

City of Calistoga Staff Report

TO: Honorable Mayor and City Council
FROM: Lynn Goldberg, Planning & Building Director
DATE: October 18, 2016
SUBJECT: LAFCO Municipal Service Review and Sphere of Influence Update

APPROVAL FOR FORWARDING



Dylan Feik, City Manager

1 **ISSUE:** Consideration of the County of Napa Local Agency Formation Commission’s
2 Draft Municipal Service Review and Sphere of Influence Update for the City of Calistoga

3 **RECOMMENDATION:** Direct the City Manager to provide comments to LAFCO on:

- 4 1. The general findings and recommendations of the Draft Municipal Service
5 Review for the City of Calistoga
6 2. Potential amendments to the City’s Sphere of Influence

7 **BACKGROUND**

8 **LAFCO**

9 Local Agency Formation Commissions (LAFCOs) are independent government
10 agencies that were created by State legislation in 1963. LAFCOs were formed to
11 facilitate and encourage the orderly formation of local government agencies, discourage
12 urban sprawl and preserve agricultural and open space resources.

13 It is LAFCO’s responsibility to:

- 14 • Oversee the logical, efficient, and most appropriate formation of local cities and
15 special districts;
16 • Provide for the logical progression of agency boundaries and efficient expansion
17 of municipal services;
18 • Assure the efficient provision of municipal services; and

- Discourage the premature conversion of agricultural and open space lands

Sphere of Influence

State planning law encourages cities to look beyond their jurisdictional boundaries (city limits) when conducting long-range planning efforts. A Sphere of Influence (“Sphere” or “SOI”) is a planning boundary that designates the City’s probable future boundary and service area. The purpose of the Sphere is to ensure the provision of efficient services while discouraging urban sprawl and the premature conversion of agricultural and open space lands by preventing overlapping jurisdictions and duplication of services.

Currently, the City’s Sphere is coterminous with its city limits with the exception of one City-owned parcel on the northeastern edge of the city that is used for recycled water storage. It is not uncommon (and more the norm) for a city to have a Sphere that extends beyond city limits.

LAFCOs generally review and update each local agency’s Sphere every five years. As part of this process and pursuant to state law, the Commission is required to make specific written determinations on five factors as follows:

1. Present and planned land uses in the area, including agricultural and open-space lands.
2. Present and probable need for public facilities and services in the area.
3. Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. Existence of social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.
5. Present and probable need for public facilities and services of disadvantaged unincorporated communities.

Municipal Service Review

As a prerequisite to a Sphere review, LAFCOs prepare a Municipal Service Review (MSR). MSRs are intended to provide LAFCO with a comprehensive analysis of services provided by cities. The MSR makes determinations in each of seven mandated areas of evaluation, providing the basis for LAFCO to review proposed changes to a service provider’s boundaries or Sphere.

The County of Napa LAFCO prepared a Draft MSR for Calistoga that was released on June 30, 2016. Staff submitted comments on the Draft to LAFCO, most of which were incorporated into the Final MSR that was released on September 16, 2016. The MSR includes preliminary written determinations involving service factors that LAFCO must consider as part of the MSR and possible modifications to the City’s Sphere (see Attachment 1; Chapter 6 includes the recommended MSR determinations).

DISCUSSION

Municipal Service Review Evaluation

57 Staff provided extensive information to LAFCO's consultant in preparing the MSR. Staff
58 believes that the Final Draft MSR accurately represents the type and extent of City
59 services and infrastructure, socioeconomics and finances.

60 Chapter 6 of the MSR contains recommendations for the improvement of the adequacy,
61 efficiency and effectiveness of City services. The most significant ones are listed below,
62 followed by staff's responses:

63 • Given the City's reliance on the SWP and potential future shortfalls in water
64 supply during dry or extremely dry water years, it is recommended that the City of
65 Calistoga prepare a brief (3-page), but of potential for future water supply
66 alternatives, which may include: 1) desalinization, 2) expanding its recycled water
67 program, 3) constructing wells [possibly down valley], 4) increased water use
68 efficiency, or 5) other. This study should be prepared by a qualified hydrologist.
69 Calistoga should explore this concept of new future water supply alternatives
70 collaboratively with other municipalities in Napa County. Ideally, this study should
71 be submitted to LAFCO within the next five years, prior to preparation of the next
72 MSR.

73 *Staff agrees with this recommendation in general and will ideally conduct the*
74 *study by 2021.*

75 • There are fluctuations between the average daily wastewater flows within
76 Calistoga's sewer system between dry-weather and wet-weather periods. These
77 discrepancies suggest improvements are needed to the collection system to
78 address suspected deficiencies involving excessive storm and groundwater
79 intrusion. Although the City has made improvements over the past several years,
80 additional work is needed.

81 *Staff agrees with this recommendation.*

82 • Calistoga recently received a score of "fair" for pavement conditions within the
83 City from the Metropolitan Transportation Commission. This score indicates that
84 pavement in Calistoga is generally worn and in need of rehabilitation.
85 Improvements have been made but more are still needed.

86 *Staff agrees with this recommendation.*

87 • It is recommended that prior to the next MSR (expected in 2021), the Police
88 Department provide a brief (1-page) study to LAFCO that explains why the City
89 experiences exceedingly high annual service calls.

