FINAL DRAFT

MUNICIPAL SERVICE REVIEW

COUNTY SERVICE AREAS NO. 3, 4, AND 14

Prepared for:

Local Agency Formation Commission
of
Ventura County
800 South Victoria Avenue
Ventura, California 93009-1850

February 7, 2005

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I. EXECUTIVE SUMMARY

Ventura County has a number of County Service Areas, each a dependent special district formed to provide one or more enhanced or extended services that a county does not provide to the same extent on a countywide basis. This report addresses County Service Areas (CSA) No. 3, 4 and 14. Each provides some form of street and highway related service. All three of these CSAs have only unincorporated areas within their boundaries.

CSA No. 3 was formed in November 1965 for the purpose of providing road maintenance for Camp Chaffee Road in the vicinity of Lake Casitas. CSA No. 4 was also formed in November 1965 and is authorized to provide street lighting, street sweeping, school crossing guards, and maintenance of roadway landscaping, public bike paths, non-structural subdivision perimeter walls and community identification markers, for the unincorporated community of Oak Park. CSA No. 14 was formed in October 1967 to provide street lighting to various unincorporated areas throughout the County and street sweeping services for two unincorporated "islands" within the City of Thousand Oaks.

LAFCo must conduct service reviews prior to or in conjunction with the mandated five-year schedule for updating SOIs. The service review report must include an analysis of the issues and written determinations for each of the following:

- 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 the consolidation or reorganization of service providers;
- Evaluation of management efficiencies; and
- Local accountability and governance.

The service review process for the three CSAs began in June and will be completed in February of 2005. A four-part questionnaire was sent to the districts requesting data on quantitative, qualitative and boundary issues. The County was contacted directly to clarify some of the issues. All data received was entered into the Ventura LAFCo database. The database will be used for subsequent service reviews, sphere of influence studies and other Ventura LAFCo studies and analysis.

The only infrastructure issue noted is the condition of Camp Chaffee Road in CSA No. 3 and the limited funding available for maintenance. For each of the CSAs, infrastructure needs and deficiencies are projected annually and financing is adjusted to reflect the needs and the related willingness of the residents to pay for service. Reserves are used to balance the revenue and expenditures as well. However, any reductions in property tax revenue as a result of State's budget act of 2004 might result in higher rates or reduced service for residents.

No significant issues in management efficiency, local accountability and governance, and shared facilities were noted. Each of the CSAs relies on a portion of the 1% property tax as well as service charges assessed to the benefiting properties. In FY 2004-2005 service charge rates were increased for the Casa Conejo and Lynn Ranch areas within CSA No. 14 to maintain the existing levels of street sweeping service.

No special study areas or changes in spheres of influence were noted for CSA No. 4. However, Ventura LAFCo should consider adopting a zero sphere policy and applying it to CSA No. 3. The CSA is providing road maintenance services to a non-county maintained road, which is effectively a private road. The County noted that the road is in substandard condition, and there are significant financing constraints including minimal reserves. Other alternatives would include dissolution or reorganizing the agency as an independent special district that relies solely on assessments.

Within CSA No. 14, the communities of Lynn Ranch and Casa Conejo could potentially be more efficiently and effectively served by the City of Thousand Oaks for both street lighting and street sweeping services, as well as other general services provided by the County of Ventura. Annexation of these areas into the City of Thousand Oaks should be explored by both the County Board of Supervisors as the governing Board for CSA No. 14 and the City of Thousand Oaks.

II. LAFCO SERVICE REVIEW PROCESS

Ventura LAFCo completed the first round of municipal service review reports, which addressed water and wastewater services, in January of 2004. The second round of service review reports includes the following services and agencies:

SERVICES	AGENCIES
Park/Recreation	• Casitas Municipal Water District* • Conejo Recreation and Park District • County Service Area (CSA) No. 33 • Pleasant Valley Recreation and Park District • Rancho Simi Recreation and Park District • United Water Conservation District*
Cemetery	• Bardsdale Public Cemetery District • Piru Public Cemetery District • El Rancho Simi Cemetery District
Solid Waste	• Ventura Regional Sanitation District* • Channel Islands Beach Community Services District*
Drainage	• Oxnard Drainage District No.1 • Oxnard Drainage District No.2
Roads	• County Service Area (CSA) No. 3 • County Service Area (CSA) No. 4 • County Service Area (CSA) No. 14
Community Services	• Bell Canyon Community Services District

** Also included in the water/wastewater service review report*

The process used to prepare the water and wastewater service review report was also used for the agencies listed above. A four-part questionnaire was distributed to all 17 agencies. The first part collected general information about the agency (contact information, governing body, financial, etc.), the second part asked for service specific data, the third part included both questions and a map relating to boundary issues and the fourth part was a signature page. The questionnaire was designed to ensure the efficient transfer of data into the LAFCo database.

A meet and confer process was offered to all agencies and included interviews and email/phone conversations. Of the 17 agencies, 15 returned questionnaires although the format, quantity and quality of information returned varied significantly. Agencies which had previously completed the water/wastewater service review questionnaire (Casitas WD, United WCD, Channel Islands Beach CSD and Ventura Regional Sanitation District) were asked to just complete those portions of the questionnaires applicable to the service addressed in current service review.

All information collected from the questionnaires was entered into the Ventura LAFCo database which has been improved to increase its efficiency and facilitate future LAFCo reports.

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III. COUNTY SERVICE AREAS

A. BACKGROUND

County Service Areas (CSAs) are dependent special districts governed by the County Board of Supervisors. All CSAs are formed and operate pursuant to the County Service Area Law (Government Code Sections 25210 – 25211.33). Typically, CSAs are formed to provide one or more enhanced services or extended services that a county does not provide to the same extent on a countywide basis. CSAs can be formed to include unincorporated territory and, with the consent of an affected city, territory within the boundaries of a city.

This report addresses County Service Areas No. 3, 4 and 14. Each provides some form of street and highway related service. All three of these CSAs have only unincorporated areas within their boundaries.

CSA No. 3 was formed in November 1965 for the purpose of providing road maintenance for Camp Chaffee Road. This is a small district of approximately 19 acres and the sphere of influence is coterminous with the District's boundaries.

