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November 18, 2009 (Agenda)

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

West County Sub-regional Municipal Services Review

Dear Members of the Commission:

BACKGROUND

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires that not less than every five years, LAFCO prepare municipal service reviews (MSRs) prior to or in conjunction with sphere of influence (SOI) updates.

In accordance with the MSRs, LAFCO must prepare written determinations relating to various factors including growth and population; present and planned capacity of public facilities and adequacy of public services including infrastructure needs or deficiencies; financial ability of agencies to provide services; status of and opportunities for shared facilities; and accountability for community service needs, including governmental structure and operational efficiencies.

In 2003-04, the Commission initiated the MSR program. To date, the Commission has completed baseline reviews and SOI updates for most special districts and cities; second round reviews for a number of special districts are currently underway.

A team of consultants and LAFCO staff are preparing the MSRs. The approach involves countywide, sub-regional and agency-specific reviews. MSRs provide an assessment of the range and adequacy of municipal services provided in the County, and serve as an important tool for LAFCO in fulfilling its legislative mandate to coordinate the efficient and logical development of local government agencies and services.

The time required in preparing comprehensive MSRs/SOI updates, and the level of detail and analysis needed is greater than anticipated given the complexity of issues we are discovering. Further, we have used the MSR process as a means for correcting and digitizing agency boundary maps in GIS format. This work provides a foundation that should make future MSRs easier.

SUMMARY

On September 9, 2009, LAFCO held a workshop, at which time the MSR consultant Kim Hudson (Dudek) presented an overview of the West County Sub-regional MSR report and various governance structure and SOI options. The report covers the following local agencies: cities of El Cerrito, Hercules, Pinole, Richmond and San Pablo, and the Crockett Community Services District (CSD) and Kensington Police Protection and CSD.

At the September workshop, the consultant provided an overview of the local agencies and their ability to provide services. The preliminary report included the State-required determinations, along with SOI and governance structure options and recommendations. The Commission was asked to provide comment, and directed staff to circulate the Public Review Draft MSR report.

The project team made revisions to the MSR report based on comments received at the September LAFCO meeting. And although not required by statute, the MSR report was posted on the LAFCO website (www.contracostalafco.org) and circulated for a 21-day public review period. LAFCO received comments during the public review period from one agency (attached). The Final Draft MSR report and SOI recommendations will be presented to the Commission on November 18 for consideration and approval.

On November 18, the Commission will be asked to receive any final comments; accept the MSR report, adopt determinations, and update agency SOIs as presented in a separate agenda item. As discussed in the SOI staff report, LAFCO may, but is not obligated to, initiate changes of organization or reorganization based on the MSR findings.

DISCUSSION

The West County Sub-regional MSR provides a comprehensive review of services provided by agencies under LAFCO's purview, including those agencies listed above. The MSR report focuses primarily on public agencies and their ability to provide a range of municipal services. In order to address the required factors, the MSR examines a number of issues as highlighted below.

Growth and Population

Growth rates have been historically low in west Contra Costa County, as most cities are nearing build out. Moderate growth is expected through 2030. Growth rates among the west county agencies have been comparable, with the City of Richmond projecting the most significant increase at 22%.

Service Demand and Adequacy

The MSR provides a discussion of service demand and adequacy for each agency based on a number of factors, including jurisdictional boundaries, projected growth and opportunity for infill development, and available resources. The report also addresses opportunities for cost avoidance, financing constraints and opportunities, as well as opportunities for rate restructuring and sharing resources. There is significant variation in service demand, capacity and management practices among the agencies.

Infrastructure

The MSR report provides information regarding infrastructure including roads and facilities. Agency road conditions range from “good” (Hercules, Pinole, San Pablo) to “at risk” (El Cerrito, Richmond). Agency facilities are generally in good condition, with the exception of Richmond and some El Cerrito facilities that are “at risk.”

Financing

The MSR report evaluates the financial ability of agencies to provide services. Most of the agencies are experiencing a decline in revenues and an increase in costs.

In the past two years, many cities have experienced a significant decline in property tax revenue. This is further discussed in the SOI staff report. The FY 2008-09 assessment rolls show that two west County cities (Hercules and San Pablo) experienced a decline in property tax revenue, while the other three cities experienced slight increases. However, in FY 2009-10 assessment rolls show that all of the west County cities experienced a decline, with San Pablo, Hercules and Richmond suffering the most significant property tax declines.

The MSR report finds that all agencies regularly review and update fees, charges and fines as part of the annual budget process. A number of the agencies participate in facility and resource sharing through joint powers and shared use agreements. It appears that there are limited opportunities for cost avoidance, although several best practices were featured in the report.

There are tremendous differences among the agencies in terms of expenditures, funding sources and funding adequacy. It was noted that several of the west County agencies have expenditures that exceed revenues and reserves are being utilized.

Local Accountability and Governance

Several of the key factors LAFCO must address in its MSRs are accountability for community service needs, including governmental structure and operational efficiencies.

The MSR report evaluated accountability based on the measures of contested elections, constituent outreach efforts, transparency, and disclosure practices.

The MSR report found that all of the agencies demonstrated some level of accountability based on the measure of constituent outreach. All of the cities appear to be operating efficiently with low employee-to-resident ratios. Most of the agencies have comprehensive and up-to-date websites.

Conclusion

The MSR report provides a number of major findings relating to the overall adequacy of public services as presented in the determinations. Overall, most west County agencies are providing adequate services, have adequate facilities and infrastructure, and are generally accountable.

A number of governance alternatives, including consolidation of services and boundary reorganizations, are identified in the report. These options are summarized in a separate SOI staff report and described more fully in the MSR report.

The Commission is responsible for guiding local agencies in the County to overcome challenges by recommending governance alternatives through its determinations on the required MSR factors and through its upcoming decisions relating to SOIs. After accepting the MSR report and adopting the determinations as presented in the attached resolution, the Commission will be asked to consider the SOI updates.

ENVIRONMENTAL ANALYSIS

The municipal service review is a study, intended to serve as an informational tool to help LAFCO, local agencies and the public better understand the public service structure in Contra Costa County.

The service review and determinations are Categorically Exempt under §15306, Class 6 of the California Environmental Quality Act (CEQA) Guidelines.

RECOMMENDATIONS

1. Determine that the MSR project is Categorically Exempt pursuant to §15306, Class 6 of the CEQA Guidelines,
2. Consider comments presented prior to and during the public hearing and any revisions to the *West County Sub-regional MSR* report,
3. Accept the report with any desired changes,
4. Adopt the MSR determinations by resolution attached hereto, and
5. Direct staff to prepare the Final MSR report and make available to all affected agencies and interested parties.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

c: Distribution

Attachments:

1. Letter Dated October 20, 2009 from John Bakker, Attorney at Law, for Kensington Fire Protection District
2. Draft Resolution with MSR Determinations

October 20, 2009

VIA E-MAIL

Lou Ann Texeira, Executive Officer
Contra Costa Local Agency Formation Commission
651 Pine Street, Sixth Floor
Martinez, CA 94553-1229

**Re: Kensington Fire Protection District Comments on
Public Review Draft of *West County Sub-Regional Municipal Services Review***

Dear Ms. Texeira:

As you know, Meyers Nave represents the Kensington Fire Protection District ("KFPD"). The following are KFPD's comments on the Public Review Draft of the *West County Sub-Regional Municipal Services Review*, dated October 2009 ("Report"). KFPD's comments are confined to the Report's discussion of the Kensington Police Protection and Community Services District ("KPPCSD").

