

FINAL

**GREEN VALLEY RECREATION AND
PARK DISTRICT**

**MUNICIPAL SERVICE REVIEW AND
SPHERE OF INFLUENCE UPDATE**

Report to the
**Contra Costa Local Agency
Formation Commission**

Approved August 13, 2008

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1. INTRODUCTION

1.1 Introductory Comments

This report regarding the Green Valley Recreation & Park (GVRPD) was prepared pursuant to California Government Code §56430. LAFCO must conduct Municipal Service Reviews (MSRs) prior to or in conjunction with spheres of influence (SOIs) updates every five years, as necessary.

The MSR must include an analysis of issues and written determinations for each of the following:

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

The MSR process does not require LAFCO to initiate changes of organization based on service review findings; it only requires that LAFCO make determinations regarding the provision of public services per Government Code §56430. MSR's are not subject to the provisions of the California Environmental Quality Act (CEQA) because they are only feasibility or planning studies for possible future action that LAFCO has not approved (California Public Resource Code §21150). The ultimate outcome of conducting a service review, however, may result in LAFCO taking discretionary action on a change of organization or reorganization.

1.2 Service Review Process

A collaborative approach has been used for the preparation of this MSR; input from the GVRPD is highly valued, and opportunities were provided for their involvement. An MSR questionnaire was sent to the District for completion. Agency data was collected and reviewed by LAFCO staff, and follow-up discussions were held with agency representatives. The agency was provided an opportunity to preview the preliminary draft MSR report to provide clarification and address data gaps. Changes and comments were incorporated as appropriate in preparation for release of the Public Review Draft.

Upon direction from the Commission, this MSR will be released for public review and comment. The Commission will be asked to consider public comments at an upcoming public hearing and adopt the determinations accordingly.

2. OVERVIEW

The GVRPD was created in 1949, and encompasses 405 parcels covering approximately 162 acres located with the Town of Danville. As a result of an SOI amendment on July 9, the District's boundary and sphere of influence (SOI) are not coterminous as shown on the attached map (Exhibit A).

Initially formed as a Homeowners' Association (HOA), GVRPD owns and operates a swimming pool for the Cameo Acres and serves the surrounding areas of Danville and Alamo. GVRPD also offers activities commonly provided at community pools, including swim lessons, a non-competitive swim team, lifeguard training, community and social events.

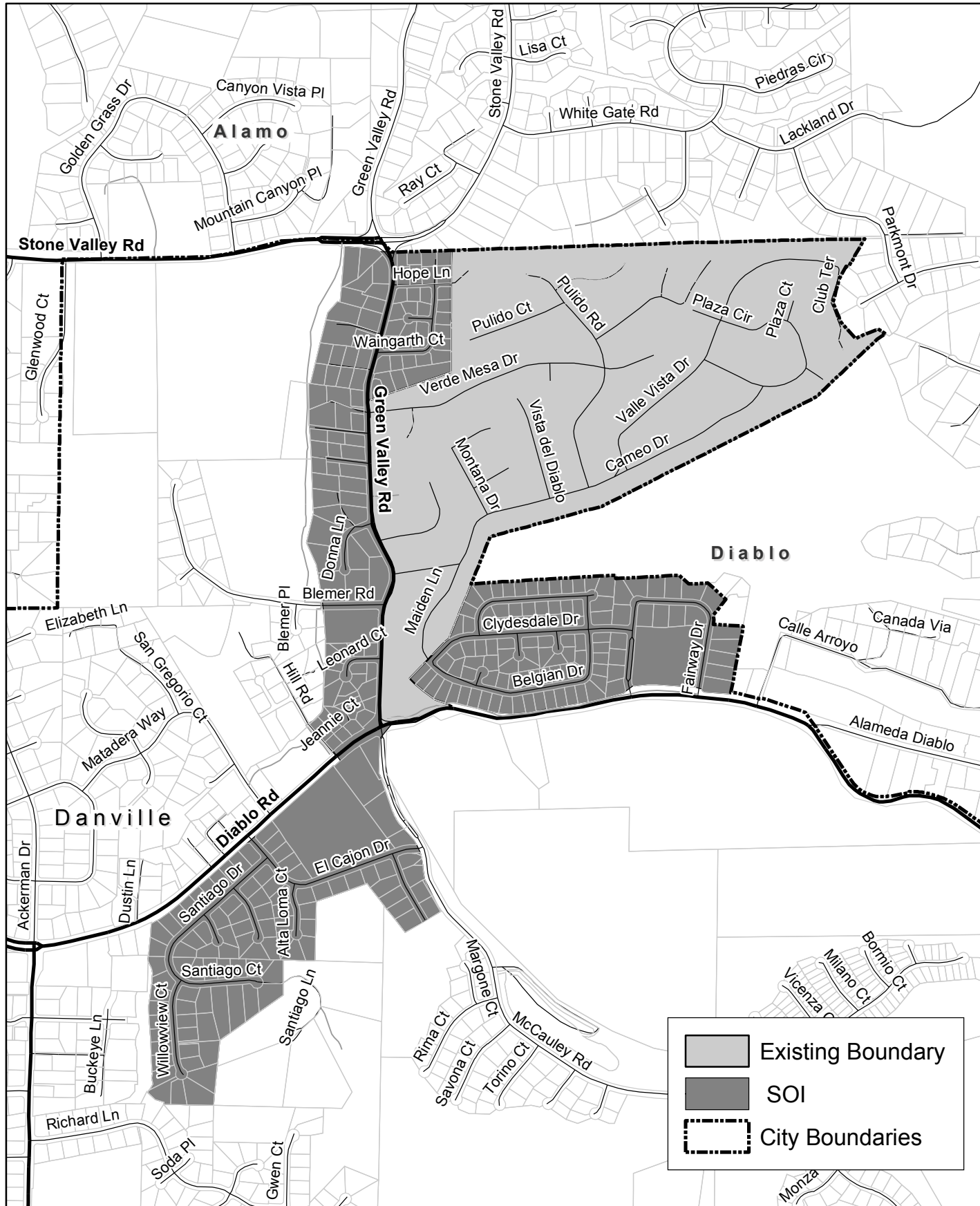
GVRPD services and programs are available to members and guests, and to residents and non-residents of the District. The District has a current membership of approximately 120 families.