CSA No. 4 was also formed in November 1965. This district is authorized to provide street lighting, street sweeping, school crossing guards, and maintenance of roadway landscaping, public bike paths, non-structural subdivision perimeter walls and community identification markers, for the unincorporated community of Oak Park. This CSA is also authorized to provide park and recreation services but it does not currently provide them or plan to in the future. CSA No. 4 also supports the Community Emergency Response Team (CERT) administered through the Ventura County Fire Protection District. There are approximately 2,845 acres (4.45 sq. mi.) within the boundaries and sphere of influence of CSA No. 4.

CSA No. 14 was formed in October 1967 to provide street lighting services to various unincorporated areas throughout the County. It also provides street sweeping services to two unincorporated areas within the City of Thousand Oaks – Casa Conejo and Lynn Ranch. There are approximately 8,827 acres (13.79 sq. mi.) within the boundaries of CSA No. 14. The District's sphere of influence is coterminous with the County boundaries.

B. AGENCY PROFILES

COUNTY SERVICE AREA NO. 3 Camp Chaffee Road Maintenance	
Contact	Steve Williams, Ventura County Public Works Agency
Mailing Address:	800 South Victoria Avenue, Ventura, CA 93009
Site Address:	Same
Phone Number:	805-654-2402
Fax Number:	805-654-3952
Email/Website	http://publicworks.countyofventura.org/central_services/realestate_services/index.htm

SERVICES	
Types of Service:	Road Maintenance

AREA & SIZE INFORMATION	
Area in District boundary (approximate)	19 acres
Number of Assessor parcels in District[1]	54
Number of Ownerships Assessed/Service Chg:[2]	21 improved ($60 per year) 7 unimproved ($30 per year)
Estimated Population:	80

FINANCIAL INFORMATION			
Budget: (FY 2004-2005)[3]	**Revenues**	**Expenses**	**Fund Equity** (est. at year end)
	$6,200	$20,585	$544

Sources of Funding:

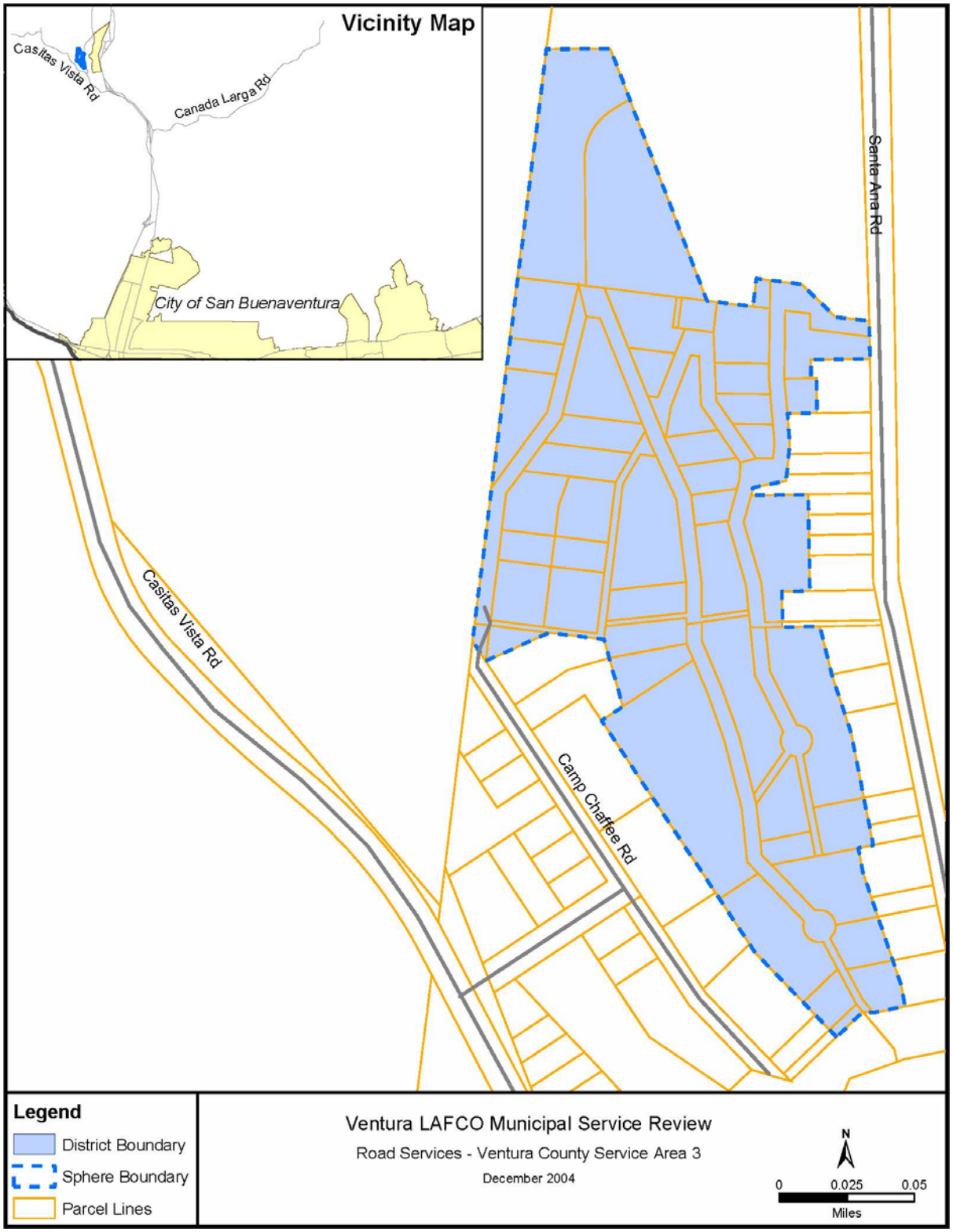
Property Taxes	74%
Service Charges	23%
Other - Interest	3%

[1]*Per County GIS data there are 56 parcels in the District. The difference is that two parcels have separate access from outside the District boundaries.*

[2]*Only parcels subject to property tax are assessed and assessments are based on ownership (i.e. one assessment per owner, not per parcel)*

[3]*Excess of expenditures over revenues to be funded through reserves*

CSA No. 3


Vicinity Map
Casitas Vista Rd
Canada Larga Rd
City of San Buenaventura
Santa Ana Rd
Casitas Vista Rd
Camp Chaffee Rd
Legend
District Boundary
Sphere Boundary
Parcel Lines
Ventura LAFCO Municipal Service Review
Road Services - Ventura County Service Area 3
December 2004
N
0
0.025
0.05
Miles

