

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

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May 7, 2008

TO: Sacramento Local Agency Formation Commission

FROM: Peter Brundage, Executive Officer ^{PK}
Sacramento Local Agency Formation Commission

Contact: Don Lockhart, Assistant Executive Officer (916) 874-2937
Tobias Joel, Senior Student Intern (916) 874-2934

**RE: SUNRISE RECREATION & PARK DISTRICT - MUNICIPAL
SERVICE REVIEW (LAFC 15-07)**

RECOMMENDATION

Staff recommends that the Sacramento Local Agency Formation Commission accept the Municipal Services Review, and make the following determinations:

1. Sunrise Recreation and Park District effectively meets recreation and park demands in its service area. It offers programs for every age-group in the District's three major communities: Antelope, Foothill Farms and the City of Citrus Heights.
2. Municipal Service Review Determinations:
 - a. Regarding infrastructure needs or deficiencies, the Commission determines that the District currently provides adequate services and facilities in the unincorporated areas of Antelope and Foothill Farms, and the City of Citrus Heights. However, the District recognizes that continued facility development is necessary to meet future demands, as well as to improve service coverage in the more developed areas of Citrus Heights and Foothill Farms, where higher densities have reduced the ratio of acres park-land to District residents.
 - b. Regarding growth in population expected for the District, the Commission determines that the District is capable of continuing to provide recreational service in the future. The District's inter-agency relationships suggest that,

despite its financial constraints, it will be able to adapt to growth by coordinating joint-use facilities and planning.

- c. Regarding financing constraints and opportunities, the Commission determines that the District faces significant constraints for current and future service levels, especially from Educational Revenue Augmentation Fund (ERAF) property tax shifts. However, the District's economies of scale and proven ability to work with a variety of other agencies ensure that it will be able to continue servicing local demand.
- d. Regarding cost avoidance opportunities, the Commission determines that the District uses its best efforts to streamline in-house costs. For instance, the District recently digitized its class registration system to save time and material costs. It also digitized park irrigation to limit water usage.
- e. Regarding opportunities for shared facilities, the Commission determines that the District can continue to partner with local agencies to share the cost of new facilities, and insure the preservation of viable park spaces.
- f. Regarding evaluation of management efficiencies, the Commission determines that the District is managed efficiently, through the oversight of a five member Advisory Board.
- g. Regarding local accountability and governance, the Commission determines that the District has shown a dedication to communicating with local residents. It releases regular user surveys and frequently holds well-publicized public meetings to insure that service offerings reflect local demand. Finally, seats on the Advisory Board of Directors are distributed to represent each District community.

Introduction

The Cortese-Knox-Hertzberg Local Government Reorganization (CKH) Act of 2000 requires that each Local Agency Formation Commission (LAFCo) prepare Municipal Service Reviews and update Spheres of Influence for all cities and independent special districts within its jurisdiction.

A Sphere of Influence is defined by Government Code 56425 as:

A plan for the probable physical boundary and service area of a local agency or municipality.

A Municipal Service Review is defined by Government Code Section 56430 as:

A means of identifying and evaluating public services.

A Municipal Service Review may be conducted prior to, or in conjunction with, the update of a Sphere of Influence.

MUNICIPAL SERVICE REVIEW

Requirements

The Commission shall include a written statement of its determinations with respect to each of the following:

- (1) Infrastructure needs or deficiencies.
- (2) Growth and population projections for the affected area.
- (3) Financing constraints and opportunities.
- (4) Cost avoidance opportunities.
- (5) Opportunities for rate restructuring.
- (6) Opportunities for shared facilities.
- (7) Government structure options, including advantages and disadvantages of consolidation or reorganization of service provision.
- (8) Evaluation of management efficiencies.
- (9) Local accountability and governance.