1. The Report identifies consolidation of KFPD with KPPCSD as an option for LAFCO to consider. KFPD remains strongly opposed to consolidation. Both KFPD and the KPPCSD held public meetings to discuss the Public Review Draft of the Municipal Services Review in the spring. At both meetings, the overwhelming majority of those Kensington residents speaking were opposed to the concept of consolidating KFPD with the KPPCSD. Subsequently, LAFCO's Fire and Emergency Medical Services Ad Hoc Committee recommended against the consolidation proposal and this was affirmed by a vote of the Commission at its October 14, 2009 meeting. Local 1230, which represents KFPD's firefighters, is opposed to consolidation. Despite the opposition of stakeholders, the community, and LAFCO, the Report resurfaces the concept of the consolidation of KFPD and KPPCSD.

Although the Report stops short of recommending consolidation, it offers various justifications for consolidation. For instance, it indicates that consolidation "would offer opportunities to the community in exercising greater control over the share of local property tax dollars spent on fire, emergency medical services law enforcement, and other services." The Report also indicates that consolidation would "streamline local government, and offer more options on allocating public safety funds within the community." As KFPD previously explained in its comments on Public Review Draft of the Fire MSR, these rationales ignore the fact that the community's electorate already has complete control over both KFPD and the KPPCSD. This is a Kensington issue. Kensington *not* LAFCO should decide the community's public safety and service priorities.

2. The Report alludes to the discussion of whether KFPD's property tax allocation would remain "in Kensington" if it were consolidated with KPPCSD. The District remains deeply concerned about the possibility of the County exchanging a portion of KFPD's property tax allocation to itself. This concern was expressed in my April 13, 2009 letter to the commission (attached). LAFCO's legal counsel, Silvano

Marchesi preliminarily offered the “view that probably the property tax collected by the Kensington Fire Protection District would be transferred to the Kensington Community Services District, should those districts be combined.” He went on to indicate, however, that were LAFCO to initiate a consolidation proposal the provisions of Revenue and Taxation Code section 99 that I had cited may not apply. Mr. Marchesi’s opinion also acknowledges that some uncertainty when it states that “no clear answer was forthcoming” and that “further research would be needed.” It then notes that in similar situations in the past the property tax of the dissolved district (in this case KFPD) has been transferred to the successor district (in this case KPPCSD).

Mr. Marchesi’s preliminary opinion offers little comfort to KFPD and the Kensington community. Since it addresses only a situation where LAFCO initiates the proposal, the opinion suggests that if the proposal were initiated by petition or by another local agency (such as the County) the Board of Supervisors could exchange a portion of the KFPD property tax allocation to the County. KFPD and the residents of Kensington would continue to welcome a final opinion from the Commission’s Legal Counsel acknowledging that the County lacks the power to exchange property tax to itself in the event of a consolidation of KFPD with KPPCSD.

The District appreciates the opportunity to comment on the Report. KFPD respectfully requests that the Report, in its final form and LAFCO’s written statement adopted pursuant to section 56430, not recommend consolidation of KFPD with the KPPCSD.

If you have any questions, please feel free to contact me or the District’s Administrator, Brenda Navellier.

Very truly yours,



John D. Bakker

Attachment

JB

c: Commissioners and Alternate Commissioners
Kensington Fire Protection District Board of Directors

March 18, 2009

VIA E-MAIL AND U.S. MAIL

Lou Ann Texeira, Executive Officer
Contra Costa Local Agency Formation Commission
651 Pine Street, Sixth Floor
Martinez, CA 94553-1229

Re: Kensington Fire Protection District Comments on Public Review Draft of Municipal Service Review for Fire and Emergency Services Providers

Dear Ms. Texeira:

Meyers Nave represents the Kensington Fire Protection District ("KFPD"). The following are the KFPD's comments on the Public Review Draft of the *Municipal Service Review: Fire and Emergency Medical Service Providers*, dated February 2009 ("Report").

KFPD has focused its comments on Chapter 11, which concerns KFPD. In general, KFPD finds the Report to be thorough and complete. However, KFPD takes issue with the conclusions of the study's authors.

In particular, the Report recommends a "zero sphere of influence" for the District. (p. 222.) This means that the Report recommends that the District's "public service functions should be reassigned to another agency and the agency should be dissolved or combined with one or more other agencies." (p. 12.) The Report goes on to suggest that KFPD be consolidated with the Kensington Community Services District ("CSD"). (p. 222.) The Report's authors conclude, without substantiation, that consolidation with the CSD is "the most efficient approach to providing municipal services to the community and to continue to provide the community with the local control that it desires." (p. 222.)

KFPD is of the strong opinion that the "zero sphere" and consolidation recommendations are unwarranted for the following reasons:

First, the suggestion that the services of the District, which is now a model of special-district governance and management, be reassigned to another agency lacks historical and community perspective. The District, which is now over 80 years old, was close to bankruptcy in 1995. Its buildings were in disrepair; its vehicles and apparatus had reached or were reaching the end of their useful lives. To remedy this dire situation, the District chose to contract with El Cerrito for the provision of fire service. This was a courageous act in a community that, as the report notes, values its autonomy. Since that time, the District's finances have markedly improved, and it has remodeled its building, purchased new vehicles and apparatus, and provided excellent and efficient fire service to the community pursuant to the contract. It has also initiated paramedic service and begun to offer engine-based advanced life support service. Further, the District strongly believes a single-purpose agency devoted to fire-protection is particularly important in Kensington because it is a "very high fire hazard severity zone." This community focus also

allows for a higher service level than might be possible if the community were annexed to El Cerrito or to a regional fire district. Having a narrow charge has allowed the Board of Directors to focus on long-range, fire-protection planning, such as the substantial, nearly decade-long water system upgrade project partnership with EBMUD to enhance the provision of water along the wildland interface and to optimize the placement of hydrants throughout the community. The last decade of the District's history has been exemplary.

Second, the Report's rationales for its recommendations are unsupported and in some cases incorrect. The Report states in various places that consolidation would "streamline local government," "offer cost-saving opportunities to the community," allow the community to "exercis[e] greater control over the share of local property tax dollars spent on fire, EMS, law enforcement services and other services," "enhance efficiency," and "maintain local control over public safety services." However, nowhere does the Report explain how exactly the proposed consolidation would accomplish these asserted benefits, and the District does not believe that any of the asserted rationales support the recommendations. Any "cost savings" associated with a consolidation are necessarily dependent upon a review of the services provided by CSD and its financial operations. Without an analysis of the CSD's operations, revenues, and service costs, LAFCO is not in a position to say that cost savings will result from a consolidation of the CSD and KFPD. (It is notable that the cost-savings that might typically flow from the elimination of one five-member board would not apply in Kensington because both boards are uncompensated.) Further, the Report's conclusion that consolidation offers "opportunities to the community in exercising greater control over the share of local property tax dollars spent on fire, EMS, law enforcement and other services" (p. 219) ignores the fact that the community's electorate already has complete control over both KFPD and the CSD; the local electorate not LAFCO should decide its priorities. Like with the cost-savings rationale, there is absolutely no evidence offered for the conclusion that consolidation would result in greater efficiencies; the present "contracting out" strategy employed by the KFPD is already a highly efficient mechanism for the provision of fire service, as the Report acknowledges. Finally, the idea that consolidation would somehow "maintain local control over public services" is simply not true, since local control over public safety service will be maintained *with and without* consolidation.

