



Lou Ann Texeira
 Executive Officer

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August 8, 2018
 Agenda Item 10

August 8, 2018

Contra Costa Local Agency Formation Commission
 651 Pine Street, Sixth Floor
 Martinez, CA 94553

“City Services” Municipal Services Review Update

Dear Members of the Commission:

In May 2018, Contra Costa LAFCO embarked on its second round “City Services” Municipal Services Review (MSR) covering all 19 cities and four of the six community services districts (CSDs).

On May 10th, the lead MSR consultant and LAFCO Executive Officer attended the monthly public managers (PMA) meeting to provide an overview the MSR process – why we do them, what the 2nd round review will cover, timeline, etc. We also distributed an MSR information sheet, which provides information regarding the statutory requirements to prepare MSRs and update spheres of influence, along with a summary of what the 2018 city services MSR will cover, the value of MSRs and the public input opportunities (Attachment 1). Further, we informed the PMA that the requests for information (RFIs) would arrive in mid-June, instead of the original mid-May date, as LAFCO did not want to interfere with city budget work.

On June 15th, RFIs, along with an explanatory cover letter and supporting documents, were emailed to each city/district manager and each city/district finance manager. The city managers received several spreadsheets with some pre-populated data, and the finance managers received a list of questions. LAFCO requested that the responses be returned by July 16, 2018.

On June 15th, LAFCO staff received an email from David Biggs, City Manager, City of Hercules (Attachment 2). Mr. Biggs expressed concerns with the magnitude of information requested and the impact it will have on city staff. Also, he suggested that much of the information requested is available online (e.g., State Controller’s reports, etc.); and that more of the information should be pre-populated. Both the consultant and I spoke with Mr. Biggs and the consultant provided Mr. Biggs a time extension to August 3rd to respond to the RFIs.

Subsequently, Mr. Biggs asked if LAFCO staff could attend the July 11th PMA meeting. Unfortunately, due to other commitments, LAFCO staff was unavailable to attend, and asked that Mr. Biggs extend

apologies to the group and advise the city managers that if they need more time to complete the RFIs to please contact the consultant or LAFCO staff and we would accommodate them.

On July 13th, LAFCO staff received a second email from Mr. Biggs, which is attached along with LAFCO staff's responses (Attachment 3). All who received the RFIs in June (i.e., City Managers and City Finance Managers) were copied on the responses.

I believe that three of the four issues have been resolved. The only outstanding issue is the request that LAFCO extend the deadline for submittal of the requested MSR information to September 14, 2018. As explained in my response, LAFCO staff cannot recommend an extension to September 14th as this will impact the Commission's annual work plan (adopted March 2018), the MSR schedule (LAFCO is scheduled to start another 2nd round MSR this fiscal year), the consultant's contract and their client workload, and, potentially, the LAFCO budget, which is funded by the County, cities and special districts. Further, LAFCO has already delayed roll-out of the "City Services" MSR by one month so as not to interfere with city budget work.

All cities that have requested limited extensions of time have received them. The longest extension request was to August 6, 2018. And as of this writing, LAFCO has received full or partial responses from 12 of the 23 agencies included in this MSR; and we expect that most other agencies will provide their information by August 6th.

RECOMMENDATION: It is recommended that the Commission provide input and direction as desired.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

c: Distribution

Attachment 1 – 2018 City Services MSR Information Sheet

Attachment 2 – June 15, 2018 email from Mr. Biggs

Attachment 3 – July 13, 2018 email from Mr. Biggs and LAFCO Staff's Responses

CONTRA COSTA LAFCO KICKS OFF "CITY SERVICES" REVIEW

The Contra Costa Local Agency Formation Commission (LAFCO) is embarking on its 2nd round "*City Services Review*" Municipal Services Review (MSR) and Sphere of Influence (SOI) updates. The 2nd round MSR will include a review of the 19 incorporated cities in Contra Costa County, as well as four of the six community services districts (CSDs).

The review will cover a range of services including animal control, broadband, building/land use planning, law enforcement, library, parks & recreation, solid waste, street lighting, streets/roads, storm water/drainage, and utilities (e.g., gas, electricity, community choice aggregation). LAFCO completed its 2nd round MSRs covering water/wastewater (2014), reclamation services (2015), fire/EMS (2016) and healthcare services (2018); thus these services will not be covered in the "*City Services Review*."

