

Draft Resolution

111 Santa Rosa Ave. Ste. 240
Santa Rosa, CA 95404

July 6, 2022

Resolution of the Local Agency Formation Commission of the County of Sonoma, State of California, Making Findings and Determinations Related to Information Contained in the Municipal Service Review for the City of Sonoma, Determining Exemption from the California Environmental Quality Act, and Adopting the Determinations of the Municipal Service Review.

RESOLVED, that the Local Agency Formation Commission of the County of Sonoma (“the Commission”) hereby finds and determines as follows:

1. Procedural History

1.1 The City of Sonoma (“the Subject Agency”) requested that the Commission prepare a Municipal Service Review (“MSR”) of the City pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Government Code section 56000 et seq. (“the Cortese-Knox-Hertzberg Act”).

1.2 The Executive Officer considered the request and prepared, using consultant services, a municipal service review (“the MSR”).

1.3 The Executive Officer determined that the Commission would comply with California Environmental Quality Act (“CEQA”) and the State CEQA Guidelines by acting as the lead agency in its consideration of the MSR. The Executive Officer further determined that the MSR is exempt pursuant to State CEQA Guidelines Sections 15306 and 15061(b)(3).

1.4 Following the preparation of the MSR, the Executive Officer set the matter for consideration by the Commission and provided notice thereof as provided in the Cortese-Knox-Hertzberg Act.

1.5 The Executive Officer considered written comments received on the MSR and prepared a staff report (“the Executive Officer’s Report”) which included a recommendation for the MSR. The Executive Officer furnished copies of the Executive Officer’s Report to all persons entitled to copies under the Cortese-Knox-Hertzberg Act.

1.6 The Commission conducted a noticed public hearing to consider the MSR/SOI Study and Sphere of Influence Amendments on June 1, 2022. At the hearing, the Commission heard and received all relevant oral and written testimony and evidence presented or filed and considered the Executive Officer’s Report and the

MSR. All interested persons were given the opportunity to hear and be heard. At the conclusion of public testimony, the Commission closed the public hearing and adopted the determinations in the MSR.

1.7 The Commission has reviewed and considered this resolution and hereby finds that it accurately sets forth the intentions of the Commission regarding the determinations of the MSR.

2. CEQA Compliance

2.1 The Commission concurs with the Executive Officer and finds that the Commission is the lead agency for the preparation of the MSR pursuant to CEQA and the state CEQA Guidelines.

2.2 The Commission finds and determines that preparation of a Municipal Service Review consists largely of the collection of data and research through reports and/or interviews with those knowledgeable about the Agency studied, resulting in conclusions and recommendations. When such activities “do not result in a serious or major disturbance to an environmental resource,” pursuant to Section 15306 of the State CEQA Guidelines, is exempt from CEQA.

2.3 The Commission finds and determines that confirming the Sphere of Influence of the Subject Agency is exempt from CEQA pursuant to Section 15061 (b)(3) of the State CEQA Guidelines, which states that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is not a possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

2.3 Confirmation of the Sphere of Influence of the Subject Agency will not result in a physical change to the environment in and of itself. Any future actions for change of organization would be further subject to separate environmental determination.

2.3 The Commission has considered the potential environmental effects of the MSR prior to reaching its decision. The Commission finds that, in doing so, it has fully discharged its responsibilities under CEQA.

3. Cortese-Knox-Hertzberg Act Compliance – Municipal Service Review

3.1 The Cortese-Knox-Hertzberg Act directs LAFCOs to review and update Agency Spheres of influence, as necessary, every five years and further to conduct municipal service reviews prior to, or in conjunction with such updates. With regard to the Agency’s Request, the Commission makes the following determinations:

3.2 *Growth and Population Projections for the Affected Area*

3.2.1 Demographic data shows Sonoma with an aging population. It is estimated that by 2023 the 65 and over population will represent 33.4% of the City's population.

3.2.2 Vacancy rates in Sonoma are comparatively high compared to elsewhere in the county and the state, exacerbating a housing availability imbalance. Between 2014 and 2017 they doubled from 6% to 12%.

