

**Municipal Service Review
Recreation and Park Districts
Adopted April 12, 2017**

Chapter One: LAFCO Background

Municipal Boundaries

The State of California possesses the exclusive power to regulate boundary changes. Cities and special districts do not have the right to change their own boundaries without State approval.

The California Constitution (Article XI, Section 2.a) requires the Legislature to “prescribe [a] uniform procedure for city formation and provide for city powers.” The Legislature also has the authority to create, dissolve, or change the governing jurisdiction of special districts because they receive their powers only through State statutes.

The Legislature has created a “uniform process” for boundary changes for cities and special districts in the Cortese Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code Section 56000 *et seq*, or “Act”). The Act delegates the Legislature’s boundary powers over cities and special districts to Local Agency Formation Commissions (LAFCOs) established in each county in the State. The Act is the primary law that governs LAFCOs and sets forth the powers and duties of LAFCOs.

In addition to the Act, LAFCOs must comply with the following State laws:

- California Revenue and Taxation Code Sections 93 and 99. LAFCO considers the revenue and taxation implications of proposals and initiates the property tax negotiation process amongst agencies affected by the proposal.
- California Environmental Quality Act (CEQA) (California Public Resources Code Section 21000 *et seq*) and the related CEQA Guidelines (Title 14, California Code of Regulations Section 15000 *et seq*). Applications before LAFCO are considered to be “projects” under CEQA, which requires that potential environmental impacts be analyzed prior to Commission action.
- Ralph M. Brown Act (California Government Code Section 54950 *et seq*). Commonly known as the State’s “open meeting law,” the Brown Act insures that the public has adequate opportunity to participate in the LAFCO process.
- Political Reform Act (California Government Code Section 81000 *et seq*). Commissioners, some LAFCO staff, and legal counsel are subject to the Political Reform Act, which requires the filing of annual reports of economic interests.

What are LAFCO's?

LAFCOs are public agencies with county-wide jurisdiction for the county in which they are located. LAFCOs oversee changes to local government boundaries involving the formation and expansion of cities and special districts.

In creating LAFCOs, the Legislature established four priorities: encourage orderly growth and development, promote the logical formation and determination of local agency boundaries, discourage urban sprawl, and preserve open space and prime agricultural lands.

Created by the State but with local (not State) appointees, each of the 58 counties in the State of California has a LAFCO. Each LAFCO operates independently of other LAFCOs, and each LAFCO has authority only within its corresponding county.

While a LAFCO may purchase services from a county (i.e., legal counsel, employee benefits, payroll processing), LAFCO's are not County agencies.

Local Agency Formation Commission for the County of Los Angeles ("LA LAFCO")

LA LAFCO regulates the boundaries of all 88 incorporated cities within the County of Los Angeles. LAFCO regulates most special district boundaries, including, but not limited to:

- California water districts
- Cemetery districts
- Community service districts ("CSDs")
- County service areas ("CSAs")
- County waterworks districts
- Fire protection districts
- Hospital and health care districts
- Irrigation districts
- Library districts
- Municipal utility districts
- Municipal water districts
- Reclamation districts
- Recreation and park districts
- Resource conservation districts
- Sanitation districts
- Water replenishment districts

LAFCO does not regulate boundaries for the following public agencies:

- Air pollution control districts
- Bridge, highway, and thoroughfare districts
- Community college districts
- Community facility districts (aka "Mello-Roos" districts)
- Improvement districts
- Mutual water companies
- Private water companies
- Redevelopment agencies
- School districts
- Special assessment districts
- Transit and transportation districts

LAFCO does not regulate the boundaries of counties. County boundary adjustments are within the purview of the boards of supervisors for the involved counties.

State law specifically prohibits LAFCOs from imposing terms and conditions which “directly regulate land use, property development, or subdivision requirements.” In considering applications, however, State law requires that LAFCO take into account existing and proposed land uses, as well as General Plan and zoning designations, when rendering its decisions.

The Local Agency Formation Commission for the County of Los Angeles (LA LAFCO, the Commission, or LAFCO) is composed of nine voting members:

- Two members of the Los Angeles County Board of Supervisors (appointed by the Los Angeles County Board of Supervisors);
- One member of the Los Angeles City Council (appointed by the Los Angeles City Council President);
- Two members of city councils who represent the other 87 cities in the county other than the City of Los Angeles (elected by the City Selection Committee);
- Two members who represent independent special districts (elected by the Independent Special Districts Selection Committee);
- One member who represents the San Fernando Valley (appointed by the Los Angeles County Board of Supervisors); and
- One member who represents the general public (elected by the other 8 members).

LAFCO also has six alternate members, one for each of the six categories above.

The Commission holds its “regular meetings” at 9:00 a.m. on the second Wednesday of each month. The Commission periodically schedules “special meetings” on a date other than the second Wednesday of the month. Commission meetings are held in Room 381B of the Kenneth Hahn Hall of Administration, located at 500 West Temple Street in downtown Los Angeles. Public notice, including the Commission agenda, is posted at the Commission meeting room and on LAFCO’s web-site (www.lalafco.org).

The Commission appoints an Executive Officer and Deputy Executive Officer. A small staff reports to the Executive Officer and Deputy Executive Officer.

LAFCO’s office is located at 80 South Lake (Suite 870) in the City of Pasadena. The office is open Monday through Thursday from 7:00 a.m. to 5:00 p.m. The office is closed on Fridays.

What are LAFCO’s responsibilities?

LAFCO oversees changes to local government boundaries involving the formation and expansion of cities and special districts. This includes annexations and detachments of territory to and/or from cities and special districts; incorporations of new cities; formations of new special districts; consolidations of cities or special districts; mergers of special districts with cities; and dissolutions of

existing special districts. LAFCO also approves or disapproves proposals from cities and special districts to provide municipal services outside their jurisdictional boundaries (these public agencies can provide services outside of their boundaries under very limited circumstances).

An important tool used in implementing the Act is the adoption of a Sphere of Influence (SOI) for a jurisdiction. An SOI is defined by Government Code Section 56425 as "...a plan for the probable physical boundary and service area of a local agency." An SOI represents an area adjacent to a city or special district where a jurisdiction might be reasonably expected to provide services over the next twenty (20) years. The SOI is generally the territory within which a city or special district is expected to annex.

LAFCO determines an initial SOI for each city and special district in the County. The Commission is also empowered to amend and update SOIs.

All jurisdictional changes, such as incorporations, annexations, and detachments, must be consistent with the affected agency's Sphere of Influence, with limited exceptions.

Municipal Service Reviews

State law also mandates that LAFCO prepares Municipal Service Reviews (MSRs). An MSR is a comprehensive analysis of the municipal services, including an evaluation of existing and future service conditions, provided in a particular region, city, or special district. Related to the preparation of MSRs, and pursuant to State Law, LAFCOs must review and update SOIs "every five years, as necessary." The Commission adopted MSRs for all cities and special districts in the County prior to the January 1, 2008 deadline (Round One).

Some LAFCOs prepare MSRs for each city and special district in their region every five years. Other LAFCOs do not prepare MSRs proactively; rather, when a city, special district, or petitioner wants to expand the boundaries of an SOI, the LAFCO requires that the applicant pay for the preparation of an MSR in advance of the SOI determination. Most LAFCOs take an intermediate approach, above, preparing MSRs for a select group of cities and special districts every five years. This is the approach taken by the Commission (LA LAFCO) at its meeting of March 9, 2011. Staff is currently preparing MSR's for 9 cities and 14 special districts (Round Two). Staff has completed MSRs for four cities (Compton, Cudahy, Gardena, and Santa Clarita) and three special districts (Huntington Municipal Water District, Palmdale Water District, and Sativa County Water District), all of which have been adopted by the Commission.

In preparing MSRs, LAFCOs are required to make seven determinations:

- Growth and population projections for the affected area;
- The location and characteristics of any disadvantaged unincorporated communities (DUCs) within or contiguous to a city or district's SOI;
- Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs of deficiencies;
- Financial ability of agencies to provide services;

- Status of, and opportunities for, shared facilities;
- Accountability for community service needs, including governmental structure and operational efficiencies; and
- Any other matter related to effective or efficient service delivery.