LAFCO Service Review Responsibilities

State law mandates that once every five years, each LAFCO review and update as necessary, the SOIs for cities and districts. An MSR must be conducted prior to or in conjunction with the SOI review/update and must include an analysis and written statement of determination regarding each of the following:

- Growth and population projections for the affected area
- Location and characteristics of any disadvantaged unincorporated communities (DUCs) within or contiguous to the SOI
- Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including infrastructure needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any DUC within or contiguous to the SOI
- Financial ability of agencies to provide services
- Status of, and opportunities for, shared facilities
- Accountability for community service needs, including governmental structure and operational efficiencies
- Any other matter related to effective or efficient service delivery, as required by commission policy

In addition to the required determinations noted above, the 2nd round MSR includes the following focus areas:

- ✚ Updating profile data including growth and population, jobs/housing, finances (expenses, revenues, debt, reserves, related fiscal 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

Cities

- Antioch
- Brentwood
- Clayton
- Concord
- Danville
- El Cerrito
- Hercules
- Lafayette
- Martinez
- Moraga
- Oakley
- Orinda
- Pinole
- Pittsburg
- Pleasant Hill
- Richmond
- San Pablo
- San Ramon
- Walnut Creek

CSDs

- Crockett CSD
- Diablo CSD
- Town of Discovery Bay CSD
- Kensington Police Protection & CSD

Value of the MSR Report

The MSR will serve as an information resource on “city services” in Contra Costa County for local agencies, LAFCO and the public. LAFCO, local agencies and the public may use the information in the MSR in conjunction with future changes in boundaries, SOIs, and governance. In addition, the MSR will showcase best practices and potential for service enhancements and collaboration.

MSR Consultants

Lamphier Gregory and Berkson Associates, selected through a Request for Proposal process, were retained by LAFCO to conduct the “*City Service Review*.” They will be contacting the cities and districts shortly to begin the data collection.

Opportunities for Input

The MSR process will involve direct communication with the subject cities and districts and other organizations as needed. Upon request, updates to the Public Managers Association, City/County Planning Directors, and other organizations will be provided. The subject agencies will receive an initial request for information and follow-ups, if needed.

There will be multiple opportunities to provide input! The subject agencies will be provided a draft agency profile for review prior to release of the Public Review Draft MSR. The Public Review Draft MSR will undergo a 30-day review, during which time LAFCO will receive comments. We encourage your City Councils/Boards of Directors to hold a public discussion of the MSR during the Public Review process. Following review and comment on the Public Review Draft MSR by the LAFCO Commissioners, a Final Draft MSR will be released. Additional comments will be accepted on the Final Draft MSR before the Final MSR is accepted by the Commission. We encourage local agency and public input throughout the MSR process.

Project Timeline (Estimated)

- May 2018 - MSR Kick-off
- June - Aug 2018 - Data Collection/Verification
- Sept - Dec 2018 - Analysis/Preliminary Findings/Admin Draft
- Jan 2019 - Public Review Draft MSR
- Feb 2019 - 1st LAFCO Hearing
- Mar 2019 - Final Draft MSR
- April 2019 - 2nd LAFCO Hearing and finalize MSR report

Further information on MSRs and Contra Costa LAFCO is available on the LAFCO website at: <http://contracostalafco.org/>.

May 10, 2018

Kate Sibley

From: David Biggs <DBiggs@ci.hercules.ca.us>
Sent: Friday, June 15, 2018 10:22 AM
To: Sharon Wright
Cc: Lou Ann Texeira; Kate Sibley
Subject: RE: Request for Info: LAFCO Municipal Services Review

Good Morning –

While we had a heads up this was coming, a quick review of the information you are requesting that we complete will have a tremendous impact on our limited staffing. Much of the information requested is available in places like the State Controller's Reports and other documents. Is there any reason why you haven't already consulted those sources like the others you cite as having been used to pre-populate the data?

Also, I see a request for information on JPAs and a few other areas that aren't pre-populated. Would that information have been provided in prior reviews? And, if so, why wasn't that provided for us to change or update? And if it wasn't asked for previously, why is it being asked for now?

I do not see that we have the capacity to comply with your requested timeline and I am sure that many of the other cities in the County will be in the same situation. As such, I would suggest that we explore what types of information we can provide you and your team in a raw form to extract rather than imposing this upon or organization to provide.

Thanks,

David Biggs
 City Manager

From: Sharon Wright [mailto:swright@lamphier-gregory.com]
Sent: Friday, June 15, 2018 9:36 AM
To: David Biggs <DBiggs@ci.hercules.ca.us>
Cc: 'Lou Ann Texeira' <LouAnn.Teixeira@lafco.cccounty.us>; 'Kate Sibley' <Kate.Sibley@lafco.cccounty.us>
Subject: Request for Info: LAFCO Municipal Services Review

Dear Mr. Biggs,

Attached is a request for information from the Contra Costa Local Agency Formation Commission (LAFCO). As described in the attached letter, LAFCO is preparing the 2018 "City Services" Municipal Service Review and Sphere of Influence Update, which will be used to update the spheres of influence for 4 community services districts and the 19 cities in Contra Costa County as required by law.

As noted in the letter, we ask that the reviewed and completed Agency Profile, questionnaire, and associated information be submitted *no later than July 16, 2018*.

We appreciate your assistance in ensuring that the information concerning your agency is complete, accurate, and up-to-date.

If you have any questions about the data requested in the questionnaire or for the profile, please feel free to contact me at 510.535.6690 or swright@lamphier-gregory.com.

