

RESOLUTION NO. _____

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

**MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE:
CITY OF CALISTOGA**

WHEREAS, the Local Agency Formation Commission of Napa County, hereinafter referred to as the “Commission”, adopted a schedule to conduct studies of the provision of municipal services within Napa County and studies of spheres of influence of the local governmental agencies whose jurisdictions are within Napa County; and

WHEREAS, a “Municipal Service Review and Sphere of Influence Update” has been prepared for the City of Calistoga pursuant to said schedule and the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, commencing with Section 56000 of the California Government Code; and

WHEREAS, a written report on the municipal service review has been prepared that includes considering the adequacy of governmental services provided by the City of Calistoga and the Executive Officer recommends affirming the existing sphere of influence of the City of Calistoga with no changes; and

WHEREAS, the Executive Officer’s report was presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at its public meetings concerning the Municipal Service Review and Sphere of Influence Update on the City of Calistoga on July 18, 2016 and October 3, 2016;

WHEREAS, as part of the municipal service review, the Commission is required pursuant to California Government Code Section 56430 to make a statement of written determinations with regards to certain factors; and

WHEREAS, in considering the update to the City of Calistoga’s sphere of influence, the Commission also considered all the factors required by law under California Government Code Section 56425.

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

1. The Commission determines the municipal service review is exempt from further environmental review under the California Environmental Quality Act pursuant to California Code of Regulations Section 15306. This finding is based on the Commission determining with certainty that the municipal service review is limited to basic data collection, research, and resource evaluation activities which do not result in a serious or major disturbance to any environmental resource.

2. Having reviewed the municipal services provided by the City of Calistoga, the Commission adopts the statement of determinations prepared as part of the municipal service review as set forth in Exhibit One, which is attached hereto and hereby incorporated by reference.
3. In determining the sphere of influence for the City of Calistoga, pursuant to California Government Code Section 56425 of the Government Code, the Commission adopts the statement of determinations set forth in Exhibit Two, which is attached hereto and hereby incorporated by reference.
4. The Commission hereby affirms the sphere of influence of the City of Calistoga without modification, as shown in Exhibit Three.
5. The Commission, as lead agency, finds the affirmation of the City of Calistoga's existing sphere of influence with no changes is exempt from further review under the California Environmental Quality Act pursuant to California Code of Regulations Section 15061(b)(3). This finding is based on the Commission determining with certainty that the affirmation of the existing sphere will have no possibility of significantly effecting the environment given no new land use or municipal service authority is granted.
6. The effective date of this sphere of influence update shall be the date of adoption set forth below.

The foregoing resolution was duly and regularly adopted by the Commission at a regular meeting held on October 3, 2016, by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSTAIN: Commissioners _____

