



**2018 SERVICE AND SPHERE OF INFLUENCE REVIEW
FOR
COUNTY SERVICE AREA 11
PARKS, OPEN SPACE, AND CULTURAL SERVICES**

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LAFCO Executive Officer

Public Review Draft
Prepared: May 16, 2018

PURPOSE OF SERVICE REVIEW

The purpose of a service review, sometimes called a “municipal service review” or “MSR”, is to provide a comprehensive inventory and analysis for improving efficiency, cost-effectiveness, accountability, and reliability of public services provided by cities, districts, and service areas. A service review evaluates the structure and operation of these agencies and discusses possible areas for improvement and coordination. A service review is used by LAFCO when updating a sphere of influence, and can be used by the subject agencies when considering changes in their operations. A written statement of determinations must be made in the following areas:

1. Growth and population projections for the affected area.
2. The location and characteristics of any disadvantaged communities within or contiguous to the agency’s sphere of influence.
3. The present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including need or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the agency’s sphere of influence.
4. The financial ability of agencies to provide services.
5. The status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by commission policy.

PURPOSE OF SPHERE OF INFLUENCE

A “sphere of influence” is defined in state law to be a plan for the probable physical boundaries and service area of a local agency, as determined by the LAFCO in county where the agency is based. The sphere of influence is adopted and amended by LAFCO following a public hearing. The sphere action includes a map, determinations, and a resolution, which may contain recommendations and implementation steps specific to the agency. State law requires LAFCO to make determinations upon the following subjects:

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.
5. For a city or district that provides sewers, water, or structural fire protection, the present and probable need for those services in any disadvantaged unincorporated communities within the existing sphere of influence.

State law requires that all boundary changes (annexation, detachment, consolidation, dissolution, etc.) be consistent with LAFCO’s policies and the adopted spheres of influence of each affected agency.

EXECUTIVE SUMMARY

LAFCO periodically performs municipal service reviews¹ and updates, as necessary, the sphere of influence² of each agency subject to LAFCO's boundary regulation. A "sphere of influence" is defined as a plan for the probable physical boundaries and service area of a local agency. This report has been prepared to analyze County Service 11, Parks, Open Space, and Cultural Services. CSA 11 was formed in 1971 to provide supplemental funding to the County's parks program. CSA 11 is a funding mechanism that provides partial funding for the park and recreational programs of the County of Santa Cruz.

The main conclusions of this report are:

- 1) County Service Area 11 is providing approximately 20% of the revenues for the Parks, Open Space, and Cultural Services Department of the County of Santa Cruz.
- 2) The County Parks, Open Space, and Cultural Services Department is providing a diverse set of parks and recreation services to areas of the County outside the 4 cities and the 4 park districts.
- 3) The main constraint for the County Parks, Open Space, and Cultural Services Department is funding. The number of parks continues to increase, while post-recession staffing is significantly lower than levels prior to 2006.
- 4) County Service Area 11 should keep its Sphere of Influence as the entire County of Santa Cruz, in case one of the current parks agencies wishes to transfer their services to CSA 11.
- 5) Over the short term, Opal Cliffs Park and Recreation District is attempting to get permitting from the Coastal Commission for their park improvements and public access program. If that cannot be worked out satisfactorily, County Parks is already operating a similar park nearby at 41st Avenue and East Cliff Drive, and County Parks/CSA 11 would be a logical and efficient operating option for the Opal Cliffs Park. County Parks/CSA 11 is now also receiving modest intermittent funding from mitigation and sand extraction fees imposed by coastal development requirements. These fees are restricted but can be used specifically to improve and maintain access points such as Opal Cliffs.
- 6) Over the long term, parks funding in many agencies fluctuates significantly with reductions occurring when there are major downturns in the economy and subsequently general fund revenues. In a future recession, where permanent high levels of pension costs and low allocation of general fund revenues to parks, other parks agencies may look at a regional approach for park programs in an effort to reduce costs and minimize reductions in park programs. CSA 11/County Parks would have similar pressures and may be willing to contract with, or annex other park agencies in an effort to spread their overhead and provide the highest level of services possible.

¹ Government Code Section 56430 (Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000). The last service reviews of all these fire agencies was prepared by LAFCO in 2005:
<http://www.santacruzlafco.org/wp-content/uploads/2016/02/Whole-Public-Review-Draft.pdf>

