



CITY OF BIGGS Staff Report

TO: City of Biggs City Council

FROM: Mark Sorensen, City Administrator
Scott Friend, AICP, City Planner

MEETING DATE: December 9, 2014; 6:30 p.m.
Biggs City Hall, 3016 Sixth Street, Biggs, CA 95917

SUBJECT: Municipal Services Review / Sphere of Influence Update

Summary:

The City Council is presented with a proposal from Pacific Municipal Consultants (PMC) to update the City's Municipal Services Review (MSR) document in support of a request to the Butte Local Agency Formation Commission (LAFCo) to expand the City's Sphere of Influence. If the Council desires to proceed forward with the effort, the Council is requested to authorize the Mayor to sign an agreement with PMC for the work outlined in the proposal attached with this report.

Discussion:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires LAFCo's to review and update, as necessary, local agency Spheres of Influence (SOI) and to conduct Municipal Services Reviews (MSR) for each agency, prior to, or in conjunction with, an agency's SOI update (California Government Code Section 56430(a)).

The Butte LAFCo approved an MSR for the City of Biggs in 2008. That document was the first MSR prepared by the City and adopted by LAFCo for the City of Biggs. At the time of the preparation of the City's MSR in 2008, the City's General Plan had not been updated in many years and did not contemplate a significant physical expansion of the City. The City's recently adopted General Plan (adopted in 2013), sets forth a vision that could entail a significant expansion of the City's municipal boundary. However, the City cannot physically expand (annex property) until such time as the City's MSR is updated and adopted by the Butte LAFCo and until the Butte LAFCo acts to permit the expansion of the City's Sphere of Influence boundary. Preparation and adoption of an updated MSR is a necessary "next step" in the process of allowing for the physical expansion of the City in the future.

The proposal from PMC contemplates the preparation of an updated MSR document prepared in conjunction with a request to LAFCo for a Sphere of Influence update. For this action, the City will be the "co-sponsor" with the Butte LAFCo for the action. As such, the MSR document will be prepared by the City working at the direction of LAFCo staff. City staff has confirmed with LAFCo staff that this approach is appropriate for this effort.

Environmental determination:

Not applicable.

Fiscal Impact:

(est.) \$50,000-\$55,000. The proposal from PMC to update the City's Municipal Services Review (MSR) document is in the amount of \$33,965 dollars.

An additional fee estimate of \$15,000 has been shown in the proposal to represent, and present to the Council, the cost estimate provided by LAFCo staff for the estimated fee to cover LAFCo staff time to review, process and adopt the updated MSR document and to update the City's Sphere of Influence (SOI). It is noted that this amount is an estimate only.

It is the understanding of City staff that the City will be required by LAFCo to post a deposit, at the time of making formal application, in the amount of \$5,000. However, because this type of project is a Full Cost Recovery project, LAFCo staff will bill the project for all costs associated with the review, processing and hearing of the request. The full amount for this is currently estimated at \$15,000. If LAFCo staff costs exceed the deposit amount, the City will need to provide additional funds to cover LAFCo costs. It is also noted that this cost does not include application costs for this requests.

Recommendation:

Staff recommends that the Council review the proposal attached with this report and authorize the Mayor to sign an agreement with PMC to prepare an update to the City's Municipal Services Review document in support of a request to the Butte LAFCo to expand the City's Sphere of Influence boundary.

Attachments:

- Proposal from PMC to update the City's Municipal Services Review (MSR) document



December 4, 2014

Mark Sorensen, City Administrator
CITY OF BIGGS
465 C Street
Biggs, CA 95917

RE: MUNICIPAL SERVICE REVIEW FOR SPHERE OF INFLUENCE UPDATE

Dear Mr. Sorensen:

PMC is dedicated to serving the needs of cities, counties, and other governmental agencies by providing a complementary range of municipal support and management services. PMC has offices in Oakland, Sacramento, Monterey, Chico, San Luis Obispo, San Diego, Los Angeles, Long Beach, and other project locations. The firm was established in 1995 with a mission to provide planning, environmental and municipal services to public agencies, special districts and public-oriented organizations, and has provided service to more than 250 such agencies and jurisdictions throughout California. The company has grown steadily and today consists of over 140 employees working out of its eight primary offices.

