

TOWN OF FAIRFAX STAFF REPORT

TO: Mayor, Members of the Town Council **DATE:** July 11, 2012
FROM: Judy Anderson, Interim Town Manager/Town Clerk
SUBJECT: Approval of response to Grand Jury Report, "Pre-Schoolers Learn to Share – Can Local Governments?"

Recommendation

Approval of the drafted response to the above named Grand Jury Report.

Discussion

The Marin County Grand Jury released the attached report June 1, 2012. The Town is required by law to respond in writing within ninety days to the findings and recommendations of the report.

Fiscal Impact

None

Attachment

Draft response to Grand Jury Report
Grand Jury Report, "Pre-Schoolers Learn to Share – Can Local Governments?"

Response to Grand Jury Report from the Town of Fairfax:

Report Title: ***PRE-SCHOOLERS LEARN TO SHARE – Can Local Governments?***

Report Date: May 29, 2012

Public Release Date: June 1, 2012

Response by the Town of Fairfax

FINDINGS

We agree with the findings numbered 2-8

We disagree partially with the findings numbered 1 and 9

Finding Number 1: The cities and towns of Marin already share many services through Joint Powers Authorities and Boards, i.e., Marin County Disaster Council, Marin General Services JPA, Major Crimes Task Force JPA, Marin Media Center, Transportation Authority of Marin, Marin Energy Authority, Flood Zone, Marin Emergency Radio Authority, Marin County Hazardous and Solid Waste JPA, etc. Our Council assignment list (attached) illustrates how our Town participates in these entities.

Finding Number 9: We are not aware of federal grants of this nature but have taken advantage of the Safe Routes to School funding that crosses local boundaries and are open to the possibility.

RECOMMENDATIONS

R2: City Councils and Marin County Board of Supervisors require annual reports from their city managers or county administrator that identify any and all opportunities for a regional approach of sharing public services.

The Town Manager reports to the Council on an annual basis as part of his budget message. A report on Shared Services will be made a part of this report.

R3: Every local governmental entity, when facing major capital expenditures (e.g., new facilities, equipment, vehicles, or computer systems) seek out other entities to share the use and costs of the items.

There are limited opportunities for a Town as small as Fairfax, but we share a boom truck with San Anselmo and look for other equipment sharing possibilities when feasible.

R4: All government officials make it a priority to identify institutional duplication within their sphere of influence and then bring leadership, vision and openness to new, more cost-effective alternatives.

This is already implemented by towns and cities with some of the special districts like the Ross Valley Sanitary District. This year, the Ross Valley Fire Service added the Town of Ross to their

JPA and last year added Sleepy Hollow as a full member. This was due to the proactive efforts of Ross Valley Fire Chief Meagor with cooperation and encouragement from the Town Councils of Fairfax and San Anselmo. The Fairfax Police Department just began providing dispatch services to the College of Marin and the Town of Ross with our existing personnel and equipment. This was due to the proactive efforts of Fairfax Police Chief Morin with the cooperation and encouragement of the Fairfax Town Council.

R5: Public officials assume the obligation of informing and leading their citizens toward the changing paradigms of government that result in more cost-effective government.

The Town of Fairfax provides updated information for its citizens on our Web site and through the Town Manager's blog. We are in the process of installing the necessary equipment to broadcast our meetings to allow for more participation by the public, more transparency and better communication.

FAIRFAX TOWN COUNCIL BOARD/COMMITTEE ASSIGNMENTS
December 7, 2011

Bragman:

- Affordable Housing Committee**
- Flood Zone 9 Advisory Board, Alternate**
- Marin Energy Authority**
- Marin Telecommunications Agency**
- MCCMC Joint Services Authority Oversight Committee**
- Measure "I" Oversight Committee**
- MERA Alternate (Chris Morin, representative)**
- Ross Valley Paramedic Authority (Frank Egger, Alternate)**
- Ross Valley Sanitary Consolidation Feasibility Study Steering Committee (4-4-12)**
- Safe Routes to School Task Force, Alternate**
- TAM (Transportation Authority of Marin), Alternate**
- Tree Committee, Alternate**
- Zero Waste Committee**

Hartwell-Herrero:

- Affordable Housing Committee**
- Chamber of Commerce Liaison as Mayor**
- Citizens' Disaster Council as Mayor**
- Cittaslow Committee**
- Community Development Block Grant Committee – HCDA**
- Finance Committee as Mayor**
- League of California Cities as Mayor**
- Marin Energy Authority, Alternate**
- Measure "I" Oversight Committee**
- Zero Waste Committee**

O'Neil:

- Marin Telecommunications Agency, Alternate**
- Ross Valley Fire Authority, Alternate**
- Ross Valley School Board Liaison**
- Tree Committee**
- Youth Commission Liaison**

Reed:

- Finance Committee as Vice Mayor**
- General Plan Implementation Committee**
- Local Currency Steering Committee**
- Measure K Oversight Committee**
- Ross Valley School Board Liaison, Alternate**
- Ross Valley Fire Authority**
- Safe Routes to School Task Force**
- TAM (Transportation Authority of Marin)**

Weinsoff:

- ABAG (Assoc of Bay Area Governments) Representative**
- Flood Zone 9 Advisory Board Representative**
- MCCMC Legislative Committee Representative (3/11/10)**
- Ross Valley Fire Authority**
- Ross Valley Sanitary Consolidation Feasibility Study Steering Committee (Alternate) (4-4-12)**

Report Title: **PRE-SCHOOLERS LEARN TO SHARE –
CAN LOCAL GOVERNMENTS?**

Report Date: May 29, 2012

Public Release Date: June 1, 2012

Response by: Town of Fairfax

FINDINGS

- I (we) agree with the findings numbered: 2, 3, 4, 5, 6, 7, 8
- I (we) disagree wholly or partially with the findings numbered: 1 and 9
(Attach a statement specifying any portions of the findings that are disputed; include an explanation of the reasons therefor.)

RECOMMENDATIONS

- Recommendations numbered 2, 3 (when feasible) have been implemented.
(Attach a summary describing the implemented actions.)
- Recommendations numbered 2 have not yet been implemented, but will be implemented in the future.
(Attach a timeframe for the implementation.)
- Recommendations numbered _____ require further analysis.
(Attach an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.)
- Recommendations numbered _____ will not be implemented because they are not warranted or are not reasonable.
(Attach an explanation.)

