

FINAL

**EL DORADO LOCAL AGENCY FORMATION
COMMISSION (LAFCO)**

**CITY OF SOUTH LAKE TAHOE
MUNICIPAL SERVICES REVIEW
AND SPHERE OF INFLUENCE
UPDATE**



AUGUST 2016



FINAL

CITY OF SOUTH LAKE TAHOE MUNICIPAL SERVICES REVIEW AND SPHERE OF INFLUENCE UPDATE

Prepared for:

El Dorado Local Agency Formation Commission
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August 2016

EL DORADO LOCAL AGENCY FORMATION COMMISSION

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EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

NOTICE OF EXEMPTION

TO: OFFICE OF PLANNING AND RESEARCH

P.O. Box 3044
Sacramento, CA 95812-3044

COUNTY CLERK

County of El Dorado
330 Fair Lane
Placerville, CA 95667

FROM:

EL DORADO COUNTY LAFCO

550 Main Street, Suite E
Placerville, CA 95667
José Henriquez
(530) 295-2707

Project Title: City of South Lake Tahoe SOI Update; LAFCO Project No. 2015-02

Project Applicant: El Dorado LAFCO

Project Location – Specific: The City is located on the east side of El Dorado County, in the Tahoe Basin located immediately south of Lake Tahoe, at the intersection of Highway 50 and northbound Highway 89.

Project Location – City: South Lake Tahoe Project Location – County: El Dorado

Description of Nature, Purpose and Beneficiaries of Project: Update the sphere of influence for the City of South Lake Tahoe and to reaffirm the current sphere of influence, which was last updated in February 2008.

Name of Public Agency Approving Project: El Dorado LAFCO

Name of Person or Agency Carrying Out Project: El Dorado LAFCO

Exempt Status: **(check one)**

- Ministerial (Sec. 21080(b)(1); 15268);
 Declared Emergency (Sec. 21080(b)(3); 15269(a));
 Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
 Categorical Exemption. State type and section number: _____
 Statutory Exemptions. State code number: 15061(b)(3)

FILED

SEP 30 2016

WILLIAM SCULLIN, Recorder-Clerk
By: *J.A. Fisher*

Reasons why project is exempt: The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This sphere of influence update has no possibility for causing a significant effect on the environment.

Lead Agency

Contact Person: José C. Henríquez

Area Code/Telephone/Extension: (530) 295-2707

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature: *José C. Henríquez*
José C. Henríquez

Date: September 29, 2016 Title: Executive Officer

Signed by Lead Agency

Signed by Applicant

RESOLUTION NUMBER L-2016-03**Update to the City of South Lake Tahoe
Sphere of Influence****LAFCO Project No. 2015-02**

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 governs the organization and reorganization of cities and special districts by local agency formation commissions established in each county, as defined and specified in Government Code §56000 et seq. (unless otherwise indicated all statutory references are to the Government Code); and

WHEREAS, §56425 et seq. provides that the local agency formation commission in each county shall develop and determine the sphere of influence of each local governmental agency within the county, and enact policies designed to promote the logical and orderly development of areas within the spheres of influence, as more fully specified in §56425 et seq.; and

WHEREAS, §56430 requires that local agency formation commissions conduct a municipal service review (MSR) prior to, or in conjunction with, consideration of actions to establish or update a sphere of influence (SOI) in accordance with §56076 and §56425; and

WHEREAS, pursuant to §56430, in order to prepare and update the sphere of influence, the Commission conducted a municipal service review for the City of South Lake Tahoe and adopted a written statement of determinations in conjunction with this sphere of influence update on August 24, 2016; and

WHEREAS, the Executive Officer reviewed the sphere of influence update pursuant to the California Environmental Quality Act (CEQA), and recommended that the project is exempt from CEQA under §15061(b)(3) because it is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA, and, based thereon, the Executive Officer prepared a Notice of Exemption; and

WHEREAS, the Executive Officer set a public hearing for August 24, 2016 for consideration of the environmental review and the sphere of influence update for the City of South Lake Tahoe and caused notice thereof to be posted, published and distributed at the times and in the manner required by law at least twenty-one (21) days in advance of the date; and

WHEREAS, on August 24, 2016 the sphere of influence update came on regularly for hearing before LAFCO, at the time and place specified in the Notice; and

WHEREAS, at said hearing, LAFCO reviewed and considered the sphere of influence, and the Executive Officer's Report and Recommendations; each of the policies, priorities and factors set forth in Government Code §56425 et seq.; LAFCO's Policies and Guidelines related to spheres of influence, starting with Policy 4.0; and all other matters presented as prescribed by law; and

WHEREAS, the Commission continued the public hearing to September 28, 2016; and

WHEREAS, on September 28, 2016 the sphere of influence update came on regularly for hearing before LAFCO, at the time and place specified in the Notice; and

WHEREAS, at said hearing, LAFCO reviewed and considered the sphere of influence, and the Executive Officer's Report and Recommendations; each of the policies, priorities and factors set forth in Government Code §56425 et seq.; LAFCO's Policies and Guidelines related to spheres of influence, starting with Policy 4.0; and all other matters presented as prescribed by law; and

WHEREAS, at that time, an opportunity was given to all interested persons, organizations, and agencies to present oral or written testimony and other information concerning the proposal and all related matters; and

WHEREAS, the Commission received, heard, discussed, and considered all oral and written testimony related to the sphere update, including but not limited to protests and objections, the Executive Officer's report and recommendation, the environmental document and determinations and the service review; and

WHEREAS, because the City of South Lake Tahoe did not wish to change its sphere of influence, representatives from the City and representatives from the County of El Dorado did not meet to discuss an agreement on development standards and planning and zoning requirements within the sphere; and

WHEREAS, the Commission does hereby make the following determinations regarding the proposal pursuant to Government Code §56425(e):

1. *The present and planned land uses in the area, including agricultural and open space lands.*

The City is subject to the land planning oversight of the TRPA. TRPA has set limits for development within the planning boundary that severely limits the ability of the City to change land uses. Thus, the current land use designations are likely to remain unchanged without significant policy changes from TRPA.

The current SOI would appear to be adequate to meet present and future service needs of residents. The SOI covers adjacent, existing communities which may need

services in the future in the event that their service provider is no longer able to operate. The City would be able to possibly step in as successor agency in the future.

2. *The present and probable need for public facilities and services in the area.*

The City provides a wide range of services to its residents while being supplemented by other agencies within its city limits. The City also coordinates through its multiple Joint Power Agreements to collaborate with neighboring agencies to best provide services in a comprehensive manner.

However, this combination of services is subject to growth as allowed by TRPA and the regional plan. Therefore, again, present and future need of public facilities and services are likely very similar.

The only probable need for public facilities would be for existing communities within the SOI that are already served by some public agency currently. The City would be able to possibly step in as successor agency in the future if these agencies fail to meet their service obligations.

3. *The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.*

The City currently provides a level of service which is satisfactory to meet the needs of residents and the large visitor population that inhabits the area during peak times of the year. The city actively reviews its service levels and sets benchmarks that allows for easy review on annual basis to determine if additional resources must be allocated.

The CIP also aids in providing enhancements to public facilities or infrastructure for residents. The annual establishment of the CIP gives the City the ability to allocate or divert funds from areas of lesser need to areas of critical need.

Due to the limited growth potential under the TRPA Regional Plan, the City is able to actively plan for the limited growth and react quickly as needs arise within the existing SOI.

4. *The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.*

As stated in Section 3, there are currently communities of social or economic interest within or adjacent to the existing SOI. However, those areas are currently served with water, wastewater and structural fire protection by other agencies or districts. Therefore, there is no immediate responsibility of the City to extend services into these areas.

Furthermore, many of these communities are non-contiguous with the City and likely create an annexation proposal inconsistent with local policies as well as CKH. However, by keeping these communities within the SOI, it would allow the City to be a viable alternative, under the provisions of Government Code §56133 and subject to the policies of El Dorado LAFCO, in the event than an existing service provider is longer able to do so.

5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

The City does not provide water or wastewater service within the SOI as these services are provided by the South Tahoe Public Utility District. Therefore, there are no disadvantaged unincorporated communities (DUC) impacted as it relates to water and wastewater service.

However, the City does provide structural fire protection within its limits. Within the SOI, the Lake Valley Fire Protection District provides structural fire protection services. The City has mutual aid agreements with LVFPD in order to provide enhanced service within and around the City, some of which are identified as DUC in Section 3.

There are DUCs within the SOI; however, as described above, they are already receiving water, wastewater and structural fire protection from existing agencies capable of servicing these communities.

NOW, THEREFORE BE IT HEREBY RESOLVED, DETERMINED, ORDERED AND FOUND:

Section 1. Each of the foregoing recitals is true and correct.

Section 2. The Notice of Exemption prepared by the Executive Officer is approved as the appropriate environmental document for this project.

Section 3. An agreement pursuant to Government Code §§56425(b), 56425(c) and 56425(d) is not required because the sphere of influence for the City of South Lake Tahoe will not be changed as a result of this review. The previous agreement between the City of South Lake Tahoe and the County of El Dorado remains in effect.

Section 4. The update to the City of South Lake Tahoe sphere of influence to affirm the current sphere is orderly, logical and justifiable.

Section 5. The Executive Officer is directed to file a Notice of Exemption under §15061(b)(3) in compliance with the California Environmental Quality Act and local ordinances implementing the same.

Section 6. The City of South Lake Tahoe sphere of influence is updated to affirm its current sphere as shown on the attached map, marked Exhibit A, attached hereto and incorporated herein by this reference.

APPROVED

PASSED AND ADOPTED by the El Dorado Local Agency Formation Commission at a regular meeting of said Commission, held September 28, 2016 by the following vote of said Commission.

	AYE	NO	ABSTAIN	ABSENT	NOT VOTING
Commissioner Acuna	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Anderly	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Coco	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Commissioner Frentzen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Humphreys	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Sass	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Veerkamp	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Clerici	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Morrison	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Powell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Alt. Commissioner Ranalli	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

ATTEST:

Denise DeBalle
Interim Clerk to the Commission

Ken Humphrey
Chairperson

EXHIBIT A APPROVED

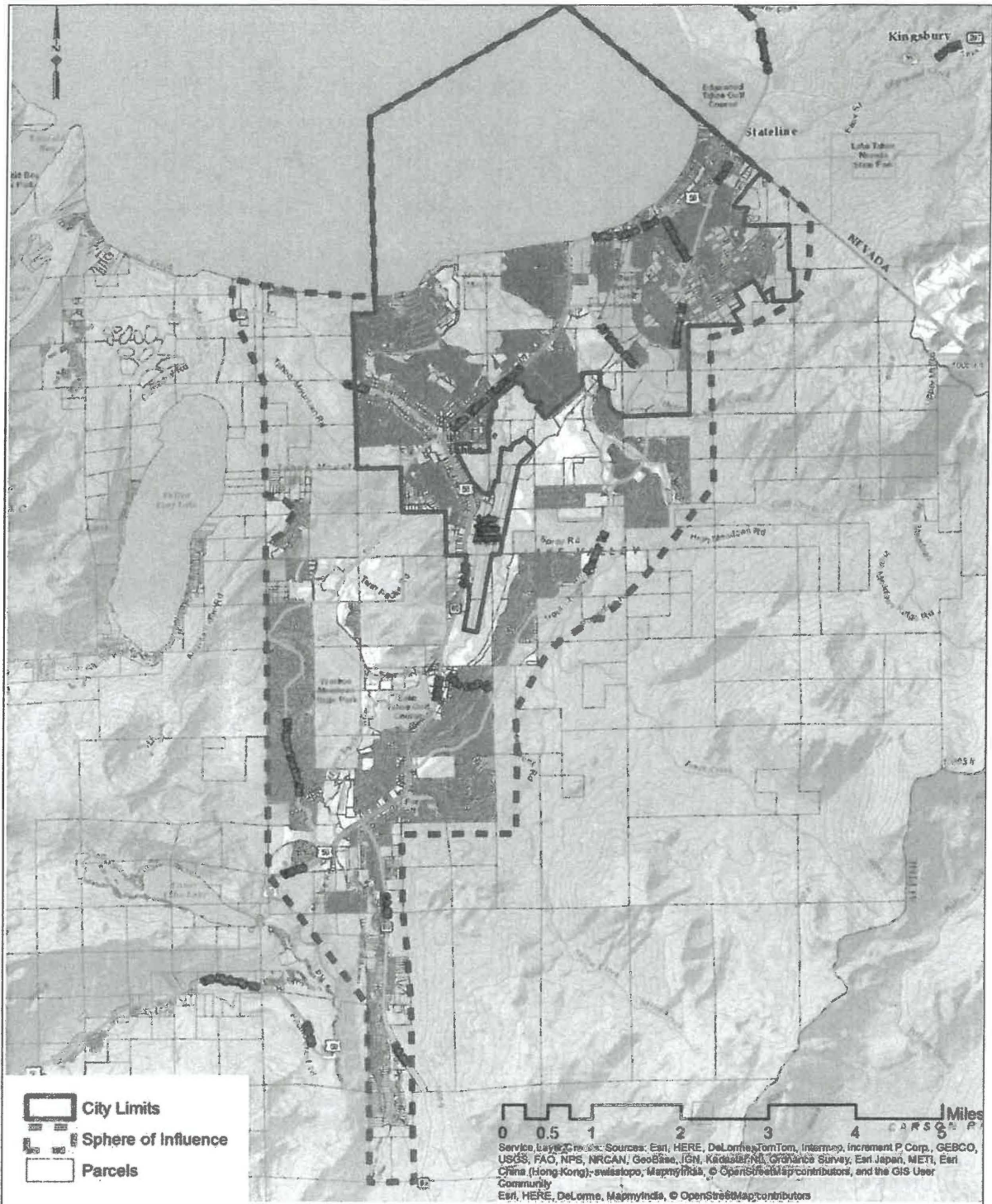


Figure 1-2
City of South Lake Tahoe
City Limits and Sphere of Influence

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SECTION 1 - INTRODUCTION

1.1 - Role and Responsibility of Local Agency Formation Commission (LAFCo)

The El Dorado Local Agency Formation Commission (LAFCo) is the oversight agency for special districts and cities within El Dorado County. The role of LAFCo under the Cortese-Knox-Hertzberg Reorganization Act of 2000 is to oversee local agency boundary changes and to adopt spheres of influence for local agencies. Among the purposes of LAFCOs are the discouragement of urban sprawl and the encouragement of the orderly formation and development of local agencies.

As such, LAFCo is considered the “watchdog” of local agencies by the State Legislature and is solely empowered with establishing spheres of influence that dictate the provision of future service delivery to orderly growth of that agency. Therefore, it is LAFCo’s responsibility to review the information available regarding services provided by an agency and make appropriate determinations that will establish future policy for future boundary decisions, such as annexations, for the corresponding jurisdiction.

1.2 - Municipal Service Review Purpose

The Municipal Services Review (MSR) process is a comprehensive assessment of the ability of existing government agencies to effectively and efficiently provide services to residents and users. The form and content of the MSR is governed by requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) and the State of California’s Local Agency Formation Commission (LAFCo) MSR Guidelines (Guidelines), published in August 2003.

The CKH Act requires all LAFCOs, including El Dorado LAFCo, to prepare an MSR for each of its incorporated cities and special districts. The fundamental role of LAFCo is to implement the CKH Act by providing for the logical, efficient, and most appropriate formation of local municipalities, service areas, and special districts. These MSRs must be completed prior to, or in conjunction with, the update of a Sphere of Influence (SOI) or before LAFCo initiates any reorganization of district boundaries.

This review is intended to provide El Dorado LAFCo with all necessary and relevant information related to the operations and management of the City of South Lake Tahoe (the City). The City is located 190 miles northeast of San Francisco, CA and 60 miles southwest of Reno, NV, in the Sierra Nevada Mountains (see Figure 1-1 and Figure 1-2). The information in this report may be used in considering an update to the City’s SOI by El Dorado LAFCo or for other policy related decisions related to the City.

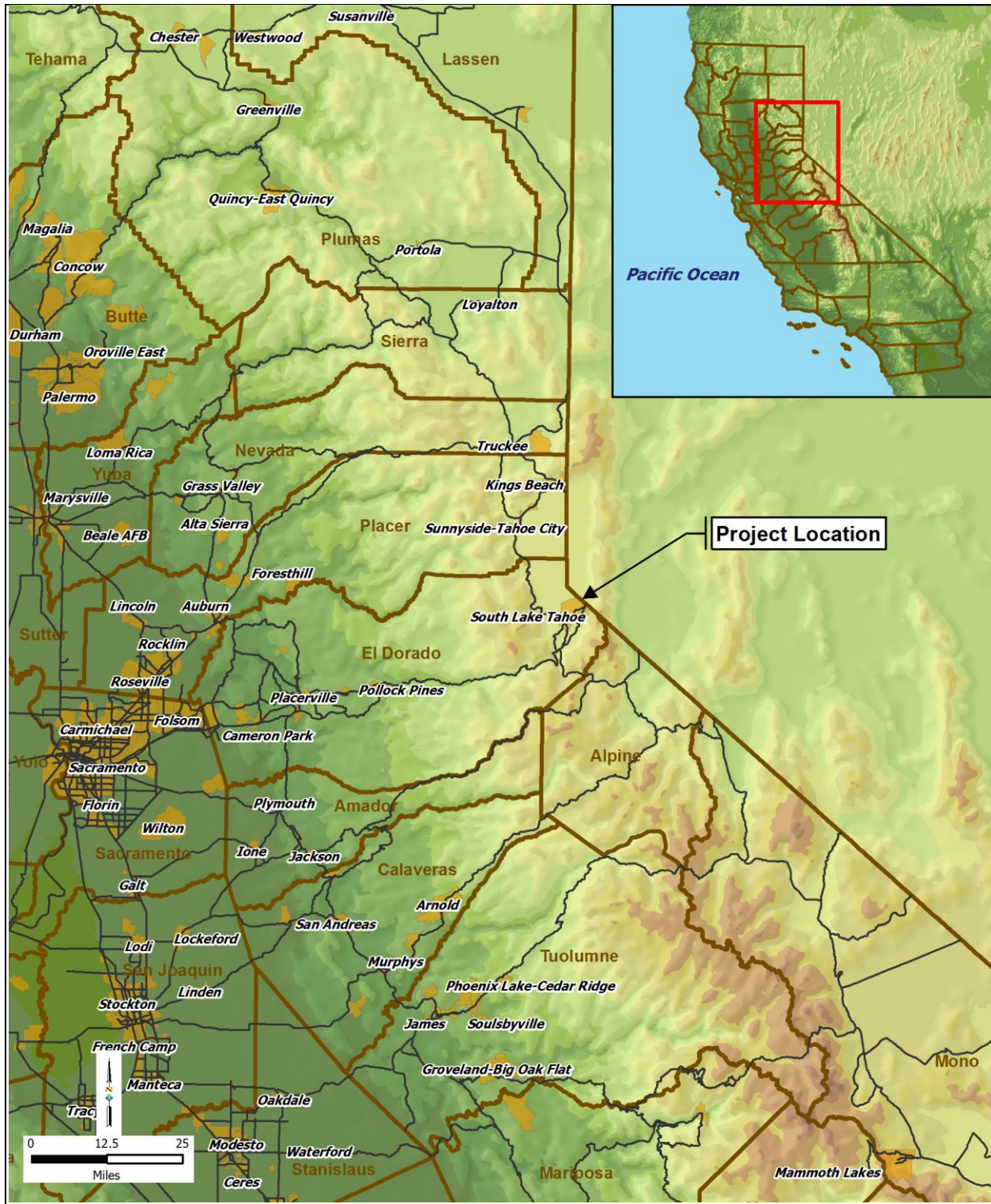


Figure 1-1
Regional Location

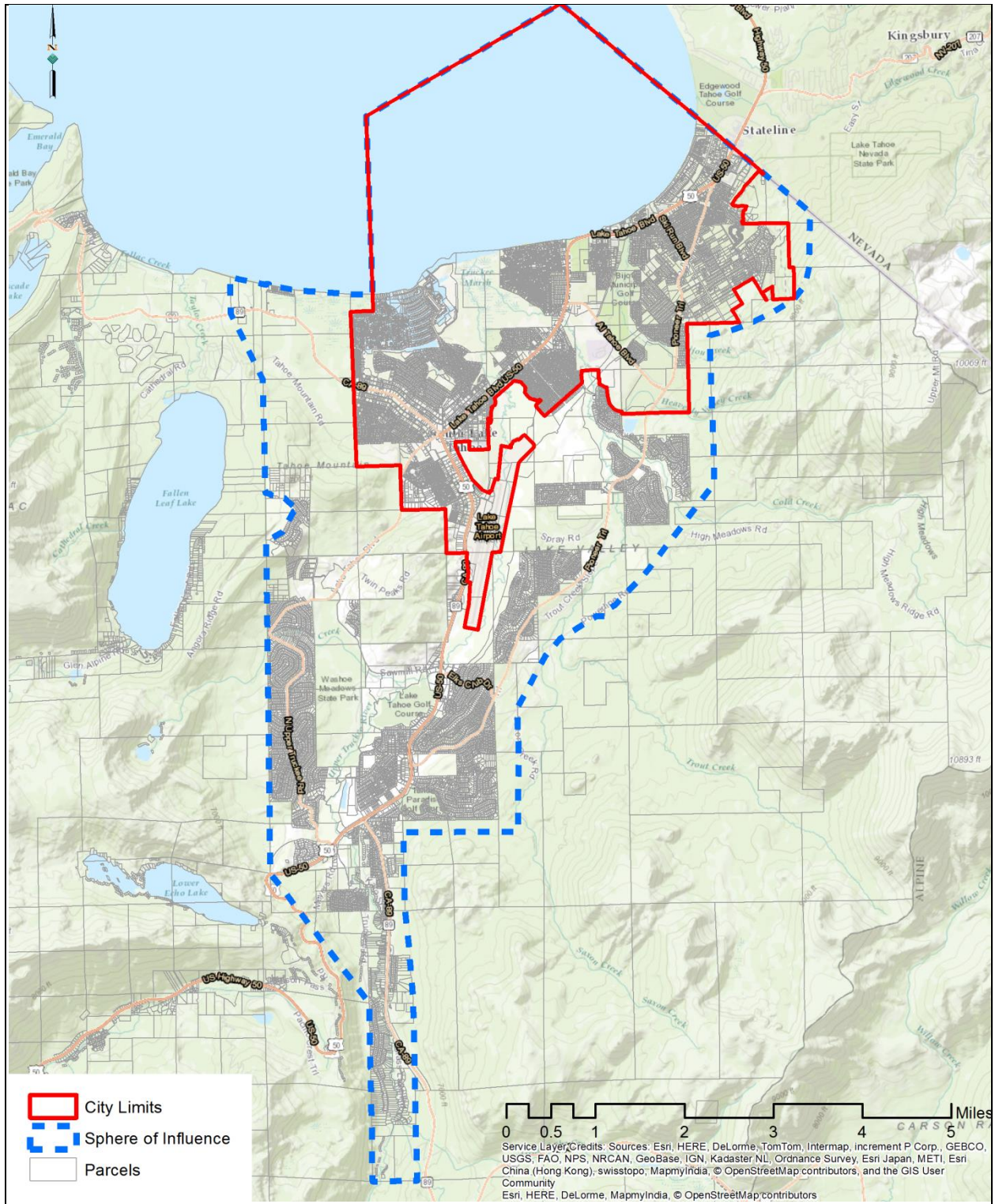


Figure 1-2
City of South Lake Tahoe
City Limits and Sphere of Influence

MSRs are intended to provide LAFCo with a comprehensive analysis of service provision by cities and other service providers within the legislative authority of LAFCo. The MSR focuses on service providers within the area of the City and will make determinations in each area of evaluation, providing the basis for El Dorado LAFCo to review possible amendments to Sphere of Influence or possible reorganization, consolidation, or annexation with those other service providers.

1.3 - Methodology and Approach

The process of developing the MSR began with a kick-off meeting to discuss the existing services provided by the City to its residents. Following the meeting, a comprehensive survey was sent to the City of South Lake Tahoe staff. The purpose of the survey was to retrieve more specific and technical information regarding the City's operations and delivery of its various services. The information requested included documents such as planning and budgetary documents, adopted budgets, capital improvement programs, technical or special studies, and any other records related to the provision of municipal services by the City.

1.4 - Public Review and Adoption Process

Two drafts of the MSR document were presented to LAFCo. A first draft allowed for public comments and a final draft was presented to the Commission for formal acceptance that incorporates any revisions, corrections, and responses to comments received at the prior public workshop.

