



**Local Agency Formation Commission of Napa County**  
Subdivision of the State of California

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*We Manage Local Government Boundaries, Evaluate Municipal Services, and Protect Agriculture*

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**Agenda Item 5d (Consent/Action)**

**TO:** Local Agency Formation Commission  
**PREPARED BY:** Brendon Freeman, Executive Officer *BF*  
**MEETING DATE:** June 6, 2022  
**SUBJECT:** Proposed Amendment to Policy on Municipal Service Reviews

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**RECOMMENDATION**

It is recommended the Commission adopt the Resolution of the Local Agency Formation Commission of Napa County Amending the *Policy on Municipal Service Reviews* (“the Policy”), included as Attachment One.

**SUMMARY**

The Commission’s adopted Strategic Plan includes a schedule for the Commission’s ad hoc Policy Committee (Mohler and Wagenknecht) to comprehensively review all local policies and propose amendments as appropriate.

On April 11, 2022, the Policy Committee met to review the Policy and agreed to recommend an amendment that would do all of the following:

- Clarify existing language related to municipal service reviews (MSRs) and the Commission’s annual Work Program;
- Add a paragraph related to the Agricultural Preserve;
- Align the scheduling of MSRs with general plan updates;
- Enhance efforts to disseminate MSRs to stakeholders and the general public;
- Add the state mandated MSR determinations;
- Specify which municipal services will generally be the subject of MSRs; and
- Align the MSR process with sphere of influence reviews and updates.

A clean version of the Policy with the proposed amendment is included as an exhibit to Attachment One. A tracked change version of the Policy is included as Attachment Two.

**ATTACHMENTS**

- 1) Draft Resolution Amending the *Policy on Municipal Service Reviews*
- 2) Proposed Amendments to *Policy on Municipal Service Reviews* (Tracked Changes)

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Margie Mohler, Chair  
Councilmember, Town of Yountville

Brad Wagenknecht, Vice Chair  
County of Napa Supervisor, 1st District

Kenneth Leary, Commissioner  
Representative of the General Public

Mariam Aboudamous, Commissioner  
Councilmember, City of American Canyon

Diane Dillon, Commissioner  
County of Napa Supervisor, 3rd District

Eve Kahn, Alternate Commissioner  
Representative of the General Public

Beth Painter, Alternate Commissioner  
Councilmember, City of Napa

Ryan Gregory, Alternate Commissioner  
County of Napa Supervisor, 2nd District

Brendon Freeman  
*Executive Officer*

RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF  
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
AMENDING ITS POLICY ON MUNICIPAL SERVICE REVIEWS

WHEREAS, on November 3, 2008, the Local Agency Formation Commission of Napa County (the "Commission") adopted a *Policy on Municipal Service Reviews*; and

WHEREAS, the Commission considered a proposed amendment to the *Policy on Municipal Service Reviews* at its regular meeting on June 6, 2022, and invited public comment at that meeting; and

NOW, THEREFORE, BE IT RESOLVED that the Commission hereby amends the *Policy on Municipal Service Reviews* as attached hereto as "Exhibit A".

This Resolution shall take effect immediately.

The foregoing resolution was duly and regularly adopted by the Commission at a public meeting held on June 6, 2022, after a motion by Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, by the following vote:

AYES:	Commissioners	_____
NOES:	Commissioners	_____
ABSENT:	Commissioners	_____
ABSTAIN:	Commissioners	_____

\_\_\_\_\_  
Margie Mohler  
Commission Chair

ATTEST: \_\_\_\_\_  
Brendon Freeman  
Executive Officer



## LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

### *Policy on Municipal Service Reviews*

(Adopted: November 3, 2008; Last Amended: October 5, 2015; Proposed Amendment: June 6, 2022)

#### **I. BACKGROUND**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires the Commission to prepare municipal service reviews (MSRs) in conjunction with its mandate to review and update each city and special district's sphere of influence every five years, as necessary. The legislative intent of the MSR process is to inform the Commission with regard to the availability, capacity, and efficiency of governmental services provided within its jurisdiction prior to making sphere of influence determinations. The MSR provides LAFCO with a tool to comprehensively study existing and future public service needs and to evaluate options for accommodating growth, preserving agriculture, preventing urban sprawl, and ensuring critical services are efficiently and cost-effectively provided.