Date: _____ Signed: _____

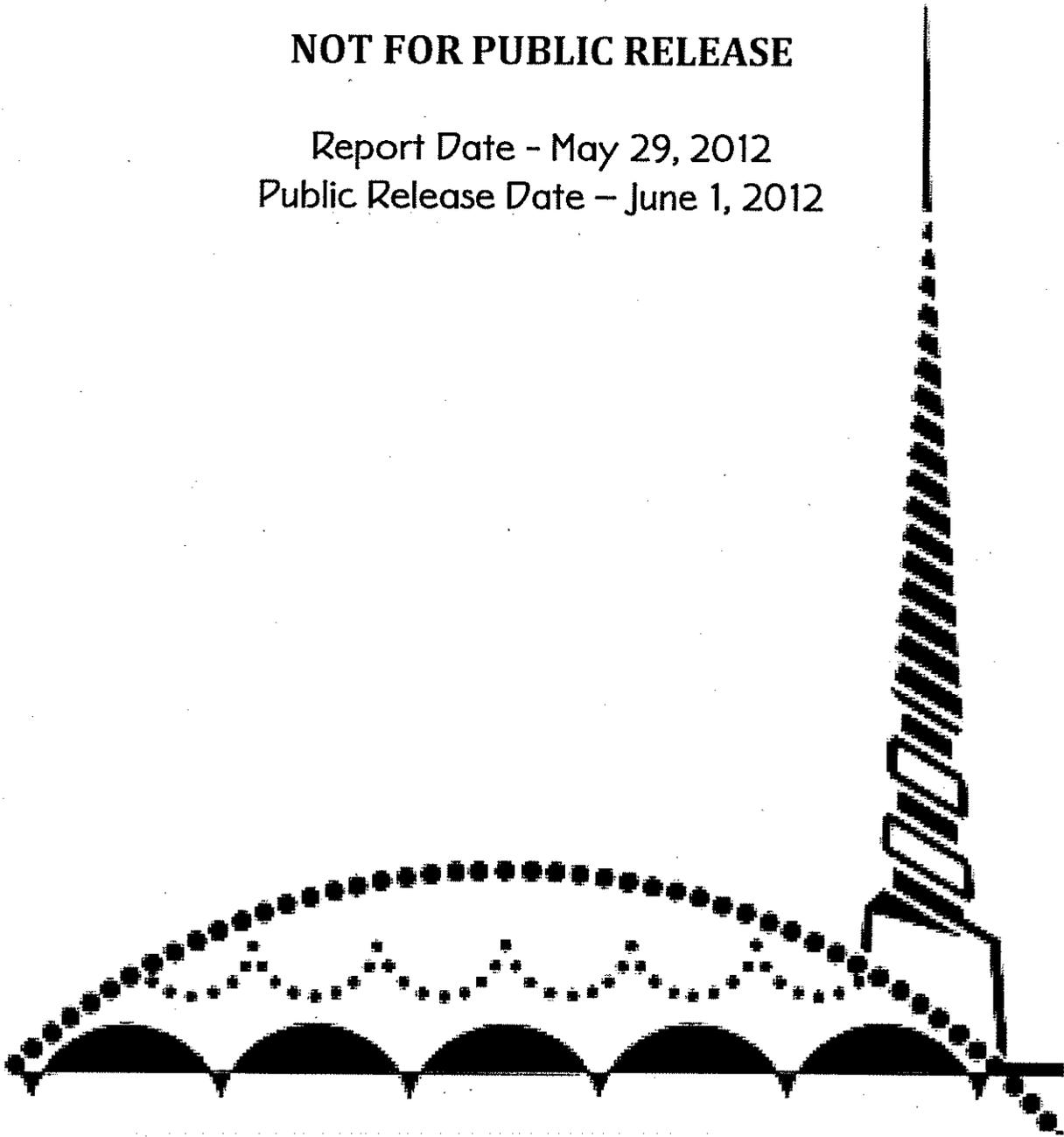
Number of pages attached _____

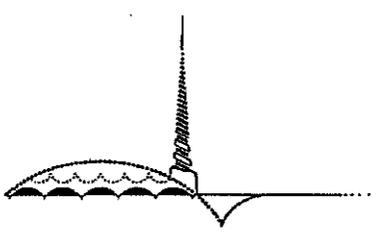
2011/2012 MARIN COUNTY CIVIL GRAND JURY

PRE-SCHOOLERS LEARN TO SHARE
– can local governments?

NOT FOR PUBLIC RELEASE

Report Date - May 29, 2012
Public Release Date – June 1, 2012





PRE-SCHOOLERS LEARN TO SHARE

– Can Local Governments?

SUMMARY

Who knows how many local government agencies exist in Marin County?

Certainly not the average citizen.

The Government section of the 2012 phone book lists the 11 towns and cities of Marin County and the 30 or so main departments of the County government. Not listed is what the Marin County Civil Grand Jury suspects are more than 50 special districts or Joint Powers Authorities, not including 19 school districts. The County Tax Collector's office does not know how many special districts there are, although they do know they support 153 taxing entities who add charges to our tax bills.

Certainly not the Local Agency Formation Commission.

Since this agency is charged with monitoring the boundaries and governmental organization of cities and special districts in our county, the Jury thought they would have the definitive list, but they have no jurisdiction over the county's school districts and their website lists only a subset of the total number of entities:

- 11 Cities or Towns
- County of Marin
- 6 Community Service Districts
- 8 Fire Protection Districts
- 3 Water Districts
- 11 Sanitary and Sanitation Districts
- 2 Public Utility Districts
- 3 Joint Power Agencies
- 3 County-governed Special Districts (for transit, open space and flood control), and
- 16 County Services Areas.

At the website lafco.marin.org, there is an 85-page 2011 Directory of Marin County governmental agencies. The director of the Local Agency Formation Commission stated that its list is not definitive and that it is nearly impossible to know all the special districts that operate in Marin. While the agency has identified 30 independently governed special districts in Marin, it also pointed out that there is State enabling legislation for 28 different kinds of special districts. The Local Agency Formation Commission does not list special districts that are governed by the boards or councils of municipalities or the County of Marin. It is not the Local Agency Formation Commission's charge, nor anyone else's, to track this information.

Certainly not the Marin County Civil Grand Jury.

The Jury has been both bewildered that no one knows how many government agencies there are and shocked at the huge number of suspected governmental entities. No matter the exact number, the Jury's investigation points out that there are too many organizations, most with staff, management and a board of directors, that offer the same public services. These public entities must be financed, whether by property taxes, fees, parcel taxes, user rate schedules, sales taxes or state monies. The bottom line is that all of them are funded primarily by the citizens of Marin County.

The number of government entities in Marin County has grown over the past 50 years. While other more populous counties have simplified by forming one school district, one fire department and one police department, Marin County has allowed these entities to proliferate. Although Marin County has its own history and needs, the mandate to provide cost-effective public services should be universal. Do we need all these governing entities? Are Marin's residents best served by such a fragmented and costly system of governance?

In today's environment when government is trying to do more with less, "consolidation" seems like the obvious way to eliminate governmental duplication. But remember: H.L. Mencken wrote, "*For every complex problem, there is one solution that is simple, neat.....and wrong*". The Jury has learned there are inherent complexities in any formal government consolidation that make that kind of merger very difficult and/or take decades to complete. Fortunately, while consolidation can be the end game, interim and long-term cost-effective governance can be achieved by taking incremental steps, over time. Consequently, this report focuses on the interim strategy that some government managers have found increasingly useful in these challenging times: sharing services.

