



MEMO

Date: August 4, 2016 **Project No.:** 150245
To: Jose Henriquez, Executive Officer, El Dorado LAFCo
From: Jerome Keene, Senior Planner
Subject: Overview of South Lake Tahoe Municipal Service Review and Sphere of Influence Update

The City of South Lake Tahoe Municipal Services Review (MSR) and Sphere of Influence (SOI) Update provides a current snapshot of service delivery for the City while also point towards potential growth areas for future extension of services to outlying areas. The services of the City reviewed by the MSR include:

- Airport Administration
- Cable Television Franchise Administration
- Fire Suppression and Emergency Response Services
- Police/Law Enforcement
- Landscape and Lighting
- Parks and Recreation
- Road Maintenance
- Snow Removal
- Public Transportation
- Flood Control and Drainage
- Animal Control

The MSR also provides analysis for the statutory criteria set forth within the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) as well as additional locally adopted requirements. These criteria are listed as follows:

- Growth and Population Projections
- Disadvantaged Unincorporated Communities
- Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs or Deficiencies
- Financial Ability to Provide Services
- Status of, and Opportunities for, Shared Facilities

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- Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies.
- The Potential Effect of Agency Services On Agricultural and Open Space Lands.

Overall, the City appears to providing an acceptable level of service to the current residents within its incorporated boundary. The City provides these aforementioned services in concert with other special districts in the area to its constituency. Within the MSR, each service which is provided by the City includes recommendations that the City should take into consideration in order to maintain its adequate service levels or possibly increase efficiency, if feasible. Furthermore, recommendations are included sections that review the specific statutory requirements of local policy and CKH. A summary of the recommendations is included at the end of the memorandum.

Lastly, the MSR includes a review of the existing SOI for the City to determine if changes should be made. In short, two issues factor into the SOI review and guide the report to the conclusion that the existing SOI is adequate and should remain unchanged. First, the fact that the City is currently subject to the Tahoe Regional Planning Area (TRPA) and constrained by the agencies growth policies dictates growth in manner that allows for substantial adjustments to be made in regards to service delivery. Second, the existence of adjacent neighborhoods which may require an alternate service provider in the event the existing provider is unable to continue to provide its identified service suggests that the existing SOI remain unchanged in order to allow the City to step in if needed. Written determinations are included within the MSR consistent with the requirements of CKH that address the following:

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

Following the written determinations, recommendations regarding the City's SOI are provided. These recommendations are as follows:

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

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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.

Municipal Service Review Determinations

INTRODUCTION 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

GROWTH AND POPULATION PROJECTIONS 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

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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.

DISADVANTAGED UNINCORPORATED COMMUNITIES 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.

CAPITAL INVESTMENT/IMPROVEMENT PROGRAM (2014-2019) 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.

AIRPORT ADMINISTRATION 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.

CABLE TV FRANCHISE ADMINISTRATION 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



FIRE SUPPRESSION AND EMERGENCY RESPONSE SERVICES DETERMINATIONS

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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.

POLICE 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.

LANDSCAPE AND LIGHTING 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.

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

PARKS AND RECREATION 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.

ROAD MAINTENANCE 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.

SNOW REMOVAL 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.

PUBLIC TRANSPORTATION 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.

FLOOD CONTROL/DRAINAGE 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.

ANIMAL CONTROL 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.

PLANS FOR FUTURE SERVICES 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.

CITY BUDGET 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.

STATUS OF, AND OPPORTUNITIES FOR, COST AVOIDANCE AND SHARED FACILITIES 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.



ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATION EFFICIENCIES 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.

AGRICULTURAL AND OPEN SPACE LANDS 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.

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