Although State law requires the preparation of MSRs, the State does not provide funding to LAFCOs to perform this work. Some MSRs are prepared utilizing existing LAFCO staff; in other instances, LAFCO retains a consultant. When consultants are required, LAFCOs utilize a portion of its existing annual budget; additionally, LAFCO may request voluntary contributions from the involved city or special district.

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Chapter Two: Recreation & Park District Enabling Act *(Public Resource Code Sections 5780-5791.7)*

Recreation and park districts (“Districts” or “RPDs”) were first authorized by the California State Legislature in 1931. The Recreation and Park District Act was modified in 1957 and again in 2002.

Formation

Territory, whether incorporated or unincorporated, contiguous or noncontiguous, may be included in a recreation and park district. The formation process is initiated by adoption of a resolution of application by the legislative body of any county or city that contains territory proposed to be included in the district, or by a petition presented to LAFCO signed by 25% of the registered voters within the boundaries of the proposed district.

After the formation proceedings have been initiated, LAFCO is required to conduct a noticed public hearing. After hearing public testimony, the Commission may either approve, modify, or deny the proposed formation. If the formation of the district is approved, the Commission also will adopt terms and conditions for the formation and establish a sphere of influence for the new district. The proposed formation is then scheduled for a protest hearing where no further modifications may be made. At the protest hearing, the Commission will do one of the following:

1. Terminate the proceedings if LAFCO receives written protests from 50% or more of the registered voters residing within the district;
2. Order the formation subject to approval by registered voters residing within the district; or
3. Order the formation subject to approval by the registered voters residing within the district of a special tax or by landowners within the district of a special benefit assessment.

Governing Body

Recreation and park districts are governed by a five-member board of directors. Due to a change in the law in 2002, the initial board of directors for a district formed after January 1, 2002 may be elected or appointed (boards in existence in 2002 were to remain elected or appointed, as each was constituted at that time).

Functions

Specified powers that a district may exercise are to “[o]rganize, promote, conduct, and advertise programs of community recreation, including, but not limited to, parks and open space, parking, transportation, and other related services that improve the community’s quality of life; establish systems of recreation and recreation facilities, including, but not limited to, parks and open space; and acquire, construct, improve, maintain, and operate recreation facilities, including, but not limited to, parks and open space, both inside and beyond the district’s boundaries.¹

Annexation

After the district has been formed, the boundaries of the district may be altered and outlying

incorporated or unincorporated territory in one or more counties may be annexed into the district. Proposals to annex territory must conform to the requirements of the Cortese Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 *et seq*).

Recreation and Park Districts in the County of Los Angeles

There are three (3) recreation and park districts located in the County of Los Angeles:

- Miraleste Recreation and Park District;
- Ridgecrest Recreation and Park District; and
- Westfield Recreation and Park District.

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Chapter Three: Miraleste Recreation and Park District

The Miraleste Recreation and Park District (“Miraleste RPD” or “District”) was formed on June 14, 1940.² The boundaries of the Miraleste RPD include 390 parcels, 375 homes, covering 350 acres, with a population of approximately 925 people, all within the City of Ranchos Palos Verdes.³

The District is governed by a five-member board of directors which meets at 7:30 p.m. on the first Monday of every other month (even months). Board-members run for office or are appointed “in-lieu” (when the number of candidates who filed to run for the board is the same as the number of open board positions) by the Los Angeles County Board of Supervisors.

The District owns and maintains approximately 40 acres of undeveloped canyon areas, parks, and trails in the Miraleste neighborhood of the City of Rancho Palos Verdes, which includes:

- Frog Pond Park (near the intersection of Palos Verdes Drive East & Via Colinita);
- Harter Park (near the intersection of Via Colinita & Via La Paloma);
- Miltenberger Park (near the intersection of Palos Verdes Drive East and Miraleste Drive);
- Miraleste Park (near the intersection of Miraleste Drive & Via Colinita);
- Canada Park (near the terminus of Via Canada);
- Colinita Trail (0.67 miles: accessed from Palos Verdes Drive East near Via Subida);
- Frascati Trail (.033 miles: accessed from Palos Verdes Drive East near Via Frascati);
- Siena Loop Trail (0.72 miles: accessed from Via La Paloma);
- Miraleste Median (0.58 miles: runs along the Miraleste Drive median);
- Canada S. Trail (0.52 miles: accessed from the intersection of Palos Verdes Drive East and Miraleste Drive);
- Canada N. Trail (0.56 miles: accessed from Via Canada near Palos Verdes Drive East); and
- Lorraine Trail (0.42 miles: accessed from Lorraine Road or the Canada S. Trail).⁴

The District has an office located at 19 Miraleste Plaza in the City of Rancho Palos Verdes.⁵ A map of the District’s facilities is included as Exhibit 1 on Page 9.

The District has two contract employees (gardeners).⁶

The Commission (LAFCO) established a Coterminous Sphere of Influence (SOI) for the District on November 9, 1983 (see Exhibit 2 on Page 10). The Commission reconfirmed the Coterminous SOI on June 23, 2004.

(Report continues on Page 9)

