Ventura
Local Agency Formation Commission

MUNICIPAL SERVICE REVIEW

VENTURA COUNTY SERVICE AREA NO. 3

Public Draft

Prepared By

Ventura Local Agency Formation Commission
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Considered by the Commission
July 21, 2010

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I. EXECUTIVE SUMMARY

Ventura County has a number of County Service Areas, which are units of local government formed for the purpose of providing 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 Area (CSA) No. 3.

CSA No. 3 was formed in November, 1965 for the purpose of providing road maintenance for a non-County road (Camp Chaffee Road) in the Foster Park community between the Cities of San Buenaventura and Ojai. The area within the CSA boundaries is approximately 19 acres in size and the sphere of influence is coterminous with the CSA boundaries. The County of Ventura Public Works Agency, Real Estate Services Department provides administrative support for the CSA.

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

- Growth and population projections for the affected area
- Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs and deficiencies
- Financial ability of agencies to provide services
- Status of, and opportunities, for shared facilities
- Accountability for community services needs, including governmental structure and operational efficiencies
- Any other matter related to effective and efficient service delivery, as required by commission policy

Camp Chaffee Road is publicly accessible, but it is not a County road and effectively functions as a private road. Services consist of pothole and berm repair, crack sealing and limited road resurfacing. According to County staff, major repairs were last made to the road in 1999 after it was damaged by a heavy storm. The road is generally considered to be in substandard condition and ongoing maintenance is limited by available funding.

Financed primarily through a combination of revenue from the one percent property tax and service charges assessed to benefiting properties, the CSA has insufficient financial capability to provide for comprehensive routine road maintenance and rehabilitation needs and there are insufficient contingencies or reserves to cover the cost of repairs in the event of a major emergency. As the road conditions continue to decline over time, the County will likely need to increase revenues by raising service charges, which are considered assessments subject to property owner approval

pursuant to Proposition 218. The current service charges have been in effect since 1987 and no rate increase is being recommended for FY 2010-2011.

No opportunities for shared facilities were noted and operational efficiencies are achieved through the consolidation of administration and operations by Ventura County. Local accountability is somewhat limited due to the inactive status of the Advisory Committee and lack of a dedicated webpage. To increase public accessibility to the information, the County should consider developing such a webpage including general information about the CSA, a copy of the latest adopted budget, map of the service area and other pertinent information.

The County of Ventura should consider initiating a reorganization of CSA No. 3 into an independent special district that relies solely on assessments, or initiating dissolution to encourage residents to establish a private homeowner association. In the in meantime, LAFCo should establish a provisional sphere of influence for CSA No. 3.

II. INTRODUCTION

The law governing Local Agency Formation Commissions ("LAFCos") requires each LAFCo to carry out its responsibilities for planning and shaping the logical and orderly development of local governmental agencies by determining the sphere of influence of each local agency in the county. A sphere of influence is defined as a plan for the probable physical boundaries and service are of a local agency. Effective January 1, 2001, LAFCos are required to review and, as necessary, update the sphere of influence of each city and special district by January 1, 2008, and every five years thereafter. No sphere of influence can be updated, however, unless the LAFCo first conducts a municipal service review. California Government Code §56430 provides that municipal service reviews ("service reviews" or "MSRs") consist of written determinations relating to the following six factors:

1. Growth and population projections for the affected area
2. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs and deficiencies
3. Financial ability of agencies to provide services
4. Status of, and opportunities, for shared facilities
5. Accountability for community services needs, including governmental structure and operational efficiencies
6. Any other matter related to effective and efficient service delivery, as required by commission policy

It is important to note that municipal service reviews are:

- The written determinations adopted by a LAFCo for the services provided by cities and special districts. LAFCo service review reports are essentially only studies with recommended determinations for each of the six factors.
- Not applicable to counties (except for special districts governed by a county board of supervisors), and not applicable to private providers of public services, such as private for profit or non-profit health care providers or private companies regulated by the Public Utilities Commission. This is because service reviews are based on the preparation or review and update of spheres of influence and LAFCos do not establish spheres of influence for counties or private service providers.
- Not investigations. While authorized to prepare studies relating to their role as boundary agencies, LAFCos have no investigative authority.