EXECUTIVE OFFICER COMMENTS

Sunrise Recreation and Park District effectively meets District demand in its 27 square-mile area. The District delivers consistent service to the unincorporated areas of Foothill Farms, Antelope, and the City of Citrus Heights. The population growth in these areas has required that the District adapt to changing recreational demands. Most importantly, the District has responded with ongoing outreach campaigns: *Sunrise* has released both mail-in and online user preference surveys, and encourages District users to communicate with District management. These efforts demonstrate that *Sunrise R&PD* understands local demands and is dedicated to continually improving services.

To provide those services, *Sunrise* collaborates with a variety of City and County agencies. These efforts have helped the District secure park-land in their increasingly developed service area. Take for example, the District's joint-planning project with the City of Citrus Heights, which secured *Sunrise* land for a new neighborhood park within the City of Citrus Heights' Stock Ranch development. Because of efforts like these, the

residents of Foothill Farms, Antelope, and the City of Citrus Heights have roughly equal availability to the District's community programs. *Sunrise* also reports that residents beyond these communities take advantage of District offerings.

Finally, the District has adapted to changing financial circumstances. Most of all, the District identifies shifts in property tax allocation as a major financial constraint. Alternate revenue sources have been found in Quimby in-lieu fees, facility rentals, District user fees, and most importantly, in joint-use agreements with other agencies. Thus while District funding alone may not be able to uphold its future development plans, *Sunrise's* inter-agency relationships as well as economy of scale show that the District can continue to serve its area well.

Recommendation:

I recommend that your Commission accept the attached Municipal Service Review, with the following determinations:

Municipal Service Review Determinations:

1. Regarding infrastructure needs or deficiencies, the Commission determines that the District currently provides adequate services and facilities in the unincorporated areas of Antelope, Foothill Farms, and the City of Citrus Heights. However, the District recognizes that continued development is necessary to meet future demands, as well as to improve service coverage in the more developed areas of Citrus Heights and Foothill Farms, where higher densities have reduced the ratio of acres park-land to District residents. No existing infrastructure is redundant with other agencies.
2. Regarding growth in population expected for the District area, the Commission determines that the District is capable of continuing to provide recreational service in the future. The District's inter-agency relationships suggest that, despite its financial constraints, it will be able to adapt to growth by coordinating joint-use facilities and planning.
3. Regarding financing constraints and opportunities, the Commission determines that the District faces significant constraints for current and future service levels, especially from property tax shifts. However, the District's economies of scale and proven ability to work with a variety of other agencies ensure that it will be able to continue servicing local demand.
4. Regarding cost avoidance opportunities, the Commission determines that the District uses its best efforts to streamline in-house costs. For instance, the District recently digitized its class registration system to save time and material costs. It also digitized park irrigation to limit water usage.

5. Regarding opportunities for shared facilities, the Commission determines that the District can continue to partner with local agencies to share the cost of new facilities, and insure the preservation of viable park spaces.
6. Regarding evaluation of management efficiencies, the Commission determines that the District is managed efficiently.
7. Regarding local accountability and governance, the Commission determines that the District has shown a dedication to communicating with local residents. It releases regular user surveys and frequently holds well-publicized public meetings to insure that service offerings reflect local demand. Finally, seats on the Board of Directors are distributed to represent each District community.

Respectfully submitted,

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

Peter Brundage
Executive Officer

TJ/DL

Attachments: Sunrise Recreation and Park District Municipal Service Review
Sunrise Recreation and Park District Map

(Sunrise MSR Determinations)

SUNRISE RECREATION AND PARK DISTRICT
Municipal Service Review
May 2008

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INTRODUCTION

Background Information

Sunrise Recreation and Park District is a Dependent District¹ in north-east Sacramento County.