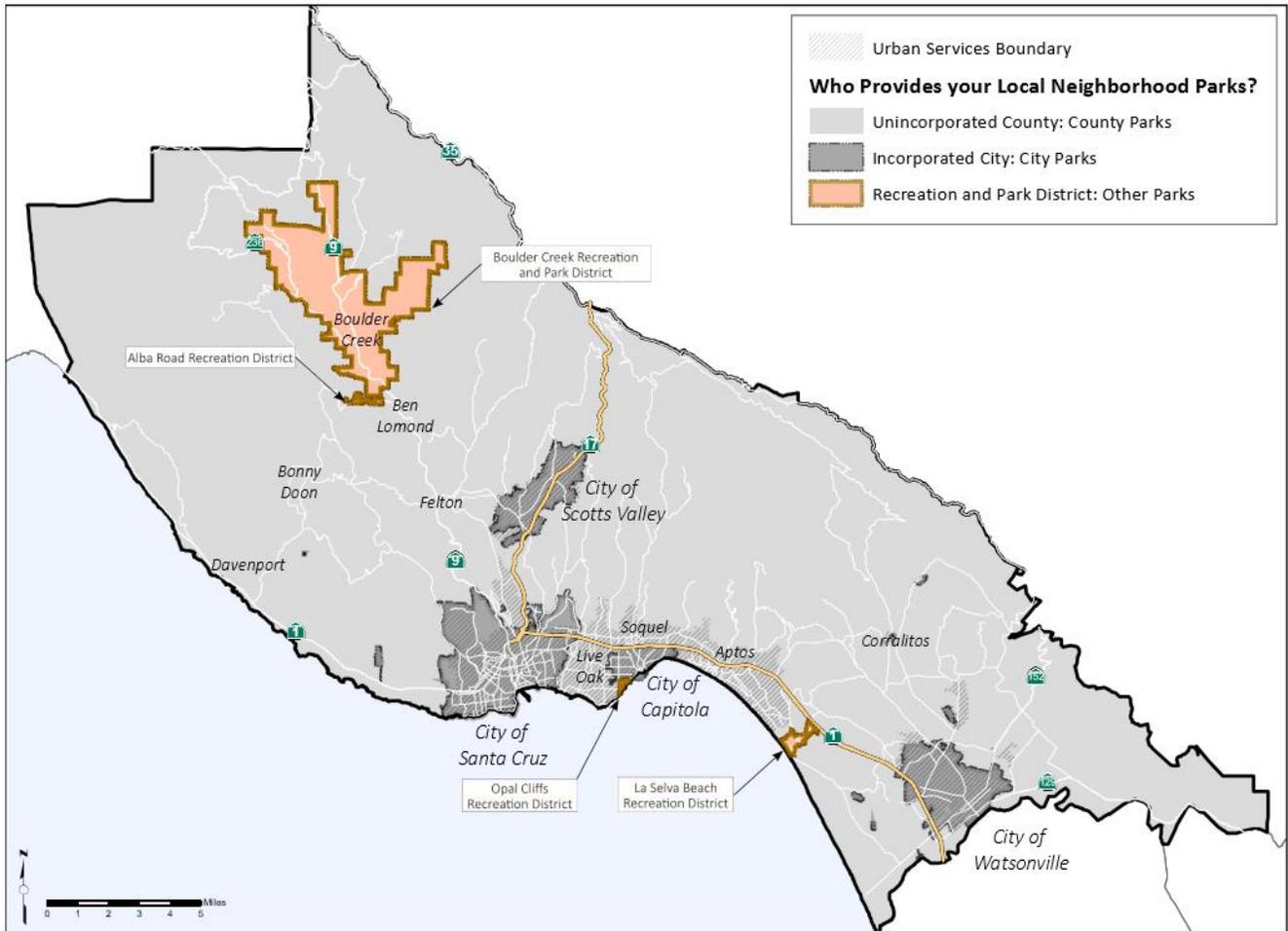
² Government Code Section 56427

PURPOSE OF SERVICE REVIEW

LOCATION

County Service Area 11 covers all of Santa Cruz County except the four cities and the four parks districts that have their own park and recreation programs.

Link to [CSA 11 map](http://gis.co.santa-cruz.ca.us/map_gallery/pdfs/Map%20Gallery/County%20Service%20Areas/CSA11_ZonesofBenefit.pdf): (http://gis.co.santa-cruz.ca.us/map_gallery/pdfs/Map%20Gallery/County%20Service%20Areas/CSA11_ZonesofBenefit.pdf)



HISTORY

County Service Area 11 (CSA 11) was formed pursuant to LAFCO Resolution No. 297 in 1971 in order to:

- Acquire, operate, and maintain a system of parks and playgrounds to supplement the Countywide Recreation and Park Plan.
- Acquire, operate, and maintain recreation centers and other recreational facilities on a Zone of Benefit basis where the level of service exceeds that provided for the entire Service Area.
- Provide recreational programs to supplement the Countywide recreational program.

CSA 11 comprises the area in which the County is the principal provider of parks and recreation services. The County has not implemented a system of zones to fund higher services. Instead, funds collected by CSA 11 are not restricted to any programs and are used to fund the general costs of running the County Parks, Open Space, and Cultural Services Department.

AGENCY PROFILE

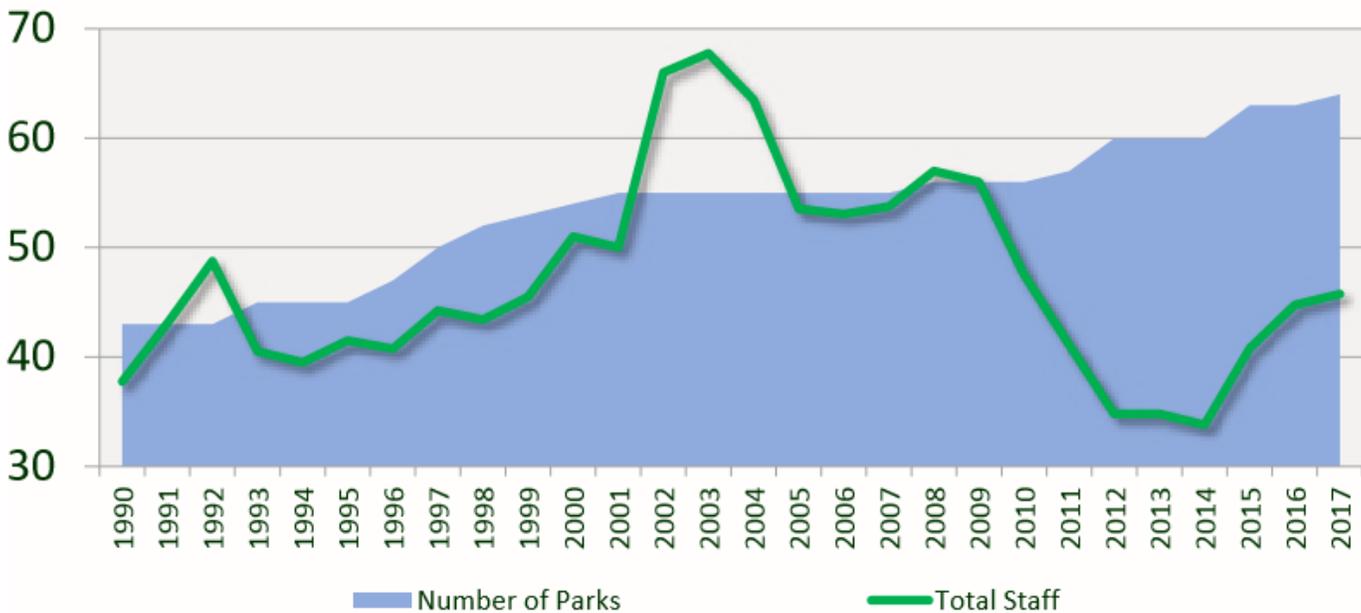
The County Parks, Open Space, and Cultural Services Department manages:

- 1,593 acres of parkland, including 883 acres of parks and 710 acres of open space
- 38 neighborhood, community, regional or rural parks
- 27 coastal access points
- 1 regional swim center with aquatics and fitness programs
- Recreational, cultural and youth programs throughout the unincorporated county.

(List of all Santa Cruz County Parks: <http://www.scparks.com/Home/Parks/ListofAllCountyParks.aspx>)

The staffing level was greatly reduced following the recession, and it has not returned to pre-recession levels. The number of parks continues to increase.

COUNTY OF SANTA CRUZ, PARKS AND PARKS STAFFING LEVELS 1990 - 2017



The Department is preparing a [Strategic Plan](http://www.scparks.com/Home/Parks/StrategicPlan.aspx): (<http://www.scparks.com/Home/Parks/StrategicPlan.aspx>). The draft Strategic plan identifies six goals:

- Maintain & Enhance Quality of Parks Facilities
- Ensure Organizational Effectiveness and Fiscal Stability
- Provide a Variety of Recreational and Cultural Opportunities
- Steward and Protect Open Space and Natural, Cultural, and Historical Resources
- Engage Local Communities
- Improve Accessibility of Parks and Programs.

There are many more specific objectives and strategies in the draft plan. A few key objectives that relate to this service review are:

- Pursue funding sources for deferred maintenance such as program revenues, grants, park dedication fees, county funds, an increase in CSA 11 assessments, or partner with regional or statewide agencies for a new funding source.
- Work with other park and recreation agencies to consolidate services and control costs.
- Improve access to Latinos and seniors while maintaining a variety of parks and recreational programs.

REVENUES AND EXPENDITURES

County Service Area 11 provides approximately 20% of the \$10,705,756 Parks Department budget. The CSA gets a small amount of the property taxes collected within the CSA and collects an \$8.50 annual assessment from all improved parcels located in CSA 11 (Measure F of 2012). In the last two fiscal years, these two revenue sources were:

| | FY 2015-16 | FY 2016-17 |
|-------------------------|--------------------|--------------------|
| Share of Property Taxes | \$1,529,806 | \$1,616,101 |
| Measure F Assessment | \$727,810 | \$793,780 |
| TOTAL | \$2,257,616 | \$2,409,881 |



The County Administrative Officer’s Proposed 18-19 budget for the County Parks department follows:

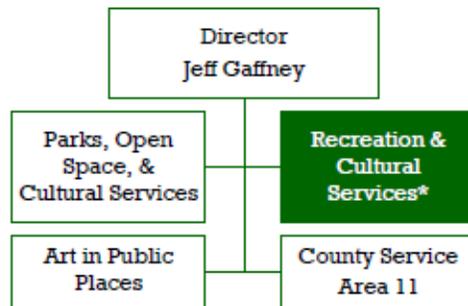


PARKS, OPEN SPACE, & CULTURAL SERVICES PROPOSED BUDGET • FY 2018-19

PROPOSED BUDGET

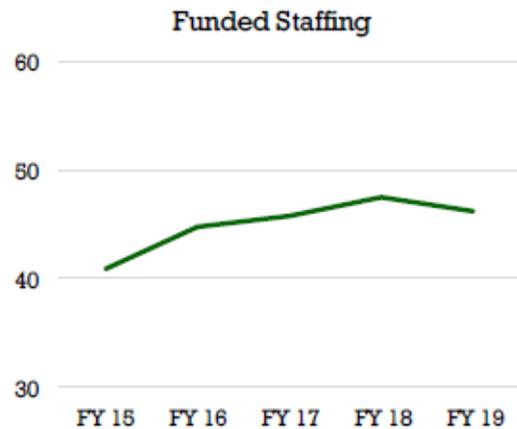
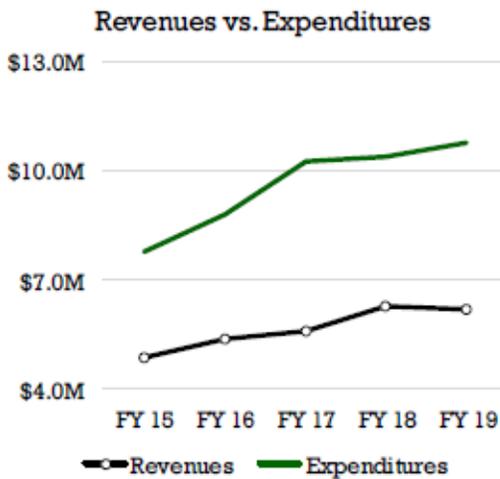
| All Funds | FY 2017-18 | FY 2018-19 | Δ |
|---------------------------|-------------------|-------------------|-------------|
| Revenues | 6,263,610 | 5,817,838 | -7.1% |
| General Fund | 3,821,310 | 4,185,266 | 9.5% |
| Other Funds | 321,802 | 702,652 | 118.3% |
| Total Financing | 10,406,722 | 10,705,756 | 2.9% |
| Total Expenditures | 10,406,722 | 10,705,756 | 2.9% |
| Total Staffing | 47.50 | 48.25 | 1.6% |
| Unfunded Staffing | 0.00 | 2.00 | |

ORGANIZATIONAL CHART



**Recreation & Cultural Services funds are separately detailed starting on Page 207*

5-YEAR TRENDS



The gap between expenditures and revenues is financed by a combination of General Fund contributions and available fund balance.