3.2.3 The population of the City of Sonoma on January 1, 2021 was estimated as 10,924. It is the second year in a row that Sonoma's population has declined. Between 2019 and 2020 the City lost 114 people. Never-the-less population trends indicate a slight increase in population. The population is expected to grow at an average rate of 0.4% per year through 2045 when the estimated population would be around 13,000. Based on this information the population is expected to range between 11,000 and 13,000.

3.3 *The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.*

3.3.1 Disadvantaged Unincorporated Communities are defined as inhabited unincorporated areas whose median household income is less than 80% of the statewide median household income. For 2018 that figure is \$56,982. The DWR mapping tool identified two areas that fell below 80% of the statewide MHI. One area is within city limits so is not a DUC by definition. The other area is within the northwest portion of the City's SOI. It already receives city water and sewer services. Fire protection is provided by the Sonoma Valley Fire District.

3.4 *Present and Planned Capacity of Public Facilities and Adequacy of Public Services Including Infrastructure Needs or Deficiencies.*

Water

3.4.1 The City operates and maintains 4,404 water service connections/meters, 1,437 valves, 476 fire hydrants, six water tanks, eight wells, two booster pump stations, and 58 miles of underground water main pipes.

3.4.2 The City receives most of its water from Sonoma County Water Agency (SCWA). The City's wells contribute approximately 9% of the total demand.

3.4.3 In 2020 total demand was 2,174 AFY. In the next 25 years demand is expected to grow to 2,283 AFY, which represents an increase of 5%.

3.4.4 Future year water supply and demand estimates for normal year single dry year and multiple dry years shows an excess of supply over demand.

3.4.5 The City plans to begin using 55 AFY recycled water for some of its non-potable demands by 2025.

Wastewater

3.4.6 The Sonoma Valley County Sanitation District (SVCS) provides wastewater collection, treatment, disposal, and water recycling services for the City's service area. The SVCS has a treatment plant on Eighth Street East. Current permitted capacity is 3 MGD which is greater than the current average dry-weather flow of 2.7 MGD.

Cemeteries

3.4.7 The City operates and maintains three cemeteries, Mountain Cemetery, Valley Cemetery and Veterans Cemetery. The Veteran's cemetery is reserved for veterans only.

3.4.8 All the cemeteries are at capacity. Only one burial site is available in the Valley Cemetery, however in ground cremains placement is available in the Mountain and Valley Cemeteries. In addition, there are full crypt burial sites available in Mausoleum #11 in Mountain Cemetery.

Public Works

3.4.9 The Public Works Department operates, maintains, and upgrades the City of Sonoma's water and transportation systems, parks, and cemeteries. Public Works has three divisions: Parks, Cemeteries & Facilities; Streets; and Water. The Streets Division maintains the City's streets, bridges, sidewalks, and right-of-way. The Streets Division maintains 33.8 miles of streets, 11 bridges, 40 miles of storm drainage piping, 3 miles of roadside ditches, and 485 catch basins.

3.4.10 The Department routinely surveys the condition of its streets to determine maintenance requirements. There are three classes of streets in Sonoma, arterial, collector, and residential. The condition is rated by a Pavement Condition Index. The PCI for arterials averages 74, for collectors 76, and residential 70. The total system average is 72. A PCI of 70 to 90 is considered very good.

3.4.11 Public works is also responsible for maintaining the storm drain system. Storm water collected in the storm drain system is discharged untreated into Nathanson Creek, Sonoma Creek, or Fryer Creek.

Law Enforcement

3.4.12 The City has a long-standing contract for law enforcement services with the Sonoma County Sheriff's Office. The contract allows administrative and managerial functions to be handled by the Sheriff's main office in Santa Rosa. The Police Department has a staff of 16 employees, translating to 1.1 sworn officers per thousand population, which is generally considered good for a community the size of Sonoma. The contract arrangement allows the City to determine the level of service that

is desired. Capacity is limited by what the City determines it needs and resources available in the budget.

3.4.13 In FY 2019-20 the Sheriff's department responded to 10,854 calls for service in the City of Sonoma. That lead to 447 arrests. The City does not have a jail. The Sheriff's Office operates two in the vicinity of Santa Rosa.