- **Mission:** build community by providing park-land for recreation, cultural activities and environmental protection
- **Bordering:** on the north by Sacramento County Line, east by Kenneth Avenue, south by Madison Avenue, and west by Roseville Road (see Figure 1 for exact boundaries)
- **Population:** 163,000 (District-reported statistics) in an area of 27 square-miles

Sunrise Recreation and Park District was formed in 1950 with the Sacramento County Board of Supervisors serving as the *ex-officio*² Board of Directors. Today *Sunrise* provides 481 acres of park-land in the City of Citrus Heights and the unincorporated areas of Antelope and Foothill Farms. The District's most pressing concern is securing enough funds to maintain facilities and expand services.

Service Area

Sunrise Recreation and Park District serves the population of three communities:

- **Antelope**
- **Foothill Farms**
- **The City of Citrus Heights**

Antelope is an unincorporated area made up largely of young families with consistent demand for *Sunrise's* recreational facilities. The youth of the area suggests future joint-planning opportunities with schools. Population growth was growing rapidly but is now leveling-off.

Foothill Farms and the City of Citrus Heights are demographically older and experiencing less growth. *Sunrise's* current projects in these communities are maintenance and updates to dated facilities. But according to acreage analyses Foothill Farms and the City of Citrus Heights are most in need of new parks in order to meet *Sunrise's* goal of 4.5 acres park-land per 1,000 residents. *Sunrise's* planned projects in Foothill Farms and the City of Citrus Heights are mostly in-fill projects; a notable exception is the Stock Ranch neighborhood park in Citrus Heights.

Other development opportunities for *Sunrise* involve inter-agency partnerships to share infrastructure and staff. Inter-agency collaboration on grant applications could also help *Sunrise* attract more funding, as investors may more willingly back a group of agencies rather than a single one. Continued joint-planning with the County of Sacramento and the City of Citrus Heights may also help *Sunrise* increase the number of trails and bikeways provided to District users.

¹ The County Board of Supervisors is the District's official governing body.

² The County Board of Supervisors heads the District in name, but in daily practice they are not involved in its management.

MANAGEMENT AND EMPLOYMENT STRUCTURE

Management Structure

Sunrise is a dependent district governed *ex-officio* by the Sacramento County Board of Supervisors but managed by a five-member Advisory Board of Directors. The District population has no direct input regarding Advisory Board appointments but the County Board of Supervisors distributes seats to represent each District community. Directors appointed to the Advisory Board can serve a maximum of two consecutive four-year terms.

Directors meet no more than twice monthly and are compensated \$100 per meeting. They usually meet only once monthly in an open meeting held 7:00pm on the third Thursday of the month. Meeting reminders are posted at least three days prior at District community centers and in local newspapers. The quarterly District Activity Guide also includes the Advisory Board meeting schedule. Meetings are held in the community most directly affected by the agenda topics.

Outreach

Outreach techniques used by the District are maintaining a website, erecting notice boards regarding new developments and using park marquees to announce events and employment openings. The District also works directly with residents through workshops and preference surveys. One of their major successes was successfully encouraging Citrus Heights teenagers to spearhead the 2003 Rusch Skatepark project.

Employment Structure

Under the Board of Directors are 30 full-time and up to 500 seasonal employees, all of whom are unrepresented. Employees elect a representative committee to confer with the District Administrator. In 1991 the District contracted an outside consultant to perform a compensation survey and classification study. Using that study, pay scales have been revised every five years according to median salaries in comparable agencies. Employee training includes an orientation at time of hire and additional seminars for position-specific issues. The District also holds ongoing safety seminars and informal training sessions.

DISTRICT SERVICES

Services Provided

Sunrise provides park-land and organized activity to help build a sense of community. Parks developed by *Sunrise* fall into one of three categories—(1) neighborhood parks; (2) community parks; and (3) natural park-lands.

