
**SISKIYOU LOCAL AGENCY FORMATION
COMMISSION**

**CITY OF MONTAGUE
MUNICIPAL SERVICES REVIEW
AND SPHERE OF INFLUENCE
UPDATE**



APRIL 2021



CITY OF MONTAGUE MUNICIPAL SERVICES REVIEW AND SPHERE OF INFLUENCE UPDATE

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SECTION 1 - INTRODUCTION

1.1 - Role and Responsibility of Local Agency Formation Commission (LAFCo)

The Siskiyou Local Agency Formation Commission (LAFCo) is the oversight agency for special districts and cities within Siskiyou County. The role of LAFCo under the Cortese-Knox-Hertzberg Reorganization Act of 2000 is to oversee local agency boundary changes and to adopt spheres of influence for local agencies. Among the purposes of LAFCOs are the discouragement of urban sprawl and the encouragement of the orderly formation and development of local agencies.

As such, LAFCo is considered the “watchdog” of local agencies by the State Legislature and is solely empowered with establishing spheres of influence that dictate the provision of future service delivery to orderly growth of that agency. Therefore, it is LAFCo’s responsibility to review the information available regarding services provided by an agency and make appropriate determinations that will establish future policy for future boundary decisions, such as annexations, for the corresponding jurisdiction.

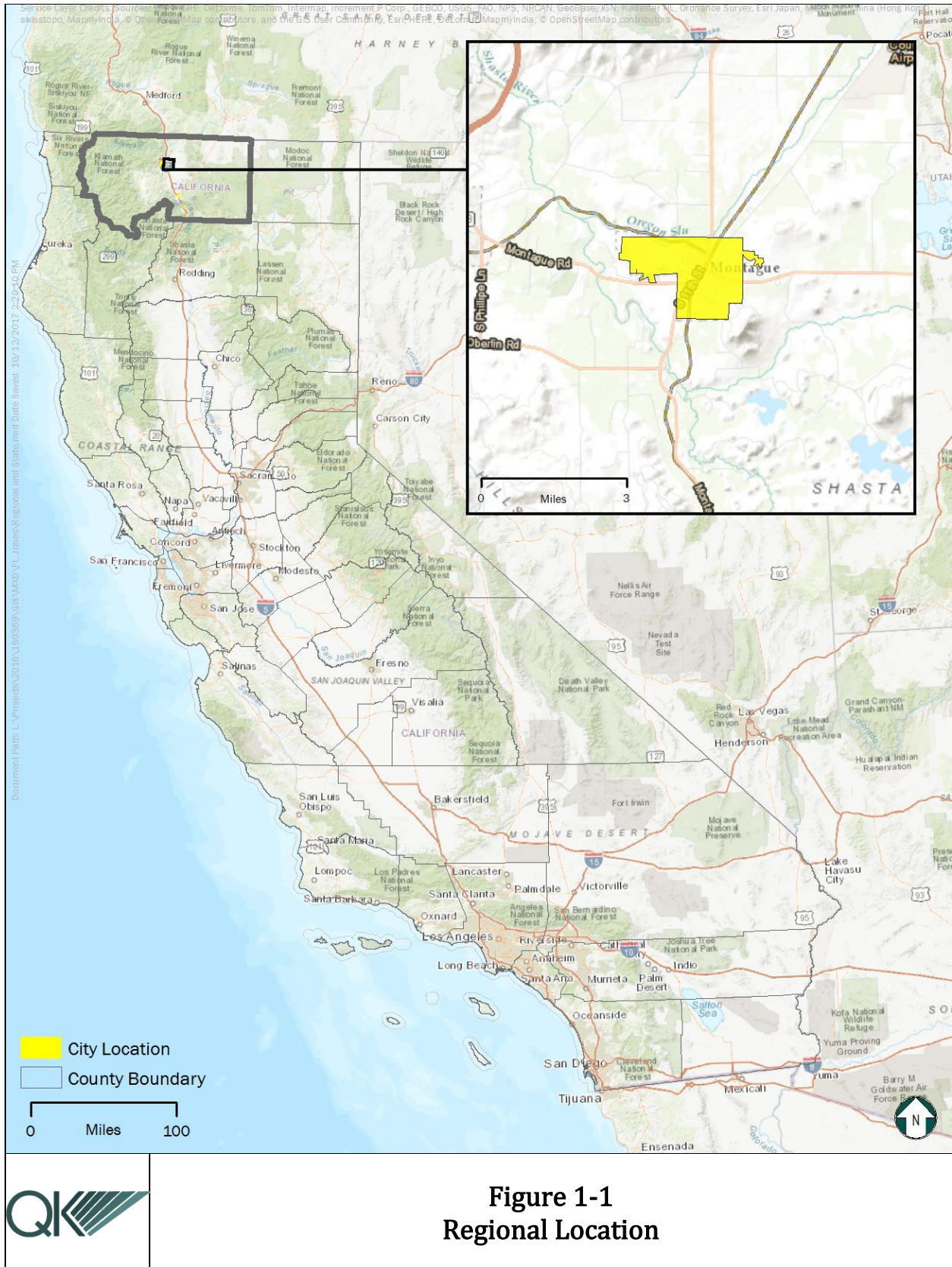
1.2 - Municipal Service Review Purpose

The Municipal Services Review (MSR) process is a comprehensive assessment of the ability of existing government agencies to provide services effectively and efficiently to residents and users. The form and content of the MSR is governed by requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) and the State of California’s Local Agency Formation Commission (LAFCo) MSR Guidelines (Guidelines), published in August 2003.

The CKH Act requires all LAFCOs, including Siskiyou LAFCo, to prepare an MSR for each of its incorporated cities and special districts. The fundamental role of LAFCo is to implement the CKH Act by providing for the logical, efficient, and most appropriate formation of local municipalities, service areas, and special districts. These MSRs must be completed prior to, or in conjunction with, the update of a Sphere of Influence (SOI) or before LAFCo initiates any reorganization of district boundaries.

This review is intended to provide Siskiyou LAFCo with all necessary and relevant information related to the operations and management of the City of Montague (the City). The City is located approximately six miles east of Yreka, the county seat, along State Route 3 (see Figure 1-1 and Figure 1-2). The information in this report may be used in considering an update to the City’s SOI by Siskiyou LAFCo or for other policy related decisions related to the City.

MSRs are intended to provide LAFCo with a comprehensive analysis of service provision by cities and other service providers within the legislative authority of LAFCo. The MSR focuses on service providers within the area of the City and will make determinations in each area of evaluation, providing the basis for Siskiyou LAFCo to review possible amendments to Sphere of Influence or possible reorganization, consolidation, or annexation with those other service providers.