In 2014-15, Parks was restored as a separate department and positions have been gradually restored: 7 in 2014-15, 3.95 in 2015-16, 1.50 in 2016-17, and 1.75 in 2017-18 (partially grant-funded). Unfunding 2 positions and restoring one three-quarter time position is recommended for 2018-19.

PARKS OVERVIEW

MISSION

The Mission of the Santa Cruz County Parks, Open Space, and Cultural Services is to provide safe, well-designed and maintained parks and a wide variety of recreational and cultural opportunities for our diverse community.

PARKS, OPEN SPACE, & CULTURAL SERVICES

Parks, Open Space, and Cultural Services, commonly referred to as Parks, is responsible for 1,400 acres of County park land, the Simpkins Family Swim Center, multiple County beach access points, a variety of after-school and summer recreational programs and cultural services programs. Parks provides staff to the County's Parks and Recreation Commission and the County's Arts Commission,

RECREATION & CULTURAL SERVICES

Recreation and Cultural Services is discussed separately starting on Page 171

ART IN PUBLIC PLACES

Art in Public Places provides art in the development of County building and remodeling projects with construction costs over \$100,000, as well as public art in highly visible public areas for the general public's enjoyment.

COUNTY SERVICE AREA 11

County Service Area 11 (CSA 11) encompasses the entire county except for the four cities and the independent recreation districts of Alba, Boulder Creek, La Selva, and Opal Cliffs. It provides funds for park acquisition, park development and maintenance, recreation programs, and the overall operation of the Parks Department.

BUDGET OVERVIEW

2018-19 RECOMMENDED BUDGET

The 2018-19 recommended budget provides for an increase of \$299,034 in expenditures and a decrease of \$445,772 in revenues, resulting in a \$380,850 increase in Other Funds and a \$363,956 increase in General Fund contribution. Reserves of \$736,694 in CSA 11 and \$59,779 in Art in Public Places remain for future repairs and maintenance.

EXPENDITURES

The increase of \$310,633 in Salaries and Benefits is due to cost increases for existing staff and the restoration of 0.75 Full Time Equivalent (FTE) Recreation Program Specialist,

The decrease of \$13,598 in Services and Supplies is due to increased costs in Parks Services from CSA 11 and utility costs, which are offset by a decrease of \$432,189 in expenditures associated with the repairs of 2016-17 Storm Events,

FIXED ASSETS

The budget includes \$310,000 for one-time fixed assets to replace obsolete field equipment and

potential capital projects, and \$13,800 in Public Art improvements.

REVENUES

The decrease of \$431,095 in Intergovernmental revenues results from the anticipated completion of 2016-17 Storm FEMA/CalOES reimbursements. Revenues also decreased by \$367,816 in Charges for Services as a result of a one-time refund to taxpayers due to CSA 11 completed debt service, and \$13,407 in Miscellaneous due to the completion of a programming grant. Decreases are offset by increases of \$148,814 in Taxes, \$59,138 in Use of Money, and \$158,594 in Charges for Services.

STAFFING

The budget includes the restoration of a 0.75 FTE Recreation Program Specialist, and the unfunding of 2.0 vacant positions in Maintenance,

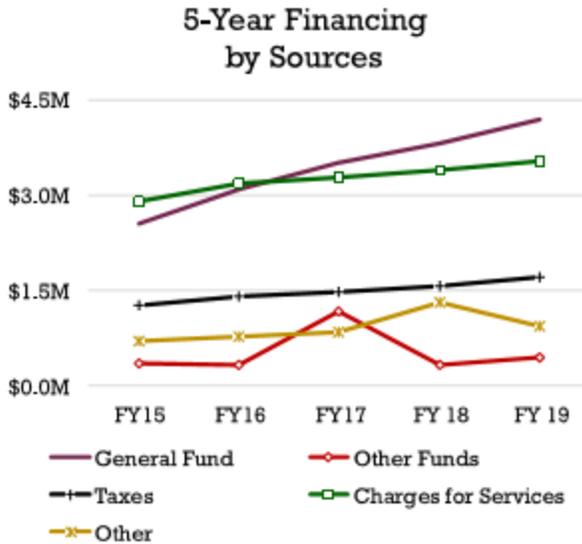


PARKS BUDGET DETAIL

Budget Unit: 49

| | Actual 2016-17 | Adopted 2017-18 | Estimated 2017-18 | Recommended 2018-19 | Change from 2017-18 | |
|----------------------------|-------------------|--------------------|----------------------|------------------------|------------------------|---------------|
| All Funds | | | | | | |
| Revenues | | | | | | |
| Taxes | 1,613,101 | 1,565,247 | 1,666,842 | 1,714,061 | 148,814 | 9.5% |
| Use of Money | 761,787 | 793,780 | 792,664 | 852,918 | 59,138 | 7.5% |
| Intergovernmental | 243,616 | 448,899 | 548,920 | 17,804 | (431,095) | -96.0% |
| Charges for Services | 3,279,352 | 3,388,987 | 3,255,095 | 3,179,765 | (209,222) | -6.2% |
| Miscellaneous | 45,629 | 66,697 | 180,446 | 53,290 | (13,407) | -20.1% |
| Total Revenues | 5,943,485 | 6,263,610 | 6,443,967 | 5,817,838 | (445,772) | -7.1% |
| <i>General Fund</i> | <i>3,686,317</i> | <i>3,821,310</i> | <i>3,985,862</i> | <i>4,185,266</i> | <i>363,956</i> | <i>9.5%</i> |
| <i>Other Funds</i> | <i>762,174</i> | <i>321,802</i> | <i>93,339</i> | <i>702,652</i> | <i>380,850</i> | <i>118.3%</i> |
| Total Financing | 10,391,976 | 10,406,722 | 10,523,168 | 10,705,756 | 299,034 | 2.9% |
| Expenditures | | | | | | |
| Salaries & Benefits | 5,483,408 | 5,873,001 | 5,904,563 | 6,183,634 | 310,633 | 5.3% |
| Services & Supplies | 4,036,934 | 4,323,402 | 4,396,637 | 4,309,804 | (13,598) | -0.3% |
| Other Charges | 23,844 | 34,130 | 27,779 | 10,430 | (23,700) | -69.4% |
| Fixed Assets | 147,501 | 298,086 | 316,086 | 323,500 | 25,414 | 8.5% |
| Other Financing | 797,258 | 64,334 | 64,334 | 64,619 | 285 | 0.4% |
| Subtotal | 10,488,945 | 10,592,953 | 10,709,399 | 10,891,987 | 299,034 | 2.8% |
| <i>IntraFund Transfers</i> | <i>(96,969)</i> | <i>(186,231)</i> | <i>(186,231)</i> | <i>(186,231)</i> | <i>0</i> | <i>0.0%</i> |
| Total Expenditures | 10,391,976 | 10,406,722 | 10,523,168 | 10,705,756 | 299,034 | 2.9% |
| Total Staffing | | 47.50 | 47.50 | 48.25 | 0.75 | 1.6% |
| Unfunded Staffing | | 0.00 | 0.00 | 2.00 | 2.00 | |