Exhibit 1

Miraleste Parks and Trails Map⁷

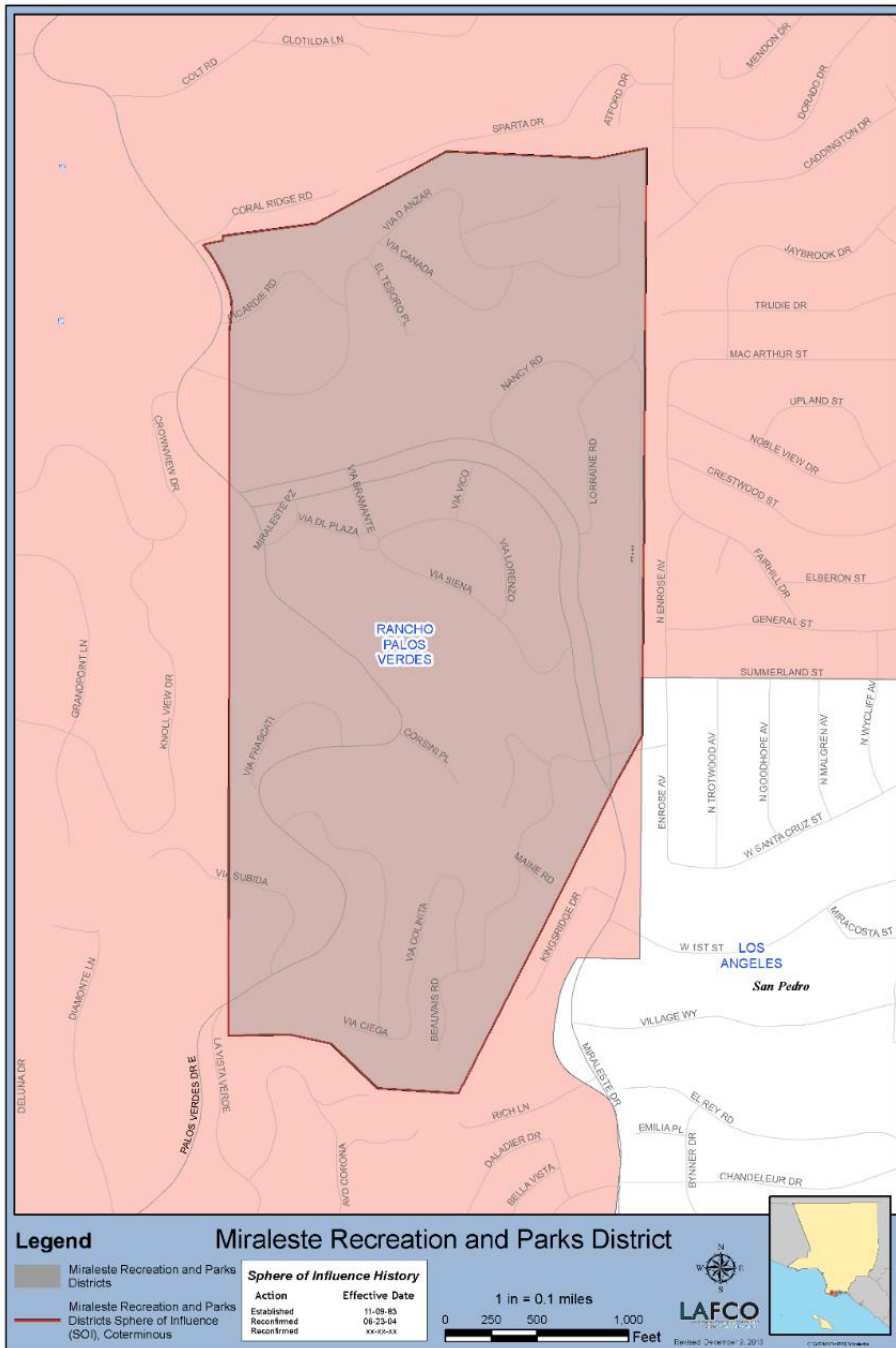


According to a report prepared by the City of Rancho Palos Verdes, “[t]he purpose of the District is to: Provide for the development, operation, and maintenance of parklands; provide residents with public park maintenance of landscape improvements that include medians, parking parcels, cul-de-sacs, and other open spaces; maintain and develop parkland areas in accordance with the needs and wishes of the residents; provide fire prevention and clearing of parkland areas; provide improvement of the trail system accessibility; and balance and preserve woodland atmosphere.”⁸

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Exhibit 2

Existing Miraleste Recreation and Park District Sphere of Influence



Miraleste Recreation and Park District

Discussion and Determinations

Government Code Section 56430 requires LAFCO to “conduct a service review of the municipal services” and to “prepare a written statement of its determinations” relative to several factors. This chapter addresses these factors and includes the recommended determinations.

Population Projections

According to the United States Census Bureau, the 2010 population within the Miraleste RPD is 925 people.⁹

Given that the territory consists of developed single-family dwellings and recreational uses (parks, trails, and open space), the population within the boundaries of the Miraleste RPD is unlikely to grow significantly in the foreseeable future.

Determination:

- **Territory within the Miraleste Recreation and Park District consists of developed single-family dwellings and recreational uses; the population is unlikely to grow significantly in the foreseeable future.**

Disadvantaged Unincorporated Communities

Pursuant to the State’s passage of Senate Bill 244, as of January 1, 2012, LAFCOs are required to make determinations regarding Disadvantaged Unincorporated Communities (DUCs) for an Update of a Sphere of Influence. The law defines a DUC as a community with an annual median household income that is less than eighty percent (80%) of the statewide annual median household income. The law also requires that LAFCOs consider “the location and characteristics of any disadvantaged communities within or contiguous to the sphere of influence” when preparing an MSR.

There are no unincorporated communities, and therefore no DUCs, within or adjacent to the Miraleste RPD and its SOI.

Determination:

- **There is no impact upon the location and characteristic of any Disadvantaged Unincorporated Communities (DUCs) because there are no DUCs within or adjacent to the Miraleste RPD and its Coterminous SOI.**

Present and Planned Capacity of Public Facilities

The District owns and maintains approximately 40 acres of undeveloped canyon areas, parks, and trails in the Miraleste neighborhood of the City of Rancho Palos Verdes. The District has managed

these areas for several decades, utilizing funds from a share of the property taxes allocated to the District. District representatives represent, that land use plans and growth patterns within its service area are “not affecting” service demand.¹⁰ District representatives indicate that there are no plans for infrastructure replacement and upgrades, nor plans to increase future service capacity, nor plans to file any future reorganization proposals (i.e., annexations).¹¹

Given the nature of facilities which the District manages, a relatively stable population, and predominant usage by residents within the Palos Verdes peninsula, the present and planned capacity of public facilities is adequate.

Determination:

- **Given the nature of facilities which the District manages, a relatively stable population, and predominant usage by local residents within the Palos Verdes peninsula, the present and planned capacity of public facilities is adequate.**

Financial Ability of Agencies to Provide Services

The Miraleste RPD received \$318,475 in property taxes in Fiscal Year 2012-2013 (the most recent year for which data was available).¹² In reviewing the 2012-2013 audit and financial statements, as well as similar documents for previous years, it appears that management has successfully matched expenditures to revenues, with very modest deviations year-to-year. The Board also maintains emergency reserves of fifteen percent (15%) of its overall budget.¹³

Determinations:

- **The District appears to be managing limited finances reasonably well and keeping expenditures in line with revenues.**
- **The District should continue to maintain emergency reserves of fifteen percent (15%) of its overall budget.**

Status of, and Opportunities for, Shared Facilities

Given the nature of the services provided, there are no apparent opportunities to share facilities with other agencies.

Determination:

- **There are no apparent opportunities to share facilities with other agencies.**

Accountability for Community Service Needs

The District is governed by a five-member board of directors which meets at 7:30 p.m. on the first Monday of every even month. District representatives note that the monthly meeting is a “posted and open board meeting.”¹⁴

In terms of financial transparency, and as noted in the District audit:

The Board of Trustees approves each year's preliminary budget submitted by the District prior to the beginning of the new fiscal year. The Board conducts public hearings prior to the adoption of the final budget on or before October 1 of each year. The Board, where required during the period, also approves supplemental appropriations. In most cases, expenditures may not exceed appropriations at the department level. At fiscal year-end, all operating budget appropriations lapse.¹⁵

District representatives have continually retained an auditor who prepares audits and financial statements on an annual basis.

Although there is a website for the District, the website is under construction and contains minimal information. The District should develop a more complete website which included board meeting agendas, copies of recent audits and financial statements, and similar materials.

Determinations:

- **The District should continue to conduct open and posted board meetings every other month (even months).**
- **District representatives should devote resources to overhauling its website, in an effort to provide more readily-available information in an on-line format.**

Other Matters

None.

Determinations:

(No additional determinations)

(Report continues on Page 14)

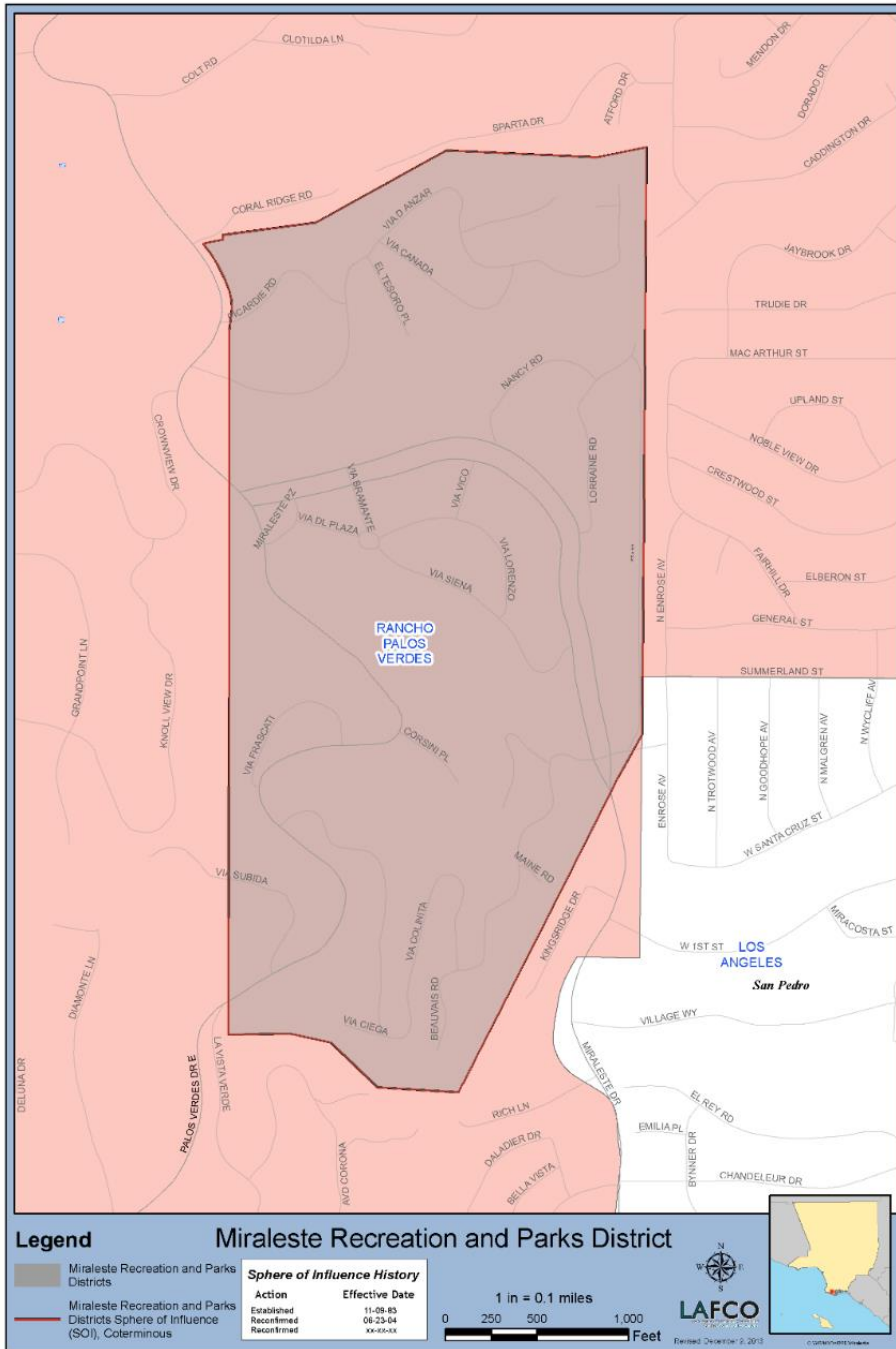
Miraleste Recreation and Park District**SOI Recommendations****Miraleste Recreation and Park District Sphere of Influence SOI Recommendations:**