Existing **neighborhood parks:**

- 7 to 10 acres each
- Designed to serve residents within ½ mile radius
- Provide limited parking and simple recreational equipment
- Total 30 in the District, accounting for 213 acres (about 45% of District park acreage)

Existing **community parks:**

- 40 to 60 acres each
- Designed to serve residents within 2 mile radius
- Provide more extensive onsite parking, a community center, lighted sports fields, pools and recreational classes
- Total 7 in the District, accounting for 194 acres (about 41% of District park acreage)

Existing **natural park-lands:**

- Designed as natural reserves open to the public
- Total 6 in the District, accounting for 67 acres (about 14% of District park acreage)

At the above sites *Sunrise* offers various recreational, educational and social-service programs. Classes are available for all age groups—preschool to senior. Offerings include aquatics, youth sport leagues, teen art programs, martial arts and senior nutrition classes. Some services are integrated with other agencies, including *Sunrise's* five licensed day-care centers operated at Antelope Meadows Elementary, Olive Grove Elementary, Dry Creek Elementary, Barrett Elementary and Oak Hill Elementary School.

The District leases event spaces at community parks around the District. *Sunrise* also rents out a total of 13 picnic areas across the District. Demand for these spaces is healthy—rooms and picnic areas are routinely rented, especially by agencies holding large meetings. The following is a break-down of *Sunrise's* large-event rental facilities:

Park Site	Location	Room Capacity	Additional Amenities
Crosswoods Community Park	Citrus Heights	75	-
Rusch Community Park	Citrus Heights	150, plus 400 capacity auditorium	Kitchen and barbeques
Foothill Farms Community Park	Foothill Farms	150	Patio area

Service Demand

Sunrise measures service demand and infrastructural needs in two ways. First they compare per capita park acreage to their goal of 4.5 acres per 1000 residents. With a current population of 163, 000 to the District’s 481 acres of park-land, this measure shows that *Sunrise* must develop another 246 acres of park to meet service demands (a 50.4% increase in acreage). When added to population growth projections from SACOG, this shortcoming increases to 677 acres. Consider the following table:

Year	Population	Acres of park-land	Acreage Needed to Meet Goal (4.5ac/1000)	Acreage Deficit (from current)	Acreage Deficit (% from current)
2007	163,000	481	733	252	53%
2035 (projected)	247,262	-	1113	632	132%

Sunrise plans to devote 60% of future acreage to neighborhood parks and the rest to community parks.

This measure of infrastructural needs is useful because it can be calculated quickly and demonstrates the immediate effects of a park development. But the ratio is a weak indicator of public demand because it lacks user input as well as any geographic focus.

On the other hand, *Sunrise*’s second method of gauging service demand is to conduct community workshops and surveys. These indicators shed light on demand trends not apparent in quantitative measures. Antelope area users, for example, prioritize park-land improvements and bikeways over new development. Citrus Heights survey respondents, on the other hand, prioritized new parks.

Using these two methods *Sunrise* has determined that, although current infrastructure is meeting demand reasonably well, continued development is needed to keep pace with demand trends. It should be added that in addition to these methods, safety and cost-saving infrastructural changes are considered annually. These might include, for instance, preventative equipment replacement or energy-efficiency reforms. *Sunrise*’s provisions are also guided by regulations from consumer agencies or regulations such as the Americans with Disability Act.

INFRASTRUCTURE

Capital Improvement Projects

Infrastructural information collected from park management is used to schedule District-wide capital improvements and maintenance. Infrastructural determinations are made annually by the Board of Directors and are organized into the six categories:

1. Repairs and Renovations
2. Existing Facilities Development
3. Acquisitions
4. Programs
5. Trails and Bikeways
6. Natural Park-lands

The 2000-2010 Master Plan (adopted 2001) totaled infrastructural needs as follows:

Infrastructural Projects	Amount Identified in 2000-2010 Master Plan
Capital Improvement	\$17,962,500
Maintenance / Repair	\$342,000
Facility Rehabilitation	\$2,551,500
Total	\$20,856,000

None of these deficits have resulted in regulatory violations.

The Master Plan also discusses new park acquisitions needed in major areas of Foothill Farms and the City of Citrus Heights.

