

Guidelines for Preparing Municipal Service Reviews

I. PURPOSE

To establish guidelines to assist in the preparation of Municipal Service Reviews in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.).

II. BACKGROUND

Government Code Section 56430 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Act) states that to prepare and update spheres of influence (SOIs), the Commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the Commission. Service reviews are conducted before, or in conjunction with, but no later than the time OC LAFCO establishes or updates SOIs. The Commission shall include in the area designated for service review the county, the region, the subregion, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed and shall prepare a written statement of its determinations.

In addition to complying with the Act, this policy is intended to consider existing circumstances unique to Orange County and is primarily directed to improving efficiency and affordability of infrastructure and the delivery of municipal services. These guidelines are designed to provide a criterion for preparing Municipal Service Reviews (MSRs). As such, these guidelines are not intended to preclude any Commission action that may conflict with these guidelines if special circumstances warrant such action.

III. DEFINITIONS

- A. **“Municipal Service Review”** is a review of the municipal services provided in the county or other appropriate area designated by the commission. (Government Code §56430).
- B. **“Stakeholder”** is a public or other agency providing municipal services within Orange County or community member residing in Orange County receiving municipal services, which may be affected by the OC LAFCO programs, projects, or actions.

IV. MUNICIPAL SERVICE REVIEWS

OC LAFCO’s Municipal Service Reviews Program is a unique and innovative strategy and

programmatic approach to preparing MSRs. Therefore, MSRs should be prepared in accordance with the following MSR guiding principles adopted by the Commission. MSRs shall be:

- Studies that review and address issues and opportunities involving future growth, municipal service delivery, and infrastructure needs and opportunities within Orange County over the next 10 to 20 years.
 - Educational and valuable to stakeholders and the public, as the ultimate end-users of the studies by raising awareness about future opportunities to provide municipal services efficiently, equitably, and reliably.
 - Assistance to the Commission is in determining the future boundaries and service areas for cities and special districts.
 - The product of an open and inclusive process.
- A.** OC LAFCO shall comprehensively review the municipal services provided in the county (or other appropriate area designated by OC LAFCO) by the agencies and/or private entities that provide the identified service or services within the designated area. (Government Code §56430)
- B.** OC LAFCO may streamline service review processes by:
- 1) Minimizing the number of required service reviews by clustering services or agencies as feasible and appropriate.
 - 2) Integrating SOI proposal processing and related CEQA processes with service reviews where appropriate.
 - 3) Placing high priority on reviews of services affected by pending or anticipated proposals where feasible and fair.
 - 4) Using existing information resources and technical support from the county, cities and special districts when available and adequate.
 - 5) Using other innovative strategies to reduce service review processing costs and timelines.

Further, the Commission may reaffirm previously approved Municipal Service Reviews and Spheres of Influence when deemed appropriate.

- C.** OC LAFCO shall encourage collaboration, cooperation and information sharing among service review stakeholders that may include participation in designing the service

review, negotiating funding strategies, developing information needs assessment and collection strategies, identifying applicable industry standards, selecting consultants if appropriate, and reviewing draft MSR reports. OC LAFCO may also encourage private entities that provide services to participate in service review processes. (Government Code §56430)

- D. OC LAFCO shall independently review and verify service review information compiled by other agencies. OC LAFCO shall endeavor to reach out to agencies to validate the information about their agency. Appropriate local, state, federal and industry standards, identified during the scoping process, will be used to support analysis of technical data and conditions. OC LAFCO shall endeavor, primarily through direct communication with stakeholder agencies, to ensure that financial comparisons between agencies are accurate, fair, equitable, and based on similar data.
- E. In conducting a service review, OC LAFCO may assess various alternatives for improving efficiency and affordability of infrastructure and service delivery within the contiguous sphere of influence, including, but not limited to, the consolidation of agencies. (Government Code §56430(b))

In accordance with Government Code §56430, for each service review, OC LAFCO shall adopt a written statement of its determinations with respect to each of the following:

- 1) Growth and population projections for the affected area.
 - 2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
 - 3) 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.
 - 4) Financial ability of agencies to provide services.
 - 5) 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.
- F. OC LAFCO may consider SOI actions that are based on a completed MSR concurrently with the adoption of written MSR determinations and recommendations or doing a subsequent action by the Commission.

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