seq., relating to conflict of interest of public officers and employees. CONTRACTOR hereby covenants that it presently has no interest not disclosed to LAFCO and shall not acquire any interest, direct or indirect, which would conflict in any material manner or degree with the performance of its services or confidentiality obligation hereunder, except as such as LAFCO may consent to in writing prior to the acquisition by CONTRACTOR of such conflict. CONTRACTOR further warrants that it is unaware of any financial or economic interest of any public officer or employee of County relating to this Agreement. CONTRACTOR agrees that if such financial interest does exist at the inception of this Agreement, LAFCO may terminate this Agreement immediately upon giving written notice without further obligation by LAFCO to CONTRACTOR under this Agreement.

(b) Statements of Economic Interest. CONTRACTOR acknowledges and understands that LAFCO has developed and approved a Conflict of Interest Code as required by state law which requires CONTRACTOR to file with the LAFCO EXECUTIVE OFFICER "assuming office", "annual", and "leaving office" Statements of Economic Interest as a "consultant", as defined in section 18701(a)(2) of Title 2 of the California Code of Regulations, unless it has been determined in writing that CONTRACTOR, although holding a "designated" position as a consultant, has been hired to perform a range of duties so limited in scope as to not be required to fully comply with such disclosure obligation. By executing this Agreement, the

LAFCO Commission hereby determines in writing on behalf of LAFCO that CONTRACTOR has been hired to perform a range of duties so limited in scope as to not be required to comply with such disclosure obligation.

22. **Non-Solicitation of Employees.** Each party agrees not to solicit for employment the employees of the other party who were directly involved in the performance of the services hereunder for the term of this Agreement and a period of six (6) months after termination of this Agreement except with the written permission of the other party, except that nothing in this Paragraph shall preclude either party from publishing or otherwise distributing applications and information regarding that party's job openings where such publication or distribution is directed to the public generally.

23. **Third Party Beneficiaries.** Nothing contained in this Agreement shall be construed to create any rights in third parties and the parties do not intend to create such rights.

24. **Attorney's Fees.** In the event that either party commences legal action of any kind or character to either enforce the provisions of this Agreement or to obtain damages for breach thereof, the prevailing party in such litigation shall be entitled to all costs and reasonable attorney's fees incurred in connection with such action.

25. **Severability.** If any provision of this Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.

26. **Entirety of Contract.** This Agreement, including any documents expressly incorporated by reference whether or not attached hereto, constitutes the entire agreement between the parties relating to the subject of this Agreement and supersedes all previous agreements, promises, representations, understandings, and negotiations, whether written or oral, among the parties with respect to the subject matter hereof.

**IN WITNESS WHEREOF**, this Agreement was executed by the parties hereto as of the date first above written.

NAPA VALLEY TELEVISION

By \_\_\_\_\_  
JAMES RAYMOND, EXECUTIVE DIRECTOR

“CONTRACTOR”

LOCAL AGENCY FORMATION COMMISSION OF  
NAPA COUNTY

By \_\_\_\_\_  
BILL DODD, CHAIR,

“LAFCO”

|  |
|--|
| <p><b>APPROVED AS TO FORM</b><br/>Commission Counsel</p> <p>By:</p> <p>Date:</p> |
|--|

## **EXHIBIT "A"**

### **SCOPE OF WORK**

CONTRACTOR shall provide LAFCO with the following services:

#### **I. DESCRIPTION OF SERVICES**

CONTRACTOR will provide television/video field productions of regular meetings of the LAFCO Commission (regular meetings are typically on the first Monday of every other month, starting at 4:00 pm and usually lasting no more than two hours).

**1. Basic Field Production** for each meeting will be provided. This includes:

- Camera operator services.
- Camera equipment and audio cables necessary to wire into audio system in the LAFCO meeting room (the County of Napa Board of Supervisors Meeting Room located at 1195 Third Street, Napa California).
- All tape stock and expendables (including, but not limited to, tape stock, batteries, etc.)
- Travel of Napa TV staff to and from the LAFCO meeting room.
- Streaming video archive on the Napa Valley TV Granicus web streaming server.
- Basic Field Production does not include post-production.

**2. Optional – Post-Production Services** are available at the request of LAFCO for an additional charge. These services include:

- Development of custom title for opening and closing of each show when airing on TV.
- DVD Duplication of each show for client archive.

**3. Additional Terms:**

The LAFCO Executive Director, or his designee, shall submit via e-mail the dates of LAFCO meetings to be filmed by CONTRACTOR. CONTRACTOR will film only those meetings approved by e-mail. Requests for filming must be made to CONTRACTOR no later than one week before the meeting date. CONTRACTOR is unable to guarantee an available camera operator unless the request is made at least one week before the meeting date. Notice of cancellation or change of meeting dates must be provided by LAFCO to CONTRACTOR at least 72 hours before the scheduled meeting date. Failure to provide timely notice of cancellation or change of meeting dates will result in LAFCO incurring the meeting unit rate for two hours (\$300.00). CONTRACTOR will arrive 30 minutes before each meeting to allow for proper set-up time. CONTRACTOR will use standard lighting provided in the LAFCO meeting room; no additional lighting is included in the Basic Field Production services.

## **EXHIBIT “B”**

### **COMPENSATION AND EXPENSE REIMBURSEMENT**

**Basic Field Production Services**, as described in Exhibit “A”, are provided at the unit rate of \$150.00 per hour. The first two hours will be billed at a non pro-rated hourly charge of \$150.00. Any additional hour will be billed at a pro-rated hourly charge of \$150.00. Billable hours include the reasonable time needed by the CONTRACTOR to set up and pack-up auxiliary equipment.

**Optional Post-Production Services**, as described in Exhibit “A”, are billed as follows:

- Custom title for opening and closing of each meeting (show) when airing on TV - \$25/show
- DVD Duplication of each meeting (show) for client archive - \$20/meeting (show)

**There is no reimbursement for any expenses or expendables (e.g. such as batteries or tape stock).**



# Local Agency Formation Commission of Napa County

Subdivision of the State of California

ATTACHMENT TWO

## FY2011-12 FINAL BUDGET

### Expenses

|                                   |                                 | FY2008-09          |                   | FY2009-10          |                   | FY2010-11          |                     | FY2011-12        |                   |                  |
|-----------------------------------|---------------------------------|--------------------|-------------------|--------------------|-------------------|--------------------|---------------------|------------------|-------------------|------------------|
|                                   |                                 | Adopted<br>FY08-09 | Actual<br>FY08-09 | Adopted<br>FY09-10 | Actual<br>FY09-10 | Adopted<br>FY10-11 | Estimate<br>FY10-11 | Final<br>FY11-12 | <i>Difference</i> |                  |
| <b>Salaries and Benefits</b>      |                                 |                    |                   |                    |                   |                    |                     |                  |                   |                  |
| <u>Account</u>                    | <u>Description</u>              |                    |                   |                    |                   |                    |                     |                  |                   |                  |
| 51100000                          | Regular Salaries                | 168,905.43         | 152,952.55        | 195,580.00         | 193,055.65        | 198,346.60         | 195,006.40          | 199,647.20       | 1                 | 1,300.60         |
| 51300500                          | Group Health Insurance          | 40,148.04          | 21,405.57         | 36,471.00          | 29,210.94         | 37,953.96          | 37,014.89           | 45,648.12        | 2                 | 7,694.16         |
| 51300100                          | Retirement: Pension             | 34,550.93          | 26,282.61         | 34,064.00          | 33,015.37         | 34,991.95          | 33,434.17           | 36,204.85        | 3                 | 1,212.89         |
| 51200500                          | Commissioner Per Diems          | 9,600.00           | 4,400.00          | 9,600.00           | 5,100.00          | 9,600.00           | 5,100.00            | 9,600.00         |                   | -                |
| 51300120                          | Retirement: Non-Pension         | 11,295.00          | 11,296.00         | 8,706.00           | 8,706.00          | 9,138.00           | 9,138.00            | 9,341.00         | 4                 | 203.00           |
| 51300300                          | Medicare                        | 2,826.27           | 2,440.46          | 2,836.00           | 2,657.51          | 2,876.49           | 2,684.71            | 2,894.88         |                   | 18.40            |
| 51301800                          | Cell Phone Allowance            | 840.00             | 845.14            | 840.00             | 843.50            | 840.00             | 840.00              | 840.00           |                   | -                |
| 51301200                          | Workers Compensation            | 149.00             | 149.00            | 168.00             | 168.00            | 226.00             | 226.00              | 327.00           |                   | 101.00           |
| 51200100                          | Extra Help                      | 26,010.00          | 26,283.11         | -                  | -                 | -                  | -                   | -                |                   | -                |
| 51200200                          | Overtime                        | -                  | -                 | -                  | -                 | -                  | -                   | -                |                   | -                |
|                                   |                                 | 294,324.67         | 246,054.44        | 288,265.00         | 272,756.97        | 293,973.00         | 283,444.17          | 304,503.05       |                   | 10,530.05 3.6%   |
| <b>Services and Supplies</b>      |                                 |                    |                   |                    |                   |                    |                     |                  |                   |                  |
| <u>Account</u>                    | <u>Description</u>              |                    |                   |                    |                   |                    |                     |                  |                   |                  |
| 52240500                          | Property Lease                  | 27,000.00          | 27,000.00         | 29,280.00          | 29,280.00         | 29,280.00          | 29,280.00           | 29,280.00        |                   | -                |
| 52180500                          | Legal Services                  | 26,320.00          | 19,129.61         | 24,990.00          | 17,938.31         | 26,010.00          | 16,000.00           | 22,540.00        | 5                 | (3,470.00)       |
| 52180200                          | Information Technology Services | 17,768.00          | 17,768.04         | 22,438.00          | 19,182.50         | 18,438.91          | 17,138.90           | 24,630.83        | 6                 | 6,191.91         |
| 52170000                          | Office Expenses                 | 15,000.00          | 10,916.66         | 15,000.00          | 9,697.20          | 15,000.00          | 10,500.00           | 12,000.00        | 7                 | (3,000.00)       |
| 52180510                          | Audit and Accounting Services   | 7,507.00           | 6,182.37          | 7,883.00           | 7,819.33          | 8,277.15           | 9,000.00            | 8,691.01         | 8                 | 413.86           |
| 52250800                          | Training                        | 4,000.00           | 2,530.53          | 4,000.00           | 5,475.00          | 4,000.00           | 5,000.00            | 4,000.00         |                   | -                |
| 52250000                          | Transportation and Travel       | 4,000.00           | 1,716.91          | 3,500.00           | 4,510.88          | 3,500.00           | 4,500.00            | 3,500.00         |                   | -                |
| 52070000                          | Communications                  | 3,500.00           | 1,720.96          | 3,500.00           | 1,205.16          | 3,500.00           | 1,600.00            | 2,000.00         | 9                 | (1,500.00)       |
| 52150000                          | Memberships                     | 2,200.00           | 2,200.00          | 2,275.00           | 2,200.00          | 2,275.00           | 2,200.00            | 2,275.00         |                   | -                |
| 52190000                          | Publications and Notices        | 1,500.00           | 2,490.22          | 1,500.00           | 1,112.17          | 1,500.00           | 850.00              | 1,500.00         |                   | -                |
| 52235000                          | Special Departmental Purchases  | 56,000.00          | 50,081.73         | 1,000.00           | 1,095.25          | 1,000.00           | 482.50              | 1,000.00         |                   | -                |
| 52251200                          | Private Mileage                 | 1,000.00           | 1,051.07          | 1,000.00           | 533.60            | 1,000.00           | 2,500.00            | 1,000.00         |                   | -                |
| 52243900                          | Filing Fees                     | 850.00             | 300.00            | 850.00             | 250.00            | 850.00             | 500.00              | 850.00           |                   | -                |
| 52250700                          | Meals Reimbursement - Taxable   | -                  | -                 | 500.00             | 588.92            | 500.00             | 300.00              | 500.00           |                   | -                |
| 52100300                          | Insurance: Liability            | 546.00             | 545.00            | 347.00             | 347.00            | 444.00             | 444.00              | 321.00           |                   | (123.00)         |
| 53980200                          | Capital Replacement*            | -                  | -                 | -                  | 3,931.30          | 3,931.40           | 3,931.40            | 3,931.40         |                   | -                |
|                                   |                                 | 167,191.00         | 143,633.10        | 118,063.00         | 105,166.62        | 119,506.46         | 104,226.80          | 118,019.23       |                   | (1,487.23) -1.2% |
| <b>Contingencies and Reserves</b> |                                 |                    |                   |                    |                   |                    |                     |                  |                   |                  |
| <u>Account</u>                    | <u>Description</u>              |                    |                   |                    |                   |                    |                     |                  |                   |                  |
| 54000900                          | Operating Reserve               | 40,651.57          | -                 | 40,632.80          | -                 | -                  | -                   | -                |                   | -                |
| 54001000                          | Consultant Contingency          | 50,000.00          | -                 | 50,000.00          | -                 | -                  | -                   | -                |                   | -                |
|                                   |                                 | 90,651.57          | -                 | 90,632.80          | -                 | -                  | -                   | -                |                   | -                |
| EXPENSE TOTALS                    |                                 | 552,167.24         | 389,687.54        | 496,960.80         | 377,923.59        | 413,479.46         | 387,670.97          | 422,522.28       |                   | 9,042.82 2.2%    |

**Revenues**

|   |                            | FY2008-09          |                   | FY2009-10          |                   | FY2010-11          |                     | FY2011-12         |                              |
|---|----------------------------|--------------------|-------------------|--------------------|-------------------|--------------------|---------------------|-------------------|------------------------------|
|   |                            | Adopted<br>FY08-09 | Actual<br>FY08-09 | Adopted<br>FY09-10 | Actual<br>FY09-10 | Adopted<br>FY10-11 | Estimate<br>FY10-11 | Final<br>FY11-12  |                              |
| <b>Intergovernmental Contributions</b>        |                            |                    |                   |                    |                   |                    |                     |                   |                              |
| <u>Account</u>                                | <u>Description</u>         |                    |                   |                    |                   |                    |                     |                   |                              |
| 45080600                                      | County of Napa             | -                  | 176,382.73        | -                  | 153,965.70        | 178,009.77         | 178,010.00          | <b>191,550.46</b> | <sup>10</sup> 13,540.68      |
| 45082200                                      | City of Napa               | -                  | 119,820.40        | -                  | 105,428.75        | 119,646.81         | 119,647.00          | <b>126,330.35</b> | <sup>11</sup> 6,683.54       |
| 45082400                                      | City of American Canyon    | -                  | 27,179.61         | -                  | 22,010.54         | 27,468.37          | 27,468.00           | <b>32,912.03</b>  | <sup>12</sup> 5,443.65       |
| 45082300                                      | City of St. Helena         | -                  | 12,134.39         | -                  | 11,135.35         | 12,656.54          | 12,657.00           | <b>12,997.37</b>  | <sup>13</sup> 340.83         |
| 45082100                                      | City of Calistoga          | -                  | 9,714.01          | -                  | 8,742.73          | 10,642.45          | 10,642.00           | <b>11,393.34</b>  | <sup>14</sup> 750.89         |
| 45082500                                      | Town of Yountville         | -                  | 7,534.31          | -                  | 6,648.33          | 7,595.60           | 7,596.00            | <b>7,917.37</b>   | <sup>15</sup> 321.77         |
|   |                            | -                  | 352,765.45        | -                  | 307,931.40        | 356,019.55         | 356,020.00          | <b>383,100.91</b> | <sup>15</sup> 27,081.37 7.6% |
| <b>Service Charges</b>                        |                            |                    |                   |                    |                   |                    |                     |                   |                              |
| <u>Account</u>                                | <u>Description</u>         |                    |                   |                    |                   |                    |                     |                   |                              |
| 46003400                                      | Standard Applications Fees | -                  | 16,155.00         | -                  | 18,437.00         | 10,000.00          | 18,632.30           | <b>10,000.00</b>  | -                            |
| 46003300                                      | Special Application Fees   | -                  | 120.00            | -                  | 625.00            | -                  | 2,936.50            | -                 | -                            |
| 48040000                                      | Miscellaneous              | -                  | -                 | -                  | 156.30            | -                  | -                   | -                 | -                            |
|   |                            | -                  | 16,275.00         | -                  | 19,218.30         | 10,000.00          | 21,568.80           | <b>10,000.00</b>  | - 0.0%                       |
| <b>Investments</b>                            |                            |                    |                   |                    |                   |                    |                     |                   |                              |
| <u>Account</u>                                | <u>Description</u>         |                    |                   |                    |                   |                    |                     |                   |                              |
| 44000300                                      | Interest                   | -                  | 10,458.70         | -                  | 3,791.48          | 5,000.00           | 2,340.00            | <b>2,340.00</b>   | (2,660.00)                   |
|   |                            | -                  | 10,458.70         | -                  | 3,791.48          | 5,000.00           | 2,340.00            | <b>2,340.00</b>   | (2,660.00) -53.2%            |
|   | REVENUE TOTALS             | -                  | 379,499.15        | -                  | 330,941.18        | 371,019.55         | 379,928.80          | <b>395,440.91</b> | 24,421.37 6.6%               |
| <b>DIFFERENCE</b>                             |                            | -                  | (10,188.39)       | -                  | (43,051)          | -                  | (7,742)             | (27,081.37)       |                              |
| <b>FUND BALANCE</b>                           |                            |                    |                   |                    |                   |                    |                     |                   |                              |
| <b>Beginning:</b>                             |                            |                    | 222,059.00        |                    | 211,870.61        |                    | 168,819.50          |                   | 161,077.33                   |
| <b>Ending:</b>                                |                            |                    | 211,870.61        |                    | 168,819.50        |                    | 161,077.33          |                   | 133,995.96                   |
| <b>Minimum Three Month Operating Balance:</b> |                            |                    | 138,041.81        |                    | 124,240.20        |                    | 103,369.87          |                   | 105,630.57                   |

**NOTES**

- This account budgets one-part time (Secretary) and two fulltime (Executive Officer and Analyst) employees. The budgeted increase reflects a scheduled merit raise for Analyst Freeman. No cost-of-living adjustments are budgeted in 2011-2012 consistent with the County of Napa's current contract with its bargaining units.
- This account funds the Commission's monthly contribution for employee healthcare and dental insurance costs provided by Kaiser and Delta Dental, respectively. The budgeted increase reflects higher provider premiums with the largest percentage raise tied to an addition to the Executive Officer's health coverage plan.
- This account funds the Commission's monthly contribution for employee retirement benefits managed by CalPers. The budgeted increase is tied to the scheduled merit increase for Analyst Freeman.
- This account funds the Commission's apportionment for post employment benefits, such as retiree health care insurance. These costs are calculated by the County of Napa.
- It is expected the Commission's need for County Counsel in 2011-12 will decrease from 170 to 140 total hours based on recent usage. An approximate 5.0% raise in the hourly rate from \$153 to \$161 is budgeted.
- This account primarily funds network services provided by the County of Napa's Information Technology Services (ITS) Department. This portion of the account is budgeted to increase by 35% as part of countywide increases in ITS expenses tied to software updates. A prior year reporting error also has been identified with respect to increasing the number of LAFCO computers from three to four. Other funds tied to this account remain stagnant and support website hosting and electronic document management costs with contacted vendors.
- This account funds the Commission's regular office supply purchases. A decrease from \$15,000 to \$12,000 is budgeted based on actual recent expenses in this account.
- The budgeted amount anticipates a 5.0% across-the-board increase in hourly rates for the County of Napa Auditor's Office in 2011-12.



**Local Agency Formation Commission of Napa County**  
Subdivision of the State of California

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Napa, California 94559  
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<http://napa.lafco.ca.gov>

**August 1, 2011**  
**Agenda Item No. 5 (Consent)**

July 19, 2011

**TO:** Local Agency Formation Commission  
**FROM:** Kathy Mabry, Secretary  
**SUBJECT:** Approval of Minutes for June 6, 2011

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**A. Discussion and Recommendation**

Attached are summary minutes prepared for the Commission's June 6, 2011 meeting. Staff recommends approval.

Respectfully submitted,

  
Kathy Mabry  
Secretary

Attachment: as stated

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Lewis Chilton, Vice Chair  
Councilmember, Town of Yountville

Joan Bennett, Commissioner  
Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner  
Councilmember, City of Napa

Bill Dodd, Chair  
County of Napa Supervisor, 4th District

Brad Wagenknecht, Commissioner  
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Brian J. Kelly, Commissioner  
Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Keene Simonds  
*Executive Officer*



## LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

### MEETING MINUTES OF JUNE 6, 2011

#### 1. CALL TO ORDER; ROLL CALL

Chair Dodd called the regular meeting of June 6, 2011 to order at 4:01 P.M. At the time of roll call, the following Commissioners and staff were present:

| Regular Commissioners     | Alternate Commissioners | Staff                            |
|---------------------------|-------------------------|----------------------------------|
| Bill Dodd, Chair          | Joan Bennett            | Keene Simonds, Executive Officer |
| Lewis Chilton, Vice Chair | Mark Luce               | Jackie Gong, Commission Counsel  |
| Brad Wagenknecht          | Gregory Rodeno          | Brendon Freeman, Analyst         |
| Juliana Inman             |                         | Kathy Mabry, Secretary           |
| Brian J. Kelly            |                         |                                  |

##### a) Oath of Office for New Terms

- Joan Bennett, Regular City Member
- Juliana Inman, Alternate City Member

Commission Counsel, Jackie Gong, swore into office Joan Bennett, as a Regular City Member and Juliana Inman, as an Alternate City Member for their new four-year terms.

#### 2. PLEDGE OF ALLEGIANCE

Chair Dodd led the Pledge of Allegiance.

#### 3. AGENDA REVIEW

There were no requests to rearrange the agenda.

#### 4. PUBLIC COMMENT

Chair Dodd invited members of the audience to provide public comment. No comments were received.

#### 5. CONSENT ITEMS

##### a) Third Quarter Budget Report for 2010-2011

The Commission reviewed a third quarter budget report for 2010-2011. The report compared budgeted versus actual revenues and expenses through the first nine months of the fiscal year. The report projected the Commission will close its budgeted operating shortfall from (\$42,460) to (\$4,900).

##### b) Amendment to Fiscal Year 2010-2011 Budget and Authorization to Contribute Funds to CALAFCO

The Commission amended its current fiscal year budget to increase its special departmental expense account by \$2,000 and made a related contribution to CALAFCO to fund a mobile workshop as part of the 2011 Annual Conference at the Silverado Resort in Napa.

##### c) Authorization to Approve Audit Expenditure

The Commission considered authorizing the Chair to enter into an agreement with Gallina LLP for the preparation of an independent audit for the 2010-2011 fiscal year at a cost of \$4,725.

**d) Amendment to Support Services Agreement with the County of Napa**

The Commission approved a fifth amendment to its support services agreement with the County of Napa. The proposed amendment establishes the Commission's 2011-2012 annual charge for information technology services from the County in the amount of \$20,261.

**e) Approval of Meeting Minutes**

The Commission approved the minutes prepared by staff for the April 4, 2011 meeting.

**f) Current and Future Proposals**

The Commission received a report summarizing current and future proposals. No new proposals had been submitted since the April 4, 2011 meeting.

**g) CALAFCO Quarterly Report**

The Commission received a report prepared by the California Association of Local Agency Formation Commissions summarizing the Board's actions at its most recent meeting held on April 29, 2011.

Upon motion by Commissioner Kelly and second by Commissioner Bennett, the consent items were approved.

**6. PUBLIC HEARING ITEMS**

**a) Stanly Ranch Annexation to the Napa Sanitation District**

The Commission considered an application from landowners to annex 472 acres of incorporated territory lying in the City of Napa to the Napa Sanitation District (NSD). The underlying purpose of the annexation is to facilitate public sewer to the St. Regis Napa Valley project. Staff recommended approval of the proposal with standard conditions along with adopting an addendum to a previously prepared final environmental impact report. The County of Napa Assessor's Office identifies the 16 subject lots as 047-230-049, 047-230-050, 047-230-051, 047-230-052, 047-230-053, 047-230-054, 047-240-017, 047-240-018, 047-240-019, 047-240-020, 047-240-021, 047-240-022, 047-240-023, 047-240-033, 047-240-034, and 047-240-035.

Chair Dodd opened the public hearing. Beth Painter, Land Use Consultant for the applicant, stated that she has been working with Stanly Ranch for over 10 years on this project. Staff provided an overview of this proposal noting in 2010, the City Council approved a project for 4 of the affected 16 lots to accommodate a 245 unit destination resort to be known as St. Regis. The Council conditioned its approval on the resort annexing into the Napa Sanitation District, explicitly to establish public sewer and parenthetically, it is expected that the resort will also make use of NSD's recycled water service. At the request of the neighboring land owners, 12 additional lots have been to the proposal for a total of 472 acres. As a condition, this annexation would be a placeholder for the neighbors, if they, in the future want to pursue a development project with the City of Napa, then they would have a more expedited path to connecting to the sewer system. The neighbors have agreed to share the \$4 million cost it will take to bring recycled water over from NSD's Soscol Treatment Plant under the Napa River into the Stanly Ranch area. This unique funding promises recycling water gets closer to the Los Carneros area, while the NSD terms & conditions must be met before the annexation can be recorded. Staff noted the land owner, counsel and land consultant were present for questions.

Ms. Painter thanked LAFCO staff for their work on this proposal. She also acknowledged the Napa Sanitation staff has been very cooperative for meeting the terms & conditions regarding recycled water service. Ms. Painter noted that the applicant is required to develop a Master Plan for St. Regis, and that the design of their Master Plan will continue to develop with the NSD. Chair Dodd closed the public hearing.

Commissioner Wagenknecht noted this is an important component for the Carneros region as far as bringing recycled water into the region, and for the residents out there to take part in the recycled water program. Commissioner Kelly complimented all parties involved stating this is a good example of everyone working together.

Upon motion by Commissioner Wagenknecht and second by Commissioner Bennett, the Commission unanimously approved Option One of the staff report (**Resolution #2011-05**).

**b) Final Budget for Fiscal Year 2011-2012**

The Commission considered adopting a final budget setting operating expenses and revenues for the 2011-2012 fiscal year. Staff noted the final budget is substantively identical to a proposed version approved by the Commission in April and subsequently circulated for review. Budgeted expenses total \$422,522; an amount that represents a 2.2% increase over the current fiscal year. Budgeted revenues total \$395,441 with the remaining shortfall (\$27,081) to be covered by drawing down on agency reserves. Changes from April are limited to recalculating the five cities' respective contributions based on recently published general tax revenue and resident population data.

Chair Dodd opened the public hearing. No comments were received. Chair Dodd closed the public hearing.

Upon motion by Commissioner Kelly and second by Commissioner Chilton, the Commission unanimously adopted the final budget for FY 2011-12 (**Resolution #2011-06**).

**c) Amendments to Adopted Fee Schedule**

The Commission considered amendments to its adopted fee schedule to reflect an increase in the composite hourly staff rate from \$107 to \$113. Staff provided a brief review of the proposed amendment and the criteria used in the underlying calculation. Staff also noted the need to correct the draft resolution to read June 6, 2011.

Chair Dodd closed the public hearing. No comments were received. Chair Dodd closed the public hearing.

Upon motion by Commissioner Kelly and second by Commissioner Chilton, the Commission unanimously approved the fee schedule amendment.

**7. ACTION ITEMS**

**a) Amendments to Policy on Outside Service Agreements**

The Commission considered amendments to the agency's *Policy on Outside Service Agreements* to simplify and expedite the process for cities and special districts to request approval. The proposed amendments follow discussion from the April meeting when the Commission defined criteria as it relates to what is a health & safety threat with respect to administering outside service extensions under CA Gov. Code Section 56133. In short, cities and special districts can seek approval to provide services outside the Sphere of Influence under this public health & safety provision as long as the lots are residential in use and adjacent to public rights of ways that have the infrastructure in them. The City of Napa has requested the Commission strike its existing requirement that requires cities and special districts bring with them a resolution from their governing board as part of their application. This request is intended to provide cities & special district that much more flexibility with respect to how they internally choose to go about taking the initial request from the land owner, pivoting and then coming to this Commission for approval. LAFCO's Ad Hoc Committee on Policy & Procedures considered the City's request, deemed it to be non-substantive and brought the suggested word change for Commission consideration today.

Commission Wagenknecht requested clarification on how this process is currently handled, and staff provided a summary. Commissioner Dodd asked if this would be a change in procedure, and staff reported it would not change existing LAFCO procedures, just a ministerial action on the part of a city or district allowing for a less formal process.

Upon motion by Commissioner Wagenknecht and second by Commissioner Chilton, the Commission approved the amendments to the *Policy on Outside Service Agreements*.

**b) Update on Island Annexation Program**

The Commission received an update from Analyst, Brendon Freeman which summarized staff's activities to date in developing an island annexation program aimed at eliminating unincorporated pockets within the City of Napa. Maps of the program areas were referenced and shown on the projection screen for the audience. Staff recommendations include directing staff to: (a) work with the City of Napa and interested landowner in initiating an island annexation for the Easum and Matt Drives area, and (b) prepare and send informational packets to landowners within the nine substantially surrounded islands.

Upon motion by Commissioner Kelly and second by Commissioner Wagenknecht, the Commission approved the staff recommendations listed as Option One in the staff report.

**c) Approval of Meeting Calendar for Second Half of 2011**

The Commission considered approving a meeting calendar for the final six months of 2011. Regular meetings are proposed for August 1<sup>st</sup>, October 3<sup>rd</sup>, and December 5<sup>th</sup>. A special meeting is also proposed for November 7<sup>th</sup> to hold the Commission's biennial workshop. The Commission considered providing direction to staff on topics for the biennial workshop.

Upon motion by Commissioner Bennett and second by Commissioner Chilton, the Commission approved the meeting calendar for the second half of 2011.

**d) California Association of Local Agency Formation Commissions: Annual Conference Items**

The Commission considered appointing voting delegates to represent the agency at CALAFCO's Annual Conference scheduled for August 31-September 2, 2011 at the Silverado Resort in Napa. The Commission nominated Chair Dodd as a delegate as well as Vice-Chair Chilton as a 2<sup>nd</sup> delegate, and Commissioner Inman to Coastal City Seat on the CALAFCO Board of Directors. Analyst Freeman's Municipal Service Review on Lake Berryessa was nominated for project of the year.

Upon motion by Commissioner Kelly and second by Commissioner Chilton, the Commission appointed Chair Dodd and Commissioner Inman to serve as delegate and alternative delegate, respectfully. Commissioner Inman was also nominated for re-election to Coastal City Seat on the CALAFCO Board of Directors. For project of the year achievement award, the Commission agreed to nominate the Municipal Service Review on Lake Berryessa, which was prepared by Staff Analyst Brendon Freeman. The nomination form will be signed by the Chair and sent to CALAFCO.

**8. DISCUSSION ITEMS**

**a) Report on California Forward**

The Commission received a report from staff summarizing the efforts of California Forward (CAFWD) to restructure governance relationships and duties throughout the state, which includes potential changes to the function and task of LAFCOs. The report was presented for discussion. After discussion, the Commission directed staff to return with a draft comment letter for further discussion.

**b) Legislative Report**

The Commission received a report on the first year of the 2011-2012 session of the California Legislature as it relates to bills directly or indirectly effecting Local Agency Formation Commissions. The Commission also received an update on efforts to amend California Government Code Section 56133 which will provide more flexibility to LAFCOs in authorizing new or extended services outside spheres of influence.

**9. EXECUTIVE OFFICER REPORT**

- Report from the CALAFCO 2011 Staff Workshop at the Ventura Marriot, April 6-8, 2011 attended by the Executive Officer and Analyst.
- Planning for the CALAFCO 2011 Annual Conference at the Silverado Resort, August 31-September 2, 2011 to be chaired by Commissioner Inman. Draft provided.
- Countywide Law Enforcement Municipal Services Review - no report given.

**10. CLOSED SESSION**

There was no closed session.

**11. COMMISSIONER COMMENTS; REQUEST FOR FUTURE AGENDA ITEMS**

There was no discussion of this item.

**12. ADJOURNMENT**

The meeting was adjourned at 4:57 p.m. The next regular LAFCO meeting is scheduled for Monday, August 1, 2011 at 4:00 p.m.

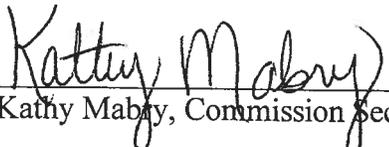
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Bill Dodd, Chair

ATTEST:

Keene Simonds, Executive Officer

Prepared by:

  
Kathy Mabry, Commission Secretary



**Local Agency Formation Commission of Napa County**  
Subdivision of the State of California

1700 Second Street, Suite 268  
Napa, California 94559  
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**August 1, 2011**

**Agenda Item No. 5d (Consent: Information)**

July 26, 2011

**TO:** Local Agency Formation Commission

**FROM:** Keene Simonds, Executive Officer  
Brendon Freeman, Analyst

**SUBJECT: Current and Future Proposals**

The Commission will receive a report summarizing current and future proposals. The report is being presented for information. One new proposal has been submitted since the June 6, 2011 meeting.

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The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 delegates Local Agency Formation Commissions (LAFCOs) with regulatory and planning duties to coordinate the logical formation and development of local governmental agencies. This includes approving or disapproving proposals involving the formation, expansion, merger, and dissolution of cities and special districts.

**A. Information**

There are currently three active proposals on file with LAFCO of Napa County ("Commission"). A summary of these active proposals follows.

**Garfield Lane No. 2 Annexation to Napa Sanitation District**

This application has been submitted by Ralph Lippert to annex 1.3 acres of incorporated territory within the City of Napa to Napa Sanitation District. The affected territory comprises one parcel identified by the County Assessor as 038-160-034 and includes a single-family residence. Due to a failing septic system, the Napa Sanitation District recently requested and the Chair approved as allowed under policy an outside service agreement authorizing the agency to temporarily extend public sewer service to the affected territory while annexation proceedings are completed. The Commission is expected to consider ratifying the Chair's approval of the outside service agreement as part of today's meeting.

**Status:** The Commission will serve as lead agency for the annexation. Accordingly, staff will prepare an initial study assessing the effects of the annexation for public review and comment. Staff anticipates completing the environmental review in time for the Commission to consider the proposal at its October 3, 2011 regular meeting.

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Lewis Chilton, Vice Chair  
Councilmember, Town of Yountville

Joan Bennett, Commissioner  
Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner  
Councilmember, City of Napa

Bill Dodd, Chair  
County of Napa Supervisor, 4th District

Brad Wagenknecht, Commissioner  
County of Napa Supervisor, 1st District

Mark Luce, Alternate Commissioner  
County of Napa Supervisor, 2nd District

Brian J. Kelly, Commissioner  
Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Keene Simonds  
*Executive Officer*

**Silverado Trail/Zinfandel Lane Annexation to the City of St. Helena**

The City of St. Helena proposes the annexation of approximately 100 acres of unincorporated territory located northwest of the intersection of Silverado Trail and Zinfandel Lane. The affected territory consists of one entire parcel and a portion of a second parcel, which are both owned and used by St. Helena to discharge treated wastewater from an adjacent treatment plant through a spray irrigation system. Both subject parcels are located outside the City's sphere of influence. Rather than request concurrent amendment, St. Helena is proposing only the annexation of a portion of the second parcel to ensure the affected territory is non-contiguous to its incorporated boundary and therefore eligible for annexation under Government Code Section 56742. This statute permits a city to annex non-contiguous land it owns and uses for municipal purposes without consistency with its sphere of influence. However, if sold, the statute requires the land be automatically detached. The two subject parcels are identified by the County Assessor as 030-240-017 (portion) and 030-250-018.

Status: Staff has completed its review of the proposal. St. Helena has filed a request with the Commission to delay consideration of the proposal in order to explore a separate agreement with the County to extend the current Williamson Act contract associated with the affected territory.

**Formation of the Villa Berryessa Water District**

This application has been submitted by Miller-Sorg Group, Inc. The applicant proposes the formation of a new special district under the California Water District Act. The purpose in forming the new special district is to provide public water and sewer services to a planned 100-lot subdivision located along the western shoreline of Lake Berryessa. A tentative subdivision map for the underlying project has already been approved by the County. The County has conditioned recording the final map on the applicants receiving written approval from the United States Bureau of Reclamation to construct an access road and intake across federal lands to receive water supplies from Lake Berryessa. Based on their own review of the project, the Bureau is requesting a governmental agency accept responsibility for the construction and perpetual operation of the water and sewer systems serving the subdivision.

Status: Staff is currently awaiting a response to an earlier request for additional information from the applicant.

There are no specific proposals expected to be submitted to the Commission in the immediate future.

**B. Commission Review**

The Commission is invited to discuss any of the proposals identified in this report.

Attachments: none



**Local Agency Formation Commission of Napa County**  
Subdivision of the State of California

1700 Second Street, Suite 268  
Napa, California 94559  
Telephone: (707) 259-8645  
Facsimile: (707) 251-1053  
<http://napa.lafco.ca.gov>

**August 1, 2011**

**Agenda Item No. 5e (Consent/Information)**

July 25, 2011

**TO:** Local Agency Formation Commission

**FROM:** Keene Simonds, Executive Officer

**SUBJECT: CALAFCO Quarterly Report**

The Commission will receive a report prepared by the California Association of Local Agency Formation Commissions summarizing the Board's actions at its most recent meeting held on June 24, 2011.

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**A. Information**

The California Association of Local Agency Formation Commissions (CALAFCO) recently adopted a new strategic plan. The strategic plan includes a goal of maintaining enhanced communication with member agencies. This includes providing a brief summary of the Board's actions following each meeting. A report on the Board's action from its most recent meeting held in Sacramento on June 24, 2011 is attached.

**B. Commission Review**

The Commission is invited to review and discuss the attached report as needed.

Attachments: as stated

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Lewis Chilton, Vice Chair  
Councilmember, Town of Yountville

Joan Bennett, Commissioner  
Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner  
Councilmember, City of Napa

Bill Dodd, Chair  
County of Napa Supervisor, 4th District

Brad Wagenknecht, Commissioner  
County of Napa Supervisor, 1st District

Mark Luce, Alternate Commissioner  
County of Napa Supervisor, 2nd District

Brian J. Kelly, Commissioner  
Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Keene Simonds  
*Executive Officer*

# News from the Board of Directors

## CALAFCO QUARTERLY

July 2011



### About the Quarter

The CALAFCO Board of Directors met in Sacramento on Friday, June 24<sup>th</sup>. Among the major actions was adopting a FY 2011-12 Association budget and an intensive review of LAFCo-related legislation.

### Legislative Actions

CALAFCO-supported or sponsored bills continue to make positive progress in the legislative process. Most important is **AB 1430**, the Assembly Omnibus bill which makes a major – and long overdue – update of the definition sections in Cortese-Knox-Hertzberg. The bill was then amended several times in late June with minor changes as a result of discussions with Committee staff. The bill passed the Senate Governance & Finance Committee on the consent agenda on 29 June and headed for the Senate floor consent agenda. It is expected to pass the Senate and the Assembly on concurrence. This bill will result in much clearer and current definitions in the Act.

CALAFCO continues support of **AB 54** (Solario) which will require mutual water companies to respond to LAFCo requests for MSR information and to provide LAFCo with maps of their service areas. The bill is currently in the Senate. It passed Senate Environmental Quality unopposed and has one more policy committee before going to the floor.

CALAFCO also supports:

- ◆ **AB 912** (Gordon) which under certain circumstances will allow LAFCo to dissolve a special district without a protest or election. It is currently on the Senate floor consent agenda.
- ◆ **AB 1265** (Nielsen) which will provide counties and landowners a bridging option to maintain Williamson Act contracts. It is in Senate Appropriations.
- ◆ **SB 436** (Kehoe) which will allow a local agency to provide funds to certain non-profits for acquisition of lands or easements to satisfy mitigation obligations. The bill is under consideration in Assembly policy committees.

The Board deliberated again on **SB 244** (Wolk) – Disadvantaged Communities. It was significantly amended in June with all of the CALAFCO-proposed amendments. Among other things it now provides LAFCo discretion to determine the size of disadvantaged unincorporated communities (DUC), allows LAFCo to determine whether to study or recommend alternative service delivery options, and changed ‘adjacent’ to ‘contiguous.’ The bill also adds a requirement that any annexation of undeveloped land to a city which is contiguous to a DUC must also include a separate application to annex the DUC. LAFCo, however, has discretion to determine the size of an undeveloped annexation that would trigger the DUC

application. While SB 244 still imposes an unfunded mandate on LAFCo, the requirements have been significantly reduced and flexibility has been added for LAFCo implementation. CALAFCO testified that it remained concerned about the unfunded mandate, however its objections to the bill were removed. The bill has received bipartisan support and passed Assembly policy committees with little objection or opposition.

CALAFCO maintains an oppose position on **SB 46** (Correa) which would add duplicative and costly compensation disclosure requirements on all local agencies, including LAFCo.

CALAFCO is currently tracking 29 bills that may affect members. A legislative report – updated daily – is available in the member’s section of the website.

### Board Adopts 2011-12 Budget

The Board adopted a FY 2011-12 “status quo” budget which includes \$348,870 in expenses and \$341,420 in revenues. The budget maintains Association services with some small reductions in print publications. Nearly 40% of the revenues and expenses are conference and workshop related. Because of the uncertainty in attendance the Board takes a conservative approach in budgeting. Nonetheless, the proposed budget showed a negative balance of \$7,450. This is a result of three years of no dues increases and five years of no increases to conference registration fees. After considering several options, the Board chose to fund the difference out of reserves. CALAFCO currently has \$100,754 in reserves, which the Board established seven years ago just for these situations. The budget takes into account some increases in costs for rent and contracts, but essentially makes few changes from the current year. It maintains funding for a new website which is anticipated to be debuted at the conference.

### Anticipation Grows for 2011 Conference

The Board heard about the exciting sessions, mobile workshop and other activities planned for the 2011 Conference in Napa from conference chair Juliana Inman. Under the theme *Exploring New Boundaries* highlighted speakers include: Bill Fulton, John Knox and Michael Colantuono. An outstanding, “Sustaining Agriculture” mobile workshop is planned along with the first ever CALAFCO Open Golf Tournament. Several upcoming deadlines were discussed by the Board:

- ◆ 20 July – Last day for Achievement Award Nominations
- ◆ 31 July – Last day for Silverado Hotel Reservations at CALAFCO rates
- ◆ 1 August – Last day for reduced ‘early bird’ conference registration rate
- ◆ 2 August – Last day for CALAFCO Board of Directors nominations



**Local Agency Formation Commission of Napa County**  
Subdivision of the State of California

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**August 1, 2011**  
**Agenda Item No. 6a (Public Hearing)**

July 25, 2011

**TO:** Local Agency Formation Commission

**FROM:** Keene Simonds, Executive Officer  
Brendon Freeman, Analyst

**SUBJECT: Ratification of an Outside Service Agreement Approval for the Napa Sanitation District Involving 48 Garfield Lane in the City of Napa**

The Commission will consider ratifying an outside service agreement approved by the Chair authorizing the Napa Sanitation District to provide temporary public sewer service to 48 Garfield Lane in Napa to address a public health threat. Staff recommends ratification approval along with waiving the application fee due to special circumstances.

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Local Agency Formation Commissions (LAFCOs) are responsible under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 to regulate the formation and development of local governmental agencies and their municipal services. This includes approving or disapproving requests from cities and special districts to provide new or extended municipal services outside their jurisdictional boundaries under California Government Code (G.C.) Section 56133. LAFCOs are authorized to condition approval for outside service agreements as long as the terms do not directly regulate land uses.

**A. Background**

LAFCO of Napa County (“Commission”) received a written request on June 22, 2011 from the Napa Sanitation District (NSD) to approve an outside service agreement to allow the agency to immediately extend new public sewer service to a single-family residence located at 48 Garfield Lane in the City of Napa. The single-family residence lies entirely within NSD’s sphere of influence. The single-family residence is part of an approximate 1.3 acre lot and is 1,500 square feet in size with two bedrooms built in 1950.