1.5 - Required Topic Areas of Analysis

The MSR contains analysis and conclusions, referred to as determinations, regarding six topic areas set forth in the CKH Act. These areas of analysis contain the essential operational and management aspects of each service provider, and together constitute a complete review of the ability of the providers to meet the service demands of the residents and businesses within the City. The six topic areas used for analysis in this MSR are as follows:

1. Growth and Population Projections
2. Disadvantaged Unincorporated Communities
3. Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs or Deficiencies
4. Financial Ability to Provide Services
5. Status of, and Opportunities for, Shared Facilities
6. Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies.
7. The potential effect of agency services on agricultural and open space lands.

An explanation of the specific operational and management aspects considered in each of these topic areas is provided below.

1. Growth and Population Projections

Service efficiency is linked to a service provider's ability to plan for the future need of a city while also meeting existing service demands. This section reviews projected service demands and needs based upon existing and anticipated growth patterns and population projections. This is found in Section 2

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

Unincorporated disadvantaged communities, as defined by Water Code §79505.5, may lack basic infrastructure, such as water, sewer, or fire protection, because they may have been overlooked during the comprehensive land use planning process due to their socioeconomic status. To promote equality and environmental justice in accordance with adopted local policy and Senate Bill 244, which was adopted in 2011, the proximity of any disadvantaged community to existing service providers is analyzed and discussed in order to determine if the community should be included in the SOI of the City. This is found in Section 3

3. Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs or Deficiencies

Infrastructure can be evaluated in terms of condition, capacity, availability, quality and relationship to operational, capital improvement and finance planning. This section assesses the adequacy and quality of the service providers' physical infrastructure, and analyzes whether or not sufficient infrastructure and capital are in place (or planned for) to accommodate planned future growth and expansions. This is found in Section 4

4. Financial Ability to Provide Services

This section analyzes the financial structure and health of the city with respect to the provision of services. Included in this analysis is the consideration of rates, service operations, and the like, as well as other factors affecting the city's financial health and stability, including factors affecting the financing of needed infrastructure improvements and services. Compliance with existing State requirements relative to financial reporting and management is also discussed. This is found in Section 5

5. Status of, and Opportunities for, Shared Facilities

Practices and opportunities that may help to reduce or eliminate unnecessary costs are examined in this section. Occurrences of facility sharing are listed and assessed for efficiency, and potential sharing opportunities that would serve to better deliver services are discussed. This is found in Section 5.2

6. Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies.

This section addresses the adequacy and appropriateness of the agency's existing boundaries and sphere of influence, and evaluates the ability of the city to meet their service demands under their existing government structure. Also included in this section is an evaluation of compliance by the agency with public meeting and records laws. This is found in Section 5.3

7. The potential effect of agency services on agricultural and open space lands.

This section addresses the added adopted policy of El Dorado LAFCo to analyze the agency's potential impacts of growth and its relationship to preservation of open space, important agricultural land and finite natural resources. This is found in Section 5.4.

1.6 - Issues Analyzed

The City of South Lake Tahoe (City) is a general law city located on the south shore of Lake Tahoe, encompassing approximately nine square miles. The City was incorporated in 1965 and is empowered to provide various municipal services, including the following, which will be addressed in this MSR:

- Capital Investment/Improvement Program
- Airport Administration
- Cable TV Franchise Administration
- Fire Suppression
- Police
- Landscaping and Lighting
- Parks and Recreation
- Road Maintenance
- Snow Removal
- Public Transportation
- Flood Control/Drainage
- Animal Control

The preamble of the CKH Act contains a number of legislative findings and declarations that serve as a general guide for LAFCo's and their purpose for being. The first and main declaration is that:

It is the policy of the state to encourage orderly growth and development, which are essential to the social and economic well-being of the state.

The legislature goes on to make further declarations in CKH Section 56001 about how the determination of orderly local government boundaries is important to orderly growth and development. The legislature also makes the following declarations in Section 56001:

The Legislature finds and declares that a single multipurpose governmental agency is accountable for community service needs and financial resources and, therefore, may be the best mechanism for establishing community service priorities especially in urban areas.

Nonetheless, the Legislature recognizes the critical role of many limited purpose agencies, especially in rural communities.

The legislature also finds that, whether governmental services are proposed to be provided by a single-purpose agency, several agencies, or a multipurpose agency, responsibility should be given to the agency or agencies that can best provide government services.

The main purpose of this MSR is to review past findings, if available, for various City services and evaluate if the level of services currently being provided is operating at a level that is still encouraging orderly growth and efficient service delivery to residents of South Lake Tahoe. Once that is determined by LAFCo, then questions regarding SOI and boundary change recommendations can be answered.

1.7 - Background, Setting and History

The City of South Lake Tahoe is located 190 miles northeast of San Francisco, CA, and 60 miles southwest of Reno, NV, in the Sierra Nevada Mountains. The City encompasses an area of approximately nine square miles with an average elevation of 6,200 feet above sea level. The entire Tahoe Basin receives most of its moisture in the form of snow which varies greatly in amount from year to year.

The City of South Lake Tahoe is a general law city in El Dorado County, CA. It was incorporated on November 30, 1965. The City is governed by a Council/Manager form of government made up of five council members elected to four-year, overlapping terms. The fiscal year of the City is from each October 1 to September 30 of the following year.

The City works with other local and regional government agencies including El Dorado County, the State of California, Douglas County, Nevada, the California Tahoe Conservancy, the Lahontan Regional Water Quality Control Board, the California Department of Forestry, the California Department of Transportation and the Tahoe Regional Planning Agency.

The Washoe Indians had been inhabiting the shores of Lake Tahoe for centuries when American explorers Kit Carson and John Fremont came upon it in 1844. The Washoes had named the area “Da-ow-a-ga” or “edge of the Lake.” The explorers, however, unaccustomed to the native tongue, interpreted the phrase as “Tahoe.” In the 1860’s, silver was discovered in the Sierra Nevada, and population grew with an influx of hopefuls eager to strike it rich during the California Gold Rush. Tahoe’s timber-rich forests became a necessary resource for the increasing number of people needing fuel and to support the labyrinth of mines being constructed beneath Virginia City. However, the easy availability of timber eventually led to the devastation of Tahoe’s forest resources.

By the turn of the century, Tahoe became a popular destination for the elite families of San Francisco. In 1968, California and Nevada formed the Tahoe Regional Planning Agency (TRPA), to oversee environmentally responsible development in the Basin and to preserve the Lake's unique resources. Today, Lake Tahoe remains a popular vacation destination, and is home to many hotels, casinos, and ski resorts, drawing millions each year. Despite the City's entertainment built environment, one of the most popular features of the area continues to be the lake and the surrounding natural landscape.

1.8 - Services Currently Provided

South Lake Tahoe provides a wide range of services including: police and fire protection, street maintenance, airport management, public transportation, parks and recreation, planning, building and safety, public improvements, and general administration. City recreational facilities include the South Tahoe Ice Arena, Recreation and Swimming Pool Complex, Campground by the Lake, Regan Beach, El Dorado Beach, Bijou Golf Course, Senior Citizens Center and Bonanza Park. Further description of each service and the extent of its current operations are included in Section 4 of this document.

Other essential services provided to the residents of the City are overseen through various other agencies. These agencies fill voids in the municipal service needs of city residents where the City chooses not or simply cannot provide an identified service. The other public agencies include the South Lake Tahoe Public Utility District, County Service Area #3, and the Tahoe Transportation District. Other private entities also meet service needs for residents of the City, such as the South Tahoe Refuse and Recycling.

Table 1-1 illustrates the services provided in the South Lake Tahoe area. The matrix specifies whether the services that can and are being provided now or whether those services that are authorized but not being provided currently.

Provides - means that the agency is authorized by LAFCo and state law to provide the service and that the service is currently being provided. These services may continue to be provided by the agency's at their discretion.

Authorized - means that the agency is authorized by LAFCo and state law to provide the service, but this service is not currently being provided.

Latent - means that the agency is authorized by State law to provide the service, but districts are first required to gain LAFCo approval before it may begin providing the service. The process to gain LAFCo approval is described in CKH Section 56824.10 et seq. It is similar to an annexation process, requiring an initiating resolution from the agency, followed by LAFCo approval after a public hearing. However, this process is only applicable to special districts ability to provide new services. Cities are not required to seek LAFCo approval in order to provide another municipal service in accordance with the State Constitution.

A blank box - means that State law does not allow that type of agency to provide that service. These services, if needed, would have to be provided directly by the City, the County, or by another overlapping special district that is authorized to provide the service.

**Table 1-1
Services Matrix within the City of South Lake Tahoe**

Municipal Service Type	South Lake Tahoe	South Tahoe PUD	CSA 3
Water supply	<i>Authorized</i>	Provides	Latent
Water distribution	<i>Authorized</i>	Provides	Latent
Sewer collection & disposal	<i>Authorized</i>	Provides	Latent
Storm drainage	Provides	<i>Authorized¹</i>	Latent
Flood control	Provides	<i>Authorized¹</i>	Latent
Street construction	Provides ²		Provides
Street maintenance	Provides		Provides
Street lighting	Provides		Provides
Street sweeping/Snow Plowing	Provides		Latent
Street landscaping	Provides		Latent
Solid waste collection, transfer, & disposal	Provides ³		Latent
Police protection	Provides		Latent
Fire protection	Provides ⁴		Latent
Animal control	Provides ⁵		Latent
Parks / recreation	Provides		Latent
Airports	Provides		Latent
Ambulance service	<i>Authorized</i>		Provides
Emergency medical service	Provides		Latent
Heat and power	<i>Authorized</i>		Latent
Undergrounding of overhead electrical & communication facilities	<i>Authorized</i>		Latent
Generate and sell electricity	<i>Authorized</i>		Latent
Community facilities	<i>Authorized</i>		Latent
Television/Cable Services	Provides ⁶		Latent
Transportation	<i>Authorized⁷</i>		Latent
Cemeteries	<i>Authorized</i>		Latent
Open space conservation	<i>Authorized</i>		Latent

¹ South Tahoe Public Utility District provides support of the identified service within the city limits.

² Funds for some street services are collected through County Service Area #3 and transferred to the City.

³ Provided through Franchise Agreement with South Tahoe Refuse Company.

⁴ The Lake Valley Fire Protection District has some territory within its boundaries within the city limits as well.

⁵ Provided through contractual agreement with El Dorado County.

⁶ Provided through Franchise Agreement with Charter Communications.

⁷ Provided by Tahoe Transportation District.

1.9 - Determinations

Determination 1.1 – El Dorado LAFCo has the authority to determine the Sphere of Influence for the City of South Lake Tahoe.

Determination 1.2 - A single multipurpose governmental agency, such as a city, County Service Area, Public Utility District or Community Services District, is the preferred entity by LAFCo and could be accountable for all community service needs and financial resources and, therefore, may be the best mechanism for establishing community service priorities especially in urban areas. Governmental services should be given to the agency or agencies that can best provide government services.

Determination 1.3 - The City of South Lake Tahoe is currently providing the following services:

- Capital Investment/Improvement Program
- Airport Administration
- Cable TV Franchise Administration
- Fire Suppression
- Police
- Landscaping and Lighting
- Parks and Recreation
- Road Maintenance
- Snow Removal
- Flood Control/Drainage
- Animal Control
- Solid Waste Disposal

Determination 1.4 – The following services are currently provided by other agencies or private entities within or around the City of South Lake Tahoe:

- Water
- Wastewater
- Solid Waste Disposal
- Public Transportation
- Ambulance services

SECTION 2 - GROWTH AND POPULATION PROJECTIONS

The purpose of this section is to evaluate service needs based on existing and anticipated growth patterns and population projections. The MSR Guidelines call for LAFCo to determine historic and projected growth and absorption patterns in relationship to a service provider's boundaries and SOI. In addition, LAFCo is tasked with evaluating the impact and compatibility of such growth on and with land use plans, services, local government structures and growth patterns.

2.1 - Historical Data and Population Projections

Historical population data and future projections have been obtained from the U.S. Census Bureau, and the California Department of Finance. For analysis purposes, this data is compared to other source data relating to growth and population including the City's General Plan population projections. According to the CA Department of Finance, the City's population is currently 21,555. Historical census data indicates that the City of South Lake Tahoe had a population of 21,586 in 1990, 23,609 in 2000, and 23,725 in 2010. According to the DOF, the city experienced its most dramatic population growth between 1970 and 1980, but the population peaked in 2002 and has remained relatively constant since then.

According to U.S. Census Bureau, the City's population, as of January 1, 2013, was 21,448 (11,286 males and 10,162 females). The total number of housing units was 15,878, of which approximately 8,628 were occupied. The breakdown in household size is as follows: 1 person household - 33%, 2 person household - 37.3%, 3 person household - 12.1%, and 4 or more person household - 17.7%. According to City Staff, population has been known to double during peak tourist periods. The City's General Plan notes that 25% of housing is "seasonal housing" and approximately 10% of housing is vacation rentals to support changes of population in year due to tourism.

The 2009-2013 American Community Survey 5-year estimates state that the median total household income is \$41,004. According to the 2014 South Lake Tahoe Parks, Trails and Recreation Master Plan, Hispanic/Latino residents account for the largest non-white racial/ethnic group, with 33.3% of all residents claiming some degree of Hispanic race or Latino ethnicity. The city's Hispanic/Latino population grew at a faster rate than all other populations, increasing from 26.7% from the population in 2000.

Based on TRPA population projections, the El Dorado County portion of the Tahoe Basin is expected to grow slowly by 0.04% per year on average through 2025. The smaller growth rate would likely lead to reduced pressure to build new parks and public facilities as a result of immediate or significant growth periods. Additionally, services directly linked to population growth have adequate time to properly plan for when additional resources may be required to accommodate new residents to the region or fill service gaps with existing service to current residents (TRPA 2013).

According to the City's General Plan Background Report, the South Tahoe Public Utilities District (STPUD) service area population data estimates a 0.4% annual increase over the

next 25 years (2040). The service area, which includes the City as well as most of the developed land within the existing SOI of the City, covers 27,000 acres in the South Shore area of Lake Tahoe from Emerald Bay on the west, Christmas Valley on the south, the California-Nevada state line to the east, and Lake Tahoe on the north. This service area includes residents in South Lake Tahoe and the Montgomery Estates, Tahoe Paradise, Meyers, Angora Highlands, Fallen Leaf Lake, and Christmas Valley parts of eastern El Dorado County. This growth rate coupled with strict development limits (87 to 116 single-family dwellings per year, including multifamily dwellings, not all of which are in STPUD's water service area), and limited new development, result in the modest population growth projections through the existing city limits.

Table 2-1 compares the City of South Lake Tahoe's population to the overall population of El Dorado County for years 1970, 1980, 1990, 2000, 2010, and projected for years 2020, 2030 and 2040.

**Table 2-1
Historical Population Growth (1970-2040)**

Year	South Lake Tahoe		El Dorado County	
	Population	Average Annual Growth Rate	Population	Average Annual Growth Rate
1970	12,921	-	43,833	-
1980	20,681	4.82%	85,812	6.95%
1990	21,586	0.43%	125,995	3.91%
2000	23,609	0.90%	156,299	2.18%
2010	23,725	0.06%	179,722	1.76%
2020	23,834	0.46% ⁸	190,850	6.19%
2030	23,943	0.46%	201,509	5.59%
2040	24,053	0.46%	208,092	3.27%

Source: General Plan Background Report – May 2011, Department of Finance Population Projections

As indicated in Table 2-1, it is estimated that South Lake Tahoe's population will reach approximately 23,834 by year 2020, while extrapolating its historical growth rate results in an estimated population of 23,943 by 2030. It is anticipated that the City will comprise approximately 11.5% of the overall County population by year 2040, compared to 13.2% in 2010.

2.2 - Planning Documents

The following long-range planning documents have been adopted by the City: 2011 General Plan; Tourist Core Area Plan; South Lake Tahoe Parks, Trails, and Recreation Master Plan; and the Tahoe Valley Area Plan.

⁸ Growth projections beyond 2020 were estimated based on the overall median growth rate of the prior years.

The City of South Lake Tahoe plans for future growth through the implementation of policies and standards set forth in its General Plan. The General Plan is a long-term, comprehensive framework to guide physical, social and economic development within the community's planning area. South Lake Tahoe's General Plan is a long-range guide for attaining the City's goals within its ultimate service area and accommodating its population growth to the year 2030. The *City of South Lake Tahoe General Plan*, adopted May 17, 2011, coordinates all components of the City's physical development and sets objectives, policies and standards which guide future growth within the City's planning area.

Senate Bill 375 contained a statutory amendment providing an option to applicable transportation agencies to change the update schedules for the regional transportation plan and housing element (HE) . A metropolitan planning organization (MPO) or regional transportation planning agency ((RTPA) on a 5-year regional transportation plan (RTP) update schedule can elect to adopt its RTP every four years. After the election is made, all local governments within the region of the MPR or RTPA change from a 5-year to an 8-year HE planning period beginning with the next HE update (Department of Housing and Community Development 2014). The Housing Element also needs to be reviewed and approved by the California State Department of Housing and Community Development (HCD). The City of South Lake Tahoe Housing Element, while part of the 2030 General Plan, is separately bound and was last updated in 2014. The City's General Plan provides the foundation and policy base to guide future growth within the City.

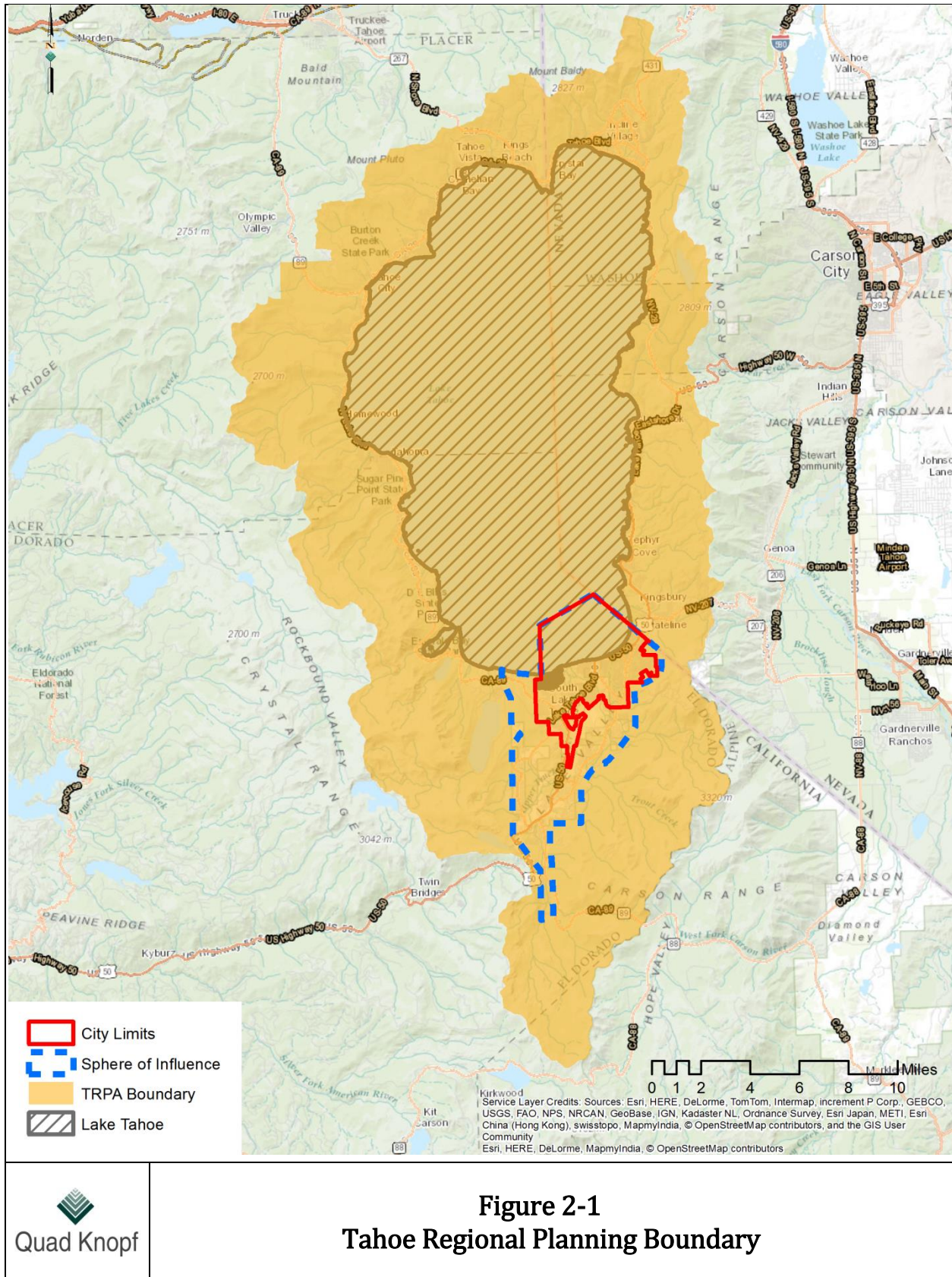
The City also plans for future growth through the preparation and implementation of area plans and master plans. The Tahoe Valley Area Plan, adopted March 16, 2015, serves as the comprehensive land use and zoning plan for the Tahoe Valley area, consistent with the Lake Tahoe Regional Plan and the City of South Lake Tahoe General Plan. The Tourist Core Area Plan, adopted October 15, 2013, defines a vision for the future of the area of the City that has previously been guided by the Stateline/Ski Run Community Plan. The Plan is of special attention in the Tahoe Basin for a number of reasons. It is the center of tourist services and recreation access, spanning the Nevada and California Stateline and has traditionally been the area with the highest concentration of services and density. The South Lake Tahoe Parks, Trails, and Recreation Master Plan, adopted November 2014, provides direction for enhancing recreation opportunities for residents and visitors by increasing collaborative efforts and focusing resources where they are most needed.

Because the City contains an airport facility, the City is also subject to an Airport Land Use Compatibility Plan (ALUCP) which prevents the encroachment of conflicting land uses around airports while limiting the public's exposure to safety hazards and excessive levels of noise. The plan is implemented through the Airport Land Use Commission, which is comprised of the City's Planning Commission and two additional Airport Commissioners. The plan strictly dictates allowable land uses and densities around the airport for planning and development purposes. The City's General Plan document takes into account the ALUCP designations in order to promote overall consistency through all planning documents. However, the Airport Land Use Commission does not have any jurisdiction over operations and management of the City's airport (Brand and French 2007).

Lastly, the City is subject to the planning policies of the Tahoe Regional Planning Agency (TRPA) which was created in the 1969 and covers the Lake Tahoe Basin. The area includes South Lake Tahoe as well as portions of Placer County and the State of Nevada (Figure 2-1). TRPA has also adopted a Regional Plan that dictates where and how development may occur. The City's General Plan was developed to be consistent with the development policies of the Regional Plan. Thus, the growth assumptions and predictions within the General Plan follow the restrictive growth policies outlined within the TRPA Regional Plan.

2.3 - Planning Boundaries

South Lake Tahoe's current (2015) SOI extends from Lake Tahoe in the north to SR 89 south of Meyers in the south, and from Lake Tahoe Boulevard/North Upper Truckee Road on the west to the Nevada state line on the east. This boundary includes a total of 25,383 acres of land within and surrounding the current (2015) city limits, which consists of approximately 11,425 acres, some which extends out into the waters of Lake Tahoe.



2.4 - Annexations

The City of South Lake Tahoe is not actively considering annexations of land within the SOI. It is projected that the majority of new growth in South Lake Tahoe will occur within the existing city limits.

There is one policy within the 2030 General Plan related to annexations:

Policy LU-1.14: New Annexations. The City shall pursue annexation of new lands within its adopted Sphere of Influence if annexation is financially feasible, provides greater opportunities to consolidate services, creates efficiencies in governmental operations, and provides benefits to the people of South Lake Tahoe.

Land within the City of South Lake Tahoe's SOI boundary may be annexed into the City upon approval by the El Dorado County LAFCO, thereby transferring land use authority for the land within the SOI from the County of El Dorado to the City of South Lake Tahoe.

As of 2000, the City had annexed three parcels totaling approximately 14 acres. The parcels were annexed collectively as the South Lake Tahoe Embassy Annexation and are adjacent to the California-Nevada state line at Lake Parkway. Prior to the annexation the three parcels were undeveloped and within the Lake Valley Fire Protection District's jurisdiction (Mintier & Associates 2011).

