

**ITEM 9**  
**TEST CLAIM**  
**FINAL STAFF ANALYSIS**

Government Code  
Sections 56001, 56326.5, 56381, 56381.6,  
56425, 56426.5, and 56430

Statutes 1991, Chapter 439 (AB 748)  
Statutes 2000, Chapter 761 (AB 2838)  
Statutes 2002, Chapter 493 (AB 1948)

LAFCO Municipal Services Review Guidelines  
(Final Draft, October 3, 2002, Governor's Office of Planning and Research)  
LAFCO Municipal Services Review Guidelines Appendices  
(Final Draft, October 3, 2002, Governor's Office of Planning and Research)

*Local Agency Formation Commissions*

02-TC-23

Sacramento Metropolitan Fire District, Claimant

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*Local Agency Formation Commissions*

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**EXECUTIVE SUMMARY**

This test claim addresses changes to Local Agency Formation Commissions ("LAFCOs"), which are statutorily-created local administrative bodies that make determinations regarding formation and development of local agencies. The test claim statutes modify representation on the Sacramento County LAFCO, mechanisms for funding LAFCO operations when independent special districts are represented, and the process for LAFCOs to adopt and update the "sphere of influence" for each local agency within all California counties. The claimant is an independent special district, thus the findings of this test claim apply to independent special districts only and *not* LAFCOs or other local government agencies. Furthermore, only independent special districts that are subject to the tax and spend limitations of articles XIII A and XIII B are eligible claimants.

**The Test Claim Statutes Impose a Partially Reimbursable State-Mandated Program Within the Meaning of Article XIII B, Section 6 of the California Constitution**

In 1991, the Sacramento County LAFCO was required by statute to have two independent special districts represented on it. The claimant, one of 66 independent special districts in Sacramento County, seeks reimbursement for its representation on the LAFCO – in the event it is chosen to sit on the LAFCO – as well as its representation on the independent special district selection committee, a committee consisting of representatives from all independent special districts in the county established to choose the independent special districts that would be represented on the LAFCO.

Staff finds that the test claim statutes require two special districts to be represented on the Sacramento County LAFCO. However, there is no evidence in the record that such activities impose "costs mandated by the state" pursuant to Government Code section 17514 and

article XIII B, section 6. Thus, any such activities do not impose a reimbursable, state-mandated program. With regard to the independent special district selection committee, staff finds that since the section of the Government Code which sets forth the requirements for the committee that selects the independent special districts for the LAFCO – Government Code section 56332 – was not pled in the test claim, the Commission does not have jurisdiction to make any findings with regard to that provision.

Claimant also seeks reimbursement for its share of the funding of the Sacramento County LAFCO as required by the test claim statutes. However, staff finds that such costs are not reimbursable because the provision neither mandates any activities nor imposes a “cost shift” from the *state* to local agencies pursuant to *Lucia Mar Unified School Dist.* or article XIII B, section 6, subdivision (c) (Proposition 1A), as enacted by the voters on November 2, 2004. Instead, the cost shift is from the *county* to the districts, since counties have been required to provide the entire budget for LAFCOs since 1963.

Finally, claimant seeks reimbursement for gathering and providing information to the LAFCO for sphere of influence reviews and municipal service reviews, pursuant to statute and Municipal Service Review Guidelines and Appendices adopted by the Office of Planning and Research (OPR). Staff finds that only one statutory provision, Government Code section 56425, subdivision (h), constitutes a state-mandated “new program or higher level of service” in an existing program: special districts shall be required by the LAFCO to file written statements with the LAFCO specifying the functions or classes of service provided by those districts as required by the LAFCO when undertaking specified sphere of influence reviews. All other activities claimed for sphere of influence reviews or municipal service reviews are either required of the *LAFCO* and *not* special districts, or the activities are *not mandated* since the Municipal Service Review Guidelines and Appendices do not constitute executive orders.

### **Conclusion**

Staff finds that Government Code section 56425, subdivision (h)(1) (subsequently renumbered to subdivision (i)(1)), constitutes a reimbursable state-mandated program within the meaning of article XIII B, section 6, and Government Code section 17514, in that it requires independent special districts to file written statements with the LAFCO specifying the functions or classes of service provided by those districts, for the following time periods and types of spheres of influence:

- July 1, 2001 through December 31, 2001 – when a LAFCO adopts or updates any sphere of influence or sphere of influence that includes a special district.
- On and after January 1, 2002 – when a LAFCO adopts or updates a sphere of influence for a special district.

Only those independent special districts that are subject to the tax and spend limitations of article XIII A and article XIII B are eligible claimants.

Staff concludes that Government Code section 56001 declares legislative findings and is helpful to interpret the test claim statutes, but does not mandate any activities. Staff further concludes that Government Code sections 56326.5, 56381, 56381.6, 56425 (except subdivision (h)(1), subsequently renumbered to subdivision (i)(1)), 56426.5, and 56430, and the Municipal Service Review Guidelines and Appendices developed by OPR, as pled, along with any other test claim statutes, alleged executive orders, guidelines and allegations not

specifically approved above, do not mandate a new program or higher level of service subject to article XIII B, section 6.

**Recommendation**

Staff recommends the Commission adopt this analysis to partially approve this test claim.

## STAFF ANALYSIS

### Claimant

Sacramento Metropolitan Fire District

### Chronology

05/29/03 Sacramento Metropolitan Fire District filed test claim with the Commission on State Mandates ("Commission")<sup>1</sup>

06/19/03 Commission staff deemed the test claim complete

07/07/03 The Department of Finance requested an extension of time to file comments on the test claim

07/08/03 Commission staff approved extension of time, to August 18, 2003, to file comments on the test claim

07/18/03 The Department of Finance submitted comments on test claim to the Commission

09/25/03 Sacramento Metropolitan Fire District submitted rebuttal comments to the Department of Finance comments on the test claim to the Commission

06/28/07 Commission staff issued draft staff analysis

07/24/07 The Department of Finance submitted comments on the test claim to the Commission

07/25/07 Sacramento Metropolitan Fire District requested an extension of time to file comments on the draft staff analysis

07/25/07 Commission staff approved extension of time, to August 9, 2007, to file comments on the draft staff analysis

08/09/07 Sacramento Metropolitan Fire District filed comments on the draft staff analysis with the Commission

09/17/07 Commission staff issued the final staff analysis

### Background

This test claim addresses representation on the Sacramento County Local Agency Formation Commission ("LAFCO"), changes to funding mechanisms for LAFCOs with independent special district representation, and modifications to the process for LAFCOs to adopt and update the "sphere of influence"<sup>2</sup> for each local government agency within a county.

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<sup>1</sup> The reimbursement period for this test claim begins July 1, 2001.

<sup>2</sup> "Sphere of influence" means a plan for the probable physical boundaries and service area of a local agency, as determined by the LAFCO. (Gov. Code § 56076.)

### Historical Development of LAFCOs

In light of competing urban, social and economic interests affected by land annexation, and “[a]fter years of failure to cope with these problems to any meaningful extent . . . , the Legislature finally acknowledged ‘the need for a supra-local agency to intervene in boundary decisions’ affecting local governments, and, in 1963, established a LAFCO in each [California] county to serve this purpose.”<sup>3,4</sup> Thus, LAFCOs are statutorily-created administrative bodies which make quasi-legislative determinations<sup>5</sup> regarding formation and development of local agencies.<sup>6</sup> The courts have referred to LAFCOs as the Legislature’s “watchdogs” over local boundaries.<sup>7</sup>

The LAFCOs’ purposes have evolved over the years, and in 1985, the laws governing local boundary changes were consolidated into the Cortese-Knox Local Government Reorganization Act (“Cortese-Knox Act”),<sup>8</sup> which provided the “sole and exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts.”<sup>9</sup> The Cortese-Knox Act stated the following purposes for LAFCOs:

Among the purposes of a [LAFCO] are the discouragement of urban sprawl and the encouragement of the orderly formation and development of local agencies based upon local conditions and circumstances. One of the objects of the [LAFCO] is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities.<sup>10</sup>

The Cortese-Knox Act charged LAFCOs with a variety of powers and duties, including but not limited to: reviewing proposals for changes of organization or reorganization;<sup>11</sup> approving annexation of unincorporated, noncontiguous territory in certain instances;<sup>12</sup> adopting written procedures, regulations and standards;<sup>13</sup> and developing, determining, adopting and

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<sup>3</sup> *Tillie Lewis Foods, Inc. v. City of Pittsburg (Tillie Lewis)* (1975) 52 Cal.App.3d 983, 995.

<sup>4</sup> Statutes 1963, chapter 1808.

<sup>5</sup> *Sierra Club v. San Joaquin Local Agency Formation Commission* (1999) 21 Cal.4<sup>th</sup> 489, 495.

<sup>6</sup> Government Code section 56301.

<sup>7</sup> *Tillie Lewis, supra*, 52 Cal.App.3d 983, 1005.

<sup>8</sup> Statutes 1985, chapter 541; Government Code sections 56000 et seq.

<sup>9</sup> Government Code section 56100.

<sup>10</sup> Government Code section 56301, as enacted by Statutes 1985, chapter 541.

<sup>11</sup> Government Code section 56375, subdivision (a).

<sup>12</sup> Government Code section 56375, subdivision (e), subsequently renumbered to subdivision (d).

<sup>13</sup> Government Code section 56375, subdivisions (i), (j), and (k), subsequently renumbered to subdivisions (g), (h), and (i).

periodically updating the sphere of influence of each local governmental agency within the county.<sup>14</sup>

By June 30, 1985, each LAFCO was required to adopt a sphere of influence for each local governmental agency within its jurisdiction,<sup>15</sup> in order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies.<sup>16</sup> In determining the sphere of influence of each local agency, the LAFCO was required to consider and prepare a written statement of its determination with respect to the following points:

- 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 which the agency provides or is authorized to provide.
- 4) The existence of any social or economic communities of interest in the area if the LAFCO determines that they are relevant to the agency.<sup>17</sup>

LAFCOs were originally established with representatives from the county, cities in the county and the general public,<sup>18</sup> with the option of adding independent special districts.<sup>19</sup> The term of office for each member is generally four years, but if independent special districts are added to the LAFCO, the first term of one of those members is only two years.<sup>20</sup> The body who originally appointed any member whose term has expired appoints his or her successor for a full term of four years, and any member may be removed at any time and without cause by the body appointing that member.<sup>21</sup> The expiration date of all terms of office is the first Monday in May in the year the term expires; vacancies in the membership are required to be filled for the unexpired term by appointment by the body originally appointing the member.<sup>22</sup> Provision is also made for appointing alternate members in each category, who are allowed to serve and vote in place of their member who is absent or disqualifies himself or herself from participating in a meeting of the LAFCO, and to fill vacancies in unexpired terms until a new member is appointed.<sup>23</sup>

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<sup>14</sup> Government Code section 56425.

<sup>15</sup> Government Code section 56426.

<sup>16</sup> Government Code sections 56076 and 56425.

<sup>17</sup> *Ibid.*

<sup>18</sup> Former Government Code section 54780, repealed and renumbered to Government Code section 56325. (Stats. 1985, ch. 541.)

<sup>19</sup> Government Code section 56332, subdivision (a), as enacted by Statutes 1985, chapter 541.

<sup>20</sup> Government Code section 56334.

<sup>21</sup> *Ibid.*

<sup>22</sup> *Ibid.*

<sup>23</sup> Government Code sections 56325, 56331, 56331.3, 56332 and 56335.



LAFCO members and alternates are reimbursed for the actual amount of their reasonable and necessary expenses incurred in attending meetings and in performing the duties of their office and the LAFCO may authorize per diem payments to members or alternates for each day of attendance of LAFCO meetings.<sup>24</sup>

Any county having or choosing to have independent special district representation on the LAFCO is required to establish an independent special district selection committee to choose such members, which must consist of the presiding officer of the legislative body of each independent special district.<sup>25</sup> Meetings of the independent special district selection committee are required *only* when a vacancy of an independent special district member on the LAFCO occurs,<sup>26</sup> or when requested by one or more members of the selection committee representing 10 percent or more of the assessed value of taxable property within the county.<sup>27</sup> Where such meetings are not feasible, the executive officer of the committee may conduct the business of the committee in writing.<sup>28</sup>

LAFCOs are authorized to charge fees for the cost of specified proceedings undertaken by the LAFCO,<sup>29</sup> and funding and facilities for LAFCOs have historically been provided by the county served.<sup>30</sup>

In recognition of the fact that nearly 35 years had passed since a thorough investigation of the policies, practices, and statutes affecting the organization and boundaries of California's local agencies had been conducted, in 1997 the Legislature created the Commission on Local Governance for the 21<sup>st</sup> Century.<sup>31</sup> The 21<sup>st</sup> Century Commission, as it came to be known, was charged with reviewing current statutes regarding policies, criteria, procedures and precedents for city, county and special district boundary changes, to solicit the views and advice of the public, to propose criteria to increase citizen and community participation in city, county, and special district governments consistent with federal law, and to recommend any appropriate statutory changes.<sup>32</sup>

On January 20, 2000, after extensive hearings and deliberation, the 21<sup>st</sup> Century Commission released its final report, entitled *Growth Within Bounds*. The report made the following recommendations:

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<sup>24</sup> *Ibid.*

<sup>25</sup> Government Code section 56332, subdivision (a), as enacted by Statutes 1985, chapter 541.

<sup>26</sup> Government Code section 56332, subdivision (c)(1), as enacted by Statutes 1985, chapter 541, subsequently renumbered to subdivision (b)(1).

<sup>27</sup> Government Code section 56332, subdivision (c)(2), as enacted by Statutes 1985, chapter 541, subsequently renumbered to subdivision (b)(2).

<sup>28</sup> Government Code section 56332, subdivision (d), as enacted by Statutes 1985, chapter 541, subsequently renumbered to subdivision (c).

<sup>29</sup> Government Code section 56383.

<sup>30</sup> Government Code section 56381, as enacted by Statutes 1985, chapter 541.

<sup>31</sup> AB 1484 (Hertzberg), Statutes 1997, chapter 943.

<sup>32</sup> Government Code section 56302, subdivision (c), as enacted by Statutes 1997, chapter 943.

1. LAFCO policies and procedures should be streamlined.
2. LAFCOs should be neutral, independent, and provide balanced representation for counties, cities and special districts, with funding provided from each of those categories.
3. LAFCO powers should be strengthened to prevent sprawl and ensure the orderly extension of government services.
4. Policies to protect agricultural and open space lands and other resources should be strengthened.
5. The state-local fiscal relationship should be comprehensively revised.
6. The state should develop incentives to encourage compatibility and coordination of plans and actions of all local agencies, including school districts, within each region as a way to encourage an integrated approach to public service delivery and improve overall governance.
7. Communication, coordination, and procedures of LAFCOs and local governments should be enhanced to promote government efficiency.
8. Opportunities for public involvement, active participation, and information regarding government decision-making should be increased.

The Legislature responded by enacting many of the 21<sup>st</sup> Century Commission's recommendations into the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.<sup>33</sup> The act expands the purposes of the LAFCO to include preserving open space and agricultural lands, efficiently providing government services, and, when formation of a new government entity is proposed, making a determination as to whether existing agencies can feasibly provide the needed services in a more efficient and accountable manner.<sup>34</sup>

*This Test Claim is Limited to the Following Statutes and Alleged Executive Orders*

Sacramento County LAFCO Representation (Stats. 1991, Ch. 439):

- Section 56326.5 was added to the Government Code in 1991 to provide that, for the *Sacramento County LAFCO only*, in addition to the basic representation of five members, — i.e., two county members, two members representing cities in the county, and one general public member<sup>35</sup> — one of the city members must be from the City of Sacramento and two members representing independent special districts in the County must sit on the LAFCO. The record for this legislation indicates that Sacramento County LAFCO, *prior to* the enactment of section 56326.5, chose to include special district representation as authorized by Government Code section 56332.<sup>36</sup> The independent special district selection committee selects the two independent special district members.

<sup>33</sup> AB 2838, Statutes 2000, chapter 761.

<sup>34</sup> Government Code section 56301.

<sup>35</sup> Government Code section 56325, as enacted by Statutes 1985, chapter 541.

<sup>36</sup> Senate Rules Committee, Office of Senate Floor Analyses, Third Reading Analysis for AB 748, June 18, 1991, page 1.

Cortese-Knox-Hertzberg Local Government Reorganization Act (Stats. 2000, Ch. 761):

- The legislative findings and declarations for the Act were amended to include:
  - 1) discouraging urban sprawl; 2) preserving open space and prime agricultural lands; and
  - 3) efficiently extending government services.<sup>37</sup>
- Changes were made in funding for LAFCOs; instead of the existing requirement of being entirely funded by the county, LAFCOs with representation by cities and special districts are now funded by a one-third share each from the county, cities and special districts.<sup>38</sup> The independent special districts' share was apportioned according to each district's revenues for general purpose transactions, as reported in the most recent edition of the "Financial Transactions Concerning Special Districts" published by the State Controller, or by an alternative method approved by a majority of the independent special districts representing a majority of their combined populations.<sup>39</sup>
- The provisions regarding the sphere of influence for each local government agency were changed as follows:
  - The LAFCO shall review and update the sphere of influence *not less than once every five years*;<sup>40</sup>
  - For any sphere of influence or sphere of influence that includes a special district, the LAFCO shall:
    - require existing districts to file written statements specifying functions or classes of service provided;
    - establish the nature, location, and extent of any functions or classes of service provided by existing districts; and
    - determine that, except as otherwise authorized by regulations, no new or different function or class of service shall be provided by any existing district unless approved by the LAFCO.<sup>41</sup> (Emphasis added.)
  - A review and update to the sphere of influence requires LAFCOs to conduct a municipal service review.<sup>42</sup> In conducting a municipal service review, a LAFCO shall prepare a written statement of its determinations with respect to each of the following nine topics:
    1. infrastructure needs or deficiencies;
    2. growth and population projections for the affected area;
    3. financing constraints and opportunities;

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<sup>37</sup> Government Code section 56001.

<sup>38</sup> Government Code section 56381, subdivision (a).

<sup>39</sup> Government Code section 56381, subdivision (b)(1).

<sup>40</sup> Government Code section 56425, subdivision (f).

<sup>41</sup> Government Code section 56425, subdivision (h), as enacted in Statutes 2000, chapter 761, subsequently renumbered to Government Code section 56425, subdivision (i).

<sup>42</sup> Government Code section 56430, subdivision (a).

4. cost avoidance opportunities;
  5. opportunities for rate restructuring;
  6. opportunities for shared facilities;
  7. government structure options, including advantages and disadvantages of consolidation or reorganization of service providers;
  8. evaluation of management efficiencies; and
  9. local accountability and governance.<sup>43</sup>
- o Not later than July 1, 2001, the Governor's Office of Planning and Research (OPR), in consultation with LAFCOs, the California Association of Local Agency Formation Commissions, and other local governments, was required to prepare guidelines for municipal service reviews to be conducted by LAFCOs.<sup>44</sup>

LAFCO Revenues from Independent Special Districts (Stats. 2002. Ch. 493):

- o This statute revised the method for calculating independent special district revenues to be paid to LAFCOs, basing the calculation on nonenterprise revenues and enterprise revenues rather than general purpose transactions.<sup>45</sup> It also capped the share of any one independent special district to 50% of the total independent special districts' share of operating costs.<sup>46</sup> Additionally, revenue relief was provided for health care districts with negative net revenue and for those operating under public entity bankruptcy.<sup>47</sup>

Municipal Service Review Guidelines and Municipal Service Review Appendices Issued by the Governor's Office of Planning and Research (Final Drafts Issued 10/03/02):

- o OPR developed the Guidelines and Appendices as directed by the test claim statutes,<sup>48</sup> which require OPR to prepare *guidelines* rather than regulations. Hence the documents should be considered advisory rather than regulatory.
- o The Guidelines and Appendices describe the statutory framework and requirements of the municipal service review, and provide guidance on:
  1. how the LAFCO, service provider agencies and the public can prepare to most effectively engage in the process;
  2. integrating municipal service reviews with other LAFCO actions, application of the California Environmental Quality Act (CEQA) and federal and state anti-discrimination statutes, and development of the nine statutorily-required determinations;<sup>49</sup> and

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<sup>43</sup> *Ibid.*

<sup>44</sup> Government Code section 56430, subdivision (d).

<sup>45</sup> Government Code section 56381, subdivision (b)(1)(C).

<sup>46</sup> Government Code section 56381, subdivision (b)(1)(F).

<sup>47</sup> Government Code section 56381, subdivision (b)(1)(D).

<sup>48</sup> Government Code section 56430, subdivision (d).

<sup>49</sup> Government Code section 56430.

3. how to draft the final individual municipal service review report and how to ensure adequate public participation opportunities, including statutory meeting requirements.<sup>50</sup>

### **Claimant's Position**

The claimant states that the test claim statutes and executive orders impose a reimbursable state-mandated program within the meaning of article XIII B, section 6 of the California Constitution and Government Code section 17514.

Claimant asserts that the following activities and costs are reimbursable:

1. Time and expense of representing Sacramento Metropolitan Fire District on the Sacramento County LAFCO, if chosen by the independent special district selection committee, pursuant to Government Code section 56326.5.<sup>51</sup>
2. Time and expense of representing Sacramento Metropolitan Fire District on the independent special district selection committee. These activities were mentioned in the narrative section of the test claim, but Government Code section 56332 which governs the independent special district selection committee was not specifically pled by claimant.
3. Costs to fund Sacramento Metropolitan Fire District's share of the operating budget for the Sacramento County LAFCO, pursuant to Government Code sections 56326.5, 56381 and 56381.6, and/or as suggested by the LAFCO Municipal Service Guidelines Appendices, pages 26-27.
4. Time and expense of providing information to the LAFCO when the LAFCO determines a sphere of influence, pursuant to Government Code section 56425, subdivision (g).<sup>52</sup>
5. Pursuant to page 12 of the LAFCO Municipal Service Review Guidelines, time and expense of providing the following information, depending on the type of service provided, to the LAFCO when the LAFCO conducts a municipal service review:<sup>53</sup>

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<sup>50</sup> Municipal Service Review Guidelines, Executive Summary, page 2.

<sup>51</sup> Test claim, page 3; comments by Sacramento Metropolitan Fire District, submitted August 9, 2007, page 2.

<sup>52</sup> So claimed; however, subdivision (g) did not require these activities but subdivision (h) had similar language: "For any sphere of influence or a sphere of influence that includes a special district, the [LAFCO] shall do all of the following: (1) Require existing districts to file written statements with the [LAFCO] specifying the functions or classes of service provided by those districts. (2) Establish the nature, location, and extent of any functions or classes of service provided by existing districts. (3) Determine that, except as otherwise authorized by the regulations, no new or different function or class of service shall be provided by any existing district, except upon approval by the [LAFCO]." (Emphasis added.)

<sup>53</sup> Rather than stating that districts must provide the information, page 12 of the Municipal Service Review Guidelines actually states: "Below is a list of the types of information a service provider [i.e., independent special district] may wish to gather to expedite the municipal service review process. It is not necessary to collect all types of data listed below.

- a list of relevant statutory and regulatory obligations;
  - a copy of the most recent master services plan;
  - a metes and bounds legal description of the agency's boundary;
  - service area maps (to the extent already prepared) including:
    - a service boundary map;
    - a map indicating parcel boundaries (GIS maps may be available from the land use jurisdiction);
    - a vicinity or regional map with provider's boundary, major landmarks, freeways or highways, and adjacent or overlapping service provider boundaries (note: more than one map may need to be prepared to show all data); and
    - maps indicating existing land uses within city or district boundaries and on adjacent properties.
  - applicable excerpts from regional transportation, water, air quality, fair share housing allocation, airport land use, open space or agricultural plans or policies, or other environmental policies or programs;
  - copies of regulatory and operating permits;
  - number of acres or square miles included within the service area;
  - type of sphere or sphere boundaries;
  - assessed valuation;
  - estimate of population within district boundaries;
  - as appropriate, the number of people, households, parcels or units currently receiving service, or the number of service connections;
  - projected growth in service demand or planned new service demand/capacity;
  - special communities of interest or neighborhoods affected by service;
  - capital improvement plans;
  - current service capacity;
  - call volume;
  - response time; and
  - annual operating budget.
6. Pursuant to page 17 of the LAFCO Municipal Service Review Guidelines, time and expense for the LAFCO to prepare a workplan when a LAFCO conducts a municipal service review, which includes the following elements:
- list of services to be reviewed;
  - service providers that will be affected/involved;
  - study area boundaries for the municipal service review;

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Select only those items that are relevant to the type of services under review." Furthermore, on page 13 the Guidelines state: "Don't Reinvent the Wheel Service providers [i.e., independent special districts] may regularly submit reports to a regulatory or financing agency which contain the information LAFCO needs to complete the municipal service review. Use the information in these reports to respond to information requests by LAFCO. ... Early consultation with LAFCO and meaningful input by the service provider can reduce the time and cost to both parties."

- data collection process;
  - public participation process; and
  - public hearing process.
7. Pursuant to Chapter 7, commencing on page 24, of the LAFCO Municipal Service Review Guidelines, time and expense for the LAFCO to prepare an Environmental Impact Report when the municipal services review is considered a “project” which must comply with the California Environmental Quality Act (“CEQA”), and if future land use determinations are to be based on the municipal service review.
  8. Pursuant to Government Code section 56430 and pages 29 through 36 of the LAFCO Municipal Service Review Guidelines, time and expense for the LAFCO when conducting a municipal service review to prepare a written statement of its determinations with respect to each of the following nine issues:
    - infrastructure needs or deficiencies;
    - growth and population projections for the affected area;
    - financing constraints and opportunities;
    - cost avoidance opportunities;
    - opportunities for rate restructuring;
    - opportunities for shared facilities;
    - government structure options, including advantages and disadvantages of consolidation or reorganization of service providers;
    - evaluation of management efficiencies; and
    - local accountability and governance.
  9. Pursuant to page 35 of the Municipal Service Review Guidelines, time and expense of the LAFCO, when conducting a municipal service review and evaluating an agency’s or district’s management efficiencies, to obtain information from the agency or district with respect to the following factors or issues:<sup>54</sup>
    - evaluation of the agency’s capacity to assist with and/or assume services provided by other agencies;
    - evaluation of agency’s spending on mandatory programs;
    - comparison of agency’s mission statement and published customer service goals and objectives;
    - availability of master service plan(s);
    - contingency plans for accommodating existing and planned growth;
    - publicized activities;
    - implementation of continuous improvement plans and strategies for budgeting, managing costs, training and utilizing personnel, and customer service and involvement;
    - personnel policies;

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<sup>54</sup> Leading into the list of factors or issues, the Guidelines actually state: “In evaluating an agency’s management efficiencies, LAFCO may wish to address the following factors in its review: ...”

- availability of resources (fiscal, manpower, equipment, adopted service or work plans) to provide adequate service;
- available technology to conduct an efficient business;
- collection and maintenance of pertinent data necessary to comply with state laws and provide adequate services;
- opportunities for joint powers agreements, Joint Powers Authorities, and/or regional planning opportunities;
- evaluation of agency's system of performance measures;
- capital improvement projects as they pertain to Government Code sections 65401 and 65103, subdivision (c);
- accounting practices;
- maintenance of contingency reserves;
- written policies regarding the accumulation and use of reserves and investment practices;
- impact of agency's policies and practices on environmental objectives and affordable housing;
- environment and safety compliance; and
- current litigation and/or grand jury inquiry involving the service under LAFCO review.

10. Pursuant to Government Code section 56820.5<sup>55</sup> and the LAFCO Municipal Service Review Guidelines Appendices, time and expense of the Sacramento Metropolitan Fire District to provide information regarding the municipal service review required under regulations adopted by the LAFCO. This provision was mentioned in the narrative but was not specifically pled by claimant.

11. Costs paid to the LAFCO for reviewing the District's component of a municipal service review.

Claimant estimates the following costs to implement the program: 1) \$20,000 - \$30,000 for claimant's portion of the annual LAFCO budget for the period January 1, 2001 through December 31, 2001; 2) \$50,000 - \$80,000 for claimant's portion of the annual LAFCO budget for the period of January 1, 2002 and beyond; 3) in excess of \$20,000 to provide to the LAFCO the information required for a municipal service review; and 4) \$5,000 to the LAFCO for its review of claimant's component of the municipal service review.

Claimant filed additional comments in response to the Department of Finance's comments and the draft staff analysis, which are addressed, as necessary, in the analysis.

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<sup>55</sup> Government Code section 56820.5, renumbered from Government Code section 56451 in Statutes 2000, chapter 761.



## Position of Department of Finance

The Department of Finance states that the test claim statutes may have resulted in costs mandated by the state, but points out the following:

- A special district may lawfully decline to sit as a member of its LAFCO.
- Although LAFCO independent special district selection committee membership is required by law, special districts are not required to participate in the committee's activities; many are members in name only.
- LAFCOs have existing statutory fee authority that may be used to cover their operating costs. To the extent that LAFCOs elect to make use of this authority, LAFCO members would be relieved of the need to contribute toward the LAFCO's annual budget.
- LAFCOs have had statutory authority to require information of local agencies since 1965.
- OPR's Municipal Service Review Guidelines and Appendices do not carry the force of law.

The Department filed additional comments concurring with the draft staff analysis.

## Discussion

The courts have found that article XIII B, section 6 of the California Constitution<sup>56</sup> recognizes the state constitutional restrictions on the powers of local government to tax and spend.<sup>57</sup> "Its purpose is to preclude the state from shifting financial responsibility for carrying out governmental functions to local agencies, which are 'ill equipped' to assume increased financial responsibilities because of the taxing and spending limitations that articles XIII A and XIII B impose."<sup>58</sup>

A test claim statute or executive order may impose a reimbursable state-mandated program if it orders or commands a local agency or school district to engage in an activity or task.<sup>59</sup> In

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<sup>56</sup> Article XIII B, section 6, subdivision (a), (as amended by Proposition 1A in November 2004) provides: "Whenever the Legislature or any state agency mandates a new program or higher level of service on any local government, the State shall provide a subvention of funds to reimburse that local government for the costs of the program or increased level of service, except that the Legislature may, but need not, provide a subvention of funds for the following mandates: (1) Legislative mandates requested by the local agency affected. (2) Legislation defining a new crime or changing an existing definition of a crime. (3) Legislative mandates enacted prior to January 1, 1975, or executive orders or regulations initially implementing legislation enacted prior to January 1, 1975."

<sup>57</sup> *Department of Finance v. Commission on State Mandates (Kern High School Dist.)* (2003) 30 Cal.4th 727, 735.

<sup>58</sup> *County of San Diego v. State of California (County of San Diego)* (1997) 15 Cal.4th 68, 81.

<sup>59</sup> *Long Beach Unified School Dist. v. State of California* (1990) 225 Cal.App.3d 155, 174.

addition, the required activity or task must be new, constituting a “new program,” or it must create a “higher level of service” over the previously required level of service.<sup>60</sup>

The courts have defined a “program” subject to article XIII B, section 6, of the California Constitution, as one that carries out the governmental function of providing public services, or a law that imposes unique requirements on local agencies or school districts to implement a state policy, but does not apply generally to all residents and entities in the state.<sup>61</sup> To determine if the program is new or imposes a higher level of service, the test claim requirements must be compared with the legal requirements in effect immediately before the enactment of the test claim statutes.<sup>62</sup> A “higher level of service” occurs when there is “an increase in the actual level or quality of governmental services provided.”<sup>63</sup>

Finally, the newly required activity or increased level of service must impose costs mandated by the state.<sup>64</sup>

The Commission is vested with exclusive authority to adjudicate disputes over the existence of state-mandated programs within the meaning of article XIII B, section 6.<sup>65</sup> In making its decisions, the Commission must strictly construe article XIII B, section 6 and not apply it as an “equitable remedy to cure the perceived unfairness resulting from political decisions on funding priorities.”<sup>66</sup>

The analysis addresses the following issues:

- Which independent special districts are eligible claimants under article XIII B, section 6 of the California Constitution?
- Do the test claim statutes or alleged executive orders mandate a “new program or higher level of service” within the meaning of article XIII B, section 6 of the California Constitution?

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<sup>60</sup> *San Diego Unified School Dist. v. Commission on State Mandates* (2004) 33 Cal.4th 859, 878 (*San Diego Unified School Dist.*); *Lucia Mar Unified School District v. Honig* (1988) 44 Cal.3d 830, 835-836 (*Lucia Mar*).

<sup>61</sup> *San Diego Unified School Dist.*, *supra*, 33 Cal.4th 859, 874, (reaffirming the test set out in *County of Los Angeles v. State of California* (1987) 43 Cal.3d 46, 56 (*County of Los Angeles*); *Lucia Mar*, *supra*, 44 Cal.3d 830, 835).

<sup>62</sup> *San Diego Unified School Dist.*, *supra*, 33 Cal.4th 859, 878; *Lucia Mar*, *supra*, 44 Cal.3d 830, 835.

<sup>63</sup> *San Diego Unified School Dist.*, *supra*, 33 Cal.4th 859, 877.

<sup>64</sup> *County of Fresno v. State of California* (1991) 53 Cal.3d 482, 487; *County of Sonoma v. Commission on State Mandates* (2000) 84 Cal.App.4th 1265, 1284 (*County of Sonoma*); Government Code sections 17514 and 17556.

<sup>65</sup> *Kinlaw v. State of California* (1991) 54 Cal.3d 326, 331-334; Government Code sections 17551, 17552.

<sup>66</sup> *County of Sonoma*, *supra*, 84 Cal.App.4th 1264, 1280, citing *City of San Jose v. State of California* (1996) 45 Cal.App.4th 1802, 1817 (*City of San Jose*).

- Do Government Code sections 56326.5, subdivision (d), and 56425, subdivision (h)(1), impose “costs mandated by the state” within the meaning of article XIII B, section 6 of the California Constitution and Government Code section 17514?

**Issue 1: Which independent special districts are eligible claimants under article XIII B, section 6 of the California Constitution?**

Not all independent special districts are subject to article XIII B, section 6. Article XIII B, section 6 was adopted in recognition of the state constitutional restrictions on the powers of local government to tax and spend, and requires a subvention of funds to reimburse local agencies when the state imposes a new program or higher level of service upon those agencies. The Third District Court of Appeal in *County of Placer v. Corin* (1980) 113 Cal.App.3d 443 explained the reasoning behind Article XIII B as follows:

Article XIII B was adopted less than 18 months after the addition of article XIII A to the state Constitution, and was billed as “the next logical step to Proposition 13” [article XIII A]. While article XIII A was generally aimed at controlling ad valorem property taxes and the imposition of new “special taxes” [citations], the thrust of article XIII B is toward placing certain limitations on the growth of appropriations at both the state and local government level ...<sup>67</sup>

The court further described this concept:

[A]rticle XIII B does not limit the ability to expend government funds collected from all sources. Rather, the appropriations limit is based on “appropriations subject to limitation,” which consists primarily of the authorization to expend during a fiscal year the “proceeds of taxes.” (§ 8, subd. (a).) As to local governments, limits are placed only on the authorization to expend the proceeds of taxes levied by that entity, in addition to the proceeds of state subventions (§ 8, subd. (c)); no limitation is placed on the expenditure of those revenues that do not constitute “proceeds of taxes.”<sup>68</sup>

Thus, since taxing and spending limitations are placed only on the proceeds of taxes, “[n]o state duty of subvention is triggered where the local agency is not required [by the test claim statutes] to expend the proceeds of taxes.”<sup>69</sup> Section 9 of Article XIII B sets forth specific circumstances wherein the costs in question *are not* “appropriations subject to limitation,” and therefore subvention is not required. One such exclusion to the limitation is found in subdivision (c), which applies to special districts:

Appropriations of any special district which existed on January 1, 1978, and which did not as of the 1977-78 fiscal year levy an ad valorem tax on property in excess of 12 ½ cents per \$100 of assessed value; or the

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<sup>67</sup> *County of Placer, supra*, 113 Cal.App.3d 443, 446.

<sup>68</sup> *Id.* at 447.

<sup>69</sup> *Redevelopment Agency of the City of San Marcos v. Commission on State Mandates* (1997) 55 Cal.App.4<sup>th</sup> 976, 987.

appropriations of any special district then existing or thereafter created by a vote of the people, which is totally funded by other than the proceeds of taxes.

The claimant, Sacramento Metropolitan Fire District, is a special district that was formed by reorganization of the Sacramento County Fire District and the American River Fire District on December 1, 2000.<sup>70</sup> Therefore, the district did not exist on January 1, 1978 and its appropriations do not meet the first criteria that excludes their appropriations from the spending limit of article XIII B.

The claimant's revenues consist of, among other things, property taxes, fines, and fees for services.<sup>71</sup> Thus, the claimant is not a district "which is totally funded by other than the proceeds of taxes" and its appropriations do not meet the second criteria. Consequently, the article XIII B, section 9, subdivision (c), exclusion to the appropriations limit is not applicable to the appropriations of Sacramento Metropolitan Fire District. The District is therefore an eligible claimant within the meaning of article XIII B, section 6.

For any other independent special district in California to be an eligible claimant under this test claim, that district must be subject to the tax and spend limitations of article XIII A and article XIII B, and *not* subject to the appropriations limit exclusions in article XIII B, section 9, subdivision (c).

**Issue 2: Do the test claim statutes or alleged executive orders mandate a "new program or higher level of service" within the meaning of article XIII B, section 6 of the California Constitution?**

Courts have recognized the purpose of article XIII B, section 6 is "to preclude the state from shifting financial responsibility for carrying out governmental functions to local agencies, which are 'ill-equipped' to assume increased financial responsibilities because of the taxing and spending limitations that articles XIII A and XIII B impose."<sup>72</sup> The cases have held that a test claim statute may impose a reimbursable state-mandated program in two ways.

First is where the test claim statute orders or commands a local agency or school district to engage in an activity or task,<sup>73</sup> and the required activity or task is new, constituting a "new program," or creates a "higher level of service" over the previously required level of service.<sup>74</sup>

Second, in light of the intent of article XIII B, section 6, a reimbursable state-mandated program has been found to exist in some instances when the state shifts fiscal responsibility for a mandated program to local agencies but no actual activities have been imposed by the test claim statute or executive order.<sup>75</sup> Additionally, as of November 3, 2004, article XIII B,

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<sup>70</sup> *Department History*, <http://www.smfd.ca.gov/>.

<sup>71</sup> Sacramento Metropolitan Fire District, Final Budget for Fiscal Year 2007, page A-29.

<sup>72</sup> *County of San Diego*, *supra*, 15 Cal. 4<sup>th</sup> 68, 81 (citing *Lucia Mar*, *supra*, 44 Cal.3d 830).

<sup>73</sup> *Long Beach*, *supra*, 225 Cal.App.3d 155, 174.

<sup>74</sup> *San Diego Unified School Dist.*, *supra*, 33 Cal.4th 859, 878; *Lucia Mar*, *supra*, 44 Cal.3d 830, 835-836.

<sup>75</sup> *Lucia Mar*, *supra*, 44 Cal.3d 830, 836.

section 6, subdivision (c), of the California Constitution defines a “mandated new program or higher level of service” as including “a transfer by the Legislature from the State to cities, counties, cities and counties, or special districts of complete or partial financial responsibility for a required program for which the State previously had complete or partial financial responsibility.”<sup>76</sup>

Thus, a mandated “new program or higher level of service” may be found under either circumstance cited above, that is, where the test claim statutes mandate *activities* that are new in comparison to the preexisting scheme that result in providing a service to the public, *or* where the state shifts from itself to local agencies the *cost* for a required program but no activities are imposed.

Claimant is seeking reimbursement for the following:

1. time and expense of representing Sacramento Metropolitan Fire District on the Sacramento LAFCO, if that district is chosen by the independent special district selection committee;
2. time and expense of representing Sacramento Metropolitan Fire District on the independent special district selection committee;
3. costs for the Sacramento Metropolitan Fire District to fund its share of the operating budget for the Sacramento LAFCO;
4. time and expense of providing information to the LAFCO when the LAFCO determines a sphere of influence;
5. time and expense of providing information to the LAFCO when the LAFCO conducts a municipal service review;
6. time and expense for the LAFCO to prepare a workplan when the LAFCO conducts a municipal service review;
7. when the municipal service review is considered a “project” under the California Environmental Quality Act, time and expense for the LAFCO to prepare an Environmental Impact Report;
8. when the LAFCO conducts a municipal service review, the LAFCO shall prepare a written statement with regard to nine specified issues;
9. when the LAFCO conducts a municipal service review and the LAFCO is evaluating an agency’s or district’s management efficiencies, time and expense for the LAFCO to obtain specified information from the agency or district;
10. time and expense of providing information required under regulations adopted by the LAFCO and by the Municipal Service Review Guidelines Appendices; and
11. costs paid to the LAFCO for reviewing the District’s component of a municipal service review.

In the analysis below, the alternative tests for a “new program or higher level of service” are applied as appropriate to the test claim statutes and to the items identified by claimant.

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<sup>76</sup> Enacted by the voters as Proposition 1A, November 2, 2004.

However, any activities of the *LAFCO itself* are not addressed since LAFCOs are not represented in this claim; instead, the claimant is an independent special district and represents only independent special districts in the claim.

Legislative Findings and Declarations (Gov. Code, § 56001)

Government Code section 56001 sets forth the legislative findings and declarations with regard to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. This section is helpful in understanding the purposes for LAFCOs and the scope of LAFCO operations, but does not mandate any activities on local agencies in California. Therefore, Government Code section 56001 does not mandate a “new program or higher level of service” on independent special districts.

Representation on LAFCO and Independent Special District Selection Committee in Sacramento County (Gov. Code, § 56326.5, subd. (d))

The Government Code sets forth provisions for the composition and selection of members of LAFCOs. There are general provisions for most counties,<sup>77</sup> and some counties have specific statutory provisions for the composition of their LAFCOs.<sup>78</sup> The test claim statute pled by the claimant, section 56326.5, enacted in 1991, specifies the composition of the Sacramento County LAFCO. The analysis is limited to subdivision (d) of that section, since it is the only subdivision dealing with independent special districts.

For this test claim statute, the question is whether subdivision (d) mandates new activities that constitute a “new program or higher level of service” over an existing program. For the reasons stated below, staff finds that representation by two independent special districts on the Sacramento County LAFCO, selected by the independent special district selection committee pursuant to section 56332, mandates a “new program or higher level of service” on those independent special districts that serve on the LAFCO.

Staff further finds that since the section of the Government Code which sets forth the requirements for the committee that selects the independent special districts for the LAFCO – Government Code section 56332 – was not pled in the test claim, the Commission does not have jurisdiction to make any findings with regard to that provision.<sup>79</sup>

Prior to the test claim statute, Sacramento County was governed by Government Code section 56325 which provided that the LAFCO shall consist of five or seven members, seven if there was special district representation. The addition of special districts to LAFCOs pursuant to that section was *voluntary* on the part of the LAFCO.<sup>80</sup>

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<sup>77</sup> Government Code section 56325.

<sup>78</sup> Counties with LAFCO membership and selection criteria set forth in *special* provisions of the Government Code: Kern County (section 56328.5), Los Angeles County (section 56326), Sacramento County (56326.5), Santa Clara County (sections 56327 and 56327.3), and San Diego County (section 56328).

<sup>79</sup> Nor did claimant plead any costs associated with section 56332.

<sup>80</sup> Government Code section 56332, as enacted by Statutes 1985, chapter 541.

Because of the test claim statute enacted in 1991, Sacramento County is now one of the counties with a statutory provision setting forth a more specific composition of members on its LAFCO. Government Code section 56326.5, as added by the test claim statute in 1991, states:

In Sacramento County, the [LAFCO] *shall consist of seven members*, selected as follows:

- (a) Two representing the county, appointed by the board of supervisors from their own membership. ...
- (b) One representing the City of Sacramento who is a member of the city council, appointed by the mayor and confirmed by the city council. ...
- (c) One representing the cities in the county, who is a city officer appointed by the city selection committee. ...
- (d) *Two representing special districts selected by an independent special district selection committee pursuant to Section 56332. ...*<sup>81</sup>
- (e) One representing the general public, appointed by the other six members of the [LAFCO]. ... (Emphasis added.)

The plain language of subdivision (d) *requires* two members representing independent special districts in Sacramento County, selected by the independent special district selection committee pursuant to Government Code section 56332, to sit on the Sacramento County LAFCO. In Sacramento County there are 66 independent special districts eligible to be represented on the LAFCO.<sup>82</sup> However, there is no other requirement specifying a *particular* independent special district is required to sit on the Sacramento County LAFCO.

Claimant argues that choosing the district via the independent special district selection committee is merely a mechanism by which the members are selected.<sup>83</sup> “[A]nd, use of this mechanism does not change the mandatory language of the statute that ensures that two special districts must be members of the LAFCO.”<sup>84</sup>

The Department of Finance states that, in the event a district is chosen by the selection committee, “[a] district may lawfully decline to sit as a member of its LAFCO.”<sup>85</sup> In response, claimant argues that “[e]ven if each district in turn makes the voluntary decision not to participate, eventually some district will be forced to become a member,” which amounts to legal compulsion.<sup>86</sup>

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<sup>81</sup> This subdivision was amended by Statutes 2000, chapter 761, pled in the test claim, to state: “(d) Two presiding officers or members of legislative bodies of independent special districts selected by an independent special district selection committee pursuant to Section 56332.”

<sup>82</sup> <http://www.saclafco.org/>.

<sup>83</sup> Comments by Sacramento Metropolitan Fire District, submitted August 9, 2007, page 2.

<sup>84</sup> *Ibid.*

<sup>85</sup> Letter from Connie Squires, Program Budget Manager, Department of Finance, submitted July 18, 2003, page 2.

<sup>86</sup> Comments by Sacramento Metropolitan Fire District, submitted August 9, 2007, page 2.

Staff finds that section 56326.5, subdivision (d), constitutes a state mandate. Since the independent special district selection committee selects the members, there is discretion at the local level as to which independent special districts will be selected to serve on the LAFCO. And there are no statutory requirements stating that a chosen independent special district must actually sit as a member of the LAFCO or participate in LAFCO proceedings. Nevertheless, staff finds the plain language of the test claim statute legally compels two independent special districts in Sacramento County to be represented on the LAFCO, regardless of which two are selected.

The legislative history for Statutes 1991, chapter 439, indicates that the Sacramento County LAFCO chose to add independent special district representatives<sup>87</sup> prior to enactment of the test claim statute.<sup>88</sup> However, Government Code section 17565 addresses this issue:

If a local agency or a school district, at its option, has been incurring costs which are subsequently mandated by the state, the state shall reimburse the local agency or school district for those costs incurred after the operative date of the mandate.

Thus, the prior voluntary action of the Sacramento County LAFCO to include independent special district representation on its LAFCO does not preclude a state-mandate finding for the activity.

Moreover, the new requirement of having independent special district representation on the Sacramento LAFCO provides an enhanced service to the public by improving the process for ensuring orderly growth and development in Sacramento County, efficiently extending governmental services and ensuring fair representation of special districts in those processes.<sup>89</sup> Therefore, this activity mandates a "new program or higher level of service" within the meaning of article XIII B, section 6 of the California Constitution.

Therefore, staff finds that Government Code section 56326.5, subdivision (d), requiring two representatives of independent special districts to be Sacramento County LAFCO members, mandates a "new program or higher level of service" within the meaning of article XIII B, section 6 of the California Constitution.

*Independent Special Districts' Costs to Fund LAFCOs (Gov. Code, §§ 56381 and 56381.6)*

Government Code section 56381, subdivision (b)(1)(A), as added by Statutes 2000, chapter 761, provides that in counties in which there is a city and independent special district representation on the LAFCO, the county, cities, and independent special districts are required to pay a one-third share of the LAFCO's operational costs.<sup>90</sup> Section 56381.6 establishes how those costs are apportioned among classes of public agencies for certain LAFCOs, including

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<sup>87</sup> Pursuant to Government Code section 56332, which establishes the independent special district selection committee and sets forth its operating procedures.

<sup>88</sup> Senate Rules Committee, Office of Senate Floor Analyses, Third Reading Analysis for AB 748, June 18, 1991, page 1.

<sup>89</sup> Government Code sections 56001, 56301 and 56326.5.

<sup>90</sup> If the county has no cities, then the county and independent special districts each pay a one-half share of the LAFCO's budget. (Gov. Code, § 56381, subd. (b)(3).)



the Sacramento County LAFCO, but allows for an alternative cost apportionment by the affected LAFCOs.

Staff finds that LAFCOs with independent special district representation pursuant to their discretionary authority in Government Code sections 56325, 56332, and 56332.5, have made a discretionary decision to include special districts on the LAFCO. As a consequence, the requirement for districts to pay a proportionate share of costs for funding the LAFCO pursuant to sections 56381 and 56381.6 flows from that initial local discretionary decision and does not impose a state-mandated new program or higher level of service.<sup>91</sup>

Staff further finds that sections 56381 and 56381.6 require independent special districts in counties that are required to have independent special districts on the LAFCO to pay their proportionate share of costs for funding the LAFCO. These are the LAFCOs in Los Angeles County (section 56326), San Diego County (section 56328) and Sacramento County (56326.5).

Staff finds, however, that Government Code sections 56381 and 56381.6 do not mandate a new program or higher level of service on these independent special districts. The plain language of sections 56381 and 56381.6 does not require independent special districts to engage in any activity or task. Moreover, as described below these statutes do not shift fiscal responsibility from the *state* to independent special districts.

In the case of *Lucia Mar*, the Supreme Court recognized that a “new program or higher level of service” within the meaning of article XIII B, section 6 could include a shift in costs from the state to a local entity for a required program.<sup>92</sup> As of November 3, 2004, Article XIII B, section 6, subdivision (c), also requires reimbursement when the Legislature transfers from the state to local agencies “complete or partial financial responsibility for a required program for which the State previously had complete or partial financial responsibility.”

However, the cost shift here is not from the *state* to the districts but from the *county* to the districts. Since 1963, prior to adoption of article XIII B, section 6, counties have been responsible for providing the entire budget for LAFCOs.<sup>93</sup> The Sixth District Court of Appeal in *City of San Jose v. State of California* (1996) 45 Cal.App.4<sup>th</sup> 1802, specifically addressed the issue of a cost shift among local agencies. In that case, the test claim statutes authorized counties to charge cities and other local agencies the costs of booking into county jails persons who had been arrested by employees of the cities or local agencies.<sup>94</sup> The court rejected the City’s reliance on the holding of *Lucia Mar*, stating:

The flaw in City’s reliance on Lucia Mar is that in our case the shift in funding is not from the State to the local entity but from county to city. In Lucia Mar, prior to the enactment of the statute in question, the program was funded and operated entirely by the state. Here, however, at the time

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<sup>91</sup> *Kern High School Dist.*, *supra*, 30 Cal.4<sup>th</sup> 727, 743 (citing *City of Merced*, *supra*, 153 Cal.App.3d 777).

<sup>92</sup> *Lucia Mar*, *supra*, 44 Cal.3d 830, 836.

<sup>93</sup> Former Government Code sections 54771 (Stats. 1963, ch.1810), 54776 (Stats. 1965, ch.587), and 54776.1 (Stats. 1969, ch. 1301).

<sup>94</sup> *City of San Jose*, *supra*, 45 Cal.App.4<sup>th</sup> 1802, 1806.

[the test claim statute] was enacted, and indeed long before that statute, the financial and administrative responsibility associated with the operation of county jails and detention of prisoners was borne entirely by the county.<sup>95</sup>

The City of San Jose also unsuccessfully argued that, although counties have traditionally borne those expenses, “they do so only in their role as agents of the State.”<sup>96</sup> However, the court noted that characterizing the county as an agent of the state “is not supported by recent case authority, nor does it square with definitions particular to subvention analysis.”<sup>97</sup> The court found it relevant to point out that fiscal responsibility for the program in question had long rested with the county and not with the state.<sup>98</sup> In the instant case, counties have similarly had sole fiscal responsibility for LAFCOs since their inception.<sup>99</sup>

With regard to definitions peculiar to subvention analysis, the *San Jose* court stated:

... [I]n analyzing a question involving reimbursement under section 6, the definitions contained in California Constitution, article XIII B and in the legislation enacted to implement it must be deemed controlling. Article XIII B treats cities and counties alike as “local government.” Under section 8, subdivision (d), this term means “any city, county, city and county, school district, special district, authority or other political subdivision of or within the state.” Furthermore, Government Code section 17514 defines “costs mandated by the state” to mean any increased costs that a “local agency” or school district is required to incur. “Local agency” means “any city, county, special district, authority, or other political subdivision of the state.” (Gov. Code § 17518.) Thus for purposes of subvention analysis, it is clear that counties and cities were intended to be treated alike as part of “local government”; both are considered local agencies or political subdivisions of the State. Nothing in article XIII B prohibits the shifting of costs between local governmental entities.<sup>100</sup>

Since the definitions for “local government” in the Constitution and “local agency” in the Government Code also include “special districts,” the same principles apply to special districts. Therefore, a shift of funding from a county to a special district is likewise not subject to state subvention.

Claimant argues that *City of San Jose* is inapplicable in this instance because there is an increased level of service in the LAFCO which did not occur in the funding shift from the

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<sup>95</sup> *Id.* at 1812.

<sup>96</sup> *Id.* at 1814.

<sup>97</sup> *Ibid.*

<sup>98</sup> *Id.* at 1815.

<sup>99</sup> Former Government Code sections 54771 (Stats. 1963, ch.1810), 54776 (Stats. 1965, ch.587), and 54776.1 (Stats. 1969, ch. 1301).

<sup>100</sup> *City of San Jose, supra*, 45 Cal.App.4<sup>th</sup> 1802, 1815.

county to the City of San Jose.<sup>101</sup> Citing background language in the draft staff analysis regarding historical development of LAFCOs, claimant concludes that “the scope and authority of LAFCO has been expanding” and “the members of LAFCO have been providing an increasing higher level of service” which has resulted in new costs.<sup>102</sup> Then claimant argues: “The fact that this higher level of service and associated costs have been spread amongst many new claimants is not relevant. The legislation required a higher level of service and then established the manner in which the costs from the services are to be paid.”<sup>103</sup>

Staff finds claimant’s argument inapposite for this test claim, since the assertion is that actual activities were imposed on the LAFCO, yet the LAFCO is not a claimant here. Only independent special districts are represented in this test claim. Thus, the Commission has no jurisdiction to make any findings with regard to the assertion that a new program or higher level of service was imposed on *LAFCOs*. Moreover, as previously noted, Government Code sections 56381 and 56381.6 do not impose any actual activities on *special districts*. The cases are clear that increasing *costs* of providing services cannot be equated with requiring an increased level of service under a section 6 analysis,<sup>104</sup> and no activities are imposed on special districts in relation to their share of funding the LAFCO.

Thus, the only alternative to finding a new program or higher level of service for affected special districts is under the cost-shift analysis established in *Lucia Mar* and *City of San Jose*, and article XIII B, section 6, subdivision (c). Under this alternative, the test for determining whether a new program or higher level of service was imposed centers upon whether the *state* or the *local agency* previously had primary responsibility for the program.<sup>105</sup> Here, LAFCO operations have been funded by the counties since 1963. Therefore, the primary holding of *City of San Jose* is directly on point for this analysis: “Nothing in article XIII B prohibits the shifting of costs between local governmental entities.”<sup>106</sup>

Accordingly, any independent special district’s share of costs to fund the LAFCO pursuant to Government Code sections 56381 and 56381.6 does not mandate a “new program or higher level of service” within the meaning of article XIII B, section 6.

*Costs Paid to LAFCO for Reviewing District’s Component of Municipal Service Review*

There is no requirement in statute, nor is there any other evidence in the record, to support claimant’s assertion that Sacramento County independent special districts are required by the state to pay the LAFCO for reviewing the district’s component of the municipal service review. Any such requirement would have been established by the LAFCO itself, not the state via the test claim statutes. Therefore, the alleged costs do not result from a state-mandated “new program or higher level of service” within the meaning of article XIII B, section 6.

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<sup>101</sup> Comments by Sacramento Metropolitan Fire District, submitted August 9, 2007, page 4.

<sup>102</sup> *Ibid.*

<sup>103</sup> *Ibid.*

<sup>104</sup> *San Diego Unified School Dist.*, *supra*, 33 Cal.4<sup>th</sup> 859, 876-877 (citing *City of Richmond v. Commission on State Mandates* (1998) 64 Cal.App.4<sup>th</sup> 1190).

<sup>105</sup> *City of San Jose*, *supra*, 45 Cal.App.4<sup>th</sup> 1802, 1813.

<sup>106</sup> *Id.* at 1815.

Gather and Provide Information to the LAFCO for Sphere of Influence Review and Municipal Service Review (Gov. Code, §§ 56425, 56426.5 and 56430; Municipal Service Review Guidelines and Appendices)<sup>107</sup>

Claimant asserts that various activities are required of independent special districts when the LAFCO conducts a sphere of influence review or a municipal service review, as set forth in Government Code sections 56425, 56426.5 and 56430, as well as the Municipal Service Review Guidelines and Appendices, resulting in a reimbursable state-mandated program being imposed on independent special districts. However, staff finds that, with one exception addressed below, the claimed activities are *not* imposed on independent special districts, but rather on the LAFCO itself. Moreover, as discussed further below, the Municipal Service Review Guidelines and Appendices, to the extent that they do address special districts, do not meet the definition of “executive order” found in Government Code section 17516, since they do not “order” special districts to do anything.

Government Code section 56425:

Government Code section 56425, subdivision (f), as enacted by the test claim statutes, states the following:

- (f) Upon determination of a sphere of influence, the [LAFCO] shall adopt that sphere, and shall review and update, as necessary, the adopted sphere not less than once every five years.

Pre-existing law required LAFCOs to “develop and determine the sphere of influence of each local governmental agency within the county”<sup>108</sup> and, upon determination of a sphere of influence, the LAFCO was required to adopt the sphere and periodically review and update the adopted sphere.<sup>109</sup> Although this review must now occur every five years, it is the LAFCO that is required to review and update the sphere of influence. Thus, the plain language of this provision does not mandate any activities on independent special districts.

Government Code section 56425, subdivision (h),<sup>110</sup> as enacted by the test claim statutes, states the following:

- (h) For any sphere of influence or a sphere of influence that includes a special district, the [LAFCO] shall do all of the following:
- (1) Require existing districts to file written statements with the LAFCO specifying the functions or classes of service provided by those districts.
  - (2) Establish the nature, location, and extent of any functions or classes of service provided by existing districts.

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<sup>107</sup> Claimant mentioned Government Code section 56820.5 in the narrative section of the test claim with regard to information the LAFCO requires of districts. However, claimant did not specifically plead the section, and, therefore, staff makes no findings with regard to it.

<sup>108</sup> Government Code section 56425, subdivision (a), as enacted by Statutes 1985, chapter 541.

<sup>109</sup> Government Code section 56425, subdivision (b), as enacted by Statutes 1985, chapter 541.

<sup>110</sup> Government Code section 56425, subdivision (h), as enacted by Statutes 2000, chapter 761, subsequently renumbered to section 56425, subdivision (i), by Statutes 2005, chapter 347.

(3) Determine that, except as otherwise authorized by the regulations, no new or different function or class of service shall be provided by any existing district, except upon approval by the LAFCO. (Emphasis added.)

Based on the plain language of this provision, only subdivision (h)(1) imposes a state-mandated requirement for LAFCOs to require *special districts* to file written statements with the LAFCO specifying the functions or classes of service provided by the districts. The plain language of subdivisions (h)(2) and (h)(3) does not mandate any activities on independent special districts.

The prior law authorized LAFCOs to adopt, amend or repeal regulations affecting the functions and services of special districts, including the ability to enact regulations to require existing districts to file written statements with the LAFCO specifying the functions or classes of service provided by those districts.<sup>111</sup> Because of this prior law, the Department of Finance states that LAFCOs had pre-existing statutory authority to require information of local agencies. Staff agrees, but notes that *having authority* to require the information be provided by existing districts is not the same as *being required* to require the information. The pre-existing statutory authority gave LAFCOs discretion as to whether to enact regulations to require the information. Here, as a result of enacting subdivision (h)(1), it is the *state* that has made the decision to require the LAFCO to require existing districts to provide the information.<sup>112</sup>

Hence, the activity of an independent special district filing written statements to the LAFCO, which specify the functions or classes of service provided by the district, is state-mandated. The activity was authorized but not required by the pre-existing statutory scheme. Furthermore, the activity provides an enhanced service to the public by improving the process for ensuring orderly growth and development in California, efficiently extending governmental services,<sup>113</sup> and advantageously providing for the present and future needs of the county and its communities.<sup>114</sup> Therefore, this activity mandates a “new program or higher level of service” within the meaning of article XIII B, section 6 of the California Constitution.

In comments on the draft staff analysis, the claimant requested clarification as to whether the requirement to provide information under Government Code section 56425, subdivision (h)(1), includes *updates* that are necessary for the reviews by the LAFCO under subdivision (f).<sup>115</sup> As modified by the test claim statutes,<sup>116</sup> subdivision (f) stated:

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<sup>111</sup> Government Code section 56451, subdivision (b), as enacted by Statutes 1985, chapter 541.

<sup>112</sup> *San Diego Unified School Dist.*, *supra*, 33 Cal.4<sup>th</sup> at 880, found that a provision in the Education Code constituted a state mandate, “in that it establishes conditions under which the state, rather than local officials, has made the decision requiring a school district to incur the costs ...”

<sup>113</sup> Government Code sections 56001 and 56301.

<sup>114</sup> Government Code section 56425, subdivision (a).

<sup>115</sup> Comments by Sacramento Metropolitan Fire District, submitted August 9, 2007, page 5.

<sup>116</sup> Statutes 2000, chapter 761.

Upon determination of a sphere of influence, the [LAFCO] shall adopt that sphere, and shall, as necessary, *review and update* the adopted sphere not less than once every five years. (Emphasis added.)

Since subdivision (f) required the LAFCO to adopt, and review and update spheres of influence, the question is whether the spheres of influence identified in subdivision (h), i.e., “any sphere of influence” or “a sphere of influence that includes a special district,” include updates to the identified spheres of influence.

In statutory construction cases, the fundamental task is to determine the Legislature’s intent so as to effectuate the purpose of the statute.<sup>117</sup> The first step is to examine the statutory language, “giving the words their usual and ordinary meaning,” and if the terms of the statute are unambiguous, it is presumed the lawmakers meant what they said and the plain meaning of the language governs.<sup>118</sup> However, if there is ambiguity in the plain language the inquiry must go further to extrinsic sources, including the objects to be achieved and the legislative history.<sup>119</sup> In that case, courts must select the construction that “comports most closely with the apparent intent of the Legislature, with a view to promoting rather than defeating the general purpose of the statute, and avoid an interpretation that would lead to absurd consequences.”<sup>120</sup>

Here, “any” sphere of influence, given its ordinary meaning in this context would include “one or another [sphere of influence] without restriction or exception.”<sup>121</sup> Thus, “any sphere of influence” would include updated spheres of influence, since updated spheres of influence are a type of sphere of influence contemplated by the statute pursuant to subdivision (f).

Furthermore, “a sphere of influence that includes a special district” must also be updated pursuant to subdivision (f), since nothing in the statute excludes such a sphere of influence from the requirement for updating. Therefore, “a sphere of influence that includes a special district” likewise includes *updated* spheres of influence.

The time frame for the above requirements is limited, however, because section 56425 was changed the following year. Statutes 2001, chapter 667,<sup>122</sup> narrowed the spheres of influence affected by the requirements of subdivision (h). The 2001 statute replaced “any sphere of influence or a sphere of influence that includes a special district” with “a sphere of influence for a special district.” Thus, beginning January 1, 2002, the subdivision (h)(1) requirement – that LAFCOs require special districts to file written statements with the LAFCO specifying the functions or classes of service provided by the districts – is *only* applicable when LAFCOs adopt or update a sphere of influence for a special district, and not any other sphere of influence.

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<sup>117</sup> *Estate of Griswold* (2001) 25 Cal.4<sup>th</sup> 904, 910 (citing *Day v. City of Fontana* (2001) 25 Cal.4<sup>th</sup> 268, 272.).

<sup>118</sup> *Id.* at 911

<sup>119</sup> *Ibid.*

<sup>120</sup> *Ibid.*

<sup>121</sup> Webster’s II New College Dictionary (1999) page 51, column 2.

<sup>122</sup> This statute was not pled by claimant.

Therefore, for the six-month period of July 1, 2001, through December 31, 2001, Government Code section 56425, subdivision (h)(1), mandates a new program or higher level of service for independent special districts to file written statements with the LAFCO specifying the functions or classes of service provided by the districts for any sphere of influence or sphere of influence that included a special district, including any *update* to a sphere of influence or any *update* to a sphere of influence that included a special district. On and after January 1, 2002, subdivision (h)(1) mandates a new program or higher level of service for independent special districts to file written statements to the LAFCO specifying the functions or classes of service provided by the districts, but only when LAFCOs adopt or update *a sphere of influence for a special district*.

Government Code section 56426.5:

Although the claimant pled Government Code section 56426.5, the statutes that added and amended it were not pled. Section 56426.5 was added by Statutes 1989, chapter 1384, and repealed and added again in Statutes 2002, chapter 614. Therefore, the Commission does not have jurisdiction to make any findings with regard to it.

Government Code section 56430:

Section 56430, as enacted by the test claim statutes, addresses developing and updating the sphere of influence, and states the following:

(a) In order to prepare and to update spheres of influence in accordance with section 56425, the [LAFCO] shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the [LAFCO]. The [LAFCO] shall include in the area designated for service review the county, the region, the subregion, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to each of the following:

- (1) Infrastructure needs or deficiencies.
- (2) Growth and population projections for the affected area.
- (3) Financing constraints and opportunities.
- (4) Cost avoidance opportunities.
- (5) Opportunities for rate restructuring.
- (6) Opportunities for shared facilities.
- (7) Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers.
- (8) Evaluation of management efficiencies.
- (9) Local accountability and governance.

(b) In conducting a service review, the [LAFCO] shall comprehensively review all of the agencies that provide the identified service or services within the designated geographic area.

(c) The [LAFCO] shall conduct a service review before, or in conjunction with, but no later than the time it is considering an action to establish a sphere of influence in accordance with Section 56425 or Section 56426.5

or to update a sphere of influence pursuant to Section 56425.

...

The plain language of this section does not mandate any activities on independent special districts.

Municipal Service Review Guidelines and Appendices:

With regard to the Municipal Service Review Guidelines and Appendices, as the Department of Finance notes, these documents do not have the force of law. Government Code section 17516 defines executive order as “any order, plan, requirement, rule or regulation” issued by the Governor, any officer or official serving at the pleasure of the Governor, or any agency, department, board, or commission of state government. Government Code section 56430, subdivision (d), states:

(d) Not later than July 1, 2001, the Office of Planning and Research, in consultation with [LAFCOs], the California Association of Local Agency Formation Commissions, and other local governments, shall prepare guidelines for the service review to be conducted by [LAFCOs] pursuant to this section.

The Executive Summary of the Guidelines states the following:

Existing law requires OPR to prepare guidelines, not regulations. This document should therefore be considered advisory and not regulatory. ...

This document provides general guidance. LAFCOs may need to modify these recommendations to reflect local conditions, circumstances and types of services which are being reviewed. ...

Throughout the Guidelines, OPR has identified those actions which are required by law and those where OPR recommends a particular process or policy when undertaking the municipal service review.

The Guidelines do not order independent special districts to engage in any activities. The Appendices to the Municipal Service Review support the Guidelines and likewise do not order special districts to engage in any activities. Thus, the Guidelines and Appendices are not “executive orders” pursuant to Government Code section 17516, and are not subject to article XIII B, section 6.

Claimant argues, however, that *all* activities necessary for independent special districts to cooperate with the LAFCO when it conducts a municipal service review should be reimbursed:

For LAFCO to “conduct service reviews of the municipal services provided in the county” and to “comprehensively review all of the agencies that provide ... services”, it requires the co-operation of those entities. The participation of District in these reviews is not a voluntary act: It is mandated upon District as it is upon LAFCO. To hold otherwise is to void the purpose of the law.<sup>123</sup>

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<sup>123</sup> Comments by Sacramento Metropolitan Fire District, submitted August 9, 2007, page 5.



Here, claimant is asserting that special districts are “practically compelled” – if not legally compelled – to cooperate with the LAFCO in providing information the LAFCO requests. The appropriate test for “voluntariness,” according to claimant, is found in *San Diego Unified School Dist.*,<sup>124</sup> wherein the Supreme Court cautioned “there is reason to question an extension of the holding of *City of Merced* so as to preclude reimbursement ... whenever an entity makes an initial discretionary decision that in turn triggers mandated costs.”<sup>125</sup> In that passage, the court referenced the case of *Carmel Valley Fire Protection Dist. v. State of California* (1987) 190 Cal.App.3d 521, which found a reimbursable state mandate was created by an executive order that required county firefighters to be provided with protective clothing and safety equipment.<sup>126</sup> The *San Diego* court theorized that, because the local agency possessed discretion concerning how many firefighters it would employ and could in that sense control costs, a strict application of the *City of Merced* rule could foreclose reimbursement in such a situation “for the simple reason that the local agency’s decision to employ firefighters involves an exercise of discretion concerning, for example, how many firefighters are needed to be employed, etc.”<sup>127</sup> The court found it “doubtful that the voters who enacted article XIII B, section 6, or the Legislature that adopted Government Code section 17514, intended that result...”<sup>128</sup>

Staff finds, however, the *San Diego Unified School Dist.* citation is not on point. The *Carmel Valley* case involved actual legal compulsion for fire districts to provide fire safety equipment; the *San Diego* court warned prohibiting reimbursement based on the original discretionary decisions by the fire district on how many firefighters to employ, which could theoretically control costs, would not likely carry out the intent of article XIII B, section 6. In this case there is neither an initial discretionary decision at issue, nor actual legal compulsion. It is the LAFCO that is required to conduct the service review and obtain the information, and in only one instance, set forth above, does the statute actually require anything of the independent special district.

Instead, the test here for practical compulsion lies with *Kern High School Dist.*, i.e., whether “certain or severe” penalties or other “draconian” consequences would result if the district failed to provide information that is not statutorily required to the LAFCO for municipal service reviews.<sup>129</sup> There is nothing in law or the record to indicate any such consequences would ensue if a special district does not provide all information requested by the LAFCO, nor is there anything in the record to indicate that all information must be obtained directly from the affected special district.

Summary:

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<sup>124</sup> Comments by Sacramento Metropolitan Fire District, submitted August 9, 2007, page 5 referencing pages 3-4.

<sup>125</sup> *San Diego Unified School Dist.*, *supra*, 33 Cal.4<sup>th</sup> 859, 887.

<sup>126</sup> *Ibid.*

<sup>127</sup> *Ibid.*

<sup>128</sup> *Ibid.*

<sup>129</sup> *Kern High School Dist.*, *supra*, 30 Cal.4<sup>th</sup> 727, 751.

The following statutes mandate a “new program or higher level of service” in an existing program on independent special districts that are subject to the tax and spend limitations in article XIII A and article XIII B:

1. Two representatives of independent special districts selected by the independent special district selection committee must be members of the Sacramento County LAFCO (Government Code section 56326.5, subdivision (d)).
2. File written statements to the LAFCO, when required by the LAFCO, specifying the functions or classes of service provided by the district, for the following time periods and types of spheres of influence:
  - July 1, 2001 through December 31, 2001 – when a LAFCO adopts or updates any sphere of influence or sphere of influence that includes a special district.
  - On and after January 1, 2002 – when a LAFCO adopts or updates a sphere of influence for a special district.

(Government Code section 56425, subdivision (h)(1) (subsequently renumbered to subdivision (i)(1).)

**Issue 3: Do Government Code sections 56326.5, subdivision (d), and 56425, subdivision (h)(1), impose “costs mandated by the state” within the meaning of article XIII B, section 6 of the California Constitution and Government Code section 17514?**

For these statutes to impose a reimbursable, state-mandated program, two additional elements must be satisfied. First, the statutes must impose “costs mandated by the state” pursuant to Government Code section 17514. Second, the statutory exceptions to reimbursement listed in Government Code section 17556 cannot apply.

Government Code section 17514 defines “costs mandated by the state” as any increased cost a local agency is required to incur as a result of a statute that mandates a new program or higher level of service. The claimant alleged in the test claim:

The Sacramento Metropolitan Fire District does not have the total estimate of costs for discharging this program. However, the claimant is informed and believes that with the enactment of Chapter 761, Statutes of 2000, it cost between \$20,000 to \$30,000 to defray its portion of the LAFCO’s annual budget, and it is estimated that because of the changes wrought by Chapter 493, Statutes of 2002, it will cost between \$50,000 and \$80,000 per year to so fund. Regarding the municipal services review, the LAFCO has indicated it will charge the claimant upwards of \$5,000 to review its component, and it will cost the claimant in excess of \$20,000 to provide the information required to the LAFCO.

Thus, there is evidence in the record, signed under penalty of perjury, that there are increased costs for the activities mandated by Government Code section 56425, subdivision (h)(1) – providing specified information to the LAFCO as required by the LAFCO for specified sphere of influence reviews.

However, there is *no* evidence in the record that there are increased costs for the activities mandated by Government Code section 56326.5, subdivision (d) – representation by two

independent special districts on the Sacramento County LAFCO. The test claim citation above alleging estimated costs does not reference the 1991 test claim statute. And, even if costs are subsequently alleged, Government Code section 56334 provides that members and alternates are reimbursed by the LAFCO for their actual reasonable and necessary expenses:

[LAFCO] members and alternates shall be reimbursed for the actual amount of their reasonable and necessary expenses incurred in attending meetings and in performing the duties of their office. The [LAFCO] may authorize payment of a per diem to [LAFCO] members and alternates for each day while they are at meetings of the [LAFCO].

Therefore, staff finds Government Code section 56326.5, subdivision (d), does not impose “costs mandated by the state” pursuant to Government Code section 17514 and no reimbursement is required.

With regard to the activities mandated by Government Code section 56425, subdivision (h)(1), for the reasons stated below, staff finds that none of the statutory exceptions to reimbursement listed in Government Code section 17556 are applicable to deny reimbursement for these activities.

The Department of Finance states that LAFCOs have existing fee authority that may be used to cover their operating costs. The Department further states that, to the extent that LAFCOs elect to make use of this authority, LAFCO members would be relieved of the need to contribute toward the LAFCO’s annual budget.

Government Code section 17556 states that:

The commission shall not find costs mandated by the state, as defined in Section 17514, in any claim submitted by a local agency ..., if, after a hearing, the commission finds that:

... (d) The local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the mandated program or increased level of service.

Government Code section 56383 allows *LAFCOs* to establish a schedule of fees for the *costs of proceedings* such as filing and processing applications filed with the LAFCO, proceedings undertaken by the LAFCO and any reorganization committee, amending a sphere of influence or reconsidering a resolution. LAFCOs, however, are not represented in this claim, and the state-mandated program is imposed on independent special districts. Moreover, section 56383, subdivision (b), prohibits the schedule of fees from exceeding “the estimated reasonable cost of providing the service for which the fee is charged and shall be imposed pursuant to Section 66016.”<sup>130</sup> Thus, authority for charging fees under section 56383 for *costs of proceedings* does not equate to authority for charging fees to cover *operating costs*. Instead, Government Code section 56381 establishes the funding mechanisms for LAFCO’s operating costs, i.e., one third from counties, one third from cities, and one third from special districts. Thus, the LAFCO’s

<sup>130</sup> Government Code section 66016 requires local agencies to hold a public meeting prior to levying a new fee or service charge or increasing an existing fee or service charge, and the fees or service charges cannot exceed the estimated amount required to provide the service for which the service charge or fee is levied.

fee authority under section 56383 is not designed to pay for the mandated program and therefore is not "sufficient to pay for the mandated program or increased level of service" pursuant to section 17556, subdivision (d).

Although many independent special districts, including Sacramento Metropolitan Fire District, have fee authority for specified purposes as well as the ability to levy special taxes,<sup>131</sup> the question here is whether the claimant has authority to levy service charges or fees that can be used to pay for the mandated activity of filing written statements to the LAFCO specifying the functions or classes of service provided by the district, and, if so, whether those fees are sufficient to pay for that mandated activity.

The authority to charge fees or service charges varies by special district, and fire districts have authority to charge fees for "any service which the district provides or the cost of enforcing any regulation for which the fee is charged"<sup>132</sup> in addition to other specified fees.<sup>133</sup> These fees are likewise limited, however, to the costs of providing the specified services.<sup>134</sup> More importantly, there are no fees authorized specifically for the *purpose* of the mandated activity of filing written statements to the LAFCO under Government Code section 56425, subdivision (h)(1). Therefore, section 17556, subdivision (d) is not applicable to deny the test claim.

### **Conclusion**

Staff finds that Government Code section 56425, subdivision (h)(1) (subsequently renumbered to subdivision (i)(1)), constitutes a reimbursable state-mandated program within the meaning of article XIII B, section 6, and Government Code section 17514, in that it requires independent special districts to file written statements with the LAFCO specifying the functions or classes of service provided by those districts, for the following time periods and types of spheres of influence:

- July 1, 2001 through December 31, 2001 – when a LAFCO adopts or updates any sphere of influence or sphere of influence that includes a special district.
- On and after January 1, 2002 – when a LAFCO adopts or updates a sphere of influence for a special district.

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<sup>131</sup> Although some districts have the ability to levy special taxes, article XIII B was "intended to protect the tax revenues of local governments from state mandates that would require expenditure of such revenues... [and] requires subvention only when the costs in question can be recovered solely from tax revenues." (*County of Fresno v. State of California* (1991) 53 Cal.3d 482, 487, in determining the constitutionality of Government Code section 17556, subdivision (d).) Therefore, any special taxes that can be levied by the special district are protected by article XIII B, whereas fees or service charges for specified purposes are not.

<sup>132</sup> Health and Safety Code section 13916, subdivision (a).

<sup>133</sup> Health and Safety Code sections 13143.5, 13146, 13146.2 and 13869.7.

<sup>134</sup> Health and Safety Code section 13916, subdivision (a) states in relevant part: "No fee shall exceed the costs reasonably borne by the district in providing the service or enforcing the regulation for which the fee is charged." See also Health and Safety Code sections 13143.5, 13146 and 13869.7 for similar limitations.

Only those independent special districts that are subject to the tax and spend limitations of article XIII A and article XIII B are eligible claimants.

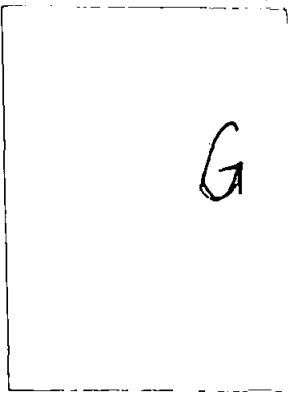
Staff concludes that Government Code section 56001 declares legislative findings and is helpful to interpret the test claim statutes, but does not mandate any activities. Staff further concludes that Government Code sections 56326.5, 56381, 56381.6, 56425 (except subdivision (h)(1), subsequently renumbered to subdivision (i)(1)), 56426.5, and 56430, and the Municipal Service Review Guidelines and Appendices developed by OPR, as pled, along with any other test claim statutes, alleged executive orders, guidelines and allegations not specifically approved above, do not mandate a new program or higher level of service subject to article XIII B, section 6.

**Recommendation**

Staff recommends the Commission adopt this analysis to partially approve the test claim.

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COMMISSION ON STATE MANDATES  
980 Ninth Street, Suite 300  
Sacramento, CA 95814  
(916) 323-3562  
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<b>COMMISSION ON STATE MANDATES</b>
Claim No. <i>02-TC-23</i>

**TEST CLAIM FORM**

Local Agency or School District Submitting Claim

**Sacramento Metropolitan Fire District**

Contact Person

Telephone No.

**Allan P. Burdick/Pamela A. Stone (MAXIMUS, INC.)**

**(916) 485-8102**

**Fax (916) 485-0111**

Address

**4320 Auburn Blvd., Suite 2000  
Sacramento, CA 95841**

Representative Organization to be Notified

**California Association of Special Districts**

This test claim alleges the existence of a reimbursable state mandated program within the meaning of section 17514 of the Government Code and section 6, article XIII B of the California Constitution. This test claim is filed pursuant to section 17551(a) of the Government Code.

Identify specific section(s) of the chaptered bill or executive order alleged to contain a mandate, including the particular statutory code section(s) within the chaptered bill, if applicable.

**Chapter 439, Statutes of 1991, Chapter 761, Statutes of 2000, Chapter 493, Statutes of 2002, LAFCO Municipal Services Revivew Guidelines, LAFCO Municipal Services Review Guidelines Appendices**

**IMPORTANT: PLEASE SEE INSTRUCTIONS AND FILING REQUIREMENTS FOR COMPLETING A TEST CLAIM ON THE REVERSE SIDE.**

Name and Title of Authorized Representative

Telephone No.

**George B. Appel, Deputy Chief**

**(916) 566-4302**

Signature of Authorized Representative

Date:

**May 9, 2003**





**BEFORE THE  
COMMISSION ON STATE MANDATES**

Test Claim of:  
Sacramento Metropolitan Fire District

LAFCO

Chapter 439, Statutes of 1991  
Chapter 761, Statutes of 2000  
Chapter 493, Statutes of 2002  
LAFCO Municipal Services Review Guidelines  
LAFCO Municipal Services Review Guidelines Appendices

**STATEMENT OF THE CLAIM**

**A. MANDATE SUMMARY**

1. Membership of LAFCO and Operational Costs

Local Agency Formation Commissions were originally established by the state to encourage orderly growth and development. Originally, the representatives upon the LAFCO Commission was established by Government Code, Section 56325, which originally called for representatives selected by the board of supervisors from their own membership, from cities from their own council or the mayor, and a public member. The Commission would perform many functions, some of which include establishing a sphere of influence for each city, change of organization or reorganization, and issues pertaining to annexation.

Originally, the costs for the operation of a LAFCO were paid for by the county, together with fees for various services performed.

Chapter 439, Statutes of 1991, applied solely to the County of Sacramento, and proscribed the composition of the LAFCO Commission. As originally enacted, said section read as follows:

**56326.5. Sacramento county; number of commissioners; composition**

In Sacramento County, the commission shall consist of seven members, selected as follows:

(a) Two representing the county, appointed by the board of supervisors form their own membership. The board of supervisors shall appoint a third supervisor who shall serve as an alternate member of the commission. The alternate member may serve and vote in place of any supervisor on the commission who is absent or who disqualifies himself or herself from participating in a meeting of the commission. If the office of the regular county member becomes vacant, the alternate member may serve and vote in place of the former regular county member until the appointment and qualification of a regular county member to fill the vacancy.

(b) One representing the City of Sacramento who is a member of the city council, appointed by the mayor and confirmed by the city council. The mayor shall also appoint, subject to confirmation by the council, an alternate member who is a member of the city council. The alternate member may serve and vote in place of the regular city member if the city member is absent or disqualifies himself or herself from participating in a meeting of the commission. If the office of the regular city member becomes vacant, the alternate member may serve and vote in place of the former regular city member until the appointment and qualification of a regular city member to fill the vacancy.

(c) One representing the cities in the county, who is a city officer appointed by the city selection committee. The city selection committee shall also designate one alternate member who shall be appointed and serve pursuant to Section 56335.

(d) Two representing special districts selected by an independent special district selection committee pursuant to Section 56332. The independent special district selection committee shall also designate one alternate member who shall be appointed and serve pursuant to Section 56332.

(e) One representing the general public, appointed by the other six members of the commission. The commission may also appoint an alternate public member who may serve and vote in the place of the regular public member if the regular public member is absent or disqualifies himself or herself from participating in a meeting of the commission. If the office of the regular public member becomes vacant, the alternate member may serve and vote in place of the former regular public member until the appointment and qualification of a regular public member to fill the vacancy.

The member initially selected to serve pursuant to subdivision (b) shall commence serving on or after January 1, 1992, on a date determined by the Mayor of the City of Sacramento, and shall serve for the remainder of the term of, and in place of, a member to be designated by the mayor, appointed pursuant to subdivision (b) of Section 56325.

The net effect of the passage of Government Code, Section 56326.5 was to require that there be, at all times, a representative of the City of Sacramento on the LAFCO Commission. Additionally, there was now a requirement for the establishment, within the County of Sacramento, of an independent special district selection committee. The sole purpose of this committee is to meet and elect representatives from the various independent special districts to serve on the LAFCO Commission as mandated by the statute.

The requirement thus imposed upon the Sacramento Metropolitan Fire District is to have the presiding officer of its legislative body sit on the independent special district selection committee<sup>1</sup> and, should a representative of the Sacramento Metropolitan Fire District be elected to the LAFCO Commission or designated as an alternate, to perform the functions and duties of a LAFCO Commissioner.

Other than the time and expense necessitated when having to attend to the duties of the independent special district selection committee and serving as a member or alternate member of the LAFCO Commission, this process and procedure did not necessitate a financial contribution to the ongoing expenses of the LAFCO itself, until the passage of Chapter 761, Statutes of 2000.

Chapter 761, Statutes of 2000 is known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, and was enacted with the passage of AB 2838. This legislation also dramatically changed the funding mechanism for the LAFCO Commission.

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<sup>1</sup> See Government Code, Section 563332.

Prior to the passage of Chapter 761, Statutes of 2000, the funding of the LAFCO was set forth in Government Code, Section 56381, which stated as follows:

**56381. Estimate of operating expenses; allowance or rejection of claims**

On or before the 10<sup>th</sup> day of June, the commission shall prepare and transmit to the board of supervisors an estimate of the amount of money needed for the purposes prescribed in Section 56380 during the following fiscal year. The board of supervisors shall provide for the use of the commission during that fiscal year not less than the amount of money equal to any one of the following:

- (a) The amount fixed by the commission.
- (b) The amount appropriated in the prior fiscal year increased by the same percentage as the appropriations limit of the county for that fiscal year will be increased from the prior fiscal year.
- (c) The amount determined in subdivision (b) plus any additional amount the board of supervisors deems necessary.

The county auditor shall audit and allow or reject all claims for expenditures for county charges incurred pursuant to this chapter in lieu of, and with the same effect as, allowance or rejection of claims by the board of supervisors.<sup>2</sup>

The financial provisions of Government Code, section 56381 were substantially altered with the passage of Chapter 761, Statutes of 2000. Now, there is required financial participation in the operation of the LAFCO by all cities within the LAFCO's jurisdiction and, where independent special districts sit on the LAFCO Commission, by all independent special districts. Also, since independent special districts in Sacramento County are required to sit on the LAFCO Commission, there is a further financial provision in Government Code, section 56381.6.

**56381.**

- (a) The commission shall adopt annually, following noticed public hearings, a proposed budget by May 1 and final budget by June 15. At a minimum, the proposed and final budget shall be equal to the budget

<sup>2</sup> This section was added by Chapter 541, Statutes of 1985.

adopted for the previous fiscal year unless the commission finds that reduced staffing or program costs will nevertheless allow the commission to fulfill the purposes and programs of this chapter. The commission shall transmit its proposed and final budgets to the board of supervisors; to each city; to the clerk of the city selection committee, if any, established in each county pursuant to Article 11 (commencing with Section 50270) of Chapter 1 of Part 1 of Division 1; to each independent special district, and to the clerk and chair of the independent special district selection committee, if any, established pursuant to Section 56332.

(b) After public hearings, consideration of comments, and adoption of a final budget by the commission pursuant to subdivision (a), the auditor shall apportion the net operating expenses of a commission in the following manner:

(1) In counties in which there is a city and independent special district representation on the commission, the county, cities, and independent special district representation on the commission, the county, cities, and independent special districts shall each provide a one-third share of the commission's operational costs. The cities' share shall be apportioned in proportion to each city's total revenues, as reported in the most recent edition of the Cities Annual Report published by the Controller, as a percentage of the combined city revenues within a county, or by an alternative method approved by a majority of the cities representing the majority of the combined cities' populations. The independent special districts' share shall be apportioned in a similar manner according to each district's revenues for general purpose transactions, as reported in the most recent edition of the "Financial Transactions Concerning Special Districts" published by the Controller, or by an alternative method approved by a majority of the agencies, representing a majority of their combined populations. For the purposes of fulfilling the requirement of this section, a multi-county independent special district shall be required to pay its apportionment in its principal county. It is the intent of the Legislature that no single district or class or type of district shall bear a disproportionate amount of the district share of costs.

(2) In counties in which there is no independent special district representation on the commission, the county and its cities shall each provide a one-half share of the commission's operational costs. The cities' share shall be apportioned in the manner described in paragraph (1).

(3) In counties in which there are no cities, the county and its special districts shall each provide a one-half share of the commission's operational costs. The independent special districts' share shall be apportioned in the manner described for cities' apportionment in paragraph (1). If there is no independent special district representation on the commission, the county shall pay all of the commission's operational costs.

(4) Instead of determining apportionment pursuant to paragraph (1), (2), or (3), any alternative method of apportionment of the net operating expenses of the commission may be used if approved by a majority vote of each of the following: the board of supervisors; a majority of the cities representing a majority of the total population of cities in the county; and the independent districts representing a majority of the combined total population of independent special districts in the county.

(c) After apportioning the costs as required in subdivision (b), the auditor shall request payment from the board of supervisors and from each city and each independent special district no later than July 1 of each year for the amount that entity owes and the actual administrative costs incurred by the auditor in apportioning costs and requesting payment from each entity. If the county, a city, or an independent special district does not remit its required payment within 60 days, the commission may determine an appropriate method of collecting the required payment, including a request to the auditor to collect an equivalent amount from the property tax, or any fee or eligible revenue owed to the county, city, or district. The auditor shall provide written notice to the county, city, or district prior to appropriating a share of the property tax or other revenue to the commission for the payment due the commission pursuant to this section. Any expenses incurred by the commission or the auditor in collecting late payments or successfully challenging nonpayment shall be added to the payment owed to the commission. Between the beginning of the fiscal year and the time the auditor

receives payment from each affected city and district, the board of supervisors shall transmit funds to the commission sufficient to cover the first two months of the commission's operating expenses as specified by the commission. When the city and district payments are received by the commissions, the county's portion of the commission's annual operating expenses shall be credited with funds already received from the county. If, at the end of the fiscal year, the commission has funds in excess of what it needs, the commission may retain those funds and calculate them into the following fiscal year's budget. If, during the fiscal year, the commission is without adequate funds to operate, the board of supervisors may loan the commission funds and recover those funds in the commission's budget for the following fiscal year.

#### 56381.6

(a) Notwithstanding the provisions of section 56381, for counties whose membership on the commission is established pursuant to sections 56326, 56326.5, 56327, or 56328, the commission's annual operational costs shall be apportioned among the classes of public agencies that select members on the commission in proportion to the number of members selected by each class. The classes of public agencies that may be represented on the commission are the county, the cities, and independent special districts. Any alternative cost apportionment procedure may be adopted by the commission, subject to a majority affirmative vote of the commission that includes the affirmative vote of at least one of the members selected by the county, one of the members selected by a city, and one of the members selected by a special district, if special districts are represented on the commission.

(b) Allocation of costs among individual cities and independent special districts and remittance of payments shall be in accordance with the procedures of section 56381. Notwithstanding section 56381, any city which has permanent membership on the commission pursuant to sections 56326, 566326.5, 56327, or 56328 shall be apportioned the same percentage of the commission's annual operational costs as its permanent member bears to the total membership of the commission, excluding any public members selected by all the members. The balance of the cities' portion of the commission's

annual operational costs shall be apportioned to the remaining cities in the county in accordance with the procedures of section 56381.

As a result of this initial legislative change, the Sacramento Municipal Fire District had, for the first time, to contribute financially to the conduct of LAFCO.

Apparently, the foregoing new methodology for apportioning the costs of LAFCO did not work once instituted. As a result, Government Code, Section 56381 was amended by the enactment of Chapter 493, Statutes of 2002, which placed a limit on the amount that any one independent special district could be required to pay for a LAFCO's operations, and the amount required to be contributed by a health care district was restricted even further:

**56381.**

(a) The commission shall adopt annually, following noticed public hearings, a proposed budget by May 1 and a final budget by June 15. At a minimum, the proposed and final budget shall be equal to the budget adopted for the previous fiscal year unless the commission finds that reduced staffing or program costs will nevertheless allow the commission to fulfill the purposes and programs of this chapter. The commission shall transmit its proposed and final budgets to the board of supervisors; to each city; to the clerk and chair of the city selection committee, if any, established in each county pursuant to Article 11 (commencing with Section 50270) of Chapter 1 of Part 1 of Division 1; to each independent special district; and to the clerk and chair of the independent special district selection committee, if any, established pursuant to Section 56332.

(b) After public hearings, consideration of comments, and adoption of a final budget by the commission pursuant to subdivision (a), the auditor shall apportion the net operating expenses of a commission in the following manner:

(1)(A) In counties in which there is city and independent special district representation on the commission, the county, cities, and independent special districts shall each provide a one-third share of the commission's operational costs.

(B) The cities' share shall be apportioned in proportion to each city's total revenues, as reported in the



most recent edition of the Cities Annual Report published by the Controller, as a percentage of the combined city revenues within a county, or by an alternative method approved by a majority of cities representing a majority of the combined cities' populations.

(C) The independent special districts' share shall be apportioned in proportion to each district's total revenues as a percentage of the combined total district revenues within a county. Except as provided in subparagraph (D), an independent special district's total revenue shall be calculated for nonenterprise activities as total revenues for general purpose transactions less revenue category aid from other governmental agencies and for enterprise activities as total operating and nonoperating revenues less revenue category other governmental agencies, as reported in the most recent edition of the "Special Districts Annual Report" published by the Controller. It is the intent of the Legislature that no single district or class or type of district shall be a disproportionate amount of the independent special district share of costs. For the purposes of fulfilling the requirements of this section, a multicounty independent special district shall be required to pay its apportionment in its principal county.

(D)(i) For purposes of apportioning costs to a health care district formed pursuant to Division 23 (commencing with Section 32000) of the Health and Safety Code that operates a hospital, a health care district's share, except as provided in clauses (ii) and (iii), shall be apportioned in proportion to each district's net revenue from operations as reported in the most recent edition of the hospital financial disclosure report form published by the Office of Statewide Health Planning and Development, as a percentage of the combined independent special districts net operating revenues within a county.

(ii) A health care district for which net revenue from operations is a negative number may not be apportioned any share of the commission's operational costs until the fiscal year following positive net revenue from operations, as reported in the most recent edition of the hospital financial disclosure report form published by the Office of Statewide Health Planning and Development.

(iii) A health care district that has filed and is operating under public entity bankruptcy pursuant to federal bankruptcy law, shall not be apportioned any share of the commission's operational costs until the fiscal year following its discharge from bankruptcy.

(E) Notwithstanding the requirements of subparagraph (C), the independent special districts' share may be apportioned by an alternative method approved by a majority of the districts, representing a majority of the combined populations. However, in no event shall the independent special districts' share exceed the amount that would be calculated pursuant to subparagraphs (C) and (D).

(F) Notwithstanding the requirements of subparagraph (C), no independent special district shall be apportioned a share of more than 50 percent of the total independent districts' share of the commission's operational costs, the share of the remaining

The net result of Chapter 439, Statutes of 1991 is that two representatives of special districts must sit upon the LAFCO Board. At the inception, this posed no problem because special districts did not contribute to the operations of the LAFCO. With the passage of Chapter 761, Statutes of 2000, the cost of claimant's mandatory participation in LAFCO increased to between \$20,000 and \$30,000 to underwrite the operational costs of LAFCO. With the passage of Chapter 493, Statutes of 2003, the costs of claimant's mandatory participation will increase substantially. LAFCO is presently in the process of preparing its budget, and we have been informed that claimant's mandatory contribution will be in the range of \$50,000 to \$70,000.

During this time of fiscal constraints, all other agencies, cities, counties and special districts alike, have had to live within their existing financial resources. However, LAFCO is not so constrained. It determines what funding it wants to operate for the following fiscal year, and then develops a budget upon that determination.<sup>3</sup> It is the LAFCO's budget that determines the mandatory contribution required of claimant, over which claimant has no control.

## 2. Municipal Services Review

The second major change wrought by the passage of Chapter 761, Statutes of 2000, is the preparation and completion of a municipal services review.

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<sup>3</sup> See Government Code, Sections 56380 ff.

The purpose of Chapter 761, Statutes of 2000, known as the Cortese-Knoz-Herzberg Local Government Reorganization Act of 2000, is best encapsulated in the amended statement of legislative purpose found in Government Code, Section 56001:

The Legislature finds and declares that it is the policy of the state to encourage orderly growth and development which are essential to the social, fiscal, and economic well-being of the state. The Legislature recognizes that the logical formation and determination of local agency boundaries is an important factor in promoting orderly development and in balancing such development with sometimes competing state interests of discouraging urban sprawl, preserving open space and prime agricultural lands, and efficiently extending government services. The Legislature also recognizes that providing housing for persons and families of all incomes is an important factor in promoting orderly development. Therefore, the Legislature further finds and declares that this policy should be affected by the logical formation and modification of the boundaries of local agencies, with a preference granted to accommodating additional growth within, or through the expansion of, the boundaries of those local agencies which can best accommodate and provide necessary governmental services and housing for persons and families of all incomes in the most efficient manner feasible.

The Legislature recognizes that urban population densities and intensive residential, commercial, and industrial development necessitate a broad spectrum and high level of community services and controls. The Legislature also recognizes that when areas become urbanized to the extent that they need the full range of community services, priorities are required to be established regarding the type and levels of services that the residents of an urban community need and desire; that community service priorities be established by weighing the total community service needs against the total financial resources available for securing community services; and that those community service priorities are required to reflect local circumstances, conditions, and limited financial resources. The Legislature finds and declares that a single multi-purpose government 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. Notwithstanding, 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 multi-purpose agency, responsibility should be given to the agency or agencies that can best provide government services.

The concept of how there is to be orderly development and the consideration of municipal services is found in the creation and designation of municipal spheres of influence, as required by section 56425.<sup>4</sup> The requirement to determine a new sphere of influence will come from a city or a developer<sup>5</sup>, which necessitates meetings in order to determine the new boundaries, development standards and zoning requirements. If the city cannot agree with the county on these requirements, it is submitted to LAFCO for its final determination. Although these sphere of influence reviews are either initiated or reviewed on a five year basis, these reviews are not initiated by special districts, yet are substantially impacted by same.

If the sphere of influence includes the area of a special district, the new legislation amended the requirements of section 54625, and the district is now required to do the following:

1. File written statements with LAFCO specifying the functions or classes of service provided by those districts;
2. Establish the nature, location and extent of any functions or classes of service provided by existing districts; and
3. No new or different function or class of service shall be provided by an existing district except as approved by LAFCO.<sup>6</sup>

In order to conduct the sphere of influence reviews every five years as is now required by section 56425, section 56430 was enacted, which requires a municipal services review:

(a) In order to prepare and to update spheres of influence in accordance with section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission. The commission shall include in the area designated for service review the county, the region, the sub-region, or such other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to each of the following:

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<sup>4</sup> Hereinafter, all references are to the Government Code, unless expressly stated to the contrary.

<sup>5</sup> Any person or local agency can request an amendment to a sphere of influence. Section 56428. These requests are generally initiated by a municipality or developer.

<sup>6</sup> Section 54625(g).

- (1) infrastructure needs or deficiencies;
- (2) growth and population projects for the affected area;
- (3) financing constraints and opportunities;
- (4) cost avoidance opportunities;
- (5) opportunities for rate restructuring;
- (6) opportunities for shared facilities;
- (7) government structure options, including advantages and disadvantages of consolidation or reorganization of service providers;
- (8) evaluation of management efficiencies; and
- (9) local accountability and governance.

(b) In conducting a service review, the commission shall comprehensively review all of the agencies that provide the identified service or services within the designated geographic area.

(c) The commission shall conduct a service review before, or in conjunction with, but no later than the time it is considering an action to establish a sphere of influence in accordance with section 56425 or section 56426.5<sup>7</sup> or to update a sphere of influence pursuant to section 56425.

(d) Not later than July 1, 2001, the Office of Planning and Research, in consultation with commissions, the California Association of Local Agency Formation Commissions, and other local governments, shall prepare guidelines for the service reviews to be conducted by commissions pursuant to this section.

Although at first blush it might appear that it is the responsibility of the LAFCO to perform the municipal services review, which would be a relatively simple concept, the enactment of the Office of Planning and Research's LAFCO Municipal Service Review Guidelines, Final Draft 2002, issued on October 3, 2002, puts that concept to rest.<sup>7</sup>

The requirements for a municipal services review and the roles of the various entities is well documented throughout the guidelines. The participation of the special districts in providing the information needed to the LAFCO is mandated for its preparation of the municipal services review.<sup>8</sup>

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<sup>7</sup> See LAFCO Municipal Service Review Guidelines, Final Draft 2002, issued October 3, 2002, attached hereto as Exhibit 4 and incorporated herein by reference.

<sup>8</sup> Guidelines, page 7.

This factor is further emphasized by the information to be provided by the special districts<sup>9</sup> in the collection of the data and information, as well as completing the municipal service review report.<sup>10</sup> To that end, the guidelines establish the type of information that is to be gathered by the cities and special districts, depending upon what information is applicable to the service provided:

1. A list of relevant statutory and regulatory obligations.
2. A copy of the most recent master services plan.
3. A metes and bounds legal description of the agency's boundary.
4. Service Area Maps (to the extent already prepared) including (1) A service boundary map; (2) A map indicating parcel boundaries (GIS maps may be available from the land use jurisdiction); (3) A vicinity or regional map with provider's boundary, major landmarks, freeways or highways, and adjacent or overlapping service provider boundaries (note: more than one map may need to be prepared to show all data); and (4) Maps indicating existing land uses within city or district boundaries and on adjacent properties.
5. Applicable excerpts from regional transportation, water, air quality, fair share housing allocation, airport land use, open space or agricultural plans or policies, or other environmental policies or programs.
6. Copies of regulatory and operating permits.
7. Number of acres or square miles included within the service area.
8. Type of sphere or sphere boundaries.
9. Assessed valuation.
10. Estimate of population within district boundaries.
11. As appropriate, the number of people, households, parcels or units currently receiving service, or the number of service connections.
12. Projected growth in service demand or planned new service demand/capacity.
13. Special communities of interest or neighborhoods affected by service.
14. Capital improvement plans.
15. Current service capacity.
16. Call volume.
17. Response time.
18. Annual operating budget.<sup>11</sup>

From the foregoing list, it is apparent that the information to be provided to the LAFCO by cities and special districts is extensive. This is not just a request for simple information from a city or special district, but will require substantial effort to provide the data and information required.

Because of the mandated requirement, LAFCO's will have to undertake a workplan to make sure that all of the requirements of its municipal services review are completed. The elements of such a work plan include:

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<sup>9</sup> Note that special districts and cities are referred to as "service providers" in the guidelines.

<sup>10</sup> Guidelines, page 11.

<sup>11</sup> See Guidelines, page 12.

1. List of services to be reviewed.
2. Service providers that will be affected/involved.
3. Study Area Boundaries for the municipal service review.
4. Data Collection process.
5. Public Participation process.
6. Public hearing process.<sup>12</sup>

Because of the comprehensiveness of the LAFCO's municipal service review and its subsequent effect on land use decisions, it is a project under CEQA, and thus the entire process must comply with the California Environmental Quality Act, Public Resources Code, Section 21000. If future land use determinations are to be based on the municipal services review, the LAFCO must prepare an EIR on same.<sup>13</sup>

The nature and extent of a municipal services review is extremely comprehensive. The Office of Planning and Research prepared a list of comprehensive factors for each of the following items:

1. Infrastructure needs and deficiencies
2. Growth and population projections for the affected area
3. Financing constraints and opportunities
4. Cost avoidance opportunities
5. Opportunities for rate restructuring
6. Opportunities for share facilities
7. Government structure options
8. Evaluation of management efficiencies<sup>14</sup>
9. Local accountability and governance<sup>15</sup>

It is the section concerning the evaluation of management efficiencies which requires the cities and special districts providing municipal services to provide substantial input. For the LAFCO to consider these factors as they impact claimant requires the claimant to provide substantial information and data which is not presently in a format ready for dissemination:

1. Evaluation of agency's capacity to assist with and/or assume services provided by other agencies.
2. Evaluation of agency's spending on mandatory programs.
3. Comparison of agency's mission statement and published customer service goals and objectives.
4. Availability of master service plan(s).
5. Contingency plans for accommodating existing and planned growth.
6. Publicized activities.

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<sup>12</sup> Guidelines, page 17.

<sup>13</sup> Guidelines, Chapter 7, commencing on page 24.

<sup>14</sup> This section is most like a management review of the municipal services provided by a city or special district.

<sup>15</sup> Guidelines, pages 29-36.

7. Implementation of continuous improvement plans and strategies for budgeting, managing costs, training and utilizing personnel, and customer service and involvement.
8. Personnel policies.
9. Availability of resources (fiscal, manpower, equipment, adopted service or work plans) to provide adequate service.
10. Available technology to conduct an efficient business.
11. Collection and maintenance of pertinent data necessary to comply with state laws and provide adequate services.
12. Opportunities for joint powers agreements, Joint Powers Authorities, and/or regional planning opportunities.
13. Evaluation of agency's system of performance measures.
14. Capital improvement projects as they pertain to §65401 and §651039c.
15. Accounting practices.
16. Maintenance of contingency reserves.
17. Written policies regarding the accumulation and use of reserves and investment practices.
18. Impact of agency's policies and practices on environmental objectives and affordable housing.
19. Environment and safety compliance.
20. Current litigation and/or grand jury inquiry involving the service under LAFCO review.<sup>16</sup>

It is obvious that the LAFCO may not have the information requisite in order to complete the management review called upon by the municipal services review. However, the LAFCO has the preexisting authority to require the requisite information be provided by the cities and special districts by virtue of section 56820.5, which enables the LAFCO to require requisite information be provided to it by regulation.

The LAFCO Municipal Service Review Guidelines, Final Draft Appendices 2002, issued October 3, 2002<sup>17</sup> go into even more comprehensive detail as to how the requisite information and funding may be obtained by the LAFCO to complete the review. The Appendices stress that the LAFCO may by regulation require the submittal of information.<sup>18</sup> Additionally, various funding mechanisms have been suggested.<sup>19</sup>

As a result of the foregoing, the Sacramento LAFCO has commenced its municipal services review, and has informed the service providers, including claimant, of the information which is to be provided. This information is lengthy and comprehensive. In order to provide the information necessary, claimant estimates it will cost a minimum of \$20,000. In fact, claimant has contracted with a consultant for the provision of that information, with a contract amount of \$15,000. This contract does not include staff time

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<sup>16</sup> Guidelines, page 35.

<sup>17</sup> Attached hereto as Exhibit 5 and referred to herein as Appendices.

<sup>18</sup> Appendices, page 14.

<sup>19</sup> Appendices, pages 26-27.



necessary to gather the data so that it can be formulated in a manner acceptable to the LAFCO.

As far as preparing the municipal services review itself, the Sacramento LAFCO has notified claimant that it will be charged at least \$5,000 for LAFCO to review just its services in the municipal services review.

At a time of extensive budget constraints, compliance with the municipal services review is an onerous requirement. If this were a time of budget surpluses, the effect on claimant would not be so dire. However, LAFCO's are uniquely poised to be immune from the fiscal woes besetting the state. They may charge whatever fees are necessary to cover their expenses, and establish a budget that those providing services within its jurisdiction must pay.

#### **B. LEGISLATIVE HISTORY PRIOR TO 1975**

Prior to 1975, there was no requirement that there be contributions by special districts to the costs or operations of a LAFCO, as recited above. Furthermore, the requirement for a municipal services review was enacted with the passage of Chapter 761, Statutes of 2000. Although parts of the requirements of a LAFCO were enacted prior to January 1, 1975, the portions referred to in the within test claim all arose after January 1, 1975.

#### **C. SPECIFIC STATUTORY SECTIONS THAT CONTAIN THE MANDATED ACTIVITIES**

The mandated activities are contained in Government Code, sections 56326.5, 56381, 56381.6, 56001, 56425, 56430, 56426.5, the LAFCO Municipal Service Review Guidelines, Final Draft 2002, issued October 3, 2002, and the LAFCO Municipal Service Review Guidelines, Final Draft Appendices 2002, issued October 3, 2002.

#### **D. COST ESTIMATES**

The Sacramento Metropolitan Fire District does not have the total estimate of costs for discharging this program. However, the claimant is informed and believes that with the enactment of Chapter 761, Statutes of 2000, it cost between \$20,000 to \$30,000 to defray its portion of the LAFCO's annual budget, and it is estimated that because of the changes wrought by Chapter 493, Statutes of 2002, it will cost between \$50,000 and \$80,000 per year to so fund. Regarding the municipal services review, the LAFCO has indicated it will charge the claimant upwards of \$5,000 to review its component, and it will cost the claimant in excess of \$20,000 to provide the information required to the LAFCO.

## **E. REIMBURSABLE COSTS MANDATED BY THE STATE**

The costs incurred by the claimant as a result of the statutes on which this test claim is based are all reimbursable costs as such costs are "costs mandated by the State" under Article XIII B (6) of the California Constitution, and Government Code § 17500 *et al.* of the Government Code. Section 17514 defines "costs mandated by the state", and specifies the following three requirements:

1. There are "increased costs which a local agency is required to incur after July 1, 1980."
2. The costs are incurred "as a result of any statute enacted on or after January 1, 1975.:
3. The costs are as a result of "a new program or higher level of service of an existing program within the meaning of Section 6 of Article XIII B of the California Constitution."

All three of the above requirements for finding costs mandated by the State are met as described previously herein.

## **F. MANDATE MEETS BOTH SUPREME COURT TESTS**

The mandate created by this statute clearly meets both tests that the Supreme Court in the *County of Los Angeles v. State of California* (1987) created for determining what constitutes a reimbursable state mandated local program. Those two tests, which the Commission on State Mandates relies upon to determine if a reimbursable mandate exists are the "unique to government" and the "carry out a state policy" tests. Their application to this test claim is discussed below:

### Mandate is Unique to Local Government

Only local government provides the municipal services and types of review required by the new legislation.

### Mandate Carries Out a State Policy

As seen from the statement of legislative intent, the purpose of the activities created by the test claim legislation is to assure that there is appropriate growth and that adequate services are provided to existing residents as well as for anticipated population growth.

In summary, the statutes and guidelines mandate that the claimant bear the burden of funding LAFCO and providing detailed information and pay for the cost of the municipal services review.

## STATE FUNDING DISCLAIMERS ARE NOT APPLICABLE

There are seven disclaimers specified in Government Code § 17556 which could serve to bar recovery of "costs mandated by the State", as defined in Government Code § 17556. None of the seven disclaimers apply to this test claim:

1. The claim is submitted by a local agency or school district which requests legislative authority for that local agency or school district to implement the Program specified in the statutes, and that statute imposes costs upon the local agency or school district requesting the legislative authority.
2. The statute or executive order affirmed for the State that which had been declared existing law or regulation by action of the courts.
3. The statute or executive order implemented a federal law or regulation and resulted in costs mandated by the federal government, unless the statute or executive order mandates costs which exceed the mandate in that federal law or regulation.
4. The local agency or school district has the authority to levy service charges, fees or assessments sufficient to pay for the mandated program or increased level of service.
5. The statute or executive order provides for offsetting savings to local agencies or school districts which result in no net costs to the local agencies or school districts, or includes additional revenue that was specifically intended to fund the costs of the State mandate in an amount sufficient to fund the cost of the State mandate.
6. The statute or executive order imposed duties which were expressly included in a ballot measure approved by the voters in a Statewide election.
7. The statute created a new crime or infraction, eliminated a crime or infraction, or changed the penalty for a crime or infraction, but only for that portion of the statute relating directly to the enforcement of the crime or infraction.

## CONCLUSION

The enactment of Chapter 439, Statutes of 1991, Chapter 761, Statutes of 2000, Chapter 493, Statutes of 2002, LAFCO Municipal Services Review Guidelines, and LAFCO Municipal Services Review Guidelines Appendices imposed a new state mandated program and cost on claimant. First of all, it shifted funding of the LAFCO onto the shoulders of independent districts, of which claimant is one. Although in some counties districts have the option of whether or not to have a position on the LAFCO board, same is not true of Sacramento County. Additionally, there is now required the municipal services review, which is a comprehensive document which results in a management audit of the municipal services provided within a LAFCO's jurisdiction. The mandated program meets all of the criteria and tests for the Commission on State Mandates to find a reimbursable state mandated program. None of the so-called disclaimers or other statutory or constitutional provisions that would relieve the State from its constitutional obligation to provide reimbursement have any application to this claim.

**G. CLAIM REQUIREMENTS**

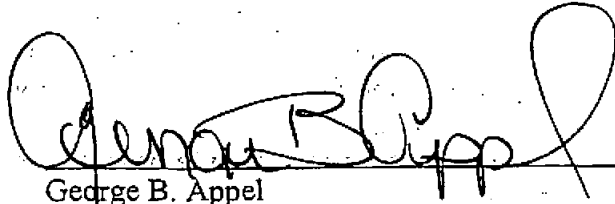
The following elements of this test claim are provided pursuant to Section 1183, Title 2 of the California Code of Regulations:

- Exhibit 1: Chapter 439, Statutes of 1991
- Exhibit 2: Chapter 761, Statutes of 2000
- Exhibit 3: Chapter 493, Statutes of 2002
- Exhibit 4: LAFCO Municipal Services Review Guidelines
- Exhibit 5: LAFCO Municipal Services Review Guidelines Appendices

**CLAIM CERTIFICATION**

The foregoing facts are known to me personally and if so required, I could and would testify to the statements made herein. I declare under penalty of perjury under the laws of the State of California that the statements made in this document are true and complete to the best of my personal knowledge except as to those matters stated upon information and belief, and as to those matters I believe them to be true.

Executed this 9<sup>th</sup> day of May, 2003 at Sacramento, California, by:



George B. Appel  
Deputy Chief

**DECLARATION OF GEORGE B. APPEL**

I, George B. Appel, make the following declaration under oath:

I am a Deputy Chief for the Sacramento Metropolitan Fire District. As part of my duties, I am responsible for the complete and timely recovery of costs mandated by the State.

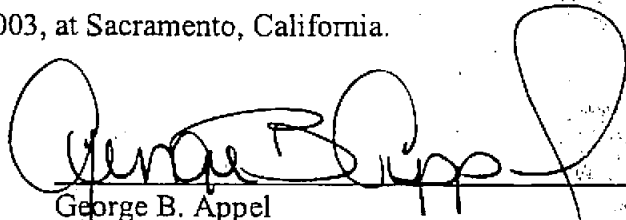
I declare that I have examined the Sacramento Metropolitan Fire District's State mandated duties and resulting costs in implementing the subject law and guidelines, and find that such costs are, in my opinion, "costs mandated by the State", as defined in Government Code, Section 17514:

"Costs mandated by the State' means any increased costs which a local agency or school district is required to incur after July 1, 1980, as a result of any statute enacted on or after January 1, 1975, which mandates a new program or higher level of service of an existing program within the meaning of Section 6 of Article XIII B of the California Constitution."

I am personally conversant with the foregoing facts, and if so required, I could and would testify to the statements made herein.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct of my own knowledge, except as to the matters which are stated upon information or belief, and as to those matters, I believe them to be true.

Executed this 9th day of May, 2003, at Sacramento, California.



George B. Appel  
Deputy Chief  
Sacramento Metropolitan Fire District

poison issued pursuant to Section 6260 of Title 3 of the California Code of Regulations for the purpose of testing the economic poison, and the produce on which the economic poison was tested is required to be destroyed, any actual costs incurred by the commissioner to investigate and confirm the destruction of the produce shall be paid for by the person who has the research authorization. The costs charged by the commissioner shall not exceed one hundred twenty-five dollars (\$125) per test site. The board of supervisors of each county may adopt a fee schedule to cover the commissioner's costs under this section.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

#### CHAPTER 439

An act to add Section 56326.5 to the Government Code, relating to local agency formation commissions.

[Approved by Governor September 18, 1991. Filed with  
Secretary of State September 19, 1991.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 56326.5 is added to the Government Code, to read:

56326.5. In Sacramento County, the commission shall consist of seven members, selected as follows:

(a) Two representing the county, appointed by the board of supervisors from their own membership. The board of supervisors shall appoint a third supervisor who shall serve as an alternate member of the commission. The alternate member may serve and vote in place of any supervisor on the commission who is absent or who disqualifies himself or herself from participating in a meeting of the commission. If the office of the regular county member becomes vacant, the alternate member may serve and vote in place of the former regular county member until the appointment and qualification of a regular county member to fill the vacancy.

(b) One representing the City of Sacramento who is a member of the city council, appointed by the mayor and confirmed by the city council. The mayor shall also appoint, subject to confirmation by the

council, an alternate member who is a member of the city council. The alternate member may serve and vote in place of the regular city member if the city member is absent or disqualifies himself or herself from participating in a meeting of the commission. If the office of the regular city member becomes vacant, the alternate member may serve and vote in place of the former regular city member until the appointment and qualification of a regular city member to fill the vacancy.

(c) One representing the cities in the county, who is a city officer appointed by the city selection committee. The city selection committee shall also designate one alternate member who shall be appointed and serve pursuant to Section 56335.

(d) Two representing special districts selected by an independent special district selection committee pursuant to Section 56332. The independent special district selection committee shall also designate one alternate member who shall be appointed and serve pursuant to Section 56332.

(e) One representing the general public, appointed by the other six members of the commission. The commission may also appoint an alternate public member who may serve and vote in the place of the regular public member if the regular public member is absent or disqualifies himself or herself from participating in a meeting of the commission. If the office of the regular public member becomes vacant, the alternate member may serve and vote in place of the former regular public member until the appointment and qualification of a regular public member to fill the vacancy.

The member initially selected to serve pursuant to subdivision (b) shall commence serving on or after January 1, 1992, on a date determined by the Mayor of the City of Sacramento, and shall serve for the remainder of the term of, and in place of, a member to be designated by the mayor, appointed pursuant to subdivision (b) of Section 56325.

SEC. 2. The City of Sacramento has the largest population of any city in the County of Sacramento, creating a unique set of circumstances which affects its role in the growth and development of urban areas. Due to these unique facts and circumstances applicable only to the County of Sacramento, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution. Special legislation is, therefore, necessary to be applicable only to the County of Sacramento.

Assembly Bill No. 2838

CHAPTER 761

An act to amend Section 35721 of, and to add Sections 35700.5 and 35721.5 to, the Education Code, to amend Sections 34880, 56000, 56001, 56029, 56036, 56038, 56046, 56048, 56064, 56067, 56068, 56069, 56074, 56100, 56101, 56106, 56107, 56122, 56123, 56124, 56129, 56132, 56133, 56150, 56154, 56156, 56157, 56159, 56300, 56301, 56325, 56326, 56326.5, 56327, 56328, 56329, 56332, 56334, 56375, 56375.5, 56377, 56383, 56384, 56386, 56425, 56429, 56653, 56705, 56706, 56708, 56710, 57000, 57001, 57002, 57003, 57007, 57008, 57025, 57026, 57050, 57051, 57052, 57075, 57075.5, 57076, 57077, 57078, 57080, 57081, 57090, 57125, 57126, 57127, 57129, 57130, 57131, 57133, 57138, 57144, 57145, 57146, 57148, 57149, 57150, 57176, 57176.1, 57177, 57177.5, 57178, 57179, 57200, 57201, 57302, 57303, 57379, 57384, 57402, and 57404 of, to amend the heading of Chapter 4 (commencing with Section 56800) of Part 3 of Division 3 of Title 5 of, to amend and renumber Sections 57053, 57079.5, 57082, 57082.5, 57083, 57083.5, 57084, 57085, 57086, 57087, 57087.5, 57087.7, 57088, 57089, 57091, 57092, 57093, 57100, 57101, 57102, 57103, 57103.1, and 57104 of, to amend, renumber, and add Section 56800 of, to add Sections 56020.5, 56020.7, 56037.5, 56038.5, 56100.1, 56325.1, 56327.3, 56332.5, 56375.3, 56381.6, 56425.5, 56430, 56655, 56657, 56658, 56660, 56661, 56662, 56663, 56664, 56665, 56666, 56667, 56668, 56668.5, 56700.1, 56700.4, 56803, 56815.2, 56848, and 57078.5 to, to add a heading as Article 1 (commencing with Section 56800) to, and to add Article 2 (commencing with Section 56810) and Article 3 (commencing with Section 56815) to, Chapter 4 of Part 3 of Division 3 of Title 5 of, to add Article 1 (commencing with Section 56820) to, to add a heading as Article 2 (commencing with Section 56825) to, to add Article 3 (commencing with Section 56859) to, to add Article 4 (commencing with Section 56864) to, and to add Article 5 (commencing with Section 56875) to, Chapter 5 of Part 3 of Division 3 of Title 5 of, to add a heading as Chapter 5 (commencing with Section 56820) to, to add Chapter 3 (commencing with Section 56720) and Chapter 6 (commencing with Section 56880) to, Part 3 of Division 3 of Title 5 of, to add and repeal Section 56434 of, to repeal Sections 56022, 56108, 56109, 56110, 56111, 56111.1, 56111.5, 56111.6, 56111.7, 56111.9, 56111.10, 56111.11, 56111.12, 56111.13, 56111.14, 56112, 56113, 56114, 56330, 56375.1, 56375.4, 56375.45, 56426, 56656, 56700.3, 56700.5, 56701, 56702, 56800.3, 56827.5, 56828.5, 56833.1, 56833.3, 56833.5, 56839.1, 56840.5, 56842.2, 56842.5, 56842.6, 56842.7, 56844.1, 56844.2, 56848.3, 56848.5, 56850, 56851, 56852, 56852.3, 56852.5, 56858, 56859, 57004, 57005, 57006, 57079, and 57175 of, to repeal the heading of Chapter 5 (commencing with Section 56825) of Part 3 of Division 3 of Title 5 of, to repeal Chapter 5 (commencing with Section 56450) of, and



Chapter 6 (commencing with Section 56475) of, Part 2 of Division 3 of Title 5 of, to repeal Chapter 3 (commencing with Section 56750) of Part 3 of Division 3 of Title 5 of, and to repeal and add Sections 56380, 56381, 56801, 56802, 56826, 56827, 56828, 56829, 56830, 56831, 56832, 56833, 56834, 56835, 56836, 56837, 56838, 56839, 56840, 56841, 56842, 56843, 56844, 56845, 56846, 56847, 56849, 56853, 56854, 56855, 56856, and 56857 of, the Government Code, and to amend Section 99 of the Revenue and Taxation Code, relating to local agencies.

[Approved by Governor September 26, 2000. Filed  
with Secretary of State September 27, 2000.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 2838, Hertzberg. Local agency formation commissions.

(1) Under existing law, the Cortese-Knox Local Government Reorganization Act of 1985, the local agency formation commission in each county is required to review and approve or disapprove proposals for changes of organization or reorganization of cities and districts within the county. If a proposal is approved, further proceedings, including a hearing and an election if required, are conducted by the county or other public agency designated as the conducting authority.

This bill would rename the act as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, delete references in the act to the conducting authority, and transfer its duties and powers to the commission.

(1.5) Under existing law, an action to reorganize school districts may be initiated by a petition filed with the county superintendent of schools signed by 25% of the registered voters in the territory to be reorganized. Following the receipt of a petition signed by at least 10% of the qualified electors of a school district for unification or other organization, the county committee on school district organization is required to hold a public hearing.

This bill would require the county committee to provide written notice to the commission before initiating proceedings to consider any reorganization plan under either provision. The bill would also require the county committee to hold a public hearing on receipt of a resolution of a local agency, as specified, for consideration of unification or other reorganization.

(2) Under the act, noncontiguous territory may not be annexed to a city. However, statutory exceptions permit particular cities to annex noncontiguous territory that constitutes a state correctional facility or a state correctional training facility.

This bill would delete these exceptions and authorize any city to annex that noncontiguous territory upon approval of the local agency formation commission.

(3) Existing law authorizes a city or district to provide new or extended services by contract or agreement outside its jurisdictional boundaries if it receives written approval from the commission but provides that this approval requirement does not apply to contracts or agreements solely involving 2 or more public agencies.

This bill would permit this exception where the public service to be provided is an alternative to or substitute for public services already being provided, as specified. This bill would also require the executive officer, within 30 days of receipt of a request for approval by a city or district to extend services outside its jurisdictional boundary, to determine whether the request is complete and acceptable for filing and, if not, to transmit that determination to the requester, specifying the parts that are incomplete. When the request is deemed complete, the executive officer would be required to place the request on the agenda of the next commission meeting.

(4) Existing law specifies how required notice shall be published, posted, or mailed with respect to the proceedings of a local agency formation commission.

This bill would provide that required notice shall also be given in electronic format on a website provided by the commission to the extent that the commission maintains a website. The bill would require the commission to establish and maintain, or otherwise provide access to, notices and provide other commission information for the public through an Internet website, thereby imposing a state-mandated local program.

This bill would require the commission to provide written notice of a proposed reorganization that may affect school attendance for a district to the countywide school district and each school superintendent whose district would be affected.

This bill would additionally require the commission to provide mailed notice to all registered voters and owners of property within 300 feet of the exterior boundary of the property that is the subject of a commission hearing.

(5) Existing law defines "landowner" or "owner of land" for purposes of the act as any person shown as the owner of land on the last equalized assessment roll except where that person is no longer the owner.

This bill would change that definition to any person shown as the owner of land on the most recent assessment roll being prepared by the county at the time the commission adopts a resolution of application except where that person is no longer the owner, and would make related changes.

(6) Existing provisions of the act require that notices of hearings of a local agency formation commission be published at least 15 days prior to the date of the hearing.

This bill would change that period to at least 20 days prior to the date of the hearing.

(7) Existing law declares the intent of the Legislature that each commission establish policies and exercise its powers to encourage efficient urban development and consideration of preserving open-space lands.

This bill would declare the intent of the Legislature that each commission establish written policies and procedures not later than January 1, 2002. The bill would require the policies and procedures to include lobbying disclosure and reporting requirements and forms to be used for submittals to the commission.

(8) The act establishes the purposes of a local agency formation commission, such as discouraging urban sprawl and encouraging orderly formation and development of local agencies.

This bill would add to those purposes preserving open-space and agricultural lands and efficiently providing government services. The bill would also require a commission, when formation of a new governmental entity is proposed, to make a determination as to whether existing agencies can feasibly provide the needed service or services in a more efficient and accountable manner. The bill would require a commission to apply various factors when reviewing and approving or disapproving proposals that may convert open-space lands to other uses.

(9) The act establishes procedures for the selection of the 5 members of a local agency formation commission.

This bill would increase the number of members to 7 and would revise the selection procedures.

Existing law provides that the commission for Los Angeles County consists of 7 members.

This bill would increase that membership to 9 members.

(10) Existing law sets forth the various powers and duties of a local agency formation commission in reviewing and approving or disapproving proposals for changes of organization or reorganization. Among other things, a commission may require as a condition to annexation that a city prezone the territory to be annexed.

This bill would provide that a commission shall require that rezoning, and would require that approval of the annexation be consistent with the planned and probable use of the property, based upon the review of the general plan and rezoning designations.

This bill would also authorize a commission to enter into an agreement with the commission of an adjoining county to determine procedures for considering proposals that may affect the adjoining county. The bill would also authorize a commission to review the consistency of a proposal within a city's general plan when a proposed action would require the extension of critical services.

This bill would authorize a commission to require the disclosure of contributions, expenditures, and independent expenditures made in support of or opposition to a proposal and to require lobbying

disclosure and reporting requirements for persons who attempt to influence pending decisions by commission members, staff, or consultants, would prescribe how disclosure is to be made, and would require a commission to hold public hearings to discuss the adoption of policies and procedures governing disclosure, thereby imposing a state-mandated local program.

(11) Existing law requires the county board of supervisors to provide for necessary quarters, facilities, supplies, and the usual and necessary operating expenses of a local agency formation commission. The commission is required to submit an estimate of operating expenses to the board.

This bill would repeal that requirement and provide that the commission expenses shall be provided by the county, the cities, and the special districts. The bill would require that the estimate be submitted to the cities and the counties and would require the commission to adopt a budget following a noticed public hearing, thereby imposing a state-mandated local program.

(12) Existing law authorizes a local agency formation commission to establish a schedule of fees for the costs of proceedings under the Cortese-Knox Local Government Reorganization Act of 1985, including a fee for checking the sufficiency of any petition filed with the executive officer of the commission.

This bill would require the signatures on a petition to be verified by the county elections official. The bill would provide that the costs of verification shall be provided for in the same manner and by the same agencies that bear those costs for an initiative petition in the same jurisdiction.

The bill would also authorize a commission to waive a fee in the public interest and to request a loan from the Controller for petition proceedings for an incorporation, as specified.

(13) Existing law authorizes a local agency formation commission to appoint an executive officer and legal counsel.

This bill would require a commission to appoint an executive officer and legal counsel, would authorize the commission to appoint staff, and would provide for alternatives if there is a conflict of interest on a matter before the commission.

(14) Existing law requires a local agency formation commission to develop and determine the sphere of influence of each local governmental agency within the county and periodically review and update the adopted sphere of influence.

This bill would require the review and update not less than once every 5 years. For that update and review the bill would require a commission to conduct a service review of municipal services provided in the county. The bill would require a commission to make certain determinations concerning functions and services provided by existing districts before approving any special district sphere of influence or any sphere of influence that includes a special district.

(15) Existing law requires a local agency formation commission to develop, determine, and adopt a sphere of influence for each local governmental agency that provides facilities or services related to development no later than January 1, 1985.

This bill instead would require the commission to develop and determine the sphere of influence of each local governmental agency and update that sphere of influence not less than once every 5 years and would provide a procedure until January 1, 2007, for city and county representatives to reach agreement on the scope of the proposed or revised sphere of influence. The bill would authorize the commission to review and approve a proposal that extends services into unserved, unincorporated areas and to review the creation of new service providers, as specified.

(15.5) Existing law authorizes certain local agencies to establish sewer and water supply facilities on designated lands related to the development of certain territory within the Norton Air Force Base Redevelopment Project Area, as specified.

This bill would provide that a determination of a city's sphere of influence that includes any of that redevelopment project area shall not preclude any other local agency from providing facilities or services related to development, as specified.

(16) Under the act, a local agency formation commission may adopt regulations affecting the functions and services of special districts. As long as those regulations are in effect, the special districts must be represented on the commission.

This bill would repeal this representation requirement and would provide that if the commission has special district representation prior to January 1, 2001, a majority of the independent special districts may require the commission to repeal previously adopted regulations that limit the exercise of powers of special districts.

(17) Existing law creates the Special Commission on Los Angeles Boundaries with specified duties and implements that commission only to the extent that funds are appropriated in the annual Budget Act.

This bill would repeal these provisions.

(18) Existing law defines a special reorganization as a reorganization that includes the detachment of territory from a city or city and county and the incorporation of that entire detached territory as a city.

This bill would specify that proceedings for a special reorganization shall be conducted in accordance with the procedures otherwise prescribed for incorporation of a city.

The bill would also require that expenditures and contributions for political purposes related to a change of organization or reorganization proposal be disclosed and reported in the manner provided for local initiative measures.

(19) Existing law specifies the percentages of registered voters or landowners who must sign petitions for various changes or organization.

This bill would revise these percentages for city consolidations, city annexations, city detachments, district detachments or annexations, district dissolutions, district mergers, or the establishment of a district as a subsidiary district of a city.

(20) Existing law requires that commission review of a reorganization proposal include, but not be limited to, specified factors.

This bill would add to those factors the ability of the newly formed or receiving entity to provide services, the timely availability of adequate water supplies, the extent to which the proposal will assist the receiving entity in achieving its fair share of the regional housing needs, and information from landowners or relating to existing land use designations.

This bill would also require a commission, in considering a proposal including the formation of a new government, to make a determination of the efficiency of existing agencies in providing the needed service or services. The bill would authorize the commission to consider regional growth goals and policies established by local elected officials.

(21) Existing law provides that in any order approving a change of organization or reorganization, the commission may make approval conditional on any of specified factors.

This bill would authorize a condition prohibiting an agency being dissolved from taking certain actions unless an emergency situation exists.

(22) This bill would require the Office of Planning and Research, in consultation with the Controller, to convene a task force of representatives from local agencies and commissions to create statewide guidelines for the incorporation process.

(23) Existing law authorizes any person or affected agency to file a written request to amend or reconsider a commission resolution making determinations.

This bill would require the request to state new or different facts or applicable new law to warrant reconsideration of the resolution.

(24) Existing law requires the conducting authority to consider certain factors if a proposed change of organization is a district annexation.

This bill would require a commission to consider these factors for a city detachment or a district annexation, other than a special reorganization, would add as a factor any resolution objecting to the action that may be filed by an affected agency, and would require the commission to give great weight to such a resolution.

(25) Existing law requires, in the event of a jurisdictional change that would affect the service area or responsibility of one or more

special districts, that the board of supervisors negotiate any exchange of property taxes on behalf of the district or districts.

This bill would require the board, prior to entering into negotiation, to consult with the affected districts, with notice to the district board members and executive officer, and adequate opportunity for comment.

(26) This bill would incorporate additional changes in specified sections of the Government Code proposed by AB 1495 and AB 2779, that would become operative if either or both of those bills and this bill are enacted and become effective on or before January 1, 2001, and this bill is enacted last.

(27) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

*The people of the State of California do enact as follows:*

SECTION 1. Section 35700.5 is added to the Education Code, to read:

35700.5. Before initiating proceedings to consider any reorganization plan, the county committee on school district organization shall provide written notice of the proposed action to the local agency formation commission for the affected area.

SEC. 1.5. Section 35721 of the Education Code is amended to read:

35721. (a) On receipt of a petition signed by at least 10 percent of the qualified electors residing in any district for a consideration of unification or other reorganization of any area, the county committee shall hold a public hearing on the petition at a regular or special meeting.

(b) On receipt of a petition signed by at least 5 percent of the qualified electors residing in a school district with over 200,000 pupils in average daily attendance in which the petition is to reorganize the district into two or more districts, the county committee shall hold a public hearing on the petition at a regular or special meeting.

(c) On receipt of a resolution approved by a majority of the members of a city council, county board of supervisors, governing body of a special district, or local agency formation commission that has jurisdiction over all or a portion of the school district for

consideration of unification or other reorganization of any area, the county committee shall hold a public hearing on the proposal at a regular or special meeting.

(d) Following the hearing conducted pursuant to subdivision (a), (b), or (c), the county committee shall grant or deny the petition. If the county committee grants the petition, it shall adopt a tentative recommendation following which action it shall hold one or more public hearings in the area proposed for reorganization. The provisions of Sections 35705 and 35705.5 shall apply to any such public hearing.

SEC. 2. Section 35721.5 is added to the Education Code, to read:

35721.5. Before initiating proceedings to consider any reorganization plan, the county committee on school district organization shall provide written notice of the proposed action to the local agency formation commission for the affected area.

SEC. 3. Section 34880 of the Government Code is amended to read:

34880. (a) If the petition or proposal developed by the commission for submission to the electorate for incorporation or special reorganization of a city provides for the election of members of the legislative body by (or from) districts and includes substantially the provisions required to be included in an ordinance providing for that election, including Section 34871, the members of the legislative body shall be elected in the manner provided in the petition or proposal.

(b) The members of the legislative body shall hold office until the next general municipal election. At the next general municipal election the members elected by or from the even-numbered districts shall hold office for four years and the members elected by or from the odd-numbered districts shall hold office for two years. Thereafter the term of office is four years.

SEC. 3.5. Section 56000 of the Government Code is amended to read:

56000. This division shall be known and may be cited as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

SEC. 4. Section 56001 of the Government Code is amended to read:

56001. The Legislature finds and declares that it is the policy of the state to encourage orderly growth and development which are essential to the social, fiscal, and economic well-being of the state. The Legislature recognizes that the logical formation and determination of local agency boundaries is an important factor in promoting orderly development and in balancing that development with sometimes competing state interests of discouraging urban sprawl, preserving open-space and prime agricultural lands, and efficiently extending government services. The Legislature also



recognizes that providing housing for persons and families of all incomes is an important factor in promoting orderly development. Therefore, the Legislature further finds and declares that this policy should be effected by the logical formation and modification of the boundaries of local agencies, with a preference granted to accommodating additional growth within, or through the expansion of, the boundaries of those local agencies which can best accommodate and provide necessary governmental services and housing for persons and families of all incomes in the most efficient manner feasible.

The Legislature recognizes that urban population densities and intensive residential, commercial, and industrial development necessitate a broad spectrum and high level of community services and controls. The Legislature also recognizes that when areas become urbanized to the extent that they need the full range of community services, priorities are required to be established regarding the type and levels of services that the residents of an urban community need and desire; that community service priorities be established by weighing the total community service needs against the total financial resources available for securing community services; and that those community service priorities are required to reflect local circumstances, conditions, and limited financial resources. 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.

SEC. 5. Section 56020.5 is added to the Government Code, to read:

56020.5. "Certificate of completion" means the document prepared by the executive officer and recorded with the county recorder that confirms the final successful resolution of a change of organization or reorganization.

SEC. 6. Section 56020.7 is added to the Government Code, to read:

56020.7. "Certificate of termination of proceedings" means the document prepared by the executive officer and retained by the commission that indicates that a proposal for a change of organization or reorganization was terminated because of a majority written protest or rejection by voters in an election.

SEC. 7. Section 56022 of the Government Code is repealed.

SEC. 8. Section 56029 of the Government Code is amended to read:

56029. "Conducting authority" means the commission of the principal county of the entity proposing a change of organization or reorganization, unless another conducting authority is specified by law.

SEC. 9. Section 56036 of the Government Code is amended to read:

56036. (a) "District" or "special district" means an agency of the state, formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries. "District" or "special district" includes a county service area, but excludes all of the following:

- (1) The state.
- (2) A county.
- (3) A city.
- (4) A school district or a community college district.
- (5) A special assessment district.
- (6) An improvement district.
- (7) A community facilities district formed pursuant to the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5.
- (8) A permanent road division formed pursuant to Article 3 (commencing with Section 1160) of Chapter 4 of Division 2 of the Streets and Highways Code.
- (9) An air pollution control district or an air quality maintenance district.
- (10) A service zone of a fire protection district.

(b) Except as otherwise provided in paragraph (1), each of the entities listed in paragraph (1) is a "district" or a "special district" for the purposes of this division.

(1) For the purposes of Chapter 1 (commencing with Section 57000) to Chapter 7 (commencing with Section 57175), inclusive, of Part 4 or Part 5 (commencing with Section 57300), none of the following entities is a "district" or a "special district:"

- (A) A unified or union high school library district.
- (B) A bridge and highway district.
- (C) A joint highway district.
- (D) A transit or rapid transit district.
- (E) A metropolitan water district.
- (F) A separation of grade district.

(2) Any proceedings pursuant to Part 4 (commencing with Section 57000) for a change of organization involving an entity described in paragraph (1) shall be conducted pursuant to the principal act authorizing the establishment of that entity.

(c) Except as otherwise provided in paragraph (1), each of the entities listed in paragraph (1) is a "district" or "special district" for purposes of this division.

(1) For the purposes of Chapter 1 (commencing with Section 57000) to Chapter 7 (commencing with Section 57175), inclusive, of Part 4 or Part 5 (commencing with Section 57300), none of the following entities is a "district" or "special district" if the commission of the principal county determines, in accordance with Sections 56127 and 56128, that the entity is not a "district" or "special district."

- (A) A flood control district.
- (B) A flood control and floodwater conservation district.
- (C) A flood control and water conservation district.
- (D) A conservation district.
- (E) A water conservation district.
- (F) A water replenishment district.
- (G) The Orange County Water District.
- (H) A California water storage district.
- (I) A water agency.
- (J) A county water authority or a water authority.

(2) If the commission determines that an entity described in paragraph (1) is not a "district" or "special district," any proceedings pursuant to Part 4 (commencing with Section 57000) for a change of organization involving the entity shall be conducted pursuant to the principal act authorizing the establishment of that entity.

SEC. 10. Section 56037.5 is added to the Government Code, to read:

56037.5. "Elections official" shall have the same meaning as in Section 320 of the Elections Code.

SEC. 11. Section 56038 of the Government Code is amended to read:

56038. "Executive officer" means the executive officer appointed by a commission.

SEC. 12. Section 56038.5 is added to the Government Code, to read:

56038.5. "Feasible" means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, legal, social, and technological factors.

SEC. 13. Section 56046 of the Government Code is amended to read:

56046. "Inhabited territory" means territory within which there reside 12 or more registered voters. The date on which the number of registered voters is determined is the date of the adoption of a resolution of application by the legislative body pursuant to Section 56654, if the legislative body has complied with subdivision (b) of that section, or the date a petition or other resolution of application is accepted for filing and a certificate of filing is issued by the executive officer. All other territory shall be deemed "uninhabited."

SEC. 14. Section 56048 of the Government Code is amended to read:

56048. (a) Except as otherwise provided in subdivision (b) or (c), "landowner" or "owner of land" means all of the following:

(1) Any person shown as the owner of land on the most recent assessment roll being prepared by the county at the time the commission adopts a resolution of application except where that person is no longer the owner. Where that person is no longer the owner, the landowner or owner of land is any person entitled to be shown as owner of land on the next assessment roll.

(2) Where land is subject to a recorded written agreement of sale, any person shown in the agreement as purchaser.

(3) Any public agency owning land.

(b) "Landowner" or "owner of land" does not include a public agency which owns highways, rights-of-way, easements, waterways, or canals.

(c) For the purpose of mailed notice provided pursuant to Section 56157, "landowner" or "owner of land" means each person to whom land is assessed, as shown upon the most recent assessment roll being prepared by the county at the time the commission adopts a resolution of application, at the address shown upon that assessment roll.

SEC. 15. Section 56064 of the Government Code is amended to read:

56064. "Prime agricultural land" means an area of land, whether a single parcel or contiguous parcels, that has not been developed for a use other than an agricultural use and that meets any of the following qualifications:

(a) Land that qualifies, if irrigated, for rating as class I or class II in the USDA Natural Resources Conservation Service land use capability classification, whether or not land is actually irrigated, provided that irrigation is feasible.

(b) Land that qualifies for rating 80 through 100 Storie Index Rating.

(c) Land that supports livestock used for the production of food and fiber and that has an annual carrying capacity equivalent to at least one animal unit per acre as defined by the United States Department of Agriculture in the National Handbook on Range and Related Grazing Lands, July, 1967, developed pursuant to Public Law 46, December 1935.

(d) Land planted with fruit or nut-bearing trees, vines, bushes, or crops that have a nonbearing period of less than five years and that will return during the commercial bearing period on an annual basis from the production of unprocessed agricultural plant production not less than four hundred dollars (\$400) per acre.

(e) Land that has returned from the production of unprocessed agricultural plant products an annual gross value of not less than four

hundred dollars (\$400) per acre for three of the previous five calendar years.

SEC. 16. Section 56067 of the Government Code is amended to read:

56067. "Proceeding," "proceeding for a change of organization," or "proceeding for a reorganization" means proceedings taken by the commission for a proposed change of organization or reorganization pursuant to Part 4 (commencing with Section 57000).

SEC. 17. Section 56068 of the Government Code is amended to read:

56068. "Proponent" means the person or persons who file a notice of intention to circulate a petition with the executive officer.

SEC. 18. Section 56069 of the Government Code is amended to read:

56069. "Proposal" means a request or statement of intention made by petition or by resolution of application of a legislative body or of a school district proposing proceedings for the change of organization or reorganization described in the request or statement of intention.

SEC. 19. Section 56074 of the Government Code is amended to read:

56074. "Service" means a class established within, and as a part of, a single function, as provided by regulations adopted by the commission pursuant to Chapter 5 (commencing with Section 56820) of Part 3.

SEC. 21. Section 56100 of the Government Code is amended to read:

56100. Except as otherwise provided in paragraph (2) of subdivision (b) of Section 56036, paragraph (2) of subdivision (c) of Section 56036, and Section 56101, this division provides the sole and exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts. All changes of organization and reorganizations shall be initiated, conducted, and completed in accordance with, and as provided in, this division.

Notwithstanding any other provision of law, proceedings for the formation of a district shall be conducted as authorized by the principal act of the district proposed to be formed, except that the commission shall serve as the conducting authority and the procedural requirements of this division shall apply and shall prevail in the event of conflict with the procedural requirements of the principal act of the district. In the event of such a conflict, the commission shall specify the procedural requirements that apply, consistent with the requirements of this section.

SEC. 21.5. Section 56100.1 is added to the Government Code, to read:

56100.1. A commission may require, through the adoption of written policies and procedures, the disclosure of contributions, as defined in Section 82015, expenditures, as defined in Section 82025, and independent expenditures, as defined in Section 82031, made in support of or opposition to a proposal. Disclosure shall be made either to the commission's executive officer, in which case it shall be posted on the commission's website, if applicable, or to the board of supervisors of the county in which the commission is located, which may designate a county officer to receive the disclosure. Disclosure pursuant to a requirement under the authority provided in this section shall be in addition to any disclosure required by Title 9 (commencing with Section 81000) or by local ordinance.

SEC. 22. Section 56101 of the Government Code is amended to read:

56101. This division does not apply to any proceeding for a change of organization or reorganization for which the application shall have been accepted for filing by the executive officer pursuant to Section 56658 prior to January 1, 2001. These pending proceedings may be continued and completed under, and in accordance with, the provisions of law under which the proceedings were commenced. The repeals, amendments, and additions made by the act enacting this division shall not apply to any of those pending proceedings, and, the laws existing prior to January 1, 2001, shall continue in full force and effect, as applied to those pending proceedings.

SEC. 23. Section 56106 of the Government Code is amended to read:

56106. Any provisions in this division governing the time within which an official or the commission is to act shall in all instances, except for notice requirements and the requirements of subdivision (i) of Section 56658, be deemed directory, rather than mandatory.

SEC. 24. Section 56107 of the Government Code is amended to read:

56107. (a) This division shall be liberally construed to effectuate its purposes. No change of organization or reorganization ordered under this division and no resolution adopted by the commission making determinations upon a proposal shall be invalidated because of any defect, error, irregularity, or omission in any act, determination, or procedure which does not adversely and substantially affect the rights of any person, city, county, district, the state, or any agency or subdivision of the state.

(b) All determinations made by a commission under, and pursuant to, this division shall be final and conclusive in the absence of fraud or prejudicial abuse of discretion.

(c) In any action or proceeding to attack, review, set aside, void, or annul a determination by a commission on grounds of noncompliance with this division, any inquiry shall extend only to whether there was fraud or a prejudicial abuse of discretion.

Prejudicial abuse of discretion is established if the court finds that the determination or decision is not supported by substantial evidence in light of the whole record.

SEC. 25. Section 56108 of the Government Code is repealed.

SEC. 26. Section 56109 of the Government Code is repealed.

SEC. 27. Section 56110 of the Government Code is repealed.

SEC. 28. Section 56111 of the Government Code is repealed.

SEC. 29. Section 56111.1 of the Government Code is repealed.

SEC. 30. Section 56111.5 of the Government Code is repealed.

SEC. 31. Section 56111.6 of the Government Code is repealed.

SEC. 32. Section 56111.7 of the Government Code is repealed.

SEC. 33. Section 56111.9 of the Government Code is repealed.

SEC. 34. Section 56111.10 of the Government Code is repealed.

SEC. 35. Section 56111.11 of the Government Code is repealed.

SEC. 36. Section 56111.12 of the Government Code is repealed.

SEC. 37. Section 56111.13 of the Government Code is repealed.

SEC. 38. Section 56111.14 of the Government Code is repealed.

SEC. 39. Section 56112 of the Government Code is repealed.

SEC. 40. Section 56113 of the Government Code is repealed.

SEC. 41. Section 56114 of the Government Code is repealed.

SEC. 42. Section 56122 of the Government Code is amended to read:

56122. Section 56886 and any term and condition provided by, or made pursuant to, that section shall be enforceable by, between, among, and against any public agency or agencies designated in the term and condition, but shall not constitute, or be given effect as, a limitation upon the power of any bondholder or other creditor to enforce his or her rights, particularly any rights provided for by Part 5 (commencing with Section 57300), as if Section 56886 had not been enacted or the term and condition had not been made or provided pursuant to that section.

SEC. 43. Section 56123 of the Government Code is amended to read:

56123. Except as otherwise provided in Section 56124, if a proposed change of organization or a reorganization applies to two or more affected counties, for the purpose of this division, exclusive jurisdiction shall be vested in the commission of the principal county. Any notices, proceedings, orders, or any other acts authorized or required to be given, taken, or made by the commission, board of supervisors, clerk of a county, or any other county official, shall be given, taken, or made by the persons holding those offices in the principal county. The commission of the principal county shall provide notice to the chair, each board member, and the executive officer of all affected agencies of any proceedings, actions, or reports on the proposed change of organization or reorganization. Any officer of a county other than the principal county shall cooperate with the commission of the principal county and shall furnish the

commission of the principal county with any certificates, records, or certified copies of records as may be necessary to enable the commission of the principal county to comply with this division.

SEC. 44. Section 56124 of the Government Code is amended to read:

56124. If a proposed change of organization or a reorganization applies to two or more affected counties, for purposes of this division, exclusive jurisdiction may be vested in the commission of an affected county other than the commission of the principal county if all of the following occur:

(a) The commission of the principal county approves of having exclusive jurisdiction vested in another affected county.

(b) The commission of the principal county designates the affected county which shall assume exclusive jurisdiction.

(c) The commission of the affected county so designated agrees to assume exclusive jurisdiction.

If exclusive jurisdiction is vested in the commission of an affected county other than the principal county pursuant to this section, any notices, proceedings, orders, or any other acts authorized or required to be given, taken, or made by the commission, board of supervisors, clerk of a county, or any other officer of a county, shall be given, taken, or made by the persons holding those offices in the affected county. Any officer of a county other than the affected county shall cooperate with the commission of the affected county and shall furnish the commission of the affected county with any certificates, records, or certified copies of records as may be necessary to enable the commission of the affected county to comply with this division.

SEC. 45. Section 56129 of the Government Code is amended to read:

56129. (a) If a public utility has been granted a certificate of public convenience and necessity authorizing and requiring it to furnish gas or electric service within a certain service area and, as a result of a change of organization or a reorganization, territory consisting of all, or any part, of that service area becomes a part of, or is formed into, a district authorized by its principal act to furnish gas or electric service, the district shall not furnish that service within the territory except upon approval by both of the following:

(1) The commission after receipt and consideration of the report of the Public Utilities Commission made as provided in Section 56131.

(2) The voters within the territory, given at an election, as provided in Section 56130.

(b) If both of those approvals are given, upon assumption of service by the district the public utility may at any time thereafter withdraw service within the territory, unless otherwise ordered by the Public Utilities Commission.

(c) "Gas or electric service," as used in this section and in Sections 56130, 56131, and 56875, means the distribution and sale for any



purpose, other than for the purpose of resale, of gas or electricity for light, heat, or power.

SEC. 46. Section 56132 of the Government Code is amended to read:

56132. (a) This section shall only apply to any change of organization or reorganization that includes detachment of territory from the Broadmoor Police Protection District in the County of San Mateo and which includes or accommodates, or is intended to facilitate, an annexation of territory to another local agency that has initiated the change of organization or reorganization. This section does not, however, apply to any territory comprising real property owned by the San Francisco Bay Area Rapid Transit District.

If the commission adopts a resolution approving such a change of organization or reorganization, the board of commissioners of the district may, within 15 days thereafter, adopt a resolution finding either that the proposed detachment may or will not adversely affect the district's ability to efficiently provide its law enforcement services in the remainder of the district. The district shall, if it adopts a resolution, file a certified copy of its resolution with the local agency to which the affected territory is proposed to be annexed and the commission. If that resolution finds that the proposed detachment may have an adverse financial effect, then the reorganization shall not become effective unless a majority of the voters voting at a special election of the district called for that purpose approve the detachment. The Broadmoor Police Protection District shall pay the costs of the election. For purposes of this section, it shall be conclusively presumed that any affected local agency which adopts a resolution under Section 56654 requesting a detachment of contiguous territory from the Broadmoor Police Protection District and which could have concurrently requested annexation of the affected territory, intends to do so.

(b) The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the following special circumstances:

The Broadmoor Police Protection District consists primarily of suburban residential properties which have long enjoyed an urban level of police services. The threat of continued piecemeal detachments of territory from the district threatens its ability to continue providing that level of service on an economically efficient basis.

(c) This section shall remain in effect only until January 1, 2002, and as of that date is repealed, unless a later enacted statute, that is enacted prior to January 1, 2002, deletes or extends that date.

SEC. 47. Section 56133 of the Government Code is amended to read:

56133. (a) A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundaries only if it first requests and receives written approval from the commission in the affected county.

(b) The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundaries but within its sphere of influence in anticipation of a later change of organization.

(c) The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundaries and outside its sphere of influence to respond to an existing or impending threat to the public health or safety of the residents of the affected territory if both of the following requirements are met:

(1) The entity applying for the contract approval has provided the commission with documentation of a threat to the health and safety of the public or the affected residents.

(2) The commission has notified any alternate service provider, including any water corporation as defined in Section 241 of the Public Utilities Code, or sewer system corporation as defined in Section 230.6 of the Public Utilities Code, that has filed a map and a statement of its service capabilities with the commission.

(d) The executive officer, within 30 days of receipt of a request for approval by a city or district of a contract to extend services outside its jurisdictional boundary, shall determine whether the request is complete and acceptable for filing or whether the request is incomplete. If a request is determined not to be complete, the executive officer shall immediately transmit that determination to the requester, specifying those parts of the request that are incomplete and the manner in which they can be made complete. When the request is deemed complete, the executive officer shall place the request on the agenda of the next commission meeting for which adequate notice can be given but not more than 90 days from the date that the request is deemed complete, unless the commission has delegated approval of those requests to the executive officer. The commission or executive officer shall approve, disapprove, or approve with conditions the contract for extended services. If the contract is disapproved or approved with conditions, the applicant may request reconsideration, citing the reasons for reconsideration.

(e) This section does not apply to contracts or agreements solely involving two or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider. This section does not apply to contracts for the transfer of nonpotable or nontreated water. This section does not apply to contracts or agreements solely involving the provision of surplus water to agricultural lands and

facilities, including, but not limited to, incidental residential structures, for projects that serve conservation purposes or that directly support agricultural industries. However, prior to extending surplus water service to any project that will support or induce development, the city or district shall first request and receive written approval from the commission in the affected county. This section does not apply to an extended service that a city or district was providing on January 1, 1994. This section does not apply to a local publicly owned electric utility, as defined by Section 9604 of the Public Utilities Code, providing electric services that do not involve the acquisition, construction, or installation of electric distribution facilities by the local publicly owned electric utility, outside of the utility's jurisdictional boundaries.

SEC. 48. Section 56150 of the Government Code is amended to read:

56150. Unless the provision or context otherwise requires, whenever this division requires notice to be published, posted, or mailed, the notice shall be published, posted, or mailed as provided in this chapter. Unless the provision or context otherwise requires, whenever this division requires notice to be given that notice shall also be given in electronic format on a website provided by the commission, to the extent that the commission maintains a website.

SEC. 50. Section 56154 of the Government Code is amended to read:

56154. If the published notice is a notice of a hearing, publication of the notice shall be commenced at least 21 days prior to the date specified in the notice for the hearing.

SEC. 51. Section 56156 of the Government Code is amended to read:

56156. If the mailed notice is notice of a hearing, the notice shall be mailed at least 21 days prior to the date specified in the notice for hearing.

SEC. 52. Section 56157 of the Government Code is amended to read:

56157. When mailed notice is required to be given to:

(a) A county, city, or district, it shall be addressed to the clerk of the county, city, or district.

(b) A commission, it shall be addressed to the executive officer.

(c) Proponents, it shall be addressed to the persons so designated in the petition at the address specified in the petition.

(d) Landowners, it shall be addressed to each person to whom land is assessed, as shown upon the most recent assessment roll being prepared by the county at the time the commission adopts a resolution of application, at the address shown upon the assessment roll.

(e) Persons requesting special notice, it shall be addressed to each person who has filed a written request for special notice with the

executive officer or clerk at the mailing address specified in the request.

(f) To all registered voters and owners of property, to the address as shown on the most recent assessment roll being prepared by the county at the time a resolution of application is adopted to initiate proceedings within 300 feet of the exterior boundary of the property that is the subject of the hearing at least 21 days prior to the hearing. This requirement may be waived if proof satisfactory to the commission is presented that shows that individual notices to registered voters and landowners have already been provided by the initiating agency. Notice shall also either be posted or published in one newspaper 21 days prior to the hearing. If this section would require more than 1,000 notices to be mailed, then notice may instead be provided pursuant to paragraph (1) of subdivision (b) of Section 65954.6.

SEC. 53. Section 56159 of the Government Code is amended to read:

56159. Posted notice shall remain posted for not less than five days. If the posted notice is notice of a hearing, posting shall be commenced at least 21 days prior to the date specified in the notice for hearing and shall continue to the time of the hearing.

SEC. 54. Section 56300 of the Government Code is amended to read:

56300. (a) It is the intent of the Legislature that each commission, not later than January 1, 2002, shall establish written policies and procedures and exercise its powers pursuant to this part in a manner consistent with those policies and procedures and that encourages and provides planned, well-ordered, efficient urban development patterns with appropriate consideration of preserving open-space lands within those patterns.

(b) Each commission with a proposal pending on January 1, 2001, shall, by March 31, 2001, hold a public hearing to discuss the adoption of policies and procedures to require the disclosure of contributions, expenditures, and independent expenditures authorized by Section 56100.1. Reporting requirements adopted pursuant to this section shall be effective upon the date of adoption or a later date specified in the resolution. Any commission that does not have a proposal pending on January 1, 2001, shall hold a public hearing to discuss the adoption of those policies and procedures within 90 days of submission of a proposal or at any time prior to submission of a proposal. Once a hearing has taken place under this subdivision, no subsequent hearing shall be required except by petition of 100 or more registered voters residing in the county in which the commission is located.

(c) A commission may require, through the adoption of written policies and procedures, lobbying disclosure and reporting requirements for persons who attempt to influence pending

decisions by commission members, staff, or consultants. Disclosure shall be made either to the commission's executive officer, in which case it shall be posted on the commission website, if applicable, or to the recorder, registrar of voters, or clerk of the board of supervisors of the county in which the commission is located. Each commission that on January 1, 2001, has a pending proposal, as defined in Section 56069 shall, by March 31, 2001, hold a public hearing to discuss the adoption of policies and procedures governing lobbying disclosure authorized by this subdivision. Reporting requirements adopted pursuant to this section shall be effective upon the date of adoption or on a later date specified in the resolution. Any commission that does not have a proposal pending on January 1, 2001, shall hold a public hearing to discuss the adoption of those policies and procedures within 90 days of submission of a proposal, or at any time prior to submission of a proposal.

(d) Any public hearings required by this section may be held concurrently.