ABSENT: Commissioners _____

ATTEST: Brendon Freeman
Executive Officer

Recorded by: _____
Kathy Mabry
Commission Secretary

EXHIBIT ONE

STATEMENT OF DETERMINATIONS

CITY OF CALISTOGA MUNICIPAL SERVICE REVIEW

1. Growth and population projections for the affected area (Government Code 56430(a)(1)):
 - a) Calistoga's population is 5,180 full-time residents as of January 2016. Between census year 2010 and today (2015), the City's population grew by 25 persons and this represents a past average annual growth rate of 0.08%.
 - b) Calistoga has been proactive in adopting policies to control the amount of new growth and development in the City. These efforts include a policy discouraging annexations of unincorporated lands.
 - c) Calistoga's Growth Management System is an innovative approach in controlling growth and development in the City by creating a market for residential and non-residential allocations. This system helps Calistoga preserve its desired rural character while providing an incentive for applicants to submit quality proposals.
 - d) The Association of Bay Area Governments estimates a modest population growth of 200 residents for Calistoga over the next 10 years, which represents an annual increase of less than 0.38%. This estimate reflects a regional assumption that growth in the Bay Area will increasingly migrate towards existing urban areas.
 - e) The County of Napa's land use policies for unincorporated lands located within the Planning Area of the Calistoga General Plan limit opportunities for new growth and development adjacent to the City.
 - f) The Commission's 2012 Law Enforcement Municipal Service Review noted the following: "Yountville and Calistoga have the highest percentage of guestrooms relative to their resident populations among the six affected local jurisdictions. If guestrooms are fully occupied, Yountville and Calistoga's overnight resident populations would increase by 35.3% and 23.6%, respectively." This determination remains relevant to the City of Calistoga.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to spheres of influence (Government Code 56430(a)(2)):
 - a) Since Calistoga is an incorporated city, there are no disadvantaged unincorporated communities within its boundaries.
 - b) The median household income (MHI) in Calistoga is \$52,131.
 - c) Based on supplemental information provided by the City, the community may be classified as “disadvantaged.” However, the Commission’s role in this “disadvantaged” status is limited because the City provides sufficient provide water, wastewater and structural fire protection services. Additionally, no public health and safety issues have been noted.
3. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies (Government Code 56430(a)(3)):
 - a) The City of Calistoga has been diligent in developing plans to accommodate the service needs of current and future constituents. Calistoga regularly reviews and updates its service plans to help ensure that infrastructure needs and deficiencies are addressed in a timely manner.
 - b) Calistoga has made a significant investment over the last several years in funding various capital improvements and reflects a concerted effort by the City to enhance the level and range of its municipal services.
 - c) Calistoga’s local municipal average annual water demand is approximately 716 acre-feet.
 - d) A considerable portion of Calistoga’s available water supply is the State Water Project. However, allocations from this source vary annually depending on available water flow.
 - e) Calistoga contracts with the City of Napa to treat and deliver its State Water Project entitlement through an interconnection between the two agencies' transmission lines. Capacity constraints with Calistoga's transmission line, however, limit the daily amount of deliveries from the City of Napa.
 - f) Factors that influence Calistoga’s ability to supply and/or deliver water to its customers include drought, environmental restrictions on pumping from the Delta, pipe size capacity limits from the City of Napa
 - g) Given potential future shortfalls in water supply and Calistoga’s reliance on the State Water Project, the City and LAFCO may wish to consider new policies or processes which require very careful evaluation of long-term water supplies before it commits to providing water to parcels outside city boundaries.

- h) Given Calistoga's reliance on the State Water Project and potential future shortfalls in water supply during dry or extremely dry water years, it is recommended that the City of Calistoga prepare a brief study of potential for future water supply alternatives, which may include: 1) desalinization, 2) expanding its recycled water program, 3) constructing wells, 4) increased water use efficiency, or 5) other. This study should be prepared by a qualified hydrologist. Calistoga should explore this concept of new future water supply alternatives collaboratively with other municipalities in Napa County. Ideally, this study should be submitted to the Commission within the next five years, prior to preparation of the next municipal service review.
 - i) There are fluctuations between the average daily wastewater flows within Calistoga's sewer system between dry-weather and wet-weather periods. These fluctuations suggest improvements are needed to the collection system to address suspected deficiencies involving excessive storm and groundwater intrusion. Although the City has made improvements over the past several years, additional work is needed.
 - j) Calistoga recently received a score of "fair" for pavement conditions within the City from the Metropolitan Transportation Commission. This score indicates that pavement in Calistoga is generally worn and in need of rehabilitation. Improvements have been made but more are still needed.
4. Financial ability of agencies to provide services (Government Code 56430(a)(4)):
- a) The City of Calistoga's budget process provides a revenue forecast for one year in advance allowing a longer look into the future to fund service delivery and to plan for future improvements. The City adopts a comprehensive budget and receives an audited financial statement on an annual basis.
 - b) Both the Water and the Wastewater Enterprise Fund are managed efficiently. However, charges for service do not fully cover costs. A subsidy from the General Fund is sometimes needed to help cover the costs of capital improvements to the system.
 - c) Calistoga adopts its budget at public meetings in which members of the public are allowed to comment with regard to expenditures and service programs. The budget process enhances the accountability of elected officials and provides a clear directive towards staff with regard to prioritizing local resources.
 - d) Calistoga has been diligent in the development of policies and service plans that address the existing and future needs of the community. These efforts provide effective performance measures and demonstrate a commitment by Calistoga to hold itself accountable to the public.