As allowed under Commission policy, Chair Dodd conditionally approved the outside service agreement request on June 24<sup>th</sup> upon receipt of documentation stating the septic system serving the residence had failed, creating an urgent public health threat. The Chair’s approval was conditioned – as requested by NSD – on the landowner first submitting an application with the Commission to annex the entire lot. This condition was satisfied on July 1<sup>st</sup> and the landowner officially connected his residence on July 14<sup>th</sup>.

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Lewis Chilton, Vice Chair  
Councilmember, Town of Yountville

Bill Dodd, Chair  
County of Napa Supervisor, 4th District

Brian J. Kelly, Commissioner  
Representative of the General Public

Joan Bennett, Commissioner  
Councilmember, City of American Canyon

Brad Wagenknecht, Commissioner  
County of Napa Supervisor, 1st District

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Juliana Inman, Alternate Commissioner  
Councilmember, City of Napa

Mark Luce, Alternate Commissioner  
County of Napa Supervisor, 2nd District

Keene Simonds  
Executive Officer

The outside service agreement between NSD and the landowner of 48 Garfield Lane (Ralph Lippert) expires on January 1, 2012. The outside service agreement is intended to be succeeded through the referenced annexation of the entire affected lot. (The annexation is expected to be presented to the Commission for consideration as early as its October 3<sup>rd</sup> meeting.) In the interim, Commission policy requires the Chair's approval be ratified by the Commission at the next regular meeting as part of a public hearing.



## **B. Discussion**

### ***Agency Profile***

NSD was formed in 1945 as a dependent enterprise district to provide public sewer service for the City and the surrounding unincorporated area. NSD presently provides sewer service to most of the City along with several surrounding unincorporated areas, including Silverado, Napa State Hospital, and the Napa County Airport. NSD currently serves 31,283 residential customers with an estimated resident service population of 81,961.<sup>1</sup>

NSD's current operating budget is \$19.462 million.<sup>2</sup> NSD anticipates collecting \$24.848 million in general revenues resulting in a year-end operating surplus/deficit of \$5.386 million. Moreover, NSD's undesignated fund balance as of the beginning of the fiscal year totaled \$3.119 million and available for use in operations or on capital. This amount is sufficient to cover nearly three months of operating expenses.<sup>3</sup>

### ***Request Purpose***

The purpose of the approval request before the Commission is to authorize new public sewer service to an existing single-family residence occupying the affected territory in a manner responsive to local conditions and statutory requirements. As mentioned, the septic system serving the residence failed, creating an urgent threat to public health as verified by County Environmental Management. As a temporary measure, the landowner has entered into an outside service agreement with NSD to allow immediate connection to the agency's public sewer system given annexation proceedings take a minimum of three months to process before Commission consideration. Permanent public sewer service is intended to

<sup>1</sup> The resident service projection based on the 2011 California Department of Finance population per household estimate (2.62) assigned to Napa County and multiplied by the number of residential sewer connections within NSD (31,283). NSD also serves 4,182 non-residential customers, including industrial and commercial users.

<sup>2</sup> The adopted operating expense amount is divided between operating expenses (\$12.743 million), debt service (\$2.750 million), and transfer to the capital projects fund (\$3.967 million).

<sup>3</sup> Calculation based on NSD's adopted annual operating expense for 2011-12 in the amount of \$12.743 million.

be established through a separate annexation process. An annexation application has been submitted by the landowner and is expected to be presented to the Commission at its next regular meeting subject to completing the necessary environmental review as lead agency.

## **C. Analysis**

### ***Outside Service Agreement***

G.C. Section 56133 requires cities and special districts to request and receive written approval from LAFCO before entering into agreements to provide new or extended services outside their jurisdictional boundaries. LAFCOs are delegated broad discretion in considering outside service extensions with the caveat of complying with two geographic requirements. First, LAFCO may only approve outside service extensions within the affected agency's sphere of influence in anticipation of a future annexation. Second, LAFCO may only approve outside service extensions beyond an agency's sphere of influence to respond to an existing or impending public health or safety threat.

#### ***Required Factors for Review***

Commission policy requires it to consider three specific factors in reviewing outside service agreement approval requests. An analysis of all three factors as it relates to the outside service agreement between NSD and the landowners of the affected territory is included in Chair Dodd's letter of approval, which is attached for Commission review. This analysis is incorporated into this staff report for purposes of the Commission considering the ratification of the Chair's approval.

#### ***Environmental Review***

Discretionary actions by public agencies are subject to the California Environmental Quality Act (CEQA) any time an underlying activity will result in a direct or indirect physical change to the environment. A lead agency has the principal responsibility for carrying out or approving the underlying activity consistent with the provisions of CEQA. This includes determining whether the underlying activity qualifies as a "project." If the activity is determined to be a project, the lead agency must determine if an exemption applies or if additional environmental review is needed, such as preparing an initial study. A responsible agency is accountable for approving an associated aspect of the underlying activity and must rely on the lead agency's determination in making its own CEQA finding.

NSD serves as the lead agency given it is principally responsible for approving the underlying activity: extending sewer service to the affected territory. NSD has determined this activity is a project under CEQA, but qualifies for an exemption from further review under Public Resources Code Section 21080(b)(4). The statute provides categorical exemptions for "specific actions necessary to prevent or mitigate an emergency." The Commission serves as responsible agency. Staff believes NSD has

made an adequate determination the underlying activity is categorically exempt from further review given it mitigates a public health threat.

### ***Waiver of Application Fee***

The Commission's adopted fee schedule states the application fee for processing a request to approve an outside service agreement is \$2,568. The Commission is statutorily authorized to waive any fee if it finds the payment would be detrimental to the public interest. With this in mind, the Commission may consider waiving the fee for considering approval of the outside service agreement given the pending annexation proposal associated with the affected territory, which includes its own fee of \$4,494.

Staff believes it would be appropriate for the Commission to waive the \$2,568 application fee tied to the request to approve the outside service agreement. Collecting the fee would - arguably - be detrimental to the public by incentivizing other applicants to continue to use a failing septic system rather than seek an outside service agreement approval as a temporary measure until annexation proceedings can be completed.

### **D. Alternatives for Commission Action**

Staff has identified the following alternative actions for Commission consideration.

- Option One:** Adopt the draft resolution identified as Attachment Four ratifying the Chair's approval of the outside service agreement and waiving the application fee.
- Option Two:** Adopt the draft resolution identified as Attachment Five ratifying the Chair's approval of the outside service agreement without waiving the application fee.
- Option Three:** Continue consideration of the outside service agreement approval request to the next regular meeting.
- Option Four:** Deny ratification approval of the outside service agreement. Denial would necessitate NSD discontinue service immediately.

### **E. Recommendation**

Staff recommends the Commission proceed with Option One as outlined in the preceding section.

Respectfully submitted,

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Keene Simonds  
Executive Officer

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Brendon Freeman  
Analyst

Attachments:

- 1) NSD Application Materials
- 2) Letter from County of Napa Environmental Management
- 3) Chair Dodd's Letter Approving the Outside Service Agreement
- 4) Draft Resolution Ratifying Approval While Waiving Application Fee (Option One)
- 5) Draft Resolution Ratifying Approval Without Waiving Application Fee (Option Two)

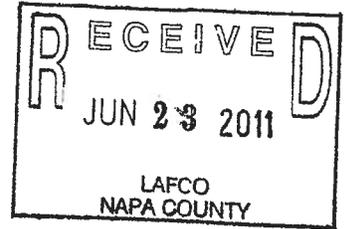


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Dedicated to Preserving the Napa River for Generations to Come

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June 22, 2011



Mr. Keene Simonds  
Executive Officer  
Local Agency Formation Commission of Napa County  
1700 Second Street, Suite 268  
Napa, CA 94559

**SUBJECT:** Outside Service Agreement Application  
48 Garfield Lane (APN 038-160-034)

Dear Mr. Simonds:

The Napa Sanitation District (NSD) requests conditional approval from the Local Agency Formation Commission (LAFCO) of Napa County to enter into an outside service agreement with the landowner at 48 Garfield Lane (APN 038-160-034) in the City of Napa pursuant to Government Code Section 56133. The affected territory currently consists of a single-family residence. The purpose of the outside service agreement is to expedite the connection to NSD's public sewer line given the single-family residence's septic system has failed as documented by the County of Napa Environmental Management Department. NSD requests LAFCO condition approval of the outside service agreement on the subject landowner first submitting an application to annex the affected territory into NSD.

If you have further questions, please contact me.

Sincerely,

Timothy B. Healy, P.E.  
General Manager/District Engineer

Attachments: Outside Service Agreement Application



**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY**

**APPLICATION  
OUTSIDE SERVICE AGREEMENT**

**A. Applicant Information**

- 1) Agency Name: NAPA SANITATION DISTRICT
- 2) Contact Person and Title: ANDREW DAMRON, ASSOCIATE ENGINEER
- 3) Contact Information: 707.258.6000 x507 adamron@napasan.com  
Telephone E-Mail
- 4) Mailing Address: 935 HARTLE CT NAPA CA 94559  
Address City, State, Zip Code

**B. Type of Outside Service Agreement**

- 1) New  Extended
- 2) Water  Sewer  Other: \_\_\_\_\_

**C. Location of Territory to be Served**  
(attach additional sheets if necessary)

- 1) Assessor Parcel Number: 038-160-034 (48 GARFIELD LN)  
Size: 1.33 AC Current Use: RESIDENTIAL
- 2) Assessor Parcel Number: \_\_\_\_\_  
Size: \_\_\_\_\_ Current Use: \_\_\_\_\_
- 3) Assessor Parcel Number: \_\_\_\_\_  
Size: \_\_\_\_\_ Current Use: \_\_\_\_\_

**D. Service Information**

- 1) Describe how the agency would provide the proposed new or extended service to the subject territory. Please identify any necessary infrastructure or facility improvements and associated funding requirements necessary to provide service to the subject territory.

PARCEL FRONTS GARFIELD LANE. THERE IS  
AN EXISTING 10-INCH SEWER MAIN IN GARFIELD  
LANE. A PUBLIC (STREET) LATERAL AND SEWER  
CLEANOUT WERE CONSTRUCTED FOR THE PARCEL  
DURING CONSTRUCTION OF "OLD VINE WAY" SUBDIVISION.

- 2) If the proposed new or extended service involves water or sewer, identify the anticipated demand in terms of use (i.e., gallons) associated with serving the subject territory.

1 SINGLE-FAMILY HOME = 210 GAL / DAY

- 3) Does the agency have sufficient capacities to provide the proposed new or extended service to the subject territory without adversely effecting existing service levels?

YES

- 4) What services, if any, are currently provided to the subject territory?

NONE BY NAPA SANITATION DISTRICT.

**E. Additional Information**

- 1) Identify the subject territory's land use designation and zoning standard along with the minimum parcel density requirements.

GENERAL PLAN = SFR - 33C

ZONING = RS 5

- 2) Are there any proposed or approved, but not yet built, development projects involving the subject territory?

Yes  No

If yes, describe the proposed projects or the approved permits/land use entitlements.

NONE KNOWN AT THIS TIME.

- 3) The Commission's action regarding this request by the agency to provide new or extended services outside its jurisdictional boundary is subject to the requirements of the California Environmental Quality Act (CEQA). Has the agency conducted any CEQA reviews for any projects associated with this application?

Yes  No

If yes, please provide copies of the environmental documentation, including the Notice of Exemption or Notice of Determination as well as proof of payment of applicable California Department of Fish & Game fees.

- 4) Is the subject territory located within the agency's sphere of influence?

Yes  No

If no, please identify whether there is an existing or future threat to public health and safety or to the residents in support of the application.

ATTACHMENT TWO



A Tradition of Stewardship  
A Commitment to Service

**Environmental Management**

1195 Third Street, Suite 101  
Napa, CA 94559  
www.co.napa.ca.us

Main: (707) 253-4471  
Fax: (707) 253-4545

**Steven Lederer**  
Director

**MEMORANDUM**

|   |   |
|---|---|
| <b>To:</b> Local Agency Formation Commission of Napa County, Brendon Freeman, Analyst | <b>From:</b> Kim Withrow, Senior Environmental Health Specialist  |
| <b>Date:</b> July 18, 2011  | <b>Re:</b> Application for Garfield Lane No. 2 Annexation to the Napa Sanitation District<br>Located at 48 Garfield Lane, Napa<br>Assessor Parcel # 038-160-034 |

This Department recommends approval of the application for annexation and has no comment or conditions to include. A permit to destroy the existing septic tank upon connection to Napa Sanitation District has been obtained and the tank destruction was inspected by a representative of this Department.

Cc: Ralph Lippert, 48 Garfield Lane, Napa, CA 94558

ATTACHMENT THREE



Local Agency Formation Commission of Napa County  
Subdivision of the State of California

1700 Second Street, Suite 268  
Napa, California 94559  
Telephone: (707) 259-8645  
Facsimile: (707) 251-1053  
<http://napa.lafco.ca.gov>

June 24, 2011

**Delivered by Electronic Mail**

Mr. Tim Healy, General Manager  
Napa Sanitation District  
935 Hartle Court  
Napa, California 94559  
[thealy@napasan.com](mailto:thealy@napasan.com)

**SUBJECT: Emergency Approval of an Outside Service Agreement:  
48 Garfield Lane, Napa, California (038-160-034)**

Mr. Healy

The Local Agency Formation Commission (LAFCO) of Napa County is in receipt of Napa Sanitation District's (NSD) request to approve an outside service agreement between NSD and the landowner of 48 Garfield Lane in the City of Napa. As noted in the associated application materials, the affected territory includes a single-family residence currently dependent on an onsite septic system to hold and discharge sewage. Importantly, as documented by Napa Septic Tank Services, the septic system has failed and poses an immediate threat to public health (letter attached).

As allowed under LAFCO policies, I conditionally authorize NSD to enter into an outside service agreement with the landowner of 48 Garfield Lane for purposes of abating the referenced threat to public health and safety. This authorization is conditioned – as requested by NSD – on the landowner first submitting an application with the LAFCO Executive Officer to annex the affected territory to the District. Please note authorization is specific to only serving the current residence located at 48 Garfield Lane and is also made in conjunction with considering the following factors:

- **The ability of the applicant to extend the subject service to the affected land.**

NSD's application materials provide reasonable assurances it has sufficient capacities, resources, and controls to effectively extend public sewer service to the affected territory without adversely impacting current customers.

---

Lewis Chilton, Vice Chair  
Councilmember, Town of Yountville

Joan Bennett, Commissioner  
Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner  
Councilmember, City of Napa

Bill Dodd, Chair  
County of Napa Supervisor, 4th District

Brad Wagenknecht, Commissioner  
County of Napa Supervisor, 1st District

Mark Luce, Alternate Commissioner  
County of Napa Supervisor, 2nd District

Brian J. Kelly, Commissioner  
Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Keene Simonds  
*Executive Officer*

- **The application's consistency with the policies and general plans of all affected local agencies.**

The extension of public sewer service to the affected territory is consistent with LAFCO's adopted sphere of influence for NSD as well as the urban land use assignments applied to the land by the City of Napa.

- **The application's effect on growth and development within and adjacent to the affected territory.**

The affected land comprises one residential lot currently developed with a single-family residence. The City of Napa's zoning standard would permit the affected land to be further divided. Any further extension of sewer service to accommodate new lots would require additional approvals.

LAFCO Executive Officer Keene Simonds will contact you once the referenced condition has been satisfied. In the interim, if you have any questions, please contact Mr. Simonds at (707) 259-8645 or by e-mail at [ksimonds@napa.lafco.ca.gov](mailto:ksimonds@napa.lafco.ca.gov).

Sincerely,



Bill Dodd  
Chair

Attachment: as stated

cc: Ralph Lippert, 48 Garfield Lane, Landowner  
Sid Chaudhary, Landowner Representative

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION OF THE  
LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
MAKING DETERMINATIONS**

**RATIFICATION OF AN OUTSIDE SEWER SERVICE AGREEMENT REQUEST APPROVAL FOR THE NAPA SANITATION DISTRICT INVOLVING 48 GARFIELD LANE IN THE CITY OF NAPA**

**WHEREAS**, the Local Agency Formation Commission of Napa County, hereinafter referred to as the “Commission,” administers California Government Code Section 56000 et. seq., known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

**WHEREAS**, the Commission is responsible for authorizing cities and special districts to enter into outside service agreements in accordance with California Government Code Section 56133; and

**WHEREAS**, the Commission received an application from the Napa Sanitation District requesting the approval of an outside sewer service agreement involving territory located at 48 Garfield Lane in the City of Napa, identified by the County of Napa Assessor’s Office as 038-160-034, hereinafter referred to as the “proposal”; and

**WHEREAS**, Commission policy allows the Chair to approve an outside service agreement approval to address an urgent public health threat subject to later ratification by the Commission; and

**WHEREAS**, the Chair conditionally approved the proposal on June 24, 2011 given documentation showing the septic system serving the affected territory had failed, creating a public health threat; and

**WHEREAS**, the Chair’s condition of approval for the outside service agreement proposal required the subject landowner to file a proposal with the Commission seeking annexation of the affected territory to the Napa Sanitation District; and

**WHEREAS**, the Chair’s condition of approval for the outside service agreement proposal was satisfied on July 1, 2011; and

**WHEREAS**, the Executive Officer prepared and presented a written report on the outside service agreement proposal to the Commission in the manner provided by law and adopted policy for purposes of considering ratification of the Chair’s approval; and

**WHEREAS**, the Commission heard and fully considered all the evidence presented on the outside service agreement proposal at a public hearing held on August 1, 2011.

 **DRAFT**

**NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE, DETERMINE, AND ORDER** as follows:

1. In accordance with the applicable provisions of the California Environmental Quality Act (CEQA), the Commission certifies it has considered the determination by the Napa Sanitation District, lead agency under CEQA, that the proposal is categorically exempt from further review under Public Resources Code Section 21080(b)(4). The statute provides categorical exemptions for "specific actions necessary to prevent or mitigate an emergency." Based on its own independent analysis, the Commission finds the Napa Sanitation District has made an adequate determination the underlying activity is categorically exempt from further review given it mitigates a public health threat. The records upon which these findings are made are located at the Commission's administrative office located at 1700 Second Street, Suite 268, Napa, California.
2. The Commission ratifies the Chair's outside service agreement proposal approval.
3. The Commission waives the application fee on the basis payment would be detrimental to the public interest pursuant to California Government Code Section 56383(d).

The foregoing resolution was duly and regularly adopted by the Commission at a regular meeting held on August 1, 2011, by the following vote:

AYES:           Commissioners       \_\_\_\_\_

NOES:           Commissioners       \_\_\_\_\_

ABSTAIN:       Commissioners       \_\_\_\_\_

ABSENT:        Commissioners       \_\_\_\_\_

ATTEST:        Keene Simonds  
                  Executive Officer

Recorded by: \_\_\_\_\_  
                  Kathy Mabry  
                  Commission Secretary

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION OF THE  
LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
MAKING DETERMINATIONS**

**RATIFICATION OF AN OUTSIDE SEWER SERVICE AGREEMENT REQUEST APPROVAL FOR  
THE NAPA SANITATION DISTRICT INVOLVING 48 GARFIELD LANE IN THE CITY OF NAPA**

**WHEREAS**, the Local Agency Formation Commission of Napa County, hereinafter referred to as the “Commission,” administers California Government Code Section 56000 et. seq., known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

**WHEREAS**, the Commission is responsible for authorizing cities and special districts to enter into outside service agreements in accordance with California Government Code Section 56133; and

**WHEREAS**, the Commission received an application from the Napa Sanitation District requesting the approval of an outside sewer service agreement involving territory located at 48 Garfield Lane in the City of Napa, identified by the County of Napa Assessor’s Office as 038-160-034, hereinafter referred to as the “proposal”; and

**WHEREAS**, Commission policy allows the Chair to approve an outside service agreement approval to address an urgent public health threat subject to later ratification by the Commission; and

**WHEREAS**, the Chair conditionally approved the proposal on June 24, 2011 given documentation showing the septic system serving the affected territory had failed, creating a public health threat; and

**WHEREAS**, the Chair’s condition of approval for the outside service agreement proposal required the subject landowner to file a proposal with the Commission seeking annexation of the affected territory to the Napa Sanitation District; and

**WHEREAS**, the Chair’s condition of approval for the outside service agreement proposal was satisfied on July 1, 2011; and

**WHEREAS**, the Executive Officer prepared and presented a written report on the outside service agreement proposal to the Commission in the manner provided by law and adopted policy for purposes of considering ratification of the Chair’s approval; and

**WHEREAS**, the Commission heard and fully considered all the evidence presented on the outside service agreement proposal at a public hearing held on August 1, 2011.

 **DRAFT**

**NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE, DETERMINE, AND ORDER** as follows:

1. In accordance with the applicable provisions of the California Environmental Quality Act (CEQA), the Commission certifies it has considered the determination by the Napa Sanitation District, lead agency under CEQA, that the proposal is categorically exempt from further review under Public Resources Code Section 21080(b)(4). The statute provides categorical exemptions for “specific actions necessary to prevent or mitigate an emergency.” Based on its own independent analysis, the Commission finds the Napa Sanitation District has made an adequate determination the underlying activity is categorically exempt from further review given it mitigates a public health threat. The records upon which these findings are made are located at the Commission’s administrative office located at 1700 Second Street, Suite 268, Napa, California.
  
2. The Commission ratifies the Chair’s outside service agreement proposal approval subject to the following conditions.
  - (a) Receipt of an application fee made payable to “LAFCO of Napa County” in the amount of \$2,568.00. Payment must be received within 70 days of approval unless extended by the Commission.

The foregoing resolution was duly and regularly adopted by the Commission at a regular meeting held on August 1, 2011, by the following vote:

AYES:           Commissioners       \_\_\_\_\_

NOES:           Commissioners       \_\_\_\_\_

ABSTAIN:       Commissioners       \_\_\_\_\_

ABSENT:        Commissioners       \_\_\_\_\_

ATTEST:        Keene Simonds  
                  Executive Officer

Recorded by: \_\_\_\_\_  
                  Kathy Mabry  
                  Commission Secretary



**Local Agency Formation Commission of Napa County**  
Subdivision of the State of California

1700 Second Street, Suite 268  
Napa, California 94559  
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**August 1, 2011**  
**Agenda Item No. 7a (Action)**

July 25, 2011

**TO:** Local Agency Formation Commission

**FROM:** Ad Hoc Committee on Policies and Procedures (Luce, Rodeno, and Simonds)

**SUBJECT: Adoption of Policy on Records Retention and Destruction**

The Commission will review a draft policy establishing standards with respect to managing, retaining, and, if authorized, destroying agency records. The draft policy is being presented to the Commission for adoption.

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Local Agency Formation Commissions (LAFCOs) are responsible for retaining records for activities and actions tied to administering their regulatory and planning responsibilities codified under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”). Most notably, this includes retaining and safeguarding records relating to the formation, expansion, and reorganization of cities and special districts in California. CKH does, however, permit LAFCOs to destroy original and duplicative records subject to certain preconditions outlined under California Government Code (G.C.) Section 56382.

**A. Background**

LAFCO of Napa County (“Commission”) has historically retained all agency records in their original paper form. Agency records are generally divided into four broad categories: (a) administrative; (b) meeting; (c) regulatory; and (d) planning. The Commission currently retains approximately three-fourths of its agency records in file cabinets located at its administrative office. The Commission’s remaining agency records are located offsite at the County of Napa’s storage facility located at 994 Kaiser Road.

In 2009, following a formal procurement process, the Commission contracted with Incrementum (Los Angeles, California) to design, implement, and maintain an electronic document management system (EDMS) using Laserfiche software. Markedly, EDMS allows the Commission to expeditiously capture, index, search, retrieve, and distribute agency records from a secured network server. Staff is responsible for all digital archiving, and as of date, nearly 70 proposals dating back to 2000 have been entered into the EDMS. As a security measure, staff also performs monthly backup to the EDMS by copying the archived data onto digital discs stored in a fire-resistant safe at the administrative office.

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Lewis Chilton, Vice Chair  
Councilmember, Town of Yountville

Joan Bennett, Commissioner  
Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner  
Councilmember, City of Napa

Bill Dodd, Chair  
County of Napa Supervisor, 4th District

Brad Wagenknecht, Commissioner  
County of Napa Supervisor, 1st District

Mark Luce, Alternate Commissioner  
County of Napa Supervisor, 2nd District

Brian J. Kelly, Commissioner  
Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Keene Simonds  
*Executive Officer*

## **B. Discussion**

The Ad Hoc Committee on Policies and Procedures, consistent with its directive to review and make related recommendations, believes the establishment of the Commission's EDMS highlights the need for specific guidelines in managing agency records. This includes prescribing uniform standards as it relates to retaining and destroying agency records – originals and copies – in a manner consistent with all applicable laws. Most importantly, this includes complying with G.C. Section 56382; a statute authorizing LAFCOs to destroy original records more than two years old if an electronic copy is made in a format that does not permit changes and is accessible for public reference while meeting the quality standards recommended by the Association for Information and Image Management.<sup>1</sup>

With the preceding comments in mind, the Committee has prepared a draft policy on records retention and destruction for Commission review and consideration. The draft policy, in particular, requires all documents be digitized into the EDMS and establishes a definition for "LAFCO Records." This latter component, importantly, defines under G.C. Section 56382 the documents the Commission recognizes shall be ultimately retained in original and/or digital form indefinitely. Examples include change of organization or reorganization proposals as well as agency maps and descriptions. Conversely, the definition permits the Commission to eventually destroy other agency documents, such as payroll, personnel, and general correspondence, which are not defined as "LAFCO Records" yet consume a considerable portion of the agency's existing storage resource. Guiding the implementation of the draft policy is an attached "Records Retention Schedule" that prescribes by type of record a plan for its management and life cycle and serves as the legal authorization for their disposition.

## **C. Analysis**

The Ad Hoc Committee believes the draft policy on records retention and destruction will help to ensure accountable and accurate handling of all agency records while reducing storage requirements for inactive and outdated documents. Key assumptions embedded within the draft policy of particular importance to the Commission's review include:

- Digital copies of all agency records, inactive and active, shall be made and entered into the EDMS unless it is inconsistent with the Records Retention Schedule. Examples of the latter include an inactive record that is no longer required, such as an accounting document that is more than five years old.
- All original LAFCO Records will be destroyed within two to seven years while their digital copies will be retained indefinitely. Examples include change of organization proposals and approved meeting minutes.

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<sup>1</sup> Laserfiche does not permit additions, deletions, or changes to the original document once archived. Accordingly, the Commission's EDMS is compliant with the recording standards recommended by the Association for Information and Image Management.

- All original non-LAFCO Records will be destroyed within two to five years whereas their digital copies will be deleted from EDMS no later than 10 years.

#### **D. Alternatives for Commission Action**

The following two actions are available for Commission consideration with respect to considering the proposed draft policy.

**Alternative One:** Approve by motion the attached draft policy with or without modifications as specified.

**Alternative Two:** Continue consideration of the draft policy to a future meeting while providing additional direction to the Committee as needed.

#### **E. Recommendation**

The Committee recommends Alternative One as outlined in the preceding section.

#### **F. Procedures for Consideration**

The following procedures are recommended with respect to the Commission's consideration of this item:

- 1) Receive verbal report from the Committee;
- 2) Invite public comment; and
- 3) Discuss item and consider action on recommendation.

Respectfully submitted on behalf of the Committee,

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Keene Simonds  
Executive Officer

Attachment:

- 1) Draft Policy on Records Retention and Destruction



## LOCAL AGENCY FORMATION COMMISSION NAPA COUNTY

### *Policy on Records Retention and Destruction*

Adopted: \*\*\*\*\*

#### **I. Background**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, pursuant to California (G.C.) Government Code Section 56382, directs the Commission to make arrangements for the retention and safekeeping of records relating to activities and actions tied to administering its regulatory and planning responsibilities. This includes preserving and protecting records for future public reference relating to the formation, expansion, and reorganization of cities and special districts and their municipal services.

#### **II. Purpose**

The intent of this policy is to provide guidance to Commission staff regarding the management, retention, and, if authorized, destruction of agency records. Effective implementation of the policy will help to ensure accountable and accurate handling of agency records in a manner that provides for prompt retrieval while reducing storage requirements for inactive and outdated documents.

#### **III. Authorization for the Retention and Destruction of Documents**

- A) “Records” must be kept indefinitely in original, photographic, or electronic form pursuant to G.C. Section 56382. The Commission defines “LAFCO Records” in this policy under IV/E.
- B) Documents not herein defined as “LAFCO Records” are not “records” pursuant to G.C. Section 56382 and will be retained and disposed of according to the Records Retention Schedule provided as Attachment “A” to this policy.

#### **IV. Definitions**

- A) “Active Records” are documents that are less than two years old and/or currently open or regularly accessed, used, or referenced.
- B) “Administrative Records” include, but are not limited to, accounts payable/receivable, budgets, audits, payroll timesheets, policies, statements of economic interest, public member recruitment proceedings, consultant contracts, vendor agreements, and personnel files.
- C) “Digital Copy” refers to an original document that has been imported or exported for archival purposes into the Commission’s electronic document management system.

- D) “Inactive Records” are documents that are more than two years old and/or closed or no longer regularly accessed, used, or referenced, but still need to be retained for legal or practical purposes.
- E) “LAFCO Records” are defined as records that must be retained indefinitely in compliance with G.C. Section 56382 and include the following documents:
- a. Documents relating to change of organization or reorganization proposals, which include, but are not limited, to:
    - application, petition, or other initiating documents
    - justification of proposal
    - property tax exchange agreement
    - assessor’s statement of property valuation
    - indemnification agreement
    - certificate of filing
    - environmental review/CEQA documents
    - certificate of completion
    - map and boundary description
    - notices
    - order for change of organization/reorganization
    - staff report with recommendation
    - statement of boundary change
    - statement of tax rate area
  - b. LAFCO adopted resolutions
  - c. LAFCO approved meeting minutes
  - d. Documents relating to outside service requests
  - e. Adopted resolutions
  - f. Approved meeting minutes
  - g. Completed sphere of influence establishments and updates
  - h. Completed municipal service reviews
  - i. Commission policies
- F) “Meeting Records” include, but are not limited to, agendas, minutes, staff reports, resolutions, and audio and/or video recordings.
- G) “Planning Records” include, but are not limited to, municipal service reviews, sphere of influence updates, and related correspondence.
- H) “Record” or “Records” are defined to include any paper, electronic media, audio file, or other form of documentation that records or transmits information originated and/or managed by the Commission.

- I) “Records Retention Schedule” prescribes by type a plan for its management and life cycle and serves as the legal authorization for its disposition. A copy of the Records Retention Schedule is affixed to this policy as Attachment “A.”
- J) “Regulatory Records” include, but are not limited to, change of organization or reorganization files, outside service requests, boundary maps and descriptions, and related correspondence.

## **V. General Guidelines**

- A) The Commission’s Executive Officer is responsible for administering this policy to ensure the effective management, retention, and, as appropriate, destruction of records consistent with this policy and the Records Retention Schedule.
- B) The following general guidelines apply to all Commission records.
  - (1) The Commission authorizes the destruction of any duplicative active or inactive record at any time.
  - (2) Digital copies shall be made of all active and inactive records for retention, safeguarding, and public distribution within the Commission’s electronic document management system.
  - (3) Active records shall be retained in their original form for a period of no less than two years. Original documents may be destroyed after two years if a digital copy exists and it is consistent with the Records Retention Schedule.
  - (4) The Commission authorizes purging digital copies for inactive records if it is consistent with the Records Retention Schedule.
  - (5) Digital copies of the following records shall be indefinitely retained:
    - a. LAFCO Records as defined in this policy under IV/E.



## LOCAL AGENCY FORMATION COMMISSION NAPA COUNTY

### *Policy on Records Retention and Destruction*

#### Attachment A Records Retention Schedule

| Record Type                               | Record Description (Non-Exclusive)   | Retention:<br>Original Record | Retention:<br>Digital Record |
|---|--|-------------------------------|------------------------------|
| <b>Administrative</b>                     |  |                               |                              |
| Accounts Payable                          | invoices for purchase orders, reimbursements, services received              | audited + 4 years             | none                         |
| Accounts Receivable                       | invoices for applications, miscellaneous fees, services provided             | audited + 4 years             | none                         |
| Administrative Policies & Procedures      | adopted guidelines, standards, requirements <sup>1</sup>                     | current + 4 years             | indefinite                   |
| Audits                                    | independent analyses of year-end financial statements                        | 5 years                       | indefinite                   |
| Budgets                                   | annual revenue and expense ledgers, adjustments, transfers                   | 5 years                       | indefinite                   |
| Consultant Contracts                      | information services provided by contracted third parties                    | completion + 2 years          | completion + 5 years         |
| General Correspondence                    | communication with public and local agencies, including e-mails              | 2 years                       | 5 years                      |
| Oath of Office                            | commissioners' oaths of office taken at commencement of term                 | completion + 4 years          | indefinite                   |
| Payroll                                   | employee timesheets, leave balances, labor distribution reports <sup>2</sup> | audited + 2 years             | audited + 5 years            |
| Personnel Files                           | employee applications, performance reviews, leave forms <sup>3</sup>         | leave + 3 years               | leave + 5 years              |
| Public Member Recruitment                 | notice of vacancy, applications, appointments                                | current + 2 years             | current + 10 years           |
| Public Records Requests                   | written requests to inspect or copy agency documents                         | current + 2 years             | current + 2 years            |
| Requests for Proposals                    | written solicitation for consultant services <sup>4</sup>                    | current + 2 years             | current + 5 years            |
| Statements of Economic Interest           | disclosure of income/gifts/benefits for designated employees <sup>5</sup>    | current + 2 years             | current + 10 years           |
| Vendor Agreements and Leases              | third party equipment/facility services                                      | completion + 2 years          | completion + 5 years         |
| <b>Meetings</b>                           |  |                               |                              |
| Affidavits                                | affirmations relating to postings and publications                           | 2 years                       | indefinite                   |
| Agendas                                   | calendared meeting items   | 5 years                       | indefinite                   |
| Agenda Packets                            | staff reports and related documents for calendared meeting items             | 5 years                       | indefinite                   |
| Audio/Video Recordings                    | auditory and visual recordings of regular and special meetings               | 2 years                       | 2 years                      |
| Elections                                 | impartial analyses, conducting authority proceedings                         | 2 years                       | 5 years                      |
| Mailing Lists                             | landowner and/or registered voter rolls tied to public hearings              | 2 years                       | 5 years                      |
| Minutes                                   | summary of discussion/action for regular and special meetings                | 5 years                       | indefinite                   |
| Resolutions                               | records of adopted actions   | 5 years                       | indefinite                   |
| <b>Regulatory Records</b>                 |  |                               |                              |
| Agency Maps                               | jurisdictional boundaries, spheres of influence, service areas               | 5 years                       | indefinite                   |
| Change of Organization Proposals          | application, petition, staff report, certificates, etc. <sup>6</sup>         | 5 years                       | indefinite                   |
| Change of Reorganization Proposals        | application, petition, staff report, certificates, etc. <sup>7</sup>         | 5 years                       | indefinite                   |
| Outside Service Requests                  | application, staff report, environmental document <sup>8</sup>               | 5 years                       | indefinite                   |
| Related Correspondence                    | communication with public and local agencies including e-mails               | 2 years                       | 5 years                      |
| <b>Planning Records</b>                   |  |                               |                              |
| Municipal Service Reviews <sup>9</sup>    | written report and supporting documentation                                  | 7 years                       | indefinite                   |
| Other Studies                             | written report and supporting documentation                                  | 7 years                       | indefinite                   |
| Sphere of Influence Updates <sup>10</sup> | written report and supporting documentation                                  | 7 years                       | indefinite                   |
| Related Correspondence                    | communication with public and local agencies including e-mails               | 2 years                       | 5 years                      |

## Notes

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<sup>1</sup> Records relating to administrative policies and procedures shall include documents that have been subsequently amended, superseded, or replaced.

<sup>2 / 3</sup> : Commission currently contracts with the County of Napa for staff support services. Accordingly, the County's Auditor's Office and Human Resources Department independently retain payroll and personnel records, respectively, pursuant to their own records retention schedules.

<sup>4</sup> : Records relating to requests for proposals include accepted and unaccepted bids, including proposal statements, bidder forms, data sheets, proof of insurance, and evaluation rankings.

<sup>5</sup> : Government Code Section 81009 specifies statements of economic interest must be maintained a minimum of seven years; original statements can be digitized after two years.

<sup>6 / 7 / 8</sup> : Records relating to change of organization proposals, change of reorganization proposals, and outside service requests include information generated or managed by LAFCO.

<sup>9 / 10</sup> : The contents of municipal service reviews and sphere of influence updates shall include written reports and resolutions making determinations with respect to Government Code Sections 56430 and 56425, respectively.

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**August 1, 2011**  
**Agenda Item No. 7b (Action)**

July 25, 2011

**TO:** Local Agency Formation Commission

**FROM:** Keene Simonds, Executive Officer

**SUBJECT: Report on California Forward**

The Commission will receive a report from staff summarizing the initiative efforts undertaken by California Forward to restructure governance relationships and duties throughout the state. The report follows a discussion by the Commission at the June 2011 meeting and is accompanied by a draft comment letter presented for Chair signature.

Local Agency Formation Commissions (LAFCOs) are political subdivisions of the State of California responsible for administering a section of Government Code now known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”). LAFCOs are located in all 58 counties and are delegated regulatory responsibilities to coordinate the logical formation and development of local governmental agencies and municipal services. Specific regulatory duties include approving or disapproving proposals involving the establishment, expansion, and reorganization of cities and special districts. LAFCOs inform their regulatory duties through a series of planning activities, namely preparing municipal service reviews and sphere of influence updates.

**A. Background**

California Forward (“CAFWD”) is a non-profit organization formed in 2007 dedicated to restructuring governance relationships and duties throughout the state. Funding for CAFWD is principally drawn from the California Endowment, Evelyn and Walter Haas, Jr. Fund, William and Flora Hewlett Foundation, James Irvine Foundation, and the David and Lucile Packard Foundation. CAFWD’s adopted mission is as follows:

*“Work with Californians to help create a "smart" government – one that’s small enough to listen, big enough to tackle real problems, smart enough to spend our money wisely in good times and bad, and honest enough to be held accountable for results.”*

CAFWD’s advocacy efforts have evolved recently and the organization is now working in the direction of drafting a statewide ballot initiative with the goal of qualifying for the general election in November 2012. Underlying the initiative effort is implementing CAFWD’s “Smart Government Framework Plan” consisting of five tiered proposals aimed at restructuring and improving governance performance. Most significantly on a statewide level, this includes orienting the State’s general fund expenditures to focus on achieving five priority outcomes referred to by CAFWD as the “Big Five”:

Lewis Chilton, Vice Chair  
Councilmember, Town of Yountville

Joan Bennett, Commissioner  
Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner  
Councilmember, City of Napa

Bill Dodd, Chair  
County of Napa Supervisor, 4th District

Brad Wagenknecht, Commissioner  
County of Napa Supervisor, 1st District

Mark Luce, Alternate Commissioner  
County of Napa Supervisor, 2nd District

Brian J. Kelly, Commissioner  
Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Keene Simonds  
Executive Officer

- Increase Employment
- Improve Education
- Decrease Poverty
- Reduce Crime
- Improve Health

CAFWD's Smart Government Framework Plan also takes aim at shifting more fiscal authority to local agencies with respect to certain services, such as health and human services. Accomplishing this reform is predicated on CAFWD's five tiered draft proposals identified in short-form as 1) focusing on outcomes, 2) aligning authority with responsibility, 3) adjusting the State role, 4) fostering regional collaboration, and 5) encouraging integration and consolidation.

## **B. Discussion**

It is the fifth and final proposal in CAFWD's Smart Government Framework Plan – encouraging integration and consolidation – that is particularly relevant to the Commission given its potential impact on the role and function of LAFCOs. Markedly, at the time of the Commission's initial review at the June 6, 2011 meeting, the fifth proposal identified two implementing options, both of which would affect, directly and indirectly, LAFCOs. Option "5a" proposed LAFCOs work with their regional councils of government (COGs) in standardizing data collection in municipal service reviews with particular emphasis on exploring consolidation opportunities. Option "5b" proposed the creation of a new independent statewide commission to conduct studies on local governmental services and efficiencies with particular emphasis on exploring consolidation opportunities.

Subsequent to the Commission's June 6<sup>th</sup> review and discussion, CAFWD updated its Smart Government Framework Plan to significantly amend the fifth proposal addressing integration and consolidation. Options 5a and 5b have been deleted and replaced with a single broad proposal to further empower LAFCOs in fulfilling existing mandates with increased focus on performance measures as part of the municipal service review process. The updated fifth proposal would also make joint-powers authorities (JPAs) subject to LAFCO review as well as direct county offices of education to work with LAFCOs in reviewing the boundaries and organization of local school districts.

## **C. Analysis**

Staff is cautiously encouraged by the changes made by CAFWD as part of its updated Smart Government Framework Plan as it relates to LAFCOs. In particular, as initially provided, the fifth proposal and its Options 5a and 5b appeared problematic – albeit to different degrees – in terms of potentially undermining LAFCOs authority and/or autonomy. The decision to eliminate these options, consequently, is a positive. The updated fifth proposal, conversely, centers on recognizing and expanding LAFCOs' authority with added focus on performance evaluation; an area the Commission has already oriented staff to emphasize in the current round of municipal service reviews.

With regard to specifics tied to the updated fifth proposal, staff believes expanding the scope of LAFCOs' municipal service reviews to include JPAs appears reasonable given these arrangements have increasingly assumed more responsibility in delivering essential municipal services in support of urban development; a trend that will presumably continue within the indefinite future given the constraints on local funding resources. Discretion, however, should be provided to LAFCOs given many JPAs simply serve as financing conduits for public agencies in sharing infrastructure and equipment costs, and therefore would not necessarily merit detailed assessment in a municipal service review. Similarly, notwithstanding the inevitable political angst, directing county offices of education to work with LAFCOs in preparing studies on local schools districts has merit in terms of establishing a formal intertie in addressing the relationship between LAFCO-facilitated growth and development and local school resources.

CAFWD's updated fifth proposal remains subject to additional changes as they begin to finalize an actual initiative proposal for circulation later this year. It is unclear at this time whether CAFWD will propose policy goals or implementation measures as part of its initiative. Regardless, given CAFWD's commitment to bring this item before voters in November 2012, staff believes it would be appropriate as well as beneficial for the Commission to formally comment on these proceedings before they are finalized. Staff, accordingly, has prepared a draft comment letter for Commission consideration expanding on the issues outlined in the preceding paragraphs as well as incorporating general policy comments raised by Commissioners at the June 6<sup>th</sup> meeting.

**Note:** The majority of comments raised by the Commission at the June 6<sup>th</sup> meeting were specific to Options 5a and 5b; options that have now been deleted. As a result, staff fully expects the Commission to amend the draft comment letter as needed given the new proposal language relating to LAFCOs.

#### **D. Alternatives for Commission Action**

The following three actions are available for Commission consideration.

**Alternative One:** Approve by motion authorization for the Chair to sign the attached draft comment letter to CAFWD with or without additional modifications as specified.

**Alternative Two:** Continue consideration to a future meeting while providing additional direction to staff as needed.

**Alternative Three:** Take no action.

#### **E. Recommendation**

The Committee recommends Alternative One as outlined in the preceding section.

**F. Procedures for Consideration**

The following procedures are recommended with respect to the Commission's consideration of this item:

- 1) Receive verbal report from staff;
- 2) Invite public comment; and
- 3) Discuss item and consider action on recommendation.