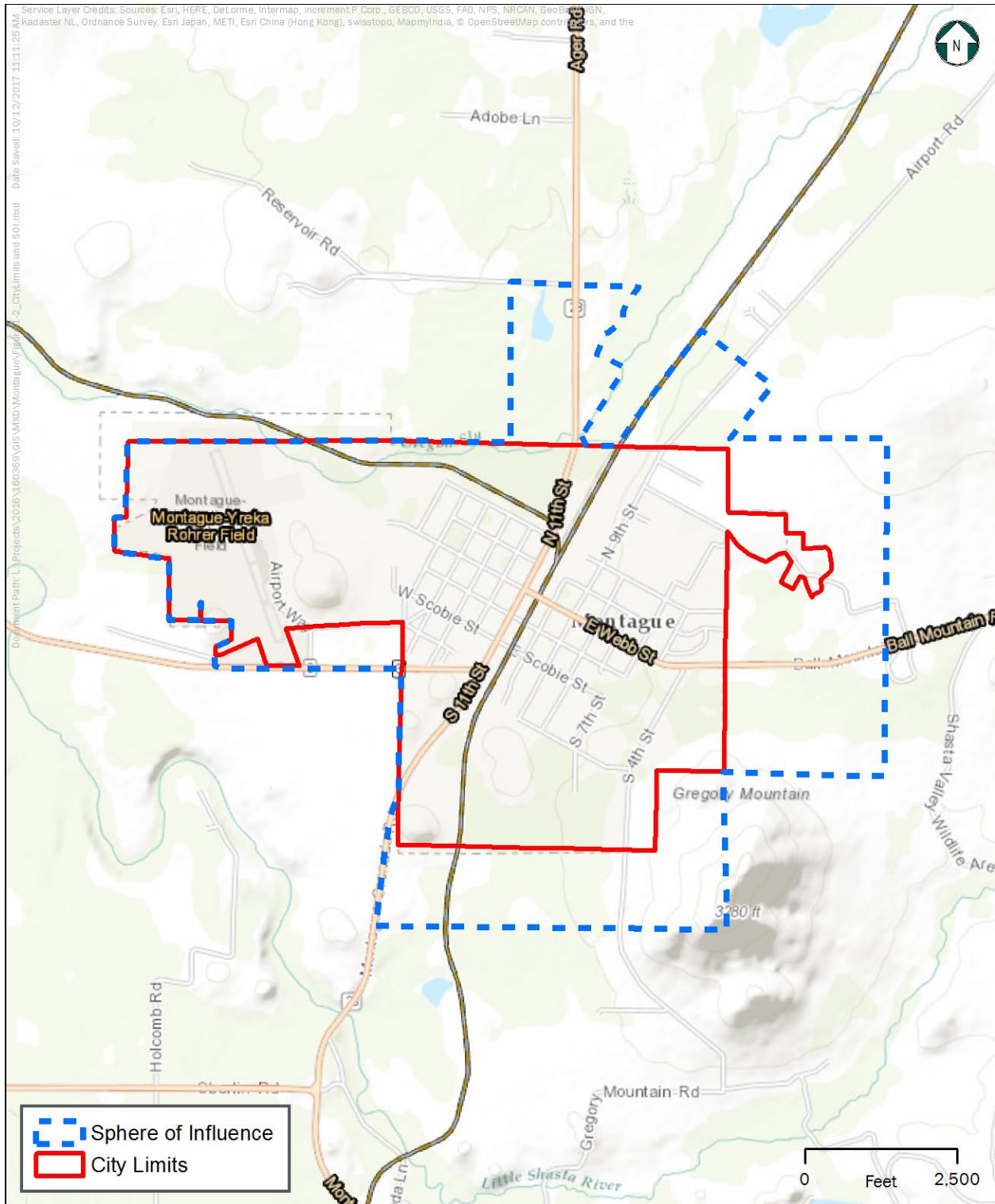


Figure 1-2
City of Montague
City Limits and Sphere of Influence

1.3 - Methodology and Approach

The process of developing the MSR began with a kick-off meeting to discuss the existing services provided by the City to its residents. Following the meeting, a comprehensive survey was sent to the City of Montague staff. The purpose of the survey was to retrieve more specific and technical information regarding the City's operations and delivery of its various services. The information requested included documents such as planning and budgetary documents, adopted budgets, Capital Improvement Programs, technical or special studies, and any other records related to the provision of municipal services by the City.

No technical information was provided by the City of Montague. The information used to complete this review was based on the limited sources that were found on the internet and the previous MSR.

1.4 - Public Review and Adoption Process

Two drafts of the MSR document were presented to LAFCo. A first draft allowed for public comments and a final draft was presented to the Commission for formal acceptance that incorporates any revisions, corrections, and responses to comments received at the prior public workshop.

1.5 - Required Topic Areas of Analysis

The MSR contains analysis and conclusions, referred to as determinations, regarding six topic areas set forth in the CKH Act. These areas of analysis contain the essential operational and management aspects of each service provider, and together constitute a complete review of the ability of the providers to meet the service demands of the residents and businesses within the City. The six topic areas used for analysis in this MSR are as follows:

1. Growth and Population Projections
2. Disadvantaged Unincorporated Communities
3. Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs or Deficiencies
4. Financial Ability to Provide Services
5. Status of, and Opportunities for, Shared Facilities
6. Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies

An explanation of the specific operational and management aspects considered in each of these topic areas is provided below.

1. *Growth and Population Projections*

Service efficiency is linked to a service provider's ability to plan for the future need of a city while also meeting existing service demands. This section reviews projected

service demands and needs based upon existing and anticipated growth patterns and population projections. This is found in Section 2.

2. *The Location and Characteristics of any Disadvantaged Unincorporated Communities within or Contiguous to the Sphere of Influence*

Unincorporated disadvantaged communities, as defined by Water Code §79505.5, may lack basic infrastructure, such as water, sewer, or fire protection, because they may have been overlooked during the comprehensive land use planning process due to their socioeconomic status. To promote equality and environmental justice in accordance with adopted local policy and Senate Bill 244, which was adopted in 2011, the proximity of any disadvantaged community to existing service providers is analyzed and discussed in order to determine if the community should be included in the SOI of the City. This is found in Section 3.

3. *Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs or Deficiencies*

Infrastructure can be evaluated in terms of condition, capacity, availability, quality, and relationship to operational, capital improvement and finance planning. This section assesses the adequacy and quality of the service providers' physical infrastructure and analyzes whether or not sufficient infrastructure and capital are in place (or planned for) to accommodate planned future growth and expansions. This is found in Section 4.

4. *Financial Ability to Provide Services*

This section analyzes the financial structure and health of the City with respect to the provision of services. Included in this analysis is the consideration of rates, service operations, and the like, as well as other factors affecting the City's financial health and stability, including factors affecting the financing of needed infrastructure improvements and services. Compliance with existing State requirements relative to financial reporting and management is also discussed. This is found in Section 5.

5. *Status of, and Opportunities for, Shared Facilities*

Practices and opportunities that may help to reduce or eliminate unnecessary costs are examined in this section. Occurrences of facility sharing are listed and assessed for efficiency, and potential sharing opportunities that would serve to better deliver services are discussed. This is found in Section 5.2.

6. *Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies*

This section addresses the adequacy and appropriateness of the agency's existing boundaries and Sphere of Influence and evaluates the ability of the City to meet their service demands under their existing government structure. Also, included in this

section is an evaluation of compliance by the agency with public meeting and records laws. This is found in Section 5.3.

1.6 - Issues Analyzed

Montague is a general law city located approximately six miles east of Yreka in the Shasta Valley area of Siskiyou County, encompassing approximately two square miles. The City was established in 1887 and is empowered to provide various municipal services, including the following, which will be addressed in this MSR:

- Water Infrastructure
- Wastewater Infrastructure
- Storm Drainage
- Roadways
- Law Enforcement
- Fire Protection
- Parks and Recreation
- City Hall

The preamble of the CKH Act contains a number of legislative findings and declarations that serve as a general guide for LAFCo's and their purpose for being. The first and main declaration is that:

It is the policy of the State to encourage orderly growth and development, which are essential to the social and economic well-being of the State.

The Legislature goes on to make further declarations in CKH Section 56001 about how the determination of orderly local government boundaries is important to orderly growth and development. The Legislature also makes the following declarations in Section 56001:

The Legislature finds and declares that a single multipurpose governmental agency is accountable for community service needs and financial resources and, therefore, may be the best mechanism for establishing community service priorities especially in urban areas.

Nonetheless, the Legislature recognizes the critical role of many limited purpose agencies, especially in rural communities.

The Legislature also finds that, whether governmental services are proposed to be provided by a single-purpose agency, several agencies, or a multipurpose agency, responsibility should be given to the agency or agencies that can best provide government services.

The main purpose of this MSR is to review past findings, if available, for various City services and evaluate if the level of services currently being provided is operating at a level that is still encouraging orderly growth and efficient service delivery to residents of Montague.

Once that is determined by LAFCo, then questions regarding SOI and boundary change recommendations can be answered.

1.7 - Background, Setting and History

The City of Montague is located six miles west of Yreka along State Route 3 in the Shasta Valley area of Siskiyou County. The City encompasses an area of approximately two square miles with an average elevation of 2,539 feet above sea level. The area is surrounded by impressive mountain views, including views of Mount Shasta to the south. The community of Montague was developed originally by the Prather Brothers as a stop and stockyard for the California-Oregon Railroad. The City was named by the railroad after a prominent hardware merchant from San Francisco, S. S. Montague. The City of Montague was established in 1887 and incorporated in 1909.

The City is directed, administratively and financially, by the City Council in concert with City staff. Regular City Council meetings are held on the first Thursday each month at 6:30 p.m. in 13th Street. The City government consists of an administrative staff that handles planning and building inquiries and general administrative services, a Public Works Department that oversees sewer, water, storm water systems, parks, and recreation; a Volunteer Fire Department; and Animal Control Services.

The City works with other local and regional government agencies including the Montague Water Conservation District and CAL FIRE.

1.8 - Services Currently Provided

Montague provides a wide range of services including fire protection, water and sewer, airport operations, street maintenance, snow removal, parks and recreation, planning, building, public works, and general administration (City of Montague, 2019). City recreational facilities include the Montague Railroad Depot Museum, the City and the 11th Street parks, the Scobie and Diggle ballfields, a swimming pool, and a rodeo ground. Further description of each service and the extent of its current operations are included in Section 4 of this document.

Other essential services provided to the residents of the City are overseen through various other agencies. These agencies fill voids in the municipal service needs of City residents where the City chooses not or simply cannot provide an identified service. The other public agencies include the Montague Water Conservation District and the Siskiyou County Sheriff's Department.

Table 1-1 illustrates the services provided in the Montague area. The matrix specifies whether the services that can and are being provided now or whether those services that are authorized but not being provided currently.

Provides - means that the agency is authorized by LAFCo and State law to provide the service and that the service is currently being provided. These services may continue to be provided by the agencies at their discretion.

Authorized - means that the agency is authorized by LAFCo and State law to provide the service, but this service is not currently being provided.