HOW PARKS IS FINANCED



GENERAL FUND

The General Fund finances 39% of the Parks budget.

OTHER FUNDS

Prior year fund balance provides 7%.

TAXES

Revenue from property tax assessments provides 16%.

CHARGES FOR SERVICES

Parks charges for services to partially recover costs provide 30%.

OTHER

Includes use of money, other local governments and insurance proceeds.

FINANCING BY DIVISION

| General Fund By Division | FY 2018-19 Financing | | | | | |
|---------------------------|----------------------|-------------------|----------------------|--------------------|------------------|------------------|
| | Taxes | Intergovernmental | Charges for Services | Other [^] | General Fund | Total Financing |
| Parks** | 0 | 12,877 | 3,547,581 | 879,245 | 4,185,266 | 8,624,969 |
| Total General Fund | 0 | 12,877 | 3,547,581 | 879,245 | 4,185,266 | 8,624,969 |

| Other Funds by Division | FY 2018-19 Financing | | | | | |
|--------------------------|----------------------|-------------------|----------------------|--------------------|------------------|-------------------|
| | Taxes | Intergovernmental | Charges for Services | Other [^] | Other Funds | Total Financing |
| Art in Public Places | 0 | 0 | 0 | 14,763 | 24,836 | 39,599 |
| CSA 11 | 1,714,061 | 4,927 | (367,816) | 12,200 | 677,816 | 2,041,188 |
| Total Other Funds | 1,714,061 | 4,927 | (367,816) | 26,963 | 702,652 | 2,080,787 |
| Total All Funds | 1,714,061 | 17,804 | 3,179,765 | 906,208 | 4,887,918 | 10,705,756 |

**Parks - Parks, Open Space, & Cultural Services

[^]Other - Includes revenue from Licenses & Permits, Fines & Assessments, Use of Money, and Miscellaneous





PARKS ACCOMPLISHMENTS AND GOALS

ACCOMPLISHMENTS

1. Completed most repairs from the 2016-17 Storm Events and several deferred maintenance projects including: Pinto Lake Park road repairs and Quail Hollow Ranch trail work, which reduces runoff and improves water quality; painting of Highlands Senior Center; re-roofing Highlands Childcare Center; and The Hook Parking Lot shower and electrical upgrades.
2. Launched Volunteer Program, adding 91 regular volunteers for a total of 163; organized 8 Group Service Volunteer Days with 339 participants; started Neighborhood Volunteer Groups for 7 parks; and logged 7,617 volunteer hours valued at \$216,779.82.
3. Added new programs and events, including the grant funded Pájaro Valley Girls Initiative program at Lakeview Middle School, Friday Night Recess, and the Polar Plunge, raising over \$1,500.
4. Began implementing new registration software, improving customer service, outreach and marketing opportunities.
5. Completed Parks 10-year Strategic Plan, identifying priorities and goals.
6. Awarded \$402,883 in grant funding, and applied for an additional \$885,252 still pending award.
7. Completed Quail Hollow Ranch Master Plan amendment to include the Pace Trail.

GOALS

1. Begin maintenance of completed Twin Lakes Beachfront as 64th park site, at an annual cost of approximately \$14,622.
2. Complete remaining 2016-17 Storm Events repairs.
3. Expand Volunteer Program, including 10 Service Day opportunities and organizing volunteers to meet grant match requirements.
4. Increase park visitations and program and event participation with extended Social Media presence.
5. Develop Parks Operations Plan to implement the Parks Strategic Plan goals and begin identifying performance measures.
6. Review and update Park Dedication Fee structure.
7. Continue to develop and implement coastal encroachment policy.
8. Complete the Farm Park Bike and Pedestrian Project.
9. Complete bike pump track at Pinto Lake Park.
10. Install new 95% more efficient pool boiler at Simpkins Swim Center to lower utility costs and increase efficiency.
11. Begin construction of Chanticleer Park Phase 1 Improvements.

| Board of Supervisors Names | Title | First Year of Service on Board | Term Expiration Date |
|----------------------------|------------------------|--------------------------------|----------------------|
| John Leopold | Supervisor, Chair | 2008 | 2020 |
| Zach Friend | Supervisor, Vice Chair | 2012 | 2020 |
| Greg Caput | Supervisor | 2010 | 2018 |
| Ryan Coonerty | Supervisor | 2014 | 2018 |
| Bruce McPherson | Supervisor | 2012 | 2020 |

Staffing

Santa Cruz County Department of Park, Open Space, and Cultural Services

Address: 979 17th Avenue
Santa Cruz, CA 95062

Director: Jeff Gaffney

Phone: (831) 454-7913

Email: jeff.gaffney@santacruzcounty.us

Website: www.scparks.com

SERVICE REVIEW

SUMMARY OF POTENTIALLY SIGNIFICANT SERVICE REVIEW DETERMINATIONS

The service review determinations below are potentially significant, as indicated by “yes” or “maybe” answers to the key policy questions in the checklist and corresponding discussion on the following pages.