90 *Staff agrees with this recommendation.*

91 • LAFCO's 2012 Law Enforcement MSR noted that the City has its own
92 competitive procurement processes with respect to purchasing motor vehicles for
93 law enforcement services. It would seem reasonable and more efficient for
94 Calistoga to consider pooling its respective resources and establish a joint
95 procurement process with other local agencies such as American Canyon,
96 Calistoga, Napa, St. Helena, and County Sheriff. Their combined buying power
97 would presumably produce cost-savings. This recommendation remains relevant
98 to the City of Calistoga.

99 *Staff agrees with this recommendation.*

- 100 • LAFCO's 2012 Law Enforcement MSR noted that "It would seem appropriate for
101 Calistoga and St. Helena, given the costs and related challenges associated with
102 sustaining relatively small stand-alone departments, to consider structural
103 alternatives in providing law enforcement services. This includes – based on a
104 cursory review of potential alternatives – the two affected local agencies
105 exploring the feasibilities of forming a joint-powers authority with one another
106 and/or one or both agencies contracting with County Sheriff." This
107 recommendation remains relevant to the City of Calistoga. Furthermore, it is
108 recommended that the Calistoga Police Chief work with the St. Helena Police
109 Chief to submit a brief (two pages) joint analysis of this issue to LAFCO prior to
110 the next City MSR expected in the year 2021.

111 *Staff notes that these arrangements have been discussed several times and it*
112 *was determined that there would be minimal savings or increased costs based*
113 *on a joint powers agreement or contracting with the county.*

114 Staff has identified a few housekeeping-type comments related to the final MSR that will
115 be conveyed to LAFCO staff and its consultant for incorporation into the adopted
116 document (Attachment 3).

117 Sphere of Influence Evaluation

118 LAFCO's update of the City's Sphere presents an opportunity to discuss revisions that
119 may be needed to accommodate planned population and employment growth, public
120 facility needs or other social/economic interests.

121 Three study areas (see Attachment 2) were chosen by LAFCO's consultants as options
122 for the Commission to consider regarding the potential expansion of the City's Sphere.
123 Several criteria were used to select these study areas, including (a) relationship and
124 proximity to incorporated boundary, (b) land use designations, (c) infrastructure
125 capacities, and (d) provision of public services. MSR Tables 7-1 through 7-3 analyze
126 each of the study areas in terms of a number of factors.

127 The MSR provides draft determinations for "Option #A" as a starting point for the
128 Commission's discussion regarding potential changes to the City's Sphere. The option
129 would maintain the existing Sphere, based on determinations with respect to each of the
130 following:

- 131 • The present and planned land uses in the Sphere, including agricultural and
132 open-space lands;
- 133 • The present and probable need for public services and facilities in the study area;
- 134 • The present capacity of public facilities and adequacy of public services that the
135 agency provides;
- 136 • The existence of any social or economic communities of interest in the area if
137 LAFCO determines that they are relevant to the agency; and
- 138 • Present and probable need for public facilities and services of disadvantaged
139 unincorporated communities.

140 **CONSISTENCY WITH COUNCIL GOALS AND OBJECTIVES:** Implementing the
141 MSR's recommendations regarding public services would be consistent with a number
142 of the City Council's goals, objectives and priority projects for Fiscal Year 2016-17,
143 including:

- 144 • Provide a high standard in the delivery of emergency and general municipal
145 services. (Goal 2, Objective 1)
- 146 • Upgrade and maintain the long-term reliability of the City's water supply. (Goal 3,
147 Objective 2)
- 148 • Support efforts to fund bridge and street maintenance and repair. (Goal 3,
149 Objective 4)
- 150 • Prepare a water supply contingency plan to address potential water needs during
151 the drought and alternatives on how to address them. (Goal 3, Priority Project 6)

152 **ALTERNATIVES:** Should the City Council desire to expand Calistoga's Sphere of
153 Influence to incorporate one or more of the study areas, or other properties not
154 identified in the MSR, a formal process would be initiated that would involve subsequent
155 review by the Planning Commission, City Council and LAFCO. The public would have
156 opportunities to comment on the expansion at public hearings before each decision-
157 making body. Should LAFCO approve an expanded Sphere, amendment of the City's
158 General Plan would be required to reflect the expanded Sphere boundary and to
159 designate appropriate land uses within each expansion area.

160 It is important to note that expansion of the Sphere would not automatically trigger
161 annexation proceedings nor would it result in the taking of private property. As
162 explained earlier, the Sphere is simply a demarcation of the City's probable future
163 boundary and service area. Any areas included in an expanded Sphere would remain
164 unincorporated until such time as the property owner(s) or the City initiated annexation
165 proceedings.

166 **FISCAL IMPACTS:** Implementing some of the MSR's recommendations, such as using
167 a joint procurement process to purchase City motor vehicles, would have a positive
168 fiscal impact on City finances. A cost/benefit analysis would be prepared if the Council
169 wished to consider expanding the Sphere of Influence to incorporate any of the study
170 areas.

ATTACHMENTS

1. *Final Draft Municipal Service Review and Sphere of Influence Update* dated September 16, 2016: distributed to City Council under separate cover (available at www.napa.lafco.ca.gov/uploads/documents/Calistoga_MSR-SOI_FinalReport_2016.pdf)
2. Study Areas exhibits
3. Staff comments on Final Draft