PMC is well qualified and prepared to assist the City of Biggs with the development of a Municipal Service Review and Sphere of Influence Update (MSR/SOI Update). We have provided services to several LAFcos in Northern California. Our list of successfully completed LAFco projects includes service review and annexation work within Sutter, Sacramento, Solano, Monterey, El Dorado, Nevada, Yuba, Madera, Yolo, Riverside, Stanislaus, Contra Costa, Shasta, and Lake counties, among others. PMC will conduct the MSR in accordance with the local standards and practices of Butte LAFco and the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, as amended through 2007, and using guidance set forth in the OPR Guidelines and our previous work experience.

We understand the intent of this review is to help the City of Biggs and Butte LAFco determine the appropriate sphere of influence (SOI) for the city. Our primary goal is to support the City of Biggs in providing legally adequate and informative analysis and determinations regarding the operations, financing, management, and government structure of the various services provided by the City, which can then be used by Butte LAFco in their SOI determination.

Our approach to these issues is explained in greater detail in the Project Approach on the following pages. We have developed a strategy which provides for focusing of the analysis on the issues of most concern in the City. This analysis will be designed specifically to address the issues of the various service sectors provided by the City. Our approach is based on our experience in completing MSRs for various cities, counties and service districts, as well as our background in both problem solving and dealing with public agencies whose goals and desires are not always compatible or consistent. We'll be there to provide the justification and analysis to support better government, and help the City move towards a more sustainable and efficient provision of services in Biggs.

PROJECT APPROACH

PMC's suggested project approach is based on the objectives defined by the standards and practices of Butte LAFCo and the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. This will include (but will not be limited to) an independent and impartial review of the City's service providers to determine capacity of each and their ability to accommodate additional service demands, as well as any known service deficiencies and conflicts among the various services provided by the City. This analysis will also include an overview of any existing service providers in the proposed SOI. The over-arching goal of the analysis is to provide Butte LAFCo with a set of recommendations that allow for informed decision making regarding the most efficient and effective ways for the City to provide services to the SOI area. Below are the main organizational recommendations within the MSR portion of the analysis, with the focus of analysis described.

PMC will produce an MSR that meets the expectations of Butte LAFCo, utilizing the OPR Guidelines and meeting the requirements of Government Code Section 56430. Key elements in our approach to be included in each review are:

- **Consideration of local growth and service demand projections.** This will be based on the Biggs General Plan, LAFCo projections, Department of Finance data, service master plans, and other sources. PMC will evaluate viabilities of the existing service provision in the context of future population growth; service demand projections will be compared to land available to determine the City's ability to provide service in the future.
- **Discussion of current and planned capacities as well as infrastructure needs and deficiencies.** This will include analysis of existing conditions with respect to all service facilities. We will utilize existing data, to be provided through LAFCo, local agencies, and other information sources, in determining the ability to meet future needs.
- **Financing constraints and opportunities** would be considered with respect to current and projected financial conditions, and how they relate to projected service demands and an ability to provide services in the short and long term. This would also include consideration of cost-saving measures, where appropriate, or other measures to be considered by the PMC team. Rate structures will be analyzed within this section, with comparison tables provided as relevant and available. Our team brings experience in preparing and evaluating finance plan and agency budgets.
- **Potential for Shared facilities.** This will discuss alternative forms of organization as a means of improving local service provision, including review of principal acts, latent and active powers, and all feasible reorganization options. Our determinations will include specific recommendations citing the benefits and liabilities of each potential reorganization, and the feasibility of other options considered.
- **Management and Accountability.** This section will consider the suitability and efficiency of the management of each provider and their responsiveness to the public. Information will be documented about the internal structure and public availability of documents service area.

