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LAFCO of Napa County

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NOTICE OF REVIEW

September 28, 2010

TO: Interested Parties

FROM: Brendon Freeman, Analyst

SUBJECT: Napa County Regional Park and Open Space District: Municipal Service Review and Sphere of Influence Establishment

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The Local Agency Formation Commission of Napa County ("Commission") has prepared a draft report on its scheduled municipal service review and sphere of influence establishment on the Napa County Regional Park and Open Space District (NCRPOSD). The report is organized into two principal sections. The first section is an executive summary that includes determinations addressing the factors required for both the municipal service review and sphere of influence establishment mandates. The second section provides a comprehensive review of NCRPOSD in terms of its formation and development, population and growth, organizational structure, municipal service provision, and financial standing. The draft report is available for viewing at www.napa.lafco.ca.gov.

The Commission will review the draft report for discussion purposes at its October 4, 2010 meeting. The public is invited to attend the meeting and provide comments. Written comments may also be submitted through October 25, 2010. Comments received by this date will be addressed by staff prior to the preparation of a final report for Commission consideration at its December 6, 2010 meeting. LAFCO encourages written comments to be delivered by e-mail to bfreeman@napa.lafco.ca.gov.

If you have any questions, please contact me by e-mail or telephone.

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Brian J. Kelly, Commissioner
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County of Napa Supervisor, 2nd District

Keene Simonds
Executive Officer

LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

NAPA COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT: MUNICIPAL SERVICE REVIEW/SPHERE OF INFLUENCE ESTALISHMENT

Draft Report
October 2010

Prepared by:

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Committed to serving the citizens and government agencies of its jurisdiction by encouraging the preservation of agricultural lands and open-space and coordinating the efficient delivery of municipal services.

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Brian J. Kelly, Commissioner, Public Member
Brad Wagenknecht, Commissioner, County Member
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I. INTRODUCTION

A. Local Agency Formation Commissions

Local Agency Formation Commissions (LAFCOs) are political subdivisions of the State of California and are 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 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. Underlying LAFCOs regulatory and planning responsibilities is fulfilling specific objectives outlined by the California Legislature under Government Code (G.C.) Section 56301, which states:

> *"Among the purposes of the commission are discouraging urban sprawl, preserving open-space and prime agricultural lands, efficiently providing governmental services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances."*

LAFCOs are generally governed by a five-member commission comprising two county supervisors, two city councilmembers, and one representative of the general public.[1] Members must exercise their independent judgment on behalf of the interests of residents, landowners, and the public as a whole. LAFCOs have sole authority in administering its legislative responsibilities and its decisions are not subject to an outside appeal process.

B. Planning Responsibilities

A central planning responsibility for LAFCO is the determination of a sphere of influence ("sphere") for each city and special district under its jurisdiction.[2] LAFCO establishes, amends, and updates spheres to designate the territory it believes represents the appropriate and probable future service area and jurisdictional boundary of the affected agency. All jurisdictional changes, such as annexations and detachments, must be consistent with the spheres of the affected local agencies with limited exceptions.[3] LAFCO must review and update each local agency's sphere every five years as necessary.

> *"Sphere" means a plan for the probable physical boundary and service area of a local agency, as determined by LAFCO.*

There are several important and distinct policy considerations underlying sphere determinations. For example, inclusion within a multiple-purpose agency's sphere, such as a city or community services district, generally indicates an expectation by LAFCO the territory should be developed for urban uses. Alternatively, inclusion of territory within a limited-purpose agency's sphere, such as a hospital or mosquito abatement district, may be

[1] Several LAFCOs also have two members from independent special districts within their county. Each category represented on LAFCO has one alternate member.

[2] LAFCOs have been required to determine spheres for cities and special districts within its jurisdiction since 1972.

[3] A prominent exception involves land owned and used by cities for municipal purposes that are non-contiguous to their incorporated boundary (G.C. Section 56742).

intended to support both urban and non-urban uses. It is also important to note inclusion within a sphere does not provide any guarantees the territory will be annexed. Jurisdictional changes must be considered on their own merits with particular attention focused on assessing whether the timing of the proposed action is appropriate.

Sphere determinations are guided by preparing written statements addressing four specific planning factors that range from evaluating current and future land uses to the existence of pertinent communities of interest. The intent in preparing the written statements is to focus LAFCO in addressing the core principles underlying the sensible development of each local agency consistent with the anticipated needs of the affected community. Sphere determinations may also lead LAFCO to take other actions under its authority. This may include initiating the formation, consolidation, or dissolution of local agencies. Further, an increasingly important role involving sphere determinations relates to their use by regional councils of governments as planning areas in allocating housing need assignments for counties and cities, which must be addressed by the agencies in their housing elements.

A municipal service review is a comprehensive evaluation of the availability and adequacy of one or more services within a defined area or of the range and level of services provided by one or more agencies.

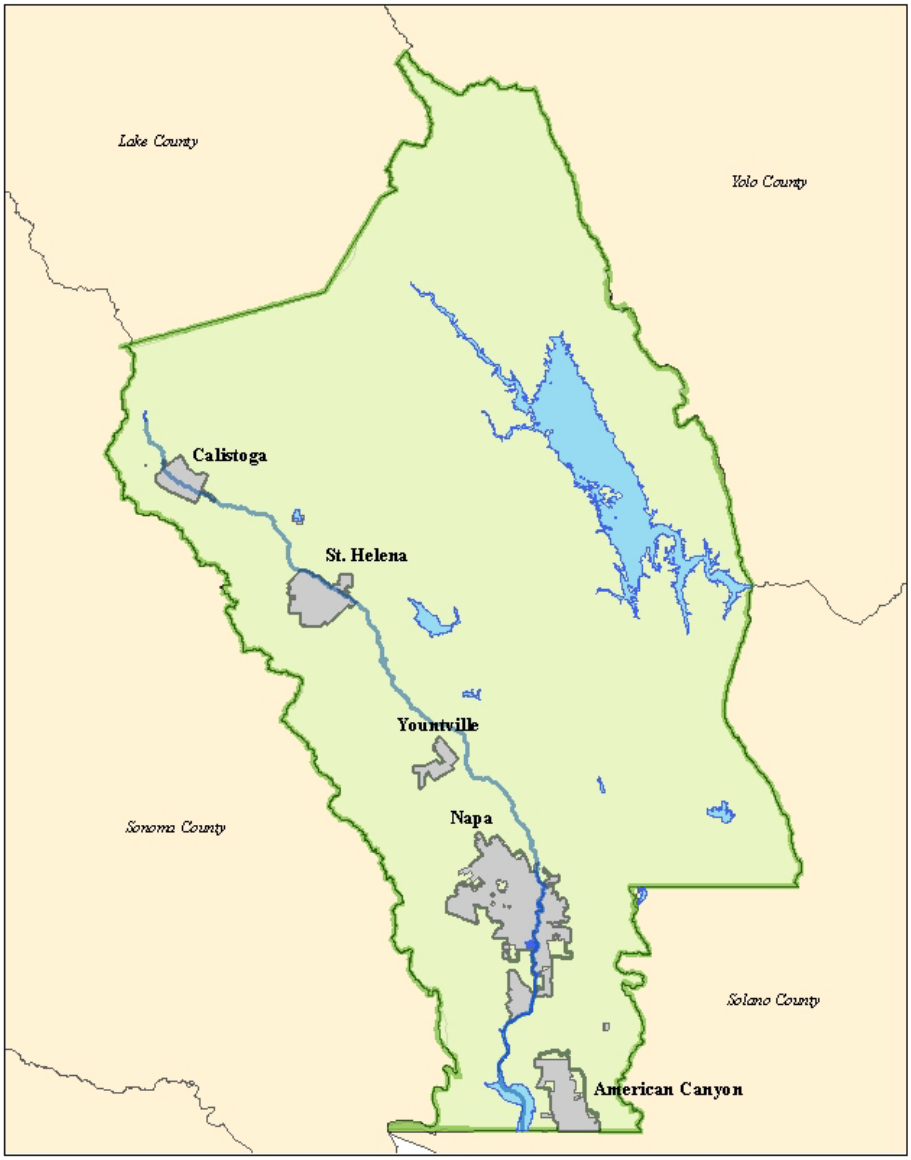
As referenced, LAFCOs inform their sphere determinations by preparing municipal service reviews to evaluate the level and range of governmental services provided in the region. Municipal service reviews vary in scope and can focus on a particular agency, service, or geographic area as deemed appropriate. Municipal service reviews culminate with LAFCO making determinations on a number of governance-related factors. This includes addressing infrastructure needs or deficiencies, growth and population projections, and financial standing. LAFCOs may also consider other factors if required by local policy. LAFCOs must complete the municipal service review process prior to making related sphere determinations.