As required by Government Code §56430, the Governor's Office of Planning and Research (OPR) adopted advisory guidelines for municipal service reviews. Because of the timing of the issuance of the guidelines and widely varying local circumstances, each LAFCo in the state is following its own process and procedures for meeting the municipal service review mandate.

The Ventura LAFCo last reviewed and updated the sphere of influence for Ventura County Service Area No. 3 on May 18, 2005 based on a municipal service review dated `February 16, 2005. Information to prepare this service review report was obtained from County and LAFCo records as well as meetings, e-mail exchanges, and phone conversations between LAFCo and various County staff members.

III. SERVICE REVIEW

A. Background

County service areas (CSAs) are units of local government formed in accordance with state law (California Government Code Section 25210 et seq.) and governed by the County Board of Supervisors. The general purpose of a CSA is to provide public services to a specified geographic area to an extent not typically provided on a countywide basis. CSAs typically provide services only within unincorporated territory but can also serve areas within municipal boundaries subject to the consent of the affected city or cities.

CSAs are similar to special districts. Subject to LAFCo approval, they may provide any governmental services and facilities within the CSA which the county is authorized to perform and which the county does not perform to the same extent on a countywide basis, including, but not limited to police protection, fire protection/emergency services, park and recreation services, library services, water supply, sewer services, road maintenance and sweeping, street landscaping/lighting services, solid waste collection/disposal, animal control, transportation, garbage/refuse collection, emergency medical services, and weed and rubbish abatement. Funding for CSAs may be obtained through a variety of sources, including special taxes, assessments and property based fees.

CSA No. 3 was formed in November, 1965 for the purpose of providing road maintenance for a non-County road (Camp Chaffee Road) in the Foster Park community between the Cities of San Buenaventura and Ojai. The area within the CSA boundaries is approximately 19 acres in size and the sphere of influence is coterminous with the CSA boundaries. The County of Ventura Public Works Agency, Real Estate Services Department provides administrative support for the CSA.

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B. Agency Profile

COUNTY SERVICE AREA NO. 3 Camp Chaffee Road Maintenance	
Contact:	Keith Filegar, Real Estate Services Manager
Mailing Address:	County of Ventura, Public Works Agency
Site Address:	800 S. Victoria Avenue Ventura, CA 93009-1640
Phone Number:	805-654-2402
Email:	Keith.filegar@ventura.org
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:	57
No. of Ownerships Assessed/Service Chg:[1]	21 improved ($60 per year) 7 unimproved ($30 per year)
Estimated Population:	80

FINANCIAL INFORMATION			
Budget: (FY 2009-2010)[2]	**Revenues**	**Expenses**	**Fund Equity** (est. at year end)
	$7,600	$40,462	$37,630