Sharing of services, personnel, equipment or even insurance policies is a less threatening first step in what may eventually become a partnership and, ultimately a merger or consolidation once the benefits have been verified and the trust between key players has been established. Building relationships, whether personal or organizational, is a step-by-step process. One purpose of this report is to focus on the steps and conditions that can lead to successful collaboration. The Marin County Civil Grand Jury hopes more of our Marin County governmental entities will recognize and seize opportunities to cooperate, or in kindergarten parlance, *to share*.

The challenge governing bodies face is to recognize mutual needs and plan to jointly meet them. The result can be much more efficient governance and often reduced cost for cities and citizens. A case study about the Twin Cities/San Anselmo Police Departments in this report shows that about one half million dollars can be saved by cities who collaborate. On the other hand, the failure or refusal to consider sharing services can result in unnecessary and even exorbitant cost increases for Marin residents. A Sausalito Fire Department/Southern Marin Fire Protection District case study herein sheds light on this risk. Carried out thoughtfully, sharing services can allow governing entities to realize significant cost savings while maintaining or even improving the service levels expected by each community.

The Marin County Civil Grand Jury recommends that:

- The County immediately publishes on its website a list of all of the special districts and Joint Powers Authorities and their contact information, to improve the public's awareness of and access to all those taxing entities.

- City/Town Councils and the Marin County Board of Supervisors require annual reports from their respective city managers or the County Administrator identifying opportunities for sharing or consolidating services.
- Every local governmental entity, when facing major capital expenditures (e.g., facilities, equipment, vehicles, or computer systems) seek other entities to share the use and cost of the items.
- All government officials make it a priority to identify institutional duplication within their sphere of influence and bring leadership, vision and openness to new, more cost-effective alternatives.
- Public officials assume the obligation of informing and leading their citizens toward the changing paradigms of government that result in more cost-effective government.

BACKGROUND

The towns of Marin County have grown from hamlets to sprawling developed areas. Originally separated by ridges, waterways or sheer distance, the more populous municipalities have all but merged along Highway 101, creating a “City-Centered Corridor”, as defined in the Marin County General Plan. Over time, to ensure the health, safety and general welfare of its citizens, each city’s array of public services has expanded to include at least fire, police, planning/zoning, parks/recreation, libraries and public works/engineering services. These services were provided by creating new municipal departments or by the formation of special districts or Joint Power Authorities (“JPAs”), as defined below. Hereafter, the term “city” shall apply to towns as well.

While most citizens are familiar with municipal and county governments, few keep tabs on special districts and JPA's. As defined by the *Marin.org* website, special districts are usually single-purpose units of government. The most common are school districts; other special districts handle fire protection, sewers, water or wastewater treatment, or combinations of services. The State Government Code offers this definition: *‘Special district’ means an agency of the state, formed pursuant to general law or a special act, for the performance of governmental or proprietary functions, with limited geographic boundaries, including, but not limited to, a school district and a community college district.*” (California Government Code Section 50075.5). Special districts are a form of local government, governed by an elected board of directors, usually with five members from the areas served. They are employed when neither the county nor local cities are willing or able to provide a service. Examples of special districts are the Marin Municipal Water District and Bel Marin Keys Community Service District.

Joint Power Authorities are created through Joint Power Agreements. *“If authorized by their legislative or other governing bodies, two or more public agencies by agreement may jointly exercise any power common to the contracting parties... a joint powers agreement provides for the creation of an agency or entity that is separate from the parties to the agreement and is responsible for the administration of the agreement...”* (California Government Code Section 6500). JPAs are groups of public agencies working together to administer a shared service over an area that exceeds their individual jurisdictional boundaries. They may add another layer of government but they can streamline the provision of extraordinary services such as light rail service. Typical Marin JPAs include the Central Marin Sanitation Agency, Ross Valley Fire Service, and the Sewerage Agency of Southern Marin.

COSTS OF GOVERNMENT ESCALATE WHILE REVENUES STAGNATE

Along with the growth in the number and types of Marin governmental entities, the costs of governing have grown as well. Every government agency must deal with, at least:

- Escalating pay scales
- Increasing pension costs
- Demands of organized labor
- Sharp increases in the number of retirees
- Bond and stock markets' volatility
- Growing equipment replacement costs, and
- Aging infrastructure maintenance costs.

Meanwhile, numerous forces have reduced property tax revenues that municipalities and the County depend upon:

- Since 1978, Proposition 13 has limited the increase in assessed value of real property to 2% per year, regardless of increasing market value, except with a change of ownership or after major construction. The pace of home sales and construction has slowed dramatically in recent years.
- The recession has led to an overall dampening of home values, the basis for property taxes, which reduces revenues.
- The County allows a homeowner whose home's market value has diminished to petition the County for a reassessment (downwards) of their home's value.
- The County and cities also obtain revenue from permit fees for new development and new construction, both of which have dropped due to recessionary caution.
- There has been a reduction of the kinds and amounts of federal and state money being handed down to local agencies.

DOING MORE WITH LESS

All levels of government share a seemingly impossible goal: to continue to provide services with less revenue. At the same time, the economic downturn has increased the need for public services, especially welfare-related services. Confronted with this dilemma, necessary yet painful staff reductions have been implemented in most cities, placing added demands on the remaining workforce. Some cities such as Vallejo, California, have been forced to declare bankruptcy to avoid untenable fiscal obligations. Cost saving measures have been the primary focus of city councils and boards of supervisors when approving budgets in recent years.

The same budgetary dilemma is shared by special districts and JPAs, although to a lesser extent. Revenue sources for these entities are not exclusively tied to property taxes. In addition to taxes, most rely on user fees collected from their constituents for the service provided. These entities control their rate structure and the County applies their user fee to our tax bills. With few limitations or requirements, the special districts and JPAs can decide to increase their rates. Nonetheless, special districts and JPAs do struggle with rising costs for personnel, equipment, etc., and they have to balance assessing higher rates with public tolerance for such increases. They too need cost saving strategies.

SHARING SERVICES: ACHIEVING ECONOMIES OF SCALE

One of the most promising strategies for governmental cost savings, sharing services, is the subject of this report. Sharing services involves an evaluation by two or more governing bodies of their common needs, goals and ways to jointly economize on service provision. This may involve sharing equipment, personnel and/or workplaces and more. Sharing may be best accomplished on a step-by-step basis, beginning informally or with a Memorandum of Understanding¹, and without wholesale changes or overhauls of any department. It can be initiated on a trial basis and tailored over time to meet the changing needs of each of the jurisdictions involved.

Sharing is a less threatening first step in what may eventually become a partnership and ultimately, a merger or consolidation once the benefits have been verified and trust between key players has been established. Arranged marriages are foreign to our culture. Courtship and serious dating are the accepted steps to our formal unions. Building relationships, whether personal or organizational, is a step-by-step process. One of the purposes of this report is to define those steps and how to recognize when they are most likely to be successfully undertaken.

This report looks at both the obstacles and the opportunities for effective sharing of services. Failing or refusing to consider sharing services can result in unnecessary and even exorbitant cost increases for Marin residents. Carried out thoughtfully, sharing services can allow governmental agencies to realize significant costs savings while continuing or even improving service levels expected by each community.