SUMMARY

- 1. Growth and Population
- 2. Disadvantaged/Unincorporated Communities
- 3. Capacity, Adequacy & Infrastructure to Provide Services
- 4. Financial Ability
- 5. Shared Services
- 6. Accountability
- 7. Other

| 1. GROWTH AND POPULATION Growth and population projections for the affected area. | | | |
|--|-------------------------------------|--------------------------|-------------------------------------|
| | YES | MAYBE | NO |
| a) Is the agency’s territory or surrounding area expected to experience any significant population change or development over the next 5-10 years? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Will population changes have an impact on your agency’s service needs and demands? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Will projected growth require a change in the agency’s sphere of influence boundary? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Discussion:

- a) Population growth will increase demand for neighborhood parks.
- b) Demographic changes can change needs for specific recreational programs. The county unincorporated area population projections project a slow rate of growth through 2040.

| POPULATION PROJECTIONS | | | | | | | |
|----------------------------------|---------|---------|---------|---------|---------|---------|---------|
| Public Agency | 2010 | 2015 | 2020 | 2025 | 2030 | 2035 | 2040 |
| City of Capitola | 9,918 | 10,087 | 10,194 | 10,312 | 10,451 | 10,622 | 10,809 |
| City of Santa Cruz | 59,946 | 63,830 | 68,381 | 72,091 | 75,571 | 79,027 | 82,266 |
| City of Scotts Valley | 11,580 | 12,073 | 12,145 | 12,214 | 12,282 | 12,348 | 12,418 |
| City of Watsonville | 51,199 | 52,562 | 53,536 | 55,187 | 56,829 | 58,332 | 59,743 |
| Santa Cruz County unincorporated | 129,739 | 135,042 | 136,891 | 137,896 | 139,105 | 140,356 | 141,645 |
| Santa Cruz County Total | 262,382 | 273,594 | 281,147 | 287,700 | 294,238 | 300,685 | 306,881 |
| AMBAG Region Total | 732,708 | 762,676 | 791,600 | 816,900 | 840,100 | 862,200 | 883,300 |

Source: 2018 Draft AMBAG Forecast



2. DISADVANTAGED UNINCORPORATED COMMUNITIES

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to your agency’s sphere of influence. .

| | YES | MAYBE | NO |
|---|--------------------------|--------------------------|-------------------------------------|
| a) Does your agency provide water or sanitary sewer service? If no, skip questions b) and c). | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Is your agency aware of any area(s) within or adjacent to your agency’s sphere of influence that is considered “disadvantaged” (80% or less of the statewide median household income) that does not already have access to public water or sanitary sewer service? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Is it feasible for your agency to extend service to the disadvantaged unincorporated community? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Discussion: Not applicable to this service.

3. CAPACITY AND ADEQUACY OF PUBLIC FACILITIES AND SERVICES

Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.

| | YES | MAYBE | NO |
|---|-------------------------------------|--------------------------|--------------------------|
| a) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Are there any issues regarding your agency's capacity to meet the service demand of reasonably foreseeable future growth? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Are there any concerns regarding public services provided by the agency being considered adequate? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Are there any significant infrastructure needs or deficiencies to be addressed? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e) Are there changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Discussion: a, b, c) Lack of resources

d) Lacking funds for outstanding deferred maintenance

e) Storm water pollution regulations and water usage



| 4. FINANCIAL ABILITY | | | |
|--|-------------------------------------|--------------------------|-------------------------------------|
| Financial ability of agencies to provide services. | | | |
| | YES | MAYBE | NO |
| a) In the last five years, has your agency failed to obtain an independent audit, or adopted its budget late? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Is your agency lacking adequate reserves to protect against unexpected events or upcoming significant costs? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Is your agency's rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Is your agency unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e) Is improvement needed in the organization's financial policies to ensure its continued financial accountability and stability? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| f) Is the organization's debt at an unmanageable level? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Discussion:

- b) Inadequate reserves for unexpected events due to lack of financial resources.
- c) \$8.50/improved parcel Special Assessment per 2014 Measure F is lower than many comparable agencies.
- d) Backlog of deferred park maintenance exceeds financial resources.

| 5. SHARED SERVICES AND FACILITIES | | | |
|---|-------------------------------------|--------------------------|--------------------------|
| Status of, and opportunities for, shared facilities. | | | |
| | YES | MAYBE | NO |
| a) Are there any opportunities for your agency to share services or facilities with neighboring or overlapping organizations that are not currently being utilized? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Are there any governance options that may produce economies of scale and/or improve buying power in order to reduce costs? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Are there governance options to allow appropriate facilities and/or resources to be shared, or making excess capacity available to others, and avoid construction of extra or unnecessary infrastructure or eliminate duplicative resources? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Discussion:

- a, b, c) Management and oversight of facilities and personnel can be consolidated with other Parks districts in order to conserve resources.

6. ACCOUNTABILITY, STRUCTURE AND EFFICIENCIES

Accountability for community service needs, including governmental structure and operational efficiencies.

| | YES | MAYBE | NO |
|---|--------------------------|--------------------------|-------------------------------------|
| a) Are there any issues with your agency’s meetings being accessible and well publicized? Are there any issues with your agency failing to comply with financial disclosure laws and the Brown Act? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Are there any issues with filling board vacancies and maintaining board members? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Are there any issues with staff turnover or operational efficiencies? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Is your agency’s budget unavailable to the public via the internet? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) Are there any recommended changes to your agency’s structure that will increase accountability and efficiency? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| f) Are there any governance restructure options to enhance services and/or eliminate deficiencies or redundancies? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| g) Are there any opportunities to eliminate overlapping boundaries that confuse the public, cause service inefficiencies, increase the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Discussion: No significant issues for this service.

