Municipal Service Reviews – Friend or Foe?

*Using MSRs for more than a bookend*

Wednesday, October 3, 2018

**Why this Session?**

- Consider the legislative intent of MSRs
- Discuss the practical realities of implementation
- Explore MSR issues across LAFCos: regions, urban/rural, funding, etc.
- Have an honest conversation about what we’re doing and *not* doing
- Hear about the legislative outlook for MSRs
Live Poll Question #1

“Does your LAFCo have an MSR on file for every local agency subject to the jurisdiction of the commission?”

- YES
- NO

Municipal Service Reviews

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The Commission on Local Governance in the 21st Century

- Formed in response to LA secession proposals — San Fernando Valley, Hollywood, San Pedro / Harbor areas
- Led to comprehensive rewrite of what is now the Cortese–Knox–Hertzberg Act

Commission’s Perspective

- LAFCos had not succeeded in their mission of taming sprawl
- To be more effective, LAFCos needed more power
- But the price of that power would be more credibility with cities and special districts, which viewed LAFCo as a County agent
Credibility for LAFCos

- Required to select their own counsel and Executive Officers
- Given budgetary freedom
- Thus, independence was encouraged, but not mandated
- Independence would not make sense for the smallest LAFCos

What was the Commission Thinking?

- “[C]arefully considered, up-to-date sphere of influence determinations are critical to LAFCO’s responsibility assure orderly growth and development and prevent sprawl … .”

Growth Within Bounds (2000) at p. 97
What was the Commission Thinking?

- Holly A. King of the Great Valley Center: “Boundary and sphere of influence designations are the local government issue that have the most potential to allow us to realize the vision of successfully accommodating growth without sacrificing valuable resources of community character.”


What was the Commission Thinking?

- “Meaningful spheres will not be possible unless they are regularly updated based upon comprehensive studies and they incorporate actual and projected information on trends in growth and development, service capacities, and public preferences.”

What was the Commission Thinking?

- Statute’s “directives imply that each LAFCo has comprehensive knowledge of the services available within its county, the current efficiency of providing services within various areas of the county, future needs for 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.”

  Growth Within Bounds (2000) at p. 98 (emphasis added).

What did the Commission want an MSR to Include?

- “a comprehensive study of each … service”
- “not focus exclusively on an individual jurisdiction”
- “look broadly at all agencies within a geography area”
- “examines the benefits or disadvantages of consolidation or reorganization”

What did the Commission want an MSR to Include?

- Water Supply
- Sewers and wastewater treatment
- Garbage
- “Other services the LAFCo judges to be important to future growth”


What else did the Commission want an MSR to address?

- Infrastructure needs & deficiencies
- Growth and population projections
- Financing constraints and opportunities
- Cost avoidance opportunities
- Rate restructuring
- Shared facilities
- Government structure
- Management efficiency
- Local accountability and governance
Commission Intended Flexibility

- “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.”


The Commission thought highly of LAFCOs

- “the unique role of LAFCo as the state’s only true regional growth agent”

Growth Within Bounds (2000) at p. 101

- MSRs with state funding would make LAFCo a desired partner of all other regional agencies and encourage its inclusion in all regional planning discussions
How has it worked out?

- No state funding
- Varied levels of enthusiasm among LAFCos
- Some progress, but the grand vision of LAFCo as the essential regional planning analyst has not been realized

What might you use an MSR for?

- Manage growth, protect prime agricultural land, prevent sprawl – i.e., achieve your core mission
- Oversee local agencies’ efficiency and accountability
- Agenda-setting for the community – surface overlooked issues
- Provide a resource for future analyses
- Establish a work plan for LAFCo
My Personal Conclusion

- The goal was noble
- MSRs provide a useful tool
- How to use that tool is up to you

Live Poll Question #2

“In general, how does your LAFCo interpret the following statute:

On or before January 1, 2008, and every five years thereafter, the commission shall, as necessary, review and update each sphere of influence.”

- EVERY 5 (or 8) YEARS; or
- AS NECESSARY?
**LAFCo Perspectives: MSR Frequency**

- Shiva Frentzen, El Dorado LAFCo
- David Ross, Ventura LAFCo
- Audience comments?

**Live Poll Question #3**

“What is your LAFCo’s biggest impediment with conducting MSRs on a regular schedule?”

- FIND NO VALUE
- LACK OF POLITICAL WILL
- FINANCIAL AND/OR STAFF RESOURCES
- OTHER?
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For the CALAFCO 2018 Annual Conference

LAFCo Perspectives: Implementation Successes and Challenges

- Cheryl Brothers, Orange LAFCo
- George Williamson, Shasta LAFCo
- Audience comments?

Live Poll Question #4

“What is your LAFCo’s biggest value in conducting MSRs?”

- AGENCY COLLABORATION
- DETERMINING GOVERNANCE SOLUTIONS
- LEGAL COMPLIANCE
- ENSURING ADEQUATE MUNICIPAL SERVICES
- CHECKING FINANCIAL STABILITY
- AGENCY CAPACITY BUILDING
- NO VALUE
LAFCo Perspectives: Value of MSRs (or not)

› George Spiliotis, Riverside LAFCo
› Don Tatzin, Contra Costa LAFCo
› Audience comments?

Live Poll Question #5

“In general, what is the actual frequency of your LAFCo’s MSRs?”

◦ EVERY 5 (or 8) YEARS AND WE’RE ON TRACK (OR MOSTLY ON TRACK)
◦ WE TRY TO DO THEM EVERY 5 (or 8) YEARS, BUT WE’RE BEHIND SCHEDULE
◦ AS NEEDED/VARIES
◦ NOT AT ALL
Anticipated Legislative Outlook for MSRs

Pamela Miller, Executive Director

Audience Questions/Comments?

Thank you!