

SACRAMENTO
COUNTY
DEPUTY
SHERIFFS'
ASSOCIATION

APPROVED
BY THE CITY COUNCIL

JUN 16 1987

OFFICE OF THE
CITY CLERK



Street Address:
1515-30th Street
Suite 200
Sacramento, CA
95816

Mailing Address:
P.O. Box 160994
Sacramento, CA
95816

Phone: (916) 736-1111

CONTINUED
TO 6-16-87

CONTINUED
TO 6-9-87

May 28, 1987

Lorraine Magana
City Clerk
Sacramento City Council
City Hall
Sacramento, California 95814

Dear Ms. Magana:

Please place me on the agenda for the City Council meeting on Tuesday, June 2, 1987.

I wish to address the Council about the disastrous impact that the incorporation of Citrus Heights will have on the County of Sacramento.

Additionally, I would like to address the Council on the negative impact the incorporation will have on the City of Sacramento, and to request that the City Council take a position of opposition to the proposed incorporation.

Thank you,

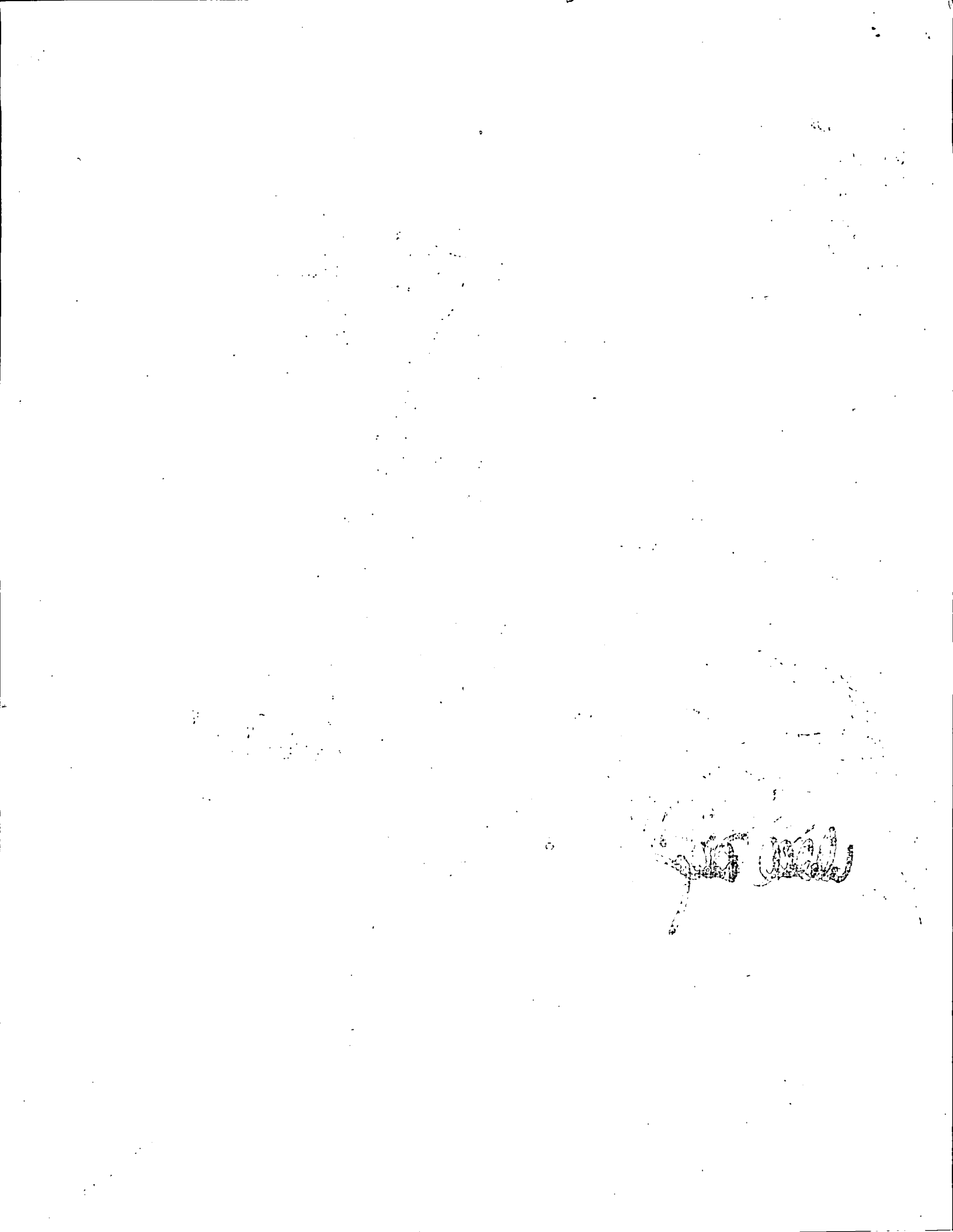
SACRAMENTO COUNTY DEPUTY
SHERIFFS' ASSOCIATION

Wendell Phillips
Wendell Phillips
President

WP:mdr

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CITY OF SACRAMENTO
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RESOLUTION No. 87-471

Adopted by The Sacramento City Council on date of

APPROVED
BY THE CITY COUNCIL

JUN 16 1987

OFFICE OF THE
CITY CLERK

RESOLUTION AUTHORIZING PARTICIPATION BY
THE CITY OF SACRAMENTO IN A LOCAL
GOVERNMENT CONSOLIDATION/REORGANIZATION
STUDY

WHEREAS, the City of Sacramento believes urban services can best be provided through the formation of municipal governments; and