Third, it is simply premature for LAFCO to recommend consolidation with the CSD—to solve the CSD's "reported . . . financing challenges"—without having first completed a municipal service review of the CSD. First, the Report offers absolutely no evidence of the current circumstances of the CSD, beyond a note that it is *reported* to be facing financing challenges. For all LAFCO knows, those challenges could be on the cost side of the CSD's ledger rather than the revenue side. Second, an MSR of the CSD might find substantial cost-saving opportunities for the CSD, such as contracting with another agency, that would not require consolidation. Such a review might also acknowledge the cost savings and efficiencies already in place because the District and the CSD share a facility.

For these reasons, KFPD respectfully requests that the Report, in its final form and LAFCO's written statement adopted pursuant to section 56430, not recommend consolidation with the CSD. Furthermore, KFPD also respectfully requests that LAFCO not adopt a "zero sphere" and instead adopt either a "coterminous sphere" or a sphere that includes the EBMUD reservoir.

Finally, the District offers the following additional comments on the Report:

1. Table 1-1 on page 1 should be revised to reflect that KFPD provides Fire, Basic EMS, and Paramedic Services. It is misleading to describe KFPD as a funding only agency, since the District does provide services albeit pursuant to a contract.
2. Figure 3-8 on page 50 should include KFPD, since it does have \$2.2 million in OPEB liability. As the Report notes on page 214, the District intends to prefund this liability within a 5 to 10 year period.
3. The District finds the comparison of its per-capita costs with that of other agencies to be misleading. First, these relatively high per-capita costs reflect the low population density of the community relative to the coverage area. Second, the Report fails to acknowledge that the high per-capita costs are in some part created by minimum service level requirements, which tends to mislead the reader. Finally, the District believes that it is more appropriate to look at the per-capita costs across the entire El Cerrito Fire Department service area (KFPD and the City of El Cerrito), which is \$274.

The District appreciates the opportunity to comment on the Report. If you have any questions, please feel free to contact me or the District's Administrator, Brenda Navellier.

Very truly yours,



John D. Bakker

JB

c: Chairperson Rob Schroder
Vice Chair Gayle Uikema
Commissioner Helen Allen
Commissioner Federal Glover
Commissioner Martin McNair
Commissioner Dwight Meadows
Commissioner David A. Piepho
Alternate Commissioner Don Tatzin
Alternate Commissioner Mary N. Piepho
Alternate Commissioner William Bristow
Kensington Fire Protection District Board of Directors

RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

**ADOPTING DETERMINATIONS FOR THE
2009 WEST COUNTY SUB-REGIONAL MUNICIPAL SERVICES REVIEW**

WHEREAS, Government Code §56430 requires the Commission to conduct municipal service reviews (MSRs) in order to prepare and update spheres of influence (SOIs) pursuant to Government Code §56425;

WHEREAS, the Commission previously authorized the central, east and west county sub-regional MSRs to be prepared; and

WHEREAS, on September 9, 2009, the Commission conducted a workshop to review the Preliminary Draft *West County Sub-regional MSR*, received comments, and directed staff to circulate the MSR for public review; and

WHEREAS, the *West County Sub-regional MSR* covers the cities of El Cerrito, Hercules, Pinole, Richmond and San Pablo, and the Crockett Community Services District (CCSD) and Kensington Police Protection and Community Services District (KPPCSD); and

WHEREAS, following the workshop the Public Review Draft MSR was circulated for a 21-day public comment period; and

WHEREAS, on November 18, 2009, the Commission conducted a public hearing to receive the Final Draft MSR; and

WHEREAS, the Commission considered all comments, written and oral, received prior to and during the hearing on November 18, 2009; and

WHEREAS, the MSR report and determinations are Categorically Exempt from the California Environmental Quality Act (CEQA) pursuant to §15306 Class 6 of the CEQA Guidelines.

NOW, THEREFORE, BE IT RESOLVED that the Contra Costa Local Agency Formation Commission does hereby resolve, determine and order as follows:

The West County Sub-regional Municipal Services Review determinations attached hereto as Exhibit A and incorporated herein by reference are hereby adopted.

* * * * *

PASSED AND ADOPTED THIS 18th day of November 2009, by the following vote:

- AYES:
- NOES:
- ABSTENTIONS:
- ABSENT:

GAYLE B. ULIKEMA, CHAIR, CONTRA COSTA LAFCO

I hereby certify that this is a correct copy of a resolution passed and adopted by this Commission on the date stated above

Dated: November 18, 2009

Lou Ann Teixeira, Executive Officer

EXHIBIT A
WEST COUNTY SUB-REGIONAL
MUNICIPAL SERVICE REVIEW DETERMINATIONS

I. Summary of Determinations and Key Issues

Infrastructure Needs and Deficiencies

Most infrastructure is in “good” condition, although the cities of El Cerrito and Richmond have roads that are “at risk” as well as some facilities that are in poor condition.

Growth and Population

In general, growth rates are consistent with each other and have been historically low in west Costa Contra County. Most jurisdictions are nearing buildout and have relatively little vacant land to develop. It is anticipated that the cities of Richmond and Hercules will experience the highest growth rates in west Costa Contra County.

Financing Constraints and Opportunities

Most of the agencies are experiencing a decline in revenues and an increase in costs. In the cities of Pinole and Richmond and the KPPCSD, expenditures exceed revenues, and reserves are being utilized. The CCSD anticipates rate increases for sewer service.

Cost Avoidance Opportunities

There are limited opportunities for cost avoidance. The City of El Cerrito has an agreement with the Kensington Fire Protection District (KFPD) and automatic aid agreements and shares support services. Fire protection for Hercules is provided by an independent special district. The City of Pinole shares ownership of the Hercules Wastewater Treatment Plant (WWTP) and has instituted a Sewer System Management Plan for operational efficiency and to reduce unplanned maintenance. The City of Richmond has automatic aid agreements in place and provides dispatch services for surrounding jurisdictions, which consolidates costs and improves efficiencies. The City of San Pablo utilizes the Contra Costa County Fire Protection District (CCCFPD) for fire prevention and emergency services and the City of Richmond for dispatch services. They also share facilities with the school district. The CCSD has limited staff and contracts with other agencies. The elected board members receive no stipend. The KPPCSD leases space from the KFPD.

Opportunities for Rate Restructuring

All of the agencies review and update fees, charges, and fines on a regular basis, usually as part of the annual budget process. In the City of Hercules, revenues from the wastewater utility do not meet the cost of service provision. The City should consider revising rates. The City of Pinole reviews and adjusts the fee structure. The wastewater utility used to operate at a deficit, and they increased rates; they now operate at a surplus. The City of San Pablo last updated its master fee schedule in 2004, and should consider reviewing and updating the schedule. The CCSD has established an equitable process for evaluating fees for each wastewater service area.