METHODOLOGY

There is a wealth of literature on the proper organization of local governments. Public policy think tanks, public administration departments of universities, and government entities themselves are but a few who have produced studies on various types of governmental consolidation or cooperation. The Marin County Civil Grand Jury reviewed major studies by the states of New Jersey, New York and California.² The Jury then concentrated on researching the variety of governmental entities in Marin County.

The Jury met with the Local Agency Formation Commission (“LAFCO”) to understand the technical meaning and practice of “consolidation” and “annexation”. The Jury learned ways that governments can share services and reviewed successes and failures to do so. The Jury interviewed the managers of several county and city agencies to learn what their problems

1. A **memorandum of understanding (MOU)** is a document describing a bilateral or multilateral agreement between parties. It expresses a convergence of will between the parties, indicating an intended common line of action. It is often used in cases where parties either do not imply a legal commitment or in situations where the parties cannot create a legally enforceable agreement. It is a more formal alternative to a gentlemen's agreement.

² New Jersey Government Consolidation and Shared Services Final Report, December, 2006; 21st Century Local Government, Report of the New York State Commission on Local Government Efficiency & Competitiveness, April 2008; State of California Growth Within Bounds, Report of the Commission on Local governance for the 21st Century, January 2000

have been and where they see opportunities. The Jury performed archival research regarding regulations governing consolidation. In addition, the Jury tracked ongoing, unresolved efforts of Marin County agencies to either consolidate or share services.

DISCUSSION

When budgetary crises arise, cities, counties, special districts and JPAs face hard choices. They must raise taxes or levy fees, eliminate or reduce services, reduce their workforce or face bankruptcy. Since the 2008 recession, most government agencies have cut discretionary spending to the barest of bones. The shared services scenario has become an option: figure out how, with decreasing funds, to seamlessly continue to provide services by sharing services with other jurisdictions. *“Easier said than done.”*

OBSTACLES TO THE SHARING OF COSTS AND SERVICES

The obstacles to sharing services and/or consolidation are real and numerous. There are employment issues; good government “mission” issues; jurisdictional control issues; differing institutional cultural issues, and, perhaps the biggest obstacle of all: differing funding sources and differing fiscal health. Following is a summary of the range of issues faced when governments consider sharing personnel, equipment, operations and their goals for governance.

Employment Contracts

Government employees are ranked within a personnel or civil service system which governs every phase of employment: their selection, employment, classification, advancement, suspension, discharge and retirement. (State Government Code Section 45001) These stipulations are combined with union contracts that have defined standards (in addition to those in the State Government Code, Title 3) for things like wages, cost of living adjustments, workload, overtime, seniority/promotion, health, safety and retirement packages. Each governing agency must periodically re-negotiate these standards with the unions. When two such entities consider merging their workforces, they have to synchronize cost of living assumptions, job classifications and retirement requirements. A resulting pay cut for one set of workers, or pay increase for the others, can be met with a great deal of opposition.

As budgets tighten even further, personnel cuts loom after the more obvious cutbacks have been made. Often an obstacle, such as two mid-career city fire chiefs, can become an opportunity through attrition. For example, the managers of two separate departments providing the same service might not want to merge if it would cost one of the managers his/her job. However, if one of those managers were to retire or move on, role-sharing between cities or the merger of two departments could be much easier.

Maintaining the Mission

Good government or “mission” issues stem from the expectations of decision-makers and citizens. The mission or charter of each city is based on State Government Code that creates a city and invests it with the obligation to look after the health, safety and general welfare of its citizens. *“Health, safety and general welfare”* can and has been interpreted in a wide variety of ways by the County Board of Supervisors, city councils and citizens themselves. For

example, one police force may use catching a speeding teenager as a teachable opportunity (for the offender); another department may stress ticketing as the best way to modify offender behavior. Differing service emphases often depend upon the unique needs and nature of the locality. For example, in Sausalito marine health and safety issues in Richardson Bay are a priority but police and fire staff in Fairfax have different needs.

Some expectations about the scope of government are historical. Many citizens want to be assisted by police cars bearing their city logo because they have been able to rely on that support in the past. Cities and, by extension, special districts and JPAs, as a rule are reluctant to relinquish control over the services and facilities serving their citizens. Citizens hold their key decision-makers accountable for their welfare. Public decision-makers do not want to be taken to task at public meetings for matters they do not directly control. Small towns are reluctant to ask or expect a neighboring city to look after them. Only when a city cannot readily solve a problem by itself, or the costs of meeting the public's needs exceed available funds, have cities sought to jointly solve their problems.

Local Control

Some expectations are emotional. Big government is categorically feared and local control is categorically revered. Some citizens find that having the ear of a friend on the City Council is comforting; it makes them feel important. Some council members believe they alone possess the wisdom to decide how municipal services should be provided to their citizens. School districts epitomize this preference. However well planned or fiscally warranted, for some people change in long-standing practices equates to uncertainty, fear and loss of control over matters that concern them. Opting to share services means opting to share control, a bitter pill for some.

Some expectations are personal. Decision-makers who have contributed to their communities and enjoyed years in the public limelight, as well as certain perks, are reluctant to disband the board on which they sit. Their status as city fathers would be diminished. When it comes to merging of departments, differing pecking orders at the staff level can also cause difficulties.

Some expectations are fiscal. A city that has frugally managed its resources is rarely inclined to partner with a counterpart with fewer reserves. Similarly, an entity with large or looming infrastructure improvements does not make an attractive partner.

EXAMPLES OF GOOD GOVERNMENT

The citizens of each Marin County community have come to expect certain levels of service. *"Turn the tap on and the water flows. On Thursday, the garbage gets collected. When it gets dark, the street lights come on."* (The Little Hoover Commission report entitled "Special Districts: Relics of the Past or Resources for the Future?", Report #155, May 2000) The primary goal of every governmental entity is to maintain or improve those levels of service. Despite the obstacles outlined above, this mandate has prompted consideration of more creative, cost-effective ways of delivering services.

Since 1912, when Marin Municipal Water District began acquiring and incorporating into its system 26 small private water companies, there have been a series of successful mergers, consolidations and various contractual arrangements for sharing services. Most of them were not one-step, wholesale mergers. The list below demonstrates that despite how hard it can be for autonomous governments to relinquish absolute control, sharing is possible. Granted that

great effort went into the arrangements shown below, the Marin County Civil Grand Jury believes that the list represents the low-hanging fruit; many more opportunities exist.

Each effort listed has to some degree reduced redundancies, improved service capacity, unified authority, increased flexibility in staffing, enhanced coordination and/or reduced costs. Cost savings have included substantial reductions in: special tax rates for residential and commercial users, retirement costs, workers' compensation insurance costs, fire/liability insurance costs, management personnel and/or duplicated equipment.

1979: The Sewerage Agency of Southern Marin ("SASM") was formed as a JPA to combine the wastewater collection, treatment, water reclamation and disposal needs for Mill Valley, Tamalpais Community Services District, Almonte Sanitary District, Alto Sanitary District, Homestead Valley Sanitary District and Richardson Bay Sanitary District.