D. Napa County Regional Park and Open Space District

This report represents LAFCO of Napa County's ("Commission") scheduled municipal service review and sphere establishment of the Napa County Regional Park and Open Space District (NCRPOSD). The report represents the first comprehensive study on NCRPOSD given the District was formed through special legislation in 2006. The report has been prepared in a manner consistent with the Commission's *Policy on Municipal Service Reviews* and is organized into two principal sections. The first section is an executive summary that includes determinations addressing the factors required for both the municipal service review and sphere establishment mandates. The second section provides a comprehensive review of NCRPOSD in terms of its formation and development, population and growth, organizational structure, municipal service provision, financial standing, and regional comparisons. Standard service indicators are incorporated into the review to help contextualize and evaluate service levels.

Figure One

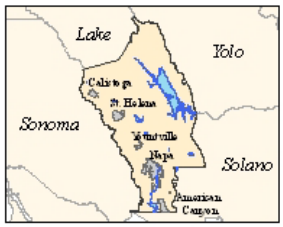
Napa County Regional Park and Open Space District



Legend

Napa County Regional Park and Open Space District Jurisdictional Boundary

Napa County Regional Park and Open Space District Proposed Sphere of Influence



Not to Scale
August 16, 2010
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II. EXECUTIVE SUMMARY

A. Municipal Service Review

The municipal service review indicates NCRPOSD has generally established adequate administrative, service, and financial capacities to provide an appropriate level of public park and open space services within Napa County. These capacities appear relatively sufficient to continue providing effective services in the near term based on local needs and conditions. Importantly, the adequacy of these capacities is predicated on NCRPOSD's ability to maintain its current funding relationship with the County, which currently covers all District operating costs. NCRPOSD's capacity to meet its increasing service commitments is also significantly dependent on maintaining and expanding volunteer resources.

The following statements address the factors prescribed for consideration as part of the municipal service review process under G.C. Section 56430. These statements are based on information collected and analyzed in the agency review provided on pages 13 to 23.

1. With respect to growth and population projections for the affected area, the Commission determines:

a) NCRPOSD's estimated resident population parallels projections for Napa County and has modestly increased on average by 0.8% annually since formation rising from an estimated 133,448 to 138,917.

b) It is reasonable to assume the current rate of resident population growth in Napa County will decline by one-third over the next five years. This assumption is consistent with recent demographic estimates prepared by the Association of Bay Area Governments, which projects Napa County's population will increase by 0.5% annually resulting in a population of 142,425 by 2015.

c) Public park and open space growth serves as a key service indicator for NCRPOSD as it relates to addressing current and future demands given its statutorily-defined duties and powers. All five cities in Napa County own and operate public parks and open space ranging from intensive to passive uses. Importantly, it is assumed NCRPOSD and the cities have a shared customer base with regards to providing public park and open space services.

d) Local public park and open space growth by the five cities of Napa County has been relatively minimal as total acreage has increased from 922.8 to 945.8, representing a 2.5% change over the last five years. This minimal growth is attributed to the recent downturn in the national economy and entirely limited to projects undertaken within the City of American Canyon.

e) NCRPOSD has made a measureable contribution in increasing public park and open space growth in Napa County since its formation. In all, NCRPOSD has added over 300 acres of public park and open space lands highlighted by the opening of the Oat Hill Mine Trail, establishing the Berryessa Vista Wilderness Park, and assuming management responsibilities for the Napa River Ecological Reserve. This amount exceeds the combined park and open space growth of the five cities by 13 to 1.

2. With respect to present and planned capacity of public facilities and adequacy of public services, including infrastructure needs and deficiencies, the Commission determines:

a) NCRPOSD's current public facilities are limited to two distinct properties totaling close to 900 acres in size and under development as Berryessa Wilderness Park and Moore Creek Park. NCRPOSD is also under contract with other governmental agencies to manage Oat Hill Mine Trail and Napa River Ecological Reserve.

b) The ability of NCRPOSD to adequately operate and maintain current and planned public facilities and services is largely dependent on volunteer resources given its present and planned organizational capacity.

c) In addition to maintaining an adequate volunteer base, NCRPOSD's ability to expand park and open space services is dependent on external revenue streams, namely grants, donations, and annual contributions from the County of Napa.

d) NCRPOSD should establish regular visitor counts. These counts will establish baseline information with regard to the present demand for services while informing NCRPOSD in allocating current and future resources consistent with the preferences of constituents.

3. With respect to the financial ability of agency to provide services, the Commission determines:

a) The current ability of NCRPOSD to maintain present and future operating services is entirely dependent on discretionary funds provided by the County of Napa. This discretionary funding appears increasingly vulnerable given the current structural imbalance within the County's General Fund through 2015.

b) NCRPOSD's current financial structure is unique for a special district given it relies on various forms of outside contributions to support capital and operational expenses rather than collecting taxes, assessments, or user fees.

c) NCRPOSD has successfully increased its unrestricted/undesignated fund balance over each fiscal year since formation with the balance currently totaling $88,773. This amount provides NCRPOSD sufficient liquidity to cover over four months of operating expenses and demonstrates prudent financial management.

d) Management for NCRPOSD has proven adept at obtaining grant funding through various statewide and local programs to finance several land acquisitions and trail improvements totaling over $4.7 million. The ability to draw on outside funding helps economize NCRPOSD's resources in providing cost effective public park and open space services.

e) The absence of long-term debt coupled with positive operating margins advantageously positions NCRPOSD to potentially raise new capital through bonded debt at favorable interest rates.