Opportunities for Shared Facilities

The City of El Cerrito shares programs and facilities related to emergency services, public safety, animal control, waste management, recreation, and library services. Hercules owns a 50% share of the WWTP located and operated by the City of Pinole. The City built and maintains the Hercules branch library, which is operated by the Contra Costa Countywide Library system. The City of Hercules also maintains a joint-use agreement with the school district for use of school grounds. The City of Pinole shares ownership of the WWTP with Hercules, and shares ownership of the deep water outfall structure associated with the WWTP with the City of Hercules and the Rodeo Sanitary District. The City of Pinole's fire department operates jointly with the CCCFPD, the City of Richmond Fire Department, and the Rodeo-Hercules Fire Protection District (RHFPD) in operating a joint fire Battalion 7. Richmond shares programs and facilities related to emergency services, public animal control, and waste management. San Pablo shares programs and facilities related to emergency services, public safety, animal control, waste management, recreation, and library services. The CCSD shares services related to wastewater facility maintenance and treatment with C & H Sugar. The KPPCSD leases space from the KFPD and allows the Kensington Community Council to run recreation programs from its facility.

Government Structure Options

For all of the cities, the Council-Manager form of government is appropriate, and services are generally efficient; however, some boundary issues should be addressed in order to improve the efficiency of services. These governance issues are addressed below with respect to local each agency.

Evaluation of Management Efficiencies

All of the cities are operating efficiently, and most have a low employee-to-resident ratio. The City of San Pablo should consider including service metrics within its annual budget to demonstrate performance levels. The CCSD regularly evaluates its facility and service delivery needs and financial capacity for providing service, including maintenance and capital improvements. The KPPCSD is considering service alternatives, including contracting for law enforcement services with the City of El Cerrito, which could provide greater efficiencies in delivery of such services to the community.

Local Accountability and Governance

The cities maintain easy-to-navigate websites that are kept current with meeting notices, minutes of meetings, and commonly requested documents. The agencies provide numerous opportunities for public participation and input. Many are broadcasting public hearings on cable television. Oversight is generally provided by the City Clerk and Treasurer. The CCSD posts notices and agendas at least 72 hours in advance and provides some public information through its website. The KPPCSD provides opportunities for citizens to attend meetings and access to information via the District's website.

II. Agency-Specific Determinations

CITY OF EL CERRITO

General Statements

- A. El Cerrito is proactive in addressing community needs, public services and infrastructure improvements.
- B. Determinations relating to El Cerrito are presented in the *Final 2009 Municipal Service Review: Fire and Emergency Medical Service Providers*.

Infrastructure Needs and Deficiencies

1. El Cerrito is working to address infrastructure needs and deficiencies through its 10-year Capital Improvement Program (CIP), Pavement Management Program, Structural Facilities Management Plan, Storm Drain Master Plan, and other implementation plans. The City has completed several needs assessments to identify infrastructure needs and prioritize projects.
2. El Cerrito has adopted performance standards for several municipal services, including traffic services, park and recreation facilities, fire suppression and related emergency services, police emergency services, sanitary sewer and treatment services, domestic water services, and flood control. With respect to the services reviewed in this study, the City is meeting or exceeding the standards for traffic service and park and recreation facilities. The City has filled sworn officer vacancies and this is expected to reduce response time in keeping with the performance standard. The City is implementing programs and prioritizing projects in order to maintain these service standards.
3. El Cerrito uses a 10-year CIP that is updated annually. The 2008-18 CIP identifies 37 projects at a total cost of \$108 million. The City's adopted budget includes \$17.9 million for capital projects in 2008-09; and finances major capital improvements through bonds and leases.
4. El Cerrito recently completed construction of a new City Hall that houses City Hall, City Council Chambers, and the Emergency Operations Center. The City is also constructing a new recycling center.
5. In 2004, El Cerrito conducted an evaluation of its structural facilities as part of the Structural Facilities Management plan. The study noted that the majority of facilities are in good to fair condition and a few facilities are at the end of their service life or require major structural improvements.
6. The City has identified the need for several new facilities to replace outdated facilities, including a new public safety building to house the police department and one fire station, library, and senior center. The funding sources for these projects have not been identified.
7. The condition of the City's roadway infrastructure was rated at a Pavement Condition Index (PCI) of 50 (at risk) in 2007. The City is implementing an aggressive Street Improvement Program intended to increase the PCI rating to near 70 by 2012. This program is funded through a half-cent sales tax measure approved by El Cerrito voters in February 2008.
8. The El Cerrito Fire Department has identified the need to upgrade the existing water supply system to improve fire flow in the area east of Arlington Boulevard to the City limits so that it meets the City's goal of 3,000 gallons per minute. Funding sources have not been identified.

Growth and Population Projections for the Affected Area

9. El Cerrito is considered built-out and future growth will occur through infill development and reuse of existing sites. The City is projected to have an overall growth rate of 11% by 2035 with a nominal average annual rate of 0.4%.
10. The most significant future development is targeted for the San Pablo Avenue Corridor, a designated Redevelopment Project area.
11. El Cerrito's SOI includes the southern portion of the unincorporated area of East Richmond Heights and the unincorporated community of Kensington. Both of these areas are developed and future growth rates are expected to be consistent with the surrounding area.

Financing Constraints and Opportunities

12. El Cerrito has adopted a financial policy that requires a balanced budget and places constraints on reserve levels. The City has an annual budget cycle that includes a 10-year financial plan that is updated annually. This allows the City to consider the effect of financial decisions on future budgets.
13. The City is anticipating decreased revenues from sales and property taxes, as well as planning and building fees due to economic conditions. The City revised its projections based on these conditions and factored them into its mid-year budget update for 2008-09 and development of the 2009-10 budget. The Redevelopment Agency is focused on developing economic opportunities within the San Pablo Avenue corridor.
14. El Cerrito benefits from several voter-approved initiatives that provide designated funding sources for capital improvements and City services, including the following: Measure A (2008) that funds the City's comprehensive street pavement repair and maintenance program; Measure WW (2008) that will fund acquisition and development of neighborhood, community and regional parks and recreation lands and facilities; assessments for a Landscape and Lighting Assessment District (1996); Measure C (1988) that funds transportation and growth management projects; Measure J (1993) that funds storm drain improvements; and Measure A (1999) that funds improvements at the swim center.

Cost Avoidance Opportunities

15. El Cerrito is providing comprehensive fire prevention and emergency services within Kensington by agreement with the KFPD. The City also has automatic aid agreements with other fire protection agencies and shares support services. For police dispatch the City contracts with the City of Richmond and collaborates with other agencies on regional programs. This improves the cost-effectiveness of providing full service fire and police departments.
16. The City is collaborating with other agencies in several areas, including the San Pablo Avenue Specific Plan, waste management programs, and sports facilities. This enables the City to provide a higher level of service while controlling costs.

Opportunities for Rate Restructuring

17. The City regularly reviews its Master Fee Schedule to ensure fees are adequate to cover the related cost. The schedule is posted on the City's website.
18. The City provides integrated waste management services as an enterprise activity, such that revenues are sufficient to cover expenses. The City adjusted its integrated waste management fee in 2007-08.

19. El Cerrito's recreation programs are funded through program, rental and other user fees as well as grants. Non-resident fees are 25% higher. The fee structure for programs and facility rentals is reviewed regularly.

Opportunities for Shared Facilities

20. El Cerrito shares programs and facilities related to emergency services, public safety, animal control, waste management, recreation, and library services. This allows the City to provide a higher level of service to its residents and business communities.
21. The City has restructured some internal departments, forming a Capital Improvements Division within Public Works and an Environmental Services Division within Administration. This improves inter-departmental coordination and enhances the operational performance of the City.