(e) The written policies and procedures adopted by the commission shall include forms to be used for various submittals to the commission including at a minimum a form for any protests to be filed with the commission concerning any proposed organization change.

(f) (1) On or before January 1, 2002, the commission shall establish and maintain, or otherwise provide access to notices and other commission information for the public through an Internet website.

(2) The written policies and procedures adopted by the commission shall require that, to the extent that the commission maintains an Internet website, notice of all public hearings and commission meetings shall be made available in electronic format on that site.

SEC. 55. Section 56301 of the Government Code is amended to read:

56301. Among the purposes of a commission are discouraging urban sprawl, preserving open-space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances. One of the objects of the commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities. When the formation of a new government entity is proposed, a commission shall make a determination as to whether existing agencies can feasibly provide the needed service or services in a more efficient and accountable manner. If a new single-purpose agency is deemed necessary, the

commission shall consider reorganization with other single-purpose agencies that provide related services.

SEC. 56. Section 56325 of the Government Code is amended to read:

56325. There is hereby continued in existence in each county a local agency formation commission. Except as otherwise provided in this chapter, the commission shall consist of members selected as follows:

(a) Two appointed by the board of supervisors from their own membership. The board of supervisors shall appoint a third supervisor who shall be an alternate member of the commission. The alternate member may serve and vote in place of any supervisor on the commission who is absent or who disqualifies himself or herself from participating in a meeting of the commission.

If the office of a regular county member becomes vacant, the alternate member may serve and vote in place of the former regular county member until the appointment and qualification of a regular county member to fill the vacancy.

(b) Two selected by the cities in the county, each of whom shall be a mayor or council member, appointed by the city selection committee. The city selection committee shall also designate one alternate member who shall be appointed and serve pursuant to Section 56335. The alternate shall also be a mayor or council member. The city selection committee is encouraged to select members to fairly represent the diversity of the cities in the county, with respect to population and geography.

(c) Two presiding officers or members of legislative bodies of independent special districts selected by the independent special district selection committee pursuant to Section 56332. The independent special district selection committee shall also designate a presiding officer or member of the legislative body of an independent special district as an alternative member who shall be appointed and serve pursuant to Section 56332. The independent special district selection committee is encouraged to make selections that fairly represent the diversity of the independent special districts in the county, with respect to population and geography.

(d) One representing the general public appointed by the other members of the commission. The other members of the commission may also designate one alternate member who shall be appointed and serve pursuant to Section 56331. Selection of the public member and alternate public member shall be subject to the affirmative vote of at least one of the members selected by each of the other appointing authorities.

SEC. 57. Section 56325.1 is added to the Government Code, to read:

56325.1. While serving on the commission, all commission members shall exercise their independent judgment on behalf of the

interests of residents, property owners, and the public as a whole in furthering the purposes of this division. Any member appointed on behalf of local governments shall represent the interests of the public as a whole and not solely the interests of the appointing authority. This section does not require the abstention of any member on any matter, nor does it create a right of action in any person.

SEC. 58. Section 56326 of the Government Code is amended to read:

56326. In Los Angeles County, the commission shall consist of nine members, selected as follows:

(a) Two appointed by the board of supervisors from its own membership. The board of supervisors shall also appoint a third supervisor who shall be an alternate member of the commission. The alternate member may serve and vote in place of any supervisor on the commission who is absent or who disqualifies himself or herself from participating in a meeting of the commission.

If the office of the regular county member becomes vacant, the alternate member may serve and vote in place of the former regular county member until the appointment and qualification of a regular county member to fill the vacancy.

(b) One appointed by the board of supervisors, who shall not be a member of the board of supervisors but who shall be a resident of the San Fernando Valley Statistical Area, as defined in subdivision (c) of Section 11093. The board of supervisors shall also appoint an alternate member who shall not be a member of the board of supervisors but who is a resident of the San Fernando Valley Statistical Area. The alternate member may serve and vote in place of the member appointed pursuant to this subdivision if that member is absent or disqualifies himself or herself from participating in a meeting of the commission.

If the office of the regular member becomes vacant, the alternate member may serve and vote in place of the former regular member until the appointment and qualification of a regular member to fill the vacancy.

(c) Two selected by the cities in the county, each of whom shall be a mayor or council member, appointed by the city selection committee. The city selection committee shall also designate one alternate member who shall be appointed and serve pursuant to Section 56335. The alternate shall also be a mayor or council member. The city selection committee is encouraged to select members to fairly represent the diversity of the cities in the county, with respect to population and geography.

(d) One selected by a city in the county having a population in excess of 30 percent of the total population of the county who is a member of the legislative body of the city, appointed by the presiding officer of the legislative body. The presiding officer of the legislative body shall also designate an alternate member who is a member of

the legislative body. The alternate member may serve and vote in place of the member appointed pursuant to this subdivision if the member is absent or disqualifies himself or herself from participating in a meeting of the commission.

If the office of the regular member becomes vacant, the alternate member may serve and vote in place of the former regular member until the appointment and qualification of a regular member to fill the vacancy.

(e) Two presiding officers or members of legislative bodies of independent special districts selected by an independent special district selection committee pursuant to Section 56332. The independent special district selection committee shall also designate one alternate member who shall be a presiding officer or member of the legislative body of an independent special district and shall be appointed and serve pursuant to Section 56332. The independent special district selection committee is encouraged to select members to fairly represent the diversity of the independent special districts in the county, with respect to population and geography.

(f) One representing the general public appointed by the other members of the commission.

SEC. 59. Section 56326.5 of the Government Code is amended to read:

56326.5. In Sacramento County, the commission shall consist of seven members, selected as follows:

(a) Two appointed by the board of supervisors from their own membership. The board of supervisors shall appoint a third supervisor who shall serve as an alternate member of the commission. The alternate member may serve and vote in place of any supervisor on the commission who is absent or who disqualifies himself or herself from participating in a meeting of the commission. If the office of the regular county member becomes vacant, the alternate member may serve and vote in place of the former regular county member until the appointment and qualification of a regular county member to fill the vacancy.

(b) One selected by the City of Sacramento who is a member of the city council, appointed by the mayor and confirmed by the city council. The mayor shall also appoint, subject to confirmation by the council, an alternate member who is a member of the city council. The alternate member may serve and vote in place of the regular city member if the city member is absent or disqualifies himself or herself from participating in a meeting of the commission. If the office of the regular city member becomes vacant, the alternate member may serve and vote in place of the former regular city member until the appointment and qualification of a regular city member to fill the vacancy.

(c) One selected by the cities in the county, who is a mayor or council member appointed by the city selection committee. The city



selection committee shall also designate one alternate member who shall be appointed and serve pursuant to Section 56335. The alternate shall also be a mayor or council member. The city selection committee is encouraged to select members to fairly represent the diversity of the cities in the county, with respect to population and geography.

(d) Two presiding officers or members of legislative bodies of independent special districts selected by an independent special district selection committee pursuant to Section 56332. The independent special district selection committee shall also designate one alternate member who shall be a presiding officer or member of the legislative body of an independent special district and shall be appointed and serve pursuant to Section 56332. The independent special district selection committee is encouraged to select members to fairly represent the diversity of the independent special districts in the county, with respect to population and geography.

(e) One representing the general public, appointed by the other six members of the commission. The commission may also appoint an alternate public member who may serve and vote in the place of the regular public member if the regular public member is absent or disqualifies himself or herself from participating in a meeting of the commission. If the office of the regular public member becomes vacant, the alternate member may serve and vote in place of the former regular public member until the appointment and qualification of a regular public member to fill the vacancy.

SEC. 60. Section 56327 of the Government Code is amended to read:

56327. In Santa Clara County, the commission shall consist of five members, selected as follows:

(a) Two appointed by the board of supervisors from their own membership. The board of supervisors shall appoint a third supervisor who shall serve as an alternate member of the commission. The alternate member may serve and vote in place of any supervisor on the commission who is absent or who disqualifies himself or herself from participating in a meeting of the commission. If the office of the regular county member becomes vacant, the alternate member may serve and vote in place of the former regular county member until the appointment and qualification of a regular county member to fill the vacancy.

(b) One selected by the city in the county having the largest population, who is a member of the legislative body of the city, appointed by the city council. The city council shall also appoint an alternate member who is a member of the legislative body of the city. The alternate member may serve and vote in place of the regular city member if the city member is absent or disqualifies himself or herself from participating in a meeting of the commission. If the office of the regular city member becomes vacant, the alternate member may

serve and vote in place of the former regular city member until the appointment and qualification of a regular city member to fill the vacancy.

(c) One selected by the cities in the county, who is a mayor or council member appointed by the city selection committee. The city selection committee shall also designate one alternate member who shall be appointed and serve pursuant to Section 56335. The alternate shall also be a mayor or council member. The city selection committee is encouraged to select members to fairly represent the diversity of the cities in the county, with respect to population and geography.

(d) One representing the general public, appointed by the other four members of the commission. This member shall not be a resident of a city which is already represented on the commission. The commission may also appoint an alternate public member, who shall not be a resident of a city represented on the commission, and who may serve and vote in the place of the regular public member if the regular public member is absent or disqualifies himself or herself from participating in a meeting of the commission. If the office of the regular public member becomes vacant, the alternate member may serve and vote in place of the former regular public member until the appointment and qualification of a regular public member to fill the vacancy.

SEC. 60.5. Section 56327.3 is added to the Government Code, to read:

56327.3. In Santa Clara County, the commission shall be enlarged by two members if, pursuant to the provisions of Chapter 5 (commencing with Section 56820), the commission orders representation of special districts upon the commission.

SEC. 61. Section 56328 of the Government Code is amended to read:

56328. (a) In San Diego County, the commission, which consists of seven members, augmented pursuant to Section 56332, shall be additionally augmented by the appointment of an eighth member and that member shall, notwithstanding subdivision (b) of Section 56325, be a member of the legislative body of the city in the county having the largest population, appointed by the legislative body of that city.

(b) The legislative body of the city shall appoint an alternate member at the same time and in the same manner as it appoints the regular member appointed pursuant to subdivision (a). If the regular city member is absent from a commission meeting, or disqualifies himself or herself from participating in a meeting, the alternate member may serve and vote in place of the regular city member for that meeting. If the office of the regular city member becomes vacant, the alternate member may serve and vote in place of the

former regular city member until the appointment and qualification of a regular city member to fill the vacancy.

SEC. 62. Section 56329 of the Government Code is amended to read:

56329. If there is no city in the county, the commission shall consist of five members, selected as follows which may be further augmented pursuant to Sections 56332 and 56332.5:

(a) Three appointed by the board of supervisors from their own membership. The board of supervisors shall appoint a fourth supervisor who is an alternate member of the commission. The alternate member may serve and vote in place of any supervisor on the commission who is absent or who disqualifies himself or herself from participating in a meeting of the commission.

If the office of a regular county member becomes vacant, the alternate member may serve and vote in place of the former regular county member until the appointment and qualification of a regular county member to fill the vacancy.

(b) Two representing the general public appointed by the other three members of the commission. Selection of the public member and alternate public member shall be subject to the affirmative vote of at least one of the members selected by each of the other appointing authorities.

SEC. 63. Section 56330 of the Government Code is repealed.

SEC. 64. Section 56332 of the Government Code is amended to read:

56332. (a) The independent special district selection committee shall consist of the presiding officer of the legislative body of each independent special district. However, if the presiding officer of an independent special district is unable to attend a meeting of the independent special district selection committee, the legislative body of the district may appoint one of its members to attend the meeting of the selection committee in the presiding officer's place. Those districts shall include districts located wholly within the county and those containing territory within the county representing 50 percent or more of the assessed value of taxable property of the district, as shown on the last equalized county assessment roll. Each member of the committee shall be entitled to one vote for each independent special district of which he or she is the presiding officer. Members representing a majority of the eligible districts shall constitute a quorum.

(b) The executive officer shall call and give written notice of all meetings of the members of the selection committee. A meeting shall be called and held under either of the following circumstances:

(1) Whenever a vacancy exists among the members or alternate members representing independent special districts upon the commission.

(2) Upon receipt of a written request by one or more members of the selection committee representing districts having 10 percent or more of the assessed value of taxable property within the county, as shown on the last equalized county assessment roll.

(c) (1) If the executive officer determines that a meeting of the special district selection committee, for the purpose of selecting the special district representatives or for filling a vacancy, is not feasible, the executive officer may conduct the business of the committee in writing, as provided in this subdivision. The executive officer may call for nominations to be submitted in writing within 30 days. At the end of the nominating period, the executive officer shall prepare and deliver, or send by certified mail, to each independent special district one ballot and voting instructions.

(2) As an alternative to the delivery or certified mail, the executive officer, with the prior concurrence of the district, may transmit the ballot and voting instructions by electronic mail, provided that the executive officer shall retain written evidence of the receipt of that material.

(3) The ballot shall include the names of all nominees and the office for which each was nominated. The districts shall return the ballots to the executive officer by the date specified in the voting instructions, which date shall be at least 30 days from the date on which the executive officer mailed the ballots to the districts.

(4) If the executive officer has transmitted the ballot and voting instructions by electronic mail, the districts may return the ballots to the executive officer by electronic mail, provided that the executive officer retains written evidence of the receipt of the ballot.

(5) Any ballot received by the executive officer after the specified date is invalid. The executive officer shall announce the results of the election within seven days of the specified date.

(d) The selection committee shall appoint two regular members and one alternate member to the commission. The members so appointed shall be elected or appointed special district officers residing within the county but shall not be members of the legislative body of a city or county. If one of the regular district members is absent from a commission meeting or disqualifies himself or herself from participating in a meeting, the alternate district member may serve and vote in place of the regular district member for that meeting. The representation by a regular district member who is a special district officer shall not disqualify, or be cause for disqualification of, the member from acting on a proposal affecting the special district. The special district selection committee may, at the time it appoints a member or alternate, provide that the member or alternate is disqualified from voting on proposals affecting the district of which the member is a representative.

(e) If the office of a regular district member becomes vacant, the alternate member may serve and vote in place of the former regular

district member until the appointment and qualification of a regular district member to fill the vacancy.

SEC. 65. Section 56332.5 is added to the Government Code, to read:

56332.5. If the commission does not have representation from independent special districts on January 1, 2001, the commission shall initiate proceedings for representation of independent special districts upon the commission if requested by independent special districts pursuant to this section. If an independent special district adopts a resolution proposing representation of independent special districts upon the commission, it shall immediately forward a copy of the resolution to the executive officer. Upon receipt of those resolutions from a majority of independent special districts within a county, adopted by the districts within one year from the date that the first resolution was adopted, the commission, at its next regular meeting, shall adopt a resolution of intention. The resolution of intention shall state whether the proceedings are initiated by the commission or by an independent special district or districts, in which case, the names of those districts shall be set forth. The commission shall order the executive officer to call and give notice of a meeting of the independent special district selection committee to be held within 15 days after the adoption of the resolution in order to select independent special district representation on the commission pursuant to Section 56332.

SEC. 66. Section 56334 of the Government Code is amended to read:

56334. The term of office of each member shall be four years and until the appointment and qualification of his or her successor. Upon enlargement of the commission by two members, as provided in Section 56332, the new members first appointed to represent independent special districts shall classify themselves by lot so that the expiration date of the term of office of one new member coincides with the existing member who holds the office represented by the original two-year term on the commission and of the other new member coincides with the existing member who holds the office represented by the original four-year term on the commission. The body which originally appointed a member whose term has expired shall appoint his or her successor for a full term of four years. Any member may be removed at any time and without cause by the body appointing that member. The expiration date of the term of office of each member shall be the first Monday in May in the year in which the term of the member expires, unless procedures adopted by the commission specify an alternate date to apply uniformly to all members. However, the length of a term of office shall not be extended more than once. Any vacancy in the membership of the commission shall be filled for the unexpired term by appointment by

the body which originally appointed the member whose office has become vacant.

The chairperson of the commission shall be selected by the members of the commission.

Commission members and alternates shall be reimbursed for the actual amount of their reasonable and necessary expenses incurred in attending meetings and in performing the duties of their office. The board of supervisors may authorize payment of a per diem to commission members and alternates for each day while they are in attendance at meetings of the commission.

SEC. 67. Section 56375 of the Government Code is amended to read:

56375. The commission shall have all of the following powers and duties subject to any limitations upon its jurisdiction set forth in this part:

(a) To review and approve or disapprove with or without amendment, wholly, partially, or conditionally, proposals for changes of organization or reorganization, consistent with written policies, procedures, and guidelines adopted by the commission. The commission may initiate proposals for (1) consolidation of districts, as defined in Section 56036, (2) dissolution, (3) merger, or (4) establishment of a subsidiary district, or a reorganization that includes any of these changes of organization. A commission shall have the authority to initiate only a (1) consolidation of districts, (2) dissolution, (3) merger, (4) establishment of a subsidiary district, or (5) a reorganization that includes any of these changes of organization, if that change of organization or reorganization is consistent with a recommendation or conclusion of a study prepared pursuant to Section 56378 or 56425. However, a commission shall not have the power to disapprove an annexation to a city, initiated by resolution, of contiguous territory that the commission finds is any of the following:

(1) Surrounded or substantially surrounded by the city to which the annexation is proposed or by that city and a county boundary or the Pacific Ocean if the territory to be annexed is substantially developed or developing, is not prime agricultural land as defined in Section 56064, is designated for urban growth by the general plan of the annexing city, and is not within the sphere of influence of another city.

(2) Located within an urban service area that has been delineated and adopted by a commission, which is not prime agricultural land, as defined by Section 56064, and is designated for urban growth by the general plan of the annexing city.

(3) An annexation or reorganization of unincorporated islands meeting the requirements of Section 56375.3.

As a condition to the annexation of an area that is surrounded, or substantially surrounded, by the city to which the annexation is

proposed, the commission may require, where consistent with the purposes of this division, that the annexation include the entire island of surrounded, or substantially surrounded, territory.

A commission shall not impose any conditions that would directly regulate land use density or intensity, property development, or subdivision requirements. When the development purposes are not made known to the annexing city, the annexation shall be reviewed on the basis of the adopted plans and policies of the annexing city or county. A commission shall require, as a condition to annexation, that a city prezone the territory to be annexed. However, the commission shall not specify how, or in what manner, the territory shall be zoned. The decision of the commission with regard to a proposal to annex territory to a city shall be based upon the general plan and zoning of the city.

(b) With regard to a proposal for annexation or detachment of territory to, or from, a city or district or with regard to a proposal for reorganization that includes annexation or detachment, to determine whether territory proposed for annexation or detachment, as described in its resolution approving the annexation, detachment, or reorganization, is inhabited or uninhabited.

(c) With regard to a proposal for consolidation of two or more cities or districts, to determine which city or district shall be the consolidated, successor city or district.

(d) To approve the annexation of unincorporated, noncontiguous territory, subject to the limitations of Section 56742, located in the same county as that in which the city is located, and that is owned by a city and used for municipal purposes and to authorize the annexation of the territory without notice and hearing.

(e) To approve the annexation of unincorporated territory consistent with the planned and probable use of the property based upon the review of general plan and zoning designations. No subsequent change may be made to the general plan for the annexed territory or zoning that is not in conformance to the zoning designations for a period of two years after the completion of the annexation, unless the legislative body for the city makes a finding at a public hearing that a substantial change has occurred in circumstances that necessitate a departure from the zoning in the application to the commission.

(f) With respect to the incorporation of a new city or the formation of a new special district, to determine the number of registered voters residing within the proposed city or special district. The number of registered voters shall be calculated as of the time of the last report of voter registration by the county elections official to the Secretary of State prior to the date the first signature was affixed to the petition. The executive officer shall notify the petitioners of the number of registered voters resulting from this calculation.

(g) To adopt written procedures for the evaluation of proposals. The commission may adopt standards for any of the factors enumerated in Section 56668. Any standards adopted by the commission shall be written.

(h) To adopt standards and procedures for the evaluation of service plans submitted pursuant to Section 56653 and the initiation of a change of organization or reorganization pursuant to subdivision (a).

(i) To make and enforce regulations for the orderly and fair conduct of hearings by the commission.

(j) To incur usual and necessary expenses for the accomplishment of its functions.

(k) To appoint and assign staff personnel and to employ or contract for professional or consulting services to carry out and effect the functions of the commission.

(l) To review the boundaries of the territory involved in any proposal with respect to the definiteness and certainty of those boundaries, the nonconformance of proposed boundaries with lines of assessment or ownership, and other similar matters affecting the proposed boundaries.

(m) To waive the restrictions of Section 56744 if it finds that the application of the restrictions would be detrimental to the orderly development of the community and that the area that would be enclosed by the annexation or incorporation is so located that it cannot reasonably be annexed to another city or incorporated as a new city.

(n) To waive the application of Section 25210.90 or Section 22613 of the Streets and Highways Code if it finds the application would deprive an area of a service needed to ensure the health, safety, or welfare of the residents of the area and if it finds that the waiver would not affect the ability of a city to provide any service. However, within 60 days of the inclusion of the territory within the city, the legislative body may adopt a resolution nullifying the waiver.

(o) If the proposal includes the incorporation of a city, as defined in Section 56043, or the formation of a district, as defined in Section 2215 of the Revenue and Taxation Code, the commission shall determine the property tax revenue to be exchanged by the affected local agencies pursuant to Section 56810.

(p) To authorize a city or district to provide new or extended services outside its jurisdictional boundaries pursuant to Section 56133.

(q) To enter into an agreement with the commission for an adjoining county for the purpose of determining procedures for the consideration of proposals that may affect the adjoining county or where the jurisdiction of an affected agency crosses the boundary of the adjoining county.

SEC. 68. Section 56375.1 of the Government Code is repealed.



SEC. 68.5. Section 56375.3 is added to the Government Code, to read:

56375.3. (a) In addition to those powers enumerated in Section 56375, a commission may approve the annexation to a city after notice and hearing, and order annexation of the territory without an election, or waive the protest hearing proceedings pursuant to Part 4, commencing with Section 57000, if the annexation meets the requirements of this subdivision and is proposed by resolution adopted by the affected city, if the commission finds that the territory contained in an annexation proposal meets all of the following requirements:

(1) It does not exceed 75 acres in area, that area constitutes the entire island, and that island does not constitute a part of an unincorporated area that is more than 100 acres in area.

(2) The territory constitutes an entire unincorporated island located within the limits of a city, or constitutes a reorganization containing a number of individual unincorporated islands.

(3) It is surrounded in either of the following ways:

(A) Surrounded, or substantially surrounded, by the city to which annexation is proposed or by the city and a county boundary or the Pacific Ocean.

(B) Surrounded by the city to which annexation is proposed and adjacent cities.

(C) This subdivision shall not be construed to apply to any unincorporated island within a city that is a gated community where services are currently provided by a community services district.

(D) Notwithstanding any other provision of law, at the option of either the city or the county, a separate property tax transfer agreement may be agreed to between a city and a county pursuant to Section 99 of the Revenue and Taxation Code regarding an annexation subject to this subdivision without affecting any existing master tax sharing agreement between the city and county.

(4) It is substantially developed or developing. The finding required by this subparagraph shall be based upon one or more factors, including, but not limited to, any of the following factors:

(A) The availability of public utility services.

(B) The presence of public improvements.

(C) The presence of physical improvements upon the parcel or parcels within the area.

(5) It is not prime agricultural land, as defined by Section 56064.

(6) It will benefit from the annexation or is receiving benefits from the annexing city.

(b) Notwithstanding any other provision of this subdivision, this subdivision shall not apply to all or any part of that portion of the development project area referenced in subdivision (c) of Section 33492.41 of the Health and Safety Code that as of January 1, 2000, meets all of the following requirements:

- (1) Is unincorporated territory.
- (2) Contains at least 100 acres.
- (3) Is surrounded or substantially surrounded by incorporated territory.
- (4) Contains at least 100 acres zoned for commercial or industrial uses or is designated on the applicable county general plan for commercial or industrial uses.

SEC. 69. Section 56375.4 of the Government Code is repealed.

SEC. 69.5. Section 56375.5 of the Government Code is amended to read:

56375.5. Every determination made by a commission regarding the matters provided for by subdivisions (a), (m), and (n) of Section 56375 shall be consistent with the spheres of influence of the local agencies affected by those determinations.

SEC. 70. Section 56375.45 of the Government Code is repealed.

SEC. 71. Section 56377 of the Government Code is amended to read:

56377. In reviewing and approving or disapproving proposals which could reasonably be expected to induce, facilitate, or lead to the conversion of existing open-space lands to uses other than open-space uses, the commission shall consider all of the following policies and priorities:

(a) Development or use of land for other than open-space uses shall be guided away from existing prime agricultural lands in open-space use toward areas containing nonprime agricultural lands, unless that action would not promote the planned, orderly, efficient development of an area.

(b) Development of existing vacant or nonprime agricultural lands for urban uses within the existing jurisdiction of a local agency or within the sphere of influence of a local agency should be encouraged before any proposal is approved which would allow for or lead to the development of existing open-space lands for non-open-space uses which are outside of the existing jurisdiction of the local agency or outside of the existing sphere of influence of the local agency.

SEC. 72. Section 56380 of the Government Code is repealed.

SEC. 73. Section 56380 is added to the Government Code, to read:

56380. The commission shall make its own provision for necessary quarters, equipment, and supplies as well as personnel. The commission may choose to contract with any public agency or private party for personnel and facilities.

SEC. 74. Section 56381 of the Government Code is repealed.

SEC. 75. Section 56381 is added to the Government Code, to read:

56381. (a) The commission shall adopt annually, following noticed public hearings, a proposed budget by May 1 and final budget by June 15. At a minimum, the proposed and final budget shall be equal to the budget adopted for the previous fiscal year unless the

commission finds that reduced staffing or program costs will nevertheless allow the commission to fulfill the purposes and programs of this chapter. The commission shall transmit its proposed and final budgets to the board of supervisors; to each city; to the clerk and chair of the city selection committee, if any, established in each county pursuant to Article 11 (commencing with Section 50270) of Chapter 1 of Part 1 of Division 1; to each independent special district; and to the clerk and chair of the independent special district selection committee, if any, established pursuant to Section 56332.

(b) After public hearings, consideration of comments, and adoption of a final budget by the commission pursuant to subdivision (a), the auditor shall apportion the net operating expenses of a commission in the following manner:

(1) In counties in which there is city and independent special district representation on the commission, the county, cities, and independent special districts shall each provide a one-third share of the commission's operational costs. The cities' share shall be apportioned in proportion to each city's total revenues, as reported in the most recent edition of the Cities Annual Report published by the Controller, as a percentage of the combined city revenues, within a county, or by an alternative method approved by a majority of cities representing the majority of the combined cities' populations. The independent special districts' share shall be apportioned in a similar manner according to each district's revenues for general purpose transactions, as reported in the most recent edition of the "Financial Transactions Concerning Special Districts" published by the Controller, or by an alternative method approved by a majority of the agencies, representing a majority of their combined populations. For the purposes of fulfilling the requirement of this section, a multicounty independent special district shall be required to pay its apportionment in its principal county. It is the intent of the Legislature that no single district or class or type of district shall bear a disproportionate amount of the district share of costs.

(2) In counties in which there is no independent special district representation on the commission, the county and its cities shall each provide a one-half share of the commission's operational costs. The cities' share shall be apportioned in the manner described in paragraph (1).

(3) In counties in which there are no cities, the county and its special districts shall each provide a one-half share of the commission's operational costs. The independent special districts' share shall be apportioned in the manner described for cities' apportionment in paragraph (1). If there is no independent special district representation on the commission, the county shall pay all of the commission's operational costs.

(4) Instead of determining apportionment pursuant to paragraph (1), (2), or (3), any alternative method of apportionment of the net

operating expenses of the commission may be used if approved by a majority vote of each of the following: the board of supervisors; a majority of the cities representing a majority of the total population of cities in the county; and the independent special districts representing a majority of the combined total population of independent special districts in the county.

(c) After apportioning the costs as required in subdivision (b), the auditor shall request payment from the board of supervisors and from each city and each independent special district no later than July 1 of each year for the amount that entity owes and the actual administrative costs incurred by the auditor in apportioning costs and requesting payment from each entity. If the county, a city, or an independent special district does not remit its required payment within 60 days, the commission may determine an appropriate method of collecting the required payment, including a request to the auditor to collect an equivalent amount from the property tax, or any fee or eligible revenue owed to the county, city, or district. The auditor shall provide written notice to the county, city, or district prior to appropriating a share of the property tax or other revenue to the commission for the payment due the commission pursuant to this section. Any expenses incurred by the commission or the auditor in collecting late payments or successfully challenging nonpayment shall be added to the payment owed to the commission. Between the beginning of the fiscal year and the time the auditor receives payment from each affected city and district, the board of supervisors shall transmit funds to the commission sufficient to cover the first two months of the commission's operating expenses as specified by the commission. When the city and district payments are received by the commission, the county's portion of the commission's annual operating expenses shall be credited with funds already received from the county. If, at the end of the fiscal year, the commission has funds in excess of what it needs, the commission may retain those funds and calculate them into the following fiscal year's budget. If, during the fiscal year, the commission is without adequate funds to operate, the board of supervisors may loan the commission funds and recover those funds in the commission's budget for the following fiscal year.

SEC. 75.5. Section 56381.6 is added to the Government Code, to read:

56381.6. (a) Notwithstanding the provisions of Section 56381, for counties whose membership on the commission is established pursuant to Sections 56326, 56326.5, 56327, or 56328, the commission's annual operational costs shall be apportioned among the classes of public agencies that select members on the commission in proportion to the number of members selected by each class. The classes of public agencies that may be represented on the commission are the county, the cities, and independent special districts. Any alternative

cost apportionment procedure may be adopted by the commission, subject to a majority affirmative vote of the commission that includes the affirmative vote of at least one of the members selected by the county, one of the members selected by a city, and one of the members selected by a special district, if special districts are represented on the commission.

(b) Allocation of costs among individual cities and independent special districts and remittance of payments shall be in accordance with the procedures of Section 56381. Notwithstanding Section 56381, any city that has permanent membership on the commission pursuant to Sections 56326, 56326.5, 56327, or 56328 shall be apportioned the same percentage of the commission's annual operational costs as its permanent member bears to the total membership of the commission, excluding any public members selected by all the members. The balance of the cities' portion of the commission's annual operational costs shall be apportioned to the remaining cities in the county in accordance with the procedures of Section 56381.

SEC. 76. Section 56383 of the Government Code is amended to read:

56383. (a) The commission may establish a schedule of fees for the costs of proceedings taken pursuant to this division, including, but not limited to, all of the following:

(1) Filing and processing applications filed with the commission.

(2) Proceedings undertaken by the commission and any reorganization committee.

(3) Amending a sphere of influence.

(4) Reconsidering a resolution making determinations.

(b) The schedule of fees shall not exceed the estimated reasonable cost of providing the service for which the fee is charged and shall be imposed pursuant to Section 66016.

(c) The commission may require that a fee be deposited with the executive officer before any further action is taken. The deposit of the fee shall be made within the time period specified by the commission. No petition shall be deemed filed until the fee has been deposited.

(d) The commission may waive a fee if it finds that payment would be detrimental to the public interest.

(e) The signatures on a petition submitted to the commission shall be verified by the elections official of the county and the costs of verification shall be provided for in the same manner and by the same agencies which bear the costs of verifying signatures for an initiative petition in the same county.

(f) Waiver of fees is limited to those costs incurred by the commission in the processing of a proposal.

(g) For incorporation proceedings that have been initiated by the filing of a sufficient number of voter signatures on petitions that have been verified by the county registrar of voters, the commission may,

upon the receipt of a certification by the proponents that they are unable to raise sufficient funds to reimburse fees for the proceedings, take no action on the proposal and request a loan from the General Fund of an amount sufficient to cover those expenses subject to availability of an appropriation for those purposes and in accordance with any provisions of the appropriation. Repayment of the loan shall be made a condition of approval of the incorporation, if successful, and shall become an obligation of the newly formed city. Repayment shall be made within two years of the effective date of incorporation. If the proposal is denied by the commission or defeated at an election, the loan shall be forgiven.

SEC. 77. Section 56384 of the Government Code is amended to read:

56384. (a) The commission shall appoint an executive officer who shall conduct and perform the day-to-day business of the commission. If the executive officer is subject to a conflict of interest on a matter before the commission, the commission shall appoint an alternate executive officer. The commission may recover its costs by charging fees pursuant to Section 56383.

(b) The commission shall appoint legal counsel to advise it. If the commission's counsel is subject to a conflict of interest on a matter before the commission, the commission shall appoint alternate legal counsel to advise it. The commission may recover its costs by charging fees pursuant to Section 56383.

(c) The commission may appoint staff as it deems appropriate. If staff for the commission is subject to a conflict of interest on a matter before the commission, the commission shall appoint alternate staff to assist it. The commission may recover its costs by charging fees pursuant to Section 56383.

(d) For purposes of this section, the term "conflict of interest" shall be defined as it is for the purpose of the Political Reform Act of 1974 and shall also include matters proscribed by Article 4 (commencing with Section 1090) of Chapter 1 of Division 4 of Title 1.

SEC. 78. Section 56386 of the Government Code is amended to read:

56386. (a) The officers and employees of a city, county, or special district, including any local agency, school district, community college district, and any regional agency, or state agency or department, as may be necessary, or any other public agency shall furnish the executive officer with any records or information in their possession which may be necessary to assist the commission and the executive officer in their duties, including, but not limited to, the preparation of reports pursuant to Sections 56665 and 56800.

(b) Upon request by the commission or the executive officer, the county surveyor, or any other county officer, county official, or employee as the board of supervisors may designate, shall examine

and report to the commission or the executive officer upon any application or other document involving any of the matters specified in subdivision (j) of Section 56375.

SEC. 79. Section 56425 of the Government Code is amended to read:

56425. (a) In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities, the commission 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 sphere.

(b) At least 30 days prior to submitting an application to the commission for a determination of a new sphere of influence, or to update an existing sphere of influence for a city, representatives from the city shall meet with county representatives to discuss the proposed sphere, and its boundaries, and explore methods to reach agreement on the boundaries, development standards, and zoning requirements within the sphere to ensure that development within the sphere occurs in a manner that reflects the concerns of the affected city and is accomplished in a manner that promotes the logical and orderly development of areas within the sphere. If no agreement is reached between the city and county within 30 days, then the parties may, by mutual agreement, extend discussions for an additional period of 30 days. If an agreement is reached between the city and county regarding the boundaries, development standards, and zoning requirements within the proposed sphere, the agreement shall be forwarded to the commission, and the commission shall consider and adopt a sphere of influence for the city consistent with the policies adopted by the commission pursuant to this section, and the commission shall give great weight to the agreement in the commission's final determination of the city sphere.

(c) If the commission's final determination is consistent with the agreement reached between the city and county pursuant to subdivision (b), the agreement shall be adopted by both the city and county after a noticed public hearing. Once the agreement has been adopted by the affected local agencies and their respective general plans reflect that agreement, then any development approved by the county within the sphere shall be consistent with the terms of that agreement.

(d) If no agreement is reached pursuant to subdivision (b), the application may be submitted to the commission and the commission shall consider a sphere of influence for the city consistent with the policies adopted by the commission pursuant to this section.

(c) In determining the sphere of influence of each local agency, the commission shall consider and prepare a written statement of its determinations with respect to each of 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.

(f) Upon determination of a sphere of influence, the commission shall adopt that sphere, and shall review and update, as necessary, the adopted sphere not less than once every five years.

(g) The commission may recommend governmental reorganizations to particular agencies in the county, using the spheres of influence as the basis for those recommendations. Those recommendations shall be made available, upon request, to other agencies or to the public. The commission shall make all reasonable efforts to ensure wide public dissemination of the recommendations.

(h) For any sphere of influence or a sphere of influence that includes a special district, the commission shall do all of the following:

(1) Require existing districts to file written statements with the commission specifying the functions or classes of services provided by those districts.

(2) Establish the nature, location, and extent of any functions or classes of services provided by existing districts.

(3) Determine that, except as otherwise authorized by the regulations, no new or different function or class of service shall be provided by any existing district, except upon approval by the commission.

(i) Subdivisions (b), (c), and (d) shall become inoperative as of January 1, 2007, unless a later enacted statute, that becomes operative on or before January 1, 2007, deletes or extends that date.

SEC. 79.5. Section 56425.5 is added to the Government Code, to read:

56425.5. (a) A determination of a city's sphere of influence, in any case where that sphere of influence includes any portion of the redevelopment project area referenced in subdivision (e) of Section 33492.41 of the Health and Safety Code, shall not preclude any other local agency, as defined in Section 54951, including the redevelopment agency referenced in Section 33492.41 of the Health and Safety Code, in addition to that city, from providing facilities or services related to development, as defined in subdivision (e) of Section 56426, to or in that portion of the redevelopment project area that, as of January 1, 2000, meets all of the following requirements:



- (1) Is unincorporated territory.
- (2) Contains at least 100 acres.
- (3) Is surrounded or substantially surrounded by incorporated territory.
- (4) Contains at least 100 acres zoned for commercial or industrial uses or is designated on the applicable county general plan for commercial or industrial uses.

(b) Facilities or services related to development may be provided by other local agencies to all or any portion of the area defined in paragraphs (1) to (4), inclusive, of subdivision (a). Subdivision (a) shall apply regardless of whether the determination of the sphere of influence is made before or after January 1, 2000.

SEC. 80. Section 56426 of the Government Code is repealed.

SEC. 80.5. Section 56429 of the Government Code is amended to read:

56429. (a) Notwithstanding Sections 56425, 56427, and 56428, a petition for removal of territory from a sphere of influence determination may be brought pursuant to this section by landowners within the redevelopment project area referenced in subdivision (e) of Section 33492.41 of the Health and Safety Code, if, at the time the petition is submitted, the area for which the petition is being requested meets all of the following requirements:

- (1) Is unincorporated territory.
- (2) Contains at least 100 acres.
- (3) Is surrounded or substantially surrounded by incorporated territory.

(4) Contains at least 100 acres zoned for commercial or industrial uses or is designated on the applicable county general plan for commercial or industrial uses.

(b) On receipt of a petition signed by landowners owning at least 25 percent of the assessed value of the land within the affected territory, the commission shall hear and consider oral or written testimony.

(c) The petition shall be placed on the agenda of the commission in accordance with subdivision (b) of Section 56428.

(d) The executive officer shall give notice of the hearing in accordance with Section 56427.

(e) From the date of filing of the petition to the conclusion of the hearing, the commission shall accept written positions from any owner of land in the unincorporated territory that is seeking removal from a city's sphere of influence.

(f) The petition to remove territory from a city's sphere of influence shall be granted and given immediate effect if the commission finds that written positions filed in favor of the petition and not withdrawn prior to the conclusion of the hearing represent landowners owning 50 percent or more of the assessed value of the land within the affected territory.

(g) No removal of territory from a city's sphere of influence that is proposed by petition and adopted pursuant to this section shall be repealed or amended except by the petition and adoption procedure provided in subdivisions (a) to (f), inclusive. In all other respects, a removal of territory from a city's sphere of influence proposed by petition and adopted pursuant to this section shall have the same force and effect as any amendment to or removal of territory from a city's sphere of influence approved by the commission. No territory removed from a city's sphere of influence pursuant to this section shall be annexed to that city, unless the territory is subsequently added to the sphere of influence of the city pursuant to the petition and adoption procedure provided in this section.

(h) Pursuant to Section 56383, the commission may establish a schedule of fees for the costs of carrying out this section.

(i) All proper expenses incurred in connection with removal of territory from a city's sphere of influence pursuant to this section shall be paid by the proponents.

SEC. 81. Section 56430 is added to the Government Code, to read:

56430. (a) In order to prepare and to update spheres of influence in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission. The commission shall include in the area designated for service review the county, the region, the subregion, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to each of the following:

- (1) Infrastructure needs or deficiencies.
- (2) Growth and population projections for the affected area.
- (3) Financing constraints and opportunities.
- (4) Cost avoidance opportunities.
- (5) Opportunities for rate restructuring.
- (6) Opportunities for shared facilities.
- (7) Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers.
- (8) Evaluation of management efficiencies.
- (9) Local accountability and governance.

(b) In conducting a service review, the commission shall comprehensively review all of the agencies that provide the identified service or services within the designated geographic area.

(c) The commission shall conduct a service review before, or in conjunction with, but no later than the time it is considering an action to establish a sphere of influence in accordance with Section 56425 or Section 56426.5 or to update a sphere of influence pursuant to Section 56425.

(d) Not later than July 1, 2001, the Office of Planning and Research, in consultation with commissions, the California

Association of Local Agency Formation Commissions, and other local governments, shall prepare guidelines for the service reviews to be conducted by commissions pursuant to this section.

SEC. 82. Section 56434 is added to the Government Code, to read:

56434. (a) The commission may review and approve a proposal that extends services into previously unserved territory within unincorporated areas and may review the creation of new service providers to extend urban type development into previously unserved territory within unincorporated areas to ensure that the proposed extension is consistent with the policies of Sections 56001, 56300, 56301, and the adopted policies of the commission implementing these sections, including promoting orderly development, discouraging urban sprawl, preserving open space and prime agricultural lands, providing housing for persons and families of all incomes, and the efficient extension of governmental services.

(b) This section shall remain in effect only until January 1, 2007, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2007, deletes or extends that date.

SEC. 83. Chapter 5 (commencing with Section 56450) of Part 2 of Division 3 of Title 5 of the Government Code is repealed.

SEC. 84. Chapter 6 (commencing with Section 56475) of Part 2 of Division 3 of Title 5 of the Government Code is repealed.

SEC. 86. Section 56653 of the Government Code is amended to read:

56653. (a) Whenever a local agency or school district submits a resolution of application for a change of organization or reorganization pursuant to this part, the local agency shall submit with the resolution of application a plan for providing services within the affected territory.

(b) The plan for providing services shall include all of the following information and any additional information required by the commission or the executive officer:

(1) An enumeration and description of the services to be extended to the affected territory.

(2) The level and range of those services.

(3) An indication of when those services can feasibly be extended to the affected territory.

(4) An indication of any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.

(5) Information with respect to how those services will be financed.

SEC. 87. Section 56655 is added to the Government Code, to read:

56655. If two or more proposals pending before the commission conflict or in any way are inconsistent with each other, as determined by the commission, the commission may determine the relative

priority for conducting any further proceedings based on any of those proposals. That determination shall be included in the terms and conditions imposed by the commission. In the absence of that determination, priority is given to that proceeding which shall be based upon the proposal first filed with the executive officer.

SEC. 88. Section 56656 of the Government Code is repealed.

SEC. 89. Section 56657 is added to the Government Code, to read:

56657. Notwithstanding Section 56655, the commission shall not approve a proposal for incorporation, consolidation of districts, dissolution, merger, or establishment of a subsidiary district, or a reorganization that includes any of these changes of organization until it has considered any other change of organization which conflicts with the subject proposal and which was submitted to the commission within 60 days of the submission of the subject proposal.

SEC. 90. Section 56658 is added to the Government Code, to read:

56658. (a) Any petitioner or legislative body desiring to initiate proceedings shall submit an application to the executive officer of the principal county.

(b) Immediately after receiving an application and before issuing a certificate of filing, the executive officer shall give mailed notice that the application has been received to each interested agency, each subject agency, the county committee on school district organization, and each school superintendent whose school district overlies the subject area. The notice shall generally describe the proposal and the affected territory. The executive officer shall not be required to give notice pursuant to this subdivision if a local agency has already given notice pursuant to subdivision (b) of Section 56654.

(c) If a special district is, or as a result of a proposal will be, located in more than one county, the executive officer of the principal county shall immediately give the executive officer of each other affected county mailed notice that the application has been received. The notice shall generally describe the proposal and the affected territory.

(d) Except when a commission is the lead agency pursuant to Section 21067 of the Public Resources Code, the executive officer shall determine within 30 days of receiving an application whether the application is complete and acceptable for filing or whether the application is incomplete.

(e) The executive officer shall not accept an application for filing and issue a certificate of filing for at least 20 days after giving the mailed notice required by subdivision (b). The executive officer shall not be required to comply with this subdivision in the case of an application which meets the requirements of Section 56663 or in the case of an application for which a local agency has already given notice pursuant to subdivision (b) of Section 56654.

(f) If the appropriate fees have been paid, an application shall be deemed accepted for filing if no determination has been made by the

executive officer within the 30-day period. An executive officer shall accept for filing, and file, any application submitted in the form prescribed by the commission and containing all of the information and data required pursuant to Section 56652.

(g) When an application is accepted for filing, the executive officer shall immediately issue a certificate of filing to the applicant. A certificate of filing shall be in the form prescribed by the executive officer and shall specify the date upon which the proposal shall be heard by the commission. From the date of issuance of a certificate of filing, or the date upon which an application is deemed to have been accepted, whichever is earlier, an application shall be deemed filed pursuant to this division.

(h) If an application is determined not to be complete, the executive officer shall immediately transmit that determination to the applicant specifying those parts of the application which are incomplete and the manner in which they can be made complete.

(i) Following the issuance of the certificate of filing, the executive officer shall proceed to set the proposal for hearing and give published notice thereof as provided in this part. The date of the hearing shall be not more than 90 days after issuance of the certificate of filing or after the application is deemed to have been accepted, whichever is earlier. Notwithstanding Section 56106, the date for conducting the hearing, as determined pursuant to this subdivision, is mandatory.

SEC. 90.5. Section 56658 is added to the Government Code, to read:

56658. (a) Any petitioner or legislative body desiring to initiate proceedings shall submit an application to the executive officer of the principal county.

(b) (1) Immediately after receiving an application and before issuing a certificate of filing, the executive officer shall give mailed notice that the application has been received to each interested agency, each subject agency, the county committee on school district organization, and each school superintendent whose school district overlies the subject area. The notice shall generally describe the proposal and the affected territory. The executive officer shall not be required to give notice pursuant to this subdivision if a local agency has already given notice pursuant to subdivision (b) of Section 56654.

(2) It is the intent of the Legislature that an incorporation proposal shall be processed in a timely manner. With regard to an application that includes an incorporation, the executive officer shall immediately notify all affected local agencies and any applicable state agencies by mail and request the affected agencies to submit the required data to the commission within a reasonable timeframe established by the executive officer. Each affected agency shall respond to the executive officer within 15 days acknowledging receipt of the request. Each affected local agency and the officers and

departments thereof shall submit the required data to the executive officer within the timelines established by the executive officer. Each affected state agency and the officers and departments thereof shall submit the required data to the executive officer within the timelines agreed upon by the executive officer and the affected state departments.

(c) If a special district is, or as a result of a proposal will be, located in more than one county, the executive officer of the principal county shall immediately give the executive officer of each other affected county mailed notice that the application has been received. The notice shall generally describe the proposal and the affected territory.

(d) Except when a commission is the lead agency pursuant to Section 21067 of the Public Resources Code, the executive officer shall determine within 30 days of receiving an application whether the application is complete and acceptable for filing or whether the application is incomplete.

(e) The executive officer shall not accept an application for filing and issue a certificate of filing for at least 20 days after giving the mailed notice required by subdivision (b). The executive officer shall not be required to comply with this subdivision in the case of an application which meets the requirements of Section 56663 or in the case of an application for which a local agency has already given notice pursuant to subdivision (b) of Section 56654.

(f) If the appropriate fees have been paid, an application shall be deemed accepted for filing if no determination has been made by the executive officer within the 30-day period. An executive officer shall accept for filing, and file, any application submitted in the form prescribed by the commission and containing all of the information and data required pursuant to Section 56652.

(g) When an application is accepted for filing, the executive officer shall immediately issue a certificate of filing to the applicant. A certificate of filing shall be in the form prescribed by the executive officer and shall specify the date upon which the proposal shall be heard by the commission. From the date of issuance of a certificate of filing, or the date upon which an application is deemed to have been accepted, whichever is earlier, an application shall be deemed filed pursuant to this division.

(h) If an application is determined not to be complete, the executive officer shall immediately transmit that determination to the applicant specifying those parts of the application which are incomplete and the manner in which they can be made complete.

(i) Following the issuance of the certificate of filing, the executive officer shall proceed to set the proposal for hearing and give published notice thereof as provided in this part. The date of the hearing shall be not more than 90 days after issuance of the certificate of filing or after the application is deemed to have been accepted,

whichever is earlier. Notwithstanding Section 56106, the date for conducting the hearing, as determined pursuant to this subdivision, is mandatory.

SEC. 91. Section 56660 is added to the Government Code, to read:

56660. The executive officer shall give notice of any hearing by the commission by publication, as provided in Sections 56153 and 56154, and by posting, as provided in Sections 56158 and 56159.

SEC. 92. Section 56661 is added to the Government Code, to read:

56661. To the extent that the commission maintains an Internet website, notice of all public hearings shall be made available in electronic format on that site. The executive officer shall also give mailed notice of any hearing by the commission, as provided in Sections 56155 to 56157, inclusive, by mailing notice of the hearing or transmitting by electronic mail, if available to the recipient, to all of the following persons and entities:

(a) To each affected local agency by giving notice to each elected local official, each member of the governing body, and the executive officer of the agency.

(b) To the proponents, if any.

(c) To each person who has filed a written request for special notice with the executive officer.

(d) If the proposal is for any annexation or detachment, or for a reorganization providing for the formation of a new district, to each city within three miles of the exterior boundaries of the territory proposed to be annexed, detached, or formed into a new district.

(e) If the proposal is to incorporate a new city or for the formation of a district, to the affected county.

(f) If the proposal includes the formation of, or annexation of territory to, a fire protection district formed pursuant to the Fire Protection District Law of 1987, Part 3 (commencing with Section 13800) of Division 12 of the Health and Safety Code, and all or part of the affected territory has been classified as a state responsibility area, to the Director of Forestry and Fire Protection.

(g) If the proposal would result in the annexation to a city of land that is subject to a contract executed pursuant to the Williamson Act (Chapter 7 (commencing with Section 51200) of Division 1), to the Director of Conservation.

(h) To all registered voters and owners of property, as shown on the most recent assessment roll being prepared by the county at the time the commission adopts a resolution of application, within 300 feet of the exterior boundary of the property that is the subject of the hearing at least 20 days prior to the hearing. In lieu of the assessment roll, the agency may use the records of the county assessor or tax collector or any other more current record. Notice shall also either be posted or published in one newspaper 20 days prior to the hearing. If this section would require more than 1,000 notices to be mailed,

then notice may instead be provided pursuant to paragraph (1) of subdivision (b) of Section 65954.6.

SEC. 93. Section 56662 is added to the Government Code, to read:

56662. (a) The commission may make either of the following determinations without notice and hearing:

(1) Subject to the limitations of Section 56663, approval or disapproval of a proposal for an annexation, detachment, or reorganization which consists solely of annexations or detachments, or both.

(2) Subject to the limitations of Section 56663, approval or disapproval of the formation of a county service area.

(b) Except for the determinations authorized to be made by subdivision (a), the commission shall not make any determinations upon any proposal, plan of reorganization, or report and recommendation of a reorganization committee until after public hearing by the commission on that proposal, plan of reorganization, or report and recommendation of a reorganization committee.

SEC. 94. Section 56663 is added to the Government Code, to read:

56663. (a) If a petition for an annexation, a detachment, or a reorganization consisting solely of annexations or detachments, or both, or the formation of a county service area is signed by all of the owners of land within the affected territory of the proposed change of organization or reorganization, or if a resolution of application by a legislative body of an affected district, affected county, or affected city making a proposal for an annexation or detachment, or for a reorganization consisting solely of annexations or detachments, or both, or the formation of a county service area is accompanied by proof, satisfactory to the commission, that all the owners of land within the affected territory have given their written consent to that change of organization or reorganization, the commission may approve or disapprove the change of organization or reorganization, without notice and hearing by the commission. In those cases, the commission may also approve and conduct proceedings for the change of organization or reorganization under any of the following conditions:

(1) Without notice and hearing.

(2) Without an election.

(3) Without notice, hearing, or an election.

(b) The executive officer shall give any affected agency mailed notice of the filing of the petition or resolution of application initiating proceedings by the commission. The commission shall not, without the written consent of the subject agency, take any further action on the petition or resolution of application for 10 days following that mailing. Upon written demand by an affected local agency, filed with the executive officer during that 10-day period, the commission shall make determinations upon the petition or resolution of application only after notice and hearing on the petition



or resolution of application. If no written demand is filed, the commission may make those determinations without notice and hearing. By written consent, which may be filed with the executive officer at any time, a subject agency may do any of the following:

- (1) Waive the requirement of mailed notice.
- (2) Consent to the commission making determinations without notice and hearing.
- (3) Waive the requirement of mailed notice and consent to the commission making determinations without notice and hearing.

(c) In the case of uninhabited territory, the commission may waive protest proceedings pursuant to Part 4 (commencing with Section 57000) entirely if all of the following conditions apply:

- (1) All the owners of land within the affected territory have given their written consent to the change of organization or reorganization.
- (2) All affected local agencies that will gain or lose territory as a result of the change of organization or reorganization have consented in writing to a waiver of protest proceedings.
- (3) The commission has provided written notice of commission proceedings to all property owners and registered voters within the subject territory and no opposition is received prior to or during the commission meeting.

(d) In the case of inhabited city and district annexations or detachments, or both, the commission may waive protest proceedings pursuant to Part 4 (commencing with Section 57000) entirely if both of the following conditions apply:

- (1) The commission has provided written notice of commission proceedings to all registered voters and landowners within the affected territory and no opposition from registered voters or landowners within the affected territory is received prior to or during the commission meeting. The written notice shall disclose to the registered voters and landowners that unless opposition is expressed regarding the proposal or the commission's intention to waive protest proceedings, that there will be no subsequent protest and election proceedings.
- (2) All affected local agencies that will gain or lose territory as a result of the change of organization or reorganization have consented in writing to a waiver of protest proceedings.

SEC. 95. Section 56664 is added to the Government Code, to read:

56664. Where the commission desires to provide for notice and hearing prior to making a determination on a matter which the commission is authorized, but not required, to determine without notice and hearing, the commission shall order a public hearing on that matter and set a date, time, and place for the hearing. The date of hearing shall not be more than 90 days after the date of the order.

SEC. 96. Section 56665 is added to the Government Code, to read:

56665. The executive officer shall review each application which is filed with the executive officer and shall prepare a report, including

his or her recommendations, on the application. The report shall be completed not less than five days prior to the date specified in the notice of hearing. Upon completion, the executive officer shall furnish copies of the report to each of the following:

- (a) The officers or persons designated in the application.
- (b) Each local agency whose boundaries or sphere of influence would be changed by the proposal or recommendation.
- (c) Each affected local agency which has filed a request for a report with the executive officer.
- (d) The executive officer of another affected county when a district is or will be located in that other county.
- (e) Each affected city.

SEC. 97. Section 56666 is added to the Government Code, to read:

56666. (a) The hearing shall be held by the commission upon the date and at the time and place specified. The hearing may be continued from time to time but not to exceed 70 days from the date specified in the original notice.

(b) At the hearing, the commission shall hear and receive any oral or written protests, objections, or evidence which shall be made, presented, or filed, and consider the report of the executive officer and the plan for providing services to the territory prepared pursuant to Section 56653.

SEC. 97.5. Section 56666 is added to the Government Code, to read:

56666. (a) The hearing shall be held by the commission upon the date and at the time and place specified. The hearing may be continued from time to time but not to exceed 70 days from the date specified in the original notice.

(b) At the hearing, the commission shall hear and receive any oral or written protests, objections, or evidence which shall be made, presented, or filed, and consider the report of the executive officer and the plan for providing services to the territory prepared pursuant to Section 56653.

(c) Prior to any continuance of a hearing pursuant to this section regarding a proposal that includes an incorporation, the chief petitioners shall have an opportunity to address the commission on any potential impacts or hardships on the incorporation effort that may result from a delay. The commission shall consider the potential impacts on the incorporation proponents prior to making a decision on the duration of any continuance.

SEC. 98. Section 56667 is added to the Government Code, to read:

56667. If the report filed pursuant to Section 56665 indicates that more than 50 percent of the land proposed for incorporation is owned by or dedicated to the use of a city or county and that the proposed incorporation would result in a revenue loss to that city or county, and at the hearing held pursuant to Section 56666 the board of supervisors of the county or city council of the city presents a

resolution objecting to the incorporation, no further proceedings shall be conducted by the commission and no new proposal involving incorporation of substantially the same territory shall be initiated for one year.

In the absence of a resolution of objection from a city or county, the commission may approve the proposal only if it imposes as a condition thereto that the newly incorporated city may not adopt any regulation or policy which would have a negative fiscal impact on any contract existing at the time of the incorporation which is related to the publicly owned land.

This section shall not preclude the completion of proceedings to incorporate territory which is the subject of incorporation proceedings filed with the executive officer of the commission prior to February 15, 1986.

SEC. 99. Section 56668 is added to the Government Code, to read:

56668. Factors to be considered in the review of a proposal shall include, but not be limited to, all of the following:

(a) Population, population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.

(b) Need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.

"Services," as used in this subdivision, refers to governmental services whether or not the services are services which would be provided by local agencies subject to this division, and includes the public facilities necessary to provide those services.

(c) The effect of the proposed action and of alternative actions; on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.

(d) The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in Section 56377.

(e) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.

(f) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.

(g) Consistency with city or county general and specific plans.

(h) The sphere of influence of any local agency which may be applicable to the proposal being reviewed.

(i) The comments of any affected local agency.

(j) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.

(k) Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.

(l) The extent to which the proposal will assist the receiving entity in achieving its fair share of the regional housing needs as determined by the appropriate council of governments.

(m) Any information or comments from the landowner or owners.

(n) Any information relating to existing land use designations.

SEC. 99.5. Section 56668.5 is added to the Government Code, to read:

56668.5. The commission may, but is not required to, consider the regional growth goals and policies established by a collaboration of elected officials only, formally representing their local jurisdictions in an official capacity on a regional or subregional basis. This section does not grant any new powers or authority to the commission or any other body to establish regional growth goals and policies independent of the powers granted by other laws.

SEC. 100. Section 56700.1 is added to the Government Code, to read:

56700.1. Expenditures for political purposes related to a change of organization or reorganization proposal that has been submitted to a commission, and contributions in support of or in opposition to those measures, shall be disclosed and reported to the same extent and subject to the same requirements as provided for local initiative measures to be presented to the electorate.

SEC. 101. Section 56700.3 of the Government Code is repealed.

SEC. 102. Section 56700.4 is added to the Government Code, to read:

56700.4. (a) Before circulating any petition for change of organization, the proponent shall file with the executive officer a notice of intention that shall include the name and mailing address of the proponent and a written statement, not to exceed 500 words in length, setting forth the reasons for the proposal. The notice shall be signed by a representative of the proponent, and shall be in substantially the following form:

Notice of Intent to Circulate Petition

Notice is hereby given of the intention to circulate a petition proposing to \_\_\_\_\_.

The reasons for the proposal are:

(b) After the filing required pursuant to subdivision (a), the petition may be circulated for signatures.

(c) Upon receiving the notice, the executive officer shall notify any affected jurisdictions.

(d) The notice requirements of this section shall apply in addition to any other applicable notice requirements.

SEC. 103. Section 56700.5 of the Government Code is repealed.

SEC. 104. Section 56701 of the Government Code is repealed.

SEC. 105. Section 56702 of the Government Code is repealed.

SEC. 106. Section 56705 of the Government Code is amended to read:

56705. (a) Except as otherwise provided in subdivision (b), no petition shall be accepted for filing unless the signatures on the petition are secured within six months of the date on which the first signature on the petition was affixed and the petition is submitted to the executive officer for filing within 60 days after the last signature is affixed. If the elapsed time between the date on which the last signature is affixed and the date on which the petition is submitted for filing is more than 60 days, the executive officer shall file the petition in accordance with Section 56709.

(b) (1) Notwithstanding subdivision (a), in cities with a population of more than 100,000 residents that are located in a county with a population of over 4,000,000, no petition shall be accepted for filing unless the signatures thereon have been secured within 90 days of the publication of the notice required pursuant to Section 56760 and the petition is submitted to the executive officer for filing within 60 days after the last signature is affixed. If the elapsed time between the date on which the last signature is affixed and the date on which the petition is submitted for filing is more than 60 days, the executive officer shall file the petition in accordance with Section 56709.

(2) This subdivision shall not apply to a petition for a special reorganization, as defined in Section 56075.5. Subdivision (a) shall apply to a special reorganization, as defined in Section 56075.5, regardless of the number of residents in the city or county in which signatures have been secured on the petition. This paragraph is declaratory of existing law.

SEC. 107. Section 56706 of the Government Code is amended to read:

56706. (a) Within 30 days after the date of receiving a petition, the executive officer shall cause the petition to be examined by the

county elections official, in accordance with Sections 9113 to 9115, inclusive, of the Elections Code and shall prepare a certificate of sufficiency indicating whether the petition is signed by the requisite number of signers.

(b) (1) Except as provided in paragraph (2), if the certificate of the executive officer shows the petition to be insufficient, the executive officer shall immediately give notice by certified mail of the insufficiency to the proponents, if any. That mailed notice shall state in what amount the petition is insufficient. Within 15 days after the date of the notice of insufficiency, a supplemental petition bearing additional signatures may be filed with the executive officer.

(2) Notwithstanding paragraph (1), the proponents of the petition may, at their option, collect signatures for an additional 15 days immediately following the statutory period allowed for collecting signatures without waiting for notice of insufficiency. Any proponent choosing to exercise this option may not file a supplemental petition as provided in paragraph (1).

(c) Within 10 days after the date of filing a supplemental petition, the executive officer shall examine the supplemental petition and certify in writing the results of his or her examination.

(d) A certificate of sufficiency shall be signed by the executive officer and dated. That certificate shall also state the minimum signature requirements for a sufficient petition and show the results of the executive officer's examination. The executive officer shall mail a copy of the certificate of sufficiency to the proponents, if any.

SEC. 108. Section 56708 of the Government Code is amended to read:

56708. If a petition is signed by owners of land, the executive officer shall cause the names of the signers on the petition to be compared with the names of the persons shown as owners of land on the most recent assessment roll being prepared by the county at the time the commission adopts a resolution of application and ascertain, to the extent possible, both of the following:

(a) The total number of landowners within the territory and the total assessed valuation of all land within the affected territory.

(b) The total number of landowners represented by qualified signers and the total assessed valuation of land owned by qualified signers.

SEC. 109. Section 56710 of the Government Code is amended to read:

56710. For purposes of evaluating the sufficiency of any petition signed by owners of land:

(a) The assessed value to be given land exempt from taxation or owned by a public agency shall be determined by the county assessor, at the request of the executive officer, in the same amount as the county assessor would assess that land, if the land were not exempt from taxation or owned by a public agency.

(b) The value given land held in joint tenancy or tenancy in common shall be determined in proportion to the proportionate interest of the petitioner in that land.

(c) The executive officer shall disregard the signature of any person not shown as owner on the most recent assessment roll being prepared by the county at the time the commission adopts a resolution of application unless prior to certification the executive officer is furnished with written evidence, satisfactory to the executive officer, that the signer meets any of the following requirements:

- (1) Is a legal representative of the owner.
- (2) Is entitled to be shown as owner of land on the next assessment roll.
- (3) Is a purchaser of land under a recorded written agreement of sale.
- (4) Is authorized to sign for, and on behalf of, any public agency owning land.

SEC. 110. Chapter 3 (commencing with Section 56720) is added to Part 3 of Division 3 of Title 5 of the Government Code, to read:

### CHAPTER 3. PROCEEDINGS FOR CITIES

#### Article 1. Incorporation

56720. The commission shall not approve or conditionally approve any proposal that includes an incorporation, unless the commission finds, based on the entire record, that:

(a) The proposed incorporation is consistent with the intent of this division, including, but not limited to, the policies of Sections 56001, 56300, 56301, and 56377.

(b) It has reviewed the spheres of influence of the affected local agencies and the incorporation is consistent with those spheres of influence.

(c) It has reviewed the comprehensive fiscal analysis prepared pursuant to Section 56800 and the Controller's report prepared pursuant to Section 56801.

(d) It has reviewed the executive officer's report and recommendation prepared pursuant to Section 56665, and the testimony presented at its public hearing.

(e) The proposed city is expected to receive revenues sufficient to provide public services and facilities and a reasonable reserve during the three fiscal years following incorporation.

56722. If a petition is for incorporation of a new city, or consolidation of cities, the petition may propose a name for the new or consolidated city.

The proposed name for the new or consolidated city may contain the word "town."

56723. If the petition is for incorporation, it may also include provisions for appointment of a city manager and appointment of elective city officials, except city council members.

56724. (a) If the commission approves a proposal that includes the incorporation of a city, the resolution making determinations shall, upon the incorporation applicant's request, specify that the first election of city officers is to be held after voter approval of the proposal.

(b) If the applicant has submitted an application to the commission prior to the effective date of this section, the applicant may request that the election of city officers be held after the vote on the incorporation proposal.

(c) If the election of city officers is to be conducted after the vote on the incorporation proposal, the commission shall not set the effective date to be sooner than the election date of the city officers.

#### Article 2. Special Reorganization

56730. Proceedings for a special reorganization shall be conducted in accordance with the procedures otherwise prescribed for incorporation of a city, including, but not limited to, the provisions specified in Sections 56720, 56800, 56810, and 56815. Notwithstanding any other provision of this division, an election, if required, shall be conducted in accordance with Sections 57119 and 57132.5.

#### Article 3. Annexation and Other Changes of Organization

56737. When a change of organization or a reorganization includes the annexation of inhabited territory to a city and the assessed value of land within the territory equals one-half or more of the assessed value of land within the city, or the number of registered voters residing within the territory equals one-half or more of the number of registered voters residing within the city, the commission may determine as a condition of the proposal that the change of organization or reorganization shall also be subject to confirmation by the voters in an election to be called, held, and conducted within the territory of the city to which annexation is proposed.

56738. If the proposal would result in the annexation to a city of land that is subject to a contract executed pursuant to the Williamson Act (Chapter 7 (commencing with Section 51200) of Division 1), then the petition shall state whether the city shall succeed to the contract pursuant to Section 51243 or whether the city intends to exercise its option to not succeed to the contract pursuant to Section 51243.5.

56740. (a) No tidclands or submerged lands, as defined in subdivision (g), which are owned by the state or by its grantees in



trust shall be incorporated into, or annexed to, a city, except lands which may be approved by the State Lands Commission.

(b) If those tidelands or submerged lands are included within the boundaries of any territory proposed to be incorporated into, or annexed to, a city, a description of the boundaries, together with a map showing the boundaries, shall be filed with the State Lands Commission by the proponents of the incorporation or annexation. The filing with the State Lands Commission shall be made prior to the executive officer issuing a certificate of filing for the proposal.

(c) The State Lands Commission shall approve or disapprove all portions of the boundaries located upon the tidelands or submerged lands. In making that determination, it shall, where feasible and appropriate, require any extensions of land boundaries of the city or proposed city to be at right angles to the general direction of the shoreline at each point of intersection of the shoreline with the land boundaries of the city or proposed city. However, in the interest of ensuring an orderly and equitable pattern of offshore boundaries, the State Lands Commission may establish angles and other courses for each offshore boundary it deems necessary considering any irregularity of the shoreline, other geographical features, the effect of incorporation or annexation of the offshore or submerged lands on the uplands of the city, or proposed city, and adjoining territory, and the existing and potential boundaries of other cities and of unincorporated communities.

(d) Within 45 days after the filing of the boundary description and map with the State Lands Commission, the State Lands Commission shall make a determination of the proper offshore or submerged lands boundaries. That determination shall be final and conclusive. If the State Lands Commission does not make the determination within that time, the proposed offshore or submerged lands boundaries shall be deemed approved.

(e) The State Lands Commission shall report its determination to the executive officer and to each affected city, affected county, affected district, or person, if any, that has filed the boundary description and map. Thereafter, filings and action may be taken pursuant to this part.

(f) The local agency formation commission may review and make determinations as to all portions of the boundaries, other than those offshore or submerged lands boundaries.

(g) "Submerged lands," as used in this section, includes, but is not limited to, lands underlying navigable waters which are in sovereign ownership of the state whether or not those waters are subject to tidal influences.

56741. Territory may not be annexed to a city unless it is located in the same county. Unless otherwise provided in this division, territory may not be annexed to a city unless it is contiguous to the city at the time the proposal is initiated pursuant to this part.

Territory incorporated as a city shall be located within one county and, except as otherwise provided in Section 56742, shall be contiguous with all other territory being incorporated as a city.

56742. Notwithstanding Section 56741, upon approval of the commission a city may annex noncontiguous territory not exceeding 300 acres in area, which is located in the same county as that in which the city is situated, and which is owned by the city and is being used for municipal purposes at the time commission proceedings are initiated. If, after the completion of the annexation, the city sells that territory or any part of that territory, all of the territory which is no longer owned by the city shall cease to be a part of the city. Territory which is used by a city for reclamation, disposal, and storage of treated wastewater may be annexed to the city pursuant to this section without limitation as to the size of the area encompassed within the territory so annexed.

If territory is annexed pursuant to this section, the annexing city may not annex any territory not owned by the city and not contiguous to the city, although the territory is contiguous to the territory annexed pursuant to this section.

Notwithstanding any other provision of this section, a city which annexes territory pursuant to this section may annex additional territory in the same county as that in which the city is situated which is owned by the United States government or the State of California and which is contiguous to the first-annexed territory if the total acreage of the first-annexed and the subsequently annexed territory together does not exceed 300 acres in area. If, after the completion of the subsequent annexation, the city sells all or any part of the first-annexed territory, the subsequently annexed territory shall cease to be part of the city if the subsequently annexed territory is no longer contiguous to territory owned by the city.

When territory ceases to be part of a city pursuant to this section, the legislative body of the city shall adopt a resolution confirming the detachment. The resolution shall describe the detached territory and shall be accompanied by a map indicating the territory. Immediately upon adoption of the resolution, the city clerk shall make any filing required by Chapter 8 (commencing with Section 57200) of Part 4.

If territory annexed to a city pursuant to this section becomes contiguous to the city, the limitations imposed by this section shall cease to apply.

56742.5. (a) Notwithstanding Section 56741, upon approval of the commission any city may annex noncontiguous territory which constitutes a state correctional facility or a state correctional training facility. If, after the completion of the annexation, the State of California sells that territory or any part thereof, all of the territory which is no longer owned by the state shall cease to be a part of the city which annexed the territory.

(b) If territory is annexed pursuant to this section, the city may not annex any territory not owned by the State of California and not contiguous to the city although that territory is contiguous to the territory annexed pursuant to this section.

(c) When territory ceases to be part of the city pursuant to this section, the legislative body of the city shall adopt a resolution confirming the detachment of that territory from the city. The resolution shall describe the detached territory and shall be accompanied by a map indicating the territory. Immediately upon adoption of the resolution, the city clerk shall make any filing provided for by Chapter 8 (commencing with Section 57200) of Part 4 of Division 3.

(d) If territory annexed pursuant to this section becomes contiguous to the city, the limitations imposed by this section shall cease to apply.

(e) A city may enter into an agreement with any other city under which the city apportions any increase in state subventions resulting from the annexation of territory pursuant to this section.

56743. (a) Notwithstanding Section 56741, upon approval of the commission a city may annex noncontiguous territory not exceeding 3,100 acres in area, which is located in the same county as that in which the city is situated, and which is owned by the city and is being used for municipal water purposes at the time preliminary proceedings are initiated pursuant to this part. If, after the completion of the annexation, the city sells that territory or any part thereof, all of that territory which is no longer owned by the city shall cease to be a part of the city.

(b) If territory is annexed pursuant to this section, the annexing city may not annex any territory not owned by it and not contiguous to it although that territory is contiguous to the territory annexed pursuant to this section.

(c) When territory ceases to be part of a city pursuant to this section, the legislative body of the city shall adopt a resolution confirming the detachment of that territory from the city. The resolution shall describe the detached territory and shall be accompanied by a map indicating the territory. Immediately upon adoption of the resolution, the city clerk shall make any filing provided for by Chapter 8 (commencing with Section 57200) of Part 4.

(d) If territory annexed to a city pursuant to this section becomes contiguous to the city, the limitations imposed by this section shall cease to apply.

(e) If territory is annexed pursuant to this section, it shall be used only for municipal water purposes. The city may, however, enter into agreements to lease the land for timber production or grazing by animals. If the territory is used by the city for any other purpose at any time, it shall cease to be a part of the city.

(f) This section applies only to the City of Willits.

56744. Unless otherwise determined by the commission pursuant to subdivision (l) of Section 56375, territory shall not be incorporated into, or annexed to, a city pursuant to this division if, as a result of that incorporation or annexation, unincorporated territory is completely surrounded by that city or by territory of that city on one or more sides and the Pacific Ocean on the remaining sides.

56745. If authorized pursuant to Section 56375.3, the commission may order annexation of the territory without an election.

56746. (a) The authority to initiate, conduct, and complete any proceeding pursuant to Section 56745 does not apply to any territory which, after January 1, 2000, became surrounded or substantially surrounded by the city to which annexation is proposed. The authority to initiate, conduct, and complete any proceeding pursuant to Section 56745 shall expire January 1, 2007. The period of time between January 1, 2000, and January 1, 2007, shall not include any period of time during which, in an action pending in any court, a local agency is enjoined from conducting proceedings pursuant to Section 56745. Upon final disposition of that case, the previously enjoined local agency may initiate, conduct, and complete proceedings pursuant to Section 56745 for the same period of time as was remaining under that seven-year limit at the time the injunction commenced. However, if the remaining time is less than six months, that authority shall continue for six months following final disposition of the action.

(b) Between January 1, 2000, and January 1, 2007, no new proposal involving the same or substantially the same territory as a proposal initiated pursuant to Section 56745 after January 1, 2000, shall be initiated for two years after the date of adoption by the commission of a resolution terminating proceedings.

56747. (a) Notwithstanding Section 56031, unincorporated territory consisting of property abutting on a street, highway, or road, and the street, highway, or road, to the extent that it abuts that property, together with the road strip may be annexed to a city pursuant to this division under the following conditions:

(1) The annexation may be made only if the property to be annexed is within the sphere of influence of the annexing city, as adopted by the commission, and lies within an unincorporated area wholly surrounded by the annexing city or (the annexing city and the county line or the annexing city and the Pacific Ocean or the annexing city and a boundary of another city.

(2) The property to be annexed shall not be annexed if the distance between the boundary of the annexing city and the point closest to the annexing city at which the road strip connects with the abutting property, as measured by the road strip, is more than one-half mile.

(b) Subsequent annexations to the road strip and abutting territory shall not be made unless both of the following conditions are met:

(1) The distance between the point at which the original road strip abuts the boundary of the annexing city and the point closest to the city at which the road strip connects with the abutting property to be annexed, as measured by the road strip, is one-half mile or less.

(2) The annexation is contiguous to the road strip.

(c) As used in this section:

(1) "Property to be annexed" means the property abutting on a street, highway, or road, and the street, highway, or road, to the extent it abuts the property.

(2) "Road strip" means the street, highway, or road which connects the territory of the property to be annexed to the annexing city.

(d) This section applies only to the City of Cupertino.

56749. (a) The commission shall not approve or conditionally approve a change of organization or reorganization that would result in the annexation to a city of territory that is within a farmland security zone created pursuant to Article 7 (commencing with Section 51296) of Chapter 7 of Division 1. However, this subdivision shall not apply under any of the following circumstances:

(1) If the farmland security zone is located within a designated, delineated area that has been approved by the voters as a limit for existing and future urban facilities, utilities, and services.

(2) If annexation of a parcel or a portion of a parcel is necessary for the location of a public improvement, as defined in Section 51290.5, except as provided in subdivision (f) or (g) of Section 51296.

(3) If the landowner consents to the annexation.

(b) This section shall not apply during the three-year period preceding the termination of a farmland security zone contract under Article 7 (commencing with Section 51296) of Chapter 7 of Division 1.

56750. Notwithstanding Sections 56300 and 56301, the commission shall not disapprove a change of organization or reorganization where the reason for disapproval is that the farmland security zone is excluded from the affected territory.

56751. (a) Upon receipt by the commission of a proposed change of organization or reorganization, except a special reorganization, that includes the detachment of territory from any city, the commission shall place the proposal on the agenda for the next commission meeting for information purposes only and shall transmit a copy of the proposal to any city from which the detachment of territory is requested.

(b) No later than 60 days after the date that the proposal is on the commission's meeting agenda in accordance with subsection (a), an

affected city may adopt and transmit to the commission a resolution requesting termination of the proceedings.

(c) If an affected city has adopted and transmitted to the commission a resolution requesting termination of proceedings within the time period prescribed by this section, then the commission shall terminate the proceedings upon receipt of the resolution from the city.

56752. If the proposal would result in the annexation to a city of land that is subject to a contract executed pursuant to the Williamson Act (Chapter 7 (commencing with Section 51200) of Division 1), then the resolution shall state whether the city shall succeed to the contract pursuant to Section 51243 or whether the city intends to exercise its option to not succeed to the contract pursuant to Section 51243.5.

56753. The executive officer shall give mailed notice of any hearing by the commission, as provided in Sections 56155 to 56157, inclusive, by mailing notice of the hearing to the Director of Conservation if the proposal would result in the annexation to a city of land that is subject to a contract executed pursuant to the Williamson Act (Chapter 7 (commencing with Section 51200) of Division 1).

56753.5. Within 10 days after receiving a proposal that would result in the annexation to a city of land that is subject to a contract executed pursuant to the Williamson Act (Chapter 7 (commencing with Section 51200) of Division 1), the executive officer shall notify the Director of Conservation of the proposal. The notice shall include the contract number, the date of the contract's execution, and a copy of any protest that the city had filed pursuant to Section 51243.5.

56754. If a change of organization or reorganization would result in the annexation to a city of land that is subject to a contract executed pursuant to the Williamson Act (Chapter 7 (commencing with Section 51200) of Division 1), the commission shall determine one of the following:

(a) That the city shall succeed to the rights, duties, and powers of the county pursuant to Section 51243, or

(b) That the city may exercise its option to not succeed to the rights, duties, and powers of the county pursuant to Section 51243.5.

56755. Prior to submitting a resolution of application for the annexation of territory described in Section 56375.3 to the commission, the legislative body adopting the resolution shall conduct a public hearing on the resolution. Notice of the hearing shall be published pursuant to Sections 56153 and 56154. At the hearing, any landowner shall be given an opportunity to present his or her views on the resolution.

56756. The clerk of the legislative body adopting a resolution of application shall file a certified copy of that resolution with the executive officer.

56757. (a) The commission shall not review a reorganization that includes an annexation to any city in Santa Clara County of unincorporated territory that is within the urban service area of the city if the reorganization is initiated by resolution of the legislative body of the city.

(b) The city council shall be the conducting authority for the reorganization and the proceedings for the reorganization shall be initiated and conducted as nearly as may be practicable in accordance with Part 4 (commencing with Section 57000).

(c) The city council, in adopting the resolution approving the reorganization, shall make all of the following findings:

(1) That the unincorporated territory is within the urban service area of the city as adopted by the commission.

(2) That the county surveyor has determined the boundaries of the proposal to be definite and certain, and in compliance with the road annexation policies of the commission. The city shall reimburse the county for the actual costs incurred by the county surveyor in making this determination.

(3) That the proposal does not split lines of assessment or ownership.

(4) That the proposal does not create islands or areas in which it would be difficult to provide municipal services.

(5) That the proposal is consistent with the adopted general plan of the city.

(6) That the territory is contiguous to existing city limits.

(7) That the city has complied with all conditions imposed by the commission for inclusion of the territory in the urban service area of the city.

(d) All reorganizations which involve territory for which the land use designation in the general plan of the city has changed from the time that the urban service area of the city was last adopted by the commission, and which are processed by a city pursuant to this section shall be subject to an appeal to the commission upon submission of a petition of appeal, signed by at least 50 registered voters in the county.

(e) An appeal to the commission may also be made by submission of a resolution of appeal adopted by the legislative body of a special district solely for the purpose of determining whether some or all of the territory contained in the reorganization proposal should also be annexed or detached from that special district.

(f) Any petition submitted under subdivision (d) or resolution submitted under subdivision (e) shall be submitted to the executive officer within 15 days of the adoption by the city council of the resolution approving the annexation. The executive officer shall schedule the hearing for the next regular meeting of the commission as is practicable. The commission may set a reasonable appeal fee.

56758. If the proposal includes the annexation of inhabited territory to a city with over 100,000 residents which is located in a county with a population of over 4,000,000, no proceedings shall be initiated either by petition or by application of a legislative body unless the proposal is consistent with the sphere of influence of any affected city or affected district.

56759. In any order approving a proposal for an annexation or a reorganization that includes annexation of inhabited territory to a city when the assessed value of land within that territory proposed to be annexed equals one-half, or more, of that within the city, as shown by the last equalized assessment rolls, or the number of registered voters of the territory equals one-half, or more, of the number of registered voters within the city, as shown by the county register of voters, the commission shall require that an election called upon the question of confirming the annexation or reorganization shall also be called, held, and conducted within the territory of the city to which territory is proposed to be annexed.

#### Article 4. Initiation by Petition

56760. (a) Before circulating any petition for change of organization for a city with a population of more than 100,000 which is located in a county with a population of over 4,000,000, the proponents shall publish a notice of intention which shall include a written statement not to exceed 500 words in length, setting forth the reasons for the proposal. The notice shall be published pursuant to Section 56153. The notice shall be signed by at least one, but not more than three, chief petitioners and shall be in substantially the following form:

##### Notice of Intent to Circulate Petition

Notice is hereby given of the intention to circulate a petition proposing to \_\_\_\_\_ territory to the City of \_\_\_\_\_.

The reasons for the proposal are:

(b) Within five days after the date of publication, the chief petitioners shall file with the clerk of the city and the executive officer a copy of the notice together with an affidavit made by a representative of the newspaper in which the notice was published certifying to the fact of publication.

(c) After the filing required pursuant to subdivision (b), the petition may be circulated for signatures.

56764. A petition for the incorporation of a city shall be signed by either of the following:



(a) Not less than 25 percent of the registered voters residing in the area to be incorporated, as determined by the commission pursuant to subdivision (f) of Section 56375.

(b) Not less than 25 percent of the number of owners of land within the territory proposed to be incorporated who also own not less than 25 percent of the assessed value of land within the territory proposed to be incorporated, as shown on the last equalized assessment roll of the county.

56765. A petition for the disincorporation of a city shall be signed by not less than 25 percent of the registered voters residing in the city proposed to be disincorporated as shown on the county register of voters.

56766. A petition for the consolidation of two or more cities shall be signed by not less than 5 percent of the registered voters of each affected city as shown on the county register of voters.

56767. (a) Except as otherwise provided in subdivision (b), a petition for annexation of territory to a city shall be signed by either of the following:

(1) Not less than 5 percent of the number of registered voters residing within the territory proposed to be annexed as shown on the county register of voters.

(2) Not less than 5 percent of the number of owners of land within the territory proposed to be annexed who also own 5 percent of the assessed value of land within the territory as shown on the last equalized assessment roll.

(b) Notwithstanding subdivision (a), a petition for the annexation of territory to a city with more than 100,000 residents which is located in a county with a population of over 4,000,000, shall be signed by either of the following:

(1) Not less than 5 percent of the number of registered voters residing within the territory proposed to be annexed as shown on the county register of voters.

(2) Not less than 5 percent of the number of owners of land within the territory proposed to be annexed who also own 5 percent of the assessed value of land within the territory as shown on the last equalized assessment roll.

56768. A petition for detachment of territory from a city shall be signed by either of the following:

(a) Not less than 25 percent of the registered voters residing within the territory proposed to be detached, as shown on the county register of voters.

(b) Not less than 25 percent of the number of owners of land within the territory proposed to be detached who also own 25 percent of the assessed value of land within the territory, as shown on the last equalized assessment roll.

SEC. 111. Chapter 3 (commencing with Section 56750) of Part 3 of Division 3 of Title 5 of the Government Code is repealed.

SEC. 112. The heading of Chapter 4 (commencing with Section 56800) of Part 3 of Division 3 of Title 5 of the Government Code is amended to read:

CHAPTER 4. FISCAL PROVISIONS

SEC. 113. A heading is added as Article 1 (commencing with Section 56800) to Chapter 4 of Part 3 of Division 3 of Title 5 of the Government Code, to read:

Article 1. Comprehensive Fiscal Analysis

SEC. 114. Section 56800 of the Government Code is amended and renumbered to read:

56654. (a) A proposal for a change of organization or a reorganization may be made by the adoption of a resolution of application by the legislative body of an affected local agency.

(b) At least 20 days before the adoption of the resolution, the legislative body may give mailed notice of its intention to adopt a resolution of application to the commission and to each interested agency and each subject agency. The notice shall generally describe the proposal and the affected territory.

(c) Except for the provisions regarding signers and signatures, a resolution of application shall contain all of the matters specified for a petition in Section 56700 and shall be submitted with a plan for services prepared pursuant to Section 56653.

SEC. 115. Section 56800 is added to the Government Code, to read:

56800. For any proposal which includes an incorporation, the executive officer shall prepare, or cause to be prepared by contract, a comprehensive fiscal analysis. This analysis shall become part of the report required pursuant to Section 56665. Data used for the analysis shall be from the most recent fiscal year for which data are available, provided that the data are not more than one fiscal year old. When data from the most recent fiscal year are unavailable, the executive officer may request supplemental data. The analysis shall review and document each of the following:

(a) The costs to the proposed city of providing public services and facilities during the three fiscal years following incorporation.

(b) The revenues of the proposed city during the three fiscal years following incorporation.

(c) The effects on the costs and revenues of any affected local agency during the three fiscal years of incorporation.

(d) Any other information and analysis needed to make the findings required by Section 56720.

SEC. 115.5. Section 56800 is added to the Government Code, to read:

56800. For any proposal which includes an incorporation, the executive officer shall prepare, or cause to be prepared by contract, a comprehensive fiscal analysis. This analysis shall become part of the report required pursuant to Section 56665. Data used for the analysis shall be from the most recent fiscal year for which data are available preceding the issuance of the certificate of filing. When data from the most recent fiscal year are unavailable, the analysis shall document the source and methodology of the data used. The analysis shall review and document each of the following:

(a) The costs to the proposed city of providing public services and facilities during the three fiscal years following incorporation with the following criteria:

(1) When determining costs, the executive officer shall include all direct and indirect costs associated with the current provision of existing services in the affected territory. These costs should reflect the actual or estimated costs at which the existing level of service could be contracted by the proposed city following an incorporation, if the city elects to do so, and shall include any general fund expenditures used to support or subsidize a fee-supported service where the full costs of providing the service are not fully recovered through fees. The executive officer shall also identify which of these costs shall be transferred to the new city that result in an administrative cost reduction to other agencies. In the analysis, the executive officer shall also review how the costs of any existing services compare to the costs of services provided in cities with similar populations and similar geographic size that provide a similar level and range of services and shall make a reasonable determination of the costs expected to be borne by the newly incorporated city.

(2) When determining costs, the executive officer shall also include all direct and indirect costs, of any public services that are proposed to be assumed by the new city and that are provided by state agencies in the area proposed to be incorporated.

(b) The revenues of the proposed city during the three fiscal years following incorporation.

(c) The effects on the costs and revenues of any affected local agency during the three fiscal years of incorporation.

(d) Any other information and analysis needed to make the findings required by Section 56720.

SEC. 116. Section 56800.3 of the Government Code is repealed.

SEC. 117. Section 56801 of the Government Code is repealed.

SEC. 118. Section 56801 is added to the Government Code, to read:

56801. (a) For any proposal that includes an incorporation, the executive officer shall, at the request of an interested party, which request is submitted pursuant to subdivision (b), and prior to issuing his or her report and recommendation pursuant to Section 56665,

request the Controller to review the comprehensive fiscal analysis prepared pursuant to Section 56800. The request by an interested party shall specify in writing any element of the comprehensive fiscal analysis that the Controller is requested to review and the reasons the Controller is requested to review each element.

(b) The commission may adopt written procedures for the acceptance, referral, and payment for a request for the Controller's review, which shall include setting a time period during which an interested party is permitted to submit a request pursuant to subdivision (a). The time period for accepting a request shall not be less than 30 days following notice given in the same manner as specified in Section 56153.

(c) Within 45 days of receiving the analysis, the Controller shall issue a report to the executive officer regarding the accuracy and reliability of the information, methodologies, and documentation used in the analysis. The times within which the executive officer or commission is required to act pursuant to this chapter shall be tolled for the time required by the Controller for completion of the report. The executive officer shall include the results of the Controller's report into his or her own report and recommendation issued pursuant to Section 56665.

(d) Notwithstanding Sections 56378 and 56386, the Controller may charge the commission for the actual costs incurred pursuant to this section. The commission may recover these costs by charging the person who requested the Controller's review.

SEC. 119. Section 56802 of the Government Code is repealed.

SEC. 120. Section 56802 is added to the Government Code, to read:

56802. (a) For any proposal for incorporation of the territory within the Mountain House Community Services District, San Joaquin County shall provide the required funds to those petitioners filing the incorporation application for all costs involved in filing the application for incorporation pursuant to this division, including the preparation of the comprehensive fiscal analysis pursuant to Section 56800.

(b) The funds provided by the county pursuant to this section shall not be construed to be a gift of public funds and may only be granted to a quasi-public or nonprofit organization formed for the purpose of pursuing incorporation of the Mountain House area.

(c) San Joaquin County shall provide the funds required in subdivision (a) only one time, upon the first filing of application for incorporation.

SEC. 121. Section 56803 is added to the Government Code, to read:

56803. If the commission approves a proposal which includes the incorporation of a city, the resolution making determinations shall accept or reject each of the findings and recommendations made in

the executive officer's report prepared pursuant to Section 56665, and the fiscal analysis prepared pursuant to Section 56800. If the commission rejects a finding or recommendation, the resolution making determinations shall include findings by the commission which present the basis for any rejection.

SEC. 122. Article 2 (commencing with Section 56810) is added to Chapter 4 of Part 3 of Division 3 of Title 5 of the Government Code, to read:

Article 2. Property Tax Exchange

56810. (a) (1) If the proposal includes the incorporation of a city, as defined in Section 56043, the commission shall determine the amount of property tax revenue to be exchanged by the affected local agency pursuant to this section and Section 56815.

(2) If the proposal includes the formation of a district, as defined in Section 2215 of the Revenue and Taxation Code, the commission shall determine the amount of property tax to be exchanged by the affected local agency pursuant to this section.

(b) The commission shall notify the county auditor of the proposal and the services which the new jurisdiction proposes to assume within the area, and identify for the auditor the existing service providers within the area subject to the proposal.

(c) If the proposal would not transfer all of an affected agency's service responsibilities to the proposed city or district, the commission and the county auditor shall do all of the following:

(1) The county auditor shall determine the proportion that the amount of property tax revenue derived by each affected local agency pursuant to subdivision (b) of Section 93 of the Revenue and Taxation Code bears to the total amount of revenue from all sources, available for general purposes, received by each affected local agency in the prior fiscal year. For purposes of making this determination and the determination required by paragraph (3), "total amount of revenue from all sources available for general purposes" means the total amount of revenue which an affected local agency may use on a discretionary basis for any purpose and does not include any of the following:

(A) Revenue which, by statute, is required to be used for a specific purpose.

(B) Revenue from fees, charges, or assessments which are levied to specifically offset the cost of particular services and do not exceed the cost reasonably borne in providing these services.

(C) Revenue received from the federal government which is required to be used for a specific purpose.

(2) The commission shall determine, based on information submitted by each affected local agency, an amount equal to the total net cost to each affected local agency during the prior fiscal year of

providing those services which the new jurisdiction will assume within the area subject to the proposal. For purposes of this paragraph, "total net cost" means the total direct and indirect costs which were funded by general purpose revenues of the affected local agency and excludes any portion of the total cost which was funded by any revenues of that agency which are specified in subparagraphs (A), (B), and (C) of paragraph (1).

(3) The commission shall multiply the amount determined pursuant to paragraph (2) for each affected local agency by the corresponding proportion determined pursuant to paragraph (1) to derive the amount of property tax revenue used to provide services by each affected local agency during the prior fiscal year within the area subject to the proposal. The county auditor shall adjust the amount described in the previous sentence by the annual tax increment according to the procedures set forth in Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code, to the fiscal year in which the new city or district receives its initial allocation of property taxes.

(4) For purposes of this subdivision, in any county in which, prior to the adoption of Article XIII A of the California Constitution, and continuing thereafter, a separate fund or funds were established consisting of revenues derived from the unincorporated area of the county and from which fund or funds services rendered in the unincorporated area have been paid, the amount of property tax revenues derived pursuant to paragraph (3), may, at the discretion of the commission, be transferred to the proposed city over a period not to exceed 12 fiscal years following its incorporation. In determining whether the transfer of the amount of property tax revenues determined pursuant to paragraph (3) shall occur entirely within the fiscal year immediately following the incorporation of the proposed city or shall be phased in over a period not to exceed 12 full fiscal years following the incorporation, the commission shall consider each of the following:

(A) The total amount of revenue from all sources available to the proposed city.

(B) The fiscal impact of the proposed transfer on the transferring agency.

(C) Any other relevant facts which interested parties to the exchange may present to the commission in written form.

The decision of the commission shall be supported by written findings setting forth the basis for its decision.

(d) If the proposal would transfer all of an affected agency's service responsibilities to the proposed city or district, the commission shall request the auditor to determine the property tax revenue generated for the affected service providers by tax rate area, or portion thereof, and transmit that information to the commission.

(e) The executive officer shall notify the auditor of the amount determined pursuant to paragraph (3) of subdivision (c) or subdivision (d), as the case may be, and, where applicable, the period of time within which and the procedure by which the transfer of property tax revenues will be effected pursuant to paragraph (4) of subdivision (c), at the time the executive officer records a certificate of completion pursuant to Section 57203 for any proposal described in subdivision (a), and the auditor shall transfer that amount to the new jurisdiction.

(f) The amendments to this section enacted during the 1985-86 Regular Session of the Legislature shall apply to any proposal described in subdivision (a) for which a certificate of completion is recorded with the county recorder on or after January 1, 1987.

(g) For purposes of this section, "prior fiscal year" means the most recent fiscal year for which data on actual direct and indirect costs and revenues needed to perform the calculations required by this section are available preceding the fiscal year in which the commission approves by resolution the city's proposal to incorporate or the district's proposal to form.

(h) An action brought by a city or district to contest any determinations of the county auditor or the commission with regard to the amount of property tax revenue to be exchanged by the affected local agency pursuant to this section shall be commenced within three years of the effective date of the city's incorporation or the district's formation. These actions may be brought by any city that incorporated or by any district that formed on or after January 1, 1986.

(i) This section applies to any city that incorporated or district that formed on or after January 1, 1986.

(j) The calculations and procedures specified in this section shall be made prior to and shall be incorporated into the calculations specified in Section 56815.

56811. If a proposal includes the formation of a district, the commission shall determine the appropriations limit of the district in accordance with Section 7902.7 and Article XIII B of the California Constitution.

56812. (a) If a proposal includes the incorporation of a city, the commission shall determine the provisional appropriations limit of the city in accordance with Section 7902.7 and Article XIII B of the California Constitution. The commission shall determine the provisional appropriations limit of the city in the following manner:

(1) Estimate the amount of revenue anticipated to be received by the city from the proceeds of taxes for the first full fiscal year of operation.

(2) Adjust the amount determined in paragraph (1) for the estimated change in the cost of living and population in the next full fiscal year of operation and such other changes as may be required or permitted by Article XIII B of the California Constitution.

(b) The governing body of the city shall determine the proposed permanent appropriations limit of the city to be submitted to the voters in the following manner:

(1) Determine the amount of revenue actually received by the city from the proceeds of taxes for the first full fiscal year of operation.

(2) Adjust the amount determined in paragraph (1) for the estimated change in the cost of living and population in the next full fiscal year of operation and such other changes as may be required or permitted by Article XIII B of the California Constitution.

(c) The permanent appropriations limit of the city shall be set at the first municipal election which is held following the first full fiscal year of operation and shall not be considered to be a change in the appropriations limit of the city pursuant to Section 4 of Article XIII B of the California Constitution.

SEC. 123. Article 3 (commencing with Section 56815) is added to Chapter 4 of Part 3 of Division 3 of Title 5 of the Government Code, to read:

Article 3. Revenue Neutrality

56815. (a) It is the intent of the Legislature that any proposal that includes an incorporation should result in a similar exchange of both revenue and responsibility for service delivery among the county, the proposed city, and other subject agencies. It is the further intent of the Legislature that an incorporation should not occur primarily for financial reasons.

(b) The commission shall not approve a proposal that includes an incorporation unless it finds that the following two quantities are substantially equal:

(1) Revenues currently received by the local agency transferring the affected territory which, but for the operation of this section, would accrue to the local agency receiving the affected territory.

(2) Expenditures currently made by the local agency transferring the affected territory for those services which will be assumed by the local agency receiving the affected territory.

(c) Notwithstanding subdivision (b), the commission may approve a proposal that includes an incorporation if it finds either of the following:

(1) The county and all of the subject agencies agree to the proposed transfer.

(2) The negative fiscal effect has been adequately mitigated by tax sharing agreements, lump-sum payments, payments over a fixed period of time, or any other terms and conditions pursuant to Section 56886.

(d) Nothing in this section is intended to change the distribution of growth on the revenues within the affected territory unless



otherwise provided in the agreement or agreements specified in paragraph (2) of subdivision (c).

(e) Any terms and conditions that mitigate the negative fiscal effect of a proposal that contains an incorporation shall be included in the commission resolution making determinations adopted pursuant to Section 56880 and the terms and conditions specified in the questions pursuant to Section 57134.

SEC. 123.5. Section 56815 is added to the Government Code, to read:

56815. (a) It is the intent of the Legislature that any proposal that includes an incorporation should result in a similar exchange of both revenue and responsibility for service delivery among the county, the proposed city, and other subject agencies. It is the further intent of the Legislature that an incorporation should not occur primarily for financial reasons.

(b) The commission shall not approve a proposal that includes an incorporation unless it finds that the following two quantities are substantially equal:

(1) Revenues currently received by the local agency transferring the affected territory that, but for the operation of this section, would accrue to the local agency receiving the affected territory.

(2) Expenditures, including direct and indirect expenditures, currently made by the local agency transferring the affected territory for those services that will be assumed by the local agency receiving the affected territory.

(c) Notwithstanding subdivision (b), the commission may approve a proposal that includes an incorporation if it finds either of the following:

(1) The county and all of the subject agencies agree to the proposed transfer.

(2) The negative fiscal effect has been adequately mitigated by tax sharing agreements, lump-sum payments, payments over a fixed period of time, or any other terms and conditions pursuant to Section 56886.

(d) Nothing in this section is intended to change the distribution of growth on the revenues within the affected territory unless otherwise provided in the agreement or agreements specified in paragraph (2) of subdivision (c).

(e) Any terms and conditions that mitigate the negative fiscal effect of a proposal that contains an incorporation shall be included in the commission resolution making determinations adopted pursuant to Section 56880 and the terms and conditions specified in the questions pursuant to Section 57134.

SEC. 123.7. Section 56815 is added to the Government Code, to read:

56815. (a) It is the intent of the Legislature that any proposal that includes an incorporation should result in a similar exchange of both

revenue and responsibility for service delivery among the county, the proposed city, and other subject agencies. It is the further intent of the Legislature that an incorporation should not occur primarily for financial reasons.

(b) The commission shall not approve a proposal that includes an incorporation unless it finds that the following two quantities are substantially equal:

(1) Revenues currently received by the local agency transferring the affected territory that, but for the operation of this section, would accrue to the local agency receiving the affected territory.

(2) Expenditures, including direct and indirect expenditures, currently made by the local agency transferring the affected territory for those services that will be assumed by the local agency receiving the affected territory.

(c) Notwithstanding subdivision (b), the commission may approve a proposal that includes an incorporation if it finds either of the following:

(1) The county and all of the subject agencies agree to the proposed transfer.

(2) The negative fiscal effect has been adequately mitigated by tax sharing agreements, lump-sum payments, payments over a fixed period of time, or any other terms and conditions pursuant to Section 56886.

(d) Nothing in this section is intended to change the distribution of growth on the revenues within the affected territory unless otherwise provided in the agreement or agreements specified in paragraph (2) of subdivision (c).

(e) Any terms and conditions that mitigate the negative fiscal effect of a proposal that contains an incorporation shall be included in the commission resolution making determinations adopted pursuant to Section 56880 and the terms and conditions specified in the questions pursuant to Section 57134.

(f) For any incorporation approved by the voters on or after January 1, 2001, voter approval of terms and conditions, including, but not limited to, fiscal mitigation measures, which terms and conditions were found by the commission to constitute an agreement by the proponents of incorporation and the affected agency, shall constitute a binding contractual obligation of the affected new city and each party to the agreement to comply with those terms and conditions.

SEC. 124. Section 56815.2 is added to the Government Code, to read:

56815.2. By July 1, 2001, the Governor's Office of Planning and Research, in consultation with the Controller, shall convene a task force composed of representatives of cities, counties, special districts, and local agency formation commissions, as nominated by their statewide organizations and associations, with expertise in local

government fiscal issues for the purpose of creating statewide guidelines for the incorporation process. The guidelines shall be completed by January 1, 2002, by the Office of Planning and Research and shall serve as minimum statewide guidelines for the incorporation process. The guidelines shall include, but not be limited to, information to assist incorporation proponents to understand the incorporation process, its timelines, and likely costs. They shall also provide direction to affected agencies regarding the type of information that should be included in the comprehensive fiscal analysis of an incorporation, as well as suggestions for alternative ways to achieve fiscally neutral incorporations. The guidelines shall be advisory to the commissions in the review of incorporation proposals.

SEC. 125. A heading is added as Chapter 5 (commencing with Section 56820) to Part 3 of Division 3 of Title 5 of the Government Code, to read:

#### CHAPTER 5. PROCEEDINGS FOR SPECIAL DISTRICTS

SEC. 126. Article 1 (commencing with Section 56820) is added to Chapter 5 of Part 3 of Division 3 of the Government Code, to read:

#### Article 1. Representation and Functions

56820. The commission may take proceedings pursuant to this chapter for the adoption, amendment, or repeal of regulations affecting the functions and services of special districts within the county. Those proceedings may be initiated either by the commission or by independent special districts within the county. If the commission has representation from special districts prior to January 1, 2001, and if the commission has previously adopted regulations limiting the exercise of powers by its special districts as a condition of that representation, those regulations shall be repealed upon the request of a majority of independent special districts within the county.

56820.5. The commission may adopt, amend, or repeal regulations affecting the functions and services of special districts within the county. The regulations shall designate the special districts, by type and by principal act, to which they apply and the regulations shall not apply to, or affect the functions and services of, any special districts not so designated. The regulations may do any of the following:

(a) Classify the various types of service which customarily are, or can be, provided within a single function of a special district. A class may be based upon the type of service, the purpose or use of the service, the facilities used to provide the service, the type of consumers or users of the service, the extent of territory provided

with the service, and any other factors which, in the opinion of the commission, are necessary or convenient to group persons, properties, or activities into a class having common characteristics distinct from those of other classes.

(b) Require existing districts to file written statements with the commission specifying the functions or classes of service provided by those districts.

(c) Establish the nature, location, and extent of any functions or classes of service provided by existing districts.

(d) Determine that, except as otherwise authorized by the regulations, no new or different function or class of service shall be provided by any existing district.

The regulations shall not apply to the extension or enlargement, within the boundaries of an existing special district, of any function or service which the commission, pursuant to this section, has established is currently being provided by that special district.

56820.7. In any county where regulations have been adopted, an application for the formation of a special district shall set forth the functions and services proposed to be provided by the district. If, in the opinion of the commission, approval of the application will necessitate adoption of any new regulations or the amendment or repeal of any existing regulations, the commission may condition approval of the application upon the adoption, amendment, or repeal of the regulations and shall initiate and conduct proceedings pursuant to this chapter for the adoption, amendment, or repeal of those regulations.

56821. Either the commission or the legislative body of any independent special district within a county may adopt a resolution initiating proceedings as follows:

(a) It may propose representation of special districts upon the commission.

(b) It may propose the adoption, amendment, or repeal of regulations affecting the functions and services of special districts, in which case it shall request that the commission do either of the following:

(1) Consider the proposal without reference to a special district advisory committee, in which case the resolution shall contain the text of the regulations proposed to be adopted, amended, or repealed.

(2) Refer the proposal to a special district advisory committee for study, report, and recommendation, in which case the resolution shall generally describe the nature of the regulations proposed to be amended, adopted, or repealed and, if then available, shall refer to a text on file with the clerk of the district for a detailed description of the regulations.

56821.1. If the commission adopts a resolution pursuant to subdivision (a) of Section 56821, the executive officer shall

immediately call a meeting of the independent special district selection committee referred to in Section 56332. The meeting shall be held not less than 15, or more than 35, days from the adoption of the resolution by the commission. The independent special district selection committee shall meet at the time and place designated by the executive officer and shall consider the resolution adopted by the commission. By majority vote of those district representatives voting on the issue, the selection committee shall either approve or disapprove the resolution adopted by the commission. If the selection committee approves the resolution adopted by the commission, it shall immediately inform the executive officer of that action, and the commission at its next meeting shall adopt a resolution of intention pursuant to Section 56822. If the selection committee disapproves the resolution adopted by the commission, it shall immediately inform the executive officer of this action and all further proceedings under this chapter shall cease.

56821.3. If an independent special district adopts a resolution pursuant to subdivision (a) of Section 56821, it shall immediately forward a copy of the resolution to the executive officer. Upon receipt of those resolutions from a majority of independent special districts within a county, adopted by the districts within one year from the date that the first resolution was adopted, the commission, at its next regular meeting, shall adopt a resolution of intention pursuant to Section 56822.

56821.5. A certified copy of any resolution which has been adopted by an independent special district pursuant to subdivision (b) of Section 56821 and a copy of the text, if any, of proposed regulations referred to in the resolution shall be filed with the executive officer. If a resolution, or substantially identical resolution, has been filed by a majority of independent special districts within the county, then, not later than 35 days after the filing, the commission shall adopt a resolution of intention in accordance with the filed resolution or resolutions.

56821.7. Minor changes in any existing regulation affecting special districts may be ordered by the commission, without adoption of a resolution of intention, notice, and hearing, or reference to a special district advisory committee, if the commission makes a determination that those changes will not substantially affect the functions and services of any special district subject to those regulations and that determination is concurred in by both of the commission members appointed to represent the special districts.

56822. Whenever the commission, or the independent special districts, as the case may be, have complied with the applicable provisions of Sections 56821, 56821.1, 56821.3, and 56821.5, the commission shall adopt a resolution of intention pursuant to this section. The resolution of intention shall do all of the following:

(a) State whether the proceedings are initiated by the commission or by an independent special district or districts, in which case, the names of those districts shall be set forth.

(b) If the resolution of intention proposes only the adoption, amendment, or repeal of regulations affecting the functions and services of special districts, it shall state that the commission proposes either of the following:

(1) To consider the proposal without reference to a special district advisory committee, in which case the resolution shall contain the text of the regulations proposed to be adopted, amended, or repealed.

(2) To refer the proposal to a special district advisory committee for study, report, and recommendation, in which case the resolution shall generally describe the nature of the regulations proposed to be amended, adopted, or repealed and, if then available, shall refer to a text on file with the executive officer for a detailed description of the regulations.

In addition, the resolution of intention adopted pursuant to this subdivision shall also fix a time, not less than 15 or more than 35 days after the adoption of the resolution of intention, and the place of hearing by the commission on the question of whether the proposal made by the resolution should be disapproved, approved, and ordered without reference to a special district advisory committee, or referred to a special district advisory committee for study, report, and recommendation to the commission.

(c) If the resolution of intention proposes representation of special districts on the commission, it shall state that the commission proposes to refer the proposal to a special district advisory committee and the commission shall immediately order the proposal referred to that committee pursuant to Section 56823.

56822.3. If a hearing is called pursuant to subdivision (b) of Section 56822, the executive officer shall give notice of the hearing by publication, as provided in Sections 56153 and 56154, by posting, as provided in Sections 56158 and 56159, and by mailing to the clerk of the county and each local agency within the county, as provided in Sections 56155, 56156, and 56157.

56822.5. The hearing referred to in Section 56822.3 shall be held by the commission at the time and place specified or to which the hearing may be continued. After the conclusion of the hearing, the commission shall adopt a resolution disapproving the proposal made by the resolution of intention, approving and ordering the proposal without reference to a special district advisory committee, or ordering the proposal referred to a special district advisory committee for study, report, and recommendation.

56823. If the commission orders a proposal referred to a special district advisory committee for study, report, and recommendation, the appointment of, and proceedings by, the advisory committee

shall be made and taken substantially in accordance with the provisions of Chapter 6 (commencing with Section 56826), pertaining to reorganization committees, except that the advisory committee shall not be terminated until after the commission acts upon the report and recommendation of the advisory committee. When applied to proceedings taken pursuant to this chapter:

(a) "Plan of reorganization" means a plan containing the text of regulations affecting the functions and services of special districts.

(b) "Proposal of reorganization," "reorganization," or "change of organization" means a proposal made pursuant to this chapter.

(c) "Reorganization committee" means the special district advisory committee.

(d) "Subject district" means an independent special district affected by a proposal made pursuant to this chapter.

If the commission is of the opinion that special districts, other than independent special districts, may be affected by the proposal, then, in addition to the appointment of voting members to the advisory committee to represent independent special districts, the commission may authorize the legislative bodies of special districts, other than independent special districts, to appoint nonvoting members to the advisory committee. Any nonvoting member shall have all of the rights of a voting member except the right to vote.

56824. Where a special district advisory committee consists of voting members representing more than five independent special districts, the advisory committee may appoint an executive committee to undertake all or part of the study and may authorize the executive committee to prepare a tentative report and recommendation for submission to and approval by the full advisory committee. The executive committee shall consist of the number of voting members as the advisory committee may determine. If the commission authorizes the appointment of nonvoting members to the advisory committee, those nonvoting members may appoint members to the executive committee in numbers not exceeding those appointed by the voting members and any nonvoting member appointed to the executive committee shall have all of the rights of a voting member on the committee, except the right to vote.

Upon completion of the studies of the executive committee, the executive committee shall report to the full advisory committee and submit any tentative report and recommendation prepared by the executive committee. Thereafter, the advisory committee may reject any tentative report and recommendation submitted, may adopt any tentative report and recommendation submitted, either as submitted by the executive committee or as changed by the full advisory committee, or the advisory committee may prepare its own report and recommendation.

56824.1. Not later than 35 days after the filing with the executive officer of the report and recommendation of a special district

advisory committee, the commission shall take one of the following actions:

(a) If the report concerns only the adoption, amendment, or repeal of regulations affecting the functions and services of special districts, the commission may do either of the following:

- (1) Disapprove the report without further notice and hearing.
- (2) Adopt a resolution of intention to hold a hearing on the report pursuant to subdivision (c).

(b) If the report concerns a request for special district representation on the commission, the commission shall adopt a resolution declaring its intention to approve the report and recommendation.

(c) A resolution of intention shall do all of the following:

(1) Refer to the report and recommendation of the special district advisory committee, generally describe the nature and contents of the report and recommendation, and refer to the report and recommendation on file with the executive officer for a detailed description report and recommendation.

(2) Declare the intention of the commission to approve the recommendation and report, as filed or as those regulations may be changed by the commission after notice and hearing.

(3) Fix a time, not less than 15 days, or more than 35 days, after the adoption of the resolution of intention, and the place of hearing by the commission, on the question of whether the report and recommendation filed by the special district advisory committee should be approved, either as filed or as ordered changed by the commission after notice and hearing.

56824.3. The executive officer shall give notice of the hearing by publication, as provided in Sections 56153 and 56154, by posting, as provided in Sections 56158 and 56159, and by mailing to the clerk of the county and each local agency within the county, as provided in Sections 56155, 56156, and 56157.

56824.5. The hearing shall be held by the commission at the time and place specified or to which the hearing may be continued. During the course of the hearing, the commission may propose changes in the report and recommendations. Any proposed changes shall be referred, for review, to the special district advisory committee, or if the advisory committee has appointed an executive committee, to that executive committee. The advisory committee, or the executive committee, shall have 60 days to report back to the commission. If no report is received by the commission within 60 days, the advisory committee shall be deemed to have approved the proposed changes in the report and recommendation.

Within 30 days after the conclusion of the hearing, the commission shall adopt a resolution approving the report and recommendation, either as filed or as those regulations may be changed by the commission.



56824.7. Any resolution approving the report and recommendation of a special district advisory committee, either as filed or as changed by the commission, shall order both of the following:

(a) The adoption, amendment, or repeal of regulations, in accordance with the recommendations of the approved report.

(b) The chairperson of the commission to call and give notice of a meeting of the independent special district selection committee to be held within 15 days after the adoption of the resolution if special district representatives on the commission are to be selected pursuant to Section 56332.

SEC. 127. The heading of Chapter 5 (commencing with Section 56825) of Part 3 of Division 3 of Title 5 of the Government Code is repealed.

SEC. 128. A heading is added as Article 2 (commencing with Section 56825) to Chapter 5 of Part 3 of Division 3 of Title 5 of the Government Code, to read:

#### Article 2. Reorganization

SEC. 129. Section 56826 of the Government Code is repealed.

SEC. 130. Section 56826 is added to the Government Code, to read:

56826. A reorganization or a plan of reorganization shall provide for one or more changes of organization of any type for each of the subject districts and may provide for the formation of one or more new districts pursuant to the principal act or acts designated in the reorganization or plan of reorganization and Section 56100.

SEC. 131. Section 56827 of the Government Code is repealed.

SEC. 132. Section 56827 is added to the Government Code, to read:

56827. (a) Except as provided in subdivision (b), upon the presentation of any petition or applications making a proposal for a reorganization, the commission may take proceedings pursuant to Part 3 (commencing with Section 56650) without referring the proposal to a reorganization committee, as provided in this part.

(b) The commission may refer to a reorganization committee any incorporation proposal that includes, or may be modified to include, any of the following changes of organization affecting an independent special district: consolidation, dissolution, formation, merger, or establishment of a subsidiary district.

SEC. 133. Section 56827.5 of the Government Code is repealed.

SEC. 134. Section 56828 of the Government Code is repealed.

SEC. 135. Section 56828 is added to the Government Code, to read:

56828. Before any proposal for reorganization is referred to any reorganization committee, the commission may provide for a public

hearing on the question of whether the proposal should be disapproved or referred to a reorganization committee and set a time and place for that hearing.

SEC. 136. Section 56828.5 of the Government Code is repealed.

SEC. 137. Section 56829 of the Government Code is repealed.

SEC. 138. Section 56829 is added to the Government Code, to read:

56829. The executive officer shall give notice of that hearing by publication, as provided in Sections 56153 and 56154, and by posting, as provided in Sections 56158 and 56159.

SEC. 139. Section 56830 of the Government Code is repealed.

SEC. 140. Section 56830 is added to the Government Code, to read:

56830. The executive officer shall also give mailed notice of any hearing, as provided in Sections 56155 to 56157, inclusive, by mailing notice of hearing to all of the following persons and entities:

(a) Each affected city and affected district.

(b) The chief petitioners, if any.

(c) Each person who has filed a written request for special notice with the executive officer.

SEC. 141. Section 56831 of the Government Code is repealed.

SEC. 142. Section 56831 is added to the Government Code, to read:

56831. The hearing shall be held by the commission on the date and at the time and place specified in the notice. After the conclusion of the hearing, the commission shall adopt a resolution doing either of the following:

(a) Disapproving the proposal of reorganization.

(b) Ordering the proposal referred to a reorganization committee for study, report, and recommendation.

SEC. 143. Section 56832 of the Government Code is repealed.

SEC. 144. Section 56832 is added to the Government Code, to read:

56832. The commission may accept contributions from any source for the purpose of paying the expenses of a reorganization committee in the conduct of its study, report, and recommendation. Any affected county, affected city, or affected district may make contributions for that purpose. The commission and any affected county, affected city, or affected district may make any of its facilities available for the use of a reorganization committee and may authorize any of its officers and employees to furnish advice, assistance, or services to the committee.

SEC. 145. Section 56833 of the Government Code is repealed.

SEC. 146. Section 56833 is added to the Government Code, to read:

56833. Any resolution adopted by the commission ordering a proposal of reorganization referred to a reorganization committee shall do all of the following:

(a) Describe the proposed reorganization and designate the subject districts (the description and designation may be by reference to the proposal).

(b) Specify the maximum number of members, not to exceed three, to represent each subject district on the committee.

(c) Fix a time and place for the first meeting of the reorganization committee.

(d) Designate a date, not less than 60 days from the date of the first meeting of the committee, for the completion and submission to the commission of the report and recommendation of the committee.

SEC. 147. Section 56833.1 of the Government Code is repealed.

SEC. 148. Section 56833.3 of the Government Code is repealed.

SEC. 149. Section 56833.5 of the Government Code is repealed.

SEC. 150. Section 56834 of the Government Code is repealed.

SEC. 151. Section 56834 is added to the Government Code, to read:

56834. From time to time during the course of study upon a proposed plan of reorganization, the commission may do any of the following:

(a) Extend the time for completion and submission of the report and recommendation of a reorganization committee.

(b) Change the scope of the study by the addition or deletion of territory or of subject districts.

(c) Authorize the committee to develop, study, report, and make recommendations upon alternative plans of reorganization.

SEC. 152. Section 56835 of the Government Code is repealed.

SEC. 153. Section 56835 is added to the Government Code, to read:

56835. At least 15 days before the date of the first meeting of a reorganization committee, the executive officer shall mail a copy of the resolution adopted by the commission to each subject district designated in the resolution.

SEC. 154. Section 56836 of the Government Code is repealed.

SEC. 155. Section 56836 is added to the Government Code, to read:

56836. Any person, including, but not limited to, a member of the legislative body of a subject district and an officer or employee of the district, may be appointed as a member to represent the district upon a reorganization committee.

SEC. 156. Section 56837 of the Government Code is repealed.

SEC. 157. Section 56837 is added to the Government Code, to read:

56837. (a) The legislative body of each affected district shall appoint one or more members, not to exceed the maximum number

specified by the commission, to represent the district on the reorganization committee. That legislative body may remove and replace any member previously appointed by it, and may fill any vacancy in its membership upon the committee.

(b) In the case of a reorganization committee created pursuant to subdivision (b) of Section 56827, the county board of supervisors shall appoint one or more members, not to exceed the maximum number specified by the commission, to represent the county on the reorganization committee. The county board of supervisors may appoint any person, including, but not limited to, an officer or employee of the county to represent the county on the reorganization committee. The county board of supervisors may remove and replace any member previously appointed by it, and may fill any vacancy in its membership on the committee.

(c) In the case of a reorganization committee created pursuant to subdivision (b) of Section 56827, the commission shall appoint one or more members to represent the general public on the reorganization committee. The number of members appointed to represent the general public shall not exceed the maximum number specified by the commission to represent the county or each subject district. A member appointed pursuant to this subdivision shall not be an officer or employee of any local agency. The commission may remove and replace any member previously appointed by it, and may fill any vacancy in its membership on the committee.

SEC. 158. Section 56838 of the Government Code is repealed.

SEC. 159. Section 56838 is added to the Government Code, to read:

56838. The clerk of a subject district shall give immediate notice to the executive officer of all appointments and removals made by the legislative body to a reorganization committee.

SEC. 160. Section 56839 of the Government Code is repealed.

SEC. 161. Section 56839 is added to the Government Code, to read:

56839. At any time after the date fixed for the first meeting of a reorganization committee or during the course of the study by the committee, if the legislative body of any subject district, after written request by the executive officer, does not appoint any members to the committee, those members may be appointed by the commission.

SEC. 162. Section 56839.1 of the Government Code is repealed.

SEC. 163. Section 56840 of the Government Code is repealed.

SEC. 164. Section 56840 is added to the Government Code, to read:

56840. If, during the course of study upon a proposed plan of reorganization, the commission authorizes a change in the scope of the study, the membership of the reorganization committee shall be immediately changed to exclude representatives of each district or city for which a change of organization is no longer proposed and to

include representatives of each district or city for which a new change of organization is proposed.

SEC. 165. Section 56840.5 of the Government Code is repealed.

SEC. 166. Section 56841 of the Government Code is repealed.

SEC. 167. Section 56841 is added to the Government Code, to read:

56841. Subject to any standards and procedures adopted by regulation by the commission, a reorganization committee shall provide for the selection of a presiding officer and secretary either of whom may but are not required to be members of the committee, adopt the standards and procedures which it deems advisable, fix the time and place for meetings of the committee, and determine the manner and method to be followed by the committee in its study, report, and recommendation.

SEC. 168. Section 56842 of the Government Code is repealed.

SEC. 169. Section 56842 is added to the Government Code, to read:

56842. A quorum shall be deemed to be present at a meeting of a reorganization committee if members representing one-half or more of the subject districts are present. Each subject district shall be entitled to one vote at any reorganization committee meeting, which vote shall be determined by a majority of the members of the district present at the meeting.

SEC. 170. Section 56842.2 of the Government Code is repealed.

SEC. 171. Section 56842.5 of the Government Code is repealed.

SEC. 172. Section 56842.6 of the Government Code is repealed.

SEC. 173. Section 56842.7 of the Government Code is repealed.

SEC. 174. Section 56843 of the Government Code is repealed.

SEC. 175. Section 56843 is added to the Government Code, to read:

56843. If a reorganization committee does not complete and submit its report and recommendation before the date specified by the commission or, prior to that date, if members of the committee representing one-half or more of the subject districts report to the commission that the committee is unable to agree upon the report and recommendation, the commission may either order the discharge of the committee, or appoint additional members to the committee, not to exceed the maximum number authorized for a single subject district, to represent the public and order the committee, as so enlarged, to continue its study.

SEC. 176. Section 56844 of the Government Code is repealed.

SEC. 177. Section 56844 is added to the Government Code, to read:

56844. If the commission orders the discharge of a reorganization committee, the commission may make a study, report, and recommendation upon a plan of reorganization in the place of the reorganization committee.

SEC. 178. Section 56844.1 of the Government Code is repealed.

SEC. 179. Section 56844.2 of the Government Code, as added by Chapter 911 of the Statutes of 1997, is repealed.

SEC. 180. Section 56844.2 of the Government Code, as added by Chapter 590 of the Statutes of 1998, is repealed.

SEC. 181. Section 56845 of the Government Code is repealed.

SEC. 182. Section 56845 is added to the Government Code, to read:

56845. If the commission appoints additional members to the reorganization committee to represent the public and orders the reorganization committee, as so enlarged, to continue its study, the additional members shall have all of the rights and powers of members representing a single subject district, including participation in all studies, reports, and recommendations, attendance at all meetings, and the casting of a single vote on behalf of all of the additional members on any matter before the committee.

SEC. 183. Section 56846 of the Government Code is repealed.

SEC. 184. Section 56846 is added to the Government Code, to read:

56846. Every officer of any affected county, affected city, or affected district shall make available to a reorganization committee any records, reports, maps, data, or other documents which in any way affect or pertain to the committee's study, report, and recommendation and shall confer with the committee concerning the problems and affairs of that county, city, or district.

SEC. 185. Section 56847 of the Government Code is repealed.

SEC. 186. Section 56847 is added to the Government Code, to read:

56847. Upon completion of the study of a reorganization committee, the committee shall prepare and submit to the commission a report and recommendation containing all of the following:

(a) A brief summary of the nature and extent of the study of the committee.

(b) A full and complete description of the plan of reorganization and any alternative plans of reorganization which were studied by the committee.

(c) The recommendation of the committee for the approval or disapproval of all or any part of the plan of reorganization and of any alternative plans of reorganization.

SEC. 187. Section 56848 is added to the Government Code, to read:

56848. Approval by a reorganization committee of the report and recommendation shall require the affirmative vote of more than one-half of the subject districts represented on the reorganization committee.

SEC. 188. Section 56848.3 of the Government Code is repealed.

SEC. 189. Section 56848.5 of the Government Code is repealed.

SEC. 190. Section 56849 of the Government Code is repealed.

SEC. 191. Section 56849 is added to the Government Code, to read:

56849. The reorganization committee shall file the original of its report and recommendation with the executive officer and a copy of the report and recommendation with the clerk of each subject district. Upon filing that report and recommendation with the executive officer, the reorganization committee shall be terminated. However, the commission may cause the committee to be reconvened at any time for the sole purpose of correcting or clarifying any error, omission, or uncertainty appearing in the report and recommendation, as determined by the commission.

SEC. 192. Section 56850 of the Government Code is repealed.

SEC. 193. Section 56851 of the Government Code is repealed.

SEC. 194. Section 56852 of the Government Code is repealed.

SEC. 195. Section 56852.3 of the Government Code is repealed.

SEC. 196. Section 56852.5 of the Government Code is repealed.

SEC. 197. Section 56853 of the Government Code is repealed.

SEC. 198. Section 56853 is added to the Government Code, to read:

56853. (a) If a majority of the members of each of the legislative bodies of two or more local agencies adopt substantially similar resolutions of application making proposals either for the consolidation of districts or for the reorganization of all or any part of the districts into a single local agency, the commission shall approve, or conditionally approve, the proposal. The commission shall order the consolidation or reorganization without an election, except as otherwise provided in subdivision (b) of Section 57081.

(b) Before ordering any material change in the provisions or the terms and conditions of the consolidation or reorganization, as set forth in the proposals of the local agencies, the commission shall direct the executive officer to give each subject agency mailed notice of that change. The commission shall not, without the written consent of all subject agencies, take any further action on the consolidation or reorganization for 30 days following that mailing. Upon written demand by any subject agency, filed with the executive officer during that 30-day period, the commission shall make determinations upon the proposals only after notice and hearing proposals. If no written demand is filed, the commission may make those determinations without notice and hearing. The application of any provision of this subdivision may be waived by consent of all of the subject agencies.

(c) Where the commission has initiated a change of organization or reorganization affecting more than one special district, the commission may utilize and is encouraged to utilize a reorganization committee to review the proposal.

SEC. 199. Section 56854 of the Government Code is repealed.

SEC. 200. Section 56854 is added to the Government Code, to read:

56854. (a) Notwithstanding Sections 57077 and 57107, the commission shall order (1) the consolidation of districts, (2) dissolution, (3) merger, or (4) the establishment of a subsidiary district, or (5) a reorganization that includes any of these changes of organization without an election, except that an election shall be held in each affected city or district if there are written protests as follows:

(1) Where the proposal was not initiated by the commission, and where an affected city or district has not objected by resolution to the proposal, a written protest has been submitted that meets the requirements specified in subdivisions (b) and (c) of Section 57081.

(2) Where the proposal was not initiated by the commission, and where an affected city or district has objected by resolution to the proposal, a written protest has been submitted that meets the requirements specified in paragraphs (1) and (2) of subdivision (a) and subdivision (b) of Section 57114.

(3) Where the proposal was initiated by the commission, and regardless of whether an affected city or district has objected to the proposal by resolution, a written protest has been submitted that meets the requirements of Section 57113.

(b) Notwithstanding subdivision (a), the commission shall not order a merger or establishment of a subsidiary district without the consent of the affected city.

(c) This section shall not apply to any proposal for a change of organization or reorganization that is submitted to the commission before January 1, 2003, where the Goleta Sanitary District or the Goleta West Sanitary District is an affected district. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the following special circumstances:

The voters of the Goleta Sanitary District previously voted against a proposed consolidation with the Goleta West Sanitary District by a margin of two to one. More recently, a reorganization proposal was submitted to the commission in Santa Barbara County that would have combined the Goleta Sanitary District and the Goleta West Sanitary District under circumstances where no opportunity for confirmation by the Goleta Sanitary District voters would be available. In light of the issues that were raised in connection with these earlier consolidation and reorganization proposals, a five-year moratorium on the application of Section 56854 to proposals affecting the Goleta Sanitary District or the Goleta West Sanitary District is necessary to ensure an opportunity for voter confirmation.

SEC. 201. Section 56855 of the Government Code is repealed.



SEC. 202. Section 56855 is added to the Government Code, to read:

56855. (a) This section shall apply to any proposal which contains the annexation of territory to a fire protection district which is organized pursuant to the Fire Protection District Law of 1987, Part 3 (commencing with Section 13800) of Division 12 of the Health and Safety Code, and the affected territory is or is proposed to be all or part of a city which is within the fire protection district.

(b) Prior to the adoption by the local agency formation commission of a resolution making determinations, the district may request and the commission shall impose, as a term and condition, a requirement that the legislative body of the city shall enter into a contract with the district. The contract shall require:

(1) That the affected territory shall remain part of the district for a period of at least 10 years.

(2) That the city shall pay the cost of services provided by the district. This payment shall be in amounts and on terms specified in the contract.

(3) Any other conditions to which the city and the district mutually agree.

SEC. 203. Section 56856 of the Government Code is repealed.

SEC. 204. Section 56856 is added to the Government Code, to read:

56856. (a) The commission shall not approve or conditionally approve a change of organization or reorganization that would result in the annexation to a special district of territory that is within a farmland security zone created pursuant to Article 7 (commencing with Section 51296) of Chapter 7 of Division 1 if that special district provides or would provide facilities or services related to sewers, nonagricultural water, or streets and roads, unless the facilities or services benefit land uses that are allowed under the farmland security zone contract and the landowner consents to the change of organization or reorganization.

(b) This section shall not apply during the three-year period preceding the termination of a farmland security zone contract under Article 7 (commencing with Section 51296) of Chapter 7 of Division 1.

SEC. 205. Section 56857 of the Government Code is repealed.

SEC. 205.5. Section 56857 is added to the Government Code, to read:

56857. (a) Upon receipt by the commission of a proposed change of organization or reorganization that includes the annexation or territory to any district, if the proposal is not filed by the affected district the commission shall place the proposal on the agenda for the next commission meeting for information purposes only and shall transmit a copy of the proposal to any district to which an annexation of territory is requested.

(B) Appropriating, encumbering, expending, or otherwise obligating, any revenue of the agency beyond that provided in the current budget at the time the dissolution is approved by the commission.

(b) If the commission so conditions its approval, the commission may order that any further action pursuant to this division be continued and held in abeyance for the period of time designated by the commission, not to exceed six months from the date of that conditional approval.

(c) The commission order may also provide that any election called upon any change of organization or reorganization shall be called, held, and conducted before, upon the same date as, or after the date of any election to be called, held, and conducted upon any other change of organization or reorganization.

(d) The commission order may also provide that in any election at which the questions of annexation and district reorganization or incorporation and district reorganization are to be considered at the same time, there shall be a single question appearing on the ballot upon the issues of annexation and district reorganization or incorporation and district reorganization.

56886. Any change of organization or reorganization may provide for, or be made subject to one or more of, the following terms and conditions. However, none of the following terms and conditions shall directly regulate land use, property development, or subdivision requirements:

(a) The payment of a fixed or determinable amount of money, either as a lump sum or in installments, for the acquisition, transfer, use or right of use of all or any part of the existing property, real or personal, of any city, county, or district.

(b) The levying or fixing and the collection of any of the following, for the purpose of providing for any payment required pursuant to subdivision (a):

(1) Special, extraordinary, or additional taxes or assessments.

(2) Special, extraordinary, or additional service charges, rentals, or rates.

(3) Both taxes or assessments and service charges, rentals, or rates.

(c) The imposition, exemption, transfer, division, or apportionment, as among any affected cities, affected counties, affected districts, and affected territory of liability for payment of all or any part of principal, interest, and any other amounts which shall become due on account of all or any part of any outstanding or then authorized but thereafter issued bonds, including revenue bonds, or other contracts or obligations of any city, county, district, or any improvement district within a local agency, and the levying or fixing and the collection of any (1) taxes or assessments, or (2) service charges, rentals, or rates, or (3) both taxes or assessments and service charges, rentals, or rates, in the same manner as provided in the

organization or reorganization, for the purpose of succeeding to all of the rights, duties, and obligations of the extinguished local agency with respect to enforcement, performance, or payment of any outstanding bonds, including revenue bonds, or other contracts and obligations of the extinguished local agency.

(n) The designation of (1) the method for the selection of members of the legislative body of a district or (2) the number of those members, or (3) both, where the proceedings are for a consolidation, or a reorganization providing for a consolidation or formation of a new district and the principal act provides for alternative methods of that selection or for varying numbers of those members, or both.

(o) The initiation, conduct, or completion of proceedings on a proposal made under, and pursuant to, this division.

(p) The fixing of the effective date of any change of organization, subject to the limitations of Section 57202.

(q) Any terms and conditions authorized or required by the principal act with respect to any change of organization.

(r) The continuation or provision of any service provided at that time, or previously authorized to be provided by an official act of the local agency.

(s) The levying of assessments, including the imposition of a fee pursuant to Section 50029 or 66484.3 or the approval by the voters of general or special taxes. For the purposes of this section, imposition of a fee as a condition of the issuance of a building permit does not constitute direct regulation of land use, property development, or subdivision requirements.

(t) The extension or continuation of any previously authorized charge, fee, assessment, or tax by the local agency or a successor local agency in the affected territory.

(u) The transfer of authority and responsibility among any affected cities, affected counties, and affected districts for the administration of special, tax and special assessment districts, including, but not limited to, the levying and collecting of special taxes and special assessments, including the determination of the annual special tax rate within authorized limits; the management of redemption, reserve, special reserve, and construction funds; the issuance of bonds which are authorized but not yet issued at the time of the transfer, including not yet issued portions or phases of bonds which are authorized; supervision of construction paid for with bond or special tax or assessment proceeds; administration of agreements to acquire public facilities and reimburse advances made to the district; and all other rights and responsibilities with respect to the levies, bonds, funds, and use of proceeds that would have applied to the local agency that created the special tax or special assessment district.

(v) Any other matters necessary or incidental to any of the terms and conditions specified in this section.

56886.5. If a proposal includes the formation of a new government, the commission shall determine whether existing agencies can feasibly provide the needed service or services in a more efficient and accountable manner. If a new single-purpose agency is deemed necessary, the commission shall consider reorganization with other single-purpose agencies that provide related services.

56887. Any change of organization or reorganization may be conditionally approved by a local agency formation commission subject to the certification by the California Coastal Commission of an amendment to the local coastal program of a city or a county.

56887.5. If any change of organization or reorganization pertains to city or district territory which is located, in whole or in part, within the boundaries of any city or county, any terms and conditions authorized by Section 56886 may be made applicable to that city or county. However, no indebtedness or liability which is subject to the requirement of an election, under the provisions of Section 18 of Article XVI of the California Constitution, shall be incurred or assumed by any city or county, except as provided in Section 18 of Article XVI of the California Constitution.

56888. (a) This section shall only apply to a special reorganization.

(b) All public employees to which Chapter 10 (commencing with Section 3500) of Division 4 of Title 1 applies shall continue to be deemed public employees of the original local agency or of the newly incorporated local agency for all the purposes of that chapter, including, but not limited to, the continuation and application of any collective bargaining agreement that applies to these employees, and all representational and collective bargaining rights under that chapter.

(c) Any existing collective bargaining agreement shall remain in effect and be fully binding on the original local agency or on the newly incorporated local agency, and on the employee organizations that are parties to the agreement for the balance of the term of the agreement, and until a subsequent agreement has been established.

(d) Any existing retiree benefits, including, but not limited to, health, dental, and vision care benefits, shall not be diminished.

(e) Notwithstanding any other provision of law, an employee organization that has been recognized as the exclusive representative of local agency public employees affected by a special reorganization shall retain exclusive representation of the unit employees of the original local agency, or of the newly incorporated local agency.

56889. If any commission order approving or conditionally approving a change of organization or reorganization would result in the annexation to a city of land that is subject to a contract executed

pursuant to the Williamson Act (Chapter 7 (commencing with Section 51200) of Division 1), for which the commission has determined pursuant to Section 56754 that the city shall succeed to the contract, the commission shall impose a condition that requires the city to adopt the rules and procedures required by the Williamson Act, including but not limited to the rules and procedures required by Sections 51231, 51237, and 51237.5.

56890. Any of the terms and conditions authorized by Section 56886 may be made applicable to all or any part of any city or district or any improvement district within that local agency or any territory annexed to, or detached from, any city or district or improvement district within that local agency.

### Article 3. Reconsideration

56895. (a) When a commission has adopted a resolution making determinations, any person or affected agency may file a written request with the executive officer requesting amendments to or reconsideration of the resolution. The request shall state the specific modification to the resolution being requested and shall state what new or different facts that could not have been presented previously, or applicable new law, are claimed to warrant the reconsideration. If the request is filed by a school district that received notification pursuant to Section 56658, the commission shall consider that request at a public hearing.

(b) Notwithstanding Section 56106, the deadlines set by this section are mandatory. The person or agency shall file the written request within 30 days of the adoption of the initial or superseding resolution by the commission making determinations. If no person or agency files a timely request, the commission shall not take any action pursuant to this section.

(c) Upon receipt of a timely request, the executive officer shall not take any further action until the commission acts on the request.

(d) Upon receipt of a timely request by the executive officer, the time to file any action, including, but not limited to, an action pursuant to Section 21167 of the Public Resources Code and any provisions of Part 4 (commencing with Section 57000) governing the time within which the commission is to act shall be tolled for the time that the commission takes to act on the request.

(e) The executive officer shall place the request on the agenda of the next meeting of the commission for which notice can be given pursuant to this subdivision. The executive officer shall give notice of the consideration of the request by the commission in the same manner as for the original proposal. The executive officer may give notice in any other manner as he or she deems necessary or desirable.

(f) At that meeting, the commission shall consider the request and receive any oral or written testimony. The consideration may be

continued from time to time but not to exceed 70 days from the date specified in the notice. The person or agency which filed the request may withdraw it at any time prior to the conclusion of the consideration by the commission.

(g) At the conclusion of its consideration, the commission may approve or disapprove with or without amendment, wholly, partially, or conditionally, the request. If the commission disapproves the request, it shall not adopt a new resolution making determinations. If the commission approves the request, with or without amendment, wholly, partially, or conditionally, the commission shall adopt a resolution making determinations which shall supersede the resolution previously issued.

(h) The determinations of the commission shall be final and conclusive. No person or agency shall make any further request for the same change or a substantially similar change, as determined by the commission.

(i) Notwithstanding subdivision (h), clerical errors or mistakes may be corrected pursuant to Section 56854.

#### Article 4. Amendment

56897. If pursuant to Section 56895, the commission approves any addition, deletion, amendment, or revision of its resolution making determinations, further proceedings for the change of organization or reorganization shall be taken in compliance with that addition, deletion, amendment, or revision. Any provision of this division requiring compliance with the resolution adopted by the commission making determinations shall be deemed to include any addition, deletion, amendment, or revision made to that resolution.

56898. Whenever the executive officer is required by law to prepare an impartial analysis of a ballot proposition for approval by the commission, the commission may, by regulation, provide a procedure for approval or modification of the executive officer's analysis.

In any event, the analysis shall be prepared and submitted to the commission in sufficient time for the commission to consider and approve or modify the analysis, and submit the analysis to the officials conducting the election not later than the last day for submission of rebuttal arguments. The impartial analysis submitted by the commission shall not exceed 500 words in length and shall include a general description of the affected territory.

SEC. 211.5. Section 56895 is added to the Government Code, to read:

56895. (a) When a commission has adopted a resolution making determinations, any person or affected agency may file a written request with the executive officer requesting amendments to or reconsideration of the resolution. The request shall state the specific

modification to the resolution being requested and shall state what new or different facts that could not have been presented previously, or applicable new law, are claimed to warrant the reconsideration. If the request is filed by a school district that received notification pursuant to Section 56658, the commission shall consider that request at a public hearing.

(b) Notwithstanding Section 56106, the deadlines set by this section are mandatory. The person or agency shall file the written request within 30 days of the adoption of the initial or superseding resolution by the commission making determinations. If no person or agency files a timely request, the commission shall not take any action pursuant to this section.

(c) Upon receipt of a timely request, the executive officer shall not take any further action until the commission acts on the request.

(d) Upon receipt of a timely request by the executive officer, the time to file any action, including, but not limited to, an action pursuant to Section 21167 of the Public Resources Code and any provisions of Part 4 (commencing with Section 57000) governing the time within which the commission is to act shall be tolled for the time that the commission takes to act on the request.

(e) The executive officer shall place the request on the agenda of the next meeting of the commission for which notice can be given pursuant to this subdivision. The executive officer shall give notice of the consideration of the request by the commission in the same manner as for the original proposal. The executive officer may give notice in any other manner as he or she deems necessary or desirable.

(f) At that meeting, the commission shall consider the request and receive any oral or written testimony. The consideration may be continued from time to time but not to exceed 35 days from the date specified in the notice. The person or agency which filed the request may withdraw it at any time prior to the conclusion of the consideration by the commission.

(g) At the conclusion of its consideration, the commission may approve or disapprove with or without amendment, wholly, partially, or conditionally, the request. If the commission disapproves the request, it shall not adopt a new resolution making determinations. If the commission approves the request, with or without amendment, wholly, partially, or conditionally, the commission shall adopt a resolution making determinations which shall supersede the resolution previously issued.

(h) The determinations of the commission shall be final and conclusive. No person or agency shall make any further request for the same change or a substantially similar change, as determined by the commission.

(i) Notwithstanding subdivision (h), clerical errors or mistakes may be corrected pursuant to Section 56883.

SEC. 212. Section 57000 of the Government Code is amended to read:

57000. (a) After adoption of a resolution making determinations by the commission pursuant to Part 3 (commencing with Section 56650), protest proceedings for a change of organization or reorganization shall be taken pursuant to this part.

(b) If a proposal is approved by the commission, with or without amendment, wholly, partially, or conditionally, the commission shall conduct proceedings in accordance with this part. The proceedings shall be conducted and completed pursuant to those provisions which are applicable to the proposal and the territory contained in the proposal as it is approved by the commission. If the commission approves the proposal with modifications or conditions, proceedings shall be conducted and completed in compliance with those modifications or conditions.

(c) Any reference in this part to the commission also means the executive officer for any function which the executive officer will perform pursuant to a delegation of authority from the commission.

(d) When the commission makes a determination pursuant to this division that will require an election to be conducted, it shall inform the board of supervisors or the city council of the affected city of that determination and request the board or the city council to direct the elections official to conduct the necessary election.

(e) When a board of supervisors or a city council is informed by the commission that a determination has been made which requires an election, it shall direct the elections official to conduct the necessary election. The board or council shall do all of the following:

(1) Call, provide for, and give notice of a special election or elections upon that question.

(2) Fix a date of election.

(3) Designate precincts and polling places.

(4) Take any other action necessary to call, provide for, and give notice of the special election or elections and to provide for the conduct and the canvass of returns of the election, as determined by the commission.

(f) Any provision in this part which requires that an election be called, held, provided for, or conducted shall mean that the procedures specified in subdivisions (d) and (e) shall be followed.

SEC. 213. Section 57001 of the Government Code is amended to read:

57001. If a certificate of completion for a change of organization or reorganization has not been filed within one year after the commission approves a proposal for that proceeding, the proceeding shall be deemed abandoned unless prior to the expiration of that year the commission authorizes an extension of time for that completion. The extension may be for any period deemed reasonable to the commission for completion of necessary prerequisite actions by any



party. If a proceeding has not been completed because of the order or decree of a court of competent jurisdiction temporarily enjoining or restraining the proceedings, this shall not be deemed a failure of completion and the one-year period shall be tolled for the time that order or decree is in effect.

SEC. 214. Section 57002 of the Government Code is amended to read:

57002. (a) Within 35 days following the adoption of the commission's resolution making determinations, and following the reconsideration period specified in subdivision (b) of Section 56895 the executive officer of the commission shall set the proposal for hearing and give notice of that hearing by mailing, publication, and posting, as provided in Chapter 4 (commencing with Section 56150) of Part 1. The date of that hearing shall not be less than 15 days, or more than 60 days, after the date the notice is given.

(b) Where the proceeding is for the establishment of a district of limited powers as a subsidiary district of a city, upon the request of the affected district, the date of the hearing shall be at least 90 days, but no more than 135 days, from the date the notice is given.

(c) If authorized by the commission pursuant to Section 56663, a change of organization or reorganization may be approved without notice, hearing, and election.

SEC. 214.5. Section 57002 of the Government Code is amended to read:

§7002. (a) Within 35 days following the adoption of the commission's resolution making determinations, and following the reconsideration period specified in subdivision (b) of Section 56895, the executive officer of the commission shall set the proposal for hearing and give notice of that hearing by mailing, publication, and posting, as provided in Chapter 4 (commencing with Section 56150) of Part 1. The date of that hearing shall not be less than 15 days, or more than 60 days, after the date the notice is given.

(b) Notwithstanding subdivision (a), for any proposal that includes an incorporation, the clerk of the conducting authority shall set the proposal for hearing within 15 days following the adoption of the commission's resolution making determinations. The hearing shall be set for the next regularly scheduled hearing that provides sufficient time to give public notice of that hearing by mailing, publication, and posting, as provided in Chapter 4 (commencing with Section 56150) of Part 1.

(c) Where the proceeding is for the establishment of a district of limited powers as a subsidiary district of a city, upon the request of the affected district, the date of the hearing shall be at least 90 days, but no more than 135 days, from the date the notice is given.

(d) If authorized by the commission pursuant to Section 56663, a change of organization or reorganization may be approved without notice, hearing, and election.

SEC. 215. Section 57003 of the Government Code is amended to read:

57003. Once notice is given by the executive officer of the commission pursuant to this chapter, and until proceedings are completed or terminated pursuant to this part, no conflicting petition or resolution of application seeking the change of organization or reorganization of all or part of the territory described by the notice given by the executive officer shall be filed with, or acted on, by the commission.

SEC. 216. Section 57004 of the Government Code is repealed.

SEC. 217. Section 57005 of the Government Code is repealed.

SEC. 218. Section 57006 of the Government Code is repealed.

SEC. 219. Section 57007 of the Government Code is amended to read:

57007. Except when a district formation is part of a reorganization, protest proceedings shall be conducted as set forth in the principal act of the district to be formed, and commission protest proceedings shall not apply, except for the provisions relating to the completion and effective date of a change of organization or reorganization contained in Chapter 3 (commencing with Section 57200). When the district formation is part of a reorganization, all of the proceedings shall be conducted pursuant to this part and Section 56100.

SEC. 220. Section 57008 of the Government Code is amended to read:

57008. For any proposal initiated by the commission pursuant to subdivision (a) of Section 56375, the commission shall hold a public protest hearing in the affected territory.

SEC. 221. Section 57025 of the Government Code is amended to read:

57025. (a) The executive officer of the commission shall give notice of the protest hearing to be held on the proposal by publication pursuant to Sections 56153 and 56154 and by posting pursuant to Sections 56158 and 56159.

(b) The executive officer shall also give mailed notice to each affected city, affected district, or affected county, the proponents, if any, all landowners owning land within any territory proposed to be formed into, or to be annexed to, or detached from, an improvement district within any city or district, and to persons requesting special notice, in accordance with the provisions of Sections 56155 to 56157, inclusive.

(c) In the case of a proposed annexation to a city of affected territory consisting of 75 acres or less, the executive officer of the commission shall give mailed notice to each landowner within the affected territory.

(d) In the case of a proposed change of organization or reorganization that would result in the extension of any previously

authorized special tax or benefit assessment to the affected territory, the executive officer of the commission shall give mailed notice to each landowner within the affected territory.

SEC. 222. Section 57026 of the Government Code is amended to read:

57026. The mailed notice required to be given by Section 57025 shall contain all of the following information:

(a) A statement of the distinctive short form designation assigned by the commission to the proposal.

(b) A statement of the manner in which, and by whom, proceedings were initiated. However, a reference to the proponents, if any, shall be sufficient where proceedings were initiated by a petition.

(c) A description of the exterior boundaries of the subject territory.

(d) A description of the particular change or changes of organization proposed for each of the subject districts or cities and new districts or new cities proposed to be formed, and any terms and conditions to be applicable. The description may include a reference to the commission's resolution making determinations for a full and complete description of the change of organization or reorganization, and the terms and conditions.

(e) A statement of the reason or reasons for the change of organization or reorganization as set forth in the proposal submitted to the commission.

(f) (1) Except as otherwise provided in paragraph (2), a statement of the time, date, and place of the protest hearing on the proposed change of organization or reorganization.

(2) Notwithstanding paragraph (1), if inhabited territory is proposed to be annexed to a city with more than 100,000 residents which is located in a county with a population of over 4,000,000 the date shall be at least 90 days, but not more than 105 days, after the date of adoption of the resolution initiating the proceedings. The resolution shall specify a date 90 days prior to the hearing when registered voters may begin to file protests.

(g) If the subject territory is inhabited and the change of organization or reorganization provides for the submission of written protests, a statement that any owner of land within the territory, or any registered voter residing within the territory, may file a written protest against the proposal with the executive officer of the commission at any time prior to the conclusion of the hearing by the commission on the proposal.

(h) If the subject territory is uninhabited and the change of organization or reorganization provides for submission of written protests, a statement that any owner of land within the territory may file a written protest against the proposal with the executive officer

of the commission at any time prior to the conclusion of the hearing by the commission on the proposal.

SEC. 223. Section 57050 of the Government Code is amended to read:

57050. (a) The protest hearing on the proposal shall be held by the commission on the date and at the time specified in the notice given by the executive officer. The hearing may be continued from time to time but not to exceed 60 days from the date specified for the hearing in the notice.

(b) At the protest hearing, prior to consideration of protests, the commission's resolution making determinations shall be summarized. At that hearing, the commission shall hear and receive any oral or written protests, objections, or evidence which is made, presented, or filed. Any person who has filed a written protest may withdraw that protest at any time prior to the conclusion of the hearing.

SEC. 223.5. Section 57050 of the Government Code is amended to read:

57050. (a) The protest hearing on the proposal shall be held by the commission on the date and at the time specified in the notice given by the executive officer. The hearing may be continued from time to time but not to exceed 60 days from the date specified for the hearing in the notice. The hearing on a proposal that includes an incorporation may be continued from time to time but not to exceed 35 days from the date specified for the hearing in the notice.

(b) At the protest hearing, prior to consideration of protests, the commission's resolution making determinations shall be summarized. At that hearing, the commission shall hear and receive any oral or written protests, objections, or evidence which is made, presented, or filed. Any person who has filed a written protest may withdraw that protest at any time prior to the conclusion of the hearing.

SEC. 224. Section 57051 of the Government Code is amended to read:

57051. At any time prior to the conclusion of the protest hearing in the notice given by the executive officer, but not thereafter, any owner of land or any registered voter within inhabited territory proposed to be annexed or detached, or any owner of land within uninhabited territory proposed to be annexed or detached, may file a written protest against the annexation or detachment. Each written protest shall state whether it is made by a landowner or registered voter and the name and address of the owner of the land affected and the street address or other description sufficient to identify the location of the land or the name and address of the registered voter as it appears on the affidavit of registration. Protests may be made on behalf of an owner of land by an agent authorized in writing by the owner to act as agent with respect to that land. Protests may be made

on behalf of a private corporation which is an owner of land by any officer or employee of the corporation without written authorization by the corporation to act as agent in making that protest.

Each written protest shall show the date that each signature was affixed to the protest. All signatures without a date or bearing a date prior to the date of publication of the notice shall be disregarded for purposes of ascertaining the value of any written protests.

SEC. 225. Section 57052 of the Government Code is amended to read:

57052. Upon conclusion of the protest hearing, the commission shall determine the value of written protests filed and not withdrawn. The value of written protests shall be determined in the same manner prescribed in Sections 56707, 56708, and 56710 for determining the sufficiency of petitions filed with the commission.

SEC. 226. Section 57053 of the Government Code is amended and renumbered to read:

56886.3. If the terms and conditions of any change of organization provide for the formation of a new improvement district, or the annexation or detachment of territory to, or from, an existing improvement district, the commission shall do all of the following:

(a) Exclude any lands proposed to be formed into, or to be annexed to, the improvement district which the commission finds will not be benefited by becoming a part of the improvement district.

(b) Exclude any lands proposed to be detached from an improvement district which the commission finds will be benefited by remaining a part of the improvement district.

SEC. 227. Section 57075 of the Government Code is amended to read:

57075. In the case of registered voter districts or cities, where a change of organization or reorganization consists solely of annexations, detachments, or formation of county service areas, or any combination of those proposals, the commission, not more than 30 days after the conclusion of the hearing, shall make a finding regarding the value of written protests filed and not withdrawn, and take one of the following actions, except as provided in subdivision (b) of Section 57002.

(a) In the case of inhabited territory, take one of the following actions:

(1) Terminate proceedings if a majority protest exists in accordance with Section 57078.

(2) Order the change of organization or reorganization subject to confirmation by the registered voters residing within the affected territory if written protests have been filed and not withdrawn by either of the following:

(A) At least 25 percent, but less than 50 percent, of the registered voters residing in the affected territory.

(B) At least 25 percent of the number of owners of land who also own at least 25 percent of the assessed value of land within the affected territory.

(3) Order the change of organization or reorganization without an election if written protests have been filed and not withdrawn by less than 25 percent of the registered voters or less than 25 percent of the number of owners of land owning less than 25 percent of the assessed value of land within the affected territory.

(b) In the case of uninhabited territory, take either of the following actions:

(1) Terminate proceedings if a majority protest exists in accordance with Section 57078.

(2) Order the change of organization or reorganization if written protests have been filed and not withdrawn by owners of land who own less than 50 percent of the total assessed value of land within the affected territory.

SEC. 228. Section 57075.5 of the Government Code is amended to read:

57075.5. Notwithstanding Section 57075, if territory proposed to be annexed to a city with more than 100,000 residents is inhabited and is located in a county with a population of over 4,000,000, the commission, not more than 30 days after conclusion of the hearing, shall make a finding regarding the value of written protests filed and not withdrawn and shall take one of the following actions:

(a) Terminate proceedings if written protests have been filed and not withdrawn by 50 percent or more of the registered voters within the affected territory.

(b) Order the territory annexed subject to the confirmation by the voters on the question, and call a special election and submit to the voters residing within the affected territory the question of whether it shall be annexed to the city, if written protests have been filed and not withdrawn by either 15 percent or more of the registered voters within the territory, or 15 percent or more of the number of owners of land who also own not less than 15 percent of the total assessed value of land within the territory.

(c) Order the territory annexed without an election if written protests have been filed and not withdrawn by less than 15 percent of the registered voters within the territory and less than 15 percent of the owners of land who own less than 15 percent of the total assessed value of land within the territory.

SEC. 229. Section 57076 of the Government Code is amended to read:

57076. In the case of landowner-voter districts, where a change of organization or reorganization consists solely of annexations or detachments, or any combination of those proposals, the commission, not more than 30 days after the conclusion of the hearing, shall make a finding regarding the value of written protests filed and not

withdrawn, and take one of the following actions, except as provided in subdivision (b) of Section 57002:

(a) Terminate proceedings if a majority protest exists in accordance with Section 57078.

(b) Order the change of organization or reorganization subject to an election within the affected territory if written protests have been filed and not withdrawn represent either of the following:

(1) Twenty-five percent or more of the number of owners of land who also own 25 percent or more of the assessed value of land within the territory.

(2) Twenty-five percent or more of the voting power of landowner voters entitled to vote as a result of owning property within the territory.

(c) Order the change of organization or reorganization without an election if written protests have been filed and not withdrawn by less than 25 percent of the number of owners of land who own less than 25 percent of the assessed value of land within the affected territory.

SEC. 230. Section 57077 of the Government Code is amended to read:

57077. (a) Where a change of organization consists of a dissolution, disincorporation, incorporation, establishment of a subsidiary district, consolidation, or merger, the commission, not more than 30 days after the conclusion of the hearing, shall make a finding regarding the value of written protests filed and not withdrawn, and take one of the following actions:

(1) Terminate proceedings if a majority protest exists in accordance with Section 57078.

(2) Order the change of organization subject to confirmation of the voters, or in the case of a landowner-voter district, subject to confirmation by the landowners, unless otherwise stated in the formation provisions of the enabling statute of the district.

(3) Order the change of organization without election if it is a change of organization that meets the requirements of Section 57081, 57102, or 57107; otherwise, the commission shall take the action specified in paragraph (2).

(b) Where a reorganization consists of one or more dissolutions, incorporations, formations, disincorporations, mergers, establishments of subsidiary districts, consolidations, or any combination of those proposals, the commission, not more than 30 days after the conclusion of the hearing, shall make a finding regarding the value of written protests filed and not withdrawn and take one of the following actions:

(1) Terminate proceedings if a majority protest exists in accordance with Section 57078.

(2) Order the reorganization subject to confirmation of the voters, or in the case of landowner-voter districts, subject to confirmation by

the landowners, unless otherwise stated in the formation provisions of the enabling statute of the district.

(3) Order the reorganization without election if it is a reorganization which meets the requirements of Section 57081, 57102, 57107, or 57111; otherwise, the commission shall take the action specified in paragraph (2).

SEC. 231. Section 57078 of the Government Code is amended to read:

57078. In the case of any reorganization or change of organization, a majority protest shall be deemed to exist and the proposed change of organization or reorganization shall be abandoned if the commission finds that written protests filed and not withdrawn prior to the conclusion of the hearing represent any of the following:

(a) In the case of uninhabited territory, landowners owning 50 percent or more of the assessed value of the land within the territory.

(b) In the case of inhabited territory, 50 percent or more of the voters residing in the territory.

(c) In the case of a landowner-voter district, 50 percent or more of the voting power of the voters entitled to vote as a result of owning land within the district.

SEC. 232. Section 57078.5 is added to the Government Code, to read:

57078.5. If a proposed annexation consists of two or more distinct communities, as defined in the county general plan, census unincorporated places listing, or other commonly recognized community designation, as determined by the commission, and any one community has more than 250 registered voters, any protest filed pursuant to Section 57078 shall be accounted separately for that community, unless the annexation is proposed pursuant to Section 56375.3.

SEC. 233. Section 57079 of the Government Code is repealed.

SEC. 234. Section 57079.5 of the Government Code is amended and renumbered to read:

56668.3. (a) If the proposed change of organization or reorganization includes a city detachment or district annexation, except a special reorganization, and the proceeding has not been terminated based upon receipt of a resolution requesting termination pursuant to either Section 56751 or Section 56857, factors to be considered by the commission shall include all of the following:

(1) Whether the proposed annexation will be for the interest of landowners or present or future inhabitants within the district and within the territory proposed to be annexed to the district.

(2) The commission's resolution making determinations.

(3) Any factors which may be considered by the commission as provided in Section 56668.



(4) Any resolution objecting to the action that may be filed by an affected agency.

(5) Any other matters which the commission deems material.

(b) The commission shall give great weight to any resolution objecting to the action that is filed by a city or a district. The commission's consideration shall be based only on financial or service related concerns expressed in the protest. Except for findings regarding the value of written protests, the commission is not required to make any express findings concerning any of the factors considered by the commission.

SEC. 235. Section 57080 of the Government Code is amended to read:

57080. (a) With respect to a proceeding initiated on or after January 1, 2000, when approved and authorized by the commission pursuant to Section 56745, the commission shall, not later than 35 days after conclusion of the hearing, adopt a resolution ordering the annexation without an election or shall terminate the proceedings. Sections 57050, 57051, 57052, subdivision (a) of 57075, and Section 57078 do not apply to any annexation subject to this subdivision.