Respectfully submitted,

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Keene Simonds  
Executive Officer

Attachments:

- 1) Draft Comment Letter to CAFWD
- 2) CAFWD's Smart Government Framework Plan



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August 1, 2011

Mr. James P. Mayer, Executive Director  
 California Forward  
 1107 9th Street, Suite 650  
 Sacramento, California 95814

**SUBJECT: California Forward's Smart Government Framework Plan**

Mr. Mayer:

The Local Agency Formation Commission (LAFCO) of Napa County has reviewed California Forward's (CAFWD) July 11, 2011 update to its Smart Government Framework Plan and its five tiered proposals to restructure and improve governance performance. Napa LAFCO is particularly interested in the fifth proposal – encouraging integration and consolidation – given its direct impact on the role and function of LAFCOs. Specifically, the fifth proposal seeks to further empower LAFCOs in fulfilling existing mandates with increased focus on performance measures as part of the municipal service review process. The fifth proposal would also make joint-powers authorities (JPAs) subject to LAFCO review as well as empower county offices of education to work with LAFCOs in reviewing the boundaries and organization of local school districts.

Napa LAFCO understands CAFWD is currently working to finalize its Smart Government Framework Plan as part of an actual initiative(s) for circulation later this year in anticipation of qualifying as a ballot initiative for the November 2012 general election. With these preceding factors in mind, Napa LAFCO respectfully offers the following comments as it relates to both the Smart Government Framework Plan and the public policy issues underlying this effort.

- Napa LAFCO agrees with a key premise underlying the Smart Government Framework Plan's fifth proposal to make it easier to reorganize and consolidate local governmental agencies and their services *when appropriate*; the latter emphasis relevant given bigger government does not always lead to better government. Possible solutions meriting review include expanding LAFCOs' authority under Government Code Section 56375 with regard to initiating changes of organization as well as streamlining Revenue and Taxation Code Section 99 to help expedite property tax exchange agreements for jurisdictional changes.

Lewis Chilton, Vice Chair  
 Councilmember, Town of Yountville

Joan Bennett, Commissioner  
 Councilmember, City of American Canyon

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 Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
 Representative of the General Public

Keene Simonds  
 Executive Officer

- Expanding LAFCOs' municipal service review process to include JPAs appears reasonable since these arrangements have increasingly assumed more responsibility in delivering essential municipal services in support of urban development; a trend that will presumably continue within the indefinite future given the economy and restraints on local funding resources. However, since many of these arrangements function only to facilitate shared ownership in public facilities and equipment, it would be appropriate to provide LAFCOs discretion in determining which JPAs should be included in the municipal service reviews based on local conditions.
- Similar to the preceding comment, directing county offices of education to work with LAFCOs in preparing studies on local schools districts has merit in terms of establishing a formal intertie in addressing the relationship between LAFCO-facilitated growth and development and local school resources. The extent of LAFCOs participation, though, would need to be carefully defined given the political dynamics existing between communities and their school districts.
- LAFCOs funding is generally dependent on annual apportionments from local agencies; a small amount of cost-recovery is also generated from service charges. Expanding LAFCOs' responsibilities raises the potential for requiring more funding from local agencies at a time many are struggling to remain solvent. CAFWD, accordingly, should explore revenue enhancement opportunities to help ensure any new LAFCO requirements are appropriately funded.

Napa LAFCO appreciates the opportunity to provide comments on CAFWD's Smart Government Framework Plan. Napa LAFCO also appreciates the time and effort expended by your staff in addressing this important public policy issue. Should you have any questions, please contact Napa LAFCO Executive Officer Keene Simonds at your earliest convenience by telephone at (707) 259-8645 or by e-mail at [ksimonds@napa.lafco.ca.gov](mailto:ksimonds@napa.lafco.ca.gov).

Sincerely,

Bill Dodd  
Chair

cc: William Chiat, Executive Director, CALAFCO  
SR Jones, Executive Officer, CALAFCO



## Smart Government: Making California Work Again

California may be struggling with a budget crisis and a sluggish economy – but we can fix it. Our state can have a prosperous and environmentally sustainable economy that provides equal opportunities for all, while remaining a frontier for innovation, creativity, discovery, and enterprise.

To get there, governments at the state and local levels must work together to provide cost-effective services and better results. *California Forward* calls this *Smart Government*. It doesn't happen today as much as it should.

California has a nearly \$90 billion budget without a unified vision and strategy for achieving statewide goals. Taxpayers have little sense of how tax dollars are being used, whether public programs are working, and who to hold accountable. The root of this problem lies in the state's fragmented system of government: Most essential services in California are delivered by local governments – counties, cities, school districts, and special districts. But for the last thirty years, the state government has been setting most of the rules around how the money is spent.

This growing gap between local service providers and fiscal authority has only increased the distance between more than 36 million Californians and their government. Until this relationship between the state and local governments is fundamentally reformed, the state's ongoing budget crisis cannot fully be resolved, Californians will not be able to fully

participate in their government, and the state's government cannot function effectively.

In the **Smart Government Framework**, *California Forward* outlines a strategic action plan for solving this problem.

First, the state must be more explicit about its strategy by establishing a clearly-defined set of priorities for public programs. It also must give local governments more flexibility over both programs and revenues to improve results. Counties should have greater authority for human services and community corrections – and they must be encouraged to integrate these services with other local programs and coordinate their efforts with other local governments. In exchange for this increased authority, California's local governments must be more transparent about their progress and more accountable for these programs' results.

The *Smart Government Framework* is built upon a simple idea: The three biggest areas of state government spending in the General Fund – education, health and human services, and public safety – are fundamentally interrelated. Better education leads to better jobs, which leads to a healthier population, less crime, and, ultimately, less pressure on government budgets. Programs addressing these challenges must work together – with a renewed focus on transparency and accountability for results – to achieve safer communities, increased employment, reduced poverty, improved health, and educational success.



## Smart Government: Making California Work Again

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**Note:** *The Smart Government Framework and the draft proposals are a course of action to restructure the state/local relationship to produce better results for taxpayers and people who rely on government services. These ideas are being collaboratively developed with local government practitioners, stakeholders, and experts involved in a Local Government Task Force, a series of Stakeholder Roundtables, and California Forward’s “Speak Up California” civic engagement forums. (See Appendix 4 for details.)*

*Each chapter ends with a principle statement defining the Smart Government approach, followed by a detailed draft proposal. These proposals are intended to facilitate discussions regarding governance in California and to reflect the good ideas generated by this statewide conversation. They are not at this point California Forward recommendations, nor are they specific legislative proposals. All five proposals can be found in the Conclusion beginning on pg. 26.*

## Introduction

The goal of *California Forward* is a state government that works. The California state budget crisis cannot be fully resolved without fundamental reform that restructures the relationship between state and local governments. The following pages outline the essential steps California will need to take to develop a new governance model that promotes a culture of performance and accountability.

This goal is shaped by the “Three Es:” At every level, government should be making simultaneous progress toward achieving:

1. Prosperous **E**conomy
2. Quality **E**nvironment
3. Community **E**quity

Californians need to know what they are getting for their tax dollars and what government is achieving. The three biggest components of state general fund spending – education, health and human services, and public safety – are fundamentally interrelated. Better education leads to better jobs, which leads to a healthier population, less crime, and, ultimately, less pressure on government budgets. Too often, these relationships are obscured by the current state government structure.

This Framework offers a straightforward approach to addressing this problem: It proposes five priority outcomes that serve as leading indicators for the largest state general fund expenditures. The intention is to focus structural and fiscal governance reforms on these Big Five Outcomes, not just to balance the budget or close a shortfall – but to realign public programs at all levels to deliver these results:

### BIG FIVE OUTCOMES

- Increased Employment
- Improved Education
- Decreased Poverty
- Decreased Crime
- Improved Health

The current state and local structure is failing on several levels: The state struggles to ensure that statewide interests are met, while also complicating the efforts of local governments to hold down costs and provide effective services.

- Part of the reason for this is organizational: For decades, a plethora of state departments and scores of programs have been aimed at addressing one narrow aspect of complex social and economic issues. This organizational evolution has made it difficult to integrate these efforts.
- At the local level, hundreds of autonomous agencies make it politically difficult to shift priorities, share resources, reduce costs, and collaborate on shared goals.
- Budget volatility and legislative mandates restricting how money can be spent make it difficult for local leaders to integrate efforts to improve long-term results.

“This is not a parlor game. It’s not just an exercise. Across the country, a discussion has started about how we will deliver services in the 21<sup>st</sup> century. This is the tip of the spear of that discussion.”

- **Ron Loveridge**, Mayor of the City of Riverside

*Testimony at a Stakeholder Roundtable meeting  
March 31, 2011*

This Framework is predicated on three principles developed by the Local Government Task Force, a group of current and former city and county officials who helped to conceive this approach to state/local restructuring:

- Public programs should work collaboratively with a focus on shared outcomes. These outcomes should guide policy development, management decisions, and ultimately, accountability, through public reporting of results.
- Fiscal control is essential if local governments are going to be empowered to integrate services, innovate, develop better practices, and achieve economies of scale.
- Regional collaboration can make many services more efficient and effective by allowing local governments to meet large-scale challenges by developing more cohesive service delivery strategies across jurisdictions.

## 1. Focus on Outcomes

The State of California has a nearly \$90 billion budget without a unified vision and strategy for achieving statewide goals. To improve the performance of public programs, state and local operations must be aligned with measurable outcomes. This will not only allow taxpayers to determine whether these programs are achieving their goals, it also will better serve California’s most vulnerable populations.

A comprehensive restructuring of the roles of state and local government must include a range of new measurement tools that will provide information about public progress – and give governments the ability to identify priorities and assess strategic choices. These tools will be especially important for integrating strategies and services and developing a range of new partnerships – among public agencies and between public entities and the private sector. These tools also will be an essential part of creating a new paradigm that allows citizens to better engage with their government by creating more transparency and accountability.

The state will need to set some basic standards for outcomes for public services – reflecting statewide interests and objectives. But more detailed performance metrics will need to be developed at the regional and community levels. Many states and many regional and community governments in California already have adopted a standard format of overarching statewide Outcomes, targeted Indicators, and ongoing Performance Measures.

- Outcomes:** The state’s long-term goals should be expressed in terms of desired outcomes. These outcomes should be embedded in the state budget and used in reviewing policies and creating strategic plans, along with other decision-making venues, to sharpen priorities and inform trade-offs.
- Indicators of Success:** To determine whether the state is making progress toward its highest priorities, outcomes should be tied to indicators like employment rates, graduation rates, obesity rates, and crime rates. Indicators should inform debates among policymakers and managers on what needs to change in strategies, practices, and personnel to accelerate progress.
- Performance Measures:** To gauge whether state programs and services are producing the desired results, performance measures are needed to measure program effectiveness and efficiency. These performance measures need to be benchmarked against those in other agencies and states to identify opportunities for improvement.

### WHAT THIS MIGHT LOOK LIKE: EMPLOYMENT AS AN EXAMPLE

|                             |  |
|-----------------------------|--|
| <b>Outcome</b>              | Increased Employment   |
| <b>Indicator</b>            | State Unemployment Rate  |
| <b>Performance Measures</b> | <ul style="list-style-type: none"> <li>• Number – Families Participating in CalWORKs</li> <li>• Ratio – Case Manager/Participant</li> <li>• Number – CalWORKs Participants Obtaining Employment</li> </ul> |

**The Benefits of Integration and Collaboration:** Developing outcomes-based programs and integrated services can be a challenge in California today. But even with the many limitations imposed by our current system, some communities have found ways to focus their programs on collaboration and other changes to improve performance. See below for several examples of counties that have integrated the services they provide – in partnership with cities, schools, and special districts – to improve outcomes. (See Appendix 2 for more examples.)

- San Diego County:** In the 10 years since the county began integrating the agencies responsible for public health, mental health, alcohol and drug treatment, and foster care, the restructured programs have generated a total of \$230 million in savings for the county that have been reinvested in performance-based front-line services. Restructuring has helped the county streamline administrative overhead from 21 percent when integration began to less than 12 percent today.
- San Mateo County:** To encourage county agencies to work together to mitigate the health issues of the county's most vulnerable people, San Mateo has pooled the resources of three large agencies – human services, juvenile probation and mental health services. These agencies meet once a week to make joint decisions about shared clients. Over the past 10 years, restructuring has resulted in a 50 percent reduction in the number of children being placed out of home, while also reducing levels of incarceration, homelessness, and hospitalization.
- Alameda County:** Using a Joint Powers Authority, the county has institutionalized an integrated service plan that allows programs from the county, the city of Oakland, and the Oakland Unified School District to work together to keep kids in school, lower Oakland's high school suspension rates, and reduce crime. The program has thrived for over a decade, through six superintendents and four mayors. "When we put our staff into the schools, these kids become our kids," says Dave Kears, special assistant to the county administrator. "It doesn't matter who signs the paychecks. What we discovered was, 'We can't do this by ourselves.'"

"We did this with all of the challenges of silos, and all of the minutiae we have to deal with locally. In spite of all that, we were able to make change happen. Just think of what we could do if we had the flexibility we need."

- **Nick Macchione**, director of the San Diego County Health and Human Services Agency

*Testimony before the Senate Committee on Governance and Finance, January 26, 2011*

**Lessons Learned:** There is an emerging consensus among members of the Stakeholder Roundtables about how the lessons learned from these local efforts can be applied to statewide restructuring, especially in the three most significant areas of government spending – education, health and human services, and public safety. (Details about the ongoing Stakeholder Roundtable dialogues can be found at [CAFWD.org/stakeholders](http://CAFWD.org/stakeholders).)

- **Education:** There is support for integration both within education programs and between schools and other programs. These efforts will be vital to improving student performance and addressing goals like closing the achievement gap. This would involve two steps:
  - The school system itself benefits from integration. The state has separate early childhood, K-12, and higher education programs, many of which do not communicate as much as needed, or work together to create a seamless workforce or higher education pipeline.
  - Health, welfare, and public safety programs benefit from links to schools such as in the form of community schools, full-service schools, and joint-use schools.
- **Health and Human Services:** There is support for integration and information-sharing in the areas of juvenile justice, child welfare, child mental health, and behavioral health programs. Improved results in these areas will not only help the most vulnerable Californians – they also have the potential for huge savings across the safety net, including: Reduced Medi-Cal expenses; Reduced incarceration rates; Reduced employee health costs; Increased tax revenues from a more economically productive population.
- **Public Safety:** There is substantial evidence that the most cost-effective public safety strategies in other states involve a continuum of programs aimed at prevention, early intervention, community corrections, incarceration, and offender re-entry. These efforts also require an integration of services: Many community-based programs have demonstrated the potential benefits of this approach, and, in recent years, California policymakers have attempted to move in this direction. The state has not developed a comprehensive approach, however – or effectively implemented small-scale efforts to deploy programs that have cost-effectively reduced crime in other states.

“For restructuring the fiscal relationship between state and local governments, this is the time. We can all agree on that. The stars are aligned, but that’s not a guarantee of anything other than the stars are aligned. We have an opportunity, and we need to take advantage of it.”

- **Senator Lois Wolk**  
*Chair, Senate Committee on Governance and Finance*

*Testimony at a Stakeholder Roundtable meeting, March 10, 2011*

**PRINCIPLE I**

California government must be aligned to a clear, unified vision, and restructured to focus decision-making on improving performance, with a renewed emphasis on the clients of public programs. The new structure must systematically encourage decision-makers to change policies, budgets, personnel, and practices to improve results – and the public knowledge of these results is essential to restore accountability to the people.

**DRAFT PROPOSAL I – FOCUS ON OUTCOMES**

Aligning program outcomes with larger statewide goals should follow a standard cascading format – similar to those already used in other states – of overarching outcomes, targeted indicators, and ongoing performance measures. Putting this into practice will involve four major steps:

1. **Stakeholders:** A widespread stakeholder process involving both state agencies and local governments will be necessary to establish desired program outcomes. This process could include the development of a menu of tangible goals within each outcome (e.g. “All 3<sup>rd</sup>-graders should be able to read at a 3<sup>rd</sup>-grade level” or “The state’s dropout rate should be cut in half”) that communities can choose from.
2. **Strategy:** Community stakeholders should be responsible for drafting strategic plans that set local goals, define community strategies, and identify the right partnerships to get the job done. These local strategic plans should include a 4-year implementation timeline to allow for enough time to restructure administrative functions, integrate programs, and enhance the system based on actual practice. These plans should also include sustainability protections, so they can be implemented through multiple administrations.
3. **Transparency and Accountability for results:** As local governments begin to carry out their strategies, local leaders should conduct regular, structured meetings to review and evaluate program performance against these targets.
4. **Flexibility:** The state, meanwhile, should allow local agencies flexibility in how those outcomes are achieved so the development of collaborative services can build on different communities’ strengths. (See Proposals 2 and 3.)

Many states and local governments throughout California have adopted a standard format for refocusing programs on improving results. This includes gauging progress toward a set of overarching statewide Outcomes, targeted Indicators, and ongoing Performance Measures.

**Outcomes:**

- The state’s long-term goals should be expressed in terms of desired outcomes, with particular emphasis on the Big Five Outcomes – Increased Employment, Improved Education, Decreased Poverty, Decreased Crime, and Improved Health.
- Investments by the state and local government should be evaluated against these outcomes.

**Indicators of Success:**

- Indicators are the specific measure communities should use to evaluate the progress they are making toward the Big Five Outcomes.
- At least three Indicators of Success in each of these outcome areas should be developed by local governments in consultation with the state within the first year of implementation. The Indicators of Success should be in line with state (and where appropriate, national) objectives and approved by legislators.
- Cities, counties, schools, and special districts should develop a multi-year strategy and an annual action plan for achieving these Indicators of Success, relying where possible on proven and evidence-based practices. The strategies should be presented and discussed in locally appropriate public venues. In many counties, county Local Agency Formation Commissions (LAFCo) may be the appropriate venue for these presentations. (As described in Proposal 5, LAFCos should expand their existing role and begin collecting standardized data on the quantity, cost, and effectiveness of local governments. Schools should continue to present their performance data to the state – as they do today – but the state’s role should change as described in Proposal 3.)

**Performance Measures:**

- Performance measures help provide context to evaluate the effectiveness and efficiency of the services delivered. (“What does it cost to achieve this outcome?” “What’s the trend in the service level?”)
- Progress made by cities, counties, schools, and special districts toward achieving these indicators should be included in the LAFCo performance reviews.
- This county performance information should also be published as a report card on the state website and should be used to make programmatic and fiscal decisions at the state and county levels.

**POTENTIAL MODELS** (see these and more online at [CAFWD.org/bestpractices](http://CAFWD.org/bestpractices))

- [State of Maryland StateStat](#): Modeled after the CitiStat performance-measurement and management tool that has been successfully implemented in Baltimore, StateStat uses a data-based management approach to make public programs more efficient and accountable by continually evaluating state performance. Key public safety, health, and social services agencies are already involved, from the Department of Juvenile Services to the Department of Housing and Community Development.
- [NYCStat](#): NYCStat is New York City’s one-stop-shop for all essential data, reports, and statistics related to City services. NYCStat provides access to a wide array of performance-related information, including citywide and agency-specific information, 311-related data, and interactive mapping features for selecting performance data and quality-of-life indicators.
- [Los Angeles County Department of Public Social Services](#): Building off the nationally recognized STATS models in New York and Maryland, the LA County Department of Public Social Services (DPSS) adopted STATS in 2004 as a tool to manage its operations.

After a four-month pilot, the nation's largest administrator of federal welfare programs increased its results dramatically, with the percentage of district offices meeting targeted performance jumping by over 25 percent. Between 2004 and 2008, STATS helped the department improve outcomes across an array of metrics. Its food stamps error rate alone—which once had one of the highest rates in the country at over 20 percent—was brought down to less than 1 percent. This one case of improved performance helped the county avoid federal penalties of \$143 million in only two fiscal years.

- [Los Angeles County Department of Mental Health](#): The LA County Department of Mental Health also launched a STATS effort in 2007 in order to address a range of management challenges, from a lack of clarity about DMH priorities among line managers to a set of inconsistent metrics by which executives were monitoring operations. After adopting a regular, structured meeting to review and evaluate program performance against targets, outcomes improved dramatically: Within two years, the timeliness of billing and collection improved, as did monitoring reductions in homelessness among clients receiving community-based services. DMH was also able to provide more timely access to outpatient care following psychiatric hospitalizations.
- [Minnesota's Drive to Excellence](#): The Drive to Excellence (2005-2010) was a state-government reform initiative that focused on serving citizens better. The overarching objective was to encourage government to act together as an enterprise, rather than independent agencies, on the issues they have in common. Drive to Excellence identified common processes across government that can be improved with common solutions, such as standardized computers or a universal system for managing the state's buildings.
- [Washington State Priorities of Government](#): This budget approach creates a strategic framework for public investment decisions, prioritizing activities that guide the governor's budget proposal to the Legislature – and helping communicate that budget to the public. As part of the Priorities of Government plan, every agency in Washington has been asked to answer eight questions related to whether their activities are essential to state government and whether they are being delivered in the most cost-effective manner.
- [Virginia Performs](#): A performance leadership and accountability system within state government, Virginia Performs aligns specific state agency outcomes with larger statewide goals. Outlining a vision for Virginia's future – including responsible economic growth, an enviable quality of life, good government, and a well-educated citizenry – the state has defined key metrics like obesity in adults, graduation rates, and acres of land preserved to gauge whether it is getting results on its highest priorities.

## 2. Align Authority and Revenue with Responsibility for Results

To achieve the outcomes described above, local governments will need more authority to integrate services and collaborate with other agencies. The goal of restructuring is not to move all functions from the state to local governments, but to ensure the most appropriate alignment at each level of government of both program operations and fiscal control to get the job done.

For more than 125 years, Californians have thrived with a bottoms-up approach to community governments. With few exceptions, most of the state's local governments were created by groups of people using state statutory procedures to provide services and regulate land-use based on local preferences. This system of locally controlled community government – cities, counties, school districts, community colleges, and special purpose districts – has been a hallmark of California's system of governing. The desire to reinvigorate local governance should build on this tradition, with the state continuing to maintain some responsibility where appropriate.

**2011 Realignment:** In his 2011-2012 budget, the Governor and the Legislature have taken a substantial step toward greater local control by moving program and fiscal responsibility over a range of public safety and health and human services programs from the state to local governments. These programs include a group of local public safety programs, along with mental health, substance abuse, foster care, child welfare services, and adult protective services. The budget provides local governments with \$5.6 billion to operate these programs with revenue from 1 cent of the state sales tax with a portion of revenues from the Vehicle License Fee.

The 2011 Realignment serves as a cornerstone for the comprehensive restructuring proposal that is outlined in this document. Its strengths include a community focus and its alignment of programmatic responsibility with fiscal authority.

**Smart Government Restructuring:** Long-term, comprehensive restructuring should take the next step. It should not only encourage communities to integrate services with a focus on improving results, it should also constitutionally guarantee this local revenue – something the Governor's budget does not do. In exchange for this new program and revenue authority, local governments should be required to have a strategy for improving outcomes, be transparent about their progress, and be held accountable for these programs' results. Regional coordinating bodies should also be given the authority they need to develop a region-wide system for addressing infrastructure, environmental, and workforce development issues, as well as crime prevention, law enforcement, and reentry. The state should also expand its effort to evaluate the efficiency of local operations to reduce complexity, reduce costs, and improve performance.

This comprehensive restructuring will require shifting both (1) program authority and (2) fiscal authority to local governments:

**I. Program Authority:** Improving local outcomes should be the responsibility of communities. Local governments can do this most effectively if they have more control over the way they provide programs. Cities, counties, and special districts should provide primary authority over local public safety, while counties should maintain authority over self-sufficiency, social services, and behavioral health programs.

To achieve positive outcomes, local governments need the following authority: The ability to set priorities within the outcome framework, including which problems, issues, or opportunities are most important; the ability to develop strategies, partnerships, and programs to respond to those priorities; the ability to integrate services to achieve the best outcomes.

To achieve positive outcomes, other barriers need to be identified and removed, including federal requirements that discourage innovation or best practices, as well as limits in the state constitution, statutes, and regulations that increase costs without value or block cost-effective solutions.

Restructuring the state's public service system won't just improve outcomes – it also can cut costs. Studies show that if local governments could bring programs like CalWORKs, public safety, and mental health to the same levels of effectiveness and efficiency as other states, **California could save billions of dollars each year.**

Cities, counties, school districts, and special districts have always enjoyed different degrees of autonomy in California, and some of these distinctions should continue.

**2. Fiscal Authority:** In addition to program authority, improving the outcomes of communities' public programs will require giving local government more discretion over revenues. A more simple fiscal system also should enable Californians – as advocates, clients, citizens, and taxpayers – to more easily express their desires and hold government accountable.

### **Principles of a Results-Based Revenue Structure:**

Since community governments vary in the types and scale of services they provide, California needs a flexible revenue structure that does not ignore historical choices, while also encouraging new fiscal arrangements that allow local governments to be responsive and accountable to citizens, voters, and taxpayers. The objective is to provide a revenue structure that is flexible enough to meet local needs, while also allowing the state to maintain equity among community governments focusing on improving outcomes.

The following principles support results-based government:

**1. Local governments need control of local revenue.** Local control has three components:

- The state should avoid interfering in the direction, redirection, or use of local revenue.
- Local governments, working together by consensus within an established process, need authority and incentives to allocate local resources to reflect changing public priorities, and to encourage efficiencies and better outcomes.
- It is critical to service delivery and public accountability that each agency delivering a service maintains control over and responsibility for its funding.
- Within some limits, local taxpayers need appropriate control over the level of taxation.

**2. Revenue sources should be matched to the appropriate unit of government.**

This match reflects service responsibility and the administrative and economic nature of the tax. This could include reassigning revenue streams to local governments that are given more responsibility. For example, is the property tax more appropriate for municipal services? Are sales and other transaction taxes a more appropriate way to fund county and regional scale services?

**3. Revenue sharing agreements between governments should be encouraged.**

Fiscal incentives are some of the most effective tools the state can use to encourage service integration. Most of the state's largest programs are fundamentally interrelated. Revenue sharing agreements can support strategies for integrating services and targeting resources to community and regional priorities and needs. A realigned revenue system should allow for that cooperation, while other state-based revenues should be allocated to reward cooperation. This might involve sharing savings, for example, or revenue pooling at the countywide or regional scale.

**THE RIGHT FISCAL INCENTIVES  
CAN IMPROVE PERFORMANCE –  
AND SAVE MONEY**

In Arizona, counties are rewarded with 40 cents on every dollar the state saves by not having to lock up county-managed probation violators. The counties, in turn, are able to use those funds to strengthen offender supervision and victim services – but they continue to receive those dollars only if crime by probationers falls or holds steady. This tightly drawn fiscal incentive is strongly supported by both counties and voters, as it reduces the number of prisoners and gives local government more flexibility. When successfully implemented, studies show this collaborative approach to corrections reduces prison reentry by as much as 20 percent, while also directly improving the state's bottom line.

**PRINCIPLE 2**

Transforming the performance of public programs will require systematic change, not just shifts in responsibilities and resources. The new structure needs to be supported by a restructured fiscal system that constitutionally guarantees control of revenue to the level of government responsible for delivering services. In addition, aligning authority and responsibility with those resources is essential to encourage the integration needed to improve results.

**DRAFT PROPOSAL 2 – ALIGN AUTHORITY WITH RESPONSIBILITY**

California is too large and diverse for a one-size fits all approach to a new governance model. To effectively meet local needs—and to improve the results of public programs—local governments will need more control over both programs and revenues. To accomplish this, local governments will need a set of authorities in the constitution and statute that allow them to *organize and finance* their responsibilities, while the state continues to play an important role balancing community strategies with statewide interests. This will require the following:

- **Program authority for local governments**
- **Aligning fiscal authority with program responsibility**

**PROGRAM AUTHORITY FOR LOCAL GOVERNMENTS**

Improving outcomes should be a primary responsibility of community governments. Local governments can do this most effectively if they have more control over the way programs are administered. Cities, counties, school districts, and special districts currently have a mix of responsibilities for the health, safety, and quality of life of their citizens. To allow governments to focus on improving local program results, the state should grant to local governments the following:

- **Increased authority over local programs:** Cities, counties, and special districts should provide primary authority over local public safety, including fire services. Counties should have authority over self-sufficiency, social services, and behavioral health programs.
- **The ability to set local priorities:** Local governments should be able to set local priorities within the framework of the Big Five Outcomes, including which problems, issues, or opportunities they consider most important.
- **The ability to develop strategies, partnerships, and programs:** Local governments should have more flexibility in how they work toward local priorities.
- **The ability to integrate services:** To achieve the best outcomes, local governments should be encouraged to integrate local services. This should include the ability to share program resources as well as local and state savings that result from local successes.
- **Greater flexibility in contracting:** Local governments should have more flexibility in contracting with non-governmental service providers working toward the Big Five Outcomes.

## ALIGNING FISCAL AUTHORITY WITH PROGRAM RESPONSIBILITY

Since community governments vary in the types and scale of services they provide, California needs a flexible, *locally-developed* revenue structure. The structure needs to respect historical choices, while also encouraging new fiscal arrangements that allow local governments to be responsive and accountable to citizens, voters, and taxpayers. Simply providing additional taxing power to local governments will not alone move California toward the Big Five Outcomes. What is needed is a strategic plan and resource base that will encourage local governments to integrate their services—and to focus their resources on improving community outcomes.

**A first step:** California’s 2011-12 budget contains the first step toward moving state-managed services to community governments, particularly county government. As part of its historic realignment plan, the budget creates a new Local Revenue Fund—\$5.6 billion of existing sales tax and VLF revenues—that will support a variety of realigned public safety programs, mental health, substance abuse, foster care, child welfare services, and adult protective services. Within the fund, there are numerous categorical accounts and subaccounts that allocate these funds to the “realigned” programs. There is no general provision for integration of services, however, nor is there any protection for the funds over time.

Two elements should be considered to build upon this realignment plan:

- **Program integration:** Constitutionally protected local strategies should be developed defining program authority and service delivery
- **Protection of local revenue:** Local governments should have the authority to decide how to spend resources to carry out these strategies

### Program elements:

**Local allocation of responsibility** – As part of any of the revenue realignment options outlined below, local governments need a constitutionally protected plan defining how they deliver services. This proposal would allow counties, cities, K-12 schools, community college and special districts to develop a Community Services Strategic Action Plan to perform functions and provide services mandated by state or local law in an integrated manner that will improve results.

- The Community Services Strategic Action Plan would be approved by two-thirds vote of the governing body of each of the participating jurisdictions and would outline the goals of the plan, describe the public services that will be delivered through the plan, and explain why those services can be delivered more effectively and efficiently under the plan than by current state law.
- The plan would include benchmarks and expected outcomes that the participating entities will achieve and a method for regularly reporting outcomes to the public and to the state.
- Through the Action Plans, communities would be able to identify statutes or regulations that are barriers to the effective and efficient delivery of service, and identify an

alternative procedure – provided that the Legislature had not determined the state provision to be a matter of statewide importance.

- Once an Action Plan is adopted by the agencies within the county and accepted by the state, those local governments would have the flexibility provided for in the plan and access to additional authority over resources provided by the revenue elements below.

### Revenue elements:

Local governments need the flexibility to decide how to spend resources to carry out these strategies. In order to implement all four elements of revenue realignment outlined below, local governments would be responsible for developing an Action Plan, as described above. These revenue options are intended to serve as fiscal incentives that encourage local governments to define local strategies for improving outcomes, while also increasing transparency and accountability for program results.

### Element 1 – Dedicate existing state resources toward integrated services and improving results

- **Element 1A – Building on the Budget:** To build upon the 2011-2012 budget’s realignment plan, a constitutional amendment should protect the revenues in California’s new Local Revenue Fund by setting aside 1 cent of the state sales tax for state realigned services. The amendment would allow these funds—totaling approximately \$5.1 billion—to be comingled at the local level to integrate services.
  - Strategy, transparency, accountability for results: To access these constitutionally guaranteed funds, local governments would be responsible for developing a local Action Plan, as described above.
- **Element 1B – Expanding to Block Grants:** In addition to the revenue allocation described in Element 1A, the state could also provide local governments with block grants to fund programs in the areas of criminal justice or health and children’s services. The purpose of the grants would be to provide local government maximum flexibility in the delivery of services and encourage inter-agency collaboration. Through Joint Powers Authorities, local governments would allocate local and state funds among themselves for the purpose of improving agreed upon outcomes. Participating governments would have broad discretion over service delivery, flexibility in co-mingling program funds, and freedom from state administrative rules.
  - Strategy transparency, accountability for results: In exchange for the new flexibility block grants would provide, local governments would need to expand the scope of their Action Plan, as described above.

**Element 2 - Give local governments the authority to manage revenue:** Local governments need the authority to develop local agreements for reassigning responsibilities and revenue in ways that improve results and make government understandable to the public. A

new constitutional authority could be created to give local governments the power to allocate and share locally-levied revenues including the sales, use, and property taxes.

Without expanding the size or type of local revenues, this authority could give local governments the power to use existing revenues to break down silos and integrate services. These local agreements would require the approval of each participating local agency.

- Strategy transparency, accountability for results: In exchange for this new authority over local revenue, local governments would need to revise their Action Plan, as described above.

**Element 3 – Increase local revenue:** To increase the transparency and stability of public services, voters may decide that local governments require

more revenue. To accomplish this, several broad changes to the tax structure could be considered. One example of this might involve providing revenue from a broader sales tax base—about \$5 billion, depending on the services involved—to local governments for community services. These new revenues, allocated on a per-capita basis countywide, would be less volatile than current funding streams because they reflect recent structural changes to the state’s economy.

- Strategy transparency, accountability for results: In order to access any new revenue provided by the state, local governments will need to expand their Action Plan accordingly, as described above.
- **Note:** *California Forward* communicates regularly with groups researching potential new revenue options. But at this time, *California Forward’s* focus is on improving the performance of public programs with existing resources.

**Element 4 – Provide a resource base for regional infrastructure and workforce development:**

The state currently lacks a system for financing regional infrastructure, environmental, or workforce development activities. To encourage coordination of services on a regional level, a new model would provide fiscal incentives to local governments to develop a region-wide system for addressing infrastructure, environmental, and workforce development issues. Elements of such a system might include all or a portion of each of the following.

The Strategic Growth Council would designate an entity with boundaries matching the regional economy, which would be granted the authority to place a measure on the ballot within the boundaries of the region. Depending on the needs of different regions, these measures might include the following, for example:

**WHAT ABOUT PROP 13?**

The legal agreements described here would not require changes in the tax rate or the property assessment system established by Proposition 13. In the case of the property tax, they would reassign responsibility for allocating the existing tax from the state to local governments.

- Increase the vehicle license fee up to 1 percent or a regional sales tax up to 1 percent dedicated to an adopted strategic plan for regional infrastructure and workforce development. The regional strategic plan would contain policies, priorities and a process for allocating revenues within the region to create the human resources and infrastructure to attract jobs.

**POTENTIAL MODELS** (see these and more online at [CAFWD.org/bestpractices](http://CAFWD.org/bestpractices))

- [SB 678](#): In 2009, to address the problem of repeat offenders accounting for 40 percent of new felony prison admissions, the state Legislature passed SB 678, also known as the *California Community Corrections Performance Incentives Act*. Drawing from evidence-based practices in other states, the legislation established a new performance-based funding system to supervise the state's adult felony probationers. This legislation requires interagency collaboration, and provides a financial incentive to locals for achieving outcomes by reallocating state savings to local programs.
- [1991 Realignment](#): In 1991, the state enacted a major change in the state and local government relationship that involved the transfer of some mental health, social services, and health programs from the state to county control. This realignment altered program cost-sharing ratios and provided counties with dedicated tax revenues from the sales tax and vehicle license fee to pay for these changes.

### 3. Adjust the State Role

There are vast social, economic, and geographic differences in California. State leaders must balance their desire to tell local government how to achieve statewide goals with the need for local leaders to develop and execute strategies that make sense in their communities. While the state may give up uniformity in how services are provided, the potential upside is continuous improvement in outcomes, even if some communities get better faster than others.

The state's role after restructuring would include the following:

- Establishing statewide performance objectives:
  - Defining the state's desired outcomes – that is, establishing what it is the state is trying to achieve – as well as establishing statewide performance and equity standards.
  - Ensuring data are collected and publicly available. Cost, performance and other data are essential tools for state and local officials, as well as the public.
- Tying statewide objectives to performance-based budgeting and management: To be effective, performance data must be tied to state-level decision-making, including the budget decisions that may remain at the state and the management of the new support role.
- Assisting local governments to meet outcomes:
  - **Technical assistance:** serving as a convener of peer-to-peer technical assistance that will allow successful communities to share analyses, best practices, and expertise with other parts of the state. This should involve an annual assessment by state departments of county program outcomes to identify areas in need of support, coordination, and assistance.
  - **Fiscal incentives:** encouraging improvements in strategy and execution.
  - **Performance mechanisms:** encouraging continuous improvement (publishing performance data, for example). This will help refocus local governments on pursuing success instead of avoiding failure.
- Intervening when local governments fail to meet statewide objectives. This might include:
  - State intervention, which should be handled by having another successful local agency – a peer, in other words – help a failed agency restructure or stabilize. Agencies falling short of performance thresholds could receive technical assistance from teams made up of state and peer administrators. They also could be assisted by consortiums of experts like the Fiscal Crisis Assistance and Management Team or the UC Davis Center for Human Services.
  - The state's role would be to set performance standards for when the failed agency could resume full operations.

- Sanctions and/or temporary state takeovers of local administration involving state administrators assuming local powers should be avoided whenever possible and considered a last resort.
- Reconsidering the role of state agencies, given their new roles, to eliminate overlapping functions or pursue state agency consolidation opportunities.

### PRINCIPLE 3

In the new structure the state has an essential role of establishing – in collaboration with local agencies – statewide outcomes reflecting statewide goals and values, ensuring that data is available to measure effort and performance, and facilitating learning and best practices to encourage continuous improvement.

### DRAFT PROPOSAL 3 – ADJUST THE STATE ROLE

In addition to the draft proposals above, the state needs to restructure legislative and executive activities to provide a new form of leadership focused on driving improved results at the local level. The state also will continue to play a vital role in ensuring minimum standards across the state to maintain equity. It should do this by establishing a set of basic standards that include prohibiting counties from discontinuing obligations to provide services under current law or reducing eligibility for services. Specifically, the state's role will be to:

- Establish the Big Five Outcomes for state programs in collaboration with local communities, and measure indicators of success annually.
- Incentivize collaboration among local programs based on evidence-based practices.
- Provide encouragement and serve as a convener of peer-to-peer technical assistance, so successful local governments can share best practices around achieving better outcomes and improving fiscal management. This also should include performance-based management training.
- Quantify savings to the state based on positive outcomes (e.g. reducing the number of people sent to prison can be directly tied to a reduction in state prison operating costs).
- Allow cities, counties, schools, and special districts to retain local savings.
- Streamline regulations that impede economic development and reduce micromanagement compliance activities that detract from a local focus on outcomes.
- Act as an advocate on behalf of local governments before Congress and federal agencies, to forge a partnership around federal programs and funds.
- Focus state budget-making on improved performance:
  - Performance-based budgeting: The governor and legislators should establish clear goals and performance measures for all programs. At least once a year, as part of the budget process, lawmakers must review programs to determine if they should continue, or how they can be improved.
- When local governments chronically underperform or fail to meet statewide objectives, the state should intervene in the following ways:

- State intervention should involve having another successful local agency help a failed agency restructure or stabilize. Agencies falling short of performance thresholds should receive technical assistance from teams made up of state and peer administrators. These teams could include consortiums of experts like the Fiscal Crisis Assistance and Management Team or the UC Davis Center for Human Services.
- The state's role would be to set performance standards for when the failed agency could resume full operations.
- Sanctions and/or temporary state takeovers of local administration should be avoided whenever possible and considered a last resort.

**POTENTIAL MODELS** (see these and more online at [CAFWD.org/bestpractices](http://CAFWD.org/bestpractices))

- [Washington State Priorities of Government](#): This zero-based budget approach creates a strategic framework for public investment decisions, prioritizing activities that guide the governor's budget proposal to the Legislature – and helping communicate that budget to the public. As part of the Priorities of Government plan, every agency in Washington has been asked to answer eight questions related to whether their activities are essential to state government and whether they are being delivered in the most cost-effective manner.
- [Council on Virginia's Future](#): The Council on Virginia's Future was established in 2003 to develop a vision and long-term goals for Virginia's future. It also was tasked with developing a performance leadership and accountability system for state government that aligns with and supports achieving the vision.
- [The Commission for a New Georgia](#): The Commission for A New Georgia was established in 2003 by Governor Sonny Perdue to launch a management turnaround that would make Georgia the best-managed state in America.
- [The Prime Minister's Delivery Unit](#): The Prime Minister's Delivery Unit was established in June 2001 by former British Prime Minister Tony Blair to monitor progress on and strengthen the British Government's capacity to deliver its key priorities across education, health, crime and transport.
- [Substance Abuse Mental Health Services Administration \(SAMHSA\)](#): SAMHSA is a federal program that allocates funding to the states for substance abuse services and requires recipient agencies to document performance and report information as a condition of receiving funding.

## 4. Foster Regional Collaboration

Many of the challenges facing California's communities – workforce development, land-use, and environmental issues, in particular – can be most effectively handled not just by one or two counties, but by local agencies working collaboratively across the state's economic regions. Local governments including K-12 schools and community colleges should be given incentives that encourage communities to work together with the private sector to create the workforce and infrastructure needed to bolster the state's regional economies. The state should not add another layer of bureaucracy, but rather provide the right fiscal and regulatory incentives to encourage public agencies and private entities to coordinate their efforts and integrate activities. This will help local entities find innovative ways to achieve the Big Five Outcomes.

Examples of regional solutions and their benefits often involve land-use and transportation:

- **Metropolitan Planning Organizations**, for example, were created in the 1960s to coordinate distribution of state and federal transportation funds. They serve as venues for representatives of local government and state transportation authorities to come together to make long-term transportation plans for different regions. Over the years, these groups have often proved to be effective collaborative models – taking into account available funds, the region's integrated goals, and the needs of the region's residents.
- **The California Inter-regional Blueprint** is an example of a plan to link statewide transportation goals and regional transportation and land-use goals to produce a unified transportation/land use strategy.

One barrier to regional partnerships is the disconnect between regional entities and the state's core fiscal system. As a result, many regional activities rely on the goodwill of cities and counties to coordinate their efforts.

Local strategies for infrastructure investments and workforce connectivity are already coordinated by existing regional agencies and structures that can be linked to outcomes-based plans for schools, cities, counties, and special districts. These include:

- Metropolitan Planning Organizations
- Regional economic development initiatives
- Joint Powers Authorities, such as Councils of Government
- Multi-county special districts (the East Bay Regional Parks District, for example, or the Bay Area Rapid Transit Authority)

**PRINCIPLE 4**

The new structure needs to provide regulatory, fiscal and other incentives to encourage cooperation among local governments in partnership with the private sector to efficiently and effectively meet regional needs. This strategic alliance should align public efforts with regional economic activity and match the scale of effort to the magnitude of regional challenges.

**DRAFT PROPOSAL 4 – FOSTER REGIONAL COLLABORATION**

To encourage cooperation among local governments to efficiently and effectively meet regional challenges that cross city and county lines, the state constitution should be amended to allow cities, counties, schools, community colleges, and special districts in a region to create regional convening and coordinating bodies devoted to improving workforce development. These entities should be designed locally under a uniform statewide set of statutory authorities that would give them the power to provide regulatory, fiscal, and other incentives to encourage cooperation among local governments to meet regional needs. This should include a particular focus on developing a robust pipeline between the educational system and the workforce needs of the regional economy.

The Strategic Growth Council would be responsible for designating an entity with boundaries matching the regional economy. Depending on the needs and resources of different regions of the state, this new regional authority could be granted to an existing regional entity like a Council of Government, an existing convening body like a state university, or, where appropriate, another grassroots regional collaborative entity.

No matter where this authority is vested, in order to promote progress towards the Big Five Outcomes, these regional bodies should include members from all of the governmental entities in a region. This includes cities, counties, schools, community colleges, and special districts.