Because growth in the Tahoe Region is regulated by TRPA, South Lake Tahoe is not expected to grow significantly through the addition of new territory to its boundaries in the coming years and, accordingly, major annexations are not anticipated. These growth limitations are regulated through TRPA and would be contrary to the policies of the existing land use plan, which is to promote growth management, infill development and protection of open space, recreational and environmentally sensitive areas within the Tahoe Basin. Therefore, any new annexations that may occur would likely be of existing developed areas, which require some form of new service or prefer enhancement of an existing service. Existing developed areas within the existing SOI are shown in Figure 2-2.

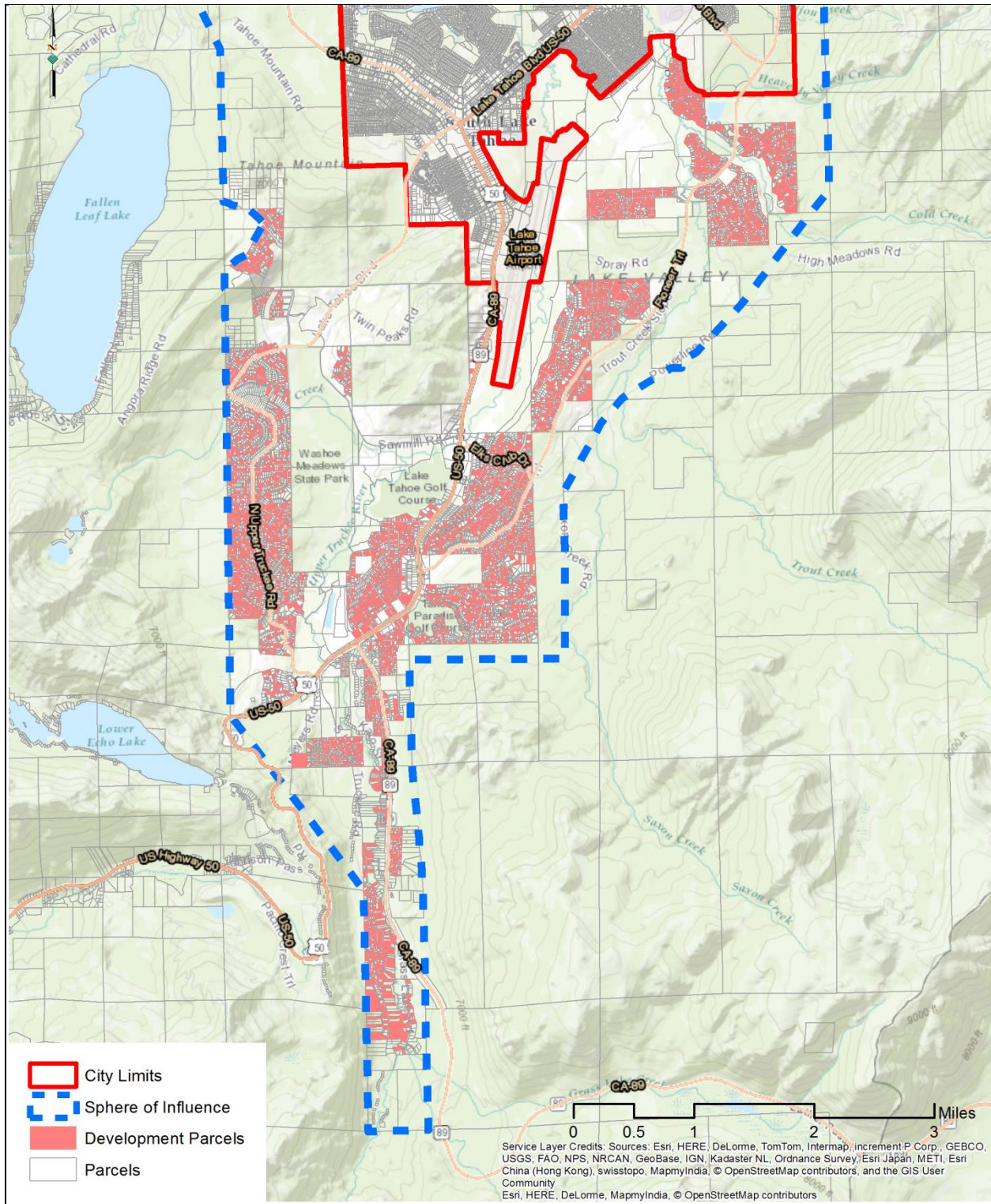


Figure 2-2
Existing Developed Areas within the Sphere of Influence

2.5 - Land Use

The City is located within the southern portion of the Lake Tahoe Basin, bordered on the northwest by Lake Tahoe and on the northeast by the California/Nevada line. Elevations range from 6,200 feet at lake level to 10,000 feet at Freel Peak. Major access roads include California Highways 50 and 89 and Nevada Highway 207. The City has a significantly developed core area that hugs Highways 50 and 89 to the north and Pioneer Trail along the southern edge.

According to the CA Department of Finance, the City's population is currently 21,555, with little growth expected to occur within the City through 2030 due to Tahoe Regional Planning Agency (TRPA) regulations. Through a TRPA ordinance, there is a moratorium on any new subdivisions on previously undeveloped land. As a result, building within the City is severely restricted, and only approximately 115 residential permits are issued within the entire Lake Tahoe Basin each year. Therefore, no significant growth or significant change in land use is anticipated by the City.

The predominant land uses within the City are residential (single- and multi-family properties), commercial, recreational and conservation. Tourism and recreational uses are the primary bases of the Lake Tahoe economy. Local business and industry occupations provide employment for approximately 12,000 workers, distributed among several sectors such as retail, health and social services, and arts and entertainment. In addition, the area has a significant number of part-time residents and experiences population influxes due to seasonal tourism.

The unincorporated area within City's sphere of influence primarily includes residential uses and designated open space that is within the Tahoe Agricultural District. Secondary uses include commercial, industrial, recreation and tourist facilities. Aside from open space areas, there is very little territory within the City's sphere that is designated and actively utilized for agricultural purposes, including Timber Preserve Zones. The area is simultaneously under the jurisdiction of the TRPA, which regulates growth near the Lake. Residential, commercial and tourist areas are concentrated within the City and along major roadways (Highways 50 and 89).

The City's 2030 General Plan Land Use Element outlines several policies relating to land management, and development within and surrounding the City⁹. Some of these policies, which could be seen as applicable to the SOI amendment and MSR process, are reiterated below.

Policy LU-1.1: General Plan/Regional Plan Coordination

The City shall not implement any provision or standard of the proposed General Plan Update that is in conflict with the 1987 Regional Plan until such time as the Regional Plan has been

⁹ As mentioned in Section 2.2, the City's General Plan takes into account other plans' policies, such as the Airport Land Use Compatibility Plan, in order to promote consistency among planning documents and, therefore, promote consistent land use practices throughout the region.

updated and the General Plan is determined by the City and TRPA to be consistent with the new Regional Plan and TRPA Environmental Carrying Capacities.

Policy LU-1.3: Development Connections

The City shall ensure that every project is planned to enhance the physical, visual, and social connections to surrounding parcels and to the larger community.

Policy LU-1.5: Transect Zoning

The City shall implement the 2030 General Plan consistent with Tahoe Regional Planning Agency's Transect Zoning System, if adopted, which will specify land uses and standards, while emphasizing building form/function and conservation of natural areas.

Policy LU-1.6: Civic Center Creation

The City should explore the financial feasibility of consolidating City administrative uses on one City-owned property in the Bijou/Al Tahoe Community Plan area.

Policy LU-1.14: New Annexations

The City shall pursue annexation of new lands within its adopted Sphere of Influence if annexation is financially feasible, provides greater opportunities to consolidate services, creates efficiencies in governmental operations, and provides benefits to the people of South Lake Tahoe.

Policy LU-2.2: Community Plan Preparation, Adoption, and Implementation

The City shall periodically update and implement the four Community Plans as a way to focus development commodities and revitalization efforts.

Policy LU-2.8: Community Plan Incentives

The City shall provide permit streamlining, commodity increases, coverage increases, and other similar incentives to encourage implementation of General Plan goals and policies.

Policy LU-4.3: Vacant and Underutilized Site Development

The City shall encourage appropriate development/redevelopment of parcels that are either vacant or underutilized, surrounded by existing urban development, and non-environmentally-sensitive.

Policy LU-4.4: Development Priority

The City shall give priority to developments on underutilized sites that use existing infrastructure, coverage, and development rights.

Policy LU-10.3: Vacant Open Space Parcel Exchange

The City shall work with the California Tahoe Conservancy (CTC) and other State and Federal agencies to exchange publicly-owned vacant open space parcels in existing residential subdivisions for vacant parcels in other parts of the Lake Tahoe Basin as a means of consolidating open space and developing underused sites in existing neighborhoods.

As prescribed by General Plan Policy, the City should undertake a review of its current land use demand and supply no less than once every five years. It is recommended that the City coordinate this process with the scheduled updates to its Sphere of Influence. Following mid-term General Plan reviews of land demand vs. supply, it is recommended that the City determine the need to explore opportunities to adjust its SOI. The process should include public participation, and stakeholder workshops.

2.6 - Regional Housing Needs Allocation/Plan (RHNA/P)

California's Housing Element Law (Government Code, §§ 65580 et seq.) mandates that Sacramento Area Council of Governments (SACOG) develop and approve a Regional Housing Needs Allocation (RHNA) for its six-county region, including the counties of El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba, and their 22 cities. The RHNA must also include the Tahoe Basin portions of El Dorado and Placer counties, and the city of South Lake Tahoe, which are not normally within SACOG's planning area.

The 2013-2021 RHNP was adopted by SACOG on September 20, 2012. The RHNP establishes the total number of housing units that the City of South Lake Tahoe must plan for within an eight-year planning period. Based on the adopted RHNP, each city and county must update the housing element of its general plan to demonstrate how the jurisdiction will meet the expected growth in housing need over this period of time.

The three jurisdictions within the Tahoe Basin (the city of South Lake Tahoe, and portions of Placer and El Dorado counties) are heavily regulated by federal and State laws. The SACOG methodology defers to the Tahoe Regional Planning Agency (TRPA) for growth allocations for the RHNP, as they are the agency responsible for it for the South Lake Tahoe area(SACOG 2012).

**Table 2-2
South Lake Tahoe 2013-2020 Housing Allocation**

Total # of Projected Units Needed Based on Growth	Extremely Low Income	Very Low Income	Low Income	Moderate	Above Moderate
336	27 (8.0%)	27 (8.0%)	38 (11.3%)	63 (18.8%)	181 (53.9%)

Source: 2013-2021 SACOG RHNA

According to Table 2-2 from the City’s Housing Element, the City of South Lake Tahoe will need 336 additional housing units based on the anticipated growth between January 1, 2013 to October 1, 2021. Of these 336 units, 92 of them must be designated for extremely low, very low, and low income individuals.

2.7 - Anticipated Service Needs

The potential for population growth for the City is very limited and highly dependent on the approval of the TRPA. Since the City is within the regional plan area of the TRPA, the growth management policies and lands which may be developed have already been identified. Moreover, the TRPA Regional Plan specifically directs development and growth towards centers of the communities within the Planning Area. As such, growth beyond the existing city limits for South Lake Tahoe would be seem to be vastly limited until infill development has been exhausted.

As a result, infill development likely would likely have many existing services within their immediate area such as streets, parks, lighting or snow plow services. Other essential services, mainly sewer and water, are provided through the STPUD. Furthermore, law enforcement and fire protection services would already be servicing the surrounding properties and would be aware that the new development is within their jurisdiction.

Therefore, the City can anticipate providing services within the growth limits of the TRPA plan over the next 15 years not to exceed approximately 2,000 new people. As shown in Figure 2-3, there are approximately 6,715 parcels which can be identified as vacant and currently within residentially or mixed use designated properties within the City (2,606 parcels, 38.8%) and the SOI (4,109 parcels, 61.2%). However, any development within these parcels would require confirmation of development rights with the TRPA plan prior to construction. Regardless, these parcels are in areas serviced of the City or other outside agencies and likely have already been considered in master planning efforts for infrastructure or already monitored by safety oriented service departments, such as police and fire protection.

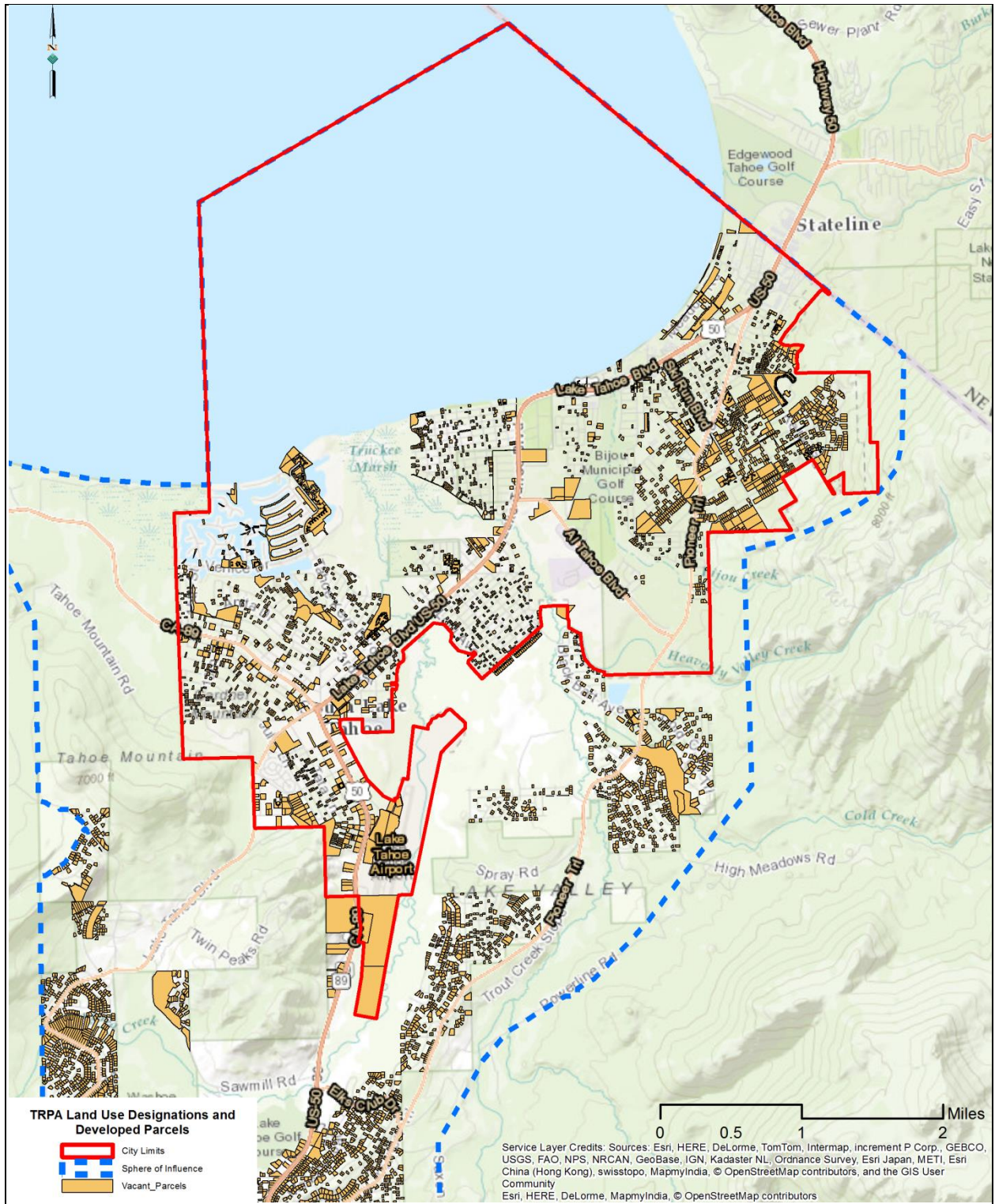


Figure 2-3
Vacant Parcels near South Lake Tahoe

2.8 - Determinations

Determination 2-1 - U.S. Census data indicates that the City had a 1990 population of 21,586, a 2000 population of 23,609, and a 2010 population of 23,725. These trends indicate that the City's population is growing at an average annual rate of approximately 0.46%.

Determination 2-2 - Based upon historical population trends, at an average annual growth rate of 0.46%, South Lake Tahoe's 2020 and 2030 population are projected to be 23,834 and 23,943, respectively. The population in 2040 is projected to be 24,053.

Determination 2-3 - The City plans for future growth through the implementation of policies and standards set forth in its General Plan. The City's General Plan was updated in 2011, and is a long-range guide for attaining the City's goals within its ultimate service area and accommodating its population growth to the year 2030. The City's General Plan provides a policy base to guide future growth within the City.

Determination 2-4 - The City also plans for future growth through the preparation and implementation of specific plans and master plans. Applicable plans for the City include the Tahoe Valley Area Plan, the Tourist Core Area Plan, and the South Lake Tahoe Parks, Trails, and Recreation Master Plan.

Determination 2-5 - Present land use in the area includes residential, recreational, commercial and tourist-related uses. Primary residential areas tend to follow the major highways and roads that bisect the City's sphere. Growth and development potential is limited largely by TRPA regulations and there are not expected to be any substantial changes in the planned land use as a direct result of this review.

Determination 2-6 - Present needs for public facilities and services are currently being met. Probable needs for public facilities and services are not currently anticipated to vary from present needs, as future demands are expected to remain relatively the same. No significant growth or population increases are currently anticipated to affect the City's ability to provide of services. The City does not have any major plans for future expansion of boundaries.

Determination 2-7 - The City's updated General Plan contains a number of policies that promote development on vacant and underdeveloped properties consistent with the methodologies outlined with the TRPA development policies.

Determination 2-8 - As prescribed by the General Plan Update, the City should undertake a review of the land use demand and supply no less than once every eight years or as required by the Housing Element Update cycle. It is recommended that the City coordinate this process with scheduled SOI updates to determine any modifications that may be necessary.

Determination 2-9 – The City is subject to the growth management policies of the Tahoe Regional Planning Agency, which has estimated approximately 2,000 new residents to the City by 2030.

Determination 2-10 – The Tahoe Regional Planning Agency’s growth policies dictate that growth generally be directed to the centers of communities, thereby promoting infill development.

Determination 2-11 – The City will likely accommodate future growth through infill development area, which are likely already served by the City or other local agencies that provide municipal services.

Determination 2-12 – The City will likely accommodate future growth through infill development area, which are likely already served by the City or other local agencies that provide municipal services.

SECTION 3 - DISADVANTAGED UNINCORPORATED COMMUNITIES

Disadvantaged Unincorporated Communities (DUCs) are defined as inhabited territory (12 or more registered voters) that constitutes all or a portion of a community with an annual median household income that is less than 80 percent of the statewide annual median household income, which was \$48,875 as of 2013 (United States Census Bureau 2013). These communities were identified as an area of concern by Senate Bill 244 that was adopted in State Law in 2011. These communities may lack essential municipal services such as water or sewer as they may have been developed prior to infrastructure being installed in proximity to them. Pursuant to State Law, LAFCo is now required to identify any DUC adjacent to the City and determine if they should be included with any SOI amendment.

There is only one area outside the existing city limits which has a median household income below \$48,875 annually (Figure 3-1). The community includes the subdivisions such as Grass Lake Creek, Rainbow Trail, River Peak Estates, Southgate, and Truckee Bridge (Figure 3-2). This area is located within the southern portion of the SOI, over two miles from the southernmost portion of the city limits. However, pursuant to Government Code Section 56430, disadvantaged unincorporated communities also lack water, waste water, and structural fire protection services. This area is covered by the South Lake Tahoe Public Utility District (water and waste water services) and the Lake Valley Fire Protection District (fire protection). In the case of water and waste water services, the neighborhoods have the same current provider as the City.

Based on the information available, it can be determined that, although this area meets the definition of a DUC as it pertains to income level, this community is currently receiving the identified services of water, waste water and structural fire protection. Therefore, there are not any areas within proximity of the City that should be considered a DUC.

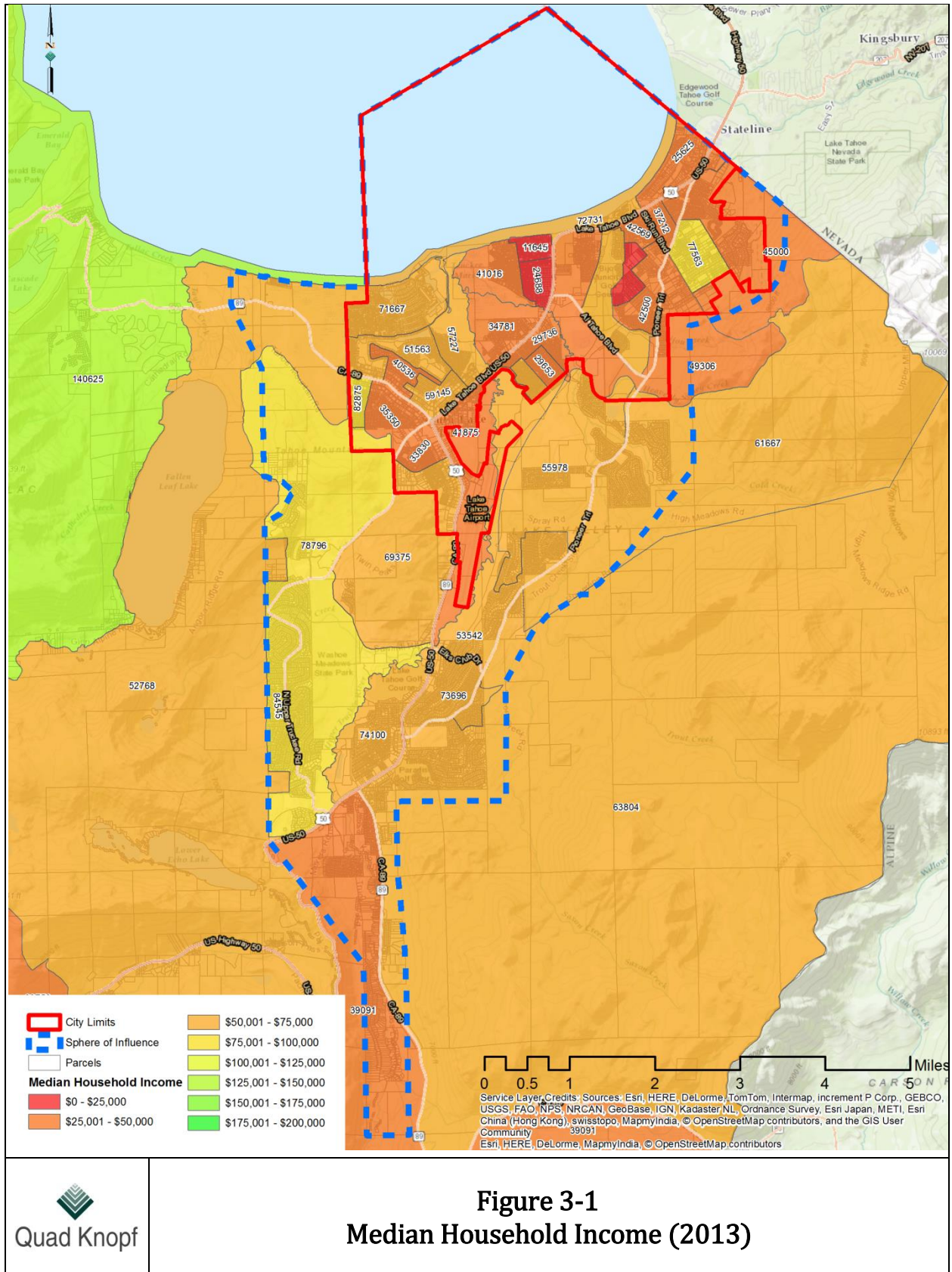


Figure 3-1
Median Household Income (2013)

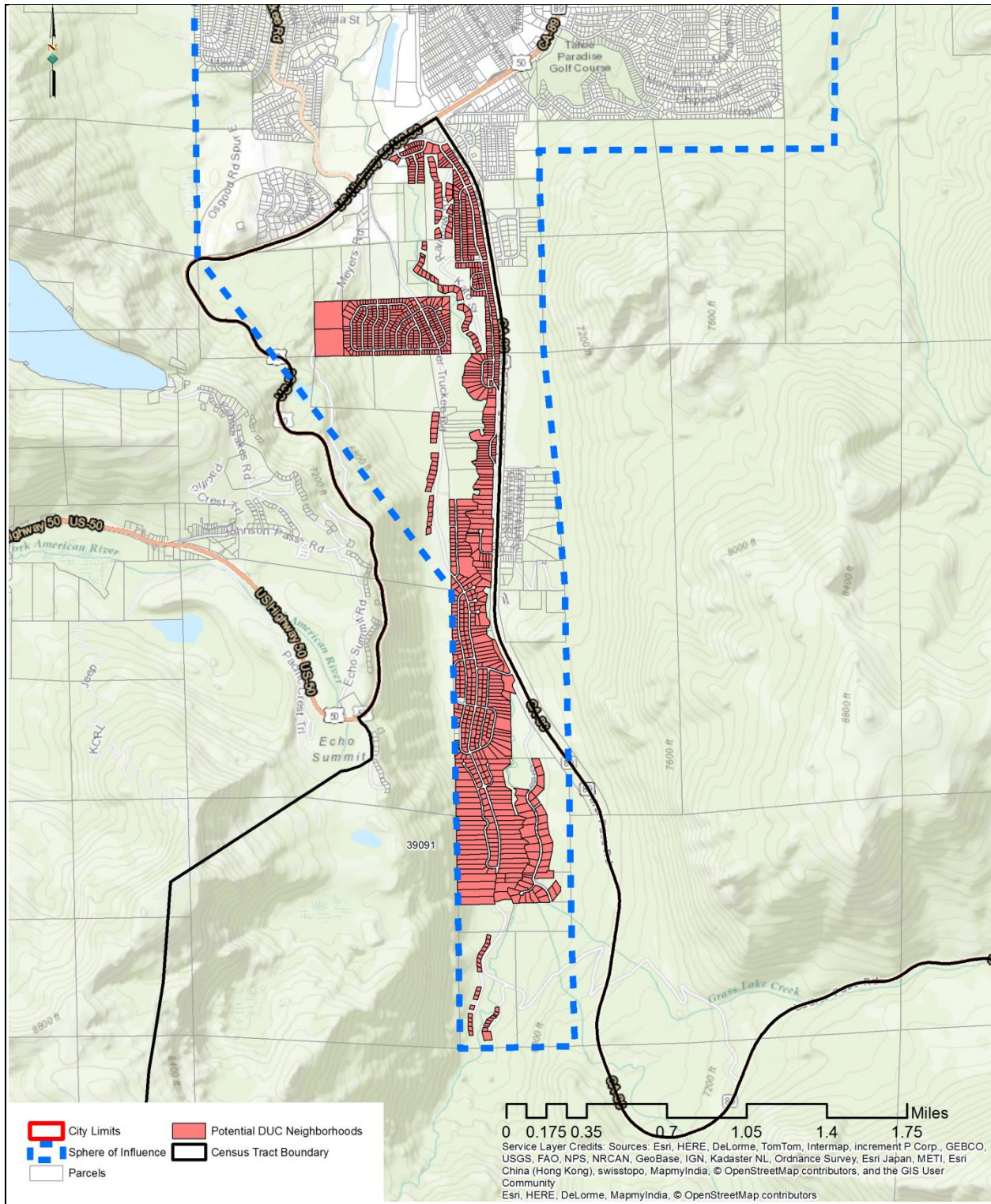


Figure 3-2
Potential Disadvantaged Unincorporated Communities

3.1 - Determinations

Determination 3-1 – There are areas currently within the City's Sphere of Influence that can be considered unincorporated disadvantaged communities due to median household income being below 80 percent of the statewide average.