**Table 1-1
Services Matrix within the City of Montague**

Municipal Service Type	Montague
Water supply	Provides ¹
Water distribution	Provides
Sewer collection & disposal	Provides
Storm drainage	Provides
Street maintenance	Provides
Street lighting	Provides
Street sweeping/snow plowing	Provides
Solid waste collection, transfer & disposal	Provides
Police protection	Provides ²
Fire protection	Provides ³
Animal control	Provides
Parks & recreation	Provides
Airports	Provides
Ambulance service	Provides
Community facilities	Provides
Transportation	Authorized ⁴

1.9 - Determinations

Determination 1-1 – Siskiyou LAFCo has the authority to determine the Sphere of Influence for the City of Montague.

Determination 1-2 - A single multipurpose governmental agency, such as a city, County Service Area, Public Utility District or Community Services District, is the preferred entity by LAFCo and could be accountable for all community service needs and financial resources and, therefore, may be the best mechanism for establishing community service priorities

¹ Montague has contracted municipal water supply services out to the Montague Water Conservation District (MWCD).

² The City contracts with the Siskiyou County Sheriff’s Department. All individuals arrested within the City will be moved to the Siskiyou County Jail.

³ The City has mutual aid agreements with Grenada Fire District and CalFire. The City also lies within the Montague Fire Protection District.

⁴ Public transportation is provided by the county through the Siskiyou Transit and General Express system (STAGE)

especially in urban areas. Governmental services should be given to the agency or agencies that can best provide government services.

Determination 1-3 - The City of Montague is currently providing the following services:

- Water Infrastructure
- Wastewater Infrastructure
- Storm Drainage
- Sewer Collection
- Street maintenance/lighting/sweeping/snowplowing
- Solid waste collection, transfer and disposal
- Law Enforcement
- Fire Protection
- Airports
- Parks and Recreation
- Animal Control
- City Hall
- Community Facilities

Determination 1-4 – The following services are currently provided by other agencies or private entities within or around the City of Montague:

- Water Supply
- Transportation
- Law Enforcement

SECTION 2 - GROWTH AND POPULATION PROJECTIONS

The purpose of this section is to evaluate service needs based on existing and anticipated growth patterns and population projections. The MSR Guidelines call for LAFCo to determine historic and projected growth and absorption patterns in relationship to a service provider's boundaries and SOI. In addition, LAFCo is tasked with evaluating the impact and compatibility of such growth on and with land use plans, services, local government structures and growth patterns.

2.1 - Historical Data and Population Projections

Historical population data and future projections have been obtained from the United State Census Bureau, and the California Department of Finance. For analysis purposes, this data is compared to other source data relating to growth and population including the City's General Plan population projections. According to the California Department of Finance, the City's population is currently 1,456. Historical census data indicates that the City of Montague had a population of 1,415 in 1990, 1,456 in 2000, and 1,443 in 2010. According to the DOF, the City experienced its most dramatic population growth between 1970 and 1980.

According to United States Census Bureau, the City's population, as of January 1, 2017, was 1,385 (726 males and 659 females). The total number of housing units was 632, of which approximately 554 were occupied. The breakdown in household size is as follows: one-person household – 16.7%, two-person household – 45.2%, three-person household – 14.6%, and four or-more person household – 23.5% (Census, 2017).

The 2013-2017 American Community Survey five-year estimates state that the median total household income is \$45,845. The racial demographic of the City is 85.8% white, 4.5% American India and Alaska Native, 0.5% Black or African American, and 0.4% Asian. 7.1% of residents are Hispanic or Latino of any race.

According to the previous MSR, the population growth of Montague was projected to continue at approximately 0.25% per year over the next 25 years, starting in 2011 (PMC, 2011). According to the Montague Housing Element, the population of Montague increased by 1% from 1990 to 2012. The prediction of the previous MSR could be seen as low, but the Housing Element states that "the trend within the County of slow growth or no growth at all is fairly common for rural Siskiyou County, where a shortage of economic opportunities deters growth" (PMC, 2014). Taking that into consideration, assuming a population growth rate of 0.3%, which is what the Siskiyou County General Plan predicts, is plausible. Populations projections are only predictions and a series of factors could change the population more dramatically, such as a change in the economy or a large employer coming to Siskiyou County.

The smaller growth rate would likely lead to reduced pressure to build new parks and public facilities as a result of immediate or significant growth periods. Additionally, services directly linked to population growth have adequate time to properly plan for the addition of resources or required accommodations.

Table 2-1 provides a breakdown of the projected growth and assumes a 0.3% growth rate. Table 2-1 also compares the City of Montague’s population to the overall population of Siskiyou County for years 1970, 1980, 1990, 2000, 2010, and projected for years 2020, 2025 and 2030.

**Table 2-1
Historical Population Growth (1970-2030)**

Year	Montague		Siskiyou County	
	Population	Average Annual Growth Rate	Population	Average Annual Growth Rate
1970	890		33,224	
1980	1,285	+44.4%	39,732	+19.59%
1990	1,415	+10.1%	43,300	+8.9%
2000	1,456	+2.9%	44,301	+2.3%
2010	1,443	-0.9%	44,900	+1.4%
2015	1,420	-0.38%	44,731	-0.37%
2020	1,441 ⁵	+0.30%	44,272	-1.1%
2025	1,463	+0.30%	44,352	+1.18%
2030	1,485	+0.30%	44,392	+0.09%

Source: Department of Finance E-4 Population Estimates for Cities, Counties, and the State

As indicated in Table 2-1, it is estimated that Montague’s population will reach approximately 1,441 by year 2020, while extrapolating its historical growth rate results in an estimated population of 1,485 by 2030. It is anticipated that the City will comprise approximately 3.34% of the overall County population by year 2030, compared to 3.2% in 2010.

2.2 - Planning Documents

The 2014-2019 Housing Element for the City of Montague and the Montague General Plan appear to be the only long-range planning documents that have been adopted by the City. According to the previous MSR, the General Plan last had a comprehensive update in 1989. The City did not provide the General Plan for this MSR, but this MSR uses the analysis that the previous MSR conducted of the General Plan.

The General Plan is the governing document concerning land use and development. The City’s General Plan provides the foundation and policy base to guide future growth within the City. The General Plan, as a whole, was most recently updated in 1989. The General Plan Housing Element was updated in 2014. Being that the Housing Element is dated for 2014-2019, they are likely to update their housing element either this year or the next.

⁵ 2020-2030 population projections were calculated using the annual growth rate provided within the Siskiyou County General Plan.

2.3 - Planning Boundaries

Montague's current SOI was last reviewed in 2011 and extends from the intersection of Oregon Slough Road and 11th Street in the north and approximately half a mile south of the lowest point of East Orr Street. The SOI also extends from the western edge of the Montague-Yreka Airport to the eastern edge of the Shasta Valley wildlife area. This boundary includes a total of 1792 acres of land within and surrounding the current City limits, which consists of approximately 1,111 acres.

2.4 - Annexations

The City of Montague processes annexations for review by the City Council. Montague allows for the consideration of annexations of land within the Sphere of Influence. It is projected though that the new growth in the City, if any, will occur within the existing City limits.

Land within the City of Montague's SOI boundary may be annexed into the City upon approval by Siskiyou LAFCO, thereby transferring land use authority for the land within the SOI from the County of Siskiyou to the City of Montague.