Thank you,

Sharon Wright

Kate Sibley

From: Lou Ann Texeira
Sent: Tuesday, July 17, 2018 12:31 PM
To: 'David Biggs'
Cc: Bill Lindsay; Brad Kilger; 'Bryan Montgomery'; 'cbattenberg@moraga.ca.us'; 'buckshi@walnut-creek.org'; gnapper@ci.clayton.ca.us; 'CityManager@brentwoodca.gov'; Joe Calabrigo; 'JGordon@sanramon.ca.gov'; 'Joe Sbranti'; 'jatalano@ci.pleasant-hill.ca.us'; 'mattr@sanpabloca.gov'; 'citymng@ci.pinole.ca.us'; Bernal, Ron (rbernal@ci.antioch.ca.us); 'shanin@ci.el-cerrito.ca.us'; 'ssalomon@cityoforinda.org'; 'SFalk@lovelafayette.org'; Barone, Valerie; 'amiller@ci.pinole.ca.us'; 'ato@ci.hercules.ca.us'; 'Belinda_Warner@ci.richmind.ca.us'; Brad Farmer; 'cdaniels@sanramon.ca.gov'; 'David Glasser'; 'dmerchant@ci.antioch.ca.us'; 'Sultan@ci.oakley.ca.us'; 'Mehirdel@walnut-creek.org'; 'Karen.Reid@cityofconcord.org'; 'kellys@sanpabloca.goc'; 'Breen, Kerry'; 'kmizuno@ci.clayton.ca.us'; 'iha@danville.ca.gov'; 'mrasiah@ci.el-cerrito.ca.us'; 'Mmccarthy@ci.pleasant-hill.ca.us'; 'Paul Rankin'; 'TRobinson@lovelafayette.org'; 'yelbo@moraga.ca.us'
Subject: LAFCO Municipal Services Review

Hi David,

Thank you for your comments and questions - see responses below. Please contact me with any further questions.

Lou Ann Texeira, Executive Officer
 Contra Costa LAFCO
 651 Pine Street, 6th Floor
 Martinez, CA 94553
 925-335-1094
LouAnn.Teixeira@lafco.cccounty.us

From: David Biggs [<mailto:DBiggs@ci.hercules.ca.us>]
Sent: Friday, July 13, 2018 4:15 PM
To: Lou Ann Texeira <LouAnn.Teixeira@lafco.cccounty.us>
Subject: Municipal Services Review

Hello Lou Ann –

We discussed the Municipal Services Review at the County PMA meeting this week, and on behalf of the PMA and the County's Cities, I am writing to request that LAFCO extend the deadline for submittal of the requested MSR information to September 14, 2018. While some cities may respond prior to that date, there was a consensus that an extension would be most helpful. **I will bring this request to the Commission – our next meeting is August 8th. I cannot recommend that we extend the deadline to September 14th as it will impact the Commission's annual work plan (adopted in March 2018), the MSR schedule (we are scheduled to start another 2nd round MSR this fiscal year), the consultant's contract and their client workload, and potentially, the LAFCO budget, which is funded by the County, cities and special districts.**

As the MSR consultant and I explained at the May 10th PMA meeting, LAFCO delayed roll-out of the "City Services" MSR by one month so as to not interfere with city budget work; further delays beyond the first week in August are problematic. In response to your previous email, I asked that you inform the city managers that if their city needs more time to respond to

LAFCO's request for information, they can contact the consultant or me and we are happy to accommodate them; several have done so.

Second, many cities have discussed providing you and your consultant team with links to existing documents where you can find the information you are seeking. Our preference would be for your team to pre-populate as much of the information as possible from existing available resources such as our annual budgets, Comprehensive Annual Financial Reports, and the State Controller's Reports. Cities would then be happy to review the information and answer any questions which your team may have. **There appears to be a misunderstanding regarding the fiscal information. The email and attachments sent to the City/District Managers includes a protected worksheet titled "Financial Information." The consultants will complete this worksheet. The email sent to the City/District Finance Managers includes a list of questions (no worksheet) to be completed by city staff.**

Third, in order to avoid duplication, it was suggested that each City provide you with a listing of the JPA's to which they belong and only those JPA agreements to which the City is party with related entities only. It would be much more effective if your staff were to contact the JPA's which have multiple City members to secure the JPA agreements from that JPA directly. Otherwise, you may end up with 19 cities submitting the same JPA agreement. **A list of JPAs is fine with us.**

Finally, it was requested that you, and any members of your team which you determine would be desirable, attend our August meeting if you can and which will take place on Thursday, August 9th. We would like to explore the MSR process with you and gain a better understanding of why the information being requested is necessary and how it will be used in the MSR. **I can attend the PMA meeting on August 9th at the beginning of the meeting (noon); I have other commitments in the afternoon.**

Let us know if you have any other questions/comments. Thanks!

Regards,

David Biggs
City Manager
City of Hercules
111 Civic Drive
Hercules, CA 94547
(510) 799-8216
dbiggs@ci.hercules.ca.us