4. With respect to the status and opportunities for shared facilities, the Commission determines:

a) NCRPOSD's services are largely oriented towards addressing recreational and open space policies codified in the County General Plan. This orientation creates a prescriptive working relationship in which NCRPOSD works closely with the County in identifying and implementing projects of shared interest and benefit.

5. With respect to accountability for community service needs, including governmental structure operational efficiencies, the Commission determines:

a) NCRPOSD is governed by a responsive and dedicated board and staff. These characteristics enhance accountability and cultivate positive working relationships with members of the public and other local agencies.

b) NCRPOSD's current organizational capacity is largely supported by volunteers and highlights a premium on the District providing tangible services to meet the preferences and demands of its constituents.

c) NCRPOSD's organizational structure as an independent special district is appropriate given the District's legislative authority to provide public park and open space services for the benefit of all citizens in Napa County. This structure, nonetheless, is distinct from NCRPOSD's funding and policy orientations, which are largely deferential to the County of Napa.

d) A review of reorganization options does not appear warranted at this time. NCRPOSD has made significant contributions and investments in elevating public park and open space services in a limited period of time.

e) Future municipal service reviews should consider NCRPOSD's ability to establish more reliable and independent sources of operating revenues as a key preset to evaluating reorganization options.

6. With respect to the relationship with regional growth goals and policies, the Commission determines:

a) NCRPOSD serves an integral role in developing and implementing recreational and open space policies codified in the County of Napa General Plan.

B. Sphere of Influence Establishment

It is necessary to establish a sphere for NCRPOSD to demark the District's appropriate service boundary consistent with its available and planned capacities. Based on the information collected and analyzed in the municipal service review, staff believes designating the sphere to include all incorporated and unincorporated lands within Napa County is appropriate. This designation would parallel NCRPOSD's jurisdictional boundary and reflect a policy determination by the Commission the District can adequately provide the public park and open space services for which it was formed throughout the county. This determination is supported by the following statements.

1. **Present and planned land uses in the area, including agricultural and open-space lands.**

   The present and planned land uses within the proposed sphere are outlined in the general plans prepared by the six overlapping land use authorities. The exercise of NCRPOSD's public park and open space services support – directly and indirectly – agricultural and open space policies pervasive within these general plans.

2. **Present and probable need for public facilities and services in the area.**

   Voters recently affirmed their support and need for public park and open space services within the proposed sphere in approving the formation of NCRPOSD in November 2006. The present and probable need for these types of services is also codified as part of several policy goals and objectives in the County General Plan.

3. **Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.**

   The Commission has confirmed through the municipal service review process NCRPOSD has established adequate and effective public park and open space services within the proposed sphere.

4. **The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.**

   The proposed sphere reflects social ties existing between NCRPOSD and its jurisdictional boundary which were memorialized by voters in November 2006.

III. AGENCY REVIEW

A. Napa County Regional Park and Open Space District

1.0 Overview

NCRPOSD was formed in 2006 and provides a range of municipal services relating to the operation of public parks and open space in Napa County. NCRPOSD is an independent special district governed by five elected members from the general public. Staffing services are provided by contract through the County of Napa and presently budgeted to fund the equivalent of 2.5 full-time employees. Private contractors are also regularly retained as needed to provide specialized services. NCRPOSD includes all unincorporated and incorporated lands in Napa County and has an estimated resident service population of 138,917. The current operating budget is $255,300 with an unreserved/undesignated fund balance of $88,773 as of June 30, 2010.

2.0 Formation and Development

2.1 Formation

NCRPOSD's formation was engendered in the early 1990s when local stakeholders began discussing options to establish elevated public park and open space services in the unincorporated area. Markedly, at the time, Napa County was one of only a handful of counties in California without a county parks department or a countywide special district dedicated to providing public park and open space services. Stakeholder discussions ultimately led the County to seek special legislation to expedite the formation of a parks and open space district in Napa County to include, among other things, an exemption from receiving written approval from LAFCO.[4] This special legislation was sponsored by Senator Mike Thompson and codified as part of Senate Bill (SB) 1306, which was signed by Governor Pete Wilson and became effective on September 30, 1991.

Despite SB 1306's enactment, the formation of a parks and open space district in Napa County did not immediately follow. An initial formation attempt was presented to voters in November 1992 and accompanied by a second measure aimed at increasing the local sales tax rate to provide funding for the proposed parks and open space district. Successful passage of the two measures was dependent on each action being separately approved. Accordingly, while formation proceedings were approved, the parks and open space district was not formed given nearly two-thirds of voters rejected the proposed sales tax increase.

Interest in establishing elevated public park and open space services in Napa County persisted throughout the 1990s and ultimately led to a second ballot attempt in November 2000. This second attempt, though, differed from the previous effort by proposing an increase to the transient occupancy tax rate to fund certain activities under the supervision of a to-be-created parks department within the County. The measure was also rejected by close to three-fifths of voters.

[4] Similar exemptions from LAFCO proceedings involving parks and open space district formations had been approved by the Legislature for Marin, Sacramento, San Diego, and Sonoma Counties.

By the mid 2000s, interest in establishing elevated public park and open space services were once again renewed in anticipation of the County preparing an update to its General Plan. The Board of Supervisors responded to the renewed interest by establishing a 16-member advisory committee tasked with studying various options to deliver public park and open space services in the unincorporated area. This included developing a strategy to allocate the County's proportional share of proceeds associated with Propositions 12 and 40.[5]

In October 2005, the advisory committee completed its review and issued a report to the Board of Supervisors. The report concluded the County lacked the organizational capacity to effectively implement and manage parks and open space projects, and therefore recommended the formation of an independent district. Notably, in support of its recommendation, the advisory committee outlined four specific advantages to forming an independent parks and open space district: (a) maintaining a sustained focus; (b) establishing continuity between various projects; (c) partnering with other stakeholders; and (d) avoiding public concerns relating to eminent domain.[6] The advisory committee also outlined a strategy to focus initial activities on improving the stewardship of existing publicly-owned open space resources in Napa County. Specific activities identified included providing maps, developing signage, and assuming trail management with initial funding provided by the County. Significantly, the advisory committee envisioned the County supporting the parks and open space district for the first two years while assisting in the development of independent revenue sources. The Board of Supervisors ultimately approved the advisory committee's recommendation with voters approving formation proceedings by close to a three-fifths amount along with electing five board members in November 2006.

