Purpose of a Municipal Service Review

Municipal Service Reviews (MSRs) are designed to equip Local Agency Formation Commissions (LAFCo) with relevant information and data necessary for the Commission to make informed decisions on (Sphere of Influence) SOI. The Cortese-knox-Hertzberg Local Government Reorganization Act of 2000, however, gives LAFCo broad discretion in deciding how to conduct MSRs, including geographic focus, scope of study and the identification of alternatives for improving the efficiency, cost-effectiveness, accountability and reliability of public services. The purpose of a MSR in general is to provide a comprehensive inventory and analysis of the services provided by local municipalities, service areas and special districts. A MSR evaluates the structure and operation of the local municipalities, service areas and special districts and **discusses possible areas for improvement and coordination.** **The MSR is intended to provide information and analysis to support a sphere of influence update**. A written statement of the study's determinations must be made in the following areas:

1. Growth and population projections for the affected area;
2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence;
3. Present and planned capacity of public facilities, adequacy of public services and infrastructure needs or deficiencies, including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence;
4. Financial ability of agencies to provide services;
5. Status of, and opportunities for, shared facilities;
6. Accountability for community service needs, including governmental structure and operational efficiencies; and
7. Any other matter related to effective or efficient service delivery, as required by commission policy.

General Recommendations for CSAs from July 28, 2016 LAFCo Municipal Service Review

	Recommendation	Status	Notes
1	Compile individual financial reports that clearly define the operations being financed by each fund, and the reserve balances for restricted and unrestricted uses	Complete	Quarterly report developed for all CSAs, shared with CSA Advisory committees and posted online starting in Apr 2017
2	Continue to monitor CSA financial practices to ensure they adhere to countywide financial policies and best practices and that CSA finances are transparent and easy to follow for the advisory committee and constituents.	Complete and ongoing	
3	Develop and establish financial policies specific to CSA operations, including contracting, purchasing, reporting, Capital Improvement Plans (CIPs), reserves, and fund tracking mechanisms, to enhance clarity of CSA finances.	Complete and on the to-do list	CSAs follow County policies, and with few exceptions, do not require unique policies. Studies and planning documents to support reserves are needed and are a priority.

	Recommendation	Status	Notes
4	Complete process of having Financial Services take over the management of all CSA accounting, in order to augment reliability of CSA fund tracking and regular financial reports.	Complete	This was one option that may be explored in the future. CSA accounting is now managed under County Administrator's Office.
5	Begin reporting to the State Controller's Office based on the accrual method of accounting to more accurately portray the financial transactions of the CSA from year to year.	Complete	This was already occurring for CSAs; LAFCo cannot explain recall why this recommendation was made.
6	Provide quarterly financial reports for each CSA that clarify in detail the various funds, fund balances, sources of revenue for each fund, and a more detailed list of expenditures in each fund or for each service, and provided to the Board of Supervisors and the advisory committees.	Complete	Report developed; beginning to roll out as Advisory Committees meet, which are attended by Board of Supervisors members and/or their representatives
7	Formalize policies and procedures and apply consistently across CSAs to clearly define certain advisory committee processes, such as means to conduct outreach, when advisory committees are needed or should be disbanded, term limits, how officers are to be chosen, who develops an agenda, how an agenda is developed, requiring agenda items to directly relate to services provided by CSA, and how meetings are to be run with such specifics as how much time will be allotted to each member of the public for comments.	Complete	Now provided in CSA Advisory Committee Manual which will be shared with advisory committees and further developed as needed.
8	CSA Manager should adhere to County Code of Ordinances and ensure advisory committees annually select chairperson as required, or change the policy to every two years as is more commonly practiced. Additionally, County should consider reinstating term limits to encourage more resident involvement in the activities of the CSA.	On the to-do list following stabilization of provision and funding of health and safety services	

	Recommendation	Status	Notes
9	Compile email distribution list for all residents (separate from the HOA) and/or provide direct mailings in order to ensure that all residents are kept informed of CSA Advisory Committee activities. Residents could be given an option to opt-out of this service, if desired.	Complete	Mechanism to e-mail (and for residents to opt-in and -out) available through GovDelivery e-subscription service. This service has been publicized via a letter to residents in North Davis Meadows, El Macero and Wild Wings CSAs and publicized on Dunnigan and Willowbank CSAs' websites as well. Note: LAFCo has stated on 6/27/17 "recommendation was not necessarily that every resident be mailed notices" but rather "the County decide how it wanted to approach all CSAs to be consistent"
10	CSA website should be updated to post all available information, including financial reports specific to the particular CSA, municipal service rates, all minutes of advisory committee meetings and agendas and announcements for the next meeting in a readily apparent location.	Complete	