WHEREAS, the City of Sacramento recognizes the fiscal impact of the new incorporations on the County of Sacramento and its member cities; and

WHEREAS, the City of Sacramento acknowledges the need for the study of possibly combining local governmental structure and organization to better meet the needs of an ever-expanding population in the Sacramento area in a more economical and cost efficient manner; and

WHEREAS, the Sacramento Metropolitan Chamber of Commerce has requested the support, cooperation and participation of the City of Sacramento in a study of possible consolidation of local governmental entities.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO, that

1. The City of Sacramento endorses and will participate in the study of local government consolidation/reorganization in the Sacramento area excluding the Cities of Folsom, Isleton, and Galt.
2. The local government consolidation/reorganization study shall have a time line of a maximum of twelve months for the development of a final report, and that an election on reorganization be held in June 1988.
3. The City of Sacramento requests the Sacramento Local Agency Formation Commission to hold in abeyance for a twelve month period, all applications for incorporation.

4. Copies of this Resolution shall be provided to the Sacramento County Board of Supervisors, the City Councils of Galt, Isleton and Folsom, the Sacramento Local Agency Formation Commission, and the Sacramento Metropolitan Chamber of Commerce.

MAYOR

ATTEST:

CITY CLERK

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GENERAL FUND

PROPERTY TAX BASE - \$98,330,000

EXAMPLES OF
MANDATED PROGRAMS

<u>PROGRAM</u>	<u>PROPERTY TAX SUPPORT (MILLIONS)</u>
SOCIAL SERVICES	20.9
HEALTH	6.7
RAIL	13.1
COURTS	10.8
DISTRICT ATTORNEY	7.6
PUBLIC DEFENDER	3.4
PROBATION	10.0
ASSESSOR	3.7
TREASURER-TAX COLLECTOR	.9
CORONER/CONSERVATOR/ PUBLIC GUARDIAN	1.4

EXAMPLES OF
NON-MANDATED SERVICES

<u>PROGRAM</u>	<u>PROPERTY TAX SUPPORT (MILLIONS)</u>
PARKS	2.7
AG. EXTENSION	.2
VETERANS SERVICES	.1
COMMISSION ON AGING	.01

UNINCORPORATED AREA SERVICES FUND

SALES TAX BASE - \$48,600,000

<u>EXAMPLES OF SERVICES</u>	<u>SALES TAX SUPPORT (MILLIONS)</u>
SHERIFF'S PATROL	35.4
PLANNING	1.9
ENVIRONMENTAL IMPACT	.3
ANIMAL CONTROL	1.2

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(AFA5319/3)

IMPACT OF CITRUS HEIGHTS INCORPORATION
ON SACRAMENTO COUNTY

<u>FUND</u>	<u>REVENUE TRANSFERRED</u>	<u>SERVICES TRANSFERRED</u>	<u>NET LOSS</u>
UNINC. AREA SERVICES	\$ 7,379,784	\$ 3,853,554	\$ 3,526,230
GENERAL	<u>1,220,000</u>	<u>0</u>	<u>1,220,000</u>
TOTAL	\$ 8,599,784	\$ 3,853,554	\$ 4,746,230

IMPACT OF CITRUS HEIGHTS INCORPORATION ON SACRAMENTO COUNTY
(WITH SUNRISE MALL REMOVED)

<u>FUND</u>	<u>REVENUE TRANSFERRED</u>	<u>SERVICES TRANSFERRED</u>	<u>COUNTY LOSS</u>
UNINC. AREA SERVICES	\$ 5,089,844	\$ 3,600,798	\$ 1,489,046
GENERAL	<u>1,082,000</u>	<u>0</u>	<u>1,082,000</u>
TOTAL	\$ 6,171,844	\$ 3,600,798	\$ 2,571,046

RESOLUTION No.

Adopted by The Sacramento City Council on date of

RESOLUTION AUTHORIZING PARTICIPATION BY THE CITY OF SACRAMENTO IN A LOCAL GOVERNMENT CONSOLIDATION STUDY

WHEREAS, the City of Sacramento believes urban services can best be provided through the formation of municipal governments; and

WHEREAS, the City of Sacramento has supported the formation of the cities of Citrus Heights and Elk Grove; and

WHEREAS, the City of Sacramento recognizes the fiscal impact of the new incorporations on the County of Sacramento and its member cities; and

WHEREAS, the City of Sacramento acknowledges the need for the study of possibly combining local governmental structure and organization to better meet the needs of an ever-expanding population in the Sacramento area in a more economical and cost efficient manner; and

WHEREAS, the Sacramento Metropolitan Chamber of Commerce has requested the support, cooperation and participation of the City of Sacramento in a study of possible consolidation of local governmental entities.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO, that

1. The City of Sacramento endorses and will participate in the study of local government consolidation in the Sacramento area.
2. The local government consolidation study shall have a time line of a maximum of twelve months for the development of a final report, and that an election on reorganization be held in June 1988.
3. The City of Sacramento requests the Sacramento Local Agency Formation Commission to hold in abeyance for a twelve month period, all applications for incorporation.

32
31

4. Copies of this Resolution shall be provided to the Sacramento County Board of Supervisors, the City Councils of Galt, Isleton and Folsom, the Sacramento Local Agency Formation Commission, and the Sacramento Metropolitan Chamber of Commerce.