2.2 Development

Timeline of Events

1992	...special legislation enacted to expedite parks and open space district formation in Napa County
1992	…...initial measure to form parks and open space district with sales tax increase rejected by voters
2000	……...measure to increase hotel tax to fund a County parks department rejected by voters
2003	.....……advisory committee formed by the County to study parks and open space options
2006	..... voters approve measure forming NCRPOSD
2008	…….……...NCRPOSD adopts master plan

NCRPOSD's development was initiated shortly after formation by entering into a staff support agreement with the County. Staff shortly thereafter prepared a master plan to guide NCRPOSD activities through 2013. The master plan incorporates several projects recommended by the advisory committee and is primarily focused on implementing key recreational and open space policies in the County General Plan. All projects identified in the master plan are predicated on achieving four interrelated goals: (a) provide opportunities for outdoor recreation through developing a system of parks, trails, water resource activities, open space, and related facilities; (b) preserve, restore, and protect open space lands, natural resources, and special habitat areas; (c) provide historical and environmental educational programming opportunities; and (d) provide for agency management and interagency partnerships.

[5] Proposition 12 (2000) and Proposition 40 (2002) allocated $1.364 billion and $1.186 billion, respectively, for additions and improvements to the California State Park system and are proportionally allocated to counties based on population. NCRPOSD received $0.225 million from Proposition 12 and $0.885 million from Proposition 40.

[6] State statute specifically prohibits parks and open space districts from exercising eminent domain powers.

Key projects undertaken by NCRPOSD to date include entering into agreements with the County and the Department of Fish and Game (DFG) to assume management responsibilities for the Oat Hill Mine Trail north of the City of Calistoga and the Napa River Ecological Reserve east of the Town of Yountville. Additionally, NCRPOSD recently purchased through grant awards approximately 900 acres of unincorporated land for purposes of developing two passive recreational parks. The first park, Berryessa Vista Wilderness, is located near Lake Berryessa and is open to the public, though access is currently limited to watercraft pending future improvements. The second park, Moore Creek, is located near Lake Hennessey and expected to be open to the public by 2015.

3.0 Adopted Boundaries

NCRPOSD's jurisdictional boundary was established by ballot and is 791.4 square miles or 506,517 acres in size. It includes all unincorporated and incorporated lands within Napa County. There are a total of 49,804 assessor parcels within NCRPOSD with a combined assessed value of $27.8 billion. A review of the database maintained by the County Assessor's Office indicates only 40% of the jurisdictional boundary is developed as measured by assigned situs addresses. The establishment of a sphere is to be determined as part of this scheduled review and is evaluated in detail on page **** of this report.

Category	Jurisdictional Boundary	Sphere of Influence
Total Acres	506,517	TBD
Total Assessor Parcels	49,804	TBD

4.0 Population and Growth

4.1 Population Trends

NCRPOSD's current resident population is estimated at 138,917 based on demographic information published by the California Department of Finance for Napa County. The resident population overall has risen by 4.1% over the last five years corresponding with NCRPOSD's formation. This equals an annual increase of 0.8% and comparatively ranks sixth in terms of percentage change among all nine Bay Area counties during the period. Nearly nine-tenths of all resident population growth during the last five years occurred within the cities of American Canyon and Napa.[7] The following table summarizes past and current resident population projections.

Past and Current Resident Population Projections
(California Department of Finance and LAFCO)

Category	2006	2007	2008	2009	2010	*Annual Change*
Population	133,448	134,726	136,276	137,723	138,917	*0.8%*

[7] Between 2006 and 2010, American Canyon and Napa's resident population increased from 14,879 to 16,836 and 76,094 to 78,791, respectively, representing 85.1% of the total population rise in Napa County.

It is reasonable to assume resident population trends in Napa County will decline by one-third over the next five years. This assumption is consistent with recent demographic estimates prepared by the Association of Bay Area Governments, which projects Napa County's population will increase by 0.5% annually through 2015 as summarized below.

Future Resident Population Projections
(Association of Bay Area Governments and LAFCO)

Category	2011	2012	2013	2014	2015	*Annual Change*
Population	139,612	140,310	141,011	141,716	142,425	*0.5%*

4.2 Growth Trends Relating to Public Parks and Open Space

Public park and open space growth serves as a key service indicator for NCRPOSD as it relates to addressing current and future demands given its statutory-defined duties and powers. All five cities in Napa County own and operate public parks ranging from intensive (i.e. playfields) to passive (i.e. walking trails) uses. Importantly, as part of this review, it is assumed NCRPOSD and the cities have a shared customer base with regards to providing public park and open space services.

With the preceding comments in mind, local public park and open space growth by the cities has been relatively minimal as total acreage has increased from 922.8 to 945.8, representing a 2.5% change over the last five years. This minimal growth is attributed to the recent downturn in the national economy and limited to projects undertaken within the City of American Canyon. Comparatively, despite the downturn, NCRPOSD has added a total of 306.9 acres of public parks and open space lands during this period highlighted by the opening of the Oat Hill Mine Trail, establishing the Berryessa Vista Wilderness Park, and assuming management responsibilities for the Napa River Ecological Reserve.[8] The following table summarizes public park and open space growth over the last five years.

Local Public Parks and Open Space Acreage in Napa County
(Source: LAFCO)

City	2006 Acreage	Acreage Per 1,000 Residents	2010 Acreage	Acreage Per 1,000 Residents
American Canyon	55.1	3.7	78.1	4.6
Calistoga	15.7	3.0	15.7	2.9
Napa	800.0	10.5	800.0	10.1
St. Helena	36.0	6.1	36.0	6.0
Yountville	16.0	4.9	16.0	4.9
Special District				
NCRPOSD	0.0	0.0	306.9	2.2

[8] NCRPOSD has recently assumed the County's joint-management agreement with DFG to assist in restoration work and operate the existing public trails and related accommodations in the project site.

5.0 Organizational Structure

5.1 Governance

NCRPOSD is organized under the Public Resources Code §5500 to 5595 and is known as the Regional Park, Park and Open Space, and Open Space District Law. This legislation was originally established in 1933 with the intent of providing local communities organizational alternatives in preserving, improving, and protecting park, wildlife, open space, and beach lands. Special districts under this legislation generally have broad authority to construct, improve, operate, and maintain a system of public parks, playgrounds, golf courses, beaches, trails, and natural areas. There are approximately 108 of these types of special districts operating in California.

NCRPOSD's governing body is comprised of an independently elected five-member board of directors ("Board") representing the five supervisorial wards. Board terms are four years with all five current members having been originally elected at the time of formation. The Board is responsible for annually electing a President and Vice-President for purposes of serving as the presiding officers.[9] Elections are based on a registered-voter system. NCRPOSD is statutorily empowered to obtain grants, accept gifts, and collect fees for services provided. NCRPOSD is also authorized to raise revenues through property assessments and taxes subject to voter approval.

NCRPOSD meetings are generally conducted on the second Monday of each month. Meetings are held at the Napa County Board of Supervisors Chambers. A review of agency records for the 2009-2010 fiscal year identifies NCRPOSD held 11 meetings.

5.2 Administration

NCRPOSD contracts with the County for staff support services. This includes appointing a County employee to serve as an at-will general manager for purposes of administering daily activities. The general manager's principal tasks include identifying park, recreation, and open space conversion opportunities, developing project proposals, obtaining necessary funding for permits, and forming partnerships with other public agencies, non-profit organizations, and community groups. NCRPOSD's contract with the County also provides additional support relating to accounting, legal, and various other administrative tasks. In all, the contracted staff support services provided by the County are currently equivalent to approximately 2.5 full-time employees. NCRPOSD also uses private contractors to deliver specialized project-specific services as needed.