Determination 3-2 – These identified areas currently receive water and waste water services from the South Lake Tahoe Public Utility District.

Determination 3-3 – These identified areas currently receive structural fire protection from the Lake Valley Fire Protection District.

Determination 3-4 – Due to the identified areas receiving the essential municipal services of water, waste water and structural fire protection, there are not any communities within the existing Sphere of Influence which may be considered a disadvantaged unincorporated community.

SECTION 4 - PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES, INCLUDING INFRASTRUCTURE NEEDS OR DEFICIENCIES

The purpose of this section is to evaluate the infrastructure needs and deficiencies of the City of South Lake Tahoe in terms of availability of resources, capacity to deliver services, condition of facilities, planned improvements, service quality, and levels of service.

LAFCo is responsible for determining that an agency requesting an SOI amendment is reasonably capable of providing needed resources and basic infrastructure to serve areas within the City and its SOI. It is important that these findings of infrastructure and resource availability are made when revisions to the SOI and annexations occur. LAFCo accomplishes this by evaluating the resources and services to be expanded in line with increasing demands.

4.1 - Capital Investment/Improvement Program (2014-2019)

The preparation of the City's five-year Capital Investment Plan/Program (CIP) involved several months of planning and development by key City management team members who evaluated the City's Capital Investment needs to accommodate the community both now and in the future. The five-year CIP reflects the City Council goals and targets for capital improvements that implement the key deficiencies or needs within the City.

The CIP is based upon the City's strategic goals of:

- Improving the Built Environment
- Economic Development
- Public Trust and Accountability
- Partnership Development
- Fiscal Sustainability

In addition, all current and potential projects are numerically scored and ranked based not only on the strategic goals but also programmatic goals and objectives as well as return on investment criteria such as:

- Critical Replacement
- Health and Safety
- Regulatory Compliance
- Visual Impact
- Operational Cost Savings
- Direct Revenue Generation
- Indirect Revenue Generation
- Cost Avoidance
- Geographic Location

The most recent CIP was adopted with the Fiscal Year 2014-2015 budget on October 1, 2014. The projects identified in the CIP all enhance the City's ability to deliver essential municipal services to residents within the city limits. The funding for these projects come from corresponding sources such as the General Fund, Housing Fund and Airport Funds, This ensures that funds are properly allocated to the uses for which the funds were originally established and not reallocated without review by the City Council.

The list of projects includes:

- Regan Beach – Rehabilitation of the existing park, beach front, facilities, and amenities.
- Bike Park – Construction of a Bicycle terrain park at the existing Bijou Park. This project will be a Public/Private partnership.
- Recreation Center Rehabilitation – Rehabilitation/Reconstruction of the existing Recreation Center/Swim Complex
- 56 Acre Planning – Conceptual design and preliminary planning for the 56-acre site that includes the City's Campground, Rufus Allan Corporation Yard, Parks Maintenance Yard, Recreation Center, Ice Arena, Senior Center and other outbuildings.

The Capital Plan also includes the following new projects associated with Asset maintenance and replacement needs:

- Police Department Server Upgrades – Replace the Police Department Servers with Virtual Servers.
- Streets Rehabilitation - \$500,000 towards Streets Rehabilitation primarily for the rehabilitation of roads affected by the City's Sierra Tract Erosion Control Project scheduled for 2015.
- Miscellaneous Maintenance – Funds for the replacement of heaters, boilers, fans, building system components and other routine facility needs. Prioritized by Condition Assessments.
- Police Department Perimeter Security Fencing – Install fence, gates, entry controls, lighting and other ancillary equipment for the Police Department
- 1740 D Street Corporation Yard – Rehabilitate existing building and grounds at 1740 D Street and relocate the Streets Corporation Yard from Rufus Allan to D Street.

4.1.1 - DETERMINATIONS

Determination 4.1-1 – The City annually adopts the Capital Improvement Program which identifies key capital projects that are needed in order to enhance services to residents.

Determination 4.1-2 – The City actively sets milestones and goals for the Capital Improvement Program in order to benchmark its progress in achieving specific levels of service for its residents.

4.2 - Airport Administration

4.2.1 - SUMMARY OF PRIOR MSR FINDINGS

The General Government Services II MSR, adopted by LAFCo in 2007, previously reviewed the City's Airport Administration activities (Airport). The Lake Tahoe Airport does not handle commercial flights. The primary financing of operations, which was managed by an independent operator, was through hangar rentals, tie-down fees and fuel sales.

At the time, the Airport had reported losses for two fiscal years prior to the MSR (FYs 2003-04 and 2005-06). Additionally, General Fund transfers were required during Fiscal Year 2006 in the amount of \$443,189. As a result, the MSR recommended that LAFCo should focus on the City's ability to adequately fund operations and capital investments for the Airport in subsequent MSRs. (Burr Consulting 2007)

4.2.2 - CURRENT CONDITIONS

The City owns and operates the Lake Tahoe Airport (Airport), that receives an estimated 23,540 non-commercial flights in 2014 (Figure 4-1). The Airport is run by the City and has hired an Airport manager who is supported by full-time airport operations staff that primarily focus on the maintenance of the airport infrastructure (C & S Companies 2015).

The Airport receives revenue from both aviation and non-aviation uses of airport building and airfield area and structures. The amount of revenue received by the Airport is directly related to Airport usage, which has increased since the last MSR from approximately 18,000 to approximately 24,000 annually (Figure 4-1). Therefore, any additional revenue generated by the Airport is directly tied to its overall usage from private flights and requires that the facilities, such as runways/taxiways and hangars all be in acceptable condition for its users. Revenue sources on a general airport typically include:

- Landing fees – a fee assessed to an aircraft owner or pilot for landing at the airport
- Fuel flowage fees – a per-gallon fee collected at the airport to assist in offsetting costs of operations
- Tie-down fees – an aircraft owner pays a fee to store their aircraft on a designated area of the parking apron
- Hangar rental fees – typically a per-month charge to rent a hangar for aircraft storage purposes
- Ground leases – collected from tenants that enter into short- or long-term leases for unimproved or improved property owned by the airport
- Airport facility lease or rental fees – tenants that occupy office or other similar space in airport-owned buildings pay a monthly fee to the airport
- Other fees – user fees to contribute to repairs caused by infrastructure deterioration

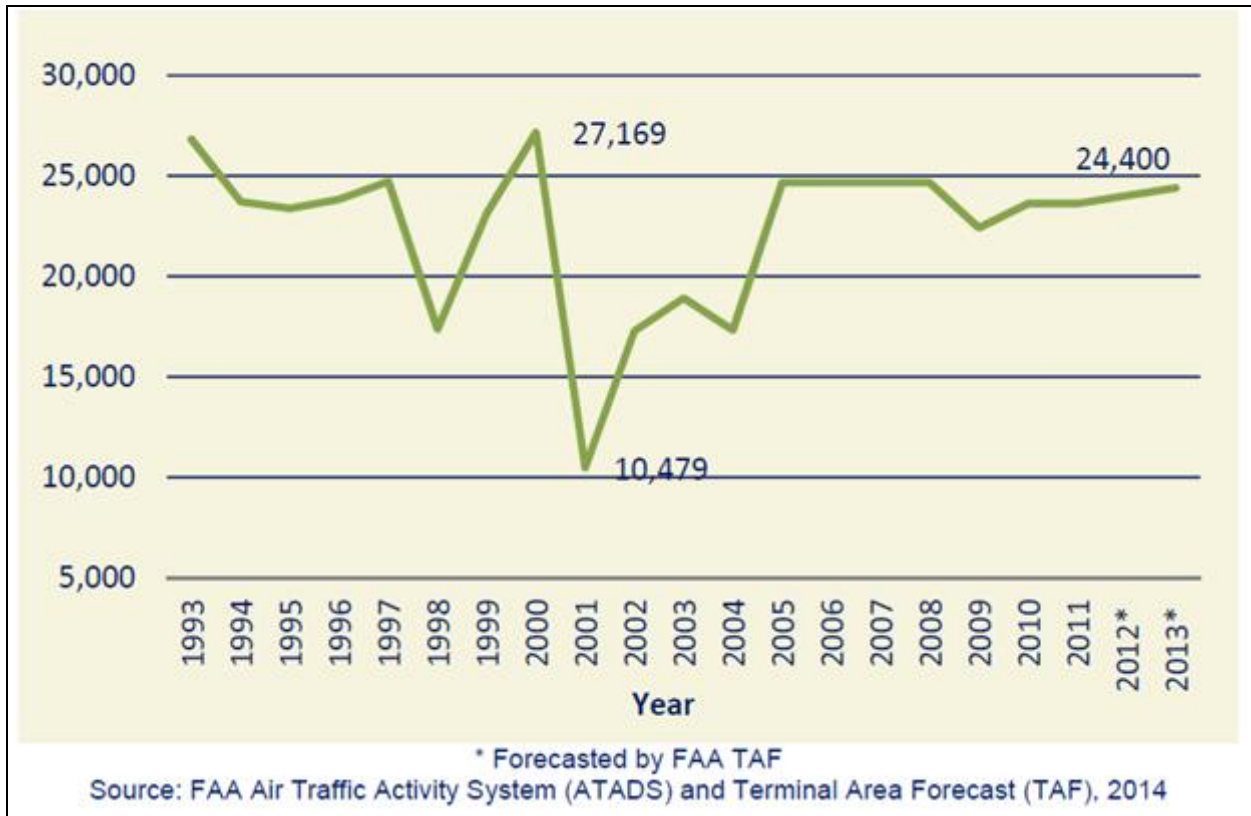


Figure 4-1
Airport Flights by Year

Source: Lake Tahoe Airport Master Plan Update - Phase I Report

The Airport has not supported commercial service flight since 2001. Resumption of commercial flights could provide a substantial increase of revenues generated by the airport. However, the Airport has been bound by a settlement agreement since 1992 which limits the noise. The agreement expired in 2012, according to City staff.

The City is currently in the process of updating the Airport Master Plan in order to outline the vision for the Airport as determined by the community with oversight from the FAA, and document the extent, type and schedule of development needed to accommodate existing needs and future aviation demand. According to the Phase I report, the existing airport meets these recommended facilities and service requirements with the exception of the runway length. In addition, although the Automated Surface Observation System (ASOS) is functional it should be relocated or replaced. According to Caltrans, although Lake Tahoe Airport does not meet their minimum standard runway length, the commerce and connectivity the airport brings to the Sierra Nevada mountain region make preservation and improvement of the facility a regional priority. Moreover, if the City were to be permitted to allow commercial flights, it would require improvements to the runway and likely the installation of adequate terminals(C & S Companies 2015).

The operations of the Airport are funded through an Enterprise Fund. The Airport is also funded through state grant programs, predominantly through the Department of Transportation – Aeronautics Division, as well as the FAA. Additionally, the City has been subsidizing the operations of the Airport from the General Fund. The 2007 MSR identified that approximately \$443,189 from the General Fund was transferred for operations of the Airport. The City has identified a budgetary goal of reducing the subsidy by 20 percent. The subsidy was noted as being approximately \$560,000 and \$378,000 for Fiscal Years 2012-13 and 2013-14, respectively, with the City aiming to reduce it down to \$354,000 during Fiscal Year 2014-15 (Financial Services Division 2014-2015). It would appear that the ability to be self-sustaining is a continued trend with Airport operations as it annually requires this subsidy from the General Fund (Projects for the Airport are identified in the annual review of the City’s Capital Improvement Program. Much of the funding for the identified CIP projects has been rolled over from prior budget years. For Fiscal Year 2014-15, the City allocated approximately \$2.3 million for the following projects, which were all funded through FAA grants:

- AIP#32 Reconstruct GA Ramp (\$1,475,252, Grant Funding/FAA Match)
- New Airport Master Plan Study (\$212,106, Grant Funding/FAA Match)
- New Wildlife Hazard Assessment Plan (\$89,555, Grant Funding/FAA Match)
- New Seal Taxiway Joints (\$579,000, Grant Funding/FAA Match)

Chart 4-1).¹⁰

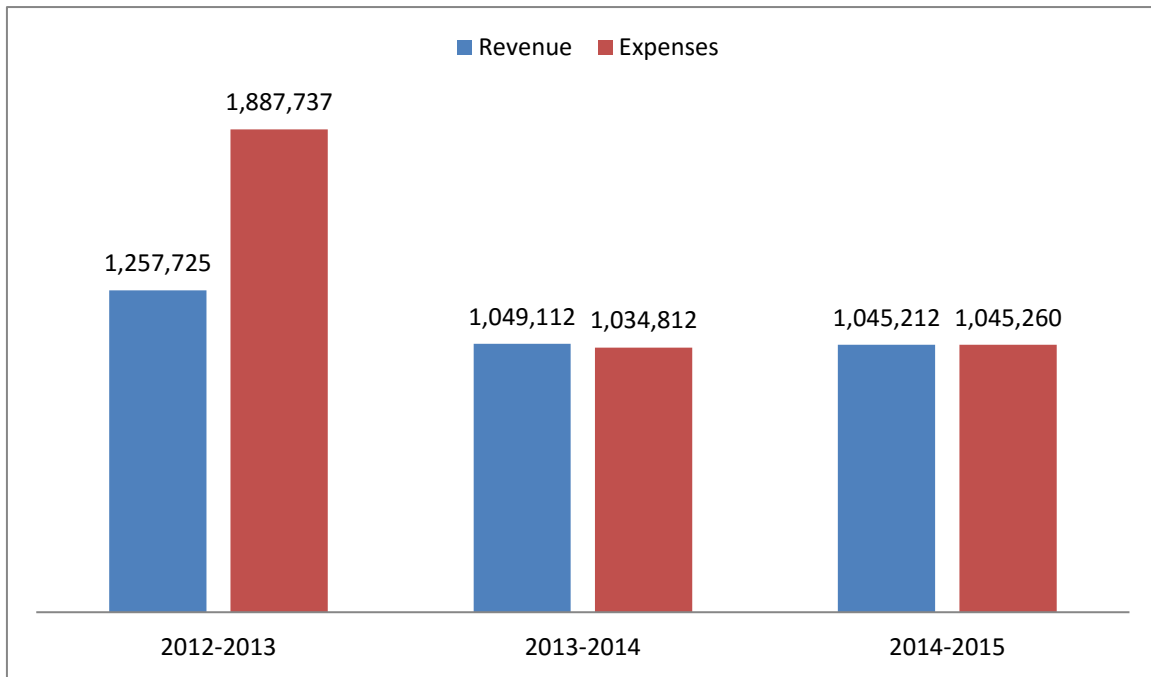
However, in recent years, the City has reduced its expenditures in its attempt to become more solvent in its operation of the airport.. The dependency on the subsidy for operations is still apparent, but the overall reduction in expenditures over time has made it much less likely that there would be a hefty deficit that must be filled by the General Fund. The fact that the City reduced the expenditures at the airport by over \$800,000 dollars from 2013 to 2014 shows a commitment to providing services in a fiscally responsible manner.

Projects for the Airport are identified in the annual review of the City’s Capital Improvement Program. Much of the funding for the identified CIP projects has been rolled over from prior budget years. For Fiscal Year 2014-15, the City allocated approximately \$2.3 million for the following projects, which were all funded through FAA grants:

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- New Seal Taxiway Joints (\$579,000, Grant Funding/FAA Match)

¹⁰ According to Staff, transfers for the 2015-16 Fiscal Year were further reduced to approximately \$105,590, which further shows that the City is continuing to improve operations of the Airport and remaining self-sustaining (Miller 2016).

Chart 4-1
Airport Operations Revenue and Expenditures (2012-2015)



4.2.3 - DETERMINATIONS

Determination 4.2-1 – The City operates a municipal airport with use of funding from the General Fund, CIP and grants.

Determination 4.2-2 – The City has completed and adopted an Airport Master Plan in November 2015 to better identify and improve operations of the airport and plan for future needs of the City.

4.3 - Cable TV Franchise Administration

4.3.1 - SUMMARY OF PRIOR MSR FINDINGS

According to the General Government Services II MSR, the City has a cable franchise agreement with Charter Communications that allows the City to regulate rates for “basic cable service.” The City’s basic cable rate was \$20. The City did not separately account for cable related revenues and costs, nor did it dedicate any staff to perform the City’s responsibilities under the cable franchise. Customer service complaints were handled through the City Manager’s Office. The City received 5% of defined gross revenue which amounts to approximately \$300,000 per year (Burr Consulting 2007).

4.3.2 - CURRENT CONDITIONS

It appears that this service configuration has not changed since the adoption of the General Government Services II MSR in 2007. Charter Communications (Charter), which is based out of St. Louis Missouri, still has a franchise agreement with the City, regulated by City Municipal Code Chapter 3.40 to provide the service to residents. Charter provides a range of television, telephone and internet services to residents that are within their service area. The local office for Charter is located approximately 8.5 miles from City Hall in Zephyr Cove, Nevada.

Coverage the service area may be limited by the inability to upgrade infrastructure due to the emphasis on protection of the surrounding environmental setting. Any permits for upgrades or improvements are reviewed through the City’s Engineering Department and appropriate encroachment permits and development standards are enforced.

In 2015, the City receives revenue through the franchise agreement without dedicating any additional staff or resources to the service. In essence, this service is a privatized service provided through Charter Communications that is regulated by the Federal Communications Commission (FCC). The City receives only revenue from the franchise agreement but has limited oversight over the delivery and efficiency of service delivery to residents.

4.3.3 - DETERMINATIONS

Determination 4.3-1 – The City has a franchise agreement with Charter Communications to provide cable television service within the city limits.

Determination 4.3-2 – The City should annually review the franchise agreement, as the agreement allows, to determine if Charter Communication is actively working to provide and enhance its service delivery to residents.

4.4 - Fire Suppression and Emergency Response Services

4.4.1 - SUMMARY OF PRIOR MSR FINDINGS

The Countywide Fire Suppression and Emergency Services MSR from 2006 identified that the City was providing a wide range of services associate with Fire Protection. These services include, but are not limited to, year round fire suppression, plan checking for building permits with inspections, hazardous material response, rescue services, and community programs such as public education or animal rescue. The City also received medical services, advanced life support and paramedic/EMT services through the CalTahoe JPA.

Among the major infrastructure deficiencies identified was the need of Stations 2 and 3 to be replaced or improved to accommodate new equipment. The City also achieved efficiency and savings through repairing equipment, such as hoses, rather than purchasing new tools.

4.4.2 - CURRENT CONDITIONS

The fire department was formed in 1966 by the City. The mission of the South Lake Tahoe Fire and Ambulance Department is "Serving the community with compassion, professionalism and honor."

The Fire Department provides fire suppression, emergency medical/paramedic ambulance response and some fire prevention services to the City of South Lake Tahoe. The Fire Department responded to 3,278 calls for services in 2013. 2,306 (70%) were Emergency Medical Service calls, 879 (27%) were Public Services calls, and 93 (3%) were fire calls which included buildings fires, vehicle fires and wildland fires.

On December 7, 2015, the City also assumed control of ambulance services within the incorporated area and reorganized their staffing levels in order to place qualified paramedic personnel onto ambulances rather than utilizing certified fire fighting personnel. This move, as described by Fire Chief Meston, was done in order to provide a better standard of service for residents of the City by having certified, trained paramedics staffing ambulances rather than cross-trained fire personnel. Additionally, this change in staffing was done to reduce paying overtime to fire personnel who were splitting time on ambulances and fire engines. In all, City officials indicated that this change in overall organization should provide a higher level of service than the previous configuration and agreement with the CalTahoe Joint Power Authority (City of South Lake Tahoe 2015). However, full results of the configuration may not be known until consideration of the 2016-2017 Final Budget.

The City spent \$199.16 per capita in Fiscal Year 2003-2004 for fire suppression and emergency medical services. Funding for these services has in the past come primarily from the City's General Fund, followed by revenue from the Safety Sales Tax Fund and the CalTahoe Joint Powers Authority (as of December 2015). The South Lake Tahoe Fire Department operates three fire stations that are organized, equipped and trained to perform

fire suppression duties in structural fire fighting, vehicular fires and initial attack for most related events.

In 2014 the Fire Department transitioned its plan check and new construction fire prevention program to the Building Department to improve response times and provide for more consistent fire prevention standards and compliance.

According to the General Plan Background Report, the Lake Valley Fire Protection District (LVFPD) services a few areas within the City as well as the area within the SOI. LVFPD is a special district that was formed in 1947 to provide fire protection along the South Shore of Lake Tahoe (Figure 4-2). The District serves the community of Meyers, an area of approximately 83 square miles. Additionally, the District's Mutual Aid responsibilities cover South Lake Tahoe and portions of Alpine and El Dorado Counties. LVFPD provides fire, rescue, and emergency medical services to a permanent population of approximately 12,500 people, with seasonal tourist fluctuations that swell the population to over 40,000.

Existing Conditions and Facilities

According to the 2014 Annual Fire Report, the fire department provides all risk emergency and nonemergency services including fire protection, emergency medical services, limited fire prevention, and public education. Today the department maintains three fire stations and a training center. South Lake Tahoe Fire Department personnel and equipment respond to over 3000 emergency responses each year. The Fire Department stations and training facility are listed below.

