

## MARIN LOCAL AGENCY FORMATION COMMISSION

RESOLUTION NO. 21-06

### ADOPTION OF THE TWIN CITIES MUNICIPAL SERVICE REVIEW

**WHEREAS** the Marin Local Agency Formation Commission, hereinafter referred to as the “Commission”, is a political subdivision of the State of California with regulatory and planning responsibilities to produce orderly growth and development under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

**WHEREAS** the Commission is responsible under Government Code Section 56430 to regularly prepare studies to independently assess the availability, performance, and need of governmental services to inform its regulatory and other planning activities; and

**WHEREAS** part of such reviews, LAFCos must compile and evaluate service-related information and make written determinations regarding infrastructure needs or deficiencies, growth and population projections for the affected area, financing constraints and opportunities for shared facilities, government structure options, including advantages and disadvantages of consolidation or reorganization of service providers, evaluation of management efficiencies, and local accountability and governance; and

**WHEREAS** a written report on the municipal service review was presented to the Commission in a manner provided by law; and

**WHEREAS** Marin LAFCo issued a Draft Service Review on Friday, February 26, 2021; and

**WHEREAS** as part of the municipal service review, the Commission is required pursuant to Government Code Section 56430(a) to make a statement of written determinations with regards to certain factors.

**NOW, THEREFORE**, the Marin Local Agency Formation Commission **DOES HEREBY RESOLVE, DETERMINE AND ORDER**, based upon the information contained in the written report, correspondence from affected agencies and information received during the public hearings, as follows:

1. The Commission determines this municipal service review is a project under the California Environmental Quality Act but qualifies for an exemption from further action as an informational document consistent with Code of Regulations Section 15306.
2. The Commission adopts the statement of written determinations generated from the information presented in the written report on the municipal service review as set forth in Exhibit “A”.
3. The Commission refers the public to the report on the municipal service review for additional details and important context, including – but not limited to – documenting each agency’s active and latent service powers.

**PASSED AND ADOPTED** by the Marin Local Agency Formation Commission, on June 10, 2021, by the following vote:

AYES: Arnold, Coler, Connolly, Kious, McEntee, Murray, Savel

NOES:

ABSTAIN:

ABSENT:



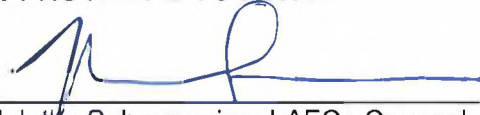
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Sashi McEntee, Chair  
Marin LAFCo

**ATTEST:**



\_\_\_\_\_  
Jason Fried, LAFCO Executive Officer

**APPROVED AS TO FORM:**



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Malathy Subramanian, LAFCo Counsel

Attachments to Resolution No. 21-06

- 1) Exhibit "A"

**EXHIBIT A****TWIN CITIES REGIONAL STUDY****MUNICIPAL SERVICE REVIEW DETERMINATIONS  
GOVERNMENT CODE SECTION 56430****1. Growth and population projections for the affected area.**

a) Anticipated growth in the study area is projected to be minimal. Both of the municipalities in the study area are essentially built out at this time. The City of Larkspur has been growing at an average annual rate of less than 1% over the past decade and is projected to have less than .5% annual growth rate in the coming decade. The Town of Corte Madera similarly saw an annual growth rate of less than 1% over the past decade and is projected to have less than .5% annual growth rate in the coming decade.

b) The expected population and growth rate in unincorporated spaces around the study area is all fairly minimal. The community of Kentfield has seen an annual growth rate of less than 1% over the course of the past decade. The community of Greenbrae is built out at this time and is not expected to see any level of significant growth in the foreseeable future.

**2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.**

a) There are no identified DUCs within the study area.

**3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated communities within or contiguous to the sphere of influence.**

a) Each of the reviewed agencies has shown a sufficient level offered of both services and infrastructure necessary to continue to provide the core services currently being provided into the immediate future. As noted above, there are no unincorporated communities within the study area that have been identified as disadvantaged.

**4. Financial ability of agencies to provide services.**

a) The Town of Corte Madera, City of Larkspur, Central Marin Fire Department, Central Marin Police Authority, County Service Area 16, and County Service Area 17 all prepare annual budgets and prepare financial statements in accordance with established governmental accounting standards. The Town and City Councils, CMFD and CMPA Councils, and the County Board of Supervisors acting as the Board for the county service areas may amend their budgets by resolution during the fiscal year in order to respond to emerging needs, changes in resources, or shifting priorities. Expenditures may not exceed appropriations

at the fund level, which is the legal level of control.

b) The Town Manager, City Manager, Fire Chief, Police Chief, and County Administrative Officer are authorized to transfer budgeted amounts between accounts, departments or funds under certain circumstances, however; the Town Council, City Council, Joint Powers Authority Councils, and County Board of Supervisors, acting as the Board for the county service areas, must approve any increase in the operating expenditures, appropriations for capital projects, and transfers between major funds and reportable fund groups. Audited financial statements are also prepared for each agency by independent certified public accounting firms.

c) While additional revenues are needed to provide some services and maintain infrastructure covered in this MSR, the agencies meet their financial responsibilities to provide services. In the short term, special care should be taken by any agency whose annual revenue totals are largely dependent upon excess Educational Revenue Augmentation Funds (ERAF), as recent intimations from the State legislature has pointed to the possibility of those funds being impacted in a number of counties including Marin County.