(b) With respect to a proceeding initiated on or after January 1, 2007, when approved and authorized by the commission pursuant to Section 56375.3, Sections 57050, 57051, and 57052, shall apply and subdivision (a) of Section 57075 does not apply.

(1) If the territory proposed to be annexed is inhabited territory, the commission, not more than 30 days after conclusion of the hearing, shall make a finding regarding the value of written protests filed and not withdrawn and shall do either of the following:

(A) Terminate proceedings if written protests have been filed and not withdrawn by 50 percent or more of the registered voters within the affected territory.

(B) Order the territory annexed without an election.

(2) If the territory proposed to be annexed is uninhabited, the commission, not more than 30 days after conclusion of the hearing, shall adopt a resolution which does either of the following:

(A) Terminates proceedings.

(B) Orders the territory annexed.

SEC. 236. Section 57081 of the Government Code is amended to read:

57081. (a) If authorized by the commission pursuant to Section 56853, the protest proceedings shall be conducted for the consolidation of districts or the reorganization of all or any part of those districts into a single local agency pursuant to this section. The commission shall hold at least one noticed public hearing on the proposal within 30 days after approval of the application by the commission. After the conclusion of the hearing, the commission shall order the consolidation or reorganization without an election, except as otherwise provided in subdivision (b).

(b) An election shall only be held if the commission finds either of the following:

(1) In the case of inhabited territory, that a petition requesting that the proposal be submitted to confirmation by the voters has been signed by either of the following:

(A) At least 25 percent of the number of landowners within the territory subject to the consolidation or reorganization who own at least 25 percent of the assessed value of land within the territory.

(B) At least 25 percent of the voters entitled to vote as a result of residing within, or owning land within, the territory.

(2) In the case of a landowner-voter district, that the territory is uninhabited and a petition requesting that the proposal be submitted to confirmation by the voters has been signed by at least 25 percent of the number of landowners within the territory subject to the consolidation or reorganization, owning at least 25 percent of the assessed value of land within the territory.

(c) The petition shall be filed with the commission prior to the conclusion of the protest hearing.

SEC. 237. Section 57082 of the Government Code is amended and renumbered to read:

57100. Any commission resolution ordering a change of organization or a reorganization shall contain all of the following:

(a) A statement that the action is being taken pursuant to this division.

(b) A statement of the type of change of organization or reorganization being acted on.

(c) A description of the exterior boundaries of the territory for each change of organization or reorganization approved by the commission.

(d) The name or names of any new or consolidated city or district.

(e) All of the terms and conditions upon the change of organization or reorganization approved by the commission.

(f) The reasons for the change of organization or reorganization.

(g) A statement as to whether the regular county assessment roll or another assessment roll will be utilized.

(h) A statement that the affected territory will or will not be taxed for existing general bonded indebtedness of any agency whose boundaries are changed.

(i) Any other matters that the commission deems material.

SEC. 238. Section 57082.5 of the Government Code is amended and renumbered to read:

57101. With respect to any proceeding that would result in the annexation to a city of land that is subject to a contract executed pursuant to the Williamson Act (Chapter 7 (commencing with Section 51200) of Division 1), for which the commission has determined pursuant to Section 56754 that the city may exercise its option to not succeed to the contract, the commission shall include

within its resolution ordering the annexation of the territory a finding regarding whether the city intends to not succeed to the contract.

SEC. 239. Section 57083 of the Government Code is amended and renumbered to read:

57102. (a) In any resolution ordering a dissolution, the commission shall make findings upon one or more of the following matters:

(1) That the corporate powers have not been used, as specified in Section 56871, and that there is a reasonable probability that those powers will not be used in the future.

(2) That the district is a registered-voter district and is uninhabited.

(3) That the board of directors of the district has, by unanimous resolution, consented to the dissolution of the district.

(b) If the commission makes any of the findings specified in subdivision (a), the commission may, except as otherwise provided in Section 57103, order the dissolution of the district without election.

SEC. 240. Section 57083.5 of the Government Code is amended and renumbered to read:

57103. Any order in any resolution adopted by the commission on or after January 1, 1986, ordering the dissolution of a local hospital district, organized pursuant to Division 23 (commencing with Section 32000) of the Health and Safety Code, is subject to confirmation by the voters.

SEC. 240.5. Section 57084 of the Government Code is amended and renumbered to read:

57104. Any order of merger may be adopted for a district of limited powers, including any district previously established as a subsidiary district, if the entire territory of the district is included within the boundaries of a city upon the date of the order.

SEC. 241. Section 57085 of the Government Code is amended and renumbered to read:

57105. An order establishing a district of limited powers as a subsidiary district may be adopted if upon the date of that order the commission determines that either of the following situations exists:

(a) The entire territory of the district is included within the boundaries of a city.

(b) A portion or portions of the territory of the district are included within the boundaries of a city and that portion or portions meet both of the following requirements:

(1) Represent 70 percent or more of the area of land within the district, as determined by reference to the statements and the maps or plats filed pursuant to Chapter 8 (commencing with Section 54900) of Division 2 of Title 5 for the current fiscal year.

(2) Contain 70 percent or more of the number of registered voters who reside within the district as shown on the voters' register in the office of the county clerk or registrar of voters.

SEC. 241.5. Section 57086 of the Government Code is amended and renumbered to read:

57106. For the purposes of Sections 57104 and 57105, the boundaries shall be determined as of the date of adoption of the order of the commission. Any then pending but uncompleted proceedings for changes in the boundaries of the city or district shall be disregarded.

SEC. 242. Section 57087 of the Government Code is amended and renumbered to read:

57107. In any resolution ordering a merger or establishment of a subsidiary district, the commission shall take one of the following actions:

(a) Order the merger or establishment of the subsidiary district subject to confirmation of the voters upon the questions, as the case may be, of merger, the establishment of a subsidiary district, or both merger and the establishment of a subsidiary district.

(b) Order the merger or establishment of the subsidiary district without election, if the legislative body of the city and the board of directors of the district have by resolution consented to the merger or the establishment of the subsidiary district.

SEC. 243. Section 57087.5 of the Government Code is amended and renumbered to read:

57108. At any time prior to the conclusion of the protest hearing by the commission ordering the district to be merged with or established as a subsidiary district of a city, a petition may be filed with the executive officer referring, by date of adoption, to the commission's resolution making determinations and requesting that any election upon that question be called, held, and conducted only within that district. Any petition so filed shall be immediately examined and certified by the executive officer by the same method and in the same manner as provided in Sections 56707 to 56711, inclusive, for the examination of petitions by the executive officer. The commission shall forward the proposal for an election upon the question of a merger or the establishment of a subsidiary district only within the district to be merged or established as a subsidiary district, if the executive officer certifies that any petition so filed was signed by either of the following:

(a) In the case of a registered voter district, by not less than 10 percent of the registered voters of the district.

(b) In the case of a landowner-voter district, by not less than 10 percent of the number of landowner-voters within the district who also own not less than 10 percent of the assessed value of land within the district.

SEC. 244. Section 57087.7 of the Government Code is amended and renumbered to read:

57109. At any time prior to the completion of the protest hearing by the commission and the adoption of a resolution ordering a

reorganization that includes an incorporation and the establishment of a subsidiary district or a merger, a petition may be filed with the executive officer referring, by date of adoption, to the commission's resolution making determinations and requesting that a separate election be called, held, and conducted only within that district on the establishment of the subsidiary district or the merger. That election shall be conducted at the same time as the election on the incorporation. Any petition so filed shall be immediately examined and certified by the executive officer by the same method and in the same manner as provided in Sections 56707 to 56711, inclusive, for the examination of petitions by the executive officer. The commission shall call, hold, and conduct any election upon the question of a merger or the establishment of a subsidiary district only within the district to be merged or established as a subsidiary district, if the executive officer certifies that any petition so filed was signed by either of the following:

(a) In the case of a registered voter district, by not less than 10 percent of the registered voters of the district.

(b) In the case of a landowner-voter district, by not less than 10 percent of the number of landowner-voters within the district who also own not less than 10 percent of the assessed value of land within the district.

SEC. 245. Section 57088 of the Government Code is amended and renumbered to read:

57110. In any resolution approving, subject to the confirmation of the voters, both an original and an alternative proposal as determined by the commission pursuant to paragraph (2) of subdivision (a) of Section 56863, the ballot at the election shall enable those voting to do one of the following:

(a) Disapprove both proposals.

(b) Approve either the original proposal or the alternative proposal.

The board of supervisors shall adopt a resolution confirming the proposal which was favored by a majority of votes cast at the election. Where both proposals were favored by a majority of the votes cast, the board of supervisors shall adopt a resolution confirming the proposal which received the greater number of votes.

SEC. 245.5. Section 57089 of the Government Code is amended and renumbered to read:

57111. In any reorganization proceeding where the component changes of organization would not individually require a confirmation election, no confirmation election shall be required to approve the reorganization.

SEC. 246. Section 57090 of the Government Code is amended to read:

57090. (a) Except as otherwise provided in subdivision (b), if proceedings are terminated, either by majority protest as provided

in Sections 57075, 57076, and 57077, or if a majority of voters do not confirm the change of organization or reorganization as provided in Section 57179, no substantially similar proposal for a change of organization or reorganization of the same or substantially the same territory may be filed with the commission within two years after the date of adoption of the certificate of termination adopted by the commission if the proposal included an incorporation or city consolidation and within one year for any other change of organization or reorganization.

(b) The commission may waive the requirements of subdivision (a) if it finds these requirements are detrimental to the public interest.

SEC. 247. Section 57091 of the Government Code is amended and renumbered to read:

57112. (a) Except as otherwise provided in subdivision (b), if proceedings are terminated by failure of a majority of voters to confirm a resolution ordering merger or establishment of a subsidiary district, no new proposal for a merger or establishment of a subsidiary district involving the same district may be filed with the commission within two years of the date of the certification adopted by the commission, pursuant to Section 57179.

(b) The commission may waive the requirements of subdivision (a) if it finds these requirements are detrimental to the public interest.

SEC. 248. Section 57092 of the Government Code is amended and renumbered to read:

57113. (a) Notwithstanding Section 57081, 57102, 57107, 57108, or 57111, for any proposal that was initiated by the commission pursuant to subdivision (a) of Section 56375, the commission shall forward the change of organization or reorganization for confirmation by the voters if the commission finds either of the following:

(1) In the case of inhabited territory, that a petition requesting that the proposal be submitted to confirmation by the voters has been signed by either of the following:

(A) At least 10 percent of the number of landowners within any affected district within the affected territory who own at least 10 percent of the assessed value of land within the territory. However, if the number of landowners within an affected district is less than 300, the petition requesting the proposal to be submitted to the voters shall be signed by at least 25 percent of the landowners who own at least 25 percent of the assessed value of land within the territory of the affected district.

(B) At least 10 percent of the voters entitled to vote as a result of residing within, or owning land within, any affected district within the affected territory. However, if the number of voters entitled to vote within an affected district is less than 300, the petition requesting

the proposal to be submitted to the voters shall be signed by at least 25 percent of the voters entitled to vote.

(2) In the case of a landowner-voter district, that the territory is uninhabited and a petition requesting that the proposal be submitted to confirmation by the voters has been signed by at least 10 percent of the number of landowners within any affected district within the affected territory, owning at least 10 percent of the assessed value of land within the territory. However, if the number of voters entitled to vote within an affected district is less than 300, the petition requesting the proposal to be submitted to the voters shall be signed by at least 25 percent of the voters entitled to vote.

(b) The petition shall be filed with the commission prior to the conclusion of the protest hearing.

SEC. 249. Section 57093 of the Government Code is amended and renumbered to read:

57114. (a) Notwithstanding Section 56854 and Section 57089, for any proposal for the dissolution of one or more districts and the annexation of all or substantially all of their territory to another district, the commission shall forward the change of organization or reorganization for confirmation by the voters if the commission finds either of the following:

(1) In the case of inhabited territory, that a petition requesting that the proposal be submitted to confirmation by the voters has been signed by either of the following:

(A) At least 25 percent of the number of landowners within any affected district within the affected territory who own at least 25 percent of the assessed value of land within the territory.

(B) At least 25 percent of the voters entitled to vote as a result of residing within, or owning land within, any affected district within the affected territory.

(2) In the case of a landowner-voter district, that the territory is uninhabited and a petition requesting that the proposal be submitted to confirmation by the voters has been signed by at least 25 percent of the number of landowners within any affected district within the affected territory, owning at least 25 percent of the assessed value of land within the territory of that district.

(b) If a petition that meets the requirements of this section has been filed, the commission shall approve the proposal subject to confirmation by the voters of each district that has filed such a petition. The voter confirmation requirements set forth in subdivision (a) shall not apply to any proposal initiated by the commission under Section 56375 or where each affected district has consented to the proposal by a resolution adopted by a majority vote of its board of directors.

SEC. 250. Section 57100 of the Government Code is amended and renumbered to read:

57115. Any resolution of the commission forwarding a change of organization or a reorganization for confirmation by the voters shall, in addition to any applicable requirements contained in Sections 57100 to 57111, inclusive, do all of the following:

(a) Designate the affected territory within which the special election or elections shall be held.

(b) Provide for the question or questions to be submitted to the voters.

(c) Specify any terms or conditions provided for in the change of organization or reorganization.

(d) State the vote required for confirmation of the change of organization or reorganization.

SEC. 251. Section 57101 of the Government Code is amended and renumbered to read:

57116. In addition to any other requirements, any resolution of the commission ordering an incorporation subject to an election shall do all of the following:

(a) Provide for the election of the officers of the proposed city required to be elected, except as provided in Section 56727 and except as to officers designated as appointive, pursuant to Section 56723.

(b) Provide for the election on the question of whether members of the city council in future elections are to be elected by district or at large.

(c) If the petition so requests, state that the voters may express a preference as to whether or not the city shall operate under the city manager form of government, the ballot question being for or against the city manager form of government.

(d) If the petition so requests, state that the voters may express their preference between names for the new city.

SEC. 252. Section 57102 of the Government Code is amended and renumbered to read:

57117. In addition to any other requirements, any resolution of the commission ordering a consolidation of cities subject to an election shall do all of the following:

(a) Provide for the election of officers of the successor city required to be elected.

(b) State that the voters may express their preference as to the name of the successor city.

SEC. 253. Section 57103 of the Government Code is amended and renumbered to read:

57118. In any resolution ordering a change of organization or reorganization subject to the confirmation of the voters, the commission shall determine that an election will be held:

(a) Within the territory of each city or district ordered to be incorporated, formed, disincorporated, dissolved or consolidated.



(b) Within the entire territory of each district ordered to be merged with or established as a subsidiary district of a city, or both within the district and within the entire territory of the city outside the boundaries of the district.

(c) If the executive officer certifies a petition pursuant to Section 57108 or 57109, within the territory of the district ordered to be merged with or established as a subsidiary district of a city.

(d) Within the territory ordered to be annexed or detached.

(e) If ordered by the commission pursuant to Section 56876 or 56759, both within the territory ordered to be annexed or detached and within all or the part of the city or district which is outside of the territory.

(f) If the election is required by Section 57114, separately within the territory of each affected district that has filed a petition meeting the requirements of Section 57114.

SEC. 254. Section 57103.1 of the Government Code is amended and renumbered to read:

57119. Notwithstanding Section 57118, in any resolution ordering a special reorganization, the commission shall call an election in both of the following territories:

(a) The territory ordered to be detached from the city.

(b) The entire territory of the city from which the detachment is ordered to occur.

SEC. 255. Section 57104 of the Government Code is amended and renumbered to read:

57120. In addition to any other requirements, any resolution of the commission ordering an incorporation or a formation subject to an election shall provide for the establishment of the appropriations limit determined pursuant to Section 56811.

SEC. 256. Section 57125 of the Government Code is amended to read:

57125. Special elections called within all or any part of a city or registered-voter district shall be governed by the general election provisions and the local election provisions of the Elections Code, so far as they may be applicable, relating to the qualifications of voters, the manner of voting, the form of the ballot, the duties of precinct and election officers, the canvassing of returns, and all other particulars. If the commission determines that there is any inconsistency:

(a) Between the general elections provisions and the local elections provisions of the Elections Code, the local elections provisions shall control.

(b) Between this division and the Elections Code, this division shall control.

SEC. 257. Section 57126 of the Government Code is amended to read:

57126. Special elections called within all or any part of a landowner-voter district shall be governed by the general elections

provisions of the principal act, so far as they may be applicable, relating to the qualifications of voters, the manner of voting, the form of the ballot, the duties of precinct and election officers, the canvassing of returns, and all other particulars. To the extent of any inconsistency between the provisions of this division and the principal act as determined by the commission, the provisions of this division shall control.

SEC. 258. Section 57127 of the Government Code is amended to read:

57127. If the commission calls any special election within all or any part of any district, any references in the principal act to the board of directors of the district and to the clerk or secretary of the district shall be deemed to mean the commission and the executive officer, respectively.

SEC. 259. Section 57129 of the Government Code is amended to read:

57129. Where any records of a city or a district are required for the purpose of calling, holding, or conducting any special election called by the commission pursuant to this division, those records or certified copies of those records shall be delivered, upon request, to the elections official by the city or district officer having custody of the records or copies and shall be returned to that officer immediately after the canvass of the election returns. All other election records, documents, instruments, and election supplies, including, but not limited to, rosters, ballots, and tally sheets, shall be retained or disposed of by the elections official in the manner provided by law.

SEC. 260. Section 57130 of the Government Code is amended to read:

57130. The elections official shall cause notice of each change of organization or reorganization election to be given by publication, posting, and mailing as provided in Chapter 1 (commencing with Section 57025) of Part 4.

SEC. 260.5. Section 57131 of the Government Code is amended to read:

57131. The notice of election required to be given by Section 57130 shall contain all of the matters specified in Section 57115.

SEC. 261. Section 57133 of the Government Code is amended to read:

57133. The question or questions to be submitted at any special election or elections called pursuant to this part shall be in substantially the following form:

(a) For an incorporation: "Shall the order adopted on \_\_\_\_\_, 20\_\_\_\_, by the Local Agency Formation Commission of \_\_\_\_\_ County ordering the incorporation of the territory described in the order and designated in the order as \_\_\_\_\_ (insert the distinct

short form designation previously assigned by the commission) be confirmed?"

(b) For an annexation: "Shall the order adopted on \_\_\_\_\_, 20\_\_\_\_, by the \_\_\_\_\_ (insert Local Agency Formation Commission) ordering the annexation to \_\_\_\_\_ (insert city or district) of the territory described in that order and designated as \_\_\_\_\_ (insert the short form designation previously assigned by the commission) be confirmed?"

(c) For a detachment: "Shall the order adopted on \_\_\_\_\_, 20\_\_\_\_, by the \_\_\_\_\_ (insert Local Agency Formation Commission) ordering the detachment from the \_\_\_\_\_ (insert city or district) of the territory described in the order and designated in the order as \_\_\_\_\_ (insert the short form designation previously assigned by the commission) be confirmed?"

(d) For a city consolidation: "Shall the order adopted on \_\_\_\_\_, 20\_\_\_\_, by the \_\_\_\_\_ (insert Local Agency Formation Commission) of the County of \_\_\_\_\_ (insert name of city) ordering the consolidation of the Cities of \_\_\_\_\_ (insert names of all cities ordered consolidated) into a single city known as the City of \_\_\_\_\_ be confirmed?"

(e) For a disincorporation: "Shall the order adopted on \_\_\_\_\_, 20\_\_\_\_, by the Local Agency Formation Commission of the County of \_\_\_\_\_ ordering the disincorporation of the City of \_\_\_\_\_ be confirmed?"

(f) For a reorganization: "Shall the order adopted on \_\_\_\_\_, 20\_\_\_\_, by the \_\_\_\_\_ (insert Local Agency Formation Commission) ordering a reorganization affecting the \_\_\_\_\_ (insert names of all affected cities or districts) and providing for \_\_\_\_\_ (insert list of all changes of organization or new cities proposed to be incorporated or districts to be formed) be confirmed?"

(g) For a district dissolution: "Shall the order adopted on \_\_\_\_\_, 20\_\_\_\_, by the Local Agency Formation Commission of the County of \_\_\_\_\_ ordering the dissolution of the \_\_\_\_\_ district be confirmed?"

(h) For a district consolidation: "Shall the order adopted on \_\_\_\_\_, 20\_\_\_\_, by the Local Agency Formation Commission of the County of \_\_\_\_\_ ordering the consolidation of \_\_\_\_\_ (insert the names of all districts ordered consolidated) into a single district known as the \_\_\_\_\_ District be confirmed?"

(i) For a merger: "Shall the order adopted on \_\_\_\_\_, 20\_\_\_\_, by the Local Agency Formation Commission of the County of \_\_\_\_\_ ordering the merger of the \_\_\_\_\_ District with the City of \_\_\_\_\_ be confirmed?"

(j) For establishment of a subsidiary district: "Shall the order adopted on \_\_\_\_\_, 20\_\_\_\_, by the Local Agency Formation Commission of the County of \_\_\_\_\_ ordering the \_\_\_\_\_ District

established as a subsidiary district of the City of \_\_\_\_\_ be confirmed?"

(k) For a district formation, use form of question under principal act of district being formed. If none, use substantially the following form: "Shall the order adopted on \_\_\_\_\_, 20 \_\_\_\_\_, by the Local Agency Formation Commission of \_\_\_\_\_ County ordering the formation of a district in the territory described, known as \_\_\_\_\_, be approved?"

SEC. 262. Section 57138 of the Government Code is amended to read:

57138. If the commission orders both a merger and the establishment of a subsidiary district, questions on each matter shall be printed on the ballot, one above the other. Immediately preceding the first question, there shall be printed in the words "Vote on both questions."

SEC. 263. Section 57144 of the Government Code is amended to read:

57144. Within five days after a special election is called pursuant to this part, the executive officer shall submit to the commission, for its approval or modification, an impartial analysis of the proposed incorporation or change of organization.

The impartial analysis shall not exceed 500 words in length in addition to a general description of the boundaries of the territory affected.

The commission shall approve or modify the analysis and submit the analysis to the elections official no later than the last day for submission of rebuttal arguments.

Immediately below the impartial analysis there shall be printed in no less than 10-point bold type a legend substantially as follows:

"The above statement is an impartial analysis of Proposition \_\_\_\_\_. If you desire a copy of the proposition, please call the elections official's office at (insert telephone number) and a copy will be mailed at no cost to you."

SEC. 264. Section 57145 of the Government Code is amended to read:

57145. (a) The legislative body of any affected agency, or any member or members of the legislative body of any affected agency authorized by it, or any individual voter or association of citizens entitled to vote on the change of organization or reorganization, or any combination of those voters and association of citizens may file a written argument for, or a written argument against, the question to be submitted to the voters.

Arguments shall not exceed 300 words in length and shall be filed with the elections official no later than the last day for submission of arguments specified by Section 57146.

(b) If more than one argument for or more than one argument against the proposal is filed with the elections official within the time

prescribed in Section 57145, the elections official shall select one of the arguments for printing and distribution to the voters.

In selecting the arguments, the elections official shall give preference and priority in the order named to the following arguments:

(1) The legislative body of an affected agency or any authorized member or members of the legislative body.

(2) Individual voters or association of citizens or a combination of voters and associations.

SEC. 265. Section 57146 of the Government Code is amended to read:

57146. (a) On the basis of the time reasonably necessary to prepare and print the arguments, analysis, and sample ballots for the election, the elections official shall fix and determine a reasonable date prior to the election after which no arguments for or against the measure may be submitted for printing and distribution to the voters. Notice of the date fixed shall be published in accordance with Section 56153 in a newspaper of general circulation which is circulated in the affected territory. Arguments may be changed until and including the date fixed by the elections official.

(b) The notice shall contain all of the following information:

(1) A statement of the proposition to be voted on and a general description of the boundaries of the affected territory.

(2) An invitation to any registered voter or association of citizens entitled to vote on the proposal to submit and file with the elections official for printing and distribution in the ballot pamphlet, an argument for or an argument against the proposal.

(3) The date of the election.

(4) A statement that only one argument for and one argument against will be selected and printed in the ballot pamphlet.

(5) A statement that arguments shall not exceed 300 words in length and shall be accompanied by not more than five signatures.

SEC. 266. Section 57148 of the Government Code is amended to read:

57148. (a) The elections official shall cause a ballot pamphlet concerning the proposal to be printed and mailed to each voter entitled to vote on the question.

The ballot pamphlet shall contain all of the following information in the order prescribed:

(1) The impartial analysis of the proposition prepared by the commission.

(2) One argument for the proposal, if any.

(3) One rebuttal to the argument for the proposal, if any.

(4) One argument against the proposal, if any.

(5) One rebuttal to the argument against the proposal, if any.

A copy of the complete text of the proposition shall be made available by the elections official, to any voter upon request.

(b) The elections official shall mail a ballot pamphlet to each voter entitled to vote in the election at least 10 days prior to the date of the election. The ballot pamphlet is "official matter" within the meaning of Section 13303 of the Elections Code.

SEC. 267. Section 57149 of the Government Code is amended to read:

57149. The canvass of ballots cast at any election held pursuant to this division shall be conducted pursuant to Sections 15300 to 15309, inclusive, of the Elections Code. The elections official shall immediately, upon the completion of any canvass, report the results to the executive officer of the local agency formation commission.

SEC. 268. Section 57150 of the Government Code is amended to read:

57150. All proper expenses incurred in conducting elections for a change of organization or reorganization pursuant to this chapter shall be paid, unless otherwise provided by agreement between the commission and the proponents, as follows:

(a) In the case of annexation or detachment proceedings, by the local agency to or from which territory is annexed, or from which territory is detached, or was proposed to be annexed or detached.

(b) In the case of incorporation or formation proceedings, by the newly incorporated city or the newly formed district, if successful, or by the county within which the proposed city or district is located if the incorporation proceedings are terminated. In the case of a separate election for city officers held following the election for incorporation pursuant to Section 56825.5, by the newly incorporated city.

(c) In the case of disincorporation or dissolution proceedings, from the remaining assets of the disincorporated city or dissolved district or by the city proposed to be disincorporated or the district proposed to be dissolved if disincorporation or dissolution proceedings are terminated.

(d) In the case of consolidation proceedings, by the successor city or district or by the local agencies proposed to be consolidated, to be paid by those local agencies in proportion to their respective assessed values, if proceedings are terminated.

(e) In the case of a reorganization:

(1) If the reorganization is ordered, by the affected local agencies or successor local agencies, as the case may be, for any of the above-enumerated changes of organization which may be included in the particular reorganization, to be paid by those local agencies in proportion to their assessed value.

(2) If the reorganization proceedings are terminated or the proposal is defeated, by the county within which the city is located.

SEC. 269. Section 57175 of the Government Code is repealed.

SEC. 270. Section 57176 of the Government Code is amended to read:

57176. The commission shall execute, within 30 days of the canvass of the election, a certificate of completion confirming the order of the change of organization or reorganization if a majority of votes cast upon the question are in favor of the change of organization or reorganization in any of the following circumstances:

(a) At an election called in the territory ordered to be organized or reorganized.

(b) At an election called within the territory ordered to be organized or reorganized and within the territory of the affected agency.

(c) At both an election called within the area to be organized or reorganized and an election called within the territory of an affected city, when required by the commission pursuant to Section 56759.

SEC. 271. Section 57176.1 of the Government Code is amended to read:

57176.1. Notwithstanding Section 57176, the commission shall execute, within 30 days of the canvass of the election, a certificate of completion confirming a special reorganization if a majority of votes cast upon the question are in favor of the special reorganization in both of the following circumstances:

(a) An election called in the territory ordered to be detached from the city.

(b) An election called in the entire territory of the city from which the detachment is ordered to occur.

SEC. 272. Section 57177 of the Government Code is amended to read:

57177. The commission shall execute a certificate of completion confirming either the order of a merger or the order for the establishment of a subsidiary district in the following manner:

(a) Where the question submitted to the voters was only upon merger or only upon establishment of a subsidiary district, the commission shall execute a certificate of completion confirming the order if a majority of the votes cast on the question favored the order either:

(1) At an election called only within the district.

(2) At each election, where one election was called within the district and another election was called within the territory of the city outside the boundaries of the district.

(b) Where both the question of merger and the question of establishment of a subsidiary district were submitted to the voters within the district only and both questions were favored by a majority of the voters, the commission shall order that change of organization favored by the greater number of voters. Where the number of votes was the same on both questions, the merger shall be ordered.

(c) Where both the question of merger and the question of establishment of a subsidiary district were submitted at an election called both within the district and at an election within the territory

of the city outside the district boundaries, and both questions were favored by a majority of the voters in both areas, that change of organization receiving the greater number of votes in both elections shall be completed. Where the number of votes was the same, or where the question of merger received the greater number of votes in one of the elections, a merger shall be completed.

SEC. 273. Section 57177.5 of the Government Code is amended to read:

57177.5. In the case of elections on an order of consolidation of cities or districts, the commission shall take one of the following actions:

(a) Execute a certificate of completion confirming the order of consolidation if, within the territory of each city or district ordered to be consolidated, a majority of the votes cast on the question favored the consolidation.

(b) Execute a certificate of completion terminating proceedings if, in one of the cities or districts ordered to be consolidated, the votes cast in favor of consolidation did not constitute a majority.

SEC. 274. Section 57178 of the Government Code is amended to read:

57178. In addition to any other requirements, the certificate of completion confirming an order of incorporation or consolidation of cities shall do all of the following:

(a) Give the name of the new or successor city favored by the electors.

(b) Declare the persons receiving the highest number of votes for the several offices of the new or successor city to be elected to those offices. If the incorporation applicant requested that the first election for city officers was to occur after the election on the proposal which included incorporation, the resolution shall call an election at which city officers shall be elected.

(c) In the case of an incorporation, declare which system of electing council members was favored, that is, election by district or election at large; and declare whether the city manager form of government was favored by the electors.

SEC. 275. Section 57179 of the Government Code is amended to read:

57179. If the majority of the votes cast is against the change of organization or reorganization, the commission shall execute a certificate of termination proceedings.

SEC. 276. Section 57200 of the Government Code is amended to read:

57200. (a) Immediately after completion of proceedings ordering a change of organization or reorganization without election or confirming an order for a change of organization or reorganization after confirmation by the voters, the executive officer shall prepare



and execute a certificate of completion and shall make the filings required by this division.

(b) Whenever the commission approves the inclusion of any territory of a landscape and lighting assessment district within a city, the executive officer shall notify the clerk of the landscape and lighting assessment district or other person designated by the district to receive notification.

SEC. 277. Section 57201 of the Government Code is amended to read:

57201. The certificate of completion prepared and executed by the executive officer shall contain all of the following information:

(a) The name of each newly incorporated city, each new district, and the name of each existing local agency for which a change of organization or reorganization was ordered and the name of the county within which any new or existing local agencies are located.

(b) A statement of each type of change of organization or reorganization ordered.

(c) A description of the boundaries of the new city ordered incorporated, the new district ordered formed or of any territory affected by the change of organization or reorganization, which description may be made by reference to a map and legal description showing the boundaries attached to the certificate.

(d) Any terms and conditions of the change of organization or reorganization. The terms and conditions shall provide public utilities, as defined in Section 216 of the Public Utilities Code, 90 days following the recording of the certificate of completion to make the necessary changes to impacted utility customer accounts.

SEC. 278. Section 57302 of the Government Code is amended to read:

57302. The general provisions of this part shall apply only if, and to the extent that, the terms and conditions of any change of organization or reorganization do not make specific provision for any of the matters referred to in this part. If a change of organization or a reorganization specifically provides for, and is made subject to any of, the terms and conditions authorized by Section 56886, the specific terms and conditions shall control over the general provisions of this part. Any of those terms and conditions may be provided for, and be made applicable to, any affected county, affected city, or affected district, to all or any part of the territory of the county, city, or district, to any territory proposed to be annexed to the county, city, or district and to the owner or owners of property within that territory.

SEC. 279. Section 57303 of the Government Code is amended to read:

57303. If no determination is made pursuant to subdivision (d) of Section 56886, the principal amount of bonded indebtedness which may be incurred or assumed by any city, county, or district, under any statute or charter provision imposing a limitation on bonded

indebtedness, shall not be affected by any change of organization or reorganization.

SEC. 280. Section 57379 of the Government Code is amended to read:

57379. If the first general municipal election following an incorporation election will occur less than one year after the effective date of incorporation, or occurred on or after November 1, 1987, and less than one year after the incorporation election, of the five elected members of the city council, the three receiving the lowest number of votes shall hold office until the second general municipal election following the incorporation election and until their successors are elected and qualified, and the two receiving the highest number of votes shall hold office until the third general municipal election following the incorporation election and until their successors are elected and qualified.

The first general municipal election following the incorporation election shall not be held unless either a proposition is to be voted upon or offices other than city council member offices are to be filled.

In the event that, pursuant to Section 56727, the first election for city council members was held after the election on the incorporation proposal, the term "incorporation election" in this section means the first election for city council members.

SEC. 281. Section 57384 of the Government Code is amended to read:

57384. (a) Except as provided in subdivision (b), whenever a city has been incorporated from territory formerly unincorporated, the board of supervisors shall continue to furnish, without additional charge, to the area incorporated all services furnished to the area prior to the incorporation. Those services shall be furnished for the remainder of the fiscal year during which the incorporation became effective or until the city council requests discontinuance of the services, whichever occurs first.

(b) This subdivision applies only to incorporations for which the petition or resolution of application for incorporation is filed with the commission on or after January 1, 1987. Prior to the commission adopting a resolution making determinations, the board of supervisors may request that the city reimburse the county for the net cost of services provided pursuant to subdivision (a). The commission shall impose this requirement as a term and condition of its resolution. The city shall be obligated to reimburse the county within five years of the effective date of the incorporation or for a period in excess of five years, if the board of supervisors agrees to a longer period. As used in this subdivision, "net cost of services" means the total direct and indirect expense to the county of providing services, as determined pursuant to paragraph (2) of subdivision (c) of Section 56810, adjusted by any subsequent change in the California Consumer Price Index, less any revenues which the county retains

that were generated from the formerly unincorporated territory during the period of time the services are furnished pursuant to subdivision (a). This subdivision applies only to those services which are to be assumed by the city.

(c) At the request of the city council, the board of supervisors, by resolution, may determine to furnish, without charge, to the area incorporated all or a portion of services furnished to the area prior to the incorporation for an additional period of time after the end of the fiscal year during which the incorporation became effective. The additional period of time after the end of the fiscal year during which the incorporation became effective for which the board of supervisors determines to provide services, without charge, and the specific services to be provided shall be specifically stated in the resolution adopted by the board of supervisors.

SEC. 282. Section 57402 of the Government Code is amended to read:

57402. After ascertaining that disincorporation has occurred, the commission shall determine and certify in a written statement to the board of supervisors the indebtedness of the city, the amount of money in its treasury, and the amount of any tax levy or other obligation due the city which is unpaid or has not been collected.

SEC. 283. Section 57404 of the Government Code is amended to read:

57404. If the commission does not provide the board of supervisors with the certified statement required by Section 57402, the board shall make the determinations provided for in that section.

SEC. 285. Section 99 of the Revenue and Taxation Code is amended to read:

99. (a) For the purposes of the computations required by this chapter:

(1) In the case of a jurisdictional change, other than a city incorporation or a formation of a district as defined in Section 2215, the auditor shall adjust the allocation of property tax revenue determined pursuant to Section 96 or 96.1, or the annual tax increment determined pursuant to Section 96.5, for local agencies whose service area or service responsibility would be altered by the jurisdictional change, as determined pursuant to subdivision (b) or (c).

(2) In the case of a city incorporation, the auditor shall assign the allocation of property tax revenues determined pursuant to Section 56810 of the Government Code and the adjustments in tax revenues that may occur pursuant to Section 56815 of the Government Code to the newly formed city or district and shall make the adjustment as determined by Section 56810 in the allocation of property tax revenue determined pursuant to Section 96 or 96.1 for each local agency whose service area or service responsibilities would be altered by the incorporation.

(3) In the case of a formation of a district as defined in Section 2215, the auditor shall assign the allocation of property tax revenues determined pursuant to Section 56810 of the Government Code to the district and shall make the adjustment as determined by Section 56810 in the allocation of property tax revenue determined pursuant to Section 96 or 96.1 for each local agency whose service area or service responsibilities would be altered by the formation.

(b) Upon the filing of an application or a resolution pursuant to the Cortese-Knox Local Government Reorganization Act of 1985 (Division 3 (commencing with Section 56000) of Title 5 of the Government Code), but prior to the issuance of a certificate of filing, the executive officer shall give notice of the filing to the assessor and auditor of each county within which the territory subject to the jurisdictional change is located. This notice shall specify each local agency whose service area or responsibility will be altered by the jurisdictional change.

(1) (A) The county assessor shall provide to the county auditor, within 30 days of the notice of filing, a report which identifies the assessed valuations for the territory subject to the jurisdictional change and the tax rate area or areas in which the territory exists.

(B) The auditor shall estimate the amount of property tax revenue generated within the territory that is the subject of the jurisdictional change during the current fiscal year.

(2) The auditor shall estimate what proportion of the property tax revenue determined pursuant to paragraph (1) is attributable to each local agency pursuant to Section 96.1 and Section 96.5.

(3) Within 45 days of notice of the filing of an application or resolution, the auditor shall notify the governing body of each local agency whose service area or service responsibility will be altered by the amount of, and allocation factors with respect to, property tax revenue estimated pursuant to paragraph (2) that is subject to a negotiated exchange.

(4) Upon receipt of the estimates pursuant to paragraph (3) the local agencies shall commence negotiations to determine the amount of property tax revenues to be exchanged between and among the local agencies. This negotiation period shall not exceed 60 days.

The exchange may be limited to an exchange of property tax revenues from the annual tax increment generated in the area subject to the jurisdictional change and attributable to the local agencies whose service area or service responsibilities will be altered by the proposed jurisdictional change. The final exchange resolution shall specify how the annual tax increment shall be allocated in future years.

(5) In the event that a jurisdictional change would affect the service area or service responsibility of one or more special districts, the board of supervisors of the county or counties in which the districts are located shall, on behalf of the district or districts,



negotiate any exchange of property tax revenues. Prior to entering into negotiation on behalf of a district for the exchange of property tax revenue, the board shall consult with the affected district. The consultation shall include, at a minimum, notification to each member and executive officer of the district board of the pending consultation and provision of adequate opportunity to comment on the negotiation.

(6) Notwithstanding any other provision of law, the executive officer shall not issue a certificate of filing pursuant to Section 56658 of the Government Code until the local agencies included in the property tax revenue exchange negotiation, within the 60-day negotiation period, present resolutions adopted by each such county and city whereby each county and city agree to accept the exchange of property tax revenues.

(7) In the event that the commission modifies the proposal or its resolution of determination, any local agency whose service area or service responsibility would be altered by the proposed jurisdictional change may request, and the executive officer shall grant, 15 days for the affected agencies, pursuant to paragraph (4) to renegotiate an exchange of property tax revenues. Notwithstanding the time period specified in paragraph (4), if the resolutions required pursuant to paragraph (6) are not presented to the executive officer within the 15-day period, all proceedings of the jurisdictional change shall automatically be terminated.

(8) In the case of a jurisdictional change that consists of a city's qualified annexation of unincorporated territory, an exchange of property tax revenues between the city and the county shall be determined in accordance with subdivision (e) if that exchange of revenues is not otherwise determined pursuant to either of the following:

(A) Negotiations completed within the applicable period or periods as prescribed by this subdivision.

(B) A master property tax exchange agreement among those local agencies, as described in subdivision (d).

For purposes of this paragraph, a qualified annexation of unincorporated territory means an annexation, as so described, for which proceedings before the relevant local agency formation commission are initiated, as provided in Section 56651 of the Government Code, on or after January 1, 1998, and on or before January 1, 2005.

(9) No later than the date on which the certificate of completion of the jurisdictional change is recorded with the county recorder, the executive officer shall notify the auditor or auditors of the exchange of property tax revenues and the auditor or auditors shall make the appropriate adjustments as provided in subdivision (a).

(c) Whenever a jurisdictional change is not required to be reviewed and approved by a local agency formation commission, the

local agencies whose service area or service responsibilities would be altered by the proposed change, shall give notice to the State Board of Equalization and the assessor and auditor of each county within which the territory subject to the jurisdictional change is located. This notice shall specify each local agency whose service area or responsibility will be altered by the jurisdictional change and request the auditor and assessor to make the determinations required pursuant to paragraphs (1) and (2) of subdivision (b). Upon notification by the auditor of the amount of, and allocation factors with respect to, property tax subject to exchange, the local agencies, pursuant to the provisions of paragraphs (4) and (6) of subdivision (b), shall determine the amount of property tax revenues to be exchanged between and among the local agencies. Notwithstanding any other provision of law, no such jurisdictional change shall become effective until each county and city included in these negotiations agrees, by resolution, to accept the negotiated exchange of property tax revenues. The exchange may be limited to an exchange of property tax revenue from the annual tax increment generated in the area subject to the jurisdictional change and attributable to the local agencies whose service area or service responsibilities will be altered by the proposed jurisdictional change. The final exchange resolution shall specify how the annual tax increment shall be allocated in future years. Upon the adoption of the resolutions required pursuant to this section, the adopting agencies shall notify the auditor who shall make the appropriate adjustments as provided in subdivision (a). Adjustments in property tax allocations made as the result of a city or library district withdrawing from a county free library system pursuant to Section 19116 of the Education Code shall be made pursuant to Section 19116 of the Education Code, and this subdivision shall not apply.

(d) With respect to adjustments in the allocation of property taxes pursuant to this section, a county and any local agency or agencies within the county may develop and adopt a master property tax transfer agreement. The agreement may be revised from time to time by the parties subject to the agreement.

(e) (1) An exchange of property tax revenues that is required by paragraph (8) of subdivision (b) to be determined pursuant to this subdivision shall be determined in accordance with all of the following:

(A) The city and the county shall mutually select a third-party consultant to perform a comprehensive, independent fiscal analysis, funded in equal portions by the city and the county, that specifies estimates of all tax revenues that will be derived from the annexed territory and the costs of city and county services with respect to the annexed territory. The analysis shall be completed within a period not to exceed 30 days, and shall be based upon the general plan or adopted plans and policies of the annexing city and the intended uses

for the annexed territory. If, upon the completion of the analysis period, no exchange of property tax revenues is agreed upon by the city and the county, subparagraph (B) shall apply.

(B) The city and the county shall mutually select a mediator, funded in equal portions by those agencies, to perform mediation for a period of not to exceed 30 days. If, upon the completion of the mediation period, no exchange of property tax revenues is agreed upon by the city and the county, subparagraph (C) shall apply.

(C) The city and the county shall mutually select an arbitrator, funded in equal portions by those agencies, to conduct an advisory arbitration with the city and the county for a period of not to exceed 30 days. At the conclusion of this arbitration period, the city and the county shall each present to the arbitrator its last and best offer with respect to the exchange of property tax revenues. The arbitrator shall select one of the offers and recommend that offer to the governing bodies of the city and the county. If the governing body of the city or the county rejects the recommended offer, it shall do so during a public hearing, and shall, at the conclusion of that hearing, make written findings of fact as to why the recommended offer was not accepted.

(2) Proceedings under this subdivision shall be concluded no more than 150 days after the auditor provides the notification pursuant to paragraph (3) of subdivision (b), unless one of the periods specified in this subdivision is extended by the mutual agreement of the city and the county. Notwithstanding any other provision of law, except for those conditions that are necessary to implement an exchange of property tax revenues determined pursuant to this subdivision, the local agency formation commission shall not impose any fiscal conditions upon a city's qualified annexation of unincorporated territory that is subject to this subdivision.

(f) Except as otherwise provided in subdivision (g), for the purpose of determining the amount of property tax to be allocated in the 1979-80 fiscal year and each fiscal year thereafter for those local agencies that were affected by a jurisdictional change which was filed with the State Board of Equalization after January 1, 1978, but on or before January 1, 1979. The local agencies shall determine by resolution the amount of property tax revenues to be exchanged between and among the affected agencies and notify the auditor of the determination.

(g) For the purpose of determining the amount of property tax to be allocated in the 1979-80 fiscal year and each fiscal year thereafter, for a city incorporation that was filed pursuant to Sections 54900 to 54904 after January 1, 1978, but on or before January 1, 1979, the amount of property tax revenue considered to have been received by the jurisdiction for the 1978-79 fiscal year shall be equal to two-thirds of the amount of property tax revenue projected in the



final local agency formation commission staff report pertaining to the incorporation multiplied by the proportion that the total amount of property tax revenue received by all jurisdictions within the county for the 1978-79 fiscal year bears to the total amount of property tax revenue received by all jurisdictions within the county for the 1977-78 fiscal year. Except, however, in the event that the final commission report did not specify the amount of property tax revenue projected for that incorporation, the commission shall by October 10, determine pursuant to Section 54790.3 of the Government Code the amount of property tax to be transferred to the city.

The provisions of this subdivision shall also apply to the allocation of property taxes for the 1980-81 fiscal year and each fiscal year thereafter for incorporations approved by the voters in June 1979.

(b) For the purpose of the computations made pursuant to this section, in the case of a district formation that was filed pursuant to Sections 54900 to 54904, inclusive, of the Government Code after January 1, 1978, but before January 1, 1979, the amount of property tax to be allocated to the district for the 1979-80 fiscal year and each fiscal year thereafter shall be determined pursuant to Section 54790.3 of the Government Code.

(i) For the purposes of the computations required by this chapter, in the case of a jurisdictional change, other than a change requiring an adjustment by the auditor pursuant to subdivision (a), the auditor shall adjust the allocation of property tax revenue determined pursuant to Section 96 or 96.1 or its predecessor section, or the annual tax increment determined pursuant to Section 96.5 or its predecessor section, for each local school district, community college district, or county superintendent of schools whose service area or service responsibility would be altered by the jurisdictional change, as determined as follows:

(1) The governing body of each district, county superintendent of schools, or county whose service areas or service responsibilities would be altered by the change shall determine the amount of property tax revenues to be exchanged between and among the affected jurisdictions. This determination shall be adopted by each affected jurisdiction by resolution. For the purpose of negotiation, the county auditor shall furnish the parties and the county board of education with an estimate of the property tax revenue subject to negotiation.

(2) In the event that the affected jurisdictions are unable to agree, within 60 days after the effective date of the jurisdictional change, and if all the jurisdictions are wholly within one county, the county board of education shall, by resolution, determine the amount of property tax revenue to be exchanged. If the jurisdictions are in more than one county, the State Board of Education shall, by resolution,

within 60 days after the effective date of the jurisdictional change, determine the amount of property tax to be exchanged.

(3) Upon adoption of any resolution pursuant to this subdivision, the adopting jurisdictions or State Board of Education shall notify the county auditor who shall make the appropriate adjustments as provided in subdivision (a).

(j) For purposes of subdivision (i), the annexation by a community college district of territory within a county not previously served by a community college district is an alteration of service area. The community college district and the county shall negotiate the amount, if any, of property tax revenues to be exchanged. In these negotiations, there shall be taken into consideration the amount of revenue received from the timber yield tax and forest reserve receipts by the community college district in the area not previously served. In no event shall the property tax revenue to be exchanged exceed the amount of property tax revenue collected prior to the annexation for the purposes of paying tuition expenses of residents enrolled in the community college district, adjusted each year by the percentage change in population and the percentage change in the cost of living, or per capita personal income, whichever is lower, less the amount of revenue received by the community college district in the annexed area from the timber yield tax and forest reserve receipts.

(k) At any time after a jurisdictional change is effective, any of the local agencies party to the agreement to exchange property tax revenue may renegotiate the agreement with respect to the current fiscal year or subsequent fiscal years, subject to approval by all local agencies affected by the renegotiation.

SEC. 286. This act is intended to implement the recommendations of the Commission on Local Governance for the 21st Century, as transmitted to the Legislature on January 20, 2000.

SEC. 287. Sections 90.5, 97.5, 115.5, and 211.5 of this bill incorporate amendments to Sections 56828, 56833.1, 56840, and 56857 of the Government Code proposed by both this bill and AB 1495, which sections are renumbered respectively as Sections 56658, 56666, 56800, and 56895 of the Government Code in this bill, and Sections 214.5 and 223.5 of this bill also incorporate amendments to Sections 57002 and 57050 of the Government Code proposed by both this bill and AB 1495. Those sections of this bill shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2001, (2) each bill amends or repeals Sections 56828, 56833.1, 56840, 56857, 57002, and 57050 of the Government Code, and (3) this bill is enacted after AB 1495, in which case Sections 56828, 56833.1, 56840, 56857, 57002, and 57050 of the Government Code, as amended by AB 1495, shall remain operative only until the operative date of this bill, at which time Sections 90.5, 97.5, 115.5, 211.5, 214.5, and 223.5 of this bill shall become operative, and Sections 90, 97, 115,

214, and 223 of this bill and Section 56895 of the Government Code, as added by Section 211 of this bill, shall not become operative.

SEC. 288. (a) Section 123.5 of this bill incorporates amendments to Section 56845 of the Government Code proposed by both this bill and AB 1495, which section is renumbered as Section 56815 of the Government Code in this bill. Section 123.5 shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2001, (2) each bill amends or repeals Section 56845 of the Government Code, (3) AB 2779 is not enacted or as enacted does not amend that section, and (4) this bill is enacted after AB 1495, in which case Section 56815 of the Government Code, as added by Section 123 of this bill, and Section 123.7 of this bill shall not become operative.

(b) Section 123.7 of this bill incorporates amendments to Section 56845 of the Government Code proposed by both this bill and AB 2779. It shall become operative if (1) both bills are enacted and become effective on or before January 1, 2001, (2) each bill enacted amends or repeals Section 56845 of the Government Code, (3) AB 1495 is not enacted or as enacted does not amend that section, and (4) this bill is enacted after AB 2779, in which case Section 56815 of the Government Code, as added by Section 123 of this bill, and Section 123.5 of this bill shall not become operative.

(c) Section 123.7 of this bill also incorporates amendments to Section 56845 of the Government Code proposed by this bill, AB 1495, and AB 2779. It shall also become operative if (1) all three bills are enacted and become effective on or before January 1, 2001, (2) all three bills amend or repeal Section 56845 of the Government Code, and (3) this bill is enacted after AB 1495 and AB 2779, in which case Section 56815 of the Government Code, as added by Section 123 of this bill, and Section 123.5 of this bill shall not become operative.

SEC. 289. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7. (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

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Assembly Bill No. 1948

CHAPTER 493

An act to amend Section 56381 of the Government Code, relating to local agency formation commissions.

[Approved by Governor September 12, 2002. Filed with Secretary of State September 12, 2002.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1948, Kelley. Local agency formation commissions.

Existing law prescribes the apportionment for the net operating expenses of the local agency formation commission among the county and the cities and special districts within the county.

This bill would revise the method of calculating independent special district revenues in order to determine independent special districts' apportionments of the net operating expenses of a commission, and would provide that no independent special district shall be apportioned a share of more than 50% of the total independent special districts' share of the commission's operational costs. The bill would provide, with respect to a district formed under the Local Health Care District Law that operates a hospital, that the district may not be apportioned any share until the fiscal year following positive net revenue, as defined, or, if the district has filed for and is operating under federal bankruptcy, until the fiscal year after its discharge from bankruptcy.

*The people of the State of California do enact as follows:*

SECTION 1. (a) The Legislature finds and declares all of the following:

(1) Health care districts operating hospitals throughout California are under severe financial assault.

(2) District hospitals provide a substantial proportion of health care services to low-income residents of the state, to minority populations, and to the uninsured. District hospitals serve a disproportionately large number of Medicare and Medi-Cal beneficiaries, as compared to nonpublic hospitals.

(3) Health care districts constitute the single largest provider of basic and emergency health services in rural California. In some communities, health care districts are the only providers of health care services.

(4) Health care districts operate 35 of California's 71 rural hospitals. In addition, districts operate some 15 health care clinics and skilled

nursing facilities. Health care district facilities provide inpatient care to more than 200,000 Californians and support more than 1,800,000 outpatient visits annually.

(5) Reimbursement for health care services from Medi-Cal, Medicare, and health maintenance organizations currently covers less than one-half of the actual cost of hospital services and these reimbursements are declining.

(6) The cost of recruiting and retaining health care workers, especially nursing staff, has increased sharply in recent years.

(7) The average district hospital in California operates with a net annual operating deficit of one million five hundred thousand dollars (\$1,500,000).

(8) As a group, California's district hospitals lost a total in excess of seventy million dollars (\$70,000,000) on operations in the 2000-01 fiscal year. In the past five years, five district hospitals have been forced to declare bankruptcy, and one has closed permanently.

(9) Recently imposed government mandates including, but not limited to, seismic safety, data reporting, Local Agency Formation Commission (LAFCO) assessments, and the federal Health Insurance Portability and Accountability Act of 1996 have put major financial strains on district hospitals. More of these facilities may soon be forced into bankruptcy and closure.

(b) It is the intent of the Legislature to enact legislation that would more fairly allocate the cost of operating LAFCOs to be borne by health care districts, which are seldom involved in changes of organization, or other activities which require action or oversight by LAFCOs.

SEC. 2. Section 56381 of the Government Code is amended to read:

56381. (a) The commission shall adopt annually, following noticed public hearings, a proposed budget by May 1 and final budget by June 15. At a minimum, the proposed and final budget shall be equal to the budget adopted for the previous fiscal year unless the commission finds that reduced staffing or program costs will nevertheless allow the commission to fulfill the purposes and programs of this chapter. The commission shall transmit its proposed and final budgets to the board of supervisors; to each city; to the clerk and chair of the city selection committee, if any, established in each county pursuant to Article 11 (commencing with Section 50270) of Chapter 1 of Part 1 of Division 1; to each independent special district; and to the clerk and chair of the independent special district selection committee, if any, established pursuant to Section 56332.

(b) After public hearings, consideration of comments, and adoption of a final budget by the commission pursuant to subdivision (a), the

auditor shall apportion the net operating expenses of a commission in the following manner:

(1) (A) In counties in which there is city and independent special district representation on the commission, the county, cities, and independent special districts shall each provide a one-third share of the commission's operational costs.

(B) The cities' share shall be apportioned in proportion to each city's total revenues, as reported in the most recent edition of the Cities Annual Report published by the Controller, as a percentage of the combined city revenues within a county, or by an alternative method approved by a majority of cities representing a majority of the combined cities' populations.

(C) The independent special districts' share shall be apportioned in proportion to each district's total revenues as a percentage of the combined total district revenues within a county. Except as provided in subparagraph (D), an independent special district's total revenue shall be calculated for nonenterprise activities as total revenues for general purpose transactions less revenue category aid from other governmental agencies and for enterprise activities as total operating and nonoperating revenues less revenue category other governmental agencies, as reported in the most recent edition of the "Special Districts Annual Report" published by the Controller. It is the intent of the Legislature that no single district or class or type of district shall bear a disproportionate amount of the independent special district share of costs. For the purposes of fulfilling the requirement of this section, a multicounty independent special district shall be required to pay its apportionment in its principal county.

(D) (i) For purposes of apportioning costs to a health care district formed pursuant to Division 23 (commencing with Section 32000) of the Health and Safety Code that operates a hospital, a health care district's share, except as provided in clauses (ii) and (iii), shall be apportioned in proportion to each district's net revenue from operations as reported in the most recent edition of the hospital financial disclosure report form published by the Office of Statewide Health Planning and Development, as a percentage of the combined independent special districts net operating revenues within a county.

(ii) A health care district for which net revenue from operations is a negative number may not be apportioned any share of the commission's operational costs until the fiscal year following positive net revenue from operations, as reported in the most recent edition of the hospital financial disclosure report form published by the Office of Statewide Health Planning and Development.

(iii) A health care district that has filed and is operating under public entity bankruptcy pursuant to federal bankruptcy law, shall not be apportioned any share of the commission's operational costs until the fiscal year following its discharge from bankruptcy.

(E) Notwithstanding the requirements of subparagraph (C), the independent special districts' share may be apportioned by an alternative method approved by a majority of the districts, representing a majority of the combined populations. However, in no event shall the independent special districts' share exceed the amount that would be calculated pursuant to subparagraphs (C) and (D).

(F) Notwithstanding the requirements of subparagraph (C), no independent special district shall be apportioned a share of more than 50 percent of the total independent special districts' share of the commission's operational costs. In those counties in which a district's share is limited to 50 percent of the total independent special districts' share of the commission's operational costs, the share of the remaining districts shall be increased on a proportional basis so that the total amount for all districts equals the share apportioned by the auditor to independent special districts.

(2) In counties in which there is no independent special district representation on the commission, the county and its cities shall each provide a one-half share of the commission's operational costs. The cities' share shall be apportioned in the manner described in paragraph (1).

(3) In counties in which there are no cities, the county and its special districts shall each provide a one-half share of the commission's operational costs. The independent special districts' share shall be apportioned in the manner described for cities' apportionment in paragraph (1). If there is no independent special district representation on the commission, the county shall pay all of the commission's operational costs.

(4) Instead of determining apportionment pursuant to paragraph (1), (2), or (3), any alternative method of apportionment of the net operating expenses of the commission may be used if approved by a majority vote of each of the following: the board of supervisors; a majority of the cities representing a majority of the total population of cities in the county; and the independent special districts representing a majority of the combined total population of independent special districts in the county.

(5) In no event shall the independent special districts' share exceed the amount that would be calculated pursuant to subparagraphs (C) and (D) of paragraph (1).

(c) After apportioning the costs as required in subdivision (b), the auditor shall request payment from the board of supervisors and from

each city and each independent special district no later than July 1 of each year for the amount that entity owes and the actual administrative costs incurred by the auditor in apportioning costs and requesting payment from each entity. If the county, a city, or an independent special district does not remit its required payment within 60 days, the commission may determine an appropriate method of collecting the required payment, including a request to the auditor to collect an equivalent amount from the property tax, or any fee or eligible revenue owed to the county, city, or district. The auditor shall provide written notice to the county, city, or district prior to appropriating a share of the property tax or other revenue to the commission for the payment due the commission pursuant to this section. Any expenses incurred by the commission or the auditor in collecting late payments or successfully challenging nonpayment shall be added to the payment owed to the commission. Between the beginning of the fiscal year and the time the auditor receives payment from each affected city and district, the board of supervisors shall transmit funds to the commission sufficient to cover the first two months of the commission's operating expenses as specified by the commission. When the city and district payments are received by the commission, the county's portion of the commission's annual operating expenses shall be credited with funds already received from the county. If, at the end of the fiscal year, the commission has funds in excess of what it needs, the commission may retain those funds and calculate them into the following fiscal year's budget. If, during the fiscal year, the commission is without adequate funds to operate, the board of supervisors may loan the commission funds and recover those funds in the commission's budget for the following fiscal year.

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Gray Davis  
GOVERNOR

STATE OF CALIFORNIA



Tal Finney  
INTERIM DIRECTOR

LAFCO  
MUNICIPAL SERVICE REVIEW  
GUIDELINES  
FINAL DRAFT  
2002

Governor's Office of Planning and Research

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# LAFCO MUNICIPAL SERVICE REVIEW GUIDELINES FINAL DRAFT

Prepared for:

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## EXECUTIVE SUMMARY

These guidelines are the result of legislation (Chapter 761, Statutes of 2000) signed by Governor Gray Davis relating to powers and authorities of Local Agency Formation Commissions (LAFCO).

Development of the legislation resulted from the recommendations of the Commission on Local Governance for the 21st Century (Commission). The Commission published its recommendations in a final report, *Growth Within Bounds*, issued on January 20, 2000.

The report recommended and the legislation enacted a new process for LAFCO to review municipal services on a regular basis. As part of its review of municipal services, LAFCO is required to prepare a written statement of its determination with respect to each of the following:

1. Infrastructure needs or deficiencies;
2. Growth and population projections for the affected area;
3. Financing constraints and opportunities;
4. Cost avoidance opportunities;
5. Opportunities for rate restructuring;
6. Opportunities for shared facilities;
7. Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers;
8. Evaluation of management efficiencies; and
9. Local accountability and governance.

The Governor's Office of Planning and Research (OPR) is directed by statute to prepare these guidelines to assist LAFCO in complying with the new requirement for municipal service reviews.

The guidelines were developed through five public workshops, numerous meetings of an OPR appointed stakeholder task force and four public review periods. The guidelines encourage public participation and consultation with stakeholder organizations at the earliest opportunity. OPR has tried to clearly identify those actions which are required by law and those where OPR recommends a particular process or policy when undertaking the municipal service review.

The guidelines are divided into three parts: Part I - Preparing to Undertake a Municipal Service Review, Part II - The Municipal Service Review Process, and Part III - Taking Action on the Municipal Service Review.

Part I describes the statutory framework and requirements of the municipal service review. This Part also provides guidance on how a LAFCO, service provider and the public can prepare to most effectively engage in the municipal service review process including, but not limited to:

- Development of a long-term schedule of all municipal service reviews which are required to be undertaken by LAFCO during the five-year cycle for Sphere of Influence (SOI) updates.
- Development of a work plan for an individual municipal service review.
- Gathering of data and information related to the municipal service review.
- Development of a strategy for preparing a municipal service review report.
- Identifying the boundary of the municipal service review study boundary

Part II includes guidance on the individual municipal service review process including integrating municipal service reviews with other LAFCO actions, application of the California Environmental Quality Act and potential environmental justice impacts, and the development of the nine determinations.

Part III contains information on how to draft the final individual municipal service review report, suggestions on public participation and the requirements for the hearing at which the report is adopted.

In developing the Guidelines, it is OPR's intent to provide a structure to assist LAFCOs to carry out their statutory responsibility of promoting orderly growth and development, preserving the state's finite open space and agricultural land resources, and working to ensure that high quality public services are provided to all California residents in the most cost effective and efficient manner.



## PART I - PREPARING TO UNDERTAKE A MUNICIPAL SERVICE REVIEW

### CHAPTER 1. INTRODUCTION

This Chapter provides background on the development of the Municipal Service Review Guidelines, an explanation of their purposes and information on the overall structure and use of this document.

#### A. STATUTORY BACKGROUND ON MUNICIPAL SERVICE REVIEW GUIDELINES

On September 26, 2000, Governor Gray Davis signed into law AB 2838 (Chapter 761, Statutes of 2000), authored by Assembly Speaker Robert M. Hertzberg. This legislation, titled the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) and codified as California Government Code §56000 et seq, marked the most significant reform to local government reorganization law since the 1963 statute that created Local Agency Formation Commissions (LAFCOs) in each county.

Development of the legislation resulted from the recommendations of the Commission on Local Governance for the 21st Century. The Commission, established through statute in 1997, published its recommendations in a final report, *Growth Within Bounds*, issued on January 20, 2000.

Pursuant to Government Code §56430, the Governor's Office of Planning and Research (OPR) is required to prepare guidelines for Local Agency Formation Commissions (LAFCO) to conduct reviews of local municipal services.

Prior to the 2000 amendments, the law already permitted LAFCOs to conduct municipal service review studies. These LAFCO service studies generally provided evaluation tools to support future LAFCO actions or were part of a reorganization committee effort.

Existing law (§56430), now states that in order to prepare and update a Sphere of Influence (SOI), LAFCOs are required to first conduct a municipal service review of the municipal services provided in the county or other appropriate designated area.

The term "municipal services" generally refers to the full range of services that a public agency provides or is authorized to provide. The definition is somewhat modified under the CKH Act, however, because LAFCO is only required to review services provided by agencies with SOIs. Therefore, general county government services, such as courts and social services, are not required to be reviewed.

As part of its review of municipal services, LAFCO is required to prepare a written statement of its determination with respect to each of the following:

10. Infrastructure needs or deficiencies;
  1. Growth and population projections for the affected area;
  2. Financing constraints and opportunities;
  3. Cost avoidance opportunities;
  4. Opportunities for rate restructuring;
  5. Opportunities for shared facilities;
  6. Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers;
  7. Evaluation of management efficiencies; and
  8. Local accountability and governance.

These guidelines have been developed to assist LAFCOs step through the process of making these determinations.

## **B. DEVELOPMENT OF GUIDELINES**

Pursuant to the requirements of the CKH Act, the Municipal Service Review Guidelines has been developed in consultation with the California Association of California LAFCOs and numerous other organizations representing service providers and the public. Participating organizations include the California Special Districts Association, the League of California Cities, the California State Association of Counties, the Association of California Water Agencies, the League of Women Voters, the California Fire Districts' Association, housing and environmental groups and dozens of representatives from cities, counties, special districts and interested parties.

Consultations and collaboration occurred during facilitated public workshops in Sacramento, Fresno, Santa Ana, Red Bluff and San Diego; five working group sessions with representatives from affected local government entities; and interviews and meetings with interested constituents.

An issues paper and draft outline of the Municipal Service Review Guidelines<sup>1</sup> was published in May 2001 and subjected to a 21-day public review period. The Preliminary Draft<sup>2</sup> LAFCO Municipal Service Review Guidelines was issued for a 21-day review in August 2001 and comments were reviewed and incorporated into the Final Draft Municipal Service Review Guidelines as appropriate.

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<sup>1</sup> Prepared under contract with Graichen Consulting and edited by OPR

<sup>2</sup> Ibid

A 21-day public review of the Final Draft Guidelines was provided in October of 2002 with appropriate comments incorporated into the Final Municipal Service Review Guidelines.

California LAFCOs have been especially generous with their contributions of service studies, procedures, and other technical products. Special districts and cities have provided samples of model service practices. OPR wishes to recognize the contributions of the Napa County LAFCO in preparing Chapter 8 of this document. Every attempt has been made to incorporate successful procedures, processes and templates created by numerous public agencies.

### **C. HOW TO USE THE GUIDELINES**

The Guidelines are organized into three parts: preparations for undertaking a municipal service review, the process of developing the municipal service review, and taking final actions on the municipal service reviews.

**Part I - Preparing to Undertake a Municipal Service Review** includes five chapters: Chapter 1 included introductory comments and background on the guidelines. Chapter 2 contains a description of the basic roles and responsibilities of LAFCO, service providers and the public in the municipal service review process. Chapter 3 includes a strategy for developing an overall schedule for municipal service reviews. Chapter 4 contains information on developing a work plan for individual municipal service reviews. Chapter 5 provides guidance on determining the study area boundaries for a municipal service review.

**Part II - The Municipal Service Review Process** includes three chapters. Chapter 6 provides guidance on integrating a municipal service review with other LAFCO actions, as appropriate. Chapter 7 includes information on compliance with the California Environmental Quality Act (CEQA). Chapter 8 describes the development of the nine required written determinations.

**Part III - Taking Action on the Municipal Service Review** includes two chapters. Chapter 9 provides guidance on preparing the draft and final municipal service review report for the LAFCO Commission's consideration. Chapter 10 describes the public hearing process.

**Appendix A** provides a list of important definitions. **Appendix B** includes a list of acronyms used in the Guidelines. Readers may wish to use the list of definitions and acronyms as reference tools when using the Guidelines. **Appendices C - L** provide additional background and templates.

The Municipal Service Review Guidelines is not a regulatory document. It is intended to enable LAFCOs to consistently make the most accurate and substantiated municipal

service review determinations possible using effectively compiled and analyzed information. The resultant municipal service reviews will be information tools available to the public, and to all cities, counties, special districts, agencies and groups that seek to improve the quality of California's public service infrastructure.

In developing the Guidelines, it is OPR's intent to provide a structure to assist LAFCOs to carry out their statutory responsibility of promoting orderly growth and development, preserving the state's finite open space and agricultural land resources, and working to ensure that high quality public services are provided to all California residents in the most cost effective and efficient manner.

## CHAPTER 2. BASIC ROLES AND RESPONSIBILITIES

Beginning in January of 2001, LAFCOs became responsible for undertaking municipal

**IMPACT OF 2000 AMENDMENTS**  
The requirement to undertake municipal service reviews and make specified findings is one of the most significant modifications to the role and responsibilities of LAFCO in the enacting legislation since the 1960's. OPR recommends that each LAFCO, service provider and public advocacy group take time to review and understand their roles in this new statutory environment.

service reviews prior to the update of an entity's SOI. This chapter outlines the basic roles and responsibilities of the LAFCO, the service provider and the public in implementing this requirement. Refer to **Appendix C** for general background information on the requirement for LAFCO to perform municipal service reviews.

### A. MUNICIPAL SERVICE REVIEW: ROLE OF LAFCO

In order to ensure that deliberations by LAFCO on municipal service reviews are consistent, it is important that LAFCO adopt standard written policies and procedures regarding the manner in which it exercise its powers including how it will review any municipal service (Government Code 556300).

**WHAT SERVICES ARE COVERED?**  
Existing law requires that a service review be completed in preparation of the adoption and/or update of a SOI. Therefore, any municipal service which has a service area defined by LAFCO through a SOI will need to have a municipal service review. LAFCO may include one or more services in the review and the study area may be the whole county, multiple counties or any appropriate sub-area, as determined by LAFCO (Government Code 556430).

Municipal service reviews are required for services for which a SOI has been adopted. LAFCO is required to prepare a municipal service review for any municipal service which is provided by an entity which LAFCO approves a SOI.

As part of the municipal service review process, LAFCO should convene stakeholders as appropriate and facilitate collaborative efforts to address issues and challenges.

Stakeholders may include affected and interested LAFCOs and other government agencies, other interested parties and members of the public.

Cooperatively developed municipal service reviews enable LAFCO and service providers to more effectively accomplish mutual public service objectives. To the extent possible, stakeholders should work together to evaluate existing and future service needs and determine what structures are needed to support healthy growth while preserving important agricultural and open space resources. Although LAFCO does not have direct land use authority and is not enabled to manage or operate a service provider agency, LAFCO can serve as intermediaries for the State in addressing specific growth challenges.

An effective municipal service review process should include early consultations with stakeholders, an inclusive municipal service review design, public review of municipal service review work plans and municipal service review report, and an overall collaborative process (see the process flow chart in Appendix D).

Through collaboration, LAFCO and interested parties can: identify common goals and objectives and diffuse issues that foster competition rather than cooperation; share expertise and help lower costs by assisting LAFCOs in determining what types of information need to be gathered and in what form; identify information that is already available to streamline data collection; develop strategies for augmenting LAFCO's technical capabilities by funding or loaning technical staff to work under LAFCO's direction; develop strategies for constructively addressing overlapping service boundaries; and develop plans to implement recommendations developed as a result of a municipal service review.

## **B. MUNICIPAL SERVICE REVIEW: ROLE OF THE SERVICE PROVIDER**

Service providers play an important role in the collaborative process for conducting a municipal service review. The cooperation of service providers is important to ensure that LAFCO has access to all necessary information in a timely manner, and to assist LAFCO in interpreting that information. The service provider should view the municipal service review process as an opportunity to share accurate and current data, accomplishments and information that will allow the LAFCO to make sound conclusions and determinations with respect to services. LAFCOs will use the information provided by service providers to review proposals for changes in services, including SOI updates, incorporations and other boundary decisions.

## **C. MUNICIPAL SERVICE REVIEW: ROLE OF THE PUBLIC**

LAFCOs should encourage and provide multiple public participation opportunities in the municipal service review process. To this end, LAFCOs should develop and maintain a list of interested parties to whom such outreach can be extended. Service providers can assist in involving the public by including municipal service review information in newsletters or billing statements. Public comments should be

#### PUBLIC PARTICIPATION

A major goal of the CKH Act amendments was to increase public participation in public service planning and delivery. Consistent with that goal, public notice requirements for all LAFCO processes were strengthened or augmented. LAFCOs were also required to adopt service review determinations in a public forum

considered and incorporated into the municipal service review process and reports where appropriate and feasible.

The municipal service review process chart (Appendix D) recommends that LAFCO provide several opportunities for the public to provide input in the process. These opportunities can include stakeholder

meetings, public hearings or workshops to initiate municipal service reviews, a public review period of the draft municipal service review report, and a public hearing to consider adoption of written determinations.

### CHAPTER 3. DEVELOPING A SCHEDULE OF MUNICIPAL SERVICE REVIEWS

LAFCO should develop a schedule for undertaking municipal service reviews reflective of the individual needs of their county and as a workload management tool. Key internal and external considerations in the development of a schedule for municipal service reviews include:

- To what extent are your SOIs current?
- Are there any pending proposals involving changes to SOIs that may trigger the need for a municipal service review?
- What is the relative complexity of the service(s) being reviewed? (Appendix E includes information on data collection that may assist the LAFCO to determine level of complexity.)
- What is the capacity of the LAFCO to undertake municipal service reviews? (Appendix F includes information about the use of consultants for municipal service reviews and Appendix G includes examples of funding options.)
- What are the general operating practices of the LAFCO (i.e., frequency of meetings, length of meetings, number of items typically on the agenda)

#### REVIEW DEADLINES

The CKH Act's most recent amendments took effect on January 1, 2001. Although §56430 does not directly provide a specific date when all service reviews must be completed, a deadline can be inferred from §56425, which states, "Upon determination of a sphere, the commission shall adopt that sphere, and shall review and update, as necessary, the adopted sphere not less than every five years."

OPR recommends that LAFCO take the time to establish a schedule and process for undertaking municipal service reviews which reflects agreement of the board members, service providers, the public, the executive officer and LAFCO staff.

## A. DEVELOPMENT OF THE SCHEDULE: LAFCO PREPARATION

Since existing law requires SOIs to be updated every five years, and municipal service reviews must be completed for SOI updates, municipal service reviews should be updated at least every five years. LAFCOs have complete flexibility in scheduling these reviews including identifying which services will be reviewed, whether similar services will be reviewed at the same time, and what service areas/geographic regions will be reviewed within an individual municipal service review.

### TECHNICAL INPUT

LAFCO municipal service review procedures should include a specific process for service providers and the public to identify unique challenges to providing services to a particular area.

OPR recommends that LAFCOs develop a five-year schedule of reviews in order to ensure that all required municipal service reviews are completed in a timely manner. In developing any schedule of reviews, the LAFCO should develop policies and procedures on how it will handle reviews which occur due to changes in local circumstances such as proposals that may require changes to the SOI, proposed annexations, SOI amendments and incorporations.

LAFCO should also provide opportunities for service providers to be involved in the establishment of the schedule, development of the work plan for an individual municipal service review, designing of the review and preparation of the final municipal service review report for the LAFCO Commission. LAFCO should adopt standard policies and procedures relative to public involvement to ensure that community members and service providers have an opportunity to participate in these activities.

Below are some tools to assist LAFCO in preparing to undertake municipal service reviews including of service provider profiles, SOI status logs, maps, and matrices.

### GETTING PREPARED

- Review service provider profiles.
- Review SOI status log.
- Obtain service provider maps.
- Create service provider matrices.
- Create five-year schedule

**Review Service Provider Profiles:** Many LAFCOs have developed service provider directories, profiles or inventories, which can be used as a resource. Service provider profiles vary from county to county but most include basic information such as service provider names, district maps, telephone numbers, key staff, size, population served, services provided,

appropriate enabling legislation, authorized and latent powers, date of formation and some budget information.

Some directories only include information on service providers with SOIs. Others include data on most providers including private purveyors and districts that are not subject to SOI or other requirements.

When available, directories can also be used by cities and counties when updating plans, conducting California Environmental Quality Act (CEQA) reviews, and reviewing development projects, and by the public when seeking basic information about services in their communities.

LAFCOs that have not compiled agency profiles should consider using information obtained during municipal service reviews and SOI updates to start compiling a directory of profiles. **Appendices H, I, and J** are examples of service provider profiles for a Community Service District (CSD), city and special district.<sup>3</sup>

**Review SOI Status Logs:** Some LAFCOs maintain a status log for all SOIs under its jurisdiction (See **Appendix K** for an example of a SOI status log). These logs identify past actions of the LAFCO relative to changes in the SOI of specific service providers. LAFCOs that have not kept status logs should consider keeping these logs and/or otherwise memorializing the information gained from the municipal service review.

**Organize Your Data:** Once LAFCO has assembled basic information about applicable services and service providers, it may want to use one or more of the following methods for organizing the information. Some suggestions include maps, matrices and timelines.

1. **Maps:** Countywide, regional and service area maps can be useful in identifying what geographic areas should be reviewed. Some of these maps may be obtained from existing sources such as service provider profiles. Before creating new maps, the LAFCO should check with local planning agencies to determine if they have prepared such maps as part of development reviews, EIRs or General Plan preparation. Useful maps include countywide, regional and service area maps. (**Appendix E** provides includes more information on how maps can assist in data collection.)
2. **Matrices:** LAFCOs may find it useful to prepare a matrix listing all service providers by the services that they provide or are authorized to provide. (See **Table 1** below, sample template.) It may also be useful to identify latent powers either on a

**ADVANTAGES OF ORGANIZING INFORMATION ON SPREADSHEETS**

Data organized using a spreadsheet format or other flexible software, allows each column to be sorted individually. One service provider may provide several services which may or may not be reviewed at the same time. Also, the information can be resorted by area or region.

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<sup>3</sup> Appendices referenced in this Chapter are provided as examples. The exact content and style are not specifically endorsed.



separate or the same matrix. (Appendix E includes more information on data collection.)

3. **Timeline:** LAFCO may use the data compiled to develop a draft five year timeline for initiating and completing all municipal service reviews.

**TABLE 1 - SERVICE PROVIDER MATRIX TEMPLATE<sup>4</sup>**

Provider	Area or Region	Fire (FI)	Sanitation (SA)	Water (WA)	Flood Control (FC)	Solid Waste (SW)	Recreation and Parks (R&P)	Other
ARFPD		FI*						
ARFCD					FC			
Arcade R&P							R&P	
Arcade Water				WA				
AM R&P							R&P	
Brannan-Andrus LMD					FC			
Citizens Utilities				WA				
CH ID				WA				
Clay Water				WA				
RD 369					FC			
Cordova R&P							R&P	
CSA9			SA					
CSD #1			SA					

\*Using letters facilitates sorts.

## B. DEVELOPMENT OF THE SCHEDULE: SERVICE PROVIDER PREPARATION

Service providers can help shape municipal service reviews by getting involved early in the process and assisting in: the establishment of the schedule, providing information, developing a work plan, collecting data/information and completing the municipal service review report.

A municipal service review is only as good as the data on which it is based. LAFCO will need specific information on the services being provided in the region and will probably need to request this information from the service providers. The types of information will vary from agency to agency and by the type of service being reviewed.

<sup>4</sup> This template is provided for illustration only and does not contain every type or class of municipal service.

Below is a list of the types of information a service provider may wish to gather to expedite the municipal service review process. It is not necessary to collect all types of data listed below. Select only those items that are relevant to the type of services under review.

1. A list of relevant statutory and regulatory obligations.
2. A copy of the most recent master services plan.
3. A metes and bounds legal description of the agency's boundary.
4. Service Area Maps (to the extent already prepared) including (1) A service boundary map; (2) A map indicating parcel boundaries (GIS maps may be available from the land use jurisdiction); (3) A vicinity or regional map with provider's boundary, major landmarks, freeways or highways, and adjacent or overlapping service provider boundaries (note: more than one map may need to be prepared to show all data); and (4) Maps indicating existing land uses within city or district boundaries and on adjacent properties.
5. Applicable excerpts from regional transportation, water, air quality, fair share housing allocation, airport land use, open space or agricultural plans or policies, or other environmental polices or programs.
6. Copies of regulatory and operating permits.
7. Number of acres or square miles included within the service area.
8. Type of sphere or sphere boundaries.
9. Assessed valuation.
10. Estimate of population within district boundaries.
11. As appropriate, the number of people, households, parcels or units currently receiving service, or the number of service connections.
12. Projected growth in service demand or planned new service demand/capacity.
13. Special communities of interest or neighborhoods affected by service.
14. Capital improvement plans.
15. Current service capacity.
16. Call volume.
17. Response time.
18. Annual operating budget.

### Don't Reinvent the Wheel

Service providers may regularly submit reports to a regulatory or financing agency which contain the information the LAFCO needs to complete the municipal service review. Use the information in these reports to respond to information requests by LAFCO.

Early consultation with the LAFCO and meaningful input by the service provider can reduce the time and cost to both parties.

### Share Best Practices and Unique Challenges

Service providers should take the opportunity to let LAFCOs know about best practices and other accomplishments of the agency when service information is requested.

In addition, service providers should inform the LAFCO about particular challenges that exist in providing services to a particular area so that this may be considered by the LAFCO during the municipal service review.

## **C. PRELIMINARY SCOPING - IF PREPARING FIVE YEAR SCHEDULE**

A five year schedule for under taking all mandatory municipal service reviews is not required by existing law. However, OPR recommends the preparation of a schedule to ensure that all municipal service reviews are completed for use in updating SOIs at least once every five years.

As part of the development of the five-year schedule of reviews, the LAFCO should undertake preliminary scoping. This Chapter provides general guidance; however, LAFCOs may need to modify these recommendations to reflect local conditions and circumstances; knowledge of processes that work better in a specific area; the repetitive nature, simplicity or complexity of a service; and other factors that are municipal service review specific.

**MENTORING LAFCOs**  
It may be useful to obtain guidance from experienced LAFCOs such as Mentor LAFCOs to assist with processing complex service reviews. It will also be useful for LAFCOs to share completed municipal service reviews as they become available. CALAFCO may be contacted for recommendations of mentor LAFCOs and to ascertain the availability of completed service reviews. A list of LAFCOs is also available on the CALAFCO website at <http://www.calafco.org/>.

Preliminary scoping for the establishment of a five-year schedule of reviews includes, but is not limited to, the following steps:

**Step 1. Service List - Create list of services and providers (see Table 1).**

**Step 2. Map - Prepare a map of study area boundaries.**

**Step 3. Single Service or Bundled Services** - Decide whether to study individual or clustered services.

**Step 4. Early Consultation** - Consult with affected LAFCOs, regional planning staff, city and county planning staff, service providers, stakeholder groups and the public.

**Step 5. Multi-County Review** - Decide whether the municipal service review affects or overlaps adjacent LAFCOs. (See **Appendix L.**)

**Step 6. LAFCO Capacity** - Identify potentials for funding, staffing, mentoring or consultant arrangements or options.

**Step 7. Data Assessment** - Review existing sources of information. (**Appendix E** includes information on data collection.)

**Step 8. Impact of Pending Proposals** - If pending LAFCO proposals are driving the municipal service review, meet with proponents to define issues, and discuss funding, timeframes, and the coordination of the municipal service review, the pending proposal and any required SOI update.

**Step 9. Funding Shares/Cost Sharing** - **Appendix G** includes several examples of funding sources for municipal service reviews.

#### **D. PREPARING THE SCHEDULE**

The schedule for undertaking municipal service reviews can be as simple as a list of reviews by year, indicating the services to be reviewed, providers affected and on anticipated study area boundaries. OPR recommends that the schedule be posted on the LAFCO web site, distributed to individuals and organizations on its "interested parties mailing list" and to all affected service providers. Once the schedule is prepared, circumstances may arise that require it to be modified, especially if the schedule covers multiple years. LAFCO should review the schedule regularly to make necessary modifications.

### **CHAPTER 4. DEVELOPMENT OF A WORK PLAN FOR INDIVIDUAL MUNICIPAL SERVICE REVIEWS**

This Chapter includes guidance on undertaking an individual municipal service review based on the schedule developed in Chapter 3. OPR recommends that a work plan be developed for each municipal service review. LAFCO may wish to develop a standard model for these work plans to ensure consistency and to save time. An effective work plan will assist the LAFCO to make key decisions about the following questions:

- Will the municipal service review include only one service or will several related services be reviewed together?
- Is there a need for inter-county coordination? (Appendix L includes a discussion of inter-agency coordination.)
- Will the municipal service review be integrated into some other LAFCO action(s)? (Chapter 6 includes a discussion of this issue.)
- Should the LAFCO use a consultant to complete the municipal service review? (Appendix G includes a discussion on use of consultants.)
- To what extent does the LAFCO budget reflect funding for the completion of the municipal service review? Will there be a need for supplemental funding? If so, how will that supplemental funding be provided, i.e. fees, dues, loans? (Appendix H includes additional information on funding options.)

Development of a work plan includes four major steps: (1) Review of the information gained through preliminary scoping, as it relates to the particular service being reviewed, (2) Gathering of additional data and information that may be needed to perform the particular municipal service review under consideration; (3) Development of a strategy for preparing a report which will adequately inform the Commission to make the nine required municipal service review determinations; and (4) Writing of the actual work plan.

This chapter provides general guidance, however, LAFCOs may need to modify these recommendations to reflect local conditions and circumstances, knowledge of processes that work better in a specific area, the repetitive nature, simplicity or complexity of a municipal service review, and other factors that are municipal service review specific.

## **A. REVIEW PRELIMINARY SCOPING DOCUMENTS**

As a first step in developing the individual municipal service review work plan, LAFCO should review the information that was developed through preliminary scoping. This step is necessary because the preliminary scoping may have taken place a year or more prior to the initiation of a specific municipal service review. By reviewing information that has already been identified through preliminary scoping, the LAFCO can determine whether the information is still valid or requires updating and/or supplementing.

## **B. GATHER ADDITIONAL INFORMATION**

In preparation for the completion of a work plan for a particular municipal service review, the LAFCO should continue its work in gathering information which it started when the LAFCO established its schedule for performing municipal service reviews. If

the preliminary scoping was not previously undertaken, refer to steps one through nine in Chapter 3 before proceeding to the steps below.

**Step 1.** Re-establish discussions of municipal service review issues with affected service providers, county and city planning staff, and regional planning agencies.

**Step 2.** To the extent feasible, the LAFCO should conduct meetings to identify sensitive issues and areas of concern that need to be considered during municipal service review preparation, such as open space and agricultural land preservation, infill and affordable housing issues, environmental justice concerns, land use or economic issues such as base closures, deteriorating or inadequate infrastructure, economic downturns, growth and market forecasts, immediate financial effects on agencies, cost sharing and budgeting, advocacy issues, area-specific characteristics, known or anticipated service rate and property tax payer concerns, regional issues, rural versus urban differences, suburban or emerging county needs and characteristics, environmental resources, or other issues, processes or constraints.

**Step 3.** List and discuss major known issues, such as permit violations or recent consolidations, relating to the nine written determinations that must be rendered.

**Step 4.** Determine if it is appropriate to integrate SOI updates, other applicable pending proposals and expected subsequent government reorganizations, within the scope of the municipal service review.

### **C. DEVELOP A STRATEGY FOR PREPARATION OF THE MUNICIPAL SERVICE REVIEW REPORT**

A part of its review of municipal services, LAFCO must prepare a written statement of its determination with respect to each of the following (Government Code §56430):

1. Infrastructure needs or deficiencies.
2. Growth and population projections for the affected area.
3. Financing constraints and opportunities.
4. Cost avoidance opportunities.
5. Opportunities for rate restructuring.
6. Opportunities for shared facilities.
7. Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers.
8. Evaluation of management efficiencies.
9. Local accountability and governance.

The LAFCO will need to decide what information and level of analysis is necessary to support sound and defensible determinations. Because the LAFCO Commission is responsible for making these determinations based on staff research, analysis and recommendations, it is important that the municipal service review report contain sufficiently detailed information that supports and justifies the recommended determinations. To this end, the LAFCO staff should consider the general format and content requirements of the final municipal service review report.

The amount of information and analysis necessary to complete a municipal service review report will vary depending upon the particular service being reviewed, local circumstances, and any additional actions that might need to be taken based on the municipal service review. To the extent that LAFCO is aware of other proposals or pending actions that will be related to or dependent upon a particular municipal service review, the LAFCO may wish to address other issues in the municipal service review report or require supplemental information and analysis in the municipal service review.

#### **D. WRITING THE WORK PLAN**

OPR recommends that each municipal service review be undertaken pursuant to a formalized work plan. This work plan does not necessarily have to be approved by the LAFCO Commission, but should be developed by staff with the Commission's knowledge and input.

OPR recommends the LAFCO develop a consistent format for the work plan, to streamline its preparation and encourage standardization of the process for conducting municipal service reviews. Consistency should be a primary goal in the LAFCO's review of municipal services, not only for the benefit of the LAFCO and its staff, but also for other stakeholders who will routinely be involved in the municipal service review process.

The work plan should minimally include the following elements:

- List of Service(s) to be reviewed.
- Service Providers that will be affected/involved.
- Study Area Boundaries for the municipal service review. (Chapter 5 includes more information on how to establish study area boundaries.)
- Data Collection process. (Appendix E includes a discussion of data collection.)
- Public Participation process. (Chapter 2 provides additional information on the role of public participation in the review of municipal services.)
- Public hearing process. (Chapter 10 contains more information on the hearing process. Appendix D, the process flow chart, illustrates how the hearing

process may work if the LAFCO chooses to integrate the municipal service review into other LAFCO actions.)

## CHAPTER 5. IDENTIFYING THE MUNICIPAL SERVICE REVIEW STUDY BOUNDARY

The CKH Act requires that LAFCOs focus on services rather than individual SOIs, proposals or service providers. To review a service, LAFCO needs to identify the geographic area within which the service should be studied. Government Code §56430 states, "the commission shall include in the area designated for municipal service review the county, the region, the sub-region, or such other geographic area as is appropriate for an analysis of the service or services to be reviewed."

LAFCOs should consult with other affected LAFCOs when scoping a proposed municipal service review. An affected LAFCO is a LAFCO for a county other than the principal county that may be affected by a municipal service review. This is especially important for municipal service reviews which may lead to the consideration of proposals that have the potential to cause significant environmental, fiscal or economic impacts on the affected county.

### A. METHODS FOR IDENTIFYING AN APPROPRIATE MUNICIPAL SERVICE REVIEW BOUNDARY

There is no single method for identifying an appropriate municipal service review boundary. Within the State, there are numerous combinations of services, and types of service regions and community service areas within in counties.

Each LAFCO will need to work with affected and interested agencies and planning jurisdictions, if different, to define logical municipal service review study boundaries that respond to local conditions, geography and circumstances. This includes:

- Selecting a service or group of services for review;
- Determining who provides, uses and is affected by that service (those services);

**TAILOR BOUNDARIES TO SERVICES AND LOCAL AREA**  
LAFCO should tailor study boundaries to reflect local conditions and the specific service under review.  
There are widely varying local conditions including numerous types of geologic, topographical and climate zones. Some counties have isolated rural and mountain communities. Other counties are densely populated.  
Some counties have an agriculture based economy; others have urban or urban/suburban economies.  
There are large and small drainage basins, and counties with mountains or large lakes. Some districts cross county boundaries, provide regional services, or serve a single isolated town.  
LAFCO should have a clear methodology for establishing boundaries based on these and other factors.



- Determining what topographic features, tax zones, joint powers agreements, shared facilities, resources and infrastructure, among other factors, link a service to a particular location or locations that could be studied; and
- Mapping or otherwise identifying the area for study.

## B. EXAMPLES OF MUNICIPAL SERVICE REVIEW BOUNDARY DETERMINATIONS

The following are examples of municipal service review study areas based on hypothetical conditions and circumstances.

**Example 1:** County A is a rural county generally bisected by a mountain range. The County's western slope contains two adjacent rapidly urbanizing communities with mainly large lot residential housing. Each of two community service districts provides parks and recreation, street lighting and landscaping, and road maintenance services to one of the communities. Only one district provides fire protection and emergency services. There are five fire districts that surround the potential study area and are planning to serve areas that are approved for urbanization, some of which are within CSD boundaries.

All fire districts are planning to construct new facilities near or in the two communities. There are definable areas where there is little relationship between the fire service providers' boundaries and first response fire protection and emergency service responsibilities. All of the districts have substantial territory within a State Responsibility Area, and, therefore, receive fire-fighting assistance from the California Department of Forestry (CDF). The CDF provides fire protection services by contract to one of the community services district. The County provides overlapping park and open space services in the area.

**Analysis:** OPR suggests that this study area's boundary include the western slope of the mountain ridge with the urban limit line forming a possible southern boundary. To maximize efficiency, this municipal service review should probably include multiple services.

**Example 2:** Nine sanitation service districts serve territory contained in a well-defined drainage basin. District A owns and operates a wastewater treatment plant in the basin. All districts are parties to a joint powers agreement to use the facility and share maintenance and operation costs. Other major service providers' boundaries are based on the location of urban areas and have little relationship to drainage basin boundaries.

**Analysis:** OPR suggests that this study area's boundaries be generally coterminous with drainage basin boundaries. Only wastewater service should be studied, although

LAFCO could determine whether a similar structure exists for water providers and consider the potential for a combined water/sanitation municipal service review.

**Example 3:** Two small cities are located in the southern portion of a rural county. Each city provides most of its own municipal services with the exception of water, sanitation, and mosquito abatement/vector control. Three regional districts provide those services.

**Analysis:** OPR suggests that this study area's boundary include the planning areas of both cities. Services to be studied would be limited to those provided by the two cities although an overview of the three regional districts could also be included. LAFCO could streamline the process by conducting joint SOI updates concurrent with the municipal service review, and a single CEQA review.

**Example 4:** County A is a large county with substantial rural, suburban and urban areas. During the past eleven years, the number of fire districts in County A has decreased from 25 to 16 due to service provider initiated consolidation proposals. Several fire districts are considering initiating consolidation proposals when their fire chiefs retire. Four of the service providers serve isolated rural areas. One urban/rural provider provides emergency services to smaller, adjacent rural districts. None have overlapping boundaries. All participate in mutual aid agreements. Developers on the east side of the county have been approaching fire service providers in an adjacent county for the purpose of obtaining fire service for proposed isolated senior citizen communities.

**Analysis:** OPR suggests that this study area's boundary include the entire county and include all fire protection service providers. The fire protection service providers from adjacent counties should be asked to participate in stakeholder meetings, and/or provide other input into the study. Providers could be clustered by geographic location, or urban/rural characteristics.

**Example 5:** One hundred thirty-five (135) flood control, drainage, land reclamation or levee maintenance service providers serve a 100 square mile drainage area with deteriorating or insufficient infrastructure. Property values in the area are depressed. Many share insurance, capital facilities, attorneys or staff. Several have no paid staff. There is significant variation in assessed service rates, which, in many cases, bears a direct relationship to levels of service. There are few overlapping boundaries. The districts are located in four counties.

**Analysis:** OPR suggests that study area's boundary include the entire 100 square mile area. The affected LAFCOs could develop a joint powers agreement and conduct a joint municipal service review study for flood control, drainage and levee maintenance.

## PART II - THE MUNICIPAL SERVICE REVIEW PROCESS

### CHAPTER 6. INTEGRATING MUNICIPAL SERVICE REVIEWS WITH OTHER LAFCO ACTIONS

This Chapter provides guidance on how to integrate municipal service reviews with other LAFCO actions. LAFCOs are not required to review a SOI at the same time that it performs a municipal service review. Some LAFCOs may, however, find that integrating municipal service reviews with other LAFCO business proves a better context in which to review the information and streamlines both the municipal service review and SOI processes. Appendix D provides a flow chart which illustrates how an integrated municipal service review may be undertaken.

#### WHEN TO DO MUNICIPAL SERVICE REVIEWS

The CKH Act's most recent amendments took effect on January 1, 2001. Although §56430 does not directly provide a specific date when all service reviews must be completed, a deadline can be inferred from §56425, which states, "Upon determination of a sphere, the commission shall adopt that sphere, and shall review and update, as necessary, the adopted sphere not less than every five years."

#### A. INTEGRATING MUNICIPAL SERVICE REVIEWS WITH SOI ACTIONS

##### INTEGRATE MUNICIPAL SERVICE REVIEWS WITH OTHER ACTIONS

This Chapter provides guidance on how to integrate service reviews with other LAFCO actions. LAFCOs are not required to review a SOI at the same time that it performs a service review. Some LAFCOs may, however, find that integrating service reviews with other LAFCO business proves a better context in which to review the information and streamlines both the service and SOI processes. Appendix E provides a flow chart which illustrates how an integrated service review may be undertaken.

The information, recommendations and determinations, contained in a municipal service review, are intended to guide and inform SOI decisions. This includes actions to create or update an SOI. Government Code §56430(c) states,

"The commission shall conduct a municipal service review before, or in conjunction with, but no later than the time it is considering an action to establish a SOI in accordance with §56425 or §56426.5 or to update a SOI pursuant to §56425."

Any SOI adopted prior to December 31, 2000 must be updated, as necessary, but at least by January 1, 2006. Some updates may simply involve an affirmation of the existing SOI boundaries or some modifications to the SOI to achieve consistency with the CKH Act. §56430 states that municipal service reviews must be conducted prior to, or concurrent with, those updates. Therefore all municipal service reviews must be completed by January 1, 2006.

A LAFCO may have several reasons for prioritizing a specific municipal service review. Perhaps there is a pending proposal to create, update or substantially amend an SOI; a pending health and safety issue; or the SOI is many years old. Whatever the reason, LAFCO should consider combining municipal service reviews and related SOI processes where feasible. Reasons for combining municipal service reviews with SOI reviews include:

- Several districts with affected SOIs may be included in a single municipal service review.
- SOI actions, staff reports, planning documents and public hearings may be consolidated with those required for municipal service reviews.
- Prudent clustering of SOI actions and related municipal service reviews may reduce processing costs, and enable costs to be spread among more affected or interested parties.
- CEQA encourages the consideration of multiple related actions where appropriate. It may be possible to evaluate a municipal service review and its associated SOI action(s) in a single CEQA review.
- Service review determinations and SOIs actions may be viewed from a more inclusive or regional perspective.

## **B. INTEGRATING MUNICIPAL SERVICE REVIEWS WITH OTHER PROPOSALS**

During the conduct of a municipal service review, LAFCO may determine that study conclusions will strongly support specific government organization or reorganization proposals or actions. In those cases, LAFCO, or affected service providers, may desire to initiate recommended actions concurrent with the municipal service review. Under certain circumstances, concurrent processing could ensure that the municipal service review information gathering process focuses on issues relevant to anticipated subsequent actions.

## **C. MUNICIPAL SERVICE REVIEWS IN THE REGIONAL CONTEXT**

While LAFCO does not have any direct land use authority, the CHK Act assigns LAFCOs a prominent role in regional planning issues by charging it to consider a wide range of land use and growth factors when it acts on matters under its jurisdiction. LAFCO has broad statutory responsibility to consider planned, orderly, efficient patterns of urban development which also preserve agricultural lands and achieve a fair share of the region's housing needs. (§56668 and §56668.5)

LAFCOs can have a powerful influence on local land use planning decisions through participation in city and county general plan processes. Section 65352 (a) of state planning law requires cities and counties to refer their general plans to LAFCO before

adopting or amending their general plans. This is an example of many opportunities that LAFCO has to influence local and regional land use decisions in ways that are consistent with LAFCO's charge. On one hand, LAFCO must consider consistency with local general plans when it makes boundary decisions, but LAFCO also has the ability to influence the nature of those local general plans through active participation in their development.

Regional planning initiatives are another opportunity for LAFCO to collaborate with planning agencies and encourage development of coordinated goals and policies. Examples of regional initiatives include habitat conservation plans, regional transportation plans, and watershed management plans, to mention a few.

Service reviews occur in the larger context of county and regional planning efforts that are not always in harmony. LAFCO should use every opportunity to engage in these other planning efforts to ensure that LAFCO's concerns are reflected in land use planning decisions. LAFCO should also take advantage of the opportunity to use its municipal service review process as a means of encouraging collaboration with planning agencies on important policy issues. By both participating in these other planning efforts and using information gained from these activities LAFCO can help improve the quality and consistency of data. Service reviews should help put into context the relationship between service options and regional issues, goals and policies.

Refer to Government Code [§56377](#), [§56378](#), [§56386](#), [§56430](#), [§56668](#), and [§56668.5](#) for specific requirements for LAFCOs to consider regional issues or coordination with regional planning agencies.

#### **D. ENVIRONMENTAL JUSTICE CONSIDERATIONS AND MUNICIPAL SERVICE REVIEWS**

In undertaking municipal service reviews and making the nine determinations, LAFCO board members should consider their responsibilities under civil rights and environmental justice laws. In general, these laws prohibit actions by public entities which disproportionately affect one category of individuals as defined by race, creed, ethnicity, disability, family status and income.

OPR recommends that LAFCO request legal counsel guidance to assure that the policies and processes that it implements are appropriate. These guidelines include a number of recommendations which encourage broad public participation and municipal service review analysis which would affirmatively support the broad civil rights and environmental justice responsibilities of LAFCO including:

- Adopt general policies and procedures relative to the undertaking of the municipal service review. This will avoid any appearance of an unequal review of some services.
- Develop and publish a five-year schedule for municipal service reviews to maximize the ability of the public to participate in the process.
- Convene stakeholders and facilitate collaborative efforts to address issues and challenges that are identified during the municipal service review process.
- Undertake municipal service reviews across county lines if that would more appropriately address the community of interest.
- Adopt the work plan for the individual municipal service review at a public meeting.
- Incorporate the municipal service review with other LAFCO actions (such as a SOI update) for the purpose of demonstrating the context in which the information gained in the municipal service review will be used.
- Publish the Draft Municipal Service Review Report and provide for a 21-day public review period before scheduling the report to be considered by LAFCO.
- Sponsor public workshops prior to the hearing at which the Final Municipal Service Review Report will be adopted.

## CHAPTER 7. INTEGRATING MUNICIPAL SERVICE REVIEWS WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

The Public Resources Code §21000 et sequitur, also known as the California Environmental Quality Act (CEQA), requires public agencies to evaluate the potential environmental effects of their actions. Only discretionary actions that are defined as projects are subject to CEQA. A project is the whole of an action, which has the potential for resulting in either a direct physical change to the environment, or a reasonably foreseeable indirect physical change to the environment (CEQA Guidelines §15378).

In order for CEQA to apply to a municipal service review, it must be considered a project under CEQA. Service reviews may meet this definition particularly if viewed in light of *City of Livermore v. Local Agency Formation Commission of Alameda County* (1986). In that court decision, LAFCO adoption of SOI guidelines was held to be a project because the revised guidelines could affect future growth patterns. A municipal service review may have the same effect of influencing future growth patterns.

## A. APPLICABILITY OF CEQA

Service reviews are intended to support SOI updates, which may include expansions or reductions in SOI boundaries, the creation of new SOIs, or SOIs amendments that trigger a need to update the pertinent SOI. The language of §56430 of the CKH Act requires that LAFCO will:

- Consider municipal service reviews, and municipal service review recommendations, during noticed public hearings;
- Render determinations regarding a number of issues including various government options, the advantages and disadvantages of the consolidation and reorganization of service providers, and the identification of infrastructure needs; and
- Use the reviews when rendering future decisions to create, update or amend an SOI, or approve or disapprove government organization or reorganization proposals.

In some cases, a municipal service review, and its required determinations, will provide policy guidance for future LAFCO decisions that may direct or affect the location and pattern of growth. Because of the nature of the analysis required, municipal service reviews may be perceived or interpreted by some as the first step in creating, updating or amending SOIs or initiating other government organizations or reorganizations. In other cases, municipal service reviews may actually be an integral part of a larger project. Service reviews may frequently be triggered by pending applications to LAFCO for SOI amendments, or for annexations that cannot proceed without an SOI update.

To ensure compliance with CEQA, and avoid unnecessary legal challenges, LAFCOs should consider municipal service reviews as projects subject to CEQA. The LAFCO would be the "lead agency" responsible for complying with CEQA because it is the entity with the principal responsibility for approving or carrying out the municipal service review (i.e., the project) (Public Resources Code §21067). As the CEQA lead agency, the LAFCO must ensure that all required elements of the CEQA review process are conducted consistent with the requirements of CEQA and LAFCOs' own adopted CEQA procedures.

## B. CEQA DETERMINATIONS

CEQA requires a lead agency to make one of three basic environmental determinations with respect to the potential environmental effects of a project. The project may qualify for an exemption, which requires no further analysis. If the project is not exempt and there are no potentially significant environmental effects, the lead agency may prepare a Negative Declaration (ND). If the project is not

exempt and there is the potential for one or more significant environmental effects, an Environmental Impact Report (EIR) must be prepared.

No two municipal service reviews will be exactly alike and each needs to be evaluated on its specific merits and characteristics. Each LAFCO should ensure that its own locally adopted CEQA procedures and guidelines are updated to account for environmental determinations on municipal service review activities.

### C. EXEMPTIONS

Each lead agency must first review a project to determine if it is exempt from CEQA review. There are three types of exemptions that a LAFCO could review for applicability to a specific municipal service review: statutory, categorical and "general rule" exemptions. The lead agency should support its reliance on an exemption with substantial evidence in the record.

A municipal service review may potentially qualify for a statutory exemption as a Feasibility and Planning Study:

"A project involving only feasibility or planning studies for possible future actions which the agency, board, or commission has not approved, adopted, or funded does not require the preparation of an EIR or negative declaration but does require consideration of environmental factors. This Chapter does not apply to the adoption of a plan that will have a legally binding effect on later activities." (CEQA Guidelines §15262).

There are two categorical exemptions that might apply to a municipal service review. These are Class 6 and Class 20 categorical exemptions. Categorical exemptions may not be used if there are special circumstances that would raise the potential for the project to have a significant environmental effect (CEQA Guidelines §15300.2).

"Class 6 consists of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted or funded." (CEQA Guidelines §15306)

"Class 20 consists of changes in the organization or reorganization of local government agencies where the changes do not change the geographical area in which previous existing powers are exercised. Examples include but are not limited to: (a) Establishment of a subsidiary district; (b) Consolidation of two or more districts having identical powers; and (c) Merger with a city of a district lying entirely within the boundaries of the city." (CEQA Guidelines §15320)



A general rule exemption may apply to a project, where it can be seen with certainty that there is no possibility that the activity in question may have a significant adverse environmental effect (CEQA Guidelines §15061(b)(3)). LAFCOs are advised to use this exemption with particular caution because legal challenges to the use of this exemption may be more difficult to defend.

If a LAFCO determines that an exemption is appropriate, it is recommended that the LAFCO prepare and file a Notice of Exemption (NOE) as described in §15062 of the CEQA Guidelines. If an NOE is not filed, the statute of limitations is 180 days from the date of the lead agency's decision to approve the project, as opposed to 35 days if an NOE is filed.

#### **D. INITIAL STUDY**

If LAFCO determines that a municipal service review project is not exempt, then an Initial Study must be prepared to determine whether a Negative Declaration or an EIR is the appropriate level of review under CEQA. LAFCO is required to consult with responsible and trustee agencies prior to its determination of the appropriate environmental document to prepare (see CEQA Guidelines §15063.)

#### **E. NEGATIVE DECLARATION**

A Negative Declaration may be prepared by LAFCO for a project when the Initial Study shows that there is no substantial evidence that the project may have a significant effect on the environment (CEQA Guidelines §15070-§15075).

The Negative Declaration must be made available to the public and others who have expressed an interest in the project, not less than 20 days before the project is heard by LAFCO. Prior to approval of the project, the LAFCO Commission must consider any comments received on the Negative Declaration.

If LAFCO determines to carry out or approve the project, a Notice of Determination (NOD) must be filed with the County Clerk within five working days. The County Clerk must post the NOD within 24 hours of receipt. The posting of the NOD starts a 30-day statute of limitations for challenges under CEQA. If an NOD is not filed, the statute of limitations is 180 days from the date of the lead agency's decision to approve the project.

#### **F. ENVIRONMENTAL IMPACT REPORT**

If a municipal service review is subject to an EIR process because of potentially significant effects, the LAFCO should rely upon §15080-§15097 of the CEQA Guidelines for guidance on the preparation of an EIR. An EIR may be required where the

municipal service review is closely tied to a larger action, such as an SOI update, that may have a significant effect on the environment.

An EIR may require up to a year to complete, and associated costs can reach \$50,000 or more. Where LAFCO resources to prepare an EIR are limited, it is recommended that LAFCO consider using the services of a consultant.

## CHAPTER 8. DEVELOPING WRITTEN DETERMINATIONS

This Chapter provides guidance for evaluating each of the nine categories for which written determinations must be rendered pursuant to Government Code §56430.

The tables contained in this Chapter were developed to illustrate the factors or issues a LAFCO may wish to consider when making the nine mandatory municipal service review determinations pursuant to §56430 of the Government Code. Each LAFCO should use the issues identified in the tables to the extent that they are appropriate to the service being reviewed and local conditions.

For example, the review of a cemetery service will not include the complex evaluation of items applicable to an infrastructure-intensive provider such as a sanitation district. A cemetery municipal service review discussion for water supply would at most pertain to on-site drinking or irrigation water needs, not the complex water rights and water supply negotiations affecting major urban water service providers. The level of evaluation and discussion should be driven by the specific service or issues relating to that service.

The nine municipal service review determinations are interdependent. Therefore, some of the issues related to each of the nine determinations may overlap, and information about one determination may substantially affect other determinations. For example, Subsection (H), Government Structure Options, includes issues which may be pertinent to all other subsections because those categories provide input into an evaluation of the advantages and disadvantages of various government structure options.

### WORK TOGETHER TO TAILOR ISSUE LISTS

The lists of issues in this Chapter are very general and were designed to address a variety of services provided in all parts of the state.

LAFCOs and service providers are encouraged to work together to develop regionally appropriate and service specific lists of issues.

The individual LAFCO can then work from these more focused lists and further tailor lists to reflect the specific area and services being studied.

## 1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

In identifying an agency's infrastructure needs and deficiencies, LAFCO may wish to address the following factors in its review:

ITEM NO.	FACTOR / ISSUE
1.	Government restructure options to enhance and/or eliminate identified infrastructure needs and/or deficiencies.
2.	Expansion of services to eliminate duplicate infrastructure construction by other agencies.
3.	Condition of infrastructure and the availability of financial resources to make necessary changes.
4.	Level of service and condition of infrastructure in light of revenue and operating constraints.
5.	Infrastructure capabilities to accommodate future development with flexible contingency plans.
6.	Reserve capacity for properties not served within current boundaries and estimate of properties within current boundaries not eligible for service.
7.	Provisions for adequate service for properties not currently being served within current boundaries.
8.	Location of existing and/or planned facilities.
9.	Location of existing and/or planned infrastructure in relation to affordable housing programs.
10.	Compliance with environmental and safety standards.
11.	Applicable permit status (i.e. CEQA, etc.).
12.	Consistency with service and/or capital improvement plans and local and regional land use plans/policies.

## 2. GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA

In identifying an agency's growth and population projections, LAFCO may wish to address the following factors in its review:

ITEM NO.	FACTOR / ISSUE
1.	Projected growth in and around the agency's service areas.
2.	Historic and expected land use absorption trends.
3.	Estimate of future service needs.
4.	Impact of land use plans and growth patterns on service demands.
5.	Impact of service plans and policies on growth and/or land use patterns for adjacent areas, on mutual or regional social and economic interest, and on the local governmental structure of the county.

ITEM NO.	FACTOR / ISSUE
6.	Relationship between an agency's boundary and SOI with the projected growth in the study area.
7.	Compatibility of service plan(s) with other local agency land use/development plans.
8.	Compatibility between agency service plans, regional growth projections and efficient urban development.

### 3. FINANCING CONSTRAINTS AND OPPORTUNITIES

In identifying an agency's financing constraints and opportunities, LAFCO may wish to address the following factors in its review:

ITEM NO.	FACTOR / ISSUE
1.	Implementation of appropriate financing/funding practices.
2.	Potential for shared financing and/or joint funding applications.
3.	Combination of enterprise and/or non-enterprise financing functions.
4.	Compared analysis of financing rates between other agencies in study area.
5.	Bond rating(s).
6.	Ability to obtain financing.
7.	Existing and/or proposed assessment district(s).
8.	Opportunities for additional revenue streams, including joint agency grant applications, untapped resources, or alternative government structures.
9.	Methods to pay down existing debt(s), including using excess revenues.

### 4. COST AVOIDANCE OPPORTUNITIES

In identifying an agency's cost avoidance opportunities, LAFCO may wish to address the following factors in its review:

ITEM NO.	FACTOR / ISSUE
1.	Opportunity for joint agency practices, including shared insurance coverage opportunities.
2.	Availability of outsourcing for financial and administrative duties, and cost-benefits of outsourcing versus in-house management.
3.	Duplication of services.
4.	Impact of service practices and/or facilities in relation to land: available for infill; where excess capacity exists; planned for growth; easiest to serve; and with the fewest topographic and geographic constraints; and in a manner that supports affordable housing objectives.
5.	Impact of service practices and/or facilities in relation to benefit/detriment of service cost.
6.	Impact of growth inducement measures on construction costs and near-term infrastructure deficiencies.

ITEM NO.	FACTOR / ISSUE
7.	Policies and/or plans to extend services to an area proposed for annexation or new development, particularly with respect to the impact of extending services on existing customers.
8.	Impact of service practices and/or facilities on affordable housing objectives.
9.	Impact of additional services/capacity on agency's fiscal viability, including cost and adequacy of services in existing or proposed service areas and/or areas served by other special districts, cities, or the county.
10.	Relationship between current level of service and customer needs and preferences.
11.	Opportunities for savings or augmentation in overhead, including employee salary or benefits, elected official compensation or benefits, equipment purchases, planning, etc.
12.	Pro-rata service costs for customer/ratepayer and/or taxpayer.
13.	Application and/or bid process for contractor assistance, including comparison of rates.

## 5. OPPORTUNITIES FOR RATE RESTRUCTURING

In identifying an agency's opportunities for rate restructuring, LAFCO may wish to address the following factors in its review:

ITEM NO.	FACTOR / ISSUE
1.	Agency's methodology for determining rates.
2.	Availability of revenue enhancement opportunities to lessen and/or stabilize rates.
3.	Relationship between rate differences among service providers and levels of service.
4.	Rate comparison between service providers with similar service conditions.
5.	Cost of services versus fees.
6.	The services that ratepayers and/or assessed properties are receiving for which they are paying.
7.	Financial impacts on existing customers caused by the funding of infrastructure needed to support new development.
8.	Impacts of standby rates (charges assessed to under-or-undeveloped land used for rural, agricultural or open spaces uses) on open space and affordable housing plans.
9.	Relationship between rate and service policies and the provision of decent and affordable housing.
10.	Availability of reasonable emergency reserves.
11.	Use of annual savings.

## 6. OPPORTUNITIES FOR SHARED FACILITIES

In identifying an agency's opportunities for shared facilities, LAFCO may wish to address the following factors in its review:

ITEM NO.	FACTOR / ISSUE
1.	Current shared activities with other service providers, including shared facilities and staff.
2.	Suggested existing and/or future shared facility opportunities by the agency.
3.	Opportunities for conjunctive and/or joint use projects, such as groundwater storage/parks, schools/parks, or flood detention/parks.
4.	Duplication of existing and/or planned facilities of other service providers.
5.	Availability of excess capacity to serve customers of other agencies.

## 7. GOVERNMENT STRUCTURE OPTIONS

In identifying an agency's government structure options, LAFCO may wish to address the following factors in its review:

ITEM NO.	FACTOR / ISSUE
1.	Available government options to provide more logical service boundaries to the benefit of customers and regional planning goals and objectives.
2.	Recommendations by a service provider and/or an interested party for government options.
3.	Anticipated proposals to LAFCO that will affect the service provider.
4.	Prior proposals or attempts by the agency to consolidate and/or reorganize.
5.	Availability of government options that improve public participation, local accountability, and governance.
6.	Opportunities to create definite and certain boundaries that conform to lines of assessment or ownership and/or eliminate islands, corridors of unincorporated territory, and other difficult or illogical service areas.
7.	Existing boundary disputes.
8.	Elimination of overlapping boundaries that confuse the public, cause service inefficiencies, unnecessarily increase in the cost of infrastructure, exacerbate rates and/or undermine good planning practices.
9.	Reevaluation of boundaries, including downsizing SOI boundaries and/or approving other boundary modifications that remove important open space and agricultural lands from urban services areas.
10.	Availability of government options that stabilize, steady and/or clarify the government process in order to reduce costs or increase customer satisfaction.
11.	Availability of government options that may produce economies of scale and improve buying power in order to reduce service and housing costs.

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ITEM NO.	FACTOR / ISSUE
12.	Availability of government options that cause appropriate facilities to be shared and avoid the construction of extra and/or necessary infrastructure.
13.	Making excess capacity available to other service users in order to eliminate duplicate infrastructure construction by multiple agencies and reduce costs to customers.
14.	Opportunities to improve the availability of water rights and/or supplies (surface, reclaimed or groundwater) to a larger customer base through a change in government organization.
15.	Availability of government options that could facilitate construction, financing and/or eliminate the need for new facility construction.
16.	Cost-benefit of restructuring current elected board and/or administration to any proposed alternative.
17.	Cost-benefit of restructuring overhead, including staff, capital outlays, allocation of reserves or savings, loaded administrative charges for grant administration, accounting, and other contracted services.
18.	Cost-benefit of restructuring the direct distribution of costs or debts from shared facilities to a larger user population.
19.	Opportunities for the sale of surplus properties through a change in government organization.
20.	Availability of excess reserves for service improvements and/or rate reductions through a change in government organization.
21.	Opportunities to enhance capital improvement plans and programs through a change in government structure.
22.	Opportunities to streamline services through the reorganization of service providers that no longer provide services for which they were formed.
23.	Opportunities for early debt repayment and related savings through a change in government structure.
24.	Elimination of rate structures that impose growth pressures on open space resources.
25.	Identification of illogical boundaries and their effect on rates.
26.	Impact of government structure options on an agency's financial stability.
27.	Rationale for an agency's emergency and/or undesignated reserves (fund equity or balance), particularly in relation to their gross annual revenue.
28.	Changes and/or modifications in boundaries in order to promote planned, orderly, and efficient patterns of urban development.
29.	Changes and/or modifications in boundaries in order to avoid premature inducement, facilitation, or conversion of existing open space lands, including: the direction of growth away from prime agricultural and important open space lands towards infill areas or areas containing nonprime agricultural land; the development of vacant land adjacent to existing urban areas and within existing spheres of influence.
30.	Boundary adjustments in order to minimize the amount of land needed to accommodate growth in the next 5-10 years within the spheres of influence of special districts and cities.

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ITEM NO.	FACTOR / ISSUE
31.	Prevention of extensions of urban services to important agriculture and open space areas not planned for growth or within the boundaries of the city or special district.
32.	Impact of a change in government structure on the implementation of regional transportation, water quality, air quality, fair share housing allocation, environmental justice, airport land use, open space, agricultural, and other environmental polices or programs.
33.	Impacts of government structures on fair housing programs.
34.	Available government options that improve the ability to provide and explain budget and financial data.
35.	Opportunities for improvement in the quality and/or levels of service through changes in government structure.
36.	Impact of investment policies on service levels and quality.
37.	Evaluation of bond rates, ability to borrow or obtain grants, budget practices and other aid.
38.	Ability to gain environmental benefits (wetland restoration, water conservation, and other conservation policies) through government structure options.
39.	Opportunities to integrate services without excessive cost.
40.	Cost-benefit analysis of potential changes in government structure through merging staff, staff reduction by attrition, phasing out of elected or appointed positions, and management staff.
41.	Opportunities for improved service delivery and/or an increase in system standards by system integration through changes in government structure.
42.	Identify prohibitions in the affected Principal Acts that would affect government structure options, including pending litigation, court judgments, other legal issues, restricted assets, financial or other constraints.
43.	Integration of debts and obligations analyses.
44.	Potential successor agencies.
45.	Impact on existing systems (upgrades) due to government structure changes.
46.	Impact on operating cost (short and long term) due to government structure changes.
47.	Evaluation of long term savings through government structure changes versus related transition costs.
48.	Evaluation of permit status upon integration.



## 8. EVALUATION OF MANAGEMENT EFFICIENCIES

In evaluating an agency's management efficiencies, LAFCO may wish to address the following factors in its review:

ITEM NO.	FACTOR / ISSUE
1.	Evaluation of agency's capacity to assist with and/or assume services provided by other agencies.
2.	Evaluation of agency's spending on mandatory programs.
3.	Comparison of agency's mission statement and published customer service goals and objectives.
4.	Availability of master service plan(s).
5.	Contingency plans for accommodating existing and planned growth.
6.	Publicized activities.
7.	Implementation of continuous improvement plans and strategies for budgeting, managing costs, training and utilizing personnel, and customer service and involvement.
8.	Personnel policies.
9.	Availability of resources (fiscal, manpower, equipment, adopted service or work plans) to provide adequate service.
10.	Available technology to conduct an efficient business.
11.	Collection and maintenance of pertinent data necessary to comply with state laws and provide adequate services.
12.	Opportunities for joint powers agreements, Joint Powers Authorities, and/or regional planning opportunities.
13.	Evaluation of agency's system of performance measures.
14.	Capital improvement projects as they pertain to §65401 and §651039c.
15.	Accounting practices.
16.	Maintenance of contingency reserves.
17.	Written policies regarding the accumulation and use of reserves and investment practices.
18.	Impact of agency's policies and practices on environmental objectives and affordable housing.
19.	Environment and safety compliance.
20.	Current litigation and/or grand jury inquiry involving the service under LAFCO review.

## 9. LOCAL ACCOUNTABILITY AND GOVERNANCE

In evaluating an agency's local accountability and governance structure, LAFCO may wish to address the following factors in its review:

ITEM NO.	FACTOR / ISSUE
1.	Compliance with state disclosure laws and the Brown Act.
2.	Level of public participation (i.e. open meetings, accessible staff and elected officials, an accessible office open to the public, a phone and/or message center, customer complaint and suggestion opportunities).
3.	Agency representatives (i.e., board members, employees, staff).
4.	Public outreach efforts (i.e. newsletters, bill inserts, TV, website).
5.	Media involvement (i.e. meetings publicized, evening board meetings, evening or weekend public planning sessions).
6.	Accessibility of meetings (i.e. meetings publicized, evening board meetings, evening or weekend public planning sessions).
7.	Election process.
8.	Participation of service users in elections (i.e. elections publicized, day and evening voting).
9.	Public access to adopted budgets.
10.	Budget reports' compatibility with state law.
11.	Audits.
12.	Access to program progress reports.
13.	Current provision of service(s).

## PART III - TAKING ACTION ON THE MUNICIPAL SERVICE REVIEW

### CHAPTER 9. PREPARING THE MUNICIPAL SERVICE REVIEW REPORT

After collecting and evaluating municipal service review information, LAFCO's Executive Officer should prepare a written report to document the analysis and determinations.

#### A. DRAFT MUNICIPAL SERVICE REVIEW REPORT

The Draft Municipal Service Review Report should minimally contain the following elements:

- An Executive Summary.
- Review of baseline data and information related to the service or services being reviewed.
- A description of the public participation process.
- An analysis of services, service providers and other issues consistent with the intent of the CKH Act (§56001, §56300, §56301), and including, but not limited to, factors to be considered (§56668), areas of required determination (§56430), SOI concerns (§56425, §56425.5) and environmental justice issues, if any.
- Draft Determinations. (see section B below for more information).
- Follow-up recommendations, if any.
- Appropriate maps that identify service areas, and clearly delineate overlapping areas using GIS generated maps, if available, to ensure consistency among agencies.

#### B. WRITTEN DETERMINATIONS

The nine determinations that must be made by the LAFCO Commission are critical because they represent the culmination of the municipal service review process. The CKH Act does not identify a particular format for the nine required determinations nor does it dictate the substance of these determinations. OPR provides the following recommendations for preparation of written determinations, and recommends that each LAFCO establish its own policy or procedure for using a consistent method of preparing written determinations.

A determination is one or more declaratory statements that make a conclusion, based on all the information and evidence presented to the Commission (i.e., the administrative record), with respect to the nine factors enumerated in Government Code §56430. These determinations must be supported by evidence in the record of the municipal service review proceedings, including all of the information collected, the LAFCO's analysis and interpretation of the information, verbal and written information presented by the public, and verbal and written testimony given at public hearings. Each of the nine determinations must be adequate to bridge the gap between raw data and the final conclusion about the status or condition of the municipal service under review. OPR recommends that the determinations be written in qualitative and/or quantitative terms, as appropriate, and refer to specific information or examples relative to the municipal service under review and the particular factor (determination) being considered.

While the Commission is ultimately responsible for making these determinations, OPR recommends that the LAFCO staff report include proposed determinations for the Commission to consider, adopt and include in its final resolution.

### **C. DISTRIBUTION AND COMMENT PERIOD**

OPR recommends that LAFCO provide a formal public review period on the draft municipal service review report and hold at least one public meeting and/or workshop prior to the report being considered by LAFCO. It may be helpful to conduct a stakeholder meeting during the review period to obtain constructive input from those who helped shape the municipal service review.

### **D. FINALIZING THE REPORT TO THE COMMISSION**

Comments received during the public review period should be considered and incorporated in the final report as appropriate. Any person or entity that submits comments should receive a copy of the final municipal service review report and a mailed notice of the public hearing at which the municipal service review determinations will be considered by the Commission:

The determinations will still be draft until they are accepted by the Commission at a public hearing. OPR recommends that the report, at a minimum, be issued concurrent with the notice for the public hearing (21-days in advance of the hearing) to consider and adopt municipal service review determinations.

## CHAPTER 10. ADOPTING THE MUNICIPAL SERVICE REVIEW REPORT

### A. INTRODUCTION

After a Final Municipal Service Review Report is issued, the Commission will need to take steps to complete its municipal service review responsibilities. LAFCO will need to conduct a hearing to consider and adopt the municipal service review report which will include the draft determinations.

A well-crafted municipal service review is an information and planning resource for LAFCOs, cities, counties, special districts and regional planning agencies. The Final Municipal Service Review Reports should be made available to affected and interested agencies and local and regional planning agencies for use as data resource documents.

### B. PUBLIC NOTICE

The Final Municipal Service Review Report is required to be considered by LAFCO at a noticed public hearing. Government Code §56150-§56160 include public notice provisions. Government Code §56154 and §56156 require that published and mailed notice be provided at least 21 days prior to the public hearing. All affected and interested agencies, and persons and entities requesting notice, should receive a mailed notice. The notice should include a description of the municipal service review, and any actions that may be taken by LAFCO at the hearing. Those actions may include approval of the report, adoption of the draft determinations and any other actions recommended by staff.

**REMINDER**

If LAFCO has initiated other proposals that are being processed concurrent with a service review, it must also comply with processing steps for those actions.

Copies of the Final Municipal Service Review Report, including draft determinations, should be made available on the LAFCO's web site and mailed to affected and interested agencies. Although not required by law, OPR recommends that the report be made available to the public at least 21 days prior to the public hearing.

### C. ACTIONS AT THE HEARING

The hearing should be conducted consistent with LAFCO's adopted written procedures. Some of the actions that LAFCO could take during the hearing include:

- Adoption of Resolution of Written Determinations  
Service review determinations should be adopted by Resolution.
- Adoption of Municipal Service Review Report Recommendations

LAFCO may adopt staff recommendations and direct staff to take follow up actions as appropriate.

- **Adoption of City or District SOI Updates or Amendments**

If the municipal service review supports a particular action such as an SOI update or amendment, and LAFCO has complied with required processes, those actions could be approved at the same hearing.

- **Initiation or Adoption of Other Proposals**

If the municipal service review supports a particular action such as an initiation or adoption of an organization or reorganization proposal, and LAFCO has complied with required processes, those actions could be approved or initiated at the same hearing.

#### **D. RECONSIDERATION**

The CKH Act includes a process for interested persons and entities to request LAFCO to reconsider its determinations. Pursuant to §56895, when a Commission has adopted a resolution making determinations, any person or affected agency may file a written request with the LAFCO executive officer requesting amendments to or reconsideration of the resolution. The request must include the recommended modification and state what new or different facts or applicable new law, that could not have been known previously, warrant this reconsideration.

The request for reconsideration must be filed within 30 days of the LAFCO Commission's action. The reconsideration action should be scheduled for the next LAFCO hearing for which adequate notice can be given. Oral and written testimony may be received at the reconsideration hearing. LAFCO may continue the hearing from time to time but not longer than 70 days from the date of the first hearing (§56895).

**FOR MORE INFORMATION**

This guidance document was prepared by OPR to assist the public, LAFCOs and service providers to effectively engage in the service review process. Additional information on LAFCO may be found on the OPR website at [www.opr.ca.gov](http://www.opr.ca.gov).





Gray Davis  
GOVERNOR

STATE OF CALIFORNIA



Tal Finney  
INTERIM DIRECTOR

LAFCO  
MUNICIPAL SERVICE REVIEW  
GUIDELINES  
FINAL DRAFT  
APPENDICES  
2002

Governor's Office of Planning and Research

October 3, 2002



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## APPENDIX A

### DEFINITIONS<sup>1</sup>

TERM	DEFINITION	SECTION
Affected city	Any city which: (a) contains, or its sphere of influence (SOI) contains, territory for which a change of organization is proposed or ordered either singularly or as part of a reorganization; or (b) would contain the territory described in subdivision (a) as a result of proceedings for a change of organization or reorganization taken pursuant to this division.	<u>§56011</u>
Affected county	Each county which contains, or would contain, any territory for which a change of organization or reorganization is proposed or ordered or which contains all or any part of a district for which a change of organization or reorganization is proposed or ordered with respect to territory outside that county.	<u>§56012</u>
Affected district	A special district, as defined by <u>§56036</u> , which contains, or whose SOI contains, any territory for which a reorganization or a change of organization is proposed or ordered.	<u>§56013</u>
Affected LAFCO	When more than one county is affected by, or participating in a municipal service review, the LAFCO for a county other than the principal county, in which a municipal service review is conducted.	
Affected local agency	Any agency which contains, or would contain, or whose SOI contains, any territory within any proposal or study to be reviewed by the Commission.	<u>§56014</u>
Affected territory	Any territory for which a change of organization or reorganization is proposed or ordered.	<u>§56015</u>
Annexation	The annexation, inclusion, attachment, or addition of territory to a city or district.	<u>§56017</u>
Board of Directors	The legislative body or governing board of a district.	<u>§56019</u>
Board of Supervisors	The elected board of supervisors of a county.	<u>§56020</u>

<sup>1</sup> Citations refer to sections of the Government Code. Some definitions are taken from other sources or have been developed for the Guidelines so they do not have specific Code references.

TERM	DEFINITION	SECTION
Change of organization	A city incorporation, district formation, annexation to, or detachment from, a city or district, disincorporation of a city, district dissolution, consolidation of cities or special districts, or merger or establishment of a subsidiary district.	<u>§56021</u>
City	Any charter or general law city, including any city the name of which includes the word "town."	<u>§56023</u>
City Council	The elected legislative body of a city.	<u>§56024</u>
Consolidation	The uniting or joining of two or more cities located in the same county into a single new successor city or two or more districts into a single new successor district. In the case of consolidation of special districts, all of those districts shall have been formed pursuant to the same principal act.	<u>§56030</u>
Cost avoidance	Actions to eliminate unnecessary costs derived from, but not limited to, duplication of service efforts, higher than necessary administration/operation cost ratios, use of outdated or deteriorating infrastructure and equipment, underutilized equipment or buildings or facilities, overlapping/inefficient service boundaries, inefficient purchasing or budgeting practices, and lack of economies of scale.	
County Service Area (CSA)	A dependent agency governed by the Board of Supervisors of a County pursuant to <u>§25210.1 - §25211.33</u> of the Government Code. A CSA may perform most services, which the county is authorized to perform by law, and does not perform to the same extent on a countywide basis both within and outside city boundaries.	
Detachment	The detachment, deannexation, exclusion, deletion, or removal from a city or district of any portion of the territory of that city or district.	<u>§56033</u>
Disincorporation	The disincorporation, dissolution, extinguishment, and termination of the existence of a city and the cessation of its corporate powers, except for the purpose of winding up the affairs of the city.	<u>§56034</u>
Dissolution	The dissolution, disincorporation, extinguishment, and termination of the existence of a district and the cessation of all its corporate powers, except for the purpose of winding up the affairs of the district.	<u>§56035</u>

TERM	DEFINITION	SECTION
District or special district	An agency of the state, formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries. "District" or "special district" includes a county service area.	<u>§56036</u>
District of limited powers	An airport district, community services district, municipal utility district, public utilities district, fire protection district, harbor district, port district, recreational harbor district, small craft harbor district, resort improvement district, library district, local hospital district, local health district, municipal improvement district formed pursuant to any special act, municipal water district, police protection district, recreation and park district, garbage disposal district, garbage and refuse disposal district, sanitary district, county sanitation district, or public cemetery district.	<u>§56037</u>
Education Revenue Augmentation Fund	The state mechanism for shifting property tax revenues from local governments to schools.	
Enterprise activities	Activities accounted for in a manner similar to a private business such as a water utility. The acquisition, operation, and maintenance of governmental facilities and services are entirely or predominantly self-supporting through user charges or fees. The State Controller separates enterprise activities into seven categories: airports, electric, harbor and port, transit, waste disposal, utility, and hospital.	
Feasible	Capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, legal, social and technological factors.	<u>§56038.5</u>
Formation	The formation, incorporation, organization, or creation of a district.	<u>§56039</u>
Function	Any power granted by law to a local agency or a county to provide designated governmental or proprietary services or facilities for the use, benefit, or protection of all persons or property.	<u>§56040</u>
Functional revenues	Revenues generated from direct services or associated with specific services, such as a grant or statute, and expenditures.	
General revenues	Revenues not associated with specific services or retained in an enterprise fund.	

TERM	DEFINITION	SECTION
Government Structure Option		
Incorporation	The incorporation, formation, creation, and establishment of a city with corporate powers. Any area proposed for incorporation as a new city must have at least 500 registered voters residing within the affected area at the time commission proceedings are initiated.	<u>§56043</u>
Independent special district	Any special district having a legislative body all of whose members are elected by registered voters or landowners within the district, or whose members are appointed to fixed terms, and excludes any special district having a legislative body consisting, in whole or in part, of ex officio members who are officers of a county or another local agency or who are appointees of those officers other than those who are appointed to fixed terms. "Independent special district" does not include any district excluded from the definition of district contained in §56036.	<u>§56044</u>
Independent SD officer	The presiding officer or a member of the legislative body of an independent special district.	<u>§56045</u>
Infrastructure needs and deficiencies	The term, "infrastructure" is defined as public services and facilities, such as sewage-disposal systems, water-supply systems, other utility systems, and roads (General Plan Guidelines). Any area needing or planned for service must have the infrastructure necessary to support the provision of those services. The term, "infrastructure needs and deficiencies," refer to the status of existing and planned infrastructure and its relationship to the quality and levels of service that can or need to be provided.	
Interested agency	Each local agency, which provides facilities or services in the affected territory that a subject agency would provide.	<u>§56047.5</u>
Joint Commission	A single Commission formed to preside over the functions of a multi-LAFCO Joint Powers Agreement. The Commission may be comprised of all or a portion of the Commissioners of the individual Commissions that are participating in the Joint Powers Agreement. A Joint Commission, as herein defined, does not constitute an individual agency. It is intended to jointly exercise existing powers common to each agency.	
Lead LAFCO	The LAFCO with primary responsibility for conducting a municipal service review affecting more than one county.	

TERM	DEFINITION	SECTION
Loaded Cost	A cost that has overhead and/or other fees or charges added to the actual and direct service or item cost.	
Local accountability and governance	The term, "local accountability and governance," refers to public agency decision making, operational and management styles that include an accessible staff, elected or appointed decision-making body and decision making process, advertisement of, and public participation in, elections, publicly disclosed budgets, programs, and plans, solicited public participation in the consideration of work and infrastructure plans; and regularly evaluated or measured outcomes of plans, programs or operations and disclosure of results to the public.	
Local agency	A city, county, or special district or other public entity, which provides public services.	<u>§56053</u>
Management efficiency	The term, "management efficiency," refers to the organized provision of the highest quality public services with the lowest necessary expenditure of public funds. An efficiently managed entity (1) promotes and demonstrates implementation of continuous improvement plans and strategies for budgeting, managing costs, training and utilizing personnel, and customer service and involvement, (2) has the ability to provide service over the short and long term, (3) has the resources (fiscal, manpower, equipment, adopted service or work plans) to provide adequate service, (4) meets or exceeds environmental and industry service standards, as feasible considering local conditions or circumstances, (5) and maintains adequate contingency reserves.	
Mentor LAFCO	A LAFCO with the experience and resources necessary to advise, or contract with, other LAFCOs for the implementation of municipal service reviews.	
Merger	The extinguishment, termination, and cessation of the existence of a district of limited powers by the merger of that district with a city as a result of proceedings taken pursuant to this division.	<u>§56056</u>

TERM	DEFINITION	SECTION
Municipal services	The full range of services that a public agency provides, or is authorized to provide, except general county government functions such as courts, special services and tax collection. Municipal service reviews are triggered by requirements to create or update SOIs for public agencies. Therefore, a LAFCO will review services that are provided by public agencies that have, or are required to have, SOIs with review and consideration of the operations of other providers that service the same region.	
Non-enterprise activity	A non-enterprise activity, such as fire protection, is an activity that has an accounting system organized on a governmental fund basis.	
Open space	Any parcel or area of land or water, which is substantially unimproved and devoted to an open-space use.	<u>§56059</u> <u>§65560</u>
Overlapping territory	Territory which is included within the boundaries of two or more districts or within one or more districts and a city or cities.	<u>§56061</u>
Out of Agency Contract	A contract to provide services outside of an agency's boundaries.	
Parent district	Any district, a metropolitan water district, or any of the entities enumerated in subdivision (c) of <u>§56036</u> , which includes all or any part of another district, the first-mentioned district or entity being obligated, under the provisions of the principal act of the first-mentioned district entity, to provide and furnish any governmental or proprietary service or commodity to the second-mentioned district.	<u>§56062</u>
Planning area	The area directly addressed by the general plan. A city's planning area typically encompasses the city limits and potentially annexable land within its SOI (General Plan Guidelines (GPG) page 230).	
Plan of reorganization	A plan or program for effecting a reorganization and which contains a description of all changes of organization included in the reorganization and setting forth all terms, conditions, and matters necessary or incidental to the effectuation of that reorganization.	<u>§56063</u>



TERM	DEFINITION	SECTION
Prime agricultural land	An area of land, whether a single parcel or contiguous parcels, that has not been developed for a use other than an agricultural use and that meets any of the following qualifications: (a) Land that, if irrigated, qualifies for rating as class I or class II in the USDA Natural Resources Conservation Service land use capability classification, whether or not the land is actually irrigated, provided that irrigation is feasible; (b) Land that qualifies for rating 80 through 100 Storie Index Rating; (c) Land that supports livestock used for the production of food and fiber and that has an annual carrying capacity equivalent to at least one animal unit per acre as defined by the United States Department of Agriculture in the National Handbook on Range and Related Grazing Lands, July, 1967, developed pursuant to Public Law 46, December 1935; (d) Land planted with fruit or nut-bearing trees, vines, bushes, or crops that have a nonbearing period of less than five years and that will return during the commercial bearing period on an annual basis from the production of unprocessed agricultural plant production not less than four hundred dollars (\$400) per acre; (e) Land that has returned from the production of unprocessed agricultural plant products an annual gross value of not less than four hundred dollars (\$400) per acre for three of the previous five calendar years.	<u>§56064</u>
Principal act	In the case of a district, the law under which the district was formed and, in the case of a city, the general laws or a charter, as the case may be.	<u>§56065</u>
Principal county	The county having all or the greater portion of the entire assessed value, as shown on the last equalized assessment roll of the county or counties, of all taxable property within a district or districts for which a change of organization or reorganization is proposed.	<u>§56066</u>
Principal LAFCO for municipal service review	The LAFCO with the lead responsibility for a municipal service review. Lead responsibility can be determined pursuant to the CKH Act definition of a Principal LAFCO as it applies to government organization or reorganization actions, by negotiation, or by agreement among two or more LAFCOs.	
Proceeding	Proceedings taken by the commission for a proposed change of organization or reorganization pursuant to Part 4 (commencing with <u>§57000</u> ).	<u>§56067</u>

TERM	DEFINITION	SECTION
Proposal	A request or statement of intention made by petition or by resolution of application of a legislative body or of a school district proposing proceedings for the change of organization or reorganization described in the request or statement of intention.	<u>§56069</u>
Public agency	The state or any state agency, board, or commission, any city, county, city and county, special district, or other political subdivision, or any agency, board, or commission of the city, county, city and county, special district, or other political subdivision.	<u>§56070</u>
Rate restructuring	Rate restructuring does not refer to the setting or development of specific rates or rate structures. During a municipal service review, LAFCO may compile and review certain rate related data, and other information that may affect rates, as that data applies to the intent of the CKH Act ( <u>§56000</u> , <u>§56001</u> , <u>§56301</u> ), factors to be considered ( <u>§56668</u> ), SOI determinations ( <u>§56425</u> ) and all required municipal service review determinations ( <u>§56430</u> ). The objective is to identify opportunities to positively impact rates without adversely affecting service quality or other factors to be considered.	
Regional	Pertaining to activities or economies at a scale greater than that of a single jurisdiction, and affecting a broad geographic area (GPG page 231)	
Reorganization	Two or more changes of organization initiated in a single proposal.	<u>§56073</u>
Responsible LAFCO	The LAFCO of a county other than the Principal County that may be impacted by recommendations, determinations or subsequent proposals elicited during a municipal service review being initiated or considered by the Lead LAFCO.	
Retained Earnings	The accumulated earnings of an enterprise or intragovernmental service fund which have been retained in the fund and are not reserved for any specific purpose (debts, planned improvements, contingency/emergency).	

TERM	DEFINITION	SECTION
Reserve	(1) For governmental type funds, an account used to earmark a portion of fund balance, which is legally or contractually restricted for a specific use or not appropriable for expenditure. (2) For proprietary type/enterprise funds, the portion of retained earnings set aside for specific purposes. Unnecessary reserves are those set aside for purposes that are not well defined or adopted or retained earnings that are not reasonably proportional to annual gross revenues.	
Service	A class established within, and as a part of, a single function, as provided by regulations adopted by the commission pursuant to Chapter 5 (commencing with <u>§56820</u> ) of Part 3.	<u>§56074</u>
Service review	A study and evaluation of municipal service(s) by specific area, sub-region or region culminating in written determinations regarding nine specific evaluation categories.	
Special reorganization	A reorganization that includes the detachment of territory from a city or city and county and the incorporation of that entire detached territory as a city.	<u>§56075.5</u>
Sphere of influence (SOI)	A plan for the probable physical boundaries and service area of a local agency, as determined by the commission.	<u>§56076</u>
Staged municipal service review	A municipal service review method structured to consider unique conditions, circumstances and characteristics and limit the depth of review and evaluation to that necessary to render substantiated written determinations. In this approach, Stage 1 is a general, less complicated level of review. LAFCOs proceed with a more complicated focused Stage 2 review only if the Stage 1 review did not produce the information needed to substantiate required determinations. Stage 3 focuses on those items needing extensive review.	
Stakeholder	Refers to LAFCOs, members of the public, affected and interested agencies, and other entities interested in, and affected by, service(s) being reviewed.	
Subject agency	Each district or city for which a change of organization is proposed or provided in a reorganization or plan of reorganization.	<u>§56077</u>

TERM	DEFINITION	SECTION
Sub-region	The study area for a municipal service review chosen because of characteristics, such as geography, government structure, or development characteristics, which produces meaningful comparisons and evaluations of government structure options.	
Subsidiary district	A district of limited powers in which a city council is designated as, and empowered to act as, the ex officio board of directors of the district.	<u>§56078</u>
Substantial SOI amendment	An amendment to an SOI which causes the SOI to be internally inconsistent, is inconsistent with provisions of the CKH Act, has the potential to cause significant adverse social, economic, environmental or other consequences, or has substantial adverse regional planning implications. A substantial amendment to an SOI prior to a municipal service review is inconsistent with <u>§56430</u> .	
Urban service area	Developed, undeveloped, or agricultural land, either incorporated or unincorporated, within the SOI of a city, which is served by urban facilities, utilities, and services or which are proposed to be served by urban facilities, utilities, and services during the first five years of an adopted capital improvement program of the city if the city adopts that type of program for those facilities, utilities, and services. The boundary around an urban area shall be called the "urban service area boundary" and shall be developed in cooperation with a city and adopted by a commission pursuant to policies adopted by the commission in accordance with <u>§56300</u> , <u>§56301</u> , and <u>§56425</u> .	<u>§56080</u>

## APPENDIX B

### ACRONYMS

- CAFR - Comprehensive Annual Financial Reports
- CEQA - California Environmental Quality Act
- CKA - Cortese-Knox Local Government Reorganization Act of 1985 as amended
- CKH - Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
- CLG - Commission on Local Governance for the 21st century
- COG - Council of Governments
- CSD - Community Services District
- DOF - State Department of Finance
- ERAF - Education Revenue Augmentation Fund
- GWB - Growth Within Bounds
- GP - General Plan Guidelines
- JPA - Joint Powers Agreement
- LAFCO - Local Agency Formation Commission
- LHC - Little Hoover Commission
- MSRG - Municipal Service Review Guidelines
- PUC - Public Utilities Commission
- SD - Special Districts: Relics of the Past or Resources of the Future
- SOI - Sphere of Influence
- TOC - Table of Contents

## APPENDIX C

### BACKGROUND ON MUNICIPAL SERVICE REVIEWS

The following is a discussion of the purpose and intent of the new municipal service review requirements and a description of the statutory requirements.

#### A. BACKGROUND AND LEGISLATIVE INTENT

In 1997, the State Legislature approved, and the Governor signed, AB 1484 (Hertzberg), establishing the Commission on Local Governance for the 21<sup>st</sup> Century (Commission). The members of the Commission included a broad spectrum of constituent groups and perspectives including counties, cities, special districts, educators, industry, and elected officials.

The Commission was charged with evaluating local governance issues and make appropriate recommendations. They were directed to focus special attention to the Cortese-Knox Local Government Reorganization Act of 1985, the 57 Local Agency Formation Commissions (LAFCOs) governed by the Act, and citizen participation in local government.

The results of those efforts were published in Growth Within Bounds (GWB) in January 2000. In GWB, the Commission stated that the role and responsibility of LAFCO is to have a:

"Comprehensive knowledge of the services available within its county, the current efficiency of providing service within various areas of the county, future needs for each service, and expansion capacity of each service provider.

Although some LAFCOs may have access to such essentials, many do not, and the Cortese-Knox Act offers no mechanism for assisting and encouraging them to gather the basic necessary information. The Commission believes that such provision should be added to the statute.

Information on public service capacity could be gathered as part of the implementation of a new requirement for periodic municipal service reviews. LAFCOs could conduct such reviews prior to or in conjunction with amendments to spheres of influence. A municipal service review would encompass a comprehensive study of each identifiable public service provided by counties, special districts, and the cities in the region.

The review would not focus exclusively on an individual jurisdiction to determine its future boundary or service areas. Rather, it would require LAFCO to look broadly at all agencies within a geographic region that

provide a service. The review would also include a component that examines the benefits or disadvantages of consolidation or reorganization of service providers.

LAFCOs should be provided flexibility in designating the geographic area to be analyzed, the timing of conducting particular reviews, and the scope of the reviews." (GWB, pages 98-99)

The GWB further states:

"The focus of the public policy debate should be on the adequacy of provision of services to citizens, not on the number of districts. The commissioners believe that there clearly needs to be an ongoing examination of the efficiency of governmental services, and that LAFCO is the appropriate agency to oversee this review. Where district consolidations or absorption of district functions into general purpose local governments will improve efficiency or transparency of service delivery, they should be aggressively pursued. Consolidating districts solely for the sake of reducing their numbers, however, is a disservice to the citizens who desire the services provided ." (GWB, pages 71-72)

## **B. STATUTORY MUNICIPAL SERVICE REVIEW REQUIREMENTS**

The State Legislature and the Governor codified much of the Commission's findings and created a formal process that could be used to collect information and evaluate service provision from a broader perspective (Government Code §56430).

Government Code §56430 requires that a review of municipal services be conducted as part of its preparing and updating a sphere of influence (SOI).

"In order to prepare and to update SOIs in accordance with §56425, LAFCOs are required to conduct a municipal service review of the municipal services provided in the county or other appropriate designated area. LAFCOs must include in the area designated for municipal service review the county, the region, the sub-region, or other geographic area as is appropriate for an analysis of the service or services to be reviewed and, as noted previously, must prepare a written statement of its determination with respect to each of the following:

1. Infrastructure needs or deficiencies;
2. Growth and population projections for the affected area;
3. Financing constraints and opportunities;
4. Cost avoidance opportunities;
5. Opportunities for rate restructuring;

6. Opportunities for shared facilities;
7. Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers;
8. Evaluation of management efficiencies; and
9. Local accountability and governance.

"In conducting a municipal service review, LAFCOs must comprehensively review all of the agencies that provide the identified service or services within the designated geographic area."  
(Government Code §56430)

In addition, municipal service reviews are to be conducted before, or in conjunction with, but no later than the time it is considering an action to establish (§56430) or update an SOI (§56425 or §56426.5). The Commission also recommended that a municipal service review not replace designations or updates of spheres of influence, but should be conducted in the establishment or amendment of any spheres (GWB, page 99).

### C. ANALYSIS OF STATUTORY REQUIREMENTS

Existing law requires that municipal service reviews begin with an evaluation of existing and future circumstances and may lead to consideration of different government structure options. LAFCO is required, for example, to evaluate the "advantages and disadvantages of consolidation or reorganization of service providers." The latter requirement has long been a statutory LAFCO function.

Government Code §56820.5 of the CKH Act authorizes LAFCOs to adopt, amend, or repeal regulations affecting the functions and services of special districts within the county. This statewide duty is unrelated to whether special districts are seated on individual LAFCOs. Government Code §56820.5 states LAFCOs may do any of the following:

"Classify the various types of service, which customarily are, or can be, provided within a single function of a special district. A class may be based on the type of service, the purpose or use of the service, the facilities used to provide the service, the type of consumers or users of the service, the extent of territory provided with the service, and any other factors which, in the opinion of the commission, are necessary or convenient to group persons, properties, or activities into a class having common characteristics distinct from those of other classes.

Require existing districts to file written statements with the commission specifying the functions or classes of service provided by those districts.

Establish the nature, location, and extent of any functions or classes of service provided by existing districts.



Determine that, except as otherwise authorized by the regulations, no new or different function or class of service shall be provided by any existing district."

However, the regulations do not apply to the extension or enlargement, within the boundaries of an existing special district, of any function or service, which the commission, pursuant to this section, has established is currently being provided by that special district (§56820.5).

The municipal service review process does not require that LAFCOs initiate any changes of organization or force any actions. It only requires that LAFCOs make determinations regarding the benefits or disadvantages of changes in government structure.

The CKH Act does, however, require that LAFCOs, and municipal service review stakeholders, consider (1) LAFCO's intrinsic mission and legislated intent; (2) the bigger picture or regional perspective needed to perceive and understand California's growth issues; and (3) the need to provide the highest quality services possible to the residents of the State of California.

#### **D. MUNICIPAL SERVICE REVIEW GOALS AND OBJECTIVES**

LAFCOs are required to conduct comprehensive reviews of all municipal services provided by agencies with existing or needed SOIs. These reviews become information tools that can be used by LAFCO, the public or local, regional and state agencies based on their area of need, expertise, or statutory responsibility. Municipal service reviews can be used to:

- Promote orderly growth and development in appropriate areas with consideration of service feasibility, service costs that affect housing affordability, and preservation of open space, important agricultural land and finite natural resources; and
- Encourage infill development and direct growth to areas planned for growth in General Plans;
- Learn about service issues and needs;
- Plan for provision of high quality infrastructure needed to support healthy growth;
- Provide tools to support regional perspectives or planning that address regional, cross county or statewide issues and processes;
- Develop a structure for dialogue among agencies that provide services;
- Develop a support network for smaller or ill funded districts that provide valuable services;

- Provide backbone information for service provider directories or inventory reference documents for counties that do not have them;
- Develop strategies to avoid unnecessary costs, eliminate waste, and improve public service provision;
- Provide ideas about opportunities to streamline service provision through use of shared facilities, approval of different or modified government structures, joint service agreements, or integrated land use planning and service delivery programs; and
- Promote shared resource acquisition, insurance policies, joint funding requests or strategies.

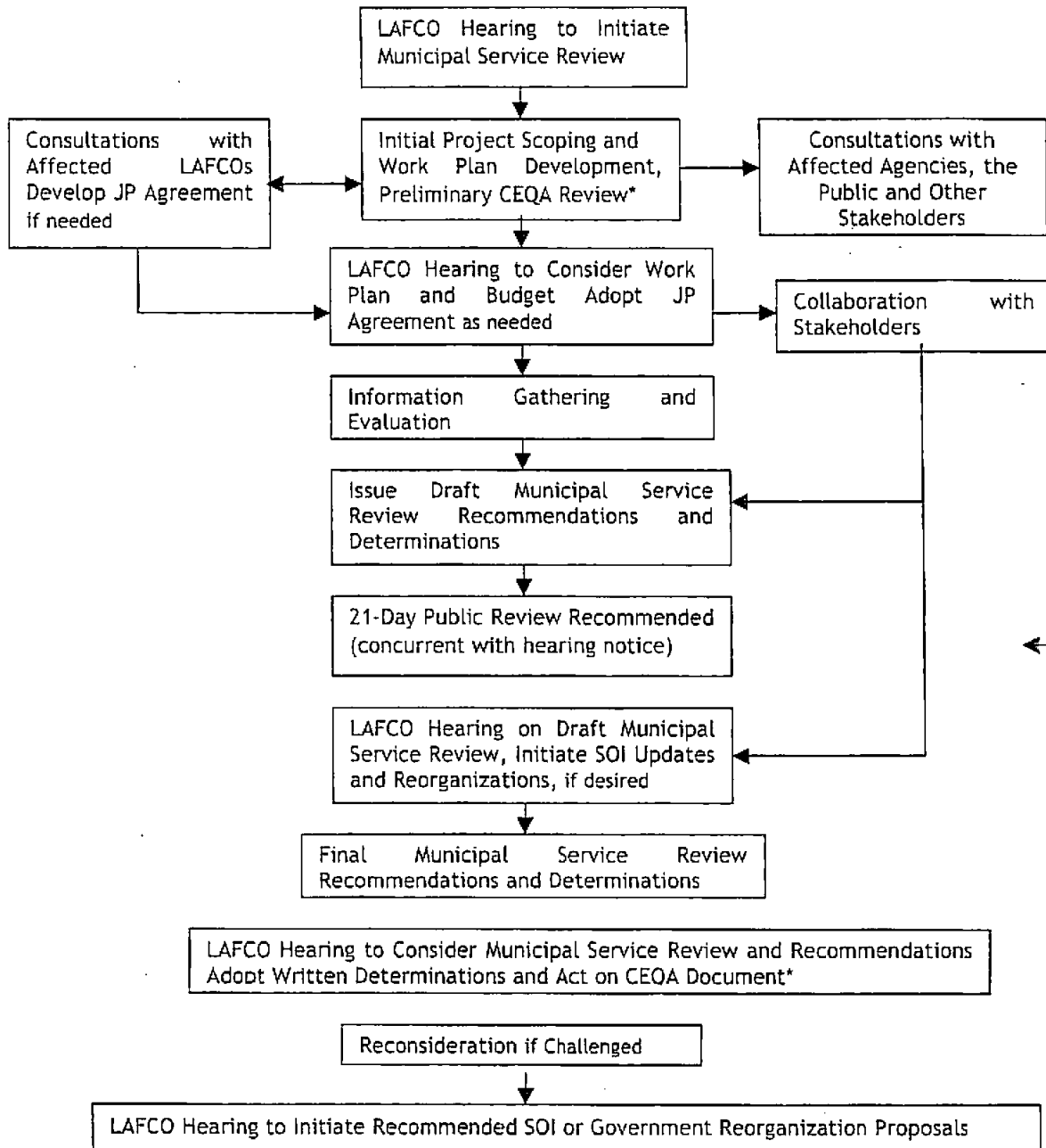
## E. IMPLEMENTATION

Effective January 1, 2000, the CKH Act requires that all SOIs be updated as necessary but not less than every five years. Therefore, all SOIs, at a minimum, need to be updated by January 1, 2006.

Municipal service reviews are required to be completed prior to, or in conjunction with the update or creation of SOIs. This means that all municipal service reviews also need to be completed by January 1, 2006.

## APPENDIX D

### MUNICIPAL SERVICE REVIEW PROCESS FLOW CHART



\*References to CEQA are placeholders. Refer to the CEQA Guidelines and LAFCOs' adopted Procedures for specific steps.

## APPENDIX E

### DATA COLLECTION

The municipal service review is an evaluation of how a service is being delivered in a specified area of a county by the LAFCO. The municipal service review is not an end in its self, but will form the basis of future LAFCO decisions.

Taking a comprehensive look at the services being provider within an area requires effective data collection and maintenance. Even if a LAFCO has not historically kept extensive records, good information management going forward will save time and effort the next time the service is reviewed.

OPR recommends that LAFCO work with service providers in developing the type of information it will use in evaluating the service. Extensive and overly broad information requests will cost money for both the service provider to compile and the LAFCO to review. A solid understanding of the service to be reviewed will allow the information collected to be limited to only what is reasonably necessary to undertake the review.

#### I. GENERAL INFORMATION COLLECTION STRATEGIES

Some targeted information collection and management options that a LAFCO may wish to consider include:

- Have mentor LAFCOs assist LAFCOs with preparing information collection formats, determining specific needed information, and evaluating compiled information.
- Have mentor districts and cities assist other agencies, especially those that are recently formed or less skilled in data compilation, budgeting, or record keeping, with information compilation.
- Have stakeholders assist with determining information needs, compiling information and initial review, with independent evaluation by LAFCO.
- Use existing information resources as feasible rather than duplicating efforts with LAFCO evaluating information to ensure that it is up-to-date and accurate.
- Augment staff or hire technical consultants to assist with individual reviews.
- Integrate municipal service review information collection with efforts related to land use plan development, urban water management plan development, National Pollution Discharge Elimination programs, State Transportation Implementation Plans, or other capital improvement program development.
- To set the long-term stage for producing municipal service reviews and updating SOIs, LAFCO can become more proactive in exercising its Responsible

Agency role in CEQA reviews. This is especially critical for proposals that include amendments to SOIs, or require annexations or district formations as conditions of approval or mitigation measures. LAFCOs can inform planning and/or environmental review departments of municipal service review information and evaluation requirements so that appropriate review is undertaken and efforts are not duplicated.

- Land use agencies can be encouraged to adopt and maintain a General Plan public facilities element. LAFCO would participate to ensure that municipal service review related information is compiled and updated.

## II. SPECIFIC INFORMATION SOURCES

### A. GOVERNOR'S OFFICE OF PLANNING AND RESEARCH

One important information collection resource is OPR's General Plan Guidelines (GPG). The GPG contains a list of state and federal agencies and their web sites (page 28), a list of local, state and federal governmental agencies and the types of information that they acquire and may provide (pages 25 and 26). The GPG can be viewed on OPR's web site at [www.opr.ca.gov/](http://www.opr.ca.gov/).

### B. THE STATE CONTROLLER'S OFFICE

The State Controller's Accounting Standards and Procedures for Counties (ACPC) contains a list of organizations with contact information, and publications pertaining to budgets and financial practices for all types of agencies (ACPC, Appendix E). Other information pertaining to cities and districts is also available. Information can be accessed on the State Controller's website at [www.cso.ca.gov/](http://www.cso.ca.gov/).