Infrastructural Duplication

None of the District's facilities are underutilized or redundant with other agencies. Many facilities are shared with partner groups such as the City of Citrus Heights or the San Juan School District. Inter-agency cooperation is a large part of *Sunrise's* infill projects; the District planned jointly with the City of Citrus Heights for a new 4.5 acre neighborhood park in the Stock Ranch development. The District has also worked with the Center School District, Dry Creek Elementary School District and the Roseville Joint Union High School District to plan shared infill facilities.

Emergency Facilities

District infrastructure is not well equipped to provide services in emergency situations. *Sunrise* works with the County of Sacramento and City of Citrus Heights in emergency preparedness but their ability to provide food, shelter and power is limited.

FINANCE

Revenue Sources

The following table only lists the District's key revenue sources:

Key Revenue Sources	Actual Year-End 2001-02	Actual Year-End 2002-03	Final Budget 2003-04
Property Taxes	\$2,680,556	\$2,910,332	\$3,053,670
Homeowners Prop. Tax Relief	\$58,796	\$61,914	\$58,270
Interest Income	\$35,318	\$19,223	\$50,000
Space Rental	\$312,649	\$472,923	\$282,450
Recreational Service Fees	\$2,023,177	\$2,160,714	\$2,293,810
Park In-Lieu Fees (Quimby)	\$88,146	\$39,166	\$537,112
Antelope and Citrus Heights Park Development Trust Fund	\$632,924	\$0	\$2,298,200
Antelope Special Assessment	\$0	\$0	\$715,000
Maintenance Service Charges	\$17,450	\$7,800	\$9,780
Law Enforcement Services	\$11,183	\$18,764	\$9,000
Donations	\$8,750	\$8,822	\$7,500
Total	\$5,868,949	\$5,699,658	\$9,314,792

Property taxes comprise about 33% of *Sunrise's* major revenues, but the District reports that this amount is not enough to fund Capital Improvement Projects. Instead recreational user fees for District services and facilities form an important source for Capital Improvement Projects. These fees are adjusted annually to reflect cost, the price of like services in other Districts, and the affluence of the surrounding community. Other District-wide revenue sources include:

- **Quimby In-lieu Fees:** as defined by the Quimby Act, In-lieu fees are payments collected by *Sunrise* instead of new park-land.
- **Park Impact Fees:** the District collects fees from new development in Antelope and the City of Citrus Heights.
- **Space Rental:** the District collects rents from leasing space to concessionaires, such as cell-service providers to erect signal towers on District property. The Foothill Golf Center is also run by concessionaires who pay rents to the District. Private events also rent space but do not constitute a steady revenue stream because rents vary based on the type of organization involved (non-profit, for profit, etc.).
- **Partnerships:** cooperation with service clubs, neighborhood associations and youth sport leagues comprise another portion of District-wide revenue. In particular, *Sunrise* formed its own non-profit foundation, *Hearts for Parks*, to

attract grants and donations. The foundation also subsidizes program fees for District residents who could not otherwise participate.

- **Antelope Assessment District:** this assessment is designed to finance the sale of Certificates of Participations (COPs) to fund the construction and maintenance of the Antelope community park.

Revenue Constraints

The District reports that its largest revenue constraint is ongoing reductions in property tax revenues. These reductions stem from both the ERAF tax shifts of 1992-93 as well as the 2004-05 property tax reforms. According to the District, lost revenue has hindered *Sunrise's* capacity to assume new service responsibilities. The District owes its continued viability to its size—economies of scale across the District's 35 park sites bring sufficient revenue to offset tax shifts. The District has also explored joint purchasing/use agreements to leverage revenues.

Detail of Joint Facilities

Sunrise has cost sharing agreements with the City of Citrus Heights along with numerous school districts in their service-area. The City of Citrus Heights has agreed to collect and manage the District's park development fees in exchange for using *Sunrise* facilities for City Council meetings and other events. *Sunrise* also shares staff with the City of Citrus Heights and collaborates with City in land-use planning to most closely address service demands.

