

DATE: September 3, 2010

TO: LAFCO Members

FROM: Peter Banning, Executive Officer

SUBJECT: Periodic Update – Adopted Spheres of Influence for Special Districts in Southern Marin County (not including sanitary districts & Tam CSD)

Summary & Recommendation

At the Commission's August meeting, spheres of influence for the four cities in southern Marin County were re-affirmed without change pursuant to the Commission's adopted policy on review of adopted spheres of influence. Staff has conducted a similar preliminary study of the spheres of influence of the Marin City Community Services District, Strawberry Recreation District, Tiburon and Southern Marin Fire Protection Districts (Tamalpais CSD will be included in a subsequent survey of southern Marin sewer agencies). This preliminary study has not identified changes to the conditions that led to the revision and adoption of the spheres of influence of any of these special districts in 2004.

Staff therefore concludes that no restudy of these spheres of influence are necessary and recommends that they also be reaffirmed without change. The following Background section is identical to that included in staff's August report, summarizing the Commission's policy and procedure for periodic review of adopted spheres of influence.

Background

Government Code Section 56425(f) requires the Commission to periodically review adopted spheres of influence:

(f) Upon determination of a sphere of influence, the commission shall adopt that sphere, and shall review and update, as necessary, the adopted sphere not less than once every 5 years.

The Commission's adopted Policies, Procedures and Guidelines include provisions for compliance with Section 56425 requirements in the following sequence:

1. Each year the Commission will consider the oldest one-fifth of the adopted spheres of influence and determine which may be reaffirmed without additional review and which will require restudy for possible amendment. In order to assist the Commission in its determinations, staff will conduct a preliminary survey to assess the adequacy of the selected spheres and make recommendations for reaffirmation or restudy to the Commission at a public hearing.
2. The Commission will take action to reaffirm existing spheres not selected for restudy following a noticed public hearing.
3. Spheres of influence authorized for restudy will be examined for changes in conditions and policies since adoption or most recent review.
4. The Commission will hold noticed public hearings and make determinations on the spheres of influence which have been restudied. Staff will provide a report and recommendation on spheres of influence reviewed by the Commission.
5. Commission actions to adopt, amend or affirm spheres of influence will be taken by resolution, including a map of the adopted sphere of influence and a statement of the Commission's determinations.

Five years have elapsed since the Commission adopted spheres of influence for cities and special districts (other than sanitary districts) for the southern Marin area. Earlier this year, staff circulated a questionnaire to each of these agencies requesting information that might indicate changes in the factors leading up to the Commission's approval of its sphere of influence (see Attachment A). Affirmative responses to questions on general plan amendments, demand for services, infrastructure projects, or inter-agency relationships may carry implications for the agency's boundaries and organization. If so, the Commission would determine the need to reevaluate the adopted sphere of influence. The following sections discuss the results of staff's contact with each of the four cities and information relating to changed circumstances that might bear on their spheres of influence.