MAYOR

ATTEST:

CITY CLERK



RECEIVED
CITY CLERKS OFFICE
CITY OF SACRAMENTO
JUN 8 11 05 AM '87

3231

Serving Sacramento, Placer, Yolo & El Dorado Counties

June 8, 1987

Lorraine Magana
City Clerk
915 I Street
Sacramento, CA 95814

Dear Ms. Magana:

The Sacramento Metropolitan Chamber of Commerce urges you to support the establishment of a Sacramento County Government Reorganization Commission to review reorganization and consolidation of our local governments.

We recommend that this commission be organized by the Sacramento County Board of Supervisors with the direct participation of the cities within Sacramento County, the Sacramento Metropolitan Chamber of Commerce and other major representative groups. We also recommend that such a commission be organized as soon as feasible and that a twelve month time frame be allowed for the completion of the Government Reorganization Study.

The Sacramento Metropolitan Chamber of Commerce further urges you to appeal to LAFCO to hold any existing or future city incorporation proposals in abeyance for the twelve months that the Sacramento County Government Reorganization Commission would be developing their studies and recommendations. To take action, positive or negative, on incorporation matters prior to such completion would only hinder efforts for significant local government reorganization or consolidation and foster fragmentation of services.

We believe such a government reorganization review should be made at this time in order to assure good, equitable governmental services are provided to all residents of the incorporated and unincorporated areas of Sacramento County in the most efficient and least costly manner feasible. Such a review, we believe, should also include methods to lessen fragmentation of planning and zoning decision and potential administrative savings to county taxpayers.



The Sacramento Metropolitan Chamber of Commerce pledges that we will work with you in the most positive manner feasible to assist in this important process.

Thank you very much for your continued leadership in the ongoing efforts to make metropolitan Sacramento an even greater community. We hope you agree that implementing these recommendations will help move us toward that goal.

Sincerely,
Denise Mazzucca

Denise J. Mazzucca
Chairman of the Board

DJM/mkn
Enclosure

REPORTS COUNCIL COMMITTEES (Continued)

31. Res. amending the Flood Control and Sewer budget for FY 1986-87 by appropriating funds in the amount of \$40,000 and approving the project for the modeling study of Sump 132D, approving an agreement with Hydros Research Science, Inc. (D8) (Bud./Fin. Committee)

RECOMMENDATION OF STAFF: ADOPT RES. AMENDING BUDGET AND APPROVING AGREEMENT

COUNCIL ACTION: CC87-451 ; AG86227

VOTING RECORD: MOV: D4 SEC: D7
AYES: UNANIMOUS
~~ABSENT: D~~

GENERAL COMMUNICATIONS

32. A. Item regarding the impact that the incorporation of Citrus Heights will have on the County of Sacramento. (D-All) (Cont. from 06-02-87 #25)

B. Res. authorizing participation by City of Sacramento

RECOMMENDATION OF STAFF: COUNCIL TO TAKE ACTION

COUNCIL ACTION: ~~Cont.~~ ~~to~~ 6-16-87

VOTING RECORD: ~~MOV: D SEC: D~~ By consensus
~~AYES: UNANIMOUS~~
~~ABSENT: D~~

* 32-1. See below

IDEAS AND QUESTIONS MEMBERS OF COUNCIL

33. Request from the Public Advisory Committee (PAC) of the San Francisco Bay - Delta Project by the Sacramento County Board of Supervisors to appoint an elected official from the City to serve as a member of the PAC. (D-All)

RECOMMENDATION OF STAFF: MAYOR RUDIN TO SPEAK

COUNCIL ACTION: Cont. to 6-16-87

VOTING RECORD: ~~MOV: D SEC: D~~ By consensus
~~AYES: UNANIMOUS~~
~~ABSENT: D~~

32-1. Request for R^{review} designation to be placed on project @ Sisdale & Meadowview. (D7)
CA: Referred to CM.
VR: By consensus.

MEETING DATE: 06-09-87
PAGE NO.: 10

*U Sacramento Mills area local government:
local government
Consolidation
in a local government of consolidation study.*

EXECUTIVE SUMMARY

Local Government Reorganization Report



REVISED
JUNE 1987

INTRODUCTION

The Local Government Consolidation Task Force was formed in January, 1986, to make policy recommendations to the Board of Directors regarding local government reorganization. The Task Force considered these issues:

- The movements to incorporate Citrus Heights, Rancho Cordova and Elk Grove.

- The broader issue of City-County consolidation.

The Task Force was composed of ten community leaders having varied and widespread experience in local government affairs and organization. The Task Force met monthly for nine months. Each month members were given assignments for the next or future meetings, and guest speakers made presentations and answered questions.

The summary of the Task Force findings and recommendations is presented in the same sequence as the task was approached.

A. ISSUE: LOCAL GOVERNMENT CONSOLIDATION

I. Problem Statement.

Rapid population growth and business development since 1975 have placed increasing pressure on local governments to deliver those services traditionally provided by public agencies. The delivery of these services has been made more difficult by budgetary constraints resulting from the passing of Proposition 13 in 1978, and the pressure of these constraints is compounded by the lack of general revenue sharing.

The efficient delivery of services requires as a foundation, an infrastructure capable of responding to the demand. The ability to deliver water, sewer and solid waste services, or to provide a street system capable of facilitating the smooth flow of traffic, is a function of land use planning and transportation decision-making, as well as a function of revenue availability. Growth patterns have expanded, and are continuing to expand, well beyond the jurisdictional limits of cities into the unincorporated area of the County, with the result that several legislative bodies are making decisions that will impact the ability of the existing infrastructure to respond to continuing demands.