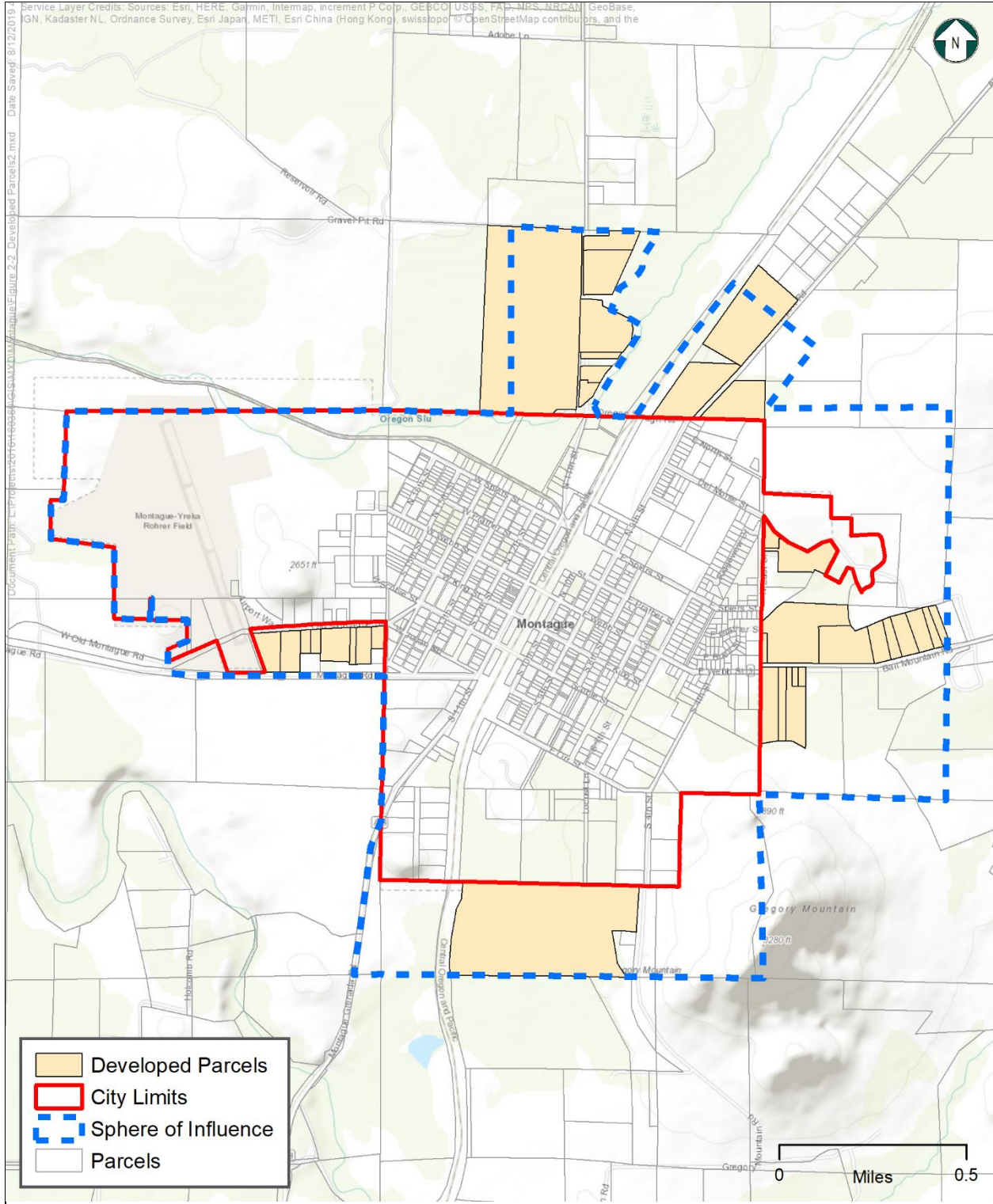
The City is not expected to grow significantly through the addition of new territory to its boundaries in the coming years and, accordingly, major annexations are not anticipated.


2.5 - Land Use

The City is located centrally within Siskiyou County, bordered on the western side by the City of Yreka and to the northwest by Trout Lake. Elevations average 2,539 feet and the major access roads include Montague Grenada Road, Montague Ager Road, Montague Road, and Ball Mountain Little Shasta Road and Airport Road. The City is intersected by Montague Grenada Road on the southern side which then becomes 11th Street within the City, and Montague Ager Road on the north side. Likewise, Ball Mountain Little Shasta Road comes together to form Webb Street in town. The City encompasses an area of approximately two square miles with an average elevation of 2,539 feet above sea level. The area is surrounded by impressive mountain views, including views of Mount Shasta to the south. The community of Montague was developed originally by the Prather Brothers as a stop and stockyard for the California-Oregon Railroad. The City was named by the railroad after a prominent hardware merchant from San Francisco, S. S. Montague. The City of Montague was established in 1887 and incorporated in 1909.

According to the California Department of Finance, the City's population is 1,385 as of 2017. As stated previously, there is little growth expected to occur within the City in the next few decades. The predominant land uses within the City are residential, commercial, and industrial (PMC, 2011).

The unincorporated area within the City's Sphere of Influence is mostly rural, with some agriculture. Some areas in the Sphere of Influence are developed, as can be seen in Figure 2-1.



 **Figure 2-1**
Existing Developed Areas within the Sphere of Influence

Within the City limits, there is sufficient existing vacant land designated for residential use, and the City is able to accommodate a considerable amount of single-family and multifamily development (PMC, 2011).

2.6 - Regional Housing Needs Allocation/Plan (RHNA/P)

California's Housing Element Law (Government Code, §§ 65580 et seq.) mandates that a local jurisdiction develop and approve a Regional Housing Needs Allocation (RHNA) to accommodate a share of the region's projected housing needs as part of the process of updating local housing elements of the general plan. The HCD is responsible for allocating each region's share of the statewide housing need to each of California's Council of Governments (COG), who in turn allocate a share of the region's housing needs to each of the cities and counties in the region for the planning period. In the case of Siskiyou County, which is a non-COG area, the Siskiyou County Public Health and Community Development Department is responsible for allocating the RHNA to individual jurisdictions within the County, including Montague.

The RHNP establishes the total number of housing units that Montague must plan for within a five-year planning period. Based on the adopted RHNP, each city and county must update the housing element of its general plan to demonstrate how the jurisdiction will meet the expected growth in housing need over this period of time.

According to The RHNP establishes the total number of housing units that Montague must plan for within a five-year planning period. Based on the adopted RHNP, each city and county must update the housing element of its general plan to demonstrate how the jurisdiction will meet the expected growth in housing need over this period of time.

From the City's Housing Element, the City of Montague will need 19 additional housing units based on the anticipated growth between January 1, 2014 to October 1, 2019. Of these 19 units, eight of them must be designated for extremely low, very low, and low-income individuals.

**Table 2-2
Montague 2014-2019 Housing Allocation**

Total # of Projected Units Needed Based on Growth	Extremely Low Income	Very Low Income	Low Income	Moderate	Above Moderate
19	2 (10%)	3 (15.8%)	3 (15.8%)	3 (15.8%)	8 (42.1%)

Source: City of Montague 2014-2019 Housing Element Update

2.7 - Anticipated Service Needs

The potential for population growth for the City is very limited and highly dependent on the economy. Being that the City has significant vacant land designated for residential use, it is

within the City's best interest to develop these currently vacant areas before developing more outside the City limits, within the Sphere of Influence.

Infill developments within the City would likely have many existing services within their immediate area such as water, sewer, streets, parks, and/or snowplow services. Furthermore, law enforcement services would already be servicing the surrounding properties and would also be aware that the new development is within their jurisdiction.

2.8 - Determinations

Determination 2-1 – The United States Census Bureau indicates that the City had a 1990 population of 1,415, a 2000 population of 1,456, and a 2010 population of 1,443. The estimated population in 2017 was 1,385. These trends indicate that the City's population has periods of growth and decline, but the general understanding is that the City's population will coincide with that of Siskiyou County with a 0.3% growth rate.

Determination 2-2 - Based upon historical population trends, at an average annual growth rate of 0.3%, Montague's 2020 and 2030 population are projected to be 1,441 and 1,485, respectively.

Determination 2-3 - The City plans for future growth through the implementation of policies and standards set forth in its General Plan. The City's General Plan was comprehensively updated in 1989 and is due for an update. The City should work toward updating its General Plan as soon as it can.

Determination 2-4 - Present land use in the area includes sufficient existing vacant land designated for residential use, and the City is able to accommodate a considerable amount of single-family and multifamily development.

Determination 2-5 - Present needs for public facilities and services are currently being met. Probable needs for public facilities and services are not currently anticipated to vary from present needs, as future demands are expected to remain relatively the same.

Determination 2-6 - No significant growth or population increases are currently anticipated to affect the City's ability to provide of services. The City does not have any major plans for future expansion of boundaries. It is within the City's best interest to develop currently vacant areas before developing more outside the City limits, within the Sphere of Influence.

SECTION 3 - DISADVANTAGED UNINCORPORATED COMMUNITIES

Disadvantaged Unincorporated Communities (DUCs) are defined as inhabited territory (12 or more registered voters) that constitutes all or a portion of a community with an annual median household income that is less than 80% (or \$51,026) of the statewide annual median household income, which was \$63,783 as of 2016 (U.S. Census Bureau, 2016). These communities were identified as an area of concern by Senate Bill 244 that was adopted into State law in 2011. These communities may lack essential municipal services such as water or sewer as they may have been developed prior to infrastructure being installed in proximity to them. Pursuant to State law, LAFCo is now required to identify any DUC adjacent to the City and determine if they should be included with any SOI amendment. The City did not identify any disadvantaged communities or neighborhoods as part of their 2016 General Plan Update, pursuant to current State law (Government Code 65302.10(a)).

Most of the area outside the existing City limits has a median household income below \$51,026, or 80% of the statewide annual median household income (Figure 3-1). The area is mildly developed but is mostly vacant. Pursuant to Government Code Section 56430, disadvantaged unincorporated communities also lack water, wastewater, and structural fire protection services. The City is the sole provider of water, wastewater, and structural fire protection (with support from various agencies) within the City limits (PMC, 2011). Other service providers outside the City limits are comprised of single, privately operated facilities such as water wells and septic systems.

Based on the information available, it can be determined that, although most of the SOI meets the definition of a DUC as it pertains to income level, the City is the lone service provider for water, wastewater, and structural protection. Any neighborhood outside the City should qualify as a disadvantaged neighborhood, pending further analysis or review by the City in compliance with Housing Element law.