Local and regional growth and population data and projections are available from the following sources.

### C. THE STATE DEPARTMENT OF FINANCE (DOF)

The following information is taken from the DOF website at [www.dof.ca.gov/html/Demograp/druhpar](http://www.dof.ca.gov/html/Demograp/druhpar):

Legislation created the Demographic Research Unit within the Department of Finance in 1951 to serve as the single official source of demographic data for State planning and budgeting. Population data are used to establish appropriation limitations; distribute subvention funds, various Federal program funds, wastewater treatment funds, and other State funds; allocate capital outlay funds; and aid in the planning and evaluation of programs. State agencies and departments, local governments, the Federal government, school districts, public utilities, the private sector, and the public use demographic data. DOF provides demographic research and analysis, produces publications of current population estimates and future projections of

population and school enrollment, and disseminates census data. DOF consults with other government agencies and the private sector.

The State Census Data Center (SCDC) was established on January 1, 1979 to serve as the central point for dissemination of census data to State and local government agencies and the general public in California. The SCDC program is a national effort by the U.S. Bureau of the Census designed to increase and improve public access to census statistical products. The SCDC provides services to State Agencies in processing machine-readable data, user consultation, and data analysis and provides user-training workshops upon request. The SCDC library houses a broad spectrum of data sources including the 1970, 1980, and 1990 decennial censuses, the Census of Agriculture, the Economic Censuses, and several special and periodic surveys.

Annual population estimates of the State, counties and cities are provided by the Unit. Information on housing units, vacancies, average household size, components of population change, and special populations are also available. The data are used in determining the annual appropriations limit for all California jurisdictions, to distribute State subventions to cities and counties, to comply with various State codes, and for research and planning purposes by Federal, State and local agencies, the academic community and the private sector.

The Unit projects the State and county population by age, race/ethnicity and sex, K-12 enrollment and high school graduates, and post-secondary education enrollment. As direct inputs to the State Budget, the Unit produces short-term annual statewide projections of the population by age and K-12 Average Daily Attendance.

#### **D. THE REGIONAL COUNCIL'S OF GOVERNMENT (GOG)**

The following information was obtained from the California Association of Regional Councils of Government website.

Up-to-date population and census data can often be obtained from regional COGs. COGs are Joint Powers Authorities that analyze relationships between policies in a local area and their impact on regional issues. Two important COG functions are to serve as the regional transportation planning agency under state law and as the federal metropolitan (transportation) planning organization (MPO). This involves preparation of long-range transportation plans and, in most instances, development and adoption of transportation improvement programs which allocate state and federal funds for highway, transit and other surface transportation projects.

COGs also provide allocations of regional housing needs to all cities and counties within its boundaries. (Where there is no Council of Governments that duty is carried out by the State Department of Housing and Community Development.) Some COGs tie regional housing allocation or other plans to SOI boundaries. Most COGs prepare growth and population data needed to support short and long term local and regional planning efforts. Contact data for all California COGs, and other information is

available on the California Association of Councils of Governments website at [www.calcog.org/](http://www.calcog.org/).

## E. THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

The Policy Unit at HCD is responsible for developing California's five-year Consolidated Plan for receiving certain federal community development funds. As part of the plan, HCD is required to identify impediments to fair housing which includes examining demographics, housing and market conditions and practices, potentially discriminatory practices, infrastructure deficiencies and needs.

For smaller communities HCD prepares the Consolidated plan. Larger communities prepare individual plans which also contain significant information about the current conditions in the areas. HCD's website can be found at [www.housing.hcd.ca.gov/](http://www.housing.hcd.ca.gov/).

## F. LAFCO INFORMATION RESOURCES

Some LAFCOs maintain data on service providers, and files of previous LAFCO proposals and related research and analysis documents. These may include, but are not limited to, inventories, profiles or directories of local service providers, staff reports, and supporting documents for previous government reorganization actions, such as formations, incorporation, consolidations, and SOI Plans, Amendments, and Updates. Some LAFCO have compiled service provider maps for all or portions of a county.

## G. CITY AND COUNTY PLANS, AND REVIEWS

Counties and cities prepare data and plans, which include growth and population projections, and maps that identify areas that are planned to urbanize within 5-20 year periods. Some counties and cities have developed Geographic Information Systems (GIS) Maps. Most cities, counties and special districts can provide copies of short and long-term infrastructure planning documents. Market land absorption studies can often be obtained from real estate associations or private developers.

It is important to discuss plans and other data sources with local planners and service providers before using them to ensure that information is still correct and usable. Plans that may be used to support and simplify the municipal service review process include:

- General Plans. - General Plans identify existing capital facilities/infrastructure, and short and long-term deficiencies or needs. Some land use jurisdictions also adopt an optional public facilities element. All land use, open space, conservation, circulation, noise, and safety elements may be checked for useful information. The California Chapter of the American Planning

Association can be contacted for information on cities and counties with public facility elements or General Plan data that have been recognized as exceptional. Their website is located at [www.calapa.org/](http://www.calapa.org/).

- o Capital Improvement Plans or Program Reports. All cities, special districts, counties, and school districts are required to submit an annual capital improvement program to the local planning agency. The program must include a list of proposed projects (§65401). The local planning agency then reviews the capital improvement program for consistency with the pertinent general plan or plans (§65103 [c]). Some cities and counties prepare five (5) to seven (7) year capital improvement programs (CIP) which they update each year and submit to the appropriate planning agency. CIPs generally provide a summary of expenditures budgeted for infrastructure upgrades, acquisitions, rehabilitation, replacement, construction and maintenance.

## H. MASTER SERVICES AND RESOURCE ACQUISITION PLANS, CAPITAL IMPROVEMENT PLANS AND SERVICE RELATED MAPS

Cities and special district should be able to provide copies of their adopted plans and other information resources.

## I. PUBLIC INFRASTRUCTURE FINANCING PLANS AND MECHANISMS

To qualify or use certain types of financing mechanisms, such as Mello-Roos Assessment Districts, a public agency is required to prepare infrastructure maps and plans as well as growth projections. The agency generally evaluates proposed development plans or projects to determine whether they are consistent with public infrastructure financing plans.

# III. PROFESSIONAL ORGANIZATIONS

Professional organizations are excellent resources for information on industry standards and Best Practices. Many produce criteria or maintain information libraries. These organizations can often provide contacts to assist with determining industry standards. The California League of Cities ([www.ca.cities.org/](http://www.ca.cities.org/)), for example, distributes Helen Putnam awards for excellence in financial management and planning, public works and transportation, civic involvement and other categories. The recipients of those awards may be excellent information resources.

## A. OTHER STATE OR FEDERAL MANDATED PLANS AND PERMITS

Public agencies are often required to obtain permits to construct or operate certain types of public facilities, such as wastewater treatment plants, and adopt plans to minimize environmental or other impacts of certain types of development. These plans and permits include data and assessments that may assist with the municipal



service review process. LAFCOs may contact other agencies to determine if they have service provider specific information or permit data that can facilitate the information gathering process.

Some agencies that might be contacted are:

- State Water Quality Control Board ([www.swrcb.ca.gov](http://www.swrcb.ca.gov)) (Permits, evaluation criteria).
- Housing Authority (Demographic data, plans and budgets).
- COG and Congestion Management Agency (Regional Housing Allocation Plan, Regional Transportation Plan, Congestion Management Plan).
- County and City Water Departments (NPDES Permit).
- State Department of Conservation ([www.consrv.ca.gov/dlrp/index](http://www.consrv.ca.gov/dlrp/index)), County (Land Conservation Contracts, important farmland maps)
- State Integrated Waste Management Board ([www.ciwmb.ca.gov/local](http://www.ciwmb.ca.gov/local)) (County Integrated Waste Management Plan, Hazardous Waste Management Plan)
- State Mining and Geology Board or State Geologist ([www.consrv.ca.gov/smmm/index](http://www.consrv.ca.gov/smmm/index)) (Surface Mining and Reclamation Ordinances, Seismic or geologic hazards' maps and plans).
- State Department of Water Resources ([www.dpla.water.gov/cgi-bin/index](http://www.dpla.water.gov/cgi-bin/index)), State Reclamation Board, county and city water services departments (Permits, floodplain maps, flood hazard mitigation plans).
- Coastal Commission ([www.ceres.ca.gov/coastalcomm/web](http://www.ceres.ca.gov/coastalcomm/web)) (Local Coastal Element or program).
- Federal Aviation Administration ([www.faa.gov](http://www.faa.gov)), Airport Land Use Commission (Permits, Airport Land Use Plan).
- State Air Resources Board ([www.arb.ca.gov](http://www.arb.ca.gov)), local air pollution control district (State Implementation Plan).
- U.S. Army Corps of Engineers ([www.usace.army.mil/whatwedo/statelocal](http://www.usace.army.mil/whatwedo/statelocal)), State Department of Fish and Game ([www.dfg.ca.gov/](http://www.dfg.ca.gov/)), local planning or public works agency (CEQA mitigation monitoring programs, and Section 404 of the Clean Water Act permits).
- State Controller's Office ([www.sco.ca.gov](http://www.sco.ca.gov)) (annual budgets, audits, definitions and templates for accounting and budgeting practices).

## B. OBTAINING COMPARABLE INFORMATION

One obstacle to service focused data compilation and review is data format. Different agencies compile and use information in different ways and for different purposes. This is especially true of budget, service level, and other fiscal

information. It is recommended that LAFCOs collaborate with CALAFCO, the CSDA, CSAC and League of Cities on the development of standard budget information formats. While this may not assist with early municipal service reviews, it should improve the process over the long term.

The State Controller divides enterprise districts into seven activities: airport, electric, harbor and port, transit, waste disposal, water utility, and hospital activities. The introduction to each year's Special District Annual Report provides summary budgets for those 7 types of districts. Non-enterprise districts are also summarized.

State budget categories can be used to produce budget templates. Exhibit 10 is a sample budget information format that can be tailored to fit specific municipal service review needs. Alternatively, it may be appropriate to ask enterprise districts to compile budget information using the state's format with additional detail for certain costs and revenue categories. It may be useful to compare data contained in State summaries with that received from enterprise special districts. Information on state formats and documents regarding cities, counties and special districts can be obtained from the State Controller's website at [www.sco.ca.gov](http://www.sco.ca.gov).

#### IV. SUMMARY

It is recommended that LAFCOs meet with agencies before information compilation begins to discuss submittal formats or opportunities to obtain descriptive information that makes budget data easier to evaluate and compare. A follow-up meeting after budget data is received is generally helpful. Where possible, stakeholders can be asked to review data, and collaborate on reasonable or appropriate comparison methods.

## APPENDIX F

### USE OF CONSULTANTS

At times, LAFCO may wish to secure the services of consultants or mentor LAFCOs to assist with municipal service review processing. Consultants can be useful when working under clear direction from LAFCO. Sometimes, the use of consultants is warranted because a LAFCO's workload may not permit additional time expenditures for municipal service reviews or LAFCO may desire specialized services, which cannot be provided economically in-house. In some cases, a municipal service review may be too complex for LAFCO to independently review all of the needed data or so controversial that a third party may be needed to provide a review that is perceived as more impartial.

Page 20 of the State General Plan Guidelines provides the following guidance on using a consultant:

The first step in selecting a consultant should be to send to prospective candidate firms a request for qualifications (RFQ) and a description of the consultants' expected role. The RFQ will help narrow the search for qualified consultants. After evaluating the responses, the agency should send a request for proposal (RFP) to the three to five firms, which seem to be the Best Match. Responding to an RFP is costly for consultants, so the RFP should only be sent to those firms, which the agency would consider hiring. The firms with the top responses to the RFP can be interviewed to select the firm best suited to agency's needs, work program, and budget.

LAFCO may wish to advertise the RFP on its own or CALAFCO's website or in the appropriate trade publication. Executive Officers may also communicate with other LAFCOs through CALAFCO's website (<http://www.calafco.org/>) in order to secure model RFQs, RFPs, contracts or scopes of work that have been used by other LAFCOs. LAFCOs can use pertinent SRG outline sections as a template for developing scopes of work.

## APPENDIX G

### FUNDING OPTIONS

Prior to January 2001, county governments funded LAFCOs. The CKH Act now apportions funding responsibilities among cities, counties and special districts that choose to be represented on LAFCOs. Although this change increases LAFCO's potential funding resources, it does not set limits for funding or require that special districts participate on LAFCOs. As a result, LAFCOs will need to develop funding strategies and budget the funds necessary to implement municipal service review requirements. It is recommended that LAFCOs develop appropriate funding policies and procedures and include them in their written procedures to ensure consistency and fairness.

There are several municipal service review funding approaches that LAFCOs could consider: They include:

- **Incentives for special district representation on LAFCOs.** LAFCOs could adopt policies requiring LAFCOs to assume responsibility for funding all municipal service reviews only if special districts participate on LAFCOs and a negotiated funding plan is developed. In this approach, LAFCOs would not require the agencies with SOIs to separately fund the municipal service reviews that are a necessary component of SOI actions. Instead, LAFCOs would work with cities and special districts to develop a funding strategy, which could include (1) joint grant or funding applications, (2) reduced rates for fee-based services requested by represented agencies, (3) negotiations among private project proponents and citizens groups for shared funding, or (4) a combination of the other approaches listed in this section. The objectives would be to enhance special districts' LAFCO involvement, and make the municipal service review process as affordable to all agencies as possible including those with very limited funding resources.
- **Integration with General Plan Budgets and Processes.** If a General Plan is in process, LAFCOs would work with planning staff to scope and design the General Plan update process in a manner that facilitates some municipal service reviews. General Plan public facilities' discussions would be designed to include information required for municipal service reviews in a format useful to the development of written municipal service review determinations. To ensure objectivity, LAFCO would reserve the right to independently verify or confirm General Plan information. The advantage of this approach is that it eliminates duplication of effort and makes General Plan technical experts available to LAFCO.
- **Distribute costs among reviewed agencies.** Municipal service review costs would be shared by all agencies (1) with SOIs and (2) included in the municipal service review studies. Costs could be allocated based on size of districts, size

of budgets, sources of revenue or other options with consideration of ability to pay and as negotiated by LAFCO. Agencies could lobby agencies included in the review but exempted from CKH Act SOI requirements, such as Joint Powers Authorities or metropolitan water districts, to contribute a fair share because their service users ultimately benefit from the reviews.

- **Augment LAFCO's budget to include funding for all municipal service reviews.** LAFCOs would assume responsibility for 100% of municipal service review costs. Costs would be spread among all special districts, cities and the county based on the negotiated LAFCO funding mechanism.
- **Negotiate on a case-by-case basis.** LAFCO would develop a cost estimate, review specific circumstances and negotiate a plan to share funding costs. The negotiated plan could include strategies for agencies under review to loan technical staff, compile information, donate the use of office space and conference rooms, or provide other resources which may reduce LAFCO's costs. LAFCOs could consider crediting donations of staff time as in lieu processing fees.
- **Develop different funding strategies for staged reviews.** Various review stages could be funded differently. A Stage 1 review could be funded by the LAFCO. Service providers could fund Stage 2 and 3 reviews especially if it appeared that alternative government structure options were under consideration. Another option would apply to reviews that are not staged.
- **Incentives for self-initiation.** LAFCO would develop incentives for entities to share municipal service review costs. For example, any agency requesting a review and agreeing to assist in the funding could be entitled to priority processing and funding of pending proposals or needed SOI amendments or updates. Service providers that have initiated service studies, SOI updates, or consolidations and are cooperatively compiling information could receive a credit. Alternatively, service providers could scope the project, develop a timeline, and provide preliminary information and a funding match. The product could be submitted to LAFCO for costing and for public and other agency review. In case LAFCO or other service providers disagree with the approach and/or cost, they could reserve the right to withdraw the proposed study.
- **Project proponents pay.** Public and private proponents of pending proposals that cannot be processed without the municipal service review bear reasonable processing costs.

## APPENDIX H

### COMMUNITY SERVICES DISTRICT PROFILE - EXAMPLE

District: El Dorado Hills Community Services District		
Address 1021 Harvard Way, El Dorado Hills, CA 95762		
Meeting Schedule Monthly - Second Thursday, 7:30 p.m.		
CONTACT	Wayne A. Lowery	TITLE General Manager
PHONE	916 / 933-6624	FAX 916 / 933-6359
ALT PHONE		E-MAIL <a href="mailto:edhcsd@eldoradohillscsd.org">edhcsd@eldoradohillscsd.org</a>
<b>BOARD OF DIRECTORS</b>		<b>TITLE</b>
		<b>TERM OF OFFICE</b>
Ann M. Murray		President 12/96 - 12/2000
Brett McFadden		Vice President 12/98 - 12/2002
Constance Hasting		Director 12/98 - 12/2002
F. J. Leslie		Director 12/96 - 12/200-
Tony DiGaetano		Director 12/98 - 12/2002
<b>DISTRICT STAFF</b>		
		<b>FORMATION INFORMATION</b>
		<b>SOI</b>
		Resolution #: 83-04
		Date: 4/7/83
<b>NAME</b>	<b>TITLE</b>	<b>LAFCO</b>
Wayne A. Lowery	General Manager	Resolution #: Boundary Commission Report
		Date Adopted: 2/5/62
		<b>CONDUCTING AUTHORITY</b> MAPPING
		Resolution #: 98-62
		Date Adopted: 5/21/62
		<b>EFFECTIVE FORMATION DATE:</b> Unknown
Robert Thurbon	Legal Counsel	Recorded:
<b>Major Facilities / Stations</b>		
Yes		
<b>Purpose</b>		<b>Area Served</b>
1. Enabling Legislation: Gov. Code Sections 61000-61936		1. Area Size: 22.5 +/- square miles
2. Empowered Services: Water, Fire, Parks, Recreation, Sewer, Garbage, Lighting, Landscaping, Mosquito Abatement, Police, Library, Roads and Bridges, Cable Television, Electricity, CC&R Enforcement.		2. Supv. Dist.
3. Provided Services: Parks and recreation, CC&R enforcement, street lighting and landscape, solid waste management, cable television services		3. Reg. Voters: 10,592
		4. Estimated Population: 17,200
		5. Location Description: Located west of Cameron Park to the Sacramento County line in the El Dorado Hills Area
<b>Financial Information</b>		<b>Administrative Policies</b>
Assessments/Fees:	Per Parcel: \$10 (CC&R Enforcement)	Master Plan: Yes
Other Fee Schedules:	Light/Landscaping - Call District for Assessments	Policies & Procedures Adopted: Yes
1998-99 Budget:	\$1,120,861	By-laws Adopted: No
Appropriation (GANN) Limit:	\$1,980,759	Encroachment Permit Process: N/A
		ISO Rating (for Fire Providers)
NOTES: Supervisorial Districts I and IV		

## APPENDIX I

### CITY PROFILE - EXAMPLE

**CONTACT PERSON:** David Mora, City Manager

**ADDRESS:** 200 Lincoln Avenue Phone: 831 / 758-7201  
 Salinas, CA 93901 FAX: 831 / 758-7368

**DATE OF AGENCY FORMATION:** March 4, 1874

**ENABLING LEGISLATION:** City Charter; Government Code Section 34450

**GOVERNING BODY:** Seven (7) member Council elected at large; four (4) year terms;  
 Mayor two (2) year term

**MEMBERSHIP:** Anna Caballero, Mayor **TERM EXPIRES:** November, 2002  
 Ernesto Gonzales November, 2004  
 Roberto Ocampo November, 2002  
 Janet Barnes November, 2002  
 Jyl Lutes November, 2002  
 Jan Collins November, 2002  
 Gloria de la Rosa November, 2004

**COMPENSATION:** Mayor - \$800/month; Council Members - \$600/month

**PUBLIC MEETINGS:** Generally meets 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Tuesdays at 4:00 p.m. and 7:30 p.m. in City Council Chambers Rotunda

**SERVICES PROVIDED:** Non-contractual: police, fire, library, recreation and parks, community center, public works including street maintenance and sweeping, building inspection, sewage collection, library service, comprehensive planning and land use control.  
 Contractual: First aid and ambulance service, solid waste disposal, and rural fire service

**AREA SERVED/ POPULATION:** 18.5 square miles  
 151,060

**STAFFING:** 595 employees

	Actual 1997-98	Actual 1998-99	Actual 1999-00	Budget 2000-01	Budget 2001-02
EXPENDITURES	45,543,578	49,283,477	49,148,889	53,906,300	61,412,700
CAPITAL/FIXED ASSETS:	398,952	652,598	474,848	307,600	531,300
PROPERTY TAX:	6,886,697	7,334,259	7,827,998	7,721,000	8,291,000
USER FEES:					

## APPENDIX J

### SPECIAL DISTRICT POWERS COMPARISON CHART

#### PUBLIC UTILITY DISTRICTS

Principal Act: *Public Utilities Code, §§155001-18055*

POWERS/FUNCTIONS/SERVICES	Donner Summit PUD	Truckee Donner PUD
Acquire, construct, own, operate, control, or use works for supplying district inhabitants with:		
1. Light		
2. Power		✓
3. Heat		
4. Water	✓	✓
5. Transportation		
6. Telephone service		
7. Other means of communication		
8. Means for disposition of garbage or refuse matter		
9. Means for disposition of sewage	✓	
Acquire, construct, own, complete, use, and operate:		
10. Fire department: <sup>†</sup>		
10.1 Fire protection	✓	
10.2 Rescue	✓	
10.3 Emergency medical services	✓	
10.4 Hazardous material emergency response	✓*	
10.5 Ambulance services	✓	
11. Street lighting system		
12. Public parks & playgrounds, golf courses, public swimming pools, public recreation buildings		
13. Buildings to be used for public purposes		
14. Works to provide for drainage of roads, streets and public places (e.g., curbs, gutters, and sidewalks)		
15. Pavement of streets		

<sup>†</sup> §16463.5 (a) of the Public Utilities Code provides: "A district may exercise any of the powers, functions, and duties which are vested in, or imposed upon, a fire protection district pursuant to the Fire Protection District Law of 1987, Part 3 (commencing with Section 13800) of Division 12 of the Health & Safety Code."



\* Hazardous Materials First Response—Operational Level (Defensive Mode), required of all fire protection districts.

Active powers for each district are indicated by check marks. Exercise of any other power requires prior approval by LAFCo.

Courtesy of Nevada LAFCO

## APPENDIX K

### SOI STATUS LOG - EXAMPLE

District	Ref. No.	Type or Action	Acreage	Date	Type of Service and Miscellaneous Information
Alpine Fire Protection District	S183-9	Larger than	Dist. = 19 sq. mfls Add'l - unknown	4-4-83	<i>Fire Protection.</i> Adopted in conjunction with East County Fire Protection Agencies Spheres of Influence Study and "Formation of the Rural FPD" (DF82-2). Additional territory located north, east, and south of District boundary.
	◇	Add to sphere	2± sq. miles	11-5-84	<i>Resolution of McCain/Viewside Special Study Area:</i> Some territory also added to spheres for Lakeside FPD and Crest FPD (now part of East County FPD).
Alpine Sanitation District	S183-24	Larger than	Dist = 616 acres Add'l = unknown	11-7-83	<i>Sewer Service.</i> Four (4) additional areas are included in the sphere: three (3) are residential communities, located along the District's southern boundary at the western corner, center and eastern corner that are served by private septic systems; the fourth is adjacent to the District's non-contiguous territory located north and west of the main portion of the District, and designated for commercial and industrial development. All sphere territory is contained within the Country Town boundary.
	SA86-2 (see DA85-1)	Add to Dist. & sphere	238.32 acres	2-3-86	<i>"Lively Annexation" (DA85-1):</i> TM to develop 333-unit mobile home park.
Bonita-Sunnyside Fire Protection District	S184-7	Larger than	Dist. = 7.5± sq. miles Add'l = 7.5± sq. miles	7-1-85	<i>Fire Protection:</i> Sphere essentially coterminous on west; additional territory is primarily located east of current District boundary.

## APPENDIX L

### MULTI-COUNTY LAFCO REVIEW

LAFCO should consult with other affected LAFCOs when scoping a proposed municipal service review. An affected LAFCO is a LAFCO for a county other than the principal county that is conducting the municipal service review. This is especially important for municipal service reviews which may lead to the consideration of proposals that have the potential to cause significant environmental, fiscal or economic impacts on the other county.

#### A. DEVELOPMENT OF MUNICIPAL SERVICE REVIEW BOUNDARIES CAN TRIGGER MULTI-LAFCO REVIEWS

- Municipal service reviews may frequently involve more than one LAFCO because the CKH Act states, "the commission shall include in the area designated for municipal service review the county, the region, the sub-region or other geographic area as is appropriate for an analysis of the service or services to be reviewed..." To comply with this directive, LAFCO may need to develop service study area boundaries which cross county lines. Some examples of cases where LAFCOs may encounter cross-jurisdictional issues include:
  - When service or study areas are located in more than one county;
  - When multi-county special districts or multi-county joint powers authorities (JPAs) are involved in providing the service under review; and
  - When expected recommendations or determinations may lead to actions that significantly impact more than one county.

#### B. COORDINATION OF MULTIPLE-LAFCO REVIEWS

Municipal service reviews affecting multiple counties and multiple LAFCOs could be ineffective if LAFCOs do not develop processes for coordinating them. LAFCOs should work cooperatively to develop functional agreements and conduct joint municipal service reviews when appropriate .

A sample LAFCO Joint Powers Agreement to conduct cross-county municipal service reviews is in the attached exhibit<sup>2</sup>. The following are examples of reviews that may be facilitated through joint agency agreements.

**Example 1:** LAFCO A is developing a municipal service review study of reclamation districts, levee maintenance and other districts that provide flood control planning

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<sup>2</sup> Nevada and Placer County LAFCOs' joint powers agreement for government organizations and reorganizations was used in the development of the exhibit.

and implementation services and for which it approved SOIs in 1986. During a stakeholder meeting, LAFCO A learns that two of the affected reclamation districts belong to a JPA. The JPA is assessing the districts' residents for projects to strengthen the levees owned and maintained by the districts, and is constructing them. The JPA serves two counties, and residents from both of those counties pay the assessments. LAFCO A needs to contact LAFCO B and involve that LAFCO in the municipal service review process.

**Example 2:** LAFCO A is developing a municipal service review study of fire and emergency service districts on the western edge of County A. While conducting initial research, LAFCO A learns that Fire District A has a contract to serve a 1,000-acre development on the eastern edge of County B. District A is providing first response to several thousand additional acres in County B with approximately 11,000 dwelling units. None of the fire service providers in County B intend to serve those residences, and County B's General Plan states that it will contract with District A for additional services needed in the eastern county. District A is funded solely through property taxes, and permit fees. Residents in County B are paying for Fire District B's services. LAFCO A needs to contact LAFCO B and involve that LAFCO in the municipal service review process.

**Example 3:** LAFCO A is developing a municipal service review study of water supply services. The study boundary has been drawn to include all districts receiving surface water supplies from Reservoir A. Some districts share distribution facilities; some do not. Study boundaries include two districts in County B, and one cross-county district that serve Counties B and C. LAFCO A needs to contact LAFCOs B and C and involve those LAFCOs in the municipal service review process.

## C. JOINT POWERS AGREEMENTS

LAFCOs should work together to develop a plan for managing cross-county municipal service reviews. One approach is to enter into a joint powers agreement that could be applied to the subject review as well as any other cross-county reviews that are identified. LAFCOs do not need to create a separate agency to implement a Joint Powers Agreement. The agreement only has to provide for joint exercise of certain powers common to each LAFCO. LAFCOs can set specific timeframes for the duration of the agreement or define methods for termination by either party.

After evaluating Nevada/Placer and Alameda/Contra Costa LAFCOs' Joint Powers Agreement processes for reorganization proposals that cross-county boundaries, the Commission on Local Governance commended the joint agreement approach with the following statement:

These agreements allow an expedited determination of which LAFCO will assume jurisdiction over a proposal and may thereby avert unnecessary hearings or delays. Perhaps as important, they facilitate dialogue among adjoining LAFCOs, thereby providing more comprehensive guidance to

applicants, ensuring consistency in the decision-making process of participating LAFCOs, and developing a regional perspective on issues (Growth Within Bounds, page 79).

Joint power agreements should be considered because they may provide the following additional benefits:

- Cooperation and shared decision making efforts may reduce municipal service review processing time and costs, and enhance information gathering and municipal service review funding plans;
- It offers opportunities to identify beneficial strategies to avoid adverse environmental, economic and social impacts;
- Duplication of efforts is avoided and more efficient use of government resources is effected;
- Fewer scoping and consultation meetings are required, and stakeholder, public review and public hearing processes are streamlined;
- Plans that encourage collaboration are more likely to attract grant or private funding resources. (§56378 specifically permits a Commission to request or accept financial or other assistance from another agency when conducting studies.)

Once LAFCO decides a cross-county municipal service review may be appropriate, OPR recommends early consultations begin with all relevant LAFCOs. Even if it is decided later not to undertake a joint review, at a minimum, LAFCO can share information and technical expertise gained in the municipal service review process.

#### **D. DETERMINING THE LEAD LAFCO**

If LAFCOs decide to proceed with a joint review, or agreement to conduct a joint review, they will need to determine which LAFCO should lead the municipal service review. The CKH Act (§56066 and §56388) currently contains guidance for determining which LAFCO should assume the principal role for an organization or reorganization. While this section does not specifically apply to municipal service reviews, it does include guidance for determining which LAFCO could serve as the Lead LAFCO for a municipal service review.

Government Code §56066 defines the term, "Principal County," as "the county having all or the greatest portion of the entire assessed value, as shown on the latest equalized assessment roll of the county or counties, of all taxable property within a district or districts for which a change of organization or reorganization is proposed."

The CKH Act also provides a means for delegating the lead role when a change of organization or reorganization is proposed. Section 56388 provides that the commission of the principal county can vest jurisdiction in another LAFCO subject to the agreement of the LAFCO assuming jurisdiction. For municipal service reviews,

LAFCOs may choose their own options based on experience, desire to lead or other factors. Options for determining roles should be included in the joint powers agreement where applicable.

## E. STEPS FOR CONDUCTING A JOINT REVIEW

The following steps may be used to conduct a joint LAFCO review. Step 1. When a municipal service review is undertaken which involves (1) a service area that is located in, or affects, more than one county, and/or (2) involves multi-county special districts or joint powers authorities, the Lead LAFCO should initiate municipal service review design processes for the review.

Step 2. The Lead LAFCO notifies, and consults with, any affected or potentially Responsible LAFCOs. The intent is to determine whether a joint review is needed, and if so, identify a strategy for conducting it.

Step 3. Once it is determined that a joint municipal service review should be conducted, the Lead and Responsible LAFCOs should negotiate a funding plan which (1) provides for funding by a single or combination of service providers, private entities, state, federal or local funding resources, (2) assigns each LAFCO responsibility for funding in proportion to the percentage of the service area included in the municipal service review, (3) splits equally the cost of operation of the Joint Commission and any fees received to reimburse those costs; (3) requires funding by the LAFCO, city, county, special district or private entity that desires to conduct the review; or a combination of funding strategies consistent with applicable Government Codes<sup>3</sup>.

Step 4. The Lead LAFCO should be assigned to serve as municipal service review manager and be responsible for administrative and technical support for the project, subject to the funding plan developed in Step 3. A Responsible LAFCO may assume the Lead LAFCO role subject to the agreement of the Executive Officers, the individual Commissions, or a Joint Commission if one is formed (see attached exhibit). The latter arrangement may be preferable if the Responsible LAFCO is more experienced than the Lead LAFCO, or is already conducting a similar review in another part of its county.

Step 5. The Lead LAFCO will work with the Responsible LAFCO to determine and define the technical support to be provided by the Responsible LAFCO, and any contractor assistance, if applicable.

Step 6. The municipal service review management, staff support and funding plans should be reviewed, modified and approved by each Commission before the municipal service review is initiated.

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<sup>3</sup> Subsection 9 includes some possible funding options..

Step 7. All phases of the joint review should be conducted.

Step 8. Municipal service reviews should be considered and written determinations rendered by the Joint Powers Authority.

## EXHIBIT

# JOINT POWERS AGREEMENT FOR THE CONDUCT OF MUNICIPAL SERVICE REVIEWS TEMPLATE

Resolution No: \_\_\_\_\_

### JOINT POWERS AGREEMENT

For the  
Conduct of Municipal service reviews

Between \_\_\_\_\_ and \_\_\_\_\_.

WHEREAS, the \_\_\_\_\_ Local Agency Formation Commission ("\_\_\_\_\_ LAFCO") and the \_\_\_\_\_ Local Agency Formation Commission ("\_\_\_\_\_ LAFCO"), hereafter referred to as the "Commissions", are public agencies of the State of California, and are authorized, pursuant to Cortese-Knox Hertzberg Local Government Reorganization Act of 2000 (Government Code §565000 et sequitur), to enter into joint powers agreements to exercise powers common to said agencies; and

WHEREAS, §56375 (q) specifically permits LAFCOs of adjoining counties to enter into joint arrangements for the purpose of determining procedures for the considerations of municipal service reviews that may affect the adjoining county or where the jurisdiction of an affected agency crosses the boundary of the adjoining county; and

WHEREAS, §56430 requires that LAFCOs conduct municipal service reviews prior to, or in conjunction with, consideration of actions to establish a Sphere of Influence (SOI) as defined in §56076, and in accordance with §56425 or §56426.5, or update an SOI pursuant to §56425; and

WHEREAS, as part of such reviews, LAFCOs must make written determinations regarding government structure options, including the advantages and disadvantages of consolidation or reorganization of service providers; and

WHEREAS, some required municipal service reviews may include service areas that cross county boundaries, or services provided by agencies that cross county boundaries or multiple service providers located in different counties; and

WHEREAS, the Commissions recognize that decisions based on municipal service reviews and made by each affected LAFCO may have the potential to cause significant environmental, economic or fiscal impact on the other's county; and



WHEREAS, cooperation and shared decision making efforts may serve to lessen or avoid such impacts; and

WHEREAS, the subject counties possess multi-county special districts and that jurisdiction over change of organization proposals for such districts, as defined in §56069, normally resides in the "principal county" of such district, even where the change occurs wholly in the other county; and

WHEREAS, municipal service reviews are not considered proposals, pursuant to §56069, but include recommendations or determinations that may encourage proposals, or are precursors to actions that are considered proposals; and

WHEREAS, §56378 specifically permits a Commission to request or accept financial or other assistance from another agency when conducting studies; and

WHEREAS, the two Commissions desire to jointly design, conduct and consider municipal service reviews to ensure effective evaluation of issues affecting all counties and all service providers; and

WHEREAS, the two Commissions desire to conduct reviews that avoid duplication of efforts and maximize efficient use of government resources;

WHEREAS, the two Commissions desire to ensure greater cooperation among the Commissions and affected service providers in actions that have effects in both counties;

NOW, THEREFORE, be it resolved that \_\_\_\_\_ LAFCO and \_\_\_\_\_ LAFCO, in consideration of the mutual promises, covenants and conditions contained herein, agree as follows:

1. Definitions.

Certain terms used in this agreement shall have the meanings as provided in this section. All other terms shall have the meaning as provided in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (§56000 *et seq.* of the Government Code), if applicable:

(a) "Affected County" - The county in which the service providers or territory evaluated in the municipal service review is located.

(b) "Lead LAFCO" - The LAFCO with primary responsibility for conducting a municipal service review affecting more than one county.

(c) "Principal LAFCO for Municipal Service Reviews" - The LAFCO with the lead responsibility for a municipal service review. Lead responsibility can be determined pursuant to the CKH definition of a Principal LAFCO as it applies to government organization or reorganization actions, by negotiation, or by agreement among two or more LAFCOs.

(d) "Responsible LAFCO" - The LAFCO other than the Lead LAFCO that may be impacted by recommendations, determinations or subsequent proposals elicited during a municipal service review being initiated or considered by the Lead LAFCO.

2. Agreed Notice and Consultation on All Municipal Service Reviews That Involve or May Impact More than One County.

(a) The Lead LAFCO shall notify the Responsible LAFCO of any municipal service review being considered by the Lead LAFCO which includes: (1) a service area that includes a Responsible LAFCO's county; (2) involves multi-county special districts or joint powers authorities; or (3) has the potential to significantly impact the county of the Responsible LAFCO. This notice requirement applies to all municipal service reviews that affect more than one county, not just those involving multi-county districts.

(b) A Responsible LAFCO will inform a Lead LAFCO of any circumstances which elicit a priority status for municipal service reviews that it believes should be initiated by that LAFCO. The Commissions will provide a reasonable opportunity for the other LAFCOs to respond to such notice.

(c) All LAFCOs will consult with affected LAFCOs when scoping a proposed municipal service review.

(d) Municipal service reviews, with the potential for significant impact on another county, are reviews that may lead to the consideration of proposals that have the potential to generate significant environmental, fiscal or economic impacts on the other county.

3. Treatment of Municipal Service Reviews.

(b) Where a municipal service review is proposed which involves (1) a service area that is located in more than one county, (2) involves multi-county special districts or joint powers authorities, or (3) has the potential to significantly impact more than one county, the project shall be initiated by the Lead LAFCO.

(c) The Lead and Responsible LAFCOs shall negotiate a funding plan which (1) provides for funding by a single or combination of service providers, private entities, state, federal or local funding resources, (2) assigns each LAFCO responsibility for funding in proportion to the percentage of the service area included in the municipal service review, (3) splits equally the cost of operation of the Joint Commission and any fees received to reimburse for those costs; (3) requires funding by the LAFCO that desires to conduct the review; or (4) a combination of funding strategies consistent with local Ordinances and applicable Government Codes.

(c) The Lead LAFCO shall serve as project manager and be responsible for administrative, technical and clerical support for the project, subject to the funding plan developed in (b) above.

(d) The Lead LAFCO will work with the Responsible LAFCO to determine and define the technical support to be provided by the Responsible LAFCO, and any contractor assistance if applicable.

(e) A Responsible LAFCO may assume the Lead LAFCO role subject to the agreement of the Executive Officers, or if specifically designated Lead Agency by the Joint Commission.

(f) The project management, staff support and funding plans shall be reviewed, modified and approved by each Commission before the municipal service review is initiated.

(g) Municipal service reviews shall be considered and written determinations rendered by the Joint Commission.

#### 4. Operation of the Joint Commission.

(a) The Joint Commission shall be composed of the Commissioners of the LAFCOs subject to this Agreement. Alternates may substitute for their Commissioners on the Joint Commission in the same manner as for regular commission meetings.

(b) Four (4) commissioners from each county must be present to form a quorum, and action of the Joint Commission shall be by majority vote of those present, regardless of county of origin. A tie vote shall be a negative vote on the action. A tie vote may be broken by a second vote.

(c) The Chairman of the Lead LAFCO shall serve as the Chairman of the Joint Commission, and the Joint Commission shall normally meet at the time, date and place specified for regular meetings by the Lead LAFCO, unless otherwise determined.

(d) The Executive Officers shall jointly develop staff reports and provide support functions for the Joint Commission pursuant to 3(e). Legal Counsel for the Commissions shall jointly provide legal advice, unless the Joint Commission agrees to use only one of the Counsels.

(e) Except as specifically provided herein, or required by its joint character, the Joint Commission shall operate in the same manner as a regular LAFCO, and have all of the powers that either LAFCO could exercise individually.

#### 5. No Separate Agency Created.

The parties do not intend to create a separate agency by this Joint Powers Agreement, but to merely provide for joint exercise of certain powers common to each LAFCO.

#### 6. Accounting for Funds; Property.

No separate accounts or property are contemplated as part of this JPA. Each Commission shall be provided with monthly statements of any costs to be shared for their review and approval.

#### 7. Term.

(a) This JPA shall remain in force and effect until terminated by either party by resolution, upon six (6) months prior written notice.

(b) Any municipal service reviews in process at time of termination shall continue to be subject to the terms of this JPA until LAFCO action is completed, but this JPA shall have no effect on municipal service reviews initiated after the date of termination.

8. Amendment.

This agreement may be amended by subsequent agreement of the parties.

This agreement is executed by the undersigned officers pursuant to authority granted by resolution of their respective Commissions:

\_\_\_\_\_ Local Agency Formation  
Commission

Dated: \_\_\_\_\_, 200\_

\_\_\_\_\_  
\_\_\_\_\_, Chair

\_\_\_\_\_ Local Agency Formation  
Commission

Dated: \_\_\_\_\_, 200\_

\_\_\_\_\_  
\_\_\_\_\_, Chair

APPROVED AS TO FORM:

\_\_\_\_\_  
\_\_\_\_\_, Counsel  
LAFCO

\_\_\_\_\_  
\_\_\_\_\_, Counsel  
LAFCO

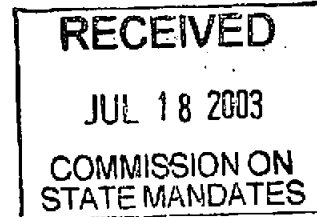

**DEPARTMENT OF  
FINANCE**

GRAY

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

EXHIBIT B

July 18, 2003



Ms. Paula Higashi  
Executive Director  
Commission on State Mandates  
980 Ninth Street, Suite 300  
Sacramento, CA 95814

Dear Ms Higashi:

As requested in your letter of June 19, 2003, the Department of Finance (Finance) has reviewed the test claim submitted on behalf of the Sacramento Metropolitan Fire District (claimant) asking the Commission to determine whether specified costs incurred under the authority of Chapter 439, Statutes of 1991; Chapter 761, Statutes of 2000; Chapter 493, Statutes of 2002; and the Office of Planning and Research's (OPR's) Municipal Services Review Guidelines, are reimbursable State mandated costs (Claim No. CSM-02-TC-23, "Local Agency Formation Commission (LAFCO)). The claimant asserts that the following activities are reimbursable State mandates:

- Contributing a portion of the Sacramento LAFCO's annual budget.
- Paying the LAFCO for processing the claimant's component of the LAFCO's municipal services review.
- Preparing municipal services review information as required by the LAFCO.

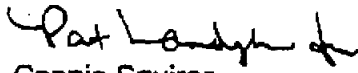
As a result of our review, we have concluded that the statute may have resulted in costs mandated by the State. If the Commission reaches the same conclusion at its hearing on the matter, the nature and extent of the specific activities required can be addressed in the parameters and guidelines which will then have to be developed for the program. However, we note the following:

- A special district may lawfully decline to sit as a member of its LAFCO.
- Although LAFCO independent special district election committee membership is required by law, special districts are not required to participate in the committee's activities; many are members in name only.
- LAFCOs have existing statutory fee authority that may be used to cover their operating costs. To the extent that LAFCOs elect to make use of this authority, LAFCO members would be relieved of the need to contribute toward the LAFCO's annual budget.
- LAFCOs have had statutory authority to require information of local agencies since 1965.
- OPR's municipal service review guidelines and appendices do not carry the force of law.

As required by the Commission's regulations, we are including a "Proof of Service" indicating that the parties included on the mailing list which accompanied your June 19, 2003, letter have been provided with copies of this letter via either United States Mail or, in the case of other State agencies, Interagency Mail Service.

If you have any questions regarding this letter, please contact Matt Paulin, Principal Program Budget Analyst at (916) 322-2263 or Keith Gmeinder, State Mandates Claims Coordinator for Finance, at (916) 445-8913.

Sincerely,

  
Connie Squires  
Program Budget Manager

Attachments

Attachment A

**DECLARATION OF MATT PAULIN  
DEPARTMENT OF FINANCE  
CLAIM NO. CSM-02-TC-23**

1. I am currently employed by the State of California, Department of Finance (Finance), am familiar with the duties of Finance, and am authorized to make this declaration on behalf of Finance.
2. We concur that excerpts from Chapter 439, Statutes of 1991; Chapter 761, Statutes of 2000; and Chapter 493, Statutes of 2002 relevant to this claim are accurately quoted in the test claim submitted by claimant and, therefore, we do not restate them in this declaration.

I certify under penalty of perjury that the facts set forth in the foregoing are true and correct of my own knowledge except as to the matters therein stated as information or belief and, as to those matters, I believe them to be true.



\_\_\_\_\_  
Matt Paulin  
Principal Program Budget Analyst  
Sacramento, CA

7/17/03

\_\_\_\_\_  
Date

## PROOF OF SERVICE

Test Claim Name: Local Agency Formation Commission (LAFCO)  
 Test Claim Number: CSM-02-TC-23

I, the undersigned, declare as follows:

I, Meredith Campbell, am employed in the County of Sacramento, State of California, I am 18 years of age or older and not a party to the within entitled cause; my business address is 915 L Street, 8th Floor, Sacramento, CA 95814.

On July 18, 2003, I served the attached recommendation of the Department of Finance in said cause, by facsimile to the Commission on State Mandates and by placing a true copy thereof: (1) to claimants and non-state agencies enclosed in a sealed envelope with postage thereon fully prepaid in the United States Mail at Sacramento, California; and (2) to state agencies in the normal pickup location at 915 L Street, 8th Floor, for Interagency Mail Service, addressed as follows:

A-16

Ms. Paula Higashi, Executive Director  
 Commission on State Mandates  
 980 Ninth Street, Suite 300  
 Sacramento, CA 95814

B-8

State Controller's Office  
 Division of Accounting & Reporting  
 Attention: Michael Havey  
 3301 C Street, Room 500  
 Sacramento, CA 95816

B-29

Legislative Analyst's Office  
 Attention: Marianne O'Malley  
 925 L Street, Suite 1000  
 Sacramento, CA 95814

Sacramento Metropolitan Fire District  
 Mr. George B. Appel, Deputy Chief  
 2101 Hurley Way  
 Sacramento, CA 95825

A-08

Mr. Tal Finney  
 Office of Planning and Research  
 1400 Tenth Street, Suite 150  
 Sacramento, CA 95814

Ms. Pamela Stone  
 Maximus, Inc.  
 4320 Auburn Blvd., Suite 3000  
 Sacramento, CA 95841

Mr. Paul Minney  
 Spector, Middleton, Young & Minney, LLP  
 7 Park Center Drive  
 Sacramento, CA 95825

Mr. Keith B. Petersen  
 SixTen & Associates  
 5252 Balboa Avenue, Suite 807  
 San Diego, CA 92117

Mr. David Wellhouse  
 David Wellhouse & Associates, Inc.  
 9175 Kiefer Blvd., Suite 121  
 Sacramento, CA 95826

Ms. Harmeet Barkschat  
 Mandate Resource Services  
 5325 Elkhorn Blvd. #307  
 Sacramento, CA 95842



Mr. Steve Smith  
Mandated Cost Systems, Inc.  
11130 Sun Center Drive, Suite 100  
Rancho Cordova, CA 95670

Ms. Annette Chinn  
Cost Recovery Systems  
705-2 East Bidwell Street, #294  
Folsom, CA 95630

Mr. Leonard Kaye, Esq.  
County of Los Angeles  
Auditor Controller's Office  
500 W. Temple Street, Room 603  
Los Angeles, CA 90012

Ms. Cindy Sounce  
Centration, Inc.  
12150 Tributary Point Drive, Suite 140  
Gold River, CA 95670

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on July 18, 2003 at Sacramento, California.

  
\_\_\_\_\_  
Meredith Campbell



**RESPONSE TO DEPARTMENT OF FINANCE**

By Claimant,

**Sacramento Metropolitan Fire District**  
*Local Agency Formation Commission (LAFCO)*

Chapter 439, Statutes of 1991

Chapter 761, Statutes of 2000

Chapter 493, Statutes of 2002

LAFCO Municipal Services Review Guidelines

LAFCO Municipal Services Review Guidelines Appendices

CSM-02-TC-23

**RECEIVED**

SEP 25 2003

COMMISSION ON  
STATE MANDATES

The Sacramento Metropolitan Fire District hereby responds to the Department of Finance's comments to its test claim as follows:

The Sacramento Metropolitan Fire District agrees with the Department of Finance that the statute resulted in costs mandated by the state. However, the claimant takes issue with the assertions of the Department of Finance concerning the following:

- A special district may lawfully decline to sit as a member of its LAFCO
- Although LAFCO independent special district election committee membership is required by law, special districts are not required to participate in the committee's activities; many are members in name only
- LAFCOs have existing statutory fee authority that may be used to cover their operating costs. To the extent that LAFCO's elect to make use of this authority, LAFCO members would be relieved of the need to contribute toward the LAFCO's annual budget
- LAFCO's have had statutory authority to require information of local agencies since 1965.
- OPR's municipal service review guidelines and appendices do not carry the force of law

Each of the foregoing "notations" will be discussed, *infra*.

1. Participation by a Special District in LAFCO

The special districts located in Sacramento County are in a special circumstance: by statute, they are required to participate in LAFCO. In other counties, special districts can determine whether or not they wish to participate and be a member of LAFCO; special districts in Sacramento have no such option.

Chapter 439, Statutes of 1991 mandated that two members of LAFCO be elected by the special districts via the independent special district selection committee, which is also mandated to select an alternate to serve. Thus, not only if elected must the special



district representative serve, but all special districts are required to participate in the independent special district selection committee.

To date, the Sacramento Metropolitan Fire District has not been called upon to be a member of LAFCO, although there is a possibility that the district will be called upon to be the alternate member when elections are next held.

However, just because someone is elected does not mean, as the Department of Finance would have one believe, that one does not have to serve. The statute, first of all, speaks in mandatory, not discretionary terms.

Secondly, the argument that the special district member would not have to participate is ludicrous. First of all, it is analogous to the requirements of Government Code, Section 17553, which provides for the participation of the Department of Finance in matters before the Commission on State Mandates. Surely Finance does not have to participate, yet if it were not to participate, not only would its input not be known, but factors detrimentally affecting the state's budget could occur without its knowledge or participation. So too is true with regard to the participation of special districts in LAFCO.

Furthermore, the Department of Finance notes that the LAFCO has the ability to impose statutory fee authority. Without participation of special districts, the LAFCO's special statutory fee authority could be used adversely to the interests of the LAFCO.

Thus, participation in the LAFCO is statutorily mandated for those special districts within Sacramento County. For other counties, there is different legislation pertaining to the composition of the LAFCO, which allows discretion in whether special districts will participate. There is no such discretion in Sacramento County.

## 2. LAFCO Has Statutory Fee Authority

As noted within the test claim, prior to the enactment of Chapter 761, Statutes of 2000, the total financial requirements of the LAFCO were met by the county wherein the LAFCO was located. The only difference was that if a developer wished to submit a request for a change, or if an agency requested a change, fees were charged the requesting party to cover the costs of the application. With the test claim legislation, this is no longer true.

Now, with the new test claim legislation, if there is a special district member of the LAFCO, the LAFCO assesses charges for its operation against all special districts within the LAFCO.

In the past, the only time that the claimant would have had to contribute to the operation of the LAFCO was if it wished to consolidate, or take similar action. In that event, claimant would have had to pay a fee set by LAFCO, which defrayed the cost of the application. However, now, not only would the district have to pay a fee in the event



of its desire to make an application to the LAFCO, it now also has to underwrite the operational costs of LAFCO as well.

This is another reason why it is so important to participate actively in LAFCO: without active participation, there is no guarantee that the costs of operating the LAFCO will be subject to any fiscal constraints. As noted in the test claim, LAFCO merely assembles what it wishes to have by way of operating capital for the next fiscal year, and assesses that total cost against the county, all cities and special districts within its jurisdiction. For this purpose, participation in LAFCO, to the extent the occasion presents itself, is imperative.

Furthermore, the statutory fee authority does not address the on-going operational costs, as set forth in Government Code, Section 56381. This provision specifies the manner in which the budget is to be adopted, and the fact that it is to be levied against the county, cities and independent special districts.

Accordingly, the blanket statement that there is fee authority does not address the issues presented in this test claim. The argument posited by the Department of Finance would be similar to saying that because a city or a county has statutory fee authority for some purposes, but without any specific applicability to the program in question, there is no reimbursable mandate. Accordingly, this argument must fail.

3. LAFCO's Have Statutory Authority to Request Information and the Guidelines Have No Force of Law

The Department of Finance has noted that LAFCO has had the authority to request information from local governmental entities for years prior to the enactment of the test claim legislation, and that the OPR's guidelines have no force in law. There is no conclusion drawn from these notations.

However, although LAFCO may have had the authority to request information, the scope of the information now being requested is described in detail by the specific guidelines promulgated by OPR. This goes far beyond requesting just information, but instead requires a full report in a format described by the guidelines.

In the past, had LAFCO requested information of the claimant, claimant would have submitted its annual report, which details such items as its jurisdiction, revenue, expenditures and services provided. A true and correct copy of the 1999 Annual Report is attached hereto as Exhibit 1 and incorporated herein by reference.<sup>1</sup> The purpose of the annual report is to provide citizens and other interested parties with a full description of the personnel and services provided. This is not, however, what is now being requested of it as a result of the OPR's guidelines.

---

<sup>1</sup> The year when Sacramento Metropolitan Fire District underwent a reorganization, the time for the preparation and publication of such an annual report was missed; thus there is one year for which there is no annual report. As other copies of annual reports for other years are in archives, this was the most recent annual report readily available.





The various LAFCOs are now requesting that detailed reports be provided along the provisions of the guidelines: No longer is mere information being requested; rather, the LAFCOs are requesting analyses and projections which require substantial staff time and consultant time. Additionally, the LAFCOs are charging those providing the report with a fee to review and process same. Although the fee is not exorbitant, the cost of obtaining and assembling the information requested exceeds the fee substantially. It is estimated that it will cost between \$15,000 and \$25,000 to assemble the information for the Sacramento county LAFCO.

Thus, what is now required is not the mere provision of information already existing and extant, but a report which includes items such as:

- List of relevant statutory and regulatory obligations.
- Copy of most recent master services plan.
- Metes and bounds legal description of the agency's boundary.
- Service area maps.
- Excerpts from various regional transportation, water, air quality, fair share housing allocation, airport land use, open space or agricultural plans or policies or other environmental plans or programs.
- Copies of regulatory and operating permits.
- Number of acres or square miles within the service area.
- Type of sphere or sphere boundaries.
- Assessed valuation.
- Estimate of population within district boundaries.
- Number of people, households, parcels or units currently receiving service, or number of service connections.
- Projected growth in service demand or planned new service demand/capacity.
- Special communities of interest or neighborhoods affected by service.
- Capital improvement plans.
- Current service capacity.
- Call volume.
- Response time.
- Annual operating budget.<sup>2</sup>

Additional information need to be provided as requested by the LAFCO, because it must prepare a written statement of its determination with respect to each of the following, pursuant to Government Code, Section 56430:

- Infrastructure needs or deficiencies.
- Growth and population projections for the affected area.
- Financing constraints and opportunities.
- Cost avoidance opportunities.

---

<sup>2</sup> See OPR's Guidelines, Test Claim, Exhibit 4, Page 11.



- Opportunities for rate restructuring.
- Opportunities for shared facilities.
- Government structure options, including advantages and disadvantages of consolidation, or reorganization of service providers.
- Evaluation of management efficiencies.
- Local accountability and governance.<sup>3</sup>

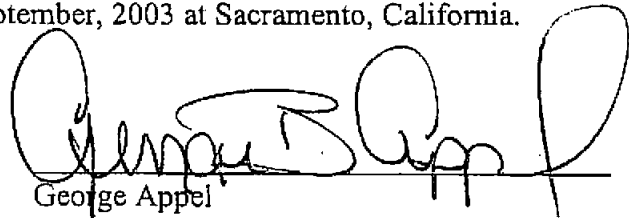
As a result, the municipal service review is not a response to a request for information; rather, it mandates that substantial information not readily located in one place be assembled and analyzed in conformance with statute and the guidelines of OPR. Just a comparison of the annual report with the type of report now required for a municipal services review indicates that there are substantial differences, and the report required by LAFCO is an entirely different matter.

Additionally, in the past, such detailed information would only be required if an agency wished to consolidate, change boundaries, or had a change in governance. This would have been an action specifically requested by the agency. However, now this information must be provided every five years, whether or not the agency requests any changes whatsoever. This is a new program and substantially higher level of service than has been provided before.

The Sacramento Metropolitan Fire District reserves the right to comment upon any additional notations or comments made by Commission staff or any state agency to the test claim.

I declare under penalty of perjury that the foregoing is true and correct to the best of my information and belief, and as to those items, I believe them to be true.

Executed this 22<sup>nd</sup> day of September, 2003 at Sacramento, California.



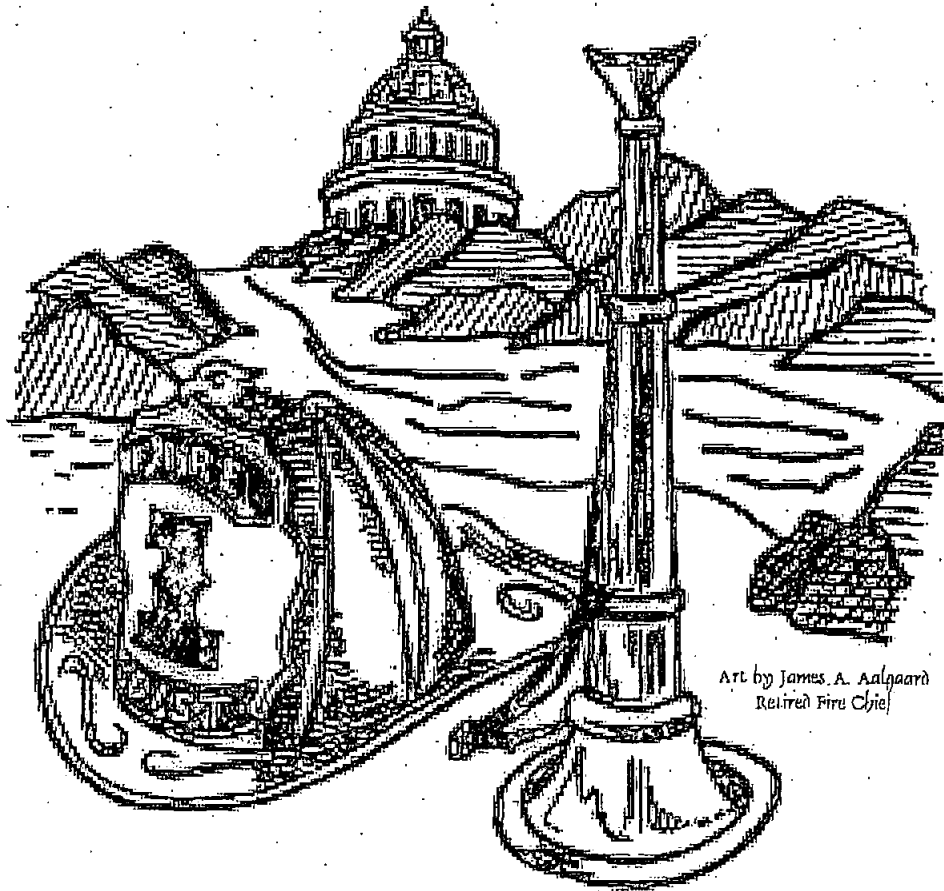
George Appel  
Deputy Chief  
Sacramento Metropolitan Fire Department

<sup>3</sup> See OPR's Guidelines, Test Claim, Exhibit 4, Page 16.



# American River

Fire District

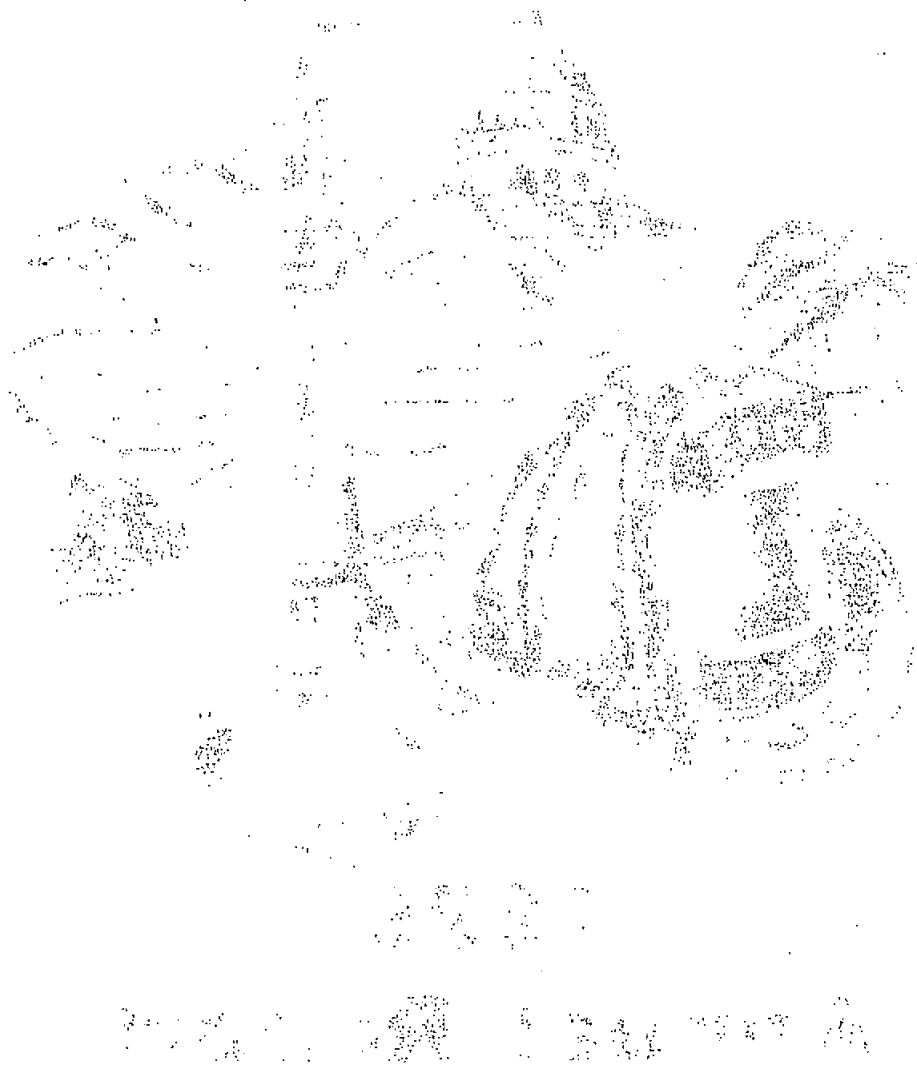


Art by James A. Aalgaard  
Retired Fire Chief

## 1999

# Annual Report

Serving the communities of Arcade - Arden - Carmichael  
Elverta - Florin - Rancho Murieta - Rio Linda - Rosemont - Sloughhouse  
portions of Citrus Heights - North Highlands - Fair Oaks - South Sacramento and Placer County



# 1999 Annual Report

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# Board of Directors



Back row: (l to r) Directors Valley, Hanson, Crooks and Stewart  
Front row: (l to r) Directors Vanderveen, Horel and Hoeger

## President

Charles A. Horel  
Nov. 1994 - Nov. 2000

## Vice President

Stephen R. Hanson  
Nov. 1992 - Nov. 2000

## Secretary

James R. Vanderveen  
Nov. 1992 - Nov. 2000

## Member

Richard Crooks  
Jul. 1996 - Nov. 2000

## Member

James M. Stewart  
Nov. 1998 - Nov. 2000

## Member

Gregory H. Hoeger  
Nov. 1996 - Nov. 2000

## Member

Gregory M. Valley  
Nov. 1996 - Nov. 2000



## Committee Assignments

### Executive

Charles A. Horel  
Stephen R. Hanson  
James R. Vanderveen

### Equipment, Facilities & Finance

James R. Vanderveen - Chairman  
Richard Crooks  
Gregory H. Hoeger

### Personnel, Policies & Legal

Stephen R. Hanson - Chairman  
Charles A. Horel  
James M. Stewart

### Communications Center

Gregory M. Valley - Delegate  
James R. Vanderveen - Alternate

## Mission Statement

To provide levels of excellence in emergency and prevention services to reduce loss of life and property damage due to fire, medical, and other emergencies in an efficient, professional and fiscally responsible manner.

# American River Fire District

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## Fire Chief

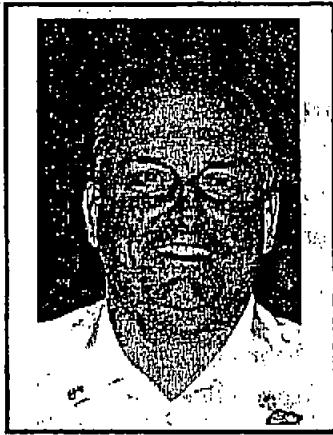
Rick Martinez

The American River Fire District was created on August 1, 1983, when the Arden and Carmichael Fire Protection Districts consolidated. On July 1, 1986, the District expanded with the inclusion of the Arcade Fire Protection District. Further growth occurred on April 1, 1990, through the addition of the Rio Linda/Elverta Fire Protection District and again on July 1, 1990, with the merger of the Sloughhouse Fire Protection District. On July 1, 1997, the Florin Fire Protection District reorganized with the American River Fire District.

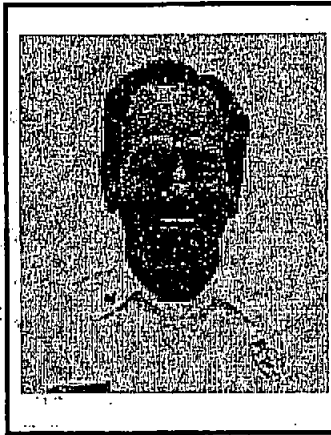
Full administrative authority is vested in the Board of Directors for the fiscal responsibility and stewardship of the District and for matters of policy. The Board of Directors consists of seven members elected at large by the citizens of the District and delegates authority to the fire chief to operate the fire department.

The District is located within the County of Sacramento and a portion within the northwestern part of the County of Placer. The Board of Directors and the personnel of the American River Fire District strive to maintain the highest level of service possible for its citizens while sustaining a cost efficient and fiscally responsible fire department.

# Senior Staff



**Deputy Chief**  
George Appel



**Deputy Chief**  
Robert Raddigan



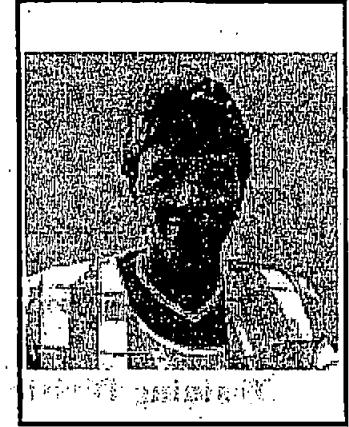
**Deputy Chief**  
Roger Sornsen



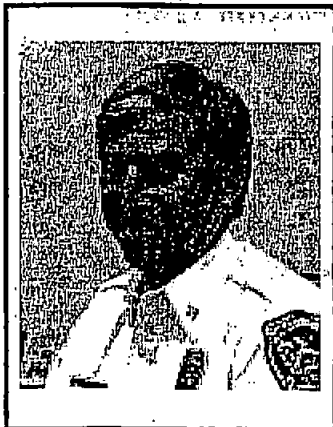
**Assistant Chief**  
Robert Chase



**Assistant Chief**  
Mark Cooper



**Assistant Chief**  
Janice Simcoe



**Assistant Chief**  
Charles Hartley



**Board Clerk/  
Chief's Secretary**  
Barbara Safford



**Assistant Chief**  
Dennis Plessas

# Personnel

## Board of Directors (7)

### Administration (16)

Fire Chief	- 1
Deputy Chief	- 3
Assistant Chief	- 2
Board Clerk/Chief's Secretary	- 1
Office Manager	- 1
Accounting Technician	- 2
Office Technician	- 2
Systems Assistant	- 1
Captain	- 2
Utility Worker	- 1

### Fire Prevention Bureau (18)

Assistant Chief - Fire Marshal	- 1
Deputy Fire Marshal	- 1
Supervisor	- 3
Inspector	- 6
Fire Prevention Technician	- 2
Fire Prevention Apprentice	- 2
Office Technician	- 2
Drafting Technician	- 1

### Community Services Division (3)

Assistant Chief	- 1
Public Education Officer	- 1
Inspector I	- 1

### Property Division (4)

Property Manager	- 1
Property Assistant	- 1
Utility Worker	- 1

### Training Division (8)

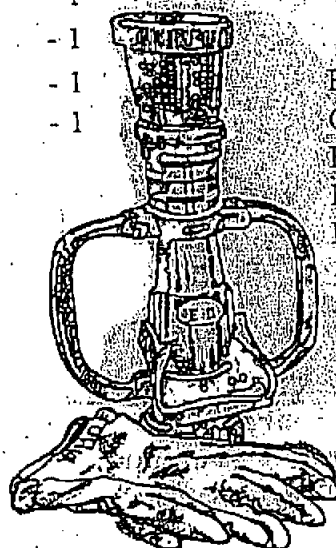
Assistant Chief/Director of Training	- 1
Training Captain	- 2
Safety Officer - Captain	- 1
EMS Manager	- 1
Quality Improvement	- 1
Office Technician	- 1
Video Technician	- 1

### Mechanics Division (6)

Fleet Manager	- 1
Mechanic	- 4
Assistant Mechanic	- 1

### Suppression (253)

Battalion Chief	- 9
Captain	- 60
Engineer	- 60
Firefighter	- 102
Reserve Firefighter	- 22



# Personnel Changes

## Promotions/New Hires

Sheri Martucci	Accounting Technician
Bruce Watson	Assistant Mechanic
William Turner	Captain
Marvin Maldonado	Drafting Technician
Greg Mallo	Engineer
Bradley Schumacher	Engineer
Daniel Baker	Engineer
Mark Evans	Facilities Specialist
Tracy Rhodes	Fire Inspector
Scott Castill	Fire Prevention Technician
Michael Hambrick	Fire Prevention Technician
Flor Olivares	Office Technician
Kathleen Steffens	Office Technician
Vincent Lawrence	Utility Worker
Damian Barrett	Utility Worker

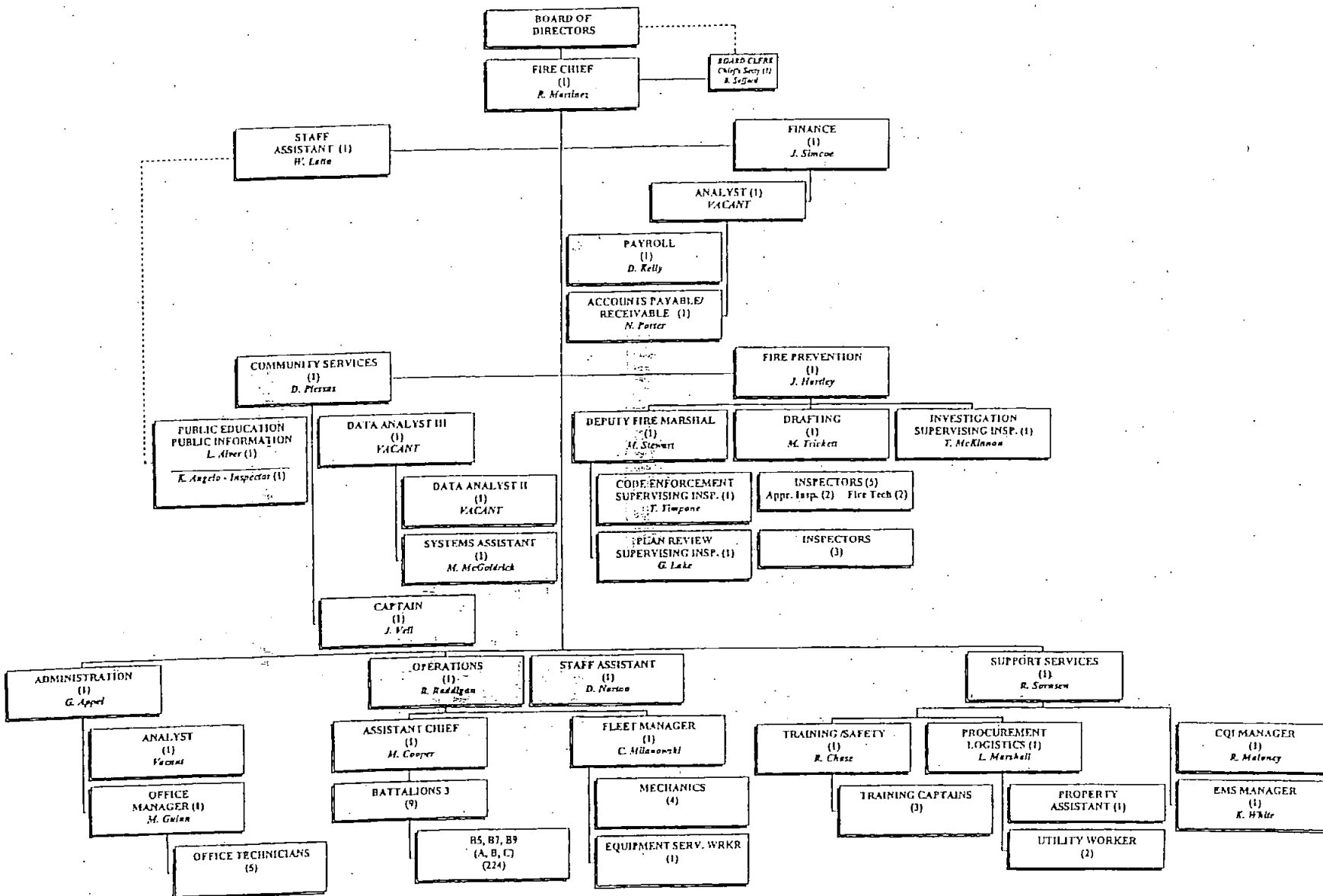
## Retirements

Douglas LaVallee	Engineer
Arnold Hansen	Captain
Robert Newell	Firefighter
Carl Lofthouse	Engineer
Michael Hogan	Firefighter
Ernest Stillman	Battalion Chief
Lyndell Barker	Engineer

## Resignations/Departures

Rochelle Freyman	Office Technician
Thomas Dodaro	Inspector
Michael Navarro	Logistic Assistant
Kevin White	EMS Manager

# AMERICAN RIVER FIRE DEPARTMENT 1998



# *Certificate of Appreciation*

## **Presented To**

Arnold Hansen	Captain	30 years
Robert Raddigan	Deputy Chief	30 years
Martin Wallin	Engineer	25 years
Lawrence Alver	Public Education Officer	25 years
Charles Archer	Captain	25 years
Mark Cooper	Assistant Chief	25 years
Robert McGrew	Engineer	25 years
Robert Powell	Engineer	25 years
Roderick Shannon	Captain	25 years
Charles Hartley	Assistant Chief	25 years
Dean Coupe	Battalion Chief	25 years
Robert Chase	Assistant Chief	25 years
Kris Heil	Captain	25 years
Robert Judge	Engineer	25 years
Henry Ogg	Captain	20 years
Rush Alexander	Engineer	20 years
Michael Freyman	Captain	20 years
Mark Mattox	Engineer	20 years

**In Recognition of Dedicated Service**

# Certificate of Appreciation

## Presented To

Wynn Latta	Captain	20 years
Brian Wall	Captain	20 years
Robert Baumann	Captain	20 years
Gerald McCall	Engineer	20 years
Arthur Fingerle	Firefighter	15 years
Dale Angelo	Captain	15 years
Christopher Montoya	Firefighter	15 years
Jeffrey Stephens	Firefighter	15 years
Randal Smith	Captain	15 years
David Parker	Engineer	15 years
Ronald Rojo	Firefighter	10 years
William Lobsitz	Engineer	10 years
Mark Gossett	Engineer	10 years
Michael Hazlett	Engineer/Paramedic	10 years
Charles Means	Firefighter	10 years
Anthony Descalso	Engineer	10 years
Scott Cockrum	Engineer	10 years
Gregory Lake	Supervising Inspector	10 years

**In Recognition of Dedicated Service**



# Certificate of Appreciation

## Presented To

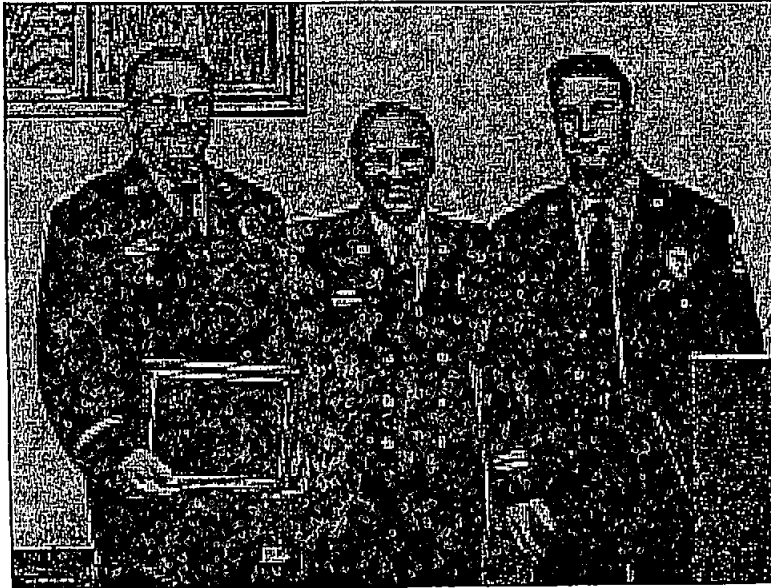
Steven Turner	Firefighter	10 years
Fred Wudell	Firefighter	10 years
Chad Anderson	Firefighter/Paramedic	5 years
Donald Balm	Firefighter/Paramedic	5 years
Eric Bridge	Firefighter/Paramedic	5 years
Gregory Casentini	Firefighter/Paramedic	5 years
Timothy Craythorn	Fire Prevention Technician	5 years
Douglas Dolezal	Firefighter	5 years
John Graf	Firefighter/Paramedic	5 years
Jeffrey Hickman	Firefighter/Paramedic	5 years
David Holman	Firefighter/Paramedic	5 years
Adam Russell	Firefighter/Paramedic	5 years
Bradley Schumacher	Firefighter/Paramedic	5 years
Barton Weatherly	Firefighter/Paramedic	5 years
Kevin Wegener	Firefighter/Paramedic	5 years

**In Recognition of Dedicated Service**

# District Demographics

Stations .....	20 plus 1 in reserve
Initial Response Units .....	18 Engine Co.'s 2 Truck Co.'s 4 Ambulances 2 Air Units 2 Reserve FF Engine Co.'s
Suppression Personnel .....	253
Support Personnel .....	42
Paid - 231	Reserves - 22
Approximate Population .....	257,814

## Employees of the Year

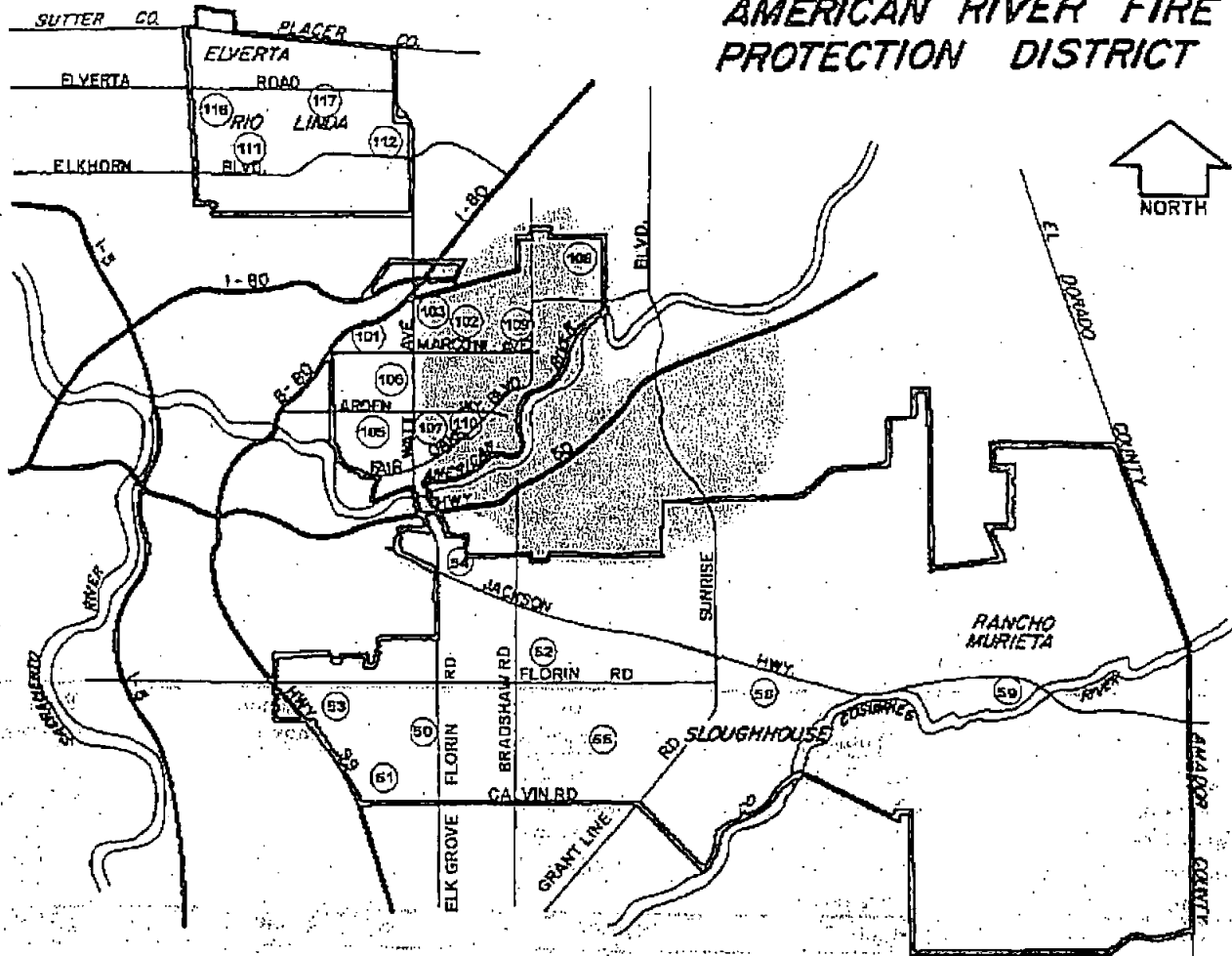


(l to r) Engineer/Paramedic Scott McKenney, Captain Walt White and Fire Chief Rick Martinez.

A ceremony was held on January 26, 2000, during a meeting of the Board of Directors to honor the 1999 Employees of the Year.

Area .....	236.56 square miles
Density .....	1090 per sq. mile
I.S.O. Rating .....	3 (in areas with hydrants) 8 (in areas without hydrants)
Airports .....	Rancho Murieta & Rio Linda

# AMERICAN RIVER FIRE PROTECTION DISTRICT



**Station 50**  
8880 Gerber Road  
Sacramento, CA 95828

**Station 51**  
8210 Meadowhaven Drive  
Sacramento, CA 95828

**Station 52 - Closed**  
9780 Elder Creek Road  
Sacramento, CA 95829

**Station 53**  
6722 Fleming Avenue  
Sacramento, CA 95828

**Station 54**  
8900 Fredric Avenue  
Sacramento, CA 95826

**Station 55**  
7776 Excelsior Road  
Sacramento, CA 95829

**Station 58**  
7520 Sloughhouse Road  
Sloughhouse, CA 95624

**Station 59**  
7210 Murieta Drive  
Rancho Murieta, CA 95683

**Station 101**  
3000 Fulton Avenue  
Sacramento, CA 95821

**Station 102**  
4501 Marconi Avenue  
Sacramento, CA 95821

**Station 103**  
3824 Watt Avenue  
Sacramento, CA 95821

**Station 105**  
2691 Northrop Avenue  
Sacramento, CA 95864

**Station 106**  
2200 Park Towne Circle  
Sacramento, CA 95825

**Station 107**  
970 LaSierra Drive  
Sacramento, CA 95864

**Station 108**  
6701 Winding Way  
Fair Oaks, CA 95628

**Station 109**  
5634 Robertson Avenue  
Carmichael, CA 95608

**Station 110**  
1616 Mission Avenue  
Carmichael, CA 95608

**Station 111**  
6749 Front Street  
Rio Linda, CA 95673

**Station 112 - Reserve FF**  
6801 34th Street  
North Highlands, CA 95660

**Station 116 - Reserve FF**  
7995 Elwyn Road  
Elverta, CA 95626

**Station 117**  
7961 Cherry Brook Drive  
Elverta, CA 95626

**Administrative Office**  
2101 Hurley Way  
Sacramento, CA 95825

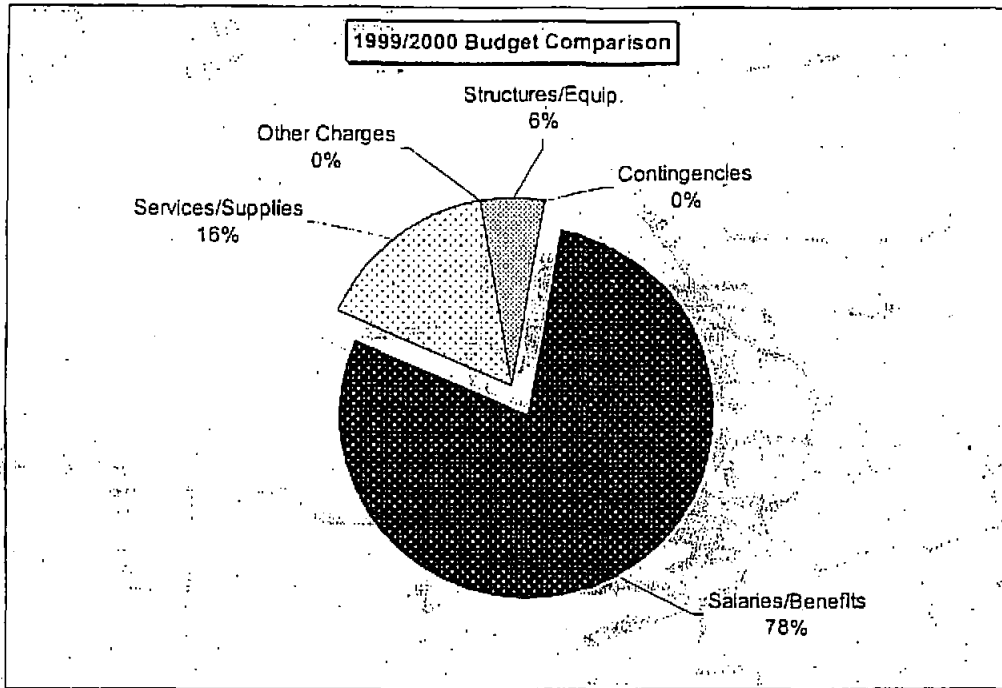
**Fire Prevention Office**  
2101 Hurley Way  
Sacramento, CA 95825

**Training Division**  
8880 Gerber Road  
Sacramento, CA 95828

**Logistics Division**  
3050 Orange Grove Avenue  
North Highlands, CA 95660

**Fleet Management Shop**  
3050 Orange Grove Avenue  
North Highlands, CA 95660

# District Budget

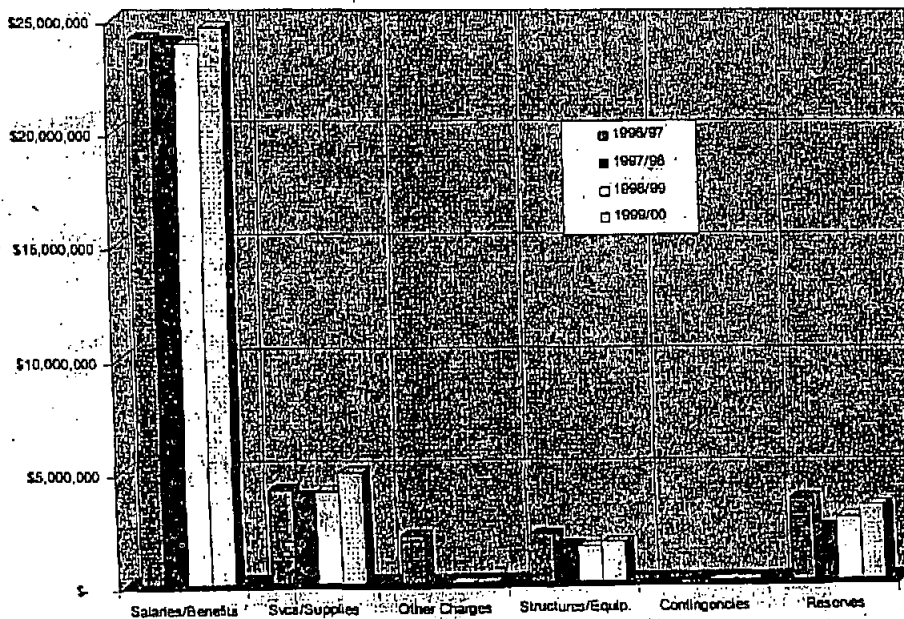


	Actual* 1996/97	Actual** 1997/98	Actual 1998/99	Budgeted 1999/2000
Salaries/Benefits	\$24,179,362	\$24,042,033	\$23,525,025	\$24,675,305
Svcs/Supplies	\$4,194,007	\$3,857,860	\$3,972,364	\$4,951,824
Other Charges	\$2,151,583	\$4,499	\$6,922	\$8,600
Structures/Equip.	\$2,160,785	\$1,676,821	\$1,582,786	\$1,766,200
Contingencies	\$80,475	0	0	0
<b>Total</b>	<b>\$32,685,737</b>	<b>\$29,581,213</b>	<b>\$29,087,097</b>	<b>\$31,401,929</b>
Reserves	\$3,665,799	\$2,334,698	\$2,763,781	\$3,340,400

\*Florin Fire District Contract

\*\*Florin Fire District Merger

## Budget Comparison



# Summary of Alarms - 1999

Total Fires-----	1,229
Total Dollar Loss-----	\$8,938,918
Structure Fires-----	291
Other Fires-----	663
Vehicle Fires-----	275
Medical Aids-----	13,940
<b>Total Alarms-----</b>	<b>25,360</b>

## Type and Frequency of Alarms

- 1 Fire..... every 7 hours
- 1 Structure Fire..... every 30 hours
- 1 Vehicle Fire..... every 31 hours
- 1 Medical Emergency..... every 37 minutes
- 1 Emergency in the American River Fire Dist. .... every 21 minutes

- ◆ One fire department emergency occurred for every 10 residents.
- ◆ One medical emergency occurred for every 18 residents.
- ◆ One fire occurred for every 210 residents.

**Response** = Anytime that a piece of fire apparatus is dispatched to an emergency or public assistance call

**Alarm** = Each emergency is considered an alarm, but can have multiple pieces of fire equipment respond.

# Alarm Breakdown

## Alarms For Fires

Residential:		
Fireworks	0	(0%)
Residential	209	(1%)
Commercial:		
Fireworks	1	(0%)
Commercial	81	(0%)
Vehicle	275	(1%)
Vegetation:		
Fireworks	11	(0%)
Vegetation	361	(1%)
Dumpster	120	(1%)
Miscellaneous Fire Outdoors	171	(1%)
<b>Total Fires</b>	<b>1,229</b>	<b>(5%)</b>

## Alarms for Non-Fires

Medical:		
Cardiac	1,578	(6%)
Respiratory Emergency	1,837	(7%)
Trauma	2,068	(8%)
OB/Gyn	239	(1%)
Gastro Intestinal/Genito Urinary	590	(2%)
Altered LOC (level of consciousness)	2,107	(8%)
Psychiatric	218	(1%)
Environmental	89	(0%)
Not Classified Above	3,923	(15%)
Violent Crime	404	(1%)
Fireworks	1	(0%)
Vehicle Accident:		
With Injuries	886	(3%)
Without Injuries	600	(2%)
Public Assistance:		
Public Assistance	2,274	(9%)
Hazardous Materials	33	(0%)
Bomb	5	(0%)
Fireworks	5	(0%)
Mistake	1,061	(4%)
Alarm System Malfunction	400	(1%)
False Alarm	454	(2%)
Hazardous Materials	37	(0%)
Returned Enroute	1,111	(4%)
<b>Total Non-Fires</b>	<b>19,920</b>	<b>(77%)</b>

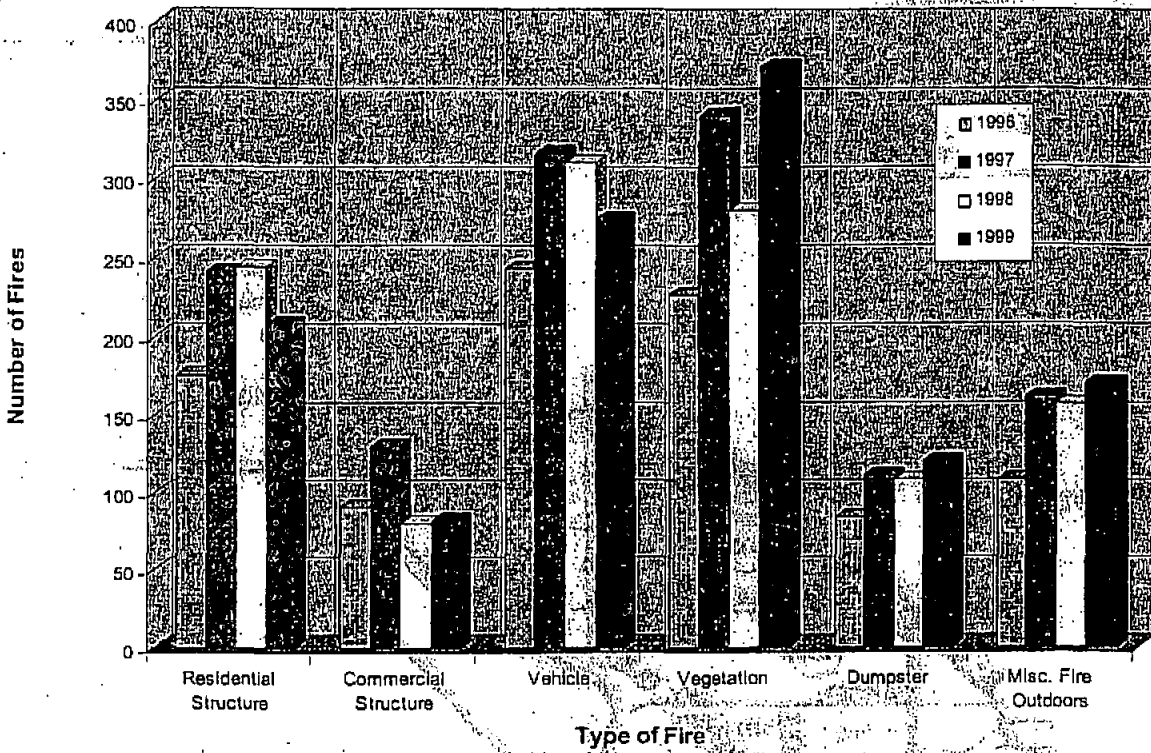
## Other Types of Alarms

Automatic Aid	4,599	(18%)
Mutual Aid	39	(0%)
<b>Total Other Alarms</b>	<b>4,638</b>	<b>(18%)</b>

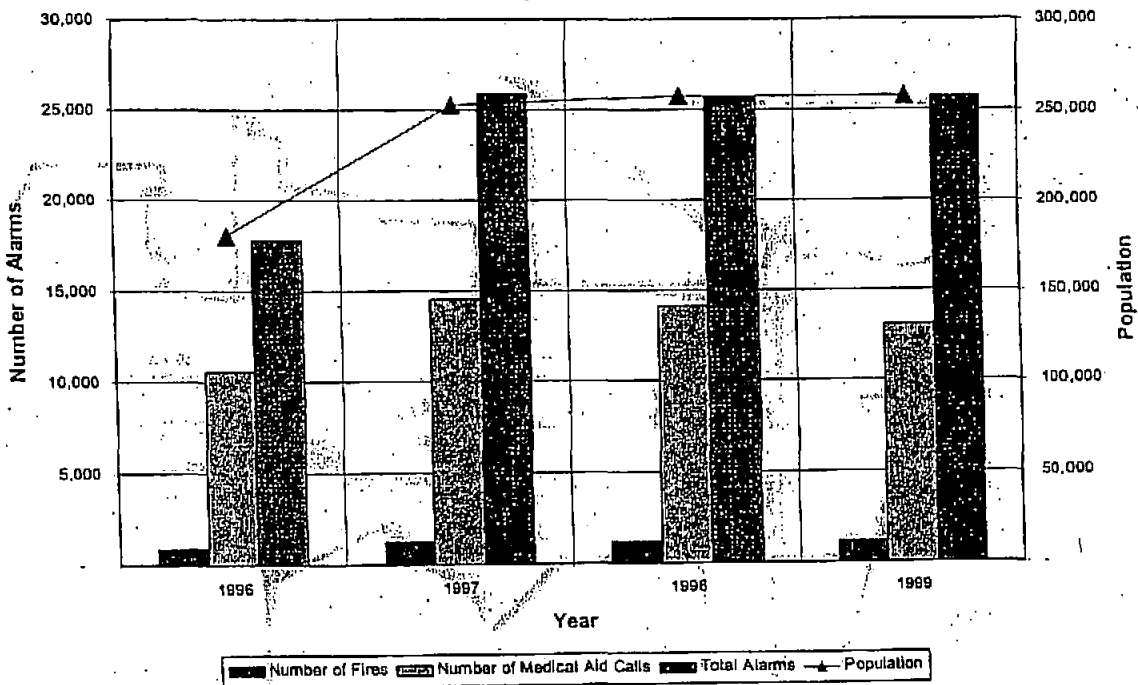
<b>Total Alarms</b> .....	<b>25,787</b>
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### Five Year Fire History



### Alarm/Population Comparison



Note: 1996 Statistics DO NOT include Florin Fire District



# Fire Injury/Death Breakdown

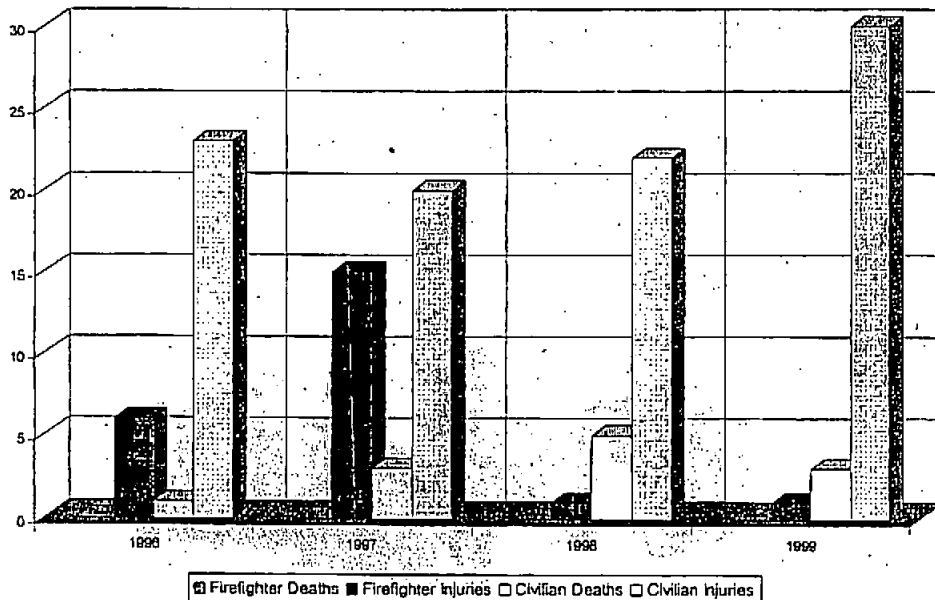
## Injuries/Deaths by General Property Use

Residential, 1 or 2 Family .....	3 civ. death / 6 civ. injury
Residential, multi family .....	2 civ injury
Sales use .....	1 civ. injury
Business, office use .....	2 civ. injury
Farm, agricultural use .....	1 civ injury
Mining, quarrying .....	1 civ. injury
Industrial, manufacturing use .....	1 civ. injury
Storage, warehouse use .....	5 civ injury
Motor vehicle .....	8 civ. injury
Property with no apparent current use .....	3 civ. injury / 1 FF injury

## Injuries/Deaths by Cause of Fire

Undetermined or not reported .....	2 civ death / 15 civ. inj. / 1 FF injury
Arson .....	8 civ. injury
Reckless - failure to use ordinary care .....	1 civ. injury
Reckless - throwing or placing something that may cause a fire .....	3 civ. injury
Heat source placed too close to combustibles .....	1 civ. injury
Mechanical failure .....	1 civ. death
Other electrical failure .....	1 civ. injury
Failure to use ordinary care .....	1 civ. injury

Fire Deaths and Injuries



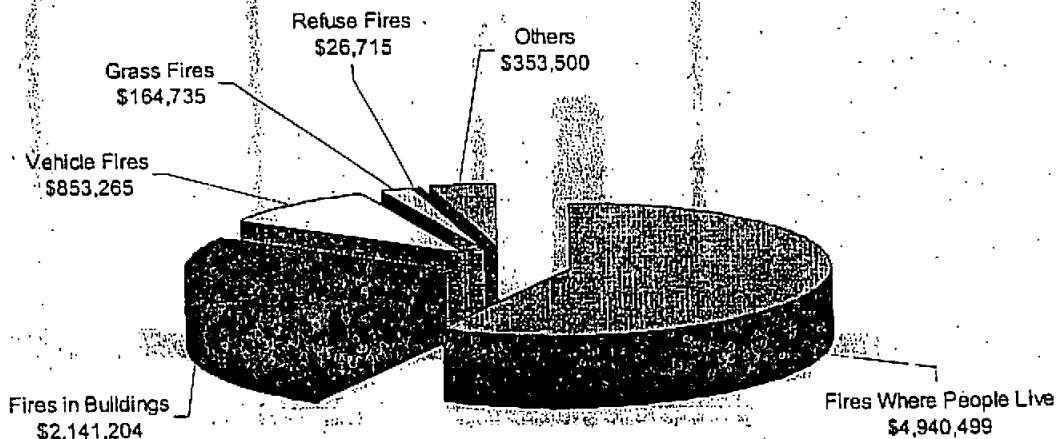
Note: 1996 Statistics DO NOT include Florin Fire District

# Fire Loss

## Type

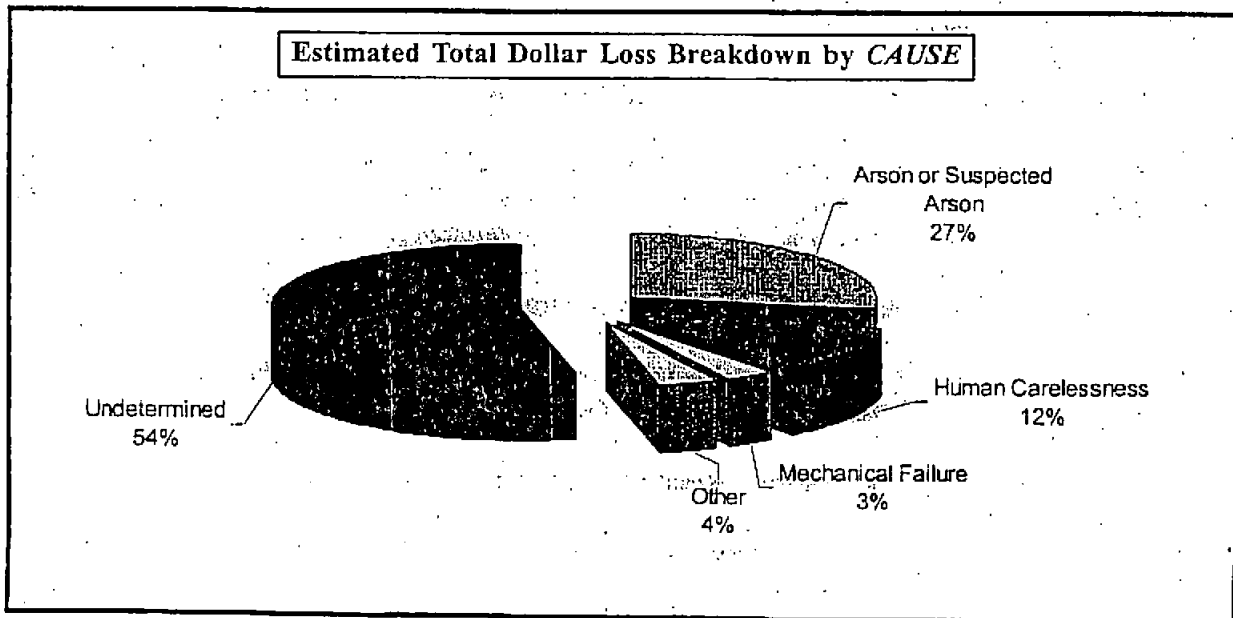
Description	Number	Property Loss	Content Loss	Average Loss
One or two family residences -----	282	\$2,062,930	\$823,369	\$10,235
Vehicles -----	237	\$824,835	\$28,430	\$3,600
Wildland (grass) -----	136	\$159,035	\$5,700	\$1,211
Apartments, condominiums -----	126	\$1,088,885	\$331,715	\$11,275
Property with no apparent use -----	126	\$225,200	\$700	\$1,793
Sales Use -----	56	\$83,568	\$27,850	\$1,990
Refuse Disposal -----	38	\$26,715	\$0	\$703
Schools K-12 grade -----	31	\$19,270	\$17,705	\$1,193
Public Recreation Use -----	31	\$275,050	\$500,200	\$25,008
Business, office use -----	21	\$83,100	\$58,100	\$6,724
Storage, warehouse -----	20	\$81,250	\$68,200	\$7,473
Farm, agricultural use -----	17	\$102,650	\$138,500	\$14,185
Restaurant, drinking establishments -----	15	\$29,031	\$13,600	\$2,842
Service use (products) -----	14	\$3,750	\$3,030	\$484
Property use not classified -----	11	\$3,350	\$1,300	\$423
Use undetermined -----	9	\$71,250	\$1,500	\$8,083
Mobile home -----	9	\$92,700	\$35,700	\$14,267
Railroad use -----	8	\$400	\$0	\$50
Property undergoing change -----	7	\$34,200	\$0	\$4,886
Other -----	5	\$10,100	\$5,000	\$3,020
Industrial, manufacturing use -----	5	\$85,000	\$200,000	\$57,000
Religious Use -----	4	\$190,100	\$160,700	\$87,700
Nursing care -----	2	\$700	\$100	\$400
Power, energy production -----	2	\$500	\$0	\$250
Medical care -----	1	\$500	\$0	\$500
Business with residential use -----	1	\$252,000	\$252,000	\$504,000
Clubs -----	1	\$50	\$0	\$50
Residential Board and Care -----	1	\$200	\$200	\$400

Estimated Total Dollar Loss Breakdown by TYPE

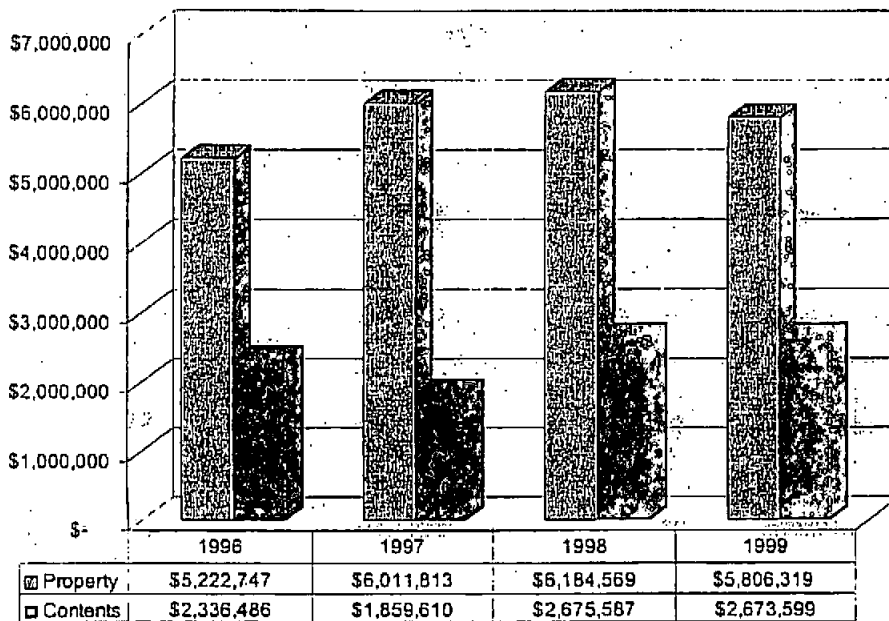


## Cause

<u>Description</u>	<u>Number</u>	<u>Property Loss</u>	<u>Content Loss</u>	<u>Average Loss</u>
Arson or Suspected Arson ----- (intentionally set fires)	347	\$1,761,990	\$566,155	\$6,709
Reckless, Careless or Negligent ----- (person failed to use care)	112	\$151,474	\$105,440	\$2,294
Misuse of Heat of Ignition ----- (example, misuse of smoking material, children playing w/matches, etc)	76	\$354,640	\$258,910	\$8,073
Misuse of Material Ignited ----- (gas spilled, )	10	\$87,100	\$35,530	\$12,263
Mechanical Failure or Malfunction ----- (electrical, etc.)	92	\$211,590	\$60,539	\$2,958
Design, Const., Instal. Deficiency -----	10	\$37,300	\$51,900	\$8,920
Operational Deficiency ----- (pan fire, chimney fire, dryer fire, etc.)	44	\$19,560	\$54,165	\$1,676
Natural Condition ----- (lightning, high wind, earthquake, etc.)	5	\$0	\$1,000	\$200
Other Ignition Factor ----- (exposure fire, rekindled, etc.)	41	\$127,000	\$58,800	\$4,532
Undetermined ----- (ignition factor undetermined or not reported)	479	\$3,055,665	\$1,481,160	\$9,471



**Fire Loss Comparison**

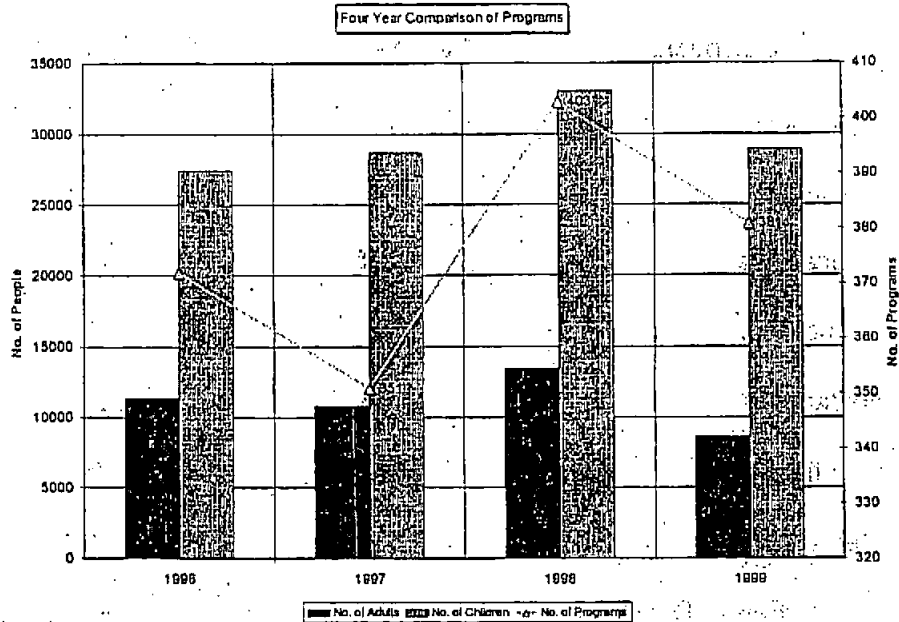


### Major Fires, Injuries and Fatalities

<u>Date</u>	<u>Location</u>	<u>Type</u>	<u>Damage</u>	<u>Injuries</u>
1-27-99	7225 10th Street - Rio Linda	Residential Structure	\$10,000	1 death.
	<i>Victim, adult female, died days later at the hospital as a result of the fire. Cause of the fire was a juvenile playing with a lighter.</i>			
5-31-99	3220 Watt Avenue, #45 - Sac.	Residential Structure	\$15,000	1 death
	<i>Fire was investigated by American River Fire District. Cause of fire was undetermined. Victim was an adult female.</i>			
7-2-99	2322 Butano Dr. - Sac.	Commercial Structure	\$225,000	
	<i>Arrived to find fire in a commercial building with multiple businesses with what appeared to be incendiary sets. Fire was investigated jointly by American River Fire District and Bureau of Alcohol, Tobacco and Firearms. Case is still active through ATF and FBI.</i>			
6-1-99	7539 Power Inn Rd., Sacramento	Commercial Structure	\$252,000	
	<i>Arrived to find fire in a commercial building with multiple businesses. Fire was investigated by American River Fire District. Cause of the fire was undetermined.</i>			
6-30-99	6332 Puerto Dr. - Rancho Murieta	Residential Structure	\$300,000	
	<i>Arrived to find a fully involved residential structure. Fire was investigated by American River Fire District. Cause of the fire was undetermined.</i>			

# Public Education Section

Number of Programs Presented .....	381
Number of Children .....	28,949
Number of Adults .....	8,644
Total Number of People .....	37,593



## Special Equipment Use

	<u>Number</u>	<u>Total People</u>
Pluggie	119	12,385
Mini Pumper	60	2,774
Old Betsy	1	900
Pub Ed Trailer	48	5,579
Engine/Truck Company	68	8,704

## Type of Program

	<u>Number</u>	<u>Total People</u>
Preschool	50	1,744
Elementary School	198	16,883
Middle School	7	328
High School	9	354
Fire Extinguisher	23	615
Adult	29	1,172
Community Events	65	16,497
Juvenile Firesetters Evaluated		30

# Fire Prevention Bureau

2101 Hurley Way, Sacramento

## Code Enforcement Section

### Fire Inspections

<u>Type of Occupancy</u>	<u>Initial Inspections</u>	<u>Reinspections</u>
A - Assembly	83	149
B - Business	69	104
E - Educational	225	206
F - Fabrication	1	0
H - Hazardous	18	22
I - Institutional	50	41
M - Mercantile	41	39
R-1 - Multi-Family Dwellings	101	225
R-2 - Residential Care Facilities	171	190
R-3 - Single Family Dwellings	1	2
S - Storage	17	25
Other (misc. inspections)	18	5
Knox	180	0
Assist Engine Company	60	14
Follow-up from Engine Company	73	66
Weed Abatement	1,246	0
Compliants	125	57

**3,624 Fire and Life Safety Inspections  
by Bureau Personnel**

# Fire Prevention Bureau - Cont.

## Citation Program

Administrative Reviews .....	26
Citations Issued .....	219
Non-Compliance (weed abatement).....	0

## Fireworks Safety Program

Fireworks Stands:	
July .....	99
December.....	35
Inspections Required .....	219
Public Display Shows.....	4

## **Special Projects**

- ◆ Worked on several financing plans for new developments.
- ◆ Coordinated fire district responses to neighborhood sweeps through nuisance response team.
- ◆ Expansion of over-the-counter plan reviews.
- ◆ Provided inspection and standby personnel for public display of fireworks.
- ◆ Assisted County of Sacramento with McClellan Air Force Base for future base closure and re-use.

# Fire Investigations

Fire Prevention personnel conducted a total of 245 investigations in 1999:

Residential Fires	70
Commercial Fires	51
Vehicle Fires	21
Grass Fires	23
Bombing/Fireworks	25
Other	55

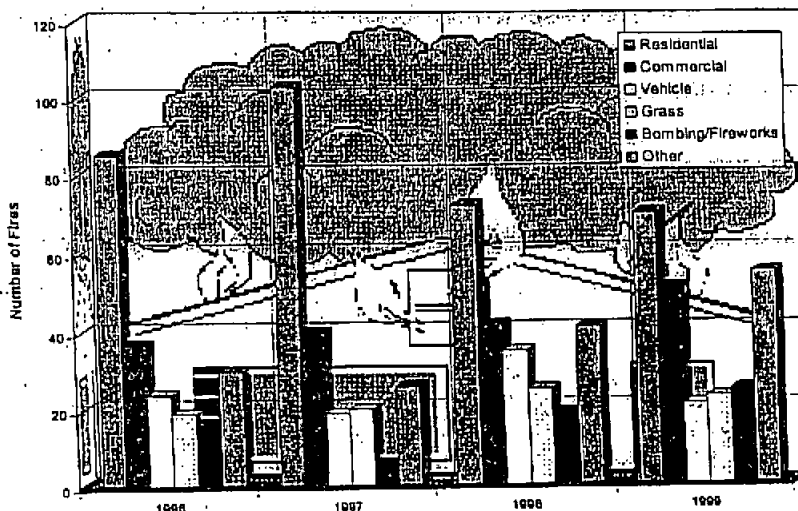
Total number of deaths investigated ..... 10

Total arrests and citations ..... 109

Adult Arrests	27
Juvenile Arrests	49
Adult Citations	5
Juvenile Citations	28

Arson Fires	128
Outstanding Warrants	0
Arrests Pending	1
Convictions	106
Acquittals	0
Dismissals	0
Cases pending court proceedings at end of 1999	1

Investigations by type of Fire



Note: 1996 Statistics DO NOT include Florin Fire District

1999 Annual Report



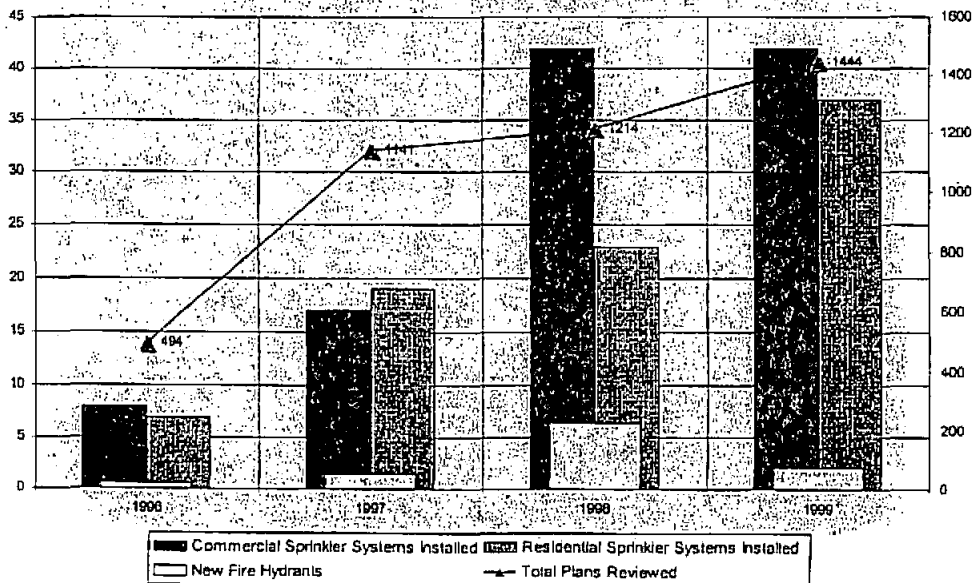
# Plan Review Section

	1996	1997	1998	1999
<b>Plans Reviewed</b>				
Construction .....		934	939	1,168
Fire Suppression .....		137	169	192
Fuel Tanks/Propane Tanks .....	25	40	52	40
Fire Alarm Systems .....	16	30	54	44
All Others (arch., civils, tenant improv., etc.)	453			
<b>TOTALS .....</b>	<b>494</b>	<b>1,141</b>	<b>1,214</b>	<b>1,444</b>

<b>Automatic Sprinkler Systems Installed</b>				
Commercial Occupancies .....	8	17	42	42
Residential Occupancies .....	7	19	23	37
<b>TOTALS .....</b>	<b>15</b>	<b>36</b>	<b>65</b>	<b>79</b>

Required Fire Hydrants .....	19	53	225	74
New Apartment Units .....	0	0	112	0
New Single Family Dwellings .....	75	235	109	63
Construction Inspections .....	624	835	1,406	1,504
System Inspections .....	280	242	601	590
Client Meetings .....	354	463	492	0
Knox Inspections Performed .....	0	0	397	613

Plan Review Primary Activity - 1999



Note: 1996 Statistics DO399 include Florin Fire District  
1999 Annual Report

# Drafting Section

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- Completed numerous special projects which included the following:
  - \* Mergér Maps
  - \* Director Division Maps
  - \* Organization Charts
  - \* Station Relocation Maps
  - \* McClellan/Sacramento County Map Pages
- Maintained updates for engine company mapbooks, station wallmaps and water facility maps.
- Developing new mapbooks and wall maps for Battalion 5, 7 and Rancho Murieta.



## MISSION STATEMENT

(Regional Fire and Rescue Training Authority)

*Provide excellence in training and education for the development of knowledge, skills, and abilities to meet the challenge of today and tomorrow in the most effective, efficient, and innovative manner.*

Training and education are the most important ingredients to provide quality service. The finest equipment in the world will do little good if the basic principles of safe, effective, efficient operations are not understood. A well-trained team can work miracles with minimum equipment. Knowledge and familiarity are the keys to successful operations.

The Training Division, operating as a subdivision of Support Services, continues to be dynamic and fluid in its operations as it endeavors to respond to the needs of department personnel by updating its method of delivery methodology and curriculum. These changes have been brought about in an effort to meet the ever changing mandated training requirements of federal, state, and local needs, as well as meeting the ongoing changes of an expanding and progressive Fire District.

The Training Division presently has a full time staff consisting of:

- ◆ One Chief Officer - Director of Training
- ◆ Two Captains - Training Officers
- ◆ One part-time Office Technician - Clerical Support
- ◆ One part-time Video Technician - Videographer

The American River Fire District Training Division is a participating member of a Regional Fire and Rescue Training Authority and a Joint Powers Authority (JPA) comprised of four member agencies: California Office of Emergency Services Fire and Rescue Branch, American River Fire District, Sacramento County Fire Protection District and Sacramento Fire Department. One of the major goals of the JPA is to develop and manage a Regional Training Facility on approximately 40 acres of property committed by the United States Air Force to the JPA as part of the re-utilization of McClellan Air Force Base due to its closure.

The Training Division is the main coordinating body for the following activities:

- ◆ Mandated Training
- ◆ Speciality Training
- ◆ Training Records Management
- ◆ New Programs and Equipment Training
- ◆ Regional Training Exercises
- ◆ Skills Drills
- ◆ Joint Apprentice Committee Program Management
- ◆ Portions of Promotional Exams
- ◆ Volunteer Training
- ◆ Academy Training
- ◆ Maintaining Affiliation with Outside Training Associations

# Training Division - Cont.

## Specialized Training for District Personnel

Responding to an ever-increasing scope of responsibility in the Fire Service the Training Division offered additional training opportunities to personnel beyond the normal schedule.

1. Swift Water Rescue Technician (SRT) I and II classes
2. Inflatable Rescue Boat (IRB) training
3. Disaster preparation drills at the Federal Building, Kaiser Hospital, Light Rail, Sacramento International Airport and various convalescent hospital facilities within the Fire District
4. CDF wildland ground school (spring exercise) for State Response Areas (SRA)
5. Hazardous Materials Training and Flammable Liquid Tank Farm exercises (Sac Co. Fire Dist. sponsored)
6. Weapons of Mass Destruction (basic program and "train the trainer") sponsored by FEMA and NFA

## Key Training Programs

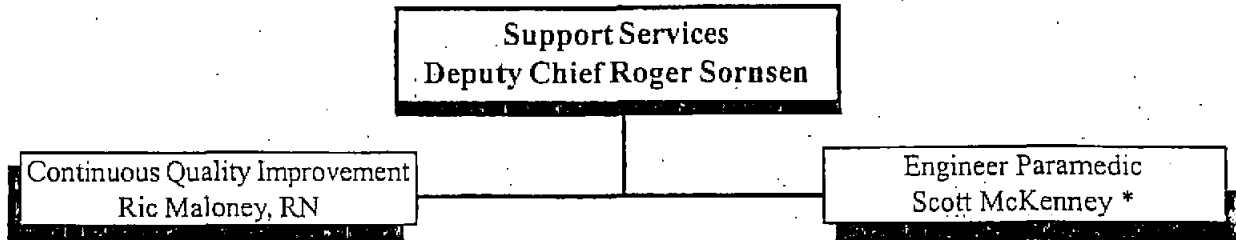
- Live fire training in acquired structures
- Firefighter rescue and survival training
- Physical fitness program (American River College)
- Emergency Medical Service (basic level EMT-I and EMT-P) (American River College)
- Fire Camp
- Firefighter Combat Challenge Team

## Emergency Response

Training Division personnel are used to provide support for services during large-scale emergencies such as wildland fires, flood season, and great alarms by providing staff for the Emergency Operations Center (EOC) and Fire Operations Center (FOC). Additionally, the Division's members regularly respond to greater alarm incidents to fill command staff positions including: Accountability Officer, Public Information Officer, Safety Officer, Division Group Supervisor.

## Training Division Goals

1. To continue to integrate the training of American River Fire District with Sacramento County Fire Protection District, advancing the Sacramento Metropolitan Fire District reorganization.
2. To extend skills drills, fitness program and EMS certification program across the new organization.
3. To increasingly support the District's members by providing personal development opportunities and materials.
4. To continue to develop and enhance the Regional Training Joint Powers Authority program.
5. To improve our Insurance Services Office, Inc. (ISO) rating to a 2 for metro/urban areas.
6. Develop two Self-Contained Breathing Apparatus (SCBA) competency courses, based on actual firefighter entanglements. Conduct training exercises for all suppression personnel.
7. Bring all suppression personnel in compliance with 310-1, out of county response requirements per the five party agreement involving the Office of Emergency Services (OES), the Bureau of Land Management (BLM), United States Forest Service, California Department of Forestry (CDF) and the National Parks Service.



\* Denotes temporary assignment

## Mission Statement:

Assure EMS delivery that is safe, competent and consistent prehospital medical care in an efficient, professional and fiscally responsible manner.

## Continuous Quality Improvement (CQI):

The American River Fire District reviews 100% of all patient care reports generated by District paramedics. This committee is made up of two paramedics from each shift and the CQI Manager. The review of EMS service is to help promote better service delivery of EMS in a non-punitive environment.

## Activities:

- ◆ All Advanced Life Support Ambulances and Engines passed inspection by the Sacramento County Emergency Medical Services Agency.
- ◆ AMR continued to provide transportation service in Battalions 5 and 7. The compliance of the private ambulance responses increased from 90% to 96% within the District.
- ◆ The District is committed to computerized Patient Care Reports but has temporarily discontinued the usage of the EMS Solutions 2000 software that was used the last three years. The District is currently looking for an improved software and hardware system to meet the needs of the District.
- ◆ Inspected ALS units for compliance with State and Local EMS Agency regulations including medications, inventory and proper disposal of infectious waste.
- ◆ The EMS Division implemented a new EMS Training Program in *partnership* with American River College. This program uses the community college resources to help facilitate training. This EMS Training Program utilizes District personnel hired by the College to deliver standardized EMS curriculum and verifiable skills testing while line personnel are on duty. This program will emphasize team based training with EMT-1's and EMT-P's.

# EMS Division - Cont.

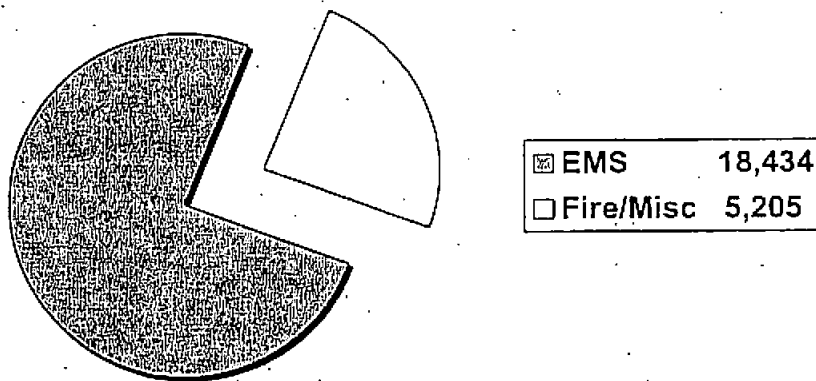
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## Statistics

Total requests for service (EMS, Fire, etc...) in the American River Fire District in 1999 through the Fire Dispatch Center was 24,415. Of the requests for service, 18,434 were for medical assistance. Fire District Paramedics or AMR Paramedics transported 13,239 of these requests for service to an emergency department. These numbers indicate that the majority of calls in the District are EMS related.

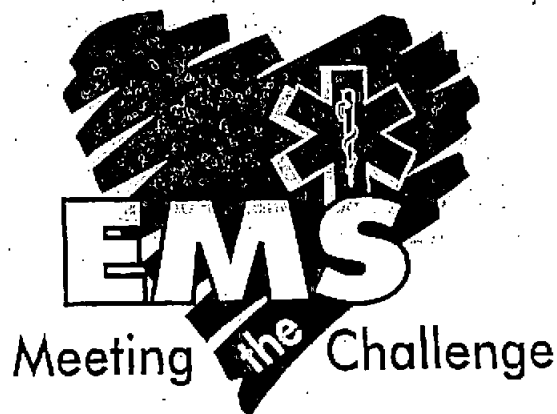
**Total Calls Dispatched in District in 1999**

**24,415**



## Goals for 2000

- ◆ Merge the American River Fire District EMS Division with Sacramento County Fire Protection District EMS Division.
- ◆ Enlarge the American River Fire District/American River College EMS Training Program to include Sacramento County Fire Protection District.
- ◆ Train all line personnel in the usage of Automatic External Defibrillators so that all first responding apparatus will be capable of delivering life saving defibrillation.
- ◆ Research the possibilities of a Computerized Patient Care Reporting System that can be integrated with a Computerized Fire Reporting System.



# Safety Division

2101 Hurley Way, Sacramento

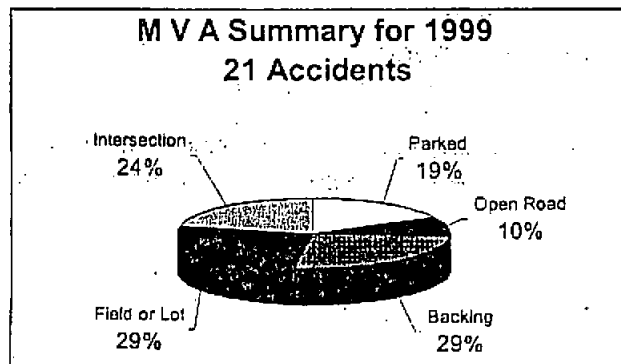
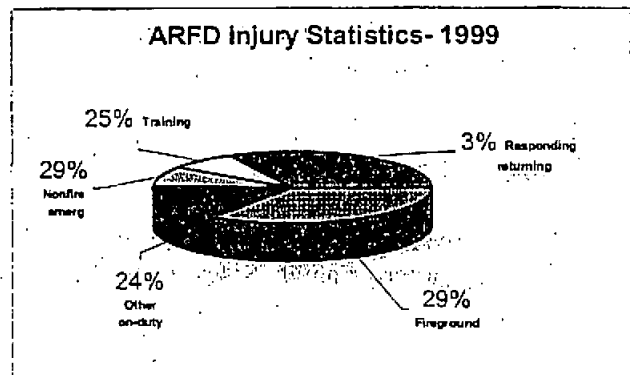
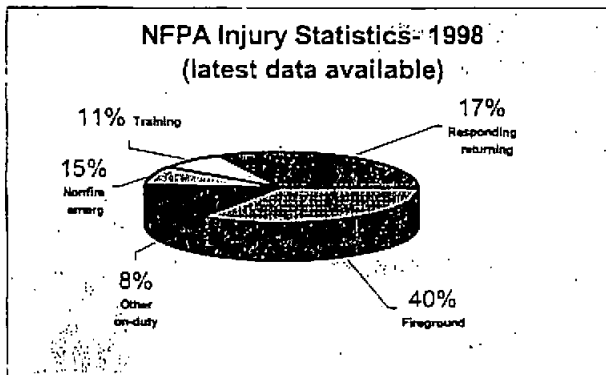
Safety Officer  
Administrative Assistant

Deputy Chief Roger Sornsen  
Captain Bill Daniels

In 1999, there were a total of 89 reported injuries to District personnel, resulting in a total of 105 days of restricted work activity and 525 lost workdays. A comparison between the 1997, 1998 and 1999 District injury statistics are as follows:

	<u>1997</u>	<u>1998</u>	<u>1999</u>
Reported Injuries	100	101	89
Restricted Workdays	130	6	105
Lost Workdays	212	5	525

Listed below are two graphs that compare the NFPA and District's injury statistics, as well as a graph that summarizes the District's vehicle accidents reported in 1999.



# Safety Division - Cont.

## Safety Program

- ✓ Instituted a comprehensive Illness and Injury Prevention Program (IIPP)
- ✓ Instituted a Safety Committee that complements the District's safety program
- ✓ Developed policies and procedures on selection, use and replacement of protective clothing

## Infectious Control Program

- ✓ Annual Tuberculosis Testing administered by Healthtech Mobile Services
- ✓ Annual flu shot program
- ✓ Tuberculosis mask-fit test (reserve firefighters)
- ✓ Administered Blood Borne Pathogen/Infectious Control Program
- ✓ Monitored bio-waste (infectious waste) program

## Respirator Compliance (SCBA)

- ✓ Instituted SCBA policies and procedures for care, use, selection and maintenance
- ✓ Maintained, repaired and tested Draeger SCBA
- ✓ Performed an annual service on Draeger SCBA
- ✓ SCBA hydrostatic test - SCBA air bottles
- ✓ SCBA Mask-fit test (reserve firefighters)
- ✓ Conducted air quality test on breathing air in SCBA - quarterly test

## Safety/Accident Investigations

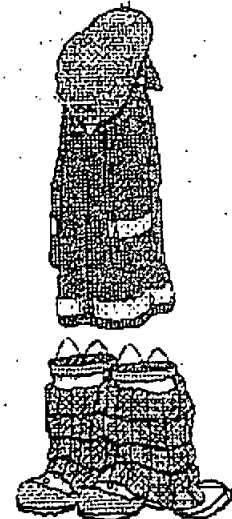
- ✓ Investigated vehicle accidents involving District vehicles and/or equipment
- ✓ Investigated injury accidents involving District personnel

## Facility Safety

- ✓ Administered Facility Safety Inspection Programs
- ✓ Instituted quarterly Facility Safety Inspection Program by Company Officers

## Miscellaneous Activity

- ✓ Conducted an annual turnout inspection
- ✓ Administered safety boot voucher program
- ✓ Continued testing well-water sites at Station 52, 55 and 58
- ✓ Monitored Personal Exposure Reporting System through CPF
- ✓ Responded as Incident Safety Officer to greater alarm and level II/III hazmat incidents
- ✓ Purchased and maintained safety gear and water rescue cache (basic level)





# Apparatus - Mechanical Division

3050 Orange Grove Ave., North Highlands

There are currently 135 vehicles being maintained by the maintenance division along with seven vehicles from Dry Creek Fire District. The District received nine new vehicles consisting of two medics, one service truck for Facilities, one Battalion Chief vehicle and five new Crown Victorias.

The Maintenance Division is currently staffed by one Fleet Manager, four Mechanics, one Assistant Mechanic.

The following is list of vehicles in the Department's inventory:

<b>Trucks</b>		<b>3</b>	<b>Pumpers</b>		<b>27</b>
110' Tiller	1		1500 GPM	14	
105' Aerial	1		1250 GPM	11	
102' Platform	1		1000 GPM	2	
<b>Grass Units</b>		<b>16</b>	<b>Sedans</b>		<b>37</b>
<b>Duty Chief Vehicles</b>		<b>4</b>	<b>Water Tenders</b>		<b>4</b>
<b>Dept. Pickups</b>		<b>13</b>	<b>Ambulances</b>		<b>6</b>
<b>Antique Apparatus</b>		<b>5</b>	<b>Vans</b>		<b>5</b>
<b>Trailers</b>		<b>4</b>	<b>Water Rescue Units</b>		<b>3</b>
<b>Mini Pumper</b>		<b>1</b>	<b>MCI Vehicle</b>		<b>1</b>
<b>Boats</b>		<b>2</b>	<b>OES Units</b>		<b>2</b>
<b>Air Units</b>		<b>2</b>			

The following is a list of the major repairs completed during the year:

- ✓ Converted three hose beds for LDH hose.
- ✓ Installed several on-board battery chargers.
- ✓ Replaced four engine motor mounts on Pierce engines.
- ✓ Rebuilt engine in Fire Engine 109
- ✓ Rebuilt four transmission output retarders.
- ✓ Rebuilt several cylinder heads on Pierce engines.
- ✓ Replaced five steering arms on Pierce engines due to a Rockwell Campaign.
- ✓ Maintained equipment for Dry Creek Fire District.



# Station Activities for 1999

American River Fire District

## Summary of Station Responses

<u>Station</u>	<u>Total Fires</u>	<u>Medical Aids</u>	<u>All Others</u>	<u>Automatic Aids</u>	<u>Totals</u>	<u>Ranking</u>
E50	246	937	464	105	1,752	10
M50	38	1,481	258	269	2,046	8
R50	105	656	303	61	1,125	13
51	183	628	335	361	1,507	11
E53	184	1,581	552	284	2,601	3
M53	27	1,558	311	1,031	2,927	1
54	29	310	138	325	802	18
E55	65	115	96	64	340	23
M55	0	62	19	18	99	27
58	73	194	109	16	392	22
E59	55	238	109	18	420	21
M59	3	220	59	14	296	24
101	122	1,380	463	261	2,226	4
102	106	669	314	26	1,115	14
103	114	1,010	409	407	1,940	9
105	119	1,100	597	246	2,062	7
A106	8	9	5	7	29	28
E106	131	1,200	717	15	2,063	6
T106	140	245	435	194	1,014	15
107	54	277	186	35	552	20
108	75	923	413	701	2,112	5
E109	117	1,795	766	19	2,697	2
T109	78	295	246	29	648	19
110	72	506	302	7	887	16
111	71	765	328	46	1,310	12
112	150	3	58	5	216	26
116	153	12	64	12	241	25
117	160	383	202	96	841	17
<b>Totals</b>	<b>2,778</b>	<b>18,552</b>	<b>8,258</b>	<b>4,672</b>	<b>34,260</b>	

B-5	148	24	116	23	311	#3
B-7	236	115	698	38	1,087	#1
B-9	322	114	413	64	913	#2

**Response** = Anytime that a piece of fire apparatus is dispatched to an emergency.

**Alarm** = Each emergency is considered an alarm, but can have multiple pieces of fire equipment respond to it.

# Alarm Frequencies

## Alarm Totals by Day of Week in 1999

Sunday -----	3,579
Monday -----	3,686
Tuesday -----	3,683
Wednesday -----	3,681
Thursday -----	3,733
Friday -----	3,837
Saturday -----	3,588

## Trivia for 1999

Least # of Alarms in One Day, Sunday, November 28, 1999 -----	41
Most # of Alarms in One Day, Sunday, July 4, 1999 -----	108
<b>Thomas Bros. Map Areas with 300+ alarms:</b>	
278G3 - Auburn Blvd./Pasadena Ave./Sunnyvale Ave./Watt Ave. -----	466
298E1 - Cottage Wy./Morse Ave./Arden Wy./Fulton Ave. -----	440
337J1 - Sky Pkwy./Florin Mall/Assembly Ct./Hwy 99 -----	417
278G6 - Marconi Ave./Becerra Wy./El Camino Ave./Watt Ave. -----	407
338A2 - Requa Wy./Citrus Ave./Florin Creek/Florinwood Dr. -----	391
279C3 - Cypress Ave./Manzanita Ave./Engle Rd./Garfield Ave. -----	386
279B7 - El Camino Ave./Garfield Ave./Fair Oaks Blvd./Walnut Ave. -----	346
338C3 - Skander Wy./Power Inn Rd./Elder Ck./Maple Leaf Ln. -----	345
278D5 - Edison Ave./Fulton Ave./Marconi Ave./Bell St. -----	339
298D1 - Cottage Wy./Fulton Ave./Arden Wy./Bell St. -----	338
279C6 - Marconi Ave./Fair Oaks Blvd./El Camino Ave./Garfield Ave. -----	319
298C4 - Northrop Ave./Pavilions Lane/Fair Oaks Blvd./American River Parkway -----	305

## Alarms in 1999 by Hour of Day

12:00 AM to 4:00 AM -----	2,312
4:00 AM to 8:00 AM -----	2,526
8:00 AM to 12:00PM -----	5,165
12:00 PM to 4:00 PM -----	5,940
4:00 PM to 8:00 PM -----	5,722
8:00 PM to 12:00 AM -----	4,122

(4:00 AM to 5:00 AM = 476 least # / 3:00 PM to 4:00 PM - 1,586 most #)

# Station 50 - Engine

8880 Gerber Road, Sacramento



## Alarm Responses

### Engine 50

#### Responses For Fires

##### Residential:

Fireworks  
Residential

0  
46 (3%) (+10)

##### Commercial:

Fireworks  
Commercial

0  
25 (1%) (+12)

##### Vehicle

22 (1%) (-11)

##### Vegetation:

Fireworks  
Vegetation

1  
108 (6%) (+33)

##### Dumpster

15 (0%) (-3)

##### Miscellaneous Fire Outdoors

29 (2%) (+6)

#### Responses for Non-Fires

##### Medical:

Cardiac  
Respiratory Emergency  
Trauma  
OB/Gyn  
Gastro Intestinal/Genito-Urinary  
Altered-LOC (level of consciousness)  
Psychiatric  
Environmental  
Not Classified Above  
Violent Crime  
Fireworks

115 (7%) (-4)  
101 (6%) (-6)  
92 (6%) (+7)  
7 (0%) (-3)  
40 (2%) (+14)  
135 (8%) (+48)  
24 (1%) (+8)  
7 (0%) (-5)  
273 (16%) (+50)  
25 (1%) (+1)  
0

##### Vehicle Accident:

With Injuries  
Without Injuries

118 (7%) (+20)  
72 (4%) (-3)

##### Public Assistance:

Public Assistance  
Hazardous Materials  
Bomb  
Fireworks

174 (10%) (-43)  
3 (0%) (-1)  
0  
0

##### Mistake

81 (5%) (-4)

##### Alarm System Malfunction

32 (2%) (-10)

##### False Alarm

68 (4%) (-24)

##### Hazardous Materials

7 (+4)

##### Returned Enroute

26 (2%) (+4)

#### Other Types of Responses

Automatic Aid  
Mutual Aid

105 (6%) (+38)  
1 (+1)

**Total Responses**

**1,752 (+140)**

Average Responses Per Day ..... 4.8

# Station 50 - Medic

## Alarm Responses

### Medic 50

<u>Responses For Fires</u>	<u>1999</u>	<u>Chg +/-</u>
Residential:		
Fireworks	0	
Residential	19 (1%)	(+9)
Commercial:		
Fireworks	0	
Commercial	8 (0)	(+6)
Vehicle	4 (0)	(+1)
Vegetation:		
Fireworks	0	
Vegetation	5 (0)	(+3)
Dumpster	0 (0)	(-1)
Miscellaneous Fire Outdoors	2 (0)	

## Responses for Non-Fires

Medical:		
Cardiac	182 (9%)	(+2)
Respiratory Emergency	172 (8%)	(-15)
Trauma	181 (9%)	(+26)
OB/Gyn	19 (1%)	(-11)
Gastro Intestinal/Genito Urinary	67 (3%)	(+10)
Altered LOC (level of consciousness)	227 (11%)	(+64)
Psychiatric	31 (2%)	(-4)
Environmental	13 (1%)	(-2)
Not Classified Above	393 (19%)	
Violent Crime	47 (2%)	(-8)
Fireworks	0	
Vehicle Accident:		
With Injuries	149 (7%)	(+7)
Without Injuries	73 (4%)	(-6)
Public Assistance:		
Public Assistance	74 (4%)	(-23)
Hazardous Materials	1 (0)	(-1)
Bomb	0	
Fireworks	0	
Mistake	41 (2%)	(-8)
Alarm System Malfunction	6 (0)	(+5)
False Alarm	12 (1%)	(-6)
Hazardous Materials	1 (0)	
Returned Enroute	50 (3%)	(+15)

## Other Types of Responses

Automatic Aid	269 (13%)	(+46)
Mutual Aid	0	

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<b>Total Responses</b>	<b>2,046</b>	<b>(+109)</b>
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Average Responses Per Day ..... 5.61

# Station 50 - Rescue

## Alarm Responses Rescue 50

<u>Responses For Fires</u>	<u>1998</u>	<u>Chg +/-</u>
Residential:		
Fireworks	0	
Residential	36 (3%)	(+1)
Commercial:		
Fireworks	0	
Commercial	19 (2%)	(+6)
Vehicle	21 (2%)	(-9)
Vegetation:		
Fireworks	0	
Vegetation	6 (0)	
Dumpster	12 (1%)	(-3)
Miscellaneous Fire Outdoors	11 (1%)	(-6)

### Responses for Non-Fires

Medical:		
Cardiac	73 (7%)	(-34)
Respiratory Emergency	68 (6%)	(-28)
Trauma	60 (6%)	(-15)
OB/Gyn	4 (0)	(-6)
Gastro Intestinal/Genito Urinary	24 (2%)	(+1)
Altered LOC (level of consciousness)	89 (8%)	(+10)
Psychiatric	12 (0%)	(-2)
Environmental	4 (0%)	(-7)
Not Classified Above	195 (17%)	(-19)
Violent Crime	19 (2%)	(-5)
Fireworks	0	
Vehicle Accident:		
With Injuries	108 (10%)	(+12)
Without Injuries	61 (6%)	(-12)
Public Assistance:		
Public Assistance	114 (10%)	(-74)
Hazardous Materials	5 (0)	(+1)
Bomb	0	
Fireworks	0	
Mistake	39 (3%)	(-20)
Alarm System Malfunction	19 (2%)	(-14)
False Alarm	47 (4%)	(-21)
Hazardous Materials	1 (0)	(-2)
Returned Enroute	17 (2%)	(+3)

### Other Types of Responses

Automatic Aid	61 (6%)	(+5)
Mutual Aid	0	

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<b>Total Responses</b>	<b>1,125</b>	<b>(-238)</b>
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Average Responses Per Day .....3.08

# Station 50 - Battalion 9

## Alarm Responses Battalion 9

<u>Responses For Fires</u>	<u>1999</u>	<u>Chg +/-</u>
Residential:		
Fireworks	0	
Residential	76 (8%)	(+3)
Commercial:		
Fireworks	0	
Commercial	23 (3%)	(+1)
Vehicle	19 (2%)	(-1)
Vegetation:		
Fireworks	2 (0)	
Vegetation	157 (17%)	(+35)
Dumpster	11 (1%)	(-1)
Miscellaneous Fire Outdoors	34 (4%)	(+10)
 <u>Responses for Non-Fires</u>		
Medical:		
Cardiac	1 (0)	(-1)
Respiratory Emergency	4 (0)	(-3)
Trauma	12 (1%)	(-10)
OB/Gyn	1 (0)	(-2)
Gastro Intestinal/Genito Urinary	0	
Altered LOC (level of consciousness)	2 (0)	(-1)
Psychiatric	0	
Environmental	0	(-3)
Not Classified Above	5 (1%)	(+2)
Violent Crime	5 (1%)	(-5)
Fireworks	0	
Vehicle Accident:		
With Injuries	84 (9%)	(+13)
Without Injuries	38 (4%)	(-1)
Public Assistance:		
Public Assistance	96 (11%)	(-38)
Hazardous Materials	9 (1%)	(+5)
Bomb	1 (0)	(-1)
Fireworks	1 (0)	
Mistake	86 (10%)	(+2)
Alarm System Malfunction	73 (8%)	(+9)
False Alarm	81 (9%)	(-10)
Hazardous Materials	3 (0)	(-1)
Returned Enroute	22 (3%)	(+15)
 <u>Other Types of Responses</u>		
Automatic Aid	64 (7%)	(+23)
Mutual Aid	3 (0%)	(+1)
<b>Total Responses</b>	<b>913</b>	<b>(+41)</b>

Average Responses Per Day ..... 2.5

# Station 50

## Station Tours

Number of Tours

11

Children

225

Adults

61

## Public Education/Relations Activities Outside of Station

Number of Activities

6

Children

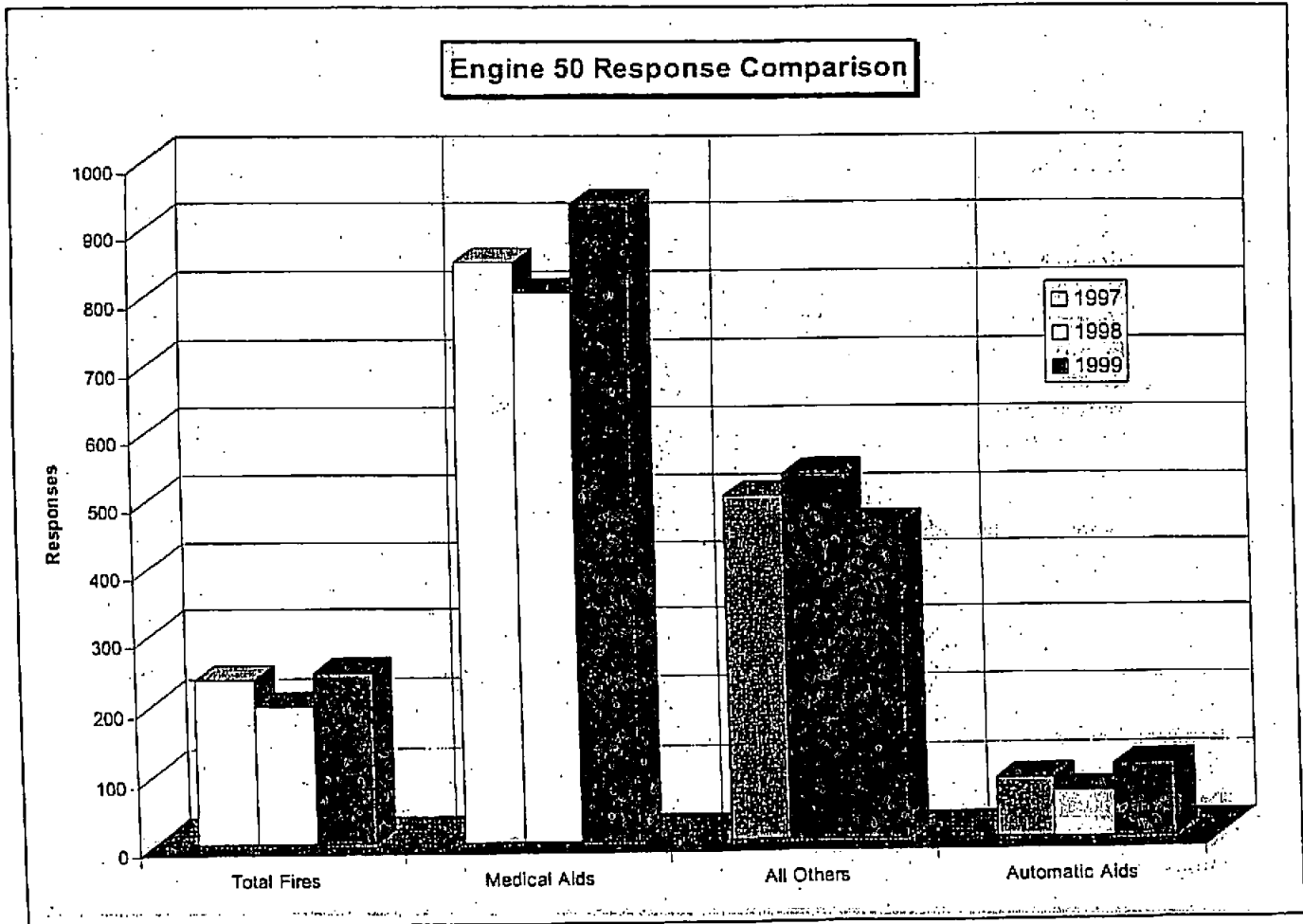
175

Adults

145

## Buildings and Grounds

1. Poured concrete walkway at station entrance.
2. Base rock applied to rear of parking lot.

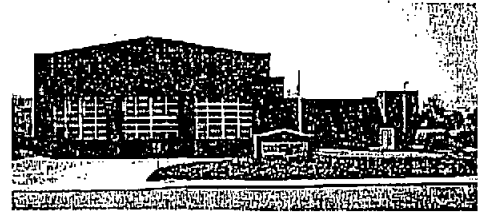




# Station 51

8210 Meadowhaven Drive, Sacramento

## Alarm Responses



### Responses For Fires

	1999	Chg +/-
Residential:		
Fireworks	0	
Residential	43 (3%)	(+7)
Commercial:		
Fireworks	0	
Commercial	22 (1%)	(+9)
Vehicle	18 (1%)	(-3)
Vegetation:		
Fireworks	0 (0)	(-2)
Vegetation	63 (4%)	(-17)
Dumpster	8 (0)	(+2)
Miscellaneous Fire Outdoors	29 (2%)	(+16)

### Responses for Non-Fires

Medical:		
Cardiac	60 (4%)	(+17)
Respiratory Emergency	82 (6%)	(+9)
Trauma	83 (6%)	(+11)
OB/Gyn	8 (1%)	(-6)
Gastro Intestinal/Genito Urinary	23 (2%)	(-4)
Altered LOC (level of consciousness)	128 (9%)	(+65)
Psychiatric	11 (1%)	(-15)
Environmental	4 (0)	(-2)
Not Classified Above	147 (10%)	(-3)
Violent Crime	22 (1%)	(-5)
Fireworks	0	
Vehicle Accident:		
With Injuries	60 (4%)	(+2)
Without Injuries	37 (2%)	(+1)
Public Assistance:		
Public Assistance	122 (8%)	(-26)
Hazardous Materials	4 (0)	(-1)
Bomb	0	
Fireworks	0 (0)	(-1)
Mistake	101 (7%)	(+13)
Alarm System Malfunction	19 (1%)	(-18)
False Alarm	24 (2%)	(-41)
Hazardous Materials	4 (0)	(+1)
Returned Enroute	23 (2%)	(+6)

### Other Types of Responses

Automatic Aid	361 (24%)	(+8)
Mutual Aid	1	(+1)

---

<b>Total Responses</b>	<b>1,507</b>	<b>(+24)</b>
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Average Responses Per Day ..... 4.13

# Station 51

## Station Tours

Number of Tours  
11

Children  
20

Adults  
13

## Public Education/Relations Activities Outside of Station

Number of Activities  
2

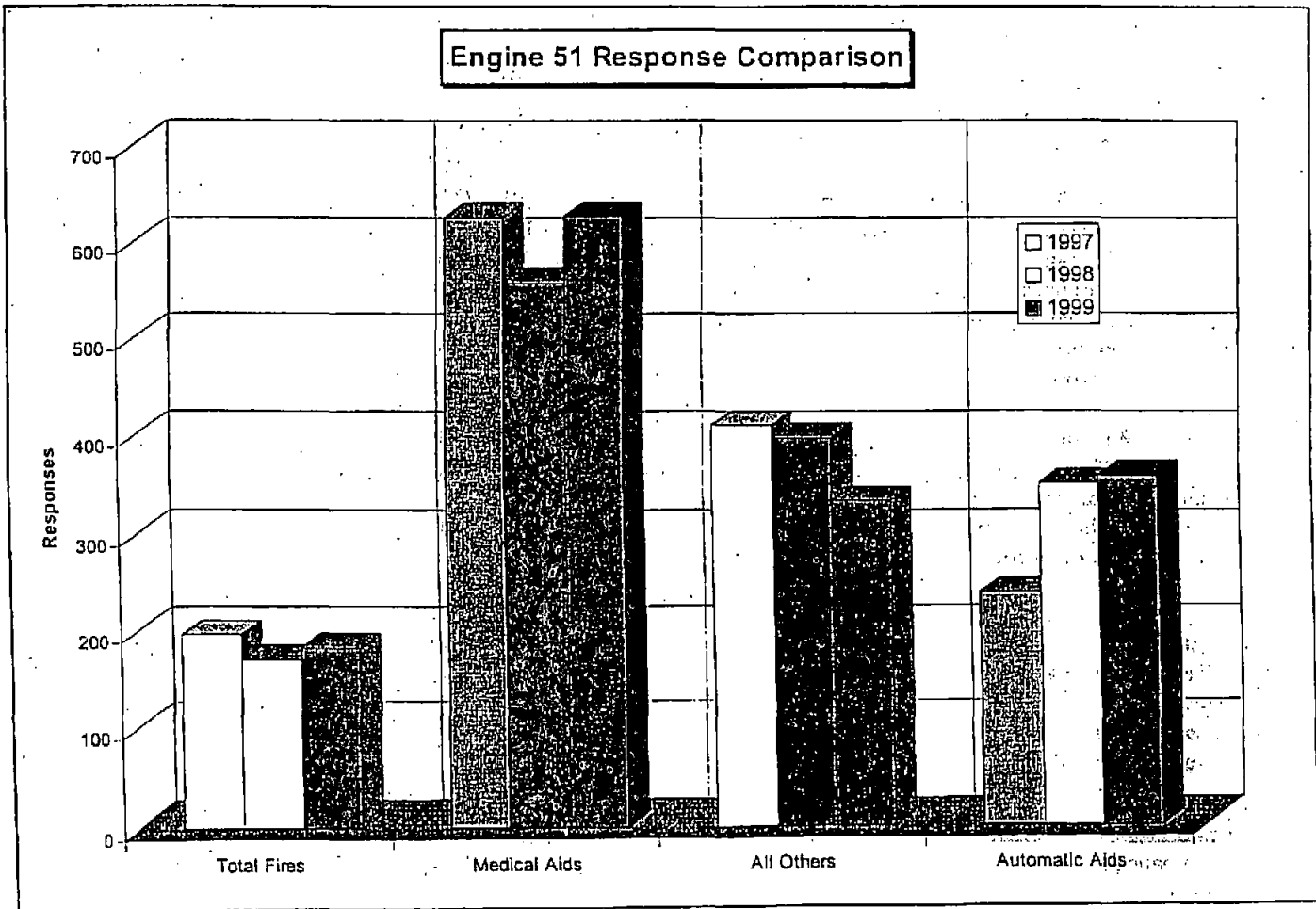
Children  
0

Adults  
2

## Buildings and Grounds

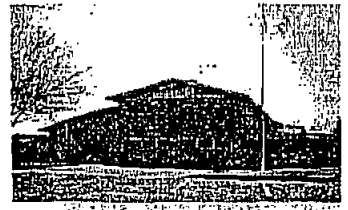
1. Repaired outdoor lighting.
2. Repaired sprinkler system and replaced timer.