GVRPD is one of several public agencies that provide park and recreational services to the area. In addition, numerous private organizations, including HOAs, neighborhood associations, community-based organizations and private businesses help meet the local area park and recreational needs.

All or portions of the GVRPD are overlapped by the following local agencies:

- Contra Costa Mosquito & Vector Control District
- Contra Costa Resource Conservation District
- CSA EM-1 (Emergency Medical Services)
- CSA L-100 (Street Lighting)
- CSA P-2 (Police Services)
- East Bay Municipal Utility District
- East Bay Regional Park District
- Central Contra Costa Sanitary District
- Town of Danville

Green Valley Recreation and Park District Boundary and Sphere of Influence



2.1 Growth and Population Projections

Development patterns, population growth and demographics have a significant effect on the provision of recreation and park services. Park facilities are community assets and recreation programs contribute to the quality of life for residents. Community and neighborhood parks are generally designed to serve the needs of the local community.

The GVRPD boundaries encompass approximately 162 acres in the Danville area (405 parcels). The population served by the District is approximately 1,126 based on 405 households and 2.78 persons per household (ABAG). The territory within the District boundaries is built-out, and projected growth within the existing boundaries is projected at less than 1% annually.

The District's current membership is approximately 120 families, which reside primarily within the District boundaries. The District indicates that membership has declined over the past few years due to the size and condition of the pool. The District has plans to replace the existing pool and expand its service boundary.

Future growth will depend primarily on annexation of additional territory into the District boundaries and minimal infill development.

2.2 Present and Planned Capacity and Infrastructure Needs and Deficiencies

The District's primary asset is a swimming pool, which is over 50 years old and in need of replacement. In addition, the District coordinates a variety of related activities including swimming lessons, a non-competitive swim team, lifeguard training and community and social events. Information regarding the District's activities is available online at www.thegreenvalleypool.com.

The GVRPD proposes to replace the swimming pool in order to enhance services and revenues. The existing pool is 50' by 22'; preliminary designs for the new pool will increase the size to 75' by 42'. The preliminary cost estimate for replacement of the pool is \$450,000.

2.3 Financial Ability to Provide Services

GVRPD expenses are primarily related to personnel costs (payroll), contract services (gardening and pool) and insurance. FY 2006-07 expenses totaled \$81,250. Estimated expenses for FY 2007-08 are \$92,576. The increase is primarily attributable to costs associated with preparing the LAFCO SOI and annexation applications.

GVRPD services are funded primarily through two sources: property and related taxes and user fees. FY 2006-07 annual property tax revenues were approximately \$39,555. These revenues are based on the existing 405 parcels within the District boundaries. Should GVRPD expand its boundaries to include an additional 300 parcels as proposed, the property tax revenues will increase exponentially.