6.0 Municipal Services

NCRPOSD provides a range of municipal services involving the operation and resource-management of public parks and open space in Napa County. These services are divided for purposes of this review into two broad and interrelated categories: (a) public recreation facility development and (b) public resource preservation and restoration. A narrative evaluation of these categories in terms of current and pending services follows.

[9] NCRPOSD's Bylaws were adopted in 2007 and amended in 2008. The Bylaws state the President shall act as presiding officer of the Board and in that capacity shall preserve order and decorum, decide questions of order subject to being overruled by a four-fifths vote and perform such other duties as are required by these Bylaws or by vote of the Board.

6.1 Public Recreation Facility Development

Current Services

NCRPOSD's current services as it relates to public recreation facility development presently involve three distinct activities comprising a trail, open space preserve, and wilderness park. A summary of these three service activities follows.

- **Oat Hill Mine Trail** is located immediately north of the City of Calistoga and is 8.3 miles in length totaling 9.9 acres. This trail was first developed as a dirt road in the 1890s and overlays the southeast portion of Robert Louis Stevenson State Park. The County maintains an easement underlying the trail, which was originally constructed as part of a mercury mining operation before being abandoned in the 1960s. In April 2007, NCRPOSD entered into an agreement with the County to improve and operate the trail for public use, including providing signage installation, erosion control, and vegetation management.[10] The trail was open for public use in May 2008 and is actively maintained by volunteers. NCRPOSD estimates the trail generates 5,000 visitors annually, although no formal count has been undertaken.

- **Napa River Ecological Reserve** is approximately 73.0 acres in size and located east of the Town of Yountville. The reserve overlays lands owned by DFG and is a protected watershed of the Napa River. NCRPOSD entered into an agreement with DFG in December 2008 to maintain the public portion of the reserve. No formal counts exist with regards to identifying usage.

- **Berryessa Vista Wilderness Park** is an approximate 224.0 acre open space area on the southwest side of Lake Berryessa on land NCRPOSD recently purchased from the Napa County Land Trust in February 2008. Public access is currently limited to watercraft with plans to eventually establish land access via the Lake Berryessa Trail, which is contemplated in the Bureau of Land Management's (BLM) redevelopment plans for the area. The estimated cost to develop the park and make related improvements is $50,000. Grants will be pursued to cover construction costs while volunteers will be utilized for operations.

Pending Services

NCRPOSD is in the process of developing nine additional public recreation facilities comprising six trails and three parks. A summary of these pending services follows.

- **Berryessa Peak Trail** is intended to be approximately 7.0 miles in length along the eastern boundary of Napa County near Lake Berryessa on DFG and BLM lands. NCRPOSD recently obtained a no-cost easement from a neighboring landowner to secure access to the lands from Berryessa-Knoxville Road and is currently negotiating with DFG and BLM to secure no-cost easements for the remaining portion of the trail. Volunteers will be utilized to construct the trail with construction anticipated to begin in late 2010.

[10] The trail is secured through a non-exclusive easement maintained by the County.

- **Lake Hennessey Trail** is approximately 2.7 miles in length located on the north side of Lake Hennessey and is owned and managed by the City of Napa. NCRPOSD is negotiating with Napa to construct and operate an approximate 5.0 mile extension to loop around Lake Hennessey along with staging and picnic areas. Negotiations are on hold pending NCRPOSD completing an environmental review on the extension. The estimated cost to develop the extension and make related improvements is $60,000. Grants will be pursued to cover construction costs while volunteers will be utilized for operations.

- **Milliken Ridge Trail** is intended to be approximately 10.0 miles in total length along the Milliken Creek watershed on lands owned by the City of Napa. NCRPOSD is currently negotiating with Napa to secure an easement for purposes of developing the trail along with establishing staging and picnic areas. Negotiations are currently on hold pending the completion of the Lake Hennessey Trail extension. The estimated cost to develop the trail and make related improvements is $1.6 million. Grants will be pursued to cover construction costs while volunteers will be utilized for operations.

- The first phase of **Napa River and Bay Trail** is intended to be approximately 5.6 miles in length between Eucalyptus Drive and Green Island Road along the northwestern perimeter of the City of American Canyon and looping around the former American Canyon landfill site. Nearly half of the first phase is complete and open to the public. (This initial portion of the phase is managed by American Canyon.) NCRPOSD has recently secured an easement from DFG and a use permit from the County for the remaining portion of the second phase with construction anticipated beginning in 2011 with funding provided by a $1.0 million State grant award.[11]

- **Rector Ridge/Stags Leap Trail** is intended to be approximately 6.0 miles in total length along the Rector Creek watershed on lands owned by the State Department of Veterans Affairs (DVA). NCRPOSD is currently negotiating with DVA to secure an easement agreement for purposes of developing the trail along with establishing staging areas. There is no current timetable for beginning construction due to ongoing negotiations. The estimated cost to develop the trail and make related improvements is $1.1 million. Grants will be pursued to cover construction costs while volunteers will be utilized for operations.

- **Vine Trail** is intended to be approximately 44.0 miles in total length generally along State Highway 29 between the Vallejo Ferry Terminal and the City of Calistoga. NCRPOSD has recently entered into an agreement with the non-profit Vine Train Coalition to partner in planning, funding, and operating the project. The estimated cost to develop the trail and make related improvements ranges from $34.0 to $49.0 million. Grants and private donations will be pursued to cover construction and operational costs.

[11] The remaining two phases of the Napa River and Bay Trail will extend further north connecting Green Island Road to Napa Pipe. There is no current timetable for these two phases.

- **Berryessa Estates Park** is intended to be approximately 480.0 acres in size located adjacent to the unincorporated Berryessa Estates community on land owned by BLM. NCRPOSD has recently applied to BLM for a no-fee transfer of the land given its surplus designation by the federal government. The estimated cost to develop the park and make related improvements is $50,000. Grants will be pursued to cover construction costs while volunteers will be utilized for operations.

- **Camp Berryessa Park** is intended to be approximately 30.0 acres in size located along a former Boy Scout recreational site on the northwest side of Lake Berryessa north of Putah Creek on Bureau of Reclamation (BOR) land. NCRPOSD has recently prepared an agreement for review by BOR to construct and operate a public park focusing on focusing on camping-related accommodations. An accompanying environmental document is currently under preparation. The estimated cost to develop the park and make related improvements is $1.7 million. Grants will be pursued to cover construction costs while volunteer camp hosts will be utilized for on-site monitoring and camp fees will pay for additional operations.

- **Moore Creek Park** is intended to be approximately 680.0 acres in size north of Chiles and Pope Valleys on land NCRPOSD purchased in December 2008. NCRPOSD is currently preparing a use permit application for public recreational use and camping facilities on the land. The estimated cost to develop the park and make related improvements is approximately $500,000. Grants have been awarded to cover construction costs while volunteers, including resident volunteer caretakers, will be utilized for the majority of operations.