3.1 - Determinations

Determination 3-1 – There are areas currently within the City’s Sphere of Influence that can be considered unincorporated disadvantaged communities due to median household income being below 80% of the statewide average.

Determination 3-2 – The City should update its General Plan Housing Element in compliance with Government Code Section 65302.10(d) to properly identify potential unincorporated island, fringe, or legacy communities inside or near its boundaries.

Determination 3-3 – The City should conduct an analysis of water, wastewater and structural fire protection of any identified unincorporated island, fringe, or legacy communities inside or near its boundaries.

Determination 3-4 – Following proper updates of the General Plan in accordance with Housing Element law by the City, LAFCo shall revisit the presence of unincorporated disadvantaged communities and more specifically identify and prioritize these neighborhoods for service delivery by the City, if applicable.

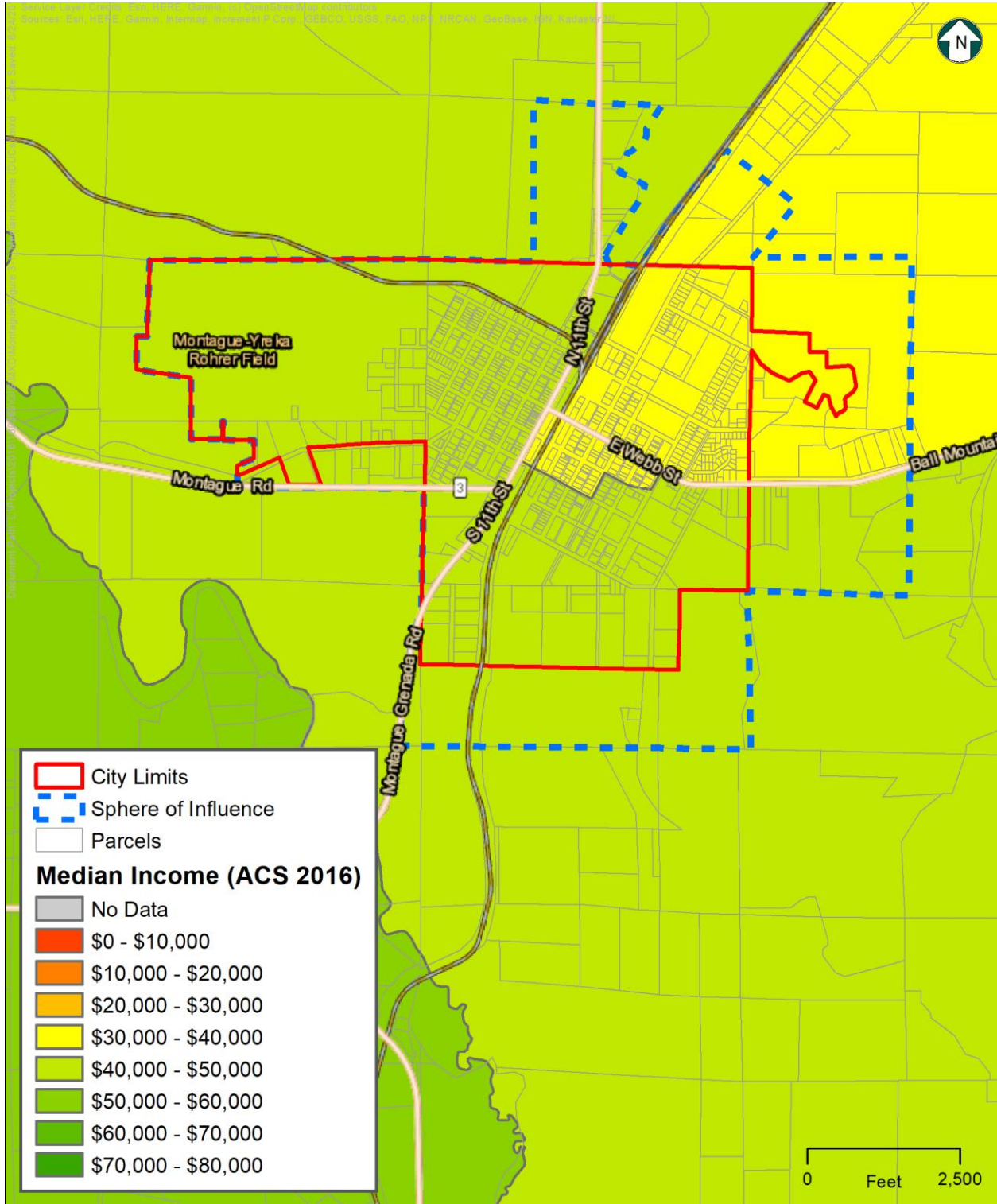


Figure 3-1
Median Household Income (2016)

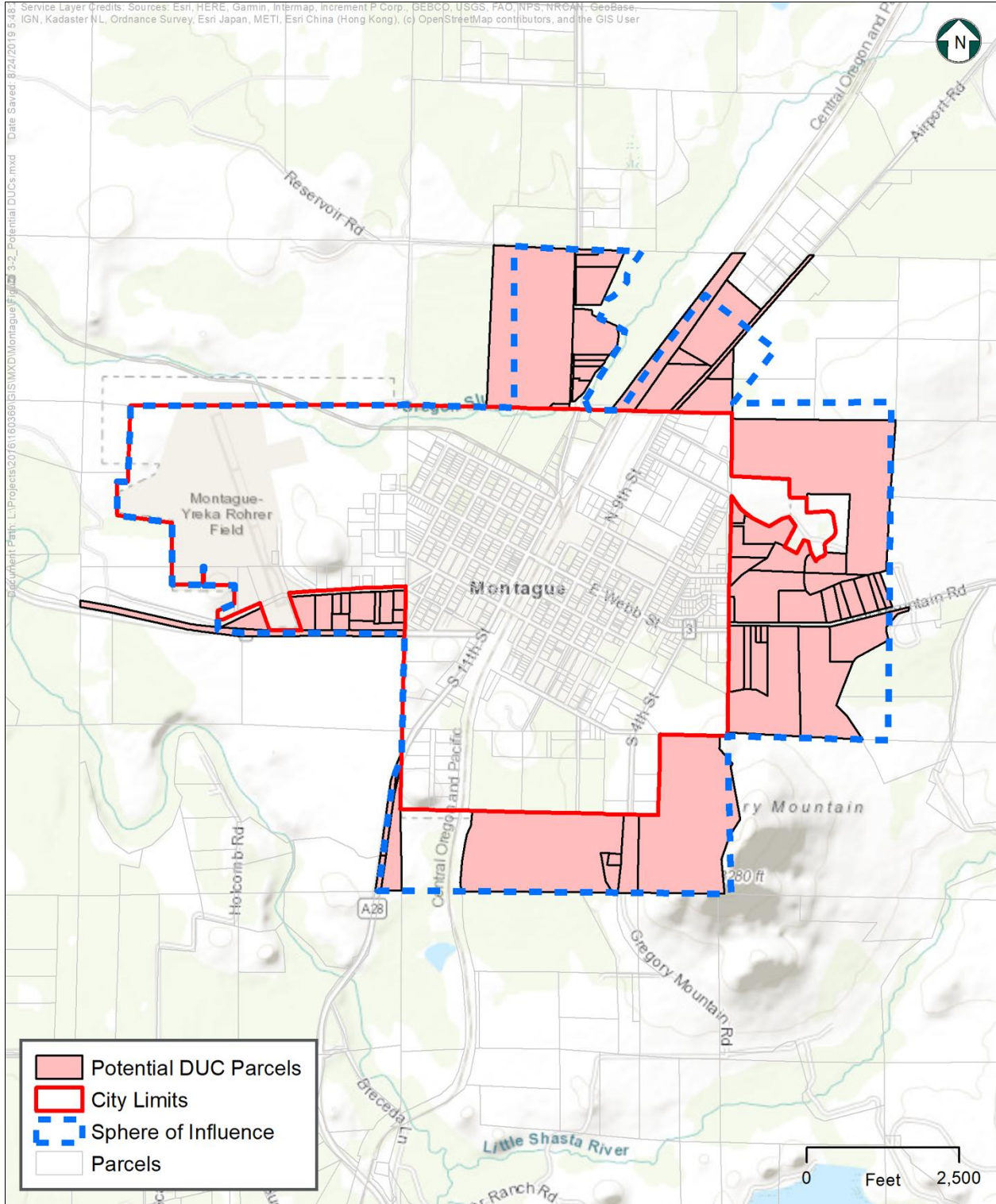


Figure 3-2
Potential Disadvantaged Unincorporated Communities

SECTION 4 - PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES, INCLUDING INFRASTRUCTURE NEEDS OR DEFICIENCIES

The purpose of this section is to evaluate the infrastructure needs and deficiencies of the City of Montague in terms of availability of resources, capacity to deliver services, condition of facilities, planned improvements, service quality, and levels of service.