GVRPD charges seasonal membership dues, with the season running from mid-June to late August. The District offers varying membership rates for resident (i.e., residing with the District boundaries), non-resident and senior citizens. In addition, GVRPD charges fees for various programs, including swim lessons, swim team, private lessons and guest fees per its fee schedule. In FY 2006-07, user fees totaled approximately \$62,876. The District anticipates a decline in membership in FY 2007-08.

Current membership fees are \$350/season for residents, \$395/season for non-residents and \$125/season for over-55 households. GVRPD currently serves approximately 120 families. In addition, the District charges fees for various services, including facility rental, group and private swim lessons, and guest fees. FY 2006-07 membership and related service fees was approximately \$63,000. Activity fees are adjusted annually; however, membership fees have remained unchanged for approximately 10 years.

The District anticipates increasing its user fees following the pool replacement, to be more in line with other community and public pool facilities. GVRPD should consider regular review and update of its membership fees.

The District is currently researching potential grant opportunities to support the proposed pool replacement project. Currently, GVRDP has no debt. However, the District proposes to finance the pool replacement costs with a loan.

A brief summary of the District’s financial history is shown in Table 1 below.

Table 1 - Financial Summary

Finances	FY 2006-07	FY 2007-08 (estimate)	FY 2008-09 (estimate)
Revenues			
Property & Related Tax	\$ 39,555	\$45,759	\$46,000
User Fees	\$ 62,875	\$46,817	\$43,500
Total Revenues	\$102,430	\$92,576	\$89,500
Expenses			
Services and Supplies	\$81,250	\$92,576	\$83,000
Total Expenses	\$81,250	\$92,576	\$83,000
Net Surplus(Deficit)	\$21,180	-	\$ 6,500
Fund Balance	\$72,642	\$72,642	\$79,142

The GVRPD controls costs through various means. The District relies on volunteers and part-time seasonal employees to provide services. Also, the GVRPD utilizes the County Treasurer to manage its finances. The GVRPD Board relies on the County to collect District’s membership dues, handle invoices for payment and related financial transactions.

With regard to the District’s financial ability to provide services, two recommendations are provided:

1. The District has plans to replace its swimming pool. The current budget is limited and GVRPD is looking to expand its revenue base through a boundary expansion and an increase in membership dues. The GVRPD should also look at levying an assessment. Localized assessments are used as a means to provide targeted financing. Other recreation and park districts (e.g., Ambrose Recreation & Park District, Pleasant Hill Recreation & Park District)) utilize assessments to fund various projects.
2. The GVRPD Board should adopt an annual budget of estimated expenses and revenues.

2.4 Opportunities for Shared Facilities

The GVRPD owns and operates a swimming pool. The District does not currently share facilities. The District should look for ways to share resources and/or facilities with other agencies (i.e., Town of Danville, school district, etc.).

2.5 Accountability for Community Services Including Government Structure and Operational Options

The GVRPD is an independent district, governed by a five-member Board of Directors elected at large by voters within the District (see Table 2 below). The last Board election was held in 2006 and was uncontested. The Board meets at the pool and at other locations. Board members serve on a voluntary basis and receive no stipends or benefits.

Table 2 - Green Valley Recreation and Park District Governance

Date Formed: 1949 Statutory Authorization: Recreation & Park District Law, Public Resources §5780 et seq. Board Meetings: Every 4 to 6 weeks, as needed			
Member	Title	Term Expires	Compensation
George T. Banton	Vice President	2010	None
Bill Montana	At-Large	2011	
Kevin Schaumburg	At-Large	2010	
Blythe Soria	Secretary	2010	
Clinton Stockton	President/Treasurer	2008	

The District maintains a website (www.thegreenvalleypool.com) which contains information regarding pool hours, activities, programs, and events. The website does not include information regarding the Board meetings (e.g., agenda, minutes, meeting notices, etc.). The Board communicates with members primarily via e-mail. Board meetings should be open and accessible to the public. The Board should conduct regular meetings at a public location, and should post meeting information on its website.

There is currently no full-time administrative staff. The District relies on volunteers and part-time seasonal staff, and usually maintains a part-time staff of 12. The pool and grounds are maintained under contract by local pool service and gardening companies.

The District is utilizing the County to manage its finances. The District should consider having an independent financial audit performed on a regular basis.

The GVRPD owns and operates a community swimming pool which serves the surrounding Danville and Alamo areas. The District boundaries are located wholly within the Town of Danville.

The area currently served by the District is built out; future growth and demand for service will be limited.