1. **Retain the Miraleste Recreation and Park District's Existing Coterminous Sphere of Influence.** The Miraleste Recreation and Park District's Existing Coterminous SOI was established on November 9, 1983. On June 23, 2004, the Commission reconfirmed the Coterminous SOI in the course of adopting the Miscellaneous Government Services Municipal Service Review. Given the small size of the District; the limited scope of facilities and services it provides; and the fact that District representatives have no plans for infrastructure replacement and upgrades, nor plans to increase future service capacity, nor plans to file any future reorganization proposals (i.e., annexations), staff recommends that the Commission retain the existing Coterminous SOI for the Miraleste Recreation and Park District (see map in Exhibit 3 on Page 15).

(Report continues on Page 15)

Exhibit 3

Proposed Miraleste Recreation and Park District Sphere of Influence



Chapter Four: Ridgecrest Ranchos Recreation and Park District

The Ridgecrest Ranchos Recreation and Park District (“Ridgecrest Ranchos RPD” or “District”) was formed on November 13, 1961.¹⁶

The boundaries of the Ridgecrest Ranchos RPD include 110 parcels, 107 homes, covering 70.4 acres, with a population of approximately 315 people, all within the City of Rancho Palos Verdes.¹⁷

The District is governed by a five-member board of directors. Board-members run for office or are appointed “in-lieu” (when the number of candidates who filed to run for the board is the same as the number of open board positions) by the Los Angeles County Board of Supervisors. The District’s Board meets on a quarterly basis at a local library on the first Tuesday in January, April, July, and September.¹⁸

The Board’s mission “is to maintain park land at the entrance to the Ridgecrest development in Rancho Palos Verdes, Los Angeles County, California so as to provide and protect the quality of life for the residents of the district.”¹⁹ The District “owns and maintains 0.78 acres of vacated former rights-of-way along the Crenshaw Boulevard frontage of the Crestridge neighborhood.”²⁰ The District’s properties are in distinct and separate locations along Crenshaw Boulevard, both north and south of Crestridge Road (see Exhibit 4 on Page 17).²¹

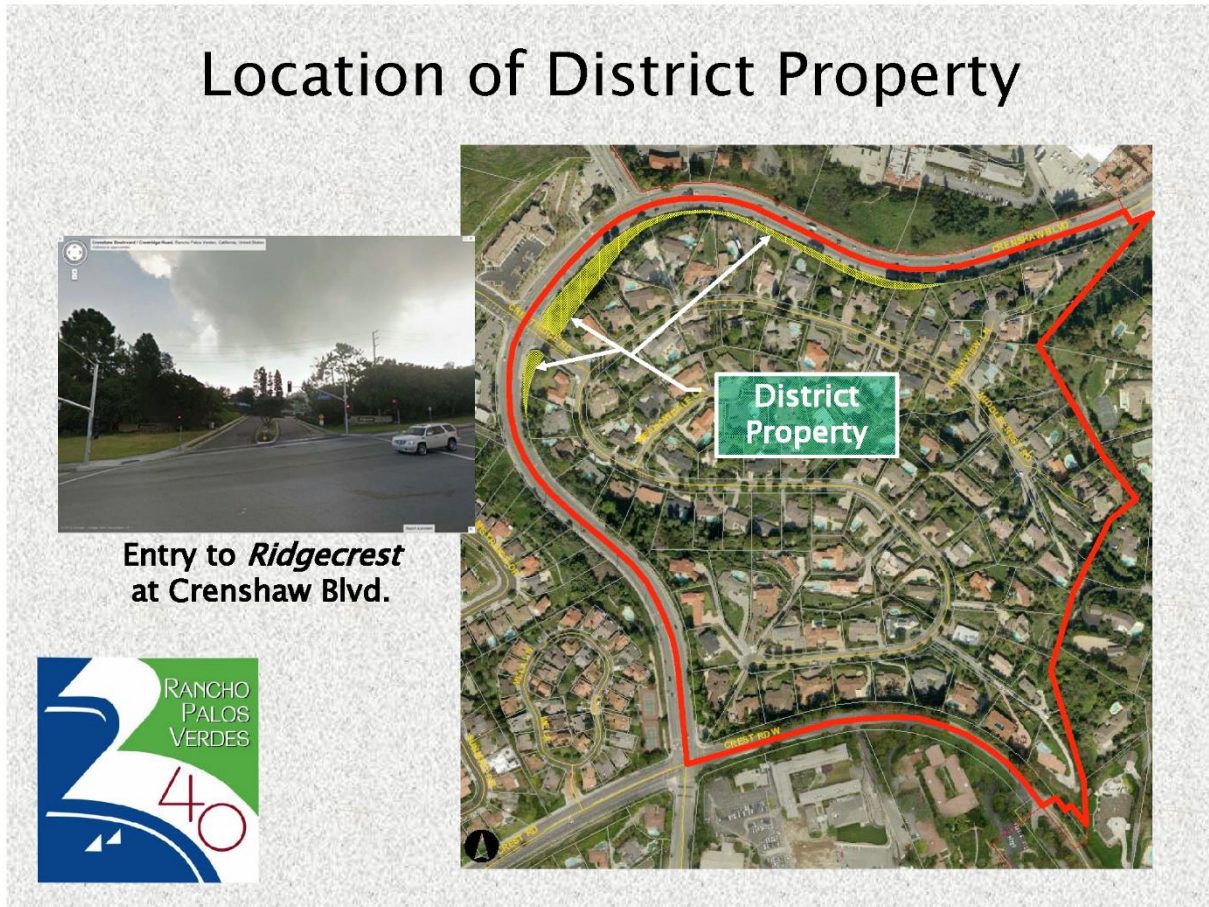
According to District representatives, the District has no employees nor contractors.²²

The Commission (LAFCO) established a Zero Sphere of Influence (SOI) for the District on October 26, 1983; the Commission adopted a Coterminous SOI on June 23, 2004 (see Exhibit 5 on Page 18).