Government Structure Options

22. El Cerrito operates as a general law city with a council/manager form of governance. There are limited opportunities for changes to the existing government structure.
23. The City's SOI includes the southern portion of the unincorporated area of East Richmond Heights and the unincorporated community of Kensington. The City is not anticipating any annexations in these areas and will consider future annexations upon property owner request.
24. The Vista Heights Road area, within El Cerrito's SOI, is located between the northeastern boundary for El Cerrito and Wildcat Canyon Regional Park. This area is within the boundaries of the City of Richmond. The community has approximately 97 homes and is only accessible through El Cerrito. EBMUD provides water service and wastewater treatment, and the Stege Sanitary District provides wastewater collection by agreement with the City of Richmond due to a landslide that damaged Richmond's sanitary sewer infrastructure. Detaching this area from Richmond and annexing it into El Cerrito would establish boundaries that are consistent with the efficient provision of services. However, this boundary change would remove the area from Richmond's wastewater service area and require that it be annexed to either the Stege Sanitary District or the West County Wastewater District to ensure adequate service continues. Given the history of the wastewater system, this could pose a significant risk for either of the two districts. Additional study is needed to determine whether future improvements to Richmond's wastewater collection system could provide adequate cost-effective service to this area and the potential liability to Stege or West County if it were annexed into either district.
25. The cities of El Cerrito and Richmond have major boundary problems along San Pablo Avenue. There are numerous split parcels that split retail and other commercial businesses. This results in confusion and service inefficiencies.

Evaluation of Management Efficiencies

26. As part of the annual budgeting process, El Cerrito sets staffing levels, identifies prior year accomplishments, details performance on key service indicators, and sets objectives and goals for the upcoming year. These criteria provide an objective means to evaluate performance.
27. El Cerrito's adopted policies and goals are stated in public documents and provide a framework for management decisions.

Local Accountability and Governance

28. El Cerrito's City Council meetings are noticed and accessible to the public through in-person attendance, live online webstreaming via the City's website, or by video broadcast through the cable system. El Cerrito maintains a comprehensive website that includes City documents, codes, ordinances, and other relevant information.
29. El Cerrito has established numerous advisory boards to provide guidance and input to the City Council and to implement programs and activities consistent with City priorities. Commission and committee meetings are noticed and open to the public.

CITY OF HERCULES

General Statements

- A. Hercules has been proactive in addressing community needs, public services, and infrastructure improvements.
- B. Determinations relating to the City of Hercules as adopted by the Commission in 2008 as part of the *West County Water and Wastewater Services – Municipal Service Review* remain valid.

Infrastructure Needs and Deficiencies

1. In general, existing City-owned infrastructure—streets, buildings, parks, stormwater system, library, and community center—are meeting acceptable standards for functionality and usability. The various City Departments responsible for maintenance of facilities annually audit conditions and schedule maintenance as required. Larger projects are included within the CIP.
2. As part of its CIP, Hercules continues to work on pavement repair and roadway improvements. The PCI rates City streets with an index of 74, which is “good.” Pavement condition indexes conducted annually show the condition of roadways has improved from 66 in 2003.
3. The City owns a 50% share of the WWTP with Pinole. The WWTP is in need of capacity upgrades. Daily operation of the WWTP is handled by the City of Pinole.

Growth and Population Projections for the Affected Area

4. The City population is projected to have an overall growth rate of 18.4% through 2035, with an estimated population of approximately 29,800 in 2035.
5. Growth will take place through annexation of lands within the existing 850-acre SOI and through infill development or redevelopment on parcels within the City.
6. Hercules has a jobs–housing balance of 0.56, which indicates that there are approximately twice as many people who live in Hercules who work than there are jobs available.

Financing Constraints and Opportunities

7. The City's General Fund revenues exceed expenditures.
8. Increasing costs of services such as police protection will continue to impact General Fund expenditures.
9. Hercules carries a high bonded indebtedness of \$94,730,000 for a city of its size, which is more than five times the General Fund revenues.

Cost Avoidance Opportunities

10. Fire services are provided to the City by RHFPD, an independent special district. Fire services are paid through assessments, fees for services, and a portion of the ad-valorem property tax increment. Fire services are not included within City budgets.

Opportunities for Rate Restructuring

11. As part of the City's annual budget process, all City fees, cost for services, and mitigation are reviewed and updated as necessary to keep up with cost.
12. Revenues from the City's wastewater utility do not meet the cost of service provision. The City should address this by revising wastewater rates so that revenues exceed or meet cost of service provision.

Opportunities for Shared Facilities

13. The City owns a 50% share of the WWTP, located in and operated by the City of Pinole. Hercules pays its share of operational and maintenance costs.
14. The City built and maintains the Hercules branch library, which is operated by the Contra Costa Countywide Library system.
15. The City maintains a joint-use agreement with the school district for use of school grounds when not in use by the schools. This increases the amount of recreational areas available for public use.

Government Structure Options

16. There are no recommendations for changes of government structure resulting from this MSR. Hercules operates as a general law city with a council-manager form of governance.
17. Future annexations of areas within the existing SOI would result in government structure changes for those residents, from County governance to governance by the City of Hercules.

Evaluation of Management Efficiencies

18. The MSR report identified no deficiencies within City management practices.

Local Accountability and Governance

19. The City provides and maintains an extensive website. This website provides information about the City, meetings, agendas, staff reports, minutes of meetings, budgets, CIP, the general plan, projects within the City, contact information, and general information of interest to the public. Council members' email addresses are provided on the City's website, which provides additional access to the City's elected officials.
20. The City publishes a brochure, The Herculean, which provides information about important events, recreation programs, redevelopment projects, and various City news items.

CITY OF PINOLE

General Statements

- A. The City has been proactive in addressing community needs, public services, and infrastructure improvements.

- B. Determinations relating to the City of Pinole as adopted by the Commission in 2008 as part of the *West County Water/Wastewater Municipal Service Review* remain valid.

Infrastructure Needs and Deficiencies

1. In general, existing City owned infrastructure – streets, buildings, parks, and senior centers – are meeting acceptable standards for functionality and usability. The various City Departments responsible for maintenance of facilities annually audit conditions and schedule maintenance as required.
2. Pinole’s roadways have a PCI rating of 71, which is rated as good. The City maintains 64 miles of publicly dedicated streets. The CIP lists 11 current roadway projects for 2008-09.
3. Pinole’s wastewater collection system is old and suffers from inflow/infiltration problems. The CIP includes projects to replace sections of sewers within the 2008-09 CIP budget.
4. Pinole owns a 50% share of the WWTP with Hercules. The WWTP is in need of upgrades in capacity and technology.
5. The five-year CIP currently lists 84 projects from nine spending groups. The 2008-09 CIP budget is \$24 million.

Growth and Population Projections for the Affected Area

6. Pinole is largely built out with growth projections showing low rates of growth through 2030. Annual growth will be less than 0.4% annually.
7. Pinole’s growth is constrained with the cities of Hercules and Richmond to the north and south, San Pablo Bay to the west, and open space defined by the countywide voter approved Urban Limit Line (ULL) to the east. The City’s SOI is located between Richmond and Pinole and is largely built out with older single-family residences.
8. The City has a jobs–housing balance of 0.43, which indicates that there are more workers available than jobs within Pinole. While the number of jobs has been increasing, the City will continue to be job poor and have workers commuting to other locations for employment into the foreseeable future.