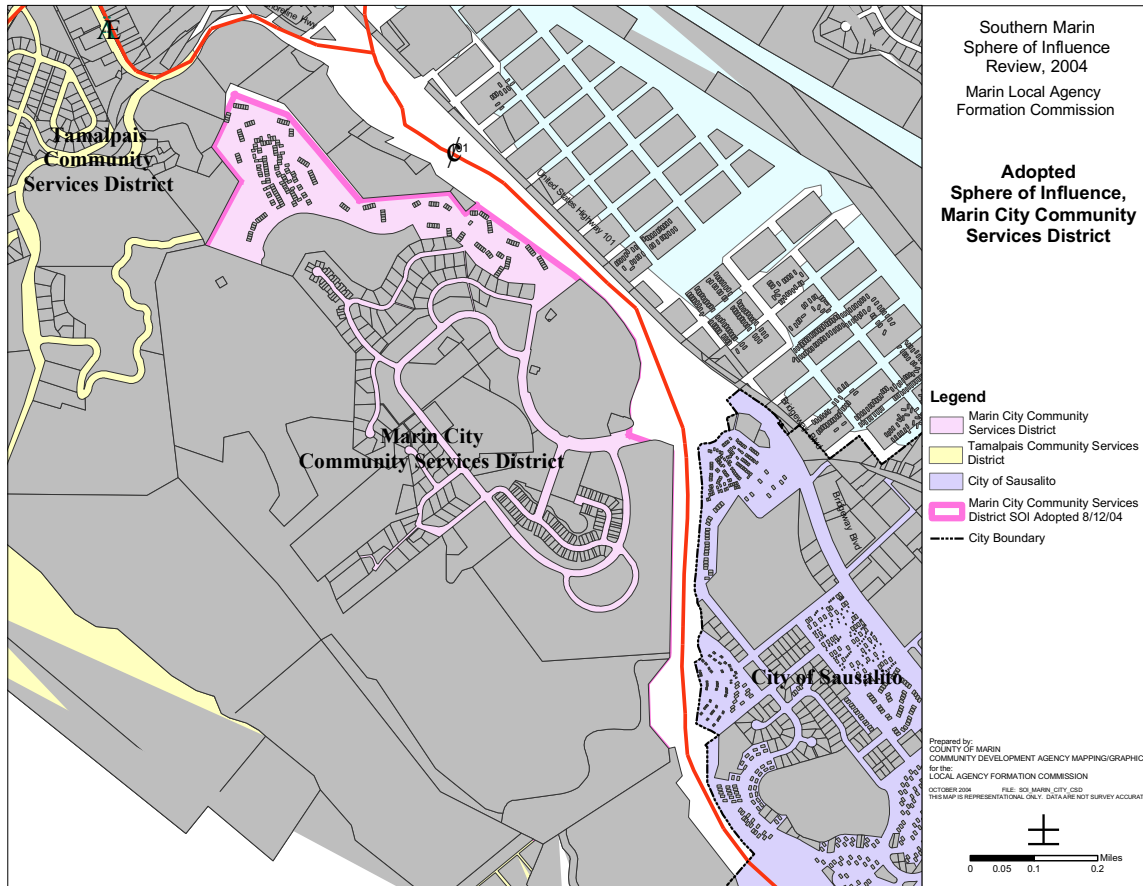
Marin City Community Services District

Prior to 2004, the Marin City unincorporated community was included in the sphere of influence of the City of Sausalito. LAFCO had therefore adopted an "interim" sphere of influence for the Marin City Community Services District (MCCSD) anticipating continued operation of MCCSD until annexation of Marin City to Sausalito eventually occurred. In 2004, the Commission concluded that annexation of the area to Sausalito was improbable and designated a coterminous sphere of influence for MCCSD equal to the District's current boundary as shown in the map below.

Since 2004, MCCSD has gained an additional, stable source of funding for its current parks and recreation services from the Marin City Community Land Corporation. During that time, the District engaged in an extensive visioning/planning process to identify facility and program needs. This process produced a project master plan with an estimated cost of \$30 million. No source of funding has been identified for implementation of any of the planned facilities. The District's top priority is a new gymnasium and teen center.

MCCSD staff reports that the District's board is interested in expanding MCCSD boundaries to include the unincorporated houseboat area and commercial center immediately to the north of the Sausalito city boundary at Gate 6 (within the City's sphere of influence) and in the activation of latent powers to establish the governing board of MCCSD as an area planning commission or a municipal advisory committee. No specific request for amendment of the District's sphere of influence or other request has been received by LAFCO staff as of the date of this writing.

Staff recommends that any re-study of the adopted MCCSD sphere of influence await a proposal and justification from MCCSD. With or without re-study and amendment of the District's sphere, MCCSD could apply to LAFCO for activation of its latent power to function as an area planning commission or municipal advisory council. Staff will work with the MCCSD General Manager and County staff to ensure that the MCCSD board is fully informed of its alternatives in this regard. For purposes of this review, staff recommends that the coterminous sphere of influence designation of MCCSD be re-affirmed without change.



Strawberry Recreation District

The Commission amended the previous “interim” sphere of influence of the Strawberry Recreation District (SRD) to designate a coterminous sphere of influence equal to the District’s current boundary in 2004. The District provides parks, recreation, landscape maintenance and solid waste disposal services.