Sunrise works closely with school districts to share the cost and use of recreational space. In cases like the Dry Creek School District, *Sunrise* uses school facilities at no cost for recreational programs in exchange for partial maintenance (mowing, janitorial) and marginal development (adding parking areas). Similar agreements exist with Center Unified School District and the Roseville Joint Union High School District.

Sunrise also has agreements with other service providers to share costs and space. The District assists the Citrus Heights Water District in landscaping, for repairs and makes District park-land available for potential wells.

Sunrise has agreements with County of Sacramento entities as well—consider the following three examples. The County Sanitation District #1 has also agreed on utility easements in *Sunrise* in exchange for allowing transmission lines to run through park sites, especially in Foothill Farms. The County Senior Nutrition Program is run through *Sunrise* community centers and stores its vehicles in *Sunrise* lots. The District provides space for the County Health Center in the Rusch Community Park in exchange for a contract to maintain the facility.

Other Cost Avoidance Strategies

Besides sharing facility cost and use, *Sunrise* limits costs by sub-contracting an increasing number of tasks, streamlining District purchases and digitizing formerly manual processes. Subcontracting has occurred especially in development work such as grading a new park-site. On top of that the District now buys used vehicles and takes advantage of fleet benefits—here the District's economy of scale is especially advantageous.

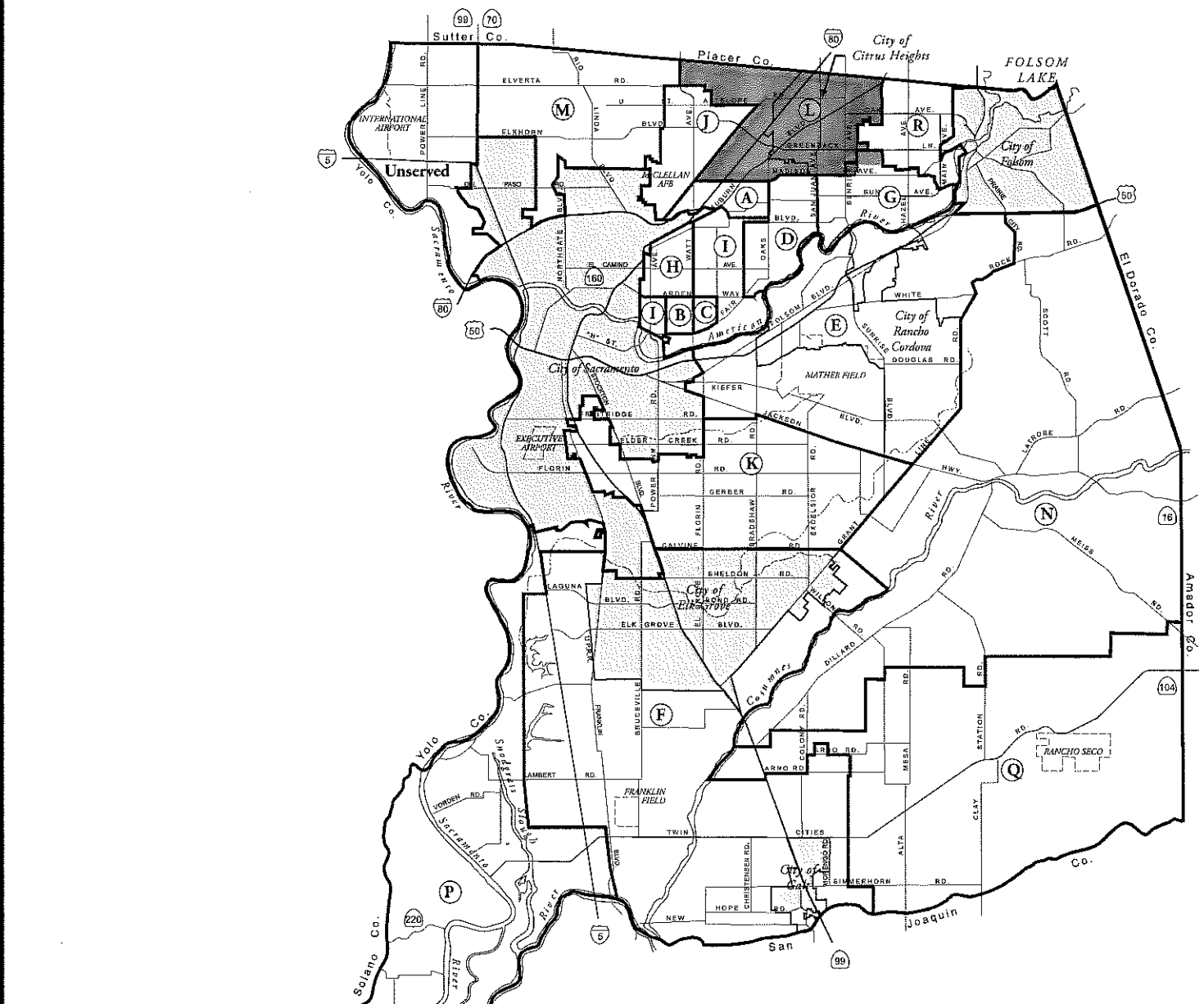
Class registration is now entirely on-line, eliminating many time and material costs. Park irrigation is also electronic and synchronized with weather stations to reduce water costs. Additionally, mechanical upgrades to lighting and climate-control systems (including pool heating) have reduced overhead.