PMC will maintain an open and ongoing communication with City of Biggs staff, Butte LAFCo staff and all of the service agencies and providers potentially involved with or affected by the MSR. We understand that the Butte County LAFCo is the adopting agency, and PMC will be responsive, thorough, and able to meet the expectations of the City and LAFCo.

PROJECT UNDERSTANDING

Consistent with the requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act (CKH Act), LAFCo has requested consultant assistance in conducting reviews of services provided in the City of Biggs, in conjunction with the preparation of updating spheres of influences. The assumed start date of the project is January 2015.

PROJECT INITIATION

Following the contract award, PMC staff will coordinate with Biggs city staff to review the work program (including project schedule, decision tree process, and public outreach component) in detail. The purpose of this is to establish working procedures and key contacts at the City, ensure appropriate allocation of budget and focus on the most critical aspects of the study, and identify and collect relevant reports and materials.

FINALIZE WORK PROGRAM

The California Government Code §56430 sets the form and content of the MSR report. PMC will prepare the MSR consistent with this statute that analyzes the required issue areas, consolidated into the following categories:

- 1) Growth and service demand projects for the affected area
- 2) Capacity of public facilities and infrastructure
- 3) Financing constraints and opportunities
- 4) Opportunities for shared facilities
- 5) Governmental Structure Options and Efficiencies
- 6) Any other matter related to effective or efficient service delivery, as required by adopted commission policy

Preparation of the service review will include the following basic tasks, although PMC understands that additional activities may also be necessary. We will work with LAFCo to refine this work program as necessary during Task I to ensure that we dedicate appropriate time and effort to the tasks and work elements deemed most important by LAFCo.

Task I MSR Data Gathering

The MSR will review the following services: water, wastewater, storm drainage, roadways, police, fire protection, parks, solid waste, and general government.

PMC will conduct data collection activities primarily via phone and in-person interviews with site visits to follow as necessary. This approach is based on past successes and experience working with the City of Biggs. The primary information we intend to gather includes:

- The total land area, total land area available for usage, total population, and estimated timeframe for land utilization, for each provider.
- All areas currently receiving services that are outside the existing sphere of influence (SOI) for each agency.
- The existing and projected demand for services. The analysis will include determination of service capabilities for each of the providers relative to this demand.
- The existing and projected ability of each district to meet projected demands for each service.
- Inventory of all major facilities, infrastructure, and associated physical inventories of each service provider.
- The major issues facing each service provider and potential actions by LAFCo (e.g. sphere of influence changes or initiation of mergers, consolidations, or dissolutions) that could assist in alleviating these issues, if any.

Task 2 Information Collection and Service Provider Outreach

PMC will outreach via electronic and personal communications to representatives from each of the various service providers to explain the project, inform key staff of the purposes of the effort and to obtain information necessary to allow PMC to move forward with the required analysis. These outreach efforts will focus not only on informing the providers of the purpose and need for the MSR, but will focus on the acquisition of the data required to support the project and engaging the service providers as partners in the City's vision for the expansion of the City's Sphere of Influence.

Following the initial service-provider outreach effort, PMC will follow-up with each agency to ensure that the necessary and appropriate information is being provided. In the event that the service provider is unable to provide PMC with the information necessary to support the required analysis, PMC will stop work and contact the City and LAFCo to discuss how to proceed.

Task 3 Administrative Draft Municipal Service Review

PMC will prepare the Administrative Draft Municipal Service Review and will present the draft to the City and then to LAFCo for review and comment prior to its public release. PMC will incorporate two sets of comprehensive changes, one each following the recommendations of City staff and LAFCo's staff and key agencies. Within the administrative draft document, PMC will present issues and determinations in the most succinct manner possible while including necessary content and ensuring readability, including:

- Introduction and Executive Summary, which will summarize significant issues and recommended determinations, and will discuss the organization of the report and methodology used in analysis.
- Service Setting, which will provide a summary description about the agency, including database information, applicable maps, tables, and graphs
- Service Review and Written Determinations, which will include a section for each analysis section required by the Cortese-Knox-Hertzberg Act.