1980: The Town of Corte Madera and the City of Larkspur formed the Twin Cities Police Authority under a joint powers agreement that merged their police departments. Two members from each council form the Twin Cities Police Council which develops Police Authority policy.

1982: The creation of the Ross Valley Fire Authority led to the merger of the Fairfax Fire Department, San Anselmo Fire Department, and Sleepy Hollow Fire Protection District into the Ross Valley Fire Department in an effort to improve and expand fire service while reducing the cost of providing service. Its board includes representatives from each entity.

1999: The Southern Marin Fire Protection District ("SMEPD") was established by the Marin County Board of Supervisors as an independent special district, merging the Alto-Richardson Fire Protection District and the Tamalpais Fire Protection District. The fire district encompasses Tamalpais Valley, Almonte, Homestead Valley, Alto, Strawberry, part of the town of Tiburon, Fort Baker and the Marin Headlands.

2005: Annexation of the City of Belvedere to the Tiburon Sanitary District transferred responsibility for sewage collection from the City to the District. Belvedere residents vote in elections for the Tiburon Sanitary District.

2006: The City of Sausalito Fire Department contracted with the Southern Marin Fire Protection District for services that included providing a Chief and Battalion Chief to Sausalito.

2008: The Marin Energy Authority was formed by the Marin Energy Authority Joint Powers Agreement signed by the County of Marin, the Town of Fairfax and the Town of Tiburon to offer greener electricity. As of 2012, all Marin towns, cities and the County belong to MEA and have seats on its Board of Directors.

2008: The county offices of the Auditor, Controller, Tax Collector and Treasurer were combined into one Finance Department

2009: The County undertook a Long-Term Restructuring Plan (dated January 2010) to address serious, growing budget shortfalls through (among other things) consolidating government services. Since then, the County Mediation Service Program was eliminated and its services were transferred to the District Attorney's Office, at a savings of about \$186,000. The County Coroner and the Sheriff's Office were also combined, with a \$400,000 annual cost savings.

2011-2012: Merger discussions were held between the Ross Fire Department (serving Ross) and the Ross Valley Fire Protection Department (serving San Anselmo, Fairfax and the Sleepy Hollow neighborhood) to improve staffing of fire trucks and for cost savings to San Anselmo of \$20,000-100,000 per year. This agreement to merge was reached in May 2012.

2012: A new Twin Cities Police Station opens to provide full police services for Larkspur and Corte Madera. The station serves as the communications center for San Anselmo as well.

February 2012: Joint Powers Agreement approved for job-sharing between Corte Madera and the Southern Marin Fire Protection District. Estimated savings are \$135,000 for Corte Madera and \$60,000 for the District.

There are other concerted efforts underway in some sectors. Three proposals are in the offing:

2011-2012: The City of Sausalito and LAFCO Boards voted to endorse the annexation of the City's Fire Department to the Southern Marin Fire Protection District. This proposal is going to a vote of the Sausalito citizens in June 2012. (See case study that follows.)

2012: LAFCO voted to initiate proceedings to merge the Alto, Almonte, Homestead Valley and Richardson Bay sanitary districts that would realize costs savings (est. \$200,000 per year).

February 2012: County Director of Health and Human Services launched an effort to consolidate the County's Alcohol, Drug and Tobacco, Mental Health and Public Health divisions into one Community Health Services division.

Also, in March 2011, the Marin County School Districts published a report from their county-wide Efficiency and Effectiveness Task Force that begins with this Charles Darwin quote: *"It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change."* In that report, they recognized that *"School district consolidation requires grassroots efforts, significant community planning and coordination, and local voter approval. Such efforts can take a decade or more to implement successfully."* Nonetheless, they supported more on-going collaborative efforts among local school districts and recommended this approach:

- Develop shared services goals and accountability measures for ongoing countywide educational committees.
- Include goals for shared services in district strategic plans.
- Institute collaborative purchasing programs.
- Develop and refine consistent financial analysis reports.

HOW MUCH SHARING MAKES SENSE?

At one end of the continuum is complete consolidation, annexation or a merger of departments. At the other end of the continuum is a simple act such as a fire department and a public works department agreeing to jointly own a bulldozer. Neither department needs one often but, in certain circumstances, it is the essential tool. In between, there are numerous mid-way solutions as evidenced from the examples above and the case studies that follow. As contrasted below, consolidations or mergers tend to be permanent whereas the simpler acts of jointly using resources can be based on a contractual agreement between two departments,

overseen by the cities' administrators. Once adopted, they usually have built-in time horizons and escape clauses.

Formal annexation changes a jurisdiction's geographic territory, and therefore, its scope of governance. Formal consolidation changes the scope of governance. Both involve complex and different sets of public approval mechanisms overseen by the LAFCO. The role of LAFCO is "*discouraging urban sprawl, preserving open-space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances*" (California Government Code Section 56300). Pursuant to Sections 56300 et seq., LAFCO may either respond to or initiate a proposed annexation or consolidation. The state has delegated to each LAFCO the power to review and approve, or disapprove with or without amendment, proposed annexations, reorganizations, and incorporations. A city cannot adopt a local ordinance which would allow its city voters to pass sole judgment on proposed annexation proceedings.

Consolidation and annexation proposals require the support of the governing bodies involved and, when contentious, a vote of the affected citizens. A simple majority of the voters in one of the affected jurisdictions can terminate the consolidation, even if the majority of the voters in the other jurisdictions are in favor of the proposal. The case study below about the proposed annexation of the Sausalito Fire Department to the Southern Marin Fire Protection District illustrates some of the complexities of such an annexation process.

In contrast, sharing or cooperation is simpler. Two governing councils can each vote to cooperate for a service such as police protection, beginning with simple steps such as the more cost effective joint purchase of squad cars and related radio dispatch equipment. Both retain a share of the control over that service or resource allocation. This can be done on a trial basis with a contract that must be reviewed and renewed as often as once a year. Additional means of collaborating can be introduced once the two police forces get accustomed to working together, and the details of staffing needs and hierarchies become clearly understood. Also, the growing understanding of the strengths and needs of one's counterpart allows for informed decisions about sharing.

CASE STUDIES: WHAT WORKS, WHAT DOES NOT WORK AND WHY

The Marin County Civil Grand Jury has outlined many of the obstacles that make any sort of merger of governmental bodies difficult. In addition, the Jury has presented the recent history of various successful prior Marin mergers. Nonetheless, Marin County's history illustrates the conclusion reached by the State of California's year 2000 report of the Commission on Local Governance for the 21st Century: "*California agencies and institutions generally are not inclined toward extreme or precipitous change*"³ when it comes to any sort of consolidation. That said, the sheer number of duplicate government entities providing similar services in Marin is still mindboggling and offers extensive opportunities for creative service sharing. As shown in the case studies below, government officials at all levels need to first identify institutional duplication and then bring leadership, vision, creativity and openness to new alternatives for sharing services.