Fire Station One

1252 Ski Run Boulevard
South Lake Tahoe, CA 96150

Fire Station Two (Battalion Headquarters)

2951 Lake Tahoe Boulevard
South Lake Tahoe, CA 96150

Fire Station Three - Administration Headquarters

2101 Lake Tahoe Boulevard
South Lake Tahoe, CA 96150

Fire Station Four

1901 Airport Road
South Lake Tahoe, CA 96150

The City manages three fire stations staffed with type I and type III engines, paramedic ambulances, one cross staff truck company and one Shift Commander with the daily staffing of 10 suppression personnel. In 2014 the City entered into automatic aid agreement with LVFPD. This agreement allows the city to respond with 15 fire personnel for a first alarm structure assignment within the LVFPD service area. Furthermore, the City now meets the

National Fire Protection Agency (NFPA) requirements for structural response. In 2014, the Fire Department took possession of two new pieces of equipment: a 100-foot Mid-Mount Ladder Truck and a Type 1 Engine, both from Ferrara Fire Apparatus.

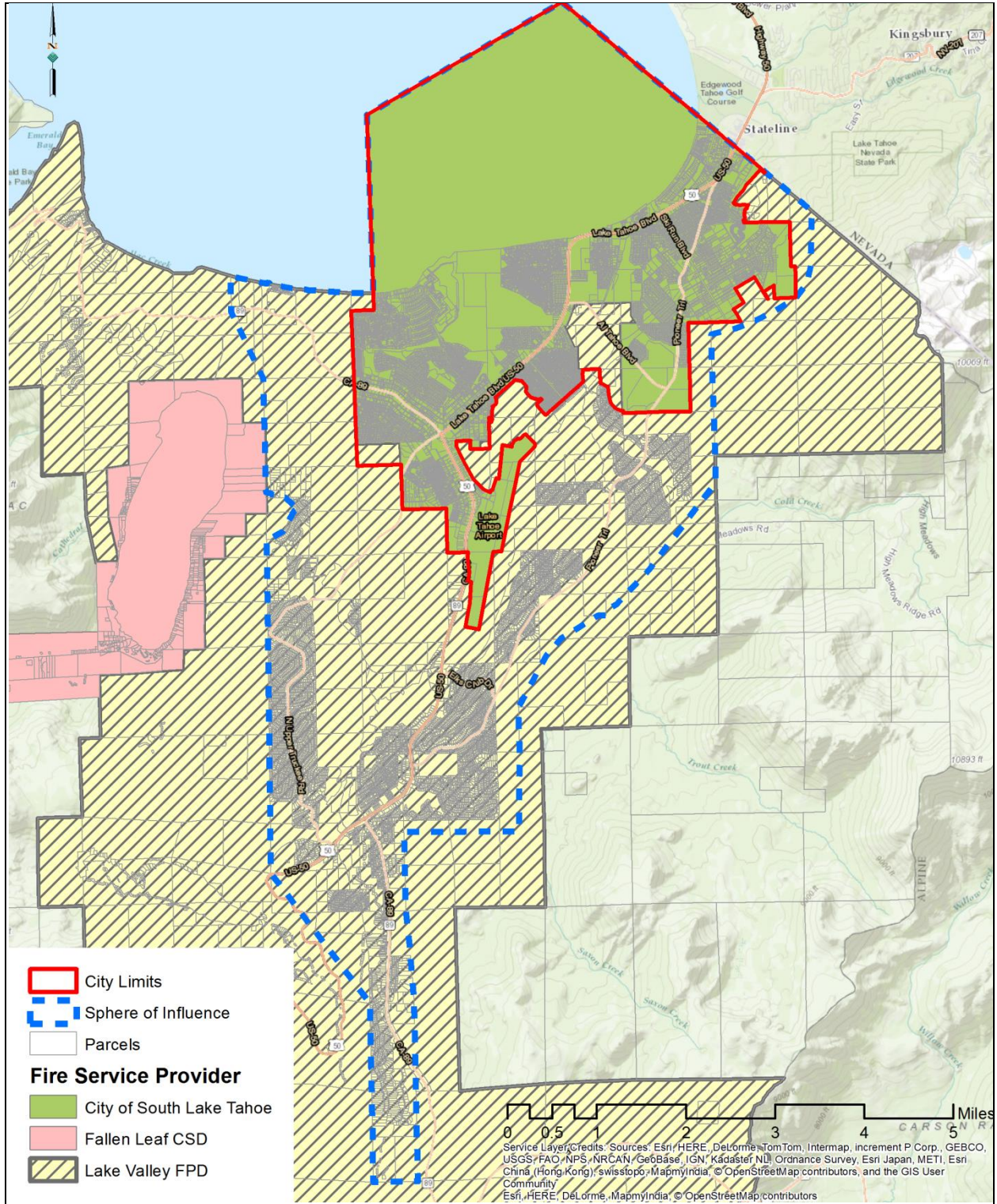


Figure 4-2
Fire Service Providers

The Fire Department receives funds through the general fund, from Proposition 172 for capital purchases, and from the fire vehicle replacement program (Financial Services Division 2014-2015). The 2013/2014 Fire Department amended budget was \$7,312,967 and proposed to be \$6,377,548, a decrease of approximately 13 percent.

The EMS Divisions are funded through the CalTahoe Emergency Services JPA which directly reimburses the City for a portion of expenses incurred through County Service Area #3. The remaining expenses are reimbursed by the City's General Fund. As stated earlier in this section, the City assumed control of operations from the JPA and recently staffed the ambulances with certified paramedics rather than other fire personnel in an attempt to become more efficient fiscally and provide a better quality of service than had previously been provided.

The other two fire special revenue funds are used to provide funds for the City's fire prevention program and the fire vehicle replacement program. The Fire Department's special revenue decreased 21.8% from the prior year's budget primarily due to the purchase of the new fire ladder truck financed by municipal financing lease line of credit in 2013-2014 offset by an increase in revenue towards EMS that was previously accounted for in the General Fund (Financial Services Division 2014-2015).

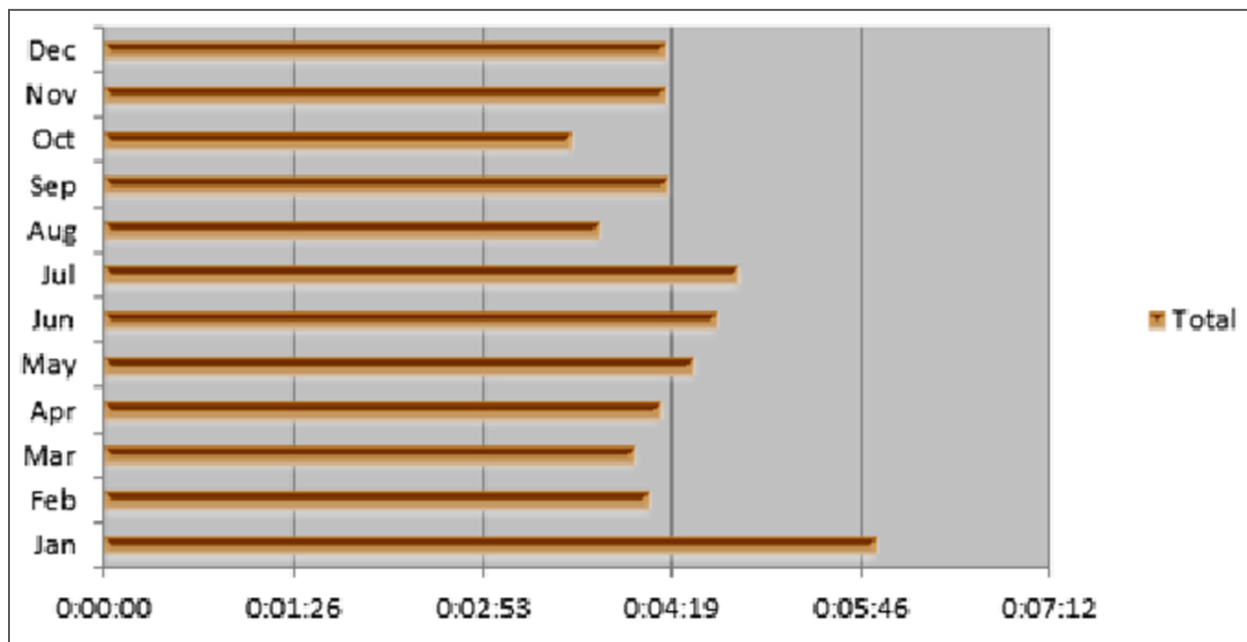
Emergency Medical Services (EMS) Division

The emergency medical services division instituted a variety of programs resulting in cost savings to the City, improved efficiency for paramedics, and better service to the community (Fire Department 2014). In 2014 both engine companies were equipped with advanced life support equipment and qualified as Advanced Life Support engines. The City also took control of its medical supplies from the JPA. The EMS division is involved in local, state and national organizations relating to EMS.

The City actively participates in trial studies for EMS service, such as a study to enhance their Inter-Facility-Transfer services. In 2014, the City began transporting certain cardiac patients directly to a specialized cardiac unit in Carson City, NV, which increased the patients' chances of survivability. There was 27 total cardiac arrest calls since March of 2014 and of those calls, 6 patients were delivered to the hospital with a pulse. The actual percentage of patients saved was 22%. The National average is 8%.

The Chart 4-2 displays the average response times during each month for 2014 (Fire Department 2014).

Chart 4-2
Fire Department Average Response Times by Month (2014)



Source: South Lake Tahoe Fire Department

Mutual Aid Agreements

The Fire Department implemented an automatic aid agreement with Lake Valley Fire Protection District to provide a minimum of 15 firefighters on a first alarm assignment and is a participant in statewide Fire Mutual Aid (Financial Services Division 2014-2015). The Department also maintains mutual aid agreements with Tahoe Douglas Fire Protection District, Cal Fire and the US Forest Service. The City also responds to incidents as part of the California fire and rescue master mutual aid system and for requests for assistance across California for agencies experiencing wildland fires.

Needs and Deficiencies

The Department has a goal of achieving a 6 minute or less response time to priority one emergencies. According to the Fire Performance Measures, the Department set a 90 percent goal for achieving this response time for FY 13/14, which it was projected to exceed at the time of this report, and 80 percent for FY 14/15. Results of the alteration of staffing levels as a result of assuming control of paramedics and retooling the fire personnel is not currently known and may not be known until the next budget cycle or MSR update. This issue should continue to be monitored in order to ensure that the reconfiguration of the fire and paramedic personnel has indeed made service delivery more efficient.

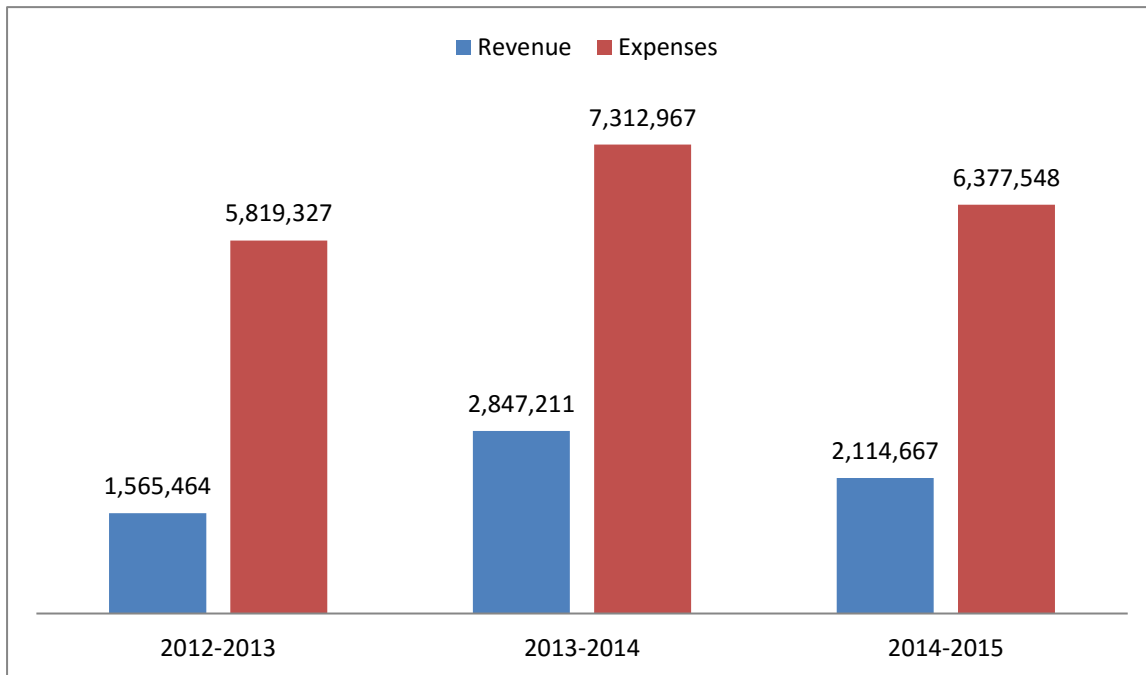
The Fire Department currently shares dispatching with both the Police Department and LVFPD. Since EMS staff is included within the Fire Department, efficiency is gained as both

emergency response and fire suppression personnel would be notified in the case of an emergency.

In 2014, the City completed a retrofit of Station #2. The retrofit project, which was funded through the City’s CIP, was designed to enlarge the station in order to accommodate the new ladder truck. The completion of the project will ensure that the equipment will be maintained in working order and not be left out in the elements, which can quickly and significantly degrade the integrity of equipment due to the propensity for rust.

However, it did not appear that any project had been completed for Station #3, which was also noted to have deficiencies as it pertained to size and ability to properly house staff and equipment. Therefore, it would appear that the City would need to focus any future CIP funds on a similar project for Station #3 that was recently completed for Station #2.

Chart 4-3
Fire Department Revenues and Expenditures



4.4.3 - DETERMINATIONS

Determination 4.4-1 – The City provides fire protection and paramedic services within the city limits through the use of General Fund revenues.

Determination 4.4-2 – The City actively maintains and upgrades facilities to meet the needs of its residents through the CIP.

Determination 4.4-3 – The City should continue to program repairs to existing facilities in order to meet the needs of staff in order to provide a level of service acceptable to residents.

Determination 4.4-4 – The City should continue mutual aid agreements with adjacent agencies in order to provide overlapping and supplemented service within the city limits.

Determination 4.4-5 – Results of the alteration of staffing levels as a result of assuming control of paramedics and retooling the fire personnel is not currently known and may not be known until the next budget cycle or MSR update. This issue should continue to be monitored in order to ensure that the reconfiguration of the fire and paramedic personnel has indeed made service delivery more efficient.

4.5 - Police

4.5.1 - SUMMARY OF PRIOR MSR FINDINGS

Police and law enforcement services were reviewed by LAFCo in 2008 along with parks and recreational services. The Police Department operates under mutual aid agreements and memorandums of understanding with other police agencies with Douglas County, Nevada, and with the El Dorado County Sheriff. The Police Department aims to maintain response times of three minutes for high priority calls and reduce duplication of facilities and resources through these contracts.

At the time of the MSR, the Chief of Police stated that the existing boundaries were appropriate for the provision of services currently being provided by the City. However, at that time, there was a moratorium enacted by TRPA that prohibited new subdivisions on undeveloped land. The Police Chief also indicated that seasonal fluctuations in population present service challenges. However, the Department is aiming to have adequate staffing to limit the impacts of these fluctuations on service (Pacific Municipal Consultants 2008).

4.5.2 - CURRENT CONDITIONS

The South Lake Tahoe Police Department (SLTPD) was formed July 1, 1967 and was comprised of 32 individuals. SLTPD has no reserve officers, and only eight vehicles. Out of the 32 employees, 27 of them were sworn officers, and come from a variety of other California law enforcement agencies. The remaining 5 employees act as support staff. The average response time for calls is less than three minutes.

Budgeted City full-time equivalent employees (FTE) numbered 180.80 for the 2014-2015 Fiscal Year, of which 60.05 FTEs are assigned to the Police Department (33.2%). Of that, there are approximately 24 officers were assigned to patrol functions, which equates to approximately one officer per 900 residents. However, the City is a tourist resort destination consistently inflating the functional population to 100,000 on weekends and holidays, which could leave approximately one officer per 4,166 persons.

The Police Department also manages the Joint Dispatch Center which is classified as a Public Safety Answering Point for the County and State of California. The Joint Dispatch Center provides public safety dispatching services to the Police Department, City Fire Department, Lake Valley Fire Protection District, Fallen Leaf Fire Department, along with Emergency Medical Services. The Department provides the following services: Bike Patrol, Boat Patrol, Canine Unit, Code Enforcement, Crime Scene Investigations, Crisis Negotiations Team, Detectives, Explorer Post, LTCC Intern, Narcotics Task Force, Nuisance Abatement, parking Enforcement, Reserve Officer Program, School Resource Officer, SWAT Team, Traffic Unit, Uniformed Patrol, Vehicle Abatement, and Volunteer Program (Financial Services Division 2014-2015).

Facilities and Infrastructure

The Police Department facility maintains its location at 1352 Johnson Boulevard. This facility is also in close proximity to the El Dorado County Sheriff's office that located 0.3 miles east of the Police Department.

The current facility was not identified as having any deficiencies during the last MSR cycle that reviewed the Police Department infrastructure. However, in the FY 2014-15 Budget, the CIP identified two improvement projects that would provide some upgrades to the existing facility. The improvements include a server upgrade that would add virtual servers to the current network infrastructure. Additional improvements include the installation of fence, gates, entry controls, lighting and other ancillary equipment for the facility.

Police Services and Programs

A total of 60.05 FTE positions have been permanently allocated for FY 14/15. This accounts for approximately 33% of all permanently budgeted positions. However, the Department saw a minor decrease in some staffing services due to a voter measure that eliminated parking kiosks and the subsequent revenue. This resulted in the combination of two divisions, parking and code enforcement, into a single division, community services code enforcement. However, overall, staffing has remained at a rather constant level from 2011 to present (Financial Services Division 2014-2015).

The Administrative Division is responsible for the overall leadership and managerial duties at the Police Department. This Division is staffed with the Chief of Police and his Administrative Assistant.

The Operations Division consists of the uniformed details of the police department. During FY 14/15, 24 officers will be assigned within the division to patrol functions and traffic enforcement, including 2 canine officers and 1 sworn school resource officer assigned to South Tahoe High School. Additionally, the division will have 4 marine unit/reserve police officers, 5 patrol sergeants and 1 patrol lieutenant.

The Joint Dispatch department handles all costs associated with the dispatch center located in the Police Department. As previously mentioned, dispatch services are provided to the City Police Department, the City Fire Department, Lake Valley Fire Department, Fallen Leaf Fire, and County EMS. Staff includes one dispatch supervisor, three full time Lead Public Safety Dispatchers, five full time Public Safety Dispatchers, and two permanent part-time Public Safety Dispatchers.

The Police Support Division budget handles all positions within the Police Department that are not covered in Administration, Operations, or the Joint Dispatch Center. The area of responsibility is primarily Detectives, Property and Evidence, Records, and Building Maintenance.

As of November 1, 2013, the California Department of Justice (CA DOJ) halted financial and personnel support of the South Lake El Dorado Narcotic Enforcement Team (SLEDNET) task force. CA DOJ's former support of the program included providing a Task Force Supervisor and other equipment and rent costs. Participating agencies are now jointly funding and staffing the unit without federal assistance. The City supplements this loss of funding through other grants, however, it appears that financial resources for this item are approximately 50 percent less than when funded by the DOJ. As a result, other operating expenditures have been reduced over the years to accommodate this reduced funding source.

Crime Statistics

Crime statistics for South Lake Tahoe were obtained from City staff and are shown in Table 4-1 and Table 4-2 below.

Table 4-1
Number of Arrests by South Lake Tahoe Police Department

Category	2011	2012	2013	2014
Violent Offenses	132	116	124	114
Property Offenses	81	73	67	67
Drug Offenses	62	45	64	63
Misdemeanor	868	791	720	758
Other Offenses*	72	61	65	67
Total Arrests	1,034	1,019	1,010	797

Notes: Other Offenses includes: sex offenses, weapons, driving under the influence, hit and run, escape, bookmaking, vehicular manslaughter and other various offenses.
Source: <http://oag.ca.gov/crime/cjsc/stats/arrests>

Table 4-2
2010-2013 Reported Crime Statistics (Category I Crimes)

Category	2010	2011	2012	2013
Population	23,540	21,655	21,586	21,243
Violent Crime	164	130	148	116
Murder/non-negligent manslaughter	0	1	0	3
Forcible Rape	14	5	10	8
Robbery	26	22	27	16
Aggravated Assault	124	102	111	89
Property Crime	377	429	544	585
Burglary	171	153	152	171
Larceny-theft	190	260	360	368
Motor vehicle theft	16	16	32	46
Arson	5	1	0	2

Total Reported Crime	1,087	1,119	1,384	1,404
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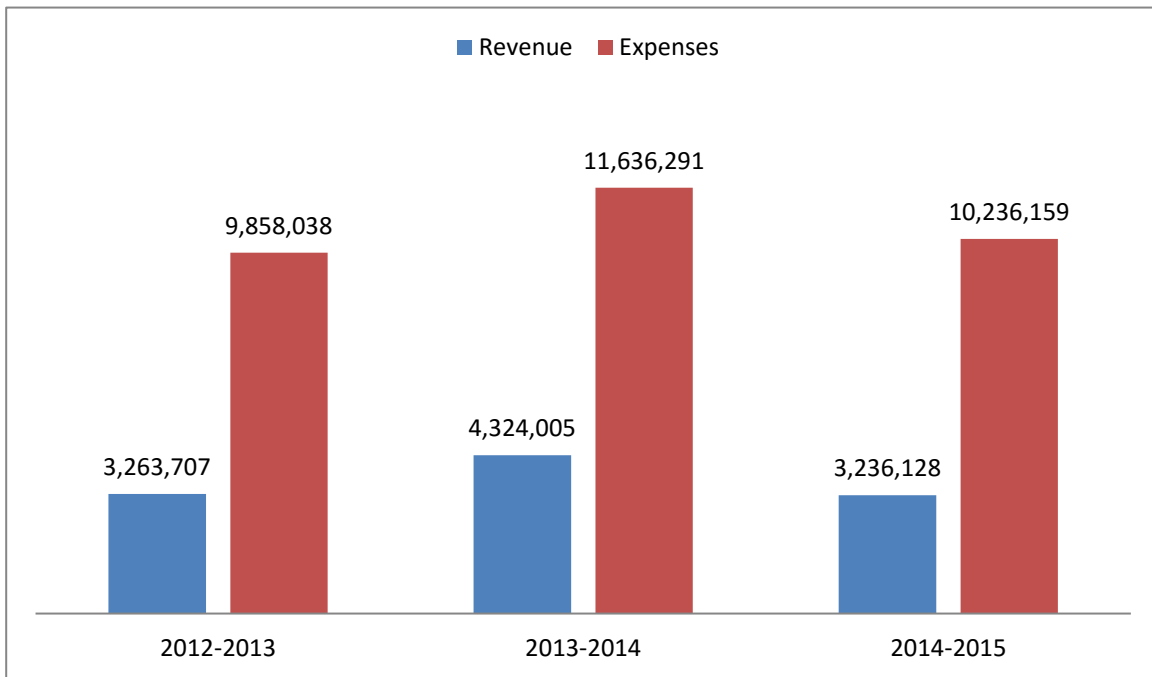
Source: www.fbi.gov

Police Funding Sources

The police special revenue comprise various grant accounts, vehicle/nuisance abatement and other code enforcement programs, as well as police vehicle replacement fund and Proposition 172 safety sales tax fund. Special revenue budgeted for police programs total \$1.4 million in 2014-15, a decrease of 37.3% over the prior year’s budget. The decrease is due primarily to the expiration of certain state grants and completion of police vehicles purchases funded by capital lease financing in 2013-14.

Police grants are part of the City’s special revenue funds. The police grant is used to account for revenues and expenditures related to the police department including traffic safety, boat safety, and DUI grants. The Fire and Police Safety Sales Tax is used to account for the Proposition 172 Safety Sales Tax revenues and expenditures. Police services comprise the largest share of total general fund expenditures (26%).

**Chart 4-4
Police Department Revenue and Expenditures**



AB3229 COPS Grant

COPS grant funds are used for paying officer overtime for projects associated with Community Policing Programs. The requirements for this fund are broad and allow for

discretion on the part of the suitability of the expenditure as long as the expenditure of the funds is not displacing general fund monies.

Police Certified Training (POST)

The State of California through POST provides reimbursement for law enforcement training. The Police Department actively sends officers, supervisors and non-sworn personnel to POST training. The majority of the training is reimbursed, but some training costs are shared with the department.