A few examples of how different regions might use this new authority:

- **COGs:** The state's current regional system of voluntary Councils of Governments is institutionally inadequate to the task of fostering regional collaboration because COGs only include cities and counties and because most COGs are focused exclusively on regional transportation, housing, and environmental planning issues. Regions could choose to make a constitutional change to extend the Joint Powers Authority of their COG to make it more representative by including schools, community colleges, and special districts. This authority would also allow them to develop incentives to encourage development of a robust workforce pipeline.
- **State Universities:** Some regions could choose to invest this new authority in their local state university, instead of their COG, and use the university as a regional convener. A state university public policy institute, for example, could be responsible for

bringing local governments and the private sector together on a regular basis to address regional issues.

- **Other Regional Entities:** Some regions could opt to build their regional education and workforce using existing collaborative entities. In the Central Valley, for example, this might include the California Partnership for the San Joaquin Valley, a public-private partnership established by Gov. Schwarzenegger in 2005 that includes the eight counties of the San Joaquin Valley. The Partnership continues today to bring together representatives from state agencies, each COG in the region, and members of the private sector to focus on improving the region's economic vitality and quality of life.

#### **POTENTIAL MODELS** (see these and more online at [CAFWD.org/bestpractices](http://CAFWD.org/bestpractices))

- [Senate Bill 375 \(Chapter 728, Statutes of 2008\)](#): SB 375 directs the Air Resources Board to set regional targets for the reduction of greenhouse gas emissions. Aligning these regional plans is intended to help California achieve GHG reduction goals for cars and light trucks under AB 32, the state's landmark climate change legislation.
- [Strategic Growth Council grants](#): The Strategic Growth Council manages and awards grants and loans to support the planning and development of sustainable communities. These grants aim to coordinate the activities of state agencies to improve air and water quality, protect natural resources and agriculture lands, increase the availability of affordable housing, improve infrastructure systems, promote public health, and assist state and local entities in the planning of sustainable communities.
- [California Partnership for the San Joaquin Valley](#): The California Partnership for the San Joaquin Valley is an unprecedented public-private partnership sharply focused on improving the region's economic vitality and quality of life for the 3.9 million residents who call the San Joaquin Valley home. The Partnership is addressing the challenges of the region by implementing measurable actions on six major initiatives to help the San Joaquin Valley emerge as California's 21st Century Opportunity.
- [California Stewardship Network](#): The California Stewardship Network is composed of 11 diverse regions across California who came together to develop regional solutions to the state's most pressing economic, environmental, and community challenges.
- [California Regional Economies Project](#): Through a regional perspective, the California Regional Economies Project improves understanding of how the economy is changing, where changes are concentrated, and what catalysts and conditions are causing those changes. In addition, the project assesses how change in one region affects other regions and the state as a whole.
- Several outcomes-focused, reported metrics might be used regionally:
  - [California Regional Progress Report](#) (California Strategic Growth Council)
  - [Re-Imagining California, A Sustainable Future for the Golden State](#) (Women's Environmental Leadership League "WELL" Network)

## 5. Evaluate Efficiency of Operations

For most of the last sixty years, as California has grown, the number of cities has also grown, often as a way to ensure local control. Since the 1990s, this growth in the number of local governments has begun to level off, while the number of special districts has actually declined. Even while this small-scale consolidation has been occurring, the state has not yet grappled with the challenges of how to organize local governments' myriad municipal functions – or how to improve the efficiency and effectiveness of how community services are delivered. From a local perspective, most existing political boundaries may appear justifiable, though opportunities do exist to review – and improve upon – the delivery of local services.

This process should build on the work of the *Commission on Local Governance in the 21<sup>st</sup> Century*, a commission led by former Speaker of the Assembly Robert Hertzberg. The Commission issued a report in 2000 recommending revisions to the laws that govern city, county, and special district boundary changes.

Even after many of these recommendations were enacted, an abundance of governmental entities remain in California. The state has nearly 60 counties, hundreds of cities, and thousands of school districts and special districts. These local governments provide a wide range of services, usually to meet specific local needs, and should have their functions and efficiencies continually assessed.

Options for encouraging political and functional reorganization:

- More authority could be given to local governments to initiate proceedings for functional and or organizational consolidation of agencies through their LAFCo, provided that all entities involved ultimately agree on the reorganization.
- Reduce thresholds/barriers to functional reorganization.
- More authority could be given to Local Agency Formation Commissions (LAFCOs), countywide groups that ensure the orderly formation of local government agencies in every California county.
- Public release of data and analysis, including cost and performance comparisons. The state could provide fiscal incentives, including one-time matches for documented cost savings.

Functional integration:

- Smaller units of government could be given technical assistance for sharing administrative, maintenance, technology, and other functions, while still being able to maintain political autonomy and accountability.

**PRINCIPLE 5**

Government should be organized in a way that most cost-effectively improves results. Local agencies need the incentives and the analysis to make organizational or functional consolidations to reduce costs and improve service.

**DRAFT PROPOSAL 5 – EVALUATE EFFICIENCY OF OPERATIONS**

More authority should be given to Local Agency Formation Commissions (LAFCo), countywide groups that ensure the orderly formation of local government agencies in every California county. LAFCos should be authorized to expand their current practice of collecting information about how municipal services in each county are organized—and should begin to analyze how local governments are *performing*, as well.

In addition to their current work, this would require LAFCos to conduct analyses of every government agency in the county and region and present standardized data on their quantity, cost, and effectiveness. This should include public release of data and analysis, including cost and performance comparisons. It could also include fiscal incentives from the state, including one-time matches for documented cost savings.

- This LAFCo review process should take advantage of existing LAFCo municipal service reviews, comprehensive studies designed to better inform regional bodies, local agencies, and the community about the provision of municipal services. These reviews should also be extended to include Joint Powers Authorities, which are not currently reviewed by LAFCos or any other county body.
- LAFCo reviews should also include regional analyses identifying the number of jurisdictions in each region, their boundaries, the role of each agency in the jurisdiction, these agencies' goals and results, and any opportunities for consolidation or collaboration. This process should be coordinated with the newly-empowered regional workforce development entities discussed in Proposal 4.
- Because LAFCo reviews do not currently include schools, County Offices of Education, working in collaboration with LAFCos as needed, should be authorized to conduct their own “service review” studies of county school district boundaries and size.

**POTENTIAL MODELS** (see these and more online at [CAFWD.org/bestpractices](http://CAFWD.org/bestpractices))

- [Orange County LAFCo Shared Services Program](#): With local governments in Orange County struggling to balance rising costs and reduced revenues, the Orange County LAFCo developed a program in 2011 to help agencies share services. The Shared Services Working Group identified a wide array of potential opportunities, including: fleet maintenance, human resources, water quality monitoring, IT support, landscape maintenance, construction administration, meter reading, rodent control, and tree trimming, among others. Based on direction from the LAFCo and workgroup, LAFCo staff developed a web-based tool that matches agencies seeking services with agencies

offering services—an “eHarmony,” of sorts, for municipal service agencies. The end result is a no-cost, user-friendly resource for local agencies in Orange County interested in sharing services to be matched with agencies that have excess capacity.

- [A New NY: A Blueprint to Reform Government](#): In 2008, The New N.Y. Government Reorganization and Citizen Empowerment Act was enacted into law to reduce New York's 10,521 overlapping governments. In his 2011 State of the State speech, Gov. Andrew Cuomo proposed a set of grants at up to \$100,000 each for local communities to conduct dissolution and consolidation studies.
- [San Mateo Regional Fire Services](#): This memo estimates that the cost of fire protection in San Mateo County could be reduced by nearly \$17 million if five cities and the county jointly contracted with a single entity rather than using five separate fire departments.
- [Sacramento City-County Functional Consolidation](#): A 2010 report identified annual savings upward of \$5 million if the City of Sacramento leveraged functional consolidation opportunities with the County of Sacramento. The following savings would be achieved if the city and county consolidated: emergency dispatch communication (\$2.2 million); major crimes investigation (\$750,000); police property and evidence management (\$290,000); police special teams units (\$840,000); police air support (\$200,000-\$500,000); and, animal care services (\$308,000).
- [California School District Unification](#): In 1964, to encourage voters to form unified school districts, AB 145 (Unruh) stipulated that the funding level for qualified unified school districts be increased by \$15 per ADA. In addition to increasing support for unified school districts, for each elementary school district that voted in favor of unification, even if the whole proposition failed, the funding level of that district would be increased by \$15 per ADA.

## Implementing with Accountability

Most of the benefits from a restructured governance model will come from smartly implementing the new structure to develop evidence-based strategies and deploy proven programs that focus services on better outcomes, involve residents in local decision-making, and ultimately make government more accountable and transparent.

While much of the initial thinking regarding restructuring rightly focuses on what the new structure will look like, even more attention will ultimately need to be put into implementation. To make restructuring a success, residents will need to be more heavily involved in the decisions that will change the manner in which they interact with their government. Given the range of potential service and funding options, the early stages of implementation will consist of mostly local choices – monitored by the state – including setting priorities, identifying community assets and partners, evolving programs to incorporate best practices, and critiquing results to provide for continuous improvement.

Leaders at the state and local level will need to adjust to their new roles and responsibility, and work to incorporate a culture of results and accountability. State and local officials will need to work more collaboratively to anticipate problems and proactively respond to resolve conflicts and seize opportunities for reinforcing the new culture. And it will provide an opportunity for legislators – as policymakers – to develop their own mechanism for jointly monitoring progress and assertively changing statutes or regulations that impede progress.

All of these considerations will best be acted upon with greater involvement from community level leaders – in the public and private sectors – who are championing improvements at the community level. Today's governance system makes it difficult for Californians to hold their public officials accountable. Only through a more coherent and simplified structure – one that the public helps implement – will citizens have a genuine opportunity to be engaged with government.

## Conclusion

California's state and local governments must work better together for everyone. If Californians can come together to restructure the relationships between state and local governments, the state will see immediate benefits, from better outcomes to increased civic engagement. The experience of other states indicates that in five to seven years, a streamlined governance system also will lead to substantial fiscal savings and renewed private investment.

Continuous improvement in the performance of education and social programs will allow the state to shift resources from prisons back to universities. Reductions in the growth of safety net programs – along with increasing confidence in the performance of public programs – will also allow businesses to pay higher wages, while still remaining competitive. Growing middle-income jobs will reduce demand for public services and increase tax revenue.

Restructuring California's government, in other words, can be the beginning of a virtuous cycle – improved education, more workforce participation, better health outcomes, and less crime – that can lead to the best possible outcome: A government that achieves positive social gains in a financially sustainable way.

## Appendix 1 – Models for Revenue Reallocation

In developing ideas for a new local revenue model, *California Forward* considered several different forms of state assistance to help local governments meet underlying statewide goals for improved outcomes. Three models, in particular, continue to inform *California Forward's* revenue proposals.

The first is the *compact* model that is a formal bilateral agreement between the state and local governments that would outline roles, responsibilities and financing. The second is a fee-for-service model in which local governments could contract with the state to provide a service or vice versa. The third is a block grant model that simply sets up one or more broadly crafted grants to support locally defined services directed at improving outcomes for a targeted group such as children.

**I. The Compact Model:** A compact is an agreement formally entered into between the state and one or more local governments in which one or more of the governments transfers responsibility for the delivery of services to another under terms and conditions that include the resources needed to carry out the tasks. The governments responsible for the service would have broad discretion as to the manner of delivering the service subject to the accomplishment of mutually agreed-upon outcomes. The compact could be dissolved for cause or at the end of the term. The following two examples illustrate how the system might work.

- **Criminal Justice:**
  - Outcome target: Reduction in recidivism.
  - Model: The state and county agree that the county will house, supervise and provide rehabilitative services to offenders convicted of certain crimes (previously incarcerated in state prison). Judges will have broad discretion in sentencing and supervising offenders identified in the compact. The county will have broad discretion in using Medi-Cal, behavioral health and employment and training funds to house and provide rehabilitative services to offenders identified in the compact. State savings in per offender costs will be transferred to the court to fund the program.
- **Health/Human Services:**
  - Outcome target: Reduction in number of children living in poverty, improved health status, and improved independent living conditions for seniors
  - Model: The state and county agree that the county will be financially responsible for all TANF, Foster Care, IHSS, Medi-Cal Long-term Care, Behavioral Health and Child Support clients. The county will have broad discretion in establishing eligibility, applying sanctions and operating these programs. All federal funds received for these programs will be transferred to the county. All state funds appropriated for these programs will be transferred to the county. (The transfer

of state funds to the county could be partially offset if the state assumes 100 percent responsibility of all medically indigent adults.) Financial incentives would be available to counties and school districts that work together to improve health and educational outcomes for children. Under this model it may be possible to eliminate the state Department of Child Support and Department of Aging.

**2. Pay-for-Service Model:** The state will provide state aid to local governments to provide specific services at a minimum level of performance. The increased aid will be on a fee-for-service basis for designated services. The state would designate the performance outcomes and fees per client. County participation would be voluntary. Participating counties would have broad discretion over service delivery, flexibility in co-mingling program funds and freedom from state oversight and administrative rules.

- **Criminal Justice:**

- Outcome target: Reduction in recidivism.
- Model: The state identifies prisoners housed in state facilities that would be housed at the county level. The county would be reimbursed for all state prisoners transferred to the county and all county prisoners not sentenced to state facilities. The county would receive a fee per offender that would be sufficient to cover the cost of housing, supervision and rehabilitative services. Counties would be relieved of complying with state Board of Corrections standards. Counties that exceed the target reduction would receive an incentive payment from the state that could be used for any county purpose.

- **Health/Human Services:**

- Outcome target: Reduction in number of children living in poverty, improved health status, and improved independent living conditions for seniors.
- Model: The state identifies those clients in programs with blended state/local funding (e.g., TANF, Foster Care, IHSS, Medi-Cal, Long-term Care, Behavioral Health and Child Support) for which improved outcomes are desired. The county would receive a fee per client with improved outcomes in identified areas. Counties that exceed the targets for improvements would receive an incentive payment from the state that could be used for any county purpose.

**3. Block Grant Model – Children First:** The state could provide local governments with block grants in the areas of criminal justice, or health and children’s services. The purpose of the grants would be to provide local government maximum flexibility in the delivery of services and encourage inter-county and regional collaboration. Participating governments would have to pledge 5 percent of their general funds that would be matched by the state. Through joint powers authorities, local governments would allocate local and state funds among themselves for the purpose of improving agreed upon outcomes. Participating governments would have

broad discretion over service delivery, flexibility in co-mingling program funds and freedom from state oversight and administrative rules.

- **Criminal Justice:** Counties, cities and schools would provide services that would reduce crime, improve school attendance, and increase graduation rates.
- **Children:** Counties, cities, and schools would provide services that would reduce the number of children living in poverty, improve education outcomes, and increase the number foster children successfully transitioning to adulthood.
- **Health:** Counties, cities, and schools would provide services that would improve the health status of the community.

## Appendix 2 – Examples of Successful Service Integration

Developing outcomes-based programs and integrated services can be a challenge in California today, but there are many examples of communities that are finding ways to improve outcomes within the constraints of the current governance system. Many of the lessons learned from these local efforts can be applied to statewide restructuring.

**Counties** – Even with the many limitations imposed by our current system, some counties have found ways to encourage their programs to focus on performance and collaboration. See below for just a few examples of counties that have integrated their own services – or partnered with cities, schools, and special districts – to improve outcomes.

- **San Diego County** – In the ten years since the county began integrating the agencies responsible for public health, mental health, alcohol and drug treatment, and foster care, the restructured programs have generated a total of \$230 million in savings for the county that have been reinvested in performance-based front-line services. Restructuring has helped the county streamline administrative costs, as well: Overhead for these agencies was 21 percent of their budgets when integration began; today it is less than 12 percent.
- **San Mateo County** – To encourage county agencies to work together to mitigate the health issues of the county’s most vulnerable groups, San Mateo has pooled the available resources of three large agencies – human services, juvenile probation, and mental health services. These newly integrated groups meet once a week to make joint decisions about what they now acknowledge are their shared clients. Over the past ten years, restructuring has resulted in a 50 percent reduction in the number of children being placed out of home, while also reducing levels of incarceration, homelessness, and hospitalization.
- **Santa Clara County** – The county’s new Center for Leadership and Transformation was created in 2010 to deploy elements of the Toyota management system – world-renowned for its elimination of waste – on the challenge of tying local government programs to performance. The teams’ early forays into restructuring have identified millions of dollars in savings in programs ranging from county IT systems to its hiring practices.
- **Contra Costa County** – The county’s Service Integration Teams bring together workers from public assistance, employment services, child welfare, probation, alcohol and drug abuse treatment, mental health, and public health into a single collaborative service delivery model.
- **Los Angeles County** – In the 1990s, the county adopted a multi-department set of “Principles of Family Support Practice,” after a study found that a substantial number of children and families were receiving services from more than one county department – and more than 1.3 million children alone were relying on services

provided by county government. These ‘Principles’ have encouraged health programs and social services to integrate their work, and have helped prevent many children and families from falling through cracks in the safety net.

**Cities, Schools, and Special Districts** – Many cities, schools, and special districts also have found ways to encourage public programs to integrate their services and collaborate to improve outcomes. Just a few examples:

- **City of Millbrae and City of San Bruno** – Originally designed as a pilot program to cut costs, these two cities have formalized their practice of sharing fire services under a single command staff in the past several years. The two fire departments share truck company services, emergency medical services, and even firefighter training – making more personnel available to respond to emergencies, and saving both cities hundreds of thousands of dollars annually. The cities also have recently started sharing police services, as well.
- **Oakland Unified School District** – Using the Joint Powers Authority, Alameda County, the City of Oakland, and the Oakland Unified School District have institutionalized an integrated service plan that allows programs from the county, the city, and the schools to work together to keep kids in school, lower Oakland’s high school suspension rates, and reduce crime. For the past 12 years, this initiative has brought together over 65 governmental agencies, community service providers, early childhood centers, and philanthropic organizations – which together design and fund programs for poor and vulnerable families. “When we put our staff into the schools, these kids become our kids,” says Dave Kears, special assistant to the county administrator. “It doesn’t matter who signs the paychecks. What we discovered was, ‘We can’t do this by ourselves.’”
- **Conejo Recreation and Park District** – “If voters could reimagine government, it might look a lot like special districts – where people can create just the type of service they want,” Jim Friedl, the general manager of the Conejo Recreation and Park District said recently. Created by a group of Central Coast communities to provide recreation opportunities and conserve the recreational resources of the surrounding area, the Conejo Recreation and Park District is a model of how special districts can integrate their services with nearby governments: Conejo has a JPA with the city of Thousand Oaks and the Santa Monica Mountains Conservancy to manage conservation projects, while also collaborating with the local school district in a facility-sharing agreement and jointly funding a youth outreach program – including some after-school programs that schools themselves might have offered in the past.

## Appendix 3 – Key Elements of Successful Service Integration Initiatives

Following the February and March Stakeholder Roundtable meetings, *California Forward* Leadership Council member Sunne Wright McPeak summarized the following as some key elements of successful service integration initiatives:

- 1. Leadership:** Leadership is essential. It takes a different kind of leadership that articulates the vision and values for the initiative and that inspires, supports, and drives the team to achieve the intended outcomes and results.
- 2. Partnership:** There must be a true partnership with a sense of ownership and sincere commitment by all partners to the mission of the initiative. This kind of partnership goes beyond agency coordination – it involves collaboration to integrate resources for better results. The partnership needs to have an explicit organizational structure with the roles and responsibilities of all partners clearly delineated in written agreements, often legal documents.
- 3. Responsibility and Accountability:** All partners must be individually and collectively responsible and accountable for outcomes and results. This element needs to be data driven and reinforced with regular reports to partners and stakeholders about outcomes.
- 4. Integrated Resources:** Partners combine and integrate their resources (personnel, funding and facilities) to focus on outcomes and results, usually providing improved services to the target populations. The integration of resources often requires greater flexibility from funding and regulatory agencies.
- 5. Customer-Focused Service Model:** Partners focus on results for the customer – the clients or target population—to break through conventional silos and cut across existing systems. The service model evolves from an imperative to focus on results with a common sense approach to the most direct deployment of resources to achieve efficiency, transparency, and accountability.
- 6. Regulatory Relief:** A customer-focused service model often requires relief from unnecessary and nonproductive process regulations in return for greater accountability for results. Regulatory agencies from other levels of government (such as the state and federal government) need to shift their role to being a partner in success instead of a monitor for failure, and to provide technical assistance, including information about best practices.
- 7. Sustained Focus and Funding:** Sufficient and sustained funding is essential to overcome the inertia of the existing system. Initial seed funding that serves as a catalyst to jump-start the

development of a new service model is often pivotal. Further, there must be a commitment to stable funding for a reasonable period of time to produce observable change and measurable results.

**8. Incentives for Performance:** Incentives, including financial rewards for partner organizations and employees, have a very positive impact on motivating partners to drive expeditiously to results.

**9. Continuous Collaboration and Improvement:** The partnership establishes a disciplined practice with a set timetable to review progress and determine course corrections. There is a process for continuous improvement and encourages ongoing collaboration.

**10. Rooted Culture and Institutionalization Practices:** The leadership and partners reinforce the culture of collaboration to outcomes and results with efficiency, transparency and accountability. This is accomplished with training, reorganization and rewards for improved practices and results.

## Appendix 4 – The Origins of the Framework

After meeting with leaders around the state about the causes of the state’s current dysfunction, the same themes emerged again and again: The current governance system is broken, it lacks focus on outcomes, it fails to align authority with responsibility, and it is too complex. To improve California’s government, it has become increasingly clear the state needs to restructure.

**The Local Government Task Force:** In the fall of 2010, *California Forward* convened a workgroup of local government leaders to begin developing a set of detailed options for how to improve results by restructuring the relationship between state and local government. A group of current and former city and county officials on what became known as the Local Government Task Force developed three principles that have served as the foundation of *California Forward*’s approach to state/local restructuring. These principles also served as the guide for the initial draft of the *Smart Government Framework*:

- Public programs should work collaboratively with a focus on shared outcomes. These outcomes should guide policy development, management decisions, and ultimately, accountability, through public reporting of results.
- Fiscal control is essential if local governments are going to be empowered to integrate services, innovate, develop better practices, and achieve economies of scale.
- Regional collaboration can make many services more efficient and effective by allowing local governments to meet large-scale challenges by developing more cohesive service delivery strategies across jurisdictions.

**Stakeholder Roundtables:** After the initial work of the Local Government Task Force, *California Forward* spent the winter of 2011 hosting a series of Stakeholder Roundtables in Sacramento to refine its proposals. In a series of five collaborative meetings moderated by *California Forward*’s Sunne Wright McPeak, a committed group of stakeholders and experts in education, local government, health and human services, economic development, and labor provided detailed feedback on the Framework. They also offered suggestions for improving its five draft proposals for restructuring. After each meeting, the Framework was revised and refined to incorporate stakeholders’ suggestions.

Throughout these meetings, stakeholders encouraged *California Forward* to continue its work without becoming bogged down by the state’s ongoing budget negotiations. “This is not a parlor game. It’s not just an exercise,” Mayor Ron Loveridge of Riverside said at one meeting. “Across the country, a discussion has started about how we will deliver services in the 21<sup>st</sup> century. This is the tip of the spear of that discussion.”

**Speak Up California:** At the same time the Stakeholder Roundtable meetings were being held in Sacramento, *California Forward* was also leading a statewide conversation project called “Speak Up California” focusing on the challenges of restructuring. In more than 60 meetings across California through the winter and spring of 2011, groups of civic leaders, business leaders, non-profit advocates, elected officials, and other interested citizens came together to discuss how to reform California’s government. The input from these meetings – which has included a range of specific suggestions for how *California Forward*’s approach could be refined – also helped shaped the Framework and its five draft proposals.

**Regional Stakeholder Roundtable Meetings:** After completing the Sacramento-based Stakeholder Roundtable discussions and statewide “Speak Up” dialogues, *California Forward* convened a series of Regional Stakeholder Roundtables to get more detailed feedback on the *Smart Government* Framework from stakeholders across the state. A total of ten Regional Stakeholder meetings were held in San Diego, Los Angeles, the Inland Empire, the Central Valley, and the Bay Area. Local elected officials and leaders from business, labor, government and the nonprofit sector provided detailed feedback on what works in the *Smart Government* proposals, as well as what’s missing. This input was also incorporated into the Framework.

**Participants:** A complete list of the members of the Local Government Task Force as well as the participants in the Sacramento and Regional Stakeholder Roundtables can be found in the pages that follow. Following the list of names is a collection of quotes and statements from participants about the importance of restructuring.

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Maribel Louie, *Economic Development, Analyst City of West Hollywood*  
Cecil Murray, *Professor of Religion, University of Southern California*  
Zarui Neksalyan, *Assistant Director, Policy and Programs, Los Angeles Business Council*  
Felton Newell  
Nina Nolcox, *RN, PHN*  
Hilary Norton, *Executive Director, Fixing Angelenos Stuck in Traffic*  
Laura Olhasso, *Councilmember, City of La Canada Flintridge*  
Torie Osborn, *California Alliance*  
Lisa Power  
Jennifer Quan, *Regional Public Affairs Manager, League of California Cities*  
Andre Quintero, *Mayor, City of El Monte*  
Robyn Ritter Simon, *Former President, National Womens' Political Caucus - Los Angeles Westside*

Joe Rivera, *Governing Board Member, El Rancho School District*  
 David Roberts, *Associate Director, Local Government Relations University of Southern California*  
 Peter Rodriguez  
 Nathan Sessoms, *Director, Brotherhood Crusade*  
 Stephen Simon, *Aids Coordinator, City of Los Angeles*  
 Jerilyn Stapleton, *Project Director, Jewish Labor Committee*  
 Elena Stern, *Vice President of External Affairs, Para Los Ninos*  
 Daniel Tabor, *Principal, Higher Ground Enterprises*  
 Tony Tartaglia, *Member - Board Of Trustees, Glendale Community College*  
 Joylene Wagner, *Glendale Unified School District*  
 Diane Wallace  
 Mawusi Watson, *Executive Assistant to the City Manager, City of Inglewood*  
 Steve West, *General Manager, San Gabriel Valley MVCD*  
 Anne Williams, *Central City Association*  
 Ben Wong, *Director of Local Public Affairs, Southern California Edison*

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 Christina Bivona-Tellez, *Regional Vice President, Hospital Association of Southern California*  
 Gregory Bradbard, *President and CEO, Inland Empire United Way*  
 Jonathan Buffong, *Community Liaison, Office of Prevention and Early Intervention, San Bernardino County*  
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 Chris Catren, *Lieutenant, City of Redlands*  
 Beata Chami, *Student*  
 Stephani Congdon  
 Olivia Crowley-Sancrant, *Administrative Assistant, Inland Empire Economic Partnership*  
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 Christina Duran, *Vice Chair, Friends Across the Lines*  
 Bryant Fairley, *Associate Director of Community-University Partnerships, California State University, San Bernardino*  
 Max Freund, *LF Leadership*  
 Sheila Futch, *Senior District Representative, Office of Assemblymember Wilmer Amina Carter, 62nd District*  
 Stanley Futch  
 Paul Granillo, *President/CEO, Inland Empire Economic Partnership*  
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Don Griggs, *Westside Action Group (WAG)*  
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Ratibu Jacocks, *Treasurer, Westside Action Group (WAG)*  
Malik Joyner  
Theresa Keller, *Staff Analyst, San Bernardino Employment and Training Agency*  
Tigist Keneni, *Student*  
Michelle Lamb  
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Andres Luna, *Principal, Rialto Unified School District*  
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Ricky McClure  
Jacob Mejia, *Public Affairs, Pechanga Band of Luiseño Indians*  
Cari Mendez, *Senior Vice President, Investor Relations Inland Empire Economic Partnership*  
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Judy Perry, *Assistant Director Public Health Nursing Field Services, Riverside County*  
Kathleen Rollings-McDonald, *Executive Officer, San Bernardino County LAFCo*  
Cynthia Rubio, *Student*  
Kaitlyn Sarawatai, *Student*  
Jeff Sceranka, *President, Enterprise Funding Corporation*  
Christy Schroeder  
La Donna Sewell  
Pete Serbantes  
Ali Shuns, *Student*  
Lisha Smith, *Deputy Chief of Staff, San Bernardino County*  
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Sheri Stuart, *Springboard*  
Michael Tuerpe, *Analyst, San Bernardino County LAFCo*  
Fabian Villenas, *Principal Management Analyst, City of Rancho Cucamonga*  
Stephanie Vondersaar, *Economic Development Manager, City of Ontario*  
Dina Walker, *Executive Director, BLU Educational Foundation*  
Joseph Williams, *Executive Director, Youth Action Project*

Tom Willman, *Manager, Digital Production Services Riverside County*

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Kathleen Coates Hedberg, *Board Member, Helix Water District*

Robert Coleman, *Executive Director, Second Chance*

Joyce Crosthwaite, *Executive Officer, Orange County LAFCo*

Whitney De Agostini

Vi Dupre, *Administrator, Fallbrook Healthcare District*

Steve Escoboza, *Hospital Association of San Diego and Imperial Counties*

Jill Esterbrooks, *Communications Director, City of San Diego*

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Tim Geiser, *Board President, Deer Spring Fire District*

Philip Hanger, *San Diego County*

Judy Hanson, *Director, Leucadia Wastewater District*

Brett Hodgkiss, *Administrative Services Manager, Vista Irrigation District*

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Nancy Lytle, *Vice President, Southeastern Economic Development Corporation*

Nick Macchione, *Director, San Diego County Health & Human Services*

Margarette Morgan, *President, Vista Fire Protection District*

Marcy Morrison, *Careers With Wings*

Judy Ritter, *Mayor, City of Vista*

Mark Robak, *Board Member, Otay Water District*

Caroline Smith, *San Diego County*

Don Stump, *North County Lifeline*

Don Wells

Christopher Yanov, *Founder & President Reality Changers*

Nick Yphantides, *San Diego County*

## STAKEHOLDERS ON THE IMPORTANCE OF RESTRUCTURING

At the beginning of the first Stakeholder Roundtable meeting in Sacramento, participants provided a range of deeply insightful comments about the need for change when they were asked to complete the following sentence on a notecard:

**“It is important to fix the relationship between state and local governments because...”**

- “State and local governments are currently competing with each other over scarce resources, rather than cooperating with each other to stretch them.” – **Justin Adams**, *Chang & Adams Consulting*
- “It’s essential to create the environment for local communities to develop innovative strategies to improve outcomes for all Californians. Until we improve that relationship, we don’t create an environment in which innovative solutions can come forward.” – **Christina Altmayer**, *Altmayer Consulting*
- “The stability and sustainability of our rural health safety net and the economies of rural California demand it. To ensure the 5 million people living in rural communities have healthy communities. The health care safety net system, even with workforce shortages, makes up 11 percent of the rural workforce in the state – and rural communities make up 85 percent of the landmass in the state. That’s why we have to do this right: We need to restore public trust in government and its role in our private lives.” – **Steve Barrow**, *California State Rural Health Association*
- “Because of all the problems that have been mentioned, people have lost trust in state and local government. Because of that, they’re beginning to lose trust in the promise of California.” – **Andrew Berthelsen**, *Assemblymember Rich Gordon’s Office*
- “The current relationship doesn’t provide cost effective or efficient delivery of services to the public.” – **Linda Best**, *Contra Costa Council*
- “We need accountability and parity to ensure a sustainable future.” – **Vanessa Cajina**, *Western Center on Law and Poverty*
- “Effective delivery of public services is contingent upon fixing this relationship. When I say ‘effective,’ I mean cost-effective,’ as well as emphasizing performance and service quality. Government needs to be more process-oriented.” – **Andrew Chang**, *Chang & Adams Consulting*

- “People don’t believe in investing their common wealth anymore for the common good – both because of lack of trust and because most Californians don’t understand the difference between state and local government. People want California to work, and our economy will not thrive until government functions.” – **Cindy Chavez**, *Working Partnership USA*
- “California’s business climate will benefit, protecting businesses and jobs, and make them more competitive with other states.” – **Kirk Everett**, *Silicon Valley Leadership Group*
- “To clearly define and delineate the proper roles and functions of government at all levels, [restructuring must provide]: Greater efficiency/accountability/service delivery; protection of taxpayer dollars; avoidance of the current deficit cycle and the traditional boom and bust cycles of California’s budget.” – **Ryan Eisberg**, *Senate Republican Caucus*
- “The broad range of services needed to educate the whole state depends on a positive and functional relationship between schools, cities, counties, and the state.”  
– **Stephanie Farland**, *California School Boards Association*
- “The existing system is dysfunctional and the public is not being well served.”  
– **Jim Fox**, *former District Attorney, San Mateo County*
- “The state/local relationship must be restructured to align responsibility and funding, clarify accountability, enable transparency, simplify and enhance citizen involvement in democracy, and provide for efficiency and return on investment assessment.”  
– **Linda Galliher**, *Bay Area Council*
- “It’s totally broke and tinkering hasn’t worked. All of the previous efforts at realignment have been tinkering. We need to acknowledge it needs to be totally fixed.”  
– **John Gioia**, *Contra Costa County*
- “I was the California Budget Project analyst who had to read and explain Prop 22 on the November 2010 ballot. We can’t afford any more ballot-box solutions that impose additional dysfunction and increase the complexity of policymaking in California. If you don’t fix this, you end up with more of the same.” – **Scott Graves**, *California Budget Project*
- “State and local government must learn how to partner with each other for the purpose of saving money and to keep the trust of the public that we serve.” – **Joan Hancock**, *Contractors State License Board*

- “It will improve service-delivery for all Californians.” – **Iris Herrera**, *California Special Districts Association*
- “We need to renew the public and private infrastructure to restore the golden state to its former glory.” – **Bill Higgins**, *California Councils of Government*
- “We must fix this relationship because we have lost the public’s trust. Our system is broken and fiscally broke, and we must salvage the quality of life of California.”  
– **Kathy Jett**, *former Undersecretary of Programs, California Department of Corrections and Rehabilitation; and, former Director, Department of Alcohol and Drug Programs*
- “We can achieve far more working together than apart, regardless of the revenues available.” – **Dave Kears**, *Alameda County*
- “Education and Health & Human Services for children are not adequately funded or effectively and efficiently provided. We need to figure out a way to get services to kids where they are – at schools and learning centers.” – **Ted Lempert**, *Children Now*
- “We need to improve the quality of services we provide to Californians.”  
– **Susan Lovenburg**, *Davis Joint Unified School District and Saving California Communities*
- “We can’t sustain the needed level of investment in education or other government services without rethinking the way government works. Taxpayers need to see results to continue supporting investments in these services.” – **Debbie Look**, *California State PTA*
- “There is much distrust by the public regarding the ability of state and local governments to address the state’s problems. Moreover, the financial ability to provide operational and capital programs as currently constituted is unsustainable.”  
– **Randy Margo**, *retired Assistant County Administrator, Yuba County; adjunct professor, Golden Gate University*
- “Our future depends on it. We need to enable local governing bodies to develop innovative and cost-effective plans and transform state government into more of a leader and less of a bureaucratic impediment.” – **Tom Mays**, *California Department of Education*
- “Our communities are only as strong as their weakest link. We need to find that weakest link and fix it to make it strong. Secondly, because we will be remembered for how we treat each other.” – **Helyne Meshar**, *Helyne Meshar & Associates*

- “In the 21st century, the role of government has become more primary than in the past, and we need to make sure it’s functioning at the level it needs to be to meet the needs of the people.” – **Cynthia Murray**, *North Bay Leadership Council*
- “If we don’t fix this, we can’t be successful. Our citizens want us to do it. Once and for all, we either rise together, or sink alone.” – **Bev Perry**, *City of Brea; former president, Southern California Council of Governments*
- “A positive relationship only makes common sense, and it’s expected by the represented. It’s far more costly not to cooperate.” – **Larry Powell**, *Fresno County Office of Education*
- “To make California a great state again, where our citizens are provided effective services with a transparent governance framework.” – **Tom Powers**, *former Chief Deputy, Department of Alcohol and Drug Programs*
- “California’s future depends on successful reform. I’d echo the need to be more cost-effective, more transparent, and to have more public trust with voters.”  
– **Alison Ramey**, *California Primary Care Association*
- “Older Californians depend on the social safety net at the state and local levels.”  
– **Michael Richard**, *AARP*
- “The mission of government requires that government be responsible to the people – efficient, effective, and equitable at all levels. In times of tight budgets, funding and responsibilities must be allocated in a logical, effective way to ensure the trust of people in government.” – **Trudy Schafer**, *League of Women Voters*
- “My 85-year old father deserves to live with dignity in retirement after a lifetime of service in the public and private sector. And my 7-year-old and 2-year-old deserve a great public school system for their education.” – **Jai Sookprasert**, *California School Employees Association*
- “We have to fix it because we’re wasting focus, energy, and creativity trying to solve problems alone that we all share.” – **Kris Stadelman**, *NOVA Workforce Services, City of Sunnyvale*
- “We need to develop agencies that both encourage and facilitate local-level innovation, to allow us to collectively become more competitive in a global marketplace.”  
– **Kristin Tilquist**, *chief of staff, Mayor Ron Loveridge of Riverside*

- “California’s infrastructure has collapsed and before any progress can be accomplished, the schools, roads, public safety public health must be restored to an operational basis. For three generations, we deferred taking care of things, and we can’t defer anymore.” – **David Warren**, *prison chaplain; retired lobbyist, Taxpayers for Improving Public Safety*
- “The restoration of citizens’ trust in public governance in California depends on it. Since Prop 13 and the *Serrano v. Priest* decisions, and the resulting institutions created to respond to them, a growing separation has arisen between citizens and their knowledge, interest, support, and trust of state and local government. Reforms being proposed by CA Forward can change this.” – **Rob Wassmer**, *California State University, Sacramento*
- “California has been a beacon of worldwide leadership in providing opportunity to all. We need to continue that leadership by fixing a dysfunctional system that’s denying those opportunities.” – **Tim Youmans**, *Economic and Planning Systems*



*California Forward's mission is to work with Californians to help create a “smart” government – one that’s small enough to listen, big enough to tackle real problems, smart enough to spend our money wisely in good times and bad, and honest enough to be held accountable for results.*

Tell us what you think:  
**[fwd@CAFWD.org](mailto:fwd@CAFWD.org)**

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**Local Agency Formation Commission of Napa County**  
Subdivision of the State of California

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**August 1, 2011**  
**Agenda Item No. 8a (Discussion)**

July 26, 2011

**TO:** Local Agency Formation Commission

**FROM:** Keene Simonds, Executive Officer  
Brendon Freeman, Analyst

**SUBJECT: Update on Law Enforcement Municipal Service Review**

The Commission will receive an update on its scheduled municipal service review on law enforcement services provided throughout Napa County. This includes receiving draft agency profiles on the five principal law enforcement providers subject to the review: the County of Napa and the Cities of American Canyon, Calistoga, Napa, and St. Helena. Staff anticipates presenting a complete draft report on the municipal service review as early as the next regularly scheduled meeting.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 directs Local Agency Formation Commissions (LAFCOs) to review and update each local agency's sphere of influence every five years as needed. Spheres are planning policies used by LAFCOs to demark the territory it believes represents the affected agency's appropriate future service area and jurisdictional boundary within a specified time period. All jurisdictional changes and outside service extensions must be consistent with the affected agencies' spheres with limited exceptions. Sphere determinations may also lead LAFCOs to take other actions under their authority, such as initiating the formation or dissolution of a special district. Importantly, LAFCOs must inform their sphere determinations by preparing municipal service reviews to consider the level, range, and need for governmental services within their county jurisdiction. LAFCOs must complete the municipal service review process prior to making related sphere determinations.

**A. Discussion**

*Municipal Service Review on Law Enforcement Services*

Consistent with LAFCO of Napa County's ("Commission") adopted study schedule, staff has initiated work on a municipal service review on law enforcement services provided throughout Napa County. The municipal service review's immediate objective is to develop and expand the Commission's knowledge and understanding of the current and planned provision of law enforcement services relative to the present and projected needs of each agency's respective jurisdiction. This includes receiving draft agency profiles on the five principal law enforcement providers serving the unincorporated and incorporated areas: the County of Napa and the Cities of American Canyon, Calistoga, Napa, and St.

Lewis Chilton, Vice Chair  
Councilmember, Town of Yountville

Joan Bennett, Commissioner  
Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner  
Councilmember, City of Napa

Bill Dodd, Chair  
County of Napa Supervisor, 4th District

Brad Wagenknecht, Commissioner  
County of Napa Supervisor, 1st District

Mark Luce, Alternate Commissioner  
County of Napa Supervisor, 2nd District

Brian J. Kelly, Commissioner  
Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Keene Simonds  
Executive Officer

Helena. The Commission will use the municipal service review to inform its decision-making as it relates to performing future sphere updates for the affected agencies as well as incorporate into evaluating future jurisdictional changes.

### *Current Status*

Staff has completed to date draft agency profiles on all five principal law enforcement service providers. The draft profiles are attached and provide snapshots of each agency with respect to their service population, organizational structure, municipal service provision, and financial standing. This includes considering the availability and sufficiency of resources to accommodate current and future demands by way of incorporating standard performance measures. Significantly, staff will rely on the draft profiles in preparing the remaining sections of the report, including the statements addressing the various factors required for consideration during municipal service review process ranging from infrastructure needs to financial standing.

With respect to a summary of key issues identified in the draft agency profiles, there appears to be distinct service patterns between the two north valley cities (Calistoga and St. Helena) and two south valley cities (American Canyon and Napa). Specifically, the two north valley cities have relatively identical sworn staff levels and law enforcement expenditures as measured on a per capita basis. The two south valley cities, likewise, also have relatively identical sworn staff levels and law enforcement expenditures on a per capita basis. However, a prominent distinction exists with respect to the north valley cities having nearly twice the per capita sworn staff and law enforcement expenditures compared to the south valley cities. Other notable distinctions identified in the draft agency profiles include:

- There is a rather significant disparity within Napa County with regard to reported crimes. The City of Napa on average has 40 reported crimes per 1,000 residents, representing the highest ratio of crimes per capita in Napa County. The City of American Canyon, conversely, on average has 2.3 reported crimes per 1,000 residents, representing the lowest ratio of crimes per capita in Napa County.
- The Cities of Calistoga and Napa along with the County of Napa have each experienced close to a one-tenth decline in the volume of reported crimes over the last five years. The City of St. Helena has experienced the largest decline in reported crimes over the period at two-fifths. Conversely, the City of American Canyon has experienced an approximate four-fifths increase in reported crimes.
- Average clearance rates in Napa County among law enforcement agencies generally result in one-fourth to one-third of all reported crimes either being solved or deemed unfounded. A key exception involves the City of American Canyon, which has cleared on average close to two-thirds of all reported crimes over the last five years.

## **B. Commission Review**

Commissioners are encouraged to provide feedback to staff on the update on the law enforcement municipal service review. Unless otherwise directed, staff anticipates presenting a complete draft report on the municipal service review for discussion as early as the Commission's next regularly scheduled meeting, October 3, 2011.