COUNTY SERVICE AREA NO. 4
Oak Park

Contact:	Steve Williams, Ventura County Public Works Agency
Mailing Address:	800 South Victoria Avenue, Ventura, CA 93009
Site Address:	Same
Phone Number:	805-654-2402
Fax Number:	805-654-3952
Email/Website	http://publicworks.countyofventura.org/central_services/realestate_services/index.htm

SERVICES

Types of Service:	Street lighting and sweeping; roadway landscape maintenance; perimeter wall maintenance (non-structural); bike path maintenance; community identity marker maintenance; crossing guard services and community emergency response team support services

Area & Size Information

Area in District boundary (approximate)	2,845 acres (4.45 sq. mi.)
Number of Assessor parcels in District[1]	4,835
Number of RUE's Assessed[2]/Service Charge:	5,300 ($17.28 per year)
Estimated Population:	15,000

FINANCIAL INFORMATION

Budget: (FY 2004-2005)[3]	**Revenues:**	**Expenses**	**Fund Equity** (est. at year end)
	$583,400	$748,420	$211,344

Sources of Funding:

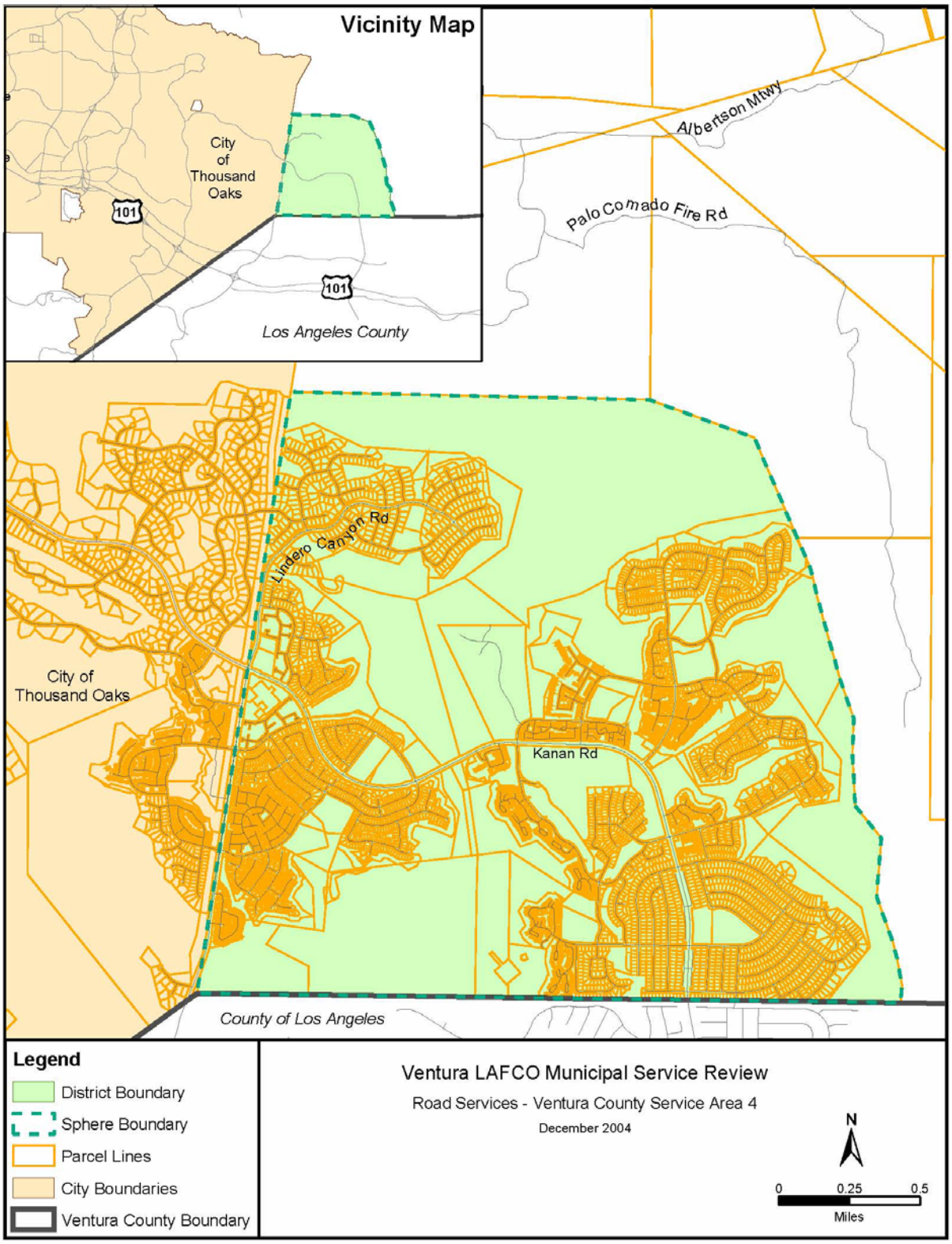
Property Taxes	83%
Service Charges	16%
Other - Interest	1%

[1]*Per County GIS data there are 4,944 parcels in the District. The difference relates to the total number of parcels vs. the total number of parcels that are subject to an assessment; only parcels subject to property taxes are assessed.*

[2]*Service charges are assessed based on Residential Unit Equivalents (RUE): each dwelling unit is one RUE. Commercial parcels are converted to RUE's based on size; each half-acre equals one RUE. There are 4,830 residential ownership parcels (single family and condominiums), 444 residential income parcels (apartments) and 26 commercial/RUE parcels assessed.*

[3]*Excess of expenditures over revenues to be funded through reserves*

CSA No. 4


Vicinity Map
City of Thousand Oaks
101
101
Los Angeles County
Albertson Mtwy
Palo Comado Fire Rd
Lindero Canyon Rd
City of Thousand Oaks
Kanan Rd
County of Los Angeles
Legend
District Boundary
Sphere Boundary
Parcel Lines
City Boundaries
Ventura County Boundary
Ventura LAFCO Municipal Service Review
Road Services - Ventura County Service Area 4
December 2004
N
0
0.25
0.5
Miles

COUNTY SERVICE AREA NO. 14

Contact:	Steve Williams, Ventura County Public Works Agency
Mailing Address:	800 South Victoria Avenue, Ventura, CA 93009
Site Address:	Same
Phone Number:	805-654-2402
Fax Number:	805-654-3952
Email/Website	http://publicworks.countyofventura.org/central_services/realestate_services/index.htm