Napa County has been at the forefront of preserving agriculture. The first Agricultural Preserve in the United States was created in 1968 by the Napa County Board of Supervisors. The Agricultural Preserve protects lands in the fertile valley and foothill areas of Napa County in which agriculture is and should continue to be the predominant land use. Measure P was passed by voters in 2008 and requires voter approval for any changes that would re-designate unincorporated agricultural and open-space lands.

#### **II. PURPOSE**

The purpose of this policy is to guide the Local Agency Formation Commission (LAFCO) of Napa County in scheduling, preparing, and adopting MSRs.

#### **III. OBJECTIVE**

The objective of the Commission in conducting MSRs is to evaluate governmental services necessary to support orderly growth and development in Napa County. Underlying this objective is the development and expansion of the Commission's knowledge and understanding of the current and planned provision of local governmental services in relationship to the present and future needs of the community. The Commission will use MSRs not only to inform subsequent sphere of influence (SOI) determinations, but also to identify opportunities for greater coordination and cooperation between service providers as well as possible government structure changes.

The MSR process requires LAFCO to make determinations regarding the provision of public services pursuant to [Government Code \(G.C.\) §56430](#) and empowers, but does not require, the Commission to initiate changes of organization based on MSR conclusions. However, the Commission, affected local agencies, and the public may subsequently use the determinations and related analysis to consider whether to pursue changes to service delivery, government organization, or SOIs.

#### IV. SCHEDULING

The Commission will adopt an annual Work Program during the fourth quarter of each fiscal year in conjunction with the budget process, which shall include a schedule for initiating and completing MSR's consistent with the Commission's obligation to review and update each city and special district's SOI, as necessary, and consistent with the Commission's adopted [Policy on SOIs](#). MSR's shall be completed for each city and each special district as defined in [G.C. §56036](#). When feasible, the Commission shall schedule MSR's in conjunction with general plan updates.

The Executive Officer may revise the adopted Work Program to add, modify, or eliminate scheduled MSR's to address changes in circumstances, priorities, and available resources. Revisions to the Work Program shall be presented at the next Commission meeting for information purposes.

At the discretion of the Executive Officer and in consultation with the Commission, each MSR will generally be prepared in four distinct phases:

- A. The first phase will involve the distribution of a request for information to be completed by the affected local agency and returned to LAFCO staff for review and analysis. Staff will compile this information in an administrative draft report, which will be made available to staff from each affected local agency for review and comment to identify any needed technical corrections.
- B. The second phase will be the release of a public draft report that includes technical corrections identified by the affected local agencies. The public draft report will be provided to the Commission and affected local agencies, and will be made available to the public for review and comment for a period of no less than 30 days. Staff will present the public draft report for discussion purposes only at the next Commission meeting.
- C. In the third phase, a final report that includes any new information or comments generated during the public review period will be presented to the Commission for formal action at a noticed public hearing.
- D. In the fourth phase, every effort should be made to disseminate the MSR beyond the affected agencies. Stakeholders and the general public should be made aware and have access to the information and recommendations included in the MSR.

#### V. PREPARATION

##### A. Format

The Commission may prepare MSR's using any of the following formats:

- 1) A countywide service-specific MSR will examine a governmental service or services across multiple local agencies on a countywide basis.
- 2) A region-specific MSR will examine governmental services provided by all local agencies that are entirely contained within a designated geographic area.
- 3) An agency-specific MSR will examine targeted governmental services provided by a specific local agency as described in Section V(C)(3) of this policy.

## B. Local Agency Participation

The Commission will encourage input from affected local agencies in designing MSR to enhance the value of the process among stakeholders and capture unique local conditions and circumstances effecting service provision. This includes identifying appropriate performance measures as well as regional growth and service issues transcending political boundaries. The Commission will also seek input from the affected local agencies in determining final geographic area boundaries for region-specific MSR. Factors the Commission may consider in determining final geographic area boundaries include, but are not limited to, SOIs, jurisdictional boundaries, urban growth boundaries, general plan designations, topography, and socio-economic communities of interest.