³State of California, Growth Within Bounds, Report of the Commission on Local Governance for the 21st Century, page 7.

While other governmental bodies in Marin County also have experience with cooperative efforts, the report focuses on just three examples. The fire or police departments examined represent distinct efforts to consolidate entities, share services, or share a department. The case studies show similar but unique problems, with different but similar solutions. All the examples are driven by the governments' common challenge of doing more with less.

One case study deals with the difficult process of formal annexation. Another study shows how taking many small steps with multiple other agencies made sustaining a high level of service possible on a reduced budget. The third demonstrates how sharing personnel and facilities improved services for both departments and reduced cost for all parties.

Southern Marin Fire Protection District Annexation of Sausalito Fire Department: Local Control vs. Cost Savings

Discussion of this formal annexation started over seven years ago. Operationally, the Southern Marin Fire Protection District (SMFPD), which covers Tamalpais Valley, Homestead Valley, Strawberry, Fort Baker and part of Tiburon, has managed and operated the Sausalito Fire Department since 2006. In a contract that calls for sharing services and costs, SMFPD provides a Chief and Battalion Chiefs for the Sausalito Fire Department. Firefighters from the SMFPD and Sausalito departments train together and provide mutual assistance. They now see each other as complementary not rival forces. Under consideration this year is the formal annexation of the Sausalito Fire Department by the SMFPD.

Clarifying the Funding Sources

Central to this annexation proposal is whether it is fiscally sound for SMFPD and Sausalito to allow the annexation to occur. The special district and the city fund their operations differently. As a special district, the SMFPD funds fire services through parcel taxes from the structures within the geographic area it serves. The city funds the Sausalito Fire Department from its general fund.

Initially, instead of using general fund monies, Sausalito considered paying for its share of the fire services annexation by imposing a new \$90 parcel tax on its citizens. Fearing public opposition to a new parcel tax, Sausalito realized it was paying 55% of its general fund monies for fire protection under its current contract with SMFPD. By contrast, under the proposed annexation plan, the new cost for service would only require about 45% of their general fund. It then became obvious that by continuing to use the general fund to finance the annexation, the net effect for the City would be an approximate \$600,000 annual savings. As a result, the \$90 parcel tax approach was abandoned.

The other alternative would be for Sausalito to re-create its own independent fire department. However, the consultants brought in by both the City of Sausalito and the SMFPD pointed out that reconstituting a fully staffed and equipped department with no support from the SMFPD would cost the city \$1.4 million more annually. The additional monies would have to come from either cutting existing services or establishing a new \$400 a year parcel tax on Sausalito's citizens.

Momentum Stopped by the Fear of Losing Local Control

Three years ago, during hearings before the Sausalito City Council and the SMFPD board, the vice president of the SMFPD board stated that continuing with the current arrangement would not be an option because they believed that Sausalito had not been paying its fair share

for services rendered. At that time, the consulting firm told city officials that, given the choice between starting their own fire department and annexation to the SMFPD, the merger would be the better financial choice. In July 2011, the SMFPD board stated in a letter to Sausalito officials that they would be willing to support the annexation but if the process fails, *“the district is not interested in continuing a contract for service, nor are we interested in entering into a Joint Powers Agreement of any type”*.

In September, 2011, the Sausalito City Council approved the annexation by a 3-2 vote. In December 2011, the seven member board of LAFCO unanimously approved the annexation. Both the City and LAFCO noted that, with annexation, Sausalito taxpayers' obligations for fire protection would drop from 55% to 45% of their tax bills. The firefighters themselves welcomed the official merger as the next logical step.

During that time period, opponents to the annexation who were not working closely with city-hired financial consultants expressed their fear of losing local control. They claimed the consultants' findings were tainted by a conflict of interest because both the City of Sausalito and the SMFPD hired the same firm. Opponents further identified the possibility that some firefighters might be able to double dip from SMFPD and Sausalito pension funds; a topic they believed had not been thoroughly vetted. A spokesman for the opposition group claimed that there are other alternatives to annexation or restarting a stand-alone department, although they have not spelled out what those alternatives are.

Fueled by publicly expressed concern on the part of two city council members, a group of concerned citizens of the City of Sausalito exercised their right to call for a public vote on the proposed annexation, in June 2012. If it passes, it would overrule the Sausalito City Council and LAFCO approvals and kill the annexation. In February of this year, these citizens gathered 94 more than the 1,276 signatures needed to insure that this decision will be made by Sausalito citizens. The Council then voted 3-2 to pay between \$7,600 and \$12,700 to place the issue on the June 5, 2012 ballot. This lively political debate is about the cost of local control and, after seven years of effort, the outcome will be decided by the voters of Sausalito. They will decide if they want to pay the price for local control.

This process exists because the state government places a high value on the autonomy of established government entities. It is with purpose that the state created LAFCO which implements procedures as safeguards to protect against what in the business world is called a *“hostile takeover”*. What can be learned from this Sausalito tale is that building a sound fiscal case is not always enough. It is equally important to build a consensus among all parties involved. Communication among all the major players is necessary every step of the way: discussion, planning and justification. If the staff or management of the departments involved, or the governing boards involved, or the public can ask *“Why didn't anyone tell me about this?”* the proposed change then becomes a political football.

Larkspur Fire Department: Foregoing Consolidation in Favor of Shared Services

Not only are there 13 fire agencies in Marin County, there are four types of fire agencies: municipal, special district, joint power authorities and county. Most fire departments began as volunteer organizations. As cities grew, they formed their own municipal departments. Where there was no town yet established, a (special) fire district was formed to take care of a specific local area. Some small adjacent communities likewise created a joint powers authority to meet their mutual needs. For all other unincorporated areas, the County of Marin retains the responsibility for fire service.

It has been said that, in the NIMBY (Not In My Back Yard) world of Marin, the two most difficult political decisions to make are: to open a new fire station or to close an old fire station. Behind this claim lie the obstacles that have crushed many a consolidation effort. Since 1980, hardly a year has gone by without a fire agency doing an internal evaluation or seeking an outside study on the feasibility of consolidating with a neighboring agency.

The operational concerns of having distinct agencies came into clear focus with the Oakland Hills fire of 1991. Trucks from outside agencies rolled in for mutual assistance, but discovered their pumps did not hook up to the hydrants. Some of the responding fire-fighting vehicles were not able to navigate the narrow roads. Communication between agencies was difficult because they used different radio systems and frequencies. Some fire-fighters were better trained at urban blazes than the wild fire they were facing.

In 1980, Larkspur and the 12 other fire agencies in Marin were separate stand-alone entities. There were 13 separate fire dispatch systems. Each agency had to provide an on-duty chief or battalion chief 24/7. Ongoing training fell to individual departments. Each agency did its own purchasing. All they shared was the belief that “*we can take care of our own.*” Gradually, however, the price of Marin’s image as the land of local control started to bump into the hard realities of local budget constraints.