(Report continues on Page 17)

Exhibit 4

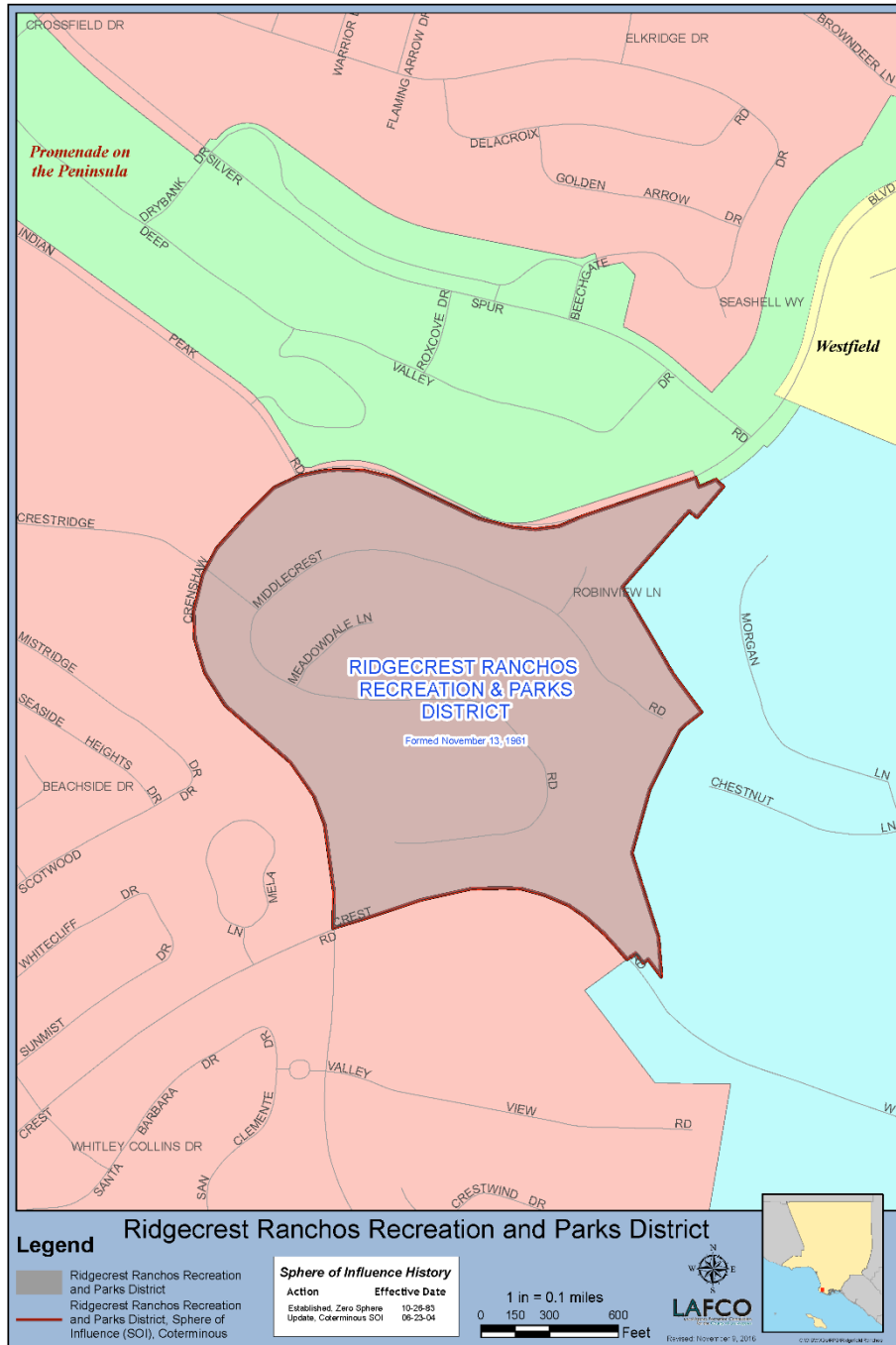
Miraleste Park and Recreation District: Location of District Property



(Report continues on Page 18)

Exhibit 5

Existing Ridgecrest Ranchos Recreation and Park District Sphere of Influence



Ridgecrest Ranchos Recreation and Park District

Discussion and Determinations

Government Code Section 56430 requires LAFCO to “conduct a service review of the municipal services” and to “prepare a written statement of its determinations” relative to several factors. This chapter addresses these factors and includes the recommended determinations.

Population Projections

According to the United States Census Bureau, the 2010 population within the Ridgecrest Ranchos RPD is 315 persons.²³

Given that the territory consists of developed single-family homes and public rights-of-way, the population within the boundaries of the Ridgecrest Ranchos RPD is unlikely to grow significantly in the foreseeable future. District representatives indicate that the “[s]ervice area is fully developed; no growth or population increases are expected.”²⁴

Determination:

- **Territory within the Ridgecrest Ranchos Recreation and Park District consists of developed single-family dwellings and public rights-of-way; the population is unlikely to grown significantly in the foreseeable future.**

Disadvantaged Unincorporated Communities

Pursuant to the State’s passage of Senate Bill 244, as of January 1, 2012, LAFCOs are required to make determinations regarding Disadvantaged Unincorporated Communities (DUCs) for an Update of a Sphere of Influence. The law defines a DUC as a community with an annual median household income that is less than 80% (eighty percent) of the statewide annual median household income. The law also requires that LAFCOs consider “the location and characteristics of any disadvantaged communities within or contiguous to the sphere of influence” when preparing an MSR.

There are no unincorporated communities, and therefore no DUCs, within or adjacent to the Ridgecrest Rancho RPD and its SOI.

Determinations:

- **There is no impact upon the location and characteristic of any Disadvantaged Unincorporated Communities (DUCs) because there are no DUCs within or adjacent to the Ridgecrest Ranchos RPD and its SOI.**

Present and Planned Capacity of Public Facilities

The District “owns and maintains 0.78 acres of vacated former right-of-way along the Crenshaw Boulevard frontage of the Crestridge neighborhood, located in two distinct and separate locations along Crenshaw Boulevard, both north and south of Crestridge Road.

District representatives indicate, further, that land use plans and growth patterns within its service area are “not affecting” service demand.²⁵ District representatives indicate, further, that there are no plans for infrastructure replacement and upgrades, nor plans to increase future service capacity, nor plans to file any future reorganization proposals (i.e., annexations).²⁶

Given the limited nature of facilities which the District manages, as well as a relatively stable population served by the District, the present and planned capacity of public facilities is adequate.

Determination:

- **Given the limited nature of the facilities which the District manages, as well as a relatively stable population served by the District, the present and planned capacity of public facilities is adequate.**

Financial Ability of Agencies to Provide Services

For the years 2010 through 2015, property tax revenues range from a low of \$17,733 (in 2012) to \$24,326 (2015), but typically falling in the \$22,000 to \$23,000 range; expenses range from a high of \$22,013 (2012) to a low of \$14,931 (in 2015), generally falling in the \$16,000 to \$17,000 range.²⁷ The data indicate that the District has a primary source of revenues (share of the 1% of property taxes), which fluctuates modestly year-to-year; the District also receives an \$80 per parcel assessment on all properties located within the District. In terms of expenditures, the District’s sole responsibility (landscape maintenance for a relatively small geographical area) is relatively inexpensive, and also fluctuates modestly year-to-year. It is not clear whether there exists any long-term infrastructure needs or necessary capital improvements required to continue providing landscaping maintenance in the long-term.

Determinations:

- **Over the recent few years, the District’s revenues and expenditures seem to be reasonably correlated, with modest fluctuations.**
- **It is not clear whether there exists any long-term infrastructure needs or necessary capital improvements required to continue providing landscaping maintenance in the long-term.**

Status of, and Opportunities for, Shared Facilities

Given the nature of the services provided, there are no apparent opportunities to share facilities with other agencies.

Determination:

- **There are no apparent opportunities to share facilities with other agencies.**

Accountability for Community Service Needs

The District’s five-member board of directors meets on a quarterly basis on the first Tuesday in January, April, July, and September. District representatives indicate that “[t]hese meetings are

noticed by signage at the exit to the development which is contiguous with the District,” and “[i]n addition, notices are published in the local newspaper and on the information board of the local public library.”²⁸

The District does not have a website.