- e) Calistoga's rates and fees for municipal services are established by ordinance or resolution. The ordinances or resolutions are based on staff recommendations and adopted by the City Council. This administrative process provides an opportunity for public input and strengthens the ability of Calistoga to allocate costs with the desired levels of service of its constituents.
 - f) Calistoga has been proactive in establishing and implementing a number of impact fees relating to new development. These fees help ensure that Calistoga is practicing an appropriate level of cost-recovery as it relates to serving new development in a manner that is equitable to existing constituents.
 - g) Calistoga periodically reviews and updates its rates for public services.
 - h) Calistoga benefits from participating in a number of cost-sharing programs with other local governmental agencies. These programs promote the benefits of regional partnerships and provide significant cost-savings in providing key governmental services, such as affordable housing, garbage collection, and public transit.
 - i) Calistoga maintains and annually reviews a capital improvement plan to coordinate the financing and construction of needed infrastructure and facility improvements. This process enables Calistoga to maximize its operational efficiencies while avoiding unnecessary expenditures associated with deferring improvements.
 - j) Calistoga's annual budget process includes several checks and procedures during the fiscal year to help allocate available funding with appropriate levels of service.
 - k) The City generated \$9,314 per acre in average revenue in 2015 and this higher than its neighboring City of St. Helena and lower than Yountville.
 - l) In fiscal year 2014-2015, Calistoga collected approximately \$5,037,136 in transient-occupancy tax revenues. In the past, overreliance on this one revenue stream created a risk. Since then, the City has worked to increase multiple revenue streams including sales and property tax.
5. Status of, and opportunities for, shared facilities (Government Code 56430(a)(5)):
- a) The City of Calistoga has a solid track record of working cooperatively with neighboring jurisdictions.
 - b) Calistoga participates in joint-power arrangements with the Upper Valley Waste Management Agency, the Napa County Transportation and Planning Agency, and the Napa County Flood Control and Water Conservation District and others. These arrangements help maximize local resources among participating agencies in providing garbage collection, public transportation, and flood control services within their respective jurisdictions.

- c) The Commission's 2012 Law Enforcement Municipal Service Review noted that the City has its own competitive procurement processes with respect to purchasing motor vehicles for law enforcement services. It would seem reasonable and more efficient for Calistoga to consider pooling its respective resources and establish a joint procurement process with other local agencies such as American Canyon, Calistoga, Napa, St. Helena, and County Sheriff. Their combined buying power would presumably produce cost-savings. This recommendation remains relevant to the City of Calistoga.
 - d) The Commission's 2012 Law Enforcement Municipal Service Review noted that "Calistoga and St. Helena should consider the merits of establishing a joint dispatch system for law enforcement for their respective jurisdictions. This type of joint arrangement, as evident in other parts of the county, would enhance communication and delivery of emergency response services for a relatively confined area that shares similar social and economic communities of interest." This recommendation remains relevant to the City of Calistoga.
6. Accountability for community service needs, including governmental structure and operational efficiencies (Government Code 56430(a)(6)):
- a) The Calistoga City Council meetings are held twice a month and are open to the public.
 - b) Regularly scheduled meetings provide an opportunity for residents to ask questions of elected representatives and help ensure service information is effectively communicated to the public. The meetings are noticed and conducted according to the Brown Act.
 - c) Calistoga provides effective services through its council-manager form of government, and utilizes other governmental advising bodies, community organizations, and the general public to help inform its decision-making process. Through this structure, public engagement is encouraged and City plans and programs reflect citizen input.
 - d) Calistoga has utilized its General Plan and other planning tools to:
 - Steer a course for its own future
 - Promote economic development
 - Protect historic areas, neighborhoods, and farmland
 - Limit the obligations of government by strategic building and maintaining infrastructure through capital improvement planning and investments.
 - e) In the past, Calistoga established water service to 82 properties located outside its incorporated boundary. LAFCO and Calistoga must work together to ensure new and extended services provided by the City outside its jurisdiction are consistent with the provisions of California Government Code Sections 56133 and 56133.5.