Justice Assistance Grant (JAG)

The JAG program, administered by the Bureau of Justice Administration (BJA), is the leading source of federal justice funding to state and local jurisdictions. This program provides local governments with funding necessary to support programs including law enforcement, prosecution, and drug treatment, among others. Anticipated funding from JAG for FY 14-15 for the Police Department is expected to be approximately \$12,000 and will be used for police equipment.

Asset Forfeitures Fund

Asset forfeiture funds are received as a result of forfeiture of criminal assets. These funds are used for contract services and special police investigations. These funds are one time monies and will continue for as long as assets are seized.

Boat Patrol Grant

The Boat Patrol provides law enforcement services to the open water and harbor area of the City and mutual aid to the surrounding jurisdictions that share a boundary of Lake Tahoe. The grant provides two FTE positions that operation from May through September of each year.

Domestic Violence Grant

This program funds an effort to address domestic violence. This program funds \$62,000 toward the salary of one FTE and \$15,000 in overtime expenses generated by the PD Joint dispatch Center, for dispatchers who are responsible for fielding phone calls from victims and to facilitate the response of emergency and advocacy services related to domestic violence. The Police department intends to apply for this grant if made available for the calendar year 2015.

4.5.3 - DETERMINATIONS

Determination 4.5-1 – The City monitors crime statistics within its boundaries in order to benchmark and set goals for law enforcement and protection services.

Determination 4.5-2 – The City utilizes a variety of financing sources in order to offset the expenditures utilized by law enforcement.

Determination 4.5-3 – The City utilizes agreements with regional agencies in order to capital on shared facilities as well as enhanced responding capabilities within the city limits.

4.6 - Landscape and Lighting

4.6.1 - SUMMARY OF PRIOR MSR FINDINGS

Within the city limits, the City is generally responsible for maintenance of landscape and lighting facilities. However, it was noted that in addition to providing water and wastewater services, the South Tahoe Public Utility District is used as a billing mechanism to distribute funds for multiple small assessment districts for maintenance of street lighting within small subdivisions. However, the District itself does not, and does not plan to, provide any landscape or lighting services within the city limits.

The City's ability to provide landscaping and lighting were not specifically analyzed in a prior MSR (Pacific Municipal Consultants 2008).

4.6.2 - CURRENT CONDITIONS

Landscaping and lighting services are managed by City's Public Utilities Department and maintained out of the General Fund. Landscaping and lighting expenses are paid for by a combination of funds collected from Business Improvement Districts (BID) money, the Community Investment Program and CalTrans investments (Staff 2015).

Money generated through BIDs are collected from business tax payments for the purpose of supporting landscaping and lighting expenses for areas predetermined by the BID boundary limits. For example, approximately 70 businesses/property owners are subject to fees that amount to approximately \$10,000 in the Ski Run BID. In addition, CalTrans has invested approximately \$50 million in new sidewalks, curb, lighting, landscaping and environmental improvements throughout the City of South Lake Tahoe and maintains the landscaping and lighting for Highway 50 (Financial Services Division 2014-2015).

Apart from the identified projects, landscape and lighting services are limited to general maintenance and upkeep of existing facilities through available the Public Utilities Department's budgeted funds. Additional, new projects or enhancements would require an identified funding source such as grants in order to be completed or be planned through the City's Capital Improvement Program (CIP).

However, due to the location of the City, the existing open space and recreational areas do not facilitate much need for enhanced landscape as much of the area consists of natural vegetation. Maintenance of natural vegetation would require less upkeep and not necessitate a need for irrigation lines or other equipment. Therefore, the current funding for landscaping would appear to be sufficient.

Furthermore, City ordinances and General Plan policies necessitate minimal use of lights that may pollute a night sky. CalTrans would be responsible for maintenance of all streetlights along Highway 50 through the City as well. General maintenance costs for existing lighting would be provided either through the General Fund or the CIP.

4.6.3 - DETERMINATIONS

Determination 4.6-1 – Street lighting and landscaping maintenance is funded by the City through the General Fund or through Improvement Districts.

Determination 4.6-2 - CalTrans has contributed significantly to landscaping and lighting through the Highway 50 corridor.

Determination 4.6-3 – Much of the landscaping within the City is natural and requires little maintenance.

Determination 4.6-4 – The ordinances of the City discourages installation of street lights that may contribute to interference with a natural, night sky.

4.7 - Parks and Recreation

4.7.1 - SUMMARY OF PRIOR MSR FINDINGS

Parks and Recreation services are provided by the City of South Lake Tahoe Parks and Recreation Department, a part of the Community Development Department. Services provided by the Parks and Recreation Department overlap with other agencies. The Boys and Girls Club, Tahoe Paradise Park District and the Lake Tahoe Unified School District provide recreation services and/or opportunities that overlap with the City of South Lake Tahoe Parks and Recreation Department.

Additionally, the County and the City share some aspects of development of recreation facilities. This has typically been through land acquisition and land management. The Recreation Department shares facilities with the Lake Tahoe Unified School District.

As of 2008, it was found that the City was operating efficiently under its existing structure despite the Recreation Department operating at a net loss for the fiscal year of 2006-07 (Pacific Municipal Consultants 2008).

4.7.2 - CURRENT CONDITIONS

Parks and recreation services are provided by the City's Parks and Recreation Department, which is a part of the Community Services Department, which was previously misidentified as the Community Development Department in the prior MSR. The Department has operated at a net loss (deficit) for the past four fiscal years, with 2013-14 being the lowest deficit year (\$969,739 net loss). The Department currently staff 9.58 FTE employees, with a Recreation Supervisor position being added as part of the 2014-15 Fiscal Year. The primary source of revenues for the Department consists only of fees for usage of parks and recreational facilities or program registrations.

The City has various recreation facilities available for use by the public, including a Recreation and Swim Pool Complex, the South Tahoe Ice Arena, the South Tahoe Senior Center, various parks, bike trails, campgrounds and a golf course. The mission statement of the department is that it "Creates Community Through People, Parks and Programs."

Parks and Recreation use fees were budgeted at approximately \$1.4 million in the 2014-15 budget, an increase of 1.4% from the prior year estimate. Portions of these revenues (golf course and campground) tend to be volatile and dependent on tourism and weather conditions (Financial Services Division 2014-2015).

Special Events within the City include runs, walks, races (South Tahoe Turkey Trot, Jingle Jog, Kids Triathlons, Race the Lake of the Sky), and music festivals. Special events in South Lake Tahoe are processed by the Parks and Recreation Department similar to a facility reservation. The City's website notes that it is "committed to hosting more special events," but it does not have event marketing and outreach strategies at this time. The City has great venues for events and the area has amenities and lodging to support large groups and

visitors, which makes the South Shore an ideal location for interested parties to hold events. This represents a service area with great potential for revenue-generation(MIG 2014).

In 2014, the Department implemented an online reservation system creating efficient and effective means for patrons to purchase recreation products electronically as well as provide valuable user data to guide future decisions on programming. The Parks, Trails, and Recreation Master Plan was completed in the Fall setting the department up with a road map to improve recreation over the next 10 years. The Plan points out that there are recreational facilities operated and maintained by a variety of public and private entities and that coordination between all these parties is needed to ensure a complete network of recreational facilities (MIG 2014).

On September 19, 2000, City of South Lake Tahoe voters approved incurring a bonded indebtedness by Community Facilities District Recreation Joint Authority, consisting of the City, County and Tahoe Paradise Resort District, to be repaid from the special tax received from levying property at a rate of \$18 per year for a single family property not to exceed 30 years (Measure S). The money would be used to maintain bike trails, acquire, construct and equip athletic fields, upgrade Paradise Park facilities and construction of an ice rink. Specific projects under this measure include: Ski Run Bike Trail maintenance, Playfield Bike Trail maintenance, 15th Street Bike Trail maintenance, playfield maintenance, and Lyons Avenue Bike Trail maintenance.

4.7.3 - DETERMINATIONS

Determination 4.7-1 – The City actively maintains parks and provides recreational services to the residents of South Lake Tahoe.

Determination 4.7-2 – The location of the City promotes recreational activities for residents as well as tourists to the area.

Determination 4.7-3 – The City utilizes the Capital Improvement Program to maintain and repair its numerous recreational facilities within the city limits to promote an active lifestyle to its residents and visitors.

Determination 4.7-4 – Parks and Recreation is among the most important services provided by the City as it also aids in providing an economic financial base for the City through tourism.

4.8 - Road Maintenance

4.8.1 - SUMMARY OF PRIOR MSR FINDINGS

The prior MSR concluded that the City appeared to provide an adequate level of road services based on the City's self assessment, as determined by adherence to the City's own roadway repair and maintenance standards. The City's current roadway infrastructure includes approximately 130 centerline miles of roadway, which consists of 45 arterial, 126 collector, 657 residential/local, and nine other sections, for a total of 837 pavement sections. This also includes stormwater drainage facilities.

Primary operating funds for the City's roadway infrastructure comes from the City's General Fund, property taxes, local sales taxes, local gas tax revenues and other special funds. Additional funding may come from state and federal grants. Special revenue funds specifically for streets and highways include the Gas Tax Fund and permit fees.

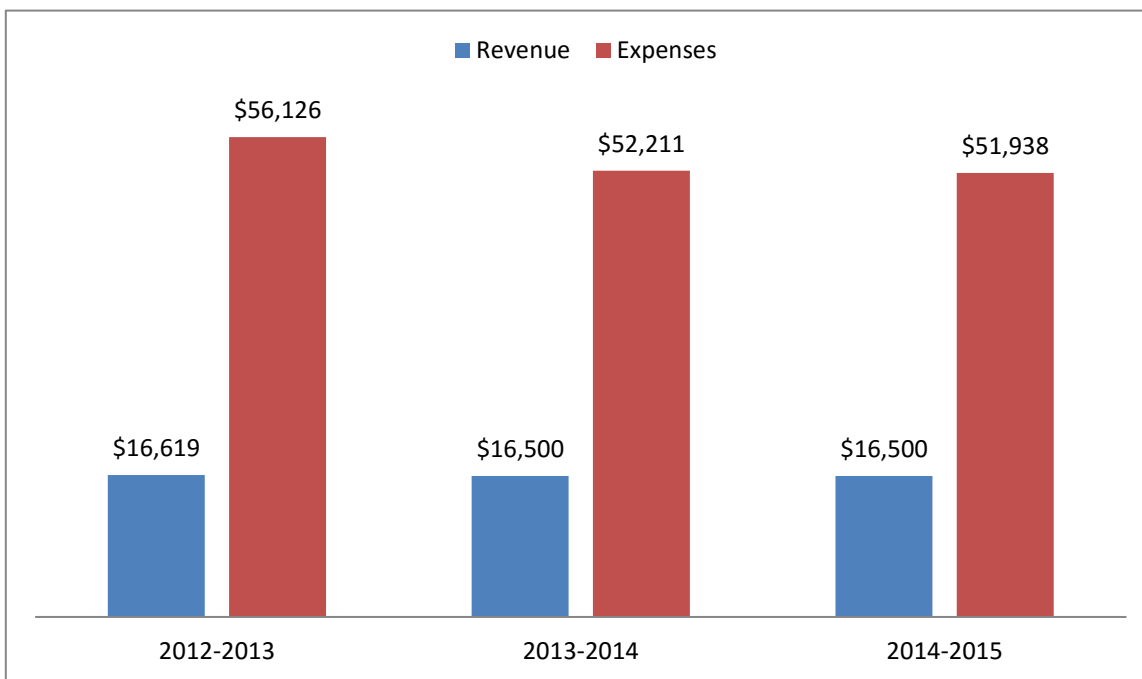
Several of the City's streets connect to US Highway 50 and State Highway 89, which intersect the City. The City recently conducted a Pavement Management Study, determining the Pavement Condition Index for the City streets. The City's streets averaged a score of 54, which is in the "fair" category. Road maintenance is funded through the City's General Fund, property taxes, local State taxes and gas tax revenue received from the State (Pacific Municipal Consultants 2007).

4.8.2 - CURRENT CONDITIONS

The City oversees the maintenance and report of approximately 130 centerline miles of road, maintains over 6,500 signs and post markers, inspects, cleans and maintains 1500+ drainage inlets, vaults, infiltration basins, and pipes essential to compliance with the City of South Lake Tahoe Stormwater Program. The Street Division also provides stop-gap asphalt repairs and maintenance for City streets as needed. Street sweeping is also included during non-snow periods. Snow removal is discussed further in Section 4.9 of this report.

Another component funded by the Gas Tax Services is street sweeping during the non-snow season (usually spring through autumn). Chart 4-5 shows the revenue and expenditures for this service for 2012-2015.

Chart 4-5
Road Maintenance Revenues and Expenditures



The Gas tax also reimburses street sweeping during the snow season, which usually occurs November through April. The City of South Lake Tahoe is one of twelve communities that receive this 50 percent reimbursement for services rendered.

Road maintenance is generally funded and scheduled through the City's CIP. For the 2014-15 Fiscal Year, approximately \$3.4 million in CIP funding for street related projects. However, all of the projects were not General Fund supported. Instead, monies for these street projects in CIP were collected from grants, such as the Congestion Management and Air Quality (CMAQ) program through the Federal Highway Administration or other revenues (Financial Services Division 2014-2015).

Essentially, any surplus General Fund revenues have been used for street maintenance activities by the City. However, it is not typically used or programmed into the Department's budget. Repairs may generally occur in concert with public utility repairs or improvements to lower costs.

No development impact fees are collected by the City, which could be used for new projects within the City. Due to limited development generally occurring, impact fees would likely provide little contribution overall to the needs of the City in regards to road maintenance. It also was noted that it has been discussed that no tax was currently or proposed for road maintenance within the City, but could be an upcoming issue in future years as roads continue to deteriorate (Staff 2015).

As of Fiscal Year 2014-15, the street maintenance staff consisted of 9.42 FTE street/snow removal employees, one Street Manager, 7.42 FTE Heavy Equipment Operators, and one Sign Technician. This staff also provides snow removal services during the months of November to April, which is discussed in Section 4.9 (Financial Services Division 2014-2015).

4.8.3 - DETERMINATIONS

Determination 4.8-1 – The City actively maintains the existing road systems and provides street sweeping services within the City limits, with the exception of State Highways.

Determination 4.8-2 – The City utilizes a Capital Improvement Program, reimbursements from Gas Tax and grant funding to aid in the repair and maintenance of existing roadways within the city limits.

4.9 - Snow Removal

4.9.1 - SUMMARY OF PRIOR MSR FINDINGS

Snow removal was reviewed in 2007 along with overall road maintenance. The City's snow removal equipment is currently considered by city staff to be aging and prone to greater frequency of break downs. Purchase of new snow removal equipment may be cost prohibitive. The City collects fees for services with respect to snow removal services.

CalTrans uses City streets to haul snow that is removed from U.S. Highway 50 and State Route 89 to the snow storage facility, resulting in damages to Sierra Boulevard. However, CalTrans has agreed to compensate the City for damages caused by the snow trucks, allowing the City to avoid costs associated with repairing CalTrans-related damages to the City's roadways (Pacific Municipal Consultants 2007).

4.9.2 - CURRENT CONDITIONS

The City's average annual snowfall is 201 inches (16.75 feet), generally October 15 through April 15 every year. The average U.S. city gets 25 inches (2.09 feet) of snow per year. There are 130 miles of road that must be cleared of snow within the City. The City's policy is to provide maximum service on major arterials in order to make access for police, fire vehicles, school buses, entry to the hospital and provide access to the residential streets. When there is an excess of three inches of snow accumulation, snow operations are initiated. There are eight City snow removal zones within the City. Each zone is separated by primary routes and then secondary routes (Public Works Department 2010).

The primary objective of the City of South Lake Tahoe (City), Department of Public Works, 24/7 Snow Removal Division is to provide for the most efficient and expedient removal of snow and ice from the city rights-of way in order to protect the health, safety and welfare of the community as a whole. Fifty percent of specific snow removal expenses are reimbursed through the State of California Gas Tax. The Gas Tax is the money received from the State of California per the Streets and Highway Code to construct and maintain streets and roads. The City uses the money for asphalt maintenance and all related expenditures.

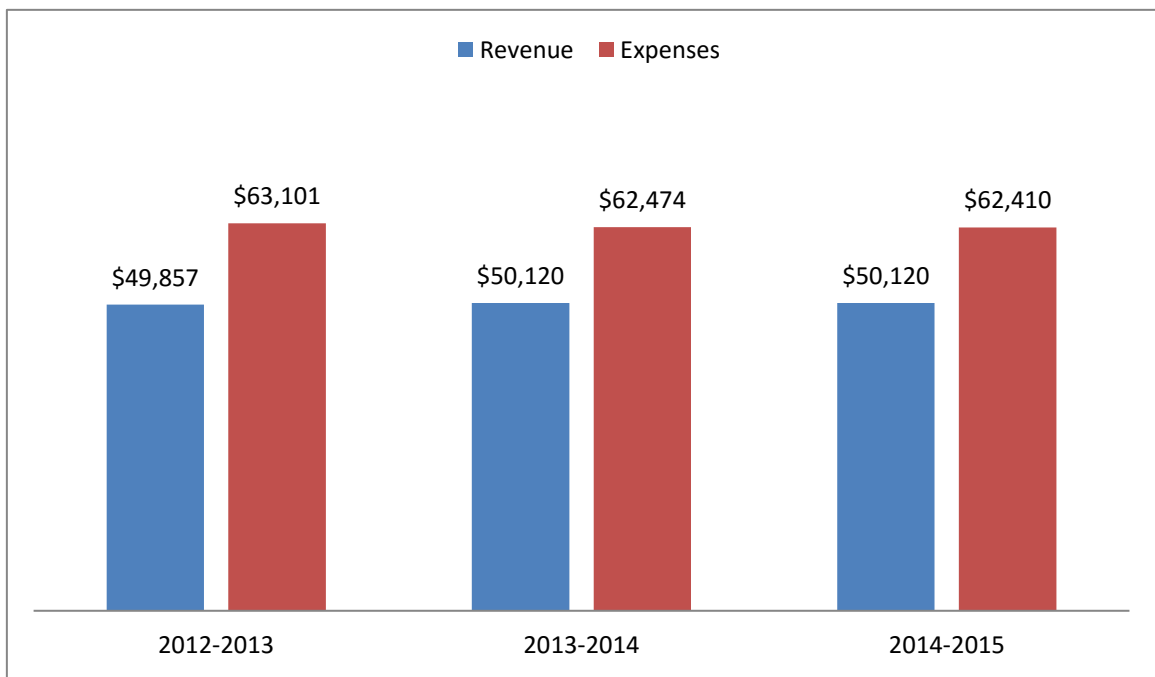
In 2010, the snow removal operation consists of two crews working 12 hour shifts. They also work twelve-hour shifts during snow removal operations with three employees on the night shift. This allows immediate response from mechanics if there is equipment failure (Public Works Department 2010). There are seven Motor Pool employees; one Fleet Manager, one Inventory Control Specialist, one Lead Mechanics, four Equipment Mechanics. As stated in Section 4.8 – Road Maintenance, the street maintenance staff doubles also as the snow removal personnel during the snow season, which is from November to April (Financial Services Division 2014-2015).

The City has an aggressive snow removal program, which is designed, under optimum conditions, to complete the initial plowing of the City's 130 miles of streets in twelve hours.

However, depending upon the severity of the snow, equipment downtime, illegally parked vehicles and other obstacles hampering the snow removal equipment, it could take longer (Public Works Department 2010).

The City collects approximately \$222,000 per year from the County to fund snow removal equipment purchases. This is due to a joint powers agreement with El Dorado County, permitting them to collect \$20.00 per improved parcel within County Service Area #3, which are all improved parcels within the City limits. In FY 2006-07, three snow graders and one snow blower were purchased. The snow removal fleet is reaching the end of its useful life resulting in the need to identify additional funding sources for equipment replacement (Financial Services Division 2014-2015). Chart 4-6 shows the revenues and expenses from 2012 to 2015.

Chart 4-6
Snow Removal Revenue and Expenditures



4.9.3 - DETERMINATIONS

Determination 4.9-1 – The City utilizes its existing road maintenance staff during winter months to provide snow removal services within the city limits.

Determination 4.9-2 – The City has a Snow Removal Plan that outlines the procedures and operations of snow removal within the City.

Determination 4.9-3 - The City provides snow removal services to its residents in an efficient manner while balancing existing capital and human resources within the Department of Public Works.

Determination 4.9-4 - The City should identify potential funding sources and prepare a replacement schedule due to the identified need for new snow removal equipment.

4.10 - Public Transportation

4.10.1 - SUMMARY OF PRIOR MSR FINDINGS

Public Transportation was reviewed by LAFCo in 2007 along with the airport and cable franchise services. It was identified that much of public transportation services are part of a consortium of local agencies of which the City is a part.

The consortium of public and private entities is called “BlueGo” and provides transit and on-demand transportation service to the area. The City manages its contract for services with Area Transit Management (ATM) for public transit services within the city limits.

The City also operates transit centers at Heavenly Valley and the “Y” commercial center. Both facilities serve public transit needs. The Heavenly Village Transit Center also provides information about tourist attractions in the basin as part of a collaborative effort with Federal and State agencies called Explore Tahoe. The City receives an annual State sales tax subvention from the Local Transportation Fund that is to be used for transportation purposes. The City has an internal policy to allocate all of its Local Transportation Fund revenue for transit operations contracted with ATM. All other costs of the City’s transit system are paid from fares and other transportation grants.

4.10.2 - CURRENT CONDITIONS

In 1969, California and Nevada legislators came to an agreement for sharing certain Lake Tahoe resources and responsibilities. The two states and the U.S. Congress amended the Compact in 1980, with public law 96-551, which also established the Tahoe Transportation District (TTD). The agency is responsible for facilitating and implementing safe, environmentally positive, multi-modal transportation plans, programs and projects for the Lake Tahoe Basin, including transit operations (Figure 4-3). The District also provides operational authority for transit services within its boundaries, like Night Rider, the North Shore service that runs after TART hours on winter evenings. Under this authority, TTD is currently managing BlueGo in South Lake Tahoe as well, with the South Lake Tahoe as an active participating member of the Board of Directors. (Tahoe Transportation District 2015).

The TTD Board of Directors is comprised of one member appointed by each of the following: the Boards of Supervisors of El Dorado and Placer Counties, the City of South Lake Tahoe City Council, the Boards of County Commissioners of Douglas and Washoe Counties, the Carson City Board of Supervisors, the North Shore Transportation Management Association, and each local transportation district that is authorized by the State of Nevada or the State of California.



Figure 4-3
Tahoe Transportation District Service Areas

Enterprise Funds are used to account for activities that are financed and operated in a manner similar to private business enterprises. Costs are financed or recovered primarily through user fees and are divided into the Transit Fund, the Airport Fund, the Parking Garage Fund, or the Parking Management Program Fun. The Transit Fund was established for activities associated with the operations and maintenance of the City's public transit activities and has particular emphasis on serving the elderly and handicapped (Tahoe Transportation District 2015). The Enterprise Fund accounts for 4 percent of all revenue and 3 percent of expenses in the FY 2014-2015 CIP.

However, besides those services provided through the TTD, the City provides very limited services related to public transit overall. The City contributes to transporting visitors and locals to recreational and cultural activities around the Lake Tahoe Basin through the Explore Tahoe program. The program is located in a rented space on the second floor of the Heavenly Mountain Resort. Transit information and access is provided and encouraged as the best way to reach points of interest with the region. However, it would appear that the actual transportation services are still provided through the TTD.

4.10.3 - DETERMINATIONS

Determination 4.10-1 – The City is a participant on the Board of Directors of the Tahoe Transportation District.

Determination 4.10-2 – The City does not actively provide public transportation service within the city limits but should continue as an active participant of the Tahoe Transportation District in order to meet the needs of its residents.

4.11 - Flood Control/Drainage

4.11.1 - SUMMARY OF PRIOR MSR FINDINGS

Flood Control and Drainage services have not previously been reviewed by LAFCo in a prior MSR. According to City staff, prior practice was simply to manage flood control on a parcel by parcel basis with limited resources being allocated towards overall drainage of the City. Only recently has the City begun implementing comprehensive management of its stormwater and drainage system.

4.11.2 - CURRENT CONDITIONS

As previously stated, the City had previously managed flood control through a parcel by parcel basis, either through on-site retention or ensuring that it moved to available facilities within the existing roadways. Within the roadways, much of the stormwater travels along curbs, gutters and other inlets within the right-of-way, all of which is maintained by the Public Works staff, primarily the street maintenance division. It was also noted that the need of a comprehensive master plan and drainage system is needed (Staff 2015).