Many issue areas that are, or are becoming, regional in nature are being addressed by local legislative bodies. For example, in that portion of the County where growth activity is greatest, there are three governments having some jurisdiction, Sacramento County and the Cities of Sacramento and Folsom. In addition to the three elected Councils/Board, there are four planning commissions, three planning staffs, and three public works departments. This decision-making framework is fragmented at a time when a unified, coordinated, regional approach is needed to address such issues as transportation and transportation systems planning, land use planning, water, sewer, solid waste, and air quality control.

The land use decision-making issue, coupled with the delivery of services in the unincorporated areas of the County, has spawned efforts in Citrus Heights, Rancho Cordova, and Elk Grove to incorporate as new cities. The preservation of rural lifestyles and the pursuit of the myth of local autonomy from "Downtown" decision-makers are fueling these drives which, if successful, will exacerbate the fragmented decision-making processes already existing.

Local government efficiency and the dilution of representation are two additional issues which weigh in favor of at least considering local government consolidation, or merger of functions. Fiscal efficiency of local government in the delivery of services,

particularly since Proposition 13 and the subsequent loss of general revenue sharing monies, provides a logical basis to consider merging along functional lines the 100 plus special districts which now provide services within County boundaries. Furthermore, the number of elected members of the Sacramento City Council and the County Board of Supervisors has remained unchanged despite substantial population growth. Should local government be reorganized to ensure adequate representation? This question is tied to the efforts to assume local responsibility for local decision-making in Citrus Heights, Rancho Cordova and Elk Grove, and cannot be ignored.

II. Current Problem Areas

Land Use Planning. Current decision making having areawide impacts is fragmented between three elected bodies, four planning commissions, three planning staffs, three public works departments. Regional Transit is yet another government agency making public transportation decision in reaction to or in anticipation of land use decision made by other government entities. There is very little, if any, coordination between any of these decision making bodies, yet decisions by any one of them may have a significant impact on the others.

Transportation. Fragmented decision making exists here as well, with little or no coordination between the various Public Works Departments as they plan for roadway maintenance and/or new roadway construction. RT makes decisions regarding public transportation separate and apart from those same Public Works Departments, and there has been little coordination of RT Planning with land use decision making in either the County or the incorporated areas.

Water. The City of Sacramento has water rights that are not being utilized, while development continues just beyond the City limits. There is some risk of losing these water rights if they are not used, and efficiency in the delivery of this service warrants City/County cooperation. Water metering is becoming an issue. Would the merger of water districts contribute to greater efficiency of operations?

The theme of these three examples can be extended to other issue areas, including fire districts, Park Districts, Reclamation Districts (levees), Cemetery Districts, Drainage, Mosquito abatement, solid waste, utilities, toxics, air pollution control, airports, school districts, and community services districts. The Regional Sanitation District, and Cable Commission are two examples of coordination that appear to have been successful in delivering services within the County area, and which may serve as examples for similar efforts.

III. Future Problem Areas

Land Use Planning. Land use decisions in the County affect surface transportation systems in the City, and land use decisions in the City risk encroachment on Metro Airport. The provision of services for new growth areas may strain the capability of existing delivery systems. Areawide coordination could improve the decision making process as it relates to land use, and avoid piecemeal or band-aid solutions to issues facing the entire area.

Transportation. The transportation issues discussed will be exacerbated as growth continues and pressure mounts for bridges across the American River, a beltway around the urban area, and expanded and improved public transportation systems. The need for coordinated decision-making will become more important.

The Task Force foresees a need for community wide coordinated approaches to toxics, air pollution control, utility service, schools, housing and airports in the near term.

IV. Implementation

The consolidation of districts implies that two or more districts cease to exist and are replaced with one new entity. A merger of districts implies a reorganization, one or more, for example, districts are absorbed by a separate district. Consolidation of districts is the more involved process, as the following comparison illustrates:

Reorganization means the combining of two districts into a single district by dissolving one of the districts and simultaneously annexing all of the territory to the remaining district which will continue to operate in the combined territory.

The Attorney General's opinion indicates that in the reorganization envisioned in the example:

- There is no new successor district.
- The governing body is the same and may be expanded only if it is a three-person board.
- In a sense, it provides simply for a continuation of the existing district only with enhanced territory.

Consolidation means the joining of two or more districts formed pursuant to the same principal act into a single new successor district.

Under a consolidation proceeding, there is a new district created--a successor agency--with a new board of directors of up to five persons.

The protest provisions for both consolidation and reorganization are the same under Government Code Section 56839 as amended in 1983 (25% protest triggers an election). Once an election is called, however, there is a distinction between how it is conducted and how returns are canvassed under each proceeding.

Under a consolidation proceeding a majority of the electorate in each consolidating district must approve the proposal. If the electorate in one district fails to ratify the consolidation, then it may not proceed.

Under a reorganization proceeding, a majority of the electorate in the entire proposal area (both districts) can ratify the reorganization.

City/County consolidation will require a vote of the electorate. A detailed timeline for City/County consolidation should be a part of a revision to this report.

B. ISSUE: INCORPORATION

I. Problem Statement

The rhetoric of the incorporation campaign, in Sacramento County and elsewhere in the state, revolves around the alleged inability of the local constituents to influence or control decisions made "Downtown" that affect the local community. The catalytic issues may be land use decisions and the delivery of certain services, notably police protection. The proponents argue that the local community, if incorporated, could better control its own destiny, and not be bound by decisions made some distance away by representatives not sensitive to local interests. Local autonomy is the key phrase.