Dunnigan CSA-Specific Recommendations from April 27, 2017 LAFCo Municipal Service Review

(Determination: SOI update for Dunnigan CSA does not need to be updated)

	Recommendation	Status	Notes
1	Prior to expanding the number of street lights in the CSA, the County should determine if there is public support to pass a Proposition 218 election to increase revenues to finance them.	May not be necessary	PG&E lighting retrofit, with community input was completed Spring 2017. Residents were encouraged to live with new lighting for a while to determine if expansion was necessary.
2	If there is sufficient public support, conduct a rate study and a Proposition 218 process to increase funds.	TBD	See above
3	Process an application with LAFCo to annex into the CSA any new parcels than may be assessed if the Proposition 218 measure is successful.	TBD	See above
4	The CSA should consider means to reduce the CSA's professional services expenditures. The County may wish to consider whether an advisory committee is necessary to manage the street lighting contract with PG&E and/or consider transferring contract management to another local district to reduce administration costs.	TBD	County does not consider the CSA mechanism necessary for the provision of this service. Community Services is considering taking on management of street lighting countywide.
5	The CSA should assess definitively whether the existing cash in treasury provides sufficient reserve or if additional funds are needed. The CSA should establish a dedicated reserve for unexpected costs by placing some of the cash in treasury into a reserve. In addition, the County Department of Financial Services should move the $20,000 intended for a CSA lighting plan into a restricted account.	TBD at end of 2017-18	Lighting retrofit expected to reduce operating costs which will inform reserve available.
6	If the CSA chooses to move forward with expanding its lighting infrastructure, it will need to conduct Proposition 218 proceedings to increase its special assessments for street lighting, but will first need to commission a rate study to determine the expected cost and appropriate rates for providing service.	Agreed	

	Recommendation	Status	Notes
7	Yolo County should apply its Budget and Financial Management policies to each CSA as a separate enterprise fund. Specifically, the Dunnigan CSA's structural deficits need to be addressed, a reserve needs to be established and a Capital Improvement Planning may need to occur, if necessary, depending on determination of the County's liability to replace street lights.	Complete	This has been implemented for all CSAs
8	County staff needs to prioritize its plan to provide quarterly financial reports for each CSA that clarify in detail various funds, fund balances, sources of revenue for each fund, and a more detailed list of expenditures in each fund or for each service, and provided to the Board of Supervisors and the advisory committees.	Complete	This was completed by the conclusion of the MSR, however, quarterly reports continue to be refined.
9	The County should consider transferring the CSA's services to another local district and dissolve the Dunnigan CSA accordingly.	TBD	Currently, Community Services is considering taking on management of street lighting countywide.
10	The County's CSA website should be updated to post all available information, including annual budgets and quarterly financial reports specific to the particular CSA, municipal service rates, advisory committee members, all minutes of advisory committee meetings, agendas and announcements for the next meeting in a readily apparent location.	Complete	

El Macero CSA-Specific Recommendations from July 28, 2016 LAFCo Municipal Service Review

(Determination: SOI update for El Macero CSA is not warranted at this time)

	Recommendation	Status	Notes
1	Develop options for future maintenance and improvements to roads, including feasibility and cost/benefit analysis of privatizing road system for maintenance by HOA. Analysis should consider unintended consequences to change in service structure, in particular, homeowner costs, public safety enforcement and solid waste collection.	Option presented during (7/18 mtg canceled due to lack of quorum) 8/29 CSA AC meeting	Roads subcommittee formed to identify options
2	Compile long-term capital improvement plan (CIP) with focus on street needs over next few decades to ensure assessment being charged is sufficient to finance projected costs.	CIP not necessary at this time	The Roads subcommittee has identified options to extend the life of the roads for the next 8-12 years with current funds. CIP or other planning mechanisms will be undertaken in this time period.
3	After CIP developed, review reserve level to determine if appropriate to needs of CSA and service structure.	See above	
4	Develop worksheet or bill that can be distributed to residents with property tax bill to demonstrate how charges are determined.	Complete	This information provided online with the posting of current Prop 218s and annual charges on the website.
5	Consider amending County-City contract to provide for direct billing for services by City to further enhance efficiency and transparency and save CSA in County admin fees for billing.	CSA AC will consider in 2018-19 following feedback on experience of Willowbank and North Davis Meadows CSAs	

North Davis Meadows CSA-Specific Recommendations from July 28, 2016 LAFCo Municipal Service Review

(Determination: SOI update for North Davis Meadows CSA is not warranted at this time)