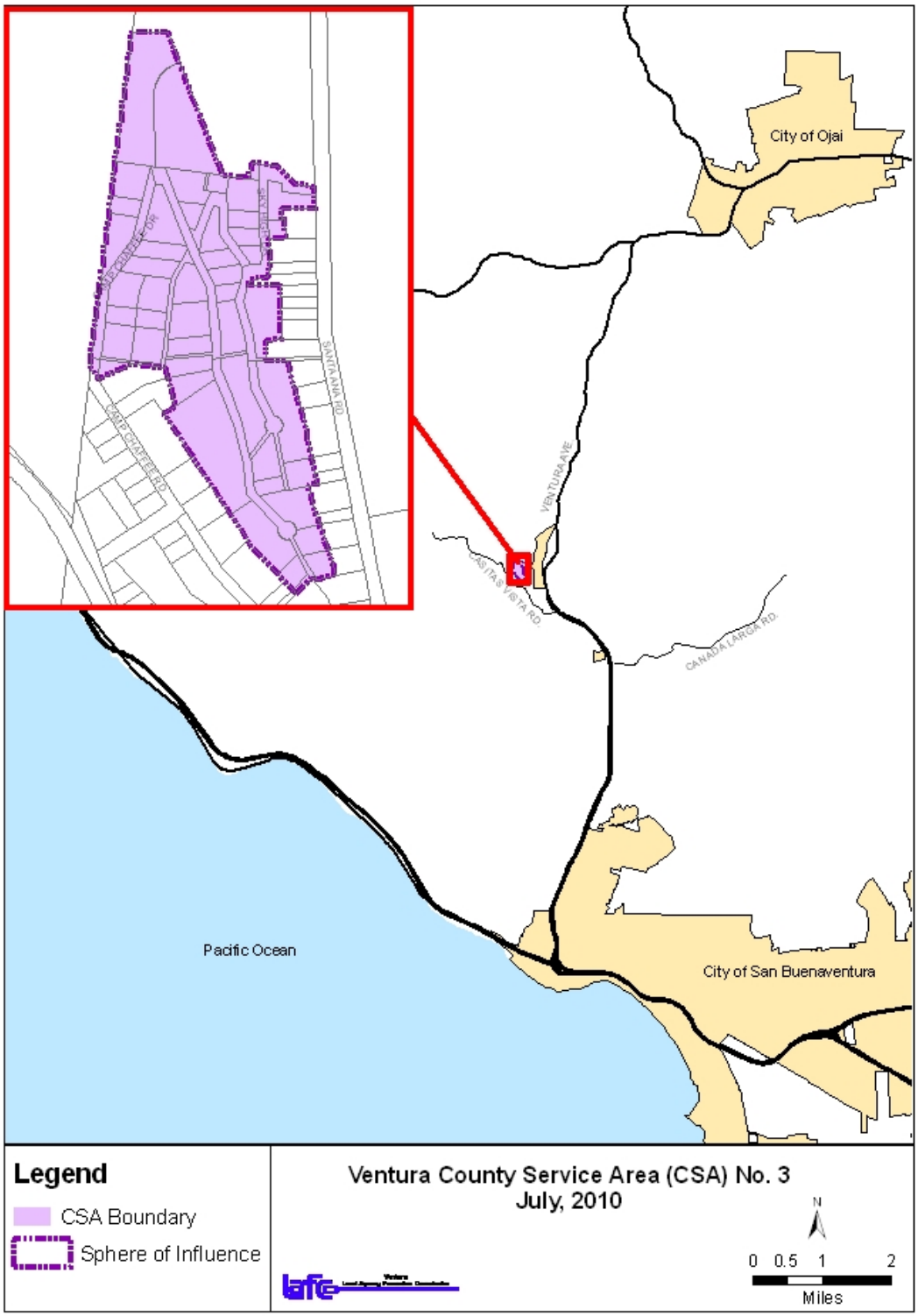
Sources of Funding:

Property Taxes	75%
Service Charges	18%
Other - Interest	7%

[1] *Only parcels subject to property tax are assessed and assessments are based on ownership (i.e. one assessment per owner, not per parcel). Per County GIS data there are a total of 30 owners, but two parcels are not assessed because they have separate access from outside the District boundary and therefore do not benefit from the services provided by CSA 3.*

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

Map 1


City of Ojai
VENTURA AVE
CANADA LARGA RD.
Pacific Ocean
City of San Buenaventura
Legend
CSA Boundary
Sphere of Influence
Ventura County Service Area (CSA) No. 3
July, 2010
N
0 0.5 1 2
Miles

C. Growth and Population

CSA No. 3 serves a very limited area where little to no growth is expected. Based on data from the 2000 Census, the population within the CSA is 80. Excluding publically owned lots, only 12 unimproved lots remain within the existing service area.[1]

D. Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs and Deficiencies

CSA No. 3 provides road improvement and maintenance for a 0.42 mile long, non-County maintained section of Camp Chaffee Road in the unincorporated community of Foster Park. The road is publicly accessible, but it is not a County road and effectively functions as a private road. According to County staff, major repairs were last made to the road in 1999 after it was damaged by a heavy storm. Since that time repairs have been limited to periodic pothole and patch repair, crack sealing and berm repair. The road is generally considered to be in substandard condition and ongoing maintenance is limited by available funding.

E. Financial Ability to Provide Service

County Service Areas are required to be administered and managed as legally separate entities. As such, CSA No. 3 is operated through a separate County budget unit to prevent commingling of funds. The Ventura County's Real Estate Services Department is responsible for determining the ongoing and special maintenance needs for the CSA and preparing annual budgets. Table III-1 provides a financial overview for past fiscal years.