### Attachments:

- 1) City of American Canyon Draft Agency Profile
- 2) City of Calistoga Draft Agency Profile
- 3) City of Napa Draft Agency Profile
- 4) City of St. Helena Draft Agency Profile
- 5) County of Napa Draft Agency Profile

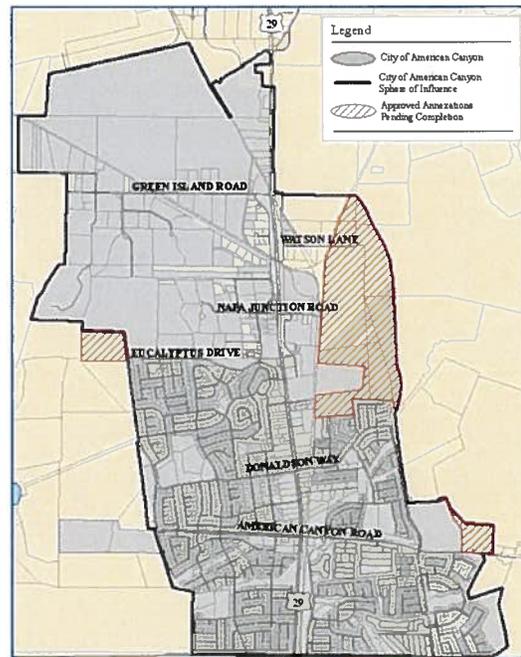
ATTACHMENT ONE

**A. City of American Canyon**



American Canyon was incorporated in 1992 as a general law municipality. It is approximately 5.5 square miles in size and provides a full range of municipal services directly or through agreements with outside contractors with the notable exception of fire protection, which is the responsibility of a subsidiary agency of the City, the American Canyon Fire Protection District (ACFPD). American Canyon is the second largest municipality in Napa County as measured by residents and has been one of the fastest growing communities in the entire San Francisco Bay Area with an average annual population increase of 9.6% over the last 10 years; an amount more than double the 4.6% annual growth rate of the remaining region during the same period. The California Department of Finance estimates American Canyon’s current population at 19,693, which results in a density of 3,580 residents for every square mile.

American Canyon’s current General Fund operating expenses are budgeted at \$15.6 million; an amount representing a per capita expenditure of \$794. The largest discretionary operating expenses are dedicated to the City’s contract with the County of Napa Sheriff (\$4.9 million) and legal services (\$0.3 million). General Fund operating revenues are budgeted at \$15.7 million with close to one-half (\$7.7 million) expected to be drawn from property tax proceeds. On a regional level, American Canyon collects more than double the amount of property taxes than any other municipality in Napa County as measured on a per acreage basis.<sup>4</sup> Sales tax revenues are projected to represent the second largest discretionary revenue source for American Canyon accounting for one-eighth (\$2.0 million) of the total budgeted amount.<sup>5</sup>



A review of American Canyon’s most recently audited financial statements reflect the City experienced a moderate negative change in its overall equity decreasing by 0.7% or \$2.6 million between 2008-09 and 2009-2010 from \$353.6 to \$351.1 million. Financial statements also note the unrestricted portion of the overall fund balance decreased in value over the preceding 12-month period by 6.7% or \$2.2 million to \$30.4 million due to a corresponding shortfall in revenues-to-expenses. Nevertheless, the financial statements assert American Canyon finished the last audited fiscal year with a high amount of liquidity given its total

<sup>4</sup> The State Controller’s most recently published *Cities Annual Report* notes American Canyon’s per acreage property tax collection was \$2,169. This amount surpassed the per acreage property tax collections for Napa at \$1,243, St. Helena at \$762, Calistoga at \$715, Yountville at \$560, and County of Napa at \$105.

<sup>5</sup> Sales tax revenues, importantly, have more than doubled since 2000 as result of expansive new commercial development and highlighted by a Wal-Mart Supercenter, which has over 500 employees and is now the largest single employer in the City limits.

current assets equal more than seven times its current liabilities. American Canyon also finished the last audited fiscal year holding a low amount of long-term obligations relative to its net assets as measured by its debt-to-equity of 6.9%, reflecting an ability to assume additional debt as needed. American Canyon's unreserved/undesignated balance in its General Fund as of June 30, 2010 totaled \$3.0 million; an amount equaling nearly three months of general operating expenditures during the fiscal year.<sup>6</sup>

### *Law Enforcement Services*

American Canyon's Police Department (ACPD) is directly responsible for providing the majority of law enforcement services within the City; other related services – such as animal control and special tactic operations – are provided by contract with the County of Napa. ACPD currently budgets 25.5 full-time equivalent employees divided between 23 sworn and 2.5 support personnel. ACPD's approved operating expenses in 2011-2012 total \$5.33 million. This amount is entirely funded through American Canyon's General Fund and accounts for 34% of the City's budgeted operating expenses.

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ACPD's sworn personnel are all contracted with County Sheriff ("Sheriff") and generally work 80 hours every two weeks.<sup>7</sup> A lieutenant or captain with Sheriff is mutually selected by the Sheriff-Coroner and City Council to serve as ACPD's Police Chief and oversee three divisions: 1) administration; 2) patrol; and 3) investigations. Other sworn personnel include four sergeants and 18 officers. Patrol is the largest division and is set up to include four units during the day and four units during the night shifts. One officer is assigned to each unit with all vehicles equipped with radio and video.<sup>8</sup> Staffing levels, overall, have remained stable due to the requirements of the contract for law enforcement services with the Sheriff. A summary of budgeted sworn personnel over the last five years follows.

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| Budgeted Sworn Officers |               |               |               |               |
|-------------------------|---------------|---------------|---------------|---------------|
| 2005-06                 | 2006-07       | 2007-08       | 2008-09       | 2009-10       |
| N/A                     | 22            | 22            | 23            | 23            |
| N/A                     | 1.5 Per 1,000 | 1.4 Per 1,000 | 1.4 Per 1,000 | 1.4 Per 1,000 |

ACPD has experienced an approximate eight percent increase in annual service calls between 2005 and 2009 with the five-year average resulting in 870 calls for every 1,000 residents.<sup>9</sup> Reported crimes, however, have increased by approximately four-fifths during the same period with the five-year average resulting in 2.3 crimes for every 1,000 residents. Clearance rates, however, remain relatively consistent during this period with three-fifths of all reported crimes resulting in an arrest or determined to be unfounded.



<sup>6</sup> American Canyon's General Fund operating expenses in 2009-2010 totaled \$14.6 million.

<sup>7</sup> This arrangement was established at the time of American Canyon's incorporation.

<sup>8</sup> ACPD reports all vehicles are replaced every four years or 80,000 miles.

<sup>9</sup> Per 1,000 resident estimates based on American Canyon's projected population as of January 1, 2011.

ACPD has established mutual aid agreements with surrounding law enforcement agencies with most of its outside service responses dedicated to the City of Vallejo. ACPD reports service responses dedicated to Vallejo have increased by 50% over the last year and are directly attributed to the municipality's recent bankruptcy filing. Overall, ACPD reports approximately 0.25% of its current service responses involve mutual aid calls.

The following table summarizes ACPD's current facilities, resources, and service demands.

## ACPD

### Facilities, Transportation Pool, and Personnel/Funding Resources

| Facilities                              | Location  | Size                  | Built                       |                              |
|---|---|-----------------------|-----------------------------|------------------------------|
| 1) Administration / Operations Building | 911 Donaldson Way East, American Canyon, CA 94503 | 1,800 square feet     | 2006                        |                              |
| Marked/Unmarked Vehicles                | Motorcycles                                       | Bicycles              | Watercrafts                 | Helicopters                  |
| N/A                                     | N/A   | N/A                   | 0                           | 0                            |
| Sworn Staff                             | Canines   | Support Staff         | 2010-11 Actual Exp.         | 2011-12 Adopted Exp.         |
| 23                                      | 1   | 2.5                   | \$5.26 Million              | \$5.33 Million               |
| 1.2 / 1,000 Residents                   | 0.05 / 1,000 Residents                            | 0.1 / 1,000 Residents | \$267,100 / 1,000 Residents | \$270,655 / 11,000 Residents |

### Services Provided

| Category                      | Provided Directly | Provided by Contract/Mutual Aid |
|-------------------------------|-------------------|---------------------------------|
| Dispatch                      | ☆                 |                                 |
| Patrol                        | ☆                 |                                 |
| Investigations                | ☆                 |                                 |
| Parking Enforcement           | ☆                 |                                 |
| Animal Control                |                   | ☆                               |
| Specialized:                  |                   |                                 |
| - Search and Rescue           |                   | ☆                               |
| - Special Weapons And Tactics |                   | ☆                               |
| - Bomb Squad                  |                   | ☆                               |
| - Canine Deployment           |                   | ☆                               |
| - Short-Term Holding          |                   | ☆                               |
| - Long-Term Holding           |                   | ☆                               |
| - Gang Unit                   |                   | ☆                               |

### Service Characteristics

| Year    | Service Calls | Total Crimes | Total Clearances | Clearances to Crime % |
|---------|---------------|--------------|------------------|-----------------------|
| 2005    | 15,511        | 32           | 17               | 53.1                  |
| 2006    | 19,047        | 28           | 11               | 39.3                  |
| 2007    | 17,544        | 51           | 33               | 64.7                  |
| 2008    | 16,883        | 53           | 36               | 67.9                  |
| 2009    | 16,716        | 59           | 39               | 66.1                  |
| Average | 17,140        | 44.6         | 27.2             | 61.0                  |

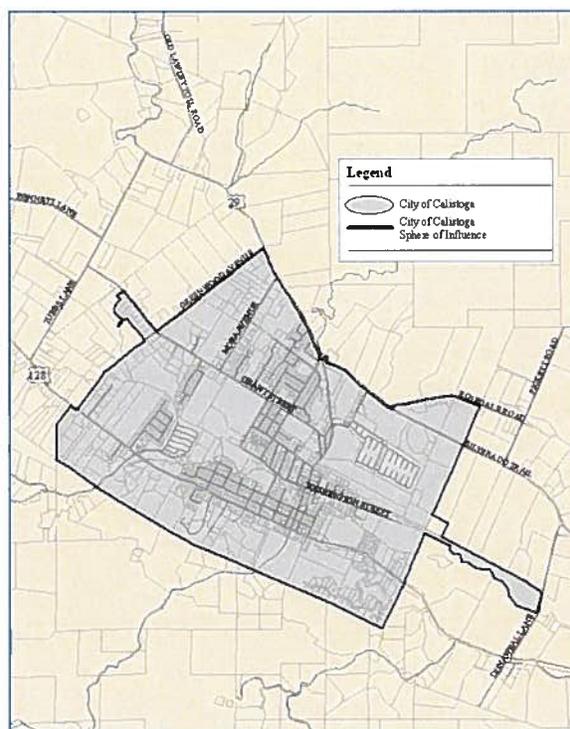
\* Data on crimes and clearances are provided by the United States Department of Justice. Crimes include Part One/Violent (homicide, rape, robbery, aggravated assault, burglary, theft, and arson) and Part Two/Property (assaults, forgery and counterfeiting, fraud, embezzlement, stolen property, vandalism, weapons, drugs, gambling, driving under the influence, and sex offenses) offenses. Law enforcement agencies can clear offenses by arrest or deeming the claim unfounded.

## B. City of Calistoga



Calistoga was incorporated in 1886 as a general law municipality. It is approximately 2.6 square miles in size and provides a full range of municipal services directly or through contracts with outside contractors. Calistoga is the fourth largest of five municipalities in Napa County as measured by residents and has experienced negative growth over the last 10 years as its population has decreased by an average of 0.1% annually; a dynamic presumably attributed to the influx of single-family residences being converted to bed and breakfast establishments. The California Department of Finance estimates Calistoga's current population at 5,188, which results in a density of 1,995 residents for every square mile.

Calistoga's current General Fund operating expenses are budgeted at \$6.3 million; an amount representing a per capita expenditure of \$1,209. The largest discretionary operating expenses are dedicated to police services (\$2.3 million) and support services (\$1.0 million). General Fund operating revenues are budgeted at \$7.0 million with more than one-half (\$3.5 million) expected to be drawn from transient occupancy tax proceeds. Towards this end, on a regional level, Calistoga collects more in transient occupancy taxes than any other municipality in Napa County as measured on a per capita basis with the exception of the Town of Yountville.<sup>10</sup> Property tax revenues are projected to represent the second largest discretionary revenue source for Calistoga accounting for over one-fifth (\$1.6 million) of the total budgeted amount.



A review of Calistoga's most recently audited financial statements reflect the City experienced a moderate positive change in its overall equity increasing by 1.6% or \$0.5 million between 2008-09 and 2009-2010 from \$28.9 to \$29.3 million. Financial statements, however, note the unrestricted portion of the overall fund balance decreased in value over the preceding 12-month period by 15.1% or \$0.1 million to \$0.6 million due to a corresponding shortfall in General Fund revenues-to-expenses. The financial statements also provide that Calistoga finished the last audited fiscal year with relatively low liquidity as its total current assets equal 1.4 times its current liabilities. Moreover, Calistoga also finished the last audited fiscal year holding a sizable amount of long-term obligations relative to its net assets as measured by its debt-to-equity of 72%, reflecting a leveraged capital position. Calistoga's unreserved/designated balance for contingencies and emergencies in its General

<sup>10</sup> The State Controller's most recently published *Cities Annual Report* notes Calistoga's per capita transient occupancy tax collection was \$601. This amount is second locally to Yountville's per capita collection total of \$935 and surpassed the collection total amounts for County of Napa at \$294, St. Helena at \$188, Napa at \$105, and American Canyon at \$28.

Fund as of June 30, 2010 totaled \$0.8 million; an amount equaling one month of general operating expenditures during the fiscal year.<sup>11</sup>

### ***Law Enforcement Services***

Calistoga's Police Department (CPD) currently budgets 15.0 full-time equivalent employees divided between 11 sworn and four support personnel. Sworn personnel include a police chief, two sergeants, and eight officers, with the latter group working three 12-hour shifts (daytime, afternoon/ evening, and graveyard) a week. Support personnel include four full-time and three part-time dispatchers. CPD's approved operating expenses in 2011-2012 total \$2.32 million. This amount is entirely funded through Calistoga's General Fund and accounts for 37% of the City's budgeted operating expenses.

CPD's approved operating expenses in 2011-2012 total \$2.32 million. This amount is entirely funded through Calistoga's General Fund and accounts for 37% of the City's budgeted operating expenses.

CPD is divided between four divisions: 1) administration; 2) operations; 3) code enforcement; and 4) records/dispatch services. Operations is the largest of the four divisions and is set up to include two patrol units during the daytime, two patrol units during the afternoon/evening, and one patrol unit during the graveyard shift. One officer is assigned to each patrol unit with all marked vehicles equipped with multi-frequency radio and video. Other law enforcement services provided within Calistoga and in coordination with CPD are delivered by way of contract with the County and include bomb squad and SWAT. CPD reports all vehicles are replaced every five to six years.

| Budgeted Sworn Officers |               |               |               |               |
|-------------------------|---------------|---------------|---------------|---------------|
| 2005-06                 | 2006-07       | 2007-08       | 2008-09       | 2009-10       |
| 11                      | 11            | 11            | 11            | 11            |
| 2.1 Per 1,000           | 2.1 Per 1,000 | 2.1 Per 1,000 | 2.1 Per 1,000 | 2.1 Per 1,000 |

CPD has experienced an approximate six percent decrease in annual service calls between 2005 and 2009 with the five-year average resulting in 1,364 calls for every 1,000 residents.<sup>12</sup> Reported crimes have also decreased by approximately one-seventh during the same period with the five-year average resulting in 31.2 crimes for every 1,000 residents. Clearance rates remain generally consistent during this period with close to one-third of all reported crimes resulting in an arrest or determined to be unfounded.



CPD has established mutual aid agreements with surrounding law enforcement agencies with most of its outside service responses dedicated to unincorporated incidents north of the City limits near Mount St. Helena. CPD reports service responses dedicated to the unincorporated area have remained relatively consistent over the last five years. Overall,

<sup>11</sup> Calistoga's General Fund operating expenses in 2009-2010 totaled \$6.6 million.

<sup>12</sup> Per 1,000 resident estimates based on Calistoga's projected population as of January 1, 2011.

CPD reports approximately \*\*\*% of its current service responses involve mutual aid calls. Staffing levels have been consistent in recent years.

The following table summarizes CPD's current facilities, resources, and service demands.

## CPD

### Facilities, Transportation Pool, and Personnel/Funding Resources

| Facilities                              | Location                                  | Size                     | Built                          |                                |
|---|---|--------------------------|--------------------------------|--------------------------------|
| 1) Administration / Operations Building | 1235 Washington Street<br>Calistoga 94515 | 3,072 square feet        | 1991                           |                                |
| Marked/Unmarked Vehicles                | Motorcycles                               | Bicycles                 | Watercrafts                    | Helicopters                    |
| 8                                       | 0   | 1                        | 0                              | 0                              |
| Sworn Staff                             | Canines                                   | Support Staff            | 2010-11 Actual Exp.            | 2011-12 Adopted Exp.           |
| 11                                      | 1   | 4                        | \$1.74 Million                 | \$2.32 Million                 |
| 2.1 /<br>1,000 Residents                | 0.2 /<br>1,000 Residents                  | 0.8 /<br>1,000 Residents | \$334,811 /<br>1,000 Residents | \$447,186 /<br>1,000 Residents |

### Services Provided

| Category                      | Provided Directly | Provided by Contract/Mutual Aid |
|-------------------------------|-------------------|---------------------------------|
| Dispatch                      | ☆                 |                                 |
| Patrol                        | ☆                 |                                 |
| Investigations                | ☆                 |                                 |
| Parking Enforcement           | ☆                 |                                 |
| Animal Control                |                   | ☆                               |
| Specialized:                  |                   |                                 |
| - Search and Rescue           | ☆                 |                                 |
| - Special Weapons And Tactics |                   | ☆                               |
| - Bomb Squad                  |                   | ☆                               |
| - Canine Deployment           | ☆                 |                                 |
| - Short-Term Holding          | ☆                 |                                 |
| - Long-Term Holding           |                   | ☆                               |
| - Gang Unit                   |                   |                                 |

### Service Characteristics

| Year    | Service Calls | Total Crimes | Total Clearances | Clearances to Crime % |
|---------|---------------|--------------|------------------|-----------------------|
| 2005    | 7,187         | 167          | 50               | 29.9                  |
| 2006    | 6,728         | 154          | 49               | 31.8                  |
| 2007    | 7,439         | 179          | 45               | 25.1                  |
| 2008    | 7,261         | 166          | 53               | 31.9                  |
| 2009    | 6,767         | 143          | 50               | 35.0                  |
| Average | 7,076         | 161.8        | 49.4             | 30.5                  |

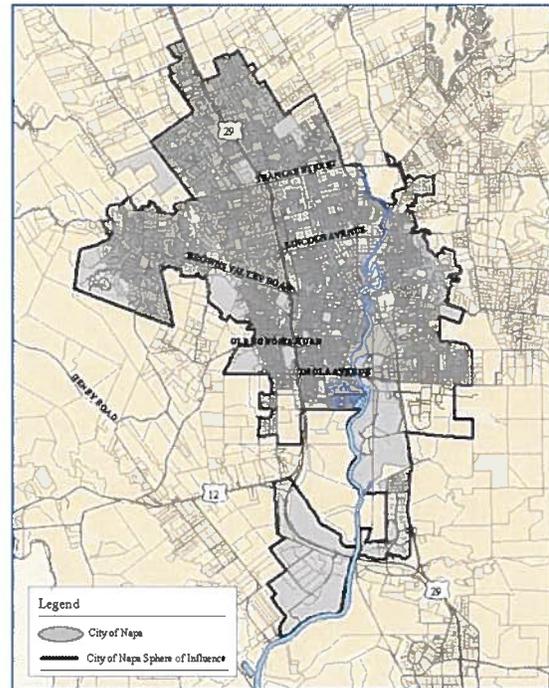
\* Data on crimes and clearances are provided by the United States Department of Justice. Crimes include Part One/Violent (homicide, rape, robbery, aggravated assault, burglary, theft, and arson) and Part Two/Property (assaults, forgery and counterfeiting, fraud, embezzlement, stolen property, vandalism, weapons, drugs, gambling, driving under the influence, and sex offenses) offenses. Law enforcement agencies can clear offenses by arrest or deeming the claim unfounded.

### C. City of Napa



Napa was incorporated in 1914 as a charter-law municipality.<sup>13</sup> It is approximately 18.2 square miles in size and provides a full range of municipal services directly or through contracts with the notable exception of sewer, which is the responsibility of a separate governmental entity, the Napa Sanitation District. Napa is the largest of five municipalities in Napa County as measured by residents and has experienced relatively moderate growth over the last 10 years as its population has increased by an average of 0.5% annually. The California Department of Finance estimates Napa's current population at 77,464, which results in a density of 4,256 residents for every square mile.

Napa's current General Fund operating expenses are budgeted at \$62.4 million; an amount representing a per capita expenditure of \$805. The largest discretionary operating expenses are dedicated to police (\$21.0 million) and fire protection services (\$13.4 million). General Fund operating revenues are budgeted at \$58.2 million with more than one-third (\$21.4 million) expected to be drawn from property tax proceeds. Notably, on a regional level, Napa collects more in property taxes than any other municipality in Napa County as measured on a per capita basis with the exception of the City of American Canyon.<sup>14</sup> Sales tax revenues are projected to represent the second largest discretionary revenue source for Napa accounting for over one-fifth (\$12.0 million) of the total budgeted amount.



A review of Napa's most recently audited financial statements reflect the City experienced a negative change in its overall equity decreasing by 0.3% or \$1.7 million between 2008-09 and 2009-2010 from \$511.1 to \$509.4 million. Financial statements also note the unrestricted portion of the overall fund balance decreased in value over the preceding 12-month period by 1.7% or \$0.8 million to \$45.6 million due to reduced revenues and drawdown on undesignated/unreserved funds to support service operations. The financial statements, nevertheless, provide that Napa finished the last audited fiscal year with a high amount of liquidity as its total current assets equal nearly eight times its current liabilities. Napa also finished the last audited fiscal year holding a manageable amount of long-term obligations relative to its net assets as measured by its debt-to-equity of 23%. Napa's combined unreserved/undesignated and contingencies

<sup>13</sup> The City of Napa was originally incorporated in 1872 as a general law municipality.

<sup>14</sup> The State Controller's most recently published *Cities Annual Report* notes Napa's per acre property tax collection was \$1,244. This amount is second locally to American Canyon's per acre collection total of \$2,169 and surpassed the collection total amounts for St. Helena at \$762, Calistoga at \$716, Yountville at \$560, and County of Napa at \$105.

and emergencies balances in its General Fund as of June 30, 2010 totaled \$11.0 million; an amount equaling two months of general operating expenditures during the fiscal year.<sup>15</sup>

**Law Enforcement Services**

Napa’s Police Department (NPD) currently budgets 125.2 full-time equivalent employees divided between 75 sworn and 50 support personnel. Sworn personnel include a police chief, two captains, two lieutenants, 10 sergeants, and 60 officers, with the latter group working either four 10-hour shifts or three 12.5-hour shifts a week. Support personnel include 26 dispatchers. NPD’s approved operating expenses in 2011-2012 total \$20.98 million. This amount is entirely funded through Napa’s General Fund and accounts for 34% of the City’s budgeted operating expenses.

NPD’s approved operating expenses in 2011-2012 total \$20.98 million. This amount is entirely funded through Napa’s General Fund and accounts for 34% of the City’s budgeted operating expenses.

NPD is divided between three divisions: 1) support services; 2) operations; and 3) special operations/dispatch services. Operations is the largest of the three divisions and is set up to include four patrol units between 12:00 AM and 3:00 AM, three patrol units between 3:00 AM and 6:30 AM, four patrol units between 6:30 AM and 1:30 PM, and five patrol units between 1:30 PM and 12:00 AM. Other law enforcement services provided within Napa and in coordination with NPD are delivered by way of contract with the County or mutual aid agreements and include search and rescue, bomb squad, SWAT, and animal control. NPD reports all vehicles are replaced every three years or between 85,000 and 100,000 miles.

| Budgeted Sworn Officers |               |               |               |               |
|-------------------------|---------------|---------------|---------------|---------------|
| 2005-06                 | 2006-07       | 2007-08       | 2008-09       | 2009-10       |
| 120                     | 132           | 135           | 138           | 133           |
| 1.5 Per 1,000           | 1.7 Per 1,000 | 1.7 Per 1,000 | 1.8 Per 1,000 | 1.7 Per 1,000 |

NPD has experienced an approximate one-fiftieth decrease in annual service calls between 2005 and 2009 with the five-year average resulting in 779 calls for every 1,000 residents.<sup>16</sup> Reported crimes have also decreased by approximately one-eighth during the same period with the five-year average resulting in 40 crimes for every 1,000 residents. Clearance rates remain generally consistent during this period with one-third of all reported crimes resulting in an arrest or determined to be unfounded.



NPD has established mutual aid agreements with surrounding law enforcement agencies with most of its outside service responses dedicated to incidents within the City of American Canyon. Overall, NPD reports approximately \*\*\*% of its current service responses involve mutual aid calls. Staffing levels have decreased by approximately one-tenth in recent years between 2009 (138) and 2011 (125) with the decrease attributed to budget reductions.

<sup>15</sup> Napa’s General Fund operating expenses in 2009-2010 totaled \$62.3 million.

<sup>16</sup> Per 1,000 resident estimates based on Napa’s projected population as of January 1, 2011.

The following table summarizes NPD's current facilities, resources, and service demands.

## NPD

### Facilities, Transportation Pool, and Personnel/Funding Resources

| Facilities                              | Location                        | Size                     | Built                          |                                |
|---|---------------------------------|--------------------------|--------------------------------|--------------------------------|
| 1) Administration / Operations Building | 1539 First Street<br>Napa 94559 | 20,830 square feet       | 1959                           |                                |
| Marked/Unmarked Vehicles                | Motorcycles                     | Bicycles                 | Watercrafts                    | Helicopters                    |
| 53                                      | 5                               | N/A                      | 0                              | 0                              |
| Sworn Staff                             | Canines                         | Support Staff            | 2010-11 Actual Exp.            | 2011-12 Adopted Exp.           |
| 75                                      | 2                               | 50                       | \$19.06 Million                | \$20.98 Million                |
| 1.0 /<br>1,000 Residents                | 0.02 /<br>1,000 Residents       | 0.6 /<br>1,000 Residents | \$245,985 /<br>1,000 Residents | \$270,835 /<br>1,000 Residents |

### Services Provided

| Category                      | Provided Directly | Provided by Contract/Mutual Aid |
|-------------------------------|-------------------|---------------------------------|
| Dispatch                      | ☆                 |                                 |
| Patrol                        | ☆                 |                                 |
| Investigations                | ☆                 |                                 |
| Parking Enforcement           | ☆                 |                                 |
| Animal Control                |                   | ☆                               |
| Specialized:                  |                   |                                 |
| - Search and Rescue           |                   | ☆                               |
| - Special Weapons And Tactics |                   | ☆                               |
| - Bomb Squad                  |                   | ☆                               |
| - Canine Deployment           | ☆                 |                                 |
| - Short-Term Holding          | ☆                 |                                 |
| - Long-Term Holding           |                   | ☆                               |
| - Gang Unit                   | ☆                 |                                 |

### Service Characteristics

| Year    | Service Calls | Total Crimes | Total Clearances | Clearances to Crime % |
|---------|---------------|--------------|------------------|-----------------------|
| 2005    | 64,394        | 3,186        | 1,195            | 37.5                  |
| 2006    | 61,996        | 3,329        | 1,034            | 31.1                  |
| 2007    | 55,786        | 3,499        | 1,091            | 31.2                  |
| 2008    | 56,600        | 2,887        | 992              | 34.4                  |
| 2009    | 62,945        | 2,771        | 1,064            | 38.4                  |
| Average | 60,344        | 3,134.4      | 1,075            | 34.3                  |

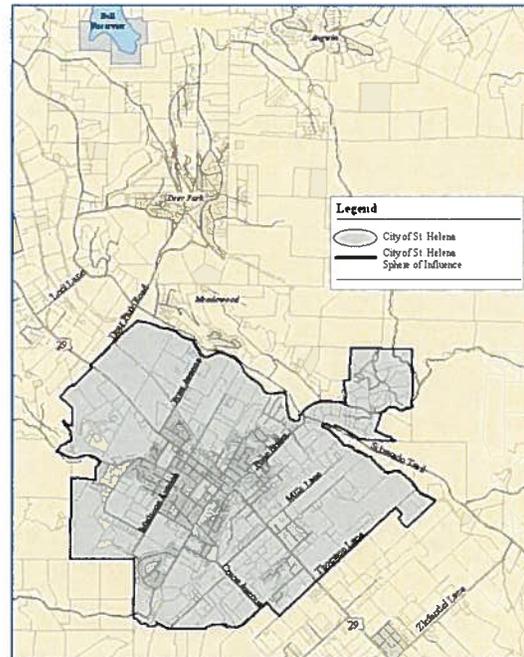
\* Data on crimes and clearances are provided by the United States Department of Justice. Crimes include Part One/Violent (homicide, rape, robbery, aggravated assault, burglary, theft, and arson) and Part Two/Property (assaults, forgery and counterfeiting, fraud, embezzlement, stolen property, vandalism, weapons, drugs, gambling, driving under the influence, and sex offenses) offenses. Law enforcement agencies can clear offenses by arrest or deeming the claim unfounded.

## D. City of St. Helena



St. Helena was incorporated in 1876 as a general law municipality. It is approximately 5.1 square miles in size and provides a full range of municipal services directly or through contracts with outside contractors. St. Helena is the third largest of five municipalities in Napa County as measured by residents and has experienced negative growth over the last 10 years as its population has decreased by an average of 0.2% annually; a dynamic presumably attributed to the influx of single-family residences being converted to bed and breakfast establishments. The California Department of Finance estimates St. Helena's current population at 5,849, which results in a density of 1,156 residents for every square mile.

St. Helena's current General Fund operating expenses are budgeted at \$8.0 million; an amount representing a per capita expenditure of \$1,372. The largest discretionary operating expenses are dedicated to police (\$2.4 million) and planning services (\$0.9 million). General Fund operating revenues match with over one-half (\$5.0 million) expected to be drawn from property and sales tax proceeds. Property tax revenues are projected to represent the largest discretionary revenue source for St. Helena accounting for over one-third (\$2.9 million) of the total budgeted amount. Significantly, on a regional level, St. Helena collects more than double the combined sales tax collected among all other municipalities in Napa County as measured on a per capita basis.<sup>17</sup>



A review of St. Helena's most recently audited financial statements reflect the City experienced a negative change in its overall equity decreasing by 3.8% or \$2.2 million between 2008-09 and 2009-2010 from \$59.1 to \$56.8 million. Financial statements also note the unrestricted portion of the overall fund balance decreased in value over the preceding 12-month period by 15.5% or \$1.6 million to \$8.8 million due to reduced revenues and drawdown on undesignated/unreserved funds to support service operations. The financial statements provide that St. Helena finished the last audited fiscal year with above average liquidity as its total current assets equal four times its current liabilities. St. Helena also finished the last audited fiscal year holding a manageable amount of long-term obligations relative to its net assets as measured by its debt-to-equity of 34%. St. Helena's unreserved/undesignated balance in its General Fund as of June 30, 2010 totaled \$2.3 million; an amount equaling over three months of general operating expenditures during the fiscal year.<sup>18</sup>

<sup>17</sup> The State Controller's most recently published *Cities Annual Report* notes St. Helena's per capita sales tax collection was \$305. This amount surpassed the collection total amounts for the County of Napa at \$240, Yountville at \$152, American Canyon at \$138, Calistoga at \$113, and Napa at \$111.

<sup>18</sup> St. Helena's General Fund operating expenses in 2009-2010 totaled \$7.9 million.

**Law Enforcement Services**

St. Helena’s Police Department (SHPD) currently budgets 18 full-time equivalent employees divided between 13 sworn and five support personnel. Sworn personnel include a police chief and 12 officers, with the latter group alternating between 36-hour and 44-hour work weeks. Support personnel include four dispatchers.

SHPD’s approved operating expenses in 2011-2012 total \$2.44 million. This amount is entirely funded through St. Helena’s General Fund and accounts for 30% of the City’s budgeted operating expenses.

SHPD is divided between five divisions: 1) crime prevention; 2) parking and traffic; 3) youth education; 4) community awareness; and 5) investigations. Crime prevention is the largest of the five divisions and is set up to include patrol units during the daytime, units during the afternoon/evening, and unit during the graveyard shift. Other law enforcement services provided within St. Helena and in coordination with SHPD are delivered by way of contract with County and include . SHPD reports all vehicles are replaced every miles or years.

| Budgeted Sworn Officers |         |         |         |               |
|-------------------------|---------|---------|---------|---------------|
| 2005-06                 | 2006-07 | 2007-08 | 2008-09 | 2009-10       |
| N/A                     | N/A     | N/A     | N/A     | 13            |
| N/A                     | N/A     | N/A     | N/A     | 2.2 Per 1,000 |

SHPD has experienced a minimal increase – approximately one-fortieth – in annual service calls between 2005 and 2009 with the five-year average resulting in 1,750 calls for every 1,000 residents.<sup>19</sup> Reported crimes have also decreased by two-fifths during the same period with the five-year average resulting in 18.6 crimes for every 1,000 residents. Clearance rates have varied during this period with an approximate average of one-fifth of all reported crimes resulting in an arrest or determined to be unfounded.



SHPD has established mutual aid agreements with surrounding law enforcement agencies with most of its outside service responses dedicated to unincorporated incidents of the City limits. SHPD reports service responses dedicated to the unincorporated area have increased by over the last five years. Overall, SHPD reports approximately % of its current service responses involve mutual aid calls. Staffing levels have fluctuated in recent years between and with the attributed to .

The following table summarizes SHPD’s current facilities, resources, and service demands.

<sup>19</sup> Per 1,000 resident estimates based on St. Helena’s projected population as of January 1, 2011.

## SHPD

### Facilities, Transportation Pool, and Personnel/Funding Resources

| Facilities                                 | Location                                 | Size                     | Built                          |                                |
|--|--|--------------------------|--------------------------------|--------------------------------|
| 1) Administration /<br>Operations Building | 1480 Main Street<br>St. Helena, CA 94574 | 5,000 square feet        | 1955                           |                                |
| Marked/Unmarked Vehicles                   | Motorcycles                              | Bicycles                 | Watercrafts                    | Helicopters                    |
| 9  | 1  | 0                        | 0                              | 0                              |
| Sworn Staff                                | Canines                                  | Support Staff            | 2010-11<br>Actual Exp.         | 2011-12<br>Adopted Exp.        |
| 12   | 0  | 6                        | \$2.35 Million                 | \$2.44 Million                 |
| 2.0 /<br>1,000 Residents                   | 0 /<br>1,000 Residents                   | 1.0 /<br>1,000 Residents | \$402,182 /<br>1,000 Residents | \$416,759 /<br>1,000 Residents |

### Services Provided

| Category                      | Provided<br>Directly | Provided by<br>Contract/Mutual Aid |
|-------------------------------|----------------------|------------------------------------|
| Dispatch                      | ☆                    |                                    |
| Patrol                        | ☆                    |                                    |
| Investigations                | ☆                    |                                    |
| Parking Enforcement           | ☆                    |                                    |
| Animal Control                | ☆                    |                                    |
| Specialized:                  |                      |                                    |
| - Search and Rescue           |                      |                                    |
| - Special Weapons And Tactics |                      |                                    |
| - Bomb Squad                  |                      |                                    |
| - Canine Deployment           |                      |                                    |
| - Short-Term Holding          | ☆                    |                                    |
| - Long-Term Holding           |                      |                                    |
| - Gang Unit                   |                      |                                    |

### Service Characteristics

| Year    | Service Calls | Total Crimes | Total Clearances | Clearances to Crime % |
|---------|---------------|--------------|------------------|-----------------------|
| 2005    | 8,965         | 145          | 24               | 16.6                  |
| 2006    | 9,655         | 101          | 35               | 34.7                  |
| 2007    | 12,355        | 111          | 30               | 27.0                  |
| 2008    | 11,441        | 101          | 17               | 16.8                  |
| 2009    | 9,188         | 87           | 17               | 19.5                  |
| Average | 10,320        | 109.0        | 24.6             | 22.6                  |

\* Data on crimes and clearances are provided by the United States Department of Justice. Crimes include Part One/Violent (homicide, rape, robbery, aggravated assault, burglary, theft, and arson) and Part Two/Property (assaults, forgery and counterfeiting, fraud, embezzlement, stolen property, vandalism, weapons, drugs, gambling, driving under the influence, and sex offenses) offenses. Law enforcement agencies can clear offenses by arrest or deeming the claim unfounded.

## E. County of Napa

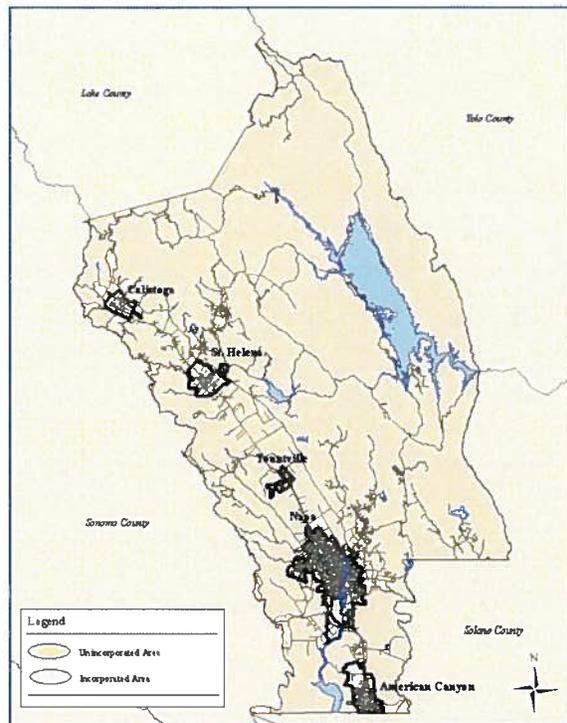


A Tradition of Stewardship  
A Commitment to Service

The County of Napa (“County”) was established in 1850 as one of the original 18 county governments in California.<sup>20</sup> Napa County itself is approximately 791.4 square miles in size making it the 11<sup>th</sup> smallest county in the state in terms of total land area. Napa County – incorporated and unincorporated area – has experienced relatively moderate growth over the last 10 years as its population has increased by an average of 0.9% annually with all of the increase attributed to the incorporated areas.<sup>21</sup> Significantly, growth specific to the unincorporated area has actually decreased by an average of 0.5% annually over the last 10 years. The California Department of Finance currently estimates Napa County’s entire population at 137,639 with 26,448 residing in the unincorporated area, which results in an unincorporated density of 34.8 residents for every square mile.

The County’s current General Fund operating expenses are budgeted at \$228.5 million; an amount representing a countywide per capita expenditure of \$1,660.<sup>22</sup> The largest discretionary operating expenses are dedicated to Sheriff (\$24.1 million) and mental health services (\$18.9 million). General Fund operating revenues are budgeted at \$241.9 million with the majority expected to be drawn from property (\$60.4 million) and transient occupancy (\$9.0 million) tax proceeds.

A review of the County’s most recently audited financial statements reflect it has experienced a positive change in its overall equity increasing by 4.9% or \$15.4 million between 2008-09 and 2009-2010 from \$315.4 to \$330.8 million. Financial statements, however, note the unrestricted portion of the overall fund balance decreased in value over the preceding 12-month period by 16.2% or \$19.5 million to \$101.2 million due to reduced revenues and drawdown on undesignated/unreserved funds to support service operations. The financial statements also provide that the County finished the last audited fiscal year with exceptionally high liquidity as its total current assets equal 12.1 times its current liabilities. The County also finished the last audited fiscal year holding an average amount of long-term obligations relative to its net assets as measured by its debt-to-equity of 27.7%. The County’s unreserved/undesignated balance in its General Fund as of June 30, 2010 totaled \$27.8 million; an amount equaling close to two months of general operating expenditures during the fiscal year.<sup>23</sup>



<sup>20</sup> Please note “County” refers to the governmental entity while “Napa County” refers to the geographic area.

<sup>21</sup> The unincorporated area has experienced negative growth of 0.5% in the last 10 years declining from 27,813 to 26,448.

<sup>22</sup> Budgeted expenses include a \$6.0 million allocation to reserves.

<sup>23</sup> The County’s General Fund operating expenses in 2009-2010 totaled \$184.7 million.

**Law Enforcement Services**

Law enforcement services provided by the County are primarily the responsibility of the County of Napa Sheriff Department (“Sheriff”) and are divided between (a) field and (b) coroner/civil operations.<sup>24</sup> Sheriff currently budgets 132 full-time equivalent employees divided between 104 sworn and 28 support personnel; this includes sworn personnel assigned to staff ACPD (23) and serve the Town of Yountville (4). The former includes patrol and detective services while the latter involves determining the manner and cause of all violent, sudden, or unusual deaths. Two-thirds of budgeted personnel are assigned to patrol services and are set up to include \*\*\*\* units during the daytime, \*\*\*\* units during the afternoon/evening, and \*\*\*\* unit during the graveyard shift. Patrol services include all of the unincorporated area and the Town of Yountville with one deputy assigned to each unit with all marked vehicles equipped with multi-frequency radio and video. All patrol shifts are 80 hours every two weeks. Sheriff reports all vehicles are replaced every 90,000 miles.

Sheriff’s approved operating expenses for field and coroner operations in 2011-2012 total \$26.4 million. The majority of revenues to cover operating expenses are drawn from the County’s General Fund as well as contract fees from the City of American Canyon and Town of Yountville. Sheriff expenses in 2011-12 account for 5.6% of the total General Fund.

| Budgeted Sworn Officers                      |         |         |         |         |               |
|--|---------|---------|---------|---------|---------------|
|  | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10       |
| Total:                                       | N/A     | N/A     | N/A     | N/A     | 103           |
| Less ACPD/Yountville:                        | N/A     | N/A     | N/A     | N/A     | 76            |
|  |         |         |         |         | 3.9 Per 1,000 |
| Unincorporated:<br>Unincorporated/Yountville |         |         |         |         | 2.5 Per 1,000 |

Sheriff has experienced a slight decrease in annual service calls between 2005 and 2009 with the five-year average resulting in 973 calls for every 1,000 residents.<sup>25</sup> Reported crimes have also decreased by approximately one-tenth during the same period with the five-year average resulting in 24.7 crimes for every 1,000 residents. Clearance rates have decreased by nearly one-fourth during this period with an approximate average of one-third of all reported crimes resulting in an arrest or determined to be unfounded.

Sheriff has established mutual aid agreements with all other local law enforcement agencies with most of its outside service responses dedicated to assisting other counties and the City of Vallejo Police Department. Sheriff reports service responses dedicated to Vallejo and other counties are minimal and have remained consistent over the last five years. Overall, Sheriff reports approximately 0.05% of its current service responses involve mutual aid calls. Staffing levels have remained stable in recent years.

The following table summarizes Sheriff’s current facilities, resources, and service demands.

<sup>24</sup> The County also provides correctional services on behalf of all other local law enforcement agencies in Napa County, which is run independent of the Sheriff and headed by a Board of Supervisors-appointed administrator.  
<sup>25</sup> Per 1,000 resident estimates based on St. Helena’s projected population as of January 1, 2011.