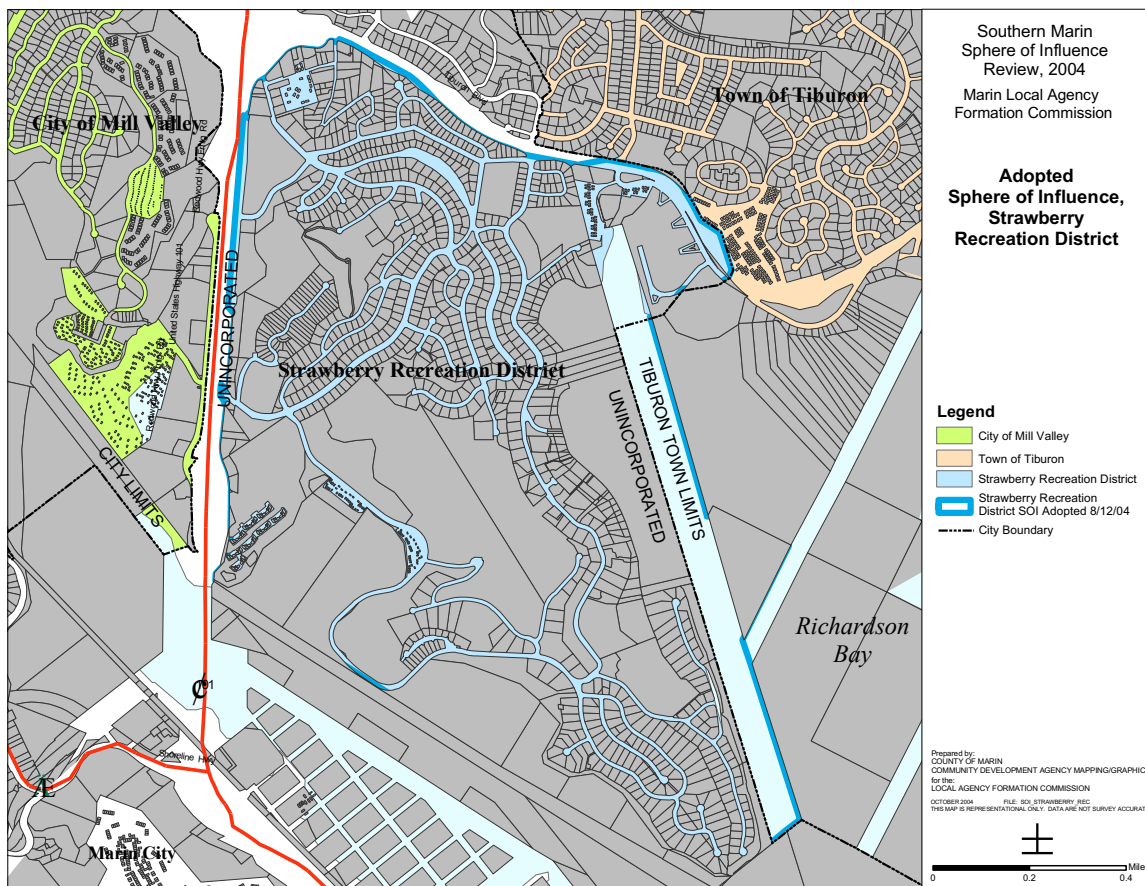
In addition to a small proportion of property tax revenues collected in the area within its boundaries, the District receives fee revenue from participants in its recreation programs from both inside and outside its boundaries. In this sense, the District’s boundaries do not necessarily reflect its actual service area.

The SRD Board of Directors earlier this year significantly reduced its staff, citing the need for systematic improvement to its aging facilities and a lack of revenue for capital improvements. The District’s ability to maintain its programs and facilities with remaining staff and to increase revenue for facility upgrades remains to be seen. A special tax or parcel tax to augment revenues for these purposes may be necessary, but has not been proposed.

SRD staff reported no significant change to the conditions which led up to the adoption of its coterminous sphere of influence in 2004. Long term erosion of the

District's financial capacity to maintain its facilities and provide programs is a threat to its sustainability but does not, at this point, indicate that re-study of its coterminous sphere of influence would contribute to resolving the District's financial issues.