Three government structure options were identified for the GVRPD:

- Maintain the status quo with annual report backs to LAFCO

- Consolidate with the Town of Danville
- Revert to a homeowners association

Maintain the status quo with annual report backs to LAFCO: GVRPD owns and operates a community swimming pool. The District serves approximately 120 member families, most of which reside within the District's boundary and reside in the Danville and Alamo areas. The District has plans to replace the existing swimming pool and expand its service boundary.

The Town of Danville operates its own recreation and park department. The Town offers swim lessons and swim related programs and events at the Monte Vista High School and San Ramon Valley High School pools. The Town has access to these aquatic facilities via various joint use and rental agreements. The Town is a separate public agency and has no plans to take over the GVRPD or its facility.

Although the GVRPD boundaries lie within the Town limits, a reorganization of the Town of Danville and GVRPD is not considered a feasible option at this time. Further study would be needed to determine potential operational efficiencies, costs and benefits.

This option would maintain the existing boundary and SOI (as amended by LAFCO on July 9). The benefit of maintaining the status quo is the continuation and possible expansion of the GVRPD services which could benefit the local area. The District has invested, and plans to invest, additional resources in its swimming pool facilities. The property taxes that accrue to the District would continue to fund park and recreational services and activities.

The disadvantages to this option are that the issues identified above – facility deficiencies and financial constraints – could continue. Further, property tax revenue would continue to support board related and administrative expenses, including election costs and insurance.

Given the issues identified in this MSR, LAFCO would require that the GVRPD provide LAFCO with an annual update regarding progress being made on resolving these issues, the recommendations contained in the MSR report and the status of the pool replacement project.

Consolidate with the Town of Danville: The Town of Danville provides park and recreational services, including aquatic programs. However, the Town does not own or operate aquatic facilities. The Town utilizes the swimming facilities of other agencies via various joint use and rental agreements.

Potential advantages of this option could include greater economies of scale, a reduction in administrative and overhead costs through shared facilities and functions, and enhanced services.

As the successor agency, the Town of Danville would assume responsibility and liability for the District's facilities. The Town of Danville has expressed no interest in taking over the GVRPD facilities and services.

Consolidation of the two agencies would require additional study.

Revert to a homeowners association: The third government structure option identified is for the District to revert to a homeowners association. There are presently over 80 HOAs in Danville.

Initially formed as a homeowners association, the GVRPD became an independent special district in 1949. As a special district, GVRPD receives a portion of the property tax and has the ability to levy fees and assessments to fund services and projects. The district is accountable to its tax payers and constituents.

One potential advantage of this option includes a reduction in District expenses for board elections.

Potential disadvantages include reduced funding and funding options to support services. Further, the property tax which currently accrues to the district would be redirected to other services, thus impacting funding of recreational services to the residents of the district and to recreational activities in general.

Further study to determine the costs and benefits associated with dissolving the district and transferring its assets and liabilities would be needed.

2.6 Effective and Efficient Delivery of Service

The District is managed by the District's Board of Directors; there is no paid administrative staff. The District operates similar to a non-profit organization with volunteers, part-time and contract personnel.

3. SPHERE OF INFLUENCE OPTIONS AND RECOMMENDATION

A Sphere of Influence (SOI) is defined by Government Code §56425 as a "Plan for the probable physical boundaries and service area of an agency, as determined by the Commission." An SOI is a planning tool used by an agency to conduct service and facility planning for areas which it intends to annex and serve in the future. The establishment or amendment of a sphere may take several forms. A sphere may be coterminous to an agency's service boundary, indicating that the agency is at its ultimate boundary configuration with no future growth anticipated in the near future. A sphere may extend beyond the current boundaries of the agency, indicating that future annexations are anticipated. A sphere may be smaller than the existing agency indicating that future detachments from the agency would be appropriate. The Commission may also adopt a "zero" sphere which would indicate that a potential dissolution of the agency may be appropriate.

The Government Code requires that LAFCO review and update, as necessary, the SOI for each city and special district at least every five years.

The GVRPD owns and operates a community swimming pool which serves the local Danville and Alamo surrounding areas. The District's boundary and SOI are not coterminous. The District recently submitted an application to LAFCO to expand its SOI in anticipation of a future annexation. On July 9, LAFCO approved an expansion of the District's SOI to include the addition of 300± parcels.

With regard to the District's SOI, the Commission has at least two options:

- Maintain the status quo – no change to existing SO boundary
- Adopt a zero SOI – indicating that a potential dissolution may be appropriate

Sphere of Influence Recommendation

It is recommended the Commission retain the existing SOI as amended by LAFCO on July 9, and adopt the following determinations:

1. Present and planned land uses in the area, including agriculture and open-space:

Present land uses are primarily residential. No land use changes are planned. The District has no land use authority. City and County plans provide for land uses and potential growth.