Experience elsewhere in the state clearly suggests that local autonomy for a newly incorporated city is a myth. Few of the small, newly incorporated cities ever become truly independent. For example, in 1974 there were eighty cities in Los Angeles County, and the County had 1600 contracts to provide services to these eighty cities. City managers of such newly incorporated cities become, in essence, contract administrators and purchasing agents, seldom weaning the city from these contracts. The political control that was the impetus for incorporating is thus lost.

Land use decision making is one of the most frequent arguments offered in favor of incorporation. Land use decision-making is the sole commodity held by local government, and quickly becomes an issue of capturing the elusive sales tax. Newly incorporated cities immediately begin competing for those land uses that generate revenue via sales taxes, out of which arises a vested interest in land use decisions by the new local government and vendors competing for public contracts. The competition for these revenue generating land uses between cities within a region, coupled with fragmented decision making, within a region, creates incompatibility of land uses, which in turn creates obstacles to addressing regional problems with regional solutions.

II. Implementation.

The following timeline summarizes the steps required to incorporate a new city:

- Petition filed with Executive Officer.
- Executive Officer prepares Certificate of Sufficiency/Insufficiency within 30 days of receiving petitions.
- Insufficient petition, Executive Officer notifies proponents they have 15 days to file supplemental petition.
- Supplemental petition filed within 15 days of Executive Officer's Notice.
- Supplemental Petition checked and Certificate of Sufficiency issued within 10 days after date of filing supplemental petition.
- Completed Application submitted (Map, Legal Petition, Plan for Services).
- Certificate of Filing issued and date of LAFCO hearing set within 90 days of issuing Certificate of Filing.
- CEQA Determination
- LAFCO Analysis and Report; County Analysis.
- LAFCO Hearing may be continued up to 70 days.
- LAFCO adopts resolution making determinations within 35 days of hearing:
 - Conditional Approval
 - Application to Amend Resolution making determinations must be filed within 30 days of LAFCO resolution.
 - Reconsideration by LAFCO for no more than 60 days.

- Conducting authority clerk sets matter for public hearing within 35 days of LAFCO resolution.
- Hearing by conducting authority.
- Hearing may be continued for 60 days.
- Written protests submitted determining value of protests.
- Conducting authority adopts resolution making determination (may be up to 30 days after hearing).
- Conducting authority adopts resolution calling for Election-Resolution must be adopted at least 88 days prior to election. Dates by which this resolution must be adopted for 1987 Elections are as follows: December 5, 1986; March 6, 1987; August 7, 1987.
- Nomination period for City Officers.
- Arguments for and against.
- Rebuttals.
- Impartial analysis.
- Election: March 3, 1987, June 2, 1987, November 3, 1987. Payment of election expenses shall be borne by the newly incorporated City, if successful, or by the County within which the proposed City is located if incorporation proceedings are terminated.

III. Policy Recommendations.

One means of bringing the Chamber's concerns about incorporation to the attention of the voting public is to host a series of educational workshops in each area seeking to incorporate. Those workshops should identify the local concerns and issues giving rise to the incorporation movement, and address the experiences elsewhere in this state which give rise to concerns about the balkanization of the county. The workshops should also serve as a means of provoking discussion of alternative means to cure the underlying causes of the incorporation movements.

SUMMARY

Policy Recommendations re: Consolidation

Recognizing the population growth that has occurred since the last Reorganization Commission completed its work, and in recognition of the changes in the physical, economic and political environments, the Task Force recommends that the Chamber take the lead in advocating the formation of a new local government reorganization commission at the City-County level to address the following issues:

- a. Review the 1974 work, and track the progress to date in implementing those recommendations. Did the recommendations result in economy and efficiency in the delivery of services, merger of districts, etc., and, if so, how and to what extent? What was not implemented, and why? What efforts should be continued, in light of today's circumstances?
- b. A long range plan should be prepared for the responsive delivery of services as population growth continues.
- c. Is the population being adequately represented? Should election districts be reorganized? Should there be more elected officials at the County level?
- d. Economy and efficiency in government, particularly re: representation, responsive delivery of services.
- e. Adequacy of existing revenue sources for long term maintenance of capital improvements infrastructure.
- f. Transportation and housing issues, how they are or should be incorporated into the local government plan approval process.

Policy Recommendations re: Incorporation

- a. Regional delivery of services such as water and services and regional planning of services is hampered by the formation of additional cities.

SUMMARY, cont.

- b. The desired goal of incorporation - that of increased local control - has not been realized to the extent expected as a result of recent incorporations in California.
- c. Experience elsewhere in the state clearly suggests that local autonomy for a newly incorporated city is a myth. Few of the small, newly incorporated cities ever become truly independent.
- d. Host an education workshops re: incorporation.
- e. Identify the local concerns and issues.
- f. Determine how to cure the underlying causes of the incorporation movements.

Task Force Membership

The members of this Task Force should be commended for their commitment of time, energy and expertise to this project, and for the manner in which they received and carried out their individual assignments.

Dick Sears
William Ishmael
Collette Johnson-Shulke
Joan Hendricks
Bob O'Neill
Larry McConnell
Tom Eres
Bill Holliman
Jim Carney

Special thanks for the able support from Judy Tebbutt and Carole Retter of the Chamber staff.

Roy E. Brewer
Chairman

APPENDIX A

II. Background

Sacramento County is somewhat unique in this state, in that greater than one-half of the County population lives in the unincorporated area. The County thus provides the urban services that residents have come to expect, and which would otherwise be provided by City Government. In this respect, Sacramento County is similar to the City and County of San Francisco.