Financing Constraints and Opportunities

9. For the last four years, Pinole has experienced budget deficits, which have been made up with reserve funds. Deficits for the past two years have exceeded \$1 million with current projections for another deficit in excess of \$1 million.
10. The City’s revenues are strongly dependent on sales tax revenues, which make up approximately 30% of the overall general fund revenue. Both property tax revenue and sales tax revenues are anticipated to be slightly greater than what was anticipated in the 2007-08 budget.
11. The City Manager’s budget message calls for budget discipline in all departments, reduced spending on services, and not filling vacant staff positions in an effort to reduce the projected deficit and to minimize the impact of reduced spending on services and personnel.
12. The City finance officer will review revenue and spending quarterly and provide the Council and City Manager with updates to monitor budget progress. This allows for budget adjustments to be made in a timely manner.
13. Pinole currently has a Utility Users Tax (UUT) of 8%, which generates approximately 17% of City revenues. The UUT is set to sunset in 2012; and, if not extended by the voters, will require the City to make some difficult financial decisions, which may affect fire, public works, and police services.

14. The current property tax split formula between the County and the City for annexations, coupled with the older housing inventory within the existing SOI, make future annexations unlikely, as the cost of service provision is higher than the property tax revenue the City would receive if the area were to be annexed.

Cost Avoidance Opportunities

15. Pinole's wastewater utility shares ownership of the WWTP with the City of Hercules wastewater utility. This reduces the need for each agency to provide for its own treatment facilities.
16. The City's wastewater utility has instituted a Sewer System Management Plan (SSMP) in accordance with the requirements of the State Water Quality Regional Control Board. The SSMP outlines maintenance and operation procedures that help to keep the collection and conveyance system operating efficiently and reduce unplanned maintenance.

Opportunities for Rate Restructuring

17. As part of the City's annual budget review, all fees, charges, fines, and user fees are reviewed and updated as necessary to keep up with costs of service provision.
18. The City's wastewater utility was operating historically at a deficit; review of costs showed a need for increasing rates in 2006. The utility now is realizing a small surplus in revenue.

Opportunities for Shared Facilities

19. The City shares ownership of the WWTP with the City of Hercules. The facility is located in Pinole with the City of Pinole the designated operator.
20. The City shares ownership of the deep water outfall structure associated with the WWTP with the City of Hercules and the Rodeo Sanitary District.
21. The City's Fire Department operates jointly with CCCFPD, the City of Richmond Fire Department and the RHFPD in the operation of a joint fire Battalion 7. This involves rotating fire chief duties among the agencies involved and pooling fire-fighting resources to provide adequate fire response levels.

Evaluation of Management Efficiencies

22. This MSR identified no deficiencies within City management practices. Pinole maintains an efficiently sized staff for City operations.
23. The City operates with a Council-Manager form of governance. The City Council is elected, and the City Manager is hired by the Council to manage the day-to-day operations of the City.

Government Structure Options

24. The West County Water/Wastewater Municipal Services Review identified a potential for consolidation of the wastewater operations with the City of Hercules and/or West County Wastewater District, as a way to improve efficiency and keep costs down. Studies have been conducted on these alternatives and discussions are ongoing to determine if a consolidation is in the best interest of the City.
25. Pinole's Fire Department operates in cooperation with other fire-fighting jurisdictions, including the RHFPD, CCCFPD, and the City of Richmond, in the operation of Battalion 7. The joint operation of various agency assets ensures adequate and comprehensive fire protection coverage that any single agency may not be able to provide on its own.

26. The unincorporated community of El Sobrante is divided by the SOIs of Pinole and Richmond, generally along Manor Road. Both cities should review potential service delivery into this area as well as polling the interest of the citizens to determine if future SOI amendments may be appropriate for this area to bring the entire area into a single city SOI.

Local Accountability and Governance

27. The City maintains an easy-to-navigate website that is kept current and includes meeting notices, minutes of meetings, links to important City documents such as the General Plan and the current City budget, a weekly City Manager's message, and information about local events of interest.
28. The elected City Treasurer provides important oversight functions, which include filings of monthly financial reports, audits, and oversight of travel expenses.

CITY OF RICHMOND

General Statements

- A. The City has been proactive in addressing community needs, public services, and infrastructure improvements.
- B. Determinations relating to the City of Richmond presented in the 2009 Final *Municipal Services Review: Fire and Emergency Medical Services* remain valid.

Infrastructure Needs or Deficiencies

1. Richmond is working to address infrastructure needs and deficiencies through its five-year CIP and other implementation plans. Within the past several years, the City has recognized fairly substantial infrastructure deficiencies and needs, such as the condition of the streets, the age of storm drain and sanitary sewer collection systems, the outdated street lighting systems, the development of a citywide pedestrian and bicycle safety plan, and a complete citywide traffic signal upgrade. The City has completed several needs assessments to help identify specific needs and to prioritize projects for the upcoming years. In the past several years, the City has instituted strict financial control measures, and has made substantial investments in infrastructure.
2. Richmond's roadways have a PCI rating of 50, which is "at-risk." The City maintains 280 miles of publicly dedicated streets. The CIP includes citywide pavement replacement, enhancement, and management programs for 2008-09.
3. Recent cuts to City Gas Tax revenues by the State may affect the progress of the improvements in pavement conditions, since the Gas Tax is a major funding source for these programs.
4. The City's wastewater collection system is old and suffers from inflow/infiltration problems. The CIP includes projects to replace sections of sewers in the 2008-09 CIP budget.

Growth and Population Projections for the Affected Area

5. Richmond is projected to grow 22% by 2030. Annual growth will be approximately 1.1%.
6. City growth is constrained, with the cities of El Cerrito and San Pablo to the east, San Pablo Bay to the west, Pinole to the north, and open space defined by the countywide voter-approved ULL to the southeast. Richmond's SOI areas are largely built out with residential, industrial, and commercial uses.
7. The City has a jobs-housing balance of 0.89, which indicates that there are more workers available than jobs within Richmond. The City is within 10% of being considered jobs-housing balanced.

Financing Constraints and Opportunities

8. Standard & Poor's Rating Services recently issued its report affirming the City's "A+" credit rating, and assigning a rating of "A" to the bond financing, which is a reflection of financial performance and stability.
9. Sales tax revenues make up approximately 16% of the overall General Fund revenue. With declining sales revenues, the City's revenues are impacted, with effects on General Fund spending and service provision.
10. Richmond anticipates decreased revenues from other sources as well, including property taxes, and planning and building fees, due to economic conditions. The City revised its projections based on these conditions and factored them into its mid-year budget update for 2008-09 and its 2009-10 budget.

Cost Avoidance Opportunities

11. Richmond has automatic aid agreements with other fire protection agencies and shares support services. The City also provides police dispatch for surrounding jurisdictions and therefore consolidates costs and improves efficiencies for such services.

Opportunities for Rate Restructuring

12. As part of the City's annual budget review, all fees, charges, fines, and user fees are reviewed and updated as necessary to keep up with costs of service provision.
13. Richmond provides the following services as enterprise activities: integrated waste management, stormwater, wastewater, and port operations. This ensures that revenues are sufficient to cover expenses.
14. Richmond's recreation programs are funded through program, rental, and other user fees, as well as grants. The fee structure for programs and facility rentals is reviewed regularly.