## County Sheriff

### Facilities, Transportation Pool, and Personnel/Funding Resources

| Facilities  | Location   | Size               | Built |
|---|--|--------------------|-------|
| 1) Administration/Operations<br>Main Office       | 1535 Airport Blvd<br>Napa, CA 94558              | 38,800 square feet | ***   |
| 2) Angwin<br>Regional Office                      | 100 Howell Mountain Road<br>Napa, CA 94558       | **** square feet   | ***   |
| 3) Lake Berryessa<br>Regional Office              | 5520 Knoxville Road<br>Napa, CA 94558            | **** square feet   | ***   |
| 4) St. Helena<br>Regional Office                  | 3111 N. Saint Helena Hwy<br>St. Helena, CA 94574 | **** square feet   | ***   |
| 5) Yountville Office<br>Sheriff/Police Department | 1950 Mulberry Street<br>Yountville, CA 94599     | **** square feet   | ***   |

| Marked/Unmarked Vehicles | Motorcycles | Bicycles | Watercrafts | Helicopters |
|--------------------------|-------------|----------|-------------|-------------|
| 30                       | 7           | 0        | 10          | 0           |

| Sworn Staff              | Canines                  | Support Staff            | 2010-11<br>Actual Exp. | 2011-12<br>Adopted Exp. |
|--------------------------|--------------------------|--------------------------|------------------------|-------------------------|
| 77                       | 3                        | 31                       | N/A                    | N/A                     |
| 2.9 /<br>1,000 Residents | 0.1 /<br>1,000 Residents | 1.2 /<br>1,000 Residents | N/A                    | N/A                     |

### Services Provided

| Category                      | Provided<br>Directly | Provided by<br>Contract/Mutual Aid |
|-------------------------------|----------------------|------------------------------------|
| Dispatch                      | ☆                    |                                    |
| Patrol                        | ☆                    |                                    |
| Investigations                | ☆                    |                                    |
| Parking Enforcement           |                      |                                    |
| Animal Control                | ☆                    |                                    |
| Specialized:                  |                      |                                    |
| - Search and Rescue           | ☆                    |                                    |
| - Special Weapons And Tactics | ☆                    |                                    |
| - Bomb Squad                  | ☆                    |                                    |
| - Canine Deployment           | ☆                    |                                    |
| - Short-Term Holding          | ☆                    |                                    |
| - Long-Term Holding           | ☆                    |                                    |
| - Gang Unit                   | ☆                    |                                    |

### Service Characteristics

| Year    | Service Calls | Total Crimes | Total Clearances | Clearances to Crime % |
|---------|---------------|--------------|------------------|-----------------------|
| 2005    | 25,406        | 592          | 246              | 41.6                  |
| 2006    | 26,058        | 661          | 184              | 27.8                  |
| 2007    | 25,762        | 804          | 244              | 30.3                  |
| 2008    | 24,679        | 686          | 227              | 33.1                  |
| 2009    | 26,833        | 524          | 168              | 32.1                  |
| Average | 25,748        | 653.4        | 213.8            | 32.7                  |

\* Data on crimes and clearances are provided by the United States Department of Justice. Crimes include Part One/Violent (homicide, rape, robbery, aggravated assault, burglary, theft, and arson) and Part Two/Property (assaults, forgery and counterfeiting, fraud, embezzlement, stolen property, vandalism, weapons, drugs, gambling, driving under the influence, and sex offenses) offenses. Law enforcement agencies can clear offenses by arrest or deeming the claim unfounded.



**Local Agency Formation Commission of Napa County**  
Subdivision of the State of California

1700 Second Street, Suite 268  
Napa, California 94559  
Telephone: (707) 259-8645  
Facsimile: (707) 251-1053  
<http://napa.lafco.ca.gov>

**August 1, 2011**  
**Agenda Item No. 8b (Discussion)**

July 25, 2011

**TO:** Local Agency Formation Commission

**FROM:** Keene Simonds, Executive Officer

**SUBJECT: Legislative Report**

The Commission will receive a report on the first year of the 2011-2012 session of the California Legislature as it relates to bills directly or indirectly effecting Local Agency Formation Commissions. The Commission will also receive an update on efforts to amend California Government Code Section 56133 to provide more flexibility to LAFCOs in authorizing new or extended services outside spheres of influence.

The Executive Officer and Commissioner Inman are appointed members of the California Association of Local Agency Formation Commissions' (CALAFCO) Legislative Committee. The Committee meets on a regular basis to review, discuss, and offer recommendations to the CALAFCO Board of Directors relating to new legislation that have either a direct impact on LAFCO law or the laws LAFCO helps to administer. Committee actions are guided by the Board's adopted policies, which are annually reviewed and amended to reflect current year priorities.

**A. Discussion and Analysis**

The first year of the California Legislature's 2011-2012 session has generated approximately 2,500 bills. The Legislature may amend first session bills through September 2<sup>nd</sup>. The Legislature must approve all first session bills no later than September 9<sup>th</sup> with the Governor signing or vetoing no later September 30<sup>th</sup>.

***Specific Bills of Interest***

The Committee is currently tracking 26 bills with direct or indirect impacts on LAFCOs as part of the first year of the 2011-2012 session. A complete list of the bills under track by the Committee is attached to this staff report. Four bills the Committee believes have the greatest potential for impacting LAFCOs are discussed and analyzed below.

Lewis Chilton, Vice Chair  
Councilmember, Town of Yountville

Joan Bennett, Commissioner  
Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner  
Councilmember, City of Napa

Bill Dodd, Chair  
County of Napa Supervisor, 4th District

Brad Wagenknecht, Commissioner  
County of Napa Supervisor, 1st District

Mark Luce, Alternate Commissioner  
County of Napa Supervisor, 2nd District

Brian J. Kelly, Commissioner  
Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Keene Simonds  
Executive Officer

**Senate Bill 244 (Lois Wolk): Disadvantaged Unincorporated Communities**

This legislation is sponsored by the California Rural Legal Assistance and was most recently amended on July 1, 2011. The bill would require LAFCOs to consider disadvantaged unincorporated communities as part of the municipal service review and sphere of influence update processes. LAFCOs' consideration would begin in July 2012 and includes making determinative statements on the infrastructure needs as well as the feasibility of annexing disadvantaged communities that lie within or adjacent to the affected agency's sphere of influence. The bill defines disadvantaged unincorporated communities as areas with an annual median household income that is less than 80 percent of the statewide annual median household income. (No definition has been provided with respect to "adjacent.") The intent of the bill is for LAFCOs to proactively address the service needs of predominately poor minority communities by facilitating annexations to nearby cities. Concurrent changes to planning law are also proposed to require cities and counties to identify and provide specific information regarding disadvantaged unincorporated communities inside or near their jurisdictions in their housing elements beginning in January 2014; an aspect strongly opposed by the California League of Cities.

This bill, if approved, would further direct LAFCOs to focus on environmental justice issues; a focus that began in January 2008 with the requirement that LAFCOs consider the effect of boundary changes in promoting environmental justice. It is unclear at this time whether the bill would measurably impact municipal service reviews and sphere of influence updates in Napa County given the referenced definition of disadvantaged unincorporated communities. The author, however, has made considerable changes to the original bill to provide LAFCOs more discretion in implementing the proposed new requirements. This includes striking a threshold that would have directed LAFCOs to address any qualifying disadvantaged unincorporated community lying within 10 acres of a sphere of influence. This and other changes to the bill have prompted CALAFCO to change its position from "oppose" to "objection removed." CALAFCO continues, nonetheless, to be concerned with the unfunded mandate tied to the bill with respect to increasing the workload of LAFCOs in preparing municipal service reviews and sphere of influence updates. The California State Association of Counties has also removed its objection.

**Assembly Bill 54 (Jose Solorio): Mutual Water Companies**

This legislation was most recently amended on July 11, 2011 and would require mutual water companies to file boundary maps with LAFCOs. The bill would also require mutual water companies to respond in writing to information requests made by LAFCOs as part of the municipal service review process within 45 days of notice.

The author's stated objective is to make mutual water companies more accountable to the public. (Additional requirements included in the bill involve mandatory board training and establishing fund reserve minimums.) Locally, there is little information presently available regarding the extent of mutual water companies operating in Napa County. With this in mind, requiring mutual water companies to file boundary maps

with LAFCOs as well as respond to information requests would be extremely beneficial. CALAFCO has adopted a “support” position.”

**Assembly Bill 912 (Rich Gordon): Special District Dissolution**

This legislation was approved on July 11, 2011 and currently awaits consideration by the Governor. The bill would establish an expedited process to dissolve special districts if it is consistent with an earlier recommendation made by LAFCO. Two specific authorizations would be established. First, LAFCO could order the dissolution at a noticed hearing without holding protest or election proceedings for applications initiated by the affected district. Second, LAFCO could order the dissolution at a noticed hearing if no majority protest exists and without holding election proceedings for applications not initiated by the affected district.

The author’s underlying aim of this bill is to help make it easier in amicable situations for dissolving special districts by creating a mechanism to avoid the uncertainty and costs tied to holding elections. CALAFCO has adopted a “support” position and recently issued a letter to the Governor requesting his approval and signature.

**Assembly Bill X1-36 (Jose Solorio): Vehicle License Fees**

This urgency legislation was introduced on July 1, 2011 in response to SB 89; legislation tied to the budget approval that immediately transfers approximately \$130 million in motor vehicle license fees from cities to fund public safety programs. AB X1-36, as introduced, would preserve motor vehicle license fee revenue for Orange County.<sup>1</sup> The California League of Cities and other stakeholders are currently working with the author to amend this urgency bill to restore motor vehicle license fee revenue for all cities given their dependency on this source to fund general services. One potential approach rumored is to restore close to one-half of the reduction made to the motor vehicle license fee at the beginning of the fiscal year to fund the public safety programs subject to SB 89.

The anticipated amendment to AB X1-36 to restore motor vehicle fee funding to cities appears to be the best alternative to the League of Cities filing suit against the State over SB 89 and the associated loss in motor vehicle license fees. (The League has already issued a request for proposal for legal services specific to filing suit against the State.) Significantly, the loss of motor vehicle license fees is expected to severely undermine the solvency of recently incorporated cities – four of which lie within Riverside County – as well as cities that have recently annexed large incorporated areas. Further, unless the effects of SB 89 are reversed, it is reasonable to assume all potential incorporation and large inhabited annexation filings – including island annexations – will be abandoned. A spreadsheet showing the estimated loss in motor vehicle license fees for individual cities is attached.

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<sup>1</sup> In 2004, the County of Orange elected to keep their discretionary per capita share of motor vehicle license fees rather than participate in the State’s property tax swap with counties. The County of Orange dedicates its discretionary share of motor vehicle license fees to debt relating to its earlier bankruptcy proceedings.

### ***Amending Government Code Section 56133***

As directed by the Commission, the Executive Officer has worked with CALAFCO since early 2008 in developing interest and consensus on amending Government Code (G.C.) Section 56133 to expand LAFCOs existing authority in approving new and extended outside services beyond agencies' spheres of influence. Markedly, LAFCOs are currently allowed to approve outside services beyond the affected agencies' spheres of influence *only* to respond to existing or impending public health or safety threats based on documentation provided by the agency (emphasis added). This existing threshold has proven problematic given LAFCOs and agencies may disagree on the constitution of a public health and safety threat. The existing threshold is also misplaced given it does not recognize there are instances when it is logical for local agencies to provide new or extended services beyond their spheres of influence simply based on local conditions, such as proximity to existing service lines coupled with appropriate land use restrictions.

As discussed in detail at the June 6<sup>th</sup> meeting, significant progress has been made in accomplishing the Commission's interest in making G.C. Section 56133 more flexible in addressing local conditions and circumstances. Most notably, both the Committee and Board have unanimously approved a proposal from a working group chaired by the Executive Officer to establish a new division – 2 – to G.C. Section 56133. This new division would authorize LAFCOs to approve new or extended services beyond agencies' spheres of influence without making a public health or safety threat finding so long as LAFCO determines at a noticed public hearing the extension was:

- (A) considered in a municipal service review;
- (B) will not result in adverse impacts on agricultural and open-space lands or growth inducement; and
- (C) a later change of organization is not expected based on local policies.

Staff is currently working with CALAFCO in disseminating information to all LAFCOs with respect to the proposed changes to G.C. Section 56133. A copy of the informational packet on the proposed changes prepared by staff and emailed to all LAFCOs is attached. Next steps include submitting an article summarizing the proposed changes in the next publication of CALAFCO's quarterly newsletter as well as meeting with potential legislative authors, including Senator Noreen Evan's office.

### **B. Commission Review**

The Commission is invited to discuss any of the legislation outlined in this report or in the attached report prepared by CALAFCO. The Commission may also provide direction to staff with respect to returning with comment letters on any current or future legislation.

#### Attachments:

- 1) CALAFCO Legislative Policies
- 2) CALAFCO Status Report on Current Legislation
- 3) List of Motor Vehicle License Fee Losses by City Tied to SB 89
- 4) Informational Packet Prepared on Proposed Changes to G.C. 56133



# CALAFCO 2011 Legislative Policies

Adopted by Board of Directors on 18 February 2011

## 1. LAFCo Purpose and Authority

- 1.1. Support legislation which enhances LAFCo authority and powers to carry out the legislative findings and authority in Government Code §56000 et. seq.
- 1.2. Support authority for each LAFCo to establish local policies to apply Government Code §56000 et. seq. based on local needs and conditions, and oppose any limitations to that authority.
- 1.3. Oppose additional LAFCo responsibilities which require expansion of current local funding sources. Oppose unrelated responsibilities which dilute LAFCo ability to meet its primary mission.
- 1.4. Support alignment of responsibilities and authority of LAFCo and regional agencies which may have overlapping responsibilities in orderly growth, preservation, and service delivery, and oppose legislation or policies which create conflicts or hamper those responsibilities.
- 1.5. Oppose grants of special status to any individual agency or proposal to circumvent the LAFCo process.
- 1.6. Support individual commissioner responsibility that allows each commissioner to independently vote his or her conscience on issues affecting his or her own jurisdiction.

## 2. LAFCo Organization

- 2.1. Support the independence of LAFCo from local agencies.
- 2.2. Oppose the re-composition of any or all LAFCos without respect to the existing balance of powers that has evolved within each commission or the creation of special seats on a LAFCo.

- 2.3. Support representation of special districts on all LAFCos in counties with independent districts and oppose removal of special districts from any LAFCo.
- 2.4. Support communication and collaborative decision-making among neighboring LAFCos when growth pressures and multicounty agencies extend beyond a LAFCo's boundaries.

## 3. Agricultural and Open Space Protection

- 3.1. Support legislation which clarifies LAFCo authority to identify, encourage and insure the preservation of agricultural and open space lands.
- 3.2. Encourage a consistent definition of agricultural and open space lands.
- 3.3. Support policies which encourage cities, counties and special districts to direct development away from prime agricultural lands.
- 3.4. Support policies and tools which protect prime agricultural and open space lands.

## 4. Orderly Growth

- 4.1. Support the recognition and use of spheres of influence as the management tool to provide better planning of growth and development, and to preserve agricultural, and open space lands.
- 4.2. Support adoption of LAFCo spheres of influence by other agencies involved in determining and developing long-term growth and infrastructure plans.
- 4.3. Support orderly boundaries of local agencies and the elimination of islands within the boundaries of agencies.
- 4.4. Support communication between cities, counties, and special districts

through a collaborative process that resolves service, housing, land use, and fiscal issues prior to application to LAFCo.

- 4.5. Support cooperation between counties and cities on decisions related to development within the city's designated sphere of influence.

**5. Service Delivery and Local Agency Effectiveness**

- 5.1. Support the use of LAFCo resources to prepare and review Regional Transportation Plans and other growth plans to ensure reliable services, orderly growth, sustainable communities, and conformity with LAFCo's legislative mandates.
- 5.2. Support LAFCo authority and tools which provide communities with local governance and efficient service delivery options, including the authority to impose conditions that assure a proposal's conformity with LAFCo's legislative mandates.
- 5.3. Support the creation or reorganization of local governments in a deliberative, open process which will fairly evaluate the proposed agency's long-term financial viability, governance structure and ability to efficiently deliver proposed services.
- 5.4. Support the availability of tools for LAFCo to insure equitable distribution of revenues to local government agencies consistent with their service delivery responsibilities.

**2011 Legislative Priorities**

**Primary Issues**

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**Viability of Local Governments** Support legislation that maintains or enhances LAFCo's ability to review and act to assure the efficient and sustainable delivery of local services and the financial viability of agencies providing those services to meet current and future needs. Support legislation which provides LAFCo and local communities with options for local governance and service delivery, including incorporation as a city or formation as a special district. Support efforts which provide tools to local agencies to address fiscal challenges and maintain services.

**Authority of LAFCo** Support legislation that maintains or enhances LAFCo's authority to condition proposals to address any or all financial, growth, service delivery, and agricultural and open space preservation issues.

**Agriculture and Open Space Protection** Preservation of prime agriculture and open space lands that maintain the quality of life in California. Support policies that recognize LAFCo's ability to protect and mitigate the loss of prime agricultural and open space lands, and that encourage other agencies to coordinate with local LAFCOs on land preservation and orderly growth.

**Water Availability** Promote adequate water supplies and infrastructure planning for current and planned growth. Support policies that assist LAFCo in obtaining accurate and reliable water supply information to evaluate current and cumulative water demands for service expansions and boundary changes including impacts of expanding private and mutual water company service areas on orderly growth.

**Issues of Interest**

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|   |   |
|---|---|
| <b>Housing</b>  | Provision of territory and services to support affordable housing and the consistency of regional land use plans with local LAFCo policies.   |
| <b>Transportation</b>                                     | Effects of Regional Transportation Plans and expansion of transportation systems on future urban growth and service delivery needs, and the ability of local agencies to provide those services.  |
| <b>Flood Control</b>                                      | The ability and effectiveness of local agencies to maintain and improve levees and the public safety of uninhabited territory proposed for annexation to urban areas which is at risk for flooding. Support legislation that includes assessment of agency viability in decisions involving new funds for levee repair. |
| <b>Adequate Municipal Services in Inhabited Territory</b> | Expedited processes for inhabited annexations should be consistent with LAFCo law and be fiscally viable. Funding sources should be identified for extension of municipal services to underserved inhabited communities, including option for annexation of contiguous disadvantaged unincorporated communities.        |

**CALAFCO Daily Legislative Report  
as of 7/26/2011**

1

**AB 54 (Solorio D) Drinking water.**

**Current Text:** Amended: 7/11/2011 [pdf](#) [html](#)

**Introduced:** 12/6/2010

**Last Amended:** 7/11/2011

**Status:** 7/11/2011-Read second time and amended. Re-referred to Com. on APPR.

| 2Year | Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. | Enrolled | Vetoed | Chapters |
|-------|-----------|--------|--------|-------|-----------|--------|--------|-------|-------|----------|--------|----------|
| Dead  | 1st House |        |        |       | 2nd House |        |        |       | Conc. |          |        |          |

**Calendar:**

8/15/2011 10 a.m. - John L. Burton Hearing Room (4203)

SENATE APPROPRIATIONS, KEHOE, Chair

**Summary:**

Would specify that any corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for irrigation purposes, and any corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for domestic use that provides in its articles or bylaws that the water shall be sold, distributed, supplied, or delivered only to owners of its shares and that those shares are appurtenant to certain lands shall be known as a mutual water company. This bill contains other related provisions and other current laws.

**Attachments:**

[CALAFCO Support Letter](#)

**Position:** Support

**Subject:** Water

**CALAFCO Comments:** Requires mutual water companies to respond to LAFCo requests for information, requires Mutuals to provide a map of boundaries to LAFCo, adds authority for LAFCo to request MSR data from mutuals and include compliance with safe drinking water standards in MSRs.

**AB 912 (Gordon D) Local government: organization.**

**Current Text:** Chaptered: 7/25/2011 [pdf](#) [html](#)

**Introduced:** 2/17/2011

**Last Amended:** 5/27/2011

**Status:** 7/25/2011-Chaptered by the Secretary of State, Chapter Number 109, Statutes of 2011

| 2Year | Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. | Enrolled | Vetoed | Chaptered |
|-------|-----------|--------|--------|-------|-----------|--------|--------|-------|-------|----------|--------|-----------|
| Dead  | 1st House |        |        |       | 2nd House |        |        |       | Conc. |          |        |           |

**Summary:**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires a local agency formation commission, where the commission is considering a change of organization that consists of a dissolution, disincorporation, incorporation, establishment of a subsidiary district, consolidation, or merger, to either order a change of organization subject to confirmation of the voters, as specified, or order the change of organization without an election if the change of organization meets certain requirements. This bill would authorize the commission, where the commission is considering a change of organization that consists of the dissolution of a district that is consistent with a prior action of the commission, to immediately order the dissolution if the dissolution was initiated by the district board, or if the dissolution was initiated by an affected local agency, by the commission, or by petition, hold at least one noticed public hearing on the proposal, and order the dissolution without an election, unless a majority protest exists, as specified.

**Attachments:**

[CALAFCO Support Letter](#)

[CALAFCO Request for Governor's Signature](#)

**Position:** Support

**Subject:** Special District Consolidations, Special District Powers

**CALAFCO Comments:** Allows a commission to dissolve a special district - under specific circumstances - without a vote unless there is a majority protest.

**AB 1430 (Committee on Local Government) The Cortese-Knox-Hertzberg Local Government**

**Reorganization Act of 2000 omnibus bill.****Current Text:** Amended: 6/22/2011 [pdf](#) [html](#)**Introduced:** 4/5/2011**Last Amended:** 6/22/2011**Status:** 7/1/2011-From consent calendar. Ordered to third reading. Ordered to inactive file at the request of Senator Simitian.

| 2Year | Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. | Enrolled | Vetoed | Chaptered |
|-------|-----------|--------|--------|-------|-----------|--------|--------|-------|-------|----------|--------|-----------|
| Dead  | 1st House |        |        |       | 2nd House |        |        |       | Conc. |          |        |           |

**Summary:**

Current law defines various terms for purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. This bill would revise various definitions within that act, and would make other conforming and technical changes. This bill contains other related provisions and other current laws.

**Attachments:**[CALAFCO Letter of Support](#)**Position:** Sponsor**Subject:** CKH General Procedures**CALAFCO Comments:** CALAFCO Sponsored bill. Makes technical, non-substantive changes to Cortese-Knox-Hertzberg. Includes major definitions update.**[ABX1 36](#) (Solorio D) Vehicle license fees.****Current Text:** Introduced: 7/1/2011 [pdf](#) [html](#)**Introduced:** 7/1/2011**Status:** 7/5/2011-From printer.

| 2Year | Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. | Enrolled | Vetoed | Chaptered |
|-------|-----------|--------|--------|-------|-----------|--------|--------|-------|-------|----------|--------|-----------|
| Dead  | 1st House |        |        |       | 2nd House |        |        |       | Conc. |          |        |           |

**Summary:**

Current law, as proposed to be amended by SB 89 of the 2011-12 Regular Session, would require that a specified amount of motor vehicle license fees deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund be allocated by the Controller, as specified, according to a specified order, with moneys allocated on or after July 1, 2004, but before July 1, 2011, first to the County of Orange, next to each city and county meeting specified criteria, and on or after July 1, 2011, to the Local Law Enforcement Services Account in the Local Revenue Fund 2011, for allocation to cities, counties, and cities and counties. This bill would instead require for all of those times that a specified portion of those revenues be distributed first to the County of Orange. By authorizing within the Motor Vehicle License Fee Account in the Transportation Tax Fund, a continuously appropriated fund, to be used for a new purpose, the bill would make an appropriation. This bill would become operative only if SB 89 is chaptered, as provided. This bill contains other related provisions and other current laws.

**Position:** Watch**Subject:** Tax Allocation**CALAFCO Comments:** This bill is under consideration as a fix to the SB 89 shift of VLF from cities to law enforcement programs. It would unwind the SB 89 transfer of VLF funds that dramatically affect incorporations and inhabited annexations. Currently only affects Orange county.**[SB 89](#) (Committee on Budget and Fiscal Review) Vehicles: vehicle license fee and registration fee.****Current Text:** Chaptered: 7/1/2011 [pdf](#) [html](#)**Introduced:** 1/10/2011**Last Amended:** 6/27/2011**Status:** 6/30/2011-Chaptered by Secretary of State - Chapter 35, Statutes of 2011.

| 2Year | Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. | Enrolled | Vetoed | Chaptered |
|-------|-----------|--------|--------|-------|-----------|--------|--------|-------|-------|----------|--------|-----------|
| Dead  | 1st House |        |        |       | 2nd House |        |        |       | Conc. |          |        |           |

**Summary:**

Would require the Legislature to determine and appropriate annually an amount for the use of the DMV and the FTB for the enforcement of the Vehicle License Fee Law. The bill would deem, for the 2011-12 fiscal year, \$25,000,000 as the cost to the DMV for the collection of the motor vehicle license fee. This bill contains other related provisions and other current laws.

**Attachments:**[CALAFCO Veto Request](#)

**Position:** Oppose

**Subject:** Annexation Proceedings, Incorporation Proceedings

**CALAFCO Comments:** This budget-related bill redirects VLF from cities to statewide public safety programs. Most impacted are cities formed after 2006 and inhabited annexations after 2006. Will likely result in disincorporations. Significantly this will also make most all future incorporations and inhabited annexations financially impossible. This language was added at the last minutes and voted on by the Members with little knowledge of the content of the bill. No one outside of the Capitol was aware of the language until after the bill passed.

**SB 244 (Wolk D) Land use: general plan: disadvantaged unincorporated communities.**

**Current Text:** Amended: 7/1/2011 [pdf](#) [html](#)

**Introduced:** 2/10/2011

**Last Amended:** 7/1/2011

**Status:** 7/1/2011-Read second time and amended. Re-referred to Com. on APPR.

| 2Year Dead | Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. Conc. | Enrolled | Vetoed | Chaptered |
|------------|-----------|--------|--------|-------|-----------|--------|--------|-------|-------------|----------|--------|-----------|
|            | 1st House |        |        |       | 2nd House |        |        |       |             |          |        |           |

**Calendar:**

8/17/2011 9 a.m. - State Capitol, Room 4202 ASSEMBLY APPROPRIATIONS, FUENTES, Chair

**Summary:**

Would require, on or before the next adoption of its housing element, a city or county to review and update the land use element of its general plan to include an analysis of the presence of island, fringe, or legacy unincorporated communities, as defined, and would require the updated general plan to include specified information. This bill would also require the city or county planning agency, after the initial revision and update of the general plan, to review, and if necessary amend, the general plan to update the information, goals, and program of action relating to these communities therein. By adding to the duties of city and county officials, this bill would impose a state-mandated local program. This bill contains other related provisions and other current laws.

**Attachments:**

[CALAFCO Letter of Concern - 29 March 2011](#)

**Position:** None at this time

**Subject:** Disadvantaged Communities

**CALAFCO Comments:** Amended to require LAFCo review of disadvantaged unincorporated communities. It adds a definition for disadvantaged unincorporated communities, requires LAFCo to review water, sewer and fore services to the communities in the next SOI update, places more emphasis on LAFCo recommendations on reorganizations for efficient and effective services, requires LAFCo to identify service deficiencies to these communities in MSR, and specifically requires LAFCo to assess alternatives for efficient and affordable infrastructure and services, including consolidations, in MSR. Bill requires LAFCo to look at communities "in or adjacent to the sphere of influence."

2

**AB 46 (John A. Pérez D) Local government: cities.**

**Current Text:** Amended: 6/28/2011 [pdf](#) [html](#)

**Introduced:** 12/6/2010

**Last Amended:** 6/28/2011

**Status:** 6/28/2011-Read second time and amended. Ordered to third reading.

| 2Year Dead | Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. Conc. | Enrolled | Vetoed | Chaptered |
|------------|-----------|--------|--------|-------|-----------|--------|--------|-------|-------------|----------|--------|-----------|
|            | 1st House |        |        |       | 2nd House |        |        |       |             |          |        |           |

**Summary:**

Would provide that every city with a population of less than 150 people as of January 1, 2010, would be disincorporated into that city's respective county as of 91 days after the effective date of the bill, unless a county board of supervisors determines, by majority vote within the 90-day period following enactment of these provisions, that continuing such a city within that county's boundaries would serve a public purpose if the board of supervisors determines that the city is in an isolated rural location that makes it impractical for the residents of the community to organize in another form of local governance. The bill would also require the local agency formation commission within the county to oversee the terms and conditions of the disincorporation of the city, as specified. This bill contains other related provisions.

**Position:** None at this time

**Subject:** Disincorporation/dissolution

**CALAFCO Comments:** As written this bill applies only to Vernon, California. It bypasses much of the C-K-H disincorporation process, leaving LAFCo only the responsibility of assigning assets and liabilities following disincorporation.

**AB 119 (Committee on Budget) State government.**

**Current Text:** Chaptered: 6/29/2011 [pdf](#) [html](#)

**Introduced:** 1/10/2011

**Last Amended:** 6/8/2011

**Status:** 6/29/2011-Chaptered by the Secretary of State, Chapter Number 31, Statutes of 2011

| 2Year | Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. | Enrolled | Vetoed | Chaptered |
|-------|-----------|--------|--------|-------|-----------|--------|--------|-------|-------|----------|--------|-----------|
| Dead  | 1st House |        |        |       | 2nd House |        |        |       | Conc. |          |        |           |

**Summary:**

Would delete the requirement that the California Victim Compensation and Government Claims Board provide notice to the chairpersons of the committees in each house of the Legislature that consider appropriations and the annual budget act, and the chairperson of the Joint Legislative Budget Committee, prior to allowing either the use of a current year appropriation to pay claims for prior year costs of \$500,000 or more, or claims from a single provider of goods or services with respect to a single department that exceed \$500,000 within one year. This bill contains other related provisions and other current laws.

**Position:** None at this time

**Subject:** Service Reviews/Spheres, Special District Principle Acts

**CALAFCO Comments:** Language has been added to this budget bill which changes the requirement for special districts to respond to SOI requests for information from a state mandate to a local requirement. This change would eliminate the state requirement to reimburse special districts for the costs of responding to a LAFCo request. It is not anticipated to have any actual change in process.

**AB 187 (Lara D) State Auditor: audits: high-risk local government agency audit program.**

**Current Text:** Amended: 6/22/2011 [pdf](#) [html](#)

**Introduced:** 1/25/2011

**Last Amended:** 6/22/2011

**Status:** 7/11/2011-In committee: Placed on APPR. suspense file.

| 2Year | Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. | Enrolled | Vetoed | Chaptered |
|-------|-----------|--------|--------|-------|-----------|--------|--------|-------|-------|----------|--------|-----------|
| Dead  | 1st House |        |        |       | 2nd House |        |        |       | Conc. |          |        |           |

**Summary:**

Would authorize the State Auditor to establish a high-risk local government agency audit program to identify, audit, and issue reports on any local government agency, including any city, county, or special district, or any publicly created entity that the State Auditor identifies as being at high risk for the potential of waste, fraud, abuse, or mismanagement or that has major challenges associated with its economy, efficiency, or effectiveness. The bill would also authorize the State Auditor to consult with the Controller, Attorney General, and other state agencies in identifying local government agencies that are at high risk.

**Position:** None at this time

**Subject:** Financial Viability of Agencies, Service Reviews/Spheres

**CALAFCO Comments:** Would allow the State Auditor to audit and issue reports on any local agency it identifies at being at high risk for waste, fraud, abuse or mismanagement.

**AB 307 (Nestande R) Joint powers agreements: public agency: federally recognized Indian tribe.**

**Current Text:** Amended: 6/22/2011 [pdf](#) [html](#)

**Introduced:** 2/9/2011

**Last Amended:** 6/22/2011

**Status:** 7/14/2011-In Assembly. Concurrence in Senate amendments pending. May be considered on or after August 12 pursuant to Assembly Rule 77.

| 2Year | Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. | Enrolled | Vetoed | Chaptered |
|-------|-----------|--------|--------|-------|-----------|--------|--------|-------|-------|----------|--------|-----------|
| Dead  | 1st House |        |        |       | 2nd House |        |        |       | Conc. |          |        |           |

**Summary:**

Current law authorizes 2 or more public agencies, as defined, to enter into an agreement to exercise common powers. Current law also permits certain federally recognized Indian tribes to enter into joint powers agreements with particular parties and for limited purposes. This bill

would include a federally recognized Indian tribe as a public agency that may enter into a joint powers agreement. This bill would also make conforming changes by conforming related code sections. This bill contains other related provisions.

**Position:** Watch

**Subject:** Municipal Services

**CALAFCO Comments:** Would allow any federally recognized Indian tribe to act as a public agency to participate in any Joint Powers Authority. Significantly expands current law on Indian tribe participation in a JPA. NOTE: There is a LAFCo question on whether this would allow a tribe to enter into a JPA with a city and district and circumvent the LAFCo process for delivery of municipal services. Counsel is currently evaluating this potential and the options for LAFCo.

**AB 781 (John A. Pérez D) Local government: counties: unincorporated areas.**

**Current Text:** Amended: 7/12/2011 [pdf](#) [html](#)

**Introduced:** 2/17/2011

**Last Amended:** 7/12/2011

**Status:** 7/15/2011-Measure version as amended on July 12 corrected.

| 2Year | Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. | Enrolled | Vetoed | Chaptered |
|-------|-----------|--------|--------|-------|-----------|--------|--------|-------|-------|----------|--------|-----------|
| Dead  | 1st House |        |        |       | 2nd House |        |        |       | Conc. |          |        |           |

**Calendar:**

8/15/2011 10 a.m. - John L. Burton Hearing Room (4203)

SENATE APPROPRIATIONS, KEHOE, Chair

**Summary:**

Would create a community services district in the unincorporated area of a county if that unincorporated area of the county was previously a city that was disincorporated by statute and had, immediately prior to disincorporation, provided fire protection, water, telecommunications, gas, or electric utility services, or maintained streets or roads. The district would continue to provide those services within the territory in which the disincorporated city provided those services, and would be a successor in interest as to any contract entered into by the disincorporated city with respect to the provision of those services. The bill would, for a one-year period, limit the authority of the community services district to increase gas or electric utility rates within that territory. This bill contains other related provisions and other current laws.

**Position:** Watch

**Subject:** Disincorporation/dissolution, Special District Principle Acts

**CALAFCO Comments:** This bill was gutted and amended on 20 June to create a CSD in any unincorporated area that was previously a city and was disincorporated by the legislature. It is specifically targeted at Vernon. It also contains language directing LAFCo on the terms and conditions of the disincorporation.

**AB 1265 (Nielsen R) Local government: Williamson Act.**

**Current Text:** Chaptered: 7/15/2011 [pdf](#) [html](#)

**Introduced:** 2/18/2011

**Last Amended:** 6/30/2011

**Status:** 7/15/2011-Chaptered by the Secretary of State, Chapter Number 90, Statutes of 2011

| 2Year | Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. | Enrolled | Vetoed | Chaptered |
|-------|-----------|--------|--------|-------|-----------|--------|--------|-------|-------|----------|--------|-----------|
| Dead  | 1st House |        |        |       | 2nd House |        |        |       | Conc. |          |        |           |

**Summary:**

Current law, the Williamson Act, authorizes a city or county to enter into 10-year contracts with owners of land devoted to agricultural use, whereby the owners agree to continue using the property for that purpose, and the city or county agrees to value the land accordingly for purposes of property taxation. Current law sets forth procedures for reimbursing cities and counties for property tax revenues not received as a result of these contracts. This bill would, beginning January 1, 2011, and until January 1, 2016, authorize a county, in any fiscal year in which payments authorized for reimbursement to a county for lost revenue are less than 1/2 of the participating county's actual foregone general fund property tax revenue, to revise the term for newly renewed and new contracts and require the assessor to value the property, as specified, based on the revised contract term. The bill would provide that a landowner may choose to nonrenew and begin the cancellation process. The bill would also provide that any increased revenues generated by properties under a new contract shall be paid to the county. This bill contains other related provisions.

**Attachments:**

[CALAFCO Support Letter](#)  
[CALAFCO Letter of Support - Senate](#)  
[CALAFCO Request for Governor's Signature](#)

**Position:** Support

**Subject:** Ag Preservation - Williamson

**CALAFCO Comments:** Creates an interim solution to the loss of state subventions for Williamson Act lands by giving counties and alternative landowner-funding approach.

**ACA 17 (Logue R) State-mandated local programs.**

**Current Text:** Introduced: 2/15/2011 [pdf](#) [html](#)

**Introduced:** 2/15/2011

**Status:** 4/14/2011-Referred to Com. on L. GOV.

| 2Year | Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. | Enrolled | Vetoed | Chaptered |
|-------|-----------|--------|--------|-------|-----------|--------|--------|-------|-------|----------|--------|-----------|
| Dead  | 1st House |        |        |       | 2nd House |        |        |       | Conc. |          |        |           |

**Summary:**

Under the California Constitution, whenever the Legislature or a state agency mandates a new program or higher level of service on any local government, the state is required to provide a subvention of funds to reimburse the local government. With regard to certain mandates imposed on a city, county, city and county, or special district that have been determine to be payable, the Legislature is required either to appropriate, in the annual Budget Act, the full payable amount of the mandate, determined as specified, or to suspend the operation of the mandate for the fiscal year. The California Constitution provides that the Legislature is not required to appropriate funds for specified mandates.

**Position:** None at this time

**Subject:** LAFCo Administration

**CALAFCO Comments:** Changes state mandate law in a proposed constitutional amendment. Included is specific language that releases mandate responsibility if the local agency can change an individual or applicant for the cost of providing the mandated service. Would likely exempt some mandates to LAFCo from state funding.

**SB 46 (Correa D) Public officials: compensation disclosure.**

**Current Text:** Amended: 6/2/2011 [pdf](#) [html](#)

**Introduced:** 12/9/2010

**Last Amended:** 6/2/2011

**Status:** 6/6/2011-Read second time. Ordered to third reading.

| 2Year | Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. | Enrolled | Vetoed | Chaptered |
|-------|-----------|--------|--------|-------|-----------|--------|--------|-------|-------|----------|--------|-----------|
| Dead  | 1st House |        |        |       | 2nd House |        |        |       | Conc. |          |        |           |

**Summary:**

Would, commencing on January 1, 2013, and continuing until January 1, 2019, require every designated employee and other person, except a candidate for public office, who is required to file a statement of economic interests to include, as a part of that filing, a compensation disclosure form that provides compensation information for the preceding calendar year, as specified. This bill contains other related provisions and other current laws.

**Position:** Oppose

**Subject:** LAFCo Administration

**CALAFCO Comments:** Similar to a 2010 bill, this would require all those who file a Form 700 to also file an extensive compensation and reimbursement disclosure report. Would require all local agencies, including LAFCo, to annually post the forms on their website.

**SB 191 (Committee on Governance and Finance) Validations.**

**Current Text:** Amended: 5/16/2011 [pdf](#) [html](#)

**Introduced:** 2/8/2011

**Last Amended:** 5/16/2011

**Status:** 6/6/2011-Ordered to inactive file on request of Senator Wolk.

| 2Year | Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. | Enrolled | Vetoed | Chaptered |
|-------|-----------|--------|--------|-------|-----------|--------|--------|-------|-------|----------|--------|-----------|
| Dead  | 1st House |        |        |       | 2nd House |        |        |       | Conc. |          |        |           |

**Summary:**

This bill would enact the First Validating Act of 2011, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill contains other related provisions.

**Attachments:**[CALAFCO Support Letter](#)**Position:** Support**Subject:** LAFCo Administration**CALAFCO Comments:** One of three annual acts which validate the boundaries of all local agencies.**[SB 192](#) (Committee on Governance and Finance) Validations.****Current Text:** Amended: 5/16/2011 [pdf](#) [html](#)**Introduced:** 2/8/2011**Last Amended:** 5/16/2011**Status:** 5/19/2011-Ordered to inactive file on request of Assembly Member Charles Calderon.

| 2Year<br>Dead | Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf.<br>Conc. | Enrolled | Vetoed | Chaptered |
|---------------|-----------|--------|--------|-------|-----------|--------|--------|-------|----------------|----------|--------|-----------|
|               | 1st House |        |        |       | 2nd House |        |        |       |                |          |        |           |

**Summary:**

This bill would enact the Second Validating Act of 2011, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill contains other related provisions.

**Attachments:**[CALAFCO Support Letter](#)**Position:** Support**Subject:** LAFCo Administration**CALAFCO Comments:** One of three annual acts which validate the boundaries of all local agencies.**[SB 193](#) (Committee on Governance and Finance) Validations.****Current Text:** Amended: 5/16/2011 [pdf](#) [html](#)**Introduced:** 2/8/2011**Last Amended:** 5/16/2011**Status:** 5/19/2011-Ordered to inactive file on request of Assembly Member Charles Calderon.

| 2Year<br>Dead | Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf.<br>Conc. | Enrolled | Vetoed | Chaptered |
|---------------|-----------|--------|--------|-------|-----------|--------|--------|-------|----------------|----------|--------|-----------|
|               | 1st House |        |        |       | 2nd House |        |        |       |                |          |        |           |

**Summary:**

This bill would enact the Third Validating Act of 2011, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

**Attachments:**[CALAFCO Support Letter](#)**Position:** Support**Subject:** LAFCo Administration**CALAFCO Comments:** One of three annual acts which validate the boundaries of all local agencies.**[SB 436](#) (Kehoe D) Land use: mitigation lands: nonprofit organizations.****Current Text:** Amended: 7/13/2011 [pdf](#) [html](#)**Introduced:** 2/16/2011**Last Amended:** 7/13/2011**Status:** 7/13/2011-Read second time and amended. Re-referred to Com. on APPR.

| 2Year<br>Dead | Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf.<br>Conc. | Enrolled | Vetoed | Chaptered |
|---------------|-----------|--------|--------|-------|-----------|--------|--------|-------|----------------|----------|--------|-----------|
|               | 1st House |        |        |       | 2nd House |        |        |       |                |          |        |           |

**Calendar:**

8/17/2011 9 a.m. - State Capitol, Room 4202 ASSEMBLY APPROPRIATIONS, FUENTES, Chair

**Summary:**

The Planning and Zoning Law authorizes a state or local public agency, if the agency requires a property owner to transfer to the agency an interest in real property to mitigate an adverse impact upon natural resources caused by permitting the development of a project or facility, to authorize a nonprofit organization to hold title to and manage that interest in real

property, provided that the nonprofit organization meets specified requirements. This bill would revise these provisions and would, until January 1, 2022, authorize a state or local public agency to provide funds to a nonprofit organization to acquire land or easements that satisfy the agency's mitigation obligations, including funds that have been set aside for the long-term management of any lands or easements conveyed to a nonprofit organization, as specified. This bill would require a nonprofit organization that holds funds on behalf of the Department of Fish and Game for the long-term management of land to comply with certain requirements, including certification by the department, and oversight by the Controller under specified circumstances. The bill would also state the findings and declarations of the Legislature with respect to the preservation of natural resources through mitigation, and would state that it is in the best interest of the public to allow state and local public agencies and nonprofit organizations to utilize the tools and strategies they need for improving the effectiveness, cost efficiency, and durability of mitigation for California's natural resources.

**Attachments:**

[CALAFCO Support Letter](#)

**Position:** Support

**Subject:** Ag/Open Space Protection

**CALAFCO Comments:** Would allow a local agency to provide funds to a non profit to acquire land or easements to satisfy an agency's mitigation requirements. May be an important tool for LAFCo in agricultural and open space preservation.

**SB 668 (Evans D) Local government: Williamson Act.**

**Current Text:** Amended: 6/22/2011 [pdf](#) [html](#)

**Introduced:** 2/18/2011

**Last Amended:** 6/22/2011

**Status:** 7/7/2011-In Senate. Concurrence in Assembly amendments pending.

| 2Year | Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. | Enrolled | Vetoed | Chaptered |
|-------|-----------|--------|--------|-------|-----------|--------|--------|-------|-------|----------|--------|-----------|
| Dead  | 1st House |        |        |       | 2nd House |        |        |       | Conc. |          |        |           |

**Summary:**

Would, until January 1, 2016, authorize a nonprofit land-trust organization, a nonprofit entity, or a public agency to enter into a contract with a landowner who has also entered into a Williamson Act contract, upon approval of the city or county that holds the Williamson Act contract, to keep that landowner's land in contract under the Williamson Act, for a period of up to 10 years in exchange for the open-space district's, land-trust organization's, or nonprofit entity's payment of all or a portion of the foregone property tax revenue to the county, where the state has failed to reimburse, or reduced the subvention to, the city or county for property tax revenues not received as a result of Williamson Act contracts.

**Position:** None at this time

**Subject:** Ag Preservation - Williamson

**CALAFCO Comments:** Would allow an open space district, land trust or non profit to contract with a Williamson Act landowner to keep land in Williamson Act in exchange for paying all or a portion of the foregone property tax to the county if the state has failed to provide subventions.

