



Lou Ann Teixeira  
 Executive Officer

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April 18, 2018  
 Agenda Item 9

April 18, 2018 (Agenda)  
 Local Agency Formation Commission  
 651 Pine Street, Sixth Floor  
 Martinez, CA 94553

**Authorize Service Contract - Countywide 2<sup>nd</sup> Round Municipal Service Review  
 and Sphere of Influence Updates – “City Services”**

Dear Members of the Commission:

**DISCUSSION**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires that on or before January 1, 2008, and every five years thereafter, LAFCO review and update the sphere of influence (SOI) of each local agency, as necessary. As part of the SOI update, LAFCO must prepare a corresponding Municipal Service Review (MSR) to determine the range and adequacy of governmental services provided.

In April 2013, Contra Costa LAFCO completed its inaugural MSR cycle covering all 19 cities and 75 special districts. In conjunction with the MSRs, LAFCO updated the SOIs for most agencies. In August 2013, LAFCO initiated its 2<sup>nd</sup> round MSRs/SOI updates. To date, LAFCO has completed 2<sup>nd</sup> round MSRs covering water/wastewater (2014), reclamation/levee (2015), fire and emergency medical services (2016), and healthcare services (2018).

As part of the FY 2017-18 work plan and budget, the Commission approved preparing two 2<sup>nd</sup> round MSRs - *healthcare services* covering three healthcare districts and County healthcare services, and “*city services*” covering cities and community services districts (CSDs). The 2<sup>nd</sup> round healthcare services MSR was completed in January 2018.

The “city services” MSR will cover the 19 cities and four of the six CSDs, excluding the Dublin San Ramon Services District (DSRSD) and Knightsen Town CSD as these districts were reviewed in the 2014 2<sup>nd</sup> round water/wastewater MSR. Also, Alameda LAFCO is the principal LAFCO for DSRSD and also conducts an MSR and establishes the SOI for this district.

Contra Costa LAFCO’s first round city MSRs were prepared by sub-region (central, east and west), and were completed in 2009. The CSDs were previously covered in various MSRs including sub-regional and service-specific MSRs (e.g., parks/recreation, law enforcement, etc.).

As proposed, municipal services to be covered in the “*city services*” MSR will include those listed below. Water, wastewater, and fire/emergency medical services will not be reviewed as these services were covered in recent 2<sup>nd</sup> round MSRs.

- Animal control
- Broadband
- Building/planning
- Law enforcement
- Library
- Lighting
- Parks & recreation
- Solid waste
- Streets/roads
- Stormwater
- Utilities (gas, electricity/community choice aggregation)

As proposed, the 2<sup>nd</sup> round “*city services*” MSR will focus on the following:

- ❖ Updating profile data including growth and population, jobs/housing, finances (expenses, revenues, debt, reserves, related fiscal health indicators), and staffing
- ❖ Shared services (i.e., joint powers/joint use agreements, contracts between public agencies, public-private partnerships)
- ❖ Infill development/sprawl prevention/islands
- ❖ Agricultural/open space preservation

**Consultant Recruitment Process** - Contra Costa LAFCO relies primarily on consultants to prepare MSRs. In February 2018, the Commission approved release of a Request for Proposals (RFP) and Scope of Services for the “*city services*” MSR. The RFP was released on February 16<sup>th</sup>, was sent to over 30 firms, and posted on the Contra Costa LAFCO, CALAFCO, California Special Districts Association and League of California Cities websites. Proposals were submitted by the following firms (copies of the proposals are available upon request):

- Lamphier-Gregory & Berkson Associates
- RSG

The proposals vary in terms of approach, number of team members, timelines, and costs, which range from \$89,941 to \$145,675. *Lamphier-Gregory & Berkson Associates* bring extensive LAFCO experience including environmental planning, LAFCO MSRs and special studies, and financial/fiscal expertise. The *RSG* team includes strong fiscal/financial professionals, extensive work with cities, as well as experience preparing several LAFCO fiscal studies and MSRs.

A screening committee composed of LAFCO professionals including **Brendon Freeman**, Executive Officer, Napa LAFCO and **Rich Seithel**, Executive Officer, Solano LAFCO, along with your Executive Officer reviewed the proposals and interviewed the firms on April 6<sup>th</sup>. The interviews were structured, with questions designed to gauge the consultants’ understanding of the required tasks, proposed approach to the MSR, experience and familiarity with LAFCO, knowledge of healthcare services, qualifications of personnel assigned to work on the MSR, budget, timeline and other factors.

Following the interviews, the committee concluded that while both firms are qualified and could provide the needed services, it is recommended that the Commission hire the team of Lamphier-

Gregory & Berkson Associates to prepare the 2<sup>nd</sup> round “city services” MSR. Following the interviews, LAFCO staff conducted a reference check and reviewed some of the firms’ sample MSR work products; all were positive and support the committee’s recommendation. The Lamphier-Gregory team has significant experience working with LAFCOs and local agencies.

- ❖ **Lamphier-Gregory** is a professional services firm specializing in urban planning, environmental analysis and project management. The Lamphier-Gregory team includes Nat Taylor, who will serve as Project Director. Mr. Taylor has extensive local government and LAFCO experience. He has served as planning advisor to both Contra Costa LAFCO (since 2008) and Alameda LAFCO (since 2014). Mr. Taylor’s associate Sharon Wright will serve as Project Manager and will be responsible for most of the MSR work. Ms. Wright also brings extensive planning expertise along with recent LAFCO work. In January 2018, Lamphier-Gregory completed an MSR for Alameda LAFCO covering Alameda County’s 14 cities; Ms. Wright was the Project Manager for this MSR and performed most of the work.
  
- ❖ **Richard L. Berkson**, Principal, Berkson Associates, has over 30 years of experience working with local agencies throughout California. Areas of expertise include government organization, fiscal, financial and market analysis, and public finance. Richard has prepared numerous LAFCO governance studies and MSRs; studies addressing incorporations, annexations, special district formations, consolidations, and dissolutions; design and preparation of financial strategy studies, capital and infrastructure plans, fee, tax and related studies. Mr. Berkson has worked with Contra Costa LAFCO on a number of MSRs and special studies, including the Healthcare Services MSR (2018), EMS/Fire MSR (2016), and special studies for the West Contra Costa Healthcare District (2016), the Rollingwood Wilart Park Recreation & Park District (2016), and the Mt. Diablo Healthcare District Reorganization (2011). Berkson Associates will collaborate with Economic & Planning Systems, Inc. (EPS) in preparing the financial review component of the MSR.

## **FINANCING**

It is anticipated that this MSR will carry over to FY 2018-19. Adequate funding is included in the FY 2017-18 and FY 2018-19 LAFCO budgets to cover costs associated with this MSR.

## **RECOMMENDATION**

Authorize staff to execute a contract with Lamphier-Gregory & Berkson Associates to prepare the 2<sup>nd</sup> round “city services” MSR/SOI updates for the term May 1, 2018 through April 30, 2019 in an amount not to exceed \$90,000.

Sincerely,

LOU ANN TEXEIRA  
EXECUTIVE OFFICER

c: Distribution