## C. Content

MSRs shall include:

- 1) Written determinations for each of the following factors enumerated under [G.C. §56430\(a\)](#):
  - a) Growth and population projections for the affected area.
  - b) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
  - c) 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.
  - d) Financial ability of agencies to provide services.
  - e) Status of, and opportunities for, shared facilities.
  - f) Accountability for community service needs, including governmental structure and operational efficiencies.
  - g) Any other matter related to effective or efficient service delivery, as required by commission policy.
  
- 2) An evaluation of the following matters related to effective or efficient service delivery pursuant to [G.C. §56430\(a\)\(7\)](#) if the Executive Officer, in consultation with the agencies being reviewed, determines the matter is relevant:
  - a) Agricultural Preserve and Measure P
  - b) Location and characteristics of existing outside service agreements
  - c) Joint powers agreements involving the direct provision of public services
  - d) Growth goals and policies of the land use authorities in Napa County
  - e) Climate change
  - f) Housing, including affordable housing and workforce housing
  - g) Transportation
  - h) Cumulative service impacts related to current and planned development

- 3) An evaluation of target governmental services, which may include, but are not limited to, water, wastewater, law enforcement, fire protection, emergency medical, streets, and parks. General governmental services such as courts, social services, human resources, tax collection, and administrative services will generally not be included in the MSR. LAFCO reserves the right to consider additional service classifications in each MSR.

## **VI. SPHERE OF INFLUENCE**

A completed MSR will be used to inform the review and, if appropriate, update of each affected agency's SOI consistent with [G.C. §56430\(a\)](#) as well as the Commission's adopted Work Program and [Policy on SOIs](#). The Commission and any affected local agencies are encouraged to discuss the need for SOI updates. The Commission may complete the MSR and any appropriate SOI actions at the same meeting or as part of separate meetings.

## **VII. ENVIRONMENTAL REVIEW**

MSRs are informational documents and generally exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to [California Code of Regulations §15306](#) because they are limited to basic data collection, research, and resource evaluation activities that do not result in a serious or major disturbance to any environmental resource. However, if an MSR is used to facilitate a significant governmental change such as formation of a new special district, it can be assumed the MSR would be subject to CEQA and may require the preparation of an environmental impact report. The Commission shall act in accordance with its adopted [Policy on CEQA](#).

## **VIII. ADOPTION**

The Commission will complete each scheduled MSR by formally receiving a final report and adopting a resolution codifying its written determinations as part of a public hearing. Each completed MSR will be provided to any affected local agencies and included on the Commission's website for public viewing.



## LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

### *Policy on Municipal Service Reviews*

(Adopted: November 3, 2008; Last Amended: October 5, 2015); Proposed Amendment: June 6, 2022

#### I. BACKGROUND

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires the Commission to prepare municipal service reviews (MSRs) in conjunction with its mandate to review and update each ~~local agency~~city and special district's sphere of influence every five years, as necessary. The legislative intent of the ~~municipal service review~~MSR process is to inform the Commission with regard to the availability, capacity, and efficiency of governmental services provided within its jurisdiction prior to making sphere of influence determinations. ~~Municipal service reviews must designate the geographic area in which the governmental service or services are under evaluation. Municipal service reviews must also include determinations addressing the governance factors prescribed under Government Code Section 56430 and any other matters relating to service provision as required by Commission policy.~~ The MSR provides LAFCO with a tool to comprehensively study existing and future public service needs and to evaluate options for accommodating growth, preserving agriculture, preventing urban sprawl, and ensuring critical services are efficiently and cost-effectively provided.

Napa County has been at the forefront of preserving agriculture. The first Agricultural Preserve in the United States was created in 1968 by the Napa County Board of Supervisors. The Agricultural Preserve protects lands in the fertile valley and foothill areas of Napa County in which agriculture is and should continue to be the predominant land use. Measure P was passed by voters in 2008 and requires voter approval for any changes that would re-designate unincorporated agricultural and open-space lands.

