

**MEMO**

Date: June 19, 2017 **Project No.:** 150245

To: Jose Henriquez, Executive Officer, El Dorado LAFCo

From: Jerome Keene, Senior Planner

Subject: Overview of Placerville Municipal Service Review and Sphere of Influence Update

The City of Placerville 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:

- Capital Investment/Improvement Program
- Fire Suppression and Emergency Response Services
- Police
- Landscape and Lighting
- Parks and Recreation
- Road Maintenance/Snow Removal
- Flood Control/Drainage
- Animal Control
- Water
- Wastewater

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

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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. There were no recommended changes to the SOI for Placerville. The MSR does identify potential areas for future expansion; however, the City should undertake discussion with the County as well as plan for these area in the General Plan and infrastructure plans. 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 7.6.1 - It is recommended that the City of Placerville's Sphere of Influence remain unchanged.

Recommendation 7.6.2 - Until the City completes an environmental review in accordance with CEQA and comprehensive amendment to the General Plan to identify impacts for potential areas of new growth, the City's existing SOI is acceptable to accommodate present and future growth needs for residents.

Recommendation 7.6.3 - Until the City completes an environmental review in accordance with CEQA and comprehensive amendment to the General Plan to identify impacts for potential areas of new growth, 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 7.6.4 – The supplemental service providers for the City, such as, but not limited to, El Dorado County or El Dorado Irrigation District, should be consulted early on during any SOI amendment process in order to insure that services not provided by the City would still be available to be delivered efficiently to potential future residents.

Municipal Service Review Determinations

INTRODUCTION DETERMINATIONS

Determination 1.9-1 – El Dorado LAFCo has the authority to determine the Sphere of Influence for the City of Placerville.

Determination 1.9-2 - 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 1.9-3 - The City of Placerville is currently providing the following services:

- Capital Investment/Improvement Program
- Police
- Landscaping and Lighting
- Parks and Recreation
- Road Maintenance
- Snow Removal
- Flood Control/Drainage
- Water
- Wastewater

Determination 1.9-4 – The following services are currently provided by other agencies or private entities within or around the City of Placerville:

- Wastewater (El Dorado Irrigation District)
- Water (El Dorado Irrigation District provided to a portion of the City)
- Fire Suppression (El Dorado Fire Protection District)
- Solid Waste Collection (under contract with Waste Connections, Inc.)
- Animal Control (El Dorado County Animal Services)



GROWTH AND POPULATION PROJECTIONS DETERMINATIONS

Determination 2.7-1 - U.S. Census data indicates that the City had a 1990 population of 8,355, a 2000 population of 9,610, a 2010 population of 10,389 and a General Plan population projection of 16,000 by 2020. These trends indicate that the City's population is growing at an average annual rate of approximately 2.5%.

Determination 2.7-2 - Based upon historical population trends, at an average annual growth rate of 2.5%, Placerville's 2030 and 2040 population are projected to be approximately 20,000 and 26,000, respectively.

Determination 2.7-3 - 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 2014, and is a long-range guide for attaining the City's goals within its ultimate service area and accommodating its population growth. The City's General Plan provides a policy base to guide future growth within the City.

Determination 2.7-4 - The City also plans for future growth by staying in compliance with the County's RTP.

Determination 2.7-5 - 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 2.7-6 - The City contains many policies in their General Plan that regulate future annexations.

Determination 2.7-7 - The City's updated General Plan contains a number of policies that serve to promote development on vacant and underdeveloped properties.

Determination 2.7-8 - 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 five years. It is recommended that the City coordinate this process with scheduled SOI updates to determine any modifications that may be necessary.

Determination 2.7-9 - The predominant land uses within the City are residential (Rural Residential and Low Density Residential), and commercial (Highway Commercial and Central Business District). The unincorporated area within City's sphere of influence primarily includes residential uses. Secondary uses include Planned Development Industrial, and Commercial uses. Also included in the unincorporated area is the Placerville Airport.



Determination 2.7-10 - Based upon the existing General Plan designations within the Sphere of Influence, City of Placerville must plan to accommodate approximately 372 new dwelling units, within the existing SOI of the District.

Determination 2.7-11 - Of the 372 needed new dwelling units, approximately 133 (35.8%) must be a combination of Very Low (78) and Low-Income (55) units.

DISADVANTAGED UNINCORPORATED COMMUNITIES DETERMINATIONS

Determination 3.1-1 - There are areas currently within the City's SOI that can be considered unincorporated disadvantaged communities due to median household income being below 80 percent of the statewide average.

Determination 3.1-2 - These identified areas currently receive water and waste water services from the El Dorado Irrigation District.