Stormwater and drainage management was identified as one of the public improvements that the City lacks in the General Plan Background Report. As of May 2008, the City's drainage system has approximately 1,500 storm drain inlets, 60 storm water treatment basins, 15 storm water treatment vaults, and 100 outfalls to surface waters of Lake Tahoe. The City is responsible for maintaining any roadside shoulder improvements, curbs, ditches, and storm drain pipes and manholes along City streets. Some of the storm drainage infrastructure in the City is approximately 50 years old, much of the newer storm drainage system infrastructure was constructed in the last 25 years and was funded by State or federal erosion control or storm water quality grants. Additionally, most of the maintenance costs are paid from the General Fund. Additional financial resources, potentially a dedicated funding stream, may be needed for the City to sweep streets, clean drains, and otherwise maintain the City's storm water system (Mintier & Associates 2011).

Within the City's 2011 General Plan, it was noted that the City has significant work to do in the near future to comply with municipal National Pollutant Discharge Elimination System (NPDES) permitting as well as reducing adverse impacts on Lake Tahoe associated with lack of flood control and drainage management. As result, the City made stormwater management a primary goal and would achieve it through the implementation of a stormwater management program, minimizing runoff, and stricter stormwater detention and retention.

More recently, in 2013, following its General Plan's guidance, the City adopted the Urban Runoff and Stormwater Quality Management Ordinance, which set out to "protect and promote the health, safety and general welfare of the citizens of the City and to protect and enhance the water quality, beneficial uses, habitats and ecosystems in receiving waters by

reducing pollution and pollutant loads discharged in urban runoff from areas within the City's jurisdiction." (City of South Lake Tahoe January 22, 2013)

Also in 2013, the City also prepared a Stormwater Management Plan which is the guiding document for integrated stormwater management and aids the City in satisfying the NPDES permitting requirements for discharge overseen by the State of California Regional Water Quality Control Board. The plan identifies a need for the City to coordinate directly with upwards of nine agencies in order to meet the compliance requirements of their NPDES permit. These agencies include El Dorado County, Placer County, United States Forest Service – Lake Tahoe Basin Management Unit, TRPA, Tahoe Resource Conservation District, CalTrans, California Tahoe Conservancy, STPUD, and the Lahontan Regional Water Quality Control Board (Nichols Consulting Engineers 2013).

The City does utilize multiple financing sources for maintenance of their storm drainage infrastructure. The first is the use of Community Facilities/Mello Roos District financing repairs for various roadways in the City. As noted, there is stormwater drainage infrastructure, such as inlets or pipes, located within the right of way of the streets within the City and therefore can be maintained along with the roadway through the collection of CFD funds.

The City also utilizes the Gas Tax collected for maintenance of its streets (Financial Services Division 2014-2015). As part of that maintenance, stormwater maintenance is also group with these maintenance activities. However, as noted within the Stormwater Management Plan, separating out actual costs for stormwater facility maintenance is difficult as it is not clearly delineated in the overall cost breakdown of road maintenance tasks (Nichols Consulting Engineers 2013).

The CIP finances other improvements to repair and improve the drainage system while also implementing General Plan policies and other regional programs, such as the TRPA Environmental Improvement Program (EIP). The 2013 Stormwater Management Plan includes projected costs for implementation of the program, ranging from \$1.2 million in FY 2014-15 to approximately \$1.4 million in FYs 2015-16 and 2016-17 (Nichols Consulting Engineers 2013).

According to the FY 2014-2015 budget, approximately \$8.5 million was allocated towards either erosion control or stormwater/drainage management projects. More specifically, \$250,772 was specifically identified for the implementation Stormwater Management Plan in the CIP (Financial Services Division 2014-2015).

The City is improving its approach to planning for and implementing stormwater management and systems within the city limits. With the requirements of NPDES permitting as well as required coordination with other agencies, the City appears to be moving forward appropriately with implementation of a compliant stormwater drainage system. However, a constant and consistent funding source, such as a specialized community facilities district or other fee, could further accelerate the City's progress and ensure projects are implemented in a timely manner.

4.11.3 - DETERMINATIONS

Determination 4.11-1 – The City is in the process refining its flood management throughout the City in order to provide better service for its residents through adoption of the Stormwater Management Plan and implementation of various projects identified in the Environmental Improvement Program of TRPA.

Determination 4.11-2 – The City should continue to implement the findings and tasks identified within the Urban Runoff and Stormwater Quality Management Ordinance.

4.12 - Animal Control

4.12.1 - SUMMARY OF PRIOR MSR FINDINGS

Animal Control services have not previously been reviewed by LAFCo in a prior MSR.

4.12.2 - CURRENT CONDITIONS

According to City Staff, animal control services performed within the city limits are provided by El Dorado County. The City pays a contractual rate to the County for services rendered on an annual basis. The County noted that its revenues for animal services decreased due to performance indicators, such reduction in calls and lack of need, which reduced the City's overall contribution for contractual services to approximately \$130,927 total.

The Animal Services Division is within the Public Health Department of El Dorado County. There is currently approximately 12 staff dedicated to providing animal control services throughout the County.

The County operates a single facility in the City located at 1120 Shakori Drive. At the facility, the County provides mandated services such as rabies control, impoundment of animals at large, investigations of aggressive dogs threatening humans and livestock, sheltering stray animals, veterinary treatment for sick or injured animals, animal licensing, and enforcement of State and local animal laws (Chief Administrative Office 2015).

4.12.3 - DETERMINATIONS

Determination 4.12-1 – The City currently pays El Dorado County for animal control services within the city limits.

Determination 4.12-2 - El Dorado County has existing facilities within the city limits to serve residents of South Lake Tahoe with animal control services.

Determination 4.12-3 - The current arrangement for providing animal control service to the residents of South Lake Tahoe is adequate.

4.13 - Plans for Future Services

As previously discussed, there are no major annexations proposed within the Sphere of Influence of the City at this time. The only areas that would need to be planned for service would be existing communities. Additionally, none of these communities would require the extension of conveyance infrastructure as they are already serviced through the South Lake Tahoe PUD. Furthermore, these areas receive fire and police protection through the Lake Valley Fire Protection district and the El Dorado County Sheriff's Department, respectively. Therefore, it is not foreseen that these adjacent communities would require the City to develop any plan to extend services.

In the event that there is a lapse in services from any of the aforementioned service providers, the City may be identified as a potential service provider. However, that would require additional coordination and planning in order to efficiently transition services from the existing entity to the City. However, this situation does not seem to be warranted at this time.

4.13.1 - DETERMINATIONS

Determination 4.13-1 – The City has no plans to expand service to adjacent areas at this time due to the constraints of the TRPA as well as the existence of other service providers outside the city limits.

Determination 4.13-2 – The City may be a service provider in the future for adjacent, existing communities within the SOI in the event that one of the service providers requires assistance or no longer is able to operate.

SECTION 5 - FINANCIAL ABILITY TO PROVIDE SERVICES

This section analyzes the financial structure and health of the City of South Lake Tahoe with respect to the provision of services. Included in this analysis is the consideration of rates, service operations, and the like, as well as other factors affecting the City's financial health and stability, including factors affecting the financing of needed infrastructure improvements and services. Compliance with existing State requirements relative to financial reporting and management is also discussed.

An examination of financing includes an evaluation of the fiscal impacts of potential development, and probable mechanisms to finance needed improvements and services. Evaluating these issues is important to ensure new development does not excessively burden existing infrastructure and the ability of the City to fund existing improvements and services.

An examination of rate restructuring should identify impacts on rates and fees for services and facilities, and recognize opportunities to positively impact rates without decreasing service levels. The focus is on whether there are viable options to increase the City's efficiency through rate restructuring prior to any SOI adjustment.

Annual audit reports and financial statements for the City were reviewed in accordance with the MSR Guidelines. The purpose of this review is to determine fiscal viability, suitability of current funding practices, and potential fiscal impacts resulting from new legislation.

5.1 - City Budget

The FY 2014-2015 Annual Budget reflects the City Council's goals and targets, and continues funding sufficient to maintain basic service levels. The budget includes assumptions and directions included in the CIP and Multi-year Financial Plan. The City's projected revenue for all funds is \$76.2M. The projected expenses total \$84.6M (Financial Services Division 2014-2015).

The City's deficit should not be construed as though the City is operating inappropriately when, in fact, they are operating very soundly. This deficit amount is largely due to the expenditures present within the Capital Improvement Program that totaled \$15.9M but is largely dependent on grant revenue, which is not guaranteed or always available. Therefore, the City must show estimated, guaranteed revenues and project expenditures. In the event that grant funding is not available for the particular project list in the Capital Improvement Program, it remains unfunded or is moved onto the next budgeting cycle.

The major factors and obstacles affecting the 2014-2015 Budget, as identified by the City, are:

- Unfunded pension and health care liability for retirees
- Regulation of the built environment by TRPA impacting the City's ability to generate additional revenues and capitalize on property values

- Lower employment wages for residents within the City that limits the ability to generate revenue through spending within the City

The three primary sources of revenue for the City consist of the Property Tax, Transient Occupancy Tax, and Sales Tax, which combined, total 57 percent of the total general fund revenue for the City. Other revenue sources of the City include Enterprise Funds, Special Revenue, Trust and Agency funds, Capital Improvement Program, and Internal Services (Financial Services Division 2014-2015).

The primary sources of expenses for the City consists of public safety (Police and Fire Services), non-departmental expenses (transfers out and debt service), and general governmental services which includes Public Works and Parks and Recreation. Within those expenses, the salaries and benefits of all employees are included.

The City notes throughout their budgetary message and commentary of the FY 2014-15 budget that health care costs for both current and retired employees, who are on the same health plan, contributes to much of the rising costs related towards City operations. However, the City has engaged in “good-faith negotiations” with both represented and unrepresented employees in an effort to restructure its contributions in order to curtail the rising costs. The projected costs were reduced by almost 23 percent from FY 2012 to FY 2015. However, the City projects these costs to continue to climb steadily in future budget periods. This remains an ongoing and key issue for the City at the time of this report(Financial Services Division 2014-2015).

As a result of rising costs and foreseen debt service, primarily at the hands of pensions to employees, the City implemented a General Fund Revenue Reserve policy in 2005 requiring that 25 percent of the general fund revenue be set aside in reserves. The City operated and subsidized City services during the period of 2008 and 2012 by utilizing its reserve funds. It is anticipated that the reserve fund would be approximately \$8 million and would meet the adopted policy of the City. If there are excess funds available, the City has also utilized these reserve funds to enhance facilities and services, such as purchasing land to allow for relocation of Public Works to a more desirable and efficient location(Financial Services Division 2014-2015).

Overall, the City has adopted policies and strategies that drive the development of a sound budgetary structure. The City maintains benchmarks and goals in order to measure their effectiveness from year to year. A summary of their achievements is also presented to the City Council in order to allow for proper planning during the budgeting process in order to reallocate funds accordingly in order to meet missed benchmarks. As a shown of their effectiveness for budgeting, the City received the Distinguished Budget Presentation Award from the Government Finance Officers Association in 2013 (Financial Services Division 2014-2015).

5.1.1 - RATES AND FEES

The City sets rates and fees for various services it provides. However, typical rates for water and sewer, which are usually among the rates that require significant attention due to operation and maintenance costs, are set by South Tahoe PUD, which operates within the city limits. Therefore, very few of the rates and fees set by the City are subject to Proposition 218 and, instead, may be adjusted through a resolution adopted by the City Council only. This allows for easier adjustment for various factors such as inflation or establishment of new services provided by city staff.

The City adopts fees as the beginning of the fiscal year and provides a comprehensive list of fees through the Master Fee Schedule that is revised accordingly annually (City of South Lake Tahoe 2015). The fees include:

- Usage fees for the various recreation facilities throughout the City.
- Building Permit Fees for review and inspection.
- Fire Inspection fees.
- Planning and Environmental review fees.
- Public Work review and inspection fees
- Airport usage fees
- Code violation fines
- Business license fees
- Police service and various permit fees

Other fees are also charged as they are adopted for the whole Tahoe Basin. Mitigation fees imposed by the TRPA include: air quality, water quality, excess coverage and offsite coverage.

5.1.2 - PROPOSITION 218

Proposition 218 restricts local government's ability to impose assessment and property related fees and requires elections to approve many local governmental revenue raising methods. This initiative, approved in 1996, applies to nearly 7,000 cities, counties, special districts, schools, community college districts, redevelopment agencies, and regional organizations. It ensures that all new taxes and most charges on property owners are subject to voter approval and especially to the tools of using property related fees to fund governmental services instead of property related services. Of potential concern is the long-term effect the proposition has created in a local government's ability to fill the growing divide between infrastructure needs and the provision of governmental services for the new infrastructure.

However, Proposition 218 has not proven to be a factor in limiting the City's ability to provide services because the services that are typically the subject of the provisions of Proposition 218, mainly water and sewer services, are not provided by the City.

5.1.3 - OPPORTUNITIES FOR RATE/FEE RESTRUCTURING

The City's Fee Schedule is subject to periodic comprehensive revisions and updates. The latest updated fee schedule went into effect with adoption of Resolution 2015-22 on May 5, 2015. There is no evidence suggesting that the City would not be able to provide services to the SOI areas for fees consistent with citywide fees for such services. Further, since the City's common practice is to review these fees and adopted revised fees annually, it can be assumed that future years will follow the same review and update procedure in order to ensure that full cost recovery is obtained for services rendered.

5.1.4 - DETERMINATIONS

Determination 5.1-1 – The City annually conducts an open, transparent budgeting process aimed at balancing the needs of the City with the financial resources available.

Determination 5.1-2 – The City attempts to utilize other forms of revenue available besides property taxes and fees, such as grants, in order to supplement its revenue stream.

Determination 5.1-3 – The services provided by the City are not generally subject to Proposition 218 and are adjusted annual to account for costs and inflation to allow for cost recovery.

Determination 5.1-4 – There is no evidence suggesting that the City would be unable to provide services to the SOI areas for fees consistent with citywide fees for services. Since the City's common practice is to review these fees and adopted revised fees annually, it can be assumed that future years will follow the same review and update procedure in order to ensure that full cost recovery is obtained for services rendered.

Determination 5.1-5 – The City's utilization of an open and sound budgeting process allows the City to be financially able to provide an adequate level of service to residents.

5.2 - Status of, and Opportunities for, Cost Avoidance and Shared Facilities

Practices and opportunities that may help to reduce or eliminate unnecessary costs are examined in this section, along with cost avoidance measures that are already being utilized. Occurrences of facilities sharing are listed and assessed for efficiency. Potential sharing opportunities that could result in better delivery of services is also discussed.

An examination of cost avoidance opportunities should identify practices and opportunities that may help eliminate unnecessary or excessive costs to provide services. Such costs may be derived from a variety of factors including: duplication of service efforts and facilities; inefficient budgeting practices; higher than necessary administration and operating cost ratios; inefficient use of outsourcing opportunities; and inefficient service boundaries.

An examination of opportunities for shared facilities should determine if public service costs can be reduced as a result of identification and development of opportunities for sharing facilities and resources. The benefits of sharing costs for facilities are numerous, including: pooling of funds to enjoy economies of scale; reduced service duplications; diversion of administrative functions of some facilities; reduced costs; and providing better overall service.

Maximizing opportunities to share facilities allows for a level of service that may not otherwise be possible under normal funding constraints; however, facilities sharing opportunities are not without their challenges. When a municipality enters into a shared agreement, it generally relinquishes a portion of its control of the facility. Additionally, the facility may not be entirely suited to accommodate the municipality's needs.

The City is in close proximity to multiple other agencies as well as their corresponding facilities. Furthermore, due to the City's location, it has entered into multiple mutual aid or joint power agreements with other government agencies.

For instance, public transportation is a Joint Powers Authority (JPA) that is overseen by multiple agencies within the Tahoe Basin (Tahoe Regional Planning Agency 1980). Its Board consists of:

- One member of the county board of supervisors from each of the counties of El Dorado and Placer;
- One member of the city council of the City of South Lake Tahoe;
- One member each of the board of county commissioners from Douglas County and of Washoe County;
- One member of the board of supervisors of Carson City;
- One member of the South Shore Transportation Management Association, or its successor organization;
- One member of the North Shore Transportation Management Association, or its successor organization;
- One member of each local transportation district in the region that is authorized by the State of Nevada or the State of California;

- One member appointed by a majority of the other voting directors who represents a public or private transportation system operating in the region;
- The director of the California Department of Transportation;
- The director of the department of transportation of the State of Nevada.

The collaboration required through the various regional agreements or JPAs has allowed the City to contribute funds to achieve services at a larger economy of scale, such as with transportation. Other agreements with agencies include fire services with LVFPD, law enforcement with Douglas County, Nevada, and with the El Dorado County Sheriff, contract with the County for animal control, and collaboration with County Service Area #3 for collection of funds for snow removal as well as multiple agencies and private entities for parks and recreation facilities and services.

Therefore, although there is much collaboration already occurring on behalf of the City with other agencies, the City should consider reviewing their agreements annually with service agencies in order determine if further cost savings could be realized beyond the current of economy of scales already utilized under the structure of the current agreements.

5.2.1 - DETERMINATIONS

Determination 5.2-1 – The City participates in multiple Joint Power Agreements with other agencies in an attempt to collaboratively organize services within the Lake Tahoe region.

Determination 5.2-2 – The City should review the Joint Power Agreements of which the City participates annually in order to establish if cost savings are still being realized.

Determination 5.2-3 – A feasibility of cost and benefit analysis should be conducted by the City to identify the best alternative for providing services more efficiently in the event that cost savings are no longer being realized through the Joint Powers Agreement.

5.3 - Accountability for Community Service Needs, including Governmental Structure and Operation Efficiencies

This section addresses the adequacy and appropriateness of the City of South Lake Tahoe's existing boundary and sphere of influence, assesses the management structure and overall managerial practices of the City, and evaluates the ability of the City to meet its service demands under its existing government structure. Also included in this section is an evaluation of compliance by the City with public meeting and records laws.

An examination of government structure should consider the advantages and disadvantages of various government structures that could provide public services. In reviewing potential government structure options, consideration may be given to service delivery quality and cost, regulatory or government frameworks, financial feasibility, operational practicality, and public preference.

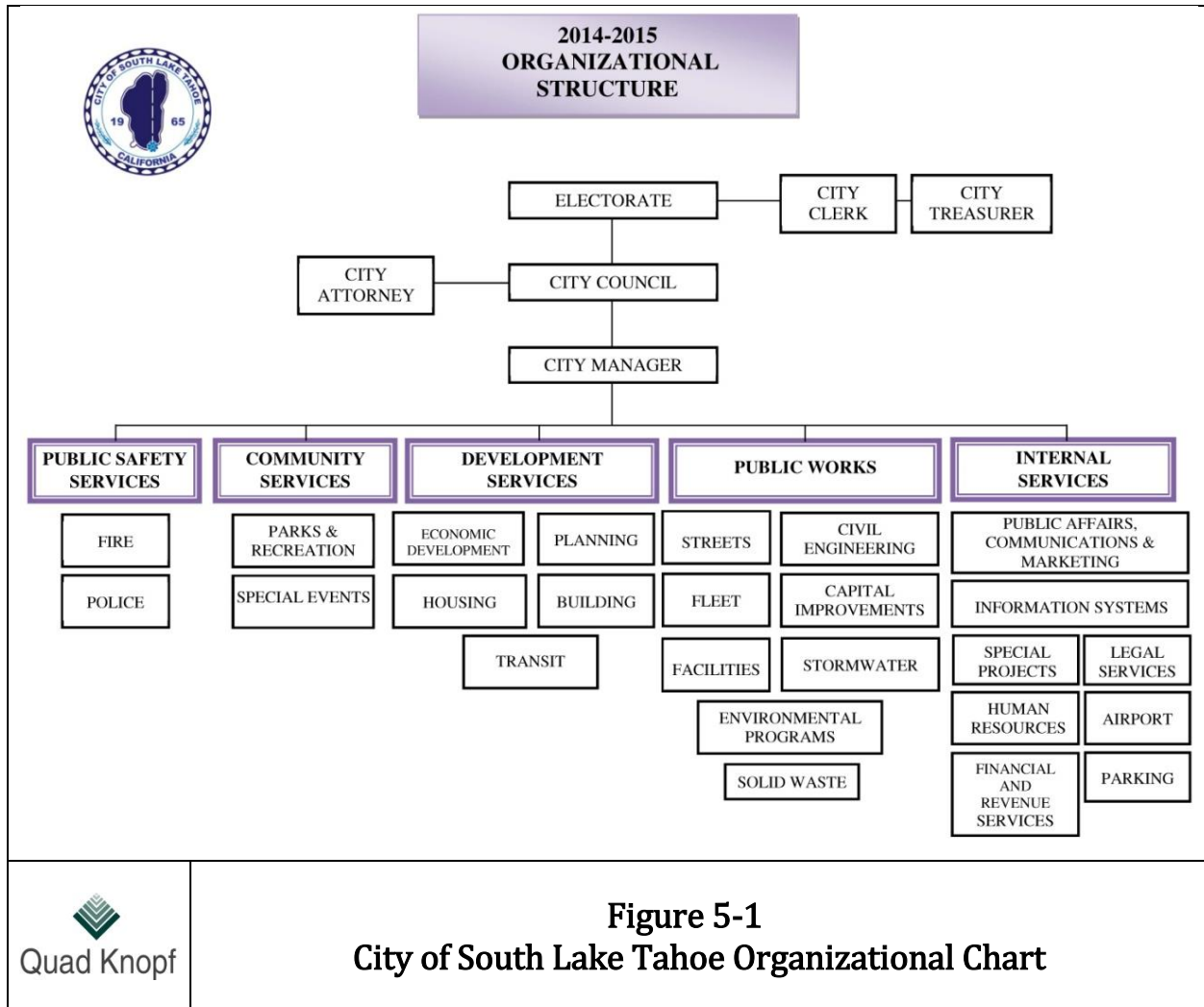
An examination of local accountability should evaluate the accessibility to and levels of public participation with the agency's management and decision-making processes. The MSR Guidelines note measures such as legislative and bureaucratic accountability, public participation, and easy accessibility to public documents and information as important in ensuring public participation in the decision-making process.

5.3.1 - ORGANIZATIONAL STRUCTURE

The City of South Lake Tahoe operates under the council-manager form of government. The Chief Executive Officer is the City Manager who is appointed by the City Council and carries out City policies. All other department heads in the City serve under contract of the City Manager. The City consists of seven departments, which include the City Manager's Office, Administrative Services, Community Services, Development and Engineering Services, Fire Services, Police Services, and Public Works Services. The City Manager's Office has the responsibility to ensure the needs and concerns of the community and the City organization are properly addressed to assure South Lake Tahoe is a good place to live and conduct business.

The City Council is responsible for governing as well as establishing the overall priorities and direction for the City's municipal government. The Council's responsibilities include the adoption of City ordinances and policies, approval of programs, services, projects, contracts and agreements, adoption of the annual budget, and establishment of short- and long-term goals for the City. Actions of the Council, including opportunities for public involvement and public hearings, are regulated in accordance with applicable statutes and City procedures. The organizational chart for the City is illustrated on Figure 5-1.

The City Council is elected on an at-large basis. Once elected, it is the duty of each Councilmember to represent the interests of all residents of the City. However, this structure of election allows residents to elect all council members but may result in areas of the City being unrepresented.



Source: City of South Lake Tahoe Comprehensive Annual Financial Report 2014

There are four appointed advisory commissions and boards who assist the City Council in making policy decisions:

- Airport Land Use Commission
- Building/ADA Board of Appeals
- Parks and Recreation Commission
- Planning Commission

Citizens have an opportunity to participate in the implementation of local policies by serving on a board or commission. Each commission and board is comprised of citizens who work to provide services to the community while assisting the Council in achieving goals established by the citizens and elected officials. A summary of the City’s departments and the various services they provide to the residents of South Lake Tahoe is provided below.

City Manager's Office

The City Manager's Office has the responsibility to ensure the needs and concerns of the community and the City organization are properly addressed to assure South Lake Tahoe is a good place to live and conduct business. The City Manager's Office provides leadership for the overall management of the operations of City government, supports and advises the City Council as to the implementation of its policies, programs and targets, and ensures that the services provided to the citizens are consistent with the Council's goals and the organization's philosophy.

Police Services Department

The City's Police Services Department consists of the following divisions: 911 Center, Administration, Crisis Negotiation Team, Detectives, Explorer Program, Field Operations, Gang Enforcement Team, K9 Unit, Property Evidence, Records, SLEDNET – Narcotics, and SWAT.