If near-term efforts to augment District revenues fail and SRD is clearly not able to continue to extend its current level of service, LAFCO would appropriately undertake study of organizational alternatives for SRD, including dissolution. Such a study would be premature under present circumstances. Staff therefore recommends that the coterminous sphere of influence of the Strawberry Recreation District be re-affirmed without change.



Southern Marin Fire Protection District

LAFCO adopted an interim and coterminous sphere of influence designation for the Southern Marin Fire Protection District in 2004. In its resolution adopting the amended sphere, the Commission also

“.... determined that there exists a community of interest between the Tiburon Fire Protection District, the Southern Marin Fire Protection District and other emergency service agencies of southern Marin County. The interim sphere of influence designation adopted with this resolution defines an area within which annexations may take place prior to eventual consolidation or other reorganization of the District to form a larger fire protection district within southern Marin County.”

All of the fire protection agencies in southern Marin are members of a single joint exercise of powers agency for provision of emergency medical service (SMEMPS) and research and implement cooperative cost-saving measures (as discussed under TFPD below).

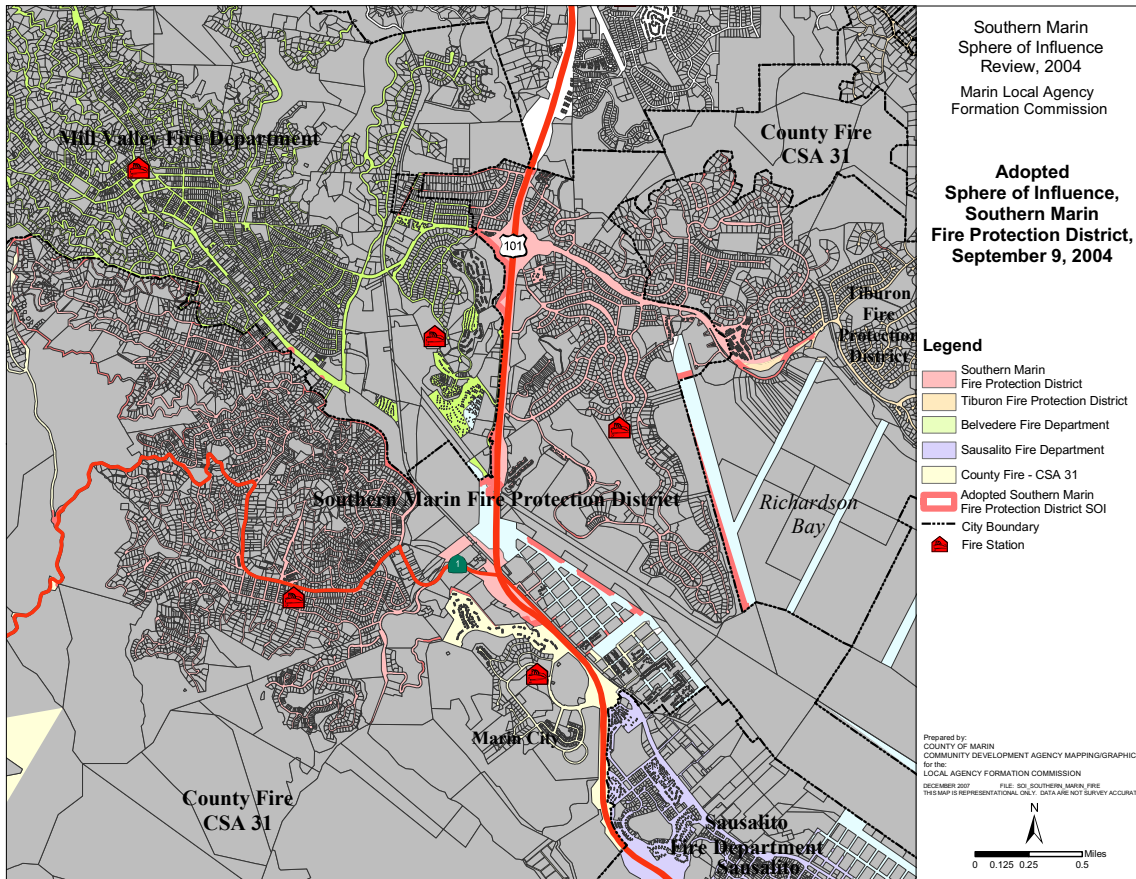
Beginning soon after adoption of the District’s amended sphere in 2005, SMFPD and the City of Sausalito functionally consolidated fire protection service under a joint exercise of powers agreement. Since that time, the City of Sausalito has paid SMFPD for management services in the operation of its fire department. This service arrangement has been temporary in nature and has not fully compensated SMFPD for a full and proportional share of administrative costs.