Not for Lack of Trying

Since 1980, budget constraints and operational concerns have spurred multiple consolidation efforts by the Larkspur Fire Department. These attempts at formal consolidation have failed. In 1993, Larkspur, along with all of the other Southern Marin fire departments, discussed consolidation but, one by one, the fire agencies dropped out of the talks. Subsequently, Corte Madera, Larkspur, Kentfield, Ross, plus the rest of Ross Valley studied consolidation. Marin LAFCO’s evaluation deemed the proposal impractical since there were different kinds of fire agencies (municipal, special districts, and JPAs) with different kinds of funding (general fund, parcel taxes, set fees) that could not be readily reconciled. When Larkspur was forced by budget cuts to trim personnel in the late 1990’s, it once again looked into merging with Ross only to run into political reality. Why would Ross, a town that was doing fine financially, want to associate with Larkspur, a fiscally struggling city?

A Growing Variety of Shared Services

Larkspur’s 2011-12 budget of \$3.8 million cuts fire department staff to 17 employees, a pre-1980 level. There is one Administrative Chief Officer and 16 Engine Company personnel to operate 24/7 with no support staff. Despite failing to enact a consolidation with other fire departments, the Larkspur Fire Department still provides a high level of service because over the years it has created a shared services approach to fire services, as described below:

- Today, there are two dispatch systems. Larkspur participates in one system with 10 other fire agencies located along Highway 101 and the Sir Francis Drake Boulevard corridor. The other dispatch system operates out of the Marin County Civic Center. The southern Marin regional dispatch system has reduced redundant personnel costs and increased service levels. It began as mutual aid dispatch and has become a more robust system called “Automatic Aid”. The computer system tracks where all agencies’ emergency equipment and personnel are at any given time. When a call comes in, the agencies act as one to provide an emergency response. With Automatic Aid, resources from other agencies are automatically dispatched along with local services. For example, if there is a

Larkspur call and a Larkspur truck is being used in a training exercise, a Corte Madera unit is dispatched.

- Seventy percent (70%) of the 1,500 emergency calls a year to which the Larkspur Fire Department responds are for medical rescue. In 1980, the Ross Valley Paramedic Authority (“RVPA”), an eight-agency coalition that includes Larkspur, was formed to share paramedical resources. In addition, through a JPA, Larkspur shares the Corte Madera ambulance to provide the fastest response capability within pre-identified areas of Larkspur.
- A Battalion Chief is necessary to provide 24/7 operational supervision. To save personnel costs, Larkspur by contract shares the cost and services of the San Rafael battalion chiefs, at a fraction of the cost of staffing a full time position itself.
- The Central Marin Training Consortium (“CMTC”) was jointly developed over the last few years by Kentfield, San Rafael and Larkspur to reduce ongoing training costs. This cooperation has not only increased the quality of training but has standardized it, so mutual aid is seamless.
- Taking a lesson from the Oakland Hills fire, a working committee of North Bay Regional Fire Agencies, of which Larkspur is a part, now selects fire engine design and equipment such as air packs and fire hoses. Costs are reduced through group purchases and equipment is standardized so that it is interchangeable.
- Technology is being harnessed to offer even more shared services for cities like Larkspur. A good example is the countywide Mobile Data Terminal Coalition. This group of Marin fire professionals has been responsible for the installation of mobile data terminals that enables information to be shared among various fire agencies.
- The Larkspur Fire Department functions on an extremely lean operating budget yet provides the high level of services its citizens have come to expect. With a mix of necessity, willingness and vision, Larkspur Fire Department management has made this possible by sharing many essential services with other agencies.

Twin Cities Police Authority and San Anselmo Police: Taking Small Steps for Large Savings

To the best of the Jury’s knowledge, the Twin Cities Police Authority of Larkspur and Corte Madera is the only example of a consolidation of two municipal police departments in the State of California. Building on that merger, the Twin Cities Police Authority has begun to share services with the San Anselmo Police Department as well. Like all police departments, the leaders of these two police agencies were committed to maintaining or improving a high level of service for their citizens. In addition, the city council of each jurisdiction instructed its chief to explore regional approaches that might reduce costs. With lean-running departments, the threat was that any future cuts would of necessity involve personnel cuts.

Fortunately, the Twin Cities Police Authority and the San Anselmo Police Department found a happy mix of necessity meeting opportunity at just the right time. The results have been robust and measurable. By sharing services and personnel, both departments have improved response time, maintained local service priorities and contained or reduced costs.

While recognizing that not every set of neighboring police departments has the same circumstances, the sharing of policing services by these two agencies is a useful example of what can be done when the time and opportunity are right. This did not occur all at once. Through years of thoughtful communication, a series of incremental and cautious steps were taken. In addition, the Twin Cities Police Authority seized new funding opportunities, for

example, applying for and receiving a federal grant expressly designated for regional approaches to governing. These grant funds were used to purchase the computer equipment for their new dispatch center.

A New Police Station

The Twin Cities Police Authority (“TCPA”) had long since outgrown its police station in Larkspur. Finally, in November of 2008, the Larkspur and Corte Madera voters approved a bond to build a new state-of-the-art facility. Over the previous years, the San Anselmo Police Department (“SAPD”) and the TCPA had discussed an informal shared approach to policing and had collaborated under several contracts. The new building project offered the opportunity to try more substantial service sharing. For a trial period, while the new TCPA headquarters was being built, San Anselmo would house the dispatch center for both departments. In turn, the TCPA would share their detectives with the SAPD. Key to the acceptance of this proposal was that, during the planning stage, the chiefs of each department had been informing and seeking the opinions, approval and support of their own personnel. The buy-in they received from the sworn officers of each department was critical to the trial’s success.

As a result, the TCPA moved into the San Anselmo dispatch center in January 2010. As anticipated, many of the processes and systems were very similar or duplicated. Dispatch employees of both departments were cross trained enabling them to work for either TCPA or SAPD. With only one center to staff, SAPD recognized they could reduce their staff from four to three, while TCPA could go from five to four. Fortunately this reduction could be realized by attrition rather than personnel cuts. Immediate savings were achieved by reducing the need for overtime since now there were more personnel available than either department had before. Additionally, the single center required only one division captain and one dispatch supervisor.

A SAPD captain with experience in the construction and relocation of communication centers was chosen to be the project consultant on the new TCPA dispatch center. Benefitting from advances in technology, a state-of-the-art center was built. Utilizing mobile communication units, GPS systems, and Wi-Fi equipped vehicles, the new command center tracks and directs in real time both departments’ personnel and equipment. This regional solution justified the federal grant funds used to purchase the computer equipment for their dispatch center.

The initial trial of a joint dispatch center in San Anselmo ran so successfully that by July 2011, the chiefs of the SAPD and TCPA were able to put together memoranda of understanding (MOUs) for each of their respective city councils. These MOUs asked for approval to formalize the sharing of services with each other.

Clear-Cut Savings

In the San Anselmo MOU, the San Anselmo City Council approved combining the SAPD and TCPA support services divisions into one division. The reorganization enables the two entities to share services and costs in the following ways:

- Relocate the dispatch center to TCPA’s new center.
- Share the cost of a division captain and a dispatch supervisor.
- Relocate evidence to the new TCPA facility’s evidence department.