At the same time that the County is expected to provide these services, the County authority to raise revenue is more limited than the corresponding authority of a City. Hence, the County has an impaired ability to actually deliver those services, which, in turn, fuels the drives in recent years for local autonomy. There is a corresponding political trend, evidenced by the reduction in the number of federal and state funding programs such as revenue sharing toward increased local autonomy and responsibility for funding local problem solving efforts. These trends compound the pressure experienced by County governments such as ours which are expected to continue delivering a level of service which County residents have grown accustomed to.

John O'Farrell, Executive Officer for the Sacramento Local Agency Formation Commission (LAFCO), has compiled the following chronological history of reorganization efforts in Sacramento County:

1. 1965-66. Proposed Incorporation of City of San Juan. Included Fair Oaks, Orangevale and Citrus Heights. Called for dissolution of underlying agencies. Too radical a change.
2. 1965-70. Various large scale inhabited annexations to City of Sacramento (Fruitridge Area). And the simultaneous dissolutions of underlying special districts. Idea lacked popular support.
3. 1968-69. Spink Study - Fire Districts - from 23 to 1. First layer scale, grandiose reorganization plan. Lacked institutional support.

4. 1968-69. First stage of Sanitation District Reorganizations. From 22 districts to 10. First successful reorganization. Board of Supervisors -governing body.
5. 1968-70. Park Agency Reorganization Study. From 19 districts to 6. Some institutional, some popular support - partially successful.
6. 1971-72. Fire Chiefs' Reorganization Effort. From 12 urban districts to 4 on the basis of community, commonality and geography--proximity. Support of three or four of the more progressive Chiefs.
7. 1971-74. City-County Consolidation Effort. Too radical; too many vested interests affected; too many ox's gored.
8. 1975. Elk Grove Incorporation. No popular support.
9. 1977. LAFCO Fire Study (ARHOA): Reorganization of Arcade, Arden, Carmichael, Fair Oaks. Too controversial.
10. 1977-78. Citrus Heights Incorporation. Lacked popular support.
11. 1978. Rancho Cordova Incorporation. Lacked popular support.
12. 1978. Second Phase of Sewer District Reorganization. From 10 districts to 1. Successful, due to Board of Supervisors.
13. 1980-81. Local Government Reorganization Commission study: Reorganize urban park and fire districts on the basis of community areas. We did not strike while the iron was hot. Eighteen month study period; Board of Supervisors required to initiate consolidation.
14. Since 1981, we have experienced considerable interest in district reorganization, principally among the fire districts: Alta Mesa/Wilton; Arden/Carmichael; North Highlands/Citrus Heights; American River/Arcade. The law was changed to facilitate reorganization/consolidation; the war of attrition was beginning to take its toll on the fire districts; a new breed of chief level officers was coming into power. We have also seen interest in the multipurpose structure, often called Community Services Districts: Elk Grove, Rancho Murieta, Orangevale.

15. We are now realizing a secondary wave of incorporation activity: Elk Grove; Citrus Heights; Rancho Cordova; Walnut Grove.

Mr. O'Farrell continues by offering his opinions regarding reorganization in the Sacramento County:

"I do not believe we will experience any cataclysmic reorganization of the governmental structure by the 21st century--No city/county consolidation or metro-government complex; no large scale inhabited annexations to the City of Sacramento. What we may see might be:

- Additional consolidations among the fire districts (South Area); rural portions of the County.
- Some further park district reorganization in the Northeast Area.
- Further experiments in local government--MAC's, CSD's in some communities (Fair Oaks).
- A couple of new cities.

I believe this incremental change will occur for several reasons:

1. The County's unincorporated area urban development pattern is typical from other areas in the state. Between the County and special districts, a very high level of service is offered to unincorporated area residents. And people expect that service, know the service providers, and are wary of change.
2. We (local government) survived the ill-effects of Proposition 13. And are probably stronger now because of Proposition 13. Significant revenue reductions (and consequent reductions in service) were experienced by all non-enterprise local agencies in 1979, 1980-82. But since 1982, the financial position of most local governments has improved greatly.
3. We never experienced, and probably never will experience, serious governmental malfeasance/corruption which has been the impetus for larger-scale government reorganization in the East."

With reference to Mr. O'Farrell's concluding opinions, a brief review of the experiences of other communities in the State and Nation are in order:

1. San Francisco: The City/County Government was established here by an Act of the Legislature in 1856. Detailed research regarding the circumstances preceding that Act was not undertaken by this Task Force.

2. Indianapolis: Expansion of the City boundaries to include all of Marion County in January, 1970. This consolidation was termed Unified Government (UNIGOV) and was structured in three branches much like the Federal Government. Three municipalities were not annexed into the consolidated City of Indianapolis. The City/County Council has 29 elected members, plus an elected mayor, two Deputy Mayors which the Mayor appoints, and six departments. The consolidation was apparently not fueled by local crises or corruption; the impetus appears to have been fiscal efficiency.