TABLE III-1
CSA No. 3 Financial Performance History

	FY 09-10[2]	FY 08-09[3]	FY 07-08[4]	FY 06-07[5]	FY 05-06[6]
Total Revenues	$7,900 (Est.)	$8,374	$8,286	$7,994	$6,989
Total Appropriations					
Adopted	$40,462	$36, 570	$36,927	$29,856	$26,973
Actual	$3,200 (Est.)	$6,981	$5,689	$1,622	$5,107
Net Fund Increase	$4,700 (Est.)	$1,394	$2,597	$6,371	$1,882
Fund Balance	**$37,561 (Est.)**	**$32,861**	**$31,467**	**$28,870**	**$22,499**

[1] *Per County GIS data.*
[2] County of Ventura, Adopted Budget FY 2009-2010
[3] County of Ventura, Adopted Budget FY 2008-2009
[4] County of Ventura, Adopted Budget FY 2007-2008
[5] County of Ventura, Adopted Budget FY 2006-2007
[6] County of Ventura, Adopted Budget FY 2005-2006

CSA No. 3 is financed primarily through a combination of revenue from the one percent property tax and service charges assessed to benefiting properties. For the 2009-2010 fiscal year, the CSA received a property tax apportionment rate of .000005287, which amounted to a total allocation of $5,523.27. The current service charge rates are $60 per year for improved properties and $30 for unimproved properties. For the 2009-2010 fiscal year, the total revenue from service charges is estimated to be $1,400.

Ongoing financial constraints significantly limit the ability of the CSA to perform road maintenance services. Although limited emergency repairs continue to be completed as necessary and the road remains passable, the overall condition of the road segment is worsening. According to information provided by the County of Ventura Transportation Department, the cost to perform minimal maintenance (e.g., patching, repairs and sign replacements) on the entire 0.42 mile road segment would be approximately $100,000 with an additional $20,000 to $30,000 annually to maintain the same condition. To completely rehabilitate the road segment, the cost would be approximately $200,000.
As of July, 2010, the estimated fund balance or the CSA is $37,561. Not only is this amount insufficient to provide for comprehensive routine road maintenance and rehabilitation needs, there are insufficient contingencies or reserves to cover the cost of repairs in the event of a major emergency.

To balance service costs with the relatively small amount of revenue it receives, the CSA has historically provided a minimal level of service. As the road conditions continue to decline over time, the County will likely need to increase revenues by raising service charges, which are considered assessments subject to property owner approval pursuant to Proposition 218. The current service charges have been in effect since 1987 and no rate increase is being recommended for FY 2010-2011.

F. Status of, and Opportunities for, Shared Facilities

Given its limited geographic service area and lack of facilities, no opportunities for shared facilities were noted for CSA No. 3.

G. Accountability for Community Services Needs, Including Governmental Structure and Operational Efficiencies

The CSA is governed by the Ventura County Board of Supervisors. The Board of Supervisors generally meets each Tuesday at 8:30 a.m. in a facility that complies with the Americans with Disabilities Act. Board members are regularly briefed about the Brown Act and the regulations of the Fair Political Practices Commission. CSA staff are knowledgeable regarding the Public Records Act and both Board members and senior staff have completed the mandatory ethics training required by AB-1234 (Government Code Section 53234 et seq).

Meeting notices are posted on bulletin boards at least five days in advance of any public hearing and are posted on the County web site. The County also maintains a website with meeting agendas, budgets and other documents posted. The Board of Supervisor members receive no additional compensation for their CSA responsibilities. Ventura County staff from the Public Works Agency (Real Estate Services) administers the budget and manages the provision of road services although revenue limitations constrain the amount of time County staff can use to manage the district. The CSA attains management efficiencies through the consolidation of administration functions. Furthermore, the CSA realizes operational efficiencies through its reliance on the County Transportation Department as the provider of road services.

During the early years of the CSA's existence, an Advisory Committee comprised of local residents was formed to provide input to the County regarding infrastructure needs. However, the Committee has been inactive for the last several years. Local accountability is also somewhat constrained due to the lack of a County webpage specifically dedicated to CSA No. 3. To increase public accessibility to the information, the County should consider developing such a webpage including general information about the CSA, a copy of the latest adopted budget, map of the service area and other pertinent information.