- SAPD/TCPA community service officers would work together as evidence and crime scene investigation technicians.
- Combine the TCPA sergeant and three detectives with the two SAPD detectives. Both departments improved their detective capability at no additional cost.
- Pool the reserve police officer units of both organizations enabling them to work patrol shifts for both agencies to minimize overtime cost.

The fiscal impact for San Anselmo as listed in its MOU is:

- \$51,619 saved by sharing the employee cost associated with one police captain and one dispatch supervisor.
- \$113,313 saved by reducing the number of SAPD dispatchers from four to three by attrition over 12-24 months.
- \$25,000 saved over ten years in equipment and ancillary costs associated with running the dispatch center.
- \$50,000 saved in projected annual overtime costs.

For their part, the TCPA submitted a similar MOU to the Larkspur and Corte Madera City Councils in July, 2011. Outlining the same proposed shared services, the TCPA projected in their MOU annual savings at \$282,177:

- \$61,177 saved from sharing the employee cost associated with one dispatch supervisor.
- \$112,000 saved by sharing the employee cost associated with one support service captain.
- \$79,000 saved by sharing a part-time administrative assistant with SAPD.
- \$40,000 saved by reducing the number of TCPA dispatcher from five to four.
- \$10,000 cost (approximate) of eliminating a sergeant position but adding a new support lieutenant position.

The MOUs were approved by all three city councils. The new TCPA building opened in early 2012, ahead of schedule and under budget. The two police departments provide 24/7 collaborative service to their communities. Each department keeps a station open to the public from 8:00-5:00 pm, Monday through Friday for administrative services (e.g., records, permits). The departments are saving significant dollars while offering improved response time, better operational control and dispatch, more robust detective capabilities and more flexible scheduling for employees.

FINDINGS

F1: There is no single source that can confirm the total number of government entities that exist in Marin County. Even without an exact count, with over 30 departments in County government, 11 municipalities, 19 school districts and countless specials districts and JPAs, there are ample opportunities for sharing services, cooperation, collaboration or consolidation.

F2: When it comes to defining the role of government entities, human nature and state law favor the status quo. There are no easy mergers.

F3: The successful examples of shared services are the result of proactive, bottom-up rather than top-down efforts by government employees to identify and evaluate services that can be shared.

F4: It is sometimes easier to find the financial justification for sharing services than to find the political will to do it.

F5: The various ways of sharing services can result in a wide spectrum of benefits from maintaining services with a reduced budget, to improving service with the same budget, or improving services and saving money. All are worth the effort.

F6: The case studies suggest that each situation is unique, and each arrangement for sharing services has to be tailored to meet the specific needs of the sharing entities.

F7: Certain conditions dictate when an alliance will work. Sharing services is more feasible when some or all of the following conditions exist:

- Buy-in has been agreed to at the staff level, so that mutual respect can aid the transition
- Governing boards or councils are proactively involved in seeking regional approaches
- Management positions open up due to retirement or attrition, so that consolidation will not cost a leader a job
- Construction or remodeling of any government facility is contemplated
- Two or more entities are confronted with common major capital needs such as a modern dispatch center, so the costs and efficiencies can be shared and,
- Incremental or small steps, such as cooperation, can be taken on a contractual, trial basis.

F8: Rather than bringing in consultants to advise them how to share, similar departments can often agree upon some ideas worth trying, evaluating and measuring their results.

F9: Federal grants are now available to support regional approaches.

RECOMMENDATIONS

The Marin County Civil Grand Jury recommends that:

R1: The County immediately publishes on its website a list of all of the special districts and Joint Powers Authorities and their contact information, to improve the public's awareness of and access to all of those taxing entities.

R2: City Councils and the Marin County Board of Supervisors require annual reports from their city managers or county administrator that identify any and all opportunities for a regional approach of sharing public services.

R3: Every local governmental entity, when facing major capital expenditures (e.g., new facilities, equipment, vehicles, or computer systems) seek out other entities to share the use and costs of the items.

R4: All government officials make it a priority to identify institutional duplication within their sphere of influence and then bring leadership, vision and openness to new, more cost-effective alternatives.

R5: Public officials assume the obligation of informing and leading their citizens toward the changing paradigms of government that result in more cost-effective government.

R6: The Marin County Board of Supervisors requests that LAFCO presents a report to them in November of each year (during budget preparation season) that (a) itemizes the mergers, consolidations and additional MOU's for shared services enacted the previous year within the County and (b) suggests other opportunities for cooperative governance.

REQUEST FOR RESPONSES

Pursuant to Penal Code Section 933.05, the Grand Jury requests responses from the following governing body:

- The Marin County Board of Supervisors: **R1, R3, R4, R6**
- All Marin City Councils: City of Belvedere, Town of Corte Madera, Town of Fairfax, City of Larkspur, City of Mill Valley, City of Novato, Town of Ross, Town of San Anselmo, City of San Rafael, City of Sausalito, Town of Tiburon: **R2, R3, R4, R5**
- Local Agency Formation Commission: **R6**

The Marin County Civil Grand Jury invites responses from:

- Independently Governed Special District Boards: Bel Marin Keys Community Services District, Marin City Community Services District, Marinwood Community Services District, Muir Beach Community Services District, Tamalpais Community Services District, Tomales Village Community Services District, Bolinas Fire Protection District, Novato Fire Protection District, Sleepy Hollow Fire Protection District, Southern Marin Fire Protection District, Stinson Beach Fire Protection District, Tiburon Fire Protection District, Marin Municipal Water District, North Marin Water District, Stinson Beach County Water District, Almonte Sanitary District, Alto Sanitary District, Homestead Valley Sanitary District, Novato Sanitary District, Richardson Bay Sanitary District, San Rafael Sanitation District, Ross Valley Sanitary District #1, Corte Madera Sanitary District #2, Sausalito-Marín City Sanitary District, Tiburon Sanitary District, Bolinas Community Public Utility District, Inverness Public Utility District, Marin/Sonoma Mosquito & Vector Control District: **R3, R4, R5**

The governing body or bodies indicated above should be aware that the comment or response of the governing body must be conducted in accordance with Penal Code Section 933 (c) and subject to the notice, agenda and open meeting requirements of the Ralph M. Brown Act.

California Penal Code Section 933 (c) states that "...the governing body of the public agency shall comment to the presiding judge on the findings and recommendations pertaining to matters under the control of the governing body." Further, the Ralph M. Brown Act requires that any action of a public entity governing board occur only at a noticed and agendized public meeting.

Reports issued by the Civil Grand Jury do not identify individuals interviewed. Penal Code Section 929 requires that reports of the Grand Jury not contain the name of any person, or facts leading to the identity of any person who provides information to the Civil Grand Jury. The California State Legislature has stated that it intends the provisions of Penal Code Section 929 prohibiting disclosure of witness identities to encourage full candor in testimony in Civil Grand Jury investigations by protecting the privacy and confidentiality of those who participate in any Civil Grand Jury.

NOT FOR PUBLIC RELEASE