#### II. PURPOSE

The purpose of ~~these this policies~~policy is to guide the Local Agency Formation Commission (LAFCO) of Napa County in ~~conducting municipal service reviews. This includes establishing consistency with respect to the Commission's approach in the~~ (a) scheduling, (b) ~~preparation~~preparing, and (c) ~~adoption of municipal service reviews.~~adopting MSRs.

#### III. OBJECTIVE

The objective of the Commission in conducting ~~municipal service reviews~~MSRs is to proactively and comprehensively evaluate the level, range, and structure of ~~evaluate~~ governmental services necessary to support orderly growth and development in Napa County. -Underlying this objective is ~~to develop~~the development and ~~expand~~expansion of the Commission's knowledge and understanding of the current and planned provision of local governmental services in relationship to the present and future needs of the community. -The Commission will use ~~the municipal service reviews~~MSRs not only to inform subsequent sphere of influence (SOI) determinations, but also to

identify opportunities for greater coordination and cooperation between service providers as well as possible government structure changes.

The MSR process requires LAFCO to make determinations regarding the provision of public services pursuant to Government Code (G.C.) §56430 and empowers, but does not require, the Commission to initiate changes of organization based on MSR conclusions. However,~~IV. Municipal Service Review Policies~~

#### ~~A. SCHEDULING~~

Each year, the Commission, affected local agencies, and the public may subsequently use the determinations and related analysis to consider whether to pursue changes to service delivery, government organization, or SOIs.

#### IV. SCHEDULING

The Commission will adopt an annual Work Program during the fourth quarter of each fiscal year in conjunction with the budget process, which shall include a schedule for initiating and completing municipal service reviews, MSRs consistent with the Commission's obligation to review and update each city and special district's sphere of influence SOI, as necessary, and consistent with the Commission's adopted Policy on SOIs. MSRs shall be completed for each city and each special district as defined in G.C. §56036.

When feasible, the Commission will generally shall schedule municipal service reviews MSRs in conjunction with sphere of influence general plan updates. The Commission, however, may schedule municipal service reviews independent of sphere of influence updates.

The Commission-Executive Officer may also amend revise the adopted Work Program to add, modify, or eliminate scheduled municipal service reviews MSRs to address changes in circumstances, priorities, and available resources. Revisions to the Work Program shall be presented at the next Commission meeting for information purposes.

In adopting a Work Program, At the discretion of the Executive Officer and in consultation with the Commission may calendar three types of municipal service reviews. These three types of municipal service reviews are 1) service-specific, 2) region-specific, and 3) agency-specific and are summarized below.

A service-specific, each municipal service review MSR will generally be prepared in four distinct phases:

A. The first phase will involve the distribution of a request for information to be completed by the affected local agency and returned to LAFCO staff for review and analysis. Staff will compile this information in an administrative draft report, which will be made available to staff from each affected local agency for review and comment to identify any needed technical corrections.

B. The second phase will be the release of a public draft report that includes technical corrections identified by the affected local agencies. The public draft report will be provided to the



Commission and affected local agencies, and will be made available to the public for review and comment for a period of no less than 30 days. Staff will present the public draft report for discussion purposes only at the next Commission meeting.

C. In the third phase, a final report that includes any new information or comments generated during the public review period will be presented to the Commission for formal action at a noticed public hearing.

D. In the fourth phase, every effort should be made to disseminate the MSR beyond the affected agencies. Stakeholders and the general public should be made aware and have access to the information and recommendations included in the MSR.

## V. PREPARATION

### A. Format

The Commission may prepare MSRs using any of the following formats:

- 1) A countywide service-specific MSR will examine particular governmental service or services across multiple local agencies on a countywide basis.
- 2) A region-specific municipal service review MSR will examine the range of governmental services provided by all local agencies that are entirely contained within a particular designated geographic area.
- 3) An agency-specific municipal service review MSR will examine the breadth of targeted governmental services provided by a particular specific local agency as described in Section V(C)(3) of this policy.