- f) LAFCO approved several small annexations to Calistoga in the early 1970s that were not subsequently recorded with the State of California. As part of this Municipal Service Review and Sphere of Influence Update process, the Commission's records were review and no information explaining why these proposals were not recorded was found. However, the Commission may also consider working with Calistoga and the State in identifying why these proposals were not recorded.
- g) The Institute for Local Government's Sustainability Best Practices Framework offers options for cities and water service providers to take local action concerning Energy Efficiency & Conservation, Water and Wastewater Systems, Waste Reduction and Recycling, and other civic topics. When Calistoga next develops new programs or policies on water, wastewater, or waste reduction it is recommended that some of the ideas listed in the Best Practices Framework be briefly reviewed.
- h) Calistoga's Police Department is effectively managed and is responsive to current community needs.
- i) The Commission's 2012 Municipal Service Review on Law Enforcement noted the following: "The planning and delivery of local law enforcement services are generally guided by qualitative goals outlined in the six affected agencies' general plans. Measuring the achievement of these goals would be strengthened by each affected local agency establishing quantitative standards to help track performance and inform decision-making as it relates to current and future resource needs." This recommendation remains pertinent to the City of Calistoga.
- j) The Commission's 2012 Municipal Service Review on Law Enforcement noted the following: "Calistoga and St. Helena's geographic and socioeconomic similarities suggest there may be viable opportunities to share and/or combine resources in delivering law enforcement services within their respective jurisdictions. This includes back-officing dispatch and animal control services." This recommendation remains pertinent to the City of Calistoga.
- k) The Commission's 2012 Municipal Service Review on Law Enforcement noted the following: "Visitors are an integral component in supporting Napa County's economy as evident by sales and transient-occupancy tax revenues and create additional and fluid demands on all six local law enforcement agencies." This determination remains pertinent to the City of Calistoga.
- l) Crime statistics on Calistoga's Police Department website have not been updated since 2009. It is recommended that the Police Department website be updated to provide a link to its recent crime statistics either at the FBI or in the City's Annual Audited Financial Report.

- m) In 2015, the police Department received 9,592 calls for service. This is an exceedingly high number of annual service calls relative to Calistoga's geographic and population size. It is also recommended that prior to the next Municipal Service Review, the Police Department provides a brief study to the Commission that explains why the City experiences such a high number of annual service calls.
 - n) In 2014 the Department reported a total of 76 crimes to the FBI and this represents 14.4 crimes per thousand persons on an annual basis. This is significantly lower than the statewide average of 287 crimes per 1,000 persons.
 - o) The Commission's 2012 Municipal Service Review on Law Enforcement noted that "It would seem appropriate for Calistoga and St. Helena, given the costs and related challenges associated with sustaining relatively small stand-alone departments, to consider structural alternatives in providing law enforcement services. This includes – based on a cursory review of potential alternatives – the two affected local agencies exploring the feasibilities of forming a joint-powers authority with one another and/or one or both agencies contracting with County Sheriff." This recommendation remains relevant to the City of Calistoga. Furthermore, it is recommended that the Calistoga Police Chief work with the St. Helena Police Chief to submit a brief joint analysis of this issue to LAFCO prior to the next Calistoga Municipal Service Review expected in the year 2021.
 - p) The Calistoga Fire Department responded to 854 calls for service in 2014. The high rate of calls per 1,000 residents is likely influenced by requests for services from senior citizens and tourists.
 - q) The City of Calistoga maintains a contract with Napa County such that the City provides emergency response services to all incidents in the unincorporated area surrounding Calistoga. Under the contract, the City receives a set fee per call to compensate for the costs the City incurs.
7. Any other matter related to effective or efficient service delivery, as required by commission policy (Government Code 56430(a)(7)):
- a) There are no other aspects of City of Calistoga services required to be addressed in this report by Commission policies that would affect delivery of services.