SERVICES

Types of Service:	Street lighting (district-wide) plus street sweeping in Casa Conejo and Lynn Ranch
Number of Street Lights	1,444

Area & Size Information

Area in District boundary (approximate)	8,827 acres (13.79 sq. mi.)	
Total Number of Assessor Parcels in District	10,787	
Casa Conejo: Number of Parcels/Service Chg:	1,007	($17.10 per year)
Lynn Ranch: Number of Parcels/Service Chg:	658	($27.38 per year)
Estimated Population:	NP	

FINANCIAL INFORMATION

Budget: (FY 2004-2005)[1]	**Revenues:**	**Expenses**	**Fund Equity** (est. at year end)
Total for district	$276,500	$375,935	$288,420
Casa Conejo:	$17,220	$17,220	
Lynn Ranch:	$18,016	$18,018	

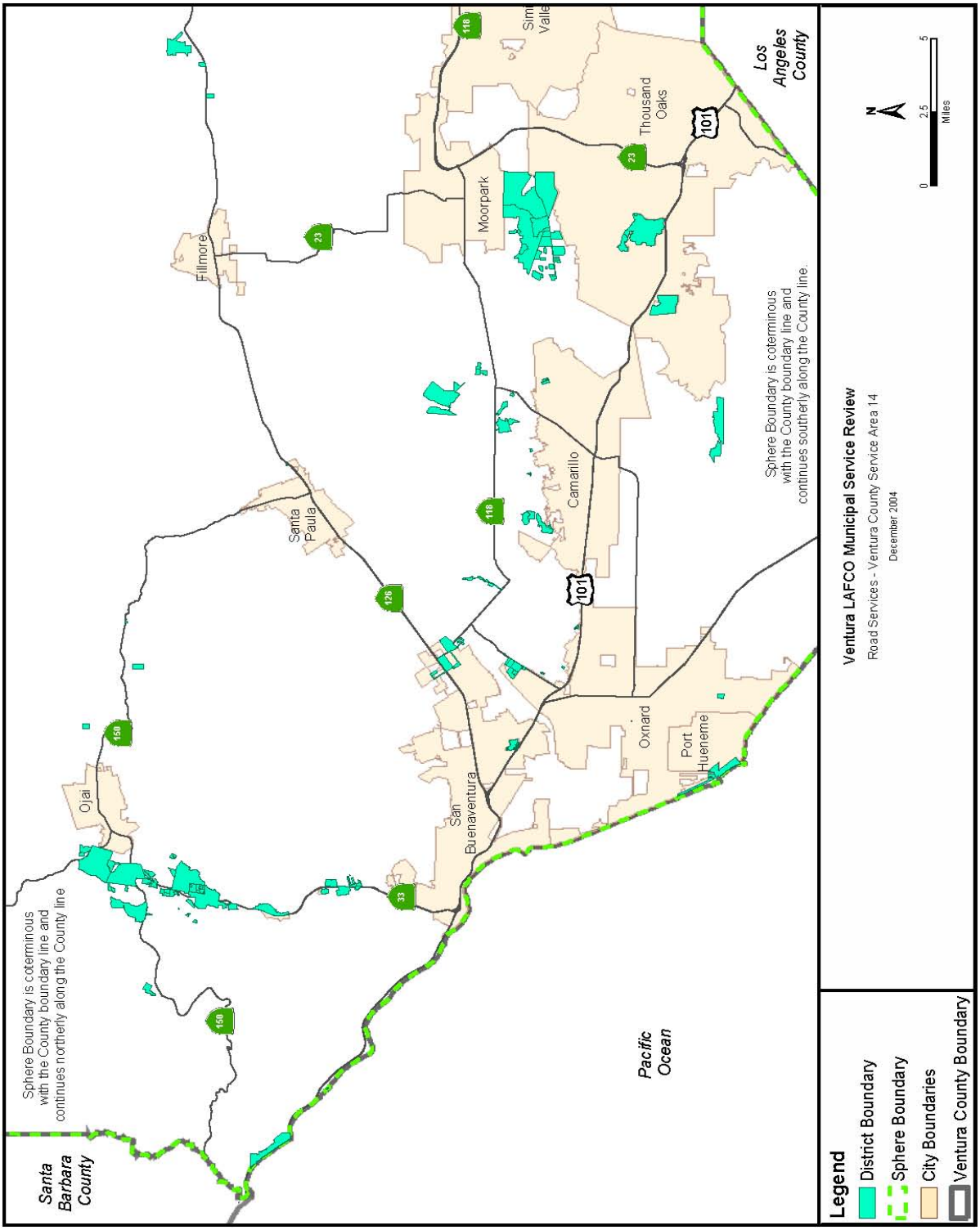
Sources of Funding:

Property Taxes	85%
Service Charges	13%
Other - Interest	2%

[1]*Excess of expenditures over revenues to be funded through reserves*

NP – Not Provided

CSA No. 14


Santa Barbara County
Sphere Boundary is coterminous with the County boundary line and continues northerly along the County line
Ojai
Fillmore
Santa Paula
Moorpark
Simi Valley
Thousand Oaks
Camarillo
San Buenaventura
Oxnard
Port Hueneme
Pacific Ocean
Los Angeles County
Sphere Boundary is coterminous with the County boundary line and continues southerly along the County line.
Legend
District Boundary
Sphere Boundary
City Boundaries
Ventura County Boundary
Ventura LAFCO Municipal Service Review
Road Services - Ventura County Service Area 14
December 2004
N
0
2.5
5
Miles

C. GROWTH AND POPULATION

Ventura County encompasses 1,864 square miles with the majority of the population located in the southern portion. CSAs No. 3 and No. 4 serve limited areas where little to no growth is expected. The County estimated the current population for CSA No. 3 at 80 and CSA No. 4 at 15,000. CSA No. 14 serves non-contiguous unincorporated areas throughout the County which range in size and density. The boundaries of its sphere of influence are coterminous with the County boundaries and exclude all incorporated areas. The County did not provide population estimates for this CSA.

For a regional perspective, the population projections developed for Ventura County by the Ventura Council of Governments (VCOG) are shown below in *Table III-1*. As a comparison, the California Department of Finance (DOF) projections are included as well. VCOG is projecting a 1% annual growth rate, while DOF is projecting 1.5%.