Determination 3.1-3 - These identified areas currently receive structural fire protection from the El Dorado County Fire District.

Determination 3.1-4 - 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 that may be considered a disadvantaged unincorporated community.

CAPITAL INVESTMENT/IMPROVEMENT PROGRAM (2014-2019) DETERMINATIONS

Determination 4.1-1 - The City's CIP provides a foundation and planning tool to assist in the orderly acquisition of municipal facilities and to assure that service needs for the future are met.

Determination 4.1-2 - The CIP identifies various revenue sources from which CIP projects are funded, provides a comprehensive description of each revenue source, and describes how the resources are allocated.

Determination 4.1-3 - The use of Measure L funds should be reviewed as part of the next MSR update for the City to analyze the impact of the additional revenue on roads, water and sewer improvements and operations.

FIRE SUPPRESSION AND EMERGENCY RESPONSE SERVICES DETERMINATIONS

Determination 4.2-1 - Fire Protection Services are provided solely by the El Dorado County Fire Protection District.



Determination 4.2-2 - The City coordinates with the El Dorado County Fire Protection District for various projects and development services reviews.

Determination 4.2-3 - Station 25, the City's lone, fully staffed facility, has been identified by El Dorado County Fire Protection District to be replaced immediately, if funding sources can be secured.

Determination 4.2-4 - In order to facilitate Station 25's replacement, the District and City should coordinate to identify cost reduction possibilities, such as collocation or conversion of existing facilities, in order to expedite the replacement in a cost effective manner, if possible.

POLICE DETERMINATIONS

Determination 4.3-1 - The Police Division is located at 730 Main Street where it shares facilities with the Fire Division.

Determination 4.3-2 - The City utilizes a variety of financing sources in order to offset the expenditures utilized by law enforcement but maintains fiscally sound practices for operations.

Determination 4.3-3 - The City provides an annual report (Municipal Services Review) that provides an overview of the operations and management of the Police Division while identifying current issues, activity, and potential needs of the Division.

Determination 4.3-4 - The Police Division has adopted a Strategic Plan from 2015-2017 that projects future activity, programs for residents, and enhancement needs, such as technology upgrades, that should occur over the next two years.

Determination 4.3-5 - The Police Division provides mutual aid to other agencies outside of the City Limits within the Sphere of Influence and, in some instances, beyond the Sphere of Influence. The City does not appear to be impacted by providing mutual aid to other agencies, however, it is unclear if the agency is being reimbursed by said agencies for time spent.

FIRE SUPPRESSION AND EMERGENCY RESPONSE SERVICES 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.

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 4.4-1 - The City collects funds through two Landscape and Lighting Maintenance Districts (LLMD), the Orchard Hill LLMD and Cottonwood Park LLMD.

Determination 4.4-2 - The Orchard Hill LLMD supports the operations and maintenance of Orchard Hill Park within the Orchard Hill Subdivision.

Determination 4.4-3 - The Cottonwood Park LLMD supports the operations and maintenance of George F. Duffey Park.

Determination 4.4-4 - The City's Facilities Maintenance Division administers the funds and provides the service on behalf of both LLMDs within the fiscal budget that is established annually by the City Council.

Determination 4.4-5 - The City should consider separating the LLMD's in the annual budget to show that separate amounts be collected for the respective special assessment area.



Determination 4.4-6 - The City should monitor the revenues of the LLMD's in order to ensure that funds are not severely outpaced by inflation rates. If the City is unable to provide a "status quo" level of service, it should investigate initiating a fee increase in accordance with the provisions of Proposition 218.

PARKS AND RECREATION DETERMINATIONS

Determination 4.5-1 - The City actively maintains parks and provides a variety of recreational services to the residents of Placerville.

Determination 4.5-2 - The City diligently tracks maintenance and service hours at various facilities in order to properly budget and allocate staff appropriately.

Determination 4.5-3 - The City seeks volunteers to supplement the existing workforce in order to maintain its parks and recreational facility while also creating a feeling of community ownership of open space areas for residents.

ROAD MAINTENANCE/SNOW REMOVAL DETERMINATIONS

Determination 4.6-1 - The City constructs transportation improvements through the implementation of goals and policies set forth in the City's General Plan Circulation Element, and other plans, including the 2015-2035 El Dorado County Regional Transportation Plan.

Determination 4.6-2 - The City's CIP ensures that Placerville can continue to provide transportation related infrastructure for the efficient road maintenance. The continuous implementation of General Plan Circulation Element goals and policies also guides the City in meeting the future transportation needs of the community.

Determination 4.6-3 - The City actively maintains the existing road systems and provides street sweeping services within the City limits, with the exception of State Highways.

