

Municipal Service Review Determinations Factors of Analysis

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires LAFCOs to conduct reviews of municipal services and make six written determinations. The following factors to be considered provide examples of how Santa Barbara LAFCO will fulfill the determination requirement.

Determination 1: Growth and population projections for the affected area

Efficient provision of public services is linked to an agency's ability to plan for future need. For example, a water purveyor must be prepared to supply water for existing and future levels of demand, and also be able to determine where future demand will occur. Municipal service reviews will give LAFCO, affected agencies and the public the means to examine both the existing and future need for public services and will evaluate whether projections for future growth and population patterns are integrated into an agency's planning function.

Determination 2: Location and characteristics of any disadvantaged unincorporated communities

Senate Bill No. 244 (Wolk) requires the identification and description of all "disadvantaged unincorporated communities" located within or contiguous to the existing spheres of influence of cities and special districts that provide fire protection, sewer, and/or water services. Disadvantaged unincorporated communities are defined as inhabited unincorporated areas with an annual median household income that is 80% or less than the statewide annual median household income.

Determination 3: Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies

In authorizing the preparation of municipal service reviews, the State Legislature has focused on one of LAFCO's core missions—encouraging the efficient provision of public services. Evaluating the present and planned capacity of public facilities and adequacy of public services is a primary component of this mission. The evaluation will frequently yield information about the condition of infrastructure. Infrastructure needs or deficiencies, which refers to the adequacy of existing and planned public facilities in relation to how public services are—and will be—provided to citizens, impacts the efficient delivery of public services. Infrastructure can be evaluated in terms of capacity, condition, availability, quality, and correlations among operational, capital improvement, and finance plans. It is recognized that there may be unmet infrastructure needs due to budget constraints or other factors; however, identification of deficiencies may promote public understanding and support for needed improvements.

Determination 4: Financial ability of agencies to provide services.

LAFCO must weigh a community's public service needs against the resources available to fund the services. During the municipal service review, the financing constraints and opportunities, which have an impact on the delivery of services, will be identified and enable LAFCO, local agencies, and the public to assess whether agencies are capitalizing on financing opportunities. For example, a service review could reveal that two or more water agencies that are each deficient in storage capacity and, which individually lack financial resources to construct additional facilities, may benefit from creating a joint venture to finance and construct regional storage facilities. Service reviews may also disclose innovations for contending with financing constraints, which may be of considerable value to numerous agencies.

Determination 5: Opportunities for sharing facilities

Public service costs may be reduced and service efficiencies increased, if service providers develop strategies for sharing resources. Examples of resource sharing include the use of regional communication centers, wastewater treatment facilities and distribution lines, etc. Sharing facilities and excess system capacity decreases duplicative efforts, may lower costs, and minimize unnecessary resource consumption. The service review will inventory facilities within the study area to determine if facilities are currently being utilized to capacity and whether efficiencies can be achieved by accommodating the facility needs of adjacent agencies. Options for planning for future shared facilities and services will also be considered.

LAFCO's role in encouraging efficiently provided public services depends, in part, on helping local agencies explore cost avoidance opportunities. Cost avoidance opportunities may also include facility sharing arrangements, the use of joint powers agreements, or other innovative measures that can reduce costs and improve services. The municipal service review will evaluate the status of, and opportunities for, sharing facilities, with the goal of: (1) eliminating duplicative services; (2) reducing high administration to operation cost ratios; (3) replacing outdated or deteriorating infrastructure and equipment; (4) reducing inventories of underutilized equipment, building, or facilities; (5) redrawing overlapping or inefficient service boundaries; (6) replacing inefficient purchasing or budgeting practices; (7) implementing economies of scale; and (8) increasing profitable outsourcing, etc.

Determination 6: Accountability for community service needs, including government structure and operational efficiencies

In reviewing local accountability and governance, LAFCO will consider the degree to which an agency fosters local accountability, especially when assessing community service needs. *Local accountability* refers to public agency decision making and operational and management processes that: (1) include an accessible and accountable elected or appointed decision making body and agency staff; (2) encourage and value public participation; (3) disclose budgets, programs, and plans; (4) solicit public input when considering community service needs and infrastructure plans; and (5) evaluate outcomes of plans, programs, and operations and disclose results to the public.

Local accountability for determining community service needs may produce operational efficiencies. Efficiently managed agencies consistently implement plans to improve service delivery, reduce waste, eliminate duplications of effort, contain costs, maintain qualified employees, build and maintain adequate contingency reserves, and encourage and maintain open dialogues with the public and other public and private agencies. The service review will evaluate operational efficiency by analyzing agency functions, operations, and practices—as well as the agency’s ability to meet current and future service demands.

The Santa Barbara LAFCO may also examine operational efficiencies that could be gained through: (1) functional or structural reorganizations of existing agencies; (2) amendment or update of spheres-of-influence; (3) boundary changes, such as annexations or detachments from cities or special districts; (4) formation of new special districts; (5) special district dissolutions and consolidations; (6) mergers of special districts with cities; (7) establishment of subsidiary districts; or (8) any additional reorganization options found in Govt. Code § 56000 et. Seq.

Determination 7: Any other matter related to effective and efficient service delivery

The municipal service review is not limited to the six mandatory determinations contained in State Law. Accordingly, the service review may contain analysis of additional subject areas related to the effective and efficient delivery of services.