6.2 Public Resource Preservation and Restoration

Current Services

NCRPOSD currently provides public preservation and restoration related services to two project sites. A summary of these current services follows.

- As mentioned in the preceding section, **Napa River Ecological Reserve** is an approximate 73.0 acre area located northeast of the Town of Yountville along the Napa River on land owned by DFG. NCRPOSD has recently assumed the County's joint-management agreement with DFG to assist in restoration work and operate the existing public trails and related accommodations in the project site. Planned improvements include enhancing the trail and improving connectivity within the project site by constructing a bridge over the Napa River. The estimated cost to construct planned improvements is approximately $13,000. NCRPOSD has recently obtained a $100,000 grant to fund the first two years of this project. Volunteers will be utilized for operations.

- **Linda Falls** is an approximate 40.0 acre undeveloped area located along Conn Creek in Angwin. The area is anchored by a 30 foot waterfall and on land owned by the Napa County Land Trust. NCRPOSD has recently obtained a no-cost conservation easement in April 2008 from the Land Trust for purposes of providing elevated habitat protection. It is assumed this arrangement will evolve to allow NCRPOSD to eventually establish a public trail. The estimated cost to monitor and provide habitat protection is minimal.

Pending Services

NCRPOSD is in the planning process of establishing public resource preservation and restoration service at two additional project sites. A summary of these pending services follows.

- **South Napa Wetlands** is an approximate 600 acre area located south of the City of Napa at the terminus of Jefferson Street on land owned by the Napa County Flood Control and Water Conservation District ("Flood"). NCRPOSD is currently in discussions with Flood to purchase the site at no cost for purposes of providing habitat management and environmental education opportunities for local students. Annual costs for the project are not known at this time.

- **Vallejo Lakes** is an approximate 1,500 acre area located east of the City of Napa beyond Skyline Park on land owned by the City of Vallejo, approximately 135 acres of which are within Napa County. NCRPOSD has recently initiated discussions to purchase the project site given Vallejo has designated the land as surplus. Acquisition of the project site would protect against private development as well as potentially serve as a trail extension involving Skyline Park. The estimated cost of the property is not known.

7.0 Financial

7.1 Assets, Liabilities, and Equity

NCRPOSD contracts with a private consulting firm to prepare an annual report following the end of each fiscal year summarizing the agency's overall financial standing. The most recent report was prepared for the 2008-2009 fiscal year and includes audited financial statements identifying NCRPOSD's assets, liabilities, and equity as of June 30, 2009. These audited financial statements provide quantitative measurements in assessing NCRPOSD's short and long-term fiscal health and are summarized below.

Assets

NCRPOSD's assets at the end of the fiscal year totaled $3.05 million. Assets classified as current, with the expectation they could be liquidated into currency within a year, represented 3.7% of the total amount with the entire amount tied to cash investments with the County Treasurer.[12] Assets classified as non-current represented the remaining amount and are predominately associated with recent land acquisitions.

[12] Current assets totaled $0.113 million and includes only cash investments.

Category	2006-2007	2007-2008	2008-2009
Current Assets	18,204	107,743	112,950
Non-Current Assets	0	125,414	2,933,295
Total	$18,204	$233,157	$3,046,245

Liabilities

NCRPOSD's liabilities at the end of the fiscal year totaled $0.03 million. Current liabilities representing obligations owed within a year accounted for the entire total amount and tied to accounts payable.

Category	2006-2007	2007-2008	2008-2009
Current Liabilities	0	45,847	32,880
Non-Current Liabilities	0	0	0
Total	$0	$45,847	$32,880

Equity/Fund Balance

NCRPOSD's equity at the end of the fiscal year totaled $3.013 million. This amount represents the difference between NCRPOSD's total assets and total liabilities and is entirely unreserved and available for any use. The amount is divided between designated and undesignated with the latter representing 97% of the total and tied to capital assets.

Category	2006-2007	2007-2008	2008-2009
Reserved	0	0	0
Unreserved/Designated	0	125,414	2,933,295
Unreserved/Undesignated	18,204	61,896	80,070
Total Equity	$18,204	$187,310	$3,013,365

2008-2009 Financial Statements	
Assets	$3.046 million
Liabilities	$0.033 million
Equity	$3.013 million

NCRPOSD's financial statements for 2008-2009 reflect the District experienced a positive change in its fiscal standing as its overall equity, or fund balance, increased by sixteen-fold from $0.187 to $3.013 million. This increase is directly attributed to the purchase through separate grant awards of 673 acres of land with a building as part of its planned Moore Creek Park project. This purchase follows the prior year acquisition of 224 acres of land as part of the planned Berryessa Vista Park project and collectively underlies the significant increase in NCRPOSD's assets over the past two fiscal years.

Calculations performed assessing NCRPOSD's liquidity, capital, and solvency indicate the District is in strong financial health. Liquidity remained high as NCRPOSD finished the fiscal year with current assets more than three times greater than its current liabilities along with 107 days cash sufficient to cover operating expenses.[13] NCRPOSD's capital also remained entirely intact given it finished with no long-term debt while maintaining a positive operating margin.[14]

[13] NCRPOSD's current ratio was 3.4:1.
[14] NCRPOSD's operating margin was 2.7%.

7.2 Revenue and Expense Trends

A review of NCRPOSD's audited and pre-audited financial statements identifies the District has maintained positive cash flow since formation as actual revenues have exceeded actual expenses by nearly five to one. Underlying the positive cash flow is increases to NCRPOSD's grant funding and donations. The following table summarizes total actual revenues and expenses between 2006-2007 and 2009-2010.

Fiscal Year	Actual Revenues	Actual Expenses	Difference
2006-2007	170,591	152,387	18,204
2007-2008	384,485	215,871	168,614
2008-2009	3,213,089	38,802	2,825,087
2009-2010	517,211	508,510	8,701
Total	*$4,285,376*	*$915,570*	---
Change (%)	*203.2%*	*233.7%*	---

7.3 Current Budget

2010-2011 Adopted Budget	
Total Expenses:	$1.765 million
Total Revenues:	$1.765 million
Difference:	$0.000 million

NCRPOSD's adopted budget for the 2010-2011 fiscal year totals $1.765 million. This amount represents NCRPOSD's total approved expenses or appropriations for the fiscal year within its seven established governmental fund units and have matching revenue amounts. NCRPOSD's General Fund unit supports day-to-day activities and is budgeted at $255,300 with over four-fifths of appropriations dedicated to contracted staff costs. All General Fund expenses are covered through a matching grant award from the County. The remaining six governmental fund units pertain to specific projects ranging from Moore Creek to Napa River Ecological Reserve with matching revenue to expense amounts.