2. Present and probable need for public facilities and services in the area:

GVRPD was formed specifically to operate a swimming pool and provide related recreational activities. The District serves approximately 120 member families, most of which reside in the surrounding Danville and Alamo areas. On July 9, LAFCO approved an SOI expansion. The District proposes to expand its service boundary to enhance services and attract new members.

3. Present capacity of public facilities and adequacy of public service that the agency provides or is authorized to provide:

GVRPD owns and operates a community swimming pool and coordinates related aquatic programs and activities. The pool facilities are over 50 years old and in need of improvements. The District currently has limited resources and proposes to expand its service boundary.

4. Existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency:

GVRPD is unique to its area. The District receives a portion of the 1% property tax. In addition, the District collects user fees for services. Property owners within the service area, as well as members, have an interest in the District's services.

5. Existence of agricultural preserves or other important agricultural or open space land in the area which could be considered within an agency's SOI, and the effect on maintaining the physical and economic integrity of such resources in the event that such resources are within a SOI of a local governmental agency:

The area within the District's boundary is developed. There are no agricultural or open space lands within the District.

6. Nature, location, extent, functions & classes of services to be provided:

The District's boundaries encompass 405 parcels covering approximately 162 acres located with the Town of Danville. GVRPD owns and operates a swimming pool located at the intersection of Diablo Road and Green Valley Road. The District also coordinates related aquatic programs and activities including swim lessons, non-competitive swim team, lifeguard training, community and social events.

4. DETERMINATIONS

4.1 Growth and Population Projections

The GVRPD serves households primarily from the Danville and Alamo areas. The population within the District boundaries is approximately 1,126. The territory within the District boundaries is built out, and projected growth within the existing boundaries is projected at less than 1% annually. Future growth will depend primarily on annexation of additional territory into the District boundaries and minimal infill development.

4.2 Present and Planned Capacity and Infrastructure Needs and Deficiencies

The District's primary asset is a swimming pool, which is over 50 years old and in need of replacement. GVRPD has plans to replace the pool and expand its service boundary to enhance revenues and fund the needed improvements.

4.3 Financial Ability to Provide Services

The primary sources of revenue for the GVRPD include property tax and user fees. Due to funding, the District is limited in the services it can provide. The District should consider periodic review and update of its membership fees.

In order to improve facilities and services, the District will need to enhance funding opportunities. The District proposes to expand its service boundary in order to enhance revenues.

The District should also look for alternative sources of funding, including levying an assessment, sharing of resources and grant opportunities.

GVRPD controls costs through various means including the use of volunteers and part-time seasonal employees to provide services; and utilizing the County Treasurer to manage its finances. The District Board should adopt an annual budget of estimated expenses and revenues.

4.4 Opportunities for Shared Facilities

The District does not currently share facilities. The District should look for ways to share resources and/or facilities with other agencies (e.g., Town of Danville, school district).

4.5 Accountability for Community Services Including Government Structure and Operational Options

The GVRPD is an independent District formed in 1949 under the Recreation & Park District Law, Public Resources §5780 et seq. The District is governed by a Board of Directors elected at large by voters within the District.

The District boundaries are located wholly within the Town of Danville. The area served by the District is, for the most part, built out. Future growth and demand for service will be limited.

Three government structure options were identified for the GVRPD:

- Maintain the status quo with annual report backs to LAFCO
- Consolidate with the Town of Danville
- Revert to a homeowners association

The advantages and disadvantages of these options are discussed previously in the report. Options to consolidate with the Town of Danville and revert to a homeowners association would require additional study.

The Town of Danville is a separate public agency and has no plans to take over the GVRPD or its facility. A reorganization of the Town and the District is not considered a feasible option at this time. Further study would be needed to determine whether there would be real operational efficiencies, as well as the potential costs and benefits.

Further study to determine the costs and benefits associated with dissolving the district and transferring its assets and liabilities to a private homeowners association would be needed.

The District maintains a website. However, the website does not currently include information regarding the Board meetings (e.g., agenda, minutes, meeting notices, etc.). Board meetings should be open and accessible to the public. The District should hold regular public meetings, and update its website to include information regarding Board meetings.

With regard to operations, the District is utilizing the County to manage its finances. The District should consider having an independent financial audit performed on a regular basis.

4.6 Effective and Efficient Service Delivery

The District is managed by the District's Board of Directors; there is no paid administrative staff. The District operates similar to a non-profit organization with volunteers and part-time employees.