Determination:

- **The District should continue to conduct open and posted board meetings on a quarterly basis.**
- **District representatives should consider establishing a website, in order to provide more information to the public in an on-line format.**

Other Matters

None.

Determinations:

(No additional determinations)

Discussion Analysis

Amongst the service obligations, and geographic territory served, by the 53 independent special districts in Los Angeles County, the Ridgecrest Ranchos RPD has relatively limited responsibilities. The geographic area of responsibility is less than one acre; within that area, the District provides one service, which is to maintain existing landscaping.

All public agencies have certain unavoidable expenditures, including, but not limited to, the preparation and posting of agendas; retaining staff or vendors to perform work; commissioning of annual audits by a third party; and providing information to other public agencies and the public; and related expenses. In addition to these tangible expenditures, it is also reasonable to consider the time, effort, and commitment expended by board-members in volunteering to serve, and the associated responsibilities to attend meetings, formulate budgets, manage contractors, and so forth.

The issue this presents for the Commission (LAFCO) is one of service efficiency and governance: is it within the public interest for the District to continue providing these services, or would it be more efficient and cost-effective for these services be provided by another public agency? In this particular case, the geographic area in which the District maintains landscaping, and the boundaries of the entire district, are within the boundaries of the City of Rancho Palos Verdes (City). In this regard, the only other likely service provider is the City itself.

The first issue associated with a change in service providers is whether the City of Rancho Palos Verdes has the ability to assume the services currently performed by the District. Landscape maintenance is a relatively routine service performed by most cities, and financial information available to LAFCO suggests that the City could easily assume these functions currently provided by the District. The City’s 2014-2015 Comprehensive Annual Financial Report identifies \$27.8 million in

expenditures for primary government activities, \$1.7 million dedicated to parks and recreation, and \$1.89 million in capital outlays for parks/trails/open space improvements.²⁹ The City currently receives 37% of its revenue from property taxes.³⁰ Further, the City is actively involved in a number of programs to acquire new open space, parks, and trails; to improve existing facilities, such as recent projects at Abalone Cove Shoreline Park and Ryan Park; and implement long-term master planning efforts, like updating the Parks Master Plan.³¹

Staff's initial review suggests that the City's assumption of responsibilities currently performed by the District, along with the associated transfer of the share of property taxes currently allocated to the District, would have a nominal effect on overall City operations. It would, further, eliminate the need for District elections (or in-lieu appointments), board meetings, posting of agendas, vendors under contract to the District, and the hiring of a certified public accountant to prepare annual audits. Given the modest amount of property tax received by the District, it does not seem prudent to expend these funds on audits, meetings, and regulatory compliance rather than the delivery of services; in that regard, the proposed change in service provides potentially represents a more efficient delivery of government service.

Given these considerations, the Commission may wish to consider two (2) actions:

1. Retain the existing Coterminous Sphere of Influence ("Coterminous SOI") for the District, wherein the service obligations and allocation of property tax revenues would not change. Service responsibilities and property tax revenues would remain with the District; and
2. Direct staff to continue its dialogue with, and/or make itself available to, representatives of the District and the City of Rancho Palos Verdes, to determine the potential feasibility of the City assuming District responsibilities, and associated timing, and report back to the Commission at a future date.

With respect to the second option, above, staff notes that it could lead to a future recommendation that the Commission adopt a Zero Sphere of Influence ("Zero SOI") for the District, initiate the dissolution of the District, transfer those property tax revenues currently going to the District to the City, and/or the potential formation of a subsidiary district. Under any of these options, staff would recommend Commission actions to ensure that service responsibilities and associated property tax revenues would be concurrently assumed by the City of Rancho Palos Verdes

(Report continues on Page 23)

Ridgecrest Ranchos Recreation and Park District**SOI Recommendations***Ridgecrest Ranchos Recreation and Park District Sphere of Influence (SOI) Recommendations:*

- 1. Retain the existing Coterminous Sphere of Influence (“Coterminous SOI”) for the District, wherein the service obligations and allocation of property tax revenues would not change.**
Service responsibilities and property tax revenues would remain with the District; and
- 2. Direct staff to continue its dialogue with, and/or make itself available to, representatives of the District and the City of Rancho Palos Verdes, to determine the potential feasibility of the City assuming District responsibilities, and associated timing, and report back to the Commission at a future date.**

If staff determines that a transfer of service responsibility and associated property tax revenues is feasible, staff would likely return with a future recommendation that the Commission adopt a Zero Sphere of Influence (“Zero SOI”) for the District, initiate the dissolution of the District, transfer those property tax revenues currently going to the District to the City, and/or the potential formation of a subsidiary district. Under any of these options, staff would recommend Commission actions to ensure that service responsibilities and associated property tax revenues would be concurrently assumed by the City of Rancho Palos Verdes.

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Chapter Five: Westfield Recreation and Park District

The Westfield Recreation and Park District (“Westfield RPD” or “District”) was formed in 1957.³²

The boundaries of the Westfield RPD include 306 parcels, 304 homes, covering 198.4 acres, with a population of approximately 800 people, all within County unincorporated territory adjoining the City of Rolling Hills (to the south and southeast), unincorporated territory (to the north), and the City of Rolling Hills Estates (to the northeast and northwest).³³

The District is governed by a five-member board of directors who serve without compensation. Board-members serve terms of four years and there are no term limits. Board-members run for office or are appointed “in-lieu” (when the number of candidates who filed to run for the board is the same as the number of open board positions) by the Los Angeles County Board of Supervisors.³⁴

The Board normally meets on the third Thursday of the month at 7:00 p.m. at the Rolling Hills Estates George F. Canyon Nature Center.³⁵

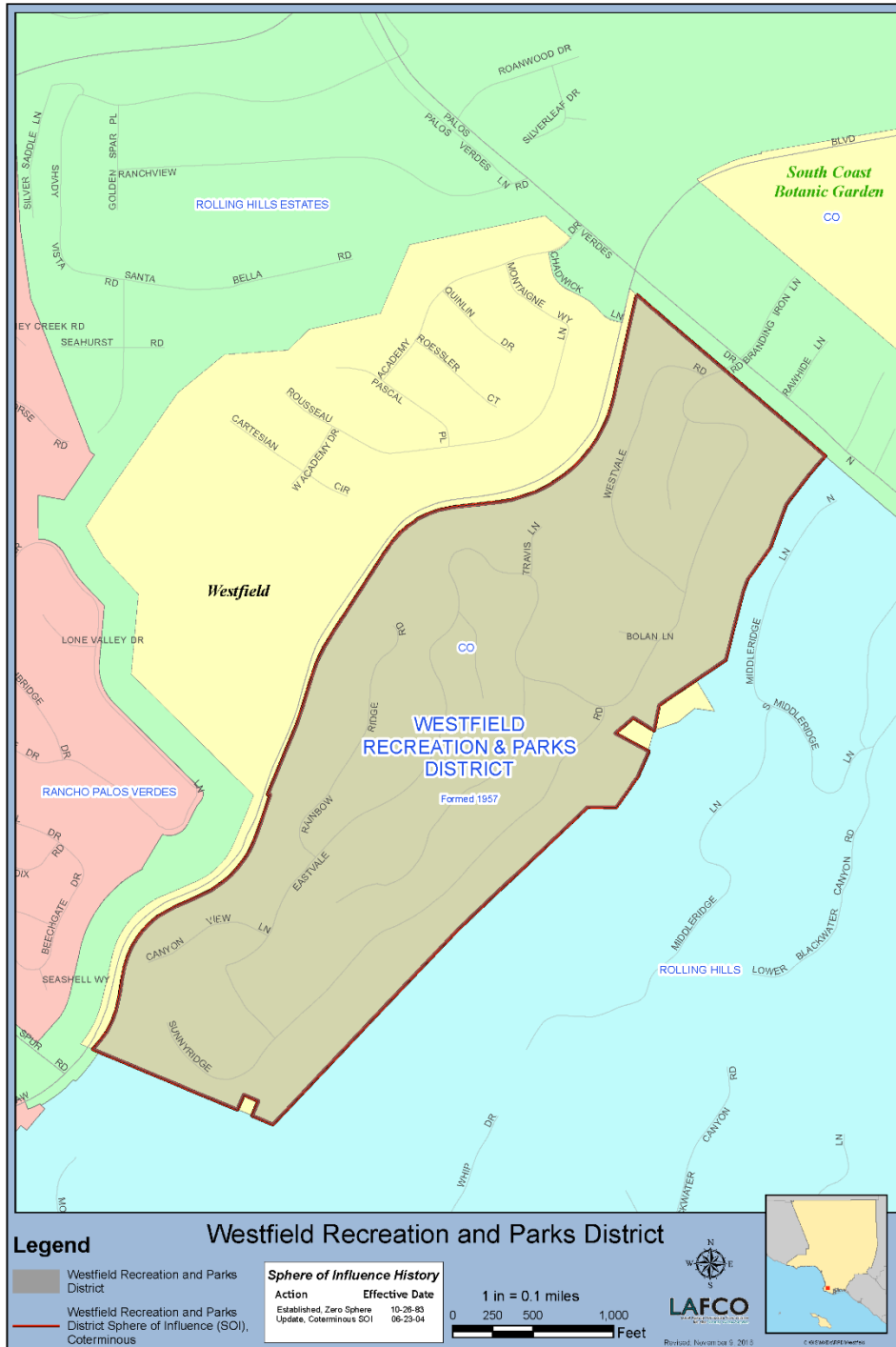
The District landscapes and maintains trails, a tennis court, and an equestrian ring. According to District representatives, the District has no employees nor contractors; landscape/maintenance of the District facilities is on a “month-to-month agreements” with outside vendors.³⁶