Deliverables: Administrative Draft MSR (Two hard copies, one CD copy)

Task 4 Public Review Draft Municipal Service Review/ SOI Update

After review and incorporation of any requested revisions by the City and LAFCo staff, PMC will prepare the Public Review Draft Municipal Service Report for publication. In conjunction with the City and LAFCo staff, PMC will prepare the Draft report for distribution to responsible agencies and interested members of the public.

Deliverables: Public Release Draft MSR (Two hard copies, one CD copy)

Task 5 Final Draft Municipal Service Review

The PMC project team will review information and inputs received during the public review period focusing on any remaining issues. If any issues are identified, PMC will coordinate with the City and LAFCo staff to discuss the identified issues, review and discuss any necessary changes to the document, and provide for any additional needs prior to finalizing the document. PMC will provide support to the City and LAFCo relative to the public hearing with the LAFCo Commission and will incorporate any changes identified by LAFCo staff and the Commission resulting from the hearing into the report.

PMC anticipates that the City and LAFCo staff will desire to review the changes prior to the report being finalized. Once complete, the report will present recommended determinations for each of the factors listed in the bullet points above and required by the CKH Act, as well as responses to comments from responsible agencies, the Commission, the City and LAFCo staff and interested members of the public.

Deliverables: Final MSR (Two hard copies, one CD copy)

Task 6 Environmental Review

PMC assumes that the recently certified Biggs General Plan Environmental Review Report (EIR) is adequate for environmental review as it considered the updated MSR and SOI for the City in its analysis for potential environmental impacts. Therefore, no additional environmental analysis is necessary for the adoption of the SOI update and a re-adoption of the General Plan EIR by Butte LAFCo would be adequate for CEQA purposes.

However, if LAFCo staff determine that subsequent analysis pursuant to CEQA is necessary, PMC will work with the City and LAFCo staff to determine what additional analysis is necessary and how it can

most efficiently be completed. If it is determined that additional CEQA analysis is required, PMC will prepare a proposal addressing the issues identified by LAFCo for further consideration by the City. It has not been assumed with this proposal that additional CEQA analysis beyond providing support to the City and LAFCo will occur under this proposal.

Task 7 Meetings

A total of five (5) in-person meetings are anticipated, based on the work program and details within this proposal. It has been anticipated that the Project Manager will attend all meetings, with additional staff in attendance as necessary. Additional meetings, if required, are not within the scope of this proposal and will result in additional cost.

Deliverables: PMC lead Staff at five (5) meetings, including:

- One (1) project “kick-off” workshop with the City and/or City and LAFCo staff
- One (1) meeting to present and discuss the Administrative Draft MSR document.
- Two (2) Public Hearings to present the draft and final MSR to the City Council and LAFCo Commission and to accept comments from the public.
- One (1) additional meeting as determined necessary during the project.

BUDGET

PMC estimates a total cost of \$33,965 to complete the tasks listed above. This figure *does not* include an estimated cost of \$15,000 to cover costs associated with the review and processing of the project by Butte LAFCo staff. It is specifically noted that PMC is not responsible for, and cannot control, costs incurred by Butte LAFCo staff for this project and this proposal does not include any Butte LAFCo, County of Butte or State of California application fees, filing fees or staff time costs.

The scope of work assumes that PMC will attend a maximum of two (2) document review/City Council/LAFCo meetings and a maximum of three (3) additional project meetings anticipated as meetings with Butte LAFCo staff and the Butte LAFCo Commission Board. PMC is available to attend additional meetings on a time and materials basis based upon the rates outlined in this proposal.