Fire and Emergency Medical Services

3.4.14 The City contracts for fire protection service with Valley of the Moon Fire Protection District (VMFPD), which is now the Sonoma Valley Fire District. The City formed the Sonoma Valley Fire and Rescue Authority to share expenses with VMFPD. Although the VMFPD recently consolidated to form the Sonoma Valley Fire District the contract with the City remains intact.

3.4.15 The SVFRA Station 1 is in the City of Sonoma. It operates three engines, a ladder truck, an ambulance, and a command vehicle out of the station. Station 1 also handles administration, features living quarters and a vehicle maintenance and repair building.

3.4.16 The Fire Department responded to average of 1961 calls per year over the last five years, with the highest call volume of 2242 in 2019. The range indicates the department has the capacity to handle at least 2200 calls per year. Two thirds of the calls are for emergency medical services. Response time goal has been set at 7 minutes. The City department has an ISO rating of 1, the highest rating possible.

Parks and Recreation

3.4.17 The City owns and operates 17 parks and partners with several non-profits and other agencies for maintenance.

3.4.18 The City does not provide recreational activities itself but partners with and financially supports activities of several non-profits at its facilities.

3.4.19 Through its partnerships and sponsorships the City is able to tailor park and recreation activities to the needs of its residents and has the capacity to expand or reduce services as needed.

3.5 Financial Ability of Agencies to Provide Services.

3.5.1 In FY 21/22the City Council allocated a budget of \$21.7 million. The City's economy depends on tourism, so the major revenue sources are sales tax, 20%, and transit occupancy tax, 24%. Property tax adds another 19% of the revenues. Nearly 60% of expenses are allocated for law enforcement and fire protection.

3.5.2 The City also operates two enterprise funds, water and cemeteries, whose main source of revenue is charges. The City provides potable water to some

4,400 connections. The water fund revenues average nearly \$6 million. The City operates and maintains three cemeteries. The FY 21/22 budget estimates Cemetery Fund revenues as \$371,000 and expenses as \$354,000.

3.5.3 In 2018 the City conducted a water rate study and determined the need to raise rates over a five-year period to cover anticipated cost increases in purchased water. Residential rates depend on the size of the meter along with a usage fee. The current rate for a residential meter is \$30.46 base rate plus the usage fee based on consumption of 1000 gallons per month.

3.5.4 The City has adopted a five-year capital improvement plan, extending from FY 21/22 to FY 25/26. The plan identifies 22 projects at a cost of \$19.5 million.

3.5.5 The City maintains reserves that are used to address shortfalls in operating expenses. The City has established policies to maintain reserves. Current reserves are approximately \$7.3 million.

3.5.6 The City has one outstanding long-term debt. In 2007 the City was awarded \$1,156,000 to finance a solar paneling project at four different municipal facilities within the City limits. Their share, in the form of a bond, requires payments of \$41,749 due on December 15 of each year, with the final installment due on December 15, 2024.

3.5.7 Sonoma addressed a portion of its employee pension obligations through the issuance of a bond. The bond allowed the City to cover its pension obligations at a lower interest rate. The bond required an annual payment of approximately \$400,000. It was paid off in FY 20/21.

3.5.8 The City of Sonoma is the successor agency of the former Sonoma Community Development Agency, the Sonoma redevelopment agency.

3.6 *Status of and Opportunities for Shared Facilities.*

3.6.1 The City works cooperatively with a number of agencies to provide services. The City contracts out for law enforcement, fire protection, wastewater services, and the city attorney. The City works cooperatively with the Chamber of Commerce and the SVVB. Although the City owns and operates parks within its jurisdictional boundaries, the City contracts for recreation programs and community activities.

3.6.2 Management efficiencies contribute to cost reduction and more efficient service delivery. Management efficiencies can be measured through planning activities. The City has its General Plan, Water Master Plan, Urban Water Management Plan, and Emergency Operations Plan. In addition, the City adopts an annual spending plan, the budget, supported by a five-year financial plan.

3.7 *Accountability for Community Service Needs, Including Government Structure and Operational Efficiencies.*

3.7.1 The City is a general law city governed by a five-member city council elected to four-year staggered terms. City Council members are eligible for a stipend of \$300 per month and healthcare for themselves and their dependents.