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IV. ENVIRONMENTAL REVIEW

A. Municipal Service Review

The municipal service review on NCRPOSD is a project under the California Environmental Quality Act (CEQA) given it may reasonably result in a future indirect physical change to the environment. The municipal service review is categorically exempt from further environmental review under Code of Regulations Section 15306. This exemption applies to basic data collection, research, and resource evaluation activities, which do not result in any serious or major disturbance to any environmental resource. This exemption applies to the municipal service review on NCRPOSD given it is strictly for information gathering purposes that may lead to an action which LAFCO has not approved, adopted, or funded.

B. Sphere of Influence Establishment

The sphere establishment on NCRPOSD is a project under CEQA given it may reasonably result in a future indirect physical change to the environment. The sphere establishment is exempt from further environmental review under Code of Regulations Section 15061. This exemption is referred to as the "general rule" and applies to projects in which it can be seen with certainty there is no possibility the action may have a significant effect on the environment. This exemption applies to the sphere establishment on NCRPOSD given it can be seen with certainty the establishment of a sphere will not result in any physical changes to the environment.

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V. SOURCES

Agency Contacts

- John Woodbury, NCRPOSD Manager

Documents

- NCRPOSD Master Plan 2008-2013, January 2009
- Association of Bay Area Governments, "Projections and Priorities," 2009
- Napa County Support Services Agreement No. 6781 with NCRPOSD
- NCRPOSD "Audit Report for the Year Ended June 30, 2007," (Gallina LLP)
- NCRPOSD "Audit Report for the Year Ended June 30, 2008," (Gallina LLP)
- NCRPOSD "Audit Report for the Year Ended June 30, 2009," (Gallina LLP)
- NCRPOSD, "Budget for Fiscal Year 2006-2007"
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- NCRPOSD, "Budget for Fiscal Year 2009-2010"
- NCRPOSD, "Budget for Fiscal Year 2010-2011"
- NCRPOSD, "Year One Report," January 28, 2008
- NCRPOSD, "Year Two Report," January 12, 2009

Websites

- Napa County Regional Park and Open Space District, http://www.napaoutdoors.org/
- Association of Bay Area Governments, http://www.abag.org/
- California State Controller's Office, http://sco.ca.gov/
- California Department of Finance, http://www.dof.ca.gov/

LIST OF PROJECTS UNDER NCRPOSD'S WORK PLAN

Goal A: Provide opportunities for outdoor recreation through the development of a system of parks, trails, water resources, open space, and related facilities

A.1 Oat Hill Mine Trail Improvements
A.2 Milliken Creek Trails and Picnic Area Development
A.3 Camp Berryessa Redevelopment
A.4 Rector Ridge/Stags Leap Ridge Trail Development
A.5 Napa River and Bay Trail Phase I Development
A.6 Napa River and Bay Trail Phase II Development
A.7 Lake Hennessey North Shore Trail Development
A.8 Napa River Ecological Reserve Public Access Improvements
A.9 Newell Open Space Preserve Improvements
A.10 Lake Berryessa Trail Development Phase I
A.11 Berryessa Peak and Blue Ridge Public Access Development
A.12 Berryessa Vista Wilderness Park Development
A.13 Pope and Putah Creeks Trail Development
A.14 Skyline Park Improvements Phase II
A.15 Camp Berryessa to Knoxville Recreation Area Trail Development
A.16 Napa Crest Trail Development
A.17 Napa River Access Development
A.18 San Francisco Bay Trail Completion in Napa County
A.19 Bay Area Ridge Trail Completion in Napa County
A.20 Backcountry Camping Facilities in the Palisades Area
A.21 River to Ridge Trail Encroachment Problem Resolution
A.22 Moore Creek Trails, Picnic Area, and Camping Facilities Development
A.23 Napa River Water Trail Development
A.24 Napa Valley Greenway/Vine Trail Development
A.25 Henry Road/Milliken Peak Area Trail Development
A.26 Countywide Trail Network Development

Goal B: Preserve, restore, and protect open space lands, natural resources, and habitat areas

B.1 Napa River Ecological Reserve Restoration
B.2 Lake Berryessa Estates Open Space Preservation
B.3 Berryessa Vista Acquisition
B.4 Vallejo Lakes Area Acquisition
B.5 South Napa Wetlands Habitat Acquisition
B.6 Linda Falls Conservation Easement
B.7 Palisades Cooperative Management Plan Development

B.8 Skyline Park Protection and Master Plan Development
B.9 Moore Creek Watershed Projection
B.10 Other High Priority Habitats Preservation

Goal C: Provide for recreational, cultural, environmental, and working landscapes education

C.1 Camp Berryessa Outdoor Education Program Development
C.2 Napa River Ecological Reserve Environmental Education Program Development
C.3 Napa River to Ridge Trail Interpretive Path Development
C.4 Rector Ridge Trail Interpretive Path Development
C.5 Napa River and Bay Trail Interpretive Path Development
C.6 South Napa Wetlands Habitat Interpretive Facilities and Programming Development
C.7 Huichica Creek Wetlands Interpretive Path Development
C.8 Oat Hill Mine Trail Interpretive Path Development
C.9 Cedar Roughs Interpretive Materials Development

Goal D: Provides for District management and partnerships

D.1 Develop District Budget Options for Alternative Levels of Service
D.2 Develop Public Information Programs
D.3 Consider Establishing a Non-Profit Foundation
D.4 Consider Forming District Advisory Committee
D.5 Establish Partnerships with Public Art, Historical, and Cultural Interpretation Organizations
D.6 Develop Volunteer Participation
D.7 Prepare and Adopt District Purchasing and Contracting Policies and Procedures
D.8 Prepare and Adopt District Policies and Ordinances for Public Use of Facilities
D.9 Adopt Policies and Develop Partnerships, Sponsorships, and Donation Programs for Use and Promotion of District Facilities
D.10 Consider Developing District Deputized Ranger Capacity
D.11 Prepare and Adopt Green Standards for Building and Operations
D.12 Develop and Implement Cooperative Strategies for Habitat Restoration
D.13 Update Countywide Inventory of Protected Open Space Lands
D.14 Update District Master Plan
D.15 Establish Partnerships with Land Conservation and Public Recreational Organizations and Agencies
D.16 Prepare and Adopt Habitat Stewardship Guidelines

California Government Code Section 56430

(a) In order to prepare and to update spheres of influence in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission. The commission shall include in the area designated for service review the county, the region, the subregion, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to each of the following:

(1) Infrastructure needs or deficiencies.

(2) Growth and population projections for the affected area.

(3) Financing constraints and opportunities.

(4) Cost avoidance opportunities.

(5) Opportunities for rate restructuring.

(6) Opportunities for shared facilities.

(7) Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers.

(8) Evaluation of management efficiencies.

(9) Local accountability and governance.

(b) In conducting a service review, the commission shall comprehensively review all of the agencies that provide the identified service or services within the designated geographic area.

(c) The commission shall conduct a service review before, or in conjunction with, but no later than the time it is considering an action to establish a sphere of influence in accordance with Section 56425 or Section 56426.5 or to update a sphere of influence pursuant to Section 56425.

(d) Not later than July 1, 2001, the Office of Planning and Research, in consultation with commissions, the California Association of Local Agency Formation Commissions, and other local governments, shall prepare guidelines for the service reviews to be conducted by commissions pursuant to this section.