COUNTY SERVICE AREA 11, PARKS AND RECREATION

7. OTHER ISSUES

Any other matter related to effective or efficient service delivery, as required by commission policy.

| | YES | MAYBE | NO |
|--|--------------------------|--------------------------|-------------------------------------|
| a) Are there any other service delivery issues that the agency wants addressed in the service and sphere review process? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

END OF SERVICE REVIEW

SPHERE OF INFLUENCE REVIEW 2018

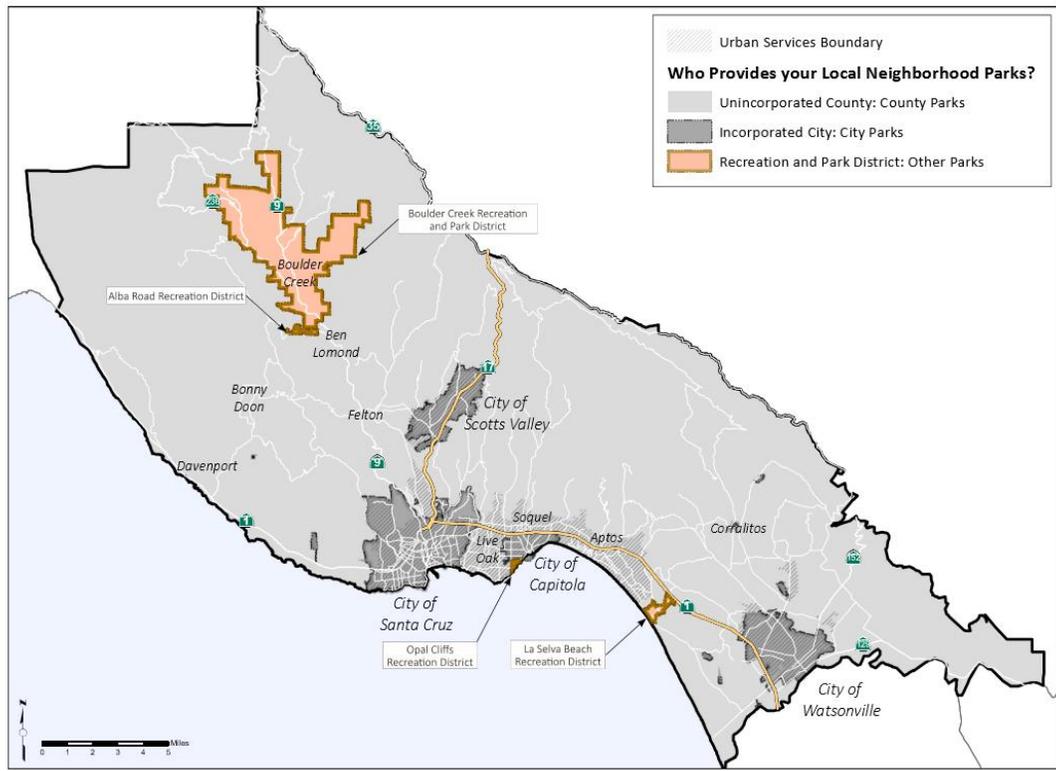
The CSA 11 Sphere of Influence was originally adopted by LAFCO Resolution 698-B on November 20, 19 and reaffirmed most recently in 2008 (LAFCO Resolution No. 2008-1). The CSA 11 Sphere of Influence, as shown on the following map, includes the entire County of Santa Cruz. The areas of the County that are within the sphere but have not annexed to the CSA are the agencies with their own parks departments:

- City of Capitola
- City of Santa Cruz
- City of Scotts Valley
- City of Watsonville
- Alba Recreation and Park District
- Boulder Creek Recreation and Park District
- La Selva Recreation and Park District
- Opal Cliffs Recreation and Park District

The rationale for including the entire County in the CSA11 Sphere of Influence is to allow for the possibility that one or more of these agencies may, at some time, want to transfer their park services to CSA 11.

The sphere policies recognize that CSA 11 territory that is annexed to cities will be automatically detached from CSA 11 because cities have their own recreation programs. The wording of the two sphere policies are:

- Municipal annexations shall be accomplished by simultaneous detachments from CSA No. 11.
- If any city chooses not to participate in this County Service Area at the time any land is annexed to the city, that land will be automatically taken out of the sphere of this County Service Area.



SPHERE OF INFLUENCE REVIEW

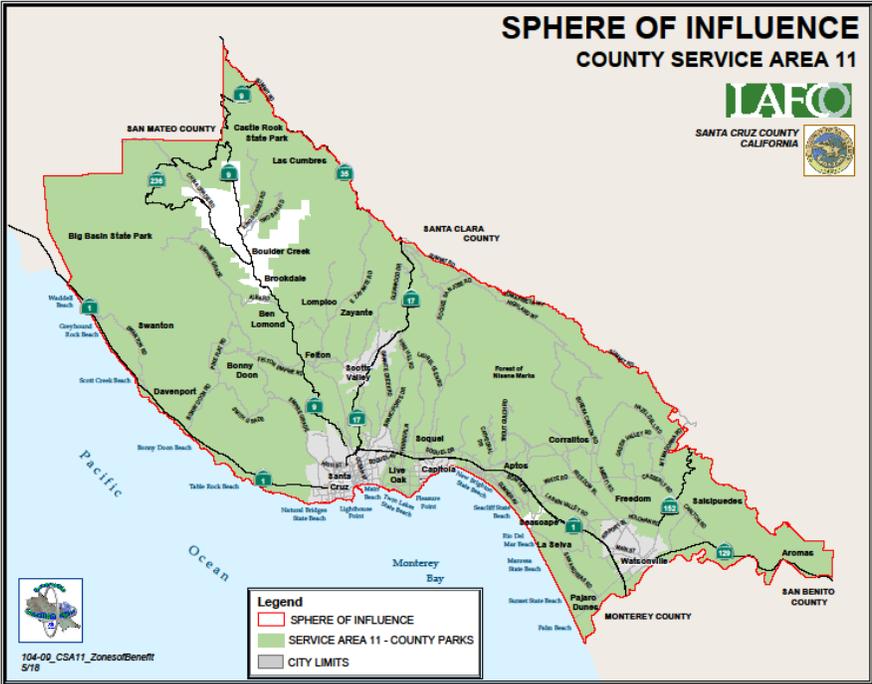
- ☒ Neither the County nor the LAFCO staff is proposing changes in the adopted sphere of influence map.