The City of Sausalito and SMFPD have for the past year been engaged in a process of study and negotiation to reach a more permanent solution. Staff has worked with both agencies and their consultants (Citygate Associates) on study of the City’s alternatives for fire service. Those alternatives and their estimated costs are:

| | |
|--|-------------|
| Full contract for service or JPA – Sausalito cost | \$3,375,878 |
| Reinstate full fire department Sausalito cost | \$4,375,536 |
| Annexation of City to SMFPD Property tax transfer + special tax | \$2,926,074 |

Continuation of the current “headquarters contract” at \$2,824,452 is not acceptable to SMFPD. The City has therefore authorized its consultants to prepare an application to LAFCO for the annexation alternative, which may be submitted to the Commission near the end of this year.

SMFPD staff reports no significant changes to the District's service demand or its ability to provide service since adoption of its sphere of influence in 2004. A proposal for annexation of the City of Sausalito would be consistent with the District's interim sphere of influence designation. Therefore, staff recommends that the existing interim sphere of influence for SMFPD be reaffirmed without change.



Tiburon Fire Protection District

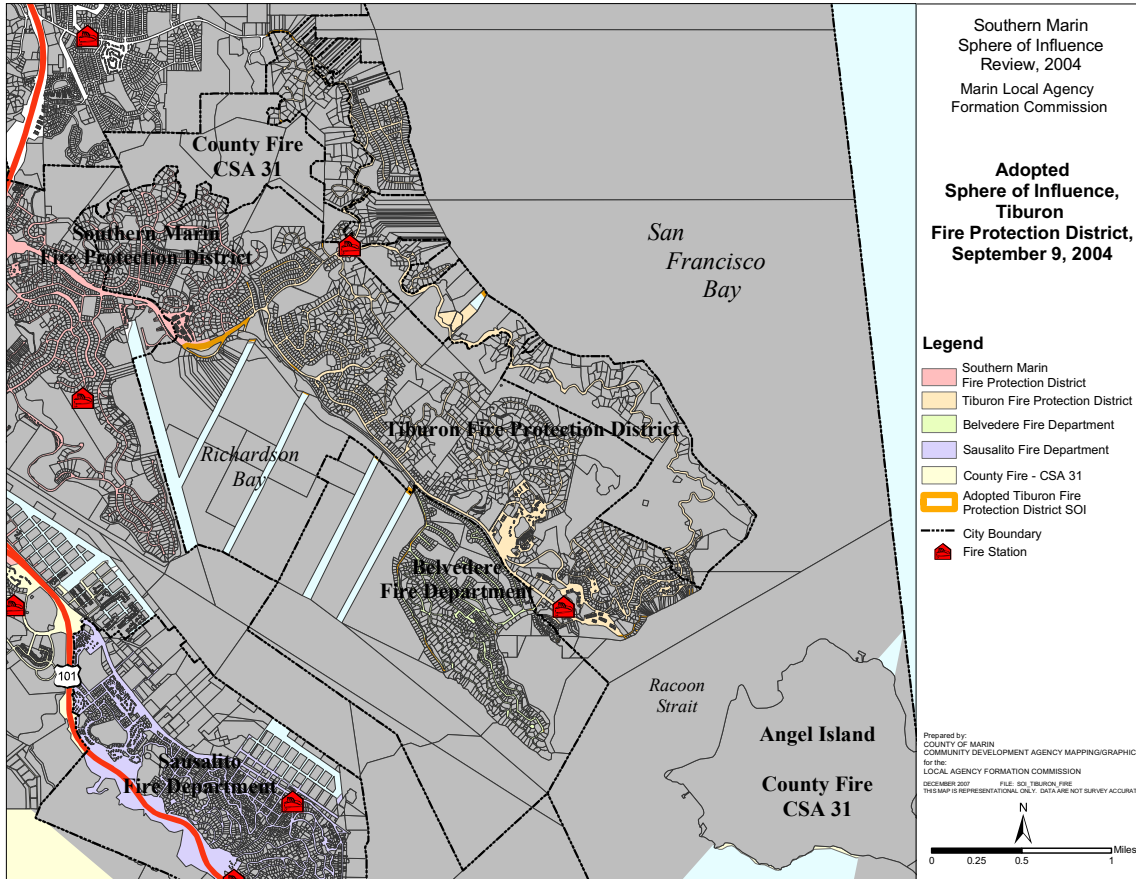
The Commission acted in 2004 to amend the sphere of influence of the Tiburon Fire Protection District (TFPD) to include the District's current service area and the incorporated territory of the City of Belvedere to which TFPD has provided contractual fire protection service for many years. Similarly to action on the SMFPD sphere, the Commission "... determined that there exists a community of interest between the Tiburon Fire Protection District, the Southern Marin Fire Protection District and other emergency service agencies of southern Marin County. The interim sphere of influence designation adopted with this resolution defines an area within which annexations may take place prior to eventual consolidation or other reorganization of the District to form a larger fire protection district within southern Marin County."