PMC Project Rate Proposal

Project Manager	Financial Analyst	Staff Analyst	GIS Analyst	Admin
\$115	\$150	\$95	\$90	\$70

Project Cost Summary

Task	Description	Cost
Task 1:	Kickoff	\$1,240
Task 2:	Information Collection and Verification	\$8,290
Task 3:	Administrative Draft MSR	\$13,980
Task 4:	Draft MSR	\$3,870
Task 5:	Final MSR	\$1,860
Task 6:	Environmental Review Processing	\$515
Task 7	Meetings	\$4,210
Total PMC Fee Proposal Cost		\$33,965
<i>Butte LAFCo</i>	<i>MSR Review (est. per Butte LAFCo staff)</i>	<i>\$15,000</i>
Total:	City of Biggs MSR	\$48,965

GENERAL PROJECT ASSUMPTIONS

- PMC has assumed with this proposal that no technical studies are required for this analysis and that no sub-consultants will be necessary to work on the project.
- The City will provide PMC with copies of all available City budget information, service area master plans, copies of pertinent public meeting materials, and copies of support materials at no cost to PMC.
- City will be responsible for all costs associated with copies, delivery, routing, noticing, posting, and document filing and applications.
- PMC will not be acting in the capacity of a signatory agent for the MSR or SOI amendment effort.
- PMC will not be responsible under this proposal for the permitting of any work associated with this project.
- PMC will not be responsible for any project related fees.
- PMC assumes that the Environmental Impact Report completed for the City's General Plan, adopted April 8, 2104, will be satisfactory for use by the City and Butte LAFCo to support this action and therefore no additional environmental review will be necessary.
- The budget line item for Butte LAFCo review of the MSR is an estimate. PMC is not responsible for and cannot control or manage any costs incurred by Butte LAFCo as part of this effort.

PMC PROJECT TEAM MEMBERS

The following is a description of key project team members, their qualifications, and their proposed responsibilities on the project.

SCOTT FRIEND, AICP, PROJECT MANAGER

Mr. Friend manages the planning and environmental services activities of PMC's Chico office. He is responsible for primary project management activities and provides technical review and oversight of office staff and projects. Mr. Friend has provided principal direction and project management on projects ranging from policy documents such as general and specific plans to implementation documents and programs such as zoning ordinance updates, design review programs, and planning program guidelines. He also manages and prepares the full range of CEQA and NEPA environmental compliance and review documents.

His experience includes both long-range and current planning activities for both public and private sector clients. He has provided direct staff support to various boards, councils, and commissions and has extensive experience in the preparation and presentation of visual and oral presentations to citizens, citizen bodies, and appointed and elected officials. Mr. Friend currently serves as the City Planner for the City of Orland and has worked in the city for over a decade, either directly as the City Planner or as an environmental and planning consultant to the City. He was the project manager for the City's recently adopted General Plan and EIR, was the project manager for the City's recent development impact fee study update project, has managed the last five annexation actions occurring in the city, and has directly

prepared or managed the preparation of almost all of the environmental documents in the city in the past 8–9 years.

DERRICK WONG, MUNICIPAL FINANCE MANAGER

Mr. Wong has nearly 20 years of project management and consulting experience specializing in infrastructure financing of public facilities. He has managed complex engagements that require the identification and analysis of revenues and costs for local and regional projects and programs, including for the transportation and development communities. He has developed various revenue strategies and funding mechanisms that involve consensus building with local community stakeholders and governing boards to bridge funding shortfalls in operations and with capital facilities. Mr. Wong also conducts organizational performance audits of regional planning agencies and provides recommendations for process improvement and compliance with state law. He has taught seminars on public financial management to planning and finance professionals throughout California with coursework including revenue strategies and financial planning techniques. His work focuses on project management, infrastructure financing, fiscal and economic analysis, and user and impact fees.

MIKE MARTIN, SENIOR PLANNER

Mr. Martin's responsibilities include environmental planning, housing, policy document preparation, and contract services for client agencies. He has over 10 years of experience in the urban planning field. As a senior planner, Mr. Martin has completed municipal service reviews, development impact fee studies, environmental impact reports, NEPA studies, general plan updates, and housing element updates. He has also completed numerous initial studies/negative declarations, housing condition and income surveys, and housing needs assessments, wrote Community Development Block Grant (CDBG) P/TA and General Allocation grants, and wrote over 35 Affordable Housing Feasibility studies throughout the United States.

Sincerely,



Scott Friend, AICP
Project Manager