The Commission (LAFCO) established a Zero Sphere of Influence (SOI) for the District on October 26, 1983; the Commission adopted a Coterminous SOI on June 23, 2004 (see Exhibit 6 on Page 25).

(Report continues on Page 25)

Exhibit 6

Existing Westfield Recreation and Park District Sphere of Influence



Population Projections

According to the United States Census Bureau, the 2010 population within the Westfield RPD is 800 persons.³⁷

Given that the territory consists of developed single-family homes and public rights-of-way, the population within the boundaries of the Westfield RPD is unlikely to grow significantly in the foreseeable future. District representatives indicate that the “[s]ervice area is fully developed; no growth or population increases are expected.”³⁸

Determination:

- **Territory within the Westfield Recreation and Park District consists of developed single-family dwellings, recreational uses, and public rights-of-way; the population is unlikely to grow significantly in the foreseeable future.**

Disadvantaged Unincorporated Communities

Pursuant to the State’s passage of Senate Bill 244, as of January 1, 2012, LAFCOs are required to make determinations regarding Disadvantaged Unincorporated Communities (DUCs) for an Update of a Sphere of Influence. The law defines a DUC as a community with an annual median household income that is less than eighty percent (80%) of the statewide annual median household income. The law also requires that LAFCOs consider “the location and characteristics of any disadvantaged communities within or contiguous to the sphere of influence” when preparing an MSR.

There are no unincorporated communities, and therefore no DUCs, within or adjacent to the Westfield RPD and its SOI.

Determination:

- **There is no impact upon the location and characteristic of any Disadvantaged Unincorporated Communities (DUCs) because there are no DUCs within or adjacent to the Westfield RPD and its SOI.**

Present and Planned Capacity of Public Facilities

The District landscapes and maintains trails, a tennis court, and an equestrian ring.

District representatives indicate that there is no “anticipated” growth in the foreseeable future, and there are no plans to file any future reorganization proposals (i.e., annexations).³⁹

Given the limited nature of facilities which the District manages, as well as a relatively stable population served by the District, the present and planned capacity of public facilities is adequate.

Determination:

- **Given the nature of the facilities which the District manages, a relatively stable population, and predominant usage by local residents within the Palos Verdes Peninsula, the present and planned capacity of public facilities is adequate.**

Financial Ability of Agencies to Provide Services

The District's most recent financial information from budgets and audited financial statements show revenues of approximately \$75,000 per year, and expenses in the range of approximately \$35,000 per year.⁴⁰ Revenues (from a share of the 1% of property taxes) appear to be relatively stable year-to-year. Expenses show nominal increases from year-to-year, but within reasonable parameters.⁴¹

Financial statements from 2015 show a balance of \$52,604 in the District's bank account.⁴²

In the longer term, it is possible that inflationary increases in expenses could constrain the District's ability to continue to maintain existing service levels. At this point in time, however, the significant surplus of annual revenues over expenditures suggests that this is unlikely to occur in the short-term. The more critical challenge to the District is the need for the "replacement of infrastructure" and "deferred maintenance," circumstances which District officials concede is caused by a "lack of funds."⁴³

Determinations:

- **On an ongoing basis, the District appears to be managing limited finances reasonably well and keeping expenditures in line with revenues.**
- **The District should initiate a strategic planning effort to establish a capital improvement program, and an associated funding plan, to address deferred maintenance and the replacement of the District's infrastructure.**

Status of, and Opportunities for, Shared Facilities

Given the nature of the services provided, there are no apparent opportunities to share facilities with other agencies.

Determination:

- **There are no apparent opportunities to share facilities with other agencies.**

Accountability for Community Service Needs

Members of the District's board of directors serve without compensation. Going back several years, the Board has been meeting on a monthly basis in the same location.

The District does not have a website.

Determinations:

- **The District should continue to conduct open and posted board meetings on a monthly basis.**

- **District representatives should consider establishing a website, in an effort to provide more information to the public in an on-line format.**

Other Matters

None.

Determinations:

(No additional determinations)

(Report continues on Page 29)