Engine 51 Response Comparison



# Station 53 - Engine

6722 Fleming Avenue, Sacramento



## Alarm Responses

### Engine 53

<u>Responses For Fires</u>	<u>1999</u>	<u>Chg +/-</u>
Residential:		
Fireworks	0	
Residential	50 (2%)	(+5)
Commercial:		
Fireworks	0	
Commercial	20 (1%)	(+8)
Vehicle	22 (1%)	(-11)
Vegetation:		
Fireworks	0 (0)	(-1)
Vegetation	46 (2%)	(+1)
Dumpster	25 (1%)	(+2)
Miscellaneous Fire Outdoors	21 (1%)	(+5)

### Responses for Non-Fires

Medical:		
Cardiac	164 (6%)	(+32)
Respiratory Emergency	199 (7%)	(-21)
Trauma	200 (7%)	(-1)
OB/Gyn	37 (1%)	(-39)
Gastro Intestinal/Genito Urinary	78 (3%)	(-5)
Altered LOC (level of consciousness)	204 (8%)	(+12)
Psychiatric	19 (1%)	(-7)
Environmental	25 (1%)	(+14)
Not Classified Above	494 (19%)	(+24)
Violent Crime	69 (3%)	(-14)
Fireworks	0	
Vehicle Accident:		
With Injuries	92 (4%)	(+10)
Without Injuries	43 (2%)	(-5)
Public Assistance:		
Public Assistance	253 (10%)	(-36)
Hazardous Materials	6 (0)	(+2)
Bomb	0 (0)	(-2)
Fireworks	0 (0)	(-1)
Mistake	61 (3%)	(-11)
Alarm System Malfunction	39 (1%)	(+1)
False Alarm	57 (2%)	(-40)
Hazardous Materials	6 (0)	(+1)
Returned Enroute	86 (3%)	(+30)

### Other Types of Responses

Automatic Aid	284 (11%)	(-85)
Mutual Aid	1 (0%)	(-1)

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<b>Total Responses</b>	<b>2,601</b>	<b>(-133)</b>
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Average Responses Per Day ..... 7.13

# Station 53 - Medic

## Alarm Responses

### Medic 53

#### Responses For Fires

	<u>1999</u>	<u>Chg +/-</u>
Residential:		
Fireworks	0	
Residential	17 (0)	(-4)
Commercial:		
Fireworks	0	
Commercial	6 (0)	(-1)
Vehicle	0 (0)	(-2)
Vegetation:		
Fireworks	0	
Vegetation	0 (0)	(-4)
Dumpster	1 (0)	(+1)
Miscellaneous Fire Outdoors	3 (0)	(+2)

#### Responses for Non-Fires

Medical:		
Cardiac	172 (6%)	(+50)
Respiratory Emergency	204 (7%)	(-3)
Trauma	176 (6%)	(+4)
OB/Gyn	30 (1%)	(-37)
Gastro Intestinal/Genito Urinary	74 (3%)	(-6)
Altered LOC (level of consciousness)	211 (7%)	(+39)
Psychiatric	23 (1)	(-5)
Environmental	19 (1)	(+6)
Not Classified Above	478 (16%)	(+27)
Violent Crime	65 (2%)	(-8)
Fireworks	0	
Vehicle Accident:		
With Injuries	106 (4%)	(+9)
Without Injuries	54 (2%)	(+2)
Public Assistance:		
Public Assistance	123 (4%)	(-18)
Hazardous Materials	0	
Bomb	0 (0)	(-1)
Fireworks	0	
Mistake	31 (1%)	(-2)
Alarm System Malfunction	1 (0)	(-1)
False Alarm	19 (1%)	(-12)
Hazardous Materials	0	(-1)
Returned Enroute	75 (3%)	(+31)

#### Other Types of Responses

Automatic Aid	1,031 (35%)	(-173)
Mutual Aid	8 (0)	(-5)

#### Total Responses

2,927

(-112)

Average Responses Per Day .... 8.02

Average Response Time ... 0:00 min.

## Station Tours

Number of Tours  
0

Children  
0

Adults  
0

## Public Education/Relations Activities Outside of Station

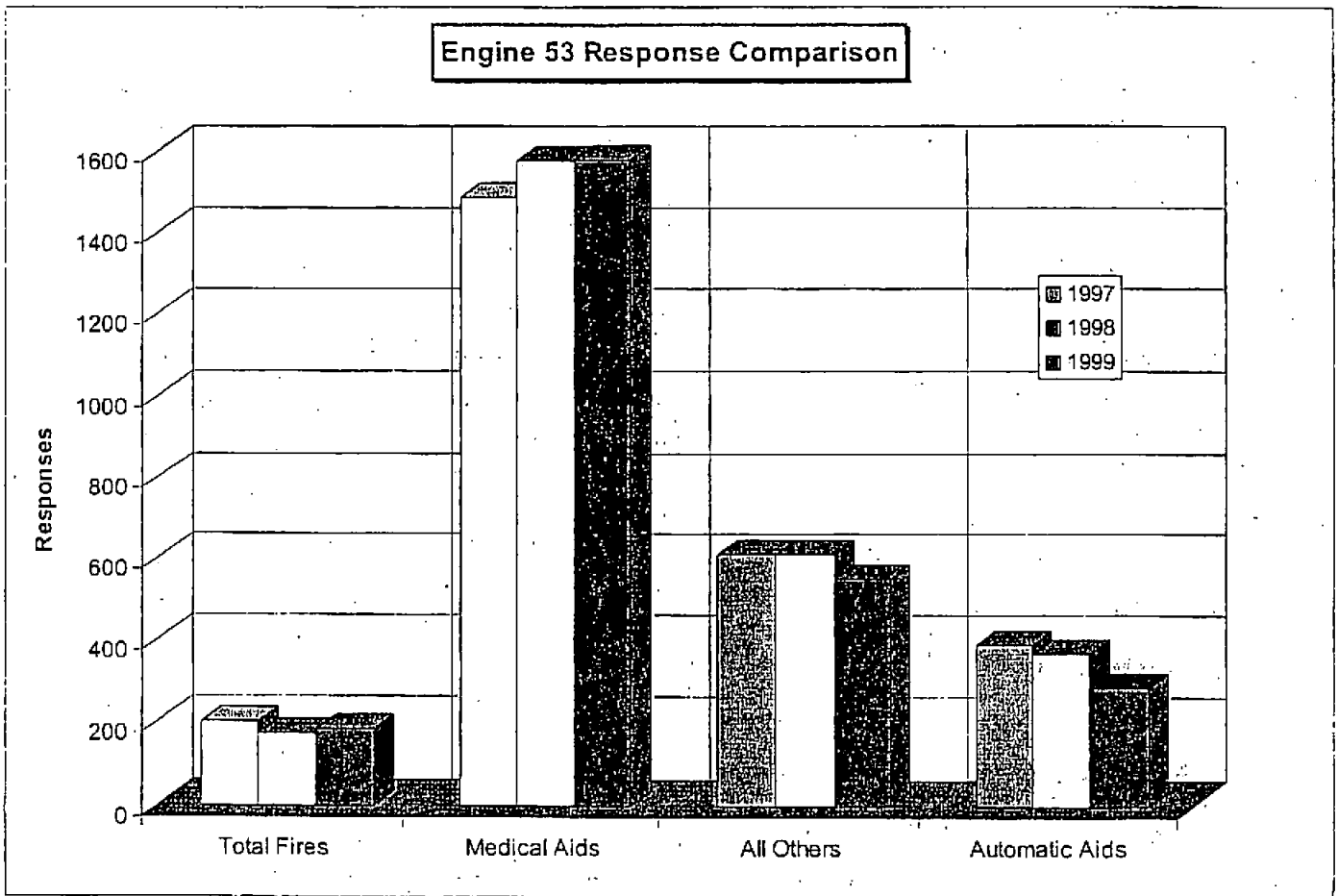
Number of Activities  
1

Children  
100

Adults  
75

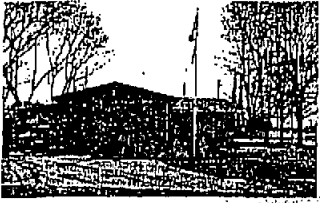
## Buildings and Grounds

1. Nothing to report.



# Station 54

8900 Fredric Avenue Sacramento



## Alarm Responses

### Responses For Fires

	<u>1999</u>	<u>Chg +/-</u>
Residential:		
Fireworks	0	
Residential	3 (1%)	(-13)
Commercial:		
Fireworks	0	
Commercial	2 (0)	(-4)
Vehicle	11 (1%)	(-10)
Vegetation:		
Fireworks	0	
Vegetation	3 (0)	(-4)
Dumpster	3 (0)	(-5)
Miscellaneous Fire Outdoors	7 (1%)	(+2)

### Responses for Non-Fires

Medical:		
Cardiac	38 (5%)	(-29)
Respiratory Emergency	32 (4%)	(-25)
Trauma	27 (3%)	(-21)
OB/Gyn	7 (1%)	(+3)
Gastro Intestinal/Genito Urinary	17 (2%)	(-17)
Altered LOC (level of consciousness)	32 (4%)	(-18)
Psychiatric	8 (1%)	(-2)
Environmental	1 (0)	(-3)
Not Classified Above	97 (12%)	(-12)
Violent Crime	12 (2%)	(-19)
Fireworks	0	
Vehicle Accident:		
With Injuries	39 (5%)	(-5)
Without Injuries	25 (3%)	(-6)
Public Assistance:		
Public Assistance	43 (5%)	(-24)
Hazardous Materials	6 (1%)	(+5)
Bomb	0	
Fireworks	1 (0)	(+1)
Mistake	26 (3%)	(-25)
Alarm System Malfunction	9 (1%)	(-5)
False Alarm	9 (1%)	(-1)
Hazardous Materials	0	(-3)
Returned Enroute	16 (2%)	

### Other Types of Responses

Automatic Aid	325 (41%)	(-84)
Mutual Aid	3 (1%)	(-3)

---

**Total Responses**

**802**

**(-327)**

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Average Responses Per Day ..... 2.2

## Station Tours

Number of Tours  
0

Children  
0

Adults  
0

## Public Education/Relations Activities Outside of Station

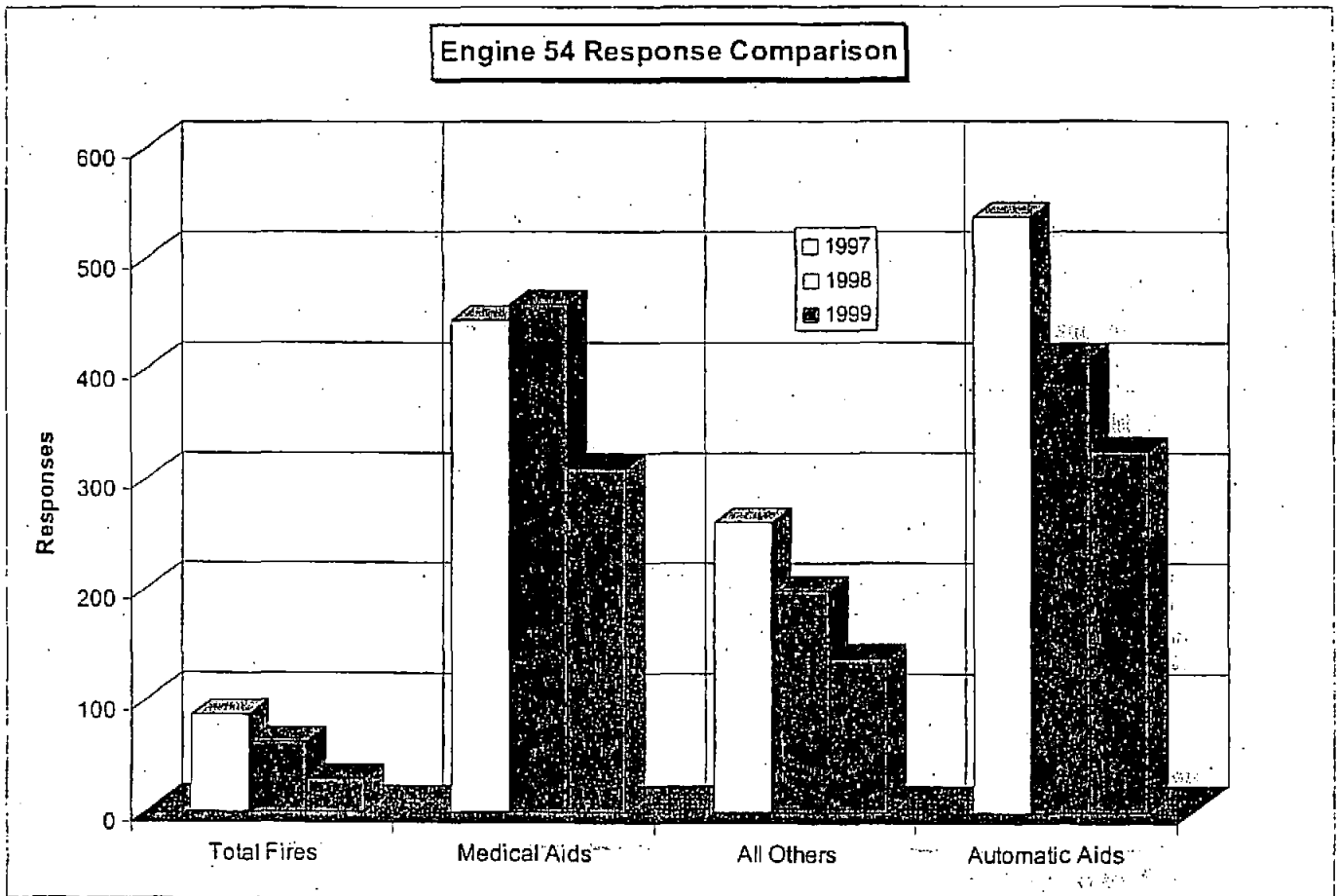
Number of Activities  
3

Children  
200

Adults  
25

## Buildings and Grounds

1. Worked with contractor to repair PlymoVent system.
2. Worked with neighbor to clear shrubs and trees from back side of property.



# Station 55 - Engine

7776 Excelsior Road, Sacramento



## Alarm Responses

### Engine 55

<u>Responses For Fires</u>	<u>1999</u>	<u>Chg +/-</u>
Residential:		
Fireworks	0	
Residential	8 (2%)	(-3)
Commercial:		
Fireworks	0	
Commercial	5 (1%)	(+4)
Vehicle	20 (6%)	(+3)
Vegetation:		
Fireworks	0	
Vegetation	25 (8%)	(+7)
Dumpster	0	
Miscellaneous Fire Outdoors	7 (2%)	(+1)
 <u>Responses for Non-Fires</u>		
Medical:		
Cardiac	17 (5%)	(+4)
Respiratory Emergency	9 (3%)	(-3)
Trauma	18 (5%)	
OB/Gyn	1 (0)	
Gastro Intestinal/Genito Urinary	8 (2%)	(-5)
Altered LOC (level of consciousness)	10 (3%)	(-7)
Psychiatric	0	(-5)
Environmental	1 (0)	(-1)
Not Classified Above	20 (6%)	(+4)
Violent Crime	2 (1%)	(-3)
Fireworks	0	
Vehicle Accident:		
With Injuries	29 (9%)	(-8)
Without Injuries	14 (4%)	(-7)
Public Assistance:		
Public Assistance	34 (10%)	(-9)
Hazardous Materials	1 (0)	(-2)
Bomb	0	
Fireworks	0	
Mistake	14 (4%)	(-8)
Alarm System Malfunction	5 (1%)	(-17)
False Alarm	23 (8%)	(+1)
Hazardous Materials	0	
Returned Enroute	5 (1%)	
 <u>Other Types of Responses</u>		
Automatic Aid	64 (19%)	(+19)
Mutual Aid	0	(-2)
 <b>Total Responses</b>	 <b>340</b>	 <b>(-37)</b>

Average Responses Per Day .....93



# Station 55 - Medic

## Alarm Responses

### Medic 55

<u>Responses For Fires</u>	<u>1999</u>	<u>Chg +/-</u>
Residential:		
Fireworks	0	
Residential	0	
Commercial:		
Fireworks	0	
Commercial	0	
Vehicle	0	
Vegetation:		
Fireworks	0	
Vegetation	0	
Dumpster	0	
Miscellaneous Fire Outdoors	0	

### Responses for Non-Fires

Medical:		
Cardiac	4 (4%)	(-3)
Respiratory Emergency	7 (7%)	(-3)
Trauma	11 (11%)	(+6)
OB/Gyn	0	(-1)
Gastro Intestinal/Genito Urinary	0	(-2)
Altered LOC (level of consciousness)	11 (11%)	(+5)
Psychiatric	2 (2%)	(+1)
Environmental	0	(-1)
Not Classified Above	12 (12%)	(-5)
Violent Crime	2 (2%)	(-1)
Fireworks	0	
Vehicle Accident:		
With Injuries	13 (13%)	(-1)
Without Injuries	7 (7%)	(+4)
Public Assistance:		
Public Assistance	7 (7%)	(+3)
Hazardous Materials	0	
Bomb	0	
Fireworks	0	
Mistake	2 (2%)	(-2)
Alarm System Malfunction	0	(0)
False Alarm	1 (1%)	(+1)
Hazardous Materials	0	
Returned Enroute	1 (1%)	(+1)

### Other Types of Responses

Automatic Aid	18 (19%)	(+4)
Mutual Aid	1 (1%)	(0)

---

<b>Total Responses</b>	<b>99</b>	<b>(+6)</b>
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Average Responses Per Day ..... 27

# Station 55

## Station Tours

Number of Tours

2

Children

6

Adults

3

## Public Education/Relations Activities Outside of Station

Number of Activities

1

Children

50

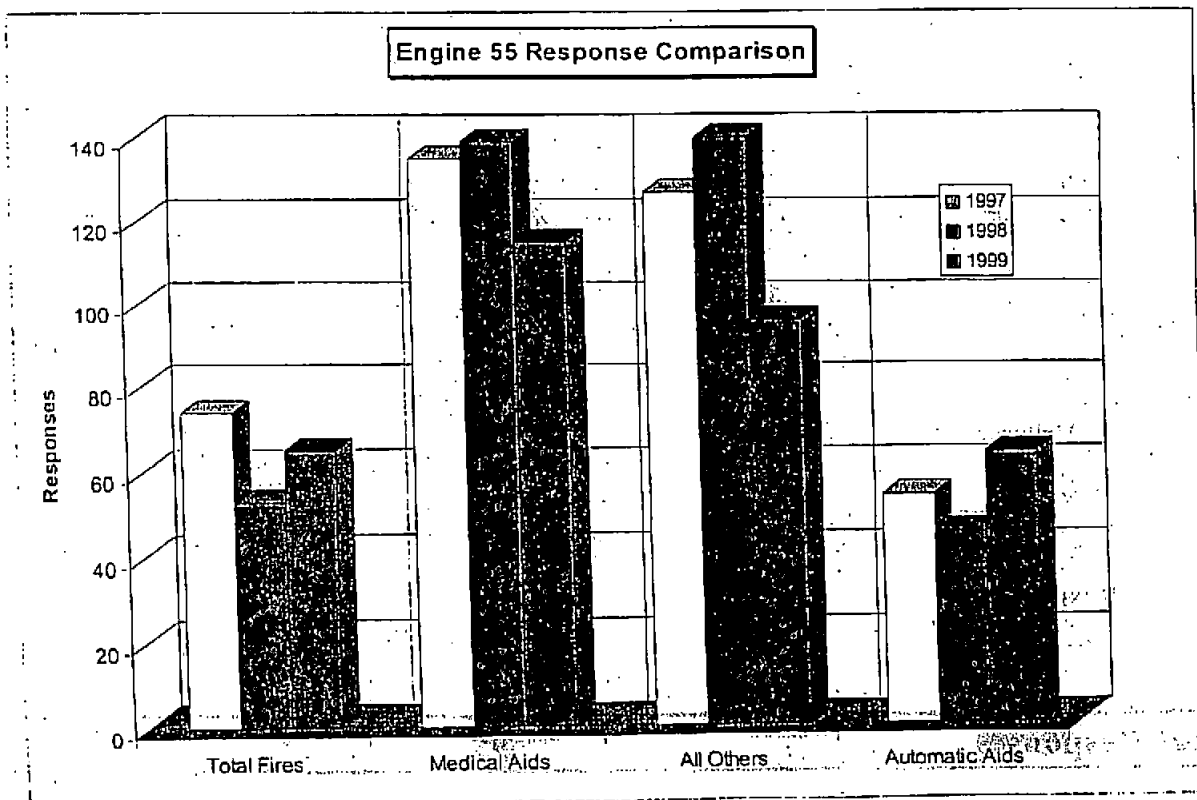
Adults

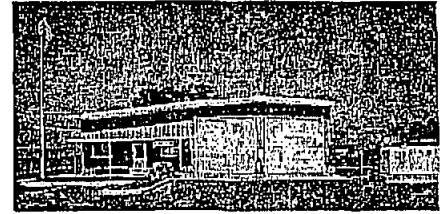
50

## Buildings and Grounds

1. Painted kitchen, day room, office and entry.
2. Added irrigation system for additional trees.
3. Conduit and drop extension cords installed for auto-ejects.
4. Trimmed redwood trees and vines from north side of property.
5. Removed dead front shrubs from property.
6. "Freddie" public education message sign installed.
7. Installed new kitchen countertop and sink.
8. Installed 10,000 watt portable generator.

14 Community Meetings were held @ Station 55





## Alarm Responses

### Responses For Fires

	<u>1999</u>	<u>Chg +/-</u>
Residential:		
Fireworks	0	
Residential	7 (2%)	(-6)
Commercial:		
Fireworks	0	
Commercial	2 (1%)	(+2)
Vehicle	18 (5%)	(+1)
Vegetation:		
Fireworks	1 (0)	(+1)
Vegetation	40 (11%)	(+17)
Dumpster	0	
Miscellaneous Fire Outdoors	5 (1%)	(-1)

### Responses for Non-Fires

Medical:		
Cardiac	29 (7%)	(-10)
Respiratory Emergency	14 (4%)	(-17)
Trauma	38 (10%)	(-27)
OB/Gyn44	4 (1%)	(+1)
Gastro Intestinal/Genito Urinary	9 (2%)	(-12)
Altered LOC (level of consciousness)	33 (8%)	(-2)
Psychiatric	4 (1%)	(+3)
Environmental	5 (1%)	(-3)
Not Classified Above	37 (9%)	(-1)
Violent Crime	0	(-3)
Fireworks	0	
Vehicle Accident:		
With Injuries	21 (5%)	(-12)
Without Injuries	19 (5%)	(-5)
Public Assistance:		
Public Assistance	39 (11%)	(-22)
Hazardous Materials	0	
Bomb	1 (0)	(+1)
Fireworks	1 (0)	(+1)
Mistake	27 (7%)	(-6)
Alarm System Malfunction	5 (1%)	(-16)
False Alarm	8 (2%)	(-22)
Hazardous Materials	1 (0)	
Returned Enroute	7 (2%)	(+4)

### Other Types of Responses

Automatic Aid	16 (4%)	(+11)
Mutual Aid	1 (0)	(-1)

**Total Responses**

**392**

**(-124)**

Average Responses Per Day .....1.07

# Station 58

## Station Tours

Number of Tours

Children

Adults

30

8

## Public Education/Relations Activities Outside of Station

Number of Activities

Children

Adults

0

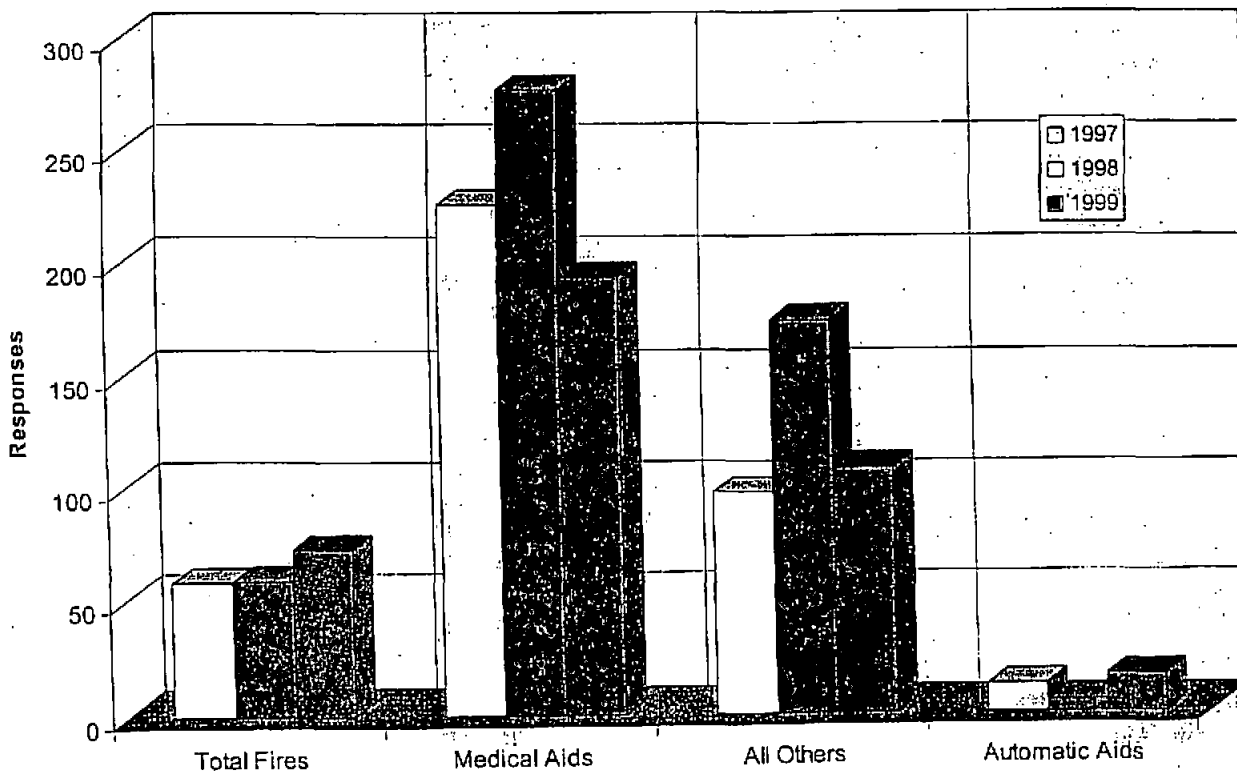
0

0

## Buildings and Grounds

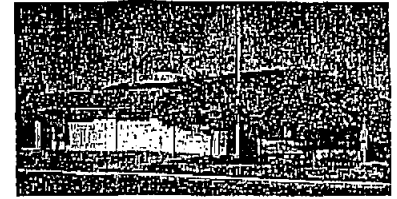
1. Nothing to report.

Engine 58 Response Comparison



# Station 59 - Engine

7210 Murieta Drive, Rancho Murieta



## Alarm Responses

### Engine 59

<u>Responses For Fires</u>	<u>1999</u>	<u>Chg +/-</u>
Residential:		
Fireworks	0	
Residential	4 (1%)	(-1)
Commercial:		
Fireworks	0	
Commercial	1 (0)	(+1)
Vehicle	10 (2%)	(+7)
Vegetation:		
Fireworks	1 (0)	(+1)
Vegetation	32 (8%)	(+12)
Dumpster	0	
Miscellaneous Fire Outdoors	7 (2%)	(-1)
 <u>Responses for Non-Fires</u>		
Medical:		
Cardiac	40 (10%)	(+11)
Respiratory Emergency	18 (4%)	(-2)
Trauma	51 (13%)	(-3)
OB/Gyn	4 (1%)	(+1)
Gastro Intestinal/Genito Urinary	11 (3%)	(-5)
Altered LOC (level of consciousness)	37 (9%)	(+9)
Psychiatric	5 (1%)	(+4)
Environmental	9 (2%)	(+6)
Not Classified Above	48 (11%)	(+17)
Violent Crime	0	(-2)
Fireworks	0	
Vehicle Accident:		
With Injuries	15 (4%)	(-2)
Without Injuries	14 (3%)	(0)
Public Assistance:		
Public Assistance	54 (13%)	(-4)
Hazardous Materials	0	
Bomb	1 (0)	(+1)
Fireworks	1 (0)	(+1)
Mistake	20 (5%)	(-1)
Alarm System Malfunction	4 (1%)	(-4)
False Alarm	2 (0)	(-8)
Hazardous Materials	0	
Returned Enroute	10 (2%)	(+7)
 <u>Other Types of Responses</u>		
Automatic Aid	18 (4%)	(+14)
Mutual Aid	3 (1%)	(0)
<b>Total Responses</b>	<b>420</b>	<b>(+59)</b>

Average Responses Per Day .....1.15

# Station 59 - Medic

## Alarm Responses Medic 59

<u>Responses For Fires</u>	<u>1999</u>	<u>Chg +/-</u>
Residential:		
Fireworks	0	
Residential	0	(-1)
Commercial:		
Fireworks	0	
Commercial	0	
Vehicle	2 (1%)	(+1)
Vegetation:		
Fireworks	0	
Vegetation	0	
Dumpster	0	
Miscellaneous Fire Outdoors	1 (0)	(-1)
<u>Responses for Non-Fires</u>		
Medical:		
Cardiac	32 (11%)	(-7)
Respiratory Emergency	16 (6%)	(-7)
Trauma	50 (17%)	(-20)
OB/Gyn	3 (1%)	(+1)
Gastro Intestinal/Genito Urinary	11 (4%)	(-6)
Altered LOC (level of consciousness)	37 (13%)	(+4)
Psychiatric	4 (1%)	(+2)
Environmental	7 (2%)	(+3)
Not Classified Above	45 (15%)	(+4)
Violent Crime	0	(-3)
Fireworks	0	
Vehicle Accident:		
With Injuries	15 (5%)	(-4)
Without Injuries	13 (4%)	(-6)
Public Assistance:		
Public Assistance	18 (6%)	(-16)
Hazardous Materials	0	
Bomb	0	
Fireworks	1 (0)	(+1)
Mistake	13 (4%)	(0)
Alarm System Malfunction	0	(0)
False Alarm	2 (1%)	(-3)
Hazardous Materials	0	
Returned Enroute	10 (3%)	(+9)
<u>Other Types of Responses</u>		
Automatic Aid	14 (5%)	(+9)
Mutual Aid	2 (1%)	(0)

**Total Responses**

**296**

**(-40)**

Average Responses Per Day .....81

## Station Tours

Number of Tours

7

Children

165

Adults

53

## Public Education/Relations Activities Outside of Station

Number of Activities

2

Children

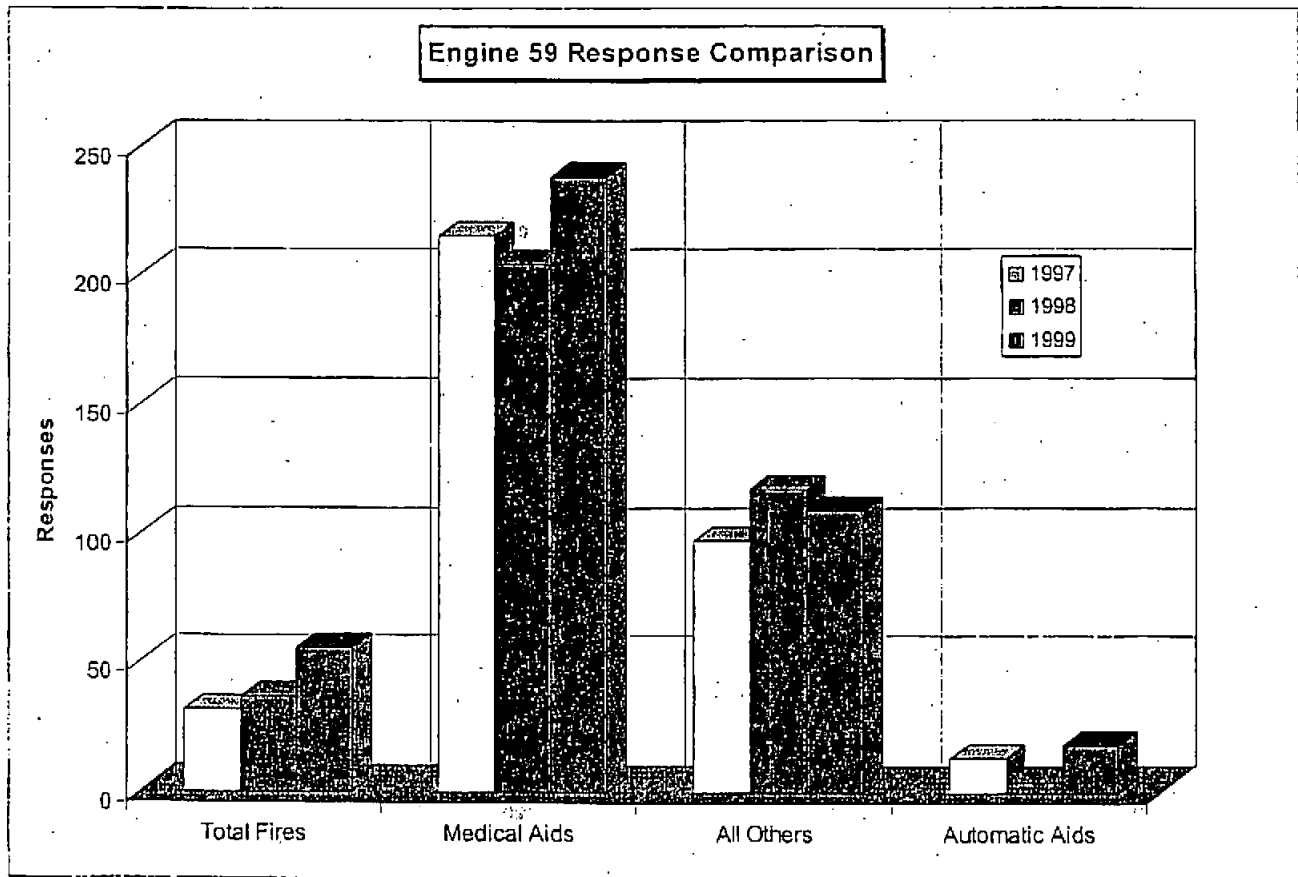
15

Adults

34

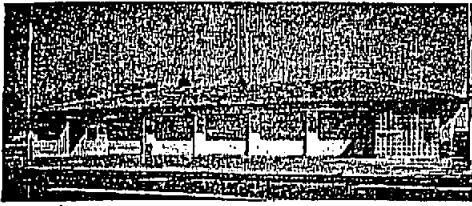
## Buildings and Grounds

1. Painted inside of station.
2. Replaced rear walk-through door.



# Station 101

3000 Fulton Avenue, Sacramento



## Alarm Responses

<u>Responses For Fires</u>	<u>1999</u>	<u>Chg +/-</u>
Residential:		
Fireworks	0	
Residential	21 (1%)	(-6)
Commercial:		
Fireworks	1 (0)	(+1)
Commercial	21 (1%)	(-3)
Vehicle	24 (1%)	(+6)
Vegetation:		
Fireworks	0	
Vegetation	17 (0)	(+12)
Dumpster	19 (1%)	(+12)
Miscellaneous Fire Outdoors	19 (1%)	(+2)

## Responses for Non-Fires

Medical:		
Cardiac	119 (5%)	(-11)
Respiratory Emergency	157 (7%)	(+16)
Trauma	131 (6%)	(-19)
OB/Gyn	15 (1%)	(-10)
Gastro Intestinal/Genito Urinary	43 (2%)	(-8)
Altered LOC (level of consciousness)	129 (6%)	(-27)
Psychiatric	19 (1%)	(-21)
Environmental	4 (0)	(-5)
Not Classified Above	616 (28%)	(+139)
Violent Crime	76 (3%)	(-3)
Fireworks	0	
Vehicle Accident:		
With Injuries	71 (3%)	(-6)
Without Injuries	53 (2%)	(+25)
Public Assistance:		
Public Assistance	246 (11%)	(-15)
Hazardous Materials	1 (0)	(-5)
Bomb	0	
Fireworks	0 (0)	(-1)
Mistake	83 (4%)	(-31)
Alarm System Malfunction	19 (1%)	(-39)
False Alarm	21 (1%)	(-33)
Hazardous Materials	5 (0)	(+4)
Returned Enroute	34 (2%)	(-4)

## Other Types of Responses

Automatic Aid	261 (12%)	(+56)
Mutual Aid	1 (0)	(-1)

---

**Total Responses**

**2,226**

**(+25)**

---

Average Responses Per Day .....6.10



## Station Tours

Number of Tours

6

Children

35

Adults

10

## Public Education/Relations Activities Outside of Station

Number of Activities

10

Children

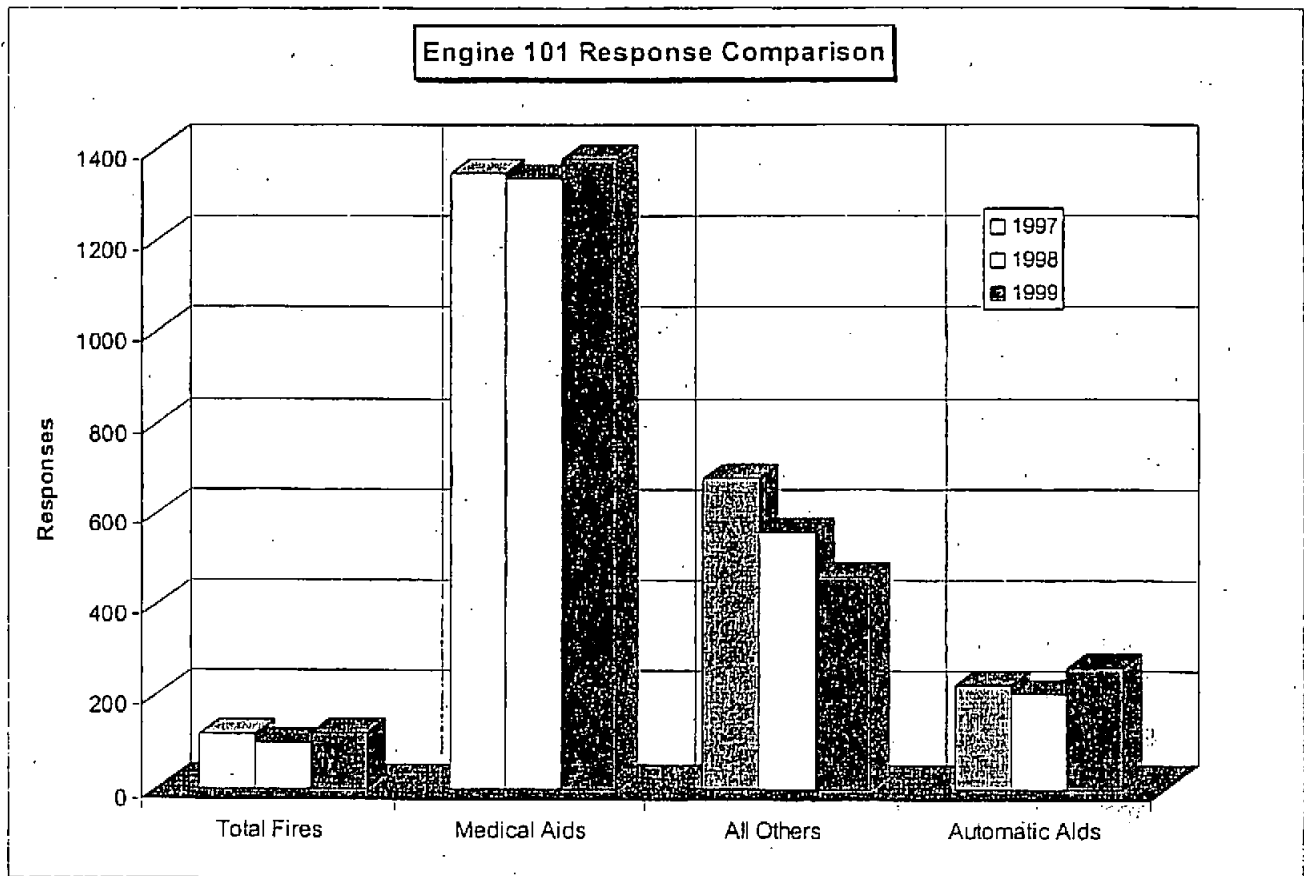
200+

Adults

200+

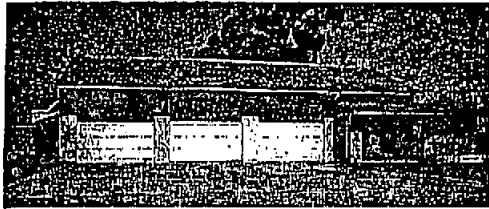
## Buildings and Grounds

1. Nothing to report.



# Station 102

4501 Marconi Avenue, Sacramento



## Alarm Responses

<u>Responses For Fires</u>	<u>1999</u>	<u>Chg +/-</u>
Residential:		
Fireworks	0	
Residential	33 (3%)	(-10)
Commercial:		
Fireworks	0	
Commercial	13 (1%)	(-1)
Vehicle	15 (1%)	(+1)
Vegetation:		
Fireworks	2 (0)	(+1)
Vegetation	22 (2%)	(+18)
Dumpster	7 (1%)	(+1)
Miscellaneous Fire Outdoors	14 (1%)	(+1)

## Responses for Non-Fires

Medical:		
Cardiac	67 (6%)	(-36)
Respiratory Emergency	125 (11%)	(+6)
Trauma	120 (11%)	(+19)
OB/Gyn	6 (1%)	(-6)
Gastro Intestinal/Genito Urinary	34 (3%)	(-12)
Altered LOC (level of consciousness)	125 (11%)	(+3)
Psychiatric	0	(-6)
Environmental	2 (0)	(-4)
Not Classified Above	145 (14%)	(+19)
Violent Crime	12 (1%)	(-3)
Fireworks	1 (0)	(+1)
Vehicle Accident:		
With Injuries	32 (3%)	(+11)
Without Injuries	19 (2%)	(-6)
Public Assistance:		
Public Assistance	148 (14%)	(-51)
Hazardous Materials	0	(0)
Bomb	3 (0)	(+3)
Fireworks	0	(-1)
Mistake	68 (6%)	(+1)
Alarm System Malfunction	26 (2%)	(-44)
False Alarm	10 (1%)	(-43)
Hazardous Materials	2 (0)	(0)
Returned Enroute	37 (3%)	(-33)

## Other Types of Responses

Automatic Aid	26 (2%)	(-7)
Mutual Aid	1 (0)	(+1)

**Total Responses**

**1,115**

**(-177)**

Average Responses Per Day ..... 3.05

## Station Tours

Number of Tours

7

Children

44

Adults

20

## Public Education/Relations Activities Outside of Station

Number of Activities

1

Children

200+

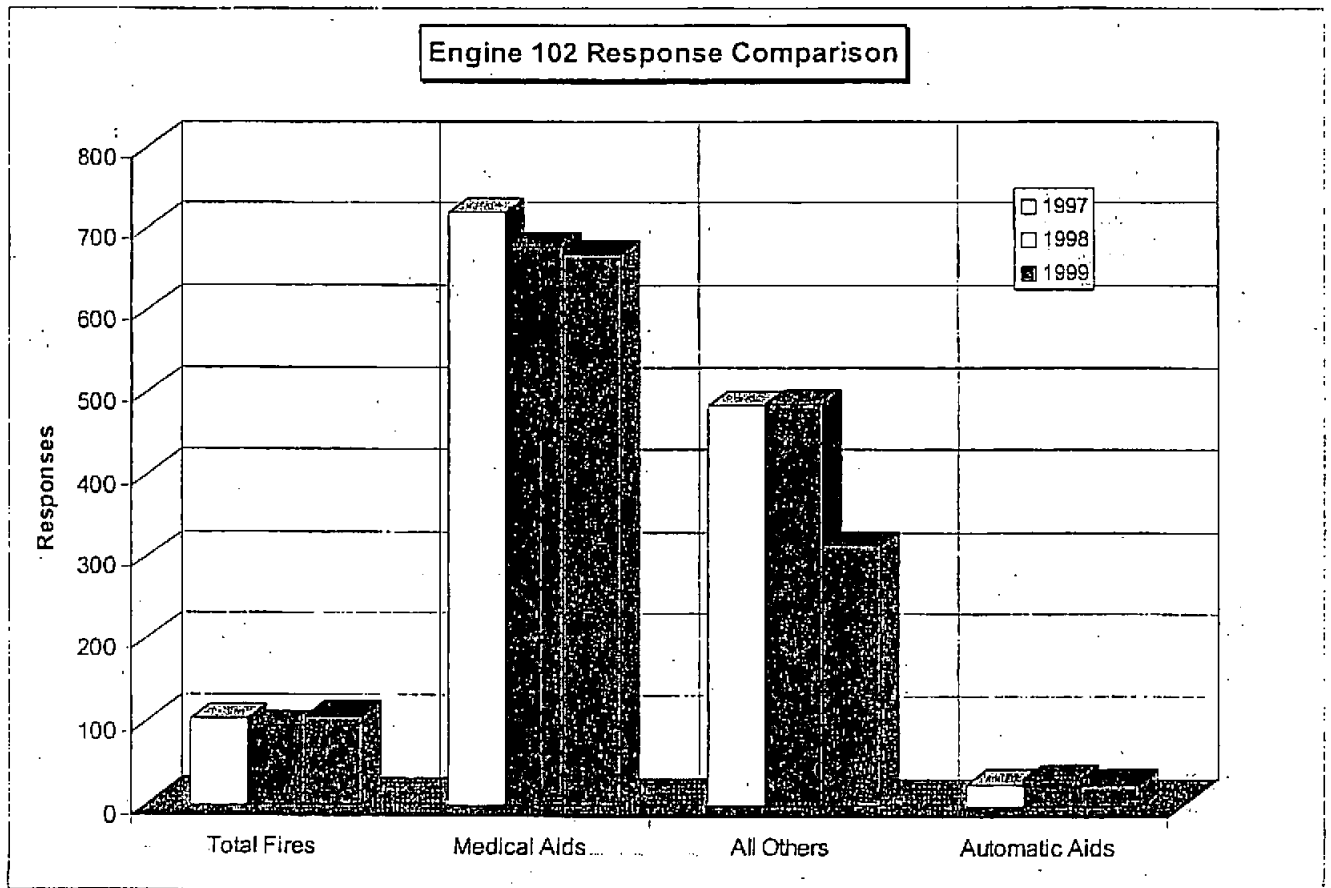
Adults

100+

## Buildings and Grounds

1. Installed new faucets in bathroom and kitchen

\*Station 102 was closed for 29 shifts\*



# Station 103

3824 Watt Avenue, Sacramento



## Alarm Responses

### Responses For Fires

	1999	Chg +/-
Residential:		
Fireworks	0	
Residential	21 (1%)	(-10)
Commercial:		
Fireworks	0	
Commercial	15 (1%)	(-2)
Vehicle	20 (1%)	(-6)
Vegetation:		
Fireworks	1 (0)	(+1)
Vegetation	25 (1%)	(+5)
Dumpster	16 (1%)	(+9)
Miscellaneous Fire Outdoors	16 (1%)	(+2)

### Responses for Non-Fires

Medical:		
Cardiac	114 (6%)	(+1)
Respiratory Emergency	126 (7%)	(+15)
Trauma	164 (8%)	(+4)
OB/Gyn	25 (1%)	(-7)
Gastro-Intestinal/Genito Urinary	61 (3%)	(-23)
Altered LOC (level of consciousness)	153 (8%)	(+3)
Psychiatric	14 (1%)	(-19)
Environmental	4 (0)	(-3)
Not Classified Above	231 (12%)	(+40)
Violent Crime	49 (3%)	(+1)
Fireworks	0	
Vehicle Accident:		
With Injuries	69 (4%)	(-17)
Without Injuries	39 (2%)	(+4)
Public Assistance:		
Public Assistance	143 (7%)	(-35)
Hazardous Materials	1 (0)	(-1)
Bomb	0	
Fireworks	0	
Mistake	121 (6%)	(+16)
Alarm System Malfunction	23 (1%)	(-29)
False Alarm	24 (1%)	(-12)
Hazardous Materials	6 (0)	(+1)
Returned Enroute	50 (3%)	(-13)

### Other Types of Responses

Automatic Aid	407 (21%)	(-10)
Mutual Aid	2 (0)	(+2)

**Total Responses**

**1,940**

**(-83)**

Average Responses Per Day ..... 5.31

## Station Tours

Number of Tours

0

Children

0

Adults

0

## Public Education/Relations Activities Outside of Station

Number of Activities

0

Children

0

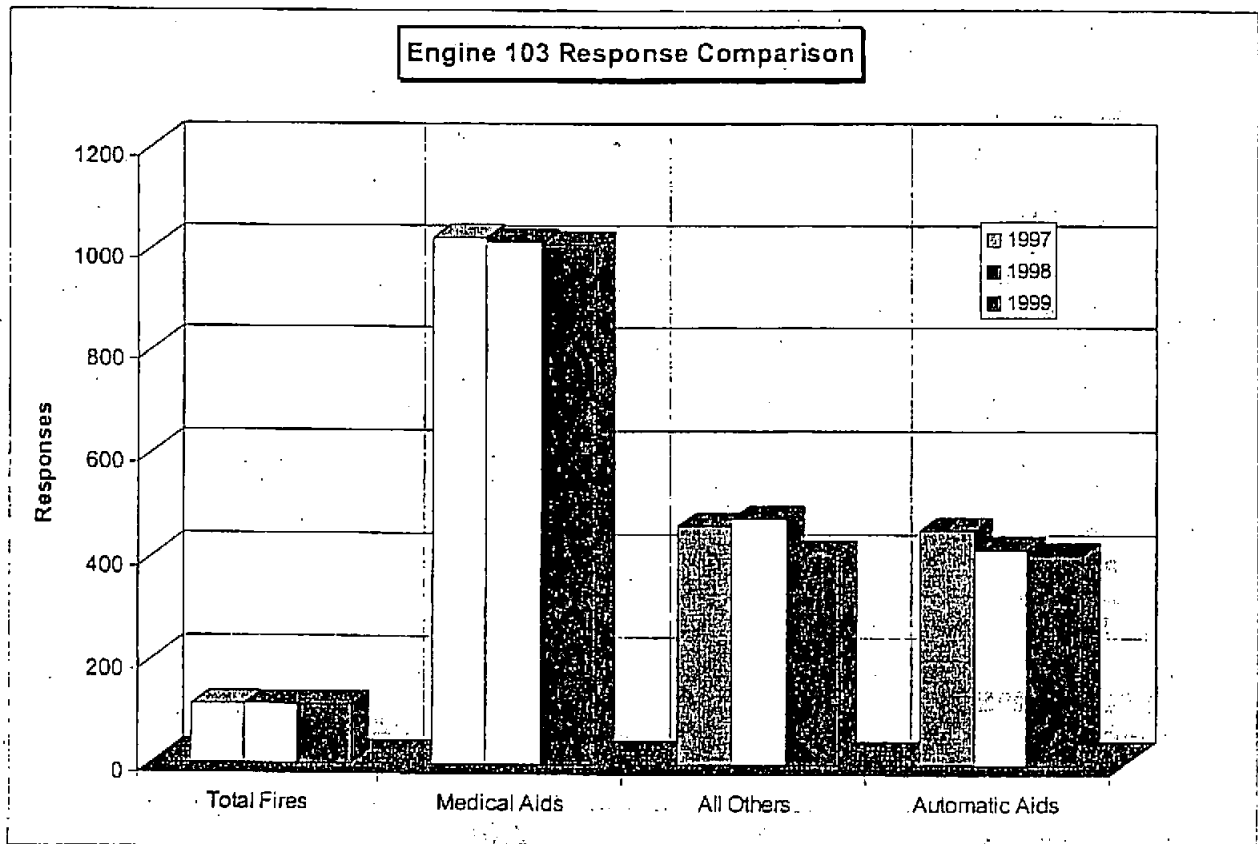
Adults

0

## Buildings and Grounds

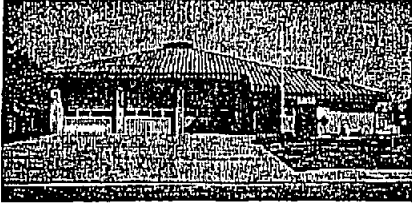
1. Installed new dishwasher.
2. T.V. repaired.
3. Apparatus door repaired.
4. Repaired or modified 53 nozzles.

**\*Station 103 was closed for 10 shifts\***



# Station 105

2691 Northrop Avenue, Sacramento



## Alarm Responses

<u>Responses For Fires</u>	<u>1999</u>	<u>Chg +/-</u>
Residential:		
Fireworks	0	
Residential	28 (1%)	(+1)
Commercial:		
Fireworks	0	
Commercial	19 (1%)	(-2)
Vehicle	26 (1%)	(-1)
Vegetation:		
Fireworks	2 (1%)	(0)
Vegetation	15 (1%)	(-2)
Dumpster	17 (1%)	(-3)
Miscellaneous Fire Outdoors	12 (0)	(+8)
 <u>Responses for Non-Fires</u>		
Medical:		
Cardiac	100 (5%)	(-6)
Respiratory Emergency	123 (6%)	(-19)
Trauma	171 (8%)	(+3)
OB/Gyn	23 (1%)	(-1)
Gastro Intestinal/Genito Urinary	33 (2%)	(-22)
Altered LOC (level of consciousness)	186 (9%)	(+17)
Psychiatric	14 (1%)	(-6)
Environmental	4 (0)	(-11)
Not Classified Above	329 (16%)	(-1)
Violent Crime	30 (1%)	(-32)
Fireworks	0	(-1)
Vehicle Accident:		
With Injuries	87 (4%)	(-5)
Without Injuries	52 (3%)	(+17)
Public Assistance:		
Public Assistance	212 (10%)	(-23)
Hazardous Materials	0 (0)	(-5)
Bomb	0	
Fireworks	1 (0)	(+1)
Mistake	66 (3%)	(-49)
Alarm System Malfunction	35 (2%)	(-38)
False Alarm	36 (2%)	(-48)
Hazardous Materials	0	(-4)
Returned Enroute	185 (9%)	(+78)
 <u>Other Types of Responses</u>		
Automatic Aid	246 (12%)	(+18)
Mutual Aid	10 (0)	(+6)
<b>Total Responses</b>	<b>2,062</b>	<b>(-130)</b>

Average Responses Per Day .....5.64

## Station Tours

Number of Tours

10

Children

110

Adults

32

## Public Education/Relations Activities Outside of Station

Number of Activities

1

Children

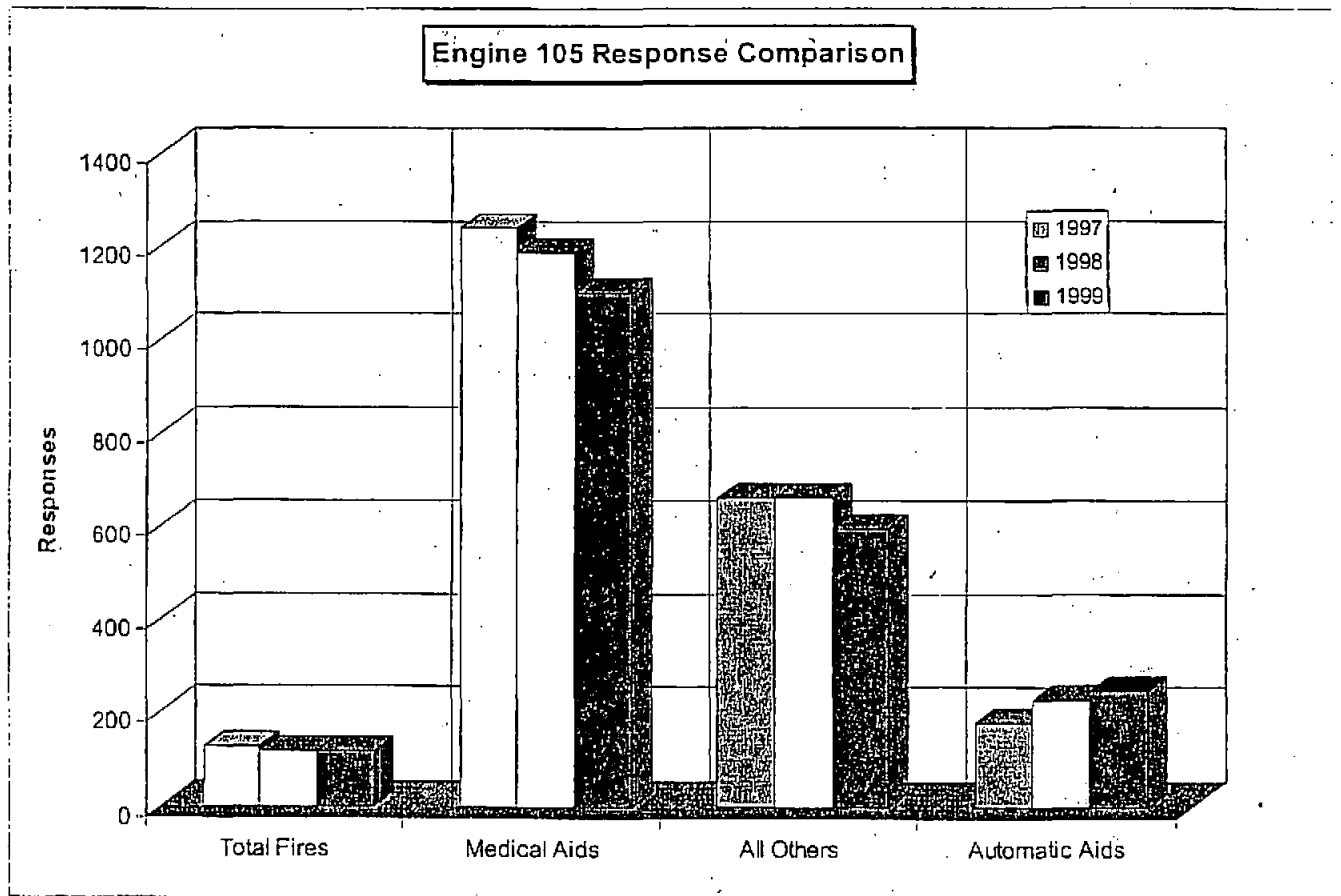
300+

Adults

50

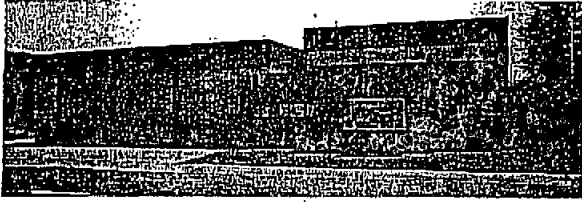
## Buildings and Grounds

1. Nothing to report.



# Station 106 - Engine

2200 Park Towne Circle, Sacramento



## Alarm Responses

### Engine 106

#### Responses For Fires

	1999	Chg +/-
Residential:		
Fireworks	0	
Residential	43 (2%)	(+2)
Commercial:		
Fireworks	0	
Commercial	25 (1%)	(-7)
Vehicle	21 (1%)	(-6)
Vegetation:		
Fireworks	1 (0)	(+1)
Vegetation	10 (0)	(+4)
Dumpster	14 (1%)	(+1)
Miscellaneous Fire Outdoors	17 (1%)	(+10)

#### Responses for Non-Fires

Medical:		
Cardiac	130 (6%)	(-15)
Respiratory Emergency	179 (9%)	(-32)
Trauma	209 (10%)	(-2)
OB/Gyn	16 (1%)	(-1)
Gastro Intestinal/Genito Urinary	37 (2%)	(-18)
Altered LOC (level of consciousness)	178 (9%)	(+18)
Psychiatric	12 (1%)	(-8)
Environmental	1 (0)	(-1)
Not Classified Above	358 (17%)	(+25)
Violent Crime	11 (1%)	(-24)
Fireworks	0	
Vehicle Accident:		
With Injuries	69 (3%)	(0)
Without Injuries	66 (3%)	(-1)
Public Assistance:		
Public Assistance	284 (14%)	(-14)
Hazardous Materials	1 (0)	(-2)
Bomb	1 (0)	
Fireworks	1 (0)	(+1)
Mistake	66 (3%)	(-42)
Alarm System Malfunction	24 (1%)	(-66)
False Alarm	96 (5%)	(-46)
Hazardous Materials	4 (0)	(+3)
Returned Enroute	172 (8%)	(+103)

#### Other Types of Responses

Automatic Aid	15 (1%)	(-32)
Mutual Aid	2 (0)	(-1)

**Total Responses**

**2,063**

**(-150)**

Average Responses Per Day ..... 5.65



# Station 106 - Truck

## Alarm Responses

### Truck 106

<u>Responses For Fires</u>	<u>1999</u>	<u>Chg +/-</u>
Residential:		
Fireworks	0	
Residential	60 (6%)	(-9)
Commercial:		
Fireworks	0	
Commercial	33 (4%)	(-6)
Vehicle	10 (1%)	(-7)
Vegetation:		
Fireworks	1 (0)	+1
Vegetation	9 (1%)	+1
Dumpster	10 (1%)	+1
Miscellaneous Fire Outdoors	17 (2%)	+6

## Responses for Non-Fires

Medical:		
Cardiac	20 (2%)	(-20)
Respiratory Emergency	25 (2%)	(-33)
Trauma	41 (4%)	(-39)
OB/Gyn	2 (0)	(+1)
Gastro Intestinal/Genito Urinary	10 (1%)	(-8)
Altered LOC (level of consciousness)	22 (4%)	(-19)
Psychiatric	1 (0)	(-9)
Environmental	0	(-2)
Not Classified Above	64 (6%)	(-16)
Violent Crime	3 (0)	(-16)
Fireworks	0	
Vehicle Accident:		
With Injuries	57 (6%)	(-9)
Without Injuries	34 (4%)	(-4)
Public Assistance:		
Public Assistance	224 (22%)	(-85)
Hazardous Materials0	0	(-5)
Bomb	0	
Fireworks	1 (0)	(+1)
Mistake	34 (4%)	(-86)
Alarm System Malfunction	14 (1%)	(-101)
False Alarm	22 (2%)	(-78)
Hazardous Materials	2 (0)	(+2)
Returned Enroute	104 (10%)	(+47)

## Other Types of Responses

Automatic Aid	194 (19%)	(-11)
Mutual Aid	0 (0)	(-2)

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<b>Total Responses</b>	<b>1,014</b>	<b>(-505)</b>
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Average Responses Per Day ..... 2.78

# Station 106 - Air

## Alarm Responses

### Air 106

<u>Responses For Fires</u>	<u>1999</u>	<u>Chg +/-</u>
Residential:		
Fireworks	0	
Residential	6 (21%)	(-4)
Commercial:		
Fireworks	0	
Commercial	2 (7%)	(-1)
Vehicle	0	
Vegetation:		
Fireworks	0	
Vegetation	0	
Dumpster	0	(-1)
Miscellaneous Fire Outdoors	0	

### Responses for Non-Fires

Medical:		
Cardiac	0	
Respiratory Emergency	1 (3%)	(0)
Trauma	2 (7%)	(-4)
OB/Gyn	0	
Gastro Intestinal/Genito Urinary	0	(-1)
Altered LOC (level of consciousness)	0	
Psychiatric	0	
Environmental	0	
Not Classified Above	1 (3%)	(0)
Violent Crime	0	
Fireworks	0	
Vehicle Accident:		
With Injuries	5 (18%)	(+3)
Without Injuries	1 (3%)	(+1)
Public Assistance:		
Public Assistance	2 (7%)	(-3)
Hazardous Materials	0	
Bomb	0	
Fireworks	0	
Mistake	1 (3%)	(-1)
Alarm System Malfunction	0	
False Alarm	0	
Hazardous Materials	0	
Returned Enroute	1 (3%)	(0)

### Other Types of Responses

Automatic Aid	7 (25%)	(0)
Mutual Aid	0	

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<b>Total Responses</b>	<b>29</b>	<b>(-11)</b>
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Average Responses Per Day .....08

# Station 106 - Battalion 7

## Alarm Responses Battalion 7

<u>Responses For Fires</u>	<u>1999</u>	<u>Chg +/-</u>
Residential:		
Fireworks	0	
Residential	101 (9%)	(-18)
Commercial:		
Fireworks	0	
Commercial	41 (4%)	(-12)
Vehicle	20 (2%)	(-2)
Vegetation:		
Fireworks	3 (0)	(+1)
Vegetation	33 (3%)	(+7)
Dumpster	15 (1%)	(0)
Miscellaneous Fire Outdoors	23 (2%)	(+3)

### Responses for Non-Fires

Medical:		
Cardiac	0 (0)	(-1)
Respiratory Emergency	1 (0)	(-7)
Trauma	11 (1%)	(-18)
OB/Gyn	40 (4%)	(+19)
Gastro Intestinal/Genito Urinary	0 (0)	(-2)
Altered LOC (level of consciousness)	0 (0)	(-9)
Psychiatric	0 (0)	(-1)
Environmental	0 (0)	(-3)
Not Classified Above	7 (1%)	(-2)
Violent Crime	0 (0)	(-8)
Fireworks	0	(0)
Vehicle Accident:		
With Injuries	56 (5%)	(-20)
Without Injuries	20 (2%)	(-3)
Public Assistance:		
Public Assistance	229 (21%)	(-65)
Hazardous Materials	2 (0)	(-5)
Bomb	2 (0)	(+1)
Fireworks	1 (0)	(0)
Mistake	138 (13%)	(-27)
Alarm System Malfunction	129 (12%)	(-75)
False Alarm	116 (11%)	(-36)
Hazardous Materials	7 (1%)	(-1)
Returned Enroute	54 (5%)	(+23)

### Other Types of Responses

Automatic Aid	38 (3%)	(+14)
Mutual Aid	0	(0)

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<b>Total Responses</b>	<b>1,087</b>	<b>(-247)</b>
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Average Responses Per Day ..... 2.98

# Station 106

## Station Tours

Number of Tours  
26

Children  
364

Adults  
103

## Public Education/Relations Activities Outside of Station

Number of Activities  
7

Children  
400+

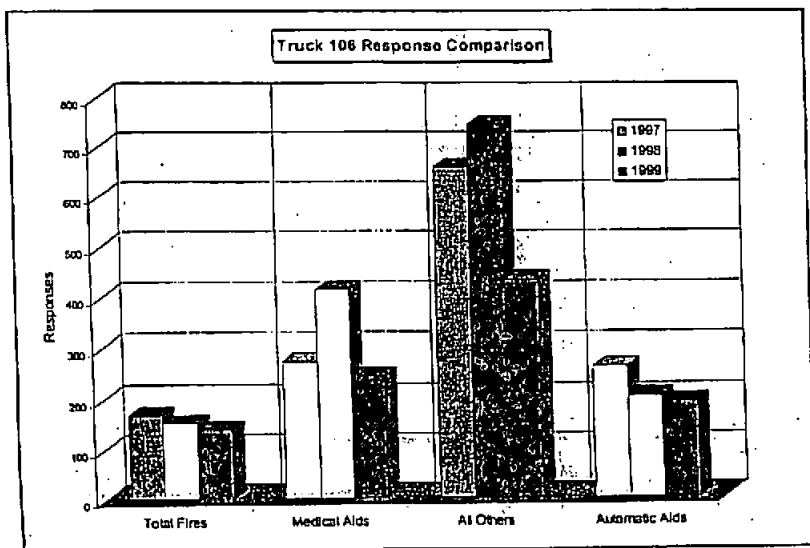
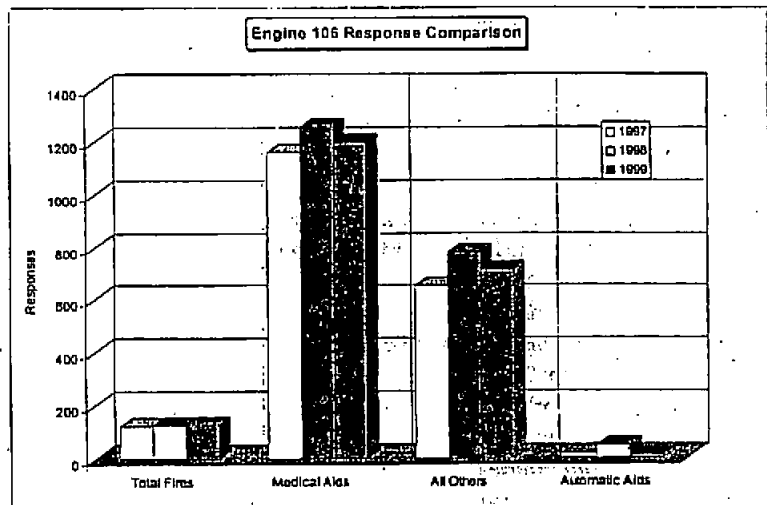
Adults  
300+

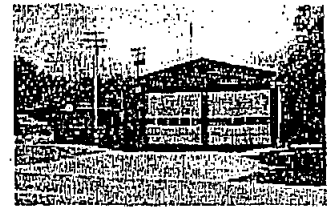
## Buildings and Grounds

1. Repaired front station lights.
2. Repaired roll-up doors.
3. Replaced roll-up door #1.

\* Boat 106 had 11 responses for the year\*

\* Water Bikes 106 had 15 responses for the year\*





## Alarm Responses

### Responses For Fires

	<u>1999</u>	<u>Chg +/-</u>
Residential:		
Fireworks	0	
Residential	19 (3%)	(-10)
Commercial:		
Fireworks	0	
Commercial	8 (1%)	(-6)
Vehicle	6 (1%)	(-5)
Vegetation:		
Fireworks	0	
Vegetation	10 (2%)	(+3)
Dumpster	8 (1%)	(+2)
Miscellaneous Fire Outdoors	3 (1%)	(-4)

### Responses for Non-Fires

Medical:		
Cardiac	48 (9%)	(-8)
Respiratory Emergency	33 (6%)	(-19)
Trauma	44 (8%)	(-56)
OB/Gyn	3 (0)	(0)
Gastro Intestinal/Genito Urinary	12 (2%)	(-17)
Altered LOC (level of consciousness)	50 (9%)	(-14)
Psychiatric	9 (2%)	(-3)
Environmental	0 (0)	(-6)
Not Classified Above	54 (10%)	(-13)
Violent Crime	4 (1%)	(-6)
Fireworks	0	
Vehicle Accident:		
With Injuries	20 (4%)	(-9)
Without Injuries	10 (2%)	(-13)
Public Assistance:		
Public Assistance	78 (14%)	(-61)
Hazardous Materials	4 (1%)	(-1)
Bomb	0	
Fireworks	0	
Mistake	36 (7%)	(-60)
Alarm System Malfunction	19 (3%)	(-63)
False Alarm	15 (3%)	(-35)
Hazardous Materials	0	
Returned Enroute	24 (4%)	(+5)

### Other Types of Responses

Automatic Aid	35 (6%)	(-11)
Mutual Aid	0	

---

<b>Total Responses</b>	<b>552</b>	<b>(-410)</b>
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Average Responses Per Day ..... 1.51

**Station Tours**

Number of Tours

Children

Adults

7

63

19

**Public Education/Relations Activities Outside of Station**

Number of Activities

Children

Adults

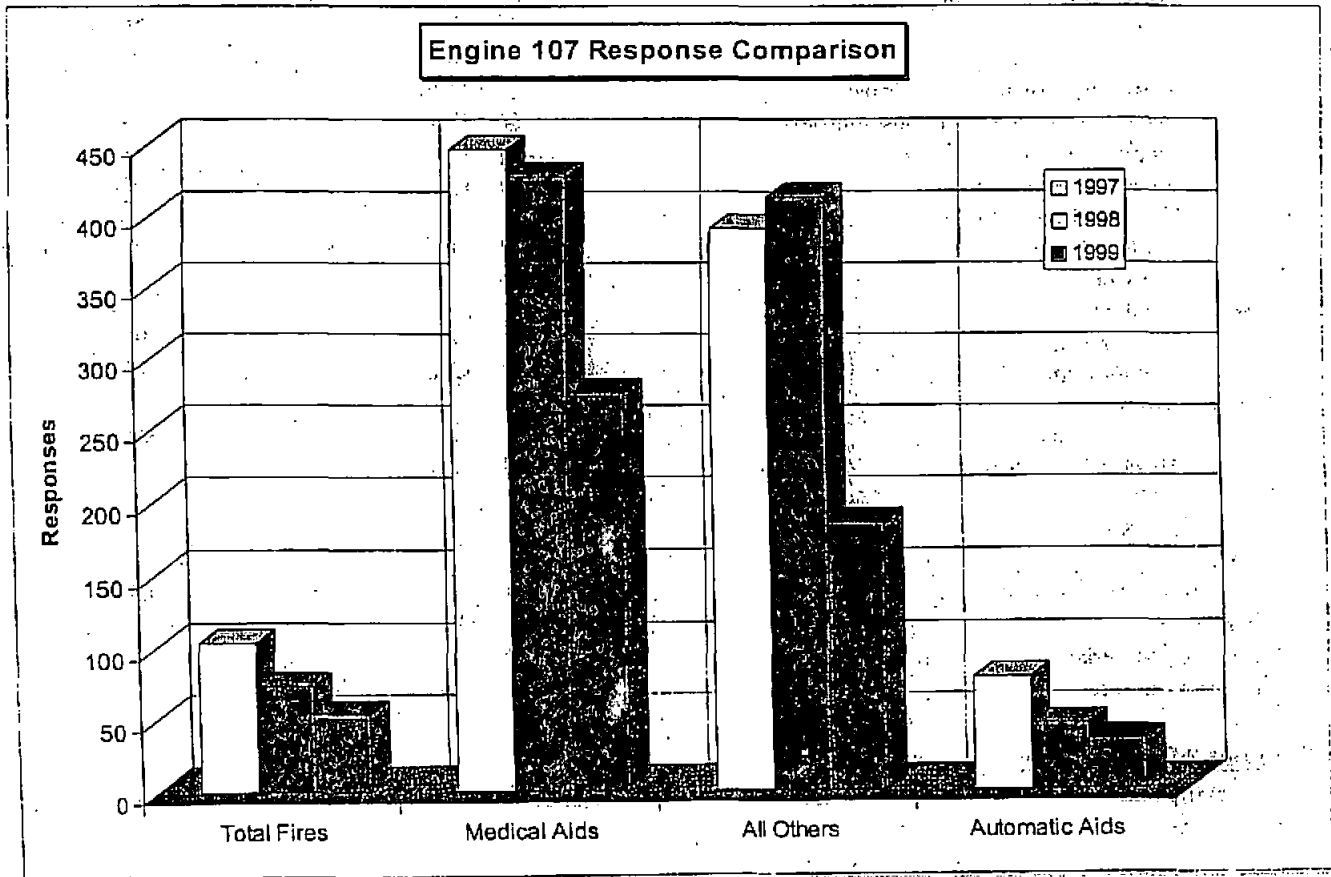
2

1,000+

300+

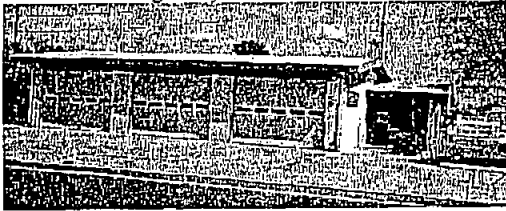
**Buildings and Grounds**

1. Nothing to report.



# Station 108

6701 Winding Way, Fair Oaks



## Alarm Responses

<u>Responses For Fires</u>	<u>1999</u>	<u>Chg +/-</u>
Residential:		
Fireworks	0	
Residential	27 (1%)	(-2)
Commercial:		
Fireworks	0	
Commercial	3 (0)	(-8)
Vehicle	10 (1%)	(-6)
Vegetation:		
Fireworks	2 (0)	(+1)
Vegetation	18 (1%)	(+9)
Dumpster	7 (1%)	(-1)
Miscellaneous Fire Outdoors	8 (1%)	(-3)

## Responses for Non-Fires

Medical:		
Cardiac	113 (5%)	(-6)
Respiratory Emergency	130 (6%)	(0)
Trauma	131 (6%)	(+3)
OB/Gyn	16 (1%)	(+2)
Gastro Intestinal/Genito Urinary	52 (2%)	(+7)
Altered LOC (level of consciousness)	183 (9%)	(-8)
Psychiatric	31 (1%)	(+1)
Environmental	8 (1%)	(-2)
Not Classified Above	189 (9%)	(+10)
Violent Crime	16 (1%)	(-9)
Fireworks	0	
Vehicle Accident:		
With Injuries	54 (3%)	(+5)
Without Injuries	44 (2%)	(-4)
Public Assistance:		
Public Assistance	177 (8%)	(+4)
Hazardous Materials	1 (0)	(-2)
Bomb	1 (0)	(0)
Fireworks	0	
Mistake	80 (4%)	(-5)
Alarm System Malfunction	28 (1%)	(-22)
False Alarm	26 (1%)	(-26)
Hazardous Materials	1 (0)	(-6)
Returned Enroute	51 (2%)	(+11)

## Other Types of Responses

Automatic Aid	701 (33%)	(+57)
Mutual Aid	4 (0)	(+1)

---

<b>Total Responses</b>	<b>2,112</b>	<b>(+1)</b>
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---

Average Responses Per Day ..... 5.79

# Station 108

## Station Tours

Number of Tours

14

Children

72

Adults

34

## Public Education/Relations Activities Outside of Station

Number of Activities

4

Children

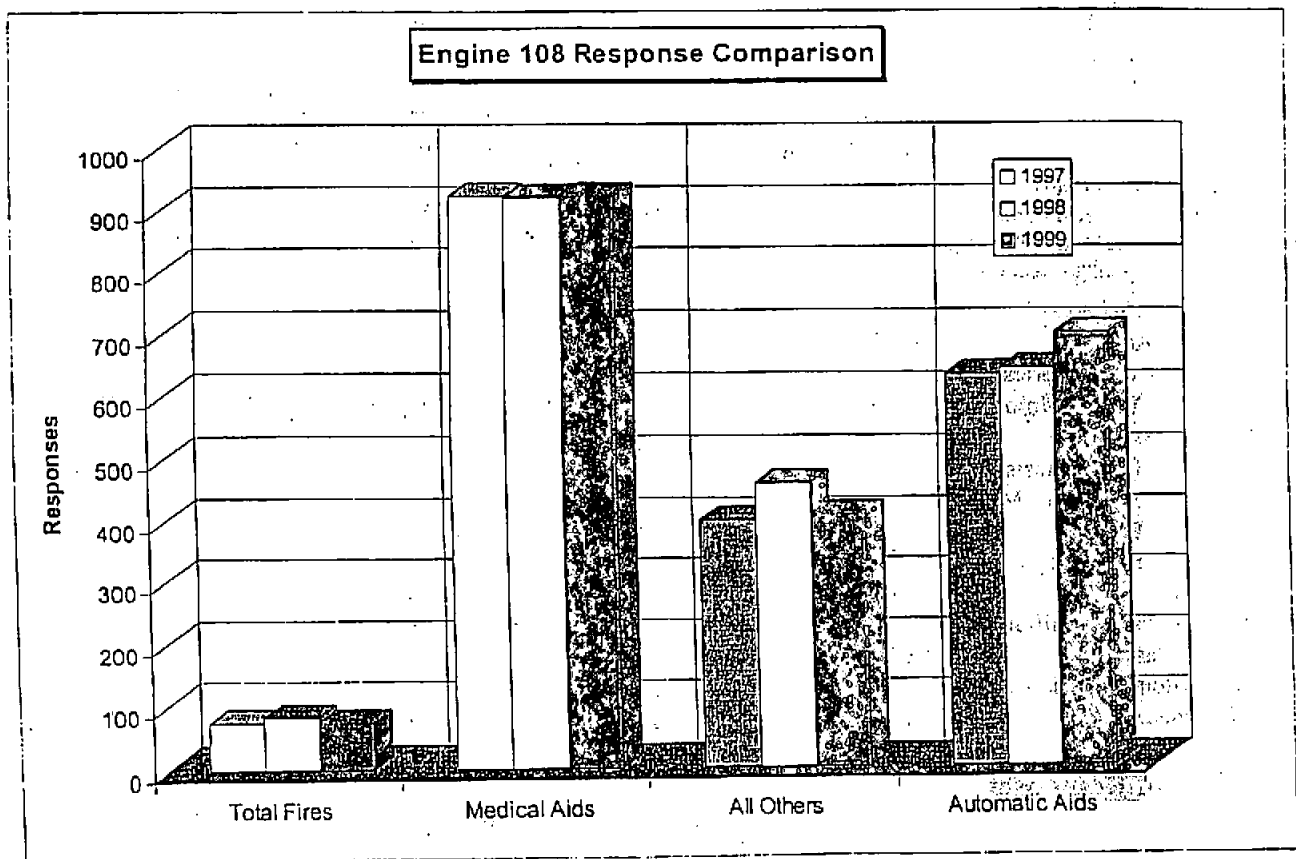
95

Adults

12

## Buildings and Grounds

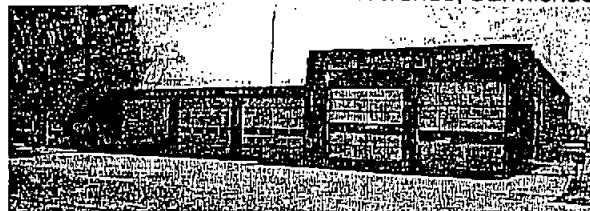
1. Nothing to report.





# Station 109 - Engine

5634 Robertson Avenue, Carmichael



## Alarm Responses

### Engine 109

#### Responses For Fires

	1999	Chg +/-
Residential:		
Fireworks	0	
Residential	38 (1%)	(-14)
Commercial:		
Fireworks	0	
Commercial	10 (1%)	(-9)
Vehicle	23 (1%)	(+2)
Vegetation:		
Fireworks	1 (0)	(-1)
Vegetation	16 (1%)	(+5)
Dumpster	9 (0)	(+1)
Miscellaneous Fire Outdoors	20 (1%)	(+3)

#### Responses for Non-Fires

Medical:		
Cardiac	226 (8%)	(+8)
Respiratory Emergency	300 (11%)	(+36)
Trauma	315 (12%)	(+50)
OB/Gyn	15 (1%)	(-2)
Gastro Intestinal/Genito Urinary	87 (3%)	(-4)
Altered LOC (level of consciousness)	320 (12%)	(+39)
Psychiatric	34 (1%)	(+9)
Environmental	11 (1%)	(-9)
Not Classified Above	357 (13%)	(+9)
Violent Crime	33 (1%)	(-31)
Fireworks	0	
Vehicle Accident:		
With Injuries	97 (4%)	(+15)
Without Injuries	63 (2%)	(+6)
Public Assistance:		
Public Assistance	274 (10%)	(-45)
Hazardous Materials	2 (0)	(-3)
Bomb	2 (0)	(+1)
Fireworks	1 (0)	(-2)
Mistake	116 (4%)	(-9)
Alarm System Malfunction	52 (2%)	(-40)
False Alarm	58 (2%)	(-11)
Hazardous Materials	3 (0)	(+1)
Returned Enroute	195 (7%)	(+34)

#### Other Types of Responses

Automatic Aid	19 (1%)	(-12)
Mutual Aid	0	(0)

---

<b>Total Responses</b>	<b>2,697</b>	<b>(+27)</b>
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Average Responses Per Day ..... 7.39

# Station 109 - Truck

## Alarm Responses

### Truck 109

#### Responses For Fires

	1999	Chg +/-
Residential:		
Fireworks	0	
Residential	46 (7%)	(-13)
Commercial:		
Fireworks	0	
Commercial	10 (2%)	(-9)
Vehicle	5 (1%)	(-10)
Vegetation:		
Fireworks	0	(-2)
Vegetation	5 (1%)	(-2)
Dumpster	5 (1%)	(-1)
Miscellaneous Fire Outdoors	7 (1%)	(-3)

#### Responses for Non-Fires

Medical:		
Cardiac	36 (6%)	(-67)
Respiratory Emergency	41 (6%)	(-95)
Trauma	58 (9%)	(-70)
OB/Gyn	1 (0)	(-9)
Gastro Intestinal/Genito Urinary	9 (1%)	(-31)
Altered LOC (level of consciousness)	51 (8%)	(-92)
Psychiatric	6 (1%)	(-9)
Environmental	1 (0)	(-5)
Not Classified Above	55 (8%)	(-123)
Violent Crime	5 (1%)	(-21)
Fireworks	0	
Vehicle Accident:		
With Injuries	32 (5%)	(-22)
Without Injuries	24 (4%)	(-20)
Public Assistance:		
Public Assistance	143 (22%)	(-106)
Hazardous Materials	0	(-4)
Bomb	1 (0)	(0)
Fireworks	0	
Mistake	32 (5%)	(-64)
Alarm System Malfunction	3 (0)	(-55)
False Alarm	7 (1%)	(-37)
Hazardous Materials	0	(-2)
Returned Enroute	36 (6%)	(-86)

#### Other Types of Responses

Automatic Aid	29 (4%)	(-24)
Mutual Aid	0	

**Total Responses**

**648**

**(-992)**

Average Responses Per Day ..... 1.78

## Station Tours

Number of Tours

40

Children

550

Adults

150

## Public Education/Relations Activities Outside of Station

Number of Activities

20

Children

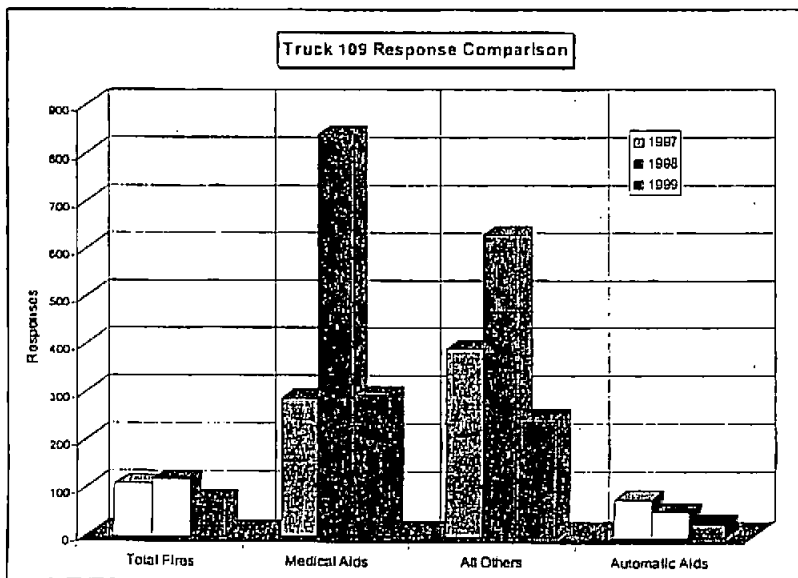
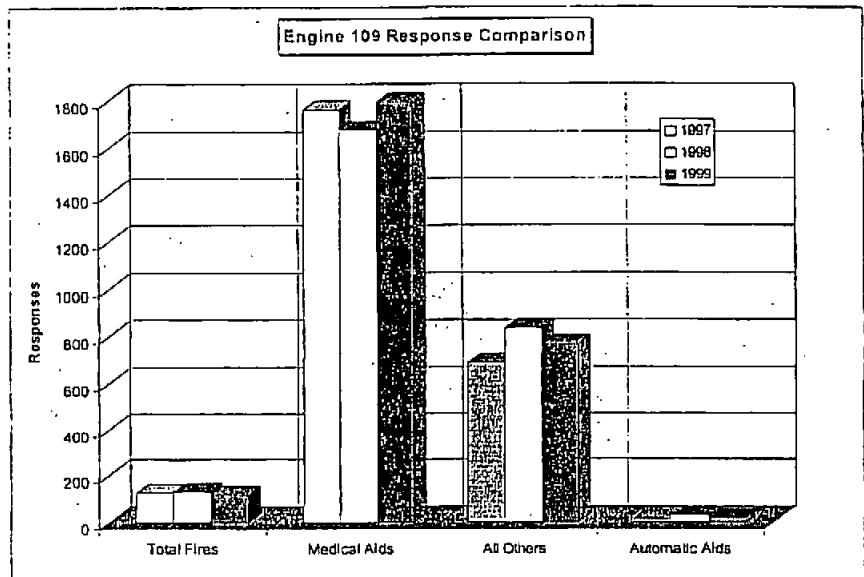
6,000

Adults

4,000

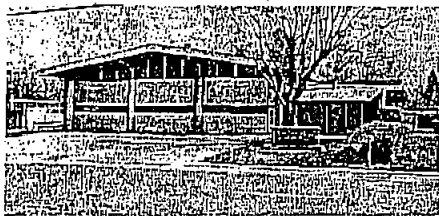
## Buildings and Grounds

1. Painted shop, storage shed and out buildings.



# Station 110

1616 Mission Avenue, Carmichael



## Alarm Responses

<u>Responses For Fires</u>	<u>1999</u>	<u>Chg +/-</u>
Residential:		
Fireworks	0	
Residential	33 (5%)	(0)
Commercial:		
Fireworks	0	
Commercial	9 (1%)	(0)
Vehicle	10 (1%)	(+2)
Vegetation:		
Fireworks	1 (0)	(+1)
Vegetation	13 (1%)	(+5)
Dumpster	4 (1%)	(+1)
Miscellaneous Fire Outdoors	2	(-8)
 <u>Responses for Non-Fires</u>		
Medical:		
Cardiac	69 (8%)	(0)
Respiratory Emergency	60 (7%)	(-25)
Trauma	122 (14%)	(-14)
OB/Gyn	0	(-1)
Gastro Intestinal/Genito Urinary	12 (1%)	(-14)
Altered LOC (level of consciousness)	63 (7%)	(-37)
Psychiatric	1 (0)	(-6)
Environmental	3 (1%)	(+2)
Not Classified Above	138 (16%)	(+39)
Violent Crime	12 (1%)	(+7)
Fireworks	0	
Vehicle Accident:		
With Injuries	26 (3%)	(+14)
Without Injuries	20 (2%)	(+3)
Public Assistance:		
Public Assistance	135 (15%)	(-18)
Hazardous Materials	1 (0)	(-3)
Bomb	0	
Fireworks	0	
Mistake	65 (7%)	(-10)
Alarm System Malfunction	53 (6%)	(-11)
False Alarm	13 (1%)	(-10)
Hazardous Materials	0	(-1)
Returned Enroute	13 (1%)	(-3)
 <u>Other Types of Responses</u>		
Automatic Aid	7 (1%)	(+4)
Mutual Aid	2 (0)	(+1)
<b>Total Responses</b>	<b>887</b>	<b>(-82)</b>

Average Responses Per Day .....2.43

## Station Tours

Number of Tours

7

Children

64

Adults

97

## Public Education/Relations Activities Outside of Station

Number of Activities

0

Children

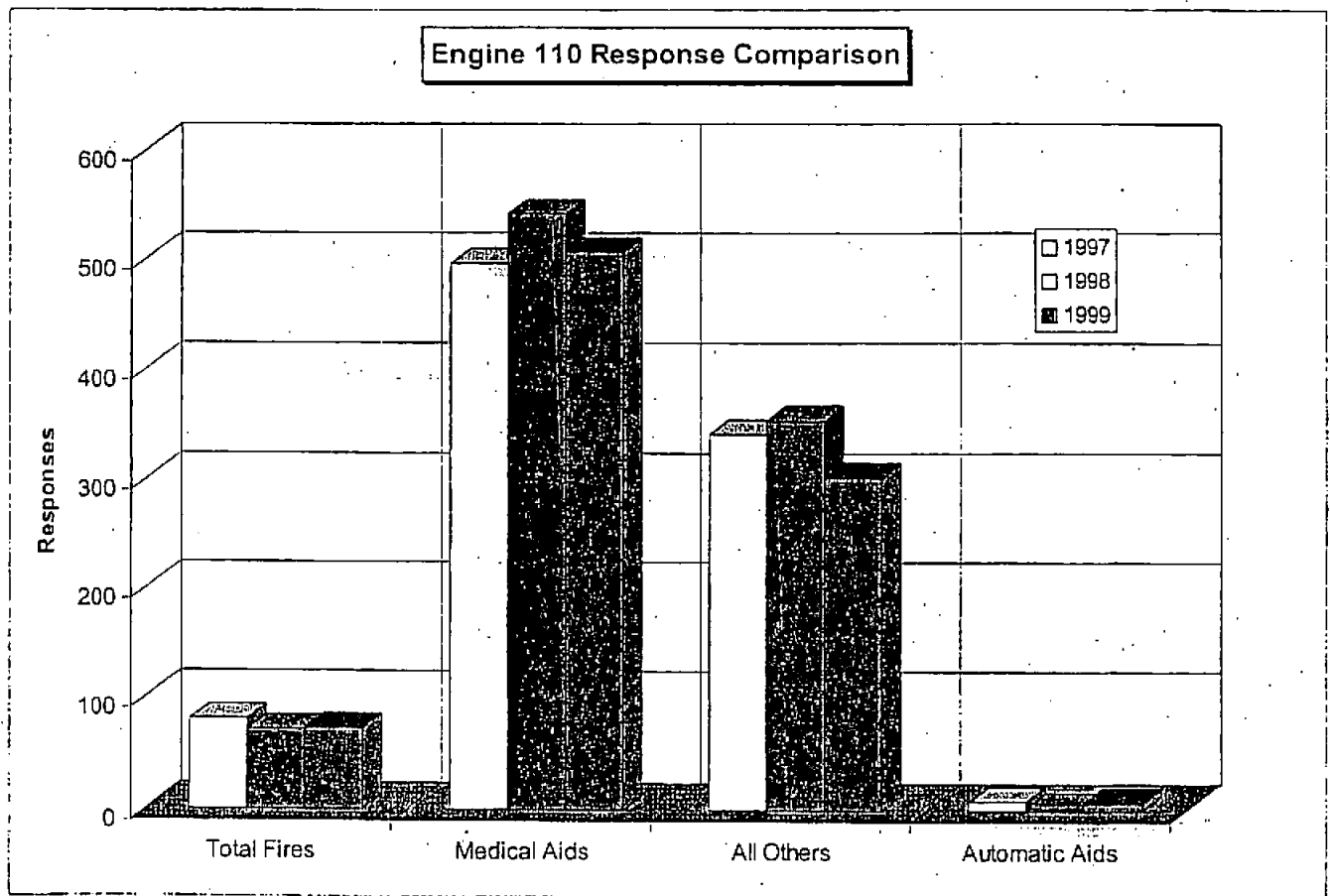
0

Adults

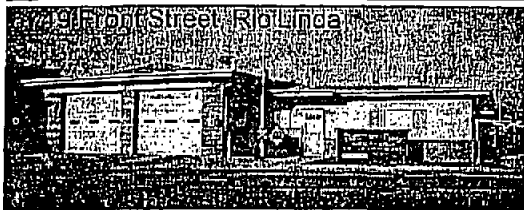
0

## Buildings and Grounds

1. Installed new dishwasher.
2. Received treadmill.
3. Removed one large tree and replanted two trees.



# Station 111 - Engine



## Alarm Responses

<u>Responses For Fires</u>	<u>1999</u>	<u>Chg +/-</u>
Residential:		
Fireworks	0	
Residential	18 (1%)	(-11)
Commercial:		
Fireworks	0	
Commercial	3 (0)	(+1)
Vehicle	35 (3%)	(+6)
Vegetation:		
Fireworks	2 (0)	(+1)
Vegetation	85 (6%)	(+30)
Dumpster	6 (0)	(+1)
Miscellaneous Fire Outdoors	22 (2%)	(-4)
<u>Responses for Non-Fires</u>		
Medical:		
Cardiac	78 (6%)	(-39)
Respiratory Emergency	84 (7%)	(-43)
Trauma	79 (6%)	(-11)
OB/Gyn	4 (0)	(0)
Gastro Intestinal/Genito Urinary	18 (1%)	(-14)
Altered LOC (level of consciousness)	87 (7%)	(+21)
Psychiatric	14 (1%)	(+6)
Environmental	4 (0)	(+1)
Not Classified Above	340 (26%)	(+70)
Violent Crime	18 (1%)	(-22)
Fireworks	0	
Vehicle Accident:		
With Injuries	39 (3%)	(-11)
Without Injuries	35 (3%)	(-3)
Public Assistance:		
Public Assistance	129 (10%)	(-4)
Hazardous Materials	2 (0)	(+1)
Bomb	0	
Fireworks	0	
Mistake	112 (9%)	(+25)
Alarm System Malfunction	9 (1%)	(-12)
False Alarm	2 (0)	(-13)
Hazardous Materials	1 (0)	(-3)
Returned Enroute	35 (3%)	(-29)
<u>Other Types of Responses</u>		
Automatic Aid	46 (4%)	(-22)
Mutual Aid	3 (0)	(+1)
<b>Total Responses</b>	<b>1,310</b>	<b>(-77)</b>

Average Responses Per Day ..... 3.59

# Station 111 - Battalion 5

## Alarm Responses Battalion 5

<u>Responses For Fires</u>	<u>1999</u>	<u>Chg +/-</u>
Residential:		
Fireworks	0	
Residential	19 (6%)	(-22)
Commercial:		
Fireworks	0	
Commercial	7 (2%)	(+1)
Vehicle	10 (3%)	(-7)
Vegetation:		
Fireworks	2 (1%)	(+1)
Vegetation	93 (30%)	(+18)
Dumpster	1 (0)	(-4)
Miscellaneous Fire Outdoors	16 (5%)	(-1)

### Responses for Non-Fires

Medical:		
Cardiac	0	
Respiratory Emergency	0	(-4)
Trauma	3 (1%)	(-9)
OB/Gyn	6 (2%)	(+3)
Gastro Intestinal/Genito Urinary	0	(-1)
Altered LOC (level of consciousness)	1 (0)	(-3)
Psychiatric	0	(-1)
Environmental	0	
Not Classified Above	1 (0)	(-6)
Violent Crime	2 (1%)	(0)
Fireworks	0	
Vehicle Accident:		
With Injuries	11 (4%)	(-9)
Without Injuries	7 (2%)	(-2)
Public Assistance:		
Public Assistance	34 (11%)	(-14)
Hazardous Materials	3 (1%)	(+2)
Bomb	0	
Fireworks	1 (0)	(+1)
Mistake	40 (13%)	(+3)
Alarm System Malfunction	13 (4%)	(-16)
False Alarm	5 (2%)	(-9)
Hazardous Materials	2 (1%)	(-3)
Returned Enroute	10 (3%)	(-1)

### Other Types of Responses

Automatic Aid	23 (8%)	(+3)
Mutual Aid	1 (0)	(-1)

<b>Total Responses</b>	<b>311</b>	<b>(-81)</b>
------------------------	------------	--------------

Average Responses Per Day ..... 85

# Station 111

## Station Tours

Number of Tours  
6

Children  
110

Adults  
16

## Public Education/Relations Activities Outside of Station

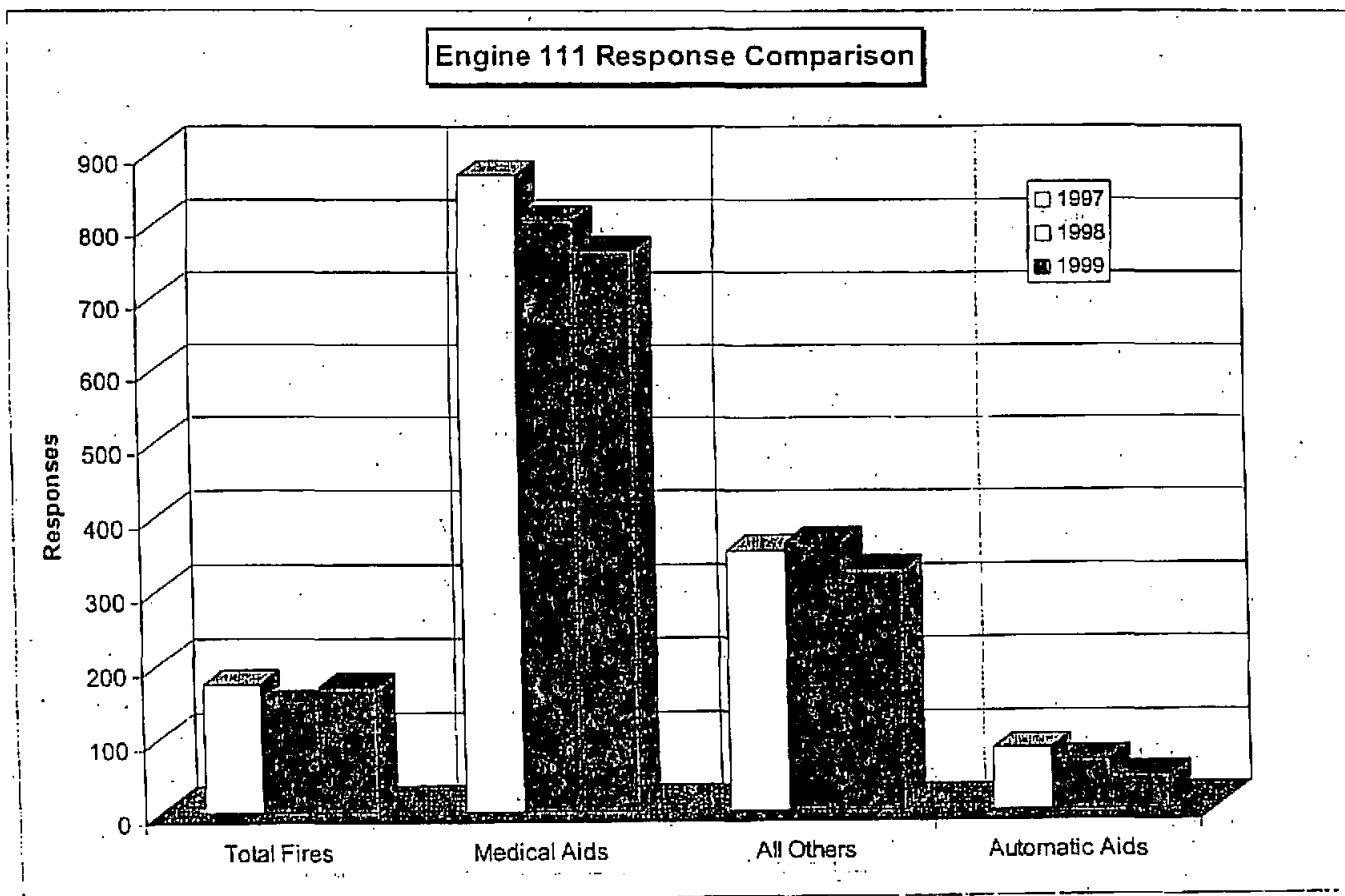
Number of Activities  
11

Children  
365

Adults  
66

## Buildings and Grounds

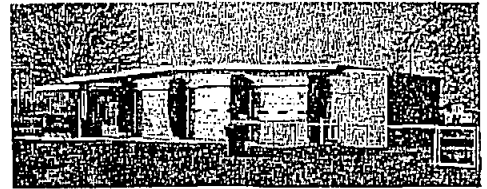
1. Painted interior of station.
2. New (used) office furniture in Captain's office





# Station 112 - Reserve Firefighters

6801 34th Street, North Highlands



## Alarm Responses

<u>Responses For Fires</u>	<u>1999</u>	<u>Chg +/-</u>
Residential:		
Fireworks	0	
Residential	18 (9%)	(-14)
Commercial:		
Fireworks	0	
Commercial	6 (3%)	(+2)
Vehicle	13 (6%)	(-8)
Vegetation:		
Fireworks	2 (1%)	(+1)
Vegetation	96 (44%)	(+23)
Dumpster	2 (1%)	(-3)
Miscellaneous Fire Outdoors	13 (6%)	(-5)
<u>Responses for Non-Fires</u>		
Medical:		
Cardiac	1 (0)	(+1)
Respiratory Emergency	0	(-4)
Trauma	0	(-3)
OB/Gyn	0	
Gastro Intestinal/Genito Urinary	1 (.5%)	(-2)
Altered LOC (level of consciousness)	0	(-3)
Psychiatric	0	
Environmental	0	
Not Classified Above	0	(-2)
Violent Crime	0	(-1)
Fireworks	0	
Vehicle Accident:		
With Injuries	1 (.5%)	(-3)
Without Injuries	0	(-2)
Public Assistance:		
Public Assistance	25 (12%)	(-20)
Hazardous Materials	1 (.5%)	(+1)
Bomb	0	
Fireworks	1 (.5%)	(+1)
Mistake	19 (9%)	(-13)
Alarm System Malfunction	1 (.5%)	(-11)
False Alarm	3 (1%)	(-6)
Hazardous Materials	0	(-1)
Returned Enroute	7 (3%)	(-11)
<u>Other Types of Responses</u>		
Automatic Aid	5 (2%)	(-2)
Mutual Aid	1 (.5%)	(+1)
<hr/>		
<b>Total Responses</b>	<b>216</b>	<b>(-84)</b>

Average Responses Per Day ..... .59

# Station 112

## Station Tours

Number of Tours

0

Children

0

Adults

0

## Public Education/Relations Activities Outside of Station

Number of Activities

N/A

Children

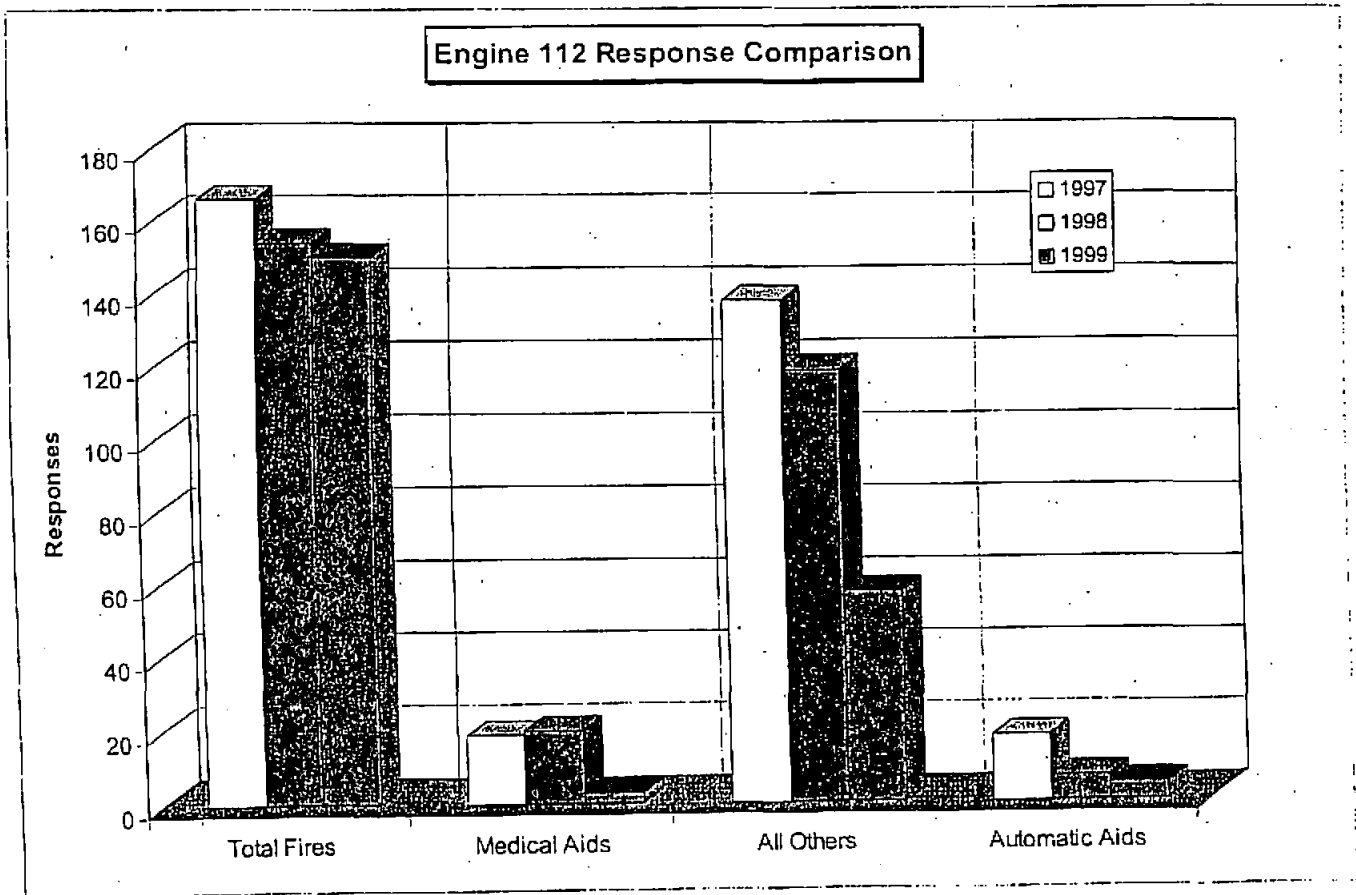
N/A

Adults

N/A

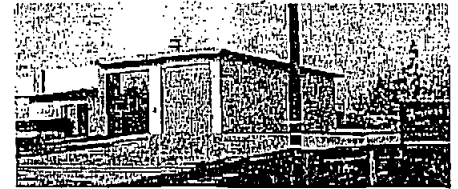
## Buildings and Grounds

1. Nothing to report.



# Station 116 - Reserve Firefighters

7995 Elwyn Road, Elverta



## Alarm Responses

<u>Responses For Fires</u>	<u>1999</u>	<u>Chg +/-</u>
Residential:		
Fireworks	0	
Residential	17 (7%)	(-15)
Commercial:		
Fireworks	0	
Commercial	6 (3%)	(+2)
Vehicle	14 (7%)	(0)
Vegetation:		
Fireworks	2 (1%)	(+1)
Vegetation	98 (41%)	(+27)
Dumpster	1 (0)	(-3)
Miscellaneous Fire Outdoors	15 (7%)	(-3)
<u>Responses for Non-Fires</u>		
Medical:		
Cardiac	2 (1%)	(-1)
Respiratory Emergency	1 (0)	(0)
Trauma	3 (1%)	(+1)
OB/Gyn	0	
Gastro Intestinal/Genito Urinary	0	
Altered LOC (level of consciousness)	1 (0)	(-2)
Psychiatric	0	
Environmental	0	
Not Classified Above	2 (1%)	(+1)
Violent Crime	0	
Fireworks	0	
Vehicle Accident:		
With Injuries	3 (0)	(+2)
Without Injuries	2	(-1)
Public Assistance:		
Public Assistance	30 (14%)	(-16)
Hazardous Materials	1 (0)	(+1)
Bomb	0	(-1)
Fireworks	1 (0)	(+1)
Mistake	22 (10%)	(-9)
Alarm System Malfunction	1 (0)	(-11)
False Alarm	0	(-10)
Hazardous Materials	1	(0)
Returned Enroute	5 (2%)	(-3)
<u>Other Types of Responses</u>		
Automatic Aid	12 (5%)	(-3)
Mutual Aid	1 (0)	(-2)
<b>Total Responses</b>	<b>241</b>	<b>(-44)</b>

Average Responses Per Day .....66

# Station 116

## Station Tours

Number of Tours

0

Children

0

Adults

0

## Public Education/Relations Activities Outside of Station

Number of Activities

6

Children

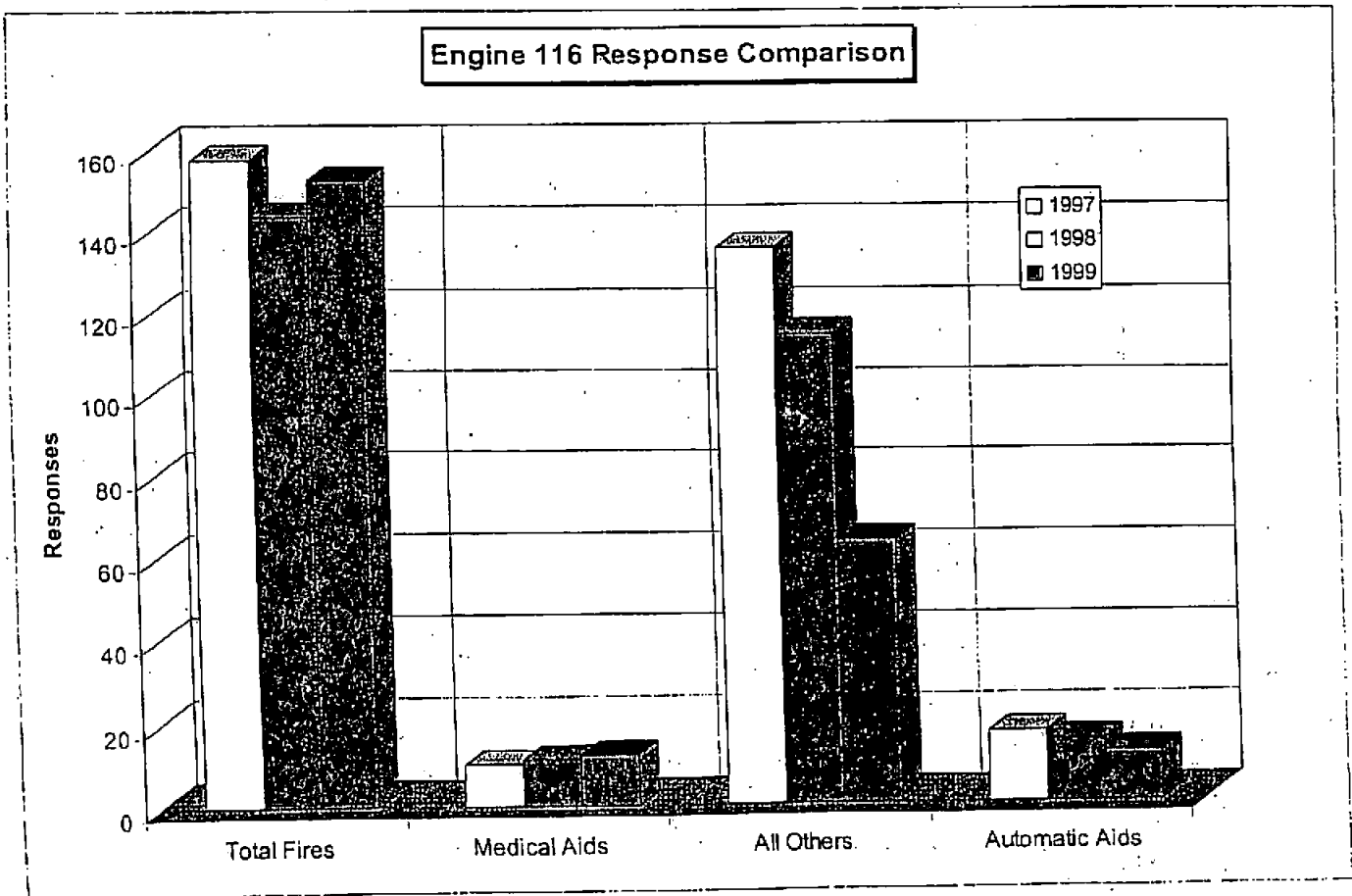
N/A

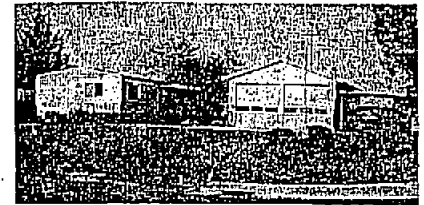
Adults

N/A

## Buildings and Grounds

1. Asphalt patched parking lot.





## Alarm Responses

<u>Responses For Fires</u>	<u>1999</u>	<u>Chg +/-</u>
Residential:		
Fireworks	0	
Residential	17 (2%)	(-11)
Commercial:		
Fireworks	0	
Commercial	6 (1%)	(+2)
Vehicle	21 (3%)	(-10)
Vegetation:		
Fireworks	2 (0)	(+1)
Vegetation	96 (11%)	(+32)
Dumpster	1 (0)	(-2)
Miscellaneous Fire Outdoors	17 (2%)	(-1)
 <u>Responses for Non-Fires</u>		
Medical:		
Cardiac	45 (5%)	(-2)
Respiratory Emergency	48 (6%)	(-5)
Trauma	89 (11%)	(+6)
OB/Gyn	9 (1%)	(+8)
Gastro Intestinal/Genito Urinary	13 (2%)	(-11)
Altered LOC (level of consciousness)	57 (7%)	(-11)
Psychiatric	2 (0)	(-9)
Environmental	4 (0)	(+1)
Not Classified Above	66 (8%)	(-12)
Violent Crime	20 (2%)	(+2)
Fireworks	0	
Vehicle Accident:		
With Injuries	30 (4%)	(-4)
Without Injuries	23 (3%)	(+1)
Public Assistance:		
Public Assistance	69 (8%)	(-16)
Hazardous Materials	4 (0)	(+3)
Bomb	0	
Fireworks	1 (0)	(+1) (-1)
Mistake	55 (7%)	(-17)
Alarm System Malfunction	7 (1%)	(-10)
False Alarm	6 (1%)	(+1)
Hazardous Materials	3 (0)	(-1)
Returned Enroute	31 (4%)	(+19)
 <u>Other Types of Responses</u>		
Automatic Aid	96 (11%)	(+7)
Mutual Aid	3 (0)	(-2)
<b>Total Responses</b>	<b>841</b>	<b>(-40)</b>

Average Responses Per Day ..... 2.30

# Station 117

## Station Tours

Number of Tours

2

Children

3

Adults

4

## Public Education/Relations Activities Outside of Station

Number of Activities

4

Children

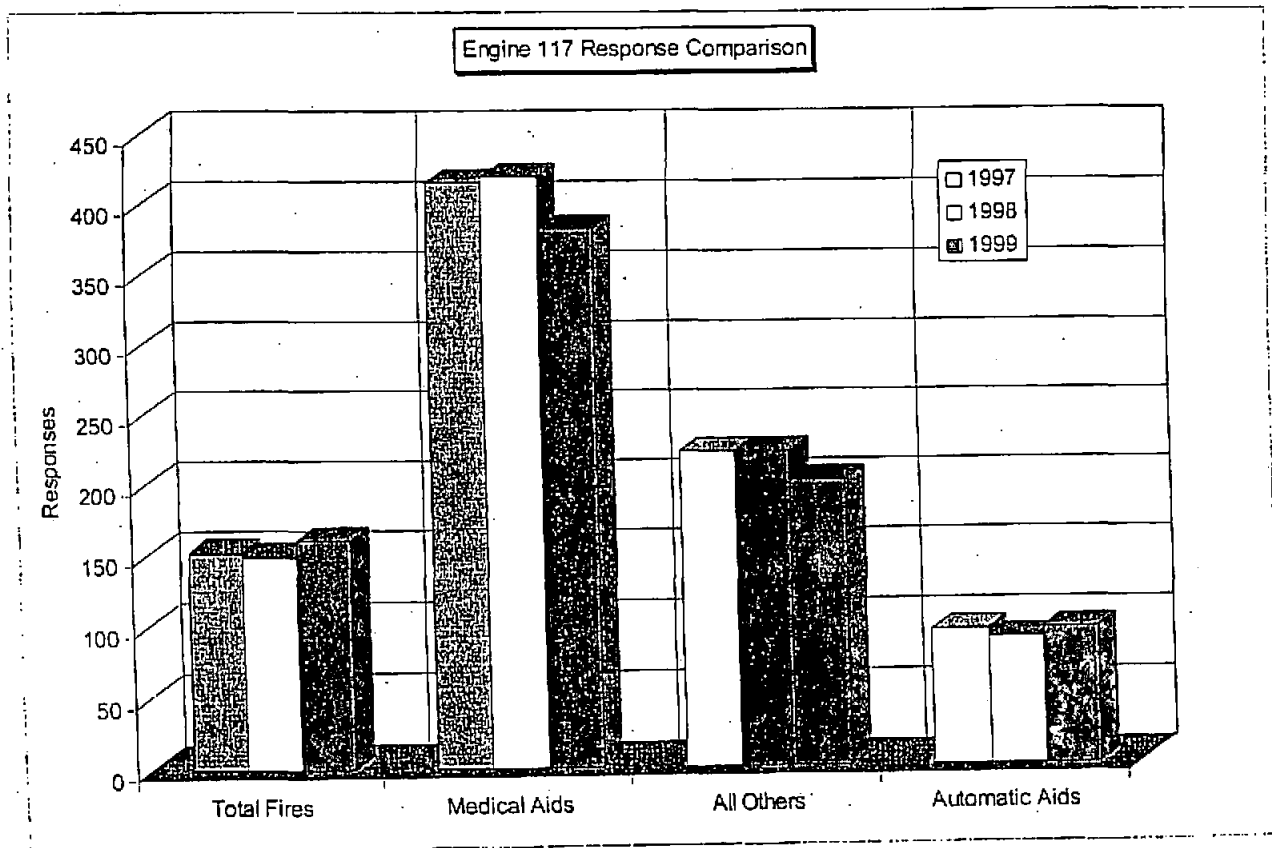
340

Adults

140

## Buildings and Grounds

1. Station ramp repaired.
2. Installed new "person" door in apparatus room
3. New dishwasher.
4. New treadmill.
5. New Centrex telephone line installed.
6. Removed shrubs from planter.



# Acknowledgements

**Special thanks** to the following individuals who contributed time and materials to the 1999 Annual Report of the American River Fire District.

Larry Alver	Chuck Milanowski
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Monty Ernst	Mike Short
Marilyn Guinn	Janice Simcoe
Dan Haverty	Steve Simonich
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**Volume 17 Annual Report**  
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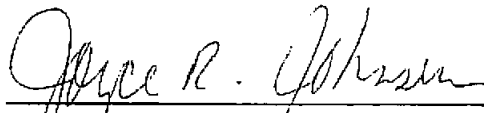
PROOF OF SERVICE BY MAIL

I, the undersigned, declare as follows:

I am a resident of the County of Sacramento, and I am over the age of 18 years and not a party to the within action. My place of employment is 4320 Auburn Blvd., Suite 2000, Sacramento, CA 95841.

On September 24, 2003 I served a true and correct copy of the Response to Department of Finance by the Sacramento Metropolitan Fire District on Local Agency Formation Commission (LAFCO), CSM-02-TC-23, by placing a true copy thereof in an envelope addressed to each of the persons listed on the mailing list attached hereto, and by sealing and depositing said envelope in the United State mail at Sacramento, California, with postage thereon fully prepaid.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed this 24<sup>th</sup> day of September, 2003 at Sacramento, California.

  
\_\_\_\_\_  
Declarant



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Legislative Analyst's Office  
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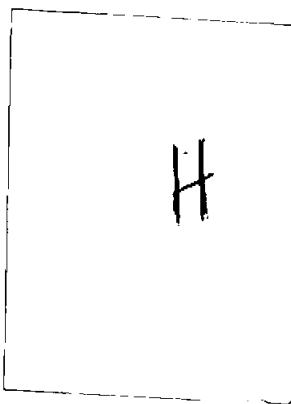
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**COMMISSION ON STATE MANDATES**

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Exhibit D



June 28, 2007

Ms. Juliana F. Gmur  
 Maximus, Inc.  
 2380 Houston Avenue  
 Clovis, CA 93611

*And Interested Parties and Affected State Agencies (See Enclosed Mailing List)*

**RE: Draft Staff Analysis and Hearing Date**

02-TC-23 *Local Agency Formation Commission (LAFCO)*

Government Code Sections 56326.5, 56381, 56381.6, 56001, 56425, 56430 and 56426.5;  
 Statutes 2000, Chapter 761 (AB 2838); and Statutes 2002, Chapter 493 (AB 1948);  
 "LAFCO Municipal Service Review Guidelines" (October 2002); and "LAFCO  
 Municipal Service Review Guidelines Appendices" (October 2002) of the Governor's  
 Office of Planning and Research  
 Sacramento Metropolitan Fire District, Claimant

Dear Ms. Gmur:

The draft staff analysis of this test claim is enclosed for your review and comment.

**Written Comments**

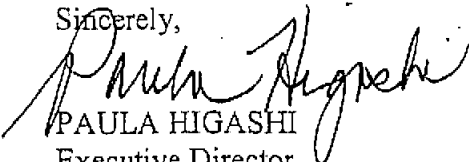
Any party or interested person may file written comments on the draft staff analysis by **Tuesday, July 19, 2007**. You are advised that comments filed with the Commission are required to be simultaneously served on the other interested parties on the mailing list, and to be accompanied by a proof of service. (Cal. Code Regs., tit. 2, § 1181.2.) If you would like to request an extension of time to file comments, please refer to section 1183.01, subdivision (c)(1), of the Commission's regulations.

**Hearing**

This test claim is set for hearing on **Thursday, September 27, 2007**, at 9:30 a.m. in Room 126, State Capitol, Sacramento, CA. The final staff analysis will be issued on or about September 13, 2007. Please let us know in advance if you or a representative of your agency will testify at the hearing, and if other witnesses will appear. If you would like to request postponement of the hearing, please refer to section 1183.01, subdivision (c)(2), of the Commission's regulations.

Please contact Deborah Borzelleri at (916) 322-4230 with any questions regarding the above.

Sincerely,

  
 PAULA HIGASHI  
 Executive Director

Enclosures





ITEM \_\_\_\_\_  
**TEST CLAIM**  
**DRAFT STAFF ANALYSIS**

Government Code  
Sections 56001, 56326.5, 56381, 56381.6,  
56425, 56426.5, and 56430

Statutes 1991, Chapter 439 (AB 748)  
Statutes 2000, Chapter 761 (AB 2838)  
Statutes 2002, Chapter 493 (AB 1948)

LAFCO Municipal Services Review Guidelines (Final Draft, October 3, 2002)  
LAFCO Municipal Services Review Guidelines Appendices (Final Draft, October 3, 2002)

*Local Agency Formation Commissions*

02-TC-23

Sacramento Metropolitan Fire District, Claimant

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**EXECUTIVE SUMMARY**

This test claim addresses changes to Local Agency Formation Commissions ("LAFCOs"), which are statutorily-created local administrative bodies that make determinations regarding formation and development of local agencies. The specific modifications are to the representatives on LAFCOs, the mechanisms for funding LAFCO operations, and the process for LAFCOs to adopt and update the "sphere of influence" for each local agency within a county.

**The Test Claim Statutes Impose a Partially Reimbursable State-Mandated Program Within the Meaning of Article XIII B, Section 6 of the California Constitution**

In 1991, the Sacramento County LAFCO was required by statute to have two independent special districts represented on it. The claimant, one of 66 independent special districts in Sacramento County, seeks reimbursement for its representation on the LAFCO – in the event it is chosen to sit on the LAFCO – as well as its representation on the independent special district selection committee, a committee consisting of representatives from all independent special districts in the county established to choose the independent special districts that would be represented on the LAFCO.

Staff finds that, although the test claim statutes require special districts to be represented on the Sacramento County LAFCO, actual participation by a district is neither legally nor practically compelled since the particular special district representatives are chosen by the *local* independent special district selection committee, and nonparticipation by a chosen district does not result in "certain and severe" penalties. Moreover, although the test claim statutes require the independent special district selection committee to *consist* of the presiding officer of the legislative body of each independent special district, actual participation by the districts is neither legally nor practically compelled since a quorum of 34 out of 66 districts is required for the committee to operate – up to 32 districts could decline to participate at any

*02-TC-23 Local Agency Formation Commissions  
Draft Staff Analysis*

given meeting – and nonparticipation by a particular district does not result in “certain and severe” penalties.

Claimant also seeks reimbursement for its share of the funding of the Sacramento County LAFCO as required by the test claim statutes. However, staff finds that such costs are not reimbursable because the provision does not mandate any activities or impose a “cost shift” from the *state* to local agencies pursuant to *Lucia Mar Unified School Dist.* or article XIII B, section 6, subdivision (c) (Proposition 1A), as enacted by the voters on November 2, 2004. Instead, the cost shift is from the *county* to the districts, since the immediately previous statute required the counties to provide the entire budget for LAFCOs.

Finally, claimant seeks reimbursement for gathering and providing information to the Sacramento County LAFCO for sphere of influence reviews, which require municipal service reviews, pursuant to statute and Municipal Service Review Guidelines and Appendices adopted by the Office of Planning and Research (OPR). Staff finds that only one statutory provision constitutes a state-mandated “new program or higher level of service” in an existing program: special districts shall file written statements with the LAFCO specifying the functions or classes of service provided by those districts, when the LAFCO prepares or updates a sphere of influence. All other activities claimed for this purpose are either required of the LAFCO and *not* special districts, or the activities are *not mandated* since the Municipal Service Review Guidelines and Appendices do not constitute executive orders.

Only those independent special districts that are subject to article XIII B, section 6 are eligible claimants.

### **Conclusion**

Staff finds that Government Code section 56425, subdivision (h)(1) (subsequently renumbered to subdivision (i)(1)), mandates a “new program or higher level of service” in an existing program, in that it requires special districts to file written statements with the LAFCO specifying the functions or classes of service provided by those districts, when the LAFCO prepares or updates a sphere of influence. Furthermore, the provision imposes costs mandated by the state pursuant to Government Code section 17514 and article XIII B, section 6. Therefore, the activity constitutes a reimbursable state-mandated program within the meaning of article XIII B, section 6 of the California Constitution. Only those independent special districts that are subject to article XIII B, section 6 – i.e., those districts that, because of their funding, are not excluded from the spending limits pursuant to article XIII B, section 9, subdivision (c) – are eligible claimants. The reimbursement period begins July 1, 2001.

Staff concludes that Government Code section 56001 declares legislative findings and is helpful to interpret the test claim statutes, but does not mandate any activities. Staff further concludes that Government Code sections 56326.5, 56381, 56381.6, 56425 (except subdivision (h)(1), subsequently renumbered to subdivision (i)(1)), 56426.5, and 56430, and the Municipal Service Review Guidelines and Appendices developed by OPR, as pled, along with any other test claim statutes, guidelines and allegations not specifically approved above, do not mandate a new program or higher level of service subject to article XIII B, section 6.

### **Recommendation**

Staff recommends the Commission adopt this analysis to partially approve this test claim.

## STAFF ANALYSIS

### Claimant

Sacramento Metropolitan Fire District

### Chronology

- 05/29/03 Sacramento Metropolitan Fire District filed test claim with the Commission on State Mandates ("Commission")<sup>1</sup>
- 06/19/03 Commission staff deemed the test claim complete
- 07/07/03 The Department of Finance requested an extension of time to file comments on the test claim
- 07/08/03 Commission staff approved extension of time, to August 18, 2003, to file comments on the test claim
- 07/18/03 The Department of Finance submitted comments on test claim with the Commission
- 09/25/03 Sacramento Metropolitan Fire District submitted rebuttal comments to the Department of Finance comments on the test claim with the Commission
- 06/28/07 Commission staff issued draft staff analysis

### Background

This test claim addresses changes to funding mechanisms for, and representation on, Local Agency Formation Commissions ("LAFCOs"), as well as modifications to the process for LAFCOs to adopt and update the "sphere of influence"<sup>2</sup> for each local government agency within a county.

#### Historical Development of LAFCOs

In light of competing urban, social and economic interests affected by land annexation, and "[a]fter years of failure to cope with these problems to any meaningful extent ..., the Legislature finally acknowledged 'the need for a supra-local agency to intervene in boundary decisions' affecting local governments, and, in 1963, established a LAFCO in each [California] county to serve this purpose."<sup>3,4</sup> Thus, LAFCOs are statutorily-created administrative bodies which make quasi-legislative determinations<sup>5</sup> regarding formation and development of local

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<sup>1</sup> The reimbursement period for this test claim begins July 1, 2001.

<sup>2</sup> "Sphere of influence" means a plan for the probable physical boundaries and service area of a local agency, as determined by the LAFCO. (Gov. Code § 56076.)

<sup>3</sup> *Tillie Lewis Foods, Inc. v. City of Pittsburg (Tillie Lewis)* (1975) 52 Cal.App.3d 983, 995.

<sup>4</sup> Statutes 1963, chapter 1808.

<sup>5</sup> *Sierra Club v. San Joaquin Local Agency Formation Commission* (1999) 21 Cal.4<sup>th</sup> 489, 495.

agencies.<sup>6</sup> The courts have referred to LAFCOs as the Legislature's "watchdogs" over local boundaries.<sup>7</sup>

The LAFCOs' purposes have evolved over the years, and in 1985, the laws governing local boundary changes were consolidated into the Cortese-Knox Local Government Reorganization Act ("Cortese-Knox Act"),<sup>8</sup> which provided the "sole and exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts."<sup>9</sup> The Cortese-Knox Act stated the following purposes for LAFCOs:

Among the purposes of a [LAFCO] are the discouragement of urban sprawl and the encouragement of the orderly formation and development of local agencies based upon local conditions and circumstances. One of the objects of the [LAFCO] is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities.<sup>10</sup>

The Cortese-Knox Act charged LAFCOs with a variety of powers and duties, including but not limited to: reviewing proposals for changes of organization or reorganization;<sup>11</sup> approving annexation of unincorporated, noncontiguous territory in certain instances;<sup>12</sup> adopting written procedures, regulations and standards;<sup>13</sup> and developing, determining, adopting and periodically updating the sphere of influence of each local governmental agency within the county.<sup>14</sup>

By June 30, 1985, each LAFCO was required to adopt a sphere of influence for each local governmental agency within its jurisdiction,<sup>15</sup> in order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies.<sup>16</sup> In determining the sphere of influence of each local agency,

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<sup>6</sup> Government Code section 56301.

<sup>7</sup> *Tillie Lewis, supra*, 52 Cal.App.3d 983, 1005.

<sup>8</sup> Statutes 1985, chapter 541; Government Code sections 56000 et seq.

<sup>9</sup> Government Code section 56100.

<sup>10</sup> Government Code section 56301, as enacted by Statutes 1985, chapter 541.

<sup>11</sup> Government Code section 56375, subdivision (a).

<sup>12</sup> Government Code section 56375, subdivision (e), subsequently renumbered to subdivision (d).

<sup>13</sup> Government Code section 56375, subdivisions (i), (j), and (k), subsequently renumbered to subdivisions (g), (h), and (i).

<sup>14</sup> Government Code section 56425.

<sup>15</sup> Government Code section 56426.

<sup>16</sup> Government Code sections 56076 and 56425.

the LAFCO was required to consider and prepare a written statement of its determination with respect to the following points:

- 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 which the agency provides or is authorized to provide.
- 4) The existence of any social or economic communities of interest in the area if the LAFCO determines that they are relevant to the agency.<sup>17</sup>

LAFCOs were originally established with representatives from the county, cities in the county and the general public,<sup>18</sup> with the option of adding independent special districts.<sup>19</sup> Any county choosing to have independent special district representation on the LAFCO was required to establish an independent special district selection committee to choose such members, which shall consist of the presiding officer of the legislative body of each independent special district.<sup>20</sup> Funding for LAFCOs was historically provided by the county served<sup>21</sup> and by fees for the cost of specified proceedings undertaken by the LAFCO.<sup>22</sup>

In recognition of the fact that nearly 35 years had passed since a thorough investigation of the policies, practices, and statutes affecting the organization and boundaries of California's local agencies had been conducted, in 1997 the Legislature created the Commission on Local Governance for the 21<sup>st</sup> Century.<sup>23</sup> The 21<sup>st</sup> Century Commission, as it came to be known, was charged with reviewing current statutes regarding policies, criteria, procedures and precedents for city, county and special district boundary changes, to solicit the views and advice of the public, to propose criteria to increase citizen and community participation in city, county, and special district governments consistent with federal law, and to recommend any appropriate statutory changes.<sup>24</sup>

On January 20, 2000, after extensive hearings and deliberation, the 21<sup>st</sup> Century Commission released its final report, entitled *Growth Within Bounds*. The report made the following recommendations:

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<sup>17</sup> *Ibid.*

<sup>18</sup> Former Government Code section 54780, repealed and renumbered to Government Code section 56325. (Stats. 1985, ch. 541.)

<sup>19</sup> Government Code section 56332, subdivision (a), as enacted by Statutes 1985, chapter 541.

<sup>20</sup> *Ibid.*

<sup>21</sup> Government Code section 56381, as enacted by Statutes 1985, chapter 541.

<sup>22</sup> Government Code section 56383.

<sup>23</sup> AB 1484 (Hertzberg), Statutes 1997, chapter 943.

<sup>24</sup> Government Code section 56302, subdivision (c), as enacted by Statutes 1997, chapter 943.

1. LAFCO policies and procedures should be streamlined.
2. LAFCOs should be neutral, independent, and provide balanced representation for counties, cities and special districts, with funding provided from each of those categories.
3. LAFCO powers should be strengthened to prevent sprawl and ensure the orderly extension of government services.
4. Policies to protect agricultural and open space lands and other resources should be strengthened.
5. The state-local fiscal relationship should be comprehensively revised.
6. The state should develop incentives to encourage compatibility and coordination of plans and actions of all local agencies, including school districts, within each region as a way to encourage an integrated approach to public service delivery and improve overall governance.
7. Communication, coordination, and procedures of LAFCOs and local governments should be enhanced to promote government efficiency.
8. Opportunities for public involvement, active participation, and information regarding government decision-making should be increased.

The Legislature responded by enacting many of the 21<sup>st</sup> Century Commission's recommendations into the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.<sup>25</sup> The act expands the purposes of the LAFCO to include preserving open space and agricultural lands, efficiently providing government services, and, when formation of a new government entity is proposed, making a determination as to whether existing agencies can feasibly provide the needed services in a more efficient and accountable manner.<sup>26</sup> The relevant provisions of this act, as well as the other test claim statutes and related executive orders, are summarized below.

*Sacramento County LAFCO Representation (Stats. 1991, Ch. 439):*

- Section 56326.5 was added to the Government Code in 1991 to provide that, for the *Sacramento County LAFCO only*, in addition to the basic representation of five members, — i.e., two county members, two members representing cities in the county, and one general public member<sup>27</sup> — one of the city members must be from the City of Sacramento and two members representing special districts in the County must sit on the LAFCO. The record for this legislation indicates that Sacramento County LAFCO, prior to the enactment of section 56326.5, chose to include special district representation as authorized by Government Code section 56332.<sup>28</sup> A requirement that independent special districts sit on the Sacramento LAFCO triggers the additional requirement for an independent special

<sup>25</sup> AB 2838, Statutes 2000, chapter 761.

<sup>26</sup> Government Code section 56301.

<sup>27</sup> Government Code section 56325, as enacted by Statutes 1985, chapter 541.

<sup>28</sup> Governor's Office of Planning and Research, Enrolled Bill Report for AB 748, September 3, 1991, page 1.

district selection committee, which is established pursuant to Government Code section 56332.

Cortese-Knox-Hertzberg Local Government Reorganization Act (Stats. 2000, Ch. 761):

- The legislative findings and declarations for the Act were amended to include discouraging urban sprawl, preserving open space and prime agricultural lands, and efficiently extending government services.<sup>29</sup>
- Separate and apart from Sacramento County, the basic number of members on LAFCOs for most of the other counties was increased from five to seven, with the two additional members representing independent special districts.<sup>30</sup> When a LAFCO did not have representation from independent special districts on January 1, 2001, the LAFCO was required to “initiate proceedings for representation of independent special districts upon the [LAFCO] if requested by independent special districts...”<sup>31</sup> (Emphasis added.)
- Changes were made in funding for LAFCOs; instead of the existing requirement of being entirely funded by the county, LAFCOs with representation by cities and special districts are now funded by a one-third share each from the county, cities and special districts.<sup>32</sup> The independent special districts’ share was apportioned according to each district’s revenues for general purpose transactions, as reported in the most recent edition of the “Financial Transactions Concerning Special Districts” published by the State Controller, or by an alternative method approved by a majority of the independent special districts representing a majority of their combined populations.<sup>33</sup>
- A new provision was added to authorize LAFCOs to waive certain fees, when fees for specified proceedings are charged and the LAFCO finds that payment would be detrimental to the public interest.<sup>34</sup>
- The provisions regarding the sphere of influence for each local government agency were changed as follows:
  - The LAFCO shall review and update the sphere of influence *not less than once every five years*.<sup>35</sup>
  - For any sphere of influence or sphere of influence that includes a special district, the LAFCO shall:
    - require existing districts to file written statements specifying functions or classes of service provided;

<sup>29</sup> Government Code section 56001.

<sup>30</sup> Government Code section 56325.

<sup>31</sup> Government Code section 56332.5.

<sup>32</sup> Government Code section 56381, subdivision (a).

<sup>33</sup> Government Code section 56381, subdivision (b)(1).

<sup>34</sup> Government Code section 56383.

<sup>35</sup> Government Code section 56425, subdivision (f).

- establish the nature, location, and extent of any functions or classes of service provided by existing districts; and
  - determine that, except as otherwise authorized by regulations, no new or different function or class of service shall be provided by any existing district unless approved by the LAFCO.<sup>36</sup> (Emphasis added.)
- A review and update to the sphere of influence requires LAFCOs to conduct a municipal service review.<sup>37</sup> In conducting a municipal service review, a LAFCO shall prepare a written statement of its determinations with respect to each of the following nine topics:
1. infrastructure needs or deficiencies;
  2. growth and population projections for the affected area;
  3. financing constraints and opportunities;
  4. cost avoidance opportunities;
  5. opportunities for rate restructuring;
  6. opportunities for shared facilities;
  7. government structure options, including advantages and disadvantages of consolidation or reorganization of service providers;
  8. evaluation of management efficiencies; and
  9. local accountability and governance.<sup>38</sup>
- Not later than July 1, 2001, OPR, in consultation with LAFCOs, the California Association of Local Agency Formation Commissions, and other local governments, was required to prepare guidelines for municipal service reviews to be conducted by LAFCOs.<sup>39</sup>

LAFCO Revenues from Independent Special Districts (Stats. 2002, Ch. 493)

- This statute revised the method for calculating independent special district revenues to be paid to LAFCOs, basing the calculation on nonenterprise revenues and enterprise revenues rather than general purpose transactions.<sup>40</sup> It also capped the share of any one independent special district to 50% of the total independent special districts' share of operating costs.<sup>41</sup> Additionally, revenue relief was provided for health care districts with negative net revenue and for those operating under public entity bankruptcy.<sup>42</sup>

<sup>36</sup> Government Code section 56425, subdivision (h), as enacted in Statutes 2000, chapter 761, subsequently renumbered to Government Code section 56425, subdivision (i).

<sup>37</sup> Government Code section 56430, subdivision (a).

<sup>38</sup> *Ibid.*

<sup>39</sup> Government Code section 56430, subdivision (d).

<sup>40</sup> Government Code section 56381, subdivision (b)(1)(C).

<sup>41</sup> Government Code section 56381, subdivision (b)(1)(F).

<sup>42</sup> Government Code section 56381, subdivision (b)(1)(D).



Municipal Service Review Guidelines and Municipal Service Review Appendices Issued by the Governor's Office of Planning and Research (Final Drafts Issued 10/03/02)

- OPR developed the Guidelines and Appendices as directed by the test claim statutes,<sup>43</sup> which require OPR to prepare *guidelines* rather than regulations. Hence the documents should be considered advisory rather than regulatory.
- The Guidelines and Appendices describe the statutory framework and requirements of the municipal service review, and provide guidance on:
  1. how the LAFCO, service provider agencies and the public can prepare to most effectively engage in the process;
  2. integrating municipal service reviews with other LAFCO actions, application of the California Environmental Quality Act (CEQA) and federal and state anti-discrimination statutes, and development of the nine statutorily-required determinations;<sup>44</sup> and
  3. how to draft the final individual municipal service review report and how to ensure adequate public participation opportunities, including statutory meeting requirements.<sup>45</sup>

#### Claimant's Position

The claimant states that the test claim statutes and executive orders impose a reimbursable state-mandated program within the meaning of article XIII B, section 6 of the California Constitution and Government Code section 17514.

Claimant asserts that the following activities and costs are reimbursable:

1. Time and expense of representing Sacramento Metropolitan Fire District on the Sacramento County LAFCO, if chosen by the independent special district selection committee, pursuant to Government Code section 56326.5.
2. Time and expense of representing Sacramento Metropolitan Fire District on the independent special district selection committee, pursuant to Government Code section 56326.5.
3. Costs to fund Sacramento Metropolitan Fire District's share of the operating budget for the Sacramento County LAFCO, pursuant to Government Code sections 56326.5, 56381 and 56381.6, and/or as suggested by the LAFCO Municipal Service Guidelines Appendices, pages 26-27.
4. Time and expense of providing information to the LAFCO when the LAFCO determines a sphere of influence, pursuant to Government Code section 56425, subdivision (g).<sup>46</sup>

<sup>43</sup> Government Code section 56430, subdivision (d).

<sup>44</sup> Government Code section 56430.

<sup>45</sup> Municipal Service Review Guidelines, Executive Summary, page 2.

<sup>46</sup> So claimed; however, subdivision (g) did not require these activities but subdivision (h) had similar language: "For any sphere of influence or a sphere of influence that includes a special district, the [LAFCO] shall do all of the following: (1) Require existing districts to file written

5. Pursuant to page 12 of the LAFCO Municipal Service Review Guidelines, time and expense of providing the following information, depending on the type of service provided, to the LAFCO when the LAFCO conducts a municipal service review:<sup>47</sup>
- a list of relevant statutory and regulatory obligations;
  - a copy of the most recent master services plan;
  - a metes and bounds legal description of the agency's boundary;
  - service area maps (to the extent already prepared) including:
    - a service boundary map;
    - a map indicating parcel boundaries (GIS maps may be available from the land use jurisdiction);
    - a vicinity or regional map with provider's boundary, major landmarks, freeways or highways, and adjacent or overlapping service provider boundaries (note: more than one map may need to be prepared to show all data); and
    - maps indicating existing land uses within city or district boundaries and on adjacent properties.
  - applicable excerpts from regional transportation, water, air quality, fair share housing allocation, airport land use, open space or agricultural plans or policies, or other environmental policies or programs;
  - copies of regulatory and operating permits;
  - number of acres or square miles included within the service area;
  - type of sphere or sphere boundaries;
  - assessed valuation;
  - estimate of population within district boundaries;
  - as appropriate, the number of people, households, parcels or units currently receiving service, or the number of service connections;
  - projected growth in service demand or planned new service demand/capacity;
  - special communities of interest or neighborhoods affected by service;

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statements with the [LAFCO] specifying the functions or classes of service provided by those districts. (2) Establish the nature, location, and extent of any functions or classes of service provided by existing districts. (3) Determine that, except as otherwise authorized by the regulations, no new or different function or class of service shall be provided by any existing district, except upon approval by the [LAFCO]." (Emphasis added.)

<sup>47</sup> Rather than stating that districts must provide the information, page 12 of the Municipal Service Review Guidelines actually states: "Below is a list of the types of information a service provider [i.e., independent special district] may wish to gather to expedite the municipal service review process. It is not necessary to collect all types of data listed below. Select only those items that are relevant to the type of services under review." Furthermore, on page 13 the Guidelines state: "Don't Reinvent the Wheel Service providers [i.e., independent special districts] may regularly submit reports to a regulatory or financing agency which contain the information LAFCO needs to complete the municipal service review. Use the information in these reports to respond to information requests by LAFCO. ... Early consultation with LAFCO and meaningful input by the service provider can reduce the time and cost to both parties."

- capital improvement plans;
  - current service capacity;
  - call volume;
  - response time; and
  - annual operating budget.
6. Pursuant to page 17 of the LAFCO Municipal Service Review Guidelines, time and expense for the LAFCO to prepare a workplan when a LAFCO conducts a municipal service review, which includes the following elements:
    - list of services to be reviewed;
    - service providers that will be affected/involved;
    - study area boundaries for the municipal service review;
    - data collection process;
    - public participation process; and
    - public hearing process.
  7. Pursuant to Chapter 7, commencing on page 24, of the LAFCO Municipal Service Review Guidelines, time and expense for the LAFCO to prepare an Environmental Impact Report when the municipal services review is considered a “project” which must comply with the California Environmental Quality Act (“CEQA”); and if future land use determinations are to be based on the municipal service review.
  8. Pursuant to Government Code section 56430 and pages 29 through 36 of the LAFCO Municipal Service Review Guidelines, time and expense for the LAFCO when conducting a municipal service review to prepare a written statement of its determinations with respect to each of the following nine issues:
    - infrastructure needs or deficiencies;
    - growth and population projections for the affected area;
    - financing constraints and opportunities;
    - cost avoidance opportunities;
    - opportunities for rate restructuring;
    - opportunities for shared facilities;
    - government structure options, including advantages and disadvantages of consolidation or reorganization of service providers;
    - evaluation of management efficiencies; and
    - local accountability and governance.
  9. Pursuant to page 35 of the Municipal Service Review Guidelines, time and expense of the LAFCO, when conducting a municipal service review and evaluating an agency’s or district’s management efficiencies, to obtain information from the agency or district with respect to the following factors or issues:<sup>48</sup>

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<sup>48</sup> Leading into the list of factors or issues, the Guidelines actually state: “In evaluating an agency’s management efficiencies, LAFCO may wish to address the following factors in its review: ...”

- evaluation of the agency's capacity to assist with and/or assume services provided by other agencies;
- evaluation of agency's spending on mandatory programs;
- comparison of agency's mission statement and published customer service goals and objectives;
- availability of master service plan(s);
- contingency plans for accommodating existing and planned growth;
- publicized activities;
- implementation of continuous improvement plans and strategies for budgeting, managing costs, training and utilizing personnel, and customer service and involvement;
- personnel policies;
- availability of resources (fiscal, manpower, equipment, adopted service or work plans) to provide adequate service;
- available technology to conduct an efficient business;
- collection and maintenance of pertinent data necessary to comply with state laws and provide adequate services;
- opportunities for joint powers agreements, Joint Powers Authorities, and/or regional planning opportunities;
- evaluation of agency's system of performance measures;
- capital improvement projects as they pertain to Government Code sections 65401 and 65103, subdivision (c);
- accounting practices;
- maintenance of contingency reserves;
- written policies regarding the accumulation and use of reserves and investment practices;
- impact of agency's policies and practices on environmental objectives and affordable housing;
- environment and safety compliance; and
- current litigation and/or grand jury inquiry involving the service under LAFCO review.

10. Pursuant to Government Code section 56820.5<sup>49</sup> and the LAFCO Municipal Service Review Guidelines Appendices, time and expense of the Sacramento Metropolitan Fire District to provide information regarding the municipal service review required under regulations adopted by the LAFCO. This provision was mentioned in the narrative but was not specifically pled by claimant.

11. Costs paid to the LAFCO for reviewing the District's component of a municipal service review.

Claimant estimates the following costs to implement the program: 1) \$20,000 - \$30,000 for claimant's portion of the annual LAFCO budget for the period January 1, 2001 through

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<sup>49</sup> Government Code section 56820.5, renumbered from Government Code section 56451 in Statutes 2000, chapter 761.

December 31, 2001; 2) \$50,000 - \$80,000 for claimant's portion of the annual LAFCO budget for the period of January 1, 2002 and beyond; 3) in excess of \$20,000 to provide to the LAFCO the information required for a municipal service review; and 4) \$5,000 to the LAFCO for its review of claimant's component of the municipal service review.

Claimant filed additional comments in response to the Department of Finance's comments which are addressed, as necessary, in the analysis.

### Position of Department of Finance

The Department of Finance states that the test claim statutes may have resulted in costs mandated by the state, but points out the following:

- A special district may lawfully decline to sit as a member of its LAFCO.
- Although LAFCO independent special district selection committee membership is required by law, special districts are not required to participate in the committee's activities; many are members in name only.
- LAFCOs have existing statutory fee authority that may be used to cover their operating costs. To the extent that LAFCOs elect to make use of this authority, LAFCO members would be relieved of the need to contribute toward the LAFCO's annual budget.
- LAFCOs have had statutory authority to require information of local agencies since 1965.
- OPR's Municipal Service Review Guidelines and Appendices do not carry the force of law.

### Discussion

The courts have found that article XIII B, section 6 of the California Constitution<sup>50</sup> recognizes the state constitutional restrictions on the powers of local government to tax and spend.<sup>51</sup> "Its purpose is to preclude the state from shifting financial responsibility for carrying out governmental functions to local agencies, which are 'ill equipped' to assume increased financial responsibilities because of the taxing and spending limitations that articles XIII A and XIII B impose."<sup>52</sup>

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<sup>50</sup> Article XIII B, section 6, subdivision (a), (as amended by Proposition 1A in November 2004) provides: "Whenever the Legislature or any state agency mandates a new program or higher level of service on any local government, the State shall provide a subvention of funds to reimburse that local government for the costs of the program or increased level of service, except that the Legislature may, but need not, provide a subvention of funds for the following mandates: (1) Legislative mandates requested by the local agency affected. (2) Legislation defining a new crime or changing an existing definition of a crime. (3) Legislative mandates enacted prior to January 1, 1975, or executive orders or regulations initially implementing legislation enacted prior to January 1, 1975."

<sup>51</sup> *Department of Finance v. Commission on State Mandates (Kern High School Dist.)* (2003) 30 Cal.4th 727, 735.

<sup>52</sup> *County of San Diego v. State of California (County of San Diego)* (1997) 15 Cal.4th 68, 81.

A test claim statute or executive order may impose a reimbursable state-mandated program if it orders or commands a local agency or school district to engage in an activity or task.<sup>53</sup> In addition, the required activity or task must be new, constituting a "new program," or it must create a "higher level of service" over the previously required level of service.<sup>54</sup>

The courts have defined a "program" subject to article XIII B, section 6, of the California Constitution, as one that carries out the governmental function of providing public services, or a law that imposes unique requirements on local agencies or school districts to implement a state policy, but does not apply generally to all residents and entities in the state.<sup>55</sup> To determine if the program is new or imposes a higher level of service, the test claim requirements must be compared with the legal requirements in effect immediately before the enactment of the test claim statutes.<sup>56</sup> A "higher level of service" occurs when there is "an increase in the actual level or quality of governmental services provided."<sup>57</sup>

Finally, the newly required activity or increased level of service must impose costs mandated by the state.<sup>58</sup>

The Commission is vested with exclusive authority to adjudicate disputes over the existence of state-mandated programs within the meaning of article XIII B, section 6.<sup>59</sup> In making its decisions, the Commission must strictly construe article XIII B, section 6 and not apply it as an "equitable remedy to cure the perceived unfairness resulting from political decisions on funding priorities."<sup>60</sup>

The analysis addresses the following issues:

- Is Sacramento Metropolitan Fire District an eligible claimant under article XIII B, section 6 of the California Constitution?

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<sup>53</sup> *Long Beach Unified School Dist. v. State of California* (1990) 225 Cal.App.3d 155, 174.

<sup>54</sup> *San Diego Unified School Dist. v. Commission on State Mandates* (2004) 33 Cal.4th 859, 878 (*San Diego Unified School Dist.*); *Lucia Mar Unified School District v. Honig* (1988) 44 Cal.3d 830, 835-836 (*Lucia Mar*).

<sup>55</sup> *San Diego Unified School Dist.*, *supra*, 33 Cal.4th 859, 874, (reaffirming the test set out in *County of Los Angeles v. State of California* (1987) 43 Cal.3d 46, 56 (*County of Los Angeles*); *Lucia Mar*, *supra*, 44 Cal.3d 830, 835).

<sup>56</sup> *San Diego Unified School Dist.*, *supra*, 33 Cal.4th 859, 878; *Lucia Mar*, *supra*, 44 Cal.3d 830, 835.

<sup>57</sup> *San Diego Unified School Dist.*, *supra*, 33 Cal.4th 859, 877.

<sup>58</sup> *County of Fresno v. State of California* (1991) 53 Cal.3d 482, 487; *County of Sonoma v. Commission on State Mandates* (2000) 84 Cal.App.4th 1265, 1284 (*County of Sonoma*); Government Code sections 17514 and 17556.

<sup>59</sup> *Kinlaw v. State of California* (1991) 54 Cal.3d 326, 331-334; Government Code sections 17551, 17552.

<sup>60</sup> *County of Sonoma*, *supra*, 84 Cal.App.4th 1264, 1280, citing *City of San Jose v. State of California* (1996) 45 Cal.App.4th 1802, 1817 (*City of San Jose*).

- Do the test claim statutes or alleged executive orders mandate a “new program or higher level of service” within the meaning of article XIII B, section 6 of the California Constitution?
- Do the test claim statutes or alleged executive orders impose “costs mandated by the state” within the meaning of article XIII B, section 6 of the California Constitution and Government Code section 17514?

**Issue 1: Is Sacramento Metropolitan Fire District an eligible claimant under article XIII B, section 6 of the California Constitution?**

Article XIII B, section 6 was adopted in recognition of the state constitutional restrictions on the powers of local government to tax and spend, and requires a subvention of funds to reimburse local agencies when the state imposes a new program or higher level of service upon those agencies. The Third District Court of Appeal in *County of Placer v. Corin* (1980) 113 Cal.App.3d 443 explained the reasoning behind Article XIII B as follows:

Article XIII B was adopted less than 18 months after the addition of article XIII A to the state Constitution, and was billed as “the next logical step to Proposition 13” [article XIII A]. While article XIII A was generally aimed at controlling ad valorem property taxes and the imposition of new “special taxes” [citations], the thrust of article XIII B is toward placing certain limitations on the growth of appropriations at both the state and local government level ...<sup>61</sup>

The court further described this concept:

[A]rticle XIII B does not limit the ability to expend government funds collected from all sources. Rather, the appropriations limit is based on “appropriations subject to limitation,” which consists primarily of the authorization to expend during a fiscal year the “proceeds of taxes.” (§ 8, subd. (a).) As to local governments, limits are placed only on the authorization to expend the proceeds of taxes levied by that entity, in addition to the proceeds of state subventions (§ 8, subd. (c)); no limitation is placed on the expenditure of those revenues that do not constitute “proceeds of taxes.”<sup>62</sup>

Thus, since taxing and spending limitations are placed only on the proceeds of taxes, “[n]o state duty of subvention is triggered where the local agency is not required [by the test claim statutes] to expend the proceeds of taxes.”<sup>63</sup> Section 9 of Article XIII B sets forth specific circumstances wherein the costs in question *are not* “appropriations subject to limitation,” and therefore subvention is not required. One such exclusion to the limitation is found in subdivision (c), which applies to special districts:

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<sup>61</sup> *County of Placer, supra*, 113 Cal.App.3d 443, 446.

<sup>62</sup> *Id.* at 447.

<sup>63</sup> *Redevelopment Agency of the City of San Marcos v. Commission on State Mandates* (1997) 55 Cal.App.4<sup>th</sup> 976, 987.

Appropriations of any special district which existed on January 1, 1978, and which did not as of the 1977-78 fiscal year levy an ad valorem tax on property in excess of 12 ½ cents per \$100 of assessed value; or the appropriations of any special district then existing or thereafter created by a vote of the people, which is totally funded by other than the proceeds of taxes.

The claimant, Sacramento Metropolitan Fire District, is a special district that was formed by reorganization of the Sacramento County Fire District and the American River Fire District on December 1, 2000.<sup>64</sup> Therefore, the district did not exist on January 1, 1978 and its appropriations do not meet the first criteria.

The claimant's revenues consist of, among other things, property taxes, fines, and fees for services.<sup>65</sup> Thus, the claimant is not a district "which is totally funded by other than the proceeds of taxes" and its appropriations do not meet the second criteria. Consequently, the article XIII B, section 9, subdivision (c), exclusion to the appropriations limit is not applicable to the appropriations of Sacramento Metropolitan Fire District. The District is therefore an eligible claimant within the meaning of article XIII B, section 6.