	Recommendation	Status	Notes
1	The County CSA Manager should conduct an analysis of the existing fee structure to ensure that fees continue to cover necessary costs of all services provided. In particular, there are no fees specific to the drainage, landscaping and street lighting services. The cost of providing these services should be reviewed and fees set accordingly.	Will be conducted following Water Connection Project	
2	Funding for the drainage, landscaping and street lighting services should be tracked and accounted for separately in the North Davis Meadows CSA's financial reports.	Complete	Tracking separately starting in 2018-19
3	The County CSA Manager should develop an annual drainage maintenance plan. The plan should include a schedule and a map to identify current conditions, critical locations and problems such as timing in regard to wildlife or other considerations, and establish a regular maintenance schedule to ensure adequate maintenance occurs on an ongoing basis.	Complete	Contracted with YCFC&WCD to do this work and they have developed a maintenance plan.
4	The potential for outsourcing or transferring drainage and flood control services to the Yolo County Flood Control & Water Conservation District should be evaluated by the CSA Manager, in consultation with the advisory committee.	Complete	
5	The County should account for the North Davis Meadows Assessment District as a separate entity from the North Davis Meadows CSA to accurately represent where liability for payment of the debt lies.	Complete	There is a separate fund to administer the NDM bond and tax assessment.
6	The CSA Manager should pursue an agreement with the City to bill North Davis Meadows residents directly for water services	Complete	Will be implemented upon completion of water project

Wild Wings CSA-Specific Recommendations from June 26, 2014 LAFCo Municipal Service Review

(Determination: SOI update for Wild Wings CSA is not necessary)

	Recommendation	Status	Notes
1	LAFCo encourages the CSA to continue working with the Yolo-Solano Air Quality Management District (AQMD) to resolve odor issues at the wastewater treatment facility. Please notify LAFCo of any significant issues and/or milestones during the Notice of Violation process, including any clearance notice from the AQMD that the case has been resolved and closed.	Complete	01-19-17 AQMD verbally indicated they would be clearing notice of violation
2	The CSA should continue working with the California Department of Health to resolve its Compliance Order, and should notify LAFCo of any significant issues and/or milestones during the process.	Staff/residents working on options to resolve; arsenic remediation funds set aside	Re: Arsenic levels in wells
3	For each budget cycle, the CSA should provide an estimate of anticipated costs, and then adjust as needed, rather than leaving unknown costs out of the budget altogether thus requiring significant amendments mid-year.	Complete	
4	If allowable according to the CSA's recent Proposition 218 ballot initiative, the CSA should consider placing funds aside for maintenance or treatment at the wastewater facility.	In progress	Current operation and long-term needs of WWTP being evaluated
5	When planning for future Proposition 218 initiatives, the CSA should consider the need for dedicated reserves for significant upcoming maintenance issues.	In progress	Engineer's Report being updated now
6	The County should consider providing additional staff resources to the CSA, or provide whatever support may be necessary to resolve internal and external customer services issues. The County should implement the recommendations in the 2013-14 Grand Jury report "Proposition 218 Protest Election Process: The Yolo Way" to improve its Proposition 218 protest election process.	Complete	CSAs now reside in the County Administrator's office with multiple staff dedicated, and additional outside resources obtained as needed

Willowbank CSA-Specific Recommendations from July 28, 2016 LAFCo Municipal Service Review

(Determination: SOI update for Willowbank CSA is not warranted at this time)

	Recommendation	Status	Notes
1	County should consider long-term plan for services and determine if there is a desire to add additional services to Willowbank CSA in future	TBD	
2	LAFCo recommends that an advisory committee for the Willowbank CSA is warranted at this time to address whether a separate irrigation system is desired. However, once a decision has been reached regarding the irrigation system, the County should consider whether an advisory committee is still needed.	TBD	
3	If additional services are not anticipated, the County should consider dissolving the Willowbank CSA because it is no longer needed and would promote more efficient government services.	TBD	Per request of Supervisor Provenza, will be considered in 2020-21
4	If County determines CSA will remain per the Accountability, Structure and Efficiencies section recommendations, review Willowbank CSA's assessment to ensure it is adequate to continue covering CSA administration costs. Simultaneously, Willowbank CSA expenditures should be reviewed to ensure they are appropriate to the amount of work attributed to the CSA, and to determine whether an advisory committee is necessary given the amount of administrative costs to oversee its minimal functions	TBD	
5	Account for the Willowbank Water Assessment District as a separate entity from the Willowbank CSA to accurately represent where liability for payment of the debt lies.	Requires further review	