LAFCo is responsible for determining that an agency requesting an SOI amendment is reasonably capable of providing needed resources and basic infrastructure to serve areas within the City and its SOI. It is important that these findings of infrastructure and resource availability are made when revisions to the SOI and annexations occur. LAFCo accomplishes this by evaluating the resources and services to be expanded in line with increasing demands.

4.1 - Capital Investment/Improvement Program (2014-2019)

Upon completion of this Municipal Services Review, the City of Montague had not completed a Capital Improvement Plan. The Siskiyou County Regional Transportation Plan, however, has identified both short range and long-range capital improvements for the next 20 years for the City of Montague. Projects include road rehabilitation to a few roads in the City, the total predicted pricing of which to exceed \$2 million. The current status of said projects are unknown.

4.1.1 - DETERMINATIONS

Determination 4.1-1 –Every few years, the County adopts its Regional Transportation Plan which identifies key capital projects that are needed in order to enhance services to residents.

Determination 4.1-2 – The City should implement a Capital Improvement Plan in order to determine how the City will pay for future improvements.

4.2 - Water

4.2.1 - SUMMARY OF PRIOR MSR FINDINGS

The City is under contract with the Montague Water Conservation District (MWCD) for its municipal water supply. The MWCD provides the City with water from two different sources depending upon the time of the year. During mid-April through mid-October, the City is supplied water from Lake Shastina. During the remainder of the year, the source of water is the Little Shasta River. Based on these sources and the City's contract with MWCD, the City's has a supply capacity of 1.15 million gallons per day (MGD). While the City may require additional capacity at some point in the future, the City's current demand of 0.4 to 0.8 MGD is substantially lower than the amount of its current available supply (PMC, 2011).

As water is delivered from the MWCD irrigation canal, it is diverted into settling ponds for initial pretreatment. The water is first conveyed to a 1.0 million-gallon (MG) settling pond and then to a second pond with a 10.0 MG capacity. Once the majority of the suspended sediments and particulate matter have settled, the water is conveyed to the City's water treatment plant, which has a design capacity of 1.15 MGD. Upon arrival at the treatment plant, the water is first delivered to a flocculation and sedimentation basin where, over the course of several hours, the remainder of the suspended particulate matter is removed. Once clarified, the water is then forced through two 6-foot by 20-foot pressure filters, disinfected, and conveyed to a 430,000- gallon tank constructed in the early 1950's, a 1.0 MG tank constructed in 2007, and a 30,000- gallon tank constructed in 1986 (PMC, 2011).

As noted above, large portions of the City's water distribution system are over 50 years old and are in need of repair and/or upgrades. In recent years, the City has experienced difficulties complying with the State's disinfection byproduct (DBP) limits, which has resulted in violations of State drinking water standards. As such, the State Department of Public Health has indicated that the City will need to update its treatment system by 2014. The City has applied to various State and federal agencies for grant monies to complete approximately \$4.9 million worth of improvements recommended in the Preliminary Design Report (PMC, 2011).

4.2.2 - CURRENT CONDITIONS

As of the completion of this MSR, the City has not implemented a Water Master Plan (PMC, 2011). The City should undergo this evaluation of its existing water system to determine where leaks and other losses are occurring and needed improvements or upgrades in order to preserve its water resources.

As of the completion of this MSR, the City has not provided evidence to prove that the current conditions of the water system are any different from the conditions during the last MSR. Certain conclusions can be drawn, however, from the yearly revenues and expenditures seen below. Given the excessive deficit of the water budget for the financial years 2014 and 2015, one can assume that the deficit was due to the City updating its water treatment system. The

State Department of Public Health indicated that the City would need to update its treatment system by 2014. The excessive expenditure for 2014 and 2015 could be because of this update.

In general, it is within the City's best interest to update their General Plan, which has not been comprehensively updated since 1989, in order to determine the long-term goals for the City's water system. The City would benefit from a Capital Improvements Program, where the budget could be broken down into further detail to determine the feasibility of water system updates. A financing strategy to update the infrastructure is suggested in order to see how the City can afford improvements.

**Table 4-1
Water Revenues and Expenditures**

	2015	2016	2017	2018	2019
Revenues	\$400,057	\$332,306	\$209,880	\$434,835	\$453,047
Expenditures	\$4,372,006	\$243,902	\$212,820	\$618,510	\$487,842
Total	(-\$3,971,949)	\$88,404	(-\$2,940)	(-183,675)	(-34,795)

4.2.3 - DETERMINATIONS

Determination 4.2-1 – The City provides water to residents within the City through the use of a water gravity system and a storage tank.

Determination 4.2-2 – The City should prepare a Water Master Plan assess the quality of water related infrastructure and plan improvements accordingly to accommodate the development and growth envisioned within the General Plan.

Determination 4.2-3 – The City should implement a Capital Improvements Plan for the phasing of updates to the water supply system when feasible, including the completion of metering of the water supply system as well as for the phasing of updates to the water distribution system when feasible.

Determination 4.2-4 – The City should adopt a financing strategy to update its water and wastewater infrastructure. This could be through development impact fees, grants, or any other forms of financing the City sees fit.

4.3 - Wastewater

4.3.1 - SUMMARY OF PRIOR MSR FINDINGS

According to the previous MSR, the City provides for the collection, treatment, and disposal of wastewater within the City limits. Development of the City's wastewater collection and treatment infrastructure was completed in 1976. The City's WWTP consists of an aerated lagoon system located at the northwestern edge of the City. The WWTP was designed with a capacity of 0.225 MGD, which is significantly higher than the current estimated average dry weather flow (ADWF) of 0.09 MGD (PMC, 2011). While this would suggest substantial capacity in the system during dry weather conditions, peak wet weather flows at the WWTP can reach an estimated 0.20 MGD. Such elevated flows following a storm event typically indicate that the collection system suffers from excessive infiltration and inflow (I&I), which is groundwater and stormwater that seeps into the collection system through cracks in the pipes and poor seals at connections.

4.3.2 - CURRENT CONDITIONS

As of the completion of this MSR, there is no evidence to prove that the current conditions of the wastewater system are any different from the conditions during the last MSR. The City's should implement a Sewer Master Plan to determine if the level of service is adequate for the needs of the City.

The City's wastewater facilities require ongoing maintenance. The City anticipates that these improvements will be funded through the General Fund and CDBG grants (PMC, 2011). The City should periodically assess the status of the WWTP in order to determine what, if any, improvements are needed. The City should also implement a Capital Improvement Fund with the yearly budget in order to plan accordingly for upcoming wastewater projects. The revenues and expenditures for the City's sewer fund can be seen below in Table 4-2.

**Table 4-2
Sewer Revenues and Expenditures**

	2015	2016	2017	2018	2019
Revenues	\$203,219	\$209,424	\$209,880	\$217,890	\$421,008
Expenditures	\$144,194	\$235,076	\$212,820	\$202,490	\$211,924
Total	\$59,025	(-\$25,652)	(-\$2,940)	\$15,400	\$209,084

The Sewer Enterprise Fund has recently operated at a small deficit (years 2016 and 2017). It is not much cause for concern, though, given the slight surplus of 2014 and 2015. The City would benefit from a Sewer Master Plan or a Capital Improvement Program, where the budget could be broken down into further detail to determine the feasibility of water system updates. A financing strategy to update the infrastructure is suggested in order to see how the City can afford improvements.

4.3.3 - DETERMINATIONS

Determination 4.3-1 – The City has a WWTP that provides sewer treatment to the entire City.

Determination 4.3-2 – The City should prepare a Sewer Master Plan assess the quality of water related infrastructure and plan improvements accordingly to accommodate the development and growth envisioned within the General Plan.

Determination 4.3-3 – The City should implement a Capital Improvement Program to determine the feasibility of water system updates and determine how the City can afford improvements.

4.4 - Storm Drain

4.4.1 - SUMMARY OF PRIOR MSR FINDINGS

According to the previous MSR, the City's storm drain system consists of a network of natural and man-made ditches that route stormwater through the City and convey it to the Oregon Slough where it is discharged (PMC, 2011). Although all new subdivisions are required to install curbs and gutters consistent with the City's Zoning Code (Section 16.32.140), these improvements are absent from a large percentage of the City. As a result, the City also requires that post-construction stormwater runoff from each lot not exceed pre-construction levels (Section 16.32.190). While the City has indicated a need to prepare a Master Plan to identify necessary improvements to its storm drainage system, there are no plans for improvements to the system in the near future.

4.4.2 - CURRENT CONDITIONS

There is no evidence of a recent service issue with the current storm drainage system in the City. As of the completion of this MSR, there is no evidence that Montague adopted a Storm Drainage Master Plan or has installed storm drainage infrastructure to resolve the prior identified issues.

4.4.3 - DETERMINATIONS

Determination 4.4-1 – There are no known service issues with the current storm drainage system in the City.

Determination 4.4-2 – The City is in need of a Storm Drainage Master Plan.