EXHIBIT TWO

STATEMENT OF DETERMINATIONS

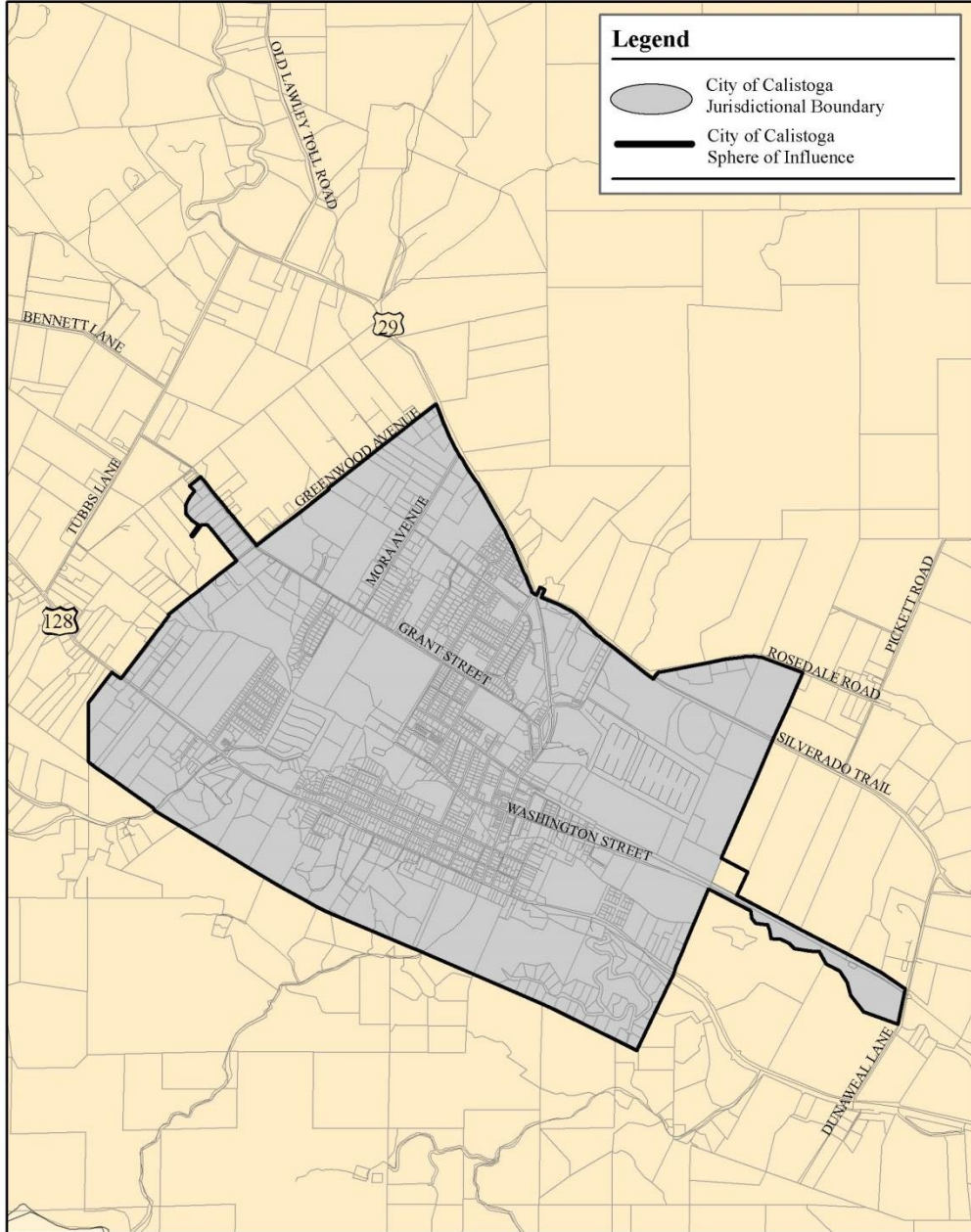
CITY OF CALISTOGA SPHERE OF INFLUENCE UPDATE

1. Present and planned land uses in the sphere, including agricultural and open-space lands (Government Code 56425(e)(1)):
 - a) The present and planned land uses in the sphere are adequately contemplated under the Calistoga General Plan. The Calistoga General Plan provides for the current and future urban uses characterizing the majority of the sphere.
 - b) Present land uses within the SOI include residential and commercial uses. A small amount of land located in the sphere is under agricultural use. These existing agricultural uses will not be affected by their retention in the sphere.
 - c) The territory within Calistoga provides several opportunities for infill development and SOI expansion is not necessary.
2. The present and probable need for public facilities and services in the sphere (Government Code 56425(e)(2)):
 - a) The City of Calistoga provides a full range of municipal services within the sphere either directly or through contracts with other public or private entities. These public services support the present and planned urban uses within the sphere as contemplated in the Calistoga General Plan.
 - b) Undeveloped and unincorporated parcels located adjacent to the City do not need traditional urban services, as most of the area is currently agricultural.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide (Government Code 56425(e)(3)):
 - a) The City of Calistoga has demonstrated its ability to provide an adequate level and range of public services within its sphere of influence. The City has developed policies, service plans, and programs to provide adequate and effective municipal services for the area.

4. The existence of any social or economic communities of interest in the sphere if the Commission determines that they are relevant to the agency (Government Code 56425(e)(4)):
 - a) The City of Calistoga has established social and economic interdependencies within the sphere that are distinct from neighboring unincorporated areas. This MSR/SOI Update acknowledges these established community ties.