3.7.2 The City Council meets on the first and third Wednesday of each month at 6:00 p.m. in council chambers. Meetings are noticed and held according to the Brown Act.

3.7.3 The City encourages resident involvement on a number of city committees and commissions as well as regional committees and commissions.

3.7.4 The City communicates with its residents via its weekly e-newsletter "About Town". It also encourages residents to subscribe to electronic agendas and minutes of the Council as well as its committees and commissions.

3.7.5 The City is staffed by 41 full time employees and some part time employees. It provides many key services through contracts. The City contracts for law enforcement, fire, economic development, wastewater, solid waste collection, the City Attorney, code enforcement, and recreational services.

3.8 *Matters Related to Effective or Efficient Service Delivery, as Required by Commission Policy.*

3.8.1 Expansion of the City is limited by the voter-approved Urban Growth Boundary ordinance. Sonoma LAFCO policy generally sets City spheres as coterminous with UGBs.

3.8.2 The City of Sonoma has a number of areas that are currently within the sphere and the UGB that have yet to be annexed to the City. These include two parks; several areas that are substantially developed with suburban/rural residential development; a large, developed unincorporated island; and one area with larger parcels suitable for new development (at the City's southern gateway). Should the City choose to annex them, Commission policies regarding annexations would apply. LAFCO sphere policies would apply to areas in the sphere that are not likely to be served.

3.8.3 Out of area service policies apply to the area outside the eastern boundary of the City that receives water service from the City.

3.8.4 There are several areas that are eligible for annexation within the existing SOI/UGB boundaries. These include two parks; several areas that are substantially developed with suburban/rural residential development; a large, developed unincorporated island; and one area with larger parcels suitable for new development (at the City's southern gateway).

3.9 Sphere of Influence Factors

3.9.1 The Sphere of Influence of the City, which is coterminous with the City's Urban Growth Boundary, is not recommended for amendment at this time.

3.10 Recommendations

3.10.1 *The City is encouraged to consider actions taken in concert with other local agencies to improve the effectiveness and efficiency of providing municipal services in the Sonoma Valley region, up to and including the possibility of expanding City boundaries to include areas in the Valley that are largely developed and urbanized.*

3.10.2 The City should review its position regarding the potential annexation of the two park areas, either seeking annexation or removal of the territory from the sphere of influence.

3.10.3 The City should consider directly supporting appropriate annexations in the Denmark Street, Four Corners, and Harrington Road areas. Potential actions could include annexation proposals made directly by the City, and preparation of a specific area plan, and subsequent annexation of the Four Corners area.

3.10.4 The City should not hesitate to apply to LAFCO to annex the Train Town unincorporated island. The City could request the annexation under the island annexation provisions in Cortese- Knox-Hertzberg, in tandem with the Master Property Tax Exchange Agreement in place in Sonoma County, to cause the annexation absent property owner support.

4.0 Cortese-Knox-Hertzberg Act Compliance – Sphere of Influence

The Commission is confirming the City of Sonoma's existing sphere of influence.

NOW, THEREFORE, based on the foregoing findings and determinations and the record of these proceedings, and pursuant to the Cortese-Knox-Hertzberg Act, the Commission hereby declares and orders as follows:

1. The foregoing findings and determinations are true and correct, are supported by substantial evidence in the record, and are adopted as hereinabove set forth.
2. The Commission has reviewed and considered the information contained in the final MSR for the City of Sonoma.
3. The Commission adopts the determinations made in the MSR.

The Clerk of the Commission is designated as the custodian of the documents and other materials that constitute the record of the proceedings upon which the Commission's decision herein is based. These documents may be found at the office of the Clerk of the Commission, 111 Santa Rosa Ave., Ste. 240, Santa Rosa, CA, 95404.

THE FOREGOING RESOLUTION was introduced at a regular meeting of the Commission on the 1st day of June 2022 and ordered adopted by the following vote:

Commissioners:

AYES:

NOES:

ABSENT:

WHEREUPON, the Chair declared the foregoing resolution adopted and

SO ORDERED.

Mark Bramfitt, Executive Officer

The within instrument is a true and correct copy of the original on file in this office.

ATTEST:

BY: _____
Clerk

DRAFT