TABLE III-1
Ventura County Population Projections

Population	2005	2010	2015	2020	2025	Annual Growth Rate
VCOG	796,387	836,186	874,881	915,005	951,080	1.0%
DOF	818,600	877,400	934,000	1,007,200		1.5%

The Land Use Appendix for the County's General Plan Update divides the county into fifteen geographical sub-areas for planning purposes. The three CSAs serve areas within the following planning areas:

- CSA No. 3 – Ojai
- CSA No. 4 – Oak Park
- CSA No. 14 – Moorpark, Thousand Oaks, Camarillo, Las Posas, Piru, Ventura and Ojai

The highest growth rates are projected for the Moorpark and Piru sub-areas. Similar to other public services, agencies are often required to absorb growth with limited additional funding. Each of the districts receives an apportionment of the 1% property tax plus some revenue from service charges. However, maintaining or increasing the level of service to keep pace with growth is challenging.

With the exception of Oak Park, all of the County's planning areas that include the CSAs are projected to have some level of growth. It should be noted that CSA No. 3 only has six unimproved parcels and none were noted within CSA No. 4, which supports the projections for little to no growth. The projected population of the planning areas, along with the CSA providing street and road related services, are shown below in *Table III-2*.

TABLE III-2
Ventura County Population Projections by Sub-Area

Sub-area	2005	2010	2015	2020	Annual Growth Rate
Camarillo Area • *CSA No. 14*	82,809	89,084	93,014	96,949	1.14%
Los Posas Area • *CSA No. 14*	3,666	3,788	3,911	4,034	0.67%
Moorpark Area • *CSA No. 14*	31,777	32,561	33,346	42,108	2.17%
Oak Park Area • *CSA No. 4*	13,541	13,541	13,541	13,541	0.00%
Ojai Area • *CSA No. 3* • *CSA No. 14*	32,106	32,901	33,866	34,190	0.43%
Piru Area • *CSA No. 14*	2,360	2,596	2,834	3,070	2.01%
Thousand Oaks Area • *CSA No. 14*	129,550	135,736	138,619	139,213	0.50%
Ventura Area • *CSA No. 14*	114,193	119,652	125,454	130,696	0.96%
Overall County Totals	792,429	829,944	866,353	906,479	0.96%

The unincorporated community of Lake Sherwood is considering annexing to CSA No. 14. The purpose of this proposed annexation is to allow CSA No. 14 to take over operation and maintenance of street lights on Potrero Road adjacent to the Lake Sherwood development. The annexation would include all of the Lake Sherwood Community Services District as well as some properties along Potrero Road adjacent to the street light service area. If approved, 630 assessor parcels will be added to CSA No. 14 and the overall estimated population will also increase substantially. Beyond this possible annexation, limited growth is expected within CSA No. 14. As development occurs, new parcels will be added to the existing benefit structure and the cost to provide service will be adjusted accordingly.

Population growth will continue to impact the agencies providing road and street related services as they try to maintain existing levels of service and provide for capital improvements in the face of escalating costs and limited opportunity to increase revenues. However, the County has considered potential growth for the service areas of the CSAs within its plans and capital improvement program.

D. INFRASTRUCTURE NEEDS AND DEFICIENCIES

County Service Area No. 3 – Camp Chaffee Road Maintenance

CSA No. 3 provides road improvement and maintenance for the non-County maintained sections of Camp Chaffee Road in the unincorporated community of Foster Park. The road is public, but it is not a County road and effectively functions as a private road. Past services consisted of basic pothole and berm repair, crack sealing and limited road resurfacing. County staff noted that the road is in substandard condition and future maintenance is limited by available funding. Also, there are

insufficient contingencies or reserves to cover the cost of repairs in the event of an emergency. CSA No. 3 has an Advisory Committee comprised of local residents that oversees the infrastructure needs of the CSA with the County. However, due to the limited budget, County staff is only able to provide limited service to the CSA.

County Service Area No. 4 – Oak Park

CSA No. 4 provides a variety of services to the unincorporated community of Oak Park, including the following:

- Street Lighting
- Street Sweeping
- Roadway Landscape Maintenance
- Bike Path Maintenance
- Subdivision Perimeter Wall Maintenance (non-structural)
- Community Identification Marker Maintenance
- Community Emergency Response Team (CERT) Support Services[1]

CSA No. 4 also reimburses the Oak Park Unified School District for crossing guard services. While authorized to provide park and recreation services, CSA No. 4 does not currently (and is not expected to) provide park and recreation services. CSA No. 4 has an Advisory Committee comprised of local residents which oversees the infrastructure needs of the CSA in coordination with the County.

County Service Area No. 14

CSA No. 14 provides street lighting in various unincorporated areas throughout Ventura County. Currently it maintains approximately 1,450 street lights. In FY 2004-2005, property taxes, interest and available fund balances were used to finance the street lighting services.

CSA No. 14 also provides street sweeping services to Casa Conejo and Lynn Ranch, unincorporated "islands" within the City of Thousand Oaks. The CSA has been serving these areas since 1986 and 1987, respectively. Street sweeping in Casa Conejo is done 24 times a year and in Lynn Ranch 26 times per year. The service charges assessed for street sweeping had not been increased since 1994. In 2004 the per-parcel assessments in each area were increased to ensure that the services could be provided concurrent with the desired level of service.

Summary

No significant infrastructure issues were noted for CSAs No. 4 and 14. CSA No. 3 has infrastructure issues related to the condition of the road. For each of the CSAs, the ongoing and special maintenance needs are projected annually in conjunction with Ventura County staff and residents as well as advisory committees for CSAs No. 3 and 4. Ventura County's Real Estate Services Department then

[1] The Community Emergency Response Team (CERT) program is operated by the Ventura County Fire Protection District. It educates residents and businesses about disaster preparedness for hazards that may impact their area and instructs them in basic disaster response skills. The training covers basic life saving skills and provides support to residents, businesses, and emergency response personnel. The purpose of the CERT program is to create a well-trained citizen emergency work force which is vital in the immediate aftermath of disaster situations when the number and scope of incidents overwhelm conventional emergency services. CERT members are primarily used in their own neighborhoods. CERT training ensures that residents can help themselves, family, and neighborhoods until the professional emergency responders arrive. It serves as the basic level of training for all community-based disaster volunteer teams in Ventura County.

prepares budgets, including revisions to the current per parcel service charges, to balance financing with infrastructure needs.