Opportunities for Shared Facilities

15. Richmond shares programs and facilities related to emergency services, public safety, animal control, and waste management that allow the City to provide a higher level of service to its residents and businesses.
16. The City has consolidated internal functions as part of its fiscal control measures, which has resulted in greater efficiency in delivery of services.

Evaluation of Management Efficiencies

17. This MSR identified no deficiencies within City management practices. The City maintains an efficiently sized staff for City operations.

Government Structure Options

18. The City's SOI includes the communities of North Richmond, El Sobrante, and East Richmond Heights. The City will consider future annexations upon property owner request.
19. The Vista Heights Road area, within El Cerrito's SOI, is located between the northeastern boundary for El Cerrito and Wildcat Canyon Regional Park. This area is within the boundaries of the City of Richmond. The community has approximately 97 homes and is only accessible through El Cerrito. The City of El Cerrito provides police and fire protection as well as recreation services, EBMUD provides water service and wastewater treatment, and the Stege Sanitary District provides wastewater collection by agreement with the City of Richmond due to a landslide that damaged Richmond's sanitary sewer infrastructure. Detaching this area from Richmond and annexing it into El Cerrito would establish boundaries that are consistent with the efficient provision of services. However, this boundary change would remove the area from Richmond's

wastewater service area and require that it be annexed to either the Stege Sanitary District or the West County Wastewater District (WCWD) to ensure adequate service continues. Given the history of the wastewater system, this could pose a significant risk for either of the two districts. Additional study is needed to determine whether future improvements to Richmond's wastewater collection system could provide adequate cost-effective service to this area and the potential liability to Stege or WCWD if it were annexed into either district.

20. The unincorporated community of El Sobrante is divided by the Pinole and Richmond SOIs, generally along Manor Road. Both cities should review potential service delivery into this area as well as polling the interest of the citizens to determine if future SOI amendments may be appropriate for this area to bring the entire area into a single city's SOI.
21. The cities of Richmond and El Cerrito have major boundary problems along San Pablo Avenue. There are numerous split parcels that split retail and other commercial businesses. This results in confusion and service inefficiencies.

Local Accountability and Governance

22. Richmond maintains a comprehensive website that includes City documents, codes, ordinances, and other relevant information.
23. As part of the annual budgeting process, Richmond sets staffing levels, identifies prior year accomplishments, details performance on key service indicators, and sets objectives and goals for the upcoming year. These criteria provide an objective means to evaluate performance.
24. The City's adopted policies and goals are stated in public documents and provide a framework for management decisions.

CITY OF SAN PABLO

General Statements

- A. San Pablo is proactive in addressing community needs, public services and infrastructure improvements.
- B. Determinations, as proposed, relating to San Pablo in the 2009 Municipal Services Review: Fire and Emergency Medical Services remain valid.

Infrastructure Needs and Deficiencies

1. San Pablo is working to address infrastructure needs and deficiencies through its five-year CIP and Redevelopment Agency Five-Year Implementation Plan for Public Works capital improvement projects. The City undertakes studies to evaluate infrastructure needs, prioritize projects, and develop implementation plans.
2. The City has adopted performance standards for several municipal services in accordance with its 1992 Growth Management Element, including public safety, traffic services, park and recreation facilities, water and wastewater services, and storm drainage. With respect to the services reviewed in this study, the City is meeting or exceeding the standards for police services, and the City has programs and projects to continue to improve park and recreation facilities and storm drainage.
3. The City uses a five-year CIP that is updated annually. The 2004/05–2008/09 CIP identifies 45 projects and nearly all are at least partially funded. The City's adopted budget includes \$16.3 million for capital projects

in 2008-09. The City finances major capital improvements through bonds, grants, State bond programs, Measure C, and the General Fund.

4. San Pablo's roadway infrastructure has a PCI rating of 72 (good) in 2007. The City has an ongoing pavement maintenance program that is funded annually.

Growth and Population Projections for the Affected Area

5. San Pablo is considered built out and future growth will occur through infill development and reuse of existing sites. In 2008, the City had an estimated population of 31,190. This is projected to increase to 33,000 by 2035 reflecting an overall growth rate of 6% or 0.2% per year.
6. San Pablo's SOI includes the unincorporated communities of Rollingwood to the north and North Arlington to the southeast. Both of these areas are developed and future growth rates are expected to be consistent with the surrounding area.

Financing Constraints and Opportunities

7. San Pablo has an annual budget cycle with mid-year adjustments. As an outcome of the City Council's goal setting session held in February 2009, the City is developing a policy establishing minimum operating reserve levels.
8. The City anticipates decreased revenues due to economic conditions and has factored this into the mid-year budget update for 2008-09 and in the 2009-10 budget.
9. San Pablo benefits from several voter-approved initiatives that provide funding sources for capital improvements and City services, including the following: a 1994 measure that legalized gaming; assessments for a Landscape and Lighting Assessment District (1982); Measure C (1988) that funds transportation and growth management projects; Measure WW (2008) that will fund acquisition and development of neighborhood, community and regional parks and recreation lands and facilities; and a 7% UUT. Casino San Pablo is also a significant source of revenue, with fees paid according to the 1999 Municipal Services Agreement.
10. San Pablo has two designated Redevelopment Project Areas that encompass nearly the entire area within the City's corporate boundaries. Redevelopment activity and related bond issues provide a significant source of funding for capital projects. The Redevelopment Agency's current focus is on development of land acquired in previous years to expand economic opportunities within the City.
11. San Pablo's Economic Development Program uses a variety of strategies to encourage short and long-term economic growth, including providing information for economic development strategies, providing assistance to attract and retain businesses, and conducting outreach activities. To further encourage economic growth, the City has a small business assistance program to provide loans at favorable interest rates.

Cost Avoidance Opportunities

12. San Pablo receives comprehensive fire prevention and emergency services through the CCCFPD. San Pablo contracts with the City of Richmond for police dispatching and records management services, and collaborates with other agencies on regional programs. This improves the cost-effectiveness of providing full service public safety services for its residents.
13. The City is collaborating with other agencies on waste management programs and partnering with the West Contra Costa Unified School District to share athletic fields and school sites for recreational purposes. This enables the City to provide a higher level of service while controlling costs.

Opportunities for Rate Restructuring

14. The City's Master Fee Schedule, including recreational fees and facility rentals, was last updated in December 2004. The schedule is posted on the City's website. The City should consider reviewing and updating the schedule to ensure fees are adequate to cover the related costs.

Opportunities for Shared Facilities

15. San Pablo shares programs and facilities related to emergency services, public safety, animal control, waste management, recreation, and library services. This allows the City to provide a higher level of service to its residents and businesses.

Government Structure Options

16. San Pablo operates as a general law city with a council/manager form of governance. There are limited opportunities for changes to the existing government structure.
17. The City's SOI includes the unincorporated area of Rollingwood and the unincorporated community of North Arlington. The City is not anticipating any annexations in these areas.
18. The City should include North Arlington within its planning area for the 2030 General Plan if the area remains within the City's SOI.

Evaluation of Management Deficiencies

19. The City's adopted policies and goals are stated in public documents and provide a framework for management decisions.
20. The City should consider including service metrics within its annual budget to demonstrate performance levels.