 - b) The social and economic health of the area is measurably enhanced by the municipal services provided by the City of Calistoga.
5. Present and probable need for public services for disadvantaged unincorporated communities (Government Code 56425(e)(5)):
 - a) No disadvantaged unincorporated communities meeting the definition under State law have been identified anywhere in Napa County.

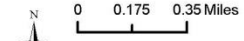
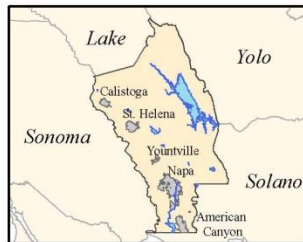
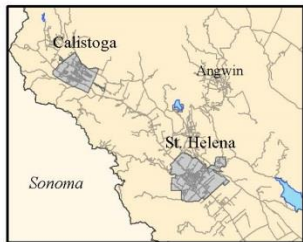
EXHIBIT THREE

City of Calistoga



Legend

- City of Calistoga Jurisdictional Boundary
- City of Calistoga Sphere of Influence



October 3, 2016
Prepared by BF



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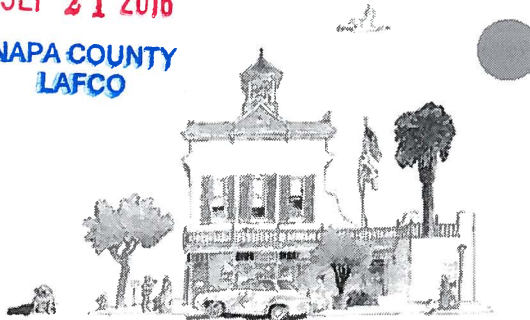
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SEP 21 2016

NAPA COUNTY
LAFCO

CITY OF CALISTOGA

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September 21, 2016

Diane Dillon, Chair
Local Agency Formation Commission of Napa County
1030 Seminary Street, Suite B
Napa, California 94559

**Subject: Request for Public Hearing Continuation
Calistoga Municipal Service Review and Sphere of Influence Update**

Dear Chair Dillon,

The Calistoga City Council hereby requests that the Local Agency Formation Commission of Napa County continue its consideration of the Calistoga Municipal Service Review and Sphere of Influence Update, which is scheduled for a LAFCO public hearing on October 3, 2016.

The City received the Final MSR and Sphere of Influence Update from LAFCO on September 16, 2016, which did not provide sufficient opportunity for review and consideration by staff or the City Council prior to the Council's scheduled September 20th public hearing. Therefore, the Council could not take action and continued the matter to its October 18, 2016 meeting.

The Final document will be distributed to staff, the Council and the public for review. The City Council's comments will be provided to LAFCO shortly after its October 18th hearing.