California Government Code Section 56425

(a) In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies to advantageously provide for the present and future needs of the county and its communities, the commission shall develop and determine the sphere of influence of each local governmental agency within the county and enact policies designed to promote the logical and orderly development of areas within the sphere.

(b) Prior to a city submitting an application to the commission to update its sphere of influence, representatives from the city and representatives from the county shall meet to discuss the proposed new boundaries of the sphere and explore methods to reach agreement on development standards and planning and zoning requirements within the sphere to ensure that development within the sphere occurs in a manner that reflects the concerns of the affected city and is accomplished in a manner that promotes the logical and orderly development of areas within the sphere. If an agreement is reached between the city and county, the city shall forward the agreement in writing to the commission, along with the application to update the sphere of influence. The commission shall consider and adopt a sphere of influence for the city consistent with the policies adopted by the commission pursuant to this section, and the commission shall give great weight to the agreement to the extent that it is consistent with commission policies in its final determination of the city sphere.

(c) If the commission's final determination is consistent with the agreement reached between the city and county pursuant to subdivision (b), the agreement shall be adopted by both the city and county after a noticed public hearing. Once the agreement has been adopted by the affected local agencies and their respective general plans reflect that agreement, then any development approved by the county within the sphere shall be consistent with the terms of that agreement.

(d) If no agreement is reached pursuant to subdivision (b), the application may be submitted to the commission and the commission shall consider a sphere of influence for the city consistent with the policies adopted by the commission pursuant to this section.

(e) In determining the sphere of influence of each local agency, the commission shall consider and prepare a written statement of its determinations with respect to each of the following:

(1) The present and planned land uses in the area, including agricultural and open-space lands.

(2) The present and probable need for public facilities and services in the area.

(3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

(4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

(f) Upon determination of a sphere of influence, the commission shall adopt that sphere.

(g) On or before January 1, 2008, and every five years thereafter, the commission shall, as necessary, review and update each sphere of influence.

(h) The commission may recommend governmental reorganizations to particular agencies in the county, using the spheres of influence as the basis for those recommendations. Those recommendations shall be made available, upon request, to other agencies or to the public. The commission shall make all reasonable efforts to ensure wide public dissemination of the recommendations.

(i) When adopting, amending, or updating a sphere of influence for a special district, the commission shall do all of the following:

(1) Require existing districts to file written statements with the commission specifying the functions or classes of services provided by those districts.

(2) Establish the nature, location, and extent of any functions or classes of services provided by existing districts.

LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

Policy on Municipal Service Reviews

Adopted: November 3, 2008

I. Background

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires the Commission to prepare municipal service reviews in conjunction with its mandate to review and update each local agency's sphere of influence every five years as necessary. The legislative intent of the municipal service review process is to inform the Commission with regard to the availability, capacity, and efficiency of governmental services provided within its jurisdiction prior to making sphere of influence determinations. Municipal service reviews must designate the geographic area in which the governmental service or services are under evaluation. Municipal service reviews must also include determinations addressing the governance factors prescribed under Government Code Section 56430 and any other matters relating to service provision as required by Commission policy.

II. Purpose

The purpose of these policies is to guide the Commission in conducting municipal service reviews. This includes establishing consistency with respect to the Commission's approach in the (a) scheduling, (b) preparation, and (c) adoption of municipal service reviews.

III. Objective

The objective of the Commission in conducting municipal service reviews is to proactively and comprehensively evaluate the level, range, and structure of governmental services necessary to support orderly growth and development in Napa County. Underlying this objective is to develop and expand the Commission's knowledge and understanding of the current and planned provision of local governmental services in relationship to the present and future needs of the community. The Commission will use the municipal service reviews not only to inform subsequent sphere of influence determinations but also to identify opportunities for greater coordination and cooperation between providers as well as possible government structure changes.

IV. Municipal Service Review Policies

A. Scheduling

Beginning in 2008, and every five years thereafter, the Commission will hold a public hearing to adopt a study schedule calendaring municipal service reviews over the next five year period. Public hearing notices will be circulated 21 days in advance to all local agencies as well as posted on the Commission website. The Commission will generally schedule municipal service reviews in conjunction with sphere of influence updates. The Commission, however, may schedule municipal service reviews independent of sphere of influence updates. The Commission may also amend the study schedule to add, modify, or eliminate calendared municipal service reviews to address changes in circumstances, priorities, and available resources.

In adopting a study schedule, the Commission will calendar three types of municipal service reviews. These three types of municipal service reviews are 1) service-specific, 2) region-specific, and 3) agency-specific and are summarized below.

- A service-specific municipal service review will examine particular governmental services across multiple local agencies on a countywide basis.
- A region-specific municipal service review will examine the range of governmental services provided by local agencies within a particular area.
- An agency-specific municipal service review will examine the breadth of governmental services provided by a particular local agency.

B. Preparation

The Commission will encourage input among affected local agencies in designing the municipal service reviews to enhance the value of the process among stakeholders and capture unique local conditions and circumstances effecting service provision. This includes identifying appropriate performance measures as well as regional growth and service issues transcending political boundaries. The Commission will also seek input from the affected local agencies in determining final geographic area boundaries for the municipal service reviews. Factors the Commission may consider in determining final geographic area boundaries include, but are not limited to, spheres of influence, jurisdictional boundaries, urban growth boundaries, general plan designations, and topography.

The Commission will prepare the municipal service reviews but may contract with outside consultants to assist staff as needed. Data collection is an integral component of the municipal service review process and requires cooperation from local agencies. The Commission will strive to reduce the demands on local agencies in the data collection process by using existing information resources when available and adequate. All service related information compiled by local agencies will be independently reviewed and verified by the Commission.

Each municipal service review will generally be prepared in three distinct phases. The first phase will involve the preparation of an administrative report and will include a basic outline of service information collected and analyzed by staff. The administrative report will be made available to each affected local agency for their review and comment to identify any technical corrections. The second phase will involve the preparation of a draft report that will be presented to the Commission for discussion at a public meeting. The draft report will incorporate any technical corrections identified during the administrative review and include determinations. The draft report will be made available to the public for review and comment for a period of no less than 21 days. The third phase will involve the preparation of a final report and will address any new information or comments generated during the public review period and will be presented to the Commission as part of a public hearing.

As noted, each municipal service review will include one or more determinations addressing each of the following governance factors required under Government Code Section 56430 and by Commission policy:

1. Growth and population projections for the affected area. (§56340(a)(1)).

2. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies. (§56340(a)(2))

3. Financial ability of agencies to provide services. (§56340(a)(3))

4. The status of, and opportunities for, shared facilities. (§56340(a)(4))

5. Accountability for community service needs, including governmental structure and operational efficiencies. (§56340(a)(5))

6. Relationship with regional growth goals and policies. (Commission)

C. Adoption

The Commission will complete each scheduled municipal service review by formally receiving a final report and adopting a resolution codifying its determinations as part of public hearing.