3

**AB 506 (Wieckowski D) Local government: bankruptcy: neutral evaluation.**

**Current Text:** Amended: 7/12/2011 [pdf](#) [html](#)

**Introduced:** 2/15/2011

**Last Amended:** 7/12/2011

**Status:** 7/12/2011-Read second time and amended. Re-referred to Com. on RLS.

| 2Year | Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. | Enrolled | Vetoed | Chaptered |
|-------|-----------|--------|--------|-------|-----------|--------|--------|-------|-------|----------|--------|-----------|
| Dead  | 1st House |        |        |       | 2nd House |        |        |       | Conc. |          |        |           |

**Summary:**

Under current law, any taxing agency or instrumentality of the state may file a petition and prosecute to completion bankruptcy proceedings permitted under the laws of the United States. This bill would express the intent of the Legislature to enact legislation that would provide an alternative dispute resolution procedures that cities, counties, and special districts may use before they seek financial relief through the provisions of Chapter 9 of the federal Bankruptcy Code.

**Position:** Watch

**Subject:** Financial Viability of Agencies

**CALAFCO Comments:** This bill creates a complex "neutral evaluator" process which a local agency must follow prior to being able to file Chapter 9 bankruptcy.

**[AB 1266](#) (Nielsen R) Local government: Williamson Act: agricultural preserves: advisory board.**

**Current Text:** Introduced: 2/18/2011 [pdf](#) [html](#)

**Introduced:** 2/18/2011

**Status:** 7/14/2011-From consent calendar. Ordered to third reading. Ordered to inactive file at the request of Senator La Malfa.

| 2Year<br>Dead | Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf.<br>Conc. | Enrolled | Vetoed | Chaptered |
|---------------|-----------|--------|--------|-------|-----------|--------|--------|-------|----------------|----------|--------|-----------|
|               | 1st House |        |        |       | 2nd House |        |        |       |                |          |        |           |

**Summary:**

Current law, the Williamson Act, authorizes a city or county to enter into contracts to establish agricultural preserves. Current law also authorizes the legislative body of a city or county to appoint an advisory board to advise the legislative body on agricultural preserve matters. This bill would specify matters on which the advisory board may advise the legislative body of a county or city. This bill would also state that the advisory board is not the exclusive mechanism through which the legislative body can receive advice on or address matters regarding agricultural preserves.

**Position:** None at this time

**Subject:** Ag Preservation - Williamson

**CALAFCO Comments:** Specifies additional responsibilities for the county or city Williamson Act advisory board. May also be a placeholder for more significant modifications to the Williamson Act.

**[SB 27](#) (Simitian D) Public retirement: final compensation: computation: retirees.**

**Current Text:** Amended: 7/7/2011 [pdf](#) [html](#)

**Introduced:** 12/6/2010

**Last Amended:** 7/7/2011

**Status:** 7/7/2011-Read second time and amended. Re-referred to Com. on APPR.

| 2Year<br>Dead | Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf.<br>Conc. | Enrolled | Vetoed | Chaptered |
|---------------|-----------|--------|--------|-------|-----------|--------|--------|-------|----------------|----------|--------|-----------|
|               | 1st House |        |        |       | 2nd House |        |        |       |                |          |        |           |

**Calendar:**

8/17/2011 9 a.m. - State Capitol, Room 4202 ASSEMBLY APPROPRIATIONS, FUENTES, Chair

**Summary:**

The State Teachers' Retirement Law (STRL) establishes the Defined Benefit Program of the State Teachers' Retirement System, which provides a defined benefit to members of the system based on final compensation, credited service, and age at retirement, subject to certain variations. STRL also establishes the Defined Benefit Supplement Program, which provides supplemental retirement, disability, and other benefits, payable either in a lump-sum payment, an annuity, or both to members of the State Teachers' Retirement Plan. STRL defines creditable compensation for these purposes as remuneration that is payable in cash to all persons in the same class of employees, as specified, for performing creditable service. This bill would revise the definition of creditable compensation for these purposes and would identify certain payments, reimbursements, and compensation that are creditable compensation to be applied to the Defined Benefit Supplement Program. The bill would prohibit one employee from being considered a class. The bill would revise the definition of compensation with respect to the Defined Benefit Supplement Program to include remuneration earnable within a 5-year period, which includes the last year in which the member's final compensation is determined, when it is in excess of 125% of that member's compensation earnable in the year prior to that 5-year period, as specified. The bill would prohibit a member who retires on or after January 1, 2013, who elects to receive his or her retirement benefit under the Defined Benefit Supplemental Program as a lump-sum payment from receiving that sum until 180 days have elapsed following the effective date of the member's retirement. This bill contains other related provisions and other current laws.

**Position:** None at this time

**Subject:** LAFCo Administration

**CALAFCO Comments:**

**[SB 235](#) (Negrete McLeod D) Water conservation districts: reduction in number of directors.**

**Current Text:** Chaptered: 7/25/2011 [pdf](#) [html](#)

**Introduced:** 2/9/2011

**Last Amended:** 6/9/2011

**Status:** 7/25/2011-Chaptered by the Secretary of State, Chapter Number 122, Statutes of 2011

| 2Year | Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. | Enrolled | Vetoed | Chaptered |
|-------|-----------|--------|--------|-------|-----------|--------|--------|-------|-------|----------|--------|-----------|
| Dead  | 1st House |        |        |       | 2nd House |        |        |       | Conc. |          |        |           |

**Summary:**

The Water Conservation District Law of 1931 generally governs the formation of water conservation districts and specifies the powers and purposes of those districts. This bill would authorize a water conservation district with a board of directors consisting of 7 directors, to reduce the number of directors to 5, consistent with specified requirements. The bill would not apply to districts within the County of Ventura.

**Position:** None at this time

**Subject:** Special District Principle Acts

**CALAFCO Comments:** Allows specified water districts to reorganize their board of directors to reduce the number of directors, by action of the Board.

**SB 288 (Negrete McLeod D) Local government: independent special districts.**

**Current Text:** Chaptered: 7/8/2011 [pdf](#) [html](#)

**Introduced:** 2/14/2011

**Last Amended:** 3/29/2011

**Status:** 7/8/2011-Chaptered by Secretary of State - Chapter 66, Statutes of 2011.

| 2Year | Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. | Enrolled | Vetoed | Chaptered |
|-------|-----------|--------|--------|-------|-----------|--------|--------|-------|-------|----------|--------|-----------|
| Dead  | 1st House |        |        |       | 2nd House |        |        |       | Conc. |          |        |           |

**Summary:**

Current law authorizes the governing board of a special district, by resolution, to provide for the establishment of a revolving fund, in an amount not to exceed \$1,000, to be used to make change and pay small bills directly, and requires the resolution establishing the fund to make specified designations relating to the purposes for which the fund may be expended, the district officer with authority and responsibility over the fund, the necessity for the fund, and the maximum amount of the fund. This bill would additionally authorize the governing board of an independent special district, as defined, to provide, by resolution, for the establishment of a revolving fund in an amount not to exceed 110% of 1/12 of the independent special district's adopted budget for that fiscal year, and would require the resolution establishing the fund to make specified designations relating to the purposes for which the fund may be expended, the district officer with authority and responsibility over the fund, the necessity for the fund, and the maximum amount of the fund. This bill contains other current laws.

**Position:** None at this time

**Subject:** Special District Powers, Special District Principle Acts

**CALAFCO Comments:** Allows special districts as defined by C-K-H to set up special revolving funds.

**SB 618 (Wolk D) Local government: solar-use easement.**

**Current Text:** Amended: 7/6/2011 [pdf](#) [html](#)

**Introduced:** 2/18/2011

**Last Amended:** 7/6/2011

**Status:** 7/6/2011-Read second time and amended. Re-referred to Com. on APPR.

| 2Year | Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. | Enrolled | Vetoed | Chaptered |
|-------|-----------|--------|--------|-------|-----------|--------|--------|-------|-------|----------|--------|-----------|
| Dead  | 1st House |        |        |       | 2nd House |        |        |       | Conc. |          |        |           |

**Calendar:**

8/17/2011 9 a.m. - State Capitol, Room 4202 ASSEMBLY APPROPRIATIONS, FUENTES, Chair

**Summary:**

Would authorize the parties to a Williamson Act contract to mutually agree to rescind the contract in order to simultaneously enter into a solar-use easement that would require that the land be used for solar photovoltaic facilities for a term no less than 10 years. This bill would require a county or city to include certain, and authorizes a county or city to include other, restrictions, conditions, or covenants in the deed or instrument granting a solar-use easement. This bill would provide that a solar-use easement would be automatically renewed annually, unless either party filed a notice of nonrenewal. This bill would provide that a solar-use easement may only be extinguished on all or a portion of the parcel by nonrenewal, termination, or by returning the land to its previous contract under the Williamson Act. This bill would require that if the landowner extinguishes the contract either by filing a notice of

nonrenewal or by terminating the solar-use easement, the landowner shall restore the property to the conditions that existed before the easement by the time the easement terminates. This bill would authorize a landowner to terminate a solar-use easement by complying with certain procedures, and paying a termination fee based upon the termination value of the property, as determined by the county assessor. This bill would provide that specified parties may bring an action to enforce the easement if it is violated. This bill contains other related provisions and other current laws.

**Position:** None at this time

**Subject:** Ag Preservation - Williamson

**CALAFCO Comments:** Allows renewable energy generation (wind, solar farms) as an acceptable use for Williamson Act lands.

**SB 878 (DeSaulnier D) Regional planning: Bay Area.**

**Current Text:** Amended: 6/9/2011 [pdf](#) [html](#)

**Introduced:** 2/18/2011

**Last Amended:** 6/9/2011

**Status:** 6/9/2011-From committee with author's amendments. Read second time and amended. Re-referred to Com. on T. & H.

| 2Year | Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. | Enrolled | Vetoed | Chapered |
|-------|-----------|--------|--------|-------|-----------|--------|--------|-------|-------|----------|--------|----------|
| Dead  | 1st House |        |        |       | 2nd House |        |        |       | Conc. |          |        |          |

**Summary:**

Would require the joint policy committee to submit a report to the Legislature by January 31, 2013, on, among other things, methods and strategies for developing and implementing a multiagency set of policies and guidelines relative to the Bay Area region's sustainable communities strategy, including recommendations on organizational reforms for the regional agencies. The bill would require preparation of a work plan for a regional economic development strategy to be submitted to the Legislature on that date. The bill would also require the member agencies to report on public outreach efforts that they individually or jointly perform. The bill would require public meetings in each of the region's 9 counties and creation of advisory committees, as specified. By imposing new duties on local agencies, the bill would impose a state-mandated local program. This bill contains other related provisions and other current laws.

**Position:** None at this time

**Subject:** Sustainable Community Plans

**CALAFCO Comments:** Provides legislative direction to the Bay Area counties on development of their sustainable communities strategy and requires the "joint committee" to report back to the Legislature by 1 January 2013.

**Total Measures:** 26

**Total Tracking Forms:** 26

7/26/2011 9:35:15 AM

## Loss of City MVLF, Restoration of COPS (SLESA) Funds - Estimated FY2011-12 Impact

Does NOT include positive impact of NO Booking fees

| City         | County       | Population* | Lost Motor Vehicle License Fee (general purpose) |                          |                           |           | COPS<br>(SLESA) |
|--------------|--------------|-------------|--|--------------------------|---------------------------|-----------|-----------------|
|              |              |             | New Incorp<br>R&T11005(c)                        | New Annex<br>R&T11005(d) | Per Capita<br>R&T11005(e) | Total     |                 |
| ALAMEDA      | Alameda      | 75,823      | -  | -                        | 265,381                   | 265,381   | 119,042         |
| ALBANY       | Alameda      | 17,021      | -  | -                        | 59,574                    | 59,574    | 100,000         |
| BERKELEY     | Alameda      | 108,119     | -  | -                        | 378,417                   | 378,417   | 169,747         |
| DUBLIN       | Alameda      | 48,821      | -  | -                        | 170,874                   | 170,874   | 100,000         |
| EMERYVILLE   | Alameda      | 10,227      | -  | -                        | 35,795                    | 35,795    | 100,000         |
| FREMONT      | Alameda      | 218,128     | -  | -                        | 763,448                   | 763,448   | 342,461         |
| HAYWARD      | Alameda      | 153,104     | -  | 12,952                   | 535,864                   | 548,816   | 240,373         |
| LIVERMORE    | Alameda      | 85,312      | -  | 131                      | 298,592                   | 298,723   | 133,940         |
| NEWARK       | Alameda      | 44,380      | -  | -                        | 155,330                   | 155,330   | 100,000         |
| OAKLAND      | Alameda      | 430,666     | -  | -                        | 1,507,331                 | 1,507,331 | 676,146         |
| PIEDMONT     | Alameda      | 11,262      | -  | -                        | 39,417                    | 39,417    | 100,000         |
| PLEASANTON   | Alameda      | 70,711      | -  | 131                      | 247,489                   | 247,619   | 111,016         |
| SAN LEANDRO  | Alameda      | 83,183      | -  | -                        | 291,141                   | 291,141   | 130,597         |
| UNION CITY   | Alameda      | 75,054      | -  | -                        | 262,689                   | 262,689   | 117,835         |
| AMADOR       | Amador       | 216         | -  | -                        | 756                       | 756       | 100,000         |
| IONE         | Amador       | 7,842       | -  | -                        | 27,447                    | 27,447    | 100,000         |
| JACKSON      | Amador       | 4,371       | -  | -                        | 15,299                    | 15,299    | 100,000         |
| PLYMOUTH     | Amador       | 1,074       | -  | -                        | 3,759                     | 3,759     | 100,000         |
| SUTTER CREEK | Amador       | 2,945       | -  | 174                      | 10,308                    | 10,482    | 100,000         |
| BIGGS        | Butte        | 1,809       | -  | 523                      | 6,332                     | 6,855     | 100,000         |
| CHICO        | Butte        | 88,228      | -  | 454,374                  | 308,798                   | 763,172   | 138,518         |
| GRIDLEY      | Butte        | 6,454       | -  | 4,317                    | 22,589                    | 26,906    | 100,000         |
| OROVILLE     | Butte        | 14,687      | -  | 36,807                   | 51,405                    | 88,211    | 100,000         |
| PARADISE     | Butte        | 26,725      | -  | 87                       | 93,538                    | 93,625    | 100,000         |
| ANGELS       | Calaveras    | 3,593       | -  | -                        | 12,576                    | 12,576    | 100,000         |
| COLUSA       | Colusa       | 5,947       | -  | -                        | 20,815                    | 20,815    | 100,000         |
| WILLIAMS     | Colusa       | 5,349       | -  | -                        | 18,722                    | 18,722    | 100,000         |
| ANTIOCH      | Contra Costa | 102,330     | -  | -                        | 358,155                   | 358,155   | 160,658         |
| BRENTWOOD    | Contra Costa | 52,492      | -  | 262                      | 183,722                   | 183,984   | 100,000         |
| CLAYTON      | Contra Costa | 10,990      | -  | -                        | 38,465                    | 38,465    | 100,000         |
| CONCORD      | Contra Costa | 125,864     | -  | 131                      | 440,524                   | 440,655   | 197,606         |
| DANVILLE     | Contra Costa | 43,574      | -  | -                        | 152,509                   | 152,509   | 100,000         |
| EL CERRITO   | Contra Costa | 23,666      | -  | -                        | 82,831                    | 82,831    | 100,000         |
| HERCULES     | Contra Costa | 24,693      | -  | -                        | 86,426                    | 86,426    | 100,000         |

## Loss of City MVLF, Restoration of COPS (SLESA) Funds - Estimated FY2011-12 Impact

Does NOT include positive impact of NO Booking fees

| City             | County       | Population* | Lost Motor Vehicle License Fee (general purpose) |                       |                        |           | COPS (SLESA) |
|------------------|--------------|-------------|--|-----------------------|------------------------|-----------|--------------|
|                  |              |             | New Incorp R&T11005(c)                           | New Annex R&T11005(d) | Per Capita R&T11005(e) | Total     |              |
| LAFAYETTE        | Contra Costa | 24,411      | -  | -                     | 85,439                 | 85,439    | 100,000      |
| MARTINEZ         | Contra Costa | 36,892      | -  | -                     | 129,122                | 129,122   | 100,000      |
| MORAGA           | Contra Costa | 16,525      | -  | -                     | 57,838                 | 57,838    | 100,000      |
| OAKLEY           | Contra Costa | 35,646      | -  | 6,847                 | 124,761                | 131,608   | 100,000      |
| ORINDA           | Contra Costa | 17,866      | -  | -                     | 62,531                 | 62,531    | 100,000      |
| PINOLE           | Contra Costa | 19,604      | -  | -                     | 68,614                 | 68,614    | 100,000      |
| PITTSBURG        | Contra Costa | 64,967      | -  | -                     | 227,385                | 227,385   | 101,998      |
| PLEASANT HILL    | Contra Costa | 33,844      | -  | -                     | 118,454                | 118,454   | 100,000      |
| RICHMOND         | Contra Costa | 105,630     | -  | -                     | 369,705                | 369,705   | 165,839      |
| SAN PABLO        | Contra Costa | 32,131      | -  | -                     | 112,459                | 112,459   | 100,000      |
| SAN RAMON        | Contra Costa | 64,860      | -  | 322,671               | 227,010                | 549,681   | 101,830      |
| WALNUT CREEK     | Contra Costa | 66,584      | -  | -                     | 233,044                | 233,044   | 104,537      |
| CRESCENT CITY    | Del Norte    | 7,762       | -  | -                     | 27,167                 | 27,167    | 100,000      |
| PLACERVILLE      | El Dorado    | 10,429      | -  | 87                    | 36,502                 | 36,589    | 100,000      |
| SOUTH LAKE TAHOE | El Dorado    | 24,087      | -  | -                     | 84,305                 | 84,305    | 100,000      |
| CLOVIS           | Fresno       | 96,868      | -  | 21,369                | 339,038                | 360,407   | 152,083      |
| COALINGA         | Fresno       | 19,109      | -  | -                     | 66,882                 | 66,882    | 100,000      |
| FIREBAUGH        | Fresno       | 6,941       | -  | -                     | 24,294                 | 24,294    | 100,000      |
| FOWLER           | Fresno       | 5,764       | -  | 262                   | 20,174                 | 20,436    | 100,000      |
| FRESNO           | Fresno       | 502,303     | -  | 31,487                | 1,758,061              | 1,789,547 | 788,616      |
| HURON            | Fresno       | 8,082       | -  | -                     | 28,287                 | 28,287    | 100,000      |
| KERMAN           | Fresno       | 14,381      | -  | 2,311                 | 50,334                 | 52,645    | 100,000      |
| KINGSBURG        | Fresno       | 11,504      | -  | -                     | 40,264                 | 40,264    | 100,000      |
| MENDOTA          | Fresno       | 9,966       | -  | -                     | 34,881                 | 34,881    | 100,000      |
| ORANGE COVE      | Fresno       | 11,049      | -  | -                     | 38,672                 | 38,672    | 100,000      |
| PARLIER          | Fresno       | 13,658      | -  | 174                   | 47,803                 | 47,977    | 100,000      |
| REEDLEY          | Fresno       | 26,227      | -  | 65,066                | 91,795                 | 156,861   | 100,000      |
| SAN JOAQUIN      | Fresno       | 4,071       | -  | -                     | 14,249                 | 14,249    | 100,000      |
| SANGER           | Fresno       | 25,664      | -  | 1,265                 | 89,824                 | 91,089    | 100,000      |
| SELMA            | Fresno       | 23,435      | -  | 5,364                 | 82,023                 | 87,387    | 100,000      |
| ORLAND           | Glenn        | 7,501       | -  | 7,370                 | 26,254                 | 33,624    | 100,000      |
| WILLOWS          | Glenn        | 6,505       | -  | -                     | 22,768                 | 22,768    | 100,000      |
| ARCATA           | Humboldt     | 17,712      | -  | -                     | 61,992                 | 61,992    | 100,000      |
| BLUE LAKE        | Humboldt     | 1,178       | -  | -                     | 4,123                  | 4,123     | 100,000      |

## Loss of City MVLF, Restoration of COPS (SLESA) Funds - Estimated FY2011-12 Impact

Does NOT include positive impact of NO Booking fees

| City            | County      | Population* | Lost Motor Vehicle License Fee (general purpose) |                       |                        |           | COPS (SLESA) |
|-----------------|-------------|-------------|--|-----------------------|------------------------|-----------|--------------|
|                 |             |             | New Incorp R&T11005(c)                           | New Annex R&T11005(d) | Per Capita R&T11005(e) | Total     |              |
| EUREKA          | Humboldt    | 27,208      | -  | -                     | 95,228                 | 95,228    | 100,000      |
| FERNDALE        | Humboldt    | 1,444       | -  | -                     | 5,054                  | 5,054     | 100,000      |
| FORTUNA         | Humboldt    | 11,374      | -  | -                     | 39,809                 | 39,809    | 100,000      |
| RIO DELL        | Humboldt    | 3,295       | -  | 131                   | 11,533                 | 11,663    | 100,000      |
| TRINIDAD        | Humboldt    | 323         | -  | -                     | 1,131                  | 1,131     | 100,000      |
| BRAWLEY         | Imperial    | 27,743      | -  | -                     | 97,101                 | 97,101    | 100,000      |
| CALEXICO        | Imperial    | 40,075      | -  | -                     | 140,263                | 140,263   | 100,000      |
| CALIPATRIA      | Imperial    | 8,233       | -  | -                     | 28,816                 | 28,816    | 100,000      |
| EL CENTRO       | Imperial    | 45,365      | -  | 8,373                 | 158,778                | 167,151   | 100,000      |
| HOLTVILLE       | Imperial    | 6,641       | -  | -                     | 23,244                 | 23,244    | 100,000      |
| IMPERIAL        | Imperial    | 13,374      | -  | 436                   | 46,809                 | 47,245    | 100,000      |
| WESTMORLAND     | Imperial    | 2,444       | -  | -                     | 8,554                  | 8,554     | 100,000      |
| BISHOP          | Inyo        | 3,643       | -  | -                     | 12,751                 | 12,751    | 100,000      |
| ARVIN           | Kern        | 16,918      | -  | -                     | 59,213                 | 59,213    | 100,000      |
| BAKERSFIELD     | Kern        | 338,952     | -  | 39,249                | 1,186,332              | 1,225,581 | 532,155      |
| CALIFORNIA CITY | Kern        | 15,014      | -  | -                     | 52,549                 | 52,549    | 100,000      |
| DELANO          | Kern        | 54,447      | -  | 3,140                 | 190,565                | 193,704   | 100,000      |
| MARICOPA        | Kern        | 1,153       | -  | -                     | 4,036                  | 4,036     | 100,000      |
| MCFARLAND       | Kern        | 13,942      | -  | -                     | 48,797                 | 48,797    | 100,000      |
| RIDGECREST      | Kern        | 28,726      | -  | -                     | 100,541                | 100,541   | 100,000      |
| SHAFTER         | Kern        | 16,208      | -  | 1,657                 | 56,728                 | 58,385    | 100,000      |
| TAFT            | Kern        | 9,264       | -  | -                     | 32,424                 | 32,424    | 100,000      |
| TEHACHAPI       | Kern        | 13,886      | -  | 305                   | 48,601                 | 48,906    | 100,000      |
| WASCO           | Kern        | 25,541      | -  | -                     | 89,394                 | 89,394    | 100,000      |
| AVENAL          | Kings       | 16,737      | -  | -                     | 58,580                 | 58,580    | 100,000      |
| CORCORAN        | Kings       | 26,047      | -  | 76,972                | 91,165                 | 168,136   | 100,000      |
| HANFORD         | Kings       | 53,266      | -  | 5,887                 | 186,431                | 192,318   | 100,000      |
| LEMOORE         | Kings       | 25,461      | -  | -                     | 89,114                 | 89,114    | 100,000      |
| CLEARLAKE       | Lake        | 14,390      | -  | -                     | 50,365                 | 50,365    | 100,000      |
| LAKEPORT        | Lake        | 5,146       | -  | 3,445                 | 18,011                 | 21,456    | 100,000      |
| SUSANVILLE      | Lassen      | 18,600      | -  | 44                    | 65,100                 | 65,144    | 100,000      |
| AGOURA HILLS    | Los Angeles | 23,387      | -  | -                     | 81,855                 | 81,855    | 100,000      |
| ALHAMBRA        | Los Angeles | 90,561      | -  | -                     | 316,964                | 316,964   | 142,181      |
| ARCADIA         | Los Angeles | 56,719      | -  | -                     | 198,517                | 198,517   | 100,000      |

## Loss of City MVLF, Restoration of COPS (SLESA) Funds - Estimated FY2011-12 Impact

Does NOT include positive impact of NO Booking fees

| City             | County      | Population* | Lost Motor Vehicle License Fee (general purpose) |                          |                           |         | COPS<br>(SLESA) |
|------------------|-------------|-------------|--|--------------------------|---------------------------|---------|-----------------|
|                  |             |             | New Incorp<br>R&T11005(c)                        | New Annex<br>R&T11005(d) | Per Capita<br>R&T11005(e) | Total   |                 |
| ARTESIA          | Los Angeles | 17,608      | -  | -                        | 61,628                    | 61,628  | 100,000         |
| AVALON           | Los Angeles | 3,559       | -  | -                        | 12,457                    | 12,457  | 100,000         |
| AZUSA            | Los Angeles | 49,207      | -  | -                        | 172,225                   | 172,225 | 100,000         |
| BALDWIN PARK     | Los Angeles | 81,604      | -  | -                        | 285,614                   | 285,614 | 128,118         |
| BELL             | Los Angeles | 38,982      | -  | -                        | 136,437                   | 136,437 | 100,000         |
| BELL GARDENS     | Los Angeles | 47,002      | -  | -                        | 164,507                   | 164,507 | 100,000         |
| BELLFLOWER       | Los Angeles | 77,513      | -  | -                        | 271,296                   | 271,296 | 121,695         |
| BEVERLY HILLS    | Los Angeles | 36,224      | -  | -                        | 126,784                   | 126,784 | 100,000         |
| BRADBURY         | Los Angeles | 963         | -  | -                        | 3,371                     | 3,371   | 100,000         |
| BURBANK          | Los Angeles | 108,469     | -  | -                        | 379,642                   | 379,642 | 170,296         |
| CALABASAS        | Los Angeles | 23,788      | -  | -                        | 83,258                    | 83,258  | 100,000         |
| CARSON           | Los Angeles | 98,329      | -  | -                        | 344,152                   | 344,152 | 154,377         |
| CERRITOS         | Los Angeles | 55,074      | -  | -                        | 192,759                   | 192,759 | 100,000         |
| CLAREMONT        | Los Angeles | 37,780      | -  | -                        | 132,230                   | 132,230 | 100,000         |
| COMMERCE         | Los Angeles | 13,581      | -  | -                        | 47,534                    | 47,534  | 100,000         |
| COMPTON          | Los Angeles | 99,769      | -  | -                        | 349,192                   | 349,192 | 156,637         |
| COVINA           | Los Angeles | 49,720      | -  | -                        | 174,020                   | 174,020 | 100,000         |
| CUDAHY           | Los Angeles | 26,029      | -  | -                        | 91,102                    | 91,102  | 100,000         |
| CULVER CITY      | Los Angeles | 40,870      | -  | -                        | 143,045                   | 143,045 | 100,000         |
| DIAMOND BAR      | Los Angeles | 61,019      | -  | 6,585                    | 213,567                   | 220,152 | 100,000         |
| DOWNEY           | Los Angeles | 113,715     | -  | -                        | 398,003                   | 398,003 | 178,533         |
| DUARTE           | Los Angeles | 23,124      | -  | -                        | 80,934                    | 80,934  | 100,000         |
| EL MONTE         | Los Angeles | 126,464     | -  | -                        | 442,624                   | 442,624 | 198,548         |
| EL SEGUNDO       | Los Angeles | 17,076      | -  | -                        | 59,766                    | 59,766  | 100,000         |
| GARDENA          | Los Angeles | 61,947      | -  | -                        | 216,815                   | 216,815 | 100,000         |
| GLENDALE         | Los Angeles | 207,902     | -  | -                        | 727,657                   | 727,657 | 326,406         |
| GLENDORA         | Los Angeles | 52,830      | -  | -                        | 184,905                   | 184,905 | 100,000         |
| HAWAIIAN GARDENS | Los Angeles | 15,922      | -  | -                        | 55,727                    | 55,727  | 100,000         |
| HAWTHORNE        | Los Angeles | 90,145      | -  | -                        | 315,508                   | 315,508 | 141,528         |
| HERMOSA BEACH    | Los Angeles | 19,608      | -  | -                        | 68,628                    | 68,628  | 100,000         |
| HIDDEN HILLS     | Los Angeles | 2,040       | -  | -                        | 7,140                     | 7,140   | 100,000         |
| HUNTINGTON PARK  | Los Angeles | 64,929      | -  | -                        | 227,252                   | 227,252 | 101,939         |
| INDUSTRY         | Los Angeles | 804         | -  | -                        | 2,814                     | 2,814   | 100,000         |
| INGLEWOOD        | Los Angeles | 119,212     | -  | -                        | 417,242                   | 417,242 | 187,163         |

## Loss of City MVLF, Restoration of COPS (SLESA) Funds - Estimated FY2011-12 Impact

Does NOT include positive impact of NO Booking fees

| City                  | County      | Population* | Lost Motor Vehicle License Fee (general purpose) |                       |                        |            | COPS (SLESA) |
|-----------------------|-------------|-------------|--|-----------------------|------------------------|------------|--------------|
|                       |             |             | New Incorp R&T11005(c)                           | New Annex R&T11005(d) | Per Capita R&T11005(e) | Total      |              |
| IRWINDALE             | Los Angeles | 1,727       | -  | -                     | 6,045                  | 6,045      | 100,000      |
| LA CANADA FLINTRIDGE  | Los Angeles | 21,608      | -  | -                     | 75,628                 | 75,628     | 100,000      |
| LA HABRA HEIGHTS      | Los Angeles | 6,193       | -  | -                     | 21,676                 | 21,676     | 100,000      |
| LA MIRADA             | Los Angeles | 50,477      | -  | -                     | 176,670                | 176,670    | 100,000      |
| LA PUENTE             | Los Angeles | 43,360      | -  | -                     | 151,760                | 151,760    | 100,000      |
| LA VERNE              | Los Angeles | 34,051      | -  | -                     | 119,179                | 119,179    | 100,000      |
| LAKESWOOD             | Los Angeles | 83,674      | -  | -                     | 292,859                | 292,859    | 131,368      |
| LANCASTER             | Los Angeles | 145,875     | -  | -                     | 510,563                | 510,563    | 229,024      |
| LAWNSDALE             | Los Angeles | 33,641      | -  | -                     | 117,744                | 117,744    | 100,000      |
| LOMITA                | Los Angeles | 21,153      | -  | -                     | 74,036                 | 74,036     | 100,000      |
| LONG BEACH            | Los Angeles | 494,709     | -  | -                     | 1,731,482              | 1,731,482  | 776,693      |
| LOS ANGELES           | Los Angeles | 4,094,764   | -  | -                     | 14,331,674             | 14,331,674 | 6,428,779    |
| LYNWOOD               | Los Angeles | 73,295      | -  | -                     | 256,533                | 256,533    | 115,073      |
| MALIBU                | Los Angeles | 13,765      | -  | -                     | 48,178                 | 48,178     | 100,000      |
| MANHATTAN BEACH       | Los Angeles | 36,843      | -  | -                     | 128,951                | 128,951    | 100,000      |
| MAYWOOD               | Los Angeles | 30,034      | -  | -                     | 105,119                | 105,119    | 100,000      |
| MONROVIA              | Los Angeles | 39,984      | -  | -                     | 139,944                | 139,944    | 100,000      |
| MONTEBELLO            | Los Angeles | 65,781      | -  | -                     | 230,234                | 230,234    | 103,276      |
| MONTEREY PARK         | Los Angeles | 65,027      | -  | -                     | 227,595                | 227,595    | 102,092      |
| NORWALK               | Los Angeles | 110,178     | -  | -                     | 385,623                | 385,623    | 172,979      |
| PALMDALE              | Los Angeles | 152,622     | -  | -                     | 534,177                | 534,177    | 239,617      |
| PALOS VERDES ESTATES  | Los Angeles | 14,208      | -  | -                     | 49,728                 | 49,728     | 100,000      |
| PARAMOUNT             | Los Angeles | 58,109      | -  | -                     | 203,382                | 203,382    | 100,000      |
| PASADENA              | Los Angeles | 151,576     | -  | -                     | 530,516                | 530,516    | 237,974      |
| PICO RIVERA           | Los Angeles | 67,288      | -  | -                     | 235,508                | 235,508    | 105,642      |
| POMONA                | Los Angeles | 163,683     | -  | -                     | 572,891                | 572,891    | 256,982      |
| RANCHO PALOS VERDES   | Los Angeles | 43,525      | -  | -                     | 152,338                | 152,338    | 100,000      |
| REDONDO BEACH         | Los Angeles | 68,105      | -  | -                     | 238,368                | 238,368    | 106,925      |
| ROLLING HILLS         | Los Angeles | 1,983       | -  | -                     | 6,941                  | 6,941      | 100,000      |
| ROLLING HILLS ESTATES | Los Angeles | 8,191       | -  | -                     | 28,669                 | 28,669     | 100,000      |
| ROSEMEAD              | Los Angeles | 57,756      | -  | -                     | 202,146                | 202,146    | 100,000      |
| SAN DIMAS             | Los Angeles | 37,011      | -  | -                     | 129,539                | 129,539    | 100,000      |
| SAN FERNANDO          | Los Angeles | 25,366      | -  | -                     | 88,781                 | 88,781     | 100,000      |
| SAN GABRIEL           | Los Angeles | 42,984      | -  | -                     | 150,444                | 150,444    | 100,000      |

## Loss of City MVLF, Restoration of COPS (SLESA) Funds - Estimated FY2011-12 Impact

Does NOT include positive impact of NO Booking fees

| City             | County      | Population* | Lost Motor Vehicle License Fee (general purpose) |                          |                           |         | COPS<br>(SLESA) |
|------------------|-------------|-------------|--|--------------------------|---------------------------|---------|-----------------|
|                  |             |             | New Incorp<br>R&T11005(c)                        | New Annex<br>R&T11005(d) | Per Capita<br>R&T11005(e) | Total   |                 |
| SAN MARINO       | Los Angeles | 13,673      | -  | -                        | 47,856                    | 47,856  | 100,000         |
| SANTA CLARITA    | Los Angeles | 177,641     | -  | 376,748                  | 621,744                   | 998,491 | 278,896         |
| SANTA FE SPRINGS | Los Angeles | 17,997      | -  | -                        | 62,990                    | 62,990  | 100,000         |
| SANTA MONICA     | Los Angeles | 92,703      | -  | -                        | 324,461                   | 324,461 | 145,544         |
| SIERRA MADRE     | Los Angeles | 11,146      | -  | -                        | 39,011                    | 39,011  | 100,000         |
| SIGNAL HILL      | Los Angeles | 11,465      | -  | -                        | 40,128                    | 40,128  | 100,000         |
| SOUTH EL MONTE   | Los Angeles | 22,627      | -  | -                        | 79,195                    | 79,195  | 100,000         |
| SOUTH GATE       | Los Angeles | 102,816     | -  | -                        | 359,856                   | 359,856 | 161,421         |
| SOUTH PASADENA   | Los Angeles | 25,881      | -  | -                        | 90,584                    | 90,584  | 100,000         |
| TEMPLE CITY      | Los Angeles | 35,892      | -  | -                        | 125,622                   | 125,622 | 100,000         |
| TORRANCE         | Los Angeles | 149,717     | -  | -                        | 524,010                   | 524,010 | 235,056         |
| VERNON           | Los Angeles | 96          | -  | -                        | 336                       | 336     | 100,000         |
| WALNUT           | Los Angeles | 32,659      | -  | -                        | 114,307                   | 114,307 | 100,000         |
| WEST COVINA      | Los Angeles | 112,953     | -  | -                        | 395,336                   | 395,336 | 177,336         |
| WEST HOLLYWOOD   | Los Angeles | 38,036      | -  | -                        | 133,126                   | 133,126 | 100,000         |
| WESTLAKE VILLAGE | Los Angeles | 8,905       | -  | -                        | 31,168                    | 31,168  | 100,000         |
| WHITTIER         | Los Angeles | 87,250      | -  | -                        | 305,375                   | 305,375 | 136,983         |
| CHOWCHILLA       | Madera      | 19,051      | -  | 3,271                    | 66,679                    | 69,949  | 100,000         |
| MADERA           | Madera      | 58,243      | -  | 17,139                   | 203,851                   | 220,989 | 100,000         |
| BELVEDERE        | Marin       | 2,175       | -  | -                        | 7,613                     | 7,613   | 100,000         |
| CORTE MADERA     | Marin       | 9,816       | -  | -                        | 34,356                    | 34,356  | 100,000         |
| FAIRFAX          | Marin       | 7,492       | -  | -                        | 26,222                    | 26,222  | 100,000         |
| LARKSPUR         | Marin       | 12,398      | -  | -                        | 43,393                    | 43,393  | 100,000         |
| MILL VALLEY      | Marin       | 14,144      | -  | 262                      | 49,504                    | 49,766  | 100,000         |
| NOVATO           | Marin       | 53,357      | -  | 87                       | 186,750                   | 186,837 | 100,000         |
| ROSS             | Marin       | 2,422       | -  | -                        | 8,477                     | 8,477   | 100,000         |
| SAN ANSELMO      | Marin       | 12,744      | -  | -                        | 44,604                    | 44,604  | 100,000         |
| SAN RAFAEL       | Marin       | 58,822      | -  | -                        | 205,877                   | 205,877 | 100,000         |
| SAUSALITO        | Marin       | 7,596       | -  | -                        | 26,586                    | 26,586  | 100,000         |
| TIBURON          | Marin       | 9,000       | -  | -                        | 31,500                    | 31,500  | 100,000         |
| FORT BRAGG       | Mendocino   | 7,104       | -  | -                        | 24,864                    | 24,864  | 100,000         |
| POINT ARENA      | Mendocino   | 501         | -  | -                        | 1,754                     | 1,754   | 100,000         |
| UKIAH            | Mendocino   | 15,959      | -  | -                        | 55,857                    | 55,857  | 100,000         |
| WILLITS          | Mendocino   | 5,102       | -  | -                        | 17,857                    | 17,857  | 100,000         |

## Loss of City MVLF, Restoration of COPS (SLESA) Funds - Estimated FY2011-12 Impact

Does NOT include positive impact of NO Booking fees

| City              | County   | Population* | Lost Motor Vehicle License Fee (general purpose) |                       |                        |           | COPS (SLESA) |
|-------------------|----------|-------------|--|-----------------------|------------------------|-----------|--------------|
|                   |          |             | New Incorp R&T11005(c)                           | New Annex R&T11005(d) | Per Capita R&T11005(e) | Total     |              |
| ATWATER           | Merced   | 27,755      | -  | 262                   | 97,143                 | 97,404    | 100,000      |
| DOS PALOS         | Merced   | 5,041       | -  | -                     | 17,644                 | 17,644    | 100,000      |
| GUSTINE           | Merced   | 5,311       | -  | -                     | 18,589                 | 18,589    | 100,000      |
| LIVINGSTON        | Merced   | 14,051      | -  | 174                   | 49,179                 | 49,353    | 100,000      |
| LOS BANOS         | Merced   | 36,421      | -  | -                     | 127,474                | 127,474   | 100,000      |
| MERCED            | Merced   | 80,985      | -  | 14,566                | 283,448                | 298,013   | 127,146      |
| ALTURAS           | Modoc    | 2,925       | -  | -                     | 10,238                 | 10,238    | 100,000      |
| MAMMOTH LAKES     | Mono     | 7,717       | -  | -                     | 27,010                 | 27,010    | 100,000      |
| CARMEL-BY-THE-SEA | Monterey | 4,102       | -  | -                     | 14,357                 | 14,357    | 100,000      |
| DEL REY OAKS      | Monterey | 1,654       | -  | -                     | 5,789                  | 5,789     | 100,000      |
| GONZALES          | Monterey | 9,114       | -  | 174                   | 31,899                 | 32,073    | 100,000      |
| GREENFIELD        | Monterey | 17,898      | -  | 611                   | 62,643                 | 63,254    | 100,000      |
| KING CITY         | Monterey | 12,140      | -  | -                     | 42,490                 | 42,490    | 100,000      |
| MARINA            | Monterey | 28,136      | -  | -                     | 98,476                 | 98,476    | 100,000      |
| MONTEREY          | Monterey | 30,641      | -  | -                     | 107,244                | 107,244   | 100,000      |
| PACIFIC GROVE     | Monterey | 15,683      | -  | -                     | 54,891                 | 54,891    | 100,000      |
| SALINAS           | Monterey | 156,516     | -  | 305                   | 547,806                | 548,111   | 245,730      |
| SAND CITY         | Monterey | 329         | -  | -                     | 1,152                  | 1,152     | 100,000      |
| SEASIDE           | Monterey | 34,918      | -  | -                     | 122,213                | 122,213   | 100,000      |
| SOLEDAD           | Monterey | 28,361      | -  | 174                   | 99,264                 | 99,438    | 100,000      |
| AMERICAN CANYON   | Napa     | 16,836      | -  | 1,396                 | 58,926                 | 60,322    | 100,000      |
| CALISTOGA         | Napa     | 5,370       | -  | -                     | 18,795                 | 18,795    | 100,000      |
| NAPA              | Napa     | 78,791      | -  | 6,149                 | 275,769                | 281,918   | 123,702      |
| SAINT HELENA      | Napa     | 6,041       | -  | -                     | 21,144                 | 21,144    | 100,000      |
| YOUNTVILLE        | Napa     | 4,072       | -  | -                     | 14,252                 | 14,252    | 100,000      |
| GRASS VALLEY      | Nevada   | 13,031      | -  | 8,504                 | 45,609                 | 54,112    | 100,000      |
| NEVADA CITY       | Nevada   | 3,088       | -  | 44                    | 10,808                 | 10,852    | 100,000      |
| TRUCKEE           | Nevada   | 16,280      | -  | -                     | 56,980                 | 56,980    | 100,000      |
| ALISO VIEJO       | Orange   | 46,123      | -  | -                     | 161,431                | 161,431   | 100,000      |
| ANAHEIM           | Orange   | 353,643     | -  | -                     | 1,237,751              | 1,237,751 | 555,220      |
| BREA              | Orange   | 40,377      | -  | -                     | 141,320                | 141,320   | 100,000      |
| BUENA PARK        | Orange   | 84,141      | -  | -                     | 294,494                | 294,494   | 132,101      |
| COSTA MESA        | Orange   | 117,178     | -  | -                     | 410,123                | 410,123   | 183,969      |
| CYPRESS           | Orange   | 49,981      | -  | -                     | 174,934                | 174,934   | 100,000      |