### B. Local Agency Participation

The Commission will encourage input ~~among from~~ affected local agencies in designing ~~the municipal service reviews~~ MSRs to enhance the value of the process among stakeholders and capture unique local conditions and circumstances effecting service provision. -This includes identifying appropriate performance measures as well as regional growth and service issues transcending political boundaries. -The Commission will also seek input from the affected local agencies in determining final geographic area boundaries for region-specific the municipal service reviews. MSRs. Factors the Commission may consider in determining final geographic area boundaries include, but are not limited to, ~~spheres of influence~~ SOIs, jurisdictional boundaries, urban growth boundaries, general plan designations, ~~and~~ topography, and socio-economic communities of interest.

~~The Commission will prepare the municipal service reviews but may contract with outside consultants to assist staff as needed. Data collection is an integral component of the municipal service review process and requires cooperation from local agencies. The Commission will strive to reduce the demands on local agencies in the data collection process to the extent possible. All service related information provided by local agencies will be reviewed and verified by the Commission.~~

~~Each municipal service review will generally be prepared in three distinct phases. The first phase will involve the distribution of an initial checklist and request for service information to be provided by the local agency and analyzed by Commission staff. This information will be compiled in an administrative draft report, which will be made available to staff from each affected local agency for its review and comment to identify any technical corrections. The draft report, including any technical corrections identified by staff from the affected local agencies, will be provided to the Commission and will be made available to the public for review and comment for a period of no less than 21 days. Finally, a final report addressing any new information or comments generated during the public review period, as appropriate, will be presented to the Commission for its consideration at a public hearing.~~

~~In addition to making~~

### C. Content

MSRs shall include:

- ~~1) Written determinations on various for each of the following factors as prescribed by enumerated Government Code Section 56430, the Commission will additionally make determinations with respect to the relationship with regional growth under G.C. §56430(a):~~
  - ~~a) Growth and population projections for the affected area.~~
  - ~~b) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.~~
  - ~~c) 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.~~
  - ~~d) Financial ability of agencies to provide services.~~
  - ~~e) Status of, and opportunities for, shared facilities.~~
  - ~~f) Accountability for community service needs, including governmental structure and operational efficiencies.~~
  - ~~g) Any other matter related to effective or efficient service delivery, as required by commission policy.~~
- ~~2) An evaluation of the following matters related to effective or efficient service delivery pursuant to G.C. §56430(a)(7) if the Executive Officer, in consultation with the agencies being reviewed, determines the matter is relevant:~~
  - ~~a) Agricultural Preserve and Measure P~~
  - ~~b) Location and characteristics of existing outside service agreements~~
  - ~~c) Joint powers agreements involving the direct provision of public services~~
  - ~~d) Growth goals and policies of the land use authorities in Napa County~~
  - ~~e) Climate change~~
  - ~~f) Housing, including affordable housing and workforce housing~~
  - ~~g) Transportation~~

h) Cumulative service impacts related to current and planned development

- 3) An evaluation of target governmental services, which may include, but are not limited to, water, wastewater, law enforcement, fire protection, emergency medical, streets, and parks. General governmental services such as courts, social services, human resources, tax collection, and administrative services will generally not be included in the MSR. LAFCO reserves the right to consider additional service classifications in each MSR.

**VI. SPHERE OF INFLUENCE**

A completed MSR will be used to inform the review and, if appropriate, update of each affected agency's SOI consistent with G.C. §56430(a) as well as the Commission's adopted Work Program and Policy on SOIs. The Commission and any affected local agencies are encouraged to discuss the need for SOI updates. The Commission may complete the MSR and any appropriate SOI actions at the same meeting or as part of separate meetings.

**VII. ENVIRONMENTAL REVIEW**

MSRs are informational documents and generally exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to California Code of Regulations §15306 because they are limited to basic data collection, research, and resource evaluation activities that do not result in a serious or major disturbance to any environmental resource. However, if an MSR is used to facilitate a significant governmental change such as formation of a new special district, it can be assumed the MSR would be subject to CEQA and may require the preparation of an environmental impact report. The Commission shall act in accordance with its adopted Policy on CEQA.

**B. VIII. ADOPTION**

The Commission will complete each scheduled ~~municipal service review~~ MSR by formally receiving a final report and adopting a resolution codifying its written determinations as part of a public hearing. Each completed MSR will be provided to any affected local agencies and included on the Commission's website for public viewing.