LAFCO staff recommends:

1. County Service Area 11 Sphere of Influence map should be reaffirmed to be the entire area of the county, including cities and park districts.
2. The two sphere policies should be clarified to provide that annexation to a city triggers an automatic detachment from CSA 11, but that cities and districts in the future can choose to opt into CSA 11:
 - a) For cities that do not participate in CSA No. 11, municipal annexations shall be accomplished by simultaneous detachments from CSA No. 11.
 - b) The Sphere of Influence of County Service Area 11 shall be the entire boundary of Santa Cruz County in case cities or park districts wish to use CSA 11 in the future to cooperate on parks funding or operations.
3. The 2018 Service Review should contain a recommendation that CSA 11 would be a logical and efficient operating option for the Opal Cliffs Park if the Opal Cliffs Park and Recreation District were unable to continue to operate Opal Cliffs Park.

Government Code Section 25210.7 assures cities that have sole control whether any or all of their territory is included in a county service area.

COUNTY SERVICE AREA 11, PARKS AND RECREATION SPHERE OF INFLUENCE MAP



SUMMARY OF POTENTIALLY SIGNIFICANT SPHERE DETERMINATIONS

The sphere determinations below are potentially significant, as indicated by “yes” or “maybe” answers to the key policy questions in the checklist and corresponding discussion on the following pages.

- 1. Present and Planned Land Uses Not significant
- 2. Need for Public Facilities and Services Not significant
- 3. Capacity and Adequacy of Provide Services Not significant
- 4. Social or Economic Communities of Interest Not significant
- 5. Disadvantaged Unincorporated Communities Not significant

| 1. PRESENT AND PLANNED LAND USES | | | |
|---|--------------------------|--------------------------|-------------------------------------|
| The present and planned land uses in the area, including agricultural and open-space lands. | | | |
| | YES | MAYBE | NO |
| a) Are there any present or planned land uses in the area that would create the need for an expanded service area? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Would the amended sphere conflict with planned, orderly and efficient patterns of urban development? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Would the amended sphere result in the loss of prime agricultural land or open space? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Would the amended sphere impact the identity of any existing communities; e.g. would it conflict with existing postal zones, school, library, sewer, water, census, fire, parks and recreation boundaries? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) Are there any natural or made-made obstructions that would impact where services can reasonably be extended or should otherwise be used as a logical sphere boundary? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Discussion: No changes are proposed to the sphere.

| 2. NEED FOR PUBLIC FACILITIES AND SERVICES | | | |
|---|--------------------------|--------------------------|-------------------------------------|
| The present and probable need for public facilities and services in the area. | | | |
| | YES | MAYBE | NO |
| a) Would the amended conflict with the Commission’s goal to increase efficiency and conservation of resources by providing essential services within a framework of controlled growth? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Would the amended sphere expand services that could be better provided by a city or another agency? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Would the amended sphere represent premature inducement of growth or facilitate conversion of agriculture or open space lands? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Would the amended sphere conflict with the Regional Housing Needs Allocation Plan adopted by the Association of Monterey Bay Governments (RHNA)? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) Are there any areas that should be removed from the sphere because existing circumstances make development unlikely, there is not sufficient demand to support it or important open space/prime agricultural land should be removed from urbanization? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| f) Have any agency commitments been predicated on expanding the agency’s sphere such as roadway projects, shopping centers, educational facilities, economic development or acquisition of parks and open space? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Discussion: No changes are proposed to the sphere.

| 3. CAPACITY AND ADEQUACY OF PROVIDED SERVICES | | | |
|---|--------------------------|--------------------------|-------------------------------------|
| The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide. | | | |
| | YES | MAYBE | NO |
| a) Are there any issues regarding the agency’s capacity to provide services in the proposed sphere territory? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Are there any issues regarding the agency’s willingness and ability to extend services? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Discussion: No changes are proposed to the sphere.

| 4. SOCIAL OR ECONOMIC COMMUNITIES OF INTEREST | | | |
|---|--------------------------|--------------------------|-------------------------------------|
| The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency. | | | |
| | YES | MAYBE | NO |
| a) Are there particular neighborhoods or areas that should be added or excluded from your agency’s sphere because those areas function as part of your community or another community socially or economically? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Discussion: No changes are proposed to the sphere.

| 5. DISADVANTAGED UNINCORPORATED COMMUNITIES | | | |
|---|--------------------------|--------------------------|-------------------------------------|
| For an update of an sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence. Additional smaller areas may be identified by LAFCO, the County, or a City in the future. | | | |
| | YES | MAYBE | NO |
| a) Does the subject agency provide public services related to water, sanitary sewers, or structural fire protection? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) If yes, does the proposed sphere exclude any nearby disadvantaged unincorporated community (80% or less of the statewide median household income) that does not already have access to public water or sanitary sewer service? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Discussion: Not applicable.

END OF SPHERE REVIEW