E. FINANCING CONSTRAINTS AND OPPORTUNITIES, COST AVOIDANCE OPPORTUNITIES AND RATE RESTRUCTURING

CSAs are typically small agencies created by the County Board of Supervisors to fund additional or higher levels of service at a neighborhood level. The County must administer and manage each CSA as a separate entity and administrative costs are allocated to each CSA on an annual basis. Financially segregated budgets are required; funds cannot be commingled, and the revenues/expenditures of each CSA must be managed as a legally separate entity.

CSAs No. 3, 4 and 14 were all formed prior to the passage of Proposition 13. When they were created they each received a dedicated share of property tax revenues from the properties within their respective boundaries. Subsequent to the passage of Proposition 13, each of these CSAs now receives a dedicated share of the 1% property tax as shown in *Table III-3*.

TABLE III-3
Property Tax Allocation

County Service Area	FY 04 – 05 Allocation	FY 04 –05 Rate
CSA No. 3	$4,725.23	.0000060694
CSA No. 4	$501,941.16	.0006447240
CSA No. 14	$251,658.64	.0003232458

Source: Ventura County Auditor-Controller

In addition to this share of the property tax, the CSAs each receive revenue from service charges assessed to benefiting properties in order to cover the full cost of providing services to their areas. The service charge rate structure for CSA No. 3 is $60 per year for improved properties and $30 for unimproved properties. No rate increase was requested for FY 2004-2005. The level of road maintenance service each year is determined by available funding. If all expenditures occur as budgeted in FY 2004-2005, the reserves for CSA No. 3 will be reduced to only $544 at year-end.

CSA No. 4 levies its service charge based on Residential Unit Equivalents (RUE); each dwelling unit, including single family residences, condominiums and apartments, is considered one RUE. The commercial properties within the district are converted to RUE's based on size. Each half-acre is considered one RUE. The annual service charge is $17.28 per RUE. No rate increase was requested for FY 2004-2005.

CSA No. 14 also levies a service charge for the street sweeping services provided in Casa Conejo and Lynn Ranch. The service charges apply only to properties in these two unincorporated "island" areas, not district-wide. Rate increases were approved for FY 2004-2005. The previous rate structure had not been changed since 1994; however, the revenue was no longer adequate to finance the cost of street sweeping services at the current level. In Casa Conejo, rates increased from $13.88 per parcel to $17.10. In Lynn Ranch, rates increased from $21.16 to $27.38 per parcel. There is currently no supplemental assessment for the street lighting services provide by CSA No. 14.

Expenditures vary from year to year and are based on costs and level of services. The following tables provide a financial overview for the current and past fiscal years for each CSA. Budgets for the CSAs are reviewed and adopted annually through the County's budget process. The Advisory Committees

for CSAs No. 3 and No. 4 provide input as well. Reserves are used to balance revenues and expenditures. To the extent revenues do not match projected service costs, either the level of service must be reduced or the County must hold hearings and seek voter approval of any new or increased supplemental taxes pursuant to Proposition 218.

Proposition 218, approved by California voters in 1996, established the requirement for hearings and voter approval of any new supplemental tax or assessment or any increase in supplemental taxes or assessment. If the County Board of Supervisors, as the governing body of the CSAs, determines that a new or increased supplemental tax is necessary to maintain or enhance services, the election will be held within the respective CSA or within a zone of the CSA. The election is conducted by the County with all associated costs billed to the CSA. Costs for an election vary.

TABLE III-4
CSA No. 3 Financial Performance
Camp Chaffee Road Maintenance

SPECIAL DISTRICT FUND	FY 04-05[1]	FY 03-04[2]	FY 02-03[3]
Assessed Valuation	$4,570,949	$4,204,408	NP
Total Revenues	$6,200	$6,255	$6,161
Total Appropriations	$20,585	$6,078	$1,369
Net Fund Reduction (Increase)	$14,385	($177)	($4,792)
Fund Balance – end of year	$544	$14,929	$14,752

NP = not provided

TABLE III-5
CSA No. 4 Financial Performance
Oak Park

SPECIAL DISTRICT FUND	FY 04-05[1]	FY 03-04[2]	FY 02-03[3]
Assessed Valuation	$1,819,802,736	$1,723,928,733	NP
Total Revenues	$583,400	$590,731	$551,127
Total Appropriations	$748,420	$509,721	$515,876
Net Fund Reduction (Increase)	$165,020	($81,010)	($35,251)
Fund Balance – end of year	$211,344	$376,364	$295,354

NP = not provided

[1] County of Ventura, Adopted Budget FY 2004-2005
[2] County of Ventura, Adopted Budget FY 2003-2004
[3] Ibid. (includes prior FY totals)

TABLE III-6
CSA No. 14 Financial Performance
Unincorporated Street Lighting

SPECIAL DISTRICT FUND	FY 04-05[1]	FY 03-04[2]	FY 02-03[3]
Assessed Valuation	$3,248,595,800	$2,996,289,007	NP
Total Revenues	$276,500	$273,160	$254,727
Total Appropriations	$375,935	$228,490	$246,223
Net Fund Reduction (Increase)	$99,435	($44,670)	($8,505)
Fund Balance – end of year	$288,420	$387,855	$343,185

NP = not provided
[1]*County of Ventura, Adopted Budget FY 2004-2005*
[2]*County of Ventura, Adopted Budget FY 2003-2004*
[3]*Ibid. (includes prior FY totals)*

The State's budget act of 2004 includes significant changes in how local revenues are allocated. For FYs 2004-2005 and 2005-2006, special districts throughout the state are required to contribute an aggregate of $350 million each year to the Educational Revenue Augmentation Fund (ERAF). This is paid directly out of the district's tax increment. The Ventura County Auditor-Controller has estimated that the FY 2004-2005 contributions from the three CSAs will be as follows:

- CSA No. 3: $419.40
- CSA No. 4: $40,765.20
- CSA No. 14: $19,539.50

These estimates are not included in the final budget prepared by the County, however each district's budget does include an allowance for contingencies. The loss of this revenue over the next two fiscal years is considered a financing constraint.

There is a potential future issue relating to the street lighting services provided by CSA No. 14. Currently this service is funded entirely by a share of property tax revenues. As areas are annexed into the CSA no share of the annexed territory's property tax revenue will be allocated to the CSA unless the County is willing to relinquish some of its General Fund property tax revenue. Based on current revenues for CSA No. 14 and projected costs, this is not an issue at this time. As energy costs increase, however, or should the service responsibilities of the CSA increase in the future, the existing property tax revenue may be insufficient to maintain services. Cost avoidance by using highly efficient street lighting (i.e. low energy use) is and should continue to be a dominant factor relating to the replacement of existing or installation of new street lights. Ultimately, however, the only alternatives will be to seek voter approval for supplemental taxes or to reduce service levels by reducing street lighting within the CSA boundaries.