**Issue 2: Do the test claim statutes or alleged executive orders mandate a "new program or higher level of service" within the meaning of article XIII B, section 6 of the California Constitution?**

Courts have recognized the purpose of article XIII B, section 6 is "to preclude the state from shifting financial responsibility for carrying out governmental functions to local agencies, which are 'ill-equipped' to assume increased financial responsibilities because of the taxing and spending limitations that articles XIII A and XIII B impose."<sup>66</sup> The cases have held that a test claim statute may impose a reimbursable state-mandated program if it orders or commands a local agency or school district to engage in an activity or task,<sup>67</sup> and the required activity or task is new, constituting a "new program," or it creates a "higher level of service" over the previously required level of service.<sup>68</sup>

Alternatively, in light of the intent of article XIII B, section 6, a reimbursable state-mandated program has been found to exist in some instances when the state shifts fiscal responsibility for a mandated program to local agencies but no actual activities have been imposed by the test claim statute or executive order.<sup>69</sup> Moreover, as of November 3, 2004, article XIII B, section 6, subdivision (c), of the California Constitution defines a "mandated new program or higher level of service" as including "a transfer by the Legislature from the State to cities, counties, cities and counties, or special districts of complete or partial financial responsibility

<sup>64</sup> *Department History*, <http://www.smfd.ca.gov/>.

<sup>65</sup> Sacramento Metropolitan Fire District, Final Budget for Fiscal Year 2007, page A-29.

<sup>66</sup> *County of San Diego*, *supra*, 15 Cal. 4<sup>th</sup> 68, 81 (citing *Lucia Mar*, *supra*, 44 Cal.3d 830).

<sup>67</sup> *Long Beach*, *supra*, 225 Cal.App.3d 155, 174.

<sup>68</sup> *San Diego Unified School Dist.*, *supra*, 33 Cal.4th 859, 878; *Lucia Mar*, *supra*, 44 Cal.3d 830, 835-836.

<sup>69</sup> *Lucia Mar*, *supra*, 44 Cal.3d 830, 836.



for a required program for which the State previously had complete or partial financial responsibility.”<sup>70</sup>

Thus, a mandated “new program or higher level of service” may be found under either circumstance cited above, that is, where the test claim statutes mandate *activities* that are new in comparison to the preexisting scheme that result in providing a service to the public, *or* where the *state shifts from itself to local agencies* the cost for a *required* program.

Claimant is seeking reimbursement for the following:

1. time and expense of representing Sacramento Metropolitan Fire District on the independent special district selection committee;
2. time and expense of representing Sacramento Metropolitan Fire District on the Sacramento LAFCO, if that district is chosen by the independent special district selection committee;
3. costs for the Sacramento Metropolitan Fire District to fund its share of the operating budget for the Sacramento LAFCO;
4. time and expense of providing information to the LAFCO when the LAFCO determines a sphere of influence;
5. time and expense of providing information to the LAFCO when the LAFCO conducts a municipal service review;
6. time and expense for the LAFCO to prepare a workplan when the LAFCO conducts a municipal service review;
7. when the municipal service review is considered a “project” under the California Environmental Quality Act, time and expense for the LAFCO to prepare an Environmental Impact Report;
8. when the LAFCO conducts a municipal service review, the LAFCO shall prepare a written statement with regard to nine specified issues;
9. when the LAFCO conducts a municipal service review and the LAFCO is evaluating an agency’s or district’s management efficiencies, time and expense for the LAFCO to obtain specified information from the agency or district;
10. time and expense of providing information required under regulations adopted by the LAFCO and by the Municipal Service Review Guidelines Appendices; and
11. costs paid to the LAFCO for reviewing the District’s component of a municipal service review.

In the analysis below, the alternative tests for a “new program or higher level of service” are applied as appropriate to each of these items. However, any activities of the LAFCO are not addressed since LAFCOs are not represented in this claim; instead, the claimant is an independent special district and represents only independent special districts in the claim.

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<sup>70</sup> Enacted by the voters as Proposition 1A, November 2, 2004.

Legislative Findings and Declarations (Gov. Code, § 56001)

Government Code section 56001 sets forth the legislative findings and declarations with regard to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. This section is helpful in understanding the purposes for LAFCOs and the scope of LAFCO operations, but does not mandate any activities on local agencies in California. Therefore, Government Code section 56001 does not mandate a "new program or higher level of service" on independent special districts.

Representation on LAFCO and Independent Special District Selection Committee (Gov. Code, § 56326.5, subd. (d))

The Government Code sets forth provisions for the composition and selection of members of LAFCOs. There are general provisions for most counties,<sup>71</sup> and some counties, including Sacramento, have specific statutory provisions for the composition of their LAFCOs.<sup>72</sup> The test claim statute pled by the claimant is section 56326.5. The analysis is limited to subdivision (d) of that section, since it is the only subdivision dealing with independent special districts.<sup>73</sup>

For this test claim statute, the question is whether subdivision (d) mandates new activities that constitute a "new program or higher level of service" over an existing program. For the reasons stated below, staff finds that *individual* special district representation and participation on the LAFCO is a local discretionary decision, and participation in the independent special district selection committee is a discretionary decision of the independent special district. Consequently, section 56326.5, subdivision (d), does not mandate a "new program or higher level of service."

LAFCO Representation

For most counties, Government Code section 56325 sets forth the following composition of the LAFCO:

... Except as otherwise provided in this chapter,<sup>74</sup> the [LAFCO] shall consist of members selected as follows:

- (a) Two appointed by the board of supervisors from their own membership. ...
- (b) Two selected by the cities in the county, each of whom shall be a mayor or council member, appointed by the city selection committee. ...

<sup>71</sup> Government Code section 56325.

<sup>72</sup> Counties with LAFCO membership and selection criteria set forth in *special* provisions of the Government Code: Kern County (section 56328.5), Los Angeles County (section 56326), Sacramento County (56326.5), Santa Clara County (sections 56327 and 56327.3), and San Diego County (section 56328).

<sup>73</sup> Since claimant is an independent special district, this test claim does not make any findings with regard to any other type of local government entity.

<sup>74</sup> *Ibid.*

- (c) Two presiding officers or members of legislative bodies of independent special districts selected by the independent special district selection committee pursuant to Section 56332. ...
- (d) One representing the general public appointed by the other members of the [LAFCO]. ...

Sacramento County is one of the counties with its own statutory provision setting forth the composition of the LAFCO. Government Code section 56326.5, as added by the test claim statute in 1991, states:

In Sacramento County, the [LAFCO] *shall* consist of seven members, selected as follows:

- (a) Two representing the county, appointed by the board of supervisors from their own membership. ...
- (b) One representing the City of Sacramento who is a member of the city council, appointed by the mayor and confirmed by the city council. ...
- (c) One representing the cities in the county, who is a city officer appointed by the city selection committee. ...
- (d) Two representing special districts selected by an independent special district selection committee pursuant to Section 56332. ...<sup>75</sup>
- (e) One representing the general public, appointed by the other six members of the [LAFCO]. ... (Emphasis added.)

The plain language of subdivision (d) *requires* two independent special districts in Sacramento County to be represented on the LAFCO. The actual special district representatives, however, are *chosen* by the independent special district selection committee from a list of 66 independent special districts available in Sacramento County.<sup>76</sup> There is no other requirement specifying a *particular* independent special district is required to sit on the Sacramento County LAFCO. Claimant states that the statute “speaks in mandatory, not discretionary terms.” Yet the mandatory requirement is for two independent special districts to be represented; the decision as to which districts are chosen to be on the LAFCO is made at the local level. Consequently, the state has not legally compelled that a *particular special district* sit on the Sacramento County LAFCO.

The Department of Finance further argues that, in the event a district is *chosen* by the selection committee, “[a] district may lawfully decline to sit as a member of its LAFCO.”<sup>77</sup> There is no statutory requirement stating that an independent special district chosen by the selection committee must actually sit as a member of the LAFCO. Staff therefore finds that the state has not legally compelled a district that is chosen to sit on the LAFCO to actually serve on the LAFCO.

<sup>75</sup> This subdivision was amended by Statutes 2000, chapter 761, pled in the test claim, to state: (d) Two presiding officers or members of legislative bodies of independent special districts selected by an independent special district selection committee pursuant to Section 56332.”

<sup>76</sup> <http://www.saclafco.org/>.

<sup>77</sup> Letter from Connie Squires, Program Budget Manager, Department of Finance, submitted July 22, 2003, page 2.

Nevertheless, where no legal compulsion to participate in a program exists, the courts have ruled that at times, based on the particular circumstances, "practical" compulsion might be found. The Supreme Court in *Kern High School Dist.* addressed the issue of "practical" compulsion in the context of a school district that had participated in optional funded programs in which new requirements were imposed. In *Kern*, the court determined there was no "practical" compulsion to participate in the underlying programs, since a district that elects to discontinue participation in a program does not face "certain and severe ... penalties" such as "double ... taxation" or other "draconian" consequences.<sup>78</sup>

In the case of *San Diego Unified School Dist.*, the test claim statutes required school districts to afford to a student specified hearing procedures whenever an expulsion recommendation was made and before a student could be expelled.<sup>79</sup> The Supreme Court held that hearing costs incurred as a result of specific, *statutorily required* expulsion recommendations, e.g., where the student allegedly possessed a firearm, constituted a reimbursable state-mandated program.<sup>80</sup> Regarding expulsion recommendations that were *discretionary* on the part of the district, the court acknowledged the school district's arguments, stating that in the absence of legal compulsion, compulsion *might* nevertheless be found when a school district exercised its discretion in deciding to expel a student for a serious offense to other students or property, in light of the state constitutional requirement to provide safe schools.<sup>81</sup> Ultimately, however, the Supreme Court denied reimbursement for the hearing procedures regarding discretionary expulsions on alternative grounds.<sup>82</sup>

Here, as noted above, neither the selection committee's decision to choose a particular district, nor that district's decision to serve on the LAFCO, is legally compelled by the state. Nor does evidence in the record support the notion that "practical" compulsion is applicable in the instant case. First, there are a myriad of factors that come to bear on a local decision to *choose* a particular district to serve on the LAFCO, which could include that district's own efforts to influence the decision to be the selected district. Moreover, there is no evidence that "certain and severe" penalties would ensue if a particular district is not chosen.

With regard to a district's decision not to serve on the LAFCO if chosen, the claimant asserts:

[The argument] is analogous to the requirements of Government Code, Section 17553, which provides for the participation of the Department of Finance in matters before the Commission on State Mandates. Surely Finance does not have to participate, yet if it were not to participate, not only would its input not be known, but factors detrimentally affecting the state's budget could occur without its knowledge or participation. So too is true with regard to the participation of special districts in LAFCO.

<sup>78</sup> *Kern High School Dist.*, *supra*, 30 Cal.4<sup>th</sup> 727, 754.

<sup>79</sup> *San Diego Unified School Dist.*, *supra*, 33 Cal.4<sup>th</sup> 859, 866.

<sup>80</sup> *Id.* at pages 881-882.

<sup>81</sup> *Id.* at page 887, footnote 22.

<sup>82</sup> *Id.* at page 888.

... Furthermore, ... [w]ithout participation of special districts, the LAFCO's special statutory fee authority could be used adversely to the interests of the LAFCO. ...<sup>83</sup>

[W]ithout active participation [by special districts in the LAFCO], there is no guarantee that the costs of operating the LAFCO will be subject to any fiscal constraints. As noted in the test claim, LAFCO merely assembles what it wishes to have by way of operating capital for the next fiscal year, and assesses that total cost against the county, all cities and special districts within its jurisdiction. For this purpose, participation in LAFCO, to the extent the occasion presents itself, is imperative.<sup>84</sup>

Claimant's argument actually goes to whether a particular district should be *chosen* by the independent special district selection committee in the first place, and provides evidence to support an independent special district's advantage in seeking representation on the LAFCO so as to protect its own financial or other interests within the County, or the LAFCO's financial interests. It does not address whether a chosen district is compelled by the state to serve once chosen.

The relevant holding in this instance is from *Kern* wherein the Supreme Court states that school districts that have discretion will make the choices that are ultimately the most beneficial for the district:

As to each of the optional funded programs here at issue, school districts are, and have been, free to decide whether to (i) continue to participate and receive program funding, even though the school district also must incur program-related costs associated with the [new] requirements or (ii) decline to participate in the funded program. Presumably, a school district will continue to participate only if it determines that the best interests of the district and its students are served by participation – in other words, if, *on balance*, the funded program, even with strings attached, is deemed beneficial. And, presumably, a school district will decline participation if and when it determines that the costs of program compliance outweigh the funding benefits. (Emphasis in original.)<sup>85</sup>

The circumstances discussed in this passage are analogous to the instant situation. Claimant states that if an independent special district does not participate in the LAFCO, the district's input would not be known and actions detrimental to its interest or its legal responsibilities could occur without its knowledge or participation. Presumably, discretionary decisions to select independent special districts for representation on the Sacramento County LAFCO will be in the best interests of the independent special districts as a whole in the County. And, a chosen independent special district's decision to participate or not in LAFCO will be based on the district's own best interests. When the local selection committee and the local agencies involved have such discretion, the program is *not* state-mandated.

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<sup>83</sup> Claimant's response to Department of Finance, submitted September 25, 2003, page 2.

<sup>84</sup> *Id.* at page 3.

<sup>85</sup> *Kern High School Dist.*, *supra*, 30 Cal.4<sup>th</sup> 727, 753.

The Supreme Court in *San Diego Unified School Dist.* underscored the fact that a state mandate is found when the state, rather than a local official, has made the decision to participate in the program.<sup>86</sup> In this case, the state has not required any particular independent special district to be represented on the LAFCO, rather the independent special district selection committee makes that decision. Nor has the state imposed certain and severe penalties for a chosen district's nonparticipation.

Therefore, staff finds that an independent special district chosen to sit on the Sacramento County LAFCO by the independent special district selection committee is not mandated by the *state* to do so. Consequently, Government Code section 56326.5, subdivision (d), does not mandate a "new program or higher level of service" within the meaning of article XIII B, section 6 of the California Constitution.

#### Representation on Independent Special District Selection Committee

When the LAFCO in a county has independent special district representation, those districts are chosen by the independent special district selection committee. Government Code section 56326.5, subdivision (d), incorporates by reference section 56332, which sets forth the provisions establishing that committee.

For most counties, as noted above, having independent special district representation on the LAFCO is based on an initial discretionary decision at the local level. However, in Sacramento County, Government Code section 56326.5 requires such representation, which in turn triggers the requirement to establish the independent special district selection committee pursuant to section 56332. Section 56332 states in pertinent part:

- (a) The independent special district selection committee shall consist of the presiding officer of the legislative body of each independent special district. ... Each member of the committee shall be entitled to one vote for each independent special district of which he or she is the presiding officer. Members representing a majority of the districts shall constitute a quorum. ...
- (b) The executive officer shall call and give written notice of all meetings of the members of the selection committee. A meeting shall be called and held under either of the following circumstances:
  - (1) Whenever a vacancy exists among the members or alternate members representing independent special districts upon the [LAFCO].
  - (2) Upon receipt of a written request by one or more members of the selection committee representing districts having 10 percent or more of the assessed value of taxable property within the county, as shown in the last equalized county assessment roll.
- (c)(1) If the executive officer determines that a meeting of the special district selection committee, for the purpose of selecting the special district representatives or for filling a vacancy, is not feasible, the executive officer may conduct the business of the committee in writing, as provided in this subdivision. The executive officer may call for

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<sup>86</sup> *San Diego Unified School Dist.*, *supra*, 33 Cal.4<sup>th</sup> 859, 880.

nominations to be submitted in writing within 30 days. At the end of the nominating period, the executive officer shall prepare and deliver, or send by certified mail, to each independent special district one ballot and voting instructions. ...

(d) The selection committee shall appoint two regular members and one alternate member to the [LAFCO]. The members so appointed shall be elected or appointed special district officers residing within the county but shall not be members of the legislative body of a city or county. If one of the regular district members is absent from a [LAFCO] meeting or disqualifies himself or herself from participating in a meeting, the alternate district member may serve and vote in place of the regular district member for that meeting. The representation by a regular district member who is a special district officer shall not disqualify, or be cause for disqualification of, the member from acting on a proposal affecting the special district. The special district selection committee may, at the time it appoints a member or alternate, provide that the member or alternate is disqualified from voting on proposals affecting the district of which the member is a representative.

(e) If the office of a regular district member becomes vacant, the alternate member may serve and vote in place of the former regular district member until the appointment and qualification of a regular district member to fill the vacancy.

The independent special district selection committee is required by law to *consist* of the presiding officer of the legislative body of each independent special district. Claimant concludes that every district is required by law to participate in the committee. Staff finds, however, the plain language of the statute does not constitute legal compulsion for districts to *participate* in committee activities.

Nor does staff find the circumstances amount to practical compulsion. The Department of Finance asserts that many special districts are committee members in name only. A quorum for the committee to operate is a majority of the districts in the county.<sup>87</sup> Thus it is possible for the committee to conduct business with only a majority of the districts, not *every* district. According to Sacramento County LAFCO's website,<sup>88</sup> there are 66 independent special districts; 34 districts represent a quorum in Sacramento County. This means that 32 of the 66 independent special districts in Sacramento County could decline to participate in any given meeting. Moreover, no "certain or severe" penalties would result if a district fails to participate in the independent special district selection committee.

Instead, as noted above with regard to participation in the LAFCO by a chosen district, the principles of *Kern High School Dist.* are applicable.<sup>89</sup> An independent special district's decision to participate or not in the independent special district selection committee will be

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<sup>87</sup> Government Code section 56332, subdivision (a).

<sup>88</sup> <http://www.saclafco.org/>.

<sup>89</sup> *Kern High School Dist.*, *supra*, 30 Cal.4<sup>th</sup> 727, 753.

based on the district's own best interests. When the independent special district selection committee members have such discretion, the program is *not* state-mandated.

Therefore, staff finds that an independent special district is not mandated by the state to participate in independent special district selection committee activities and, consequently, any such activities set forth in Government Code section 56326.5, subdivision (d), do not mandate a "new program or higher level of service" within the meaning of article XIII B, section 6 of the California Constitution.

*Independent Special Districts' Costs to Fund LAFCOs (Gov. Code, §§ 56381 and 56381.6)*

Government Code section 56381 provides that when the LAFCO has independent special district representation on it, special districts are required to pay a one-third share of the budget for the LAFCO.<sup>90</sup> Section 56381.6 provides that for counties whose membership is established pursuant to sections 56326, 56326.5, 56327, or 56328, the LAFCO's annual operational costs "shall be apportioned among the classes of public agencies that select members on the [LAFCO] in proportion to the number of members selected by each class." Section 56381.6 also allows for an alternative cost apportionment subject to a majority affirmative vote of the [LAFCO] that includes the affirmative vote of at least one of the members selected by the county, city or special districts.

Government Code section 56326.5 provides that, in Sacramento County, independent special districts are required to be represented on the LAFCO. Accordingly, the independent special districts are required to pay their proportionate share of costs for funding the LAFCO.<sup>91</sup>

Section 56381 does not require independent special districts to engage in any activity or task. Alternatively, the statute does impose increased costs to the independent special districts in Sacramento County to fund the Sacramento County LAFCO. Based on the following analysis, however, staff finds that since the increased costs are not the result of a shift in fiscal responsibility from the *state* to local agencies, the district's costs to fund the Sacramento County LAFCO do not mandate a "new program or higher level of service" on the district.

In the case of *Lucia Mar*, the Supreme Court recognized that a "new program or higher level of service" within the meaning of article XIII B, section 6 could include a shift in costs from the state to a local entity for a required program.<sup>92</sup> As of November 3, 2004, Article XIII B, Section 6, subdivision (c), also requires reimbursement when the Legislature transfers from the state to local agencies "complete or partial financial responsibility for a required program for which the State previously had complete or partial financial responsibility."

However, the cost shift here is not from the *state* to the districts but from the *county* to the districts, since the immediately previous version of Government Code section 56381 required the counties to provide the entire budget for LAFCOs.<sup>93</sup> The Sixth District Court of Appeal in

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<sup>90</sup> If the county has no cities, then the county and independent special districts each pay a one-half share of the LAFCO's budget. (Gov. Code, § 56381.)

<sup>91</sup> In other counties in which independent special district representation on the LAFCO is based on an underlying discretionary decision at the local level, these costs are not mandated.

<sup>92</sup> *Lucia Mar*, *supra*, 44 Cal.3d 830, 836.

<sup>93</sup> Government Code section 56381, as enacted by Statutes 1985, chapter 541.



*City of San Jose* specifically addressed the issue of a cost shift among local agencies. In that case, the test claim statutes had authorized counties to charge cities and other local agencies the costs of booking into county jails persons who had been arrested by employees of the cities or local agencies.<sup>94</sup> The court rejected the City's reliance on the holding of *Lucia Mar*, stating:

The flaw in City's reliance on *Lucia Mar* is that in our case the shift in funding is not from the State to the local entity but from county to city. In *Lucia Mar*, prior to the enactment of the statute in question, the program was funded and operated entirely by the state. Here, however, at the time [the test claim statute] was enacted, and indeed long before that statute, the financial and administrative responsibility associated with the operation of county jails and detention of prisoners was borne entirely by the county.<sup>95</sup>

The City of San Jose also unsuccessfully argued that, although counties have traditionally borne those expenses, "they do so only in their role as agents of the State."<sup>96</sup> However, the court noted that characterizing the county as an agent of the state "is not supported by recent case authority, nor does it square with definitions particular to subvention analysis."<sup>97</sup> The court found it relevant to point out that fiscal responsibility for the program in question had long rested with the county and not with the state.<sup>98</sup> In the instant case, counties have similarly had sole fiscal responsibility for LAFCOs since their inception.<sup>99</sup>

With regard to definitions peculiar to subvention analysis, the *San Jose* court stated:

More importantly, in analyzing a question involving reimbursement under section 6, the definitions contained in California Constitution, article XIII B and in the legislation enacted to implement it must be deemed controlling. Article XIII B treats cities and counties alike as "local government." Under section 8, subdivision (d), this term means "any city, county, city and county, school district, special district, authority or other political subdivision of or within the state." Furthermore, Government Code section 17514 defines "costs mandated by the state" to mean any increased costs that a "local agency" or school district is required to incur. "Local agency" means "any city, county, special district, authority, or other political subdivision of the state." (Gov. Code § 17518.) Thus for purposes of subvention analysis, it is clear that counties and cities were intended to be treated alike as part of "local government"; both are considered local agencies or political subdivisions of the State. Nothing in

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<sup>94</sup> *City of San Jose, supra*, 45 Cal.App.4<sup>th</sup> 1802, page 1806.

<sup>95</sup> *Id.* at 1812.

<sup>96</sup> *Id.* at 1814.

<sup>97</sup> *Ibid.*

<sup>98</sup> *Id.* at 1815.

<sup>99</sup> Former Government Code sections 54771 (Stats. 1963, ch.1810), 54776 (Stats. 1965, ch.587), and 54776.1 (Stats. 1969, ch. 1301).

article XIII B prohibits the sifting of costs between local governmental entities.<sup>100</sup>

Since the definitions for "local government" in the Constitution and "local agency" in the Government Code also include "special districts," the same principles apply here. Therefore, a shift of funding from a county to a special district is likewise not subject to state subvention. Accordingly, any independent special districts' share of costs to fund a LAFCO does not mandate a "new program or higher level of service" within the meaning of article XIII B, section 6.

Costs Paid to LAFCO for Reviewing District's Component of Municipal Service Review

There is no requirement in statute, nor is there any other evidence in the record, to support claimant's assertion that the independent special district is required by the state to pay the LAFCO for reviewing its component of the municipal service review. Any such requirement would have been established by the LAFCO itself, not the state via the test claim statutes. Therefore, the alleged costs do not result from a state-mandated "new program or higher level of service" within the meaning of article XIII B, section 6.

Gather and Provide Information to the LAFCO for Sphere of Influence Review and Municipal Service Review (Gov. Code, §§ 56425, 56426.5 and 56430; Municipal Service Review Guidelines and Appendices)<sup>101</sup>

Claimant asserts that various activities are required of independent special districts when the LAFCO conducts a sphere of influence review or a municipal service review, as set forth in Government Code sections 56425, 56426.5 and 56430, as well as the Municipal Service Review Guidelines and Appendices, resulting in a reimbursable state-mandated program being imposed on independent special districts. However, staff finds that, based on the plain language of the test claim statutes, with one exception addressed below, the claimed activities are *not* imposed on independent special districts, but rather on the LAFCO itself. Moreover, as discussed further below, the Municipal Service Review Guidelines and Appendices, to the extent that they do address special districts, do not meet the definition of "executive order" found in Government Code section 17516, since they do not "order" special districts to do anything.

Staff finds that only the following provisions are relevant in analyzing whether there are any activities required of independent special districts in a sphere of influence review or municipal service review.

Government Code section 56425, subdivision (f), as enacted by the test claim statutes, states the following:

(f) Upon determination of a sphere of influence, the [LAFCO] shall adopt that sphere, and shall review and update, as necessary, the adopted sphere not less than once every five years.

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<sup>100</sup> *Id.* at 1815.

<sup>101</sup> Claimant mentioned Government Code section 56820.5 in the narrative of the test claim with regard to information the LAFCO requires of districts. However, claimant did not *specifically* plead the section, and, therefore, staff makes no findings with regard to it.

Pre-existing law required LAFCOs to “develop and determine the sphere of influence of each local governmental agency within the county”<sup>102</sup> and, upon determination of a sphere of influence, the LAFCO was required to adopt the sphere and periodically review and update the adopted sphere.<sup>103</sup> Although this review must now occur every five years, it is the LAFCO that is required to review and update the sphere of influence. Thus, the plain language of this provision does not mandate any activities on independent special districts.

Government Code section 56425, subdivision (h),<sup>104</sup> as enacted by the test claim statutes, states the following:

- (h) For any sphere of influence or a sphere of influence that includes a special district, the [LAFCO] shall do all of the following:
- (1) Require existing districts to file written statements with the LAFCO specifying the functions or classes of service provided by those districts.
  - (2) Establish the nature, location, and extent of any functions or classes of service provided by existing districts.
  - (3) Determine that, except as otherwise authorized by the regulations, no new or different function or class of service shall be provided by any existing district, except upon approval by the LAFCO.

Based on the plain language of this provision, only subdivision (h)(1) requires *special districts* to do anything. Subdivision (h)(1) requires the LAFCO to require special districts to provide specified information. The plain language of subdivisions (h)(2) and (h)(3) do not mandate any activities on independent special districts.

The prior law authorized LAFCOs to adopt, amend or repeal regulations affecting the functions and services of special districts, including the ability to enact regulations to require existing districts to file written statements with the LAFCO specifying the functions or classes of service provided by those districts.<sup>105</sup> Because of this prior law, the Department of Finance states that LAFCOs had pre-existing statutory authority to require information of local agencies. Staff agrees, but notes that *having authority* to require the information be provided by existing districts is not the same as *being required* to require the information. The pre-existing statutory authority gave LAFCOs discretion as to whether to enact regulations to require the information. Here, as a result of enacting subdivision (h)(1), it is the *state* that has made the decision to require the LAFCO to require existing districts to provide the information.<sup>106</sup>

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<sup>102</sup> Government Code section 56425, subdivision (a), as enacted by Statutes 1985, chapter 541.

<sup>103</sup> Government Code section 56425, subdivision (b), as enacted by Statutes 1985, chapter 541.

<sup>104</sup> Government Code section 56425, subdivision (h), as enacted by Statutes 2000, chapter 761, was subsequently renumbered to section 56425, subdivision (i), by Statutes 2005, chapter 347.

<sup>105</sup> Government Code section 56451, subdivision (b), as enacted by Statutes 1985, chapter 541.

<sup>106</sup> *San Diego Unified School Dist.*, *supra*, 33 Cal.4<sup>th</sup> at 880, found that a provision in the Education Code constituted a state mandate, “in that it establishes conditions under which the

Hence, the activity of a special district filing written statements to the LAFCO, which specify the functions or classes of service provided by the district, is state-mandated. The activity was authorized but not required by the pre-existing statutory scheme. Furthermore, the activity provides an enhanced service to the public by improving the process for ensuring orderly growth and development in California and efficiently extending governmental services.<sup>107</sup> Therefore, this activity mandates a "new program or higher level of service" within the meaning of article XIII B, section 6 of the California Constitution.

Government Code section 56426.5 was not amended by the test claim statutes. The section, as it existed when the test claim was filed, addressed spheres of influence affected by city incorporations or reorganizations that included city incorporations. Although the test claim statutes incorporated the section by reference into section 56430, subdivision (d), section 56426.5 does not mandate any activities on independent special districts.

Section 56430, as enacted by the test claim statutes, states the following:

(a) In order to prepare and to update spheres of influence in accordance with section 56425, the [LAFCO] shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the [LAFCO]. The [LAFCO] shall include in the area designated for service review the county, the region, the subregion, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to each of the following:

- (1) Infrastructure needs or deficiencies.
- (2) Growth and population projections for the affected area.
- (3) Financing constraints and opportunities.
- (4) Cost avoidance opportunities.
- (5) Opportunities for rate restructuring.
- (6) Opportunities for shared facilities.
- (7) Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers.
- (8) Evaluation of management efficiencies.
- (9) Local accountability and governance.

(b) In conducting a service review, the [LAFCO] shall comprehensively review all of the agencies that provide the identified service or services within the designated geographic area.

(c) The [LAFCO] shall conduct a service review before, or in conjunction with, but no later than the time it is considering an action to establish a sphere of influence in accordance with Section 56425 or Section 56426.5 or to update a sphere of influence pursuant to Section 56425.

...

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state, rather than local officials, has made the decision requiring a school district to incur the costs ..."

<sup>107</sup> Government Code sections 56001 and 56301.

The plain language of this section does not mandate any activities on independent special districts.

With regard to the Municipal Service Review Guidelines and Appendices, as the Department of Finance notes, these documents do not have the force of law. Government Code section 17516 defines executive order as “any order, plan, requirement, rule or regulation” issued by the Governor, any officer or official serving at the pleasure of the Governor, or any agency, department, board, or commission of state government. Government Code section 56430, subdivision (d), states:

(d) Not later than July 1, 2001, the Office of Planning and Research, in consultation with [LAFCOs], the California Association of Local Agency Formation Commissions, and other local governments, shall prepare guidelines for the service review to be conducted by [LAFCOs] pursuant to this section.

The Executive Summary of the Guidelines states the following:

Existing law requires OPR to prepare guidelines, not regulations. This document should therefore be considered advisory and not regulatory. ...

This document provides general guidance. LAFCOs may need to modify these recommendations to reflect local conditions, circumstances and types of services which are being reviewed. ...

Throughout the Guidelines, OPR has identified those actions which are required by law and those where OPR recommends a particular process or policy when undertaking the municipal service review.

The Guidelines do not order independent special districts to engage in any activities. The Appendices to the Municipal Service Review support the Guidelines and likewise do not order special districts to engage in any activities. Thus, the Guidelines and Appendices are not “executive orders” pursuant to Government Code section 17516, and are not subject to article XIII B, section 6.

In summary, the only activity that mandates a “new program or higher level of service” in an existing program on independent special districts is set forth in Government Code section 56425, subdivision (h)(1), subsequently renumbered to subdivision (i)(1). This subdivision requires special districts to file written statements to the LAFCO specifying the functions or classes of service provided by the district, when the LAFCO prepares or updates a sphere of influence. However, only those independent special districts that are subject to article XIII B, section 6 – i.e., those districts that, because of their funding, are not excluded from the spending limits pursuant to article XIII B, section 9, subdivision (c) – are eligible claimants.

**Issue 3: Do the test claim statutes or alleged executive orders impose “costs mandated by the state” within the meaning of article XIII B, section 6 of the California Constitution and Government Code section 17514?**

For the mandated activity in Government Code section 56425, subdivision (h)(1), to impose a reimbursable, state-mandated program, two additional elements must be satisfied. First, the activities must impose costs mandated by the state pursuant to Government Code section

17514. Second, the statutory exceptions to reimbursement listed in Government Code section 17556 cannot apply.

Government Code section 17514 defines "costs mandated by the state" as any increased cost a local agency is required to incur as a result of a statute that mandates a new program or higher level of service. The claimant alleged in the test claim in excess of \$20,000 to provide to the LAFCO the information required for a municipal service review. Thus, there is evidence in the record, signed under penalty of perjury, that there are increased costs for the mandated activity.

For the reasons stated below, staff finds that none of the statutory exceptions to reimbursement listed in Government Code section 17556 are applicable to deny the test claim.

The Department of Finance states that LAFCOs have existing fee authority that may be used to cover their operating costs. The Department further states that, to the extent that LAFCOs elect to make use of this authority, LAFCO members would be relieved of the need to contribute toward the LAFCO's annual budget. Moreover, many independent special districts, including Sacramento Metropolitan Fire District, have fee authority for specified purposes.

Government Code section 17556 states that:

The commission shall not find costs mandated by the state, as defined in Section 17514, in any claim submitted by a local agency ..., if, after a hearing, the commission finds that:

... (d) The local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the mandated program or increased level of service.

Although some independent special districts have the ability to levy service charges or fees, the question here is whether the claimant has authority to levy service charges or fees that can be used to pay for the mandated activity of filing written statements to the LAFCO specifying the functions or classes of service provided by the district, and, if so, whether those fees are sufficient to pay for that mandated activity.

The authority to charge fees or service charges varies by special district, and fire districts have authority to charge fees for specified services.<sup>108</sup> Additionally, the LAFCOs themselves have authority to charge fees for certain services or "costs of proceedings" before the LAFCO.<sup>109</sup> These fees are limited, however, to the costs of providing the specified services, pursuant to Government Code section 66016. More importantly, there are no fees authorized for the *purpose* of the mandated activity of filing written statements to the LAFCO. Therefore, this exception does not apply to deny the test claim.

### Conclusion

Staff finds that Government Code section 56425, subdivision (h)(1) (subsequently renumbered to subdivision (i)(1)), mandates a "new program or higher level of service" in an existing program, in that it requires special districts to file written statements with the LAFCO

<sup>108</sup> Health and Safety Code section 13146, subdivision (e).

<sup>109</sup> Government Code section 56383.

specifying the functions or classes of service provided by those districts, when the LAFCO prepares or updates a sphere of influence. Furthermore, the provision imposes costs mandated by the state pursuant to Government Code section 17514 and article XIII B, section 6.

Therefore, the activity constitutes a reimbursable state-mandated program within the meaning of article XIII B, section 6 of the California Constitution. Only those independent special districts that are subject to article XIII B, section 6 – i.e., those districts that, because of their funding, are not excluded from the spending limits pursuant to article XIII B, section 9, subdivision (c) – are eligible claimants. The reimbursement period begins July 1, 2001.

Staff concludes that Government Code section 56001 declares legislative findings and is helpful to interpret the test claim statutes, but does not mandate any activities. Staff further concludes that Government Code sections 56326.5, 56381, 56381.6, 56425 (except subdivision (h)(1), subsequently renumbered to subdivision (i)(1)), 56426.5, and 56430, and the Municipal Service Review Guidelines and Appendices developed by OPR, as pled, along with any other test claim statutes, guidelines and allegations not specifically approved above, do not mandate a new program or higher level of service subject to article XIII B, section 6.

#### **Recommendation**

Staff recommends the Commission adopt this analysis to partially approve the test claim.





Commission on State Mandates

Original List Date: 6/18/2003  
List Updated: 7/19/2006  
List Print Date: 06/28/2007  
Claim Number: 02-TC-23  
Issue: LAFCO

Mailing Information: Draft Staff Analysis

Mailing List

TO ALL PARTIES AND INTERESTED PARTIES:

Each commission mailing list is continuously updated as requests are received to include or remove any party or person on the mailing list. A current mailing list is provided with commission correspondence, and a copy of the current mailing list is available upon request at any time. Except as provided otherwise by commission rule, when a party or interested party files any written material with the commission concerning a claim, it shall simultaneously serve a copy of the written material on the parties and interested parties to the claim identified on the mailing list provided by the commission. (Cal. Code Regs., tit. 2, § 1181.2.)

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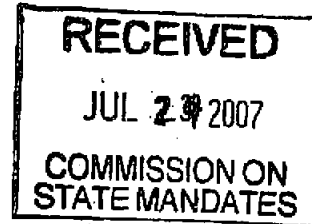


DEPARTMENT OF  
**FINANCE**  
OFFICE OF THE DIRECTOR

ARNOLD SCHWARZENEGGER, GOVERNOR  
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

July 19, 2007

Ms. Paula Higashi  
Executive Director  
Commission on State Mandates  
980 Ninth Street, Suite 300  
Sacramento, CA 95814



Dear Ms. Higashi:

As requested in your letter of June 28, 2007, the Department of Finance has reviewed the draft staff analysis of Claim No. CSM- 02-TC-23 "Local Agency Formation Commissions – LAFCO."

Consistent with our July 18, 2003 comments that the test claim statute may have resulted in costs mandated by the state, we concur with the staff analysis finding that filing written statements with the LAFCO specifying the functions or classes of service provided by a special district, when the LAFCO prepares or updates a sphere of influence, is a reimbursable state mandate. Prior to the enactment of the test claim statute, special districts were not expressly required to file written statements with the LAFCO.

As required by the Commission's regulations, we are including a "Proof of Service" indicating that the parties included on the mailing list which accompanied your June 28, 2007 letter have been provided with copies of this letter via either United States Mail or, in the case of other state agencies, Interagency Mail Service.

If you have any questions regarding this letter, please contact, Carla Castañeda, Principal Program Budget Analyst at (916) 445-3274.

Sincerely,

Thomas E. Dithridge  
Program Budget Manager

Attachments

Attachment A

DECLARATION OF  
DEPARTMENT OF FINANCE  
CLAIM NO. CSM-02-TC-23

1. I am currently employed by the State of California, Department of Finance (Finance), am familiar with the duties of Finance, and am authorized to make this declaration on behalf of Finance.

I certify under penalty of perjury that the facts set forth in the foregoing are true and correct of my own knowledge except as to the matters therein stated as information or belief and, as to those matters, I believe them to be true.

July 19, 2007  
at Sacramento, CA

Carla Castañeda  
Carla Castañeda

PROOF OF SERVICE

Test Claim Name: Local Agency Formation Commissions - LAFCO  
Test Claim Number: CSM-02-TC-23

I, the undersigned, declare as follows:

I am employed in the County of Sacramento, State of California, I am 18 years of age or older and not a party to the within entitled cause; my business address is 915 L Street, 12 Floor, Sacramento, CA 95814.

On July 19, 2007, I served the attached recommendation of the Department of Finance in said cause, by facsimile to the Commission on State Mandates and by placing a true copy thereof: (1) to claimants and nonstate agencies enclosed in a sealed envelope with postage thereon fully prepaid in the United States Mail at Sacramento, California; and (2) to state agencies in the normal pickup location at 915 L Street, 12 Floor, for Interagency Mail Service, addressed as follows:

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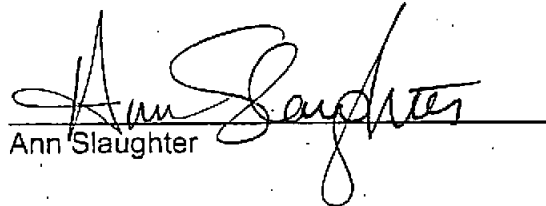
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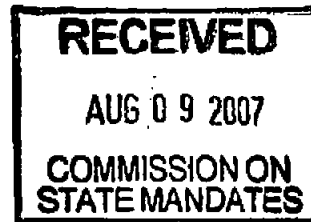
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On I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on July 19, 2007, at Sacramento, California.

  
Ann Slaughter

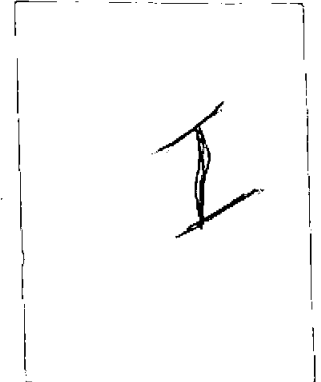


## RESPONSE TO DRAFT STAFF ANALYSIS

Chapter 439, Statutes of 1991  
 Chapter 761, Statutes of 2000  
 Chapter 493, Statutes of 2002  
 LAFCO Municipal Services Review Guidelines  
 LAFCO Municipal Services Review Guidelines Appendices

Claim no. 02-TC-23

*Local Agency Formation Commission (LAFCO)*



### INTRODUCTION:

Test claimant Sacramento Metropolitan Fire District (hereinafter "District") submits the following in response to the Draft Staff Analysis issued by Commission staff on June 28, 2007. Having found that the District is a proper claimant, the Draft Staff Analysis concludes that only part of the program is reimbursable leaving the debate centering around the following issue:

**Do the test claim statutes or alleged executive orders mandate a "new program or higher level of service" within the meaning of article XIII B, section 6 of the California Constitution?**

Staff answers the above question partially in the negative concluding that, with regard to certain activities, participation in the LAFCO is optional and thus there is no reimbursable state mandate. Staff applies its logic inconsistently and without following the logic to its rational conclusion resulting in the exclusion of certain state-mandated activities from reimbursement. The District takes this opportunity to provide a more balanced picture.

### Analysis

1. Staff Fails to Properly Analyze Statutes and Apply Case Law to Support the Finding of a Mandate.

A. The Legislation Mandates the Participation of Two Special Districts.

As thoroughly explained by Staff in its analysis, the law prescribes a particular formula for the members of the Sacramento County LAFCO. Subdivision (d) of Government Code section 56326.5 sets forth that two members must be from special districts as selected by an independent special district selection committee. Staff finds that this is not a mandatory provision upon any particular special district. That is to say, because the statute leaves it open for a committee to determine which districts will participate, there is no mandate. Staff then goes on to apply the rules that govern practical compulsion. Staff's dismissal of the mandate, however, is too hasty; and the discussion of practical compulsion, unnecessary.

In looking at the legislation and its use of the term "shall", there is clearly a mandate that two special districts participate as members of the LAFCO. The issue is whether the fact that the group of districts from which to choose is larger than two negates the mandate. District argues it does not. Even if each district in turn makes the voluntary decision not to participate, eventually some district will be forced to become a member. As President Truman understood, the buck cannot be continually passed; it must stop somewhere. And, when it stops, there lies legal compulsion, not practical compulsion.

Staff extends this analysis by noting that the choice as to which two special districts are members lies in the hands of a committee, thus the voluntary decision of the committee further strains applicability of the mandate. This analysis, however, does not ring true. The use of the committee is merely a mechanism by which the members are selected. The committee is not empowered to force the participation of a special district, and, use of this mechanism does not change the mandatory language of the statute that ensures that two special districts must be members of the LAFCO.

B. Representation on the Selection Committee is Mandated For All.

In the vein as that stated above, the law prescribes the use of a particular committee for the selection of the special district members of the Sacramento County LAFCO. Subdivision (d) of Government Code section 56326.5 sets forth that two members must be from special districts as selected by an independent special district selection committee, which, in turn, is controlled by Government Code section 56332. This section sets forth the constituents of the committee in subdivision (a), stating that the "committee shall consist of the presiding officer of the legislative body of each independent special district...." The subdivision goes on to state the voting rights of these committee members and that a majority constitutes a quorum. Staff points to the word "consist" finding that use of that term does require the participation of the members. Having found no legal compulsion, Staff continues down this precarious path to conclude that there is no practical compulsion to participate since only 34 districts are needed for a quorum. Staff's logic contorts the mandatory language of the statute into a nullity which cannot stand: The law neither does nor requires idle acts.<sup>1</sup>

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<sup>1</sup> Civil Code section 3532.



This Commission is often faced with the question of whether a jurisdiction has acted, that is, made a voluntary decision to negate the existence of a mandate. Oftentimes, Staff turns to the guidance provided by the Supreme Court in *Kern High School District*<sup>2</sup>, as it has done in this case. And so this Commission is left to contemplate “draconian consequences”<sup>3</sup> and “certain and severe ... penalties”<sup>4</sup>. Yet, clearer guidance exists in a more recent Supreme Court decision. In *San Diego Unified School District v. Commission on State Mandates*<sup>5</sup>, the Court instructs the Commission on how to analyze the issue of voluntariness:

Upon reflection, we agree with the District and amici curiae that there is reason to question an extension of the holding of *City of Merced* so as to preclude reimbursement under article XIII B, section 6 of the state Constitution and Government Code section 17514, whenever an entity makes an initial discretionary decision that in turn triggers mandated costs. Indeed, it would appear that under a strict application of the language in *City of Merced*, public entities would be denied reimbursement for state-mandated costs in apparent contravention of the intent underlying article XIII B, section 6 of the state Constitution and Government Code section 17514 and contrary to past decisions in which it has been established that reimbursement was in fact proper. For example, as explained above, in *Carmel Valley, supra*, 190 Cal.App.3d 521, an executive order requiring that county firefighters be provided with protective clothing and safety equipment was found to create a reimbursable state mandate for the added costs of such clothing and equipment. (*Id.*, at pp. 537-538.) The court in *Carmel Valley* apparently did not contemplate that reimbursement would be foreclosed in that setting merely because a local agency possessed discretion concerning how many firefighters it would employ — and hence, in that sense, could control or perhaps even avoid the extra costs to which it would be subjected. Yet, under a strict application of the rule gleaned from *City of Merced, supra*, 153 Cal.App.3d 777, such costs would not be reimbursable for the simple reason that the local agency’s decision to employ firefighters involves an exercise of discretion concerning, for example, how many firefighters are needed to be employed, etc. We find it doubtful that the voters who enacted article XIII B, section 6, or the Legislature that adopted Government Code section 17514, intended that result, and hence we are reluctant to endorse, in

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<sup>2</sup> *Department of Finance v. Commission on State Mandates (Kern High School Dist.)* (2003) 30 Cal.4th 727.

<sup>3</sup> *Id.* at 754.

<sup>4</sup> *Ibid.*

<sup>5</sup> (2004) 33 Cal.4th 859.

this case, an application of the rule of *City of Merced* that might lead to such a result.<sup>6</sup>

Staff may point out that they are not using the *City of Merced* case: But is this not the same argument? Just as the Court notes that the jurisdiction can control costs by not hiring firefighters, here the Staff argues that the special districts can control costs by not participating in the LAFCO. As the Court concludes: Such argument is folly. The statute is clear that each presiding officer of an independent special district is a member of the selection committee. As the Court would see it: The intended result being that members would participate in the actions and meetings of the committee. Staff's argument defies both reason and the Supreme Court.

2. The Mandated New Services Did Not Result in a Local-to-Local Shift of Costs.

Government Code sections 56381 and 56381.6 set forth the apportionment of the LAFCO budget to the various entities that lie within each LAFCO's jurisdictional boundaries. Staff explains that, under prior law, the county was responsible for the LAFCO budget costs. Staff, then, dismisses the claim by District that its portion of the LAFCO costs are mandated by noting that the shift in costs comes not from the state, but instead from the county. Such shifting from one local governmental entity to another was found not to be a mandate under *City of San Jose*.<sup>7</sup> Although Staff got the holding of the case correct, the different set of facts in the instant case makes *City of San Jose* inapplicable.

The court in *City of San Jose* was looking at a statute that reallocated jail booking fees. Prior to the legislation, the county had borne the costs. Under the new statutory scheme, all those who made use of the jail would be charged a fee. The court found that a mere new cost did not merit reimbursement under article XII B, section 6. Indeed, other case law supports this court's analysis; insisting upon a higher level of service to accompany the new cost.<sup>8</sup> And, unlike the situation faced by San Jose, that is the case here.

As explained by Staff, the scope and authority of LAFCO has been expanding.<sup>9</sup> Through the Cortese-Knox Local Government Reorganization Act, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, and subsequent legislation, the members of LAFCO have been providing an increasing higher level of service. It is these services that have resulted in new costs. Under a strict application of article XIII B, section 6, these costs meet the test and are reimbursable. The fact that this higher level of service and associated costs have been spread amongst many new claimants is not relevant. The legislation required a higher level of service and then established the manner in which the costs from the services are to be paid.

3. Special Districts Must Participate in LAFCO Reviews.

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<sup>6</sup> *Id.* at 485-486.

<sup>7</sup> *City of San Jose v. State of California* (1996) 45 Cal.App.4th 1802.

<sup>8</sup> *San Diego Unified School District, supra*, at 877.

<sup>9</sup> See Draft Staff Analysis at 3-8 for a more complete discussion.

As noted above, Staff explains the expanding scope of LAFCO which includes, in Government Code sections 56425 and 56430, the determination of spheres of influence, service reviews and updates that must be performed by LAFCO. Staff counters assertions by District that these statutes result in mandated activities and costs by pointing out that the mandatory language imposes a duty only upon LAFCO. Again, Staff's analysis fails to account for the real world application of the law and the intended result of its creators.

For LAFCO to "conduct service reviews of the municipal services provided in the county" and to "comprehensively review all of the agencies that provide...services", it requires the co-operation of those entities. The participation of District in these reviews is not a voluntary act<sup>10</sup>: It is mandated upon District as it is upon LAFCO. To hold otherwise is to void the purpose of the law.

Finally, although Staff agrees that Government Code section 56425, subdivision (h) does mandate activities on District with regard to spheres of influence, Staff was silent as to whether this includes the updates that are necessary for the reviews by LAFCO under section 56425, subdivision (f). District requests that this be specifically included as part of its duties under subdivision (h).

**CONCLUSION:**

Based on the preceding arguments, District urges the Commission to find that the LAFCO program, as set forth above, is a reimbursable state mandate under Article XIII B, section 6 of the California Constitution.

---

<sup>10</sup> See discussion, *supra*, at section 1.B.

CERTIFICATION

I declare under penalty of perjury under the laws of the State of California that the statements made in this document are true and correct, except as to those matters stated upon information and belief and as to those matters, I believe them to be true.

Executed this 9<sup>th</sup> day of August, 2007, at Sacramento, California, by:

A handwritten signature in cursive script, reading "David M. Baltzell", written over a horizontal line.

David M. Baltzell  
Assistant Chief  
Sacramento Metropolitan Fire District

PROOF OF SERVICE BY MAIL

I, the undersigned, declare as follows:

I am a resident of the County of Sacramento, and I am over the age of 18 years and not a party to the within action. My place of employment is 4320 Auburn Blvd., Suite 2000, Sacramento, CA 95841.

On August 10, 2007, I served:

**RESPONSE TO DRAFT STAFF ANALYSIS**

Chapter 439, Statutes of 1991  
Chapter 761, Statutes of 2000  
Chapter 493, Statutes of 2002  
LAFCO Municipal Services Review Guidelines  
LAFCO Municipal Services Review Guidelines Appendices

Claim no. 02-TC-23

*Local Agency Formation Commission (LAFCO)*

by placing a true copy thereof in an envelope addressed to each of the persons listed on the mailing list attached hereto, and by sealing and depositing said envelope in the United States mail at Sacramento, California, with postage thereon fully prepaid.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed this 10 day of August, 2007, at Sacramento, California.



Declarant

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# Growth Within Bounds

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## Planning California Governance for the 21st Century

*Report of the*  
Commission on Local Governance  
for the 21st Century

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Susan Golding, *Chair*  
Ruben Barrales, *Vice-Chair*  
Jacqueline Bacharach  
Marian Bergeson  
Patricia Clarke  
Cody Cluff  
Michael Colantuono  
Robert Hunt  
Nicholas Petris  
Timothy Raney  
Carolyn Ratto  
William D. Ross  
John Schatz  
Larry Zarian



January 2000



# Commission on Local Governance for the 21st Century

1400 TENTH STREET, ROOM 206 • SACRAMENTO, CALIFORNIA 95812-3044  
916-322-9906 • FAX 916-322-9908 • WWW.CLG21.CA.GOV

Gray Davis  
GOVERNOR

January 2000

Dear Governor Davis and  
Members of the California Legislature:

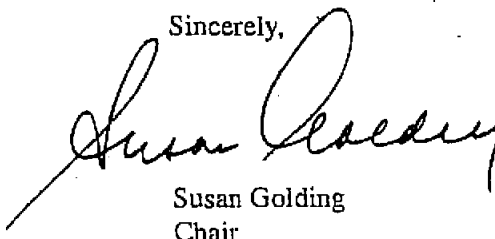
In 1997, AB 1484, authored by Assemblyman Robert Hertzberg and enacted as Chapter 943, established the Commission on Local Governance for the 21st Century. In August 1998, the Commission held its first meeting in Sacramento. I was honored to be elected Chair at that meeting. As our first order of business, plans were laid out and a timeline was adopted for completing a study on local governance in California.

The legislation directed the Commission to review current statutes and, where appropriate, recommend revisions to the laws that govern city, county, and special district boundary changes. My fellow commissioners and I believe this task cannot be undertaken in isolation. Consequently, we also looked at general governance issues that need to be addressed by the Legislature and Governor.

Over a period of 16 months, we held 25 days of public hearings throughout the state, heard testimony from more than 160 individuals and groups, received over 100 recommendations, and had nearly 90,000 visits to the commission's website, [www.cla21.ca.gov](http://www.cla21.ca.gov). Based upon this extensive input and our deliberations on the information received, we are pleased to present the attached report and recommendations. The report concludes with a strategic plan for its implementation. We urge you to adopt all of the actions recommended.

It is our goal that this report bring about reforms to governance in California and help make California government more accessible, responsive, and transparent to the people who support it and depend upon it. We thank you for this opportunity to serve the people of California.

Sincerely,



Susan Golding  
Chair

Susan Golding  
CHAIR

Ruben Burreles  
VICE CHAIR

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Jacki Bucharach  
Marlan Bergeson  
Piercia Clarke  
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Nicholas Petris  
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William Ross  
John Schatz  
Larry Zarian

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Mayor, City of San Diego  
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President, Joint Venture Silicon Valley  
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## Acknowledgments

The Commission on Local Governance for the 21st Century would like to acknowledge and thank the many individuals whose contributions were so important to this report. Collectively, the Commission heard testimony from over 160 individuals representing state and local government, businesses, non-profit organizations, and the public.

The Commission appreciates the support of Assemblyman Robert Hertzberg, the author of the legislation that created the Commission, and Christopher Carlisle, Assemblyman Hertzberg's Legislative Director.

We appreciate the help and energy given by Mike Gotch, former Executive Director, and S.R. Jones, Executive Officer of California Local Agency Formation Commission (CALAFCO). Their contributions were essential to understanding LAFCOs statewide. LAFCO members and officers throughout the state graciously provided information about LAFCO operations and assistance with meeting logistics. At the risk of omitting an important contributor, special thanks is extended to: Jim Colangelo (Monterey), Dana Smith (Orange), George Spilliotis (Riverside), Jim Roddy (San Bernardino), Michael Ott and Shirley Anderson (San Diego), Autumn Arias (Santa Clara), Patrick McCormick (Santa Cruz), Julie Howard (Shasta), and Bob Braitman (Ventura).

The following individuals were also instrumental in advising the Commission on local governance issues: Peter Detwiler, Chief Consultant, California State Senate Local Government Committee; Hugh Bower, former Consultant, Assembly Local Government Committee; Dan Carrigg, Legislative Representative, League of Cities; Pat Leary, Legislative Representative, California State Association of Counties; Catherine Smith, Executive Director, California Special Districts Association; and Robert Reeb, Legislative Director, Association of California Water Agencies.

Other individuals like: Fred Silva, Visiting Policy Analyst, Public Policy Institute of California; Nancy Lyons, Deputy Executive Director, Little Hoover Commission; Paul Antilla, Deputy Legislative Counsel, Office of Legislative Counsel; Pedro Reyes, Principal Program Budget Analyst, Department of Finance; Holly King, Agricultural Programs Manager, Great Valley Center; and Erik Vink, California Field Director, American Farmland Trust were of great assistance throughout the life of the Commission. Vital to the final production were Kathy Mitchell and Dave Dickey of the Office of State Publishing. An unsung hero, OPR graphic artist Bill McGuire, contributed long hours and Herculean efforts to complete the graphics and layout under intense time pressures.

Perhaps most helpful to the Commission, were the real life experiences provided by the numerous LAFCO representatives, local government officials, and individual citizens who testified before the Commission. A complete list of all of the individuals can be found in Appendix B.

Report of the Commission on Local Governance for the 21st Century

# Growth Within Bounds: Planning California Governance for the 21st Century

## Executive Summary



Throughout the world, California symbolizes success, achievement, and prosperity. We are the incubator of many of today's leading industries, including entertainment, aerospace, computer and communications technology, and genetic engineering. California has been the nation's leading agricultural producer for five decades, despite having only three percent of the nation's farmland. The Golden State is the premier destination point worldwide for vacationers, business people, and those seeking a better life.

As California enters a new millennium, we find ourselves at a crossroads. Faced with surging growth, dynamic change, and greater diversity than the world has ever known, the time is right for California to set to a new course. We must start by examining the system of governance (the way that government is organized and operates) and we must establish a vision of how the state will grow. As a state, we need to ask ourselves if our existing system can carry us for another century.

Recognizing the challenges facing California governance in the 21st Century, the State Legislature in 1997 enacted AB 1484 (Hertzberg), establishing the Commission on Local Governance for the 21st Century ("Commission"). The Commission was asked to assess governance issues and make appropriate recommendations, directing special attention to the Cortese-Knox Local Government Reorganization Act of 1985, the 57 local agency formation commissions (LAFCOs) governed by the Act, and citizen participation in local government.

Our current institutions of government were designed when our population was much smaller and our society was less complex. The Commission believes that it has taken an

important first step towards managing and visualizing the future role of government. The Commission's report and recommendations are intended to provide new tools to enable California to cope with growth in a rational manner, in part by making better use of the often invisible LAFCOs in each county. We have also worked to improve the procedural framework outlined in the Local Government Reorganization Act which should assist Californians in organizing more coherent governmental entities.

The Commission, however, recognizes that time constraints prevented a more thorough analysis of other critical issues. We are particularly concerned over the lack of coordination and accountability for many governmental services. The Commission believes that a complete reexamination is warranted of the fundamental structure of governance in California. The Legislature should commission a task force to undertake this responsibility, or extend the term of the Commission on Local Governance for the 21st Century.

The task of investigating future local governance options is formidable and must include a fundamental assessment of the functions performed by cities, counties, special districts, and regional agencies. Any excessive fragmentation of government services among numerous, inefficient, or overlapping providers must be discouraged; and effective, efficient, and easily understandable local government must be encouraged. Nevertheless, the scale of public institutions and the growing complexity of the services they provide must also be considered. As local agencies grow and reorganize, means must be found to empower neighborhoods and individuals and to re-engage them in determining the shape of their communities in the

*Faced with surging growth, dynamic change, and greater diversity than the world has ever known, the time is right for California to set a new course.*

*Local governments struggle to provide essential services and have little latitude to adjust resources to match priorities.*

future. Local government institutions need to be (1) small enough to be accessible; (2) large enough to be effective and efficient (economies of scale need to be recognized); and (3) adaptable enough to remain accountable while serving diverse communities across the state.

Four points should be recognized in order to frame the debate about the future role of government:

1. **The future will be shaped by continued phenomenal growth.** If we fail to recognize, accept, and respond to this, we risk making California an unattractive place to live and work.
2. **California does not have a plan for growth.** If we stay the current course, we may one day wake up to discover a world marred by sprawling suburbs, expensive and overextended public services, a decimated agricultural industry, less open space, and fewer recreational opportunities. In a state that on the East Coast would cover all or part of a dozen states, there is no formal intermediate planning authority between the State and individual local governments.
3. **Local government budgets are perennially under siege.** Because of taxing and spending constraints enacted over the past two decades, local governments struggle to

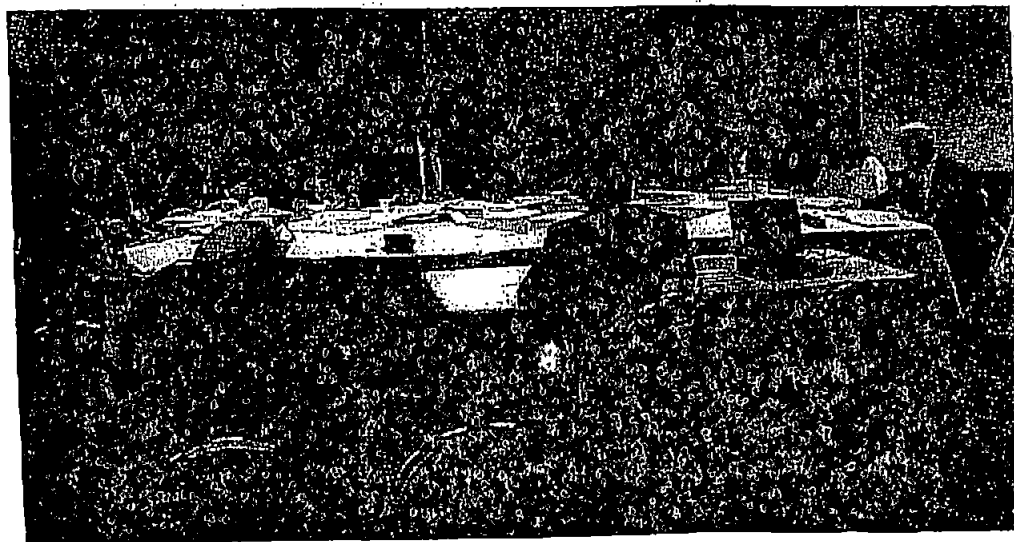
provide essential services and have little latitude to adjust resources to match residents' priorities.

4. **The public is not engaged.** Although there clearly is frustration with traffic gridlock and the high cost of housing, most Californians have little interest in the day-to-day functioning of government or preparing plans for future growth.

It was within this context that the Commission initiated its legislatively directed review "... of the current statutes, including, but not limited to, this division [the Local Government Reorganization Act], regarding the policies, criteria, procedures, and precedents for city, county, and special district boundary changes." To accomplish this task, the Commission held 25 days of public hearings throughout the state, receiving input from over 160 individuals and organizations. The Commission's Internet website, [www.clg21.ca.gov](http://www.clg21.ca.gov), received 90,000 "hits" between January and December 1999 and many visitors took advantage of the opportunity to submit questions and suggestions electronically. The Commission's report and recommendations are based upon this extensive input and the Commission's deliberations on the information received.

Fig. ES-1  
Meeting of the Commission  
on Local Governance for the  
21st Century

Staff photo



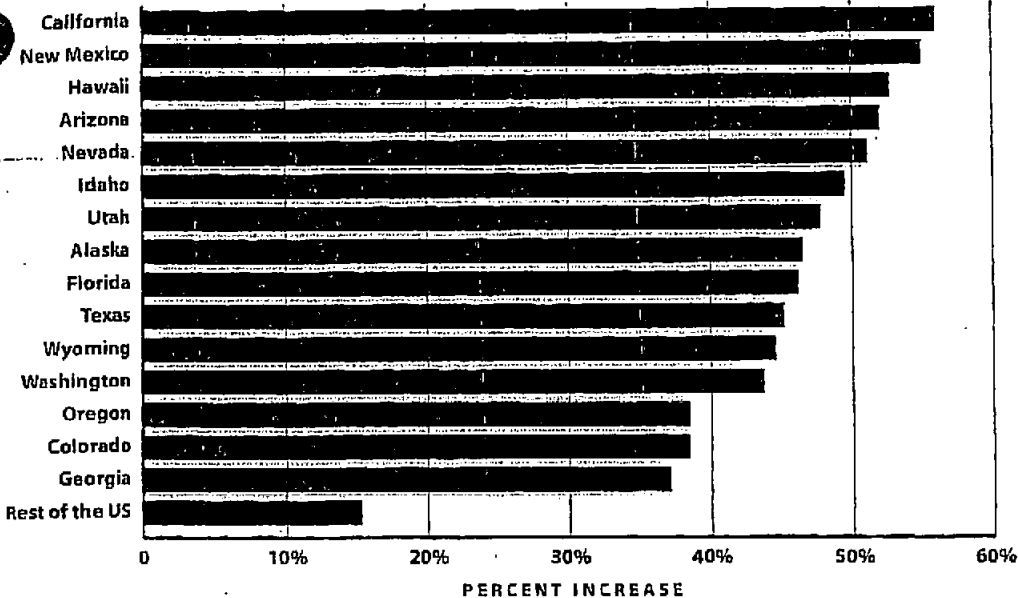


Fig. ES-2

### Projected California Population Growth Rate Compared to Other States 1995 Through 2025

SOURCE: U.S. Department of Commerce, Census Bureau, *Current Population Reports: Population Projections: States, 1995-2025*, May 1997.

## 21st Century Challenges to Local Government

Wave after wave of immigrants have poured into California since the Gold Rush, bringing about a steady increase in the state's population. This trend will continue well into the next century, but most new growth will be generated internally, through the natural increase of the existing population. Closing the gates will not solve the growth problem. By 2020, California will add 11 million people to its current population of over 34 million, then it will grow by another 13 million in the two decades that follow. This four decade gain will exceed the present populations of Texas or New York. According to the Census Bureau, California's rate of increase will exceed that of every other state, including those with much smaller population bases.

In the 21st Century, California will continue to be the most diverse civilization ever known to mankind. By 2040, more than two-thirds of the state's population will be non-Anglo, representing a multitude of national and ethnic extractions. Moreover, demographers believe that it will still be a relatively young population forty years from now, foreshadowing continued growth in the latter part of the century. This growth and diversity, fueling opportunity for the state's ever-present entrepreneurial penchant, should keep California's economy vibrant well into

the millennium. Unless, that is, failure to invest in education, infrastructure, and smart growth policies leads businesses to seek other locations.

While the immediate future looks bright for California's economy, it will present some real challenges to our longer-term resolve to maintain livable communities. Currently, there is no comprehensive strategy to determine how the burdens of growth will be shared, how resources benefiting more than one locality will be protected, and how necessary but locally undesirable facilities will be sited. As a result, farmland and open spaces continue to be swallowed up by sprawling suburban expansion. As development pushes ever outward from existing cities, expensive extensions and improvements will be needed for freeways, water and sewer lines, and other infrastructure. Job centers will become farther removed from the housing that supports them, leading to longer commutes, increased air pollution, and a more stressful lifestyle. At the same time, many contaminated former industrial sites near downtown areas lie abandoned due to the cost of cleaning them up.

The growth in the next century will present an unparalleled test for the local governments upon which we depend for essential public services and community leadership. Several barriers may hinder local governments' ability to deal with 21st Century

*There is no comprehensive strategy to determine how the burdens of growth will be shared.*

challenges, including the following:

- Local finance sources are unstable, uncertain, often inadequate, and subject to unpredictable revisions by the Legislature.
- Land use decisions are often made for reasons that have more to do with the finances of the local government than the land use needs of the local community, and some decisions may ultimately erode future quality of life.

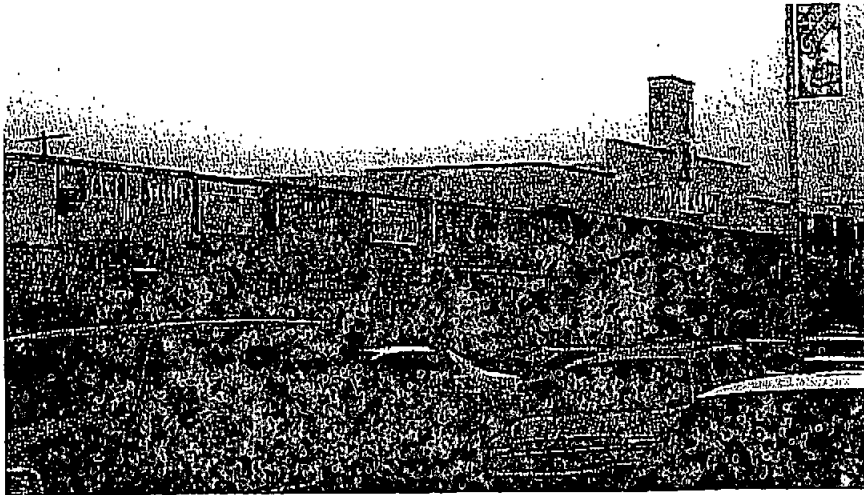


Fig. ES-3  
California encapsulates the  
world's diversity

Staff photo

- People are confused by the array of government agencies — 58 counties, 473 cities, about 1,800 dependent and 2,200 independent special districts, 800 jointly-controlled agencies, nearly 1,000 school districts. The mere numbers suggest potential cross-purpose efforts.
- Many voters and taxpayers feel alienated and are declining to become involved in the debate over public policy.
- The legal process that must be followed to restructure local government to meet these challenges has not been comprehensively revisited since 1963, and is commonly viewed as arcane, incomprehensible, and sometimes biased.

The Commission was specifically tasked with addressing only a portion of these problems, but with clear direction to look at governance broadly. The Commission believes that all of these issues are interrelated and demand a comprehensive solution. Most of the Commission's recommendations are directed toward reform of the state's 57 LAFCOs, the often invisible agencies that

review and approve city and special district boundary and service area changes in each county except San Francisco. Nevertheless, the Commission recognizes that LAFCOs, acting alone, can do little to transform the ability of California's local governments to address the pressures on planning and governance in the 21st Century. Consequently, broad recommendations are also provided regarding the necessity to reform the state-local fiscal balance, the need for the State and local governments to adopt smart growth policies, and ways to promote accessibility and understandability of government. Together, these recommendations comprise a blueprint for California's transition to the new millennium.

## Recommendations

The major recommendations below are composites of the specific individual proposals which follow them. A reference to the chapter in the report which discusses the concept more completely is indicated in parentheses. Additional suggested technical changes are included in the text of the report, but are not replicated here.

### ISSUE: REFORM OF LOCAL GOVERNMENT REORGANIZATION LAW

*Problem: Current procedures in the Local Government Reorganization Act were enacted prior to Proposition 13 and the extensive growth of the past 35 years. The law is a composite of three previous procedural statutes that were not substantially modified when combined, nor have they been since. Consequently, policies are often unclear and procedures are cumbersome and uncertain. Moreover, LAFCOs are viewed by many local officials as biased and non-responsive to local development needs.*

1. The Commission recommends that LAFCO policies and procedures be streamlined and clarified.

- The Cortese-Knox Act must be compre-



hensively reorganized and re-drafted to make procedures more consistent and easier to understand. (Chapter 3)

- Consistent procedures must be established for voter/land owner petitions to initiate a change of organization or reorganization. (Chapter 3)
- All LAFCOs must adopt written policies and procedures. (Chapter 3)
- LAFCO must be the conducting authority for all city and special district reorganization proceedings. (Chapter 3)
- New incorporations ought to be statutorily exempt from CEQA, since the new city must initially adopt the existing general plan and zoning ordinances of the county, or the city if incorporation is part of a special reorganization. Environmental impacts will not be encountered at the planning level until a new general plan is adopted. (Chapter 4)

**2. The Commission recommends that LAFCOs be neutral, independent, and provide balanced representation for counties, cities, and special districts.**

- Except for special statutory exceptions (Los Angeles, San Diego, Santa Clara, and Sacramento counties), a uniform membership selection scheme must apply to all LAFCOs as follows: 2 from counties, 2 from cities (except counties with no cities), 2 from special districts (if requested), and 1 public member, whose selection shall require an affirmative vote from at least one of the members from each selection authority. (Chapter 3)
- All LAFCOs must select their own executive officers and counsel, although LAFCOs may select county or other public employees for these roles. (Chapter 3)
- Conflict of interest and lobbying disclosure laws must apply to LAFCO members and staffs. (Chapter 3)
- LAFCOs must be funded jointly and equally by each appointing category. (Chapter 3)

**ISSUE: ORDERLY GROWTH AND RESOURCE PROTECTION**

*Problem: Urban sprawl persists and growth sometimes proceeds into areas where extension of services is inefficient, expensive, or ill-timed. Despite the policies and procedures of the Cortese-Knox Act, the loss of prime agricultural and open-space lands continues to occur at an alarming pace.*

**3. The Commission recommends strengthening LAFCO powers to prevent sprawl and ensure the orderly extension of government services.**

- Pre-zoning must be required for territory proposed to be annexed to a city to ensure clear knowledge of plans and potential impacts. (Chapter 4)
- LAFCO must be required to update spheres of influence at least once every five years. (Chapter 6)
- LAFCO approval must be required for extension of major "backbone" infrastructure to serve regionally significant development projects, whether in an incorporated or an unincorporated area. (Chapter 6)
- LAFCO must initiate periodic regional or sub-regional service reviews, not less frequently than every five years, to determine whether local government services are adequate. (Chapter 6)
- The current statutory provisions allowing unilateral termination of proceedings by special districts (annexations) and cities (detachments) must be rescinded, so that all proposals may be fully examined at a public hearing. Nevertheless, substantial weight must be afforded an objection by an affected city or special district. (Chapter 3)

**4. The Commission recommends that policies to protect agricultural and open space lands and other resources be strengthened.**

- A more precise definition of "prime agricultural lands" must be adopted. (Chapter 6)

*LAFCOs, acting alone, can do little to address the pressures on planning and governance in the 21st Century.*

*Land use decisions are sometimes made for reasons that have more to do with finances than the land use needs of the local community.*

- When making a decision, LAFCO must consider urban limit lines, densities, in-fill opportunities, and regional growth goals and policies. (Chapter 6)
- LAFCO must be prohibited from approving a proposal that might lead to development of prime agricultural or open-space lands if a feasible alternative exists. (Chapter 6)
- Water supply considerations must be integrated into LAFCO boundary change decisions. (Chapter 3)

#### ISSUE: LOCAL FISCAL REFORM

*Problem: Local government financing options are limited, difficult to understand, often inadequate, and subject to unforeseen changes by the Legislature.*

5. The Commission recommends that the state-local fiscal relationship be comprehensively revised.

- Negotiations must be initiated between the State and local governments to comprehensively realign State and local fiscal resources and must aim for a Constitutional amendment. (Chapter 8)
- The State must provide full funding for any activities mandated upon local government at the time that the mandate is imposed. (Chapter 8)
- Tax bills must be informative and easy for taxpayers to understand, providing information on which agency receives funds, which agency is responsible for levying the tax, and whom to contact for information. (Chapter 8)

#### ISSUE: GUIDING THE DIRECTIONS OF FUTURE GROWTH

*Problem: Land use decisions are sometimes made for reasons that have more to do with the finances of the local government than the land use needs of the local community, and some decisions may result in costly extensions of public services which ultimately erode future quality of life.*

6. The Commission recommends that the State develop incentives to encourage compatibility and coordination of plans and actions of all local agencies, including school districts, within each region as a way to encourage an integrated approach to public service delivery and improve overall governance.

- The State's infrastructure financing programs must create incentives that further its growth planning goals and priorities, and all State policies, regulations, and programs must be implemented in a manner consistent with these goals. (Chapter 8)
- Allocation of the sales tax on a point-of-sale basis must be revised to reduce its incentive effect, and property tax allocations to general purpose local governments must be increased. (Chapter 8)
- LAFCO policies must be revised, as necessary, to make better use of LAFCOs to support growth planning goals. (Chapter 8)

#### ISSUE: LOCAL GOVERNMENT COORDINATION AND EFFICIENCY

*Problem: State and local agencies often proceed with their own plans without recognizing the potential effects on other agencies and the public. The result can be confusion and dissatisfaction with services. One situation that illustrates this problem is the site selection decision for a new school, which is not subject to broader local planning review.*

7. The Commission recommends enhancements to communication, coordination, and procedures of LAFCOs and local governments.

- Notification and coordination procedures between local governments and school districts must be strengthened. (Chapter 3)
- Procedures similar to those for LAFCO proceedings (i.e., notice, public hearing, opportunity for public comment, and written statement of determinations) must

apply to school district reorganization.

(Chapter 3)

The value and consistency of the comprehensive fiscal analysis must be improved and the State must prepare guidelines for its preparation. (Chapter 4)

- A special blue ribbon commission must be appointed to undertake a study of water governance in California. (Chapter 5)
- Extension of services outside its jurisdiction by a city or special district must be subject to LAFCO approval, even if the service recipient is a public agency. (Chapter 6)

#### ISSUE: PUBLIC INTEREST IN GOVERNMENT

*Problem: Voter turn-outs and public opinion surveys indicate an alarming level of apathy by the public regarding government processes and actions. This poses a risk to democracy by enhancing the influence of organized special interests.*

8. The Commission recommends that opportunities for public involvement, active participation, and information regarding government decision-making be increased.

- LAFCOs must be required to maintain web sites. (Chapter 7)
- LAFCO public and governmental notification requirements must be expanded. (Chapters 3 and 7)
- Proponents of a new incorporation or special reorganization must be permitted to petition LAFCO for full or partial waiver

of fees to cover the cost of processing the application, and LAFCO must be able to petition the State to provide a loan, repayable by the new city, to cover the cost.

(Chapter 4)

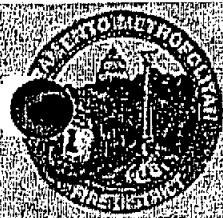
- A proposed new city under a special reorganization must be permitted to include in its incorporation proposal the election of 5, 7, or 9 council members by district. (Chapter 4)
- The cost of verifying citizen petitions for any change of organization must be considered a governmental cost. (Chapter 4)
- Proponents of reorganization actions must be required to report campaign contributions and expenditures, in accordance with the Political Reform Act and the Elections Code. (Chapter 3)
- A commission must be established to comprehensively examine state and local governance structures and recommend fundamental changes where necessary. (Chapter 8)

#### Conclusion

Enacting the Commission's recommendations will be an important first step toward reforming state and local governance in California. The actions proposed are incremental, recognizing that California agencies and institutions generally are not inclined toward extreme or precipitous changes. These recommendations will, nevertheless, begin a debate that may compel the State to prepare for the next century. If that effort succeeds, the California of tomorrow will be a better place to live.

*These recommendations will begin a debate that may compel the State to prepare for the next century.*





# METRO FIRE

Don Mett  
Fire Chief

Sacramento Metropolitan Fire District  
2101 Hurley Way Sacramento, CA 95825 (916) 588-4000 (800) 660-0200



<a href="#">Home</a>	<a href="#">Administration</a>	<a href="#">Community Services</a>	<a href="#">Operations</a>	<a href="#">EMS</a>
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## Department History

- [Meet the Fire Chief](#)
- [Board of Directors](#)
- [Budget](#)
- [Department History](#)
- [Organizational Chart](#)
- [What is a Special District?](#)
- [Department Stats](#)
- [Enduring Goals](#)
- [Agendas/Minutes](#)

September 25, 1999 by unanimous vote, the Board of Directors of the American River Fire District adopted an application for reorganization resolution with the Sacramento County Fire Protection District. On September 23, 1999, the Board of Directors of Sacramento County Fire adopted the application for reorganization with the American River Fire District. The adoptions of these resolutions officially call for the reorganization of both districts, which will occur on December 1, 2000.

The administration and membership of the District recognize the contribution and rich history of its processor departments. There are 16 prior fire departments represented in the Metro Fire organization.

The processor fire districts include:

<a href="#">Arcade</a>	1/26/42 to 6/30/86
<a href="#">Arden</a>	1/4/43 to 7/31/83
<a href="#">Carmichael</a>	1/30/42 to 7/31/83
<a href="#">Citrus Heights</a>	12/31/33 to 6/30/89
<a href="#">Elverta</a>	10/22/25 to 12/31/86
<a href="#">Fair Oaks</a>	3/27/28 to 11/2/93
<a href="#">Florin</a>	1/26/42 to 6/30/97
<a href="#">Mather Field</a>	1918 to 9/3/93
<a href="#">McClellan Field</a>	1937 to 4/01/01
<a href="#">Michigan Bar</a>	1/1/43 to 11/9/47
<a href="#">Mills</a>	6/8/22 to 11/1/59
<a href="#">North Highlands</a>	9/24/51 to 6/2/84
<a href="#">Orangevale</a>	3/2/36 to 12/1/45
<a href="#">Rancho Cordova</a>	11/2/59 to 6/30/89
<a href="#">Rio Linda</a>	6/23/23 to 12/31/86
<a href="#">Sloughhouse</a>	11/10/47 to 6/30/90

### Additional District Histories

- [American River Fire District](#)
- [Sacramento County Fire District](#)

Sacramento Metropolitan Fire District is the largest district in the County of Sacramento and the seventh largest local fire agency in the State of California. The

combined District will consist of approximately six hundred and ninety employees with an area encompassing 417 square miles that include Sacramento and Placer counties.



# Sacramento Metropolitan Fire District



**Final Budget for  
Fiscal Year 2007  
July 1, 2006 - June 30, 2007**





**SACRAMENTO METROPOLITAN FIRE DISTRICT  
FINAL BUDGET FISCAL YEAR 2007**

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## Sacramento Metropolitan Fire District

2101 Hurley Way · Sacramento, California 95825-3208 · Phone (916) 566-4000 · Fax (916) 566-4200



Date: September 14, 2006  
TO: Board of Directors  
FROM: Don Mette, Fire Chief  
SUBJ: 2006-2007 Final Budget

### TOPIC

This report with accompanying attachments represents the revised and proposed 2006-2007 Final Budget for the Sacramento Metropolitan Fire District. The Preliminary Budget was presented and adopted by the Board of Directors via Resolution 31.06 on June 14, 2006.

### SUMMARY

The attached budget is the proposed 2006-2007 Final Budget for the fiscal year commencing July 1, 2006 and ending on June 30, 2007. Total expenditures are estimated at \$163,407,684 and total revenues are estimated at \$148,928,639. The difference between the estimated revenues and the estimated expenditures, which is \$14,479,045, staff concludes will be covered by the use of \$7,514,212 from the Capital Fire Facilities Fund 212D, \$4,656,114 from the Capital Improvement Reserves in Fund 212A and by the use of \$2,308,719 from the General Fund balance.

### BACKGROUND

Overall, the District is in good financial position going into Fiscal Year 2007 due primarily to the collection of \$136,791,134 in revenues and to the constrained spending patterns in the Services and Supplies accounts that occurred in Fiscal Year 2006. Both of these factors contributed toward a net rollover of \$9,678,920 at the end of Fiscal Year 2006. The rollover is the amount which was allocated to the prior year's budget but was not spent nor encumbered in Fiscal Year 2006 and the net of the revenues and expenditures in Fund 212A. As such, the rollover was returned to the general fund balance and is available for re-appropriation by the Board.

This budget package includes revisions to the proposed salaries and benefits to include staffing at the Anatolia station and also reflects the costs of all authorized positions, which brings the total for estimated salaries and benefits to \$121,987,613. The proposed salaries and benefits are in alignment with all authorized positions contained within the Position Authorization Document. An additional annual payment of \$2.4 million is also included within the \$121,987,613 to deposit with the District's Pension Funding Bond trustee. Per Board Policy 156.01, the District shall use its CalPERS cost savings to retire its Series 2004 Pension Funding Bonds at their earliest possible date in order to maximize savings and to reduce future liabilities. Additionally, per statutory requirement, the Final Budget must be adopted by the Board of Directors no later than September 30, 2006.

Changes in this Final Budget over the Preliminary Budget include the addition of \$2,825,542 in projected total revenues in the General Fund 212A. (See "Revenue History for Fiscal Years 2005, 2006 and 2007" Schedule, Column D) and reinstatement of the practice of maintaining at least five percent of the General Operating Budget as the balance in the contingency fund.

As mentioned previously, this budget includes direct allocations of \$7,514,212 from the District's Capital Fire Facilities (Impact Fees) Fund and \$4,656,114 from the District's Capital Improvement Reserve in the general fund to the Fire Station Replacement Program. This allocation represents the Board's ongoing commitment to the rebuilding of current fire stations and the building of new stations in new service areas. Additionally, staff is proposing the One-Time Expenditure Plan budget be funded from general fund balance.

This budget package was developed with the participation and input from Division Managers and Senior Staff Officers and I believe that it meets the objectives of maintaining the District on a progressive track and provides for continuing growth and efficiencies in meeting the primary mission of the District.

**DISCUSSION**

The District operates under three budgets: the General Operating Budget, the One-Time Expenditure Plan Budget and the Capital Improvement Program Budget. This Budget presents both a Combined Budget with a numerous summaries and breakout schedules for each separate budget. For the first time this year, a separate schedule is provided that presents each Divisions' share of the Total Budget.

General Operating Budget

The General Operating Budget (GOB) at \$148,395,377 provides for all ongoing expenditures to maintain the District in its current configuration. Those expenses include personnel costs, supplies and services, governmental fees, and fixed asset procurement including fleet replacement. In short, this component provides for all expenditures necessary for the continual operation of the District. Generally, the General Operating Budget includes operating expenditures that are recurring and routine. In keeping and maintaining a strong fiscal position, the general operating expenditures are funded fully from recurring revenues. (See schedule below.)

Percentage Distribution of the Budgeted Revenues By		
Total General Operating Budget		
<b>Total Budgeted Revenues:</b>	<b>\$ 148,928,639</b>	<b>100.000%</b>
<b>Budgeted Expenditures:</b>		
Employee Salaries & Benefits	\$ 121,987,613	81.910%
Services & Supplies	20,013,410	13.438%
Taxes, Licenses & Assessments	1,880,100	1.262%
Fixed Assets	4,514,253	3.031%
<b>Total General Operating Budget:</b>	<b>\$ 148,395,376</b>	<b>99.642%</b>

One-Time Expenditure Plan Budget

The One-time Expenditure Plan (OEP) at \$2,753,944 includes programs for the replacement of structures, improvements and equipment, which are infrequently funded for necessary programs or for purchases that assist in meeting the emergency mission of the District. Additionally, items included in the OEP assist with enhancing the District's general operations and this year includes remodeling of fire stations and the replacement of aviation equipment. The OEP is generally funded from the previous

year's fund balance or reserves and is, therefore, funded from Fund Balance in the General Fund this year as well.

#### Capital Improvement Program Budget

The Capital Improvement Program (CIP) of \$12,258,363 represents a reinvestment in the infrastructure of the District. Generally, these investments are for the construction of facilities, apparatus, equipment, and for the necessary improvements to current facilities and to build stations within new service areas. The CIP implies an on-going commitment of resources to equip and construct new facilities and to the improvement of existing facilities and infrastructure.

The CIP Budget includes \$10,144,813 for the costs of completing construction of fire stations #32 and #107 as well to begin construction on fire stations #168 and #111. Stations 142 and 129 are scheduled to be included in Fiscal Year 2008 budget. Station construction costs in this Final Budget staff proposed to be fully funded with direct allocations of \$7,514,212 from the District's Capital Fire Facilities (Impact Fees) Fund and \$4,656,114 from the Districts' Capital Improvement Reserve in the general fund to the Fire Station Replacement Program.

In addition, this budget includes \$24,000 for weather-proofing Building #636 (needed for aviation storage), \$150,000 for ramp replacements at Station #65, \$300,000 for gating and fencing, \$80,000 for turnout lockers at 16 stations and \$120,000 for an industrial waste monitoring system.

#### Revenues

Projected revenues total \$148,928,639, which is slightly greater than the General Operating Budget of \$148,395,377. As with last year's budget, the revenues are forecasted based on the overall growth of the County by using an appropriate and conservative method of projections. Property tax revenues of \$126,175,136 are projected using an estimated increase over the previous year's tax revenues of 12.94 percent. Other sources of revenue include \$5,816,256 that the District expects to earn from HOPTR, contracts for crash and rescue services and from grants, \$14,739,900 from medic fees, plan check fees and education and training contracts and \$1,293,047 from redevelopment fees and from the Slough-house benefit assessment. This budget does not take into consideration any increases to fees for services that staff may propose to the Board of Directors during the budget year.

The District continues to look for opportunities to pursue grant funding for various projects and cost items. Grant funding and expenditures will be incorporated into the budget during the year as the grants are awarded. Staff continues its commitment to researching and implementing new revenue generating options.

#### Fund Balance

Staff closely monitored the expenditures for the last two months of the fiscal year in order to make a determination of the effect of the rollover on the Fund Balance. Additionally, continual fiscal oversight combined with the practice of due diligence by evaluating all purchases for appropriateness and if the purchases fall within budgetary constraints continues to keep expenditures within the District's means. As in past years, Fund Balance will be realized due to this staff due diligence and leveraging of District resources and opportunities to reduce costs.

**Fund Reserves**

<u>Fund Reserves on June 30, 2006</u>	<u>Fund Balance</u> <u>6/30/2006</u>	<u>Fund Balance</u> <u>7/01/2006</u>	<u>Change</u>
General Fund Reserve, Undesignated	\$ -	\$ 15,134,015	\$ 15,134,015
Contingency Reserve	6,500,000	7,419,769	\$ 919,769
Capital Improvement Reserve	4,656,114	4,656,114	\$ -
Workers Compensation Reserve	4,000,000	4,000,000	\$ -
Workers Compensation Checking Account	400,000	400,000	\$ -
Deferred Compensation Reserve	38,357	52,054	\$ 13,697
Petty Cash Imprest Account	500	500	\$ -
<b>Total General Fund Reserves:</b>	<b>\$ 15,594,971</b>	<b>\$ 31,662,452</b>	<b>\$ 16,067,481</b>
Development & Impact Fees Reserves:	\$ 9,736,546	\$ 2,222,334	\$ (7,514,212)
Pension Obligation Bond Fund Reserve:	\$ 336,015	\$ 336,015	\$ -
	<b>\$ 25,667,532</b>	<b>\$ 34,220,801</b>	<b>\$ 8,553,269</b>

Reserves, Undesignated

The Reserve, Undesignated along with the District's contingency reserve is intended to fund unanticipated or emergency needs of the District. The Board previously followed a guideline of establishing the contingency reserve at a minimum of five percent of the General Operating Budget. The proposed balance of \$7,419,769 represents 5% of the General Operating Budget of \$148,395,377 and hence, meets that guideline.

Capital Improvement Reserve

The Capital Improvement Reserve is established to fund the District's Facilities Master Plan and other major facility construction, renovation and improvement projects. As stated previously, the current Capital Improvement Program anticipates utilizing Capital Improvement Reserves and Impact Fees in order to finance the Board-approved station construction projects.

Workers Compensation Mandate

Workers Compensation Mandate reserve is reviewed annually for funding and is mandated based on an actuarial performed annually to determine the correct level of funding. This reserve will be adjusted accordingly in the Mid-Year adjustment process once the level needed is determined.

Deferred Compensation Administration Reserve

The Deferred Compensation Administration Reserve was established to provide for the costs of administering the deferred compensation program. It is estimated the Deferred Compensation Committee will expend \$10,000 of these funds in 2006-07 and the remaining funds will be allocated to the reserve account. Since it is the Deferred Compensation Committee's intent that the funds not expended each year will be placed in this reserve account to offset one time and future intermittent expenditures, the fund balances that remained at the end of Fiscal Years 2005 and 2006 are transferred within this budget.

### The Budget Process

Division and budget managers submitted Fiscal Year 2006-07 budget requests and budget conferences were held to review each division's budgeted line items. Based upon the information gained from division managers, initial general operating budget expenditures have been modified in order to maintain District priorities and to keep within the limits of anticipated revenues.

In an effort to ensure that all considerations have been given to this process and to allow the public to engage in the budget development, it is anticipated the Finance Committee and the Board of Directors will continue to encourage public participation in the District's implementation and monitoring of this Final Budget through attendance at the governing bodies' meetings throughout the year.

### **FISCAL IMPACT**

Projected Property Tax Revenues and available fund balances are deemed sufficient to meet the general operational, one-time expenditure and capital improvement needs of the District for the Fiscal Year 2007.

### **RECOMMENDATION**

Staff recommends that the Board of Directors adopt the attached Final Budget for Fiscal Year 2007.



# Sacramento Metropolitan Fire District

2101 Hurley Way • Sacramento, California 95825-3208 • Phone (916) 566-4000 • Fax (916) 566-4200



RESOLUTION NO. \_\_\_\_\_

BEFORE THE GOVERNING BOARD OF  
THE SACRAMENTO METROPOLITAN FIRE DISTRICT

County of Sacramento, State of California

## RESOLUTION ADOPTING THE 2006/2007 FINAL BUDGET.

WHEREAS, hearings have been terminated during which time all additions and deletions to the Final Budget for 2006/2007 were made, and

THEREFORE, IT IS HEREBY RESOLVED in accordance with Section 13890 of the Health and Safety Code, the Final Budget for the Fiscal Year 2006/2007 will be and is hereby adopted in accordance with the following:

Salaries and Employee Benefits:	\$ 121,987,614
Services and Supplies:	20,013,410
Taxes, Licenses, Assessments:	1,880,100
Fixed Assets:	
Land	8,500
Structures and Improvements	12,330,608
Equipment	7,187,452
<b>TOTAL BUDGET REQUIREMENTS:</b>	<b>\$ 163,407,684</b>

BE IT FURTHER RESOLVED that the obligations for fixed assets are appropriated with the adoption of the 2006/2007 Final Budget.

BE IT FURTHER RESOLVED that the means of financing the expenditure program will be by monies derived from all Revenue Sources, Fund Balance Available and Reserve Fund Balances.

BE IT FURTHER RESOLVED that the Final Budget will be and is hereby adopted in accordance with the listed attachments which show in detail the approved appropriations, revenues and methods of financing.

**ATTACHMENTS:**

- Final Budget Summary For FY 2007 Schedule
- Reserve Status and Proposed Transfers and Ending Fund Balance Schedule
- Reserves and Development Fee Status Schedule
- Revenue Detail Schedule
- Expenditure Detail Schedule

ON A MOTION by Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, the foregoing resolution was passed and adopted

this \_\_\_\_\_ day of \_\_\_\_\_, 2006, by the following vote to wit:

AYES:

NOES:

ABSENT:

**SACRAMENTO METROPOLITAN FIRE DISTRICT**

By: \_\_\_\_\_  
President, Board of Directors

Attested By:

\_\_\_\_\_  
Clerk of the Board





# Sacramento Metropolitan Fire District

2101 Hurley Way · Sacramento, California 95825-3208 · Phone (916) 566-4000 · Fax (916) 566-4200



RESOLUTION NO. \_\_\_\_\_

BEFORE THE GOVERNING BOARD OF  
THE SACRAMENTO METROPOLITAN FIRE DISTRICT  
County of Sacramento, State of California

## RESOLUTION TO ESTABLISH THE 2006/2007 RESERVE ACCOUNTS

WHEREAS, the Board of Directors has adopted the Final Budget for the Fiscal Year 2006/2007; and

WHEREAS, the Board of Directors intends to maintain designated reserve accounts; and

WHEREAS, Business Area 212A had a fund balance undesignated and designated reserves at the end of the 2005/2006 fiscal year;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby requests the Auditor-Controller to cancel the current designated reserve accounts and set the following designated reserve accounts by allocating funds from Fund Balance Reserved, and Fund Balance Unreserved in the following manner;

Reserve, Undesignated	\$ 7,619,803
Contingency Reserves	\$ 7,419,769
Capital Improvement Reserves	\$ 12,170,326
Workers Compensation Mandate	\$ 4,000,000
Deferred Comp. Reserve	\$ 52,054
Workers Comp. Checking Acct. Reserve	\$ 400,000
Petty Cash Reserve	\$ <u>500</u>
 Total Reserve Fund Balance	 \$ 31,662,452

Resolution No: \_\_\_\_\_  
Page 10

ON A MOTION by Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, the foregoing resolution was passed and adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2006, by the following vote to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

SACRAMENTO METROPOLITAN FIRE DISTRICT

By: \_\_\_\_\_  
President, Board of Directors

Attested By:

\_\_\_\_\_  
Clerk of the Board



## Sacramento Metropolitan Fire District

2101 Hurley Way · Sacramento, California 95825-3208 · Phone (916) 566-4000 · Fax (916) 566-4200

RESOLUTION NO. \_\_\_\_\_

BEFORE THE GOVERNING BOARD OF  
THE SACRAMENTO METROPOLITAN FIRE DISTRICT  
County of Sacramento, State of California

### RESOLUTION TO ESTABLISH THE 2006/2007 RESERVE ACCOUNTS

WHEREAS, the Board of Directors has adopted the Final Budget for Fiscal Year 2006/2007; and

WHEREAS, the Board of Directors intends to maintain designated reserve accounts; and

WHEREAS, Business Area 212B had a fund balance undesignated and designated reserves at the end of the 2005/2006 fiscal year;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby requests the Auditor-Controller to cancel the current designated reserve accounts and set the following designated reserve accounts by allocating funds from Fund Balance Reserved, and Fund Balance Unreserved in the following manner;

Reserve, Undesignated	\$	0
Contingency Reserves	\$	0
Impact Fee Reserves - Elk Grove/Vineyard	\$	2,147,266
Total Fund Reserve	\$	2,147,266

Resolution No. \_\_\_\_\_  
Page 12

ON A MOTION by Director \_\_\_\_\_, seconded by Director  
\_\_\_\_\_, the foregoing resolution was passed and adopted this  
\_\_\_\_\_ day of \_\_\_\_\_, 2006, by the following vote to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

SACRAMENTO METROPOLITAN FIRE DISTRICT

By: \_\_\_\_\_  
President, Board of Directors

Attested By:

\_\_\_\_\_  
Clerk of the Board



## Sacramento Metropolitan Fire District

2101 Hurley Way · Sacramento, California 95825-3208 · Phone (916) 566-4000 · Fax (916) 566-4200



RESOLUTION NO. \_\_\_\_\_

BEFORE THE GOVERNING BOARD OF  
THE SACRAMENTO METROPOLITAN FIRE DISTRICT  
County of Sacramento, State of California

### RESOLUTION TO ESTABLISH THE 2006/2007 RESERVE ACCOUNTS

WHEREAS, the Board of Directors has adopted the Final Budget for Fiscal Year 2006/2007; and

WHEREAS, the Board of Directors intends to maintain designated reserve accounts; and

WHEREAS, Business Area 212C had a fund balance undesignated and designated reserves at the end of the 2005/2006 fiscal year;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby requests the Auditor-Controller to cancel the current designated reserve accounts and set the following designated reserve accounts by allocating funds from Fund Balance Reserved, and Fund Balance Unreserved in the following manner;

Reserve, Undesignated	\$	0
Contingency Reserves	\$	0
Impact Fee Reserves – Antelope Development	\$	75,068
Total Fund Reserve	\$	75,068

Resolution No. \_\_\_\_\_

Page 14

ON A MOTION by Director \_\_\_\_\_, seconded by Director \_\_\_\_\_

\_\_\_\_\_, the foregoing resolution was passed and adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2006, by the following vote to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

**SACRAMENTO METROPOLITAN FIRE DISTRICT**

By: \_\_\_\_\_

President, Board of Directors

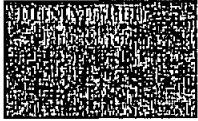
Attested By: \_\_\_\_\_

\_\_\_\_\_  
Clerk of the Board



# Sacramento Metropolitan Fire District

2101 Hurley Way · Sacramento, California 95825-3208 · Phone (916) 566-4000 · Fax (916) 566-4200



RESOLUTION NO. \_\_\_\_\_

BEFORE THE GOVERNING BOARD OF  
THE SACRAMENTO METROPOLITAN FIRE DISTRICT  
County of Sacramento, State of California

## RESOLUTION TO ESTABLISH THE 2006/2007 RESERVE ACCOUNTS

WHEREAS, the Board of Directors has adopted the Final Budget for Fiscal Year 2006/2007; and

WHEREAS, the Board of Directors intends to maintain designated reserve accounts; and

WHEREAS, Business Area 212D had a fund balance undesignated and designated reserves at the end of the 2005/2006 fiscal year;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby requests the Auditor-Controller to cancel the current designated reserve accounts and set the following designated reserve accounts by allocating funds from Fund Balance Reserved, and Fund Balance Unreserved in the following manner;

Reserve, Undesignated	\$	0
Contingency Reserves	\$	0
Capital Fire Facilities Fee Reserve (Impact Fees)	\$	0
Total Reserve Fund Balance	\$	0

Resolution No: \_\_\_\_\_

Page 16

ON A MOTION by Director \_\_\_\_\_, seconded by Director \_\_\_\_\_

\_\_\_\_\_, the foregoing resolution was passed and adopted this

\_\_\_\_\_ day of \_\_\_\_\_, 2006, by the following vote to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

**SACRAMENTO METROPOLITAN FIRE DISTRICT**

By: \_\_\_\_\_

President, Board of Directors.

Attested By: \_\_\_\_\_

\_\_\_\_\_  
Clerk of the Board





# Sacramento Metropolitan Fire District

2101 Hurley Way • Sacramento, California 95825-3208 • Phone (916) 566-4000 • Fax (916) 566-4200



RESOLUTION NO. \_\_\_\_\_

BEFORE THE GOVERNING BOARD OF  
THE SACRAMENTO METROPOLITAN FIRE DISTRICT  
County of Sacramento, State of California

## RESOLUTION TO ESTABLISH THE 2006/2007 RESERVE ACCOUNTS

WHEREAS, the Board of Directors has adopted the Final Budget for Fiscal Year 2006/2007; and

WHEREAS, the Board of Directors intends to maintain designated reserve accounts; and

WHEREAS, Business Area 212E had a fund balance undesignated and designated reserves at the end of the 2005/2006 fiscal year;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby requests the Auditor-Controller to cancel the current designated reserve accounts and set the following designated reserve accounts by allocating funds from Fund Balance Reserved, and Fund Balance Unreserved in the following manner;

Reserve, Undesignated	\$	0
Contingency Reserves	\$	0
Pension Bond Fund Reserve	\$	<u>336,015</u>
Total Reserve Fund Balance	\$	<u>336,015</u>

Resolution No. \_\_\_\_\_

Page 18

ON A MOTION by Director \_\_\_\_\_, seconded by Director

\_\_\_\_\_, the foregoing resolution was passed and adopted this

\_\_\_\_\_ day of \_\_\_\_\_, 2006, by the following vote to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

**SACRAMENTO METROPOLITAN FIRE DISTRICT**

By: \_\_\_\_\_

President, Board of Directors

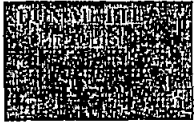
Attested By:

\_\_\_\_\_  
Clerk of the Board



## **Sacramento Metropolitan Fire District**

2101 Hurley Way · Sacramento, California 95825-3208 · Phone (916) 566-4000 · Fax (916) 566-4200



RESOLUTION NO. \_\_\_\_\_

BEFORE THE GOVERNING BOARD OF  
THE SACRAMENTO METROPOLITAN FIRE DISTRICT

County of Sacramento, State of California

### **A RESOLUTION ADOPTING THE 2006/2007 APPROPRIATIONS LIMIT SCHEDULE**

WHEREAS, the voters of the State of California on November 6, 1979 added Article XIII B to the State Constitution placing various limitations on the appropriations of state and local governments; and

WHEREAS, Article XIII B provides that the Appropriations Limit for Fiscal Year 2006/2007 is calculated by adjusting the base year appropriations limit of Fiscal Year 2005/2006 for changes in the per capita income change and the change in the regional population, factors prepared by the State of California's Office of the Department of Finance. Said calculations which are attached hereto and by this reference incorporated herein; and

WHEREAS, the District has complied with the provisions of Article XIII B and Section 7900 et seq. of the Government in determining the appropriation limit for the Fiscal Year 1978/79;

NOW, THEREFORE, the Board of Directors hereby establishes that the Appropriations Limit in Fiscal Year 2006/2007 shall be \$218,557,432.

ON A MOTION by Director \_\_\_\_\_, seconded by  
Director \_\_\_\_\_, the foregoing resolution was passed and  
adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2006, by the following vote to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

SACRAMENTO METROPOLITAN FIRE DISTRICT

By: \_\_\_\_\_

President, Board of Directors

Attested By: \_\_\_\_\_

\_\_\_\_\_  
Clerk of the Board

Attachments: Gann Limit Calculation for Fiscal Year, 2007  
Gann Limit Calculation for Last Four Fiscal Years

## SACRAMENTO METROPOLITAN FIRE DISTRICT

### GANN LIMIT CALCULATION FORMULA

<u>FISCAL YEAR</u>	<u>2007</u>
PER CAPITA INCOME CHANGE	3.96% = 1.0396 Ratio
POPULATION CHANGE	1.38% = 1.0138 Ratio
<input checked="" type="checkbox"/> Sacramento County: 1.74%	
CALCULATION OF FACTOR FOR FY 2007	$1.0396 \times 1.0138 = 1.0539$
PRIOR YEAR GANN LIMIT (FY 2005/06)	\$207,370,522
CALCULATION FACTOR FOR FY 2006/07	$\$207,370,522 \times 1.0539$
<u>FISCAL YEAR FY 2006/07 GANN LIMIT:</u>	<u>\$218,557,432</u>

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
GANN LIMIT CALCULATION FOR LAST FOUR FISCAL YEARS**

FISCAL YEAR:		2006/2007	2005/2006	2004/2005	2003/2004
A PER CAPITA INCOME CHANGE		1.0396	1.0526	1.0328	1.0231
B POPULATION CHANGE		1.0138	1.0174	1.0183	1.0227
C CALCULATION OF FACTOR:	(A X B)	1.0539	1.0709	1.0517	1.0463
D PRIOR YEAR GANN LIMIT:		\$ 207,370,522	\$ 193,638,595	\$ 184,119,569	\$ 175,967,964
E GANN LIMIT ON APPROPRIATIONS FOR FISCAL YEAR:	(C X D)	\$ 218,657,432	\$ 207,370,522	\$ 193,638,595	\$ 184,119,569

**SACRAMENTO METROPOLITAN FIRE DISTRICT -  
FINAL BUDGET SUMMARY FOR FY 2007**

<b>FINAL BUDGET REVENUE PROJECTIONS:</b>		<b>FINAL BUDGET FY 2007</b>	
ALL TAXES		\$	126,175,136
FINES			17,500
FEES FOR USE OF OTHER MONEY/PROPERTY			876,800
INCOME FROM OTHER GOVERNMENT AGENCIES			5,816,256
CHARGES FOR SERVICES			14,739,900
MISCELLANEOUS REVENUE			1,293,047
OTHER FINANCING SOURCES			10,000
<b>TOTAL PROJECTED REVENUES:</b>		\$	<b>148,928,639</b>
<b>BUDGETED EXPENDITURES:</b>			
<u>ACCOUNTS</u>	<u>ACCOUNT NO.</u>		
EMPLOYEE SALARIES AND BENEFITS	1000s	\$	121,987,613
SERVICES AND SUPPLIES	2000s		20,013,410
TAXES, LICENSES AND ASSESSMENTS	3000s		1,880,100
FIXED ASSETS	4000s		19,526,560
<b>TOTAL BUDGETED EXPENDITURES:</b>		\$	<b>163,407,684</b>
<b>* TOTAL BUDGET SHORTFALL TO BE COVERED BY TRANSFERS:</b>		\$	<b>(14,479,045)</b>
* See "RESERVE STATUS AND PROPOSED TRANSFERS AND FUND RESERVES" Column G for details.			

<b>ACCT GROUP &amp; BREAKOUT BY EXPENSE CLASS:</b>	<b>FINAL BUDGET FY 2007</b>	
1000s: SALARIES AND BENEFITS		
IN GENERAL OPERATING BUDGET:	\$	121,987,613
IN ONE-TIME EXPENDITURE PLAN:		
IN CAPITAL IMPROVEMENT PROGRAM:		
<b>TOTAL SALARIES AND BENEFITS:</b>	\$	121,987,613
2000s: SERVICES AND SUPPLIES		
IN GENERAL OPERATING BUDGET:	\$	20,013,410
IN ONE-TIME EXPENDITURE PLAN:		
IN CAPITAL IMPROVEMENT PROGRAM:		
<b>TOTAL SERVICES AND SUPPLIES:</b>	\$	20,013,410
3000s: TAXES, LICENSES AND ASSESSMENTS		
IN GENERAL OPERATING BUDGET:	\$	1,880,100
IN ONE-TIME EXPENDITURE PLAN:		
IN CAPITAL IMPROVEMENT PROGRAM:		
<b>TOTAL TAXES, LICENSES AND ASSESSMENTS:</b>	\$	1,880,100
4000s: FIXED ASSETS		
IN GENERAL OPERATING BUDGET:	\$	4,514,253
IN ONE-TIME EXPENDITURE PLAN:		2,753,944
IN CAPITAL IMPROVEMENT PROGRAM:		12,258,363
<b>TOTAL FIXED ASSETS:</b>	\$	19,526,560

<b>SUMMARY</b>		
IN GENERAL OPERATING BUDGET:	\$	148,395,377
IN ONE-TIME EXPENDITURE PLAN BUDGET:		2,753,944
IN CAPITAL IMPROVEMENT PROGRAM BUDGET:		12,258,363
<b>TOTAL OF ALL BUDGETS:</b>	\$	<b>163,407,684</b>

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
RESERVES AND DEVELOPMENT FEE STATUS FOR FISCAL YEAR 2007**

Fund Reserves	Fund No.	Fund Balance on 6/30/2006	Rollover and Proposed FY 2007 Transfers	C** General Fund Balance on 7/01/2006
Reserve, Undesignated				
Rollover from Fiscal Year Ending June 30, 2006			\$8,553,269	8,553,269
Proposed Transfers To and From General Fund 212A			6,580,746	6,580,746
Contingency Reserve		6,500,000	919,769	7,419,769
Capital Improvement Reserve on June 30, 2005:				
Encumbrances from FY 2005 added to FY 2006		\$ 5,979,950		
Transfer In from Contingency Reserve on July 1, 2005		401,393		
Allocated to FY 2005 Budget		6,088,231		
Less: Appropriation to Operating Fund: Resolution 27-05 Land Acquisition, July 2005		(5,200,343)		
Less: Appropriation to Operating Fund: Resolution 40-05 Interim Station, November 2005		(1,180,000)		
Less: Appropriation to Operating Fund: Mid-Year Adjustment		(2,575,888)		
Capital Improvement Reserve on June 30, 2006:		\$ 4,656,114	-	4,656,114
Workers Compensation Mandate		4,000,000	-	4,000,000
Workers Compensation Checking Account		400,000	-	400,000
Deferred Compensation Reserve		38,957	13,697	52,654
Petty Cash Imprest Account		500	-	500
<b>TOTAL GENERAL FUND 212A RESERVES:</b>	<b>212A</b>	<b>\$ 15,694,971</b>	<b>\$ 16,067,481</b>	<b>\$ 31,662,452</b>
<b>DEVELOPMENT AND IMPACT FEES FUNDS:</b>				
Elk Grove / West Vineyard Fund 212B	212B	\$ 2,147,266	-	2,147,266
Antelope Development Fund 212C	212C	75,068	-	75,068
Capital Fire Facilities Fees (Impact Fees) Fund 212D	212D	7,514,212	(7,514,212)	-
<b>TOTAL DEVELOPMENT AND IMPACT FEES RESERVES:</b>		<b>\$ 9,736,546</b>	<b>\$ (7,514,212)</b>	<b>\$ 2,222,334</b>
<b>PENSION OBLIGATION BOND FUND 212E:</b>				
Pension Obligation Bond Fund Reserve on July 1, 2006:		\$ 336,016		
Interest earned in FY 2006	212E	20,856		
<b>TOTAL PENSION OBLIGATION BOND FUND RESERVES:</b>		<b>\$ 336,016</b>	<b>-</b>	<b>\$ 336,016</b>
<b>TOTAL OF ALL PROPOSED FINAL BUDGET FUND BALANCES:</b>		<b>\$ 26,667,532</b>	<b>\$ 8,553,269</b>	<b>\$ 34,220,801</b>

\*\* Amounts in Column C support the Fund Reserves established on Resolutions for each Fund.



**SACRAMENTO METROPOLITAN FIRE DISTRICT  
RESERVES AND DEVELOPMENT FEE STATUS FOR FISCAL YEAR 2007**

**SACRAMENTO METROPOLITAN FIRE DISTRICT -**  
**RESERVE STATUS AND PROPOSED TRANSFERS AND PROPOSED FUND RESERVES BEGINNING FISCAL YEAR 2007**

Fund	Fund No.	Historical Changes			Changes per Closing FY 2006		Proposed Transfers to Fund Reserves		
		Fund Balance Beginning July 1, 2005	Increases / (Decreases) During FY 2005/06	Fund Balance June 30, 2006 Before Closing FY 2005/2006	Increases / (Decreases) in FY 2005/06 Closing Process	Fund Balance June 30, 2006 After Closing	Transfers To FY 2007 Final Budget	One-Time Expenditure Budget 212A	Workers Comp Mandate Reserves 212A
<b>FUND BALANCE:</b>									
ROLLED BACK INTO FUND BALANCE AT EOY:									
ACTUAL REVENUES IN FY 2005:		0	0	0	\$ 0,070,020	(4)			
ACTUAL EXPENDITURES IN FY 2005:		0	0	0	\$138,781,134				
FUND BALANCE UNDESIGNATED:		0	0	0	(137,010,785)				
							\$ 0,663,200	\$ (2,322,410)	\$ 2,220,002
<b>CONTINGENCY RESERVES:</b>		\$ 0,600,000	\$ -	\$ 0,600,000			\$ 0,600,000		
<b>CAPITAL IMPROVEMENT AND IMPACT FEE RESERVES:</b>									
CAPITAL IMPROVEMENT RESERVES:									
CAPITAL IMPROVEMENT RESERVES	212 A	0,285,231	(4,012,117)	4,050,114			4,050,114	(4,050,114)	
ELK GROVE/WEST VINEYARD	212 B	2,060,171	81,005	2,147,289			2,147,289		
ANTELOPE DEVELOPMENT FUND	212 C	72,233	2,835	75,088			75,088		
CAPITAL FIRE FACILITIES FEE (Impact Fees)	212 D	3,140,051	4,374,101	7,514,212			7,514,212	(7,514,212)	
TOTAL CAPITAL IMPROVEMENT AND IMPACT FEE RESERVES:		14,540,888		14,382,800			14,382,800		
<b>GENERAL FUND RESERVES:</b>									
WORKERS COMPENSATION MANDATE		4,000,000	0	4,000,000			4,000,000		
WORKERS COMP CHECKING ACCOUNT RESERVE		400,000	0	400,000			400,000		
DEFERRED COMPENSATION RESERVE		38,357	0	38,357			38,357	13,607 (8)	
PETTY CASH RESERVE		600	0	600			600		
TOTAL GENERAL FUND RESERVES:		4,438,957		4,438,957			4,438,957		
<b>PENSION BOND FUND RESERVES:</b>	212 E	134,160	201,850	330,015			330,015		
<b>TOTAL ALL RESERVE &amp; DESIGNATED BALANCES:</b>		\$ 26,010,702	\$ 47,830	\$ 26,087,532	\$ 0,563,200		\$ 3,422,001	\$ (14,470,045)	\$ 2,220,002

- NOTES:**
- (1) This agrees with the Fund Balance through Period 13 as reported on June 30, 2006 for Fiscal Year 2006.
  - (2) This agrees with the Total Reserves on the Reserve Summary through Period 13 for FY 2006 that was recently presented to the Board's Finance Committee at its August 01st meeting.
  - (3) Represents the total of Fund Balance that is available for allocation in FY 2007 after closing FY 2006.
  - (4) Represents budgeted amounts that were allocated in FY 2006 but not encumbered nor spent. Hence, the amount was returned to Fund Balance. See "Budget History Detail" worksheet, Col AL, Row 181.
  - (5) Represents the Total Transfers that are required to cover budgeted expenditures. The transfers to \$13,075,758 will cover the CIP and One-Time Only Expenditures and agrees with the amount on the Sources & Uses schedule.
  - (6) Transfer Fund Balance remainder in Deferred Compensation Division 47.071 at the end of FY 2005 and FY 2006.

**SACRAMENTO METROPOLITAN FIRE DISTRICT -  
RESERVE STATUS AND PROPOSED TRANSFERS AND PROPOSED FUND RESERVES BEGINNING FISCAL YEAR 2007**

Fund	Fund No.	Proposed Transfers to Fund Reserves (cont'd)				Establishment of Fund Reserves Commencing July 1, 2006					
		Deferred Comp Reserves 212A	Capital Improvement Reserves 212A	Contingency Reserves 212A	Proposed Final Fund Reserves July 1, 2006	Fund 212A July 1, 2006	Fund 212B July 1, 2006	Fund 212C July 1, 2006	Fund 212D July 1, 2006	Fund 212E July 1, 2006	Total All Fund Balances After Transfers July 1, 2006
<b>FUND BALANCE:</b>											
ROLLED BACK INTO FUND BALANCE AT EOY:											
ACTUAL REVENUES IN FY 2005:											
ACTUAL EXPENDITURES IN FY 2005:											
FUND BALANCE UNDESIGNATED:			\$ 88,037	\$ (810,760)	\$ 7,418,769	\$ 7,819,803					\$ 7,418,769
<b>CONTINGENCY RESERVES:</b>				\$ 810,760	\$ 7,418,769	\$ 7,418,769					\$ 7,418,769
<b>CAPITAL IMPROVEMENT AND IMPACT FEE RESERVES:</b>											
CAPITAL IMPROVEMENT RESERVES	212 A		4,856,114		4,856,114	4,856,114					4,856,114
ELK GROVEWEST VINEYARD	212 B				2,147,289		\$ 2,147,289				2,147,289
ANTELOPE DEVELOPMENT FUND	212 C				75,000			\$ 75,000			75,000
CAPITAL FIRE FACILITIES FEE (Impact Fees)	212 D		7,514,212		7,514,212	7,514,212					7,514,212
<b>TOTAL CAPITAL IMPROVEMENT AND IMPACT FEE RESERVES:</b>					\$ 14,332,625						\$ 14,332,625
<b>GENERAL FUND RESERVES:</b>											
WORKERS COMPENSATION MANDATE					4,000,000	4,000,000					4,000,000
WORKERS COMP CHECKING ACCOUNT RESERVE					400,000	400,000					400,000
DEFERRED COMPENSATION RESERVE					62,054	62,054					62,054
PETTY CASH RESERVE					500	500					500
<b>TOTAL GENERAL FUND RESERVES:</b>					\$ 4,430,654	\$ 4,430,654					\$ 4,430,654
<b>PENSION BOND FUND RESERVES:</b>	212 E				\$ 330,015				\$ 330,015		\$ 330,015
<b>TOTAL ALL RESERVE &amp; DESIGNATED BALANCES:</b>			\$ 12,260,383	\$	\$ 34,220,801	\$ 31,682,452	\$ 2,147,289	\$ 75,000	\$	\$ 330,015	\$ 34,220,801

- NOTES:
- (1) This agrees with the Fund Balances through Period 15 as reported on June 30, 2005 for Fiscal Year 2005.
  - (2) This agrees with the Total Reserves on the Reserve Summary through Period 13 for FY 2005 that was recently presented to the Board's Finance Committee at its August 8th meeting.
  - (3) Represents the total of Fund Balance that is available for allocation in FY 2007 after closing FY 2005.
  - (4) Represents budgeted amounts that were allocated in FY 2005 but not encumbered nor spent. Hence, the amount was returned to Fund Balance, See "Budget History Detail" worksheet, Cell AL, Row 181.
  - (5) Represents the Total Transfers that are required to cover budgeted expenditures. The transfers to \$13,075,750 will cover the DIP and One-Time Only Expenditures and agree with the amount on the Sources & Uses schedule.
  - (6) Transfer Fund Balance remainder in Deferred Compensation Division 47.071 at the end of FY 2005 and FY 2006.

See Resolutions Establishing the Reserves in Funds

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
BUDGET SUMMARIES OVER FISCAL YEARS 2005, 2006 AND 2007**

	Final Budget 2004/2005	Final Budget 2005/2006	Percentage of Change Over Prior	Final Budget 2006/2007	Increase/ Decrease	Percentage of Change Over Prior
<b>Budgeted Revenues:</b>						
All Taxes	99,069,072	\$ 111,714,930	12.76%	\$ 128,175,136	\$ 14,460,206	12.94%
Fines	36,720	57,500	56.59%	17,500	(40,000)	-69.57%
Use of Money/Property	468,992	305,000	-34.97%	876,800	571,800	187.48%
Other Governmental Agencies	6,173,721	5,691,000	-7.82%	5,816,256	125,256	2.20%
Charge For Services	12,659,343	12,931,600	2.15%	14,739,900	1,808,400	13.98%
Miscellaneous Revenue	407,500	550,000	34.97%	1,293,047	743,047	135.10%
Other Financing Sources	105,000	510,000	385.71%	10,000	(500,000)	-98.04%
<b>Total Annual Revenues:</b>	<b>\$ 118,920,348</b>	<b>\$ 131,759,930</b>	<b>10.80%</b>	<b>\$ 148,928,639</b>	<b>\$ 17,168,709</b>	<b>13.03%</b>
<b>Transfers:</b>						
Reserves - (CIP and Impact Fees)	0	8,204,263		12,258,363	4,054,100	49.41%
Fund Balance and Reserves	1,898,963	7,831,612	301.88%	2,220,882	(5,410,830)	-70.80%
<b>Total Transfers:</b>	<b>\$ 1,898,963</b>	<b>\$ 16,835,776</b>	<b>733.92%</b>	<b>\$ 14,479,045</b>	<b>\$ (1,356,730)</b>	<b>-8.57%</b>
<b>Total Sources of Funds:</b>	<b>\$ 120,819,311</b>	<b>\$ 147,695,706</b>	<b>22.16%</b>	<b>\$ 163,407,684</b>	<b>\$ 16,811,979</b>	<b>10.71%</b>

	Final Budget 2004/2005	Final Budget 2005/2006	Percentage of Change Over Prior	Final Budget 2006/2007	Increase/ Decrease	Percentage of Change Over Prior	Percentage of General Operating Budget
<b>Budgeted Expenditures:</b>							
Employee Salaries & Benefits	\$ 99,511,500	\$ 108,731,541	9.27%	\$ 121,987,613	\$ 13,256,072	12.19%	82.20%
Services & Supplies	13,915,342	15,209,692	9.30%	20,013,410	4,803,718	31.58%	13.49%
Taxes, Licenses & Assessments	2,232,100	1,833,733	-17.85%	1,880,100	46,367	2.53%	1.27%
Fixed Assets	5,160,369	21,820,738	322.85%	19,526,560	(2,294,178)	-10.51%	13.16%
<b>Total Expenditures:</b>	<b>\$ 120,819,311</b>	<b>\$ 147,695,706</b>	<b>22.16%</b>	<b>\$ 163,407,684</b>	<b>\$ 16,811,979</b>	<b>10.71%</b>	<b>110.12%</b>

	Final Budget 2004/2005	Final Budget 2005/2006	Percentage of Change Over Prior	Final Budget 2006/2007	Increase/ Decrease	Percentage of Change Over Prior
<b>Expenditures By Budget:</b>						
General Operating:	\$ 118,774,642	\$ 131,016,402	10.31%	\$ 148,395,377	\$ 17,378,975	13.26%
One Time Expenditure Plan:	1,580,269	2,165,000	38.76%	2,753,944	588,944	27.20%
Capital Improvement Program:	484,400	14,414,303	2875.70%	12,258,363	(2,155,940)	-14.96%
<b>Total Expenditures:</b>	<b>\$ 120,819,311</b>	<b>\$ 147,695,706</b>	<b>22.16%</b>	<b>\$ 163,407,684</b>	<b>\$ 16,811,979</b>	<b>10.71%</b>

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
STATUS OF FINAL BUDGET FOR FISCAL YEAR 2007 BY DIVISION**

DIVISION		PRELIMINARY BUDGET TOTALS IN 1000-1899 ACCOUNTS	PRELIMINARY BUDGET TOTALS IN 2000-4899 ACCOUNTS	TOTAL APPROVED PRELIMINARY BUDGET FY 2007	REQUESTED ADJUSTMENTS TO FINAL 2007 BUDGET	ENCUMBRANCES FROM FY 2006 TO REAPPROPRIATE IN FY 2007 (ALL WERE CLOSED TO FB IN FY 2006)	TOTAL OF PROPOSED FINAL 2007 BUDGET
1	FIRE Fire Chief	03,087	\$ 66,000	\$ 69,000			\$ 69,000
2	BRDD Board	05,076	\$ 39,000	95,150	134,150		134,150
3	CISM Critical Incident Stress Mngt	08,077	6,450	8,450	8,450		8,450
4	MCPK McClellan Park ARFF	09,010	12,784	12,784	12,784		12,784
6	CSER Community Services	11,020	318,600	318,600	318,600	\$ 14,300	332,900
8	FITW Fitness & Wellness	12,021	79,850	79,850	79,850		79,850
7	WKCO Workers' Compensation	13,022	1,500,000	709,700	2,209,700		2,209,700
8	RTRD Retired	14,100					
9	APEQ Apparatus & Equipment	15,011	520,000	520,000	520,000		520,000
10	EPSQ Emergency Planning & Spec Ops	18,072	1,432,922	1,432,922	1,432,922	8,254	1,439,176
11	CFST Construction of Fire Stations	20,089	10,144,813	10,144,813	10,144,813	1,347,350	11,492,163
	TRNG Training	23,037	711,825	711,825	711,825	2,912	714,237
	SSWD Support Services Wide	27,107	10,000	10,000	10,000		10,000
14	SAFE Safety	28,101	1,089,235	1,089,235	1,089,235	1,121	1,097,356
15	FPBU Fire Prevention Bureau	31,080	282,800	282,800	282,800	\$ 45,000	327,800
16	HRES Human Resources	32,081	121,447,481	480,400	121,927,881	(1,019,848)	120,908,033
17	LOGS Logistics	34,084	3,033,020	3,033,020	3,033,020		3,033,020
18	DISP Dispatch Services	35,080	2,797,837	2,797,837	2,797,837	11,859	2,809,286
19	EMSS Emergency Medical Services	37,083	2,475,040	2,475,040	2,475,040		2,475,040
20	ESWD Emergency Services Wide	39,085	16,700	16,700	16,700	42,093	66,282
21	FACM Facilities Maint.	40,089	2,125,275	2,125,275	2,125,275		2,125,275
22	FLTM Fleet	41,088	21,000	4,259,475	4,280,475	403,633	4,884,108
23	ADMN Administration	44,086	1,284,750	1,284,750	1,284,750	59,000	1,314,750
24	COMM Communications	45,078	3,285,893	3,285,893	3,285,893	129,824	3,395,817
25	DATA Technical Services	45,079	1,859,845	1,859,845	1,859,845	136,449	1,799,094
26	DCMP Detarred Comp Committee	47,071	20,000	20,000	20,000		20,000
27	FNCE Finance	47,109	1,703,393	1,703,393	1,703,393		1,703,393
28	GCOU General Counsel	48,111	280,000	280,000	280,000		280,000
29	REAC Recruit Academy	50,007	289,195	289,195	289,195		289,195
30	STTN Station Budgets	46,XXX	45,135	45,135	45,135		45,135
<b>TOTAL:</b>		\$ 123,007,481	\$ 38,222,287	\$ 162,229,748	\$ (871,095)	\$ 2,049,031	\$ 163,407,884

SACRAMENTO METROPOLITAN FIRE DISTRICT - SUMMARY OF REVENUES FOR FISCAL YEARS 2005, 2006 AND 2007

Account Title	D 2004/2005 Final Budget: Revenues	E 2005/2006 Final Budget: Revenues	F 2006/2007 Final Budget: Revenues	G Increase (Decrease) from Prior Year Budget	H % Incr (Decr) of Prior Year Actual (Col. G/E)
TOTAL PROPERTY TAXES	\$ 99,069,072	\$ 111,714,930	\$ 126,175,136	\$ 14,460,206	12.94%
TOTAL FINES	36,720	57,500	17,500	(40,000)	-69.57%
TOTAL INTEREST AND RENTALS	468,992	305,000	878,800	571,800	187.48%
TOTAL OTHER GOVERNMENTAL AGENCIES	6,173,721	5,691,000	5,816,256	125,256	2.20%
TOTAL FEES FOR SERVICES	12,659,343	12,831,500	14,739,900	1,808,400	13.98%
TOTAL MISCELLANEOUS REVENUE	407,500	550,000	1,293,047	743,047	135.10%
TOTAL OTHER FINANCING SOURCES	105,000	510,000	10,000	(500,000)	-98.04%
<b>TOTAL ALL REVENUES:</b>	<b>\$118,920,348</b>	<b>\$131,759,930</b>	<b>\$148,928,639</b>	<b>\$17,168,709</b>	<b>13.03%</b>

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
REVENUE HISTORY FOR FISCAL YEARS 2005, 2006 AND 2007**

Acct	Account Title	D	A	B	C	D	E	F
		2004/2005 Final Budget	2005/2006 Final Budget	2005/2006 Final Actual	2006/2007 Preliminary Budget	2006/2007 Final Budget	Increase (Decrease) from Prior Year Actual	% Incr (Decr) of Prior Year Actual (Col. E/B)
9101	Current Sec. Prop. Tax Taxes apportioned against the secured rolls of property in the district	\$86,633,317	\$85,462,425	\$85,500,882	\$107,818,932	\$107,818,932	\$12,316,040	12.90%
9102	Current Unsec. Prop. Tax Tax on property such as inventory, shelves, shopping carts, etc.	4,268,129	4,236,005	4,026,023	4,784,307	4,784,307	768,284	18.83%
9103	Supplemental Prop. Tax Property sold in the middle of the year, additions, remodels Property is assessed and taxes paid.	6,311,879	8,665,209	10,730,108	9,787,950	9,787,950	(942,158)	-6.78%
9104	Secured Delinquent Property Tax Apportionment of delinquent secured property taxes	970,893	1,204,643	1,240,464	1,360,457	1,380,457	119,993	9.67%
9105	Supplemental Delinquent Prop. Tax Property tax Supplemental Includes taxes from Placer County.	186,205	326,738	372,324	369,028	368,028	(3,296)	-0.89%
9108	Unitary Current Secured State Property, regulated private industry	1,698,649	1,819,012	1,533,842	2,054,482	2,054,482	520,620	33.93%
9120	Secured Redemption Taxes not paid in full amount (payment plans)	0	0	1	0	0	(1)	-100.00%
9130	Prior Unsec. Prop. Tax Taxes and interest apportioned as a result of levies made against rolls in prior fiscal years.	0	0	125,746	0	0	(125,746)	-100.00%
9140	Property Tax Penalties	0	0	0	0	0	0	N/A
9145	Redemption Taxes Penalties and costs against property owners for tax delinquencies	0	0	0	0	0	0	N/A
9147	Other Property Taxes Misc. Property Taxes	0	0	0	0	0	0	N/A
<b>TOTAL TAXES</b>		<b>\$ 89,089,072</b>	<b>\$ 111,714,930</b>	<b>\$ 113,629,499</b>	<b>\$ 126,175,136</b>	<b>\$ 126,175,136</b>	<b>\$ 12,845,637</b>	<b>11.14%</b>
9310	Vehicle Code Fines Revenues from court fines and forfeitures	30,000	7,600	5,927	7,500	7,500	1,573	28.54%

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
REVENUE HISTORY FOR FISCAL YEARS 2005, 2006 AND 2007**

Acct	Account Title	D	A	B	C	D	E	F
		2004/2005 Final Budget	2005/2006 Final Budget	2005/2006 Final Actual	2006/2007 Preliminary Budget	2006/2007 Final Budget	Increase (Decrease) from Prior Year Actual	% Incr (Decr) of Prior Year Actual (Col. E/B)
	Parking Violations							
9320	Other Court Fines Revenues from court fines for violations of laws (Resitution)	6,720	60,000	11,641	10,000	10,000	(1,641)	-14.10%
	<b>FINES</b>	<b>\$ 36,720</b>	<b>\$ 67,500</b>	<b>\$ 17,568</b>	<b>\$ 17,500</b>	<b>\$ 17,500</b>	<b>\$ (68)</b>	<b>-0.39%</b>
9410	Interest Interest on Daily Cash Balance from County	392,992	100,000	828,317	106,800	876,800	48,483	5.85%
9429	Building Rental Rental Payments to be received from Rancho Murieta Assoc., Sta. 59	76,000	205,000	212,413	0	0	(212,413)	-100.00%
	<b>USE OF MONEY/PROPERTY</b>	<b>\$ 468,992</b>	<b>\$ 305,000</b>	<b>\$ 1,040,730</b>	<b>\$ 106,800</b>	<b>\$ 876,800</b>	<b>\$ (163,830)</b>	<b>-15.76%</b>
9522	HOPTR Homeowners tax forgiveness. Funds received from the State to compensate local governmental agencies for revenue lost due to Homeowner Property Tax Exemption	1,841,209	1,850,000	1,728,539	2,089,481	1,849,263	222,724	12.90%
9528	STATE SUBVENTION Reimbursements from the State of CA. Includes reimbursements for state mandated costs.	0	0	0	0	0	0	N/A
9531	AID / OTHER LOCAL GOV'T AGENCY Received from local gov't agencies: Sacramento County (McClellan Park) WMD Grant (02/03 Grant - Electronic Accountability) City of Citrus Heights tax sharing Grant - defibrillators '04 State Supplemental Domestic Preparedness Equip Gra '04 State Domestic Preparedness Grant (Discretionary) '03 State Domestic Preparedness Equip Grant Los Rios Funds Grant RDLAP Reimbursement - Comm Center CERT Program Reimbursement MDT Purchase Grant	2,800,000 0 0 82,444 735,850 80,000 380,000 254,418	3,338,000 0 0 0 0 0 0 45,000 20,000 440,000	3,653,134	3,474,700	3,866,964	213,860 (48,341) 0 (82,444) (735,850) (80,000) (880,000) (254,418) 45,000 20,000 440,000	N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A
9589	STATE AID OTHER MISC. PROGRAMS	0	0	82,454	0	0	(82,454)	-100.00%



**SACRAMENTO METROPOLITAN FIRE DISTRICT  
REVENUE HISTORY FOR FISCAL YEARS 2005, 2006 AND 2007.**

Accf	Account Title	D	A	B	C	D	E	F
		2004/2005 Final Budget	2005/2006 Final Budget	2005/2006 Final Actual	2006/2007 Preliminary Budget	2006/2007 Final Budget	Increase (Decrease) from Prior Year Actual	% Incr (Decr) of Prior Year Actual (Col. E/B)
<b>OTHER GOVERNMENTAL AGENCIES</b>		\$ 6,173,721	\$ 6,891,000	\$ 6,462,127	\$ 6,664,181	\$ 6,816,258	\$ (721,724)	-13.21%
9812	Candidate Filing Fees Candidate Filing Fees	0	0	0	0	8,000	8,000	N/A
9843	Plan Review/Inspection Fees/Permits Plan check and inspection fees Plan Check Contract Services (McClellan Park)	911,083	950,000	988,165	1,003,115	1,003,115	38,980	3.83%
9848	Fire Control Service Recovery for false alarms, fire investigation, suppression, Hazmat response, etc.	0	6,500	493	6,808	5,808	5,315	1078.09%
9848	Copying Service Revenues received for copies of incident reports, medical billing records, and other public records	9,500	10,000	9,403	10,559	10,559	1,155	12.28%
9868	Medical Care (Medic fees) Ambulance Revenue, other than AMR	11,200,000	11,100,000	13,087,176	14,720,601	12,800,000	(287,176)	-2.18%
9893	Education Training Service Revenues received as reimbursement for the cost of various training program	40,000	350,000	325,990	389,589	368,589	43,579	13.37%
9898	Service Fees-Charges-Others Revenues received for fees and charges not accounted for elsewhere including AMR ambulance contract (38,455 mo.)	488,750	618,000	414,117	644,850	644,850	130,733	31.57%
<b>CHARGES FOR SERVICES</b>		\$ 12,669,343	\$ 12,931,500	\$ 14,803,334	\$ 13,654,600	\$ 14,739,900	\$ (63,435)	-0.43%
8710/8731	Cash Overages/Donations Funds/assets donated, paid, or transferred to the District from private agencies, persons, or other sources	0	0	12	0	0	(12)	-100.00%
8740	Insurance Proceeds Reimbursement from insurance, i.e., damaged equipment	0	0	54,728	0	0	(54,728)	-100.00%
8702	Special Tax Benefit Assessment fees in the Sloughhouse Area	280,500	300,000	500,544	300,000	560,609	60,065	12.00%
8780	Revenues - Others	127,000	250,000	563,625	275,000	275,000	(288,625)	-51.21%

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
REVENUE HISTORY FOR FISCAL YEARS 2005, 2006 AND 2007**

Acct	Account Title	D	A	B	C	D	E	F
		2004/2005 Final Budget	2006/2006 Final Budget	2005/2006 Final Actual	2006/2007 Preliminary Budget	2006/2007 Final Budget	Increase (Decrease) from Prior Year Actual	% Incr (Decr) of Prior Year Actual (Col. E/B)
	Other revenues not accounted elsewhere such as witness fees; residuals from benefits plan, and other miscellaneous revenue. Includes \$20,000 for Deferred Compensation administrative reimbursement							
9789	Revenues Prior Years Revenue received in a current year that apply to a prior year Mainly funding from SHRA for Redevelopment areas at Mather & McClellan	0	0	405,171	0	467,438	62,267	12.80%
	<b>MISCELLANEOUS REVENUE</b>	\$ 407,500	\$ 650,000	\$ 1,524,081	\$ 575,000	\$ 1,283,047	\$ (231,034)	-16.16%
9950	Sale of Real Property Proceeds from the sale of real property(Transfer to Reserves)	0	0	0	0	0	0	N/A
9952	Sale of Personal Property Surplus sales, caps, t-shirts, badges.	6,000	10,000	0	10,000	10,000	10,000	N/A
9870	Other Financial Sources-Debt Issue TRAN Interest	100,000	500,000	413,795	0	0	(413,795)	-100.00%
9880	Operating Revenue Transfer In	0	0	0	0	0	0	N/A
	<b>OTHER FINANCING SOURCES</b>	\$ 106,000	\$ 510,000	\$ 413,795	\$ 10,000	\$ 10,000	\$ (403,795)	-97.68%
	<b>Total Revenues</b>	\$118,920,348	\$131,758,830	\$136,791,134	\$146,103,097	\$148,820,639	\$11,061,662	8.09%

INCREASE IN FINAL OVER PRELIMINARY REVENUE PROJECTIONS: \$ 2,825,542

**Sacramento Metropolitan Fire District  
Projected Payroll Report for Fiscal Year 2006/07**

Description	Safety	Misc	Safety or Misc	Total	Account No.
Wages	52,903,589	6,164,057		59,067,645	111000
4850 (Workers Comp Wages)					
Education	2,187,039	94,410		2,281,449	114140
EMT	2,383,205	15,059		2,398,265	114120
Paramedic	1,472,949	-		1,472,949	114130
CEU	153,269	11,886		165,155	114140
Haz-Mat	229,684	-		229,684	114160
Longevity Pay	1,853,648	15,227		1,868,875	114170
Differential	281,996	-		281,996	114111
Uniform Allowance	382,000	12,000		394,000	114310
Tool Allowance	-	21,000		21,000	113420
Auto Allowance			18,000	18,000	114330
Annual PTO Buy Back			200,000	200,000	115110
PTO/Hol/Separation			500,000	500,000	115110
Annual Holiday Pay			1,523,000	1,523,000	115114
Sick Leave Buy Back/Annual			924,000	924,000	115130
Sick Leave Buy Back/Retire			500,000	500,000	115130
Constant Staffing/FLSA			10,500,000	10,500,000	113220
Overtime - Day			507,500	507,500	113220
Out of Class			200,000	200,000	114110
Reserve F/F-Rio Linda			40,000	40,000	112100
Directors			30,000	30,000	112400
<b>Total Wages:</b>	<b>\$ 61,847,379</b>	<b>\$ 6,333,639</b>	<b>\$ 14,942,500</b>	<b>\$ 83,123,518</b>	
Retirement -Employer					
CalPERS Safety	15,171,994			15,171,994	121011
CalPERS Misc.		1,328,224		1,328,224	121020
SCERS Safety Retirement			375,000	375,000	121010
					121040/12105
Pension Bonds Payment			5,876,827	5,876,827	0
Mutual Benefit Fund			5,000	5,000	121022
Reserve F/F PERS Prog			5,000	5,000	121021
<b>Total Retirement:</b>	<b>\$ 15,171,994</b>	<b>\$ 1,328,224</b>	<b>\$ 6,261,827</b>	<b>\$ 22,762,046</b>	
OASDHI			\$ 850,000	\$ 850,000	122020
Medical					
Employees			9,036,284	9,036,284	123010
Retirees			2,980,000	2,980,000	123011
Retirees-Directors			39,000	39,000	123011
EARS			75,000	75,000	123040
Medicare Reimb.			75,000	75,000	123011
Dental			1,046,192	1,046,192	123020
Vision			170,574	170,574	123030
LT Disability			70,000	70,000	123050
Life/AD&D			245,000	245,000	123060
<b>Total Medical:</b>			<b>\$ 13,737,050</b>	<b>\$ 13,737,050</b>	
Workers Compensation Claims			\$ 1,500,000	\$ 1,500,000	124000
Unemployment			\$ 15,000	\$ 15,000	125000
<b>Total Salaries, Benefits and Employer Paid Taxes:</b>					
	<b>\$ 77,019,373</b>	<b>\$ 7,661,863</b>	<b>\$ 37,306,377</b>	<b>\$ 121,987,613</b>	



**SACRAMENTO METROPOLITAN FIRE DISTRICT -  
ENCUMBRANCES AUTHORIZED IN FISCAL YEAR 2006 AND PAID IN FISCAL YEAR 2007**

Vendor	Purchase Order No.	Account	Amount Remaining to Pay	Amount by Division
1 E-Motion	07441	11.020.259100	\$ 14,300.00	\$ 14,300.00 11.020
2 Holt of California	07258	39.085.223110	5,857.00	
3 Central Calif Kenworth	07278	18.072.223210	2,500.00	
4 Harley Murray	07257	39.085.223110	1,832.00	
5 Storm King Mtn.	07280	18.072.223210	3,753.75	13,742.75 18.072
6 Mid Minnesota	04014	20.069.420160	12,962.12	
7 Mid Minnesota	04015	20.069.420160	11,272.15	
8 Mid Minnesota	04016	20.069.420160	930.86	
9 Sacramento County Water Agency	JV 105447818	20.069.420160	21,518.00	
10 Comtech	06004	20.069.420160	29,933.74	
11 Various Vendors for the Completion of Interim Fire Station #32			1,270,733.03	1,347,350.00 20.069
12 VMI	06386	23.037.228400	2,611.87	2,611.87 23.037
13 ECMS	07494	28.101.231423	1,120.96	1,120.96 28.101
14 Watco	06685	41.088.223200	23,040.54	
15 Placer Fire	07550	41.088.430100	380,591.97	403,632.51 41.088
16 Motorola	07338	45.078.227210	129,824.10	129,824.10 45.078
17 Comtech	05892	45.079.420150	78,053.29	
18 Compucom	07207	45.079.430250	6,758.08	
19 DVBE Tech	07209	45.079.281210	13,178.96	
20 DVBE Tech	07210	45.079.281210	3,226.74	
21 Motorola	05469	45.079.281210	1,053.80	
22 Motorola	06516	45.079.281210	34,178.30	136,449.17 45.079
			<b>\$ 2,049,031.36</b>	<b>\$ 2,049,031.36</b>

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
BUDGETED EXPENDITURES HISTORY DETAIL  
FY 2007**

A		E				G		H	
ACCOUNT TITLE	2004/2005 Final Budget	2005/2006 Final Budget Total	2005/2006 Final Actual Total	2006/2006 Rolled Back Into Fund Balance	2006/2007 Final Budget Total	Increase (Decrease) from Prior Year Actual	% of Inc (Dec) from Prior Year Budget (Col. G/E)		
<b>BUDGETED EXPENDITURES:</b>									
1100 SALARIES & WAGES	\$ 65,800,000	\$ 75,184,228	\$ 74,693,135	\$ 471,093	\$ 83,123,518	\$ 8,430,393	11.28%		
1210 RETIREMENT	21,855,600	18,052,400	18,828,102	224,288	22,782,048	3,933,844	20.88%		
1220 OASDHI	580,000	820,000	710,282	103,718	850,000	133,718	18.87%		
1230 GROUP HEALTH	8,978,000	12,199,913	11,889,235	300,678	13,737,050	1,887,815	15.74%		
1240 WORKERS COMP.	1,500,000	1,500,000	1,188,489	331,511	1,500,000	331,511	28.37%		
1250 UNEMPLOY. INSUR.	20,000	25,000	9,024	15,976	15,000	5,976	68.22%		
<b>TOTAL EMPLOYEE BENEFITS</b>	<b>\$ 99,611,500</b>	<b>\$ 108,731,541</b>	<b>\$ 107,284,207</b>	<b>\$ 1,447,274</b>	<b>\$ 121,987,813</b>	<b>\$ 14,703,346</b>	<b>13.71%</b>		
2005 ADV/LEGAL NOTICES	13,000	82,728	111,858	(18,131)	73,600	(38,355)	-34.28%		
2016 BLUEPRNT. PHOTO SERV.	3,000	7,775	2,636	5,140	25,800	22,955	871.54%		
2016 BLUEPRNT. PHOTO SUPPLY	1,000	3,000	2,264	748	8,000	3,748	188.18%		
2021 SUBSCRIP. SERVICE	3,500	8,884	4,042	2,842	36,250	32,253	797.85%		
2022 SUBSCRIP. PERM. LIBRARY	36,870	34,720	21,391	13,329	45,320	23,829	111.88%		
2027 CASSETTE SUPPLIES	4,350	8,300	8,787	(487)	10,400	1,613	18.38%		
2028 LIBRARY SUPPLY	2,800	1,000	95	905	0	(95)	-100.00%		
2029 BUSINESS/CONF. EXP.	140,000	182,500	150,753	31,747	277,800	127,047	84.27%		
2031 BUSINESS ACTIVITY EXP (Non Employee)	8,000	5,215	4,215	1,000	8,500	4,285	101.88%		
2035 EDUC./TRNG SERVICES	100,000	147,850	107,043	40,807	333,500	228,457	211.58%		
2036 EDUC./TRNG SUPPLIES	98,000	138,900	78,158	60,742	128,750	62,592	88.08%		
2038 EMPLOYEE RECOGNITION	15,000	19,211	18,849	2,362	39,800	22,951	138.22%		
2039 EMPLOYEE TRANSPORT	16,000	5,107	2,932	2,175	3,000	88	2.32%		
2041 EXPENDABLE OFFICE EQUIPMENT	15,000	14,800	8,481	6,338	18,000	9,539	147.84%		
2045 FREIGHT/EXPRESS/CARTAGE	5,000	7,000	7,749	(749)	10,000	2,251	29.05%		
2051 LIABILITY INSURANCE	654,500	533,833	532,088	1,837	1,085,000	582,904	105.79%		
2081 MEMBERSHIPS	20,075	19,874	17,151	2,623	38,000	20,848	121.56%		
2085 MICRO. PHOTO SERVICE	18,400	15,159	8,916	5,243	14,300	4,384	44.21%		
2088 MICRO. PHOTO SUPPLIES	14,160	12,411	10,098	2,315	12,250	2,164	21.34%		
2078 OFFICE SUPPLIES	140,000	177,618	168,321	11,295	195,980	28,039	17.82%		
2081 POSTAGE SERVICE	25,000	23,841	23,832	0	35,000	11,368	48.10%		
2085 PRINTING SERVICES	43,916	30,118	18,659	11,657	57,275	38,718	208.81%		
<b>General Operating Expense</b>	<b>\$ 1,372,860</b>	<b>\$ 1,485,440</b>	<b>\$ 1,300,994</b>	<b>\$ 184,448</b>	<b>\$ 2,482,250</b>	<b>\$ 1,181,256</b>	<b>89.26%</b>		
2103 AGRICULTURAL SERV.	83,000	88,500	70,604	17,898	87,000	18,398	23.22%		
2104 AGRICULTURAL SUPPL	15,000	13,200	12,102	1,098	18,050	3,948	32.82%		
2111 BLDG. MAINT. SERVICE	158,000	242,000	207,582	34,418	205,500	(2,082)	-1.00%		
2112 BLDG. MAINT. SUPPLY	178,500	183,500	127,318	66,184	211,500	84,184	86.12%		
2131 ELECT. MAINT. SERVICE	80,000	70,000	53,729	16,271	128,000	72,271	134.51%		
2132 ELECT. MAINT. SUPPLY	42,000	15,000	11,803	3,397	39,500	24,897	214.57%		
2141 LAND IMPROVEMENT SERVICE	30,000	30,000	0	30,000	0	0	N/A		
2142 LAND IMPROVEMENT SUPPLY	6,000	0	0	0	0	0	N/A		
2151 MECH. SYS. MAINT. SERV.	130,000	120,000	102,593	17,407	125,000	22,407	21.84%		
2152 MECH. SYS. MAINT. SUPPL	80,000	80,000	47,088	32,932	70,000	22,932	48.72%		
2181 PAINTING SERVICES	10,000	100,000	74,882	25,318	100,000	25,318	33.80%		

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
BUDGETED EXPENDITURES HISTORY, DETAIL  
FY: 2007**

A	E					G	H
ACCOUNT TITLE	2004/2005 Final Budget	2005/2006 Final Budget Total	2005/2006 Final Actual Total	2005/2006 Rollover Back Into Fund Balance	2006/2007 Final Budget Total	Increase (Decrease) from Prior Year Actual	% of Inc (Dec) from Prior Year Budget (Col. G/E)
<b>BUDGETED EXPENDITURES:</b>							
2162 PAINTING SUPPLIES	12,000	8,000	3,740	4,260	9,350	6,810	150.00%
2167 PLUMBING SERV.	65,000	65,000	25,410	29,590	57,760	32,340	127.27%
2168 PLUMBING SUPPLIES	5,000	2,500	420	2,080	2,825	2,205	525.00%
2171 RENTS/LEASES - REAL PROPERTY	87,600	77,862	77,271	681	113,877	38,406	47.11%
<b>Buildings &amp; Grounds Expense</b>	<b>\$ 981,000</b>	<b>\$ 1,085,862</b>	<b>\$ 814,120</b>	<b>\$ 271,642</b>	<b>\$ 1,160,862</b>	<b>\$ 346,832</b>	<b>42.60%</b>
2181 ELECTRICITY	380,000	400,000	381,085	18,935	385,000	3,936	1.03%
2182 GAS	125,000	140,000	112,458	27,544	140,000	27,544	24.49%
2193 REFUSE COLLECTION	62,500	80,000	48,642	11,458	45,000	(3,542)	-7.30%
2185 SEWAGE SERVICE	20,000	22,000	19,818	2,184	22,600	2,684	13.54%
2197 TELEPHONE SERVICES	631,600	500,400	445,041	55,359	558,800	111,759	25.11%
2188 WATER SERVICES	60,000	60,000	55,033	4,967	60,000	4,967	8.03%
2189 TELEPHONE INSTALLATION	7,200	2,200	2,159	41	15,000	12,841	694.77%
<b>Utilities Expense</b>	<b>\$ 1,166,300</b>	<b>\$ 1,184,800</b>	<b>\$ 1,084,112</b>	<b>\$ 120,488</b>	<b>\$ 1,224,300</b>	<b>\$ 160,188</b>	<b>16.06%</b>
2205 VEHICLE MAINTENANCE SERVICE	458,000	718,500	670,128	48,372	648,500	(121,828)	-18.15%
2208 VEHICLE MAINTENANCE SUPPLY	630,000	635,743	587,137	48,608	625,000	-37,883	-6.45%
2220 EXPENDABLE TOOLS	43,400	33,500	25,884	7,616	45,200	19,516	76.99%
2227 CELL PHONES/PAGERS/COMMUNICATIONS	0	5,800	6,255	(455)	6,300	745	0.72%
2231 FIRE VEHICLE SERV.	45,100	34,081	11,477	22,614	47,489	38,012	313.78%
2232 FIRE VEHICLE SUPPLY	835,285	734,850	578,819	156,031	889,820	311,001	63.73%
2238 FUEL LUBRICANT SUPPLY	600,000	672,100	650,780	21,320	1,338,800	387,820	40.76%
2261 MEDICAL EQUIP. MAINT. SERV.	80,200	87,700	59,434	28,268	78,600	19,088	32.08%
2252 MEDIC EQUIPMENT SUPPLY	28,500	7,500	2,058	5,442	148,750	144,892	7030.71%
2281 OFFICE EQ. MAINT. SERV.	2,500	2,000	684	1,338	2,000	1,338	201.20%
2282 OFFICE EQ. MAINT. SUPPL.	4,000	2,000	0	2,000	1,000	1,000	N/A
2284 OFFICE EQUIP/MODULAR FURNITURE	50,000	85,950	73,207	12,743	85,112	11,805	18.26%
2285 COMPUTER INVENTORABLE EQUIPMENT	122,500	108,700	100,773	8,927	283,350	192,677	181.10%
2288 STATION FURNISHINGS					153,480	153,480	N/A
2271 RADIO/ELEC. MAINT. SERV.	248,100	42,000	38,383	5,617	238,880	203,577	558.54%
2272 RADIO/ELEC. MAINT. SUPP.	334,825	448,200	294,653	153,547	888,674	674,221	194.88%
2275 RENTS/LEASES EQUIP.	101,500	81,500	66,674	14,826	128,547	81,673	82.22%
2281 SHOP EQUIP. MAINT. SERV.	10,400	5,500	1,883	3,617	5,600	3,617	192.08%
2282 SHOP EQUIP. MAINT. SUPP.	10,500	3,538	1,087	2,452	7,500	6,413	588.97%
2281 OTHER EQ. MAINT. SERV.	30,000	25,700	18,151	7,548	40,043	21,892	120.81%
2282 OTHER EQ. MAINT. SUPPL.	78,000	60,600	48,835	13,765	51,300	4,485	8.53%
<b>Equipment Expense</b>	<b>\$ 3,381,790</b>	<b>\$ 4,084,303</b>	<b>\$ 3,532,282</b>	<b>\$ 562,021</b>	<b>\$ 6,802,804</b>	<b>\$ 2,070,522</b>	<b>68.62%</b>
2308 BEDDING, DRY GOODS	14,000	10,000	1,801	8,389	7,000	6,389	337.23%
2314 SAFETY, CLOTHING/SUPPL.	500,000	598,115	391,485	204,830	883,188	471,701	120.48%
2321 CUSTODIAL SERVICES	60,000	55,000	49,255	5,745	88,000	18,745	38.08%
2322 CUSTODIAL SUPPLIES	125,000	141,134	107,880	33,254	135,000	27,120	25.14%
2332 FOOD/BEVERAGE SUPPLY	24,650	38,143	30,143	8,000	37,000	6,857	22.75%

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
BUDGETED EXPENDITURES HISTORY DETAIL  
FY 2007**

A	E					G	H
ACCOUNT TITLE	2004/2005 Final Budget	2005/2006 Final Budget Total	2006/2006 Final Actual Total	2006/2006 Rolloff Back Into Fund Balance	2006/2007 Final Budget Total	Increase (Decrease) from Prior Year Actual	% of Inc (Dec) from Prior Year Budget (Col. G/E)
<b>BUDGETED EXPENDITURES:</b>							
2342 KITCHEN, DINING SUPPL	20,000	20,830	18,317	2,513	20,000	1,883	8.18%
2351 LAUND/DRY CLEAN.SERV.	15,000	21,000	20,389	631	16,500	(869)	-4.27%
2352 LAUND/DRY CLEAN. SUPPLY	8,000	1,132	1,032	100	13,200	12,168	1178.07%
<b>Household Expense</b>	<b>\$ 764,850</b>	<b>\$ 883,354</b>	<b>\$ 620,082</b>	<b>\$ 283,272</b>	<b>\$ 1,162,888</b>	<b>\$ 642,804</b>	<b>87.54%</b>
2443 MEDICAL SERVICES	185,000	151,760	88,465	63,295	429,600	331,045	338.24%
2444 MEDICAL SUPPLIES	550,000	883,760	677,288	6,462	785,000	117,702	17.38%
<b>Medical Expense</b>	<b>\$ 745,000</b>	<b>\$ 835,600</b>	<b>\$ 775,763</b>	<b>\$ 59,747</b>	<b>\$ 1,224,600</b>	<b>\$ 448,747</b>	<b>57.86%</b>
2502 ACTUARIAL SERVICES	1,000	18,830	18,830	0	25,000	6,070	25.44%
2505 ACCOUNTING/FINANCIAL	80,000	67,772	300	67,472	120,000	118,700	38900.00%
2507 COLLECTION/ASSESSMENT SERVICES	0	0	0	0	0	0	N/A
2511 APPRAISAL SERVICE	0	0	0	0	0	0	N/A
2531 LEGAL SERVICES	85,000	87,185	84,388	2,797	85,000	632	0.75%
2541 PERSONNEL SERV.	290,000	248,800	247,673	1,327	255,000	7,427	3.00%
2562 TRANSCRIPTION SERVICE	20,000	18,800	16,888	2,134	18,000	1,334	8.00%
2591 OTHER PROF. SERV.	1,523,550	1,372,894	1,178,080	188,634	2,328,281	1,162,201	97.97%
<b>Professional Service Expense</b>	<b>\$ 1,878,550</b>	<b>\$ 1,815,281</b>	<b>\$ 1,544,897</b>	<b>\$ 270,364</b>	<b>\$ 2,831,281</b>	<b>\$ 1,286,384</b>	<b>83.27%</b>
2811 DATA PROCESSING SERV.	300,000	285,000	287,587	17,403	283,725	(1,275)	-0.43%
2812 DATA PROCESSING SUPPL	125,000	207,200	182,440	14,760	338,805	144,388	76.02%
2817 ELECTION SERVICES	120,000	0	0	0	100,000	100,000	N/A
2851 PHYSICAL FITNESS SERVICE	12,500	5,885	0	5,885	5,000	(500)	-3.92%
2852 PHYSICAL FITNESS SUPPL.	18,000	84,000	80,381	13,609	42,000	(38,381)	-47.78%
2888 OTHER OPERATING SUPPL.	289,500	241,183	177,242	63,921	285,928	108,686	61.32%
2899 OTHER OPERATING SERV.	87,000	23,835	11,722	11,913	15,000	(3,278)	-2.88%
<b>Special Departmental Expense</b>	<b>\$ 933,086</b>	<b>\$ 856,893</b>	<b>\$ 729,392</b>	<b>\$ 127,301</b>	<b>\$ 1,068,481</b>	<b>\$ 339,088</b>	<b>46.48%</b>
2813 BENEFIT ASSESS. FEES	17,500	200	200	0	25,000	24,800	12400.00%
2821 COUNTY - PRINTING	0	0	0	0	0	0	N/A
2826 COUNTY STORES	5,000	0	0	0	15,000	15,000	N/A
2831 COMMUNICATIONS SERV.	2,282,000	2,580,000	2,543,307	36,693	2,608,288	285,989	10.49%
2834 TRAFFIC SIGNAL MAINT.	80,888	20,000	3,184	18,816	20,000	18,816	629.14%
293401 ADMINISTRATIVE SERVICES	0	0	13,443	(13,443)	0	(13,443)	-100.00%
293408 LDRSIR SERVICE FEES	0	0	47,082	(47,082)	45,000	(2,082)	-4.44%
293410 MDT STATION MAINTENANCE	0	27,648	0	27,648	27,650	2,650	N/A
2935 COUNTY WAREHOUSE	10,000	0	0	0	15,000	15,000	N/A
2982 GS PARKING CHARGES	300	300	250	50	50	(200)	-80.00%
2984 RADIO SYSTEMS	225,600	340,731	204,836	135,895	318,000	114,164	55.73%
2987 GS TELEPHONE SERVICE	0	0	1,803	(1,803)	0	(1,803)	-100.00%
<b>County/Public Agency Svd Exp</b>	<b>\$ 2,801,288</b>	<b>\$ 2,888,879</b>	<b>\$ 2,813,915</b>	<b>\$ 154,864</b>	<b>\$ 3,276,996</b>	<b>\$ 462,081</b>	<b>16.42%</b>