Since 2004, TFPD reports acquisition of a new fire boat and joint purchase of a new ladder truck with SMFPD. Permanent facilities for docking the new fire boat have not been identified. The District has added firefighter trainee positions to augment staffing and provide entry level training. TFPD and SMFPD are evaluating joint provision of fire prevention programs and the concept of a regional training center to be located at Romberg Center with UCSF. The District reports no current obstacle to continued funding of current service levels or acquisition of capital equipment and that the District Board has acted to address pension funding issues in its budget over the past eight years. TFPD remains concerned that actions taken by the State Legislature to address state budget problems will impact local district budgets and service levels.

As shown on the map below, Angel Island State Park is within the boundaries of County Service Area #31. The inclusion of the Park in CSA#31 appears to have been an oversight during the formation of the CSA. That is, a state park such as Angel Island would ordinarily fall under the State's responsibility, possibly with a service agreement with a local agency for first responder service.¹ However, CSA#31 and County Fire receive no tax revenue and no compensation from the State for the cost of protection service to Angel Island. Some of the costs of fighting the September 2008 fire on Angel Island have been charged to CSA#31 as a result of this somewhat illogical boundary. County Fire is preparing a proposal to detach Angel Island and other state and federal park lands from CSA#31. TFPD may be a potential source of some fire protection service if the park is detached from CSA#31 and if appropriate state revenue could flow to the District to cover service costs.

Staff has identified no changes to TFPD's ability to provide services or other factors affecting the District's adopted sphere of influence. The District has made no request for amendment or restudy of its adopted sphere. Accordingly, LAFCO staff recommends that the sphere of influence for TFPD be reaffirmed without change.

¹ Angel Island is also within the boundaries of the Town of Tiburon. However, the Town does not provide fire protection service and therefore not a potential source of service in this instance.



Recommendation

Under adopted policy and procedure, the Commission re-examines sphere of influence determinations for each local government agency every five years. In implementing the Commission's policy, staff has contacted each agency for information on changes to adopted plans, demand for their services and their ability to provide service – the basic factors involved in sphere of influence determinations.

Preliminary study of the spheres of influence of special district in the southern Marin area under review this year presented no information indicating a need to restudy their boundaries or spheres of influence at this time. Accordingly, staff recommends that the Commission adopt the attached draft resolutions re-affirming without change the spheres of influence of the Strawberry Recreation District, Marin City Community Services District, Southern Marin Fire Protection District and Tiburon Fire Protection District. The Commission, of course, retains the option of continuing the public hearing in response to testimony on this report or the need for additional information.

Respectfully submitted,

Peter Banning
Executive Officer