The purpose of the 911 Center is to record and dispatch proper enforcement teams to an emergency. They provide radio communication services for Police, Fire, and Ambulance, and handle telephone requests for routine and emergency services to City residents twenty-four hours a day, seven days a week.

The Crisis Negotiation Team is a group of specially trained law enforcement officers selected and trained to communicate directly with individuals in crisis situations. They deal directly with hostage takers, suicidal persons, and barricaded subjects, often suspected of being heavily armed and already involved in critical incidents.

The Detectives Division investigates and develops cases for the successful prosecution by the District Attorney's Office, for exonerating anyone wrongfully accused, and to ensure appropriate support services are provided to victims of crime. Detectives receive specialized training to work a variety of assignments, including undercover operations for the investigation of narcotics, alcohol, vice, and other crimes.

The Explorer Program exists for youths between the ages of 14 and 21 looking to explore the law enforcement field as a career opportunity. It offers the youth a chance to get first-hand experience in seeing what a police officer really does on a day-to-day basis.

The Gang Enforcement Team is dedicated to the enforcement of statutes related to anti-gang activities. The team is comprised of officers who are specially trained to address and combat gang trends in our community.

K9 Unit services are under the South Lake Tahoe Police Canine Association, a non-profit organization which patrols the entire City of South Lake Tahoe.

The Property Evidence Division consists of evidence technicians that are non-sworn civilian employees with specialized training in forensics. They assist in crime scene investigations

and perform a wide variety of responsible, technical, and professional duties involved in preparing, identifying, and maintaining criminal identification records and evidence as part of the investigation and prosecution work of the Police Department.

The Records Division performs complex specialized record-keeping and tasks related to police functions by using automated and manual systems. They maintain pertinent information regarding complaints in accordance with prescribed policies and regulations. They receive and distribute a variety of material such as arrest and traffic collision reports.

The South Lake El Dorado Narcotics Enforcement Team (SLEDNET) is a specialized multi-agency investigative unit which is supervised through the California Department of Justice, Bureau of Narcotics Enforcement. This task force functions with participation from the South Lake Tahoe Police Department, the El Dorado County Sheriff's Department, the Alpine County Sheriff's Department, California Highway Patrol, and California DOJ. SLEDNET investigates illicit drug related offenses throughout the south shore area of Lake Tahoe.

SWAT is an acronym for Special Weapons and Tactics. This is a highly trained and specialized unit of any law enforcement organization. The City's SWAT unit is activated when the risk of violence is very high or has already occurred. It is comprised of those officers who have established a solid reputation for safety, awareness, conscientious duty, and dependability.

Fire Services Department

The City's Fire Services Department consists of the following programs: Administration Services, Emergency Medical Services, Fire Prevention Services, Fire Suppression, Fire Special operations and Training.

The Fire Administration is responsible for budget management and administrative oversight for the Fire Department. The department manages a budget of \$7.3 million and a workforce of 32 employees.

The EMS Division is responsible for mitigating medical emergencies for our community, visitors, and surrounding areas while maintaining the Health Insurance Portability and Accountability Act compliance and adherence to county protocols.

The Fire Prevention Division responsibilities include Occupancy Inspection Program, New Construction Inspections, Occupancy Inspections, Ordinance Development, Permitting, Plan Review, Revenue Development, and State Inspections.

The Fire Special operations division has 5 basic components: Rescue, Hazardous Material Response, Arson Investigation, Public Education and Tactical Emergency Medical Services. The City of South Lake Tahoe has several rescue challenges which include water rescue, ice rescue, rope rescue, heavy and technical rescue scenarios.

The Suppression Division is staffed with 36 positions, six of which are funded from Cal Tahoe JPA. In December 2015, the City withdrew from the EMS portion of the JPA and assumed management and staffing of the paramedic services within the city limits by replacing staffed

fire personnel with qualified paramedic personnel on ambulances within the City. However, when the city reorganized the paramedic services, it stated that it still remained open to transferring these services to the Lake Valley FPD, as envisioned by a June 2015 agreement with the City and the JPA (City of South Lake Tahoe 2015).

This division provides all emergency response resources, maintains operational readiness through facility and apparatus maintenance, individual and team training, pre-planning and by participating in mutual aid response in the Tahoe Basin as well as the State.

The Training Division provides funding for ongoing safety training for firefighting, emergency response and safety within the Department, as well as, providing professional development to all personnel. This includes testing services for new and existing employees, travel costs in the form of meetings and seminars, and training materials for in-service, field and classroom settings. In 2013/14, the Fire Department entered into an agreement with the South Lake Tahoe Unified School District to rent a portable classroom on Lyons Avenue. Fire Crews are required to train seven (7) days per week and the classroom have become a vital component of our training regimen.

Public Works Services Department

The City's Public Works Services Department consists of the following divisions: Engineering, Streets Maintenance, Parks, Facilities Maintenance, and Fleet Services.

The Engineering Division is charged with the task of safeguarding life, health, property, and public welfare through review, design, bid and construction of public improvement projects constructed on City property and within the City's right-of-way. The Division is also responsible for implementing water quality programs to reduce the pollutant loads which flow into, and are discharged from the City's storm water infrastructure to Lake Tahoe.

The Street Maintenance Division is headed by the Street Manager, and has a total of seven Heavy Equipment Operators/Street Maintenance Workers, and seasonal employees. The crew is responsible for the maintenance and repair of 130 miles of city streets, including pavement repair and construction, drainage facilities, pavement marking and striping, sign installation and maintenance, curb and gutter maintenance, street sweeping and a myriad of other activities connected with keeping the city streets safe for all motorists.

The City of South Lake Tahoe Parks and Recreation Department is responsible for the operations and maintenance of many different facilities, sites, and programs including the Bijou Golf Course, El Dorado Beach, Star Youth and Teen Camp, Regan Beach, and the Senior Citizen Center.

The Facilities Maintenance Division provides maintenance for 33 city-owned buildings, encompassing more than 223,000 square feet. In addition, this same staff provides specialty response to six other city-owned buildings. This job requires a wide variety of skills from the small crew, as they become electricians, plumbers, carpenters, painters, heating and air conditioning specialists, and more as the need arises.

The Fleet Services Division includes an inventory control specialist, one lead mechanic, and three equipment mechanics. This crew of six maintains all of the city's rolling stock and motorized equipment. The current inventory of vehicles and equipment that is maintained by this division is approximately 260 pieces.

Development Services Department

The City's Development Services Department consists of the following divisions: Building, Business Resource, Housing, Permit Center and Planning.

The Building Division issues building permits and performs inspections for compliance with California Building Code, TRPA regulations and City of South Lake Tahoe Ordinances for all construction. The Division enforces driveway encroachments, medical marijuana dispensary permits and complaints and ADA issues. The Division also investigates all South Lake Tahoe building and substandard housing complaints.

The Business Resources Division is a one-stop location for local businesses to provide answers and assist businesses to reach their full potential. This Division handles buildings licenses, fire department safety inspections, and home occupation permits among others.

The Housing Division is responsible for the development of affordable housing within our jurisdiction boundaries. The Division has developed projects and programs consistent with the City's Housing Element of the General Plan. Funding for these housing activates came primarily from state and federal grants.

The Permit Center provides public counter services, permit and plan check processing and consultation services for local and state code requirements related to the planning, design and construction of commercial and residential structures.

The Planning Division provides planning, land use and zoning services that are intended to protect, maintain and develop an attractive, safe, and healthy community by providing planning services to the general public, project applicants, and other City Departments. The Planning Division maintains the City General Plan, Zoning Ordinance, Lake Tahoe Airport Comprehensive Land Use Plan (CLUP), City Design Standards, Sign Ordinance, Plan Area Statements, and Community Plans. Primary functions address property development and land use activities occurring in the city. Such responsibilities include project review of plans for property development, including permitting for both public and private projects.

5.3.2 - PRACTICES AND PERFORMANCE

The Mayor presides over Council meetings, which are held on the first and third Tuesday of each month at 9:00 a.m. in the City Hall located at 1901 Airport Road, Suite 206, South Lake Tahoe, CA 96150. Council meetings vary between 2-6 hours depending on the number of items on the agenda.

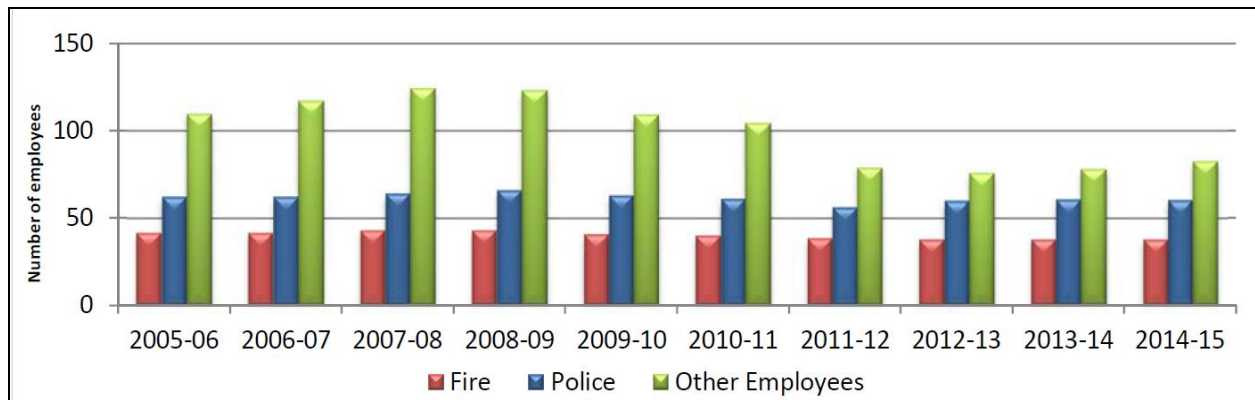
The City is required to follow the open meeting law set forth in the Brown Act (California Government Code Section 54950 et seq.). The intent of this legislation is to ensure that deliberations and actions of a legislative body be conducted openly and that all persons be permitted to attend any meeting except as otherwise provided in the law. Agendas must be posted at least 72 hours in advance of a meeting, and information made available to the Council must also be available to the public.

There appear to be ample opportunities for public involvement and input at regularly scheduled meetings. The agenda is posted at numerous locations, posted on the Internet and sent to local media. It is also emailed out to those on their subscription list and posted to the City's website. Council agendas and packets are posted and available for public review by the end of the business day on the Thursday preceding each regularly scheduled Council meeting. Public notices (pursuant to the Government Code) are published to advertise certain types of hearings and press releases are issued to inform the public on significant city-wide issues and projects.

The ratio of managers to workers appears to be appropriate, especially considering the City has worked to consolidate and down size departments in past years. The City is not top heavy in managers, and the department heads are actively involved in departmental operations and service provision. The City and the various departments have various policies and procedures related to personnel, provision of services, customer relations and relationships with other agencies. As shown in Chart 5-1, although staffing for public safety departments has remained constant, the City has made efforts to significantly reduce overall staffing levels and reorganized to gain efficiency in terms of tasks and how salary funds are spent (Financial Services Division 2014-2015).

The management structure of the City is relatively simple and is well suited to the type of operations undertaken by the City; the linear management structure ensures an appropriate reporting mechanism and accountability. No alternative structures or reorganizations of the staff would result in more efficient operations, and the existing structure is considered appropriate for the City. A number of middle management positions were eliminated in the FY 2009-2010 budget in response to revenue losses from the economic downturn and State's removal of various funding sources.

Chart 5-1
City Staff Levels (2005-2015)



The City's budget process is a key mechanism used to review efficiencies in the management of City services and programs. The annual budget process includes a review of previous year accomplishments, upcoming year goals and programs, and specific funding to carry out those programs. The budget is adopted through a public hearing process by the City Council.

As a municipality, the City is structured to meet the needs and expectations of urban/suburban levels of development. As a multiple service provider with established service systems, the City would be able to efficiently provide a comprehensive range of services. With existing and planned development within the SOI, the extension of infrastructure and services into these areas would be logical and generally more efficient than if provided by other utilities. Provision of services and infrastructure by the City into the SOI should not overlap or conflict with other service providers. The inclusion of the SOI areas into the City is not anticipated to have a significant effect on the governmental structure of the City.

5.3.3 - DETERMINATIONS

Determination 5.3-1 – The City Council is elected at-large and utilizes a rotating mayor format, which serves for a term of one year. This may prevent some areas of the City from being represented by on the City Council.

Determination 5.3-2 – The City conducts open meetings in compliance with the Brown Act that allows for complaints and comments regarding services and potential conflicts or inefficiencies to be identified to the City Council by residents.

Determination 5.3-3 – The City utilizes an organizational structure that obtains efficiency through departments heads who oversee multiple divisions.

Determination 5.3-4 – The City makes reports, documents, council agendas and other information available to the public that details operations and services provided by the City at City Hall as well as on its website.

Determination 5.3-5 – The current City structure is efficient, transparent and meets expectation of its residents with the resources available.

SECTION 6 - AGRICULTURAL AND OPEN SPACE LANDS

This section addresses El Dorado Policy Section 5.25 related to the potential effect of agency services on agricultural and open space lands. The additional policy is not required by CKH but does reflect that mandates of LAFCo of “preserving open-space and prime agricultural lands” through the review of boundaries of local agencies.

6.1 - Agricultural Lands

The Department of Conservation, Division of Land Resource Protection, manages the Farmland Monitoring and Mapping Program (FMMP) throughout California. The FMMP produces maps and statistical data used for analyzing impacts on California’s agricultural resources. Agricultural land is rated according to soil quality and irrigation status; the best quality land is called Prime Farmland. The maps are updated every two years with the use of a computer mapping system, aerial imagery, public review, and field reconnaissance (Department of Conservation, State of California 2015).

The FMMP designates all areas within the existing SOI for the City as “unmapped” due to there not being any viable agriculture lands within the region. The area is largely forested areas under the control of public agencies for their management. Apart from those areas, other areas within the SOI are not viable lands for agriculture. Therefore, there would not be any impacts to agriculture lands in conjunction with the application of services by the City.

6.2 - Open Space Lands

As stated previously, the area within the SOI for the City is largely regulated by the TRPA which has identified areas which are better suited for development. Additionally, it has also identified areas within the region that should be preserved as open space or other recreational type uses. The ability to alter these designations is not controlled by the City but rather by TRPA.

Furthermore, no expansion of the existing SOI is being considered or even warranted at this time. Compliance with the existing land use regulations, which are very stringent and explicit in their preservation of open space and recreational areas, provides appropriate protection that would be consistent with the ideology of LAFCo’s under CKH.

The primary designations in the TRPA plan that protect open space area Conservation, Back County, Wilderness and Recreation. These areas are shown in Figure 6-1 and substantially confine growth within the existing SOI to primarily infill near or around existing neighborhoods or within the city limits. As a result of the strict policies of the TRPA plan, the SOI and application of existing services by the City will not impact open space lands.

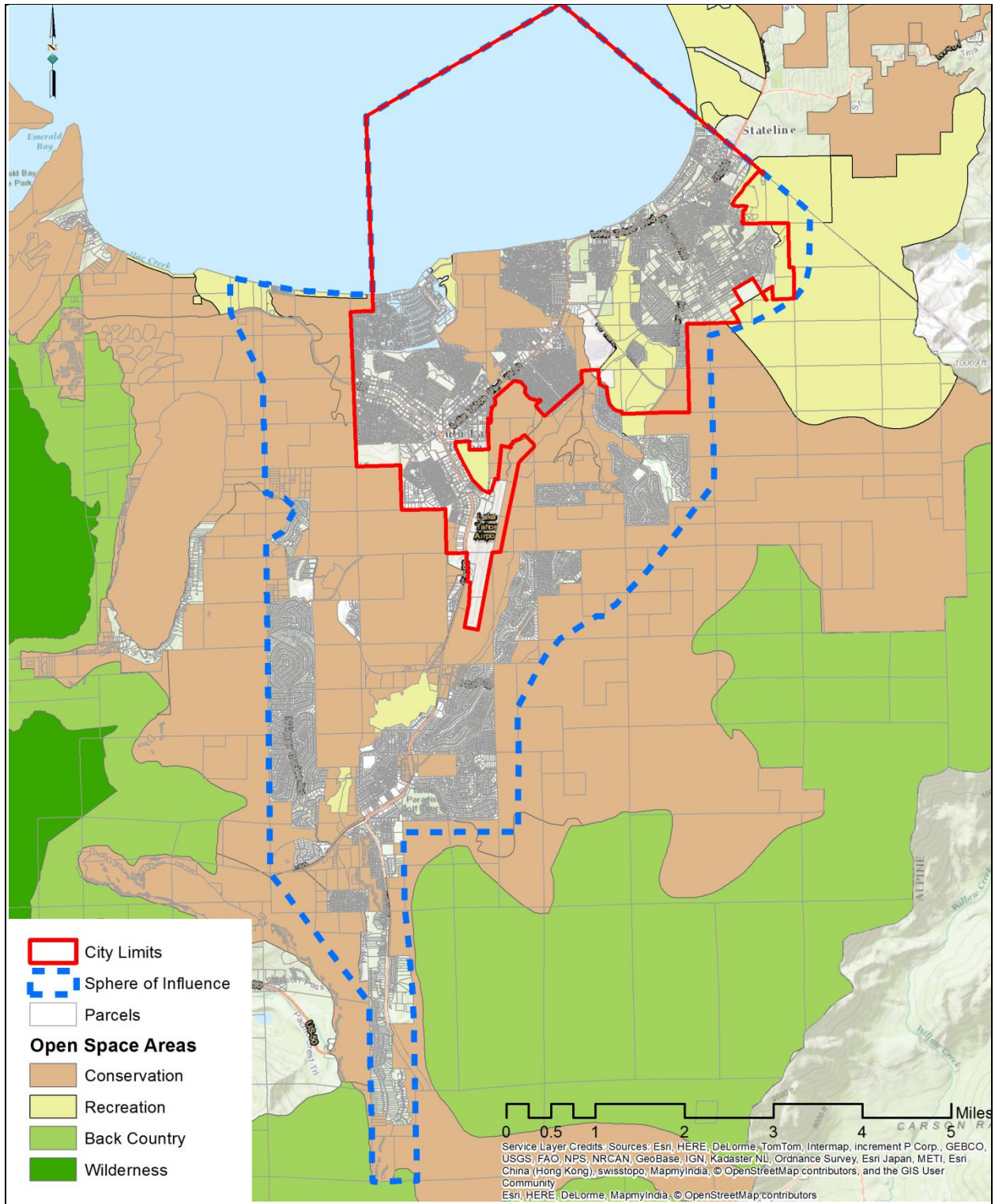


Figure 6-1
TRPA Protected Open Space Areas

6.3 - Determinations

Determination 6.3-1 – The City would not impact any agricultural lands through the delivery of services within the city limits or the SOI as there are not any agricultural lands present.

Determination 6.3-2 – The City would not impact any open space lands through the delivery of services within the city limits or the SOI as the TRPA heavily regulates development within the SOI through the establishment of strict policies already protecting open space lands.

SECTION 7 - SPHERE OF INFLUENCE REVIEW

7.1 - Sphere of Influence Overview

As part of any Sphere of Influence review, LAFCo is required to consider all of the information presented in the Municipal Service Review conducted for that agency. Additionally, LAFCo must also make written statement of its determinations for that agency regarding the following:

1. The present and planned land uses in the area, including agricultural and open-space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.
5. The present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

After a written determination has been made with respect to the aforementioned areas of review, LAFCo may adopt a Sphere of Influence (SOI) that is appropriate for the agency's provision of service.

This section of the report fulfills the requirements of Government Code Section 56425 and allows LAFCo to adopt an SOI that is consistent with the written determinations for the City of South Lake Tahoe.

7.2 - Present and Planned Land Uses

The City is subject to the land planning oversight of the TRPA. TRPA has set limits for development within the planning boundary that severely limits the ability of the City to change land uses. Thus, the current land use designations are likely to remain unchanged without significant policy changes from TRPA.

The current SOI would appear to be adequate to meet present and future service needs of residents. The SOI covers adjacent, existing communities which may need services in the future in the event that their service provider is no longer able to operate. The City would be able to possibly step in as successor agency in the future.

7.3 - Present and Probable Need for Public Facilities and Services

The City provides a wide range of services to its residents while being supplemented by other agencies within its city limits. The City also coordinates through its multiple Joint Power Agreements to collaborate with neighboring agencies to best provide services in a comprehensive manner.

However, this combination of services is subject to growth as allowed by TRPA and the regional plan. Therefore, again, present and future need of public facilities and services are likely very similar.

The only probable need for public facilities would be for existing communities within the SOI that are already served by some public agency currently. The City would be able to possibly step in as successor agency in the future if these agencies fail to meet their service obligations.

7.3.1 - DISADVANTAGED UNINCORPORATED COMMUNITIES

The City does not provide water or wastewater service within the SOI as these services are provided by the South Tahoe Public Utility District. Therefore, there are no disadvantaged unincorporated communities (DUC) impacted as it relates to water and wastewater service.

However, the City does provide structural fire protection within its limits. Within the SOI, the Lake Valley Fire Protection District provides structural fire protection services. The City has mutual aid agreements with LVFPD in order to provide enhanced service within and around the City, some of which are identified as DUC in Section 3.

There are DUCs within the SOI, however, as described above, they are already receiving water, wastewater and structural fire protection from existing agencies capable of servicing these communities.

7.4 - Present Capacity of Public Facilities and Adequacy of Public Services

The City currently provides a level of service which is satisfactory to meet the needs of residents and the large visitor population that inhabits the area during peak times of the year. The city actively reviews its service levels and sets benchmarks that allows for easy review on annual basis to determine if additional resources must be allocated.

The CIP also aids in providing enhancements to public facilities or infrastructure for residents. The annual establishment of the CIP gives the City the ability to allocate or divert funds from areas of lesser need to areas of critical need.

Due to the limited growth potential under the TRPA Regional Plan, the City is able to actively plan for the limited growth and react quickly as needs arise within the existing SOI.

7.5 - Existence of Any Social or Economic Communities of Interest

As stated in Section 3, there are currently communities of social or economic interest within or adjacent to the existing SOI. However, those areas are currently served with water, wastewater and structural fire protection by other agencies or districts. Therefore, there is no immediate responsibility of the City to extend services into these areas.

Furthermore, many of these communities are non-contiguous with the City and likely create an annexation proposal inconsistent with local policies as well as CKH. However, by keeping this communities within the SOI, it would allow the City to be a viable alternative, under the provisions of Government Code §56133 and subject to the policies of El Dorado LAFCo, in the event than an existing service provider is longer able to do so

7.6 - South Lake Tahoe Sphere of Influence Recommendations

As shown in the MSR and throughout the determinations of this document, the City of South Lake is currently providing services at an adequate level to its citizens. The City is accountable to its customers through the City Council, which are elected at-large. The City is subject to the volatility of tourism for much of its revenue stream as many of the homes within the area are utilized as rentals. However, given the revenue structure of the City, it amicably pieces together multiple sources of revenue such as Gas Tax and grant opportunities to provide a wide range of services within the city limits.

The growth of the City is severely restricted by the TRPA Regional Plan that heavily favors environmental protection prior to new, significant development. As a result, growth within the City has been fairly small and has allowed for services and infrastructure planning to catch up with the needs of residents. Until TRPA drastically changes its policies regarding growth, the SOI should be considered acceptable to meet present and future growth of the City.

Furthermore, the existing SOI includes communities which receive services from various other agencies within the region. Their inclusion within the existing SOI would simply be to either allow those residents to annex and receive additional services or allow the City to serve as a backup service provider in the event the existing providers are no longer solvent.

In conclusion, based on the analysis provided within this report, the existing SOI for the City of South Lake Tahoe is adequate to service the existing residents as well as possible future needs of communities within it.

Recommendation 6-1 – It is recommended that the City of South Lake Tahoe’s Sphere of Influence remain unchanged.

Recommendation 6-2 – Until the TRPA adopts a plan that significantly promotes development in areas currently identified as protected, the City’s existing SOI is acceptable to accommodate present and future growth needs for residents.

Recommendation 6-3 - Until the TRPA adopts a plan that significantly promotes development in areas currently identified as protected, the capacity of public facilities is currently being reviewed annually by the City to accommodate the present and future needs of residents in a responsible manner.

Recommendation 6-4 – The City may be considered a logical service provider for adjacent, existing communities in the event that one of the current services providers is no longer

solvent or able to provide services. At that time, a feasibility study should be commissioned to identify potential options for successor agencies to provide services to these communities.

SECTION 8 - REFERENCES

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