Postponement of action on this item by LAFCO, per our request, would be consistent with its goal of encouraging an open and engaged process.

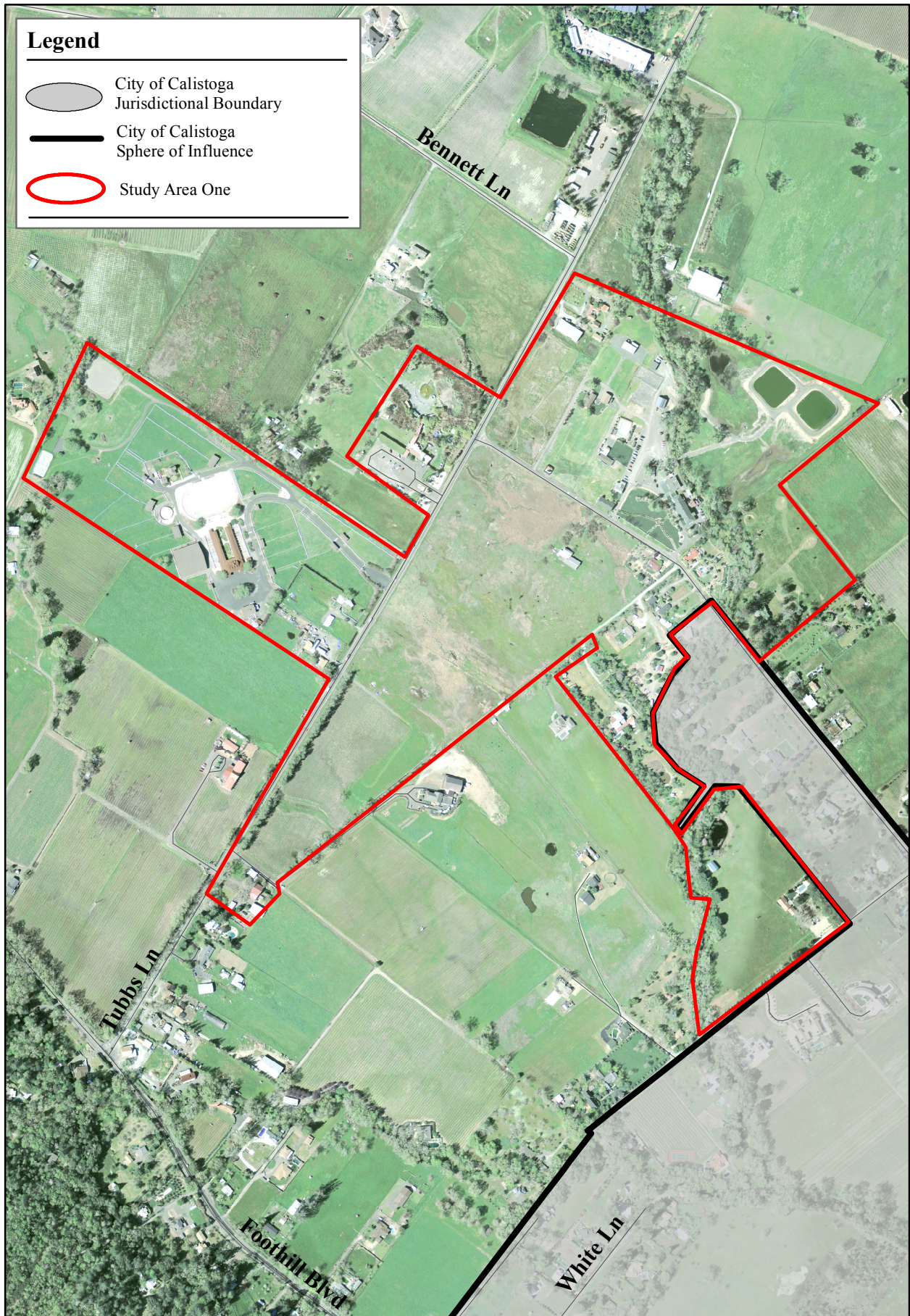
Thank you for your consideration.