Another significant funding constraint for all local jurisdictions is that the State of California is now requiring that all agencies comply with Phase II of the federal NPDES stormwater runoff requirements. This increases roadway construction costs without increasing or adding new sources of revenue.

Summary

No significant issues regarding financing opportunities/constraints, costs avoidance opportunities and rate restructuring were noted for CSAs No. 4 and No. 14, other than the shift of local property tax revenue required in the State's budget act of 2004 and the requirements for complying with the provisions of Proposition 218. CSA No. 3 has significant financial constraints and does not have adequate funding to address the maintenance needs of the road or for County staff time.

F. Opportunities for Shared Facilities, Evaluation of Management Efficiencies and Government Structure Options

Shared Facilities and Management Efficiencies

Given the narrow range of services provided and limited geographic service areas of these CSAs, plus their general lack of facilities, no opportunities for shared facilities were noted for any of the CSAs.

The CSAs achieve management efficiencies through the consolidation of administration/operations by Ventura County. As stated previously, the limited budget for CSA No. 3 limits the amount of time County staff can use to manage the district. No other management efficiency issues were noted.

Government Structure Options

Alternatives to the current government structure for the CSAs are limited given their relatively small size and the limited class of services they provide. In general CSAs can be reorganized as independent agencies, consolidated with other CSAs, merged with cities or dissolved.

If a CSA chose to reorganize as an independent agency, it would be required to provide its own management. The CSAs may lose the efficiencies created by having one organization, i.e. Ventura County, manage all the CSAs. No other agencies were identified that would be appropriate successor agencies for the CSAs or that could assume all the responsibilities for the services provided throughout all of the territory within the boundaries of CSA No. 3, 4 or 14.

Another government structure option is to detach territory from a CSA by having the same territory annexed to a city. While CSA boundaries can include areas within a city provided the city council of the affected city agrees (Government Code Sec. 25210.10(a) and 25210.80(a)), the County Service Area Law requires that when territory is annexed to a city it is automatically excluded from a CSA (Government Code Sec. 25210.90).

CSA No. 3

CSA No. 3 is experiencing significant financing and infrastructure issues that are not expected to change in the foreseeable future. The services are provided to a public road that is not a part of the County road system. It is suggested that Ventura LAFCo consider adopting a zero sphere policy and applying it to CSA No. 3.

The concept of a zero sphere would indicate that when either the CSA's Board (the Ventura County Board of Supervisors) and/or a majority of the residents in the district agree, CSA No. 3 should be dissolved or reorganized into an independent special district. A homeowners association, not a governmental entity that receives property taxes, typically provides the functions this CSA provides.

CSA No. 4

Some of the services provided by CSA No. 4, notably the non-structural maintenance of subdivision perimeter walls and community identification markers, are typically functions provided by homeowners associations through private assessments and are not subsidized by property tax revenues. The CSA's Board (the Ventura County Board of Supervisors) should consider limiting the services provided by this CSA to necessary governmental functions that are provided on a comparable basis for all CSAs.

CSA No. 14

The Casa Conejo and Lynn Ranch areas within CSA No. 14 are unincorporated islands of territory that are almost fully developed and that are totally surrounded by the City of Thousand Oaks. These communities could potentially be more efficiently and effectively served by the City of Thousand Oaks for both the street lighting and street sweeping services now provided by CSA No. 14, and other general services now provided by the County of Ventura. Annexation of these areas into the City of Thousand Oaks should be explored by both the County Board of Supervisors as the governing Board for CSA No. 14 and the City of Thousand Oaks.

G. LOCAL ACCOUNTABILITY AND GOVERNANCE

CSAs are dependent special districts governed by the Ventura County Board of Supervisors. The Board of Supervisor members receive no additional compensation for their CSA responsibilities. Ventura County staff from the Public Works Agency (Real Estate Services) manages the street services related CSAs.

The Board of Supervisors generally meets each Tuesday at 8:30 a.m. The Board is regularly briefed about the Brown Act and other public meeting requirements. Meeting notices are posted on bulletin boards at least ten days in advance of any public hearing at three locations, are published in local newspapers and are posted on the web site. The County also maintains a website with reports, agenda,budget and other documents posted.

No issues were noted for Ventura County regarding local accountability for CSA No. 3, 4 or 14.

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IV. DETERMINATIONS

A. VENTURA COUNTY SERVICE AREA NO. 3

- **Infrastructure needs or deficiencies**
  1. That County Service Area No. 3 provides road maintenance service to Camp Chaffee Road, which is a non-county maintained road.
  2. That the portion of Camp Chaffee road maintained by CSA No. 3 is in substandard condition and no major improvements are planned.

- **Growth and population projections for the affected area**
  1. That growth in County Service Area No. 3 is projected to be limited.

- **Financing constraints and opportunities**
  1. That County Service Area No. 3 prepares an annual budget including an evaluation of projected costs and per parcel assessments. Maintenance activities are limited to available funding.
  2. That any increase in the per parcel assessments is subject to the provisions of Proposition 218. To the extent that revenues do not meet service costs, services are reduced unless the voters in the district approve an increase in the service charge.
  3. That the financing constraints for CSA No. 3 limit the ability of County staff to provide time and services for the district, and limit the ability to provide for sufficient reserves or contingencies in the event of an emergency.

- **Cost avoidance opportunities**
  1. That County Service Area No. 3 is avoiding costs through deferred maintenance, the use of County management and operations, and the budgeting process.

- **Opportunities for rate restructuring**
  1. That the properties within County Service Area No. 3 are subject to service charges of $60 per ownership of improved property and $30 per unimproved property.

- **Opportunities for shared facilities**
  1. That County Service Area No. 3 collaborates with other County and public agencies as appropriate.

- **Government structure options, including advantages and disadvantages of the consolidation or reorganization of service providers**
  1. That Ventura LAFCo should consider options for County Service Area No. 3, including 1) adopting a zero sphere policy and applying it to County Service Area No. 3; 2) dissolving CSA No. 3 as a dependent special district, or 3) reorganizing CSA No. 3 into an independent special district that relies solely on assessments. Under the current structure, property taxes are being used to provide a service that is typically a function of a private homeowners association. A dissolution or reorganization would allow the residents to maintain the road to their standards through contract services and avoid the costs of overhead for a governmental agency, including the costs for County staff services.

