AGENDA

Cities Service Review
Technical Advisory Committee Meeting #2

Wednesday, February 25, 2015

1:00 P.M. to 2:30 P.M.

County Government Center
11th Floor (Conference Rooms #1 & #2)
70 W. Hedding Street
San Jose, CA 95110

1. **Public Comments**
   This portion of the meeting is reserved for persons desiring to address the Technical Advisory Committee on any matter not on this agenda.

2. **Update on Data Collection Efforts**

   a. Upcoming Cities Interviews

3. **Service Review Evaluation Criteria**

4. **Disadvantaged Unincorporated Communities (DUCs)**

5. **Other Current / Emerging Issues**

6. **Dates for Future TAC Meetings**

70 West Hedding Street ▪ 11th Floor, East Wing ▪ San Jose, CA 95110 ▪ (408) 299-5127 ▪ www.santaclaralafco.org

COMMISSIONERS: Cindy Chavez, Sequoia Hall, Johnny Khamis, Linda J. LeZotte, Cat Tucker, Mike Wasserman, Susan Vicklund Wilson
ALTERNATE COMMISSIONERS: Ash Kalra, Yoriko Kishimoto, Tara Martin-Milius, Terry Trumbull, Ken Yeager
EXECUTIVE OFFICER: Neelima Palacherla

Recommended Municipal Services Review Determinations Criteria / Factors to be Considered

Based on our research, the policies outlined by both the State and Santa Clara County LAFCO, and meetings with the LAFCO Executive Officer, the following draft MSR criteria have been developed for each of the State-mandated MSR Determinations. Please note that for Determination 2, criteria will be developed based upon the data available for any disadvantaged unincorporated community identified as part of the MSR project.

1. **Growth and Population Projections for the Affected Area**
   a. Projected population growth within the agency's service areas based on Association of Bay Area Governments (ABAG) population projections
   b. Anticipated growth patterns based on Plan Bay Area and agency General Plan documents relative to:
      i. Expansion of service area (outward)
      ii. Infill development (inward)
   c. Anticipated population growth relative to service capacity for each of the nine service areas reviewed in the study

2. **The Location and Characteristics of Any Disadvantaged Unincorporated Communities Within or Contiguous to the Sphere of Influence (SOI)**
   a. To be determined based on disadvantaged unincorporated communities identified as part of the MSR study and availability of data.

3. **Present and Planned Capacity of Public Facilities and Adequacy of Public Service, Including Infrastructure Needs and Deficiencies**
   a. Capacity / condition of existing infrastructure to meet service level needs based on anticipated population growth
   b. Service level deficiencies identified based on current service levels and anticipated growth
   c. Consistency with service and/or capital improvement plans and local and regional land use plans/policies in the following service areas:
      i. Wastewater
      ii. Solid Waste
      iii. Parks and Recreation
      iv. Law Enforcement
      v. Library
      vi. Animal Control
      vii. Public Works services:
         1. Stormwater
         2. Streets
         3. Lighting and Traffic Signals
      viii. Utility Services

1. Electric
2. Gas
3. Telecommunications
ix. Planning / Building services, focused on
1. Employment
2. Housing
3. Building Activity
4. Planned Development Areas
d. Availability of financial resources to accommodate infrastructure expansion, improvements or replacement based on the agency's capital improvement plans

4. **Financial Ability of the Agency to Provide Services**
    a. Operating deficit / surplus trends for the General Fund for the past five (5) years
        i. Identify persistent or increasing deficits over consecutive years that may indicate an agency's inability to meet service needs
    b. Balancing the General Fund Budget with one-time revenues, deferred expenditures or borrowing (internal and external):
        i. Identify trends associated with the use of temporary measures to avert or delay a structural General Fund deficit through review of deficit / surplus trends and agency's adopted FY 15 Budget
    c. Unreserved (unassigned and assigned) General Fund Reserves as a percent of operating expenditures for FY 2014
        i. Determine if the agency has sufficient operating reserves to meet future service needs in the event of an economic downturn, with a one-month reserve (8%) as a benchmark floor
    d. Liquidity as measured when comparing cash and short-term investments over current liabilities at FY 2014
        i. Identify if the agency is less able to pay its short-term obligations due to insufficient cash flow
    e. Timeliness and accuracy of financial reporting by ensuring that State Controller's Financial Transactions Report was filed on a timely basis, and that the CAFR for FY14 received a clean opinion and was issued within 6 months of fiscal year end
        i. Identify if the agency suffers from delinquent filing of reports or concerns about the agency's ability to continue as a going concern that may indicate an inability to finance service level needs

5. **Status of, and Opportunities for, Shared Facilities**
    a. Current shared services / activities with other service providers, including shared facilities and staff, in the nine service areas:
        i. Wastewater
        ii. Solid Waste
        iii. Parks and Recreation
        iv. Law Enforcement

       v.   Library
     vi.   Animal Control
   vii.   Public Works
  viii.   Utility Services
    ix.   Planning / Building

    b. Duplication of existing and/or planned facilities of other service providers.
    c. Availability of excess capacity to serve customers of other agencies.

6. Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies
    a. Availability of agendas, budget and financial information on the agency's website
    b. Availability of the General Plan and various elements on the agency's website
    c. Time and place for public to provide comment / input into decisions prior to them being made

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Performance Benchmarks

Service Area	Municipal Service Benchmark
Wastewater	• Annual average flow demand (MG) as a percentage of treatment capacity • Peak daily demand (MG) as a percentage of treatment capacity • Annual Sewer overflows per 100 miles of pipe
Solid waste	• Residential recycling participation rate • Recycling waste diversion rate • Per capita disposal rate (tons)
Parks and Recreation	• Park acres per 1,000 population • Recreation and Senior Centers per 20,000 residents
Libraries	• Circulation per capita • Public access computers per 1,000 population
Animal Control	• Dog licenses issued per 1,000 residents • Animal care live release/exits rate or percent (shelters)

Police	• Sworn personnel per 1,000 population
	• Crime rates per 100,000 population
	    o Violent crimes
	    o Property crimes
	• Clearance rate
	    o Violent crimes
	    o Property crimes

Public Works	
• **Stormwater**	• Compliance rate with National Pollution Discharge Elimination System (NPDES) Standards
• **Streets**	• Average Pavement Condition Index (PCI)
• **Lighting**	• Annual traffic signal outages per 1,000 population • Street lights per 1,000 population
Utilities	
• **Gas / Electric**	• System Average Interruption Frequency Index (SAIFI)[1] • System Average Interruption Duration Index (SAIDI)[2]
• **Telecommunications**	• Residential maximum internet speed available
Planning and Building	• Annual inspections completed per capita • Annual building permits issued per capita

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[1] Reliability indicator – number of interruptions a customer would experience over the course of a year
[2] Recovery indicator – average outage duration a customer would experience over the course of a year

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Financial Benchmarks

Fiscal Category	Fiscal Measurement
Operating Performance	• Operating surplus (deficits) for the General Fund for the past five (5) years
Reserves	• Unreserved (unassigned and assigned) General Fund Reserves as a percent of Annual Operating Expenditures
Liquidity	• Cash plus Short Term Investments as a percent of Current Liabilities
Financial Reporting	• Unqualified opinion from independent certified public accountants (yes / no) • Publication of CAFR within 6 months of fiscal year end (yes/no)