Revenue Opportunities

The District has identified three potential sources of new revenue. First is pursuing sponsors for infrastructural development, i.e. marketing their developments effectively to make donations more appealing. Second is lobbying for a long-term tax or assessment in other District areas besides Antelope. The District notes that a Citizens' Advisory Team would be necessary to represent community views in any such tax. Third is creating a new permanent position to manage these efforts as well as lead ongoing research and preparation of grant proposals. The District would also link this position closely to the District's non-profit foundation *Hearts and Parks*, which they hope to utilize more effectively as the fundraising arm of the District.

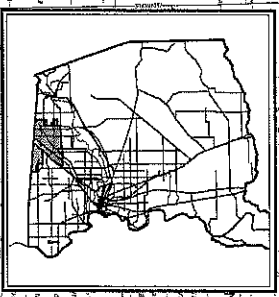
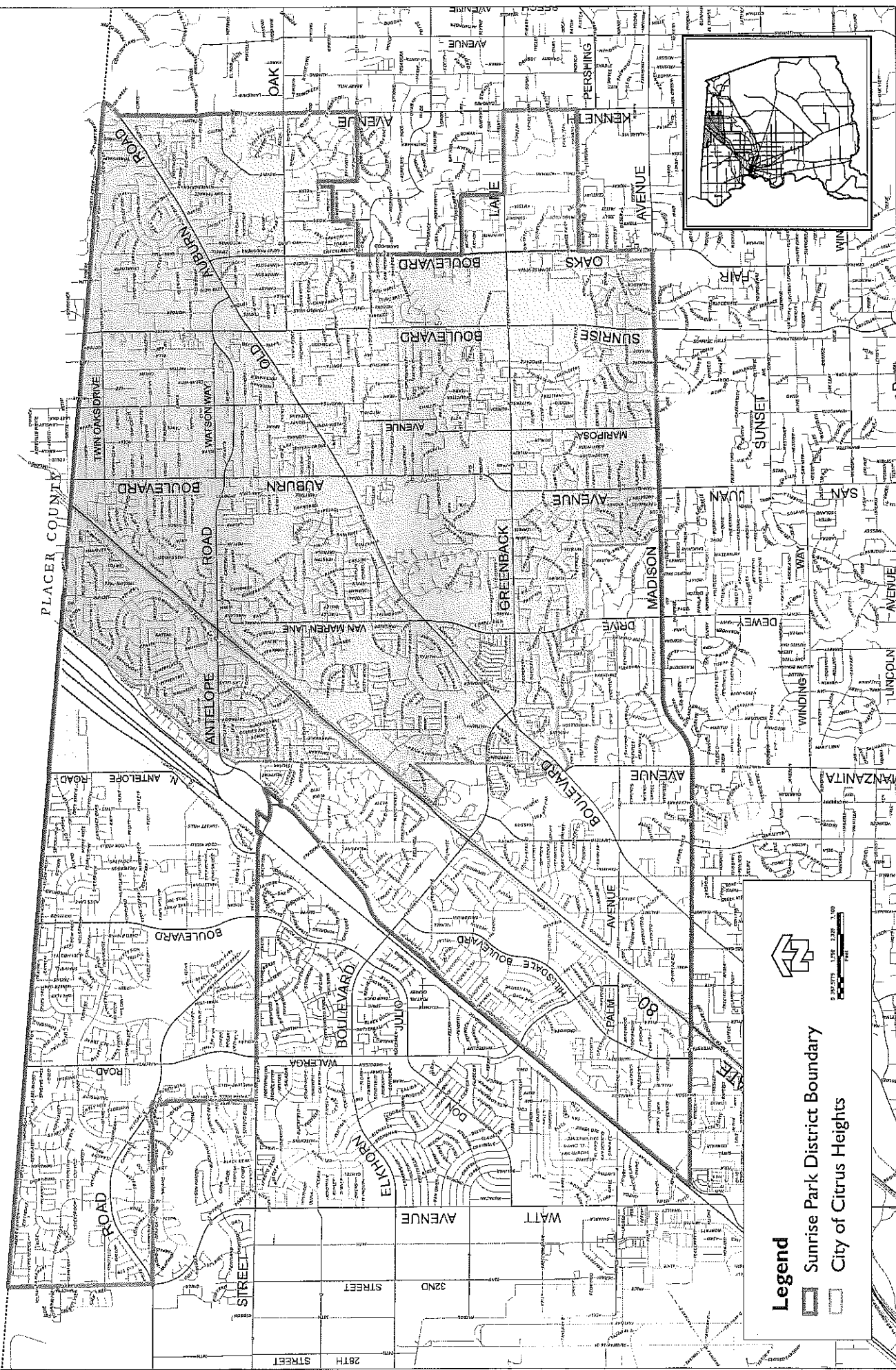
CONCLUSION

Sunrise Recreation and Park District effectively meets District demand in its 27 square-mile area. It strives to understand local service demands and collaborates with a variety of City and County agencies. On account of these efforts, the residents of Foothill Farms, Antelope, and the City of Citrus Heights have roughly equal availability to the District's community programs. *Sunrise* also reports that residents beyond these communities take advantage of District offerings. District funding alone may not be able to uphold its future development plans, but *Sunrise's* economy of scale and inter-agency relationships suggest that the District can continue to serve its area well.





**SACRAMENTO COUNTY, CALIFORNIA
PARK DISTRICTS**

- | | |
|---------------------|------------------------------|
| A. ARCADE CREEK | J. NORTH HIGHLANDS |
| B. ARDEN MANOR | K. SOUTHGATE |
| C. ARDEN PARK | L. SUNRISE |
| D. CARMICHAEL | M. (CSA 3) RIO LINDA-ELVERTA |
| E. CORDOVA | N. (CSA 4B) WILTON-COSUMNES |
| F. COSUMNES CSD | P. CSA 4C (DELTA) |
| G. FAIR OAKS | Q. CSA 4D |
| H. FULTON-EL CAMINO | R. ORANGEVALE |
| I. MISSION OAKS | |



Legend

-  Sunrise Park District Boundary
-  City of Citrus Heights

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