**SACRAMENTO METROPOLITAN FIRE DISTRICT  
BUDGETED EXPENDITURES HISTORY DETAIL  
FY 2007**

A	E					G	H
ACCOUNT TITLE	2004/2005 Final Budget	2005/2006 Final Budget Total	2005/2006 Final Actual Total	2005/2006 Rolled Back Into Fund Balance	2006/2007 Final Budget Total	Increase (Decrease) from Prior Year Actual	% of Inc (Dec) from Prior Year Budget (Col. G/E)
<b>BUDGETED EXPENDITURES:</b>							
TOTAL SERVICE & SUPPLY	\$ 13,816,342	\$ 16,209,682	\$ 13,185,647	\$ 2,014,145	\$ 20,013,410	\$ 8,817,863	61.67%
3210 INTEREST EXPENSE	7,000	7,000	7,749	(749)	7,800	51	0.86%
3220 LOAN/BOND REDEMPTION	0	0	0	0	0	0	N/A
3230 LEASE OBLIGATION	0	0	0	0	0	0	N/A
3450 TAXES, LICENSE, ASSESS	2,054,100	1,588,033	1,488,269	89,764	1,699,400	110,131	7.38%
3700 CONTRIBUTIONS/AGENCIES	171,000	237,700	196,499	41,201	272,900	76,401	39.68%
TOTAL TAXES, LIC., ASSESS	\$ 2,232,100	\$ 1,833,733	\$ 1,693,517	\$ 140,216	\$ 1,880,100	\$ 188,563	11.02%
4101 LAND ACQUISITION	9,600	1,189,600	1,128,942	80,558	8,500	(1,120,442)	-99.25%
4201 STRUCTURES/IMPROVE.	887,800	11,531,815	8,751,648	2,800,288	11,680,608	2,828,859	32.32%
4202 IMPROVE, OTHER THAN BLDG	280,000	1,451,500	80,777	1,380,723	750,000	889,223	1134.02%
4301 VEHICLES	3,210,000	6,457,208	4,475,494	881,712	3,485,592	(1,009,602)	-22.57%
4302 EQUIPMENT - OTHER	532,889	2,105,448	1,283,283	812,165	3,888,880	2,393,597	185.08%
4303 OFFICE EQUIPMENT - OTHER	150,000	85,170	33,329	31,841	35,000	1,671	5.01%
TOTAL FIXED ASSETS	\$ 5,180,389	\$ 21,820,738	\$ 16,743,454	\$ 6,077,265	\$ 19,828,680	\$ 3,783,108	24.03%
7801 CONTINGENCY	0	0	0	0	0	0	
TOTAL BUDGET	\$ 120,819,311	\$ 147,985,705	\$ 137,816,785	\$ 9,878,820	\$ 163,407,884	\$ 25,490,898	16.48%

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
FISCAL YEAR 2007 COMBINED FINAL BUDGET**

Acct. No.	Description	2007 Final Budget Detail	Division Total	Purchase Orders Encumbered in FY 2006	FY 2007 Final Budget
111000	<i>Salaries and Wages</i>				\$ 82,620,517
	32.091 HRES - Human Resources		\$ 82,620,517		
	Safety Employees	\$ 52,803,589			
	Miscellaneous Employees	6,164,057			
114140	Education Incentive	2,446,603			
114120	EMT Incentive	2,398,265			
114130	Para Incentive	1,472,949			
114180	Hazmat Incentive	229,684			
114170	Longevity	1,868,875			
114111	Day Incentive (Differential)	281,998			
113220	Constant Staffing/FLSA Mandate	10,600,000			
113220	Overtime - Support Personnel (Day)	607,600			
114110	Out of Class	200,000			
115130	Sick Leave Buy Back/Annual	924,000			
115130	Sick Leave Buy Back/Separation	500,000			
115114	Annual Holiday Premium	1,623,000			
115110	Annual PTO Buy Back	200,000			
115110	PTO/Hol/Separation	500,000			
112100	<i>Reserve Program</i>				40,000
	32.091 HRES - Human Resources		40,000		
	Reserve Program	40,000			
112400	<i>Board/Commission Meetings</i>				30,000
	32.091 HRES - Human Resources		30,000		
	Meeting Fees	30,000			
114300	<i>Uniform Allowance</i>				433,000
	32.091 HRES - Human Resources		394,000		
10	Uniform Allowance	394,000			
	41.088 FLTM - Fleet Maintenance		21,000		
20	Tool Allowance	21,000			
	32.091 HRES - Human Resources		18,000		
30	Automobile Allowance	18,000			
121000	<i>Retirement</i>				22,762,046
	32.091 HRES - Human Resources		22,762,046		
10	SCERS - Safety	375,000			
11	PERS - Safety	15,171,894			
20	PERS Miscellaneous	1,328,224			
21	Reserve F/F PERS Program	5,000			
22	Mutual Benefit Fund	5,000			
40	PFB - Mandatory Sinking Fund Payments	6,876,827			
122000	<i>FICA/Medicare</i>				850,000
	32.091 HRES - Human Resources		850,000		
20	FICA/Medicare	850,000			
123000	<i>Group Health Insurance</i>				13,737,050
	05.076 BRDD - Board of Directors		39,000		
	Retired Directors - Health	39,000			
	32.091 HRES - Human Resources		13,698,050		
	Active Employees	9,036,284			
	Retired	2,980,000			
	Medicare reimbursement	75,000			
	Dental - Active	1,048,182			
	Vision - Active	170,574			
	Long Term Disability	70,000			
	Life/AD&D Insurance	245,000			
40	Employee Assistance Program	76,000			
124000	<i>Workers Compensation</i>				1,500,000
	13.022 WKCO - Workers Compensation		1,500,000		
	Workers Comp Operating Budget	1,500,000			
125000	<i>Unemployment</i>				15,000
	32.091 HRES - Human Resources		15,000		
	Unemployment	15,000			
<b>TOTAL EMPLOYEE SALARIES &amp; BENEFITS:</b>		<b>\$ 121,987,613</b>	<b>\$ 121,987,613</b>	<b>-</b>	<b>\$ 121,987,613</b>

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
FISCAL YEAR 2007 COMBINED FINAL BUDGET**

Acct. No.	Description	2007 Final Budget Detail	Division Total	Purchase Orders Encumbered In FY 2006	FY 2007 Final Budget
200500	<i>Advertising/Legal Notices</i>				73,500
	13.022 WKCO - Workers Compensation Advertising for Workers Comp. Audit	\$ 3,000	\$ 3,000		
	32.091 HRES - Human Resources Recruitment Advertising	6,000	6,000		
	44.066 ADMN - Administration Advertising/Legal Notices RFPs	4,500	4,500		
	48.111 GCOU - General Counsel Advertisements & Legal Notices	30,000	60,000		
10	RFB Publications	30,000			
201500	<i>Blueprint/Copying Service</i>				25,600
	23.037 TRNG - Training Duplication Services	6,000	6,000		
	37.083 EMSS - Emergency Medical Services Copying Services	600	600		
10	44.066 ADMN - Administration TRA Maps & Annexation Maps	1,000	1,000		
	48.111 GCOU - General Counsel Blueprint/Copying for Legal	18,000	18,000		
201600	<i>Print/Copying Supply</i>				6,000
	31.090 FPBU - Fire Prevention Bureau Mapping Supplies, Plotter Paper, Ink, etc...	4,000	6,000		
	Print/Program Supplies, Binders, Tabs, Ink	2,000			
202100	<i>Books/Subscription Service</i>				36,295
	13.022 WKCO - Workers Compensation Work Comp. Legal Reporter	250	1,000		
04	W/C Reporter, W/C Advisor	500			
05	CAL Coalition W/C	250			
	18.072 EPSO - Emergency Planning/Special Ops Aviation Maps & Flight Guide	500	11,670		
07	Automated Flight Following	1,170			
08	Meteorological Weather Reporting - EPSO & OPS Wx Reporting for EOC/MO	3,000			
09	Chemical Database Updates, Chemical Knowledge	3,000			
10	Technical Reference Replacement	4,000			
	23.037 TRNG - Training Subscriptions: Fire Trade Magazine	125	125		
	28.101 SAFE - Safety NFPA Books & Standards	850	850		
	31.090 FPBU - Fire Prevention Bureau New Home Survey Subscription	2,000	2,000		
	37.083 EMSS - Emergency Medical Services Subscription Services	150	400		
	FS EMS Journal	100			
	JEMS	150			
	44.066 ADMN - Administration FLSA/ADA	1,500	15,000		
	Fire Chief, Fire Engineering, Police & Fire Reporter, Western City, Lexis-Nexis: Online Legal Service	1,500			
01		12,000			
	47.109 FNCE - Finance Accounting & Finance Journals/Subscriptions	250	250		
	48.111 GCOU - General Counsel Books, Subscriptions, Publications (Daily Journal)	5,000	5,000		
202200	<i>Books/Subscription (Perm. Library)</i>				45,320
	03.087 FIRE - Fire Chief Books & Subscriptions	1,000	1,000		
	06.077 CISM - Critical Incident Stress Mgt CISM - Books for Stations	500	600		
	12.021 FITW - Fitness/Wellness Program Misc. Books	400	3,200		
09	Body Bulletin Newsletter	800			
10	Fitness Charts/Posters	200			
11	Health & Fitness Reference Books	1,800			
	13.022 WKCO - Workers Compensation Labor Code Updates	500	600		
04	23.037 TRNG - Training Books for Permanent Library	9,000	12,600		
	Books for Cadets	2,500			
13	Leadership & Ethics Publications	1,000			
	31.090 FPBU - Fire Prevention Bureau Code Books, NFPA Subscription, County Codes, H&S Code.	5,000	5,000		

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
FISCAL YEAR 2007 COMBINED FINAL BUDGET**

Acct. No.	Description	2007 Final Budget Detail	Division Total	Purchase Orders Encumbered In FY 2006	FY 2007 Final Budget
	32.091 HRES - Human Resources		3,500		
	Reference Material on Fed/State/Laws Public Sector	3,500			
	37.083 EMSS - Emergency Medical Services		9,170		
	EMT Study Reference Texts	3,200			
	EMS Reference Literature	270			
07	Paramedic Intern Texts	5,600			
07	Hobal Scramblers	200			
	41.088 PLTM - Fleet Maintenance		450		
	Technical Manuals/CDs for Vehicle and Maintenance	450			
	44.066 ADMIN - Administration		1,500		
	Code Updates & General Code Index	1,500			
	47.109 FNCE - Finance		500		
	Books, Permanent Library	500			
	48.111 GCOU - General Counsel		5,000		
	Books & Subscriptions for Permanent Library	5,000			
	50.007 REAC - Recruit Academy		2,500		
	Recruit Books	2,500			
202700	Recording/Cassette Supplies				10,400
	05.076 BRDD - Board of Directors		650		
	Audio Tapes	650			
	12.021 FITW - Fitness/Wellness Program		150		
	DVD/VHS/CD	150			
	23.037 TRNG - Training		8,200		
	CD/DVD/VHS Supplies for Training	4,400			
01	CD/DVD/VHS Supplies for Board	3,200			
02	CD/DVD/VHS Supplies for Fire Comp	600			
	50.007 REAC - Recruit Academy		1,400		
	CD/VHS/DVD/DV Supplies	1,400			
202800	Library Supply				
202900	Business/Conference Expense				277,800
	03.087 FIRE - Fire Chief		60,000		
	Various Conference & Business Mig Expenses	60,000			
	05.076 BRDD - Board of Directors		27,000		
	Board Education/Travel/Conference	27,000			
	06.077 CISM - Critical Incident Stress Mgt		2,500		
	Business & Conference Expense	2,500			
04	13.022 WKCO - Workers Compensation		2,600		
05	CAJPA	1,500			
	COSIPA	1,000			
	18.072 EPSO - Emergency Planning/Special Ops		14,800		
13	HAI Annual Heli-Expo/Holst User Conf: 2 persons, registration, airfare, lodging	4,000			
14	1 Chief's HazMat: 2 persons registration, airfare, lodging	4,000			
15	Wildland Safety Summit	2,000			
16	Firescope Business & Travel; Aviation Specialist Working Group	4,800			
	23.037 TRNG - Training		5,600		
	Business & Conference Expense for Training	5,500			
	31.090 PPBU - Fire Prevention Bureau		30,000		
	CA Conf/Arson Investigation Training: 4 Investigators	3,600			
	CSTI Law Enforcement for Arson Investigators Training: 2 Investigators	2,400			
	Fire Prevention Officers Annual Training Conference	2,700			
	Int'l Codes Annual Meeting for Code Changes and Adoption	3,000			
	NFPA Annual Meeting for Code Changes and Adoption	3,000			
	Fire Investigation 1A, 1B, 2A, 2B; for 2 New Investigators	4,500			
	Basic Crime Scene Investigation Class: for 2 New Investigators	5,000			
	DECCAN Conference for 2 Mapping Personnel	4,500			
	Juvenile FireSetters Classes for JFS Coordinator	1,200			
	32.091 HRES - Human Resources		10,000		
02	Employee Business & Conf Expense	5,000			
03	Exhibitor Fees	5,000			
	34.094 LOGS - Logistics		12,000		
	Trade Shows for Fire Dept Related Items	12,000			
	37.083 EMSS - Emergency Medical Services		7,500		
	Various Conference & Business Mig Expenses	7,500			
	39.085 ESWD - Emergency Services Wide		5,000		
	Various Conference & Business Mig Expenses	5,000			
	44.066 ADMIN - Administration		74,500		
	Various Conference & Business Mig Expenses	64,500			
06	Franklin Covey Seminars	1,000			
07	FDAC, CalPERS Conferences	2,500			
08	Risk Management Conferences	1,000			
09	CSDA & League of Cities Conference	2,500			
10	National Fire Academy	3,000			

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
FISCAL YEAR 2007 COMBINED FINAL BUDGET**

Acct. No.	Description	2007 Final Budget Detail	Division Total	Purchase Orders Encumbered in FY 2006	FY 2007 Final Budget
	45.079 DATA - Technical Services Various Conference & Business Mtg Expenses	6,000	6,000		
	47.071 DCMP - Deferred Compensation Conference & Training Expenses: Def Comp	10,000	10,000		
	47.109 FNCE - Finance Business Mtgs: Director of Finance	2,500	2,600		
	48.111 GCOU - General Counsel Various Conference & Business Mtg Expenses	8,000	8,000		
203100	<i>Business Activity Expenses (Non Employee)</i>				8,500
	11.020 CSER - Community Services Fire Buffs/Fire Comp	3,500	3,500		
01	32.091 HRES - Human Resources Non-Employee Expenses Paid by the District	2,500	5,000		
02	Proctor Expenses Paid by the District	2,500			
203500	<i>Education/Trng Service</i>				333,500
	03.087 FIRE - Fire Chief Various Education & Training Expenses	10,000	10,000		
	06.077 CISM - Critical Incident Stress Mgt CISM Training	1,500	1,600		
	11.020 CSER - Community Services Public Educ Tech Training	5,000	12,600		
	Public Info Officer Training	5,000			
	Public Affairs Officer Training	2,500			
	13.022 WKCO - Workers Compensation W/C Training - Recruits	5,000	5,000		
	15.011 APEQ - Fire Crash Rescue Equip. Training for Equipment Maintenance	2,000	2,000		
	18.072 EFSO - Emergency Planning/Special Ops Annual Pilot Training: Ball (reduces insurance, safety was cut in 2006)	12,000	18,000		
30	Aviation Safety Management School	6,000			
31	23.037 TRNG - Training Education/Training Services	22,500	100,500		
17	Electronic Library	2,500			
18	Aviation Annual Training	12,000			
19	Haz Mat Training	7,500			
20	Annual Live Fire ARFF Training	18,000			
21	Tank Farm Training	3,000			
22	CDL Recertifications	10,000			
23	TSA Fingerprinting	10,000			
24	Dozer Training	15,000			
	32.091 HRES - Human Resources Employee Training Fees	1,000	1,000		
	37.083 EMTS - Emergency Medical Services		163,700		
04	EMT-B Recertification	5,000			
05	EMT-P New Certs. & Lic.	3,500			
06	EMT-P Recertification	12,000			
07	Paramedic Internship Tuition/Parking	23,000			
07	Paramedic Intern Vaccinations	3,000			
07	Paramedic Interns FISCAP Internet Service	1,100			
10	Advanced Cardiac Life Support (ACLS)	1,000			
13	National Registry Exam	6,480			
13	National Registry Skills Prep Test	2,520			
13	National Registry Certification Fee	1,100			
15	Online Training	50,000			
16	TEMS Training	45,000			
	41.088 PLTM - Fleet Maintenance Training for Fleet Maintenance personnel	5,000	5,000		
	44.066 ADMN - Administration Legal & Management Education/Training	8,000	12,000		
01	Office Tech Training	4,000			
02	Finance Staff/Eden Training				
	45.079 DATA - Technical Services Various Education & Training Expenses	9,300	8,300		
	45.109 FNCE - Finance GFOA, GASB & Cost Allocation Plan Trainings	1,000	1,000		
	48.111 GCOU - General Counsel Education & Training for Legal	2,000	2,000		
203600	<i>Education/Training Supply</i>				128,750
	06.077 CISM - Critical Incident Stress Mgt Education Training Supplies	700	700		
	11.020 CSER - Community Services ECE Handouts	10,000	40,000		

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
FISCAL YEAR 2007 COMBINED FINAL BUDGET**

Acct. No.	Description	2007 Final Budget Detail	Division Total	Purchase Orders Encumbered in FY 2006	FY 2007 Final Budget
	S&H for ECE Handouts	1,500			
	Education Training Expense	500			
	ECE Crayons with Logos	11,000			
	Production of Injury Prevention Videos	15,000			
	Post Incident Information Booklet for Public	2,000			
12	12.021 FITW - Fitness/Wellness Program		1,000		
	Fitness Assessment Supplies	1,000			
	13.022 WKCO - Workers Compensation		1,200		
	W/C Training Videos	1,200			
	23.037 TRNG - Training		38,000		
	Educational Training Supplies	18,000			
	Cadet Training Supplies	2,000			
	Reserve Training Supplies	2,000			
10	HazMat Training	9,000			
11	ARFF Training	7,000			
	28.101 SAPE - Safety		5,700		
	Educational Supplies - Safety Posters	5,700			
	32.091 HRRES - Human Resources		5,000		
	Training Classes, Career Fairs, Training Supplies	5,000			
	37.083 EMSS - Emergency Medical Services		25,000		
	EMS Training Supplies	3,320			
	Airway Manikin Trainers	17,000			
	Training Manikin Repair Parts	1,500			
	Medical Monitoring	3,180			
	44.066 ADMN - Administration		1,500		
03	Risk Management Training Videos	1,500			
	47.109 FNCE - Finance		250		
	Tutorials & Workbooks	250			
	50.007 REAC - Recruit Academy		10,400		
	Education Training Supplies	5,000			
07	Live Fire Training at Home	3,000			
08	Recruit Graduation	1,800			
09	Testing Materials	800			
203800	<i>Employee Recognition</i>				39,800
	05.076 BRDD - Board of Directors		6,000		
	Retirement Resolutions/Recognition & Merit Awards	6,000			
	11.020 CSER - Community Services		33,500		
	Employee Awards Longevity	20,000			
	Public Commendations	4,000			
	Media Awards	1,000			
	Employee Awards	6,500			
10	23.037 TRNG - Training		300		
	Probationary Medallions	300			
203900	<i>Employee Transportation</i>				3,000
39	44.066 ADMN - Administration		3,000		
	Employee Mileage Reimbursement	3,000			
204100	<i>Office Equipment</i>				16,000
	13.022 WKCO - Workers Compensation		5,000		
	Ergonomic Workstation Equipment	5,000			
	34.094 LOGS - Logistics		11,000		
	Office Equipment for Fire Stations and Offices	11,000			
204500	<i>Freight/Express/Carriage</i>				10,000
	34.094 LOGS - Logistics		10,000		
	Freight and Shipping Charges for Daily District Operations	10,000			
205100	<i>Insurance (Liability)</i>				1,085,000
	13.022 WKCO - Workers Compensation		330,000		
	Excess Workers Comp Insurance	330,000			
	44.066 ADMN - Administration		765,000		
	Property/Liability Insurance	600,000			
10	Helicopter Insurance	110,000			
10	Pollution Insurance	50,000			
20	Reserve F/F Salary Continuance Insurance	5,000			
206100	<i>Memberships</i>				38,000
	03.087 FIRE - Fire Chief		10,000		
	Memberships in Fire District-Related Organizations	10,000			
	05.076 BRDD - Board of Directors		500		
	Board Memberships	500			

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
FISCAL YEAR 2007 COMBINED FINAL BUDGET**

Acct. No.	Description	2007 Final Budget Detail	Division Total	Purchase Orders Encumbered in FY 2006	FY 2007 Final Budget
	06.077 CISM - Critical Incident Stress Mgt		750		
	Memberships	750			
	11.020 CSER - Community Services		5,000		
	Service Groups & Professional Assn. Membership Fees	5,000			
	12.021 FITW - Fitness/Wellness Program		300		
	Professional Memberships	300			
	13.022 WKCO - Workers Compensation		500		
	COSIPA	100			
	PARMA	100			
	CAJPA	100			
	RIMS	100			
	PRIMA	100			
05	18.072 EPSO - Emergency Planning/Special Ops		650		
05	HIA Annual Membership	350			
	ALEA Annual Membership	300			
	23.037 TRNG - Training		1,000		
	Annual Memberships	1,000			
	28.101 SAFE - Safety		800		
	Safety Related Memberships - FDSOA, NFPA	900			
	31.090 FPBU - Fire Prevention Bureau		2,000		
	Memberships: ICC, NFPA, NORCAL, FPO, FIRE MARSHALS, CALBO, CCA	2,000			
	32.091 HRES - Human Resources		1,500		
	California Chamber of Commerce, IMPA, Society HRM	1,500			
	34.094 LOGS - Logistics		1,000		
	Membership Dues to COSTCO and Sams Club	1,000			
	37.083 EMSS - Emergency Medical Services		800		
	Cal Chiefs EMS: 1 Active & 1 Assoc.	300			
	NFPA Membership	150			
	National Association of EMS Educators	100			
	Cal Chiefs EMS	250			
01	44.066 ADMN - Administration		6,000		
02	Membership Renewals -IPMA/SEAC/CSDA/LOC/CSDA/PARMA/FDAC/SB-S	3,000			
	CSFA Dues for Reserve F/F for Sal Cont. Insurance	3,000			
	47.071 DCMP Deferred Compensation		600		
	Memberships	600			
	47.109 FNCE - Finance		1,500		
	GFOA Membership: Base Rate for Special Districts	1,500			
	48.111 GCOU - General Counsel		5,000		
	Bar Dues (State & County Bar)	5,000			
208500	<i>Microfilm/Photographic Service</i>				14,300
	11.020 CSER - Community Services		6,000		
	TV Clips	2,500			
	DVD/CD & Photo Purchasing	2,500			
	23.037 TRNG - Training		1,000		
	Photo/Film Developing Services	1,000			
	31.090 FPBU - Fire Prevention Bureau		6,000		
	Photo Processing of Investigation Photos, FPB film processing	6,000			
	48.111 GCOU - General Counsel		2,000		
	Photo Processing for Legal	2,000			
	50.007 REAC - Recruit Academy		300		
	Film/Digital Photo Services	300			
206500	<i>Microfilm/Photographic Supply</i>				12,250
	11.020 CSER - Community Services		1,000		
	Misc Photo & Film Supplies	1,000			
	23.037 TRNG - Training		2,000		
	Film/Digital Photo Supplies	2,000			
	28.101 SAFE - Safety		150		
	Accident Investigation Documentation	150			
	31.090 FPBU - Fire Prevention Bureau		7,000		
	Digital Camera Replacement for Fire Investigators	4,000			
	Film, Batteries, Flash, Misc. Camera Supplies	3,000			
	34.094 LOGS - Logistics		1,500		
	Cameras & Film for Stations and Vehicle Use	1,500			
	50.007 REAC - Recruit Academy		600		
	Film/Digital Photo Supplies	600			
207500	<i>Office Supplies (General Operating)</i>				185,960
	34.094 LOGS - Logistics		182,860		
10	Office Supplies for Daily District Operations	130,000			
20	Toner for Printers; Replacement Cartridges for Printers	50,000			
30	Barcode Supplies for Daily District Operations	12,860			
01	44.066 ADMN - Administration		3,000		
	Franklin Planners; Yearly Refills	3,000			

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
FISCAL YEAR 2007 COMBINED FINAL BUDGET**

Acct. No.	Description	2007 Final Budget Detail	Division Total	Purchase Orders Encumbered In FY 2006	FY 2007 Final Budget
208100	<i>Postage</i> 44.066 ADMN - Administration Postage Service	35,000	35,000		35,000
208500	<i>Printing/Binding Service</i> 11.020 CSER - Community Services Printing & Binding District Brochures 13.022 WKCO - Workers Compensation Workers Comp Forms and Brochures 18.072 EPSO - Emergency Planning/Special Ops Printing Services for wall maps and training aids 23.037 TRNG - Training Printing and Binding for Training Printing and Binding for Cadet Program 20 Graduation Program 30 Graduation Invitations 28.101 SARE - Safety Printing of Safety Forms 31.090 FPBU - Fire Prevention Bureau Printing of Correction Notices, Permit Cards, Mapbook Updates Printing of PreFire Drawings 32.091 HRDS - Human Resources Dist. Applications/Background Packets/Job Announcements 34.094 LOGS - Logistics Outside Printing of Dept. Documents 37.083 EMSS - Emergency Medical Services Divisional Printing/Binding 41.088 FLTM - Fleet Maintenance Purchase Work Order Forms for Fleet Maintenance 44.066 ADMN - Administration Printing Services: Ltrhead, Envelopes, Bus. Cards 47.109 FNCE - Finance Printing/Binding for Presentations	5,000 3,000 700 1,800 600 4,600 2,000 2,000 7,000 9,000 2,500 2,500 6,500 1,000 825 825 10,000 1,850	5,000 3,000 700 8,900 16,000 9,000 2,500 5,500 1,000 825 10,000 1,850		57,275
210300	<i>Agricultural &amp; Horticultural Services</i> 34.094 LOGS - Logistics Bi-Weekly Landscapes & Grounds Service 40.086 FACM - Facilities Maintenance Landscapes, Weed Abatement, Pest Control services	3,000 84,000	3,000 84,000		87,000
210400	<i>Agricultural &amp; Horticultural Supplies</i> 34.094 LOGS - Logistics Landscaping Supplies for Stations 40.086 FACM - Facilities Maintenance Landscape Maintenance Supply	15,000 1,050	15,000 1,050		16,050
211100	<i>Building/Maintenance Service</i> 20 23.037 TRNG - Training Classroom Maintenance & Upgrade 34.094 LOGS - Logistics Minor Repairs to Logistics' & Fire Prevention Bldg. 40.086 FACM - Facilities Maintenance Building Maintenance Service	4,500 1,000 200,000	4,500 1,000 200,000		205,500
211200	<i>Building/Maintenance Supply</i> 34.094 LOGS - Logistics Items Needed to Repair Logistics' & Fire Prevention Bldg. 40.086 FACM - Facilities Maintenance Building Maintenance Supplies	1,500 210,000	1,500 210,000		211,500
213100	<i>Electrical Maintenance Service</i> 40.086 FACM - Facilities Maintenance Electrical Maintenance Service	126,000	126,000		126,000
213200	<i>Electrical Maintenance Supply</i> 34.094 LOGS - Logistics Light Bulbs & Electrical Supplies for all Stations & Office Bldgs. 40.086 FACM - Facilities Maintenance Electrical Supply	5,000 31,500	5,000 31,500		36,500



**SACRAMENTO METROPOLITAN FIRE DISTRICT  
FISCAL YEAR 2007 COMBINED FINAL BUDGET**

Acc't No.	Description	2007 Final Budget Detail	Division Total	Purchase Orders Encumbered in FY 2006	FY 2007 Final Budget
214100	<i>Land Improvement/Maintenance</i> 40.086 FACM - Facilities Maintenance Land Service				
214200	<i>Land Improvement/Maintenance</i> 40.086 FACM - Facilities Maintenance Land Maintenance				
215100	<i>Mechanical Systems</i> 40.086 FACM - Facilities Maintenance Mechanical Systems Service	125,000	125,000		125,000
215200	<i>Mechanical Systems</i> 40.086 FACM - Facilities Maintenance Mechanical Systems Supply	70,000	70,000		70,000
216100	<i>Painting Service</i> 40.086 FACM - Facilities Maintenance Painting Service	100,000	100,000		100,000
216200	<i>Painting Supply</i> 34.094 LOGS - Logistics Painting Supplies for Stations & Offices 40.086 FACM - Facilities Maintenance Painting Supply	2,000 7,350	2,000 7,350		9,350
216700	<i>Plumbing Maintenance Service</i> 40.086 FACM - Facilities Maintenance Plumbing Service	57,750	57,750		57,750
216800	<i>Plumbing Maintenance Supply</i> 40.086 FACM - Facilities Maintenance Plumbing Supply	2,625	2,625		2,625
217100	<i>Rent/Lease Of Property</i> 23.037 TRNG - Training Portable Sanitation Station Rentals 31.090 FPBU - Fire Prevention Bureau Rents/Leases 44.066 ADMIN - Administration Rents/Leases for Storage @ McClallen 47.109 FNCE - Finance Lease rental on Annex: 4mos @ \$5,700 8mos @ \$8,300	1,500 25,000 14,000 73,177	1,500 25,000 14,000 73,177		113,677
219100	<i>Electricity</i> 34.094 LOGS - Logistics Electricity District Wide	385,000	385,000		385,000
219200	<i>Natural Gas</i> 34.094 LOGS - Logistics Natural Gas District Wide	140,000	140,000		140,000
219300	<i>Refuse Collection</i> 34.094 LOGS - Logistics Refuse Service District Wide	45,000	45,000		45,000
218500	<i>Sewage Disposal</i> 34.094 LOGS - Logistics Sewage Service District Wide	22,500	22,500		22,500
218700	<i>Telephone Service</i> 45.078 COMM - Communications Monthly Phone Bills Inc. Long Distance & Data Service Lines	450,000	556,800		556,800

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
FISCAL YEAR 2007 COMBINED FINAL BUDGET**

Acct. No.	Description	2007 Final Budget Detail	Division Total	Purchase Orders Encumbered in FY 2006	FY 2007 Final Budget
20	Monthly Service for District Cell Phones	106,800			
219800	<i>Water Service</i>				60,000
	34.094 LOGS - Logistics Water Service District Wide	60,000	60,000		
219800	<i>Telephone System Maintenance</i>				15,000
	45.078 COMM - Communications Nortel Centrex System Upgrade	15,000	15,000		
220500	<i>Vehicle Maintenance Service</i>				548,500
	18.072 EPSO - Emergency Planning/Special Ops Annual Helicopter Maintenance Cost	117,918	187,000		
	Drive Train Overhaul	79,081			
	39.085 ESWD - Emergency Services Wide Pilot Dozer Program Vehicle Service	1,500	1,500		
	41.088 FLTS - Fleet Maintenance Stock Repair of District Vehicles & Equipment by Outside Vendors	350,000	350,000		
220600	<i>Vehicle Maintenance Supply</i>				625,000
	41.088 FLTS - Fleet Maintenance Stock Vehicle Parts and Equipment for all District Vehicles and Equipment	625,000	625,000		
222600	<i>Expendable Tools/Instruments</i>				45,200
	18.072 EPSO - Emergency Planning/Special Ops Equipment Repair: Dosimeter, Monitors	14,000	19,000		
	Expendable Tools & Instruments	5,000			
	23.037 TRNG - Training Misc. Tools	2,000	2,000		
	28.101 SAFE - Safety Expendable Tools	1,500	1,500		
	34.094 LOGS - Logistics Tools for Station Use	7,500	7,500		
	39.085 ESWD - Emergency Services Wide Miscellaneous Tools	3,200	3,200		
	41.088 FLTM - Fleet Maintenance Expendable Tools for Service Trucks and Fleet Maint and Facility	12,000	12,000		
222700	<i>Cell Phones/Pagers</i>				6,300
	45.078 COMM - Communications Cell Phones/Pagers	6,300	6,300		
223100	<i>Fire, Crash, and Rescue Vehicle Service</i>				47,489
	15.011 APEQ - Fire Crash Rescue Equip. Extrication Annual Service	8,000	18,000		
10	Service and Repair of All Equipment	10,000			
	28.101 SAFE - Safety Fire Equipment Service: Non-SCBA	1,000	2,500		
10	Specialized Service Repair	1,500			
30	34.094 LOGS - Logistics		12,000		
20	Hydro Service for Extinguishers, all are due this year	5,000			
30	SCBA Service, Hydro	4,000			
40	Hydro for Medical Oxygen Cylinders	3,000			
	39.085 ESWD - Emergency Services Wide Annual Service & Test on Spec Equipment	3,500	3,500	7,489	
10	41.088 FLTM - Fleet Maintenance Repair of Code 3 Emergency Equipment by Outside Vendor	4,000	4,000		
223200	<i>Fire, Crash, and Rescue Vehicle Supply</i>				889,820
	15.011 APEQ - Fire Crash Rescue Equip.		500,000		
10	ARFF Equipment	4,500			
10	Equipment Repair Parts	7,000			
10	Fire Hose Non-LDH	47,000			
10	Class A Foam Stock Replacement	46,000			
10	Class B Foam Stock Replacement	15,250			
10	Ladder Replacement	15,000			
10	Large Diameter Hose and Adapters	52,000			
10	Misc Fire Equipment Supplies	87,500			
10	Nozzle & Appliance Replacement	46,500			
10	Vehicle Equipment & Mounting Supplies	50,000			

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
FISCAL YEAR 2007 COMBINED FINAL BUDGET**

Acct. No.	Description	2007 Final Budget Detail	Division Total	Purchase Orders Encumbered In FY 2006	FY 2007 Final Budget
10	Equipment for New Apparatus	128,250			
18.072	EPSPD - Emergency Planning/Special Ops		32,350		
10	Fire Equipment Supply: Trunch/CS	8,000		6,254	
11	Hoist Replacement Cable	1,500			
11	Wetsuit & Drysuit Replacement: Water	5,000			
11	Helicopter Emergency Escape Device	2,000			
11	Rescue Harness, Slings, Straps	3,100			
11	Aviation Replacement Equipment, Gauge & Panel Reconditioning	12,750			
23.037	TRNG - Training		19,000		
10	Equipment for Training Cache	10,000			
10	Equipment for Cadet Training	2,000			
10	Equipment for Reserve Training	2,000			
17	Equipment for Rescue Training	5,000			
28.101	SAFE - Safety		273,529		
13	Dragor SCBA Parts	15,000			
13	Scott SCBA Parts	50,850			
13	Cylinder Rebuild	11,154			
14	APRs for Investigators/Fleet	650			
14	WMD/Avian Flu Inoculation	27,775			
14	WMD APR	153,400			
14	CBRN Containers	1,500			
15	Confined Space Accessories	1,500			
16	HazMat SCBA Accessories	1,500			
50	Fire Crash Rescue: SCBA Transitional Cost	10,000			
31.090	FPBU - Fire Prevention Bureau		1,000		
10	Knox Supplies	1,000			
39.085	ESWD - Emergency Services Wide		8,646		
	Unit & Specialized Equipment Upgrades	5,000			
10	Pilot Dozer Program Fire Equipment Supply	3,646			
41.088	PLTM - Fleet Maintenance		20,000		
	Replace & Purchase Code 3 Warning Equipment for Emergency Vehicles	20,000		23,041	
50.007	REAC - Recruit Academy		6,000		
10	Fire Equip Supply	3,000			
12	Academy Ladders	3,000			
223600	Fuel/Lubricant Supplies				1,336,600
34.094	LOGS - Logistics		1,283,600		
10	Diesel Fuel for Daily District Operations	792,000			
20	Gasoline for Daily District Operations	360,000			
41	Truck Service/Maint. Convault Repairs/Permits for Daily District Operations	8,000			
50	Fuel for District Aircraft	108,000			
70	Propane Gas - Forklifts & Station Heating for Daily District Operations	15,600			
41.088	PLTS - Fleet Maintenance Stock		65,000		
30	Lubricants/Oils for All District Vehicles & Equipment	25,000			
40	Grease/Antifreeze/Freon/Solvents	10,000			
60	Tank Service: Dispose Hazardous Waste	20,000			
225100	Medical Equipment Service				78,500
37.083	EMSS - Emergency Medical Services		78,500		
	Medical Equipment Service	1,500			
20	LP-12 Service	67,000			
30	Guernsey Service	10,000			
225200	Medical Equipment Supply				146,750
37.083	EMSS - Emergency Medical Services		146,750		
	Medical Equipment Supplies	10,000			
	RA Equipment Outfit	24,000			
	Mannikin Purchasing	7,500			
	Fanny Packs	250			
02	AED Purchases	20,000			
03	Guernsey Purchases	27,000			
06	Stryker Chairs	50,000			
07	Backboards	8,000			
228100	Office Equipment Maintenance Service				2,000
34.094	LOGS - Logistics		2,000		
	To Repair Office Furniture & Office Equipment	2,000			
228200	Office Equipment Maintenance Supply				1,000
34.094	LOGS - Logistics		1,000		
	Parts for Repair of Office Equipment	1,000			

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
FISCAL YEAR 2007 COMBINED FINAL BUDGET**

Acct. No.	Description	2007 Final Budget Detail	Division Total	Purchase Orders Encumbered in FY 2006	FY 2007 Final Budget
226400	<i>Office Equipment Furniture</i>				85,112
	13.022 WKCO - Workers Compensation W/C Chairs & Monitors	5,000	5,000		
	23.037 TRNG - Training Equipment for Training	2,500	2,500	2,612	
	31.090 FPBU - Fire Prevention Bureau Continued Replacement of Old File Cabinets	5,000	5,000		
	34.094 LOGS - Logistics Furniture for Stations and Offices/ New & Replacement	70,000	70,000		
226500	<i>Computer Inventoriable Equipment</i>				293,350
	23.037 TRNG - Training Software Support for Medicals Equipment Resource Center	25,000 1,000	26,000		
	45.079 DATA - Technical Services Workstation Replacement: 5 Year Plan	207,500	267,350		
10	Laptop Replacement: 4 Year Plan	35,350			
20	Printer, Fax Machine, Scanner Replacement: 5 Year Plan	21,250			
30	PDA Replacement: 3 Year Plan	3,250			
40					
226800	<i>Station Furnishings</i>				153,460
	34.094 LOGS - Logistics		153,460		
01	Recliners: 5 Year Replacement	81,800			
02	Kitchen Chairs: 5 Year Replacement	18,000			
03	Kitchen Tables: 10 Year Replacement	7,560			
04	Bed Mattresses: 4 Year Replacement	12,964			
05	Bed Frames: 10 Year Replacement	756			
06	Office Chairs: 3 Year Replacement	10,640			
07	Refrigerators: 8 Year Replacement	21,000			
08	Televisions: 5 Year Replacement	2,520			
09	Pots & Pans: 8 Year Replacement	2,800			
10	Silverware: 6 Year Replacement	1,680			
11	Desks: 10 Year Replacement	5,400			
12	End Tables: 10 Year Replacement	2,340			
13	Clothes Washers: 8 Year Replacement	3,000			
14	Clothes Dryers: 8 Year Replacement	3,000			
227100	<i>Radio Electronic Mimco Service</i>				239,960
	45.078 COMM - Communications		239,960		
10	Radio Service and Repairs: DD	34,500			
11	UPS Battery Service & Repair: Power Back-up Sta Alerting Sys	14,260			
12	Opticom Installation: New Intersections & Repairs	60,000			
20	MDT Service: Install DATA811 for RDLAP	107,200			
30	Radio Intercom Equipment Repair on Apparatus	6,300			
40	Telephone Repair	4,200			
50	Unanticipated Communications Equipment Repair	13,500			
227200	<i>Comm Equip Supply</i>				869,874
	23.037 TRNG - Training		9,500		
32	Equipment for Fire Simulation Training	4,500			
33	Radio Cache Equipment Supplies	800			
34	DVD/VHS Players	4,200			
	45.078 COMM - Communications		729,550		
10	Portable Radios, Parts & Battery Replacement	180,000		128,824	
11	MDTs and MDT Parts	255,000			
21	UPS Battery Replacement for Alerting Power Back-up	38,800			
22	Opticom Equipment for New Intersections	150,000			
30	Radio Intercom Systems for New Apparatus	75,000			
40	Replacement Phones: Rad Phones for new stations	15,350			
50	Unanticipated Supplies	15,400			
227500	<i>Rents/Leases - Equipment</i>				128,547
	18.072 EPSO - Emergency Planning/Special Ops		600		
40	Rental of Excavator Trench	800			
	34.094 LOGS - Logistics		86,000		
	Rent for Equipment During Emergency Operations	2,000			
20	Copy Machine Rent/Lease for Daily District Operations	72,000			
30	Dumpsters for Logistics & Facilities	12,000			
	39.085 ESWD - Emergency Services Wide		36,847		
10	Pilot Dozer Program Fire Equipment Rentals	36,847			
	41.088 FLT5 - Fleet Maintenance Stock		5,000		
	Rental & Refilling of all Compressed Gas Cylinders & Welding Supplies	5,000			

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
FISCAL YEAR 2007 COMBINED FINAL BUDGET**

Acct. No.	Description	2007 Final Budget Detail	Division Total	Purchase Orders Encumbered in FY 2006	FY 2007 Final Budget
228100	<i>Shop Equipment Service</i>				5,500
	34.094 LOGS - Logistics Forklift Service Contract	2,000	2,000		
	41.088 PLTM - Fleet Maintenance Repair of All Tools & Equipment utilized by Fleet Maint by Outside Vendor	3,500	3,500		
228200	<i>Shop Equipment Maintenance</i>				7,500
	34.094 LOGS - Logistics		4,500		
10	Shop Equipment Supplies: Fork Lift Repair Parts	1,500			
20	Engraver Supplies for Daily District Operations	3,000			
	41.088 PLTM - Fleet Maintenance		3,000		
10	Repair Parts for Fleet's Tools & Equipment	3,000			
229100	<i>Other Equipment Minus Service</i>				40,043
	11.020 CSER - Community Services Misc. Equipment Service	1,000	1,000		
	12.021 PITW - Fitness/Wellness Program Fitness Equipment Maintenance	11,000	11,000		
	18.072 EPSO - Emergency Planning/Special Ops Long-term contract for Monitor Services (RAE)	15,000	15,000		
10	28.101 SAPE - Safety		5,843		
20	PortaCount Service	3,708			
21	Postchak Service	1,635			
22	SmartCoal Service	500			
	31.090 FPBU - Fire Prevention Bureau Repair of FPB Equipment: Cameras, Tape Recorders	1,200	1,200		
	34.094 LOGS - Logistics Other Equipment Repairs	6,000	6,000		
229200	<i>Other Equipment Minus Supply</i>				51,300
	28.101 SAPE - Safety		4,500		
20	Batteries & Accessories	4,500			
	31.090 FPBU - Fire Prevention Bureau Hydrant Flow Test Equipment	1,800	1,800		
	34.094 LOGS - Logistics		45,000		
10	Buffers, Vacuums, Flashlights	30,000			
20	Batteries for Daily District Operations	15,000			
230800	<i>Bedding/Dry Goods/Notions</i>				7,000
	34.094 LOGS - Logistics Bedding Replacements	7,000	7,000		
231400	<i>Safety Clothing and Supplies</i>				863,186
	08.010 MCPK - McClellan Park		12,784		
15	ARFF Helmets	3,144			
16	ARFF Ensembles	6,534			
17	ARFF Gloves	795			
18	ARFF Boots	969			
19	ARFF Suspenders	92			
23	ARFF Turnout Service	750			
42	Facemasks	500			
	18.072 EPSO - Emergency Planning/Special Ops		5,440		
10	Misc. Clothes and Supplies	440			
11	PPE for HazMat & Decontamination	3,800			
12	PPE for Aviation	1,200			
	28.101 SAPE - Safety		602,721		
02	Rubber Turnout Boots	6,860			
02	Leather Turnout Boots	25,879			
03	Damage Replacement	33,459			
03	Normal Replacement	118,243			
05	Safety Footwear & Accessories	2,000			
23	Turnout Advanced C&R	7,000		1,121	
29	Non-Fire Fighting Accessories	7,000			
29	Leather Work Gloves	3,724			
30	Safety Footwear & Accessories	91,500			
30	Wildland Two-Boot Program	117,000			
31	Wildland Turnouts	22,432			
32	Wildland Helmets & Shrouds	1,732			
32	Misc. Wildland Accessories	2,000			
33	Wildland Advanced Repair	2,400			
34	PPE Repair Supplies	2,000			
36	Cadet Program PPE	25,000			
37	Reserve Firefighter Program Uniforms	4,000			
37	Reserve Firefighter Program PPE	67,680			

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
FISCAL YEAR 2007 COMBINED FINAL BUDGET**

AccL No.	Description	2007 Final Budget Detail	Division Total	Purchase Orders Encumbered In FY 2006	FY 2007 Final Budget
39	Non-Line PPE	17,500			
44	Misc Structural Equipment: Gear	2,500			
45	Structural Firefighting Gloves	8,000			
46	Structural Goggles & Protective Covering	3,032			
47	Structural Nomex Hoods	2,241			
48	Structural Helmet Parts	1,200			
49	Wildland Gloves	1,808			
50	Misc. Wildland Equipment	3,000			
51	FATS Passports	3,500			
52	FATS Shoulder Patches	5,000			
55	Heat & Sun Illness Prevention Program: Sun Hats	3,000			
55	Heat & Sun Illness Prevention Program: Sunscreen	1,000			
55	Heat & Sun Illness Prevention Program: Shade Devices	5,000			
58	Eye & Hearing Protection: Safety Glasses	1,455			
56	Eye & Hearing Protection: Hearing Protectors	975			
68	Eye & Hearing Protection: Special Hearing at Fleet	2,500			
	31.090 PPBU - Fire Prevention Bureau		5,600		
10	Misc Safety Supplies for Investigators	3,000			
13	Bullet Proof Vest Replacements (due to expire)	2,500			
	34.094 LOGS - Logistics		25,000		
10	Badges, Name Plates, Collar Brass, Patches	25,000			
	37.083 EMSS - Emergency Medical Services		625		
08	Paramedic Internship Clothing	625			
	50.007 REAC - Recruit Academy		209,995		
24	Issue Clothing For Academy	4,500			
25	Recruit Daily Uniforms	13,000			
26	Recruit Protective Clothing: PPE	191,995			
27	Academy Turnout Repairs for PPE	500			
232100	<i>Custodial Service</i>				68,000
	34.094 LOGS - Logistics		68,000		
	Custodial Service for Daily District Operations	68,000			
02	Carpet Cleaning for District Buildings as needed	10,000			
232200	<i>Custodial Supply</i>				135,000
	34.094 LOGS - Logistics		135,000		
	Custodial Supplies for Stations & Admin Buildings	135,000			
233200	<i>Food/Beverage Supply</i>				37,000
	11.020 CSER - Community Services		5,000		
	Fire Station Community Dinners	4,000			
	Meals for Community Services Assignments	1,000			
	23.037 TRNG - Training		3,000		
	Food Supply	3,000			
	32.091 HRES - Human Resources		8,000		
10	Food at Recruitment (FF, PMEDIC, INTERN)	4,500			
20	Food at Promotional Exams (FF, ENGR, CAPT, BC)	4,500			
	34.094 LOGS - Logistics		18,000		
	Food/Beverage Supply for Strike Teams & Meetings	18,000			
	37.083 EMSS - Emergency Medical Services		1,000		
	Food and Beverage Supply	1,000			
	44.066 ADMN - Administration		1,000		
	Safety Training Classes	1,000			
234200	<i>Kitchen/Dining Supply (Non-Food Items)</i>				20,000
	34.094 LOGS - Logistics		20,000		
	Kitchen and Appliance Supplies	20,000			
235100	<i>Laundry/Dry Cleaning Service</i>				19,500
	41.088 PLTM - Fleet Maintenance		19,500		
	Coveralls, Shop Towels, Runner Mats for All Fleet Personnel & Facility	19,500			
235200	<i>Laundry/Dry Cleaning Supply</i>				13,200
	28.101 SAFE - Safety		1,200		
	PPE Laundry Bags	1,200			
	34.094 LOGS - Logistics		12,000		
	Laundry Soap & Supplies	12,000			
244300	<i>Medical Services</i>				428,500
	23.037 TRNG - Training		265,000		
04	Haz Mat Physicals	40,000			

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
FISCAL YEAR 2007 COMBINED FINAL BUDGET**

Acc't. No.	Description	2007 Final Budget Detail	Division Total	Purchase Orders Encumbered In FY 2006	FY 2007 Final Budget
10	Annual Safety Medicals	195,000			
10	D.O.T./DMV Physicals	30,000			
	<b>28.101 SAFC - Safety</b>		<b>78,000</b>		
40	Exposure Follow-up, Immunizations, Hearing Conservation, Lung Function Test	78,000			
	<b>32.091 HRES - Human Resources</b>		<b>13,000</b>		
08	Medical Exam for Current Employees	5,000			
09	Drug & Alcohol Test for Current Employees	3,000			
11	Psycho/Fitness for Duty Exam for Current Employees	5,000			
	<b>37.083 EMSS - Emergency Medical Services</b>		<b>3,500</b>		
30	Medical Waste Removal	3,500			
	<b>44.066 ADMN - Administration</b>		<b>10,000</b>		
40	Post Accident Drug & Alcohol Testing	5,000			
41	Exposure & Follow-up Exams	5,000			
	<b>48.111 GCOU - General Counsel</b>		<b>60,000</b>		
06	Preemployment Medical	30,000			
07	Preemployment Psychological	30,000			
244400	<i>Medical Supplies</i>				785,000
	<b>34.094 LOGS - Logistics</b>		<b>10,000</b>		
30	Medical Oxygen for Stations & Emergency Refill Bottles at Logistics	10,000			
	<b>37.083 EMSS - Emergency Medical Services</b>		<b>785,000</b>		
20	Medical Supplies	785,000			
250200	<i>Actuarial Services</i>				25,000
	<b>44.066 ADMN - Administration</b>		<b>25,000</b>		
02	SCERS Actuarial	10,000			
02	OPEBS	15,000			
250500	<i>Accounting/Financial Services</i>				120,000
	<b>13.022 WKCO - Workers Compensation</b>		<b>10,000</b>		
	Workers' Compensation Audit	10,000			
	<b>44.066 ADMN - Administration</b>		<b>110,000</b>		
	Financial Audits	110,000			
250700	<b>COLLECTION/ASSESSMENT SERVICES</b>				
251100	<b>APPRAISAL SERVICE</b>				
253100	<i>Legal Services</i>				85,000
	<b>13.022 WKCO - Workers Compensation</b>		<b>10,000</b>		
	Workers' Comp & Disability Retirement Legal Service	10,000			
	<b>44.066 ADMN - Administration</b>		<b>15,000</b>		
10	Legal Services - SB-90 Test Claims	10,000			
10	Interactive Process	5,000			
	<b>48.111 GCOU - General Counsel</b>		<b>60,000</b>		
	Outside Legal Service	60,000			
254100	<i>Personnel Services</i>				255,000
	<b>31.090 FPBU - Fire Prevention Bureau</b>		<b>60,000</b>		
10	Contract Plan Check Services (due to vacant positions)	60,000			
	<b>32.091 HRES - Human Resources</b>		<b>195,000</b>		
	Temporary Personnel Services	195,000			
258200	<i>Transcription Services</i>				18,000
	<b>31.090 FPBU - Fire Prevention Bureau</b>		<b>18,000</b>		
	Transcription - Investigation Interviews	18,000			
259100	<i>Other Professional Services</i>				2,328,261
	<b>11.020 CSER - Community Services</b>		<b>137,000</b>		
	Press Release Software	3,000			
	Metro Fire PIO Software	6,000			
	Sec Fire Buffe Canleen Services	3,000			
	4 Fireline Videos @ \$30,000 per Episode	60,000			
	Injury Prevention Videos @ \$10,000 per Episode	60,000		14,300	
	Fire Camp 5010 Process	5,000			
	<b>13.022 WKCO - Workers Compensation</b>		<b>250,000</b>		
40	Workers Comp Third-Party Administration (TPA) - Bregg	180,000			
42	Action Line Reporting	12,000			
44	Back Academy	60,000			
45	Ergonomic Work Station Evaluations	8,000			
	<b>18.072 EPSS - Emergency Planning/Special Ops</b>		<b>40,000</b>		
21	Helicopter Leasing Service - Pilot Currency/Back Up Helicopter	40,000			

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
FISCAL YEAR 2007 COMBINED FINAL BUDGET**

Acct. No.	Description	2007 Final Budget Detail	Division Total	Purchase Orders Encumbered in FY 2008	FY 2007 Final Budget
	23.037 TRNG - Training		1,000		
	Instructor/Speaker Fees	1,000			
31	28.101 SAFE - Safety		45,500		
32	Air, Water, Noise, Compressor, Air Cylinder	30,000			
33	Indoor Air Quality Testing	10,000			
	ISP Certification for PPE	5,500			
	31.090 FPBU - Fire Prevention Bureau		75,000		
	Digitizing of Batt 5, 7, 8, 12 & 14 Pre-fire Plans	75,000			
	32.091 HRBS - Human Resources		189,800		
	Outside Services for Recruitment, Arbitrations, Promotional Exams	175,000			
	Online Recruiting: Applications & Applicant Tracking by NeoGov	14,300			
	37.083 EMSS - Emergency Medical Services		1,257,895		
	Courier Service	1,280			
	EMS Doctor & Nurse Liaisons	56,000			
11	Ambulance Billing Service	750,000			
12	Collection Services	42,000			
15	Ambulance Billing Service Audit: Macias	35,000			
16	Medication Audit	636			
17	RMS Program	372,000			
18	Interpreter Service	1,200			
	44.066 ADMIN - Administration		212,000		
	MSR Update LAFCO	10,000			
	Impact Fee Update Revision	10,000			
	Job Analysis	52,000			
	Financial Advisor	20,000			
	Muni Financial Property Tax Review	15,000			
01	Lobbyist Fees	25,000			
02	OPEB Issues Consultant	22,500			
03	Cost Allocation Development	20,000			
05	SB-80 Claims Preparation & Submission	10,000			
07	PE Bond Compliance Consultant Services	2,500			
08	SCERS Retirement Program	5,000			
10	County Property Value Report	20,000			
	45.079 DATA - Technical Services		29,400		
	Outside Service & Repairs	29,400			
	47.071 DCOMP - Deferred Compensation		9,400		
	Deferred Comp. Services	9,400			
	45.109 FNCE - Finance		12,366		
	Deutsche Bank, Ingenta HR svy fee PR processing, Wilmington Trust fee	12,366			
	48.111 GCOU - General Counsel		55,000		
	Lexis-Nexis - Online Legal Research	25,000			
	Other Professional Services	30,000			
281100	Data Management Processing Services				283,725
	45.079 DATA - Technical Services		283,725		
10	Network & Router Support, Webspace	88,200			
20	Annual Software Licenses Renewals	215,525			
281200	Data Management Processing Supply				338,809
	13.022 WKCO - Workers Compensation		37,000		
50	Workers Comp Electronic Reporting	25,000			
50	Workers Comp Injury Analysis	12,000			
	45.079 DATA - Technical Services		248,170		
10	Hardware & Monitors; Misc Computer Supplies	182,300		51,638	
40	New or Additional Software Licenses	65,870			
281700	Election Service				100,000
	05.076 BRDD - Board of Directors		100,000		
	Election Cost w/10% Increase: Four Directorships	100,000			
285100	Physical Fitness Services				5,000
	12.021 FITW - Fitness/Wellness Program		4,000		
	Fitness Coordinators Training	3,000			
	Misc Fitness Services	1,000			
	50.007 REAC - Recruit Academy		1,000		
	Academy Physical Therapy	1,000			
285200	Physical Fitness Supplies				42,000
	12.021 FITW - Fitness/Wellness Program		40,000		
	Physical Fitness Supplies	40,000			
	50.007 REAC - Recruit Academy		2,000		
	Physical Fitness Supplies	2,000			



**SACRAMENTO METROPOLITAN FIRE DISTRICT  
FISCAL YEAR 2007 COMBINED FINAL BUDGET**

Acct. No.	Description	2007 Final Budget Detail	Division Total	Purchase Orders Encumbered in FY 2006	FY 2007 Final Budget
289800	<i>Other Operating Supplies</i>				240,783
	03.087 FIRE - Fire Chief Other Supplies	5,000	5,000		
10	06.077 CISM - Critical Incident Stress Mgt CISM Spousal Appreciation Day	500	500		
	11.020 CSER - Community Services Misc Supplies: Life Jackets, Media PR materials Fire Camp: Tables, Chairs, Tents, T-Shirts, Hats	10,000 5,000	65,000		
04	CERT Program (Rec'd \$20,000 in Grant Money in 05/06)	50,000			
	13.022 WKCO - Workers Compensation Business Meetings: COSIPA Misc. Other Expenses	5,000 500	5,500		
	18.072 EPSO - Emergency Planning/Special Ops Other Operating Expenses Other Operating Expense: (TEWG)	12,000 3,600	15,600		
10	23.037 TRNG - Training Other Operating Expense Supply	2,500	3,000		
10	Cadet Operating Supply	500			
	27.107 SSWD - Support Services Wide Unanticipated Supplies	5,000	5,000		
	28.101 SAPE - Safety Other Supplies Flashlight Program Double-Needle Sewing Machine	5,000 57,993 3,500	66,493		
	31.090 PPBU - Fire Prevention Bureau Investigation Supplies 1 Night Vision Goggles GPS Handheld Units for Investigators	8,000 3,500 800	12,300		
10	32.091 HRES - Human Resources Personal Reimbursements for Personal Prop. Lost or Damaged	600	600		
10	34.094 LOGS - Logistics Other Supplies for Daily District Operations	40,000	40,000		
	37.083 EMSS - Emergency Medical Services Other Operating Supplies	3,500	3,500		
	44.066 ADMIN - Administration Business Meeting Supplies	1,000	1,000		
	45.079 DATA - Technical Services Other Operating Supplies	12,300	12,300		
	50.007 REAC - Recruit Academy Other Academy Supplies	5,000	5,000		
289800	<i>Fire Station Annual Allowance</i>				45,135
20	46.049 - Station 21 Station Budget	2,295	2,295		
20	46.050 - Station 22 Station Budget	765	765		
20	46.051 - Station 23 Station 23	1,785	1,785		
20	46.052 - Station 24 Station Budget	1,275	1,275		
20	46.053 - Station 25 Station Budget	1,275	1,275		
20	46.054 - Station 26 Station Budget	765	765		
20	46.055 - Station 27 Station 27	765	765		
20	46.056 - Station 28 Station Budget	765	765		
20	46.057 - Station 29 Station Budget	765	765		
20	46.058 - Station 31 Station Budget	765	765		
20	46.059 - Station 32 Station Budget	1,275	1,275		
20	46.060 - Station 33 Station Budget	765	765		

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
FISCAL YEAR 2007 COMBINED FINAL BUDGET**

Accl. No.	Description	2007 Final Budget Detail	Division Total	Purchase Orders Encumbered in FY 2006	FY 2007 Final Budget
20	46.061 - Station 41 Station Budget	1,275	1,275		
20	46.062 - Station 42 Station Budget	765	765		
20	46.024 - Station 50 Station Budget	2,295	2,295		
20	46.025 - Station 51 Station Budget	765	765		
20	46.026 - Station 53 Station Budget	1,275	1,275		
20	46.016 - Station 54 Station Budget	765	765		
20	46.017 - Station 55 Station Budget	765	765		
20	46.018 - Station 58 Station Budget	765	765		
20	46.019 - Station 59 Station Budget	765	765		
20	46.063 - Station 61 Station Budget	1,275	1,275		
20	46.064 - Station 62 Station Budget	1,275	1,275		
20	46.041 - Station 63 Station Budget	765	765		
20	46.042 - Station 64 Station Budget	765	765		
20	46.043 - Station 65 Station Budget	1,785	1,785		
20	46.044 - Station 66 Station Budget	765	765		
20	46.023 - Station 101 Station Budget	1,275	1,275		
20	46.012 - Station 102 Station Budget	765	765		
20	46.013 - Station 103 Station Budget	765	765		
20	46.014 - Station 105 Station Budget	765	765		
20	46.015 - Station 106 Station Budget	1,785	1,785		
20	46.036 - Station 107 Station Budget	765	765		
20	46.031 - Station 108 Station Budget	765	765		
20	46.032 - Station 109 Station Budget	1,785	1,785		
20	46.033 - Station 110 Station Budget	1,275	1,275		
20	46.035 - Station 111 Station Budget	1,275	1,275		
20	46.027 - Station 112 Station Budget	765	765		

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
FISCAL YEAR 2007 COMBINED FINAL BUDGET**

Acct. No.	Description	2007 Final Budget Detail	Division Total	Purchase Orders Encumbered in FY 2006	FY 2007 Final Budget
20	46.003 - Station 114 Station Budget	1,530	1,530		
20	46.073 - Station 115 Station Budget	765	765		
20	46.028 - Station 116 Station Budget	765	765		
20	46.029 - Station 117 Station 117	765	765		
289900	<i>Other Operating Service</i>				15,000
	11.020 CSER - Community Services Misc. Ads, Phone Book Listings	5,000	5,000		
	13.022 WKCO - Workers Compensation Courier Service	500	500		
	23.037 TRNG - Training Cost for State & CSTI Certs	2,000	2,000		
	27.107 SSWD - Support Services Wide Unanticipated Services	5,000	5,000		
	44.066 ADMIN - Administration Business Meeting Services	2,500	2,500		
291300	<i>Auditor Controller Service Fee</i>				25,000
	44.066 ADMIN - Administration Special Fire Tax Collection Fees	25,000	25,000		
292600	<i>County Stores Charge/Supplies</i>				15,000
	34.094 LOGS - Logistics Misc. Items from County Stores (County Contracts)	15,000	15,000		
293100	<i>Fire/Emt-45.078 COMM - Communications Service</i>				2,809,296
	35.080 DISP - Dispatch Comm Center Sac. Regional Fire/EMS Communication Services	2,809,296	2,809,296		
293400	<i>Public Works Svc</i>				92,650
01	45.078 COMM - Communications Administrative Services		47,650		
10	MDT Station Maint. 18 locations (shared w/SSO)	27,650			
20	Traffic Signal Maintenance performed by County	20,000			
08	31.090 PPDU - Fire Prevention Bureau LDSIR Service Fees	45,000	45,000		
293500	<i>Public Works Store</i>				15,000
	34.094 LOGS - Logistics Roads Equip. Items from County Public Works (County Contracts)	15,000	15,000		
296200	<i>Parking Charges</i>				50
	44.066 ADMIN - Administration Parking Vouchers	50	50		
298400	<i>Radio Systems</i>				319,000
10	45.078 COMM - Communications Paging Service: 900 Mhz Pager Fee to OCIT	54,000	319,000		
20	Annual Service Agreement	175,000			
30	RDLAP System (Upgrade MDT)	90,000			
298700	<i>GS TELEPHONE SERVICE</i>				
<b>TOTAL SERVICES AND SUPPLIES:</b>		<b>\$ 19,777,132</b>	<b>\$ 19,777,132</b>	<b>\$ 236,278</b>	<b>\$ 20,013,410</b>
321000	<i>Interest Expense</i>				7,800
60	20.069 CFST - Construction of Fire Stations Interest Payments Eastern Ave. Property	7,800	7,800		
345000	<i>Tax/Licenses Assessments</i>				1,599,400
	13.022 WKCO - Workers Compensation		40,000		

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
FISCAL YEAR 2007 COMBINED FINAL BUDGET**

Accl. No.	Description	2007 Final Budget Detail	Division Total	Purchase Orders Encumbered in FY 2008	FY 2007 Final Budget
07	Slate Assessment W/C Fraud Investigation Unit	40,000			
09	34.094 LOGS - Logistics		21,000		
	Convault Permits for Air Quality Management	8,000			
	Permits of Sac Environmental Mngt & Sac Air Quality Mngt.	12,000			
	41.088 FLTM - Fleet Maintenance		1,200		
	Hazardous Waste & Environmental Permits for Operations at Fleet Facility	1,200			
	44.066 ADMN - Administration		37,200		
	Folsom Blvd.	8,000			
	Florin Road	5,000			
	Other Assessments	10,000			
	Property Tax Admn. Fees (was 2.9 ml)				
02	Hwy 50/Sunrise Special Tax	8,000			
03	Fulton Avenue Assessment Disl. Fee	5,000			
05	Service Fee Mission Oaks Park District	200			
	45.109 FNCE - Finance		1,500,000		
	Property Tax Admn. Fees (was 2.9 ml)	1,500,000			
370000	Contributions To Other Agencies				272,900
	23.037 TRNG - Training		182,900		
	JPA Contribution, Cal Fire & Rescue Training Authority	45,000			
03	Metro In-Service - Los Rios Tullion	70,000			
04	Metro EMS - Los Rios Tullion	10,000			
05	PS JPA Sergeant Major Association	12,000			
06	McClellan Park CAM Fees	5,200			
07	PS JPA Insurance	5,700			
08	EVOC Program	35,000			
	44.066 ADMN - Administration		40,000		
01	Contributions to Other Agencies: LAFCO	40,000			
	50.007 REAC - Recruit Academy		60,000		
	Use of McClellan JPA Building: Regional Training	50,000			
<b>TOTAL TAXES, LICENSES &amp; ASSESSMENTS:</b>		<b>\$ 1,880,100</b>	<b>\$ 1,880,100</b>	<b>\$ -</b>	<b>\$ 1,880,100</b>
410100	Land Acquisition				8,500
	20.069 CPST - Construction of Fire Stations		8,500		
60	Principal Payments on Eastern Ave. property	8,500			
420100	Structures & Improvements				11,580,608
	18.072 EPSO - Emergency Planning/Special Ops		24,000		
70	Weather-proof Building #836 for Aviation Storage due to bird & rain damage	24,000			
	20.069 CPST - Construction of Fire Stations		9,671,205		
60	Station 68			1,347,360	
60	Station 32	883,075			
60	Station 107	642,310			
60	Station 188	4,183,765			
60	Station 111	3,962,055			
	40.086 FAC Facilities		480,000		
10	New HVAC Systems: Sta 50 & 88 Office	25,000			
	Structures & Improvements One-Time:				
50	Sta 24 Landscaping/Moisture Issue Project	15,000			
50	Sta 27 Roof, HVAC System electrical	32,000			
	Sta 28 Roof	20,000			
	Sta 50 Showers	30,000			
	Sta 53 Kitchen/Bathroom remodel & electrical	72,000			
	Sta 55 Kitchen remodel	40,000			
	Sta 66 Roof	20,000			
	Sta 102 Kitchen remodel, HVAC system	51,000			
	Sta 106 Kitchen remodel, HVAC systems in kitchen & dayroom	76,000			
	Sta 109 Kitchen remodel, HVAC systems in dorms	79,000			
	45.079 DATA - Technical Services			78,053	
50	CR for Racks at ten Stations				
420200	Improvements - Other than Buildings		650,000		750,000
	40.086 FAC Facilities				
	Sta 65 Front/Rear Ramp Replacements	150,000			
50	Station Gates and Fencing	300,000			
50	Station Turnout Lockers: at 18 Stations	80,000			
60	Fleet Industrial Waste/Monitoring Systems	120,000			
	45.079 DATA - Technical Services		100,000		
50	Other Improvements	100,000			
430100	Vehicles				3,465,592
	18.072 EPSO - Emergency Planning/Special Ops		55,000		
	Vehicles for EPSO	55,000			
	41.088 FLTM - Fleet Maintenance		3,030,000		
	Replacement Vehicles per Board Approved Master Vehicle Replacement Plan	3,030,000		380,692	

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
FISCAL YEAR 2007 COMBINED FINAL BUDGET**

Acct. No.	Description	2007 Final Budget Detail	Division Total	Purchase Orders Encumbered In FY 2006	FY 2007 Final Budget
430200	<i>Other Equipment</i>				3,686,860
	12.021 FITW - Fitness/Wellness Program		20,000		
	Treadmill Replacement	20,000			
	18.072 EPSP - Emergency Planning/Special Ops		983,112		
	Copter Leasing	775,000			
24	Aviation Equipment Replacement	154,000			
50	Night Vision Equipment: Aviation	54,112			
	20.069 CPST - Construction of Fire Stations		457,308		
60	Equipment & Furniture for new stations	457,308			
	23.037 TRNG - Training		5,700		
10	DVD Duplicator	5,700			
	28.101 SAPE - Safety		4,849		
	Purchase a Demo Thermal Imaging Camera as a Loaner	4,849			
	31.090 FPBU - Fire Prevention Bureau		4,000		
	Shotguns for Investigators	2,000			
	.45 SIG P200 Replacement Weapons for Investigators	2,000			
	34.094 LOGS - Logistics		60,000		
01	PiggyBack Forklift: Forklift & Modifications to Flatbed Truck to carry it.	60,000			
	41.088 FLTM - Fleet Maintenance		125,000		
	Breathing Air Compressor replaces current one in Logistics	125,000			
	45.078 COMM - Communications		1,351,733		
08	Upgrade Station Alerting System	406,733			
07	Complete Purchase of DATAS11 for upgrading of RDLAP System	770,000			
08	Mobile Data Terminals (MDTs): 10 Yr Replacement	160,000			
09	Other Equipment: One-Time Expenditure	25,000			
	45.079 DATA - Technical Services		668,400		
14	Desktop Server Project: Upgrade Security for District Servers	44,500			
15	Replace Outdated Network Servers	75,000			
17	Records Management Project	45,000			
18	5 Year Replacement Plan for District Routers	351,000			
19	Web Internal/Intranet Project: Internal & External District Web Page	60,000			
20	Web Staff Project: Web Access for District Personnel	51,300			
21	Air Ops GPS Project: GPS for Air Ops	41,600			
50	CompuCom: SCSI Server w/HP CarePack			6,758	
430300	<i>Office Equipment</i>				35,000
	45.079 DATA - Technical Services		35,000		
50	Office Equipment	35,000			
<b>TOTAL FIXED ASSETS:</b>		<b>\$ 17,713,807</b>	<b>\$ 17,713,807</b>	<b>\$ 1,812,753</b>	<b>\$ 19,526,560</b>
<b>TOTAL COMBINED BUDGETS:</b>		<b>\$ 161,358,653</b>	<b>\$ 161,358,653</b>	<b>\$ 2,049,031</b>	<b>\$ 163,407,684</b>

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
FINAL BUDGETS FOR FY 2007: GENERAL OPERATING, ONE-TIME ONLY EXPENDITURES  
AND CAPITAL IMPROVEMENT PLAN**

Acct. No.	Description	2007 Final Detail	Division Total	FY 2007 Final Budget	Purchase Orders Encumbered in FY 2006	General Operating	One Time Expenditures	Capital Improvement Plan	FY 2007 Final Budget
111000	<i>Salaries and Wages</i>			\$ 82,620,617		\$ 82,620,617			\$ 82,620,617
	32.091 HRES - Human Resources		\$ 82,620,617						
	Safety Employees	\$ 62,003,889							
114140	Miscellaneous Employees	6,164,057							
114120	EMT Incentive	2,449,803							
114130	Para Incentive	2,399,288							
114180	Hazmat Incentive	1,472,949							
114170	Longevity	228,884							
114111	Day Incentive (Differential)	1,885,876							
113220	Constant Blasting/FLBA Mandate	201,899							
113220	Overtime - Support Personnel (Day)	10,600,000							
114110	Out of Class	607,500							
116130	Sick Leave Buy Back/Annual	200,000							
116130	Sick Leave Buy Back/Separation	924,000							
116114	Annual Holiday Premium	600,000							
116110	Annual PTO Buy Back	1,623,000							
116110	PTO/Hol/Separation	200,000							
		600,000							
112100	<i>Reserve Program</i>			40,000		40,000			40,000
	32.091 HRES - Human Resources		40,000						
	Reserve Program	40,000							
112400	<i>Board/Committee Meetings</i>			30,000		30,000			30,000
	32.091 HRES - Human Resources		30,000						
	Meeting Fees	30,000							
114300	<i>Uniform Allowance</i>			433,000		433,000			433,000
	32.091 HRES - Human Resources		384,000						
10	Uniform Allowance	384,000							
	Loss PLTM - Fleet Maintenance	21,000							
20	Tool Allowance	21,000							
	32.091 HRES - Human Resources		18,000						
30	Automobile Allowance	18,000							
121000	<i>Retirement</i>			22,762,040		22,762,040			22,762,040
	32.091 HRES - Human Resources		22,762,040						
10	SCRS - Safety	378,000							
11	PERB - Safety	16,171,994							
20	PERB Miscellaneous	1,328,224							
21	Reserve F/F PERB Program	6,000							
22	Miscel Benefit Fund	6,000							
40	PFB - Mandatory Sibling Fund Payments	6,878,827							
122000	<i>FICA Medicare</i>			850,000		850,000			850,000
	32.091 HRES - Human Resources		850,000						
20	FICA Medicare	850,000							
123000	<i>Group Health Insurance</i>			13,737,050		13,737,050			13,737,050
	65.076 BRDD - Board of Directors		39,000						
	Retired Directors - Health	39,000							
	32.091 HRES - Human Resources		13,698,050						
	Active Employees	9,035,284							
	Retired	2,980,000							

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
FINAL BUDGETS FOR FY 2007: GENERAL OPERATING, ONE-TIME ONLY EXPENDITURES  
AND CAPITAL IMPROVEMENT PLAN**

Acct. No.	Description	2007 Final Detail	Division Total	FY 2007 Final Budget	Purchase Orders Encumbered In, FY 2008	General Operating	One Time Expenditures	Capital Improvement Plan	FY 2007 Final Budget
40	Medicine reimbursement Dental - Active Vision - Active Long Term Disability Life/AD&D Insurance Employee Assistance Program	75,000 1,048,102 170,874 70,000 245,000 75,000							
124000	Workers Compensation 13.022 WKCO - Workers Compensation Work Comp Operating Budget	1,500,000	1,500,000	1,500,000		1,500,000			1,500,000
125000	Unemployment 31.091 HRES - Human Resources Unemployment	16,000	16,000	16,000		16,000			16,000
<b>TOTAL EMPLOYEE SALARIES &amp; BENEFITS:</b>		<b>\$ 121,987,813</b>	<b>\$ 121,987,813</b>	<b>\$ 121,987,813</b>		<b>\$ 121,987,813</b>			<b>\$ 121,987,813</b>
200500	Advertising/Legal Notices 13.022 WKCO - Workers Compensation Advertising for Workers Comp. Audit 31.091 HRES - Human Resources Recruitment Advertising 44.066 ADMIN - Administration Advertising/Legal Notices RFPs 46.111 GCOU - General Counsel Advertisements & Legal Notices RFB Publications	3,000 3,000 8,000 4,500 4,500 30,000 30,000	3,000 8,000 4,500 80,000	73,500		73,500			73,500
201500	Blueprint Copying Service 33.037 TRNG - Training Duplication Services 37.883 EMSS - Emergency Medical Services Copying Services 44.066 ADMIN - Administration TRA Maps & Annotation Maps 46.111 GCOU - General Counsel Blueprint Copying for Legal	8,000 8,000 800 1,000 10,000	8,000 8,000 1,000 18,000	25,800		25,800			25,800
201600	Print/Copying Supp 31.090 FPOU - Fire Prevention Bureau Mapping Supplies, Plotter Paper, Ink, etc... Profile Program Supplies, Binders, Tabs, Ink	4,000 2,000	6,000	6,000		6,000			6,000
202100	Books/Subscription Service 13.022 WKCO - Workers Compensation Work Comp. Legal Reporter W/C Reporter, W/C Advisor CAL Coalition W/C 18.072 EPPSD - Emergency Planning/Special Ops Aviation Maps & Flight Guides Automated Flight Following	250 500 250 600 1,170	1,000 11,670	36,295		36,295			36,295

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
FINAL BUDGETS FOR FY 2007: GENERAL OPERATING, ONE-TIME ONLY EXPENDITURES  
AND CAPITAL IMPROVEMENT PLAN**

Acct. No.	Description	2007 Final Detail	Division Total	FY 2007 Final Budget	Purchase Orders Encumbered in FY 2006	General Operating	One Time Expenditures	Capital Improvement Plan	FY 2007 Final Budget
00	Meteorological Weather Reporting - EPBD & OPS Wx Report	3,000							
10	Chemical Database Updates, Chemical Knowledge	3,000							
10	Technical Reference Replacement	4,000							
	23.027 TRNG - Training		125						
	Subscriptions: Fire Trade Magazine	125							
	28.101 SA FS - Safety		850						
	NFPA Books & Standards	850							
	31.090 PPDU - Fire Prevention Bureau		2,000						
	New Home Survey Subscription	2,000							
	37.023 EMS3 - Emergency Medical Services		400						
	Subscription Services	150							
	FB EMS Journal	100							
	JEMS	150							
	44.044 ADMN - Administration		16,000						
	FLBA/ADA	1,500							
	Fire Chief, Fire Engineering, Police & Fire Reporter, Western C	1,500							
05	Lavis-Navia: OnSite Legal Service	12,900							
	47.109 FNCE - Finance		250						
	Accounting & Finance Journals/Subscriptions	250							
	48.111 GCOU - General Counsel		6,000						
	Books, Subscriptions, Publications (Daily Journal)	6,000							
202200	Books/Subscriptions (Trans. Library)			45,320		45,320			45,320
	03.057 FIRE - Fire Chief		1,000						
	Books & Subscriptions	1,000							
	06.077 CISM - Critical Incident Stress Mgt		500						
	CISM - Books for Stations	500							
	11.021 FITW - Fitness/Wellness Program		3,200						
	Misc. Books	400							
00	Body Bulletin Newsletter	800							
10	Fitness Charts/Posters	200							
11	Health & Fitness Reference Books	1,800							
	13.022 WKCO - Workers Compensation		500						
	Labor Code Updates	500							
04	33.007 TRNG - Training		12,500						
	Books for Permanent Library	9,000							
	Books for Details	2,500							
13	Leadership & Ethics Publications	1,000							
	31.020 PPDU - Fire Prevention Bureau		6,000						
	Code Books, NFPA Subscription, County Codes, H&S Code.	6,000							
	32.021 HR ES - Human Resources		3,600						
	Reference Material on Fed/State Laws Public Sector	3,600							
	37.023 EMS3 - Emergency Medical Services		9,170						
	EMT Study Reference Texts	3,200							
	EMS Reference Literature	278							
07	Paramedic Intern Texts	6,500							
07	Habitat Seminars	200							
	41.028 FLTH - Fleet Maintenance		450						
	Technical Manuals/CDs for Vehicle and Maintenance	450							
	44.044 ADMN - Administration		1,500						
	Code Updates & General Code Index	1,500							
	47.109 FNCE - Finance		500						
	Books, Permanent Library	500							
	48.111 GCOU - General Counsel		6,000						



SACRAMENTO METROPOLITAN FIRE DISTRICT  
FINAL BUDGETS FOR FY 2007: GENERAL OPERATING, ONE-TIME ONLY EXPENDITURES  
AND CAPITAL IMPROVEMENT PLAN

Acct. No.	Description	2007 Final Detail	Division Total	FY 2007 Final Budget	Purchase Orders Encumbered in FY 2006	General Operating	One Time Expenditures	Capital Improvement Plan	FY 2007 Final Budget
	Books & Subscriptions for Permanent Library	9,000							
	51.007 RBAC - Recruit Academy		2,500						
	Recruit Books	2,500							
202700	Operating Expense Supplies			10,400		10,400			10,400
	05.076 BRDD - Board of Director		850						
	Audio Tapes	850							
	12.021 PITW - Fitness/Wellness Program		150						
	DVD/VHS/CD	150							
	23.037 TRNG - Training		8,200						
	CD/DVD/VHS Supplies for Training	4,400							
01	CD/DVD/VHS Supplies for Board	3,200							
02	CD/DVD/VHS Supplies for Fire Camp	600							
	58.007 RBAC - Recruit Academy		1,400						
	CD/VHS/DVD/CDV Supplies	1,400							
202800	Library Supply								
202900	Business/Conference Expense			277,800		277,800			277,800
	03.057 FIRE - Fire Chief		60,000						
	Various Conferences & Business Mgt Expenses	60,000							
	05.076 BRDD - Board of Director		27,000						
	Board Education/Travel/Conference	27,000							
	06.077 CLSM - Critical Incident Stress Mgt		2,500						
	Business & Conference Expense	2,500							
	13.022 WKCO - Workers Compensation		2,600						
04	CAJPA	1,500							
05	COBPA	1,000							
	18.072 RPSD - Emergency Planning/Special Ops		14,800						
13	HAI Annual Meet-Expo/Hotel User Conf: 2 persons, registration	4,000							
14	1 Chief's HazMat: 2 persons registration, airfare, lodging	4,000							
15	Wildland Safety Summit	2,000							
16	Firescope Business & Travel: Aviation Specialist Working Grp	4,800							
	23.037 TRNG - Training		8,500						
	Business & Conference Expense for Training	8,500							
	31.030 RFDU - Fire Prevention Bureau		30,000						
	CA Conf Arson Investigation Training: 4 investigators	3,000							
	CBT Law Enforcement for Arson Investigators Training: 2 Inv	2,400							
	Fire Prevention Officers Annual Training Conference	2,700							
	Int'l Codes Annual Meeting for Code Changes and Adoption	3,000							
	NFPA Annual Meeting for Code Changes and Adoption	3,000							
	Fire Investigation 1A, 1B, 2A, 2B: for 2 New Investigators	4,500							
	Basic Crime Scene Investigation Class: for 2 New Investigators	5,000							
	DECCAN Conference for 2 Mapping Personnel	4,500							
	Juvenile FireSetters Classes for JFS Coordinator	1,200							
	32.091 HRSS - Human Resources		10,000						
02	Employee Business & Conf Expense	5,000							
03	Exhibitor Fees	5,000							
	34.024 LOGS - Logistics		12,000						
	Trade Shows for Fire Dept Related Items	12,000							
	37.093 BMSS - Emergency Medical Services		7,500						
	Various Conferences & Business Mgt Expenses	7,500							

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
FINAL BUDGETS FOR FY 2007: GENERAL OPERATING, ONE-TIME ONLY EXPENDITURES  
AND CAPITAL IMPROVEMENT PLAN**

Acct. No.	Description	2007 Final Detail	Division Total	FY 2007 Final Budget	Purchase Orders Encumbered in FY 2006	General Operating	One Time Expenditures	Capital Improvement Plan	FY 2007 Final Budget
	39.083 ESWD - Emergency Services Wide		5,000						
	Various Conference & Business Mtg Expenses	5,000							
	44.066 ADMN - Administration		74,800						
	Various Conference & Business Mtg Expenses	64,800							
00	Franklin Covey Seminars	1,000							
07	FDAC, CalPERB Conferences	2,600							
08	Risk Management Conference	1,000							
09	CSDA & League of Cities Conference	2,600							
10	National Fire Academy	3,000							
	43.079 DATA - Technical Services		8,000						
	Various Conference & Business Mtg Expenses	8,000							
	47.071 DCMP Deferred Compensation		10,000						
	Conference & Training Expenses: Def Comp	10,000							
	47.109 FNCS - Finance		2,600						
	Business Mtgs: Director of Finance	2,600							
	48.111 GCOU - General Counsel		8,000						
	Various Conference & Business Mtg Expenses	8,000							
203100	Business Activity Expenses (Not Employees)			8,500		8,500			8,500
	11.020 CSER - Community Services		3,600						
	Fire BUIA/Fire Camp	3,600							
	32.091 HRRES - Human Resources		5,000						
01	Non-Employee Expenses Paid by the District	2,600							
02	Proctor Expenses Paid by the District	2,600							
203500	Education/Trng Service			333,600		333,600			333,600
	03.087 FIRE - Fire Chief		10,000						
	Various Education & Training Expenses	10,000							
	06.077 CISM - Critical Incident Stress Mgt		1,500						
	CISM Training	1,500							
	11.020 CSER - Community Services		12,600						
	Public Educ Tech Training	8,000							
	Public Info Officer Training	5,000							
	Public Affairs Officer Training	2,500							
	13.023 WKCO - Workers Compensation		5,000						
	W/C Training - Records	5,000							
	15.011 APEQ - Fire Crash Rescue Equip.		2,000						
	Training for Equipment Maintenance	2,000							
	18.072 EPSD - Emergency Planning/Special Ops		18,000						
30	Annual Pilot Training: Bell (reduces insurance, safety was out)	12,000							
31	Aviation Safety Management School	6,000							
	33.037 TRNG - Training		100,600						
	Education/Training Services	22,600							
	Electronics Library	2,600							
17	Aviation Annual Training	12,000							
18	Haz Mat Training	7,500							
19	Annual Live Fire ARFF Training	16,000							
20	Tank Farm Training	3,000							
21	C.D. Recertification	10,000							
22	TSA Fingerprinting	10,000							
23	Dorzer Training	15,000							
24	32.091 HRRES - Human Resources		1,000						
	Employee Training Fees	1,000							

**SACRAMENTO METROPOLITAN FIRE DISTRICT**  
**FINAL BUDGETS FOR FY-2007: GENERAL OPERATING, ONE-TIME ONLY EXPENDITURES**  
**AND CAPITAL IMPROVEMENT PLAN**

Acct. No.	Description	2007 Final Detail	Division Total	FY 2007 Final Budget	Purchase Orders Encumbered in FY 2008	General Operating	One Time Expenditures	Capital Improvement Plan	FY 2007 Final Budget
	<b>37.083 EMSS - Emergency Medical Services</b>		<b>183,700</b>						
06	EMT-B Recertification	6,000							
05	EMT-P New Certs. & Lic.	3,500							
06	EMT-P Recertification	12,000							
07	Paramedic Internship Tuition/Parking	23,000							
07	Paramedic Intern Vaccinations	3,000							
07	Paramedic Interns FISDAP Internet Service	1,100							
10	Advanced Cardiac Life Support (ACLS)	1,000							
13	National Registry Exam	8,480							
13	National Registry Skills Prep Test	2,520							
13	National Registry Certification Fee	1,100							
16	Online Training	50,000							
16	TEMS Training	46,000							
	<b>41.088 PLTM - Fleet Maintenance</b>		<b>6,000</b>						
	Training for Fleet Maintenance personnel	6,000							
	<b>44.066 ADMN - Administration</b>		<b>12,000</b>						
01	Legal & Management Education/Training	8,000							
02	Office Tech Training	4,000							
	Finance Staff/Edan Training								
	<b>45.079 DATA - Technical Services</b>		<b>9,300</b>						
	Various Education & Training Expenses	9,300							
	<b>45.109 FINCE - Finance</b>		<b>1,000</b>						
	GPOA, GASB & Cost Allocation Plan Trainings	1,000							
	<b>46.111 CCOU - General Counsel</b>		<b>2,000</b>						
	Education & Training for Legal	2,000							
<b>203800</b>	<b>Education/Training Supply</b>			<b>120,750</b>		<b>120,750</b>			<b>120,750</b>
	<b>06.077 CISM - Critical Incident Stress Mgt</b>		<b>700</b>						
	Education Training Supplies	700							
	<b>11.020 CSER - Community Services</b>		<b>40,000</b>						
	ECE Handouts	10,000							
	B&M for ECE Handouts	1,500							
	Education Training Expenses	500							
	ECE Crayons with Logos	11,000							
	Production of Injury Prevention Videos	15,000							
	Pool Incident Information Booklet for Public	2,000							
	<b>12.021 FITW - Fitness/Witness Program</b>		<b>1,000</b>						
	Fitness Assessment Supplies	1,000							
	<b>13.022 WKCC - Workers Compensation</b>		<b>1,200</b>						
12	W/C Training Videos	1,200							
	<b>23.037 TRNG - Training</b>		<b>38,000</b>						
	Educational Training Supplies	18,000							
	Cadet Training Supplies	2,000							
	Reserve Training Supplies	2,000							
10	HazMat Training	8,000							
11	ARFF Training	7,000							
	<b>26.101 SAFE - Safety</b>		<b>6,700</b>						
	Educational Supplies - Safety Posters	6,700							
	<b>32.091 HRSE - Human Resources</b>		<b>6,000</b>						
	Training Classes, Career Fairs, Training Supplies	6,000							
	<b>37.083 EMSS - Emergency Medical Services</b>		<b>26,000</b>						
	EMG Training Supplies	3,320							
	Airway Manikin Trainers	17,000							
	Training Manikin Repair Parts	1,600							

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
FINAL BUDGETS FOR FY 2007: GENERAL OPERATING, ONE-TIME ONLY EXPENDITURES  
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Acct. No.	Description	2007 Final Detail	Division Total	FY 2007 Final Budget	Purchase Orders Encumbered in FY 2006	General Operating	One Time Expenditures	Capital Improvement Plan	FY 2007 Final Budget
	Medical Monitoring	3,180							
03	44.666 ADMIN - Administration		1,600						
	Risk Management Training Videos	1,600							
	47.109 FNCE - Finance		250						
	Tutorials & Workbooks	260							
	50.007 RRAC - Recruit Academy		10,400						
	Education Training Supplies	6,000							
07	Live Fire Training alone	3,000							
08	Recruit Graduation	1,600							
09	Testing Materials	600							
203800	Employee Recognition			39,800		39,800			39,800
	05.076 BRDD - Board of Directors		6,000						
	Retirement Resolutions/Recognition & Merit Awards	6,000							
	11.020 CSER - Community Service		33,800						
	Employee Awards Longevity	20,000							
	Public Commendations	4,000							
	Media Awards	1,000							
	Employee Awards	8,800							
10	23.021 TRNG - Training		300						
	Probationary Medallions	300							
203900	Employee Transportation			3,000		3,000			3,000
	44.066 ADMIN - Administration		3,000						
39	Employee Mileage Reimbursement	3,000							
204100	Office Equipment			10,000		10,000			10,000
	13.022 WKCCO - Workers Compensation		6,000						
	Ergonomic Workstation Equipment	6,000							
	34.194 LOGS - Logistics		11,000						
	Office Equipment for Fire Stations and Offices	11,000							
204500	Freight/Express/Carriage			10,000		10,000			10,000
	34.694 LOGS - Logistics		10,000						
	Freight and Shipping Charges for Daily District Operations	10,000							
205100	Insurance (Liability)			1,095,000		1,095,000			1,095,000
	13.022 WKCCO - Workers Compensation		330,000						
	Excess Workers Comp Insurance	330,000							
	44.066 ADMIN - Administration		765,000						
	Property/Liability Insurance	600,000							
10	Helicopter Insurance	110,000							
10	Pollution Insurance	60,000							
20	Reserve FF Salary Continuance Insurance	5,000							
206100	Memberships			38,000		38,000			38,000
	03.087 FIRE - Fire Chief		10,000						
	Memberships in Fire District-Related Organizations	10,000							
	05.076 BRDD - Board of Directors		600						
	Board Memberships	600							

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	06.077 CISM - Critical Incident Stress Mgt Memberships	750	750						
	11.020 CSER - Community Services Service Groups & Professional Assn. Membership Fees	6,000	5,000						
	12.001 FITW - Fitness/Wellness Program Professional Memberships	300	300						
	13.022 WKKCO - Workers Compensation COSIPA	100	800						
	PARMA	100							
	CAJPA	100							
	RIMS	100							
	PRMA	100							
	18.072 EFSO - Emergency Planning/Special Ops HIA Annual Membership	350	650						
05	ALEA Annual Membership	300							
	23.037 TRNG - Training Annual Memberships	1,000	1,000						
	28.101 SAFE - Safety Safety Related Memberships - FDBOA, NFPA	900	900						
	31.090 FPBU - Fire Prevention Bureau Memberships: ICC, NFPA, NORCAL, FPO, FIRE MARSHAL	2,000	2,000						
	32.091 HRES - Human Resources California Chamber of Commerce, IMPA, Boatsy HRM	1,600	1,500						
	34.094 LOGS - Logistics Membership Dues to COSTCO and Borna Club	1,000	1,000						
	37.083 EMS - Emergency Medical Services Cal Chiefs EMS; 1 Active & 1 Assoc.	300	600						
	NFPA Membership	150							
	National Association of EMS Educators	100							
	Cal Chiefs EMS	250							
01	44.066 ADMN - Administration Membership Renewals -PMA/SEAC/CBDA/LCC/CSDA/PAR	3,000	8,000						
02	CGFA Dues for Reserve F/F for Bal Cont. Insurance	3,000							
	47.071 DCOMP Deferred Compensation Memberships	600	600						
	47.109 FNCS - Finance GFOA Membership; Base Rate for Special Districts	1,600	1,600						
	48.111 GCOU - General Counsel Bar Dues (State & County Bar)	5,000	5,000						
208500	Microfilm/Analog/Photo Service			14,300		14,300			14,300
	11.020 CSER - Community Services TV Clips	2,500	5,000						
	DVIDCO Photo Purchasing	2,600							
	23.037 TRNG - Training Photo/Film Developing Services	1,000	1,000						
	31.090 FPBU - Fire Prevention Bureau Photo Processing of Investigation Photos, FPB film processing	6,000	6,000						
	48.111 GCOU - General Counsel Photo Processing for Legal	2,000	2,000						
	50.001 REAC - Recruit Academy Film/Digital Photo Services	300	300						

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205800	Adversity/Photographic Supply			12,250		12,250			12,250
	11.020 CSER - Community Services		1,000						
	Misc Photo & Film Supplies	1,000							
	23.037 TRNG - Training		2,000						
	Film/Digital Photo Supplies	2,000							
	28.101 SAFE - Safety		150						
	Accident Investigation Documentation	150							
	31.090 PPDU - Fire Prevention Bureau		7,000						
	Digital Camera Replacement for Fire Investigators	4,000							
	Film, Batteries, Flash, Misc. Camera Supplies	3,000							
	34.094 LOGS - Logistics		1,500						
	Camera & Film for Stations' and Vehicle Use	1,500							
	50.007 REAC - Remotell Academy		600						
	Film/Digital Photo Supplies	600							
207800	Office Supplies (General Operating)			105,060		105,060			105,060
	34.094 LOGS - Logistics		102,000						
10	Office Supplies for Daily District Operations	130,000							
20	Toner for Printers: Replacement Cartridges for Printers	50,000							
30	Barcode Supplies for Daily District Operations	12,000							
	44.066 ADMIN - Administration		3,000						
01	Franklin Planners: Yearly Refills	3,000							
208100	Postage			35,000		35,000			35,000
	44.066 ADMIN - Administration		35,000						
	Postage Service	35,000							
208500	Printing/Binding Service			67,275		67,275			67,275
	11.020 CSER - Community Services		5,000						
	Printing & Binding District Brochures	5,000							
	13.032 WKCD - Workers Compensation		3,000						
	Workers Comp Forms and Brochures	3,000							
	18.072 EPSO - Emergency Planning/Special Ops		700						
10	Printing Services for wall maps and training aids	700							
	23.037 TRNG - Training		8,000						
	Printing and Binding for Training	1,800							
	Printing and Binding for Cadet Program	600							
20	Graduation Program	4,600							
30	Graduation Invitations	2,000							
	28.101 SAFE - Safety		2,000						
	Printing of Safety Forms	2,000							
	31.090 PPDU - Fire Prevention Bureau		10,000						
	Printing of Correction Notices, Permit Cards, Mapbook Update	7,000							
	Printing of PreFire Drawings	9,000							
	32.091 HRES - Human Resources		2,500						
	Dkt. Applications/Background Packets/Job Announcements	2,500							
	34.094 LOGS - Logistics		5,500						
	Outside Printing of Displ. Documents	5,500							
	37.093 BMSS - Emergency Medical Services		1,000						
	Divisional Printing/Binding	1,000							
	41.023 FLTM - Fleet Maintenance		825						
	Purchase Work Order Forms for Fleet Maintenance	825							

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Acct. No.	Description	2007 Final Detail	Division Total	FY 2007 Final Budget	Purchase Orders Encumbered in FY 2006	General Operating	One Time Expenditures	Capital Improvement Plan	FY 2007 Final Budget
	44.066 AJSMN - Administration		10,000						
	Printing Services: Lihred, Envelopes, Bus. Cards	10,000							
	47.109 FNCE - Finance		1,850						
	Printing/Binding for Presentations	1,850							
210300	<i>Agricultural &amp; Horticultural Services</i>			87,000		87,000			87,000
	34.094 LOGS - Logistics		3,000						
	Bi-Weekly Landscape & Grounds Service	3,000							
	40.036 FACM - Facilities Maintenance		84,000						
	Landscape, Weed Abatement, Pest Control services	84,000							
210400	<i>Agricultural &amp; Horticultural Supplies</i>			18,050		18,050			18,050
	34.094 LOGS - Logistics		18,000						
	Landscape Supplies for Stations	18,000							
	40.036 FACM - Facilities Maintenance		1,050						
	Landscape Maintenance Supply	1,050							
211100	<i>Building Maintenance Service</i>			205,500		205,500			205,500
	23.037 TRNG - Training		4,500						
	Classroom Maintenance & Upgrade	4,500							
	34.094 LOGS - Logistics		1,000						
	Minor Repairs to Logistics & Fire Prevention Bldg.	1,000							
	40.036 FACM - Facilities Maintenance		200,000						
	Building Maintenance Service	200,000							
211200	<i>Building Maintenance Supply</i>			211,500		211,500			211,500
	34.094 LOGS - Logistics		1,500						
	Items Needed to Repair Logistics & Fire Prevention Bldg.	1,500							
	40.036 FACM - Facilities Maintenance		210,000						
	Building Maintenance Supplies	210,000							
213100	<i>Electrical Maintenance Service</i>			128,000		128,000			128,000
	40.036 FACM - Facilities Maintenance		128,000						
	Electrical Maintenance Service	128,000							
213200	<i>Electrical Maintenance Supply</i>			38,500		38,500			38,500
	34.094 LOGS - Logistics		5,000						
	Light Bulbs & Electrical Supplies for all Stations & Office Bldg.	5,000							
	40.036 FACM - Facilities Maintenance		31,500						
	Electrical Supply	31,500							
214100	<i>Land Improvement Maintenance</i>								
	40.036 FACM - Facilities Maintenance								
	Land Service								
214200	<i>Land Improvement Maintenance</i>								
	40.036 FACM - Facilities Maintenance								

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	Land Maintenance								
216100	Mechanical Systems 40.086 FACM - Facilities Maintenance Mechanical Systems Service	128,000	128,000	125,000		125,000			125,000
216200	Mechanical Systems 40.086 FACM - Facilities Maintenance Mechanical Systems Supply	70,000	70,000	70,000		70,000			70,000
216100	Painting Service 40.086 FACM - Facilities Maintenance Painting Service	100,000	100,000	100,000		100,000			100,000
216200	Painting Supply 34.094 LOGS - Logistics Painting Supplies for Stations & Offices 40.086 FACM - Facilities Maintenance Painting Supply	2,000 2,000 7,380	2,000 7,380	9,350		9,350			9,350
216700	Plumbing Maintenance Service 40.086 FACM - Facilities Maintenance Plumbing Service	67,750	67,750	67,750		67,750			67,750
216800	Plumbing Maintenance Supply 40.086 FACM - Facilities Maintenance Plumbing Supply	2,825	2,825	2,825		2,825			2,825
217100	Rent/Lease Off Property 23.037 TRNG - Training Portable Sanitation Station Rentals 31.090 PFDU - Fire Prevention Bureau Rentals/Leases 44.045 ADMIN - Administration Rentals/Leases for Storage @ McClellan 47.109 FNCE - Finance Lease rental on Annex: 4mos @ \$6,700 8mos @ \$0,300	1,500 25,000 14,000 73,177	1,500 25,000 14,000 73,177	113,677		113,677			113,677
219100	Electricity 34.094 LOGS - Logistics Electricity District Wide	385,000	385,000	385,000		385,000			385,000
219200	Natural Gas 34.094 LOGS - Logistics Natural Gas District Wide	140,000	140,000	140,000		140,000			140,000



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210300	<i>Refuse Collection</i> 34.094 LOGS - Logistics Refuse Service District Wide	45,000	40,000	45,000		45,000			45,000
210500	<i>Sewage Disposal</i> 34.094 LOGS - Logistics Sewage Service District Wide	22,500	22,500	22,500		22,500			22,500
210700	<i>Telephone Service</i> 45.078 COMM - Communications Monthly Phone Bills Inc. Long Distance & Data Service Lines Monthly Service for District Cell Phones	450,000 109,800	559,800	660,800		659,800			660,800
210800	<i>Water Service</i> 34.094 LOGS - Logistics Water Service District Wide	60,000	60,000	60,000		60,000			60,000
210900	<i>Telephone System Maintenance</i> 45.078 COMM - Communications Nortel Centrex System Upgrade	15,000	15,000	15,000		15,000			15,000
220500	<i>Vehicle Maintenance Service</i> 18.072 EFSO - Emergency Planning/Special Ops Annual Helicopter Maintenance Cost Drive Train Overhaul 30.085 ESMD - Emergency Services Wide Pact Dazed Program Vehicle Service 41.088 FLTS - Fleet Maintenance Stock Repair of District Vehicles & Equipment by Outside Vendors	117,919 70,081 1,500 350,000	197,000 1,500 350,000	648,500		648,500			648,500
220600	<i>Vehicle Maintenance Supply</i> 41.088 FLTS - Fleet Maintenance Stock Vehicle Parts and Equipment for all District Vehicles and Equip	825,000	825,000	825,000		825,000			825,000
222000	<i>Expendable Tools/Instruments</i> 18.072 EFSO - Emergency Planning/Special Ops Equipment Repair, Dosimeter, Monitors Expendable Tools & Instruments 23.037 TRINC - Training Misc. Tools 28.101 SAFE - Safety Expendable Tools 34.094 LOGS - Logistics Tools for Station Use 39.085 ESMD - Emergency Services Wide Miscellaneous Tools 41.088 FLTM - Fleet Maintenance Expendable Tools for Service Trucks and Fleet Maint and Eq	14,000 5,000 2,000 1,500 7,500 3,200 12,000	19,000 1,600 7,500 12,000	45,200		45,200			45,200

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222700	Cell Phones/Pagers			6,300		6,300			6,300
	45.078 COMM - Communications		6,300						
	Cell Phones/Pagers	6,300							
223100	Fire, Crash, and Rescue Vehicle Service			40,000		47,489			47,489
	15.011 APEQ - Fire Crash Rescue Equip.		16,000						
10	Extinction Annual Service	8,000							
10	Service and Repair of All Equipment	10,000							
	28.101 SAFE - Safety		2,500						
10	Fire Equipment Service: Non-SCBA	1,000							
30	Specialized Service Repair	1,500							
	34.094 LOGS - Logistics		12,000						
20	Hydro Service for Extinguishers, all are due this year	5,000							
30	SCBA Service, Hydro	4,000							
40	Hydro for Medical Oxygen Cylinders	3,000							
	39.015 ESWD - Emergency Services Wide		3,500						
10	Annual Service & Test on Spec Equipment	3,500			7,489				
	41.088 FLTM - Fleet Maintenance		4,000						
	Repair of Code 3 Emergency Equipment by Outside Vendor	4,000							
223700	Fire, Crash, and Rescue Vehicle Supply			660,625		660,620			660,620
	13.011 APEQ - Fire Crash Rescue Equip.		600,000						
10	ARFF Equipment	4,500							
10	Equipment Repair Parts	7,000							
10	Fire Hose Non-LDH	47,000							
10	Class A Foam Stock Replacement	48,000							
10	Class B Foam Stock Replacement	15,250							
10	Ladder Replacement	15,000							
10	Large Diameter Hose and Adapters	52,000							
10	Misc Fire Equipment Supplies	87,500							
10	Nozzle & Appliance Replacement	48,500							
10	Vehicle Equipment & Mounting Supplies	50,000							
10	Equipment for New Apparatus	120,250							
	18.072 EPOD - Emergency Planning/Special Ops		32,350						
10	Fire Equipment Supply, Trench/DB	5,000			6,254				
11	Hose Replacement Cable	1,600							
11	Wet/dry & Dry/dry Replacement: Water	5,000							
11	Helicopter Emergency Escape Device	2,000							
11	Rescue Harness, Slings, Straps	3,100							
11	Aviation Replacement Equipment, Gauges & Panel Recondition	12,750							
	23.031 TRNG - Training		19,000						
10	Equipment for Training Cache	10,000							
10	Equipment for Cadet Training	2,000							
10	Equipment for Reserve Training	2,000							
17	Equipment for Rescue Training	5,000							
	28.101 SAFE - Safety		273,520						
13	Drager SCBA Parts	15,000							
12	Scott SCBA Parts	50,550							
13	Cylinder Rebuild	11,154							
14	APRe for Investigators/Fleet	650							
14	WMO/Avian Flu inoculation	27,776							

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14	WMD APR	163,400							
14	CBRN Containers	1,800							
16	Confined Space Accessories	1,800							
18	HazMat SCBA Accessories	1,800							
60	Fire Crash Rescue: SCBA Transitional Cost	10,000							
	<b>31.090 PFDU - Fire Prevention Bureau</b>		1,000						
10	Knee Suptles	1,000							
	<b>39.005 ESWB - Emergency Services Wide</b>		8,848						
	Unit & Specified Equipment Upgrades	6,000							
10	Pilot Dnzer Program Fire Equipment Supply	3,848							
	<b>41.008 FLT.M - Fleet Maintenance</b>		20,000						
	Replace & Purchase Code 3 Warning Equipment for Emerg	20,000			23,041				
	<b>51.007 REAC - Recruit Academy</b>		6,000						
10	Fire Equip Supply	3,000							
12	Academy Leaders	3,000							
223800	<b>Fuel/Lubricant Supplies</b>			1,338,800		1,338,800			1,338,800
	<b>34.094 LOGS - Logistics</b>		1,283,800						
10	Diesel Fuel for Daily District Operations	782,000							
20	Gasoline for Daily District Operations	380,000							
41	Truck Service/Maint. Conveult Repairs/Permits for Daily Distr	6,000							
50	Fuel for District Aircraft	100,000							
70	Propane Gas - Forklifts & Station Heating for Daily District Op	16,800							
	<b>41.008 FLT.S - Fleet Maintenance Stock</b>		55,000						
30	Lubricants/Oils for All District Vehicles & Equipment	28,000							
40	Grease/Antifreeze/Freon/Solvents	10,000							
60	Tank Service: Dispose Hazardous Waste	20,000							
225100	<b>Medical Equipment Service</b>		78,600	78,600		78,600			78,600
	<b>37.003 EMSS - Emergency Medical Services</b>								
	Medical Equipment Service	1,600							
20	LP-12 Service	67,000							
30	Gurney Service	10,000							
225200	<b>Medical Equipment Supply</b>		148,750	148,750		148,750			148,750
	<b>37.003 EMSS - Emergency Medical Services</b>								
	Medical Equipment Supplies	10,000							
	RA Equipment Outfit	24,000							
	Mannikin Purchasing	7,600							
	Fanny Packs	250							
02	AED Purchases	20,000							
03	Gurney Purchases	27,000							
06	Biryker Chairs	60,000							
07	Backboards	8,000							
225100	<b>Office Equipment Maintenance Service</b>		2,000	2,000		2,000			2,000
	<b>34.094 LOGS - Logistics</b>								
	To Repair Office Furniture & Office Equipment	2,000							
220200	<b>Office Equipment Antiseptic Supply</b>			1,000		1,000			1,000

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	34.094 LOGS - Logistics		1,000						
	Parts for Repair of Office Equipment	1,000							
226400	Office Equipment Furniture			82,500		65,112			85,112
	13.021 WKCO - Workers Compensation		6,000						
	W/C Chairs & Monitors	6,000							
	23.037 TRNG - Training		2,600						
	Equipment for Training	2,600			2,812				
	31.090 FPBU - Fire Prevention Bureau		6,000						
	Continued Replacement of Old Fire Cabinets	6,000							
	34.094 LOGS - Logistics		70,000						
	Furniture for Stations and Offices/ New & Replacement	70,000							
226600	Computer Inventoriable Equipment			293,350		293,350			293,350
	23.037 TRNG - Training		20,000						
	Software Support for Medicals	20,000							
	Equipment Resource Center	1,000							
	45.079 DATA - Technical Services		267,650						
10	Workstation Replacement: 5 Year Plan	267,600							
20	Laptop Replacement: 4 Year Plan	35,350							
30	Printer, Fax Machine, Scanner Replacement: 5 Year Plan	21,250							
40	PDA Replacement: 3 Year Plan	3,250							
226800	Station Furnishings		163,480	163,480		163,480			163,480
	34.094 LOGS - Logistics		163,480						
01	Refrigerators: 5 Year Replacement	61,800							
02	Kitchen Chairs: 5 Year Replacement	18,000							
03	Kitchen Tables: 10 Year Replacement	7,650							
04	Bed Mattresses: 4 Year Replacement	12,954							
05	Bed Frames: 10 Year Replacement	1,758							
06	Office Chairs: 3 Year Replacement	10,840							
07	Refrigerators: 5 Year Replacement	21,000							
08	Televisions: 5 Year Replacement	2,620							
09	Pots & Pans: 6 Year Replacement	2,800							
10	Silverware: 6 Year Replacement	1,880							
11	Dishes: 10 Year Replacement	6,400							
12	End Tables: 10 Year Replacement	2,340							
13	Clothes Washers: 8 Year Replacement	3,000							
14	Clothes Dryers: 8 Year Replacement	3,000							
227100	Radio Electronic Airmen Service		239,080	239,080		239,080			239,080
	45.078 COMM - Communications		239,080						
10	Radio Service and Repair: DD	34,500							
11	UPB Battery Service & Repair: Power Back-up Sta Alarming S	14,280							
12	Colcom Installation; New Intersections & Repairs	80,000							
20	MDT Service; Install DATA911 for RDLAP	107,200							
30	Radio Intercom Equipment Repair on Apparatus	6,300							
40	Telephone Repair	4,200							
60	Unanticipated Communications Equipment Repair	13,600							
227200	Clean Equip Supply			739,050		658,674			658,674

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	<b>23.037 TRNG - Training</b>		<b>8,600</b>						
32	Equipment for Fire Simulation Training	4,600							
33	Radio Cache Equipment Supples	800							
34	DVD/VHS Players	4,200							
	<b>45.078 COMM - Communications</b>		<b>729,650</b>						
10	Portable Radios, Parts & Battery Replacement	180,000			120,824				
11	MDTs and MDT Parts	265,000							
21	UPB Battery Replacement for Alerting Power Back-up	38,800							
22	Opticom Equipment for New Interactions	160,000							
30	Radio Intercom Systems for New Apparatus	75,000							
40	Replacement Phones: Red Phones for new stations	10,350							
60	Unanticipated Supplies	16,400							
	<b>228100 Shop Equipment Service</b>			<b>120,647</b>		<b>128,647</b>			<b>128,647</b>
	<i>18.072 EPSD - Emergency Planning/Special Ops</i>		<i>800</i>						
40	Rental of Excavator Tranch	800							
	<i>34.094 LOGS - Logistics</i>		<i>88,000</i>						
	Rent for Equipment During Emergency Operations	2,000							
20	Copy Machine Rentals for Daily District Operations	72,000							
30	Dumpsters for Logistics & Facilities	12,000							
	<i>39.086 ESWD - Emergency Services Wild</i>		<i>38,947</i>						
10	Pilot Deter Program Fire Equipment Rentals	38,947							
	<i>41.088 FLTM - Fleet Maintenance Stock</i>		<i>6,000</i>						
	Rental & Refilling of all Compressed Gas Cylinders & Welding	6,000							
	<b>228100 Shop Equipment Service</b>			<b>6,600</b>		<b>6,600</b>			<b>6,600</b>
	<i>34.094 LOGS - Logistics</i>		<i>2,000</i>						
	Forklift Service Contract	2,000							
	<i>41.088 FLTM - Fleet Maintenance</i>		<i>3,600</i>						
	Repair of All Tools & Equipment utilized by Fleet Maint by Out	3,600							
	<b>228200 Shop Equipment Maintenance</b>			<b>7,600</b>		<b>7,600</b>			<b>7,600</b>
	<i>34.094 LOGS - Logistics</i>		<i>4,600</i>						
10	Shop Equipment Supplies: Fork Lift Repair Parts	1,600							
20	Engineer Supplies for Daily District Operations	3,000							
	<i>41.088 FLTM - Fleet Maintenance</i>		<i>3,000</i>						
10	Repair Parts for Fleet's Tools & Equipment	3,000							
	<b>228100 Other Equipment Maintenance Service</b>			<b>40,043</b>		<b>40,043</b>			<b>40,043</b>
	<i>11.020 CSED - Community Services</i>		<i>1,000</i>						
	Misc. Equipment Service	1,000							
	<i>12.021 FITW - Fitness/Wellness Program</i>		<i>11,000</i>						
	Fitness Equipment Maintenance	11,000							
	<i>18.072 EPSD - Emergency Planning/Special Ops</i>		<i>16,000</i>						
10	Long-term contract for Monitor Services (RAE)	16,000							
	<i>28.101 SAFE - Safety</i>		<i>6,843</i>						
20	PortaCool Service	3,700							
21	Pulschek Service	1,835							
22	SmartCool Service	800							
	<i>31.050 PPBU - Fire Prevention Bureau</i>		<i>1,200</i>						
	Repair of FPB Equipment: Cameras, Tape Recorders	1,200							

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
FINAL BUDGETS FOR FY 2007: GENERAL OPERATING, ONE-TIME ONLY EXPENDITURES  
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Acct. No.	Description	2007 Final Detail	Division Total	FY 2007 Final Budget	Purchase Orders Encumbered in FY 2006	General Operating	One Time Expenditures	Capital Improvement Plan	FY 2007 Final Budget
	34.894 LOGS - Logistics Other Equipment Repairs	6,000	6,000						
220200	Other Equipment Advance Supply			61,300		61,300			61,300
20	26.101 SAFB - Safety Batteries & Accessories	4,500	4,500						
	31.800 PPDU - Fire Prevention Bureau Hydrant Flow Test Equipment	1,800	1,800						
	34.894 LOGS - Logistics Bulbs, Vacuums, Flashlights	33,000	46,000						
20	Batteries for Duty District Operations	18,000							
230000	Bedding/Dry Clean/Uniforms			7,000		7,000			7,000
	34.894 LOGS - Logistics Bedding Replacements	7,000	7,000						
231400	Safety Clothing and Supplies			882,085		883,188			883,188
	88.010 MCRK - Mt. Cidien Park		12,784						
15	ARFF Helmets	3,144							
18	ARFF Ensembles	8,534							
17	ARFF Gloves	765							
18	ARFF Boots	988							
10	ARFF Suspenders	82							
23	ARFF Turnout Service	-750							
42	Facemasks	500							
	18.071 EFSO - Emergency Planning/Special Ops		5,440						
10	Misc. Clothes and Supplies	440							
11	PPE for HazMat & Decontamination	3,800							
12	PPE for Aviation	1,200							
	26.101 SAFB - Safety		802,721						
02	Rubber Turnout Boots	6,800							
02	Leather Turnout Boots	28,878							
03	Damage Replacement	33,450							
03	Normal Replacement	118,243							
08	Safety Footwear & Accessories	2,000							
23	Turnout Advanced C&R	7,000			1,321				
29	Non-Fire Fighting Accessories	7,000							
20	Leather Work Gloves	3,724							
30	Safety Footwear & Accessories	91,500							
30	Wildland Two-Boot Program	117,000							
31	Wildland Turnouts	22,432							
32	Wildland Helmets & Choulds	1,732							
32	Misc. Wildland Accessories	2,000							
33	Wildland Advanced Repair	2,400							
34	PPE Repair Supplies	2,000							
36	Cadet Program PPE	25,000							
37	Reserve Firefighter Program Uniforms	4,000							
37	Reserve Firefighter Program PPE	67,880							
39	Non-Line PPE	17,500							
44	Misc Structural Equipment: Gear	2,500							
45	Structural Firefighting Gloves	8,000							
46	Structural Goggles & Protective Covering	3,032							
47	Structural Nomex Hoods	2,241							

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48	Structural Helmet Pads	1,200							
48	Wildland Gloves	1,800							
60	Misc. Wildland Equipment	3,000							
81	FATS Passports	3,800							
82	FATS Shoulder Patches	6,000							
88	Heat & Sun Iness Prevention Program: Sun Hats	3,000							
88	Heat & Sun Iness Prevention Program: Sunscreen	1,000							
88	Heat & Sun Iness Prevention Program: Shade Devices	6,000							
88	Eye & Hearing Protection: Safety Glasses	1,465							
88	Eye & Hearing Protection: Hearing Protection	978							
88	Eye & Hearing Protection: Special Hearing at Fleet	2,600							
31.090	PPBU - Fire Prevention Bureau		6,600						
10	Misc Safety Supplies for Investigators	3,000							
13	Ballist Proof Vest Replacements (due to expire)	2,600							
34.094	LOGS - Logistics		26,000						
10	Badges, Name Plates, Collar Brass, Patches	26,000							
37.083	EMSS - Emergency Medical Services		626						
09	Paramedic Uniforms Clothing	626							
30.007	REAC - Recruit Academy		209,000						
24	Issue Clothing For Academy	4,600							
26	Recruit Daily Uniforms	13,000							
26	Recruit Protective Clothing: PPE	101,695							
27	Academy Turnout Repairs for PPE	600							
22100	Custodial Service			68,000		68,000			68,000
	34.094 LOGS - Logistics		68,000						
	Custodial Service for Daily District Operations	68,000							
02	Carpet Cleaning for District Buildings, as needed	10,000							
232200	Custodial Supply			135,000		135,000			135,000
	34.094 LOGS - Logistics		135,000						
	Custodial Supplies for Stations & Admin Buildings	135,000							
233200	Food/Beverage Supply			37,000		37,000			37,000
	11.020 CSBR - Community Services		6,000						
	Fire Station Community Dinners	4,000							
	Meals for Community Services Assignments	1,000							
	23.037 TRNG - Training		3,000						
	Food Supply	3,000							
	32.091 HRSS - Human Resources		9,000						
	Food at Recruitment (FF, PMEDIC, INTERN)	4,600							
10	Food at Promotional Exams (FF, ENGR, CAPT, BC)	4,600							
	34.094 LOGS - Logistics		18,000						
	Food/Beverage Supply for Strike Teams & Meetings	18,000							
	37.083 EMSS - Emergency Medical Services		1,000						
	Food and Beverage Supply	1,000							
	44.066 ADMN - Administration		1,000						
	Safety Training Classes	1,000							
234200	Kitchen/Dining Supply (Non-Food Items)			20,000		20,000			20,000
	34.094 LOGS - Logistics		20,000						

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Acct. No.	Description	2007 Final Detail	Division Total	FY 2007 Final Budget	Purchase Orders Encumbered in FY 2006	General Operating	One Time Expenditures	Capital Improvement Plan	FY 2007 Final Budget
	Kitchen and Appliance Supplies	20,000							
235100	Laundry/Dry-Cleaning Service			10,600		10,600			10,600
	41.038 FLTM - Fleet Maintenance Coversats, Shop Towels, Runner Mats for All Fleet Personnel	10,600	10,600						
235200	Laundry/Dry-Cleaning Supply			13,200		13,200			13,200
	28.101 SAFE - Safety PPE Laundry Bags	1,200	1,200						
	34.094 LOGS - Logistics Laundry Soap & Supplies	12,000	12,000						
244300	Medical Services			429,600		429,600			429,600
	23.037 TRNG - Training		288,000						
04	Haz Mat Physicals	40,000							
10	Annual Safety Medicats	185,000							
10	D.O.T./DMV Physicals	30,000							
	28.101 SAFE - Safety		78,000						
40	Exposure Follow-up, Immunizations, Hearing Conservation, L	78,000							
	32.091 HRRES - Human Resources		13,000						
00	Medical Exam for Current Employees	6,000							
09	Drug & Alcohol Test for Current Employees	3,000							
11	Psycho/Fitness for Duty Exam for Current Employees	5,000							
	37.083 BMSS - Emergency Medical Services		3,600						
30	Medical Waste Removal	3,600							
	44.866 ADMIN - Administration		10,000						
40	Post Accident Drug & Alcohol Testing	5,000							
41	Exposure & Follow-up Exams	5,000							
	48.111 GCOU - General Counsel		80,000						
06	Preemployment Medical	30,000							
07	Preemployment Psychological	30,000							
244400	Medical Supplies			765,000		765,000			765,000
	34.094 LOGS - Logistics		10,000						
30	Medical Oxygen for Bistons & Emergency Refill Bottles at Lo	10,000							
	37.083 BMSS - Emergency Medical Services		755,000						
20	Medical Supplies	755,000							
260200	Actuarial Services			25,000		25,000			25,000
	44.866 ADMIN - Administration		25,000						
02	SCERB Actuarial	10,000							
02	OPEBS	15,000							
280500	Accounting/Financial Services			120,000		120,000			120,000
	13.013 WKCO - Workers Compensation Workers' Compensation Audt	10,000	10,000						
	44.866 ADMIN - Administration Financial Audits	110,000	110,000						



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263100	<i>Legal Services</i>			85,000		85,000			85,000
	13.022 WKCO - Workers Compensation		10,000						
	Workers Comp & Disability Retirement Legal Service	10,000	10,000						
	44.066 ADMIN - Administration		16,000						
10	Legal Services - SS-00 Test Claims	10,000							
10	Intensive Process	5,000							
	48.111 CCDCU - General Council		60,000						
	Outside Legal Service	00,000							
264100	<i>Personnel Services</i>			255,000		255,000			255,000
	31.090 FFDU - Fire Prevention Bureau		60,000						
10	Contract Plan Check Services (due to vacant positions)	60,000							
	32.091 HRES - Human Resources		165,000						
	Temporary Personnel Services	185,000							
260200	<i>Transcription Services</i>			18,000		18,000			18,000
	31.090 FFDU - Fire Prevention Bureau		18,000						
	Transcription - Investigation Interviews	18,000							
100	<i>Other Professional Services</i>			2,313,001		2,328,291			2,328,201
	11.020 CSER - Community Services		137,000						
	Press Release Software	3,000							
	Metro Fire PIC Software	6,000							
	Boo Fire Bulls Conference Services	3,000							
	4 Fireline Videos @ \$30,000 per Episode	60,000							
	Injury Prevention Videos @ \$10,000 per Episode	60,000							
	Fire Camp 6010 Process	6,000			14,300				
	13.022 WKCO - Workers Compensation		250,000						
40	Workers Comp Third-Party Administration (TPA) - Bragg	180,000							
42	Action Line Reporting	12,000							
44	Back Academy	60,000							
46	Ergonomic Work Station Evaluations	8,000							
	18.072 EPSO - Emergency Planning/Structal Ops		40,000						
21	Helicopter Leasing Service - Pilot Currency/Book Up Helicop	40,000							
	23.037 TRNG - Training		1,000						
	Instrument/Sparker Fees	1,000							
	28.101 SAFB - Safety		45,600						
31	Air, Water, Noise, Compressor, Air Cylinder	30,000							
32	Indoor Air Quality Testing	10,000							
33	ISP Certification for PPE	6,600							
	31.090 FFDU - Fire Prevention Bureau		75,000						
	Digitizing of Bait 6, 7, 9, 12 & 14 Pre-fire Plans	75,000							
	32.091 HRES - Human Resources		169,300						
	Outside Services for Recruitment, Arbitrations, Promotional E	170,000							
	Online Recruiting Applications & Applicant Tracking by NeoG	14,300							
	37.023 EMS - Emergency Medical Services		1,287,005						
	Counter Service	1,280							
	EMS Doctor & Nurse Liaisons	69,000							
11	Ambulance Billing Service	760,000							
12	Collection Services	42,000							
16	Ambulance Billing Service Audit/ Medias	35,000							

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Acct. No.	Description	2007 Final Detail	Division Total	FY 2007 Final Budget	Purchase Orders Encumbered in FY 2008	General Operating	One Time Expenditures	Capital Improvement Plan	FY 2007 Final Budget
18	Medication Audit	635							
17	RMB Program	372,000							
18	Charmpair Service	1,200							
	44.066 ADMIN - Administration		212,000						
	MER Update LAFCO	10,000							
	Annual Fee Update Revision	10,000							
	Job Analysis	62,000							
	Financial Advisor	20,000							
	Muel Financial Property Tax Review	15,000							
01	Lobbyist Fees	25,000							
02	CPED Issues Consultant	22,500							
03	Cost Allocation Development	20,000							
05	SD-40 Claims Preparation & Submission	10,000							
07	PE Bond Compliance Consultant Services	2,500							
08	SCERS Retirement Program	5,000							
10	County Property Value Report	20,000							
	45.079 DATA - Technical Services		29,400						
	Outside Service & Repairs	29,400							
	47.071 DCMP - Deferred Compensation		9,400						
	Deferred Comp. Services	9,400							
	45.109 FNCE - Finance		12,389						
	Deutsche Bank, Ingenio HR services PR processing, W/Printing	12,389							
	48.111 CCOU - General Counsel		65,000						
	Lucia-Nanda - Online Legal Research	25,000							
	Other Professional Services	30,000							
201100	Data Management Processing Services			283,726		283,726			283,726
	45.079 DATA - Technical Services		283,726						
10	Network & Router Support, Webpace	88,200							
20	Annual Software Licenses Renewals	215,526							
281200	Data Management Processing Supply			285,170		338,808			338,808
	13.023 WKCD - Workers Compensation		37,000						
60	Workers Comp Electronic Reporting	25,000							
60	Workers Comp Injury Analysts	12,000							
	45.079 DATA - Technical Services		248,170						
10	Hardware & Monitors; Also Computer Supplies	182,300			61,039				
40	New or Additional Software Licenses	65,870							
201700	Electronic Services			100,000		100,000			100,000
	03.074 DRDD - Board of Directors		100,000						
	Election Cost w/10% Increase: Four Directorships	100,000							
285100	Physical Fitness Services			6,000		6,000			6,000
	11.021 FITW - Fitness/Wellness Program		4,000						
	Fitness Coordinators Training	3,000							
	Max Fitness Services	1,000							
	50.007 REAC - Recruit Academy		1,000						
	Academy Physical Therapy	1,000							
285200	Physical Fitness Supplies			42,000		42,000			42,000

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	12.01 FFW - Fitness/Wellness Program		40,000						
	Physical Fitness Supplies	40,000							
	50.007 REAC - Recruit Academy		2,000						
	Physical Fitness Supplies	2,000							
200600	<i>Other Operating Supplies</i>			240,793		240,793			240,793
	03.007 FIRE - Fire Chief		5,000						
	Other Supplies:	5,000							
	04.077 CISM - Critical Incident Stress Mgt		500						
10	CISM Biocausal Appreciation Day	500							
	11.020 CSER - Community Services		65,000						
	Misc Supplies: Life Jackets, Media PR materials	10,000							
	Fire Camp: Tables, Chairs, Tents, T-Shirts, Hats	5,000							
04	CERT Program (Rec'd \$20,000 in Grant Money in 05/06)	50,000							
	13.022 WKCO - Workers Compensation		5,500						
	Business Meetings: COSPA	5,000							
	Misc. Other Expenses	500							
	18.072 EPCO - Emergency Planning/Special Ops		15,800						
	Other Operating Expenses	12,000							
	Other Operating Expenses: (TEWG)	3,800							
	23.037 TRNG - Training		3,000						
10	Other Operating Expense Supply	2,500							
10	Cadet Operating Supply	500							
	27.107 SSWD - Support Services Wide		5,000						
	Unanticipated Supplies	5,000							
	28.101 SAFE - Safety		60,493						
	Other Supplies:	5,000							
	Flashlight Program	57,493							
	Double-Needle Sewing Machine	3,500							
	31.090 FFDU - Fire Prevention Bureau		12,300						
	Investigation Supplies	8,000							
	1 Night Vision Goggles	3,500							
	GPS Handheld Units for Investigators	800							
10	32.091 EURES - Human Resources		600						
	Personal Reimbursements for Personal Prop. Lost or Damag	600							
10	34.894 LOGS - Logistics		40,000						
	Other Supplies for Daily District Operations	40,000							
	37.083 BMSS - Emergency Medical Services		3,500						
	Other Operating Supplies	3,500							
	44.056 ADMIN - Administration		1,000						
	Business Meeting Supplies	1,000							
	45.079 DATA - Technical Services		12,300						
	Other Operating Supplies	12,300							
	50.007 REAC - Recruit Academy		5,000						
	Other Academy Supplies	5,000							
200600	<i>Fire Station Annual Allowance</i>			45,135		45,135			45,135
20	46.049 - Station 11		2,285						
	Station Budget	2,285							
20	46.050 - Station 22		765						
	Station Budget	765							

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20	46.051 - Station 23 Station Budget	1,785	1,785						
20	46.052 - Station 24 Station Budget	1,276	1,276						
20	46.053 - Station 25 Station Budget	1,276	1,276						
20	46.054 - Station 26 Station Budget	785	785						
20	46.055 - Station 27 Station Budget	785	785						
20	46.056 - Station 28 Station Budget	785	785						
20	46.057 - Station 29 Station Budget	785	785						
20	46.058 - Station 31 Station Budget	785	785						
20	46.059 - Station 32 Station Budget	1,276	1,276						
20	46.060 - Station 33 Station Budget	785	785						
20	46.061 - Station 41 Station Budget	1,276	1,276						
20	46.062 - Station 42 Station Budget	785	785						
20	46.074 - Station 50 Station Budget	2,295	2,295						
20	46.075 - Station 51 Station Budget	785	785						
20	46.076 - Station 53 Station Budget	1,276	1,276						
20	46.076 - Station 54 Station Budget	785	785						
20	46.077 - Station 55 Station Budget	785	785						
20	46.078 - Station 58 Station Budget	785	785						
20	46.079 - Station 59		785						

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20	Station Budget		785						
46.003 - Station 61	Station Budget		1,275						
20	46.064 - Station 62		1,275						
20	46.041 - Station 63		785						
20	46.042 - Station 64		785						
20	46.043 - Station 65		1,785						
20	46.044 - Station 66		785						
20	46.023 - Station 101		1,275						
20	46.012 - Station 102		785						
20	46.013 - Station 103		785						
20	46.014 - Station 105		785						
20	46.015 - Station 106		1,785						
20	46.016 - Station 107		785						
20	46.031 - Station 108		785						
20	46.032 - Station 109		1,785						
20	46.033 - Station 110		1,275						
20	46.035 - Station 111		1,275						
20	46.027 - Station 112		785						
20	46.003 - Station 114		1,630						

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20	46.073 - Station 115 Station Budget	785	785						
20	46.078 - Station 116 Station Budget	785	785						
20	46.079 - Station 117 Station 117	785	785						
269000	<i>Other Operating Services</i>			15,000		15,000			15,000
	11.070 CSER - Community Services		6,000						
	Misc. Ads, Phone Book Listings	-6,000							
	13.022 WKCO - Workers Compensation		500						
	Counter Service	500							
	23.037 TRNG - Training		2,000						
	Cost for State & CSTI Certs	2,000							
	27.107 ESWD - Support Services Wide		5,000						
	Unanticipated Services	5,000							
	44.066 ADMN - Administration		2,500						
	Business Meeting Services	2,500							
291300	<i>Auditor/Controller Services Fee</i>			25,000		25,000			25,000
	44.066 ADMN - Administration		25,000						
	Special Fee Tax Collection Fees	25,000							
202000	<i>County Stores Charge/Supplies</i>			15,000		15,000			15,000
	34.094 LOGS - Logistics		15,000						
	Misc. Items from County Stores (County Contracts)	15,000							
203100	<i>Fluores 45.078 CIBAD - Communications Service</i>			2,800,285		2,800,285			2,800,285
	35.080 DISP - Dispatch Comm Center		2,800,285						
	Rec. Regional Fire/EMS Communication Services	2,800,285							
203400	<i>Public Works Svcs</i>			92,850		92,850			92,850
	45.078 COMM - Communications		47,850						
10	MDT Station Maint. 18 locations (shared w/BSD)	27,850							
20	Traffic Signal Maintenance performed by County	20,000							
08	31.090 FPBU - Fire Prevention Bureau		45,000						
	LOBSR Service Fees	45,000							
203500	<i>Public Works Store</i>			15,000		15,000			15,000
	34.094 LOGS - Logistics		15,000						
	Roads Equip. Items from County Public Works (County Conti	15,000							
205200	<i>Parking Charges</i>			50		50			50
	44.066 ADMN - Administration		50						
	Parking Vouchers	50							

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
FINAL BUDGETS FOR FY 2007: GENERAL OPERATING, ONE-TIME ONLY EXPENDITURES  
AND CAPITAL IMPROVEMENT PLAN**

Acct. No.	Description	2007 Final Detail	Division Total	FY 2007 Final Budget	Purchase Orders Encumbered in FY 2006	General Operating	One Time Expenditures	Capital Improvement Plan	FY 2007 Final Budget
290400	<i>Radio Systems</i>			319,000		319,000			319,000
	45.078 COMM - Communications		319,000						
10	Paging Service: 600 Mhz Pager Fee to OCIT	54,000							
20	Annual Service Agreement	175,000							
30	RDLAP System (Upgrade MDT)	90,000							
<b>TOTAL SERVICES AND SUPPLIES:</b>		\$ 19,777,132	\$ 19,777,132	\$ 19,777,132	230,278	\$ 20,013,410	\$ -	\$ -	\$ 20,013,410
321000	<i>Interest Expense</i>			7,800		7,800			7,800
	20.059 CFST - Construction of Fire Stations		7,800						
60	Interest Payments Eastern Ave. Property	7,800							
345000	<i>Taxes, Licenses &amp; Assessments</i>			1,609,400		1,609,400			1,609,400
	13.023 WKCO - Workers Compensation		40,000						
	State Assessment W/C Fraud Investigation Unit	40,000							
	34.004 LOGS - Logistics		21,000						
07	Construction Permits for Air Quality Management	9,000							
09	Permits of Soc Environmental Mngt & Soc Air Quality Mngt.	12,000							
	41.038 PLTH - Fuel Maintenance		1,200						
	Hazardous Waste & Environmental Permits for Operations at	1,200							
	44.066 ADMIN - Administration		37,200						
	Folsom Blvd.	8,000							
	Florin Road	8,000							
	Other Assessments	10,000							
	Property Tax Adm'n. Fees (jws 2.9 mt)								
02	Hwy 50/Summit Special Tax	9,000							
03	Fulton Avenue Assessment Dist. Fee	5,000							
05	Service Fee Mission Oaks Park District	200							
	45.107 PNCE - Finance		1,600,000						
	Property Tax Adm'n. Fees (jws 2.9 mt)	1,600,000							
370000	<i>Contributions To Other Agencies</i>			272,800		272,800			272,800
	23.037 TRNG - Training		182,900						
	JPA Contribution, Cal Fire & Rescue Training Authority	45,000							
03	Metro In Service - Los Rios Tullon	10,000							
04	Metro EMS - Los Rios Tullon	10,000							
05	PS JPA Sergeant Major Association	12,000							
06	McClellan Park CAM Fees	6,200							
07	PS JPA Insurance	6,700							
08	EVOC Program	39,000							
	44.066 ADMIN - Administration		40,000						
01	Contributions to Other Agencies: LAFCO	40,000							
	50.007 REAC - Recruit Academy		80,000						
	Use of McClellan JPA Building: Regional Training	50,000							
<b>TOTAL TAXES, LICENSES &amp; ASSESSMENTS:</b>		\$ 1,800,100	\$ 1,800,100	\$ 1,800,100	-	\$ 1,669,100	\$ -	\$ -	\$ 1,800,100
410100	<i>Land Acquisitions</i>			8,500					
	20.059 CFST - Construction of Fire Stations		8,500						
00	Principal Payments on Eastern Ave. property	8,500						8,500	8,500
420100	<i>Structures &amp; Improvements</i>			10,155,205					

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
FINAL BUDGETS FOR FY 2007: GENERAL OPERATING, ONE-TIME ONLY EXPENDITURES  
AND CAPITAL IMPROVEMENT PLAN**

Acct. No.	Description	2007 Final Detail	Division Total	FY 2007 Final Budget	Purchase Orders Encumbered in FY 2006	General Operating	One Time Expenditures	Capital Improvement Plan	FY 2007 Final Budget
	18.072 EPSO - Emergency Planning/Special Ops		24,000						24,000
70	Weather-proof Building #638 for Aviation Storage due to cold	24,000							24,000
	20.069 CPST - Construction of Fire Stations		8,871,205						
80	Station 68				1,347,360			1,347,360	1,347,360
80	Station 37	883,076						883,076	883,076
80	Station 107	842,310						842,310	842,310
80	Station 188	4,183,785						4,183,785	4,183,785
80	Station 111	3,882,055						3,882,055	3,882,055
	40.086 FAC Facilities		480,000						
10	New HVAC Systems: Sta 80 & 89 Office Structures & Improvements One-Time:	25,000					23,000		25,000
60	Sta 24 Landscaping/Maintenance Issues Project	15,000					15,000		15,000
60	Sta 27 Roof, HVAC System electrical	32,000					32,000		32,000
60	Sta 28 Roof	20,000					20,000		20,000
60	Sta 50 Showers	30,000					30,000		30,000
60	Sta 53 Kitchen/Bathroom remodel & electrical	72,000					72,000		72,000
60	Sta 55 Kitchen remodel	40,000					40,000		40,000
60	Sta 08 Roof	20,000					20,000		20,000
60	Sta 102 Kitchen remodel, HVAC system	61,000					61,000		61,000
60	Sta 108 Kitchen remodel, HVAC systems in kitchen & dayroom	78,000					78,000		78,000
60	Sta 109 Kitchen remodel, HVAC systems in dorms	79,000					79,000		79,000
	45.079 DATA - Technical Services								
60	CR for Racks at ten Stations				78,053		78,053		78,053
420200	Improvements - Other than Buildings		650,000	760,000					
	40.086 FAC Facilities								
60	Sta 06 Front/Rear Ramp Replacements	160,000						160,000	160,000
60	Station Gates and Fencing	300,000						300,000	300,000
60	Station Turnout Lockers: at 18 Stations	80,000						80,000	80,000
60	Fleet Industrial Waste/Monitoring Systems	120,000						120,000	120,000
	45.079 DATA - Technical Services		100,000						
60	Other Improvements	100,000						100,000	100,000
430100	Vehicles		65,000	3,085,000					
	18.072 EPSO - Emergency Planning/Special Ops		65,000			50,000			65,000
	Vehicles for ERSO	65,000							65,000
	41.883 PLTM - Fleet Maintenance		3,030,000			3,410,692			3,410,692
	Replacement Vehicles per Board Approved Master Vehicle F	3,030,000			380,692				3,410,692
430200	Other Equipment		20,000	3,680,102					
	12.021 FITW - Fitness/Wellness Program		20,000			20,000			20,000
	18.072 EPSO - Emergency Planning/Special Ops		883,112						
	Copter Leasing	776,000				776,000			776,000
24	Aviation Equipment Replacement	154,000					154,000		154,000
60	Night Vision Equipment: Aviation	64,112				64,112			64,112
20.069 CPST - Construction of Fire Stations			457,308						
60	Equipment & Furniture for new stations	457,308						457,308	457,308
23.037 TRNG - Training			5,700			5,700			5,700
10	DVD Duplicator	5,700							5,700
28.101 SAFE - Safety			4,849			4,849			4,849
	Purchase a Demo Thermal Imaging Camera as a Loaner	4,849							4,849
31.050 PPDU - Fire Prevention Bureau			4,000						
	Shotguns for Investigators	2,000				2,000			2,000
	.45 SIG P220 Replacement Weapons for Investigators	2,000				2,000			2,000



**SACRAMENTO METROPOLITAN FIRE DISTRICT  
FINAL BUDGETS FOR FY 2007: GENERAL OPERATING, ONE-TIME ONLY EXPENDITURES  
AND CAPITAL IMPROVEMENT PLAN**

Acct. No.	Description	2007 Final Detail	Division Total	FY 2007 Final Budget	Purchase Orders Encumbered in FY 2006	General Operating	One Time Expenditures	Capital Improvement Plan	FY 2007 Final Budget
	34.074 LOGS - Logistics		60,000			60,000			60,000
01	PiggyBack Forklift, Forklift & Modifications to Flatbed Truck to	60,000							
	41.083 FLTM - Fleet Maintenance		125,000			125,000			125,000
	Breathing Air Compressor replaces current one in Logistics	125,000							
	45.073 COMM - Communications		1,351,733						
06	Upgrade Station Airing System	408,733					408,733		408,733
07	Complete Purchase of DATAP11 for upgrading of RDLAP Sy	770,000					770,000		770,000
08	Mobile Data Terminals (MDTs): 10 Yr Replacement	150,000					150,000		150,000
09	Other Equipment: One-Time Expenditure	23,000					23,000		23,000
	45.079 DATA - Technical Services		688,400						
14	Desktop Server Project Upgrade Capacity for District Servers	44,600					44,600		44,600
15	Replace Outdated Network Servers	75,000					75,000		75,000
17	Records Management Project	45,000					45,000		45,000
18	5 Year Replacement Plan for District Routers	351,000					351,000		351,000
19	Web Intranet/Internet Project: Internal & External District Web	60,000					60,000		60,000
20	Web Staff Project: Web Access for District Personnel	51,300					51,300		51,300
21	Air Ops GPS Project: GPB for Air Ops	41,600					41,600		41,600
60	CompuCom: BCGI Server w/HP CarePack				6,768		6,768		6,768
430300	Office Equipment			35,000			35,000		35,000
60	45.079 DATA - Technical Services		35,000						
60	Office Equipment	35,000							
<b>AL FIXED ASSETS:</b>		\$ 17,713,807	\$ 17,713,807	\$ 17,713,807	1,612,753	\$ 4,514,253	\$ 2,753,944	\$ 12,258,383	\$ 18,629,684
<b>TOTAL COMBINED BUDGETS:</b>		\$ 181,358,853	\$ 181,358,853	\$ 181,358,853	\$ 2,049,031	\$ 148,385,377	\$ 2,753,944	\$ 12,258,383	\$ 183,407,684





# Directory of Sacramento County Service Providers



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Cities in the County

## Independent Districts

(An independent special district has a legislative body whose members are elected by registered voters from within the district or, in the case of cemetery districts, appointed by the Board of Supervisors to run the affairs of the district. See Government Code Section 56044)

Special Districts

Other Service Providers












































Joint Powers Authorities
























Complete A-Z listing

Maps

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4. [Arden Park Recreation and Park District](#) 
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24. [Granite Resource Conservation District](#) 
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30. [Pacific Fruitridge Fire Protection District](#) 
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42. [Reclamation District #744](#) 
43. [Reclamation District #755](#) 

- 44. [Reclamation District #800](#) 
- 45. [Reclamation District #813](#) 
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- 61. [San Juan Water District \(a Community Services District\)](#) 
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**Sacramento Local Agency Formation Commission**

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**C**

Tillie Lewis Foods, Inc. v. City of Pittsburg  
Cal.App.1.Dist.

TILLIE LEWIS FOODS, INC. et al., Plaintiffs and  
Respondents,  
v.

CITY OF PITTSBURG et al., Defendants and  
Appellants; EL PUEBLO TENANTS COUNCIL et  
al., Interveners and Appellants  
Civ. No. 30324.

Court of Appeal, First District, Division 4, California.  
October 7, 1975.

**SUMMARY**

The trial court ordered issuance of a peremptory writ of mandate directing a city to terminate proceedings for the annexation of an area as "inhabited territory" pursuant to Gov. Code, § 35100 et seq. The territory consisted of 459 acres and about one-sixth of it, contiguous to the city, was comprised of a public housing project in which 175 registered voters resided and an uninhabited park, zoned residential and owned by the county housing authority. The remaining 400 acres were zoned heavy industrial and commercial and only 14 persons resided in that area. The county local agency formation commission adopted a resolution declaring that the territory proposed to be annexed was "inhabited" and approved the annexation proposal, which was subsequently approved by the voters residing in the territory. In the mandamus proceedings, instituted by two corporations with valuable industrial holdings in the area, the court concluded that the portion of the territory zoned and used as industrial land was not subject to annexation since it was uninhabited land, that it was separate and distinct from the portion of the territory zoned and used as residential land, and that the local agency formation commission did not have the power to declare such uninhabited land to be inhabited. (Superior Court of Contra Costa County, Nos. 123212, 123215, Norman A. Gregg, Judge.)

The Court of Appeal affirmed, holding that the provisions of Gov. Code, § 54773 et seq., setting forth the purposes and powers of LAFCO, may not be interpreted as having abrogated the rule that territory which is judicially determined to be "

uninhabited" in fact, may not be annexed as an appendage to "inhabited" territory from which it is separable and distinguishable in fact. The court fully discussed the provisions of the Annexation Act of 1913 (Gov. Code, § 35100 et seq.) relating to "inhabited" territory, the Annexation of Uninhabited Territory Act of 1939 (Gov. Code, § 35300 et seq.), the act establishing a LAFCO in each county and setting forth its purposes and powers, as recodified in the Knox-Nesbit Act (Gov. Code, § 54773 et seq.), and applicable California decisions, and it held that there was nothing to indicate any legislative intent to give the local commissions the power to make a conclusive determination, not subject to judicial review, that territory is "inhabited" or "uninhabited" for the purpose of annexation proceedings. (Opinion by Rattigan, J., with Caldecott, P. J., and Christian, J., concurring.)

**HEADNOTES**

Classified to California Digest of Official Reports

**(1) Municipalities § 7--Annexation--Effect of Determinations of LAFCO.**

The trial court properly ordered issuance of a peremptory writ of mandate directing a city to terminate proceedings for the annexation of an area as "inhabited" territory pursuant to Gov. Code, § 35100 et seq., even though the county local agency formation commission had, in approving the annexation pursuant to Gov. Code, § 54797, declared that the territory was "inhabited," where substantial evidence supported the trial court's findings and conclusions that the property sought to be annexed consisted substantially of uninhabited industrial land which was separate and distinct from the small portion of the territory zoned and used as residential land. The provisions of Gov. Code, § 54773 et seq., creating and setting forth the powers and purposes of LAFCO may not be interpreted as having abrogated the rule that territory which is judicially determined to be "uninhabited" in fact, may not be annexed as an appendage to "inhabited" territory from which it is separable and distinguishable in fact.

[See Cal.Jur.2d, Municipal Corporations, § 74 et seq.; Am.Jur.2d, Municipal Corporations, Counties and Other Political Subdivisions, § 55 et seq.]

**(2) Counties § 12--Powers of LAFCO.**

(Cite as: 52 Cal.App.3d 983)

A local agency formation commission, commonly referred to as LAFCO, is a creature of the Legislature and has only those express (or necessarily implied) powers which are specifically granted to it by statute.

(3) Statutes § 13--Amendment--Legislative Intent.

Failure to make changes in a given statute in a particular respect when the subject is before the Legislature, and changes made in other respects is indicative of an intention to leave the law unchanged in that respect.

(4) Municipalities § 7--Annexation--Actions--Evidence.

In an action seeking a writ of mandate ordering termination of a city's proceedings for the annexation of an area as "inhabited" territory pursuant to Gov. Code, § 35100 et seq., and as approved by the county local agency formation commission, the trial court correctly sustained objections to questioning of an assemblyman as to whether legislation principally authored by him creating LAFCO (Gov. Code, § 54773 et seq.) was intended to allow "LAFCO to have broad discretion in granting annexation of territories." The testimony or opinions of individual legislators are inadmissible for the purpose of showing what in fact was intended or meant by a given enactment, and courts will place little or no reliance on such evidence in any event.

(5) Municipalities § 7--Annexation--Powers of LAFCO.

Gov. Code, § 35002.1, requiring that the territory in an annexation proposal approved by a local agency formation commission "shall be deemed a single area" for the purpose of determining whether the annexation proceedings shall be conducted pursuant to Gov. Code, § 35100 et seq., relating to "inhabited" territory or pursuant to Gov. Code, § 35300 et seq., relating to "uninhabited" territory, is intended to prevent an annexing city from dividing the territory and proceeding under both annexation acts after the commission has approved the annexation under the one deemed appropriate as required by Gov. Code, § 54797. It does not give the commission the power to make a conclusive determination, not subject to judicial review, that territory is "inhabited" or "uninhabited" for the purpose of annexation proceedings.

(6) Statutes § 5--Operation and Effect--Retroactivity. Generally, a statute will not be construed to operate retroactively unless the legislative intent cannot be

otherwise satisfied.

(7) Statutes § 44--Aids--Contemporaneous Administrative Construction.

While the construction of a statute by officials charged with its administration, including their interpretation of the authority invested in them to implement and carry out its provisions, is entitled to great weight, final responsibility for the interpretation of the law rests with the courts.

COUNSEL

Alfred A. Affinito, City Attorney, Rutan & Tucker, Milford W. Dahl and James E. Erickson for Defendants and Appellants.

George E. Chaffey and Eugene M. Swann for Interveners and Appellants.

Robert D. Raven, Mark Reutlinger, Morrison, Foerster, Holloway, Clinton & Clark, Morrison & Foerster, Sanders, Scott & Dodson, Sanders, Dodson, Hinton & May, Richard D. Sanders and Stanley K. Dodson for Plaintiffs and Respondents.

RATTIGAN, J.

The two appeals herein are from a single judgment entered by the Contra Costa County Superior Court in two mandamus actions which were tried together pursuant to an order consolidating them for that purpose. The judgment invalidated proceedings which had been commenced for the annexation of certain unincorporated territory to the City of Pittsburg, and directed the issuance of a peremptory writ of mandate which terminated the proceedings. Separate appeals from the judgment have been taken (1) by the city and agencies and officers thereof, all of whom had been named as respondents in each of the actions as commenced; and (2) by inhabitants of the affected territory who appeared and participated in both actions as interveners in each.

Proceedings for the annexation of so-called "inhabited" territory to a city must ordinarily be conducted pursuant to the Annexation Act of 1913 (hereinafter "the 1913 Act"). Where the territory proposed to be annexed is "uninhabited" as that term is defined in the Annexation of Uninhabited Territory Act of 1939 ("the 1939 Act"), proceedings for its annexation are to be conducted pursuant to that Act.<sup>FN1</sup> As will appear, the \*987 distinction between "inhabited" and "uninhabited" territory has been historically crucial in annexation proceedings because of substantial differences between the two Acts. As will also appear, these differences have been materially affected by recent changes in the law but

the essential distinctions between "inhabited" and "uninhabited" territory, and between the two Acts, have retained their significance.

FN1 Except where otherwise indicated, all statutory references herein are to the Government Code. The 1913 and 1939 Acts are contained in a single chapter thereof (chapter 1 ["Annexation of Territory"] of part 2 ["Alteration of Boundaries"] of division 2 ["Organization Boundaries"] of title 4 ["City Government"]), to which we herein refer on occasion as "the annexation chapter." The 1913 Act appears as article 2 thereof (commencing with § 35100), the 1939 Act as article 5 (commencing with § 35300).

Neither Act defines "inhabited" territory as such, but section 35303 of the 1939 Act provides that "[f]or purposes of this article [i.e., of the 1939 Act] territory shall be deemed *uninhabited* if less than 12 persons who have been registered to vote within the territory for at least 54 days reside within the territory at the time ... [proceedings for its annexation are commenced] ...." (Italics added.) Although this definition of "uninhabited" territory is limited in terms to the "purposes" of the 1939 Act, it operates, by contrasting implication, to define "inhabited" territory for purposes of the 1913 Act. (Gother, *A Study Of Recent Amendments To California Annexation Laws* (1963) 11 U.C.L.A. L.Rev. 41, 43.)

The principal issue on the present appeals involves the effect of these distinctions when purportedly drawn by a Local Agency Formation Commission ("LAFCO") in the course of its review of a municipal annexation proposal pursuant to the Knox-Nisbet Act.<sup>FN2</sup> Specifically, the question is whether a LAFCO determination that territory proposed for annexation is "inhabited" is conclusive as a matter of law, and irreversibly requires that the territory be annexed pursuant to the 1913 Act, because the Knox-Nisbet Act so provides; or whether, notwithstanding the latter Act, such determination by LAFCO is subject to judicial review and nullification as a question of fact.

FN2 The Knox-Nisbet Act appears as chapter 6.6 ("Local Agency Formation Commission," commencing with § 54773) of part 1 of division 2 of title 5 of the Government Code.

### *The Area Involved*

The unincorporated territory in dispute is a 459-acre tract of land which is located, generally, to the west of the present westerly boundary of the City of Pittsburg. It is officially designated "Baker Territory No. 5, as amended"; we call it "Baker Territory." Although its zoning, demographic and related features are described in detail in the trial court's findings hereinafter quoted, we preliminarily describe it as follows:

Markedly irregular in shape, the territory lies along an east-west axis which runs in a westerly direction from the Pittsburg city limit for an \*988 overall distance of several miles. Its extreme easterly portion, which is contiguous to the city and is itself irregular in shape, includes approximately one-sixth of the land area of the full territory. The easterly portion is comprised of the "El Pueblo" neighborhood and Columbia Park. El Pueblo, a public housing project, is wholly residential. The park is much larger than El Pueblo, and no residences are located in it.

The larger, westerly portion of Baker Territory is connected to the just-described easterly portion by a narrow, mile-long strip which runs west from a corner of Columbia Park. The strip is not residential, and consists in part of a freeway which runs from east to west. The westerly portion of the territory balloons in area at the westerly end of the strip, and extends further west for approximately three miles. The westerly portion is developed and used for industrial purposes; the only residential structures in it are the Betty Ray Motel and two dwellings.

Tillie Lewis Foods, Inc., and Union Carbide Corporation (who were the petitioners for mandate below, and to whom we refer as "petitioners" although they are the respondents on the appeals) own separate parcels of land located in the westerly portion of Baker Territory. Each of petitioners' parcels is improved with valuable industrial buildings.

### *The Annexation Proceeding*

The Pittsburg City Council, having been requested to annex Baker Territory, submitted a proposal for its annexation to the Contra Costa County LAFCO for its approval pursuant to section 35002.<sup>FN3</sup> After conducting a hearing and related proceedings required by the Knox-Nisbet Act in connection with

such proposals (§ 54791 et seq.), LAFCO adopted a resolution in which it declared that "the territory proposed to be annexed *is ... inhabited*" (italics added), made no change in its boundaries as proposed, and approved the proposal for its annexation subject to specified "terms and conditions." The "terms and conditions" included a provision which designated the effective date of the annexation "if approved by the voters" as required by the 1913 Act.\*989

FN3 A proceeding for the proposed annexation of "inhabited" territory under the 1913 Act is formally commenced by the circulation of an annexation petition among the voters residing in the territory. (§§ 35113-35114.) Before this may occur, the city council must give its consent to the proposal (§ 35106) after having first submitted it to the city's planning commission if there is one. (§ 35108.) A proceeding for the proposed annexation of "uninhabited" territory under the 1939 Act is commenced when the owners of not less than one-fourth of the affected land, measured by area and assessed valuation, petition the city council for its annexation. (§ 35305.) Section 35002 appears in article 1 ("General") of the annexation chapter, and therefore reaches the 1913 Act (art. 2 of the chapter) and the 1939 Act (art. 5) alike. (See fn: 1, ante.) It requires that an annexation proposal be submitted to LAFCO for approval before a proceeding may be commenced under either Act, as follows:

"35002. No petition seeking the annexation or transfer of territory to a city shall be circulated or filed, nor shall any public officer accept any such petition for filing, nor shall any legislative body initiate proceedings to annex or transfer on its own motion, until the approval of ... [LAFCO] ... is first obtained pursuant to ... [the Knox-Nisbet Act] ...."

This requirement is reiterated in the Knox-Nisbet Act itself, in which the term "[p]roceedings" is defined to include "the procedure authorized and required by any law for the ... annexation of territory to a local agency ..." (§ 54775, subd. (j)), the term "local agency" is defined to include "a city" (*ibid.* subd. (h)), and section 54791 provides in pertinent part that "[p]roceedings shall not be initiated until ... approval is given by ... [LAFCO] ...."

In the present case, the Pittsburg City Council submitted the Baker Territory proposal to the city's

planning commission, obtained that body's approval, and adopted a resolution consenting to the proposed annexation, before submitting the proposal to LAFCO. It thus appears that the city, its officers and agencies treated Baker Territory as "inhabited," and subject to annexation under the 1913 Act, at the inception of the proposal and at all times thereafter.

In a proceeding for the annexation of Baker Territory which was thereupon initiated by the City of Pittsburg pursuant to the 1913 Act,<sup>FN4</sup> a petition was noticed and circulated among the registered voters residing in Baker Territory; the petition was signed by the requisite number among them, and was returned to the city council; and the council adopted a resolution announcing its intent to call a special annexation election within Baker Territory and setting a hearing at which it (the council) would consider written protests to the annexation filed by owners of land within the territory. (§§ 35111-35117.)

FN4 The 1913 Act was followed, after the LAFCO action described, pursuant to section 54797 of the Knox-Nisbet Act. As pertinent here, section 54797 provides: "If the commission [LAFCO] approves a proposal [for the annexation of territory to a city] *proceedings shall thereafter be initiated, conducted and completed pursuant to those provisions of law which are applicable to the proposal as it has been approved by the commission [i.e., to the 1913 Act or the 1939 Act, as the case might be]. If the commission approves the proposal with modifications or conditions, proceedings may be initiated, conducted and completed only in compliance with such modifications or conditions.*" (Italics added.)

Written protests filed with the council by some of the affected landowners, pursuant to section 35120 as it provided at the time, represented only 43 percent of the value of the real property in Baker Territory according to the measure of such value as then provided in section 35121; as further provided in the latter section at the time, the protests were insufficient to command termination of the annexation proceeding.<sup>FN5</sup>\*990

FN5 As it then read (but no longer does, having since been declared unconstitutional



and repealed as hereinafter discussed), section 35121 provided in pertinent part as follows (*italics added*):

" 35121. At the time set for hearing protests ... the city legislative body shall hear and pass upon all protests ... made:

" (a) If privately owned property and no publicly owned property is proposed to be annexed, further proceedings shall not be taken if the protest is made by private *owners of one-half of the value of the territory proposed to be annexed*. The value given such property for protest purposes shall be that shown on the last equalized assessment roll. ...

" (b) If privately owned property and publicly owned property are proposed to be annexed in the same proceeding, further proceedings shall not be taken if protest is made by public and private *owners of one-half of the value of the territory*. The value given privately owned property shall be determined pursuant to subdivision (a) of this section. ...

.....  
 " (d) As used in this article [i.e., in the 1913 Act], 'value of the territory' means the *value of the land, exclusive of improvements thereon*. ..."

We here meet the critical distinction between former section 35121 of the 1913 Act (just quoted) and the parallel provisions of the 1939 Act which appear in section 35313. The language of subdivisions (a) and (b) of section 35313 was - and still is - substantially identical with the corresponding provisions of former section 35121, but its subdivision (c) provided - as it still does - that "[a]s used in this article [i.e., in the 1939 Act], 'value of the territory' means the *value of land and improvements thereon*." (*Italics added*.)