4.5 - Road Maintenance

4.5.1 - SUMMARY OF PRIOR MSR FINDINGS

The Public Works Department maintains public rights-of-way (including alleys) that are within the City’s jurisdiction (PMC, 2011). These roadways are maintained as needed and as funding allows. The vast majority of roadway improvements are funded by monies provided by the State. The Siskiyou County Regional Transportation Plan (RTP), as updated by the Local Transportation Commission (LTC), prioritizes transportation projects within Siskiyou County. This plan has identified both short-range and long-range capital improvements for the next 20 years for the City of Montague.

4.5.2 - CURRENT CONDITIONS

The following City of Montague road projects are included in the 2016 Siskiyou County RTP:

**Table 4-3
Montague Road Projects**

Route	Description	Cost	Construction Year
12th Street: Webb to Scobie	Rehabilitate Road	\$387,000	2025
6th Street: Prather Street to Ridgeview	Rehabilitate Road	\$497,000	2019
9th Street: Orr Street to Webb Street	Rehabilitate Road	\$340,000	2022
Del Monte Street: entire length	Rehabilitate Road	\$200,000	2016
North 15th Street: Webb Street to Spiers Street	Rehabilitate Road	\$197,000	2016
Ridgeview: 6th Street to East Street	Rehabilitate Road	-	2019
Scobie Street: 8th Street to 9th Street	Rehabilitate Road	\$478,000	2016

Note: Construction year is anticipated.
Source: 2016 Siskiyou County Regional Transportation Plan

Funding for the listed projects is expected to come from STIP/Regional Surface Transportation Program (RSTP), and local funds. Most of these projects are carryover projects from the 2011 Siskiyou County RTP; construction will occur as funding becomes available. The 2016 RTP lists an additional six unconstrained (long-range) road projects for the City of Montague.

It is unknown whether or not these projects have been completed or if the City has collected the adequate funding for the projects. It is within the best interest of the City to adopt a

Capital Improvement Program in order to determine how the City is going to pay for the short and long-term needs of the Department.

4.5.3 - DETERMINATIONS

Determination 4.5-1 – The City actively maintains the existing road systems.

Determination 4.5-2 – The City should consider adopting a Capital Improvements Program for streets in order to allow for comprehensive financial planning of resources.

Determination 4.5-3 – The City should investigate opportunities for funding to complete the six unconstrained (long-range) road projects totaling \$2,099,000.

4.6 - Law Enforcement

4.6.1 - SUMMARY OF PRIOR MSR FINDINGS

According to the previous MSR, the City contracts with the Siskiyou County Sheriff's Department for law enforcement services. The City of Montague does not have a jail or a Sheriff's substation. All persons arrested in the City of Montague are transported to the Siskiyou County Jail in Yreka for processing (PMC, 2011).

4.6.2 - CURRENT CONDITIONS

The Siskiyou County Sheriff's Department provides law enforcement services to the residents of the City. In 2017, the City spent \$310,870 on public safety services, which is 16.44% of all expenditures for the City that year. Public Safety was the third largest share of total expenditures. Of that share, the Sheriff's Department accounted for 72.73%, totaling \$226,100.

As of the completion of this MSR, there is no evidence that the Sheriff's Department does not operate the same way it did in 2007 when the MSR was completed. If that is the case, then it is within the best interest of the City to adopt a Capital Improvement Program in order to determine how the City is going to pay for the short and long-term needs of the department.

Table 4-4 below shows the expenditures of Public Safety for the years of 2015-2017.

**Table 4-4
Public Safety Expenditures, 2015-2017**

Year	Expenditure Amount
2015	\$268,390
2016	\$351,130
2017	\$310,870
2018	\$364,283
2019	\$405,516

Source: California State Controller's Office

Crime statistics for Montague were obtained from the Federal Bureau of Investigations (FBI) and are shown in Table 4-5 below.

The City does not have an adopted standard for sworn officers per 1,000 residents within the General Plan. However, the 2017 ratio for the Western region of the United States for cities whose population is under 10,000 residents was approximately 2.2 sworn officers per 1,000 (Federal Bureau of Investigation, 2017). The Western region ratio of officers to residents sets a standard ratio that can be used to guide employment of officers within Montague into the future. Siskiyou County Sheriff's Department is the primary provider of law enforcement services and contracts for 3,600 hours per year (County of Siskiyou California, 2019).

**Table 4-5
2013-2016 Reported Crime Statistics (Category 1 Crimes)**

Category	2013	2014	2015	2016	2017	2018	2019
Population	1,411	1,398	1,385	1,390			
Violent Crime	2	2	1	4	9	12	8
Murder/non-negligent manslaughter	0	0	0	0	0	1	0
Rape	0	0	0	1	2	1	1
Robbery	0	0	0	0	0	1	0
Aggravated Assault	2	2	1	3	6	10	7
Property Crime	16	13	19	15	18	26	32
Burglary	5	7	6	8	10	16	15
Larceny-theft	11	4	12	6	6	8	13
Motor vehicle theft	0	2	1	1	2	2	4
Arson	1	0	0	0	0	2	0
Total Reported Crimes	37	30	40	38	53	79	80

Source: www.fbi.gov

4.6.3 - DETERMINATIONS

Determination 4.6-1 –The Siskiyou County Sheriff’s Department provides law enforcement services for the City.

Determination 4.6-2 – The City should continue mutual aid agreements with other local and regional law enforcement agencies in order to enhance response capabilities within and around the City limits.

4.7 - Fire Protection

4.7.1 - SUMMARY OF PRIOR MSR FINDINGS

The City of Montague is located within the service boundaries of the Montague Fire Protection District, and fire protection services are provided by the Montague Volunteer Fire Department. The fire station, which was built in 2005, is staffed by a volunteer crew, which consists of a Chief, an Assistant Chief, and 15 to 17 volunteer firefighters. The Department provides Basic Life Support services, structural firefighting, wildland fire suppression, airport rescue and firefighting (ARFF), and support for Haz-Mat responses. The City contributes funds to the Fire Protection District. (PMC, 2011)

The City's contributions to fire protection infrastructure and capital needs are determined by annual assessments approved by the City Council. New or upgraded infrastructure and equipment is financed by the City's General Fund, and by one-time grants (PMC, 2011).

The Fire Chief has indicated that there is need for a Type 3 engine in the near future, as well as an exhaust system for the station in order to allow engine idling without carbon dioxide buildup. It was further noted that there would be a benefit from increased staffing of the station during the day. While there may also be a need to implement a stipend in order to aid in retention of senior members of the Department, it is expected by the City that the volunteer-based crew should be able to effectively serve the community for several years to come (PMC, 2011).

4.7.2 - CURRENT CONDITIONS

Upon completion of this document, there is no evidence of any changes to the Fire Department. It is unknown whether or not the City acquired the Type 3 Fire Engine. The City should continue mutual aid and automatic aid agreements with adjacent agencies in order to provide overlapping and supplemented service within the City limits and SOI.

4.7.3 - DETERMINATIONS

Determination 4.7-1 – The City provides fire protection with a mostly volunteer fire department through the Montague Fire Protection District.

Determination 4.7-2 – The City should encourage continuance of mutual aid and automatic aid agreements with adjacent agencies in order to provide overlapping and supplemented service within the City limits and SOI.

Determination 4.7-3 – The City should adopt a Capital Improvement Program that identifies equipment and facility improvements in a manner where they can budget for and implemented in a timely manner.

SECTION 5 - FINANCIAL ABILITY TO PROVIDE SERVICES

This section analyzes the financial structure and health of the City of Montague with respect to the provision of services. Included in this analysis is the consideration of rates, service operations, and the like, as well as other factors affecting the City’s financial health and stability, including factors affecting the financing of needed infrastructure improvements and services. Compliance with existing State requirements relative to financial reporting and management is also discussed.

An examination of financing includes an evaluation of the fiscal impacts of potential development, and probable mechanisms to finance needed improvements and services. Evaluating these issues is important to ensure new development does not excessively burden existing infrastructure and the ability of the City to fund existing improvements and services.

An examination of rate restructuring should identify impacts on rates and fees for services and facilities and recognize opportunities to positively impact rates without decreasing service levels. The focus is on whether there are viable options to increase the City’s efficiency through rate restructuring prior to any SOI adjustment.

Annual audit reports and financial statements for the City were reviewed in accordance with the MSR Guidelines. The purpose of this review is to determine fiscal viability, suitability of current funding practices, and potential fiscal impacts resulting from new legislation.

5.1 - City Budget

A City’s annual budget reflects the City Council’s goals and targets and continues funding sufficient to maintain basic service levels. The budget includes assumptions and directions included in the CIP and Multi-year Financial Plan. As of the completion of this MSR, the City of Montague had not provided their annual budget. Conclusions about the budget were determined by the reports the City submitted to the California State Controller’s Office. The previous three years’ (2015-2018) revenues and expenditures are shown in Table 5-1.