- **Evaluation of management efficiencies**
  1. That the limited budget for County Service Area No. 3 limits the amount of time County staff can spend in managing the CSA's business.

- **Local accountability and governance**
  1. That County Service Area No. 3 is a dependent special district governed by the Ventura County Board of Supervisors. The County is locally accountable through adherence to applicable government code sections, open and accessible meetings, and dissemination of information and encouragement of participation in their process.
  2. That CSA No. 3 has a citizen's advisory committee that provides oversight and additional local accountability.

B. VENTURA COUNTY SERVICE AREA NO. 4

- **Infrastructure needs or deficiencies**
  1. That the Ventura County Service Area No. 4 is authorized to provide street lighting, street sweeping, school crossing guards, and maintenance of roadway landscaping, public bike paths, non-structural subdivision perimeter walls and community identification markers, for the unincorporated community of Oak Park. This CSA is also authorized to provide, but does not perform, park and recreation services. CSA No. 4 also supports the Community Emergency Response Team (CERT) administered through the Ventura County Fire Protection District. No significant infrastructure needs or deficiencies were noted.

- **Growth and population projections for the affected area**
  1. That County Service Area No. 4 serves the Oak Park community, which is not projected to have any growth according to the County's General Plan.

- **Financing constraints and opportunities**
  1. That County Service Area No. 4 prepares an annual budget including an evaluation of projected costs and per parcel assessments. Any increase in per parcel service charges is subject to the provisions of Proposition 218. To the extent that revenues do not meet service costs, services will need to be reduced unless the voters in the district approve additional taxes or assessments. No identified new financing opportunities were noted.

- **Cost avoidance opportunities**
  1. That County Service Area No. 4 uses contractors and outside vendors for services when determined to be cost effective.

- **Opportunities for rate restructuring**
  1. That the service charges for County Service Area No. 4 are based on Residential Unit Equivalents (RUE)[1], and the CSA charges $17.28 per year per RUE.

- **Opportunities for shared facilities**
  1. That County Service Area No. 4 collaborates with other County and public agencies as appropriate.

- **Government structure options, including advantages and disadvantages of the consolidation or reorganization of service providers**
  1. That governmental structure options are limited for County Service Areas generally and by the location and size of County Service Area No. 4.
  2. That the Ventura County Board of Supervisors as the governing Board for County Service Area No. 4 should consider limiting the services provided by this CSA to necessary governmental functions that are provided on a comparable basis for all CSAs and not using property tax revenues to fund services that are typically performed more efficiently by private homeowners associations.

[1] Each dwelling – single family residence, condominium, or apartment – is equal to one (1) Residential Unit Equivalent. Commercial properties are assessed based on size – each half-acre is equal to one (1) RUE.

- **Evaluation of management efficiencies**
  1. That the current management structure of County Service Area No. 4 is adequate to serve the present and future needs of the agency.
  2. That CSA No. 4 has current management, interdepartmental and inter-agency practices and procedures appropriate to and efficient for its service.

- **Local accountability and governance**
  1. That County Service Area No. 4 is a dependent special district governed by the Ventura County Board of Supervisors. The County is locally accountable through adherence to applicable government code sections, open and accessible meetings, and dissemination of information and encouragement of participation in their process.
  2. That CSA No. 4 has a citizen's advisory committee that provides oversight and additional local accountability.

C. VENTURA COUNTY SERVICE AREA NO. 14

- **Infrastructure needs or deficiencies**
  1. That County Service Area No. 14 provides street lighting services to various unincorporated areas in Ventura County as well as street sweeping services in the Casa Conejo and Lynn Ranch areas. No significant infrastructure needs or deficiencies were noted.

- **Growth and population projections for the affected area**
  1. That growth within the existing boundaries of CSA No. 14 is projected to be limited, however, the sphere of influence for CSA is countywide and there is the potential for other developed unincorporated areas to be annexed.
  2. That an annexation is pending to annex the unincorporated community of Lake Sherwood to CSA No. 14 that would significantly increase the population.

- **Financing constraints and opportunities**
  1. That County Service Area No. 14 prepares an annual budget including an evaluation of projected costs and per parcel assessments. Currently, there are no supplemental taxes or assessments for the street lighting services provided by CSA No. 14. Depending on future service demand increases due to expansion of the CSA and/or increases in energy costs, revenues from the existing property tax base may be insufficient to cover future costs. Any new supplemental taxes or assessments for street lighting services and any increase in per parcel service charges for street sweeping services are subject to the provisions of Proposition 218. To the extent that revenues do not meet service costs, services will need to be reduced unless the voters in the district approve additional taxes or assessments. No identified new financing opportunities were noted.

- **Cost avoidance opportunities**
  1. That County Service Area No. 14 uses contractors and outside vendors for services when determined to be cost effective.

- **Opportunities for rate restructuring**
  1. That County Service Area No. 14 does not charge a service charge or fees for street lighting services.
  2. That service charges related to street sweeping services in Casa Conejo and Lynn Ranch were increased in FY 2004-2005 to maintain the existing levels of service.

- **Opportunities for shared facilities**
  1. That County Service Area No. 14 collaborates with County and other public agencies as appropriate.

- **Government structure options, including advantages and disadvantages of the consolidation or reorganization of service providers**
  1. That governmental structure options are limited for all county Service Areas generally and by the location and services of the Ventura County Service Area No. 14 for most of the district.
  2. That the Casa Conejo and Lynn Ranch communities are islands of unincorporated territory totally surrounded by the City of Thousand Oaks, and these communities could potentially be more efficiently and effectively served by the City of Thousand

Oaks for both street lighting and street sweeping. Annexation of these areas into the City of Thousand Oaks should be explored by both the County Board of Supervisors as the governing Board for CSA No. 14 and the City of Thousand Oaks.

- **Evaluation of management efficiencies**
  1. That the current management structure of County Service Area No. 14 is adequate to serve the present and future needs of the agency.
  2. That County Service Area No. 14 has current management, interdepartmental and inter-agency practices and procedures appropriate to and efficient for its service.

- **Local accountability and governance**
  1. That County Service Area No. 14 is a dependent special district governed by the Ventura County Board of Supervisors. The County is locally accountable through adherence to applicable government code sections, open and accessible meetings, and dissemination of information and encouragement of participation in their process.