Counsel for petitioner Tillie Lewis Foods, Inc., nevertheless appeared at the protest hearing and demanded that the proceeding be terminated "on the ground that it was being brought pursuant to the Annexation Act of 1913 governing inhabited real property, when in fact the real property sought to be annexed consisted substantially of uninhabited industrial land. ... [The city] ... refused to terminate said proceedings." (We here quote the trial court's findings.)

A requisite majority of landowner protests having failed to materialize according to the then-current provisions of the 1913 Act (see fn. 5, *ante*), the Pittsburg City Council conducted an annexation election in Baker Territory pursuant to that Act. (§§ 35122-35133.) The voters approved the annexation

by an overwhelming majority. An ordinance approving it was thereupon introduced in the city council pursuant to section 35135.

#### *The Litigation*

At this point, the petitioners commenced the two mandamus actions. The annexation proceeding was stayed by temporary restraining orders, and by alternative writs of mandate, issued in each action.

In its respective petition for mandate, each petitioner named as "respondents" only the City of Pittsburg, its city council and its planning commission as such, and the individual members of both bodies.<sup>FN6</sup> The Contra Costa County LAFCO was not named as a party, \*991 and did not subsequently appear, in either action. Consistent with this omission, neither petitioner complained of, or mentioned, LAFCO's action approving the proposed annexation of Baker Territory; both petitions were addressed only to the City's actions in treating the territory as "inhabited" for purposes of its annexation.

FN6 We hereinafter refer to these parties, collectively, as "the City."

Each of the petitioners alleged in substance that 400 of the 459 acres in Baker Territory consisted of land which was in fact uninhabited; that the respective petitioner owned land in the uninhabited area; that the area was physically separated from the smaller, inhabited portion of the territory by actual on-the-ground barriers; and that the City's actions, in treating the 400 acres as inhabited territory subject to annexation pursuant to the 1913 Act, were illegal and void. In virtually identical answers filed in the respective answers, the City pleaded material denials and alleged, as an affirmative defense, the LAFCO action approving the annexation.

#### *The Intervention*

At or about the time the City filed its answers, *ex parte* motions for leave to intervene in both actions were made and granted pursuant to section 387 of the Code of Civil Procedure. The interveners were El Pueblo Tenants Council (an unincorporated association composed of residents of the El Pueblo housing project) and three of its members appearing as individuals. In their complaints in intervention, they alleged their support of the annexation of Baker Territory as originally proposed; pleaded as "

affirmative defenses" LAFCO's approval of the annexation and various equitable defenses which are not involved on the appeals; and raised a further "affirmative defense" in which they in effect challenged the constitutionality of the 1939 Act as, and if, it were applied to them in connection with the annexation of Baker Territory.<sup>FN7</sup>

FN7 In this regard, the interveners alleged that each of the respective petitioners sought "to require the City ... to follow a procedure" which would give each of them (the petitioners) "a greater voice in preventing annexation than other citizens who are landowners and/or residents solely because of the value of the improvements" on each petitioner's land. This allegation unmistakably referred to the 1939 Act and its protest procedures. (See fn. 5, *ante*.) The interveners further alleged that such procedure would deny them equal protection of the laws (citing the Fourteenth Amendment of the United States Constitution and article I, sections 11 and 21, of the California Constitution) "in disregard of the constitutionally compelled controlling criterion of population under the 'one man one vote' doctrine and a dilution of interveners' right to vote."

The petitioners having separately answered the complaints in intervention, the two actions were consolidated and tried without a jury. \*992 (Some of the testimony received at the trial, which was brief, is hereinafter discussed.) The trial court thereafter filed a memorandum decision in favor of the petitioners, and formal findings of fact and conclusions of law.

In its findings, the court identified the parties and their respective interests, and summarized the annexation proceedings thus far conducted, as described above. Concerning the territory involved, the court found as follows:

" 9. Baker Territory ... consists of approximately 459 acres, 18.6 acres of which are inhabited and is known as El Pueblo. The remaining 440.4 acres are uninhabited with the exception of an insignificant parcel in the north central portion of the area proposed to be annexed. The inhabited area is approximately 4% of the total area proposed to be annexed.

" 10. El Pueblo, owned by the Contra Costa County Housing Authority, is zoned multiple residential. Adjacent to El Pueblo is an area known as Columbia Park, also owned by Contra Costa Housing Authority, which consists of approximately 45 acres and is zoned multiple residential. The remainder of the proposed annexation, consisting of approximately 400 acres, is zoned Heavy Industrial and Commercial. 158 acres of the land zoned Heavy Industrial and Commercial are undeveloped. The remainder of the 400 acres is developed for industrial use, contains a substantial number of large and valuable industrial buildings, and is not suitable for residential development.

" 11. There are 179 registered voters residing in the area proposed to be annexed, 175 of whom reside in El Pueblo. [¶] 12. There are 14 persons residing outside of El Pueblo. These persons live in the Betty Ray Motel and two houses, which are located in the insignificant parcel in the north central portion of the proposed annexation.

" 13. The part of Baker ... [Territory] ... zoned and used as industrial land is substantial in area and is separated from the Columbia Park-El Pueblo area by the barriers of recessed State Highway 4, California Avenue, and Kirker Creek. [¶] 14. The uninhabited industrial land is not incidental to the inhabited El Pueblo area."

Among its "Conclusions of Law," the trial court stated: " I. The portion of Baker Territory ... zoned and used as industrial land is not subject to annexation pursuant to the ... [1913 Act] ... dealing with annexation of inhabited land. II. ... [It] ... is separate and distinct from \*993 that portion of Baker Territory ... zoned and used as residential land, and is not subject to annexation pursuant to the ... [1913 Act] ... as a part of said inhabited land. III. *The Local Agency Formation Commission does not have the power to declare land which is uninhabited to be inhabited. ...*"<sup>FN8</sup> (Italics added.)

FN8 The validity of conclusion of law No. III is one of the principal questions before us.

The court further concluded that the 1913 Act proceedings were "void," and that judgment should be entered ordering the issuance of a peremptory writ of mandate commanding the City "to terminate proceedings for the annexation of Baker ...

[Territory] ... as it is presently constituted." Judgment was entered, and the peremptory writ issued, accordingly. The separate appeals from the judgment followed.

#### *The Contentions On Appeal*

The City and the interveners jointly contend that the judgment must be reversed because the Knox-Nisbet Act (1) authorized and empowered LAFCO to determine and declare that Baker Territory was "inhabited," (2) made the determination conclusive as a matter of law, and (3) precludes its being reviewed in the judicial process, with the aggregate result that proceedings for annexation of the territory must be conducted pursuant to the 1913 Act alone. In addition, the interveners have reiterated the constitutional challenge of the 1939 Act which they raised in their complaints in intervention. (See text at fn. 7, *ante.*)

The contentions of both sets of appellants (including the interveners' constitutional point, despite the fact that it may not be decided on their appeal as such)<sup>FN9</sup> require some analysis of the historical differences between the 1913 and 1939 Acts, the effect of these differences in the \*994 process of municipal annexation in California, the extent to which they have been affected by intervening developments in the applicable law, and the function of LAFCO in dealing with these matters.

FN9 As previously stated, the proceeding terminated by the peremptory writ had been conducted under the 1913 Act. The landowner protests mustered against it, measured by the value of the protestants' land alone (i.e., exclusive of improvements) as required by section 35121 of the 1913 Act as it provided at the time, did not amount to the majority protest which could have terminated the proceeding pursuant to the same section. (See text at fn. 5, *ante.*) The annexation proposal went to an election as provided in the 1913 Act, and the interveners were permitted to vote. The 1939 Act has never been applied to them, nor has it actually affected them, in any respect. Their constitutional challenge of that Act in the trial court (see fn. 7, *ante.*) was asserted in terms of its possible application only, and the portended effect of its protest procedures upon the interveners

was, and still is, a matter of speculation. Their constitutional challenge was therefore premature in this litigation, and it may not be considered on their appeal for that reason. (*Communist Party v. Control Board* (1961) 367 U.S. 1, 71-72 [6 L.Ed.2d 625, 81 S.Ct. 1357]; *In re Creger* (1961) 56 Cal.2d 308, 313 [14 Cal.Rptr. 289, 363 P.2d 305]; *People v. Parker* (1973) 33 Cal.App.3d 842, 849 [109 Cal.Rptr. 354].) Its merits, however, are a relevant feature of the historical discussion which follows in the text.

When the issues were originally framed in this case, and at all times before that since the 1913 and 1939 Acts and their respective predecessors were enacted, parallel provisions of both Acts permitted any annexation proceeding to be terminated by a majority protest by the owners of land within the area proposed for annexation. (See former § 35121 of the 1913 Act, and § 35313 of the 1939 Act, as quoted in fn. 5, *ante.*) Landowner protests were weighted for this purpose according to the value of the protestants' affected real property, but subject to the conspicuous differences between the weighting formulas provided in the respective Acts. Although a majority could operate to veto any annexation proceeding by commanding its termination, the dollar amount required to produce this result was measured by the values of the protestants' *land alone* under the 1913 Act but by the aggregate values of their *land and improvements* if the 1939 Act controlled. (See former § 35121, subd. (d), and § 35313, subd. (c), quoted *ibid.*)

By reason of this "curious lack of uniformity" between the two Acts (*Curtis v. Board of Supervisors* (1972) 7 Cal.3d 942, 949 [fn. 6] [104 Cal.Rptr. 297, 501 P.2d 537]), the choice between them could control the effectiveness of landowner protests as a veto of any annexation proceeding: as a practical matter, it could predetermine the ultimate question whether dollar values could override the popular will or vice versa. (See Comment, *Municipal Incorporation and Annexation in California* (1957) 4 U.C.L.A. L.Rev. 419, 425-426; Annexation and Related Incorporation Problems in the State of California (1961) 6 Assem. Interim Com. Rep. No. 16, p. 24 [statement by the League of California Cities], pp. 57-58 [statement by the Attorney General]; Gother, *op. cit. supra*, 11 U.C.L.A. L.Rev. 41 at pp. 44-46; LeGates, *Cal. Local Agency*

Formation Commissions (1970 [hereinafter cited as "LeGates" ]) pp. 39, 103.)

In a given case, the choice was actually made by the annexation proponents' threshold decision whether the territory proposed for annexation was "inhabited" or "uninhabited" according to the definition of the latter term which appears in section 35303 of the 1939 Act. (See fn. 1, *ante*.) As this decision depended upon where the boundaries of the territory were drawn with respect to where pertinent numbers of \*995 registered voters lived (see *ibid.*), the location of the proposed boundaries had the portentous effects just stated.

The urban, social and economic interests affected by the annexation process were commonly important, frequently enormous, and have consistently collided in the process throughout the decades in which the 1913 and 1939 Acts and their respective statutory predecessors (Stats. 1889, ch. 247, p. 358; Stats. 1899, ch. 41, p. 37) have drawn the all-important distinction between "inhabited" and "uninhabited" territory for purposes of annexation. (See, e.g., *People v. Town of Ontario* (1906) 148 Cal. 625, 634-635, 640-641 [84 P. 205] [modification of opinion], 641-642 [dissenting opinion].) For these reasons, and especially because of the proliferation and growth of California cities during the same period (see Holliman, *Invisible Boundaries And Political Responsibility: A Proposal For Revision Of California Annexation Laws* (1972) 3 Pacific L.J. 533, 533-534), the competing interests mentioned have engaged in a kind of warfare in which the unincorporated suburbs of the state have been both the prize and the battleground, the annexation process a tactic, the location of annexation boundaries a significant weapon, and their calculated manipulation a commonplace event. (For some specific examples of such "manipulation" as attempted in various annexation proceedings, see *Weber v. City Council* (1973) 9 Cal.3d 950, 964 [fn. 12] [109 Cal.Rptr. 553, 513 P.2d 601]. See also, generally, LeGates, *op. cit. supra*, at pp. 2-3, 39, 63-64; Goldbach, *Boundary Change in Cal.: The Local Agency Formation Commissions* (1970 [hereinafter "Goldbach" ]) pp. 2-3, 11-12, 97.)

After years of failure to cope with these problems to any meaningful extent (see Comment, *op. cit. supra*, 4 U.C.L.A. L.Rev. 419 at p. 438; Gother, *op. cit. supra*, 11 U.C.L.A. L.Rev. 41 at p. 42; Holliman, *op. cit. supra*, 3 Pacific L.J. 533 at pp. 535-536), the

Legislature finally acknowledged "the need for a supra-local agency to intervene in boundary decisions" affecting local governments and, in 1963, established a LAFCO in each county to serve this purpose. (Goldbach, *op. cit. supra*, at p. 7. The precise history of the 1963 legislation which accomplished this, and of the Knox-Nesbit Act which recodified it in 1965, is hereinafter discussed.) The creation of LAFCO was not accompanied by any legislative change in the distinction between "inhabited" and "uninhabited" territory drawn by the 1913 and 1939 annexation Acts, nor in their disparate procedures which determined the effectiveness of landowner protests as a veto of any annexation proceeding (see fn. 5, *ante*); to the contrary, the Acts and their differences were acknowledged \*996 in the provision which presently appears as section 54797 of the Knox-Nisbet Act. (See fn. 4, *ante*.)

The courts had meanwhile refrained from direct engagement in the ongoing municipal "boundary wars," as to "the permissible shape, character or extent" of territory annexed or proposed for annexation to a city, upon the ground that such questions were political rather than judicial. (*People v. City of Palm Springs* (1958) 51 Cal.2d 38, 45-46 [331 P.2d 4] and cases there cited.) The courts had freely acted, however, to void various "forms of boundary manipulation" which had been undertaken "for the purpose of circumventing the legislative classification between uninhabited and inhabited territory" created by the 1913 and 1939 Acts. (*Weber v. City Council, supra*, 9 Cal.3d 950 at p. 964 [text at fn. 12]; *Meyers v. Local Agency Formation Com.* (1973) 34 Cal.App.3d 955, 964 [110 Cal.Rptr. 422].)

In such cases, the courts developed the historic rules (1) that whether territory proposed for municipal annexation was "inhabited" or "uninhabited" presented a question of fact which was subject to judicial determination upon the basis of pertinent evidence (*Johnson v. City of San Pablo* (1955) 132 Cal.App.2d 447, 452-453 [283 P.2d 57] and cases there cited; *U. S. Pipe & Foundry Co. v. City Council* (1957) 150 Cal.App.2d 630, 633 [310 P.2d 431]; see *City of Port Hueneme v. City of Oxnard* (1959) 52 Cal.2d 385, 391 [341 P.2d 318]); and (2) that "[a] proceeding under the 1913 Act is void if it seeks annexation of a substantial area which is *uninhabited* and is clearly *separable* and *distinguishable* from the *inhabited* portions of the lands sought to be annexed." (*U. S. Pipe & Foundry Co. v. City Council, supra*, at p. 632. Cf. *Weber v. City Council*,

supra, 9 Cal.3d 950 at p. 964 [text at fn. 12].)

During the decade or so in which LAFCOs have been functioning, it has apparently remained to be seen whether a LAFCO is empowered - as appellants contend - to perform any discretionary function in connection with "the legislative classification between uninhabited and inhabited territory" established by the 1913 and 1939 Acts (see Weber v. City Council, supra, 9 Cal.3d 950 at p. 964 [text at fn. 12]) or to ignore the "separable and distinguishable" rule which the pre-LAFCO courts had developed for the purpose of curbing attempted abuses of the classification. (U. S. Pipe & Foundry Co. v. City Council, supra, 150 Cal.App.2d 630 at pp. 632, 636.)

During the same decade - and during the pendency of the present litigation - the classification itself has been significantly affected by \*997 decisions in which the 1913 and 1939 Acts have been reviewed upon constitutional grounds. We have found it additionally necessary to examine these decisions, in the interests of full perspective and for the purpose of determining whether the classification, and the distinction between the two Acts as a critical factor in the municipal annexation process, have survived as a subject upon which LAFCO is empowered, or not, to take the action which the petitioners challenged in the present case.

The first of these decisions was Curtis v. Board of Supervisors, supra, 7 Cal.3d 942, in which section 34311 was held unconstitutional. (*Id.*, at pp. 946, 965-966.) Section 34311 permitted a dollar-measured landowner protest to terminate proceedings for the incorporation of a new city within a given territory, and to block a popular election on the question. (*Id.*, at pp. 946-948.) The Curtis court held that the legislative classification reflected by the statute was subject to judicial review for compliance with the constitutional guaranties of equal protection. (*Id.*, at p. 951.)

The court further held that the voting rights at stake - i.e., the right to vote which the incorporation laws guaranteed to the affected electors if not blocked by landowner protest pursuant to section 34311 - were of such fundamental importance that the effect of the statutes in abridging them could be justified only if it were necessary to the furtherance of a "compelling state interest" as shown under the "strict standard" of review which applied in cases of such "suspect

classification." (Curtis v. Board of Supervisors, supra, 7 Cal.3d 942 at pp. 951-955.) Applying the "strict standard" accordingly, the court invalidated section 34311 for want of such "compelling state interest" in the process of municipal incorporation. (*Id.*, at p. 965.)

Because territory subject to the incorporation process is necessarily "inhabited" (see § 34302), proceedings for incorporation do not involve the distinction between "inhabited" and "uninhabited" territory drawn in the 1913 and 1939 Acts which alternatively control the process of annexation. Former section 35121 of the 1913 Act was nevertheless indistinguishable from section 34311, in that it also permitted a dollar-measured landowner protest to block an election, otherwise guaranteed to the affected registered-voter residents by the 1913 Act, on the question whether "inhabited" territory should be annexed to a city. (See former § 35121 as quoted in fn. 5, *ante.*) For this reason, the inevitable demise of section 35121 upon Curtis grounds has materialized: it has also been declared unconstitutional. (Levinsohn v. City of San Rafael (1974) 40 Cal.App.3d 656, 658-659 [115 Cal.Rptr. 309].) \*998

The 1974 Legislature, explicitly acknowledging Curtis and doubtless anticipating Levinsohn, repealed former section 35121 outright (Stats. 1974, ch. 478, § 8, p. 1138) <sup>FN10</sup> and has appropriately amended the 1913 Act so that a landowner disaffected by a proceeding for the annexation of "inhabited" territory may no longer "protest" the annexation; he may "request ... exclusion of his property" from the territory involved, and the legislative body of the city is alone empowered to terminate the proceeding or to make limited changes in the boundaries of the territory as proposed. (See present §§ 35117, 35120 and 35121.5.) The provisions of the 1913 Act which call for the final decision on annexation to be made at a popular election in the "inhabited" territory have been retained intact. (§§ 35122-35133.)

FN10 In the 1974 enactment, "[t]he Legislature finds and declares that the purpose of this act is to codify the 1972 decision of the California Supreme Court in Curtis v. ... Board of Supervisors and therefore is not a change in existing law." (Stats. 1974, ch. 478, § 1, p. 1137.)

Meanwhile, the 1939 Act survived a related

constitutional challenge in Weber v. City Council, supra, 9 Cal.3d 950. That case involved proceedings commenced under the 1939 Act for the proposed annexation to a city of territory which was "uninhabited," by statutory definition, because only two persons resided in it. (See § 35303 as quoted in fn. 1, *ante* ["less than 12"]; Weber v. City Council, supra, at p. 953.) They sought a writ of mandate requiring termination of the proceedings upon the ground that the 1939 Act was unconstitutional because it permitted the annexation of their land to the city without giving them the right to vote on the question at all. (Weber v. City Council, supra, at pp. 954-955.)

The *Weber* court held that this challenge distinguished *Curtis*, in that no otherwise-guaranteed voting rights were at stake under the 1939 Act, which provided for no election at all (*id.*, at pp. 960-961); that the Act was therefore not subject to the "strict standard" of review for compliance with equal protection requirements (*id.*, at p. 961); and that it was constitutional, under the "traditional" standard of review for the purpose, because the conceptual distinctions between inhabited and uninhabited territory demonstrated that the classification effected by the Act bore a "rational relationship to a legitimate state end." (*Id.*, at pp. 961-964.) Specifically, the court further held that "[t]he definition of 'inhabited territory' in the 1939 Act (§ 35303) is sufficiently related to legitimate legislative purposes to satisfy equal protection requirements."

Thus, as the combined result of *Curtis*, *Levinsohn*, and the 1974 legislation mentioned (see text at fn. 10, *ante*), the 1913 Act continues to \*999 control a proceeding for the annexation of "inhabited" territory but the inhabitants are guaranteed the right to vote on the question, notwithstanding landowner dissidence, if the proceeding runs its full course. According to the *Weber* decision, on the other hand, the definition of "uninhabited" territory which appears in section 35303 of the 1939 Act is valid (see fn. 1, *ante*), the 1939 Act continues to control the annexation of "uninhabited" territory (so defined) and to permit it without an election, and disaffected landowners may still terminate a 1939 Act proceeding with a majority protest weighted by the values of their *land and improvements* as provided in section 35313 thereof. FN11 (See fns. 6 and 9, *ante*.)

FN11 The constitutional validity of the protest procedure provided in section 35313

of the 1939 Act was not before the *Weber* court, which took pains to say so (Weber v. City Council, supra, 9 Cal.3d 950 at p. 961 [fn. 10]), and it is not before us on the present appeals. (See fn. 9, *ante*.)

(1) The judgment under review in the present case recognizes the still-existent distinction drawn between "inhabited" and "uninhabited" territory by the 1913 and 1939 Acts, respectively. It also rests upon the aforementioned historic rules that territory which is judicially determined to be "uninhabited" *in fact* may not be annexed under the 1913 Act as an appendage to "inhabited" territory from which it is "separable and distinguishable" *in fact*. (U. S. Pipe & Foundry Co. v. City Council, supra, 150 Cal.App.2d 630 at pp. 632-633.)

The trial court's findings in this regard (quoted *ante*) are supported by substantial evidence. The judgment must therefore be affirmed (Foreman & Clark Corp. v. Fallon (1971) 3 Cal.3d 875, 881 [92 Cal.Rptr. 162, 479 P.2d 362]) unless - as appellants contend - the Knox-Nisbet Act must be interpreted (1) as having empowered LAFCO to determine that a given area is "inhabited" territory subject to annexation under the 1913 Act alone, and (2) as having abrogated the historic "separable and distinguishable" rule (U. S. Pipe & Foundry Co. v. City Council, supra, 150 Cal.App.2d 630 at pp. 632-633) by insulating the LAFCO determination from judicial review. We hold that the Knox-Nisbet Act may not be so interpreted: we affirm the judgment.

*The Language Of The Knox-Nisbet Act Relative To LAFCO's "Purposes" and "Powers"*

(2) "A local agency formation commission, commonly referred to as LAFCO, is a creature of the Legislature and has only those express (or necessarily implied) powers which are specifically granted to it by \*1000 statute." (City of Ceres v. City of Modesto (1969) 274 Cal.App.2d 545, 550 [79 Cal.Rptr. 168]; Bookout v. Local Agency Formation Com. (1975) 49 Cal.App.3d 383, 387 [122 Cal.Rptr. 668].) It has been stated that the *City of Ceres* decision, *supra*, and one other (San Mateo County Harbor Dist. v. Board of Supervisors (1969) 273 Cal.App.2d 165 [77 Cal.Rptr. 871]) support the conclusion that LAFCO decisions are subject to judicial review only "on rare occasions," but that these include "attempts by the LAFCOs to go considerably beyond their express statutory grant of authority." (Italics added.) (Note

(1972) 23 Hastings L.J. 913, 924 [fn. 119].)

Although appellants concede that no section of the Knox-Nisbet Act expressly empowers LAFCO to determine that an area proposed for annexation is "inhabited" or "uninhabited" territory within the meaning of the legislative classification, they contend in effect that such power is to be discerned by necessary inference from various passages in the Act. They cite a host of its sections for this purpose, but they principally refer to the passage in section 54774 (the preamble of the Act) which states: "Among the purposes of a local agency formation commission are the discouragement of urban sprawl and the encouragement of the orderly formation and development of local governmental agencies based upon local conditions and circumstances." <sup>FN12</sup>

FN12 The remaining language of section 54774 speaks to LAFCO's "objects" and "powers" with respect to the conduct of continuing "studies" of local government conditions for various purposes. Because the "study" phase of LAFCO's functions and powers are not involved on the present appeals, the full text of section 54774 need not be quoted.

This language, appellants assert, bespeaks the Legislature's acknowledgment of the problems encountered with the interplay of the 1913 and 1939 Acts in the long and disorderly history of the municipal annexation process prior to 1963 as previously discussed herein, and the legislative intent that the Knox-Nisbet Act terminate these problems by vesting in LAFCO the conclusive and irreversible power to determine whether the 1913 Act or the 1939 Act would control a given annexation proceeding.

Appellants also find such legislative intent in sections of the Knox-Nisbet Act which define the "powers" of LAFCO in reviewing annexation proposals presented to it (§ 54790) <sup>FN13</sup> and the guidelines it is to follow \*1001 in its review (§ 54796); <sup>FN14</sup> and in the language of section 54797 which directs that, once LAFCO has approved an annexation proposal, "proceedings shall thereafter be initiated, conducted and completed pursuant to those provisions of law [i.e., the 1913 Act or the 1939 Act] which are applicable to the proposal as it has been approved by the commission [LAFCO]." (See fn. 4, *ante*.)

FN13 As it read when the events of the

present controversy occurred, and in pertinent part, section 54790 provided as follows:

" 54790. The commission [LAFCO] shall have the following powers and duties, subject to the limitations upon its jurisdiction herein set forth:

" (a) To review and approve or disapprove with or without amendment, wholly, partially or conditionally proposals for: ... (3) The annexation of territory to local agencies ...

" (b) To adopt standards and procedures for the evaluation of proposals.

"

.....

" (f) To review the boundaries of the territory involved in any proposal with respect to the definiteness and certainty thereof, the nonconformance of proposed boundaries with lines of assessment or ownership, and other similar matters affecting the proposed boundaries.

" (g) To waive the restrictions of Section 34312 and of subdivision (1) of Section 35002.3, and Sections 35158 and 35326 if it finds that the application of the restrictions would be detrimental to the orderly development of the community and that the area that would be enclosed by the annexation ... is so located that it cannot reasonably be annexed to another city or incorporated as a new city."

Among the statutes whose "restrictions" LAFCO is expressly permitted to waive in subdivision (g), one (§ 34312) pertains to the process of municipal incorporation alone. The other three (§§ 35002.3, 35158, 35326) impose "restrictions" upon annexation in peculiar geographical situations encountered in some instances. Section 35002.3 appears in article 1 ("General") of the annexation chapter; section 35158, in the 1913 Act (article 2 of the chapter); section 35326, in the 1939 Act (article 5).

FN14 When the events in controversy occurred, and as pertinent, section 54796 provided:

" 54796. Factors to be considered [by LAFCO] in the review of a proposal shall include but not be limited to:

" (a) Population, population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.

" (b) Need for organized community services; the

present cost and adequacy of governmental services and controls in the area; probable future needs for such services and controls; probable effect of the proposed ... annexation ... and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas. ...

" (c) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests and on the local governmental structure of the county.

" (d) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries."

The first basis of our disagreement with appellants' interpretation of these sections involves the legislative origins of LAFCO and of the Knox-Nisbet Act, whose histories are separate and distinct. As we have previously indicated, the 1963 legislation which created a LAFCO in each county was recodified by the 1965 Legislature. The process involved \*1002 its repeal and reenactment with additional language, new section numbers, and various other changes.

The 1963 legislation did not include the present short title or preamble of the Knox-Nisbet Act, both of which were added by the 1965 Legislature in present sections 54773 and 54774, respectively. It did include provisions which (1) vested in LAFCO the power "[t]o review and approve or disapprove with or without amendment, wholly, partially, or conditionally," proposals for the annexation of territory to a city; (2) established guidelines to be followed by LAFCO in evaluating such proposals; and (3) required that proceedings for a LAFCO-approved annexation proposal be conducted under the 1913 Act or the 1939 Act, as appropriate. In the 1965 recodification, and without substantive change in any instance, these three provisions respectively emerged in the Knox-Nisbet Act as sections 54790, subdivision (a), section 54796, and section 54797.

<sup>FN15</sup> (See fns. 13, 14, and 4, *ante*.)

FN15 For the complicated legislative histories summarized here, see Stats. 1963, ch. 1808, §§ 1 (pp. 3657-3662), 2 (p. 3662); Stats. 1963, ch. 1810, §§ 1 (pp. 3666 [§ 54760], 3667 [§ 54765], 3667-3668 [§ 54766]), 2 (pp. 3668-3669); Stats. 1965, ch. 587, §§ 9 (p. 1916), 10 (pp. 1919 [§ 54790]

and 1921 [§§ 54798, 54799]), 14 (p. 1924); Stats. 1965, ch. 2045, §§ 16 (pp. 4776-4777), 20.7 (p. 4779), 21 (pp. 4779-4780), 25 (p. 4781).

As created by the 1963 legislation which included the predecessors of these sections, LAFCO was *not* empowered to make a determination that territory proposed for annexation was "inhabited" or "uninhabited" and, in consequence, whether the 1913 Act or the 1939 Act would control the annexation proceeding when LAFCO had approved the proposal. (Gother, *op. cit. supra*, 11 U.C.L.A. L.Rev. 41 at p. 46.) <sup>FN16</sup> We perceive nothing in the 1965 recodification (i.e., in the Knox-Nisbet Act) which may be interpreted as having vested LAFCO with a power which it had not previously held in this regard. \*1003

FN16 For purposes of the present controversy, the source here cited was explicit: Having analyzed the 1963 legislation which created LAFCO, the author stated: "The existence of the Local Agency Formation Commission and the necessity of obtaining its approval [of an annexation proposal] *will have little effect on the question of inhabited versus uninhabited territory. The Commission is not empowered to make such a determination, nor is this distinction listed [in the predecessors of present section 54796] as one of the factors that the Commission should consider, except perhaps by implication from the fact that the 'population' of the territory is listed as one factor. However, the possibility that the proceeding would eventually be set aside by judicial decision, because of the method of drawing the boundaries in an attempt to control the number of persons residing in the area, might well be a significant factor to be considered by the Commission in approving or disapproving an annexation.*" (Italics added.) This passage has been quoted with approval by at least one Court of Appeal. (*Meyers v. Local Agency Formation Com., supra*, 34 Cal.App.3d 955 at p. 961 [fn. 5].)

Present section 54774 of the Knox-Nisbet Act, first enacted as its preamble in 1965, did not have this effect as appellants contend: its broad statement of



some of LAFCO's purposes ("... the discouragement of urban sprawl and the encouragement of the orderly formation and development of local governmental agencies ...") may not be read as adding to the powers which the Legislature had delegated to it in 1963. (3) "... [F]ailure to make changes in a given statute in a particular respect when the subject is before the Legislature, and changes made in other respects, is indicative of an intention to leave the law unchanged in that respect." [Citations.] (*Bishop v. City of San Jose* (1969) 1 Cal.3d 56, 65 [81 Cal.Rptr. 465, 460 P.2d 137]; *Estate of McDill* (1975) 14 C.3d 831, 838 [122 Cal.Rptr. 754, 537 P.2d 874].)

Appellants contend that LAFCO has the irreversible "power" to determine that territory is "inhabited" or "uninhabited" upon the stated basis that the Knox-Nisbet Act authorizes it "to establish city annexation boundaries." (The last-quoted passage is taken from both opening briefs, with italics added.) This argument has no factual application in the present case because the Contra Costa County LAFCO took no action to "establish" the boundaries of Baker Territory: in approving the City's proposal for annexation of the territory, it accepted the boundaries proposed.

The argument also fails in principle. Section 54790 of the Knox-Nisbet Act, in which LAFCO's express powers are enumerated (see fn. 13, *ante*), authorizes it, in subdivision (a), "[t]o review and approve or disapprove with or without amendment, wholly, partially or conditionally, proposals for ... annexation of territory" to a city. (See *ibid.*) It has been held to be "eminently clear," from this "plain language ... when read in conjunction with sections 54791 and 54792, that the extent of LAFCO's power is to approve or disapprove 'wholly, partially or conditionally' actual and precise proposals which are presented to it ... for its consideration." (*City of Ceres v. City of Modesto, supra*, 274 Cal.App.2d 545 at p. 553 [original italics; fn. omitted].)

Thus, it is the function of an annexation's proponents to "establish" boundaries, in the first instance, by submitting an "actual and precise" boundary proposal to LAFCO for its approval. It is true that LAFCO may "establish" new boundaries by altering those proposed pursuant to its power to approve a proposal "with ... amendment." FN17 (§ 54790, subd. \*1004 (a).) A given "amendment" of boundaries by LAFCO may have the effect of changing the affected area from "inhabited" to "uninhabited" territory (or

vice versa) according to the definition of "uninhabited" territory which appears in section 35303 of the 1939 Act. FN18 Where this occurs, however, it is by operation of the section 35303 definition upon the actual fact of the population involved; its occurrence does not mean that LAFCO's power to change the boundaries includes the power to change that fact by declaring the contrary.

FN17 Such action, taken on an "ad hoc" and case-by-case basis, has been a common occurrence in the LAFCO experience. (See, e.g., LeGates, *op. cit. supra*, at pp. 64-65.)

FN18 In our view, this prospect explains section 54797. Thus, a proposal whose boundaries delineate territory which is "inhabited" *in fact*, and subject to annexation under the 1913 Act in consequence, may emerge from LAFCO with its approval but with new boundaries which operate to make the area "uninhabited" *in fact* and subject to annexation under the 1939 Act (or vice versa); and the Legislature enacted section 54797 to insure that the subsequent proceeding followed the law which controlled the emergent facts. This means that LAFCO may control the facts, in a sense, but not - as appellants in effect contend - that it is empowered to ignore them.

By our reading of the various sections of the Knox-Nisbet Act upon which appellants rely for their interpretation of LAFCO's powers, the Act both authorizes and directs LAFCO to review an annexation proposal in a manner consistent with the Legislature's statement of its (LAFCO's) purposes in section 54774 and with the factors it must consider in the process as required by section 54796. It thus appears that the language of these sections, and of the Knox-Nisbet Act at large, was employed by the Legislature for the purposes of vesting LAFCO with substantial authority and discretion to review annexation proposals (§ 54790, subd. (a)) in keeping with specified public purposes (§ 54774); of providing it with broad objectives and detailed guidelines to be considered in the exercise of its authority and discretion (§§ 54774, 54796); and of mandating that the result of its actions be implemented pursuant to the alternatively appropriate annexation procedure provided by the 1913 Act or the 1939 Act, as the result might warrant. (§ 54797;

see fn. 18, *ante*.)

It does not follow, however, that the same language evidenced a legislative intent to commit the most critical determination in the annexation process - the distinction between "inhabited" and "uninhabited" territory - to the unbridled discretion of LAFCO. Such intent would have been wholly inconsistent with the facts that, when it created LAFCO in 1963 and adopted the Knox-Nisbet Act in 1965, the Legislature preserved the distinction as it had been established, historically, by the 1913 and 1939 annexation Acts; left unchanged the definition of "uninhabited" territory, in section 35303 of the 1939 Act, which controlled the application of the distinction in any annexation \*1005 proceeding (see fn. 1, *ante*); and actually incorporated the distinction itself into the Knox-Nisbet Act by providing in section 54797 that it applied; in any case, to control the proceedings which followed LAFCO approval of an annexation proposal.<sup>FN19</sup> (See fns. 4 and 18, *ante*.)

FN19 We have seen that in section 54790, subdivision (g) of the Knox-Nisbet Act, the 1965 Legislature expressly authorized LAFCO to "waive" certain "restrictions" imposed upon the annexation process by other statutes, two of which (§§ 35158 and 35326) then appeared - as they still appear - in the 1913 and 1939 annexation Acts, respectively. (See fn. 13, *ante*.) Although the waiver power was thus expressly directed to some specified provisions of both Acts, it was not extended to the point that LAFCO was authorized to "waive" any "restrictions" necessarily imposed by the distinction between "inhabited" and "uninhabited" territory as drawn by the two Acts. For present purposes, the omission appears to have been both intentional and significant.

Nor does it follow that the broad language of the Knox-Nisbet Act imports a legislative intent to abrogate the historic rule that the distinction between "inhabited" and "uninhabited" territory presents a question for factual determination which is subject to judicial review in the final analysis. (*Johnson v. City of San Pablo*, *supra*, 132 Cal.App.2d 447 at pp. 452-453 and cases cited; *U. S. Pipe & Foundry Co. v. City Council*, *supra*, 150 Cal.App.2d 630 at p. 633.) The Legislature is presumed to have been aware of the many judicial decisions reiterating this rule when

it enacted the 1963 LAFCO legislation and the 1965 recodification, and to have considered those decisions on both occasions. (*Buckley v. Chadwick* (1955) 45 Cal.2d 183, 200 [288 P.2d 12, 289 P.2d 242]; *Bishop v. City of San Jose*, *supra*, 1 Cal.3d 56 at p. 65; *Estate of McDill*, *supra*, 14 Cal.3d 831 at p. 839.) Nevertheless, the Knox-Nisbet Act includes no express provision which may be construed as affecting the rule mentioned or its application in annexation proceedings. Given the clear purposes of its sections as interpreted above (§§ 54774, 54790 [subd. (a)], 54797), we find no such effect implied in them. Construing the Knox-Nisbet Act at large, we may not "insert what has been omitted" from it. (*Code Civ. Proc.*, § 1858. Cf. *Estate of Simmons* (1966) 64 Cal.2d 217, 221 [49 Cal.Rptr. 369, 411 P.2d 97]; *Sacramento Typographical Union No. 46 v. State of California* (1971) 18 Cal.App.3d 634, 639 [96 Cal.Rptr. 194].)

Finally, the Knox-Nisbet Act charges LAFCO with the function of acting as the Legislature's "watchdog" in reviewing "actual and precise" proposals for annexation which are submitted to it. (*City of Ceres v. City of Modesto*, *supra*, 274 Cal.App.2d 545 at p. 553; *Bookout v. Local Agency Formation Com.*, *supra*, 49 Cal.App.3d 383 at p. 388.) Its proper performance of this function will discourage the sponsors of a proposal from engaging in the aforementioned practice of boundary \*1006 manipulation, with the objective of bringing the affected territory within the purview of one annexation Act or the other for spurious political purposes, because LAFCO may disapprove a proposal where this occurs (Gother, *op. cit. supra*, 11 U.C.L.A. L.Rev. 41 at p. 46 [quoted in fn. 16, *ante*]) or it may redraw the proposed boundaries by way of amendment or as a condition of its approval. (§ 54790, subd. (a); see text at fn. 17, *ante*.)

There is nothing in the Knox-Nisbet Act, however, which restrains the proponents of an annexation from attempting the fraudulent manipulation of boundaries in drafting their proposal in the first instance. Appellants' view of LAFCO's power would permit it to become a party to the manipulation game by rubber-stamping spurious boundaries. This prospect is totally at odds with the concept that a principal purpose of LAFCO is to frustrate such manipulation. (See § 54774; Goldbach, *op. cit. supra*, at p. 7.) One court, in fact, construing the Knox-Nisbet Act, has expressly stated: "It appears ... that LAFCO should remain free from entanglement in the legal cobwebs

spawned by such considerations as manipulation of boundaries and fraudulent circumvention of the 1939 Act for the purpose of depriving residents of their right to vote and that these legal questions, *absent express statutory authority, would be better left to the courts.*" (*Mevers v. Local Agency Formation Com.*, *supra*, 34 Cal.App.3d 955 at pp. 960-961 [italics added; fn. omitted].)

#### *The Testimony Of Assemblyman Knox*

(4) The City called Assemblyman John T. Knox at the trial. Mr. Knox was the principal author of both the 1963 LAFCO legislation and the Knox-Nisbet Act adopted in 1965 (and which bears his name). The City's counsel flatly asked him whether it had been "the intent of the Legislature in passing the Knox-Nisbet Act to allow LAFCO to have broad discretion in granting annexation of territories." The trial court sustained the petitioners' objections to this question, and to any testimony by Mr. Knox as to "legislative intent." The court's rulings were clearly correct: it has been held that the testimony or opinions of individual legislators are inadmissible "for the purpose of showing what in fact was intended or meant" by a given enactment (*Bagg v. Wickizer* (1935) 9 Cal.App.2d 753, 758 [50 P.2d 1047]; *Rich v. State Board of Optometry* (1965) 235 Cal.App.2d 591, 603 [45 Cal.Rptr. 512]; *Bragg v. City of Auburn* (1967) 253 Cal.App.2d 50, 54 [61 Cal.Rptr. 284]), and that the courts will place little or no reliance upon such evidence in any event. (\*1007 *Friends of Mammoth v. Board of Supervisors* (1972) 8 Cal.3d 247, 258 [104 Cal.Rptr. 761, 502 P.2d 1049]; *Bauman v. Islav Investments* (1973) 30 Cal.App.3d 752, 756 [106 Cal.Rptr. 889].)

The trial court then permitted Assemblyman Knox to be examined within the narrow limits of the content of the "legislative debates" which attended the enactment of the original LAFCO legislation in 1963 and of the Knox-Nisbet Act in 1965. While this action was also correct (*Rich v. State Board of Optometry, supra*, 235 Cal.App.2d 591 at p. 603), the witness' ensuing testimony was essentially unfruitful. In fact, in its only content of present significance, Mr. Knox positively affirmed that "the existing law as to what was uninhabited or inhabited land [i.e., the 1913 and 1939 annexation Acts] was certainly known" to the Legislature when the LAFCO laws in controversy were enacted. We find nothing in his testimony to support appellants' present contention that the Knox-Nisbet Act empowers LAFCO to draw the inhabited -

versus-uninhabited distinction by declaration which may not be judicially reviewed; the last-quoted passage tends to refute it.

#### *The Effect Of Subsequent Legislation*

(5) Appellants further contend that the power claimed for LAFCO has been established by subsequent legislation. They refer to present section 35002.1, which was enacted by the 1971 Legislature (Stats. 1971, ch. 487, § 1, p. 971), and which took effect March 4, 1972 (*id.* p. A-3), *after* all the pertinent events of the present controversy had occurred.<sup>FN20</sup> Their contention rests upon the alternative premises, both of which are urged, (1) that the section, when enacted, was "declaratory of existing law" which was already expressed in section 54797 as to the power appellants claim for LAFCO; or (2) that, if not, it vested the power in LAFCO when it was enacted and was retroactive in effect. The contention must be rejected because both premises fail. \*1008

FN20 Section 35002.1 provides: "The territory in an annexation proposal approved by the local agency formation commission pursuant to Section 54797 shall be deemed a single area for purposes of determining the manner in which annexation proceedings shall be initiated and conducted pursuant to the provisions of this chapter [i.e., of the Knox-Nisbet Act]." (Italics added.)

It should be mentioned in passing that both sets of appellants, noting that the bill which produced section 35002.1 was introduced and carried to enactment by Assemblyman Knox, attempt the argument that he - and therefore the bill, and the section - were motivated by the result reached by the trial court in the present case. The argument is utterly unsupported by the record, and the motive claimed would be immaterial in any event. (*Friends of Mammoth v. Board of Supervisors, supra*, 8 Cal.3d 247 at pp. 257-258; *Bauman v. Islav Investments, supra*, 30 Cal.App.3d 752 at p. 756.)

As we have seen, section 54797 has provided at all pertinent times that annexation proceedings shall be "initiated, conducted and completed" pursuant to either the 1913 Act or the 1939 Act, depending upon whether the affected territory is "inhabited" or "uninhabited" *in fact*, after LAFCO has approved a given annexation proposal. (See fns. 4 [quoting § 54797] and 18, *ante.*) We have also seen that section 54797, whether read alone or in the full context of the

Knox-Nisbet Act, may not be construed as vesting LAFCO with the power to make an irreversible determination, that the territory is "inhabited" or "uninhabited," in contradiction of the actual *fact*. (See fn. 18, *ante*.)

Section 35002.1 requires that the territory "shall be deemed a single area" for the purpose of determining which annexation Act shall apply after LAFCO has approved a proposal. (See fn. 20, *ante*.) This means that section 35002.1 is intended to prevent an annexing city from circumventing the requirement and effect of section 54797 by dividing the territory, after LAFCO has approved its annexation, and proceeding under both annexation Acts rather than the appropriate single one. It thus appears that section 35002.1 was enacted to insure strict compliance with section 54797 in the conduct of a LAFCO-approved annexation proceeding, but that it was not intended to be "declaratory of existing law" as to any powers already vested in LAFCO at the time of its enactment.

Pursuing its "declaratory of existing law" premise, the City states that "[t]he provisions of the newly enacted Section 35002.1 are nothing more than a restatement in different terms of the existing provisions of Section 54797." This assertion is defeated by pertinent canons of statutory construction. "An intention to change the law is indicated by a material change in the language of a statute [i.e., in the present context, the language of the Knox-Nisbet Act]. [Citation.]" "The very fact that the prior act is amended *demonstrates the intent to change the pre-existing law*, and the presumption must be that it was intended to change the statute in all the particulars touching which we find a material change in the language of the act." [Citations.] (*Van Nuis v. Los Angeles Soap Co.* (1973) 36 Cal.App.3d 222, 228 [111 Cal.Rptr. 398] [italics added].) As we have just seen, section 35002.1 appears to have been a "material change," if a minor one, in the Knox-Nisbet Act. We are not persuaded that the 1971 Legislature should have felt constrained to add it to the Act if, as appellants contend, it amounted to "nothing more than a restatement in different terms" of the pre-existing section 54797. \*1009

As to the City's second premise, and even if the enactment of section 35002.1 had the substantive effect of vesting LAFCO with the new power appellants claim for it, the enactment cannot be

construed as having operated retroactively. The rules relating to the retroactive application of statutes are, of course, well settled. (6) As a general rule, a statute will not be construed to operate retroactively unless the legislative intent cannot be otherwise satisfied (*Balen v. Peralta Junior College Dist.* (1974) 11 Cal.3d 821, 828; *Interinsurance Exchange v. Ohio Cas. Ins. Co.* (1962) 58 Cal.2d 142, 149). The Legislature, of course, is well acquainted with this fundamental rule, and, when it intends a statute to operate retroactively, it uses clear language *in the statute* to accomplish that purpose. Consequently, where the language used by the Legislature has not clearly shown that retroactive application was intended, the rule against retroactive construction has uniformly been upheld (*Balen v. Peralta Junior College Dist.*, *supra*; *DiGenova v. State Board of Education* (1962) 57 Cal.2d 167, 176; *Caminetti v. Pac. Mutual L. Ins. Co.* (1943) 22 Cal.2d 344, 353). There is nothing in the 1971 enactment of section 35002.1 to indicate that the Legislature intended it to operate retroactively. (See Stats. 1971, ch. 487, p. 971.)

#### *The Construction Of The Knox-Nisbet Act By LAFCO Itself*

The City also argues that we should interpret the Knox-Nisbet Act as vesting in LAFCO the power claimed for it because the Contra Costa County LAFCO reached that interpretation in the present case. The argument invokes the rule that the construction of a statute, by those charged with its enforcement and administration, is entitled to "great weight" in its interpretation by the courts. (See, e.g., *Mooney v. Pickett* (1971) 4 Cal.3d 669, 681 [94 Cal.Rptr. 279, 483 P.2d 1231].)

In *Meyer v. Board of Trustees* (1961) 195 Cal.App.2d 420 [15 Cal.Rptr. 717], cited by the City on this point, the court stated the rule mentioned and added that it rests upon the presumption that an extralegislative interpretation of a statute "has come to the attention of the Legislature, and if it were contrary to the legislative intent that some corrective measure would have been adopted in the course of ... enactments on the subject in the meantime." (*Id.*, at p. 432.) In *Meyer*, however, an interpretation of the statute in question had been expressed in a formal opinion by the Attorney General which was readily cognizable by the Legislature. (*Id.*, at pp. 430-431, 432.) \*1010

There is no evidence in the present record that any

LAFCO or other source had previously interpreted the Knox-Nisbet Act as the Contra Costa County LAFCO did in the present case; thus, the presumption of implicit legislative recognition mentioned in the *Meyer* decision has no application here. (7) The rule which does apply on the City's point was stated by the *Mooney* court as follows: " 'While the construction of a statute by officials charged with its administration, *including their interpretation of the authority invested in them to implement and carry out its provisions*, is entitled to great weight, nevertheless " Whatever the force of administrative construction ... *final responsibility for the interpretation of the law rests with the courts.* " [Citation.]" ' (*Mooney v. Pickett, supra*, 4 Cal.3d 669 at p. 681 [italics added].)

For all of the foregoing reasons, the trial court correctly concluded that under the Knox-Nisbet Act " [t]he Local Agency Formation Commission does not have the power to declare land which is uninhabited to be inhabited" in reviewing its proposed annexation to a city. (See text at fn. 8, *ante*.)

The judgment is affirmed.

Caldecott, P. J., and Christian, J., concurred.  
Petitions for a rehearing were denied November 6, 1975, and the petitions of all the appellants for a hearing by the Supreme Court were denied December 17, 1975.

Cal.App.1.Dist.  
Tillie Lewis Foods, Inc. v. City of Pittsburg  
52 Cal.App.3d 983, 124 Cal.Rptr. 698

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Briefs and Other Related Documents

Sierra Club v. San Joaquin Local Agency Formation  
Com.Cal., 1999.

Supreme Court of California

SIERRA CLUB et al., Plaintiffs and Appellants,

v.

SAN JOAQUIN LOCAL AGENCY FORMATION

COMMISSION, Defendant and Respondent;

Califia Development Group et al., Real Parties in

Interest and Respondents.

No. S072212.

Aug. 19, 1999.

Interest groups and individuals who had unsuccessfully challenged approval of city's annexation of territory by local agency formation commission (LAFCO) petitioned for writ of mandamus seeking to overturn LAFCO's approval of annexation, and finding of overriding considerations sufficient to outweigh environmental impacts identified in environmental impact report (EIR). The Superior Court, San Joaquin County, No. CV001997, Bobby W. McNatt, J., dismissed petition for failure to exhaust administrative remedies. Petitioners appealed, and the Court of Appeal affirmed. The Supreme Court granted review, superseding the opinion of the Court of Appeal. Following review, the Supreme Court, Werdegar, J., held that: (1) subject to statutory limitations, right to petition for judicial review of final administrative agency decision is not necessarily affected by the party's failure to file a request for reconsideration or rehearing, overruling Alexander, 22 Cal.2d 198, 137 P.2d 433; (2) decision applies retroactively; and (3) petition for rehearing or reconsideration by LAFCO thus was not prerequisite to judicial review.

Court of Appeal reversed, and remanded.

Opinion, 75 Cal.Rptr.2d 846, vacated.

West Headnotes

**[1] Municipal Corporations 268** ↪ 33(1)

268 Municipal Corporations

268I Creation, Alteration, Existence, and Dissolution

268I(B) Territorial Extent and Subdivisions, Annexation, Consolidation, and Division

268k26 Alteration and Creation of New

Municipalities

268k33 Proceedings

268k33(1) k. In General. Most Cited

Cases

Local agency formation commissions (LAFCOs) are administrative bodies created pursuant to the Local Government Reorganization Act to control the process of municipality expansion. West's Ann.Cal.Gov.Code § 56000 et seq.

**[2] Municipal Corporations 268** ↪ 33(8)

268 Municipal Corporations

268I Creation, Alteration, Existence, and Dissolution

268I(B) Territorial Extent and Subdivisions, Annexation, Consolidation, and Division

268k26 Alteration and Creation of New Municipalities

268k33 Proceedings

268k33(8) k. Review. Most Cited

Cases

An annexation determination by a local agency formation commissions (LAFCO) is quasi-legislative, and judicial review thus arises under ordinary mandamus provisions of Code of Civil Procedure, rather than administrative mandamus provisions. West's Ann.Cal.C.C.P. § § 1085, 1094.5; West's Ann.Cal.Gov.Code § 56000 et seq.

**[3] Administrative Law and Procedure 15A**

↪ 229

15A Administrative Law and Procedure

15AIII Judicial Remedies Prior to or Pending Administrative Proceedings

15Ak229 k. Exhaustion of Administrative Remedies. Most Cited Cases

Subject to limitations imposed by statute, right to petition for judicial review of a final decision of an administrative agency is not necessarily affected by the party's failure to file a request for reconsideration or rehearing before the agency; overruling Alexander v. State Personnel Bd., 22 Cal.2d 198, 137 P.2d 433, and abrogating Clark v. State Personnel Board, 61 Cal.App.2d 800, 144 P.2d 84, and Child v. State Personnel Board, 97 Cal.App.2d 467, 218 P.2d 52.

**[4] Administrative Law and Procedure 15A**

↪ 229

15A Administrative Law and Procedure15AIII Judicial Remedies Prior to or Pending Administrative Proceedings15Ak229 k. Exhaustion of Administrative Remedies. Most Cited Cases

Basic purpose of exhaustion of administrative remedies doctrine is to lighten the burden of overworked courts in cases where administrative remedies are available and are as likely as the judicial remedy to provide the wanted relief.

15] Administrative Law and Procedure 15A 22915A Administrative Law and Procedure15AIII Judicial Remedies Prior to or Pending Administrative Proceedings15Ak229 k. Exhaustion of Administrative Remedies. Most Cited Cases

Even where the administrative remedy may not resolve all issues or provide the precise relief requested by a plaintiff, exhaustion of administrative remedies doctrine is still viewed with favor, because it facilitates the development of a complete record that draws on administrative expertise and promotes judicial efficiency.

16] Courts 106 89106 Courts106II Establishment, Organization, and Procedure106II(G) Rules of Decision106k88 Previous Decisions as Controlling or as Precedents106k89 k. In General. Most Cited Cases

Fundamental jurisprudential policy of "stare decisis" provides that prior applicable precedent usually must be followed, even though the case, if considered anew, might be decided differently by the current justices.

17] Courts 106 89106 Courts106II Establishment, Organization, and Procedure106II(G) Rules of Decision106k88 Previous Decisions as Controlling or as Precedents106k89 k. In General. Most Cited Cases

Doctrine of stare decisis is based on the assumption that certainty, predictability, and stability in the law are the major objectives of the legal system, so that parties will be able to regulate their conduct and enter into relationships with reasonable assurance of the

governing rules of law.

18] Courts 106 90(1)106 Courts106II Establishment, Organization, and Procedure106II(G) Rules of Decision106k88 Previous Decisions as Controlling or as Precedents106k90 Decisions of Same Court or Coordinate Court106k90(1) k. In General. Most CitedCases

Policy of state decisis is a flexible one which permits court to reconsider, and ultimately to depart from, its own prior precedent in an appropriate case.

19] Courts 106 89106 Courts106II Establishment, Organization, and Procedure106II(G) Rules of Decision106k88 Previous Decisions as Controlling or as Precedents106k89 k. In General. Most Cited Cases

While doctrine of stare decisis serves important values, it should not shield court-created error from correction.

110] Courts 106 89106 Courts106II Establishment, Organization, and Procedure106II(G) Rules of Decision106k88 Previous Decisions as Controlling or as Precedents106k89 k. In General. Most Cited Cases

Significance of stare decisis is highlighted when legislative reliance is potentially implicated.

111] Courts 106 89106 Courts106II Establishment, Organization, and Procedure106II(G) Rules of Decision106k88 Previous Decisions as Controlling or as Precedents106k89 k. In General. Most Cited Cases

Stare decisis has added force when the legislature, in the public sphere, and citizens, in the private realm, have acted in reliance on a previous decision, for in this instance overruling the decision would dislodge settled rights and expectations or require an extensive legislative response.



**[12] Courts 106** ↪ 90(1)**106 Courts****106II Establishment, Organization, and Procedure****106II(G) Rules of Decision**

**106k88** Previous Decisions as Controlling or as Precedents

**106k90** Decisions of Same Court or Coordinate Court

**106k90(1) k.** In General. Most Cited Cases

Principles of stare decisis do not preclude a court from ever revisiting its older decisions.

**[13] Statutes 361** ↪ 220**361 Statutes****361VI Construction and Operation****361VI(A) General Rules of Construction****361k213** Extrinsic Aids to Construction**361k220** k. Legislative Construction.Most Cited Cases

Legislature's failure to act may indicate many things other than approval of a judicial construction of a statute, such as the sheer pressure of other and more important business, political considerations, or a tendency to trust to the courts to correct their own errors.

**[14] Municipal Corporations 268** ↪ 33(8)**268 Municipal Corporations**

**268I** Creation, Alteration, Existence, and Dissolution

**268I(B)** Territorial Extent and Subdivisions, Annexation, Consolidation, and Division

**268k26** Alteration and Creation of New Municipalities

**268k33** Proceedings**268k33(8) k.** Review. Most CitedCases

Parties who had unsuccessfully objected to approval of city's proposed annexation by local agency formation commission (LAFCO) were not required to petition for rehearing or reconsideration of final decision approving annexation before seeking judicial review of decision of LAFCO. West's Ann.Cal.Gov.Code § 56000 et seq.

**[15] Courts 106** ↪ 100(1)**106 Courts****106II Establishment, Organization, and Procedure****106II(H) Effect of Reversal or Overruling****106k100** In General

**106k100(1) k.** In General; Retroactive or Prospective Operation. Most Cited Cases  
Decision of Supreme Court overruling one of its prior decisions ordinarily applies retroactively.

**[16] Courts 106** ↪ 100(1)**106 Courts****106II Establishment, Organization, and Procedure****106II(H) Effect of Reversal or Overruling****106k100** In General

**106k100(1) k.** In General; Retroactive or Prospective Operation. Most Cited Cases  
Potential exists for allowing narrow exceptions to general rule that decisions of Supreme Court apply retroactively when considerations of fairness and public policy are so compelling in a particular case that, on balance, they outweigh the considerations that underlie the basic rule, and a court may decline to follow the standard rule when retroactive application of a decision would raise substantial concerns about the effects of the new rule on the general administration of justice, or would unfairly undermine the reasonable reliance of parties on the previously existing state of the law.


**[17] Courts 106** ↪ 100(1)**106 Courts****106II Establishment, Organization, and Procedure****106II(H) Effect of Reversal or Overruling****106k100** In General

**106k100(1) k.** In General; Retroactive or Prospective Operation. Most Cited Cases  
Decision of Supreme Court that, subject to limitations imposed by statute, right to petition for judicial review of a final decision of an administrative agency is not necessarily affected by the party's failure to file a request for reconsideration or rehearing before the agency, which overruled Alexander v. State Personnel Bd., applies retroactively.

**[18] Courts 106** ↪ 100(1)**106 Courts****106II Establishment, Organization, and Procedure****106II(H) Effect of Reversal or Overruling****106k100** In General

**106k100(1) k.** In General; Retroactive or Prospective Operation. Most Cited Cases  
All things being equal, it is preferable for Supreme

Court to apply its decisions in such a manner as to preserve, rather than foreclose, a litigant's day in court on the merits of his or her action.


[19] Administrative Law and Procedure 15A  
 229

15A Administrative Law and Procedure

15AIII Judicial Remedies Prior to or Pending Administrative Proceedings

15Ak229 k. Exhaustion of Administrative Remedies. Most Cited Cases

Failure to request reconsideration or rehearing of a final decision of an administrative agency may in certain circumstances serve as a bar to judicial review of a final decision of an administrative agency.


[20] Administrative Law and Procedure 15A  
 229

15A Administrative Law and Procedure

15AIII Judicial Remedies Prior to or Pending Administrative Proceedings

15Ak229 k. Exhaustion of Administrative Remedies. Most Cited Cases

Petition for reconsideration or rehearing of final decision of administrative agency is necessary to introduce evidence or legal arguments before the administrative agency that were not brought to its attention as part of the original decisionmaking process.

[21] Administrative Law and Procedure 15A  
 229

15A Administrative Law and Procedure

15AIII Judicial Remedies Prior to or Pending Administrative Proceedings

15Ak229 k. Exhaustion of Administrative Remedies. Most Cited Cases

Administrative agencies must be given the opportunity to reach a reasoned and final conclusion on each and every issue upon which they have jurisdiction to act before those issues are raised in a judicial forum.

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WERDEGAR, J.

In Alexander v. State Personnel Bd. (1943) 22 Cal.2d 198, 137 P.2d 433 (Alexander), we held that when the Legislature has provided that a petitioner before an administrative tribunal "may" seek reconsideration or rehearing <sup>FN1</sup> of an adverse decision of that tribunal, \*\*546 the petitioner always must seek reconsideration in order to exhaust his or her administrative remedies prior to seeking recourse in the courts. The Alexander rule has received little attention since its promulgation, and several legal scholars and at least one Court of Appeal have expressed the belief that the rule has been abandoned or legislatively abrogated. That conclusion was premature; the rule remains controlling law. However, as it serves little practical purpose and is inconsistent with procedure in parallel contexts, we hereby abandon it. This is not to say that reconsideration of agency actions need never be sought prior to judicial review. Such a request is necessary \*494 where appropriate to raise matters not previously brought to the agency's attention. We simply see no necessity that parties file pro forma requests for reconsideration raising issues already fully argued before the agency, and finally decided in the administrative decision, solely to satisfy the procedural requirement imposed in Alexander.

<sup>FN1</sup>. The terms "reconsideration" and "rehearing" are used interchangeably by the literature and case authority in this area, as well as by the parties to this appeal. Perceiving no fundamental difference between the two terms for purposes of this

case, we will do the same.

### I. factual and Procedural History

In early 1996, the City of Lathrop (City) approved a proposal for a large development project on several thousand acres of farmland outside of city limits. A plan was approved, an environmental impact report (EIR) was certified, and a development agreement was executed. A second plan was approved to double the capacity of the City's wastewater treatment facility, \*\*\*706 and a separate EIR was certified for that project.

Proceedings were commenced before the San Joaquin Local Agency Formation Commission (SJLAFCO) to obtain approval of the City's annexation of the territory. The Sierra Club, the San Joaquin Farm Bureau Federation, Eric Parfrey and Georgianna Reichelt (collectively petitioners) objected in that proceeding. SJLAFCO overruled their objections and approved the proposed annexation; it also adopted a finding of overriding considerations with regard to the environmental impacts identified in the EIR.

Parfrey sent a letter to SJLAFCO requesting reconsideration of the approval. In the letter he asserted the required \$700 filing fee for the reconsideration would be forthcoming. The next day he withdrew his request and, together with the other petitioners, filed this mandamus petition in the superior court. The suit named SJLAFCO as respondent, and various developers including Califia Development Group (Califia), the City and others as real parties in interest. The petition alleged a lack of substantial evidence to support the finding of overriding considerations with respect to the environmental impacts identified in the EIR and, alternatively, that SJLAFCO failed to follow the applicable statutory provisions related to territory annexation.

Califia moved to dismiss the petition. Observing that Government Code section 56857, subdivision (a) provides that an aggrieved person may request reconsideration of an adverse local agency formation commission (LAFCO) resolution, Califia argued that under the authority of Alexander, supra, 22 Cal.2d at page 200, 137 P.2d 433, such a request is a mandatory prerequisite to filing in the courts. Petitioners responded that the Alexander rule is no longer good law, as reflected in Benton v. Board of Supervisors (1991) 226 Cal.App.3d 1467, 1475, 277 Cal.Rptr. 481. The trial court granted the motion to

dismiss.

\*495 The Court of Appeal affirmed. The majority concluded dismissal was compelled by Alexander, despite its view that the Alexander rule is "outmoded" and "presents a fitful trap for the unwary." We granted review.

### II. the LAFCO Statutory Scheme

[1][2] LAFCO's are administrative bodies created pursuant to the Cortese-Knox Local Government Reorganization Act of 1985 (Gov.Code, § 56000 et seq.) to control the process of municipality expansion. The purposes of the act are to encourage "planned, well-ordered, efficient urban development patterns with appropriate consideration of preserving open-space lands within those patterns" (*id.*, § 56300), and to discourage urban sprawl and encourage "the orderly formation and development of local agencies based upon local conditions and circumstances" (*id.*, § 56301). A LAFCO annexation determination is quasi-legislative; judicial\*\*547 review thus arises under the ordinary mandamus provisions of Code of Civil Procedure section 1085, rather than the administrative mandamus provisions of Code of Civil Procedure section 1094.5. (City of Santa Cruz v. Local Agency Formation Com. (1978) 76 Cal.App.3d 381, 387, 390, 142 Cal.Rptr. 873.)

Government Code section 56857, subdivision (a) provides: "Any person or affected agency may file a written request with the executive officer requesting amendments to or reconsideration of any resolution adopted by the commission making determinations. The request shall state the specific modification to the resolution being requested." (Italics added.) Such requests must be filed within 30 days of the adoption of the LAFCO resolution, and no further action may be taken on the annexation until the LAFCO has acted on the request. (*Id.*, subs. (b), (c).) Nothing in the statutory scheme explicitly states that an aggrieved party must seek rehearing prior to filing a court action.

### \*\*\*707 III. the Alexander Rule

That failure to exhaust administrative remedies is a bar to relief in a California court has long been the general rule. In Abelleira v. District Court of Appeal (1941) 17 Cal.2d 280, 109 P.2d 942 (Abelleira), a referee issued a ruling awarding unemployment

insurance benefits to striking employees. The affected employers filed a petition for a writ of mandate without first completing an appeal to the California Employment Commission, as required by the statutory scheme. The appellate court issued an alternative writ and a temporary restraining order blocking payment of the benefits. We, in turn, issued a peremptory writ of prohibition restraining the appellate court from enforcing its writ and order. In so doing, we stated \*496 the general rule that exhaustion of administrative remedies "is not a matter of judicial discretion, but is a fundamental rule of procedure laid down by courts of last resort, followed under the doctrine of *stare decisis*, and binding upon all courts.... [E]xhaustion of the administrative remedy is a jurisdictional prerequisite to resort to the courts." (*Id.* at p. 293, 109 P.2d 942, italics in original.)

The employers in *Abelleira* argued that completing the administrative process would have been futile because the commission had already ruled against their position in prior decisions based upon similar facts. We rejected this argument, noting that a civil litigant is not permitted to bypass the superior court and file an original suit in the Supreme Court merely because the local superior court judge might be hostile to the plaintiff's views. "The whole argument rests upon an illogical and impractical basis, since it permits the party applying to the court to assert without any conclusive proof, and without any possibility of successful challenge, the outcome of an appeal which the administrative body has not even been permitted to decide." (*Abelleira, supra*, 17 Cal.2d at p. 301, 109 P.2d 942.)

We then stated: "It should be observed also that this argument is completely answered by those cases which apply the rule of exhaustion of remedies to rehearings. Since the board has already made a decision, if the argument of futility of further application were sound, then surely this is the instance in which it would be accepted. But it has been held that where the administrative procedure prescribes a rehearing, the rule of exhaustion of remedies will apply in order that the board may be given an opportunity to correct any errors that it may have made. [Citations.]" (*Abelleira, supra*, 17 Cal.2d at pp. 301-302, 109 P.2d 942.)

Two years later we issued *Alexander, supra*, 22 Cal.2d 198, 137 P.2d 433. In that case two civil service employees sought a writ of mandate directing the State Land Commission to reinstate them after the State Personnel Board had upheld their dismissals in

an administrative proceeding. The Civil Service Act at the time provided that employees "may apply" for a rehearing within 30 days of receiving an adverse decision of the State Personnel Board. The employees did not seek rehearing before filing the writ petition, and the deadline for doing so passed. The trial court sustained the defendants' demurrer. (*Id.* at p. 199, 137 P.2d 433.)

\*\*548 We affirmed. "The rule that administrative remedies must be exhausted before redress may be had in the courts is established in this state. (*Abelleira v. District Court of Appeal*, 17 Cal.2d 280 [109 P.2d 942, 132 A.L.R. 715], \*497 and cases cited at pages 292, 293, 302 [109 P.2d 942].) The provision for a rehearing is unquestionably such a remedy.... [¶] The petitioners ask this court to distinguish between a provision in a statute which requires the filing of a petition for rehearing before an administrative board as a condition precedent to commencing proceedings in the courts [citations], and a provision such as in the present act which it is claimed is permissive only. The distinction is of no assistance to the petitioners under the \*\*\*708 rule. If a rehearing is available it is an administrative remedy to which the petitioners must first resort in order to give the board an opportunity to correct any mistakes it may have made. As noted in the *Abelleira* case, *supra*, at page 293 [109 P.2d 942] the rule must be enforced uniformly by the courts. Its enforcement is not a matter of judicial discretion. It is true, the Civil Service Act does not expressly require that application for a rehearing be made as a condition precedent to redress in the courts. But neither does the act expressly designate a specific remedy in the courts. So that where, as here, the act provides for a rehearing, but makes no provision for specific redress in the courts and resort to rehearing as a condition precedent, the rule of exhaustion of administrative remedies supplies the omission." (*Alexander, supra*, 22 Cal.2d at pp. 199-200, 137 P.2d 433.)

Justices Carter and Traynor each dissented.<sup>FN2</sup> Both dissents noted that the Legislature has the ability to make an administrative rehearing a mandatory requirement if it chooses to do so, and that it had already done so explicitly in two statutory schemes enacted prior to *Alexander*. (22 Cal.2d at p. 201, 137 P.2d 433 (dis. opn. of Carter, J.); *id.* at pp. 204-205, 137 P.2d 433 (dis. opn. of Traynor, J.)) Justice Carter further emphasized that the majority's broad interpretation of the exhaustion requirement is contrary to the principles of procedure ordinarily applicable in judicial and quasi-judicial forums. (*Id.*

at p. 201, 137 P.2d 433.) For example, a litigant need not make a motion for a new trial before pursuing an appeal after final judgment in the trial court, nor must that litigant petition the Court of Appeal for rehearing prior to seeking review (or, at that time, hearing) before the Supreme Court after the appellate court issues its decision. (*Ibid.*) Justice Traynor additionally noted that the majority's interpretation was neither compelled by *Abelleira* (22 Cal.2d at p. 205, 137 P.2d 433) nor in accordance with the federal rule (*id.* at p. 204, 137 P.2d 433).

FN2. Chief Justice Gibson did not participate in the decision.

In 1945, the Legislature passed the Administrative Procedure Act (APA) (then Gov.Code, § 11500 et seq., now Gov.Code, § 11340 et seq.), which governs a substantial portion of the administrative hearings held in this state. The APA and related legislative enactments were the final culmination of a detailed Judicial Council administrative law study ordered by the Legislature \*498 two years earlier.<sup>FN3</sup> The Judicial Council reported its conclusions and recommendations in its Tenth Biennial Report to the Governor and the Legislature. With regard to permissive rehearings, the report states: "The [draft] statute provides ... that the right to judicial review is not lost by a failure to petition for reconsideration. The Council decided that the established policy requiring the exhaustion of administrative remedies is adequately safeguarded by the requirement that the administrative proceeding must be completed before the right to judicial review exists.... [¶ ] The proposals in the field of judicial review are in substantially the form in which they were submitted publicly in a tentative draft. They have received general approval from the agencies and from members of the bar and the Council believes that the enactment of these recommended statutes will \*\*549 produce a substantial improvement in our present procedure for the judicial review of administrative orders and decisions." (Judicial Council of Cal., 10th Biennial Rep. (1944) Rep. on Administrative Agencies Survey, p. 28.)

FN3. The Judicial Council was entrusted to "make a thorough study of the subject ... of review of decisions of administrative boards, commissions and officers ... [and] formulate a comprehensive and detailed plan ... [including] drafts of such legislative measures as may be calculated to carry out

and effectuate the plan." (Stats.1943, ch. 991, § 2, p. 2904.)

\*\*\*709 In enacting the APA, the Legislature concurred with this recommendation. Government Code section 11523 controls judicial review of agency rulings under the APA and provides that "[t]he right to petition shall not be affected by the failure to seek reconsideration before the agency." Of course, section 11523 applies only in proceedings arising under the APA.

Over the next half-century, the *Alexander* rule remained controlling authority but garnered little attention in either case law or legal scholarship. *Alexander* was expressly followed in two early decisions. (*Clark v. State Personnel Board* (1943) 61 Cal.App.2d 800, 144 P.2d 84; *Child v. State Personnel Board* (1950) 97 Cal.App.2d 467, 218 P.2d 52.) While over the decades *Alexander* was cited in decisions several dozen other times, the citation was nearly always a reference to the *Abelleira* principle, i.e., the general proposition that one must exhaust administrative remedies before seeking recourse in the courts.

The specific effect of failing to seek a seemingly permissive rehearing was not at issue in another published case until *Benton v. Board of Supervisors*, *supra*, 226 Cal.App.3d 1467, 277 Cal.Rptr. 481. In *Benton*, opponents of a California Environmental Quality Act (CEQA) decision by a county board of supervisors did not request reconsideration by the board before seeking a writ of mandate in the superior court. The Court of Appeal rejected the argument the petitioners \*499 had failed to exhaust administrative remedies, concluding that because county ordinances and CEQA guidelines expressly denied the board any authority to reconsider its decision, there was no additional remedy to pursue. (*Id.* at pp. 1474-1475, 277 Cal.Rptr. 481.)

The Court of Appeal went on to bolster its conclusion, stating: "Second, even if we assume *arguendo* that the board had the authority to reconsider its adoption of the mitigated negative declaration, we are satisfied that the Bentons exhausted their administrative remedies. At one time, the California Supreme Court required an aggrieved person to apply to the administrative body for a rehearing after a final decision had been issued in order to exhaust administrative remedies. (*Alexander v. State Personnel Bd.* (1943) 22 Cal.2d 198, 199-201 [137 P.2d 433]; see 3 Witkin, *Cal. Procedure* (4th ed. 1996) Actions, § 309, p. 398.)

This holding-criticized by at least one legal scholar as 'extreme'-has been repealed by statute. (Gov.Code, § 11523 [Administrative Procedure Act cases]; see 3 Witkin, Cal. Procedure, supra, § 309, p. 398.) Therefore, we are not bound by it. The Bentons complied with the exhaustion requirement when they filed a timely appeal of the commission's decision to the board and argued their position before that body. [Citations.] (Benton v. Board of Supervisors, supra, 226 Cal.App.3d at p. 1475, 277 Cal.Rptr. 481, fn. omitted.)

The Legislature, of course, did not directly overturn the Alexander rule by enacting the APA, because the procedural changes it created were limited to APA cases. To directly repudiate the Alexander rule, the Legislature would have had to enact a contrary statute of general application, providing that in all cases not otherwise provided for by statute or regulation, the failure to seek reconsideration before an administrative body does not affect the right to judicial review. The Alexander rule thus remains the controlling common law of this state, even though the only recent case specifically to discuss that rule opined it is no longer in force.

#### IV. merits of the Alexander Rule

[3] We have reconsidered the Alexander rule and come to the conclusion that it suffers from several basic flaws. First, the Alexander rule might easily be overlooked, even by a reasonably alert litigant. At the most basic level, when a party has been given ostensibly permissive statutory authorization to seek reconsideration of a final decision, that he or she is affirmatively *required* to do so in order to obtain recourse to the courts is \*\*550 not intuitively \*\*\*710 obvious. Even to attorneys, the word "may" ordinarily means just that. It does not mean "must" or "shall."

\*500 Likewise, attorneys and litigants familiar with the rudiments of court procedure know that one need not make a request for a new trial prior to filing an appeal of an adverse judgment, nor seek reconsideration of an adverse appellate decision prior to seeking review in this court. Without receiving explicit notification from within the statutory scheme, they are unlikely to anticipate that a different rule will apply in administrative proceedings. This requirement, indeed, may not be apparent even to practitioners with experience in administrative law, since under the APA a rehearing opportunity styled as permissive is actually permissive, and not a

mandatory prerequisite to court review. (Gov.Code, § 11523.)

Nor would an attorney familiar with federal law be placed on notice. The relevant section of the federal Administrative Procedure Act, 5 United States Code section 704, provides: "Except as otherwise expressly required by statute, agency action otherwise final is final for the purposes [of judicial review] whether or not there has been presented or determined an application ... for any form of reconsideration...." In spite of the citations to federal case law in the Alexander majority opinion, this is the common law rule in federal courts and had been for decades before Alexander was decided. (See, e.g., Prendergast v. N.Y. Tel. Co. (1923) 262 U.S. 43, 48, 43 S.Ct. 466, 67 L.Ed. 853; Levers v. Anderson (1945) 326 U.S. 219, 222, 66 S.Ct. 72, 90 L.Ed. 26.)  
FN4

FN4. Neither federal case relied upon by the Alexander majority actually holds that a rehearing must be sought whenever available. In each case, the litigants attempted to raise issues before the courts that had never been raised in the proceeding before the administrative tribunal. (Vandalia R.R. v. Public Service Comm. (1916) 242 U.S. 255, 37 S.Ct. 93, 61 L.Ed. 276; Red River Broadcasting Co. v. Federal C. Commission (D.C.Cir.1938) 98 F.2d 282.) Neither case stands for anything more than a general exhaustion principle, à la Abelleira.

In sum, even an alert legal practitioner could overlook the necessity of seeking rehearing, as a condition to judicial review, until after the deadline to act had passed, and many who petition before administrative bodies do so without the benefit of legal training. In recent years, moreover, even an awareness of the rehearing issue might not have avoided the potential pitfall, given that the only recent Court of Appeal decision (Benton v. Board of Supervisors, supra, 226 Cal.App.3d at p. 1475, 277 Cal.Rptr. 481) declares the rule to have been legislatively repealed, and a leading treatise on California procedure, citing that decision, strongly implies the rule is no longer in force.  
FN5

FN5. Witkin states: "In [Alexander], a split court took the extreme position that the exhaustion doctrine included a requirement

of application to the administrative body for a rehearing of its final determination. [Citation.] This view was later repudiated by statute, both for the Personnel Board (Govt.C.19588) and for agencies under the Administrative Procedure Act (Govt.C.11523)." (3 Witkin, Cal. Procedure (4th ed. 1996) Actions, § 309, p. 398, italics in original.) Some specific practice guides are even more emphatic in their view the *Alexander* rule is no longer good law. (See, e.g., 1 Fellmeth & Folsom, Cal. Administrative and Antitrust Law (1992) § 8.04, p. 361 ["Although at one time a litigant was required to seek a rehearing or petition for reconsideration, that requirement is no longer commonly applied." (Fn.omitted.)]; 2 Kostka & Zischke, Practice Under the Cal. Environmental Quality Act (Cont.Ed.Bar 1997) § 23.100, pp. 1015-1016 ["The continuing vitality of the *Alexander* rule ... is questionable."].)

\*501 Of course, circumstances can exist where enforcement of a judicially created procedural rule is justifiable even though the rule is neither intuitively expected nor consistent with other procedural schemes. If the *Alexander* rule were necessary to the purposes behind the doctrine of exhaustion of administrative remedies, or at least significantly advanced those purposes, then its usefulness might well outweigh\*\*\*711 its drawbacks. This does not appear to be the case.

[4][5] "There are several reasons for the exhaustion of remedies doctrine. 'The basic purpose for the exhaustion doctrine is to lighten the burden of overworked courts in cases where administrative remedies are available and are as likely as the judicial remedy to provide the wanted relief.' (*Morton v. Superior Court* [ (1970) ] 9 Cal.App.3d 977, 982, 88 Cal.Rptr. 533.) Even where the \*\*551 administrative remedy may not resolve all issues or provide the precise relief requested by a plaintiff, the exhaustion doctrine is still viewed with favor 'because it facilitates the development of a complete record that draws on administrative expertise and promotes judicial efficiency.' (*Karlin v. Zalta* (1984) 154 Cal.App.3d 953, 980 [201 Cal.Rptr. 379].) It can serve as a preliminary administrative sifting process (*Bozaich v. State of California* (1973) 32 Cal.App.3d 688, 698 [108 Cal.Rptr. 392] ), unearthing the relevant evidence and providing a record which the court may review. (*Westlake Community Hosp. v. Superior Court* (1976) 17 Cal.3d

465, 476 [131 Cal.Rptr. 90, 551 P.2d 410].)" (*Yamaha Motor Corp. v. Superior Court* (1986) 185 Cal.App.3d 1232, 1240-1241, 230 Cal.Rptr. 382.)

In cases such as this, however, the administrative record has been created, the claims have been sifted, the evidence has been unearthed, and the agency has already applied its expertise and made its decision as to whether relief is appropriate. The likelihood that an administrative body will reverse itself when presented only with the same facts and repetitive legal arguments is small. Indeed, no court would do so if presented with such a motion for reconsideration, since such a filing is expressly barred by statute. (Code Civ. Proc., § 1008.)

We also think it unlikely the *Alexander* rule has any substantial effect in reducing the burden on the courts. When the parties are aware of the rule and \*502 comply with it, the administrative body presented with the same facts and arguments is unlikely to reverse its decision. The only likely consequence is delay and expense for both the parties and the administrative agency prior to the commencement of judicial proceedings. Of course, the courts' burden is marginally reduced by the occasional case when a party, unaware of the rule, fails to comply and thus is barred from seeking judicial review, but we believe the striking of potentially meritorious claims solely to clear them from a court's docket should not stand as a policy goal in and of itself.

The primary useful purpose the rule might serve was expressed in *Alexander* itself. Theoretically, the rule "give[s] the [administrative body] an opportunity to correct any mistakes it may have made." (*Alexander, supra*, 22 Cal.2d at p. 200, 137 P.2d 433.) We presume, however, that the decisions of the various agencies of this state are reached, in the overwhelming majority of the proceedings undertaken, only after due consideration of the issues raised and the evidence presented. While occasional mistakes are an unfortunate by-product of all tribunals, judicial or administrative, the fact remains that a petition for reconsideration, raising the same arguments and evidence for a second time, will not likely often sway an administrative body to abandon the conclusions it has reached after full prior consideration of those same points.

We are not alone in our reasoning. After a multiyear consideration and public review process, the California Law Revision Commission recently issued a report recommending a complete overhaul and

consolidation of the myriad statutes for judicial review of California agency decisions under one uniform procedural scheme. (Judicial Review of Agency Action (Feb.1997) 27 Cal. Law Revision Com. Rep. (1997) p. 13 (Revision Report).) The commission's proposed legislation provides in pertinent part: "all administrative remedies available within an agency are deemed exhausted ... if no higher level of review is available within the agency, \*\*\*712 whether or not a rehearing or other lower level of review is available within the agency, unless a statute or regulation requires a petition for rehearing or other administrative review." (*Id.*, § 1123.320, p. 75.) The comment to this section is clear: "Section 1123.320 restates the existing California rule that a petition for a rehearing or other lower level administrative review is not a prerequisite to judicial review of a decision in an adjudicative proceeding. See former Gov't Code § 11523, Gov't Code § 19588 (State Personnel Board). This overrules any contrary case law implication. Cf. Alexander v. State Personnel Bd., 22 Cal.2d 198, 137 P.2d 433 (1943)." (*Id.* at pp. 75-76.)

The Revision Report also contains several background studies by Professor Michael Asimow, who was retained by the commission as a special \*503 consultant for this project. In \*\*552 discussing this issue, Professor Asimow opines: "Both the existing California APA and other statutes provide that a litigant need not request reconsideration from the agency before pursuing judicial review. However, the common law rule in California may be otherwise [citing Alexander]. A request for reconsideration should never be required as a prerequisite to judicial review unless specifically provided by statute to the contrary." (Revision Rep., *supra*, at pp. 274-275, fns. omitted.) We recognize that, to date, the Legislature has not acted on the Law Revision Commission's recommendations; we do not suggest that the unenacted recommendation reflects the current state of California law. It does reflect, however, the opinion of a learned panel as to the wisdom of and necessity for the Alexander rule.

Over 50 years ago, the United States Supreme Court suggested that: "motions for rehearing before the same tribunal that enters an order are under normal circumstances mere formalities which waste the time of litigants and tribunals, tend unnecessarily to prolong the administrative process, and delay or embarrass enforcement of orders which have all the characteristics of finality essential to appealable orders." (Levers v. Anderson, *supra*, 326 U.S. at p. 222, 66 S.Ct. 72; see also Rames, Exhausting the

Administrative Remedies: The Rehearing Bog (1957) 11 Wyo. L.J. 143, 149-153.) We agree. There is little reason to maintain "an illogical extension of this general rule [of exhaustion of administrative remedies that] require[s] an idle act." (Cal. Administrative Mandamus (Cont.Ed.Bar.1989) § 2.30, p. 52.) Were the issue before us in the first instance, we would have little difficulty concluding that the rule concerning administrative rehearings should be made consistent with judicial procedure, the federal rule, and California's own APA. <sup>FN6</sup>

FN6. An amicus curiae submission from 74 California cities suggests that reversing the Alexander rule would interfere with the uniformity of California exhaustion law and create confusion as to which administrative remedies need be followed and which could be bypassed. The concern is overstated. There is nothing uniform about the current state of exhaustion law with regard to permissive reconsideration. Reversal would merely make California common law consistent with the APA, federal law, and parallel judicial procedure. The effect of such a reversal is limited to reconsideration and has no effect on general principles requiring that each available stage of administrative appeal be exhausted.

#### V. stare Decisis and Legislative Intent

[6][7][8][9] The issue of whether seemingly permissive reconsideration options in administrative proceedings need be exhausted is not before us for the first time, however, and we do not lightly set aside a 50-year-old precedent of this court. "It is, of course, a fundamental jurisprudential policy that prior \*504 applicable precedent usually must be followed even though the case, if considered anew, might be decided differently by the current justices. This policy, known as the doctrine of stare decisis, 'is based on the assumption that certainty, predictability and stability in the \*\*\*713 law are the major objectives of the legal system; i.e., that parties should be able to regulate their conduct and enter into relationships with reasonable assurance of the governing rules of law.' [Citation.] [¶] It is likewise well established, however, that the foregoing policy is a flexible one which permits this court to reconsider, and ultimately to depart from, our own prior precedent in an appropriate case. [Citation.] As we stated in Cianci v. Superior Court (1985) 40 Cal.3d 903, 924 [22] Cal.Rptr. 575, 710 P.2d 375],



'[a]lthough the doctrine [of stare decisis] does indeed serve important values, it nevertheless should not shield court-created error from correction.' " (*Moradi-Shalal v. Fireman's Fund Ins. Companies* (1988) 46 Cal.3d 287, 296, 250 Cal.Rptr. 116, 758 P.2d 58.)

[10][11] The significance of stare decisis is highlighted when legislative reliance is potentially implicated. (See, e.g., *People v. Latimer* (1993) 5 Cal.4th 1203, 1213-1214, 23 Cal.Rptr.2d 144, 858 P.2d 611 (*Latimer*)). Certainly, "[s]tare decisis has added force when the legislature, in the public sphere, and citizens, in the private realm, have acted in reliance on a previous decision, for in this instance overruling the decision would dislodge settled rights and expectations or require an extensive legislative response." \*\*553 (*Hilton v. South Carolina Public Railways Comm'n* (1991) 502 U.S. 197, 202, 112 S.Ct. 560, 116 L.Ed.2d 560.)

In *Latimer, supra*, 5 Cal.4th 1203, 23 Cal.Rptr.2d 144, 858 P.2d 611, we considered the ongoing vitality of a 30-year-old precedent of this court interpreting Penal Code section 654 as prohibiting multiple punishments for multiple criminal acts when those acts had been committed with a single intent and objective. (*Neal v. State of California* (1960) 55 Cal.2d 11, 19, 9 Cal.Rptr. 607, 357 P.2d 839 (*Neal*)). Although the *Neal* rule had been the subject of criticism, and we acknowledged we might now decide the matter differently had it been presented to us as a matter of first impression (*Latimer, supra*, 5 Cal.4th at pp. 1211-1212, 23 Cal.Rptr.2d 144, 858 P.2d 611), we concluded we were not free to do so because of the collateral consequences such a reversal might have on the entire complicated determinate sentencing structure the Legislature had enacted in the intervening years. "At this time, it is impossible to determine whether, or how, statutory law might have developed differently had this court's interpretation of section 654 been different. For example, the limitations the *Neal* rule placed on consecutive sentencing may have affected legislative decisions regarding the length of sentences for individual crimes or the development of sentence enhancements. [¶] ... [¶] ... What would the Legislature have intended if it had \*505 known of the new rule? On a more general front, what other statutes and legislative decisions may have been influenced by the *Neal* rule, and in what ways? These are questions the Legislature, not this court, is best equipped to answer." (*Id.* at pp. 1215-1216, 23 Cal.Rptr.2d 144, 858 P.2d 611.)

[12] Of course, principles of stare decisis do not preclude us from ever revisiting our older decisions. Indeed, in the same year we decided *Latimer* we overruled a different sentencing precedent in *People v. King* (1993) 5 Cal.4th 59, 19 Cal.Rptr.2d 233, 851 P.2d 27 (*King*). The primary difference between the cases was the extent to which a reversal of precedent would cast uncertainty on the appropriate interpretation of the other statutes and case law that make up California's criminal sentencing structure. As we explained in *Latimer*, the sentencing precedent at issue in *King* "was a specific, narrow ruling that could be overruled without affecting a complete sentencing scheme. The [rule at issue in *Latimer*]; by contrast, is far more pervasive; it has influenced so much subsequent legislation that stare decisis mandates adherence to it. It can effectively be overruled only in a comprehensive fashion, which is beyond the ability of this court. The remedy for any inadequacies in the \*\*\*714 current law must be left to the Legislature." (*Latimer, supra*, 5 Cal.4th at p. 1216, 23 Cal.Rptr.2d 144, 858 P.2d 611.)

We do not perceive legislative reliance to be a substantial obstacle in this case. Like the precedent at issue in *King, Alexander* sets forth a narrow rule of limited applicability. Certainly, no reason appears to believe the rule is a vital underpinning of the entire administrative law structure of California. Unlike the precedent at issue in *Latimer*, little hard evidence suggests the Legislature has affirmatively taken the *Alexander* rule into account in enacting subsequent legislation.

Unlike the rules at issue in both *King* and *Latimer*, the *Alexander* rule is not a matter of statutory interpretation, as it does not hinge on the meaning of specific words as used in a particular statute. It is a rule of procedure that comes into play whenever the Legislature offers parties the option to seek reconsideration of a final administrative decision without specifying in the relevant statute the consequences, if any, of failing to do so. Thus, the Legislature has not had an opportunity affirmatively to acquiesce in the *Alexander* rule by reenacting or reaffirming exact statutory language. (See, e.g., *Fontana Unified School Dist. v. Burman* (1988) 45 Cal.3d 208, 219, 246 Cal.Rptr. 733, 753 P.2d 689; *Marina Point, Ltd. v. Wolfson* (1982) 30 Cal.3d 721, 734, 180 Cal.Rptr. 496, 640 P.2d 115.)

[13] Likewise, as noted previously, in order directly to repudiate the *Alexander* rule, the Legislature would have been required to enact a contrary statute of \*506 general application, providing that in all

cases not otherwise provided for by statute or regulation, the \*\*554 failure to seek reconsideration before an administrative body does not, standing alone, affect the right to judicial review. The Legislature has not enacted such a statute, but that it has not chosen to do so is not necessarily dispositive of its intentions. "The Legislature's failure to act may indicate many things other than approval of a judicial construction of a statute: the "'sheer pressure of other and more important business,' "' " 'political considerations,' "' or a "'tendency to trust to the courts to correct their own errors..."' "' (County of Los Angeles v. Workers' Comp. Appeals Bd. (1981) 30 Cal.3d 391, 404, 179 Cal.Rptr. 214, 637 P.2d 681; see also King, supra, 5 Cal.4th at p. 77, 19 Cal.Rptr.2d 233, 851 P.2d 27; Latimer, supra, 5 Cal.4th at p. 1213, 23 Cal.Rptr.2d 144, 858 P.2d 611; People v. Escobar (1992) 3 Cal.4th 740, 750-751, 12 Cal.Rptr.2d 586, 837 P.2d 1100.)

No explicit evidence of legislative acquiescence in the Alexander rule appears. Neither are there any indications of a legislative view as to the application of the Alexander rule specifically to the LAFCO statutory scheme. Respondents argue the Legislature must have enacted Government Code section 56857, subdivision (a) with the implicit understanding the Alexander rule would apply and with the affirmative intention that it do so. As we have noted, nothing in the language of the statute compels this conclusion or provides affirmative evidence of legislative approval or disapproval, or even awareness, of the Alexander rule.

[14] Respondents alternatively argue that the Legislature invested the LAFCO reconsideration remedy with special significance by providing that, if a request for amendment or reconsideration is filed, the annexation process is suspended until the LAFCO has acted upon the request. (Gov. Code, § 56857, subd. (c).) From this, they extrapolate that the Legislature must consider reconsideration to be especially meaningful in the LAFCO context and, thus, that the Legislature must affirmatively believe requests for reconsideration are a mandatory remedy that must always be exhausted prior to judicial review. We do not agree. These sections merely demonstrate the Legislature considers such requests to have significance when they are actually made. They cast no light on \*\*\*715 whether the Legislature wants parties to file pro forma requests for reconsideration.

We have not been provided with, nor has our research disclosed, any legislative history

demonstrating that, in enacting Government Code section 56857, subdivision (a), the Legislature affirmatively considered the significance of providing a permissive reconsideration remedy to a party who has already obtained a final decision. In lieu of direct indications of legislative \*507 intent, respondents argue the Legislature's awareness and approval of the general applicability of the Alexander rule may indirectly be demonstrated by the existence of other statutes containing reconsideration options. The Legislature has enacted several statutes that provide for reconsideration before the administrative body, but specify that the right to seek judicial review is *not* affected by the failure to seek reconsideration. Respondents have identified several statutes worded in this manner, in addition to the APA itself. (Wat. Code, § 1126, subd. (b); Health & Saf. Code, § 40864, subd. (a); Gov. Code, § 19588; Stats. 1989, ch. 1392, § 421, pp. 6023-6024, Deering's Wat.-Uncod. Acts (1999 Supp.) Act 2793, p. 162; Stats. 1989, ch. 844, § 504, p. 2777, Deering's Wat.-Uncod. Acts (1999 Supp.) Act 4833, p. 26.) Because these statutes postdate and thus supersede the Alexander rule where applicable, their enactment permits an inference of ongoing legislative awareness of the Alexander rule. Reversing course at this date, respondents maintain, would render the relevant language in these provisions surplusage.

As petitioners point out, however, at least one statute provides the opposite. Labor Code section 5901 was amended in 1951 to provide in pertinent part: "No cause of action arising out of any final order, decision or award made and filed by a [workers' compensation] commissioner or a referee shall accrue in any court to any person until and unless ... such person files a petition for reconsideration, and such reconsideration is granted or denied." (Stats. 1951, ch. 778, § 14, pp. 2268-2269.) Among other things, \*\*555 the 1951 amendment replaced the word "rehearing" in the statute with the word "reconsideration." (See Historical Note, 45 West's Ann. Lab. Code (1989 ed.) foll. § 5901, p. 177.) Thus, the Legislature chose to fine-tune language in a statute providing that a workers' compensation claimant must request reconsideration of a final decision prior to recourse to the courts, even though the entire provision would be surplusage were we to assume the Legislature's awareness of the rule of general application provided by Alexander.

Further ambiguity may be found in other statutes. Health and Safety Code section 121270, the AIDS Vaccine Victims Compensation Fund statute, provides in pertinent part: "(h) ... Upon the request

by the applicant within 30 days of delivery or mailing [of the written decision], the board may reconsider its decision. [¶] (i) Judicial review of a decision shall be under Section 1094.5 of the Code of Civil Procedure, and the court shall exercise its independent judgment. A petition for review shall be filed as follows: [¶] (1) If no request for reconsideration is made, within 30 days of personal delivery or mailing of the board's decision on the application. [¶] (2) If a \*508 timely request for reconsideration is filed and rejected by the board, within 30 days of ... the notice of rejection. [¶] (3) If a timely request for reconsideration is filed and granted by the board, ... [within 30 days of the final decision]." Although the statute does not expressly state that a party who fails to seek reconsideration may seek judicial review, by providing for different time limitations depending on whether reconsideration was sought, the statutory wording arguably implies that in enacting the statute the Legislature was operating under the assumption that failure to seek reconsideration of a final administrative decision is not ordinarily a bar to further \*\*\*716 judicial review. Any such inference, however, is weak.

In sum, all the inferences the parties would have us draw are insubstantial and do not provide us with a sufficient basis to extrapolate legislative approval of the Alexander rule. The most one can say is that at times the Legislature has had a specific intention regarding the significance of reconsideration in an administrative scheme and has chosen to craft a statute so as to accomplish its intentions.

We ultimately return to the sole reliable indication of the Legislature's view of the need for the Alexander rule. In enacting the APA, the Legislature was aware it was creating a general statutory framework that would be applied by myriad agencies under varying circumstances, not a specific scheme applicable to only one type of administrative hearing. Despite this anticipation of broad applicability, the Legislature determined the right to judicial review under the APA shall not be affected by failure to seek reconsideration before the agency in question, because the "policy requiring the exhaustion of administrative remedies is adequately safeguarded by the requirement that the administrative proceeding must be completed before the right to judicial review exists." (Judicial Council of Cal., 10th Biennial Rep., *supra*, at p. 28.)

"[The Tenth Biennial Report] is a most valuable aid in ascertaining the meaning of the statute. While it is true that what we are interested in is the legislative

intent as disclosed by the language of the section under consideration, the council drafted this language at the request of the Legislature, and in this respect was a special legislative committee. As part of its special report containing the proposed legislation it told the Legislature what it intended to provide by the language used. In the absence of compelling language in the statute to the contrary, it will be assumed that the Legislature adopted the proposed legislation with the intent and meaning expressed by the council in its report." (Hohreiter v. Garrison (1947) 81 Cal.App.2d 384, 397, 184 P.2d 323; accord, Anton v. San Antonio Community Hosp. (1977) 19 Cal.3d 802, 817, 140 Cal.Rptr. 442, 567 P.2d 1162.)

\*509 Neither the APA nor any other statute has any compelling language to the contrary. As best we can surmise, the considered public policy judgment of the Legislature is that the exhaustion of administrative remedies doctrine is adequately safeguarded by the requirement that the administrative proceeding must be completed before the right to judicial review arises. This judgment is consistent\*\*556 with our own conclusion the Alexander rule is neither necessary nor useful.

[15][16][17] Respondents argue that if we determine to overrule the Alexander rule, the decision should have only prospective effect. We do not agree. A decision of this court overruling one of our prior decisions ordinarily applies retroactively. (Newman v. Emerson Radio Corp. (1989) 48 Cal.3d 973, 978, 258 Cal.Rptr. 592, 772 P.2d 1059; Peterson v. Superior Court (1982) 31 Cal.3d 147, 151, 181 Cal.Rptr. 784, 642 P.2d 1305.) Admittedly, "we have long recognized the potential for allowing narrow exceptions to the general rule of retroactivity, when considerations of fairness and public policy are so compelling in a particular case that, on balance, they outweigh the considerations that underlie the basic rule. A court may decline to follow the standard rule when retroactive application of a decision would raise substantial concerns about the effects of the new rule on the general administration of justice, or would unfairly undermine the reasonable reliance of parties on the previously existing state of the law. In other words, courts have looked to the 'hardships' imposed on parties by full retroactivity, permitting an exception only when the circumstances of a case draw it apart from the usual run of cases." (Newman, supra, at p. 983, 258 Cal.Rptr. 592, 772 P.2d 1059.)

[18] We do not perceive that retroactive application

of our decision will create \*\*\*717 any unusual hardships. Alexander set forth a rule of very limited application. That the general administration of justice will be significantly affected by its abrogation or many pending actions will be affected is unlikely. No issue of substantial detrimental reliance is present here; no one has acquired a vested right or entered into a contract based on the existence of the Alexander rule. (E.g., Peterson v. Superior Court, supra, 31 Cal.3d at p. 152, 181 Cal.Rptr. 784, 642 P.2d 1305.) Finally, all things being equal, we deem it preferable to apply our decisions in such a manner as to preserve, rather than foreclose, a litigant's day in court on the merits of his or her action. (See, e.g., Newman v. Emerson Radio Corp., supra, 48 Cal.3d at p. 990, 258 Cal.Rptr. 592, 772 P.2d 1059; Moradi-Shalal v. Fireman's Fund Ins. Companies, supra, 46 Cal.3d at pp. 304-305, 250 Cal.Rptr. 116, 758 P.2d 58.)

Respondents argue that to permit petitioners to receive the benefit of our decision would be inequitable, since they were presumably aware of the Alexander rule and made a voluntary decision to ignore it. Respondents \*510 infer this awareness solely from petitioner Parfrey's initial request for reconsideration of SJLAFCO's approval of the annexation of the development property, which he later withdrew. In reality, the filing and subsequent withdrawal of a reconsideration request are equally consistent with an understanding that reconsideration is merely permissive as with a belief it is mandatory. Indeed, to assume petitioners consciously chose to expose their action to dismissal on purely procedural grounds is difficult. Moreover, as we have discussed in detail above, although Alexander was decided over a half-century ago, the rule of the case has remained relatively obscure since that time, and that a litigant would be uncertain of its vitality today is not at all unlikely. The filing and withdrawal of a request for reconsideration appears to reflect only a judgment that perfecting the request would not be worthwhile.

We hereby overrule Alexander, supra, 22 Cal.2d 198, 137 P.2d 433, and hold that, subject to limitations imposed by statute, the right to petition for judicial review of a final decision of an administrative agency is not necessarily affected by the party's failure to file a request for reconsideration or rehearing before that agency.

[19][20][21] We emphasize this conclusion does not mean the failure to request reconsideration or rehearing may never serve as a bar to judicial review. Such a petition remains necessary, for example, to

introduce evidence or legal arguments before the administrative body that were not brought to its attention as part of the original decisionmaking process. (See, e.g., 2 Davis & Pierce, Administrative Law Treatise (3d ed.1994) § 15.8, p. 341.) Our reasoning here is not addressed to new evidence, changed circumstances, fresh legal arguments, filings by \*\*557 newcomers to the proceedings and the like. Likewise, a rehearing petition is necessary to call to the agency's attention errors or omissions of fact or law in the administrative decision itself that were not previously addressed in the briefing, in order to give the agency the opportunity to correct its own mistakes before those errors or omissions are presented to a court. The general exhaustion rule remains valid: Administrative agencies must be given the opportunity to reach a reasoned and final conclusion on each and every issue upon which they have jurisdiction to act before those issues are raised in a judicial forum. Our decision is limited to the narrow situation where one would be required, after a final decision by an agency, to raise for a second time the same evidence and legal arguments one has previously raised solely to exhaust administrative remedies under Alexander.

\*\*\*718 \*511 The judgment of the Court of Appeal is reversed, and the cause is remanded for further proceedings in accordance with this decision:

GEORGE, C.J., MOSK, J., KENNARD, J., BAXTER, J., CHIN, J., and BROWN, J., concur.  
Cal., 1999.

Sierra Club v. San Joaquin Local Agency Formation Com.  
21 Cal.4th 489, 981 P.2d 543, 87 Cal.Rptr.2d 702, 99 Cal. Daily Op. Serv. 6719, 1999 Daily Journal D.A.R. 8553

Briefs and Other Related Documents ([Back to top](#))

- 1998 WL 760380 (Appellate Brief) APPELLANTS' OPENING BRIEF ON THE MERITS (Oct. 23, 1998)

- 1998 WL 34188068 (Appellate Petition, Motion and Filing) Petition for Review (Jul. 29, 1998) Original Image of this Document with Appendix (PDF)

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The City of Sacramento has nine times more residents than the combined populations of the other three cities in Sacramento County. The City has had a seat on the Sacramento LAFCO since 1965. When the four mayors recently met to appoint city representatives to LAFCO, Sacramento's Mayor recommended one of her councilmembers. But the other mayors did not accept the Mayor's recommendation; they appointed another Sacramento councilmember.

This bill requires that one of the city representatives on the Sacramento Local Agency Formation Commission be a member of the Sacramento City Council, appointed by the Mayor of Sacramento and confirmed by the Sacramento City Council. The city selection committee still appoints the other city representative and the alternate city representative. The Sacramento Mayor designates which city seat on LAFCO that Sacramento's representative fills.

#### Comments

According to the Senate Local Government Committee, LAFCOs plan government structures and growth patterns, then regulate city and district boundaries to implement their plans. Some are somnambulant, but in fast growing counties like Sacramento and San Bernardino, LAFCOs' decisions immediately affect the pace and flow of development. Cities compete for LAFCO seats so they can influence annexations and development trends.

When the mayors in Sacramento County appointed the councilmember whom the Sacramento Mayor had not recommended, they left themselves a political escape hatch. If their appointee declined to serve, they conditionally appointed the other Sacramento councilmember. In fact, the first councilmember has chosen not to serve and the Mayor's choice is now Sacramento's representative on LAFCO.

**FISCAL EFFECT:** Appropriation: No Fiscal Committee: No Local: No

**SUPPORT:** (Verified 8/23/91)

Cities of Barstow, Big Bear Lake, Colton, San Bernardino, and Victorville  
League of California Cities  
County of Sacramento  
City of Sacramento (8/23/91)

**ARGUMENTS IN SUPPORT:** The County of Sacramento states that the bill clarifies membership of the Sacramento Local Agency Formation Commission (LAFCO) to require that one of the city representatives on the commission be a member of the Sacramento City Council, appointed by the Mayor of Sacramento and confirmed by the Sacramento City Council. The city selection committee would still appoint the other city representative and alternate city representative.

~~We believe the revision is a necessary clarification to what has always been the intent of Sacramento County concerning membership of the Local Agency Formation Commission.~~

The bill is needed because earlier this year a majority (3 of 4) of mayors within Sacramento County appointed to a city seat on LAFCO a member of the Sacramento City Council who was not the choice of the Mayor or Members of the Council. Even though the City of Sacramento represents 90% of the city population in the county, it is not assured that at least one of the two city representatives on LAFCO will be appointed by the city.

CONTINUED

This bill corrects this problem by designating one of the two city seats on the Sacramento LAFCO for the City of Sacramento exclusively. The Santa Clara LAFCO has a virtually identical provision for San Jose.

DLW:lm 8/23/91 Senate Floor Analyses





25 Cal.4th 904, 24 P.3d 1191, 108 Cal.Rptr.2d 165, 01 Cal. Daily Op. Serv. 5116, 2001 Daily Journal D.A.R. 6305  
(Cite as: 25 Cal.4th 904, 24 P.3d 1191)

▷

Estate of DENIS H. GRISWOLD, Deceased.  
NORMA B. DONER-GRISWOLD, Petitioner and  
Respondent, v. FRANCIS V. SEE, Objector and  
Appellant.  
Cal. 2001.

Estate of DENIS H. GRISWOLD, Deceased.  
NORMA B. DONER-GRISWOLD, Petitioner and  
Respondent,  
v.  
FRANCIS V. SEE, Objector and Appellant.  
No. S087881.

Supreme Court of California  
June 21, 2001.

#### SUMMARY

After an individual died intestate, his wife, as administrator of the estate, filed a petition for final distribution. Based on a 1941 judgment in a bastardy proceeding in Ohio, in which the decedent's biological father had confessed paternity, an heir finder who had obtained an assignment of partial interest in the estate from the decedent's half siblings filed objections. The biological father had died before the decedent, leaving two children from his subsequent marriage. The father had never told his subsequent children about the decedent, but he had paid court-ordered child support for the decedent until he was 18 years old. The probate court denied the heir finder's petition to determine entitlement, finding that he had not demonstrated that the father was the decedent's natural parent pursuant to Prob. Code, § 6453, or that the father had acknowledged the decedent as his child pursuant to Prob. Code, § 6452, which bars a natural parent or a relative of that parent from inheriting through a child born out of wedlock on the basis of the parent/child relationship unless the parent or relative acknowledged the child and contributed to the support or care of the child. (Superior Court of Santa Barbara County, No. B216236, Thomas Pearce Anderle, Judge.) The Court of Appeal, Second Dist., Div. Six, No. B128933, reversed.

The Supreme Court affirmed the judgment of the Court of Appeal. The court held that, since the father had acknowledged the decedent as his child and

contributed to his support, the decedent's half siblings were not subject to the restrictions of Prob. Code, § 6452. Although no statutory definition of "acknowledge" appears in Prob. Code, § 6452, the word's common meaning is: to admit to be true or as stated; to confess. Since the decedent's father had confessed paternity in the 1941 bastardy proceeding, he had acknowledged the decedent under the plain terms of the statute. The court also held that the 1941 Ohio judgment established the decedent's biological father as his natural parent for purposes of intestate succession under Prob. Code, § 6453, subd. (b). Since the identical issue was presented both in the Ohio proceeding and in this California proceeding, the Ohio proceeding bound the parties in this proceeding. (Opinion by Baxter, J., with George, C. J., Kennard, Werdegar, and Chin, JJ., concurring. Concurring opinion by Brown, J. (see p. 925).)

#### HEADNOTES

Classified to California Digest of Official Reports

(1a, 1b, 1c, 1d) Parent and Child § 18--Parentage of Children-- Inheritance Rights--Parent's Acknowledgement of Child Born Out of Wedlock:Descent and Distribution § 3--Persons Who Take--Half Siblings of Decedent.

In a proceeding to determine entitlement to an intestate estate, the trial court erred in finding that the half siblings of the decedent were precluded by Prob. Code, § 6452, from sharing in the intestate estate. Section 6452 bars a natural parent or a relative of that parent from inheriting through a child born out of wedlock unless the parent or relative acknowledged the child and contributed to that child's support or care. The decedent's biological father had paid court-ordered child support for the decedent until he was 18 years old. Although no statutory definition of "acknowledge" appears in § 6452, the word's common meaning is: to admit to be true or as stated; to confess. Since the decedent's father had appeared in a 1941 bastardy proceeding in another state, where he confessed paternity, he had acknowledged the decedent under the plain terms of § 6452. Further, even though the father had not had contact with the decedent and had not told his other children about him, the record disclosed no evidence that he disavowed paternity to anyone with knowledge of the

25 Cal.4th 904, 24 P.3d 1191, 108 Cal.Rptr.2d 165, 01 Cal. Daily Op. Serv. 5116, 2001 Daily Journal D.A.R. 6305  
(Cite as: 25 Cal.4th 904, 24 P.3d 1191)

circumstances. Neither the language nor the history of § 6452 evinces a clear intent to make inheritance contingent upon the decedent's awareness of the relatives who claim an inheritance right.

[See 12 Witkin, Summary of Cal. Law (9th ed. 1990) Wills and Probate, §§ 153, 153A, 153B.]

(2) Statutes § 29--Construction--Language--Legislative Intent.

In statutory construction cases, a court's fundamental task is to ascertain the intent of the lawmakers so as to effectuate the purpose of the statute. A court begins by examining the statutory language, giving the words their usual and ordinary meaning. If the terms of the statute are unambiguous, the court presumes the lawmakers meant what they said, and the plain meaning of the language governs. If there is ambiguity, however, the court may then look to extrinsic sources, including the ostensible objects to be achieved and the legislative history. In such cases, the court selects the construction that comports most closely with the apparent intent of the Legislature, with a view to promoting rather than defeating the general purpose of the statute, and avoids an interpretation that would lead to absurd consequences.

(3) Statutes § 46--Construction--Presumptions--Legislative Intent--Judicial Construction of Certain Language.

When legislation has been judicially construed and a subsequent statute on the same or an analogous subject uses identical or substantially similar language, a court may presume that the Legislature intended the same construction, unless a contrary intent clearly appears.

(4) Statutes § 20--Construction--Judicial Function.

A court may not, under the guise of interpretation, insert qualifying provisions not included in a statute.

(5a, 5b) Parent and Child § 18--Parentage of Children--Inheritance Rights--Determination of Natural Parent of Child Born Out of Wedlock:Descent and Distribution § 3--Persons Who Take--Half Siblings of Decedent.

In a proceeding to determine entitlement to an intestate estate, the trial court erred in finding that the half siblings of the decedent, who had been born out of wedlock, were precluded by Prob. Code, § 6453 (only "natural parent" or relative can inherit through intestate child), from sharing in the intestate estate. Prob. Code, § 6453, subd. (b), provides that a natural parent and child relationship may be established

through Fam. Code, § 7630, subd. (c), if a court order declaring paternity was entered during the father's lifetime. The decedent's father had appeared in a 1941 bastardy proceeding in Ohio, where he confessed paternity. If a valid judgment of paternity is rendered in Ohio, it generally is binding on California courts if Ohio had jurisdiction over the parties and the subject matter, and the parties were given reasonable notice and an opportunity to be heard. Since the Ohio bastardy proceeding decided the identical issue presented in this California proceeding, the Ohio proceeding bound the parties in this proceeding. Further, even though the decedent's mother initiated the bastardy proceeding prior to adoption of the Uniform Parentage Act, and all procedural requirements of Fam. Code, § 7630, may not have been followed, that judgment was still binding in this proceeding, since the issue adjudicated was identical to the issue that would have been presented in an action brought pursuant to the Uniform Parentage Act.

(6) Judgments § 86--Res Judicata--Collateral Estoppel--Nature of Prior Proceeding--Criminal Conviction on Guilty Plea.

A trial court in a civil proceeding may not give collateral estoppel effect to a criminal conviction involving the same issues if the conviction resulted from a guilty plea. The issue of the defendant's guilt was not fully litigated in the prior criminal proceeding; rather, the plea bargain may reflect nothing more than a compromise instead of an ultimate determination of his or her guilt. The defendant's due process right to a civil hearing thus outweighs any countervailing need to limit litigation or conserve judicial resources.

(7) Descent and Distribution § 1--Judicial Function. Succession of estates is purely a matter of statutory regulation, which cannot be changed by the courts.

COUNSEL

Kitchen & Turpin, David C. Turpin; Law Office of Herb Fox and Herb Fox for Objector and Appellant. Mullen & Henzell and Lawrence T. Sorensen for Petitioner and Respondent.

BAXTER, J.

Section 6452 of the Probate Code (all statutory references are to this code unless otherwise indicated) bars a "natural parent" or a relative of that parent from inheriting through a child born out of wedlock on the basis of the parent and child relationship unless the parent or relative "acknowledged the

child" and " contributed to the support or the care of the child." In this case, we must determine whether section 6452 precludes the half siblings of a child born out of wedlock from sharing in the child's intestate estate where the record is undisputed that their father appeared in an Ohio court, admitted paternity of the child, and paid court-ordered child support until the child was 18 years old. Although the father and the out-of-wedlock child apparently never met or communicated, and the half siblings did not learn of the child's existence until after both the child and the father died, there is no indication that the father ever denied paternity or knowledge of the out-of-wedlock child to persons who were aware of the circumstances.

Since succession to estates is purely a matter of statutory regulation, our resolution of this issue requires that we ascertain the intent of the lawmakers who enacted section 6452. Application of settled principles of statutory \*908 construction compels us to conclude, on this uncontroverted record, that section 6452 does not bar the half siblings from sharing in the decedent's estate.

#### Factual and Procedural Background

Denis H. Griswold died intestate in 1996, survived by his wife, Norma B. Doner-Griswold. Doner-Griswold petitioned for and received letters of administration and authority to administer Griswold's modest estate, consisting entirely of separate property.

In 1998, Doner-Griswold filed a petition for final distribution, proposing a distribution of estate property, after payment of attorney's fees and costs, to herself as the surviving spouse and sole heir. Francis V. See, a self-described " forensic genealogist" (heir hunter) who had obtained an assignment of partial interest in the Griswold estate from Margaret Loera and Daniel Draves,<sup>FN1</sup> objected to the petition for final distribution and filed a petition to determine entitlement to distribution.

FN1 California permits heirs to assign their interests in an estate, but such assignments are subject to court scrutiny. (See § 11604.)

See and Doner-Griswold stipulated to the following background facts pertinent to See's entitlement petition.

Griswold was born out of wedlock to Betty Jane

Morris on July 12, 1941 in Ashland, Ohio. The birth certificate listed his name as Denis Howard Morris and identified John Edward Draves of New London, Ohio as the father. A week after the birth, Morris filed a " bastardy complaint" <sup>FN2</sup> in the juvenile court in Huron County, Ohio and swore under oath that Draves was the child's father. In September of 1941, Draves appeared in the bastardy proceeding and " confessed in Court that the charge of the plaintiff herein is true." The court adjudged Draves to be the " reputed father" of the child, and ordered Draves to pay medical expenses related to Morris's pregnancy as well as \$5 per week for child support and maintenance. Draves complied, and for 18 years paid the court-ordered support to the clerk of the Huron County court.

FN2 A " bastardy proceeding" is an archaic term for a paternity suit. (Black's Law Dict. (7th ed. 1999) pp. 146, 1148.)

Morris married Fred Griswold in 1942 and moved to California. She began to refer to her son as " Denis Howard Griswold," a name he used for the rest of his life. For many years, Griswold believed Fred Griswold was his father. At some point in time, either after his mother and Fred Griswold \*909 divorced in 1978 or after his mother died in 1983, Griswold learned that Draves was listed as his father on his birth certificate. So far as is known, Griswold made no attempt to contact Draves or other members of the Draves family.

Meanwhile, at some point after Griswold's birth, Draves married in Ohio and had two children, Margaret and Daniel. Neither Draves nor these two children had any communication with Griswold, and the children did not know of Griswold's existence until after Griswold's death in 1996. Draves died in 1993. His last will and testament, dated July 22, 1991, made no mention of Griswold by name or other reference. Huron County probate documents identified Draves's surviving spouse and two children-Margaret and Daniel-as the only heirs.

Based upon the foregoing facts, the probate court denied See's petition to determine entitlement. In the court's view, See had not demonstrated that Draves was Griswold's " natural parent" or that Draves " acknowledged" Griswold as his child as required by section 6452.

The Court of Appeal disagreed on both points and

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reversed the order of the probate court. We granted Doner-Griswold's petition for review.

#### Discussion

(1a) Denis H. Griswold died without a will, and his estate consists solely of separate property. Consequently, the intestacy rules codified at sections 6401 and 6402 are implicated. Section 6401, subdivision (c) provides that a surviving spouse's share of intestate separate property is one-half " [w]here the decedent leaves no issue but leaves a parent or parents or their issue or the issue of either of them." (§ 6401, subd. (c)(2)(B).) Section 6402, subdivision (c) provides that the portion of the intestate estate not passing to the surviving spouse under section 6401 passes as follows: " If there is no surviving issue or parent, to the issue of the parents or either of them, the issue taking equally if they are all of the same degree of kinship to the decedent ...."

As noted, Griswold's mother (Betty Jane Morris) and father (John Draves) both predeceased him. Morris had no issue other than Griswold and Griswold himself left no issue. Based on these facts, See contends that Doner-Griswold is entitled to one-half of Griswold's estate and that Draves's issue (See's assignors, Margaret and Daniel) are entitled to the other half pursuant to sections 6401 and 6402.

Because Griswold was born out of wedlock, three additional Probate Code provisions—section 6450, section 6452, and section 6453—must be considered.  
\*910

As relevant here, section 6450 provides that " a relationship of parent and child exists for the purpose of determining intestate succession by, through, or from a person" where " [t]he relationship of parent and child exists between a person and the person's natural parents, regardless of the marital status of the natural parents." (*Id.*, subd. (a).)

Notwithstanding section 6450's general recognition of a parent and child relationship in cases of unmarried natural parents, section 6452 restricts the ability of such parents and their relatives to inherit from a child as follows: " If a child is born out of wedlock, neither a *natural parent* nor a relative of that parent inherits from or through the child on the basis of the parent and child relationship between that parent and the child unless both of the following requirements are satisfied: [¶] (a) The parent or a

relative of the parent *acknowledged the child*. [¶] (b) The parent or a relative of the parent contributed to the support or the care of the child." (Italics added.)

Section 6453, in turn, articulates the criteria for determining whether a person is a " natural parent" within the meaning of sections 6450 and 6452. A more detailed discussion of section 6453 appears *post*, at part B.

It is undisputed here that section 6452 governs the determination whether Margaret, Daniel, and See (by assignment) are entitled to inherit from Griswold. It is also uncontroverted that Draves contributed court-ordered child support for 18 years, thus satisfying subdivision (b) of section 6452. At issue, however, is whether the record establishes all the remaining requirements of section 6452 as a matter of law. First, did Draves acknowledge Griswold within the meaning of section 6452, subdivision (a)? Second, did the Ohio judgment of reputed paternity establish Draves as the natural parent of Griswold within the contemplation of sections 6452 and 6453? We address these issues in order.

#### A. Acknowledgement

As indicated, section 6452 precludes a natural parent or a relative of that parent from inheriting through a child born out of wedlock unless the parent or relative " acknowledged the child." (*Id.*, subd. (a).) On review, we must determine whether Draves acknowledged Griswold within the contemplation of the statute by confessing to paternity in court, where the record reflects no other acts of acknowledgement, but no disavowals either.

(2) In statutory construction cases, our fundamental task is to ascertain the intent of the lawmakers so as to effectuate the purpose of the statute. (*Day v. City of Fontana* (2001) 25 Cal.4th 268, 272 [\*911105 Cal.Rptr.2d 457, 19 P.3d 1196].) " We begin by examining the statutory language, giving the words their usual and ordinary meaning." (*Ibid.*; *People v. Lawrence* (2000) 24 Cal.4th 219, 230 [99 Cal.Rptr.2d 570, 6 P.3d 228].) If the terms of the statute are unambiguous, we presume the lawmakers meant what they said, and the plain meaning of the language governs. (*Day v. City of Fontana*, *supra*, 25 Cal.4th at p. 272; *People v. Lawrence*, *supra*, 24 Cal.4th at pp. 230-231.) If there is ambiguity, however, we may then look to extrinsic sources, including the ostensible objects to be achieved and the legislative

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history. (*Day v. City of Fontana, supra, 25 Cal.4th at p. 272.*) In such cases, we " " select the construction that comports most closely with the apparent intent of the Legislature, with a view to promoting rather than defeating the general purpose of the statute, and avoid an interpretation that would lead to absurd consequences." " (*Ibid.*)

(1b) Section 6452 does not define the word " acknowledged." Nor does any other provision of the Probate Code. At the outset, however, we may logically infer that the word refers to conduct other than that described in subdivision (b) of section 6452, i.e., contributing to the child's support or care; otherwise, subdivision (a) of the statute would be surplusage and unnecessary.

Although no statutory definition appears, the common meaning of " acknowledge " is " to admit to be true or as stated; confess." (Webster's New World Dict. (2d ed. 1982) p. 12; see Webster's 3d New Internat. Dict. (1981) p. 17 [" to show by word or act that one has knowledge of and agrees to (a fact or truth) ... [or] concede to be real or true ... [or] admit" ].) Were we to ascribe this common meaning to the statutory language, there could be no doubt that section 6452's acknowledgement requirement is met here. As the stipulated record reflects, Griswold's natural mother initiated a bastardy proceeding in the Ohio juvenile court in 1941 in which she alleged that Draves was the child's father. Draves appeared in that proceeding and publicly " confessed" that the allegation was true. There is no evidence indicating that Draves did not confess knowingly and voluntarily, or that he later denied paternity or knowledge of Griswold to those who were aware of the circumstances.<sup>FN3</sup> Although the record establishes that Draves did not speak of Griswold to Margaret and Daniel, there is no evidence suggesting he sought to actively conceal the facts from them or anyone else. Under the plain terms of section 6452, the only sustainable conclusion on this record is that Draves acknowledged Griswold.

FN3 Huron County court documents indicate that at least two people other than Morris, one of whom appears to have been a relative of Draves, had knowledge of the bastardy proceeding.

Although the facts here do not appear to raise any ambiguity or uncertainty as to the statute's application, we shall, in an abundance of caution,

\*912 test our conclusion against the general purpose and legislative history of the statute. (See *Day v. City of Fontana, supra, 25 Cal.4th at p. 274; Powers v. City of Richmond (1995) 10 Cal.4th 85, 93 [40 Cal.Rptr.2d 839, 893 P.2d 1160].*)

The legislative bill proposing enactment of former section 6408.5 of the Probate Code (Stats. 1983, ch. 842, § 55, p. 3084; Stats. 1984, ch. 892, § 42, p. 3001), the first modern statutory forerunner to section 6452, was introduced to effectuate the Tentative Recommendation Relating to Wills and Intestate Succession of the California Law Revision Commission (the Commission). (See 17 Cal. Law Revision Com. Rep. (1984) p. 867, referring to 16 Cal. Law Revision Com. Rep. (1982) p. 2301.) According to the Commission, which had been solicited by the Legislature to study and recommend changes to the then existing Probate Code, the proposed comprehensive legislative package to govern wills, intestate succession, and related matters would " provide rules that are more likely to carry out the intent of the testator or, if a person dies without a will, the intent a decedent without a will is most likely to have had." (16 Cal. Law Revision Com. Rep., *supra*, at p. 2319.) The Commission also advised that the purpose of the legislation was to " make probate more efficient and expeditious." (*Ibid.*) From all that appears, the Legislature shared the Commission's views in enacting the legislative bill of which former section 6408.5 was a part. (See 17 Cal. Law Revision Com. Rep., *supra*, at p. 867.)

Typically, disputes regarding parental acknowledgement of a child born out of wedlock involve factual assertions that are made by persons who are likely to have direct financial interests in the child's estate and that relate to events occurring long before the child's death. Questions of credibility must be resolved without the child in court to corroborate or rebut the claims of those purporting to have witnessed the parent's statements or conduct concerning the child. Recognition that an in-court admission of the parent and child relationship constitutes powerful evidence of an acknowledgement under section 6452 would tend to reduce litigation over such matters and thereby effectuate the legislative objective to " make probate more efficient and expeditious." (16 Cal. Law Revision Com. Rep., *supra*, at p. 2319.)

Additionally, construing the acknowledgement requirement to be met in circumstances such as these

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is neither illogical nor absurd with respect to the intent of an intestate decedent. Put another way, where a parent willingly acknowledged paternity in an action initiated to establish the parent-child relationship and thereafter was never heard to deny such relationship (§ 6452, subd. (a)), and where that parent paid all court-ordered support for that child for 18 years (*id.*, subd. (b)), it cannot be said that the participation \*913 of that parent or his relative in the estate of the deceased child is either (1) so illogical that it cannot represent the intent that one without a will is most likely to have had (16 Cal. Law Revision Com. Rep., *supra*, at p. 2319) or (2) "so absurd as to make it manifest that it could not have been intended" by the Legislature (*Estate of De Cigaran* (1907) 150 Cal. 682, 688 [89 P. 833] [construing Civ. Code, former § 1388 as entitling the illegitimate half sister of an illegitimate decedent to inherit her entire intestate separate property to the exclusion of the decedent's surviving husband]).

There is a dearth of case law pertaining to section 6452 or its predecessor statutes, but what little there is supports the foregoing construction. Notably, *Lozano v. Scalier* (1996) 51 Cal.App.4th 843 [59 Cal.Rptr.2d 346] (*Lozano*), the only prior decision directly addressing section 6452's acknowledgement requirement, declined to read the statute as necessitating more than what its plain terms call for.

In *Lozano*, the issue was whether the trial court erred in allowing the plaintiff, who was the natural father of a 10-month-old child, to pursue a wrongful death action arising out of the child's accidental death. The wrongful death statute provided that where the decedent left no spouse or child, such an action may be brought by the persons "who would be entitled to the property of the decedent by intestate succession." (Code Civ. Proc., § 377.60, subd. (a).) Because the child had been born out of wedlock, the plaintiff had no right to succeed to the estate unless he had both "acknowledged the child" and "contributed to the support or the care of the child" as required by section 6452. *Lozano* upheld the trial court's finding of acknowledgement in light of evidence in the record that the plaintiff had signed as "Father" on a medical form five months before the child's birth and had repeatedly told family members and others that he was the child's father. (*Lozano, supra*, 51 Cal.App.4th at pp. 845, 848.)

Significantly, *Lozano* rejected arguments that an acknowledgement under Probate Code section 6452

must be (1) a witnessed writing and (2) made after the child was born so that the child is identified. In doing so, *Lozano* initially noted there were no such requirements on the face of the statute. (*Lozano, supra*, 51 Cal.App.4th at p. 848.) *Lozano* next looked to the history of the statute and made two observations in declining to read such terms into the statutory language. First, even though the Legislature had previously required a witnessed writing in cases where an illegitimate child sought to inherit from the father's estate, it repealed such requirement in 1975 in an apparent effort to ease the evidentiary proof of the parent-child relationship. (*Ibid.*) Second, other statutes that required a parent-child relationship expressly contained more formal acknowledgement requirements for the assertion of certain other rights or privileges. (See *id.* at p. 849, citing \*914 Code Civ. Proc., § 376, subd. (c), Health & Saf. Code, § 102750, & Fam. Code, § 7574.) Had the Legislature wanted to impose more stringent requirements for an acknowledgement under section 6452, *Lozano* reasoned, it certainly had precedent for doing so. (*Lozano, supra*, 51 Cal.App.4th at p. 849.)

Apart from Probate Code section 6452, the Legislature had previously imposed an acknowledgement requirement in the context of a statute providing that a father could legitimate a child born out of wedlock for all purposes "by publicly acknowledging it as his own." (See Civ. Code, former § 230.)<sup>FN4</sup> Since that statute dealt with an analogous subject and employed a substantially similar phrase, we address the case law construing that legislation below.

FN4 Former section 230 of the Civil Code provided: "The father of an illegitimate child, by publicly acknowledging it as his own, receiving it as such, with the consent of his wife, if he is married, into his family, and otherwise treating it as if it were a legitimate child, thereby adopts it as such; and such child is thereupon deemed for all purposes legitimate from the time of its birth. The foregoing provisions of this Chapter do not apply to such an adoption." (Enacted 1 Cal. Civ. Code (1872) § 230, p. 68, repealed by Stats. 1975, ch. 1244, § 8, p. 3196.)

In 1975, the Legislature enacted California's Uniform Parentage Act, which abolished the concept of legitimacy and replaced it with the concept of parentage. (See *Adoption of Kelsey S.* (1992) 1

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Cal.4th 816, 828-829 [4 Cal.Rptr.2d 615, 823 P.2d 1216].

In *Blythe v. Ayres* (1892) 96 Cal. 532 [31 P. 915], decided over a century ago, this court determined that the word "acknowledge," as it appeared in former section 230 of the Civil Code, had no technical meaning. (*Blythe v. Ayers, supra*, 96 Cal. at p. 577.) We therefore employed the word's common meaning, which was "to own or admit the knowledge of." (*Ibid.* [relying upon Webster's definition]; see also *Estate of Gird* (1910) 157 Cal. 534, 542 [108 P. 499].) Not only did that definition endure in case law addressing legitimation (*Estate of Wilson* (1958) 164 Cal.App.2d 385, 388-389 [330 P.2d 452]; see *Estate of Gird, supra*, 157 Cal. at pp. 542-543.) but, as discussed, the word retains virtually the same meaning in general usage today—"to admit to be true or as stated; confess." (Webster's New World Dict., *supra*, at p. 12; see Webster's 3d New Internat. Dict., *supra*, at p. 17.)

Notably, the decisions construing former section 230 of the Civil Code indicate that its public acknowledgement requirement would have been met where a father made a single confession in court to the paternity of a child.

In *Estate of McNamara* (1919) 181 Cal. 82 [183 P. 552, 7 A.L.R. 313], for example, we were emphatic in recognizing that a single unequivocal act could satisfy the acknowledgement requirement for purposes of statutory legitimation. Although the record in that case had contained additional evidence of the father's acknowledgement, we focused our attention on his \*915 one act of signing the birth certificate and proclaimed: "A more public acknowledgement than the act of [the decedent] in signing the child's birth certificate describing himself as the father, it would be difficult to imagine." (*Id.* at pp. 97-98.)

Similarly, in *Estate of Gird, supra*, 157 Cal. 534, we indicated in dictum that "a public avowal, made in the courts" would constitute a public acknowledgement under former section 230 of the Civil Code. (*Estate of Gird, supra*, 157 Cal. at pp. 542-543.)

Finally, in *Wong v. Young* (1947) 80 Cal.App.2d 391 [181 P.2d 741], a man's admission of paternity in a verified pleading, made in an action seeking to have the man declared the father of the child and for child

support, was found to have satisfied the public acknowledgement requirement of the legitimation statute. (*Id.* at pp. 393-394.) Such admission was also deemed to constitute an acknowledgement under former Probate Code section 255, which had allowed illegitimate children to inherit from their fathers under an acknowledgement requirement that was even more stringent than that contained in Probate Code section 6452.<sup>FN5</sup> (*Wong v. Young, supra*, 80 Cal.App.2d at p. 394; see also *Estate of De Laveaga* (1904) 142 Cal. 158, 168 [75 P. 790] [indicating in dictum that, under a predecessor to Probate Code section 255, father sufficiently acknowledged an illegitimate child in a single witnessed writing declaring the child as his son].) Ultimately, however, legitimation of the child under former section 230 of the Civil Code was not found because two other of the statute's express requirements, i.e., receipt of the child into the father's family and the father's otherwise treating the child as his legitimate child (see *ante*, fn. 4), had not been established. (*Wong v. Young, supra*, 80 Cal.App.2d at p. 394.)

FN5 Section 255 of the former Probate Code provided in pertinent part: "Every illegitimate child, whether born or conceived but unborn, in the event of his subsequent birth, is an heir of his mother, and also of the person who, in writing, signed in the presence of a competent witness, acknowledges himself to be the father, and inherits his or her estate, in whole or in part, as the case may be, in the same manner as if he had been born in lawful wedlock ...." (*Estate of Ginocchio* (1974) 43 Cal.App.3d 412, 416 [117 Cal.Rptr. 565], italics omitted.)

Although the foregoing authorities did not involve section 6452, their views on parental acknowledgement of out-of-wedlock children were part of the legal landscape when the first modern statutory forerunner to that provision was enacted in 1985. (See former § 6408.5, added by Stats. 1983, ch. 842, § 55, p. 3084, and amended by Stats. 1984, ch. 892, § 42, p. 3001.) (3) Where, as here, legislation has been judicially construed and a subsequent statute on the same or an analogous subject uses identical or substantially similar language, we may presume that the Legislature intended the \*916 same construction, unless a contrary intent clearly appears. (*In re Jerry R.* (1994) 29 Cal.App.4th 1432, 1437 [35 Cal.Rptr.2d 155]; see also *People v. Masbruch* (1996) 13 Cal.4th

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1001, 1007 [55 Cal.Rptr.2d 760, 920 P.2d 705]; Belridge Farms v. Agricultural Labor Relations Bd. (1978) 21 Cal.3d 551, 557 [147 Cal.Rptr. 165, 580 P.2d 665]. (1c) Since no evidence of a contrary intent clearly appears, we may reasonably infer that the types of acknowledgement formerly deemed sufficient for the legitimation statute (and former § 255, as well) suffice for purposes of intestate succession under section 6452.<sup>FN6</sup>

FN6 Probate Code section 6452's acknowledgement requirement differs from that found in former section 230 of the Civil Code, in that section 6452 does not require a parent to "publicly" acknowledge a child born out of wedlock. That difference, however, fails to accrue to Doner-Griswold's benefit. If anything, it suggests that the acknowledgement contemplated in section 6452 encompasses a broader spectrum of conduct than that associated with the legitimation statute.

Doner-Griswold disputes whether the acknowledgement required by Probate Code section 6452 may be met by a father's single act of acknowledging a child in court. In her view, the requirement contemplates a situation where the father establishes an ongoing parental relationship with the child or otherwise acknowledges the child's existence to his subsequent wife and children. To support this contention, she relies on three other authorities addressing acknowledgement under former section 230 of the Civil Code: Blythe v. Ayres, supra, 96 Cal. 532, Estate of Wilson, supra, 164 Cal.App.2d 385, and Estate of Maxey (1967) 257 Cal.App.2d 391 [64 Cal.Rptr. 837].

In Blythe v. Ayres, supra, 96 Cal. 532, the father never saw his illegitimate child because she resided in another country with her mother. Nevertheless, he "was garrulous upon the subject" of his paternity and "it was his common topic of conversation." (*Id.* at p. 577.) Not only did the father declare the child to be his child, "to all persons, upon all occasions," but at his request the child was named and baptized with his surname. (*Ibid.*) Based on the foregoing, this court remarked that "it could almost be held that he shouted it from the house-tops." (*Ibid.*) Accordingly, we concluded that the father's public acknowledgement under former section 230 of the Civil Code could "hardly be considered debatable." (Blythe v. Ayres, supra, 96 Cal. at p. 577.)

In Estate of Wilson, supra, 164 Cal.App.2d 385, the evidence showed that the father had acknowledged to his wife that he was the father of a child born to another woman. (*Id.* at p. 389.) Moreover, he had introduced the child as his own on many occasions, including at the funeral of his mother. (*Ibid.*) In light of such evidence, the Court of Appeal upheld the trial court's finding that the father had publicly acknowledged the child within the contemplation of the legitimation statute. \*917

In Estate of Maxey, supra, 257 Cal.App.2d 391, the Court of Appeal found ample evidence supporting the trial court's determination that the father publicly acknowledged his illegitimate son for purposes of legitimation. The father had, on several occasions, visited the house where the child lived with his mother and asked about the child's school attendance and general welfare. (*Id.* at p. 397.) The father also, in the presence of others, had asked for permission to take the child to his own home for the summer, and, when that request was refused, said that the child was his son and that he should have the child part of the time. (*Ibid.*) In addition, the father had addressed the child as his son in the presence of other persons. (*Ibid.*)

Doner-Griswold correctly points out that the foregoing decisions illustrate the principle that the existence of acknowledgement must be decided on the circumstances of each case. (Estate of Baird (1924) 193 Cal. 225, 277 [223 P. 974].) In those decisions, however, the respective fathers had not confessed to paternity in a legal action. Consequently, the courts looked to what other forms of public acknowledgement had been demonstrated by fathers. (See also Lozano, supra, 51 Cal.App.4th 843 [examining father's acts both before and after child's birth in ascertaining acknowledgement under § 6452].)

That those decisions recognized the validity of different forms of acknowledgement should not detract from the weightiness of a father's in-court acknowledgement of a child in an action seeking to establish the existence of a parent and child relationship. (See Estate of Gird, supra, 157 Cal. at pp. 542-543; Wong v. Young, supra, 80 Cal.App.2d at pp. 393-394.) As aptly noted by the Court of Appeal below, such an acknowledgement is a critical one that typically leads to a paternity judgment and a legally enforceable obligation of support. Accordingly, such



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acknowledgements carry as much, if not greater, significance than those made to certain select persons (*Estate of Maxey, supra*, 257 Cal.App.2d at p. 397) or "shouted ... from the house-tops" (*Blythe v. Ayres, supra*, 96 Cal. at p. 577).

Doner-Griswold's authorities do not persuade us that section 6452 should be read to require that a father have personal contact with his out-of-wedlock child, that he make purchases for the child, that he receive the child into his home and other family, or that he treat the child as he does his other children. First and foremost, the language of section 6452 does not support such requirements. (See *Lozano, supra*, 51 Cal.App.4th at p. 848.) (4) We may not, under the guise of interpretation, insert qualifying provisions not included in the statute. (*California Fed. Savings & Loan Assn. v. City of Los Angeles* (1995) 11 Cal.4th 342, 349 [45 Cal.Rptr.2d 279, 902 P.2d 297].)

(1d) Second, even though *Blythe v. Ayres, supra*, 96 Cal. 532, *Estate of Wilson, supra*, 164 Cal.App.2d 385, and *Estate of Maxey, supra*, \*918257 Cal.App.2d 391, variously found such factors significant for purposes of legitimation, their reasoning appeared to flow directly from the express terms of the controlling statute. In contrast to Probate Code section 6452, former section 230 of the Civil Code provided that the legitimation of a child born out of wedlock was dependent upon three distinct conditions: (1) that the father of the child "publicly acknowledg[e] it as his own"; (2) that he "receiv[e] it as such, with the consent of his wife, if he is married, into his family"; and (3) that he "otherwise treat[] it as if it were a legitimate child." (*Ante*, fn. 4; see *Estate of De Laveaga, supra*, 142 Cal. at pp. 168-169 [indicating that although father acknowledged his illegitimate son in a single witnessed writing, legitimation statute was not satisfied because the father never received the child into his family and did not treat the child as if he were legitimate].) That the legitimation statute contained such explicit requirements, while section 6452 requires only a natural parent's acknowledgement of the child and contribution toward the child's support or care, strongly suggests that the Legislature did not intend for the latter provision to mirror the former in all the particulars identified by Doner-Griswold. (See *Lozano, supra*, 51 Cal.App.4th at pp. 848-849; compare with Fam. Code, § 7611, subd. (d) [a man is "presumed" to be the natural father of a child if "[h]e receives the child into his home and openly

holds out the child as his natural child" ].)

In an attempt to negate the significance of Draves's in-court confession of paternity, Doner-Griswold emphasizes the circumstance that Draves did not tell his two other children of Griswold's existence. The record here, however, stands in sharp contrast to the primary authority she offers on this point. *Estate of Baird, supra*, 193 Cal. 225, held there was no public acknowledgement under former section 230 of the Civil Code where the decedent admitted paternity of a child to the child's mother and their mutual acquaintances but actively concealed the child's existence and his relationship to the child's mother from his own mother and sister, with whom he had intimate and affectionate relations. In that case, the decedent not only failed to tell his relatives, family friends, and business associates of the child (193 Cal. at p. 252), but he affirmatively denied paternity to a half brother and to the family coachman (*id.* at p. 277). In addition, the decedent and the child's mother masqueraded under a fictitious name they assumed and gave to the child in order to keep the decedent's mother and siblings in ignorance of the relationship. (*Id.* at pp. 260-261.) In finding that a public acknowledgement had not been established on such facts, *Estate of Baird* stated: "A distinction will be recognized between a mere failure to disclose or publicly acknowledge paternity and a willful misrepresentation in regard to it; in such circumstances there must be no purposeful concealment of the fact of paternity." (*Id.* at p. 276.) \*919

Unlike the situation in *Estate of Baird*, Draves confessed to paternity in a formal legal proceeding. There is no evidence that Draves thereafter disclaimed his relationship to Griswold to people aware of the circumstances (see *ante*, fn. 3), or that he affirmatively denied he was Griswold's father despite his confession of paternity in the Ohio court proceeding. Nor is there any suggestion that Draves engaged in contrivances to prevent the discovery of Griswold's existence. In light of the obvious dissimilarities, Doner-Griswold's reliance on *Estate of Baird* is misplaced.

*Estate of Ginochio, supra*, 43 Cal.App.3d 412, likewise, is inapposite. That case held that a judicial determination of paternity following a vigorously contested hearing did not establish an acknowledgement sufficient to allow an illegitimate child to inherit under section 255 of the former

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Probate Code. (See *ante*, fn. 5.) Although the court noted that the decedent ultimately paid the child support ordered by the court, it emphasized the circumstance that the decedent was declared the child's father *against his will* and at no time did he admit he was the father, or sign any writing acknowledging publicly or privately such fact, or otherwise have contact with the child. (*Estate of Ginochio*, *supra*, 43 Cal.App.3d at pp. 416-417.) Here, by contrast, Draves did not contest paternity, vigorously or otherwise. Instead, Draves stood before the court and openly admitted the parent and child relationship, and the record discloses no evidence that he subsequently disavowed such admission to anyone with knowledge of the circumstances. On this record, section 6452's acknowledgement requirement has been satisfied by a showing of what Draves did and did not do, not by the mere fact that paternity had been judicially declared.

Finally, Doner-Griswold contends that a 1996 amendment of section 6452 evinces the Legislature's unmistakable intent that a decedent's estate may not pass to siblings who had no contact with, or were totally unknown to, the decedent. As we shall explain, that contention proves too much.

Prior to 1996, section 6452 and a predecessor statute, former section 6408, expressly provided that their terms did not apply to "a natural brother or a sister of the child" born out of wedlock.<sup>FN7</sup> In construing former section 6408, *Estate of Corcoran* (1992) 7 Cal.App.4th 1099 [9 Cal.Rptr.2d 475] held that a half sibling was a "natural brother or sister" within the meaning of such \*920 exception. That holding effectively allowed a half sibling and the issue of another half sibling to inherit from a decedent's estate where there had been no parental acknowledgement or support of the decedent as ordinarily required. In direct response to *Estate of Corcoran*, the Legislature amended section 6452 by eliminating the exception for natural siblings and their issue. (Stats. 1996, ch. 862, § 15; see Sen. Com. on Judiciary, Analysis of Assem. Bill No. 2751 (1995-1996 Reg. Sess.) as amended June 3, 1996, pp. 17-18 (Assembly Bill No. 2751).) According to legislative documents, the Commission had recommended deletion of the statutory exception because it "creates an undesirable risk that the estate of the deceased out-of-wedlock child will be claimed by siblings with whom the decedent had no contact during lifetime, and of whose existence the decedent was unaware." (Assem. Com. on Judiciary, Analysis of Assem. Bill

No. 2751 (1995-1996 Reg. Sess.) as introduced Feb. 22, 1996, p. 6; see also Sen. Com. on Judiciary, Analysis of Assem. Bill No. 2751, *supra*, at pp. 17-18.)

FN7 Former section 6408, subdivision (d) provided: "If a child is born out of wedlock, neither a parent nor a relative of a parent (except for the issue of the child or a natural brother or sister of the child or the issue of that brother or sister) inherits from or through the child on the basis of the relationship of parent and child between that parent and child unless both of the following requirements are satisfied: [¶] (1) The parent or a relative of the parent acknowledged the child. [¶] (2) The parent or a relative of the parent contributed to the support or the care of the child." (Stats. 1990, ch. 79, § 14, p. 722, italics added.)

This legislative history does not compel Doner-Griswold's construction of section 6452. Reasonably read, the comments of the Commission merely indicate its concern over the "undesirable risk" that unknown siblings could rely on the statutory exception to make claims against estates. Neither the language nor the history of the statute, however, evinces a clear intent to make inheritance contingent upon the decedent's awareness of or contact with such relatives. (See Assem. Com. on Judiciary, Analysis of Assem. Bill No. 2751, *supra*, at p. 6; see also Sen. Com. on Judiciary, Analysis of Assem. Bill No. 2751, *supra*, at pp. 17-18.) Indeed, had the Legislature intended to categorically preclude intestate succession by a natural parent or a relative of that parent who had no contact with or was unknown to the deceased child, it could easily have so stated. Instead, by deleting the statutory exception for natural siblings, thereby subjecting siblings to section 6452's dual requirements of acknowledgement and support, the Legislature acted to prevent sibling inheritance under the type of circumstances presented in *Estate of Corcoran*, *supra*, 7 Cal.App.4th 1099, and to substantially reduce the risk noted by the Commission.<sup>FN8</sup> \*921

FN8 We observe that, under certain former versions of Ohio law, a father's confession of paternity in an Ohio juvenile court proceeding was not the equivalent of a formal probate court "acknowledgement" that would have allowed an illegitimate

child to inherit from the father in that state. (See Estate of Vaughan (2001) 90 Ohio St.3d 544 [740 N.E.2d 259, 262-263].) Here, however, Doner-Griswold does not dispute that the right of the succession claimants to succeed to Griswold's property is governed by the law of Griswold's domicile, i.e., California law, not the law of the claimants' domicile or the law of the place where Draves's acknowledgement occurred. (Civ. Code, §§ 755, 946; see Estate of Lund (1945) 26 Cal.2d 472, 493-496 [159 P.2d 643, 162 A.L.R. 606] [where father died domiciled in California, his out-of-wedlock son could inherit where all the legitimation requirements of former § 230 of the Civ. Code were met, even though the acts of legitimation occurred while the father and son were domiciled in two other states wherein such acts were not legally sufficient].)

#### B. Requirement of a Natural Parent and Child Relationship

(5a) Section 6452 limits the ability of a "natural parent" or "a relative of that parent" to inherit from or through the child "on the basis of the parent and child relationship between that parent and the child."

Probate Code section 6453 restricts the means by which a relationship of a natural parent to a child may be established for purposes of intestate succession. <sup>FN9</sup> (See Estate of Sanders (1992) 2 Cal.App.4th 462, 474-475 [3 Cal.Rptr.2d 536].) Under section 6453, subdivision (a), a natural parent and child relationship is established where the relationship is presumed under the Uniform Parentage Act and not rebutted. (Pam. Code, § 7600 et seq.) It is undisputed, however, that none of those presumptions applies in this case.

FN9 Section 6453 provides in full: "For the purpose of determining whether a person is a 'natural parent' as that term is used in this chapter: [¶] (a) A natural parent and child relationship is established where that relationship is presumed and not rebutted pursuant to the Uniform Parentage Act, Part 3 (commencing with Section 7600) of Division 12 of the Family Code. [¶] (b) A natural parent and child relationship may be established pursuant to any other provisions

of the Uniform Parentage Act, except that the relationship may not be established by an action under subdivision (c) of Section 7630 of the Family Code unless any of the following conditions exist: [¶] (1) A court order was entered during the father's lifetime declaring paternity. [¶] (2) Paternity is established by clear and convincing evidence that the father has openly held out the child as his own. [¶] (3) It was impossible for the father to hold out the child as his own and paternity is established by clear and convincing evidence."

Alternatively, and as relevant here, under Probate Code section 6453, subdivision (b), a natural parent and child relationship may be established pursuant to section 7630, subdivision (c) of the Family Code, FN10 if a court order was entered during the father's lifetime declaring paternity. <sup>FN11</sup> (§ 6453, subd. (b)(1).)

FN10 Family Code section 7630, subdivision (c) provides in pertinent part: "An action to determine the existence of the father and child relationship with respect to a child who has no presumed father under Section 7611 ... may be brought by the child or personal representative of the child, the Department of Child Support Services, the mother or the personal representative or a parent of the mother if the mother has died or is a minor, a man alleged or alleging himself to be the father, or the personal representative or a parent of the alleged father if the alleged father has died or is a minor. An action under this subdivision shall be consolidated with a proceeding pursuant to Section 7662 if a proceeding has been filed under Chapter 5 (commencing with Section 7660). The parental rights of the alleged natural father shall be determined as set forth in Section 7664."

FN11 See makes no attempt to establish Draves's natural parent status under other provisions of section 6453, subdivision (b).

See contends the question of Draves's paternity was fully and finally adjudicated in the 1941 bastardy proceeding in Ohio. That proceeding, he \*922 argues, satisfies both the Uniform Parentage Act and the Probate Code, and should be binding on the parties

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here.

If a valid judgment of paternity is rendered in Ohio, it generally is binding on California courts if Ohio had jurisdiction over the parties and the subject matter, and the parties were given reasonable notice and an opportunity to be heard. (*Ruddock v. Ohls* (1979) 91 Cal.App.3d 271, 276 [154 Cal.Rptr. 87].) California courts generally recognize the importance of a final determination of paternity. (E.g., *Weir v. Ferreira* (1997) 59 Cal.App.4th 1509, 1520 [70 Cal.Rptr.2d 33] (*Weir*); *Guardianship of Claralyn S.* (1983) 148 Cal.App.3d 81, 85 [195 Cal.Rptr. 646]; cf. *Estate of Camp* (1901) 131 Cal. 469, 471 [63 P. 736] [same for adoption determinations].)

Doner-Griswold does not dispute that the parties here are in privity with, or claim inheritance through, those who are bound by the bastardy judgment or are estopped from attacking it. (See *Weir, supra*, 59 Cal.App.4th at pp. 1516-1517, 1521.) Instead, she contends See has not shown that the issue adjudicated in the Ohio bastardy proceeding is identical to the issue presented here, that is, whether Draves was the natural parent of Griswold.

Although we have found no California case directly on point, one Ohio decision has recognized that a bastardy judgment rendered in Ohio in 1950 was res judicata of any proceeding that might have been brought under the Uniform Parentage Act. (*Birman v. Sproat* (1988) 47 Ohio App.3d 65 [546 N.E.2d 1354, 1357] [child born out of wedlock had standing to bring will contest based upon a paternity determination in a bastardy proceeding brought during testator's life]; see also Black's Law Dict., *supra*, at pp. 146, 1148 [equating a bastardy proceeding with a paternity suit].) Yet another Ohio decision found that parentage proceedings, which had found a decedent to be the "reputed father" of a child,<sup>FN12</sup> satisfied an Ohio legitimation statute and conferred standing upon the illegitimate child to contest the decedent's will where the father-child relationship was established prior to the decedent's death. (*Beck v. Jolliff* (1984) 22 Ohio App.3d 84 [489 N.E.2d 825, 829]; see also *Estate of Hicks* (1993) 90 Ohio App.3d 483 [629 N.E.2d 1086, 1088-1089] [parentage issue must be determined prior to the father's death to the extent the parent-child relationship is being established under the chapter governing descent and distribution].) While we are not bound to follow these Ohio authorities, they persuade us that the 1941 bastardy proceeding

decided the identical issue presented here.

FN12 The term "reputed father" appears to have reflected the language of the relevant Ohio statute at or about the time of the 1941 bastardy proceeding. (See *State ex rel. Discus v. Van Dorn* (1937) 56 Ohio App. 82 [8 Ohio Op. 393, 10 N.E.2d 14, 16].)

Next, Doner-Griswold argues the Ohio judgment should not be given res judicata effect because the bastardy proceeding was quasi-criminal in nature. \*923 It is her position that Draves's confession may have reflected only a decision to avoid a jury trial instead of an adjudication of the paternity issue on the merits.

To support this argument, Doner-Griswold relies upon *Pease v. Pease* (1988) 201 Cal.App.3d 29 [246 Cal.Rptr. 762] (*Pease*). In that case, a grandfather was sued by his grandchildren and others in a civil action alleging the grandfather's molestation of the grandchildren. When the grandfather cross-complained against his former wife for apportionment of fault, she filed a demurrer contending that the grandfather was collaterally estopped from asserting the negligent character of his acts by virtue of his guilty plea in a criminal proceeding involving the same issues. On appeal, the judgment dismissing the cross-complaint was reversed. (6) The appellate court reasoned that a trial court in a civil proceeding may not give collateral estoppel effect to a criminal conviction involving the same issues if the conviction resulted from a guilty plea. "The issue of appellant's guilt was not fully litigated in the prior criminal proceeding; rather, appellant's plea bargain may reflect nothing more than a compromise instead of an ultimate determination of his guilt. Appellant's due process right to a hearing thus outweighs any countervailing need to limit litigation or conserve judicial resources." (*Id.* at p. 34, fn. omitted.)

(5b) Even assuming, for purposes of argument only, that *Pease's* reasoning may properly be invoked where the father's admission of paternity occurred in a bastardy proceeding (see *Reams v. State ex rel. Favors* (1936) 53 Ohio App. 19 [6 Ohio Op. 501, 4 N.E.2d 151, 152] [indicating that a bastardy proceeding is more civil than criminal in character]), the circumstances here do not call for its application. Unlike the situation in *Pease*, neither the in-court admission nor the resulting paternity judgment at

issue is being challenged by the father (Draves). Moreover, neither the father, nor those claiming a right to inherit through him, seek to litigate the paternity issue. Accordingly, the father's due process rights are not at issue and there is no need to determine whether such rights might outweigh any countervailing need to limit litigation or conserve judicial resources. (See *Pease, supra*, 201 Cal.App.3d at p. 34.)

Additionally, the record fails to support any claim that Draves's confession merely reflected a compromise. Draves, of course, is no longer living and can offer no explanation as to why he admitted paternity in the bastardy proceeding. Although *Doner-Griswold* suggests that Draves confessed to avoid the publicity of a jury trial, and not because the paternity charge had merit, that suggestion is purely speculative and finds no evidentiary support in the record. \*924

Finally, *Doner-Griswold* argues that See and Griswold's half siblings do not have standing to seek the requisite paternity determination pursuant to the Uniform Parentage Act under section 7630, subdivision (c) of the Family Code. The question here, however, is whether the judgment in the bastardy proceeding initiated by Griswold's mother forecloses *Doner-Griswold's* relitigation of the parentage issue.

Although Griswold's mother was not acting pursuant to the Uniform Parentage Act when she filed the bastardy complaint in 1941, neither that legislation nor the Probate Code provision should be construed to ignore the force and effect of the judgment she obtained. That Griswold's mother brought her action to determine paternity long before the adoption of the Uniform Parentage Act, and that all procedural requirements of an action under Family Code section 7630 may not have been followed, should not detract from its binding effect in this probate proceeding where the issue adjudicated was identical with the issue that would have been presented in a Uniform Parentage Act action. (See *Weir, supra*, 59 Cal.App.4th at p. 1521.) Moreover, a prior adjudication of paternity does not compromise a state's interests in the accurate and efficient disposition of property at death. (See *Trimble v. Gordon* (1977) 430 U.S. 762, 772 & fn. 14 [97 S.Ct. 1459, 1466, 52 L.Ed.2d 31] [striking down a provision of a state probate act that precluded a category of illegitimate children from participating in

their intestate fathers' estates where the parent-child relationship had been established in state court paternity actions prior to the fathers' deaths].)

In sum, we find that the 1941 Ohio judgment was a court order " entered during the father's lifetime declaring paternity" (§ 6453, subd. (b)(1)), and that it establishes Draves as the natural parent of Griswold for purposes of intestate succession under section 6452.

#### Disposition

(7) " 'Succession to estates is purely a matter of statutory regulation, which cannot be changed by the courts.' " (*Estate of De Cigaran, supra*, 150 Cal. at p. 688.) We do not disagree that a natural parent who does no more than openly acknowledge a child in court and pay court-ordered child support may not reflect a particularly worthy predicate for inheritance by that parent's issue, but section 6452 provides in unmistakable language that it shall be so. While the Legislature remains free to reconsider the matter and may choose to change the rules of succession at any time, this court will not do so under the pretense of interpretation.

The judgment of the Court of Appeal is affirmed.

George, C. J., Kennard, J., Werdegar, J., and Chin, J., concurred. \*925 BROWN, J.

I reluctantly concur. The relevant case law strongly suggests that a father who admits paternity in court with no subsequent disclaimers " acknowledge[s] the child" within the meaning of subdivision (a) of Probate Code section 6452. Moreover, neither the statutory language nor the legislative history supports an alternative interpretation. Accordingly, we must affirm the judgment of the Court of Appeal.

Nonetheless, I believe our holding today contravenes the overarching purpose behind our laws of intestate succession-to carry out " the intent a decedent without a will is most likely to have had." (16 Cal. Law Revision Com. Rep. (1982) p. 2319.) I doubt most children born out of wedlock would have wanted to bequeath a share of their estate to a " father" who never contacted them, never mentioned their existence to his family and friends, and only paid court-ordered child support. I doubt even more that these children would have wanted to bequeath a share of their estate to that father's other offspring. Finally, I have no doubt that most, if not all, children

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born out of wedlock would have balked at bequeathing a share of their estate to a " forensic genealogist."

To avoid such a dubious outcome in the future, I believe our laws of intestate succession should allow a parent to inherit from a child born out of wedlock only if the parent has some sort of parental connection to that child. For example, requiring a parent to treat a child born out of wedlock as the parent's own before the parent may inherit from that child would prevent today's outcome. (See, e.g., *Bullock v. Thomas* (Miss. 1995) 659 So.2d 574, 577 [a father must " openly treat" a child born out of wedlock " as his own " in order to inherit from that child].) More importantly, such a requirement would comport with the stated purpose behind our laws of succession because that child likely would have wanted to give a share of his estate to a parent that treated him as the parent's own.

Of course, this court may not remedy this apparent defect in our intestate succession statutes. Only the Legislature may make the appropriate revisions. I urge it to do so here. \*926

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