**Table 5-1
City Revenues and Expenditures (2015-2018)**

Source	2015-2016	2016-2017	2017-2018
Revenues	\$3.94 Million	\$1.35 Million	\$1.77 Million
Expenditures	\$5.22 Million	\$1.91 Million	\$1.89 Million
Total	(-\$1,280,000)	(-\$560,000)	(-\$120,000)

Source: California State Controller’s Office

The City’s deficit should not be construed as though the City is operating inappropriately but should be monitored by the City Manager and Finance Department. Also, the State Controller’s Office does not show reserves available. There is a change this seeming deficit

was accounted for with the use of the City's reserve fund. "Debt Service & Capital Outlay" accounted for one-fifth of the total expenditures of the City in 2017. It is not known what these debts were, or for how long the City was operating at a deficit to accrue these debts. Regardless, exploration into additional revenue sources may be required to try and offset some of these expenditures in order to alleviate some of the financial burden of the General Fund or Enterprise Funds.

Overall, it is within the best interest of the City to adopt budget policies and strategies that drive the development of a sound budgetary structure. The City should maintain benchmarks and goals in order to measure their effectiveness from year to year. A summary of their achievements should also be presented to the City Council in order to allow for proper planning during the budgeting process. This allows the City to reallocate funds accordingly in order to meet missed benchmarks.

5.1.1 - RATES AND FEES

The City sets rates and fees for various services it provides. However, typical rates for water and sewer, which are usually among the rates that require significant attention due to operation and maintenance costs, may only be used to support delivering that specific service and are subject to Proposition 218, described in Section 5.1.2.

Therefore, very few of the rates and fees set by the City are subject to Proposition 218 and, instead, may be adjusted through a resolution adopted by the City Council. This allows for easier adjustment for various factors such as inflation or establishment of new services provided by City staff.

The City adopts fees as the beginning of the fiscal year and provides a comprehensive list of fees through the Master Fee Schedule that is revised accordingly. The fees include:

- Usage fees for the various recreation facilities throughout the City;
- Building permit fees for review and inspection;
- Business license fees; and
- Police service and vehicle fines.

5.1.2 - PROPOSITION 218

Proposition 218 restricts local government's ability to impose assessment and property related fees and requires elections to approve many local governmental revenue raising methods. This initiative, approved in 1996, applies to nearly 7,000 cities, counties, special districts, schools, community college districts, redevelopment agencies, and regional organizations. It ensures that all new taxes and most charges on property owners are subject to voter approval and especially to the tools of using property related fees to fund governmental services instead of property related services. Of potential concern is the long-term effect the proposition has created in a local government's ability to fill the growing divide between infrastructure needs and the provision of governmental services for the new infrastructure.

However, Proposition 218 has not proven to be a factor in limiting the City's ability to provide services because the services that are typically the subject of the provisions of Proposition 218, mainly water and sewer services, are not provided by the City.

5.1.3 - OPPORTUNITIES FOR RATE/FEE RESTRUCTURING

The City's Fee Schedule is subject to periodic comprehensive revisions and updates. There is no evidence suggesting that the City would not be able to provide services to the SOI areas for fees consistent with citywide fees for such services. Further, since it appears that the City's practice is to review these fees and adopted revised fees parallel with approving the two-year budget, it can be assumed that future years will follow the same review and update procedure in order to ensure that full cost recovery is obtained for services rendered.

5.1.4 - DETERMINATIONS

Determination 5.1-1 – The City attempts to utilize other forms of revenue available besides property taxes and fees, such as grants, in order to supplement its revenue stream.

Determination 5.1-2 – The services provided by the City are not generally subject to Proposition 218 and are adjusted annual to account for costs and inflation to allow for cost recovery.

Determination 5.1-3 – There is no evidence suggesting that the City would be unable to provide services to the SOI areas for fees consistent with citywide fees for services.

Determination 5.1-4 – The City's utilization of an open and sound budgeting process allows the City to be financially able to provide an adequate level of service to residents.

5.2 - Status of, and Opportunities for, Cost Avoidance and Shared Facilities

Practices and opportunities that may help to reduce or eliminate unnecessary costs are examined in this section, along with cost avoidance measures that are already being utilized. Occurrences of facilities sharing are listed and assessed for efficiency. Potential sharing opportunities that could result in better delivery of services is also discussed.

An examination of cost avoidance opportunities should identify practices and opportunities that may help eliminate unnecessary or excessive costs to provide services. Such costs may be derived from a variety of factors including duplication of service efforts and facilities; inefficient budgeting practices; higher than necessary administration and operating cost ratios; inefficient use of outsourcing opportunities; and inefficient service boundaries.

An examination of opportunities for shared facilities should determine if public service costs can be reduced as a result of identification and development of opportunities for sharing facilities and resources. The benefits of sharing costs for facilities are numerous, including pooling of funds to enjoy economies of scale; reduced service duplications; diversion of

administrative functions of some facilities; reduced costs; and providing better overall service.

Maximizing opportunities to share facilities allows for a level of service that may not otherwise be possible under normal funding constraints; however, facilities sharing opportunities are not without their challenges. When a municipality enters into a shared agreement, it generally relinquishes a portion of its control of the facility. Additionally, the facility may not be entirely suited to accommodate the municipality's needs.

However, the City's location makes it difficult to share facilities or services with other agencies besides Siskiyou County. In any event, the City should continuously review its ability to maximize facilities by looking for partners to share operating and construction costs with new facilities either through the update of various planning documents or during the two-year budget cycle.

5.2.1 - DETERMINATIONS

Determination 5.2-1 – During the budget review cycle or an update of a planning document, the City should review its existing agreements with various agencies to identify the potential for cost sharing opportunities of services and/or facilities.

5.3 - Accountability for Community Service Needs, including Governmental Structure and Operation Efficiencies

This section addresses the adequacy and appropriateness of the City of Montague's existing boundary and Sphere of Influence, assesses the management structure and overall managerial practices of the City, and evaluates the ability of the City to meet its service demands under its existing government structure. Also included in this section is an evaluation of compliance by the City with public meeting and records laws.

An examination of government structure should consider the advantages and disadvantages of various government structures that could provide public services. In reviewing potential government structure options, consideration may be given to service delivery quality and cost, regulatory or government frameworks, financial feasibility, operational practicality, and public preference.

An examination of local accountability should evaluate the accessibility to and levels of public participation with the agency's management and decision-making processes. The MSR Guidelines note measures such as legislative and bureaucratic accountability, public participation, and easy accessibility to public documents and information as important in ensuring public participation in the decision-making process.

5.3.1 - ORGANIZATIONAL STRUCTURE

The City government in Montague consists of administrative staff that handles planning and building inquiries and general administrative services; a Public Works Department that

oversees sewer, water, storm water systems, parks, and recreation; a Volunteer Fire Department; a Seniors Program; Solid Waste Disposal; and Animal Control Services. The City is directed, administratively and financially, by the City Council in concert with City staff. The City of Montague General Plan, as a whole, was last updated in 1989. The City has a policy and procedures manual and employee manual for all employees, which includes policies for communicating with the City Council (PMC, 2011).

The City Council operates as the governing body for the City of Montague. The Council consists of five persons elected by the residents of the City. Council members serve a four-year term. City Council meetings are held the first Thursday of each month at 6:30 p.m. at the City Council Chambers located at 230 S. 13th Street. Although the City does not have a separate Planning Commission (the City Council serves in that capacity), several other commissions and committees, such as the Montague Aviation Commission, operate as advisory bodies to the City Council. Members of these commissions and committees are appointed by the City Council (PMC, 2011).

5.3.2 - DETERMINATIONS

Determination 5.3-1 – The City is directed, administratively and financially, by the City Council in concert with City staff.

Determination 5.3-2 – The City conducts open meetings in compliance with the Brown Act that allows for complaints and comments regarding services and potential conflicts or inefficiencies to be identified to the City Council by residents.

Determination 5.3-3 – The City utilizes an organizational structure that obtains efficiency through departments heads who oversee multiple divisions.

Determination 5.3-4 – The current City structure is efficient, transparent and meets expectation of its residents with the resources available.

SECTION 6 - SPHERE OF INFLUENCE REVIEW

6.1 - Sphere of Influence Overview

As part of any Sphere of Influence review, LAFCo is required to consider all of the information presented in the Municipal Service Review conducted for that agency. Additionally, LAFCo must also make written statement of its determinations for that agency regarding the following:

1. The present and planned land uses in the area, including agricultural and open-space lands;
2. The present and probable need for public facilities and services in the area;
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide;
4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency; and
5. The present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing Sphere of Influence.

After a written determination has been made with respect to the aforementioned areas of review, LAFCo may adopt a Sphere of Influence (SOI) that is appropriate for the agency's provision of service.

This section of the report fulfills the requirements of Government Code Section 56425 and allows LAFCo to adopt an SOI that is consistent with the written determinations for the City of South Lake Tahoe.

6.2 - Present and Planned