Alternatives to the current governance structure of CSA No. 3 are limited given its relatively small size and the singular service it provides. In general, CSAs can be consolidated with other CSAs, merged with cities, reorganized as independent agencies or dissolved. Consolidating CSA No. 3 with other CSAs or merging it with a city would not address the ongoing revenue shortfalls or enhance existing operational and management efficiencies beyond those that currently exist. If the CSA were to reorganize as an independent public agency, it would be required to provide its own management. However, this would eliminate the efficiencies created by having one organization, i.e. Ventura County, manage all the CSAs. Moreover, this option would perpetuate the use of property tax revenue for the maintenance of a road that is essentially private. Although it would further exacerbate future revenue shortfalls and result in greater costs to the residents, the reorganization of the CSA into an independent special district that relies solely on assessments would resolve the property tax subsidy issue. Dissolution of CSA No. 3 should also be considered due to the significant financing and infrastructure issues that are likely to continue into the foreseeable future. If dissolution were to occur, road maintenance could be provided by a homeowners association rather than a governmental entity that receives property taxes. This would also allow the residents to maintain the road to their standards through contract services and avoid the costs of overhead for a governmental agency.

In light of the suggestions to either reorganize CSA No. 3 as an independent special district that relies solely on assessments or dissolve it entirely, the Commission should consider applying a provisional sphere of influence pursuant to the policies set forth in the Ventura LAFCo Commissioner's Handbook. The purpose of a provisional sphere would be to provide a geographic representation of the service and financing issues identified in this MSR as a way to encourage the County to explore potential solutions.

In addition, the application of a provisional sphere of influence would provide for a limitation on annexations within CSA No. 3 which may serve as a further inducement for the County to address the underlying issues. If LAFCo were to apply a provisional sphere and the County subsequently resolved the service issues, LAFCo would have the option to reconsider the provisional sphere designation as appropriate.

H. Other Matters Related to Effective and Efficient Service Delivery, as Required by Commission Policy

None were identified.

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IV. DETERMINATIONS

- **Growth and population projections for the affected area**
  1. The potential for growth within County Service Area No. 3 is limited.

- **Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs and deficiencies**
  1. County Service Area No. 3 provides road maintenance service to a 0.42 mile segment of Camp Chaffee Road, which is a non-County maintained road.
  2. The portion of Camp Chaffee Road maintained by CSA No. 3 is in substandard conditions and no major improvements are currently planned.

- **Financial ability to provide services**
  1. The CSA is financed primarily through a combination of property tax revenue and service charges.
  2. Service charges are $60 per ownership of improved lots and $30 per unimproved lots and have not been increased since 1987.
  3. Any increase in service charges is subject to approval by the property owners pursuant to Proposition 218.
  4. The provision of adequate road maintenance service is financially limited and there are insufficient contingencies or reserves to cover the cost of repairs in the event of a major emergency.
  5. The CSA is avoiding costs through deferred maintenance, the use of County administration and operations.

- **Status of, and opportunities, for shared facilities**
  1. No opportunities for shared facilities were noted for CSA No. 3.

- **Accountability for community services needs, including governmental structure and operational efficiencies**
  1. The Ventura County Board of Supervisors acting in its capacity as the governing board for the CSA conducts regular, publicly noticed meetings with a printed agenda. Meeting facilities are in compliance with the Americans with Disabilities Act and Board members are regularly briefed about the Brown Act and other public meeting requirements.
  2. The County Supervisors receive regular reviews of the requirements of the Brown Act, the rules and regulations of the Fair Political Practices Commission and the provisions of the Public Records Act. Board members and senior staff have completed the mandatory ethics training required by AB-1234 (Government Code Section 53234 et seq).
  3. The County Public Works Agency, Real Estate Services Department provides administrative support for the CSA and the County Transportation Department provides operational support.
  4. Local accountability is somewhat limited due to the inactive status of the Advisory Committee and lack of a dedicated webpage. To increase public accessibility to

the information, the County should consider developing such a webpage including general information about the CSA, a copy of the latest adopted budget, map of the service area and other pertinent information.

5. LAFCo should apply a provisional sphere of influence for CSA No. 3.
6. The County of Ventura should consider initiating a reorganization of CSA No. 3 into an independent special district that relies solely on assessments or initiating dissolution to encourage residents to establish a private homeowner association.

- **Any other matter related to effective and efficient service delivery, as required by commission policy**
  1. No other matters were identified.