Determination 4.6-4 - The City should coordinate road improvements along with other infrastructure projects, such as sewer and water line replacements, in order to efficiently utilize limited funds available.

FLOOD CONTROL/DRAINAGE DETERMINATIONS

Determination 4.7-1 - The City of Placerville maintains a storm drain system which is separate from the sewer system, and is regulated by the US Environmental Protection Agency (EPA).



Determination 4.7-2 - The City's CIP ensures that Placerville can continue to provide storm drainage infrastructure to the growing community in future years.

Determination 4.7-3 - No projects were identified in the City's 2015/2016 CIP relating to the storm drainage system. The City should utilize the CIP in the future to address storm drain system improvements as funds allows.

Determination 4.7-4 - The City should continue actively address potential staffing issues that may limit the ability to meet ever-changing state mandated regulations related to storm drainage by seeking new and stable financial resources.

Determination 4.7-5 - The City implements the NPDES required Storm Water Management Plan.

Determination 4.7-6 - The City should consider reviewing and updating the Storm Water Management Plan, which was previously adopted in 2005, in order to maintain compliance with current state and local regulations.

ANIMAL CONTROL DETERMINATIONS

Determination 4.8-1 - The City currently pays El Dorado County for animal control services within the city limits.

Determination 4.8-2 - El Dorado County has existing facilities within proximity to the city limits to serve residents of Placerville with animal control services.

Determination 4.8-3 - The current arrangement for providing animal control service to the residents of Placerville is adequate.

WATER DETERMINATIONS

Determination 4.9-1 - The City has an agreement to receive its water supply from the El Dorado Irrigation District.

Determination 4.9-2 - The City is subject to the rate and fee schedule established by EID and passes these costs onto residents that receive service.

Determination 4.9-3 - The City maintains and repairs conveyance infrastructure for water services within the City's service area.



Determination 4.9-4 - The City should continually monitor its review and update its agreement with EID in order to ensure that water is available for its residents at a cost that is reasonable for the service received.

Determination 4.9-5 - The City should continue to coordinate repairs and upgrades to the water system through the CIP and time those improvements with streets and sewer projects in order to maximize financial resources.

WASTEWATER DETERMINATIONS

Determination 4.10-1 - The Hangtown Creek Water Reclamation facility provides sewer treatment to over 3,500 residential and commercial accounts, in addition to also serving adjacent unincorporated areas.

Determination 4.10-2 - The Hangtown Creek Water Reclamation facility is currently at 50 percent of capacity.

Determination 4.10-3 - The Water Reclamation Facility Division proposes no additional staffing levels for the 2016-2017 fiscal year and is expected to be able to successfully provide the same level of service as the previous fiscal year. In the event that service levels decline, the City would address the potential need for additional staffing during the annual budgeting process and as funding allows.

Determination 4.10-4 - The City is currently servicing properties outside of the city limits. The balance of unserved parcels are rural, residential parcels that likely do not require urban wastewater service. In the event that a property requires service, the City should encourage annexation in order to provide timely and efficient service.



PLANS FOR FUTURE SERVICES DETERMINATIONS

Determination 4.11-1 - The City currently has no pending applications for major annexations or plans for service that expand beyond the existing SOI.

Determination 4.11-2 - The City may be a service provider in the future for adjacent, existing properties within the SOI in the event that property owners or future requires assistance or no longer is able to operate.

Determination 4.11-3 - The City may consider adjacent areas for future development through collaboration with El Dorado County and other applicable service providers to ensure that potential expansion of services to accommodate future growth are logical and allows both agencies to meet service obligations.

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 collaborates with multiple other agencies for the delivery of services within the city limits.



Determination 5.2-2 - The City should coordinate capital projects with agencies that also have infrastructure within proposed project areas in an effort to split costs.

Determination 5.2-3 - If projects or delivery of services do involve other agencies, the City should formalize any coordination in a shared facilities/services agreement, or other appropriate instrument, in order to provide details and conditions for how services delivery will be conducted and shared between the agencies.

Determination 5.2-4 - The City should review the mutual aid agreement or any other appropriate agreement (i.e., Tax Sharing Agreement) with El Dorado County to determine if the City is losing money by providing services outside the city limits. If it is found that the agreement is not fiscally neutral, the City should attempt to enter into an agreement for services being provided outside the city limits.

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 division 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 existing 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.

Determination 6.3-3 - Expansion of the SOI could potentially impact adjacent open space lands and should be analyzed through the appropriate General Plan Amendment and California Environmental Quality Act processes in order to determine appropriate areas for expansion.

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