#### **5. Status of, and opportunities for, shared facilities.**

a) No specific opportunities for shared facilities that would prove advantageous to both participating parties were identified in the course of this study.

#### **6. Accountability for community service needs, including governmental structure and operational efficiencies.**

a) As was recently recommended by Marin LAFCo in the Upper Ross Valley Municipal Service Review, the Central Marin Fire Department, as well as the Kentfield Fire Protection District, should be included in a working group formed by Marin LAFCo to explore the possibility of creating a new independent or dependent single fire services district for the Ross Valley. If in the course of these exploratory discussions it is deemed that CMFD and KFPD have identified too many significant hurdles to continue the possibility of inclusion in the consolidation, a separate working group should be formed between Marin LAFCo, CMFD, and the KFPD to explore the possibility of the creation of a single district for fire services in the Twin Cities region. In the event that a single district for the entirety of the Ross Valley is formed, that district could also assume responsibility for paramedic services. From a high level, the immediately apparent advantages to this action are as follows:

**- Service Level, Operations, or Efficiency:** Increased organizational scale may allow reductions in management costs, greater efficiency in overtime control, unified training, and reduction in equipment and procedural redundancies. Additionally, a reduced reliance on mutual aid.

**- Cost Savings:** Reduced personnel costs (chief officers); elimination of redundant purchases for apparatus, reduced maintenance of reserve equipment, building space, training facilities, and other supplies. Also the opportunity for unified information management services.

**- Political Accountability:** Direct representation, election of district members (independent district only). District board may be expanded to include board members of predecessor agencies. Consolidations would require voter approval unless there is unanimous consent of consolidating boards.

Some of the obstacles that present themselves from an initial analysis look include:

**- Cost Savings:** Requires permanent transfer of property tax revenues from cities to the new district. Financial equity may be difficult to attain for all involved agencies. It may require new special tax measures in some areas. Possible aggregate increases in cost of employee benefits.

**- Political Accountability:** Complex implementation likely to require a step-by-step consolidation process. Loss of ability to weigh competing service priorities in multi-purpose agencies (i.e. cities).

**- Agency Type:** With a mix of joint powers authorities and independent special districts, in the event that negotiations were able to overcome the political obstacles standing in the way of a unified agency, the difference in financing mechanisms between the agency types will present significant challenges.

While a special study on this particular endeavor is warranted, if not necessitated, preliminary dialogue between the proposed agencies and Marin LAFCo to begin vetting some of the high-level issues is encouraged as soon as possible.

b) The City of Larkspur has two small pockets of inhabited unincorporated space (island) that are significantly surrounded by the City and that are contiguous with its current jurisdictional boundaries. Marin LAFCo's Unincorporated Island Policy encourages annexations of islands to cities, where supported by the island community, to further reduce and/or eliminate islands to provide more orderly local governmental boundaries and cost-efficiencies. However, Marin LAFCo will not independently proceed with an entire island annexation to a municipality where local residents have voiced opposition. At this time, Marin LAFCo recommends that City of Larkspur staff members, with support from Marin LAFCo staff, explore the willingness of residents within these unincorporated spaces to consider annexation by way of meeting with community groups within the areas, as well as examining their own ability to extend services to these areas if they are not already doing so unofficially.

c) In the event that the unincorporated area that makes up approximately half of County Service Area 16 agrees to annexation to the City of Larkspur, Marin LAFCo recommends that the CSA be dissolved and the services being provided by the CSA become the responsibility of the City of Larkspur. Should the District and the City agree to the dissolving of the CSA and the duties being transferred to the City, measures should be included to make sure all current and future funds are properly transferred to the City and that the City has measures in place to ensure all current and future funds designated for CSA 16's purposes are only appropriated for those services moving forward. In addition, the current advisory board for CSA 16 should remain in place as an advisory board to the City for the

services being provided. A possible mechanism, should residents desire to maintain the elevated landscaping services provided by the CSA, is the creation of an assessment district within the newly incorporated boundaries.

d) Over the course of the past two decades, numerous recommendations have been made for the exploration and, ultimately, consolidation of the member agencies of the Central Marin Sanitation Agency (CMSA) into a single sanitation district throughout the Ross Valley watershed. This recommendation originated in 2005 when CMSA commissioned Red Oak Consulting to study regionalization options and the firm recommended researching and proceeding towards total consolidation. Further exploration of this recommendation was reiterated by Marin LAFCo in 2007 in the Ross Valley Area Municipal Service Review and again in 2017 in the Central Marin Wastewater Municipal Service Review. In 2018, the Marin County Civil Grand Jury released a report recommending the consolidation of CMSA and its member agencies into a single sanitary/sanitation district. While it is still the position of Marin LAFCo that the exploration of consolidation of the sanitation agencies within the Ross Valley Watershed carries significant merit, with each of the member agencies having recently completed its own 5-year plan for infrastructure improvements, it is the recommendation of Marin LAFCo that a working group be formed between Marin LAFCo staff, CMSA, and representatives from the member agencies in order to explore a realistic pathway to the consolidation of the agencies into a single district in the next five years.

**7. Any other matter related to effective or efficient service delivery, as required by commission policy**

a) As the only means of access to the Greenbrae Boardwalk area is by way of the City of Larkspur, it is recommended that the area be removed from the sphere of influence of the Town of Corte Madera and added to the sphere of influence of the City of Larkspur.

b) The small unincorporated island along the northern border of the City of Larkspur in the Bayview Road and Tamalpais Road area should be added to the sphere of influence of the City of Larkspur.