Local Accountability and Governance

21. San Pablo's City Council meetings are noticed and accessible to the public. The City maintains a comprehensive website that includes City documents and other relevant information. As an outcome of the City Council's goal setting session held in February 2009, the City is evaluating the technology requirements and cost to televise council meetings.
22. The City has established advisory boards to provide guidance and input to the City Council and to implement programs and activities consistent with City priorities. Advisory board meetings are noticed and open to the public.

CROCKETT COMMUNITY SERVICES DISTRICT (CCSD)

Infrastructure Needs and Deficiencies

1. CCSD owns sewer infrastructure, as addressed in the *West County Water/Wastewater Municipal Services Review*. The District owns and maintains the Crockett Community Center and swimming pool, tennis courts, bocce courts, and Alexander Park.
2. CCSD began the engineering design process to replace the swimming pool plumbing and mechanical systems. District infrastructure and facilities are high quality and well maintained.

Growth and Population Projections for the Affected Area

3. The District will grow by an anticipated rate of less than 1% by 2030. The small size of CCSD's boundaries, topographic constraints, and public ownership of surrounding properties leave little undeveloped open land within the District's boundaries for future development.

Financing Constraints and Opportunities

4. The Crockett Reorganization Plan for Service notes that the revenue projections include "sizeable" rate increases for sewer services. This was due to the increased operational costs and capital needs and not the reorganization itself. Increased service charges will ensure adequate revenues for operations and maintenance, as well as funding for debt service and major capital improvements.
5. CCSD may need to implement enhanced maintenance and pretreatment practices, as well as capital improvements, in order to comply with increasingly stringent water quality standards. Costs will be allocated to each wastewater system so that one does not bear the cost of improvements for the other.

Cost Avoidance Opportunities

6. CCSD avoids costs related to benefits and other employee expenses by operating with limited staff; contracting with other agencies to provide operations, maintenance, and emergency response services; and sharing treatment facilities with C & H Sugar Company.
7. Elected board members receive no stipend for serving on the board.

Opportunities for Rate Restructuring

8. The annual sewer service charge is collected through the property tax roll. With respect to sanitary services, the financial plan for the Crockett Reorganization states that, "Revenue from the Port Costa area will be strictly segregated for use solely in Port Costa; the same rule will apply to the Crockett revenue. Neither community will be made to subsidize the other."
9. CCSD has established an equitable process for assessing users and evaluating fees within each wastewater service area.
10. Fees and rates for recreation services can be adjusted according to demand, but additional parcel taxation is subject to voter approval.

Opportunities for Shared Facilities

11. CCSD shares services related to wastewater facility maintenance and treatment with C & H Sugar.

Government Structure Options

12. CCSD was formed in 2006 through the reorganization of three special districts: Crockett Sanitary District, County Sanitation District No. 5 (Port Costa), and County Service Area P-1. This area was also served by the Crockett Recreation Association. CCSD replaced all of these agencies as a public entity capable of providing local services and accountability to the voters in Crockett and Port Costa, two separate and distinct communities. The reorganization was developed through extensive public agency and community involvement, and the reorganization was affirmed by the voters.

Evaluation of Management Efficiencies

13. CCSD is managed by a General Manager under the oversight of an elected Board of Directors.

14. CCSD regularly evaluates its facility and service delivery needs and financial capacity for providing service, including maintenance and capital improvements.

Local Accountability and Governance

15. The Directors of CCSD are elected at large by voters within the District.
16. Meeting notices and agendas are posted at least 72 hours in advance at the Crockett Community Center, the Crockett Post Office, and Port Costa. CCSD meetings are open and accessible to the public.
17. CCSD provides some public information through the Town website. The District routinely makes agendas, meeting minutes, and other service information available on the website.
18. CCSD should consider posting financial information on its website in the future.

KENSINGTON POLICE PROTECTION & CSD (KPPCSD)

Infrastructure Needs and Deficiencies

1. KPPCSD's existing infrastructure is expected to be sufficient for the next 5 to 20 years. For portions of the District's assets with a shorter useful life, there is a replacement plan in place.

Growth and Population Projections for the Affected Area

2. The District boundaries are nearly built out, with an anticipated growth rate of 2% by 2030.
3. The small size of KPPCSD's boundaries, existing approved subdivision of lands, and environmental constraints leave little undeveloped open space territory within the District's boundaries for future development.
4. Residential population growth in the KPPCSD boundary is projected to be minimal. Future growth is expected to consist of limited infill opportunities. There are no planned or proposed developments in the community. In the long-term, growth is expected to increase the population to about 5,123 in 2030.
5. KPPCSD does not conduct growth planning due to the built-out nature of the community.

Financing Constraints and Opportunities

6. KPPCSD has passed a deficit budget for the past three years, although actual revenues to expenses in two of the past three budget years were positive.
7. The District does not have access to new revenue streams to help offset increasing costs without asking the electorate to vote for special assessment rate increases. The rate cap for the property/parcel taxes for police protection does not allow KPPCSD to increase fees as it realizes increases in costs for service.
8. Cost for service provision is increasing and is projected to exceed revenues generated annually. Shortfalls are being made up using long-term budgetary reserves.
9. In the future, KPPCSD may have to reduce service delivery to stay within revenues. Other options that the District may be exploring include a parcel tax increase, contracting out for services, or a possible merger with the KFPD.

Cost Avoidance Opportunities

10. KPPCSD leases space from the KFPD.
11. Elected board members receive no stipend for serving on the board.

Opportunities for Rate Restructuring

12. The District charges fees for park and facility rental activities, and assesses franchise fees for solid waste services, which can be adjusted to a limited extent. KPPCSD has not had a police tax increase since 1997, when the tax was increased to \$300 per household. The District is currently examining the feasibility of increasing the police tax and/or increasing the park maintenance assessment, and is also looking at the possibility of raising fees for park facility rentals.

Opportunities for Shared Facilities

13. KPPCSD leases space from the KFPD and allows the Kensington Community Council to run recreation programs from its facilities.

Government Structure Options

14. KPPCSD does not have many options to increase its revenues, other than special assessment increases or new assessments. Annexation to the City of El Cerrito could provide further options for maintaining future levels of service in light of the District's revenue constraints. There are no services provided to the District by the City of El Cerrito other than those services contracted for by the KFPD. The Kensington community is within the City of El Cerrito's SOI.
15. Consolidation of KFPD with the KPPCSD is an option identified in the Fire and Emergency Medical Services MSR. KPPCSD's boundary area includes all of the KFPD boundary area, as well as the EBMUD reservoir, which is outside of the KFPD boundary, but inside the KPPCSD boundary. KPPCSD could exercise its latent power to provide fire protection services.
16. Consolidation of KFPD with KPPCSD could streamline local government, and offer cost saving opportunities to the community by providing more options on allocating public safety funds.

Evaluation of Management Efficiencies

17. KPPCSD utilizes its small staff efficiently by combining job titles and job functions. Recreation services are supplemented by volunteer services.
18. The District is considering service alternatives, including contracting for law enforcement services to the City of El Cerrito, which could provide greater efficiencies in delivery of law enforcement services to the community.

Local Accountability and Governance

19. KPPCSD provides opportunities for citizens to attend meetings and access to information via the District's website.