Sincerely,

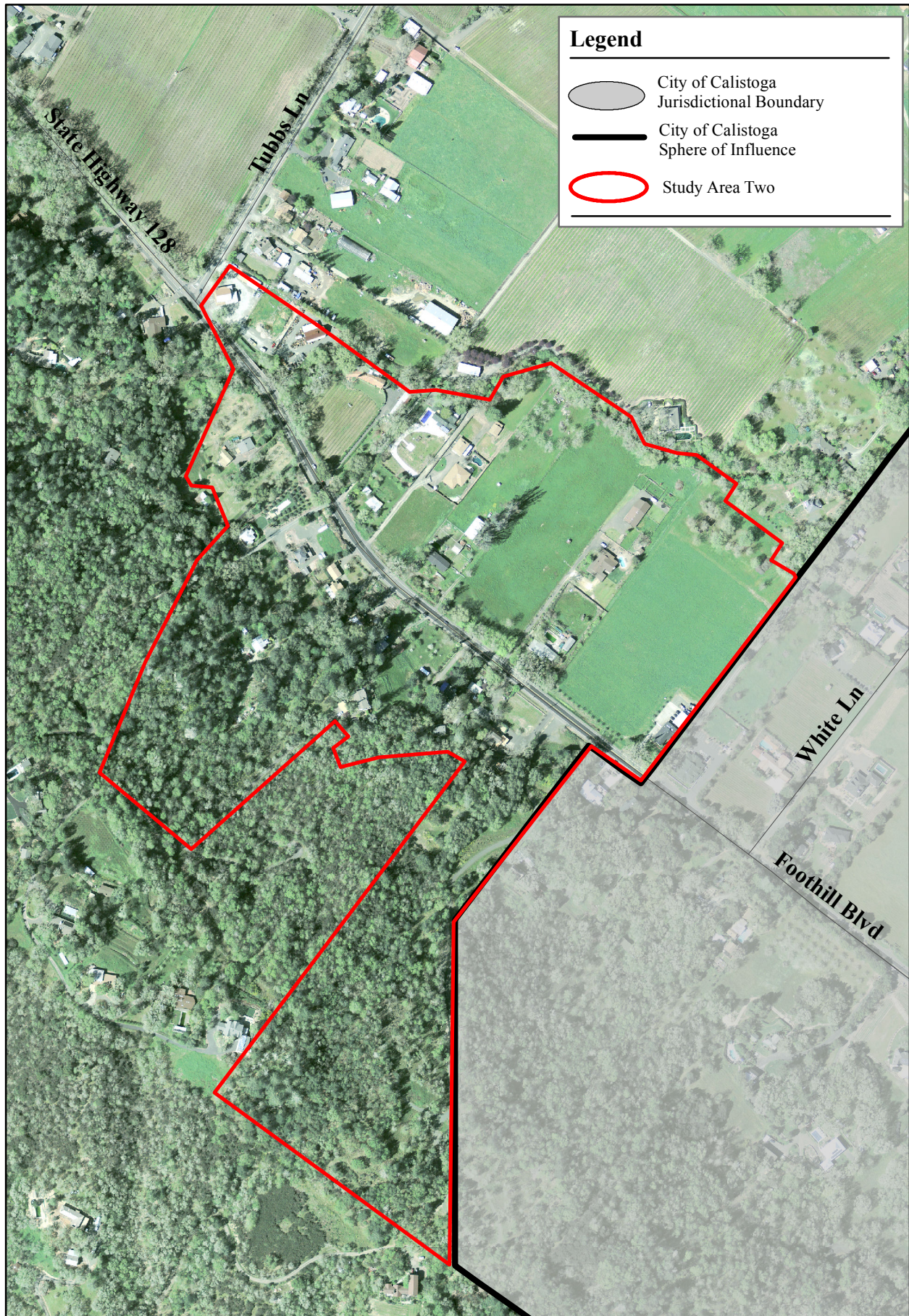

Dylan Peik
City Manager

Cc: by letter
Brendon Freeman, Executive Officer

City of Calistoga



City of Calistoga



City of Calistoga