3. Jacksonville: Jacksonville and Duval County, Florida, were consolidated by vote of the electorate in 1967. The effort was spearheaded by the Chamber of Commerce, and appears to have been initiated as a result of several local crises:
 - Population increase: 300,000 in 25 years.
 - Sewer System inadequate for metro area - 1955, cost estimate to upgrade was \$100M.
 - City population down by 1950-60 census; down again by 1965.
 - Unincorporated areas claim lack of services.
 - Annexation attempts (2) failed, 1963-64, by referendum.
 - City/County schools discredited in 1965.
 - 1965: local government reorganization commission formed; costs are shared by city, county and residents.
 - 1966 valorem tax assessments and general taxes reach all time high.
 - Grand Jury investigated corruption and graft in local government. (1966)
 - 1966-67. Ten City and County officials indicted by Grand Jury on corruption charges.
 - 1967: County residents complain of poor service, high and inequitable utility rates; air/water pollution reach highest concentrations.
 - 133 local government elective offices; no ability to pinpoint responsibility.
 - consolidation referendum passes 08 August 1967.

Several municipalities were excluded from the consolidation, as in Indianapolis. The City Council has 19 members, 14 elected by district, 5 elected at large. In addition, and the Mayor is elected by popular vote, the Mayor appoints an executive Assistant/Chief Operation Officer, as well as a Chief Administrative Officer.

4. Los Angeles County: The County has had in place since the late 60's, early 70's a commission called the Los Angeles County Economy and Efficiency Commission. The Commission is an ongoing commission with five private sector members appointed by the County Board of Supervisors. The EEC has its own separate staff and

seems to function much like a long range planning group with think-tank capabilities. It directs its staff to prepare reports which are used by the County Government in its efforts to assist governments efforts to streamline.

Although Sacramento County is not experiencing the extreme condition found in Jacksonville in 1955-65, there are some similarities. Furthermore, the Indianapolis example suggests that crises are not a prerequisite to local government reorganization.

APPENDIX B

II. Background

John O'Farrell has prepared a brief history of the incorporation efforts over the past thirty years:

Sacramento County has four incorporated cities; at one time there was a fifth such city. The first city to incorporate was the City of Sacramento in 1854, the last, the City of Galt in August, 1946, and in between the City of Isleton attained corporate status in 1923 and Folsom in April, 1946. The City of North Sacramento was incorporated in 1924 and disincorporated in 1964 when it was merged with the City of Sacramento.

State law has always encouraged incorporation with the idea that small cities better serve the needs of a growing urban area than a countrywide form of government. Sacramento County's communities have not followed the statewide pattern encouraged by the law. The unincorporated area receives services from numerous agencies including the County, special districts and others. This service structure evolved over the last thirty years and now provides a very high level of municipal services to unincorporated area residents. However, at times residents have been unhappy with the service structure and as a result have attempted to incorporate to obtain increased local control of those services.

Several incorporation attempts have taken place in Sacramento over the last four decades; to date none has been successful. Over the years incorporation groups have offered a variety of different reasons for pursuing incorporation. However, a common theme runs behind most incorporation drives. The desire for "home rule," a desire for more control of a community's destiny, and the desire to obtain a level of service commensurate with the amount of tax revenues generated within the community area have all been given as reasons for the various incorporation attempts of Sacramento County's unincorporated communities.

Northeast Area: 1958. The first "recent" incorporation attempt took place in June of 1958. The incorporation effort was spearheaded by the "Citizens Committee for Incorporation." The new city was to encompass a 165 square mile area in North East Sacramento County. The estimated population of the area was 150,000. The proposal included the communities of Arden, Arcade, Carmichael, Citrus Heights, Fair Oaks, Orangevale, North Highlands, Perkins and Rancho Cordova. The reasons behind the incorporation proposal were desire for improved planning, increased coordination of services and more representative government. November of that year saw the abandonment of the proposal due to lack of sufficient signatures to qualify the measure for consideration. This effort preceded the creation of the Local Agency Formation Commission.

Citrus Heights: 1961. The incorporation of the community of Citrus Heights was first proposed in 1961. Tentative boundaries at the time followed the old Sylvan School District, a 20 square mile area containing from 22,000 to 27,000 people. Inadequate county service to the community was cited as the main reason for pursuing incorporation.

"...persons charged they had called the Sheriff's office and no deputy has shown up for hours or days..."

"...others argued County road maintenance had been extremely unsatisfactory..."

"...If we had our own Planning Commission here, we wouldn't have five, six, seven gas stations all stacked up against each other on one side of the street..."

Rancho Cordova: 1961. The yearnings for local control in Rancho Cordova also go back to 1961. The Cordova Community Council--an informal citizens affairs group--considered and endorsed a proposal to incorporate the Rancho Cordova-Perkins area in the Spring of 1961.

A consultant was paid \$1000 to prepare a feasibility study and to recommend boundaries.

Fair Oaks: 1962. In 1962, citizens in the Fair Oaks Area attempted to block the route of a proposed freeway by incorporating. The incorporation proposal failed due to lack of popular support. But, so did the freeway so all was not lost.

Orangevale/City of San Juan: 1965-66. Citizens in the Orangevale Area attempted to incorporate in 1965. This was the first incorporation proposal the fledgling Sacramento Local Agency Formation Commission was required to consider. This proposal was withdrawn by the proponents as a result of citizen protest and lack of the requisite signatures. The incorporation was proposed again in 1966. It was determined that the proposed city lacked sufficient economic base to provide the services needed by residents. Proponents then withdrew the proposal in order to discuss an alternate proposal of incorporation to include the Fair Oaks and Citrus Heights areas. This became the expanded City of San Juan of which LAFCO staff recommended approval, but which was subsequently denied by the Commission.

Elk Grove: 1976. The most recent "contemporary" incorporation effort occurred in 1976 by residents of the Elk Grove Area. The proposal area was bounded by Calvine Road and the Sacramento City limit on the north, Grant line Road on the east, U.S. Highway 99, U.S. 50 and Elk Grove Boulevard on the south, and the Western Pacific Railroad on the west. The area totaled 28 square miles. The official population was 9,630. The reason behind incorporation were the desire for "home rule," the desire to maintain community identity and character and the right to self-determination in planning and law enforcement matters. This incorporation was approved by LAFCO after a significant modification in geographic area but subsequently failed due to lack of popular support.

Citrus Heights: 1977. Citrus Heights residents applied for incorporation in 1977. The proposed city included the northeastern section of Sacramento County adjacent to the Sacramento-Placer County line. The reasons expressed behind the incorporation proposal included enormous growth in the area population implying that this increased service demand required local government control. The Sunrise Mall and other shopping areas made the area important commercially. The remoteness of local government to the residents of the area was cited as another reason behind the proposal. The Sacramento Local Agency Formation Commission determined that this incorporation was economically feasible and that the cost of services rendered in the area was about equal to the amount of revenue recovered from the area by the County. Incorporation of the area could provide the proposed community with a uniform and generally higher level of services. The incorporation could represent a net increase in revenues to the area as a result of captured state and federal subventions allocated only to cities. The proposal would establish local autonomy and no feasible alternatives could better achieve the stated purposes and objectives of the proposal. The incorporation attempt also failed due to lack of popular support.

Rancho Cordova: 1978. A handfull of Rancho Cordova residents wanted to study the feasibility of incorporating their community in 1978 and requested the Sacramento Local Agency Formation Commission to perform a feasibility study. Conditions presumed for the study included:

1. Consideration of the entire planning area as a potential city.
2. No service district lines were to be altered and no special districts were to be eliminated.
3. The incorporated city would contract with all present service providers for continuation of services at existing levels.

Aspects unique to the Rancho Cordova proposal were the natural and man-made barriers separating the area from the City of Sacramento and other communities across the river. The feasibility study determined that the Rancho Cordova area did have the economic base to support services at existing levels with an additional tax rate of \$0.66 per \$100.00 assessed valuation. Shortly after the feasibility study was released, Proposition 13 was passed by voters which precluded any additional local taxes.

Current Efforts. The 1980's have seen a resurgence of incorporation activity in the Sacramento Area. The recent incorporation of the communities of Bryte, Broderick, Southport, and West Sacramento in Yolo County has given residents in Sacramento County added impetus to try once again to obtain the long sought after goals of local control and improved coordination of services.

The Sacramento Local Agency Formation Commission staff has been working with three incorporation groups, off and on, since mid 1985. Initial information gathering has begun for all three proposals. Residents of the Citrus Heights area, Elk Grove area and the Rancho Cordova area are all in various stages of the incorporation process.

Citrus Heights: 1985. Citrus Heights boundaries include Fair Oaks Avenue, Elm Avenue and Kenneth Avenue on the east, the Sacramento-Placer County line on the north, Roseville Road and Manzanita Avenue on the west with Madison Avenue and the 95660 zip code boundary are the boundaries on the south. The "official" estimated population (three times the number of registered voters) is 105,234. The reasons behind the incorporation attempt include a desire for more local control over issues concerning the Citrus Heights, area, the enhancement of community identity and improvement of service levels in the Citrus Heights area by capturing revenues

generated in the area and other federal and state subventions allocated to cities. A formal proposal has not been filed with the Sacramento LAFCO as of the writing of this report. Proponents are currently trying to obtain the required number of signatures to qualify the petition for consideration. Proponents have until October 17, 1986, to qualify the matter for LAFCO hearing. Without the required number of signatures, the petition cannot be heard by the Sacramento LAFCO.

Elk Grove: 1985. Citizens in the Elk Grove community are also intending to file a formal proposal for incorporation with the Sacramento LAFCO within the next couple of months. The proposed City of Elk Grove contains 41 square miles bounded on the north by Calvine Road, Grant Line Road on the east to Highway 99 and following the Sacramento City boundary from Highway 99 west to the Western Pacific Railroad track. The boundary on the southeast follows a perpendicular line from the intersection of Grant Line and Calvine Roads to the Cosumnes River and south down the Cosumnes River to Highway 99. The boundary line extends northward on the west side of Highway 99 to a point approximately 2140 feet south of Elk Grove Boulevard and then westerly to the boundary of the Elk Grove Community Services District. The "official" population is 30,000. Reasons behind the incorporation are a desire to enhance the character and identity of Elk Grove, a desire to increase local control and accountability and the desire to capture for use revenues generated in the area along with state and federal subventions allocated to cities. Residents are trying at this point to obtain the required number of signatures to qualify this petition for hearing by the Sacramento Local Agency Formation Commission. They have until December 12, 1986 to do so.

Rancho Cordova: 1985. The incorporation drive for Rancho Cordova is still in its infancy. A formal feasibility study has not been completed to determine if the City of Rancho Cordova could support the services required by its residents.

Conclusion. The next few months will be busy for proponents of all three incorporation proposals. Once the required number of signatures are obtained in each of the communities, a formal review will be conducted by the Sacramento Local Agency Formation Commission and the County of Sacramento to determine the effect of each proposal on the residents of the County and each proposed city. Subsequent to that review, the Commission will hold noticed, public hearings on each proposal. LAFCO has the authority to approve, with or without amendment or condition. If any or all of the proposals are approved, they are transmitted to the Board of Supervisors for further hearings. The Board of Supervisors must abandon any of the proposals if a 50% protest is mustered. Absent the protest, the Board is ultimately required to send the question of incorporation to the voters in each of the communities.