Westfield Recreation and Park District

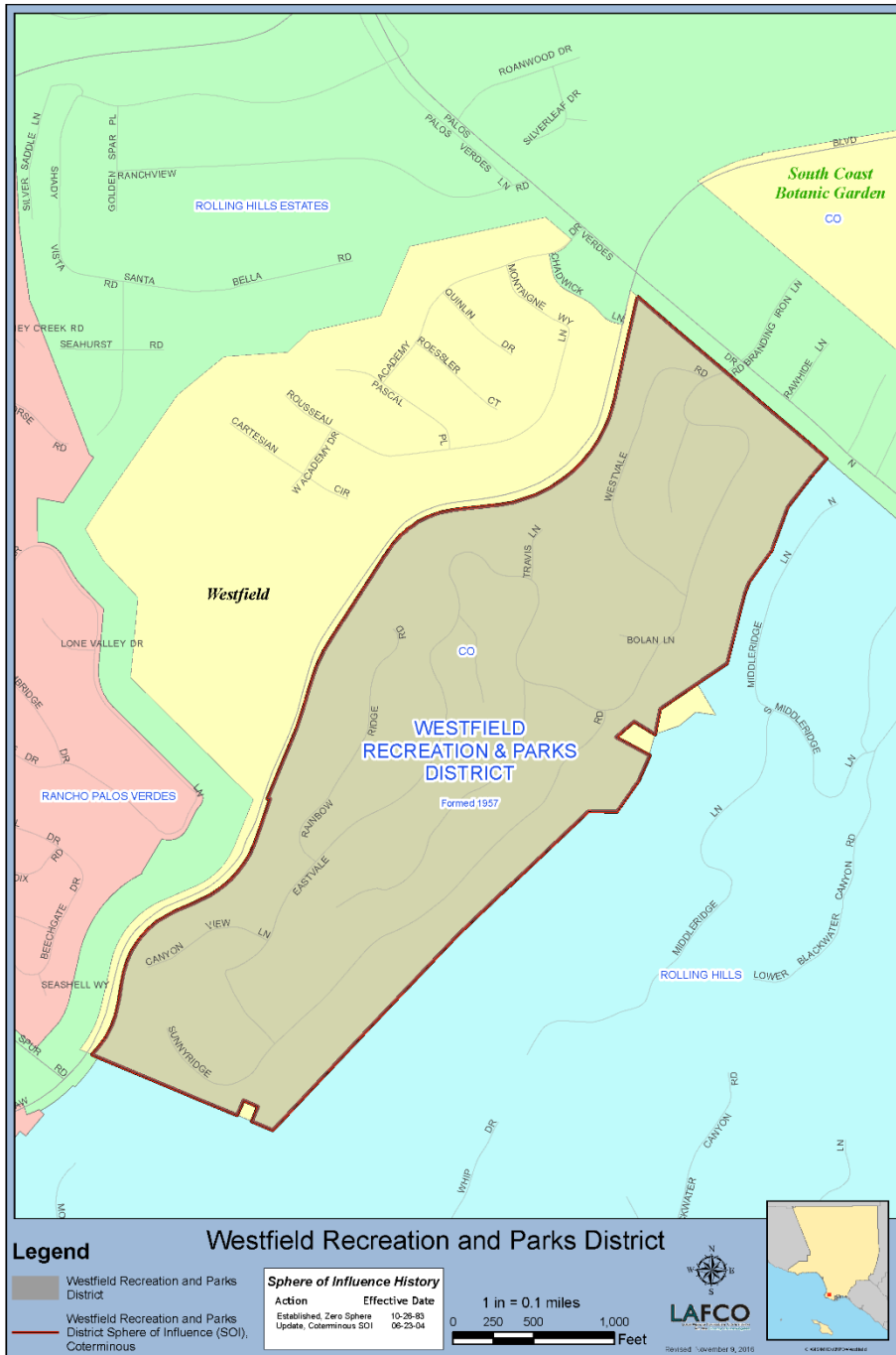
SOI Recommendations

Westfield Recreation and Park District Sphere of Influence (SOI) Recommendations:

- 1. Retain the Westfield Recreation and Park District's Existing Coterminous Sphere of Influence.** The Commission (LAFCO) established a Zero Sphere of Influence (SOI) for the District on October 26, 1983; the Commission adopted a Coterminous SOI on June 23, 2004. Given the small size of the District; the limited scope of facilities and services it provides; and the fact that District representatives have no plans for infrastructure replacement and upgrades, nor plans to increase future service capacity, nor plans to file any future reorganization proposals (i.e., annexations), staff recommends that the Commission retain the existing Coterminous SOI for the Westfield Recreation and Park District (see map in Exhibit 7 on Page 29).

Exhibit 7

Proposed Westfield Recreation and Park District Sphere of Influence



Legend

- Westfield Recreation and Parks District
- Westfield Recreation and Parks District Sphere of Influence (SOI), Coterminous

Sphere of Influence History

Action	Effective Date
Established, Zero Sphere	10-26-83
Update, Coterminous SOI	06-23-04

1 in = 0.1 miles
0 250 500 1,000 Feet

LAFCO
LOCAL AGENCY FIRE COORDINATING ORGANIZATION

Revised November 9, 2016

**Park & Recreation Districts
Municipal Service Review**

Footnotes

Chapter Two:

1. Public Resources Code Section 5786.

Chapter Three (Miraleste RPD):

2. Response to Municipal Service Review – Special Districts, Supplemental Request for Agency Information; April 2, 2014; Page 1.
3. The number of parcels derived is from Los Angeles County Assessor Website; the number of homes is from a response to the Municipal Service Review – Special Districts, Supplemental Request for Agency Information; Page 6; Acreage is a calculation from LAFCO map data; and Population is a LAFCO calculation utilizing 2010 Census (Block Group) data.
4. City of Rancho Palos Verdes Newsletter, Spring 2012, “Hidden Gems in Your Backyard: The Miraleste Recreation and Park District,” Page 3.
5. Ibid.
6. Response to LAFCO Municipal Service Review Request for Information Part I; April 2, 2014; Page 2.
7. Map of Miraleste Parks and Trails, Miraleste Park and Recreation District Website, October 5, 2016.
8. City of Rancho Palos Verdes, City Council Meeting of July 6, 2004, Staff Report, Page 1.
9. LAFCO calculation utilizing 2010 Census (Block Group) data; January 29, 2015.
10. Response to LAFCO Municipal Service Review Request for Information Part I; April 2, 2014; Page 4.
11. Ibid.; Pages 5-6.
12. Miraleste Recreation and Park District Financial Statements; June 30, 2013; Henry P. Eng, Certified Public Accountant; Statement of Activities and Governmental Revenues, Expenditures and Changes in Fund Balance, Period Ended June 30, 2013; Exhibit B, Page 3.
13. Response to LAFCO Municipal Service Review Request for Information Part I; April 2, 2014; Page 7.
14. Ibid.; Page 14.

Footnotes (continued)

15. Miraleste Recreation and Park District Financial Statements; June 30, 2013; Henry P. Eng, Certified Public Accountant; Note 2: Stewardship, Compliance and Accountability, Subsection "a," General Budget Policies; Page 8.

Chapter Four (Ridgecrest Ranchos RPD):

16. Response to LAFCO Municipal Service Review Survey; March 7, 2014, Page 1.
17. Number of parcels is from Los Angeles County Assessor Website; Number of homes and Acreage is from Miscellaneous Government Services Spheres of Influence & Municipal Services Reviews; June 23, 2004; Page 99; and Population is a LAFCO calculation utilizing 2010 Census (Block Group) data.
18. Response to LAFCO Municipal Service Review Survey; March 7, 2014, Page 1.
19. Mission Statement, Ridgecrest Ranchos Recreation and Park District.
20. City of Rancho Palos Verdes; City Council Meeting of November 6, 2013; Item "C" Staff Report, Page 2.
21. Ibid., Page 3.
22. Response to LAFCO Municipal Service Review – Special Districts Supplemental Request for Information; March 7, 2014; Page 2.
23. LAFCO calculation utilizing 2010 Census (Block Group) data; January 29, 2014.
24. Response to LAFCO Municipal Service Review Request for Information Part I; March 7, 2014; Page 3.
25. Ibid.
26. Ibid.
27. State Controller's Office, Government Financial Reports, Special Districts, JPAs and Nonprofits, Ridgecrest Ranchos Recreation and Park District; Report printed on November 15, 2016.
28. Response to LAFCO Municipal Service Review Request for Information Part I; March 7, 2014; Page 14.
29. City of Rancho Palos Verdes Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2015; Pages 20 and 83.
30. Ibid., Page 13.
31. Ibid., Pages 31 and 33.

Footnotes (continued)Chapter Five (Westfield RPD):

32. Response to LAFCO Municipal Service Review – Special Districts Supplemental Request for Information; August 18, 2016; Page 1.
33. Number of parcels is from Los Angeles County Assessor Website; Number of homes is from Response to LAFCO Municipal Service Review – Special Districts Supplemental Request for Information; March 14, 2011; Page 6; Acreage is a LAFCO calculation; and Population is a LAFCO calculation utilizing 2010 Census (Block Group) data.
34. Response to LAFCO Municipal Service Review – Special Districts Supplemental Request for Information; March 14, 2011; Page 6.
35. Response to LAFCO Municipal Service Review – Special Districts Supplemental Request for Information; August 18, 2016; Page 1.
36. Ibid., Pages 1-2.
37. LAFCO calculation utilizing 2010 Census (Block Group) data.
38. Response to LAFCO Municipal Service Review Survey, Request for Information Part I; July 5, 2016; Page 2.
39. Ibid., Page 3.
40. Westfield Park Recreation and Parkways District #12 (sic) State Controller's Office Special Districts Financial Transactions and Compensation Report for 2015; Westfield Park Recreation and Parkways District #12 (sic) 2016-17 Budget; and Donald A. Young Jr., Accredited Tax Advisor and Enrolled Agent, Statement of Revenue & Expenditures; June 20, 2015.
41. Donald A. Young Jr., Accredited Tax Advisor and Enrolled Agent, Statement of Revenue & Expenditures; June 20, 2015; Page 3.
42. Ibid., Page 2.
43. Response to Response to LAFCO Municipal Service Review – Special Districts Supplemental Request for Information; March 14, 2011; Page 16; Page 39.