## Loss of City MVLF, Restoration of COPS (SLESA) Funds - Estimated FY2011-12 Impact

Does NOT include positive impact of NO Booking fees

| City                | County | Population* | Lost Motor Vehicle License Fee (general purpose) |                       |                        |           | COPS (SLESA) |
|---------------------|--------|-------------|--|-----------------------|------------------------|-----------|--------------|
|                     |        |             | New Incorp R&T11005(c)                           | New Annex R&T11005(d) | Per Capita R&T11005(e) | Total     |              |
| DANA POINT          | Orange | 37,326      | -  | -                     | 130,641                | 130,641   | 100,000      |
| FOUNTAIN VALLEY     | Orange | 58,741      | -  | -                     | 205,594                | 205,594   | 100,000      |
| FULLERTON           | Orange | 138,610     | -  | 13,563                | 485,135                | 498,698   | 217,618      |
| GARDEN GROVE        | Orange | 175,618     | -  | -                     | 614,663                | 614,663   | 275,720      |
| HUNTINGTON BEACH    | Orange | 203,484     | -  | 2,573                 | 712,194                | 714,767   | 319,470      |
| IRVINE              | Orange | 217,686     | -  | -                     | 761,901                | 761,901   | 341,767      |
| LA HABRA            | Orange | 63,184      | -  | 14,042                | 221,144                | 235,186   | 100,000      |
| LA PALMA            | Orange | 16,304      | -  | -                     | 57,064                 | 57,064    | 100,000      |
| LAGUNA BEACH        | Orange | 25,354      | -  | -                     | 88,739                 | 88,739    | 100,000      |
| LAGUNA HILLS        | Orange | 33,811      | -  | -                     | 118,339                | 118,339   | 100,000      |
| LAGUNA NIGUEL       | Orange | 67,666      | -  | -                     | 236,831                | 236,831   | 106,236      |
| LAGUNA WOODS        | Orange | 18,747      | -  | -                     | 65,615                 | 65,615    | 100,000      |
| LAKE FOREST         | Orange | 78,720      | -  | -                     | 275,520                | 275,520   | 123,590      |
| LOS ALAMITOS        | Orange | 12,270      | -  | -                     | 42,945                 | 42,945    | 100,000      |
| MISSION VIEJO       | Orange | 100,725     | -  | -                     | 352,538                | 352,538   | 158,138      |
| NEWPORT BEACH       | Orange | 86,738      | -  | 61,621                | 303,583                | 365,204   | 136,179      |
| ORANGE              | Orange | 142,708     | -  | -                     | 499,478                | 499,478   | 224,052      |
| PLACENTIA           | Orange | 52,305      | -  | -                     | 183,068                | 183,068   | 100,000      |
| RANCHO SANTA MARGA  | Orange | 49,945      | -  | -                     | 174,808                | 174,808   | 100,000      |
| SAN CLEMENTE        | Orange | 68,763      | -  | 3,227                 | 240,671                | 243,898   | 107,958      |
| SAN JUAN CAPISTRANO | Orange | 37,233      | -  | -                     | 130,316                | 130,316   | 100,000      |
| SANTA ANA           | Orange | 357,754     | -  | -                     | 1,252,139              | 1,252,139 | 561,674      |
| SEAL BEACH          | Orange | 26,010      | -  | -                     | 91,035                 | 91,035    | 100,000      |
| STANTON             | Orange | 39,799      | -  | -                     | 139,297                | 139,297   | 100,000      |
| TUSTIN              | Orange | 75,773      | -  | -                     | 265,206                | 265,206   | 118,964      |
| VILLA PARK          | Orange | 6,307       | -  | -                     | 22,075                 | 22,075    | 100,000      |
| WESTMINSTER         | Orange | 94,294      | -  | -                     | 330,029                | 330,029   | 148,042      |
| YORBA LINDA         | Orange | 69,273      | -  | -                     | 242,456                | 242,456   | 108,759      |
| AUBURN              | Placer | 13,578      | -  | -                     | 47,523                 | 47,523    | 100,000      |
| COLFAX              | Placer | 1,993       | -  | -                     | 6,976                  | 6,976     | 100,000      |
| LINCOLN             | Placer | 41,111      | -  | 1,090                 | 143,889                | 144,979   | 100,000      |
| LOOMIS              | Placer | 6,743       | -  | -                     | 23,601                 | 23,601    | 100,000      |
| ROCKLIN             | Placer | 56,019      | -  | -                     | 196,067                | 196,067   | 100,000      |
| ROSEVILLE           | Placer | 115,781     | -  | 174                   | 405,234                | 405,408   | 181,776      |

## Loss of City MVLF, Restoration of COPS (SLESA) Funds - Estimated FY2011-12 Impact

Does NOT include positive impact of NO Booking fees

| City               | County     | Population*    | Lost Motor Vehicle License Fee (general purpose) |                       |                        |           | COPS (SLESA) |
|--------------------|------------|----------------|--|-----------------------|------------------------|-----------|--------------|
|                    |            |                | New Incorp R&T11005(c)                           | New Annex R&T11005(d) | Per Capita R&T11005(e) | Total     |              |
| PORTOLA            | Plumas     | 2,248          | -  | -                     | 7,868                  | 7,868     | 100,000      |
| BANNING            | Riverside  | 28,751         | -  | -                     | 100,629                | 100,629   | 100,000      |
| BEAUMONT           | Riverside  | 34,217         | -  | 12,516                | 119,760                | 132,276   | 100,000      |
| BLYTHE             | Riverside  | 22,625         | -  | -                     | 79,188                 | 79,188    | 100,000      |
| CALIMESA           | Riverside  | 7,555          | -  | -                     | 26,443                 | 26,443    | 100,000      |
| CANYON LAKE        | Riverside  | 11,225         | -  | -                     | 39,288                 | 39,288    | 100,000      |
| CATHEDRAL CITY     | Riverside  | 52,841         | -  | 218                   | 184,944                | 185,162   | 100,000      |
| COACHELLA          | Riverside  | 42,591         | -  | 1,047                 | 149,069                | 150,115   | 100,000      |
| CORONA             | Riverside  | 150,416        | -  | -                     | 526,456                | 526,456   | 236,153      |
| DESERT HOT SPRINGS | Riverside  | 26,811         | -  | -                     | 93,839                 | 93,839    | 100,000      |
| EASTVALE           | Riverside  | <b>66,614</b>  | <b>2,905,040</b>                                 | -                     | 233,149                | 3,138,189 | 104,584      |
| HEMET              | Riverside  | 75,820         | -  | 2,704                 | 265,370                | 268,074   | 119,037      |
| INDIAN WELLS       | Riverside  | 5,144          | -  | -                     | 18,004                 | 18,004    | 100,000      |
| INDIO              | Riverside  | 83,675         | -  | 26,559                | 292,863                | 319,421   | 131,370      |
| JURUPA             | Riverside  | <b>132,000</b> | <b>5,756,538</b>                                 | -                     | 462,000                | 6,218,538 | 207,240      |
| LA QUINTA          | Riverside  | 44,421         | -  | 6,498                 | 155,474                | 161,971   | 100,000      |
| LAKE ELSINORE      | Riverside  | 50,983         | -  | 3,663                 | 178,441                | 182,104   | 100,000      |
| MENIFEE            | Riverside  | <b>88,468</b>  | <b>3,645,994</b>                                 | -                     | 309,638                | 3,955,631 | 138,895      |
| MORENO VALLEY      | Riverside  | 188,537        | -  | -                     | 659,880                | 659,880   | 296,003      |
| MURRIETA           | Riverside  | 101,487        | -  | -                     | 355,205                | 355,205   | 159,335      |
| NORCO              | Riverside  | 27,370         | -  | -                     | 95,795                 | 95,795    | 100,000      |
| PALM DESERT        | Riverside  | 52,067         | -  | -                     | 182,235                | 182,235   | 100,000      |
| PALM SPRINGS       | Riverside  | 48,040         | -  | -                     | 168,140                | 168,140   | 100,000      |
| PERRIS             | Riverside  | 55,133         | -  | -                     | 192,966                | 192,966   | 100,000      |
| RANCHO MIRAGE      | Riverside  | 17,180         | -  | -                     | 60,130                 | 60,130    | 100,000      |
| RIVERSIDE          | Riverside  | 304,051        | -  | 69,340                | 1,064,179              | 1,133,519 | 477,360      |
| SAN JACINTO        | Riverside  | 36,933         | -  | 392                   | 129,266                | 129,658   | 100,000      |
| TEMECULA           | Riverside  | 105,029        | -  | 413,206               | 367,602                | 780,808   | 164,896      |
| WILDOMAR           | Riverside  | <b>40,926</b>  | <b>1,688,311</b>                                 | -                     | 143,240                | 1,831,551 | 100,000      |
| CITRUS HEIGHTS     | Sacramento | 88,115         | -  | -                     | 308,403                | 308,403   | 138,341      |
| ELK GROVE          | Sacramento | 143,885        | -  | -                     | 503,598                | 503,598   | 225,899      |
| FOLSOM             | Sacramento | 72,590         | -  | -                     | 254,065                | 254,065   | 113,966      |
| GALT               | Sacramento | 24,264         | -  | -                     | 84,924                 | 84,924    | 100,000      |
| ISLETON            | Sacramento | 844            | -  | -                     | 2,954                  | 2,954     | 100,000      |

## Loss of City MVLF, Restoration of COPS (SLESA) Funds - Estimated FY2011-12 Impact

Does NOT include positive impact of NO Booking fees

| City              | County         | Population* | Lost Motor Vehicle License Fee (general purpose) |                       |                        |           | COPS (SLESA) |
|-------------------|----------------|-------------|--|-----------------------|------------------------|-----------|--------------|
|                   |                |             | New Incorp R&T11005(c)                           | New Annex R&T11005(d) | Per Capita R&T11005(e) | Total     |              |
| RANCHO CORDOVA    | Sacramento     | 62,899      | -  | -                     | 220,147                | 220,147   | 100,000      |
| SACRAMENTO        | Sacramento     | 486,189     | -  | -                     | 1,701,662              | 1,701,662 | 763,317      |
| HOLLISTER         | San Benito     | 37,301      | -  | 436                   | 130,554                | 130,990   | 100,000      |
| SAN JUAN BAUTISTA | San Benito     | 1,895       | -  | -                     | 6,633                  | 6,633     | 100,000      |
| ADELANTO          | San Bernardino | 28,540      | -  | -                     | 99,890                 | 99,890    | 100,000      |
| APPLE VALLEY      | San Bernardino | 70,297      | -  | -                     | 246,040                | 246,040   | 110,366      |
| BARSTOW           | San Bernardino | 24,281      | -  | 10,074                | 84,984                 | 95,057    | 100,000      |
| BIG BEAR LAKE     | San Bernardino | 6,278       | -  | -                     | 21,973                 | 21,973    | 100,000      |
| CHINO             | San Bernardino | 84,742      | -  | 1,701                 | 296,597                | 298,298   | 133,045      |
| CHINO HILLS       | San Bernardino | 78,971      | -  | -                     | 276,399                | 276,399   | 123,984      |
| COLTON            | San Bernardino | 51,918      | -  | 8,896                 | 181,713                | 190,609   | 100,000      |
| FONTANA           | San Bernardino | 190,356     | -  | 731,560               | 666,246                | 1,397,806 | 298,859      |
| GRAND TERRACE     | San Bernardino | 12,717      | -  | -                     | 44,510                 | 44,510    | 100,000      |
| HESPERIA          | San Bernardino | 88,479      | -  | 11,688                | 309,677                | 321,364   | 138,912      |
| HIGHLAND          | San Bernardino | 52,503      | -  | -                     | 183,761                | 183,761   | 100,000      |
| LOMA LINDA        | San Bernardino | 22,760      | -  | -                     | 79,660                 | 79,660    | 100,000      |
| MONTCLAIR         | San Bernardino | 37,535      | -  | 32,620                | 131,373                | 163,993   | 100,000      |
| NEEDLES           | San Bernardino | 5,809       | -  | -                     | 20,332                 | 20,332    | 100,000      |
| ONTARIO           | San Bernardino | 174,536     | -  | -                     | 610,876                | 610,876   | 274,022      |
| RANCHO CUCAMONGA  | San Bernardino | 178,904     | -  | 131                   | 626,164                | 626,295   | 280,879      |
| REDLANDS          | San Bernardino | 71,926      | -  | 349                   | 251,741                | 252,090   | 112,924      |
| RIALTO            | San Bernardino | 100,260     | -  | -                     | 350,910                | 350,910   | 157,408      |
| SAN BERNARDINO    | San Bernardino | 205,493     | -  | 108,851               | 719,226                | 828,076   | 322,624      |
| TWENTYNINE PALMS  | San Bernardino | 30,832      | -  | -                     | 107,912                | 107,912   | 100,000      |
| UPLAND            | San Bernardino | 76,106      | -  | 2,442                 | 266,371                | 268,813   | 119,486      |
| VICTORVILLE       | San Bernardino | 112,097     | -  | -                     | 392,340                | 392,340   | 175,992      |
| YUCAIPA           | San Bernardino | 52,063      | -  | -                     | 182,221                | 182,221   | 100,000      |
| YUCCA VALLEY      | San Bernardino | 21,292      | -  | -                     | 74,522                 | 74,522    | 100,000      |
| CARLSBAD          | San Diego      | 106,804     | -  | -                     | 373,814                | 373,814   | 167,682      |
| CHULA VISTA       | San Diego      | 237,595     | -  | -                     | 831,583                | 831,583   | 373,024      |
| CORONADO          | San Diego      | 26,973      | -  | -                     | 94,406                 | 94,406    | 100,000      |
| DÉL MAR           | San Diego      | 4,660       | -  | -                     | 16,310                 | 16,310    | 100,000      |
| EL CAJON          | San Diego      | 99,637      | -  | 262                   | 348,730                | 348,991   | 156,430      |
| ENCINITAS         | San Diego      | 65,171      | -  | 218                   | 228,099                | 228,317   | 102,318      |

## Loss of City MVLF, Restoration of COPS (SLESA) Funds - Estimated FY2011-12 Impact

Does NOT include positive impact of NO Booking fees

| City              | County          | Population* | Lost Motor Vehicle License Fee (general purpose) |                       |                        |           | COPS (SLESA) |
|-------------------|-----------------|-------------|--|-----------------------|------------------------|-----------|--------------|
|                   |                 |             | New Incorp R&T11005(c)                           | New Annex R&T11005(d) | Per Capita R&T11005(e) | Total     |              |
| ESCONDIDO         | San Diego       | 147,514     | -  | 4,317                 | 516,299                | 520,616   | 231,597      |
| IMPERIAL BEACH    | San Diego       | 28,680      | -  | -                     | 100,380                | 100,380   | 100,000      |
| LA MESA           | San Diego       | 58,150      | -  | 87                    | 203,525                | 203,612   | 100,000      |
| LEMON GROVE       | San Diego       | 26,131      | -  | -                     | 91,459                 | 91,459    | 100,000      |
| NATIONAL CITY     | San Diego       | 63,773      | -  | 1,614                 | 223,206                | 224,819   | 100,124      |
| OCEANSIDE         | San Diego       | 183,095     | -  | -                     | 640,833                | 640,833   | 287,459      |
| POWAY             | San Diego       | 52,056      | -  | -                     | 182,196                | 182,196   | 100,000      |
| SAN DIEGO         | San Diego       | 1,376,173   | -  | -                     | 4,816,606              | 4,816,606 | 2,160,592    |
| SAN MARCOS        | San Diego       | 84,391      | -  | 1,701                 | 295,369                | 297,069   | 132,494      |
| SANTEE            | San Diego       | 58,044      | -  | -                     | 203,154                | 203,154   | 100,000      |
| SOLANA BEACH      | San Diego       | 13,783      | -  | -                     | 48,241                 | 48,241    | 100,000      |
| VISTA             | San Diego       | 97,513      | -  | 523                   | 341,296                | 341,819   | 153,095      |
| SAN FRANCISCO     | San Francisco   | 856,095     | -  | -                     | 2,996,333              | 2,996,333 | 1,344,069    |
| ESCALON           | San Joaquin     | 7,185       | -  | -                     | 25,148                 | 25,148    | 100,000      |
| LATHROP           | San Joaquin     | 17,969      | -  | 4,535                 | 62,892                 | 67,427    | 100,000      |
| LODI              | San Joaquin     | 63,549      | -  | 5,015                 | 222,422                | 227,437   | 100,000      |
| MANTECA           | San Joaquin     | 68,847      | -  | 19,188                | 240,965                | 260,153   | 108,090      |
| RIPON             | San Joaquin     | 15,468      | -  | 2,442                 | 54,138                 | 56,580    | 100,000      |
| STOCKTON          | San Joaquin     | 292,133     | -  | 2,835                 | 1,022,466              | 1,025,300 | 458,649      |
| TRACY             | San Joaquin     | 82,107      | -  | -                     | 287,375                | 287,375   | 128,908      |
| ARROYO GRANDE     | San Luis Obispo | 17,145      | -  | -                     | 60,008                 | 60,008    | 100,000      |
| ATASCADERO        | San Luis Obispo | 28,590      | -  | -                     | 100,065                | 100,065   | 100,000      |
| EL PASO DE ROBLES | San Luis Obispo | 30,072      | -  | 2,268                 | 105,252                | 107,520   | 100,000      |
| GROVER BEACH      | San Luis Obispo | 13,276      | -  | -                     | 46,466                 | 46,466    | 100,000      |
| MORRO BAY         | San Luis Obispo | 10,608      | -  | -                     | 37,128                 | 37,128    | 100,000      |
| PISMO BEACH       | San Luis Obispo | 8,716       | -  | -                     | 30,506                 | 30,506    | 100,000      |
| SAN LUIS OBISPO   | San Luis Obispo | 44,948      | -  | 3,576                 | 157,318                | 160,894   | 100,000      |
| ATHERTON          | San Mateo       | 7,554       | -  | -                     | 26,439                 | 26,439    | 100,000      |
| BELMONT           | San Mateo       | 26,507      | -  | -                     | 92,775                 | 92,775    | 100,000      |
| BRISBANE          | San Mateo       | 3,993       | -  | -                     | 13,976                 | 13,976    | 100,000      |
| BURLINGAME        | San Mateo       | 29,342      | -  | -                     | 102,697                | 102,697   | 100,000      |
| COLMA             | San Mateo       | 1,637       | -  | -                     | 5,730                  | 5,730     | 100,000      |
| DALY CITY         | San Mateo       | 108,383     | -  | 131                   | 379,341                | 379,471   | 170,161      |
| EAST PALO ALTO    | San Mateo       | 33,524      | -  | -                     | 117,334                | 117,334   | 100,000      |

## Loss of City MVLF, Restoration of COPS (SLESA) Funds - Estimated FY2011-12 Impact

Does NOT include positive impact of NO Booking fees

| City                | County        | Population* | Lost Motor Vehicle License Fee (general purpose) |                       |                        |           | COPS (SLESA) |
|---------------------|---------------|-------------|--|-----------------------|------------------------|-----------|--------------|
|                     |               |             | New Incorp R&T11005(c)                           | New Annex R&T11005(d) | Per Capita R&T11005(e) | Total     |              |
| FOSTER CITY         | San Mateo     | 30,719      | -  | -                     | 107,517                | 107,517   | 100,000      |
| HALF MOON BAY       | San Mateo     | 13,371      | -  | -                     | 46,799                 | 46,799    | 100,000      |
| HILLSBOROUGH        | San Mateo     | 11,537      | -  | -                     | 40,380                 | 40,380    | 100,000      |
| MENLO PARK          | San Mateo     | 32,185      | -  | -                     | 112,648                | 112,648   | 100,000      |
| MILLBRAE            | San Mateo     | 21,968      | -  | -                     | 76,888                 | 76,888    | 100,000      |
| PACIFICA            | San Mateo     | 40,431      | -  | -                     | 141,509                | 141,509   | 100,000      |
| PORTOLA VALLEY      | San Mateo     | 4,725       | -  | -                     | 16,538                 | 16,538    | 100,000      |
| REDWOOD CITY        | San Mateo     | 78,568      | -  | -                     | 274,988                | 274,988   | 123,352      |
| SAN BRUNO           | San Mateo     | 44,294      | -  | -                     | 155,029                | 155,029   | 100,000      |
| SAN CARLOS          | San Mateo     | 29,155      | -  | 87                    | 102,043                | 102,130   | 100,000      |
| SAN MATEO           | San Mateo     | 97,535      | -  | -                     | 341,373                | 341,373   | 153,130      |
| SOUTH SAN FRANCISCO | San Mateo     | 65,872      | -  | -                     | 230,552                | 230,552   | 103,419      |
| WOODSIDE            | San Mateo     | 5,738       | -  | -                     | 20,083                 | 20,083    | 100,000      |
| BUELLTON            | Santa Barbara | 4,833       | -  | -                     | 16,916                 | 16,916    | 100,000      |
| CARPINTERIA         | Santa Barbara | 14,586      | -  | 87                    | 51,051                 | 51,138    | 100,000      |
| GOLETA              | Santa Barbara | 31,099      | -  | -                     | 108,847                | 108,847   | 100,000      |
| GUADALUPE           | Santa Barbara | 6,570       | -  | -                     | 22,995                 | 22,995    | 100,000      |
| LOMPOC              | Santa Barbara | 43,079      | -  | -                     | 150,777                | 150,777   | 100,000      |
| SANTA BARBARA       | Santa Barbara | 94,154      | -  | 218                   | 329,539                | 329,757   | 147,822      |
| SANTA MARIA         | Santa Barbara | 93,225      | -  | 31,007                | 326,288                | 357,294   | 146,363      |
| SOLVANG             | Santa Barbara | 5,555       | -  | -                     | 19,443                 | 19,443    | 100,000      |
| CAMPBELL            | Santa Clara   | 40,860      | -  | 36,196                | 143,010                | 179,206   | 100,000      |
| CUPERTINO           | Santa Clara   | 56,431      | -  | 2,224                 | 197,509                | 199,733   | 100,000      |
| GILROY              | Santa Clara   | 52,027      | -  | 1,003                 | 182,095                | 183,098   | 100,000      |
| LOS ALTOS           | Santa Clara   | 28,863      | -  | -                     | 101,021                | 101,021   | 100,000      |
| LOS ALTOS HILLS     | Santa Clara   | 9,042       | -  | 8,068                 | 31,647                 | 39,715    | 100,000      |
| LOS GATOS           | Santa Clara   | 30,802      | -  | 2,922                 | 107,807                | 110,729   | 100,000      |
| MILPITAS            | Santa Clara   | 71,552      | -  | 436                   | 250,432                | 250,868   | 112,337      |
| MONTE SERENO        | Santa Clara   | 3,666       | -  | -                     | 12,831                 | 12,831    | 100,000      |
| MORGAN HILL         | Santa Clara   | 40,246      | -  | 11,033                | 140,861                | 151,894   | 100,000      |
| MOUNTAIN VIEW       | Santa Clara   | 75,787      | -  | 87                    | 265,255                | 265,342   | 118,986      |
| PALO ALTO           | Santa Clara   | 65,408      | -  | -                     | 228,928                | 228,928   | 102,691      |
| SAN JOSE            | Santa Clara   | 1,023,083   | -  | 327,338               | 3,580,791              | 3,908,128 | 1,606,240    |
| SANTA CLARA         | Santa Clara   | 118,830     | -  | -                     | 415,905                | 415,905   | 186,563      |

## Loss of City MVLF, Restoration of COPS (SLESA) Funds - Estimated FY2011-12 Impact

Does NOT include positive impact of NO Booking fees

| City          | County      | Population* | Lost Motor Vehicle License Fee (general purpose) |                       |                        |         | COPS (SLESA) |
|---------------|-------------|-------------|--|-----------------------|------------------------|---------|--------------|
|               |             |             | New Incorp R&T11005(c)                           | New Annex R&T11005(d) | Per Capita R&T11005(e) | Total   |              |
| SARATOGA      | Santa Clara | 31,997      | -  | 8,068                 | 111,990                | 120,057 | 100,000      |
| SUNNYVALE     | Santa Clara | 140,450     | -  | -                     | 491,575                | 491,575 | 220,507      |
| CAPITOLA      | Santa Cruz  | 10,198      | -  | -                     | 35,693                 | 35,693  | 100,000      |
| SANTA CRUZ    | Santa Cruz  | 59,684      | -  | -                     | 208,894                | 208,894 | 100,000      |
| SCOTTS VALLEY | Santa Cruz  | 11,903      | -  | -                     | 41,661                 | 41,661  | 100,000      |
| WATSONVILLE   | Santa Cruz  | 52,543      | -  | 174                   | 183,901                | 184,075 | 100,000      |
| ANDERSON      | Shasta      | 10,826      | -  | 2,835                 | 37,891                 | 40,726  | 100,000      |
| REDDING       | Shasta      | 91,561      | -  | -                     | 320,464                | 320,464 | 143,751      |
| SHASTA LAKE   | Shasta      | 10,325      | -  | -                     | 36,138                 | 36,138  | 100,000      |
| LOYALTON      | Sierra      | 888         | -  | -                     | 3,108                  | 3,108   | 100,000      |
| DORRIS        | Siskiyou    | 890         | -  | -                     | 3,115                  | 3,115   | 100,000      |
| DUNSMUIR      | Siskiyou    | 1,923       | -  | -                     | 6,731                  | 6,731   | 100,000      |
| ETNA          | Siskiyou    | 781         | -  | 87                    | 2,734                  | 2,821   | 100,000      |
| FORT JONES    | Siskiyou    | 675         | -  | -                     | 2,363                  | 2,363   | 100,000      |
| MONTAGUE      | Siskiyou    | 1,523       | -  | -                     | 5,331                  | 5,331   | 100,000      |
| MOUNT SHASTA  | Siskiyou    | 3,706       | -  | 87                    | 12,971                 | 13,058  | 100,000      |
| TULELAKE      | Siskiyou    | 1,024       | -  | -                     | 3,584                  | 3,584   | 100,000      |
| WEED          | Siskiyou    | 3,030       | -  | -                     | 10,605                 | 10,605  | 100,000      |
| YREKA         | Siskiyou    | 7,443       | -  | -                     | 26,051                 | 26,051  | 100,000      |
| BENICIA       | Solano      | 28,086      | -  | -                     | 98,301                 | 98,301  | 100,000      |
| DIXON         | Solano      | 17,644      | -  | 131                   | 61,754                 | 61,885  | 100,000      |
| FAIRFIELD     | Solano      | 106,753     | -  | -                     | 373,636                | 373,636 | 167,602      |
| RIO VISTA     | Solano      | 8,324       | -  | -                     | 29,134                 | 29,134  | 100,000      |
| SUISUN CITY   | Solano      | 28,962      | -  | 1,352                 | 101,367                | 102,719 | 100,000      |
| VACAVILLE     | Solano      | 97,305      | -  | 3,532                 | 340,568                | 344,100 | 152,769      |
| VALLEJO       | Solano      | 121,435     | -  | -                     | 425,023                | 425,023 | 190,653      |
| CLOVERDALE    | Sonoma      | 8,636       | -  | -                     | 30,226                 | 30,226  | 100,000      |
| COTATI        | Sonoma      | 7,535       | -  | -                     | 26,373                 | 26,373  | 100,000      |
| HEALDSBURG    | Sonoma      | 11,931      | -  | 1,483                 | 41,759                 | 43,241  | 100,000      |
| PETALUMA      | Sonoma      | 58,401      | -  | -                     | 204,404                | 204,404 | 100,000      |
| ROHNERT PARK  | Sonoma      | 43,398      | -  | -                     | 151,893                | 151,893 | 100,000      |
| SANTA ROSA    | Sonoma      | 163,436     | -  | 14,348                | 572,026                | 586,374 | 256,595      |
| SEBASTOPOL    | Sonoma      | 7,943       | -  | 392                   | 27,801                 | 28,193  | 100,000      |
| SONOMA        | Sonoma      | 10,078      | -  | 436                   | 35,273                 | 35,709  | 100,000      |

## Loss of City MVLF, Restoration of COPS (SLESA) Funds - Estimated FY2011-12 Impact

Does NOT include positive impact of NO Booking fees

| City             | County     | Population* | Lost Motor Vehicle License Fee (general purpose) |                       |                        |         | COPS (SLESA) |
|------------------|------------|-------------|--|-----------------------|------------------------|---------|--------------|
|                  |            |             | New Incorp R&T11005(c)                           | New Annex R&T11005(d) | Per Capita R&T11005(e) | Total   |              |
| WINDSOR          | Sonoma     | 26,955      | -  | 262                   | 94,343                 | 94,604  | 100,000      |
| CERES            | Stanislaus | 43,219      | -  | 611                   | 151,267                | 151,877 | 100,000      |
| HUGHSON          | Stanislaus | 6,240       | -  | 392                   | 21,840                 | 22,232  | 100,000      |
| MODESTO          | Stanislaus | 211,536     | -  | 10,510                | 740,376                | 750,886 | 332,112      |
| NEWMAN           | Stanislaus | 10,824      | -  | -                     | 37,884                 | 37,884  | 100,000      |
| OAKDALE          | Stanislaus | 19,854      | -  | 6,803                 | 69,489                 | 76,292  | 100,000      |
| PATTERSON        | Stanislaus | 21,251      | -  | 5,975                 | 74,379                 | 80,353  | 100,000      |
| RIVERBANK        | Stanislaus | 22,201      | -  | 1,744                 | 77,704                 | 79,448  | 100,000      |
| TURLOCK          | Stanislaus | 71,181      | -  | 12,298                | 249,134                | 261,432 | 111,754      |
| WATERFORD        | Stanislaus | 8,860       | -  | 2,442                 | 31,010                 | 33,452  | 100,000      |
| LIVE OAK         | Sutter     | 8,791       | -  | -                     | 30,769                 | 30,769  | 100,000      |
| YUBA CITY        | Sutter     | 65,372      | -  | 21,282                | 228,802                | 250,084 | 102,634      |
| CORNING          | Tehama     | 7,409       | -  | 1,526                 | 25,932                 | 27,458  | 100,000      |
| RED BLUFF        | Tehama     | 13,828      | -  | 349                   | 48,398                 | 48,747  | 100,000      |
| TEHAMA           | Tehama     | 438         | -  | -                     | 1,533                  | 1,533   | 100,000      |
| DINUBA           | Tulare     | 21,542      | -  | 21,543                | 75,397                 | 96,940  | 100,000      |
| EXETER           | Tulare     | 10,752      | -  | -                     | 37,632                 | 37,632  | 100,000      |
| FARMERSVILLE     | Tulare     | 10,971      | -  | 349                   | 38,399                 | 38,747  | 100,000      |
| LINDSAY          | Tulare     | 11,800      | -  | 3,532                 | 41,300                 | 44,832  | 100,000      |
| PORTERVILLE      | Tulare     | 52,960      | -  | 229,128               | 185,360                | 414,488 | 100,000      |
| TULARE           | Tulare     | 59,535      | -  | 93,718                | 208,373                | 302,091 | 100,000      |
| VISALIA          | Tulare     | 125,971     | -  | 140,948               | 440,899                | 581,846 | 197,774      |
| WOODLAKE         | Tulare     | 7,927       | -  | 174                   | 27,745                 | 27,919  | 100,000      |
| SONORA           | Tuolumne   | 4,804       | -  | 87                    | 16,814                 | 16,901  | 100,000      |
| CAMARILLO        | Ventura    | 66,690      | -  | 5,931                 | 233,415                | 239,346 | 104,703      |
| FILLMORE         | Ventura    | 15,787      | -  | -                     | 55,255                 | 55,255  | 100,000      |
| MOORPARK         | Ventura    | 37,576      | -  | -                     | 131,516                | 131,516 | 100,000      |
| OJAI             | Ventura    | 8,226       | -  | -                     | 28,791                 | 28,791  | 100,000      |
| OXNARD           | Ventura    | 200,004     | -  | -                     | 700,014                | 700,014 | 314,006      |
| PORT HUENEME     | Ventura    | 22,445      | -  | -                     | 78,558                 | 78,558  | 100,000      |
| SAN BUENAVENTURA | Ventura    | 109,946     | -  | 218                   | 384,811                | 385,029 | 172,615      |
| SANTA PAULA      | Ventura    | 30,048      | -  | 1,788                 | 105,168                | 106,956 | 100,000      |
| SIMI VALLEY      | Ventura    | 126,902     | -  | 174                   | 444,157                | 444,331 | 199,236      |
| THOUSAND OAKS    | Ventura    | 130,209     | -  | 4,099                 | 455,732                | 459,831 | 204,428      |

## Loss of City MVLF, Restoration of COPS (SLESA) Funds - Estimated FY2011-12 Impact

Does NOT include positive impact of NO Booking fees

| City            | County | Population* | Lost Motor Vehicle License Fee (general purpose) |                          |                           |             | COPS<br>(SLESA) |
|-----------------|--------|-------------|--|--------------------------|---------------------------|-------------|-----------------|
|                 |        |             | New Incorp<br>R&T11005(c)                        | New Annex<br>R&T11005(d) | Per Capita<br>R&T11005(e) | Total       |                 |
| DAVIS           | Yolo   | 66,570      | -  | -                        | 232,995                   | 232,995     | 104,515         |
| WEST SACRAMENTO | Yolo   | 48,426      | -  | -                        | 169,491                   | 169,491     | 100,000         |
| WINTERS         | Yolo   | 7,098       | -  | -                        | 24,843                    | 24,843      | 100,000         |
| WOODLAND        | Yolo   | 57,288      | -  | -                        | 200,508                   | 200,508     | 100,000         |
| MARYSVILLE      | Yuba   | 12,867      | -  | -                        | 45,035                    | 45,035      | 100,000         |
| WHEATLAND       | Yuba   | 3,558       | -  | -                        | 12,453                    | 12,453      | 100,000         |
|                 |        | 32,269,622  | 13,995,883                                       | 4,159,666                | 112,943,679               | 131,099,228 | 72,908,035      |

**Note:** Recently incorporated cities get a special boosted population for purposes of these revenue allocations.

150% of actual population in the first year, 140% in the second year, 130% in the third, 120% in the fourth, 110% in the fifth and actual population from then on.

The R&T11005(b) allocation continues for these new cities indefinitely even after their 5 year "bump" ends.

R&T11005(c) provides a special allocation of VLF to cities that incorporated after 2004

R&T11005(d) provides a special allocation of VLF to cities that annexed areas after 2004

R&T11005(e) allocates the remainder of VLF revenue to cities on a per capita basis ... estimated at \$3.50 per capita for FY2011-12

For more background on these revenues see "The California Municipal Revenue Sources Handbook" 2008 Edition.



2011 June 21, 2011

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**TO:** LAFCo Executive Officers  
**FROM:** CALAFCO Legislative Committee  
**REPORT BY:** Keene Simonds, Napa LAFCo  
**SUBJECT:** **Board-Approved Amendments to Government Code Section 56133**

On April 29, 2011, the CALAFCO Board unanimously approved a proposal from the Legislative Committee to amend Government Code (G.C.) Section 56133 and its provisions governing the LAFCo approval process for cities and special districts to provide new and extended outside services. Three substantive changes underlie the Board-approved amendments. The first change expands LAFCos' existing authority in approving new and extended services beyond agencies' spheres of influence irrespective of public health and safety threats. The second change clarifies LAFCos' sole authority in determining the application of the statute. The third change deemphasizes the approval of contracts or agreements in favor of emphasizing the approval of service extensions.

The Board-approved amendments would – if passed into law – significantly expand LAFCos' individual discretion in administering G.C. Section 56133. Markedly, enhancing discretion highlights the Legislative Committee's principal motive in proposing the amendments given the current statute limits LAFCos' ability to accommodate new and extended services beyond spheres of influence that are otherwise logical given local conditions unless addressing public health or safety threats. The Legislative Committee, nevertheless, recognizes the importance of establishing specific safeguards to help uniformly guide LAFCos in exercising their expanded discretion consistent with our collective responsibilities to facilitate orderly and efficient municipal growth and development. Most notably, this includes explicitly tying the expanded discretion with the municipal service review process.

Additional materials are attached to this communication further detailing the Board-approved amendments to G.C. Section 56133. This includes a one-page informational flyer summarizing the key changes with implementing examples as well as addressing frequently asked questions that have been raised in the two plus years the Legislative Committee has expended on this important rewrite. The Legislative Committee welcomes your questions and comments. Towards this end, to help expedite follow up, these regional coordinators are available to discuss the Board-approved amendments as well as make presentations to individual LAFCos if interested:

**Northern:** Scott Browne, Nevada  
Steve Lucas, Butte

**Coastal:** Neelima Palacherla, Santa Clara  
Keene Simonds, Napa

**Central:** Marjorie Blum, Stanislaus  
Ted Novelli, Amador

**Southern:** Kathy McDonald, San Bernardino  
George Spiliotis, Riverside

Thank you again for your attention to this matter and the Legislative Committee looks forward to working with you on any questions or comments.

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Attachments: 1) Informational Flyer on the Board-Approved Amendments to G.C. Section 56133  
2) Board Approved Amendments to G.C. Section 56133 (Track-Changes)  
3) Legislative History of G.C. Section 56133

June 2011

## The Proposal: Three Changes ...

The CALAFCO Board has unanimously approved a proposal from the Legislative Committee to amend Government Code (G.C.) Section 56133 and its provisions governing the LAFCo approval process for cities and districts to provide new and extended outside services. Three key changes underlie the Board-approved amendments. The **first** and most significant change expands LAFCo's existing authority in approving new and extended services beyond agencies' spheres of influence irrespective of public health and safety threats so long as LAFCo make three findings at noticed public hearings. These findings involve determining the extension 1) was contemplated in a municipal service review and 2) will not result in adverse impacts on open-space and agricultural lands or growth nor is a 3) later change of organization expected or desired based on local policies. The **second** change clarifies LAFCo's sole authority in determining the application of the statute. The **third** change deemphasizes the approval of contracts and emphasizes the approval of service extensions.

## Why the Changes ...

The CALAFCO Board and Legislative Committee believes the three changes proposed for G.C. Section 56133 will measurably strengthen a LAFCo's ability to effectively regulate outside service extensions in concert with our evolving role in regional growth management. Specifically, if passed into law, the changes will provide LAFCo more flexibility in accommodating service extensions lying beyond spheres of influence that are otherwise sensible given local conditions while clarifying the determination of when the statute and its exemptions apply rests solely with LAFCo. The changes would also strike unnecessary references to "contract or agreement approval" given these documents are generally prepared only after the proposed service extensions have been considered and approved by LAFCo. Examples showing how these changes could be implemented follow.

- LAFCo would have the authority, subject to making certain findings, to approve new or extended outside services beyond spheres of influence for public facilities, such as fire stations and schools, where the connection to the affected agency's infrastructure is a potential option.
- LAFCo would have the authority, subject to making certain findings, to approve new or extended outside services beyond spheres of influence for private uses supporting permitted intensity increases, such as residential construction or commercial additions.
- LAFCo would avoid delays and other transaction costs tied to disagreements with agencies regarding the constitution of "new" and "extended" services as well as determining when exemptions apply. Notably, this includes determining when a contract service proposed between two public agencies qualifies for exemption if it is "consistent with the level of service contemplated by the existing provider."

## FAQs

**Does providing LAFCo with more flexibility to approve services beyond spheres of influence undermine LAFCo's ability to curb sprawl?**

No. The proposed changes include measured safeguards to protect against inappropriate urban development by requiring LAFCo to make three specific findings (consistency with a municipal service review, no adverse agricultural or growth inducing impacts, and no expectation of future annexation) at noticed hearings before approving new or extended services beyond spheres.

**Will these changes create new pressures on LAFCo to accommodate development beyond agencies' spheres they would otherwise reject?**

The proposed changes do not effect LAFCo's existing right and duty to deny outside service requests deemed illogical and inconsistent with their policies.

**How long has CALAFCO been discussing the proposal?**

The Legislative Committee has spent two plus years working on the proposal before Board approval in April 2011.

## Questions or Comments

The following regional coordinators are available for questions or comments on the proposed changes to G.C. Section 56133. The regional coordinators are also available to make presentations to interested LAFCos.

- Scott Browne, Nevada
- Steve Lucas, Butte
- Marjorie Blom, Stanislaus
- Ted Novelli, Amador
- Neelima Palacherla, Santa Clara
- Keene Simonds, Napa
- Kathy McDonald, San Bernardino
- George Spiliotis, Riverside

**Contact:** William Chiat, Exec. Dir.  
(916) 442-6536  
wchiat@calafco.org

**Proposed Amendments to G.C. Section 56133  
(Approved by the CALAFCO Board on April 29, 2011)**

(a) A city or district may provide new or extended services by contract or agreement outside its jurisdictional ~~boundaries~~ boundary only if it first requests and receives written approval from the commission ~~in the affected county~~. The commission may delegate approval of requests made pursuant to subdivisions (b) and (c)(1) below to the Executive Officer.

(b) The commission may authorize a city or district to provide new or extended services outside its jurisdictional ~~boundaries~~ boundary but within its sphere of influence in anticipation of a later change of organization.

(c) If consistent with adopted policy, ~~the~~ commission may authorize a city or district to provide new or extended services outside its jurisdictional ~~boundaries~~ boundary and outside its sphere of influence under any of the following circumstances:

(1) ~~to~~ To respond to an existing or impending threat to the public health or safety of the residents of the affected territory if both of the following requirements are met:

(+A) The entity applying for ~~the contract~~ approval has provided the commission with documentation of a threat to the health and safety of the public or the affected residents.

(±B) The commission has notified any alternate service provider, including any water corporation as defined in Section 241 of the Public Utilities Code, or sewer system corporation as defined in Section 230.6 of the Public Utilities Code, that has filed a map and a statement of its service capabilities with the commission.

(2) To support existing or planned uses involving public or private properties subject to approval at a noticed public hearing that includes all of the following determinations:

(A) The extension of service or service deficiency was identified and evaluated in a municipal service review prepared by the commission pursuant to section 56430.

(B) The effect of the extension of service would not result in adverse impacts on open space or agricultural lands or result in adverse growth inducing impacts.

(C) A later change of organization involving the subject property and the affected agency is not feasible or desirable based on the adopted policies of the commission.

(d) The executive officer, within 30 days of receipt of a request for approval by a city or district ~~of a contract~~ to extend services outside its jurisdictional boundary, shall determine whether the request is complete and acceptable for filing or whether the request is incomplete. If a request is determined not to be complete, the executive officer shall immediately transmit that determination to the requester, specifying those parts of the request that are incomplete and the manner in which they can be made complete. When the request is deemed complete, the executive officer shall place the request on the agenda of the next commission meeting for which adequate notice can be given but not more than 90 days from the date that the request is deemed complete, unless the commission has delegated approval of ~~those~~ requests made under this section to the executive officer. The commission or executive officer shall approve, disapprove, or approve with conditions the ~~contract for~~ extended services. If the extended services are ~~contract is~~ disapproved or approved with conditions, the applicant may request reconsideration, citing the reasons for reconsideration.

(e) This section does not apply to ~~contracts or agreements solely involving~~ two or more public agencies where the commission determines the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider.

(f) This section does not apply to ~~contracts for~~ the transfer of nonpotable or nontreated water.

(g) This section does not apply to ~~contracts or agreements solely involving~~ the provision of surplus water to agricultural lands and facilities, including, but not limited to, incidental residential structures, for projects that serve conservation purposes or that directly support agricultural industries. However, prior to extending surplus water service to any project that will support or induce development, the city or district shall first request and receive written approval from the commission in the affected county.

(h) This section does not apply to an extended service that a city or district was providing on or before January 1, 2001.

(i) This section does not apply to a local publicly owned electric utility, as defined by Section 9604 of the Public Utilities Code, providing electric services that do not involve the acquisition, construction, or installation of electric distribution facilities by the local publicly owned electric utility, outside of the utility's jurisdictional boundaries.

(j) The application of this section rests solely within the jurisdiction of the commission in the county in which the extension of service is proposed.

Government Code Section 56133  
Outside agency service/Extraterritorial service

Legislative History (new language underlined, deleted language ~~crossed-out~~)

Introduced on March 3, 1993 in AB 1335 (Gotch). "The Gotch Bill" as drafted by CALAFCO.

A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundaries only if it first requests and receives written approval from the commission in the affected county. This section does not apply to contracts or agreements solely involving two or more public agencies.

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**New formant with sub-sections.**

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*(c) The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundaries and outside its sphere of influence to respond to an existing or impending threat to the public health or safety of the residents of the affected territory if both of the following requirements are met:*

*(1) The entity applying for the contract approval has provided the commission with documentation of a threat to the health and safety of the public or the affected residents.*

*(2) The commission has notified any alternate service provider, including any water corporation as defined in Section 241 of the Public Utilities Code, or sewer system corporation as defined in Section 230.6 of the Public Utilities Code, that has filed a map and a statement of its service capabilities with the commission.*

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Amended, Statutes of 2000, chapter 761, section 47 AB 2838 (Hertzberg). The Local Governmental Reorganization Act of 2000. Effective January 1, 2001.

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(e) This section does not apply to contracts or agreements solely involving two or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider. This section does not apply to contracts for the transfer of nonpotable or nontreated water. This section does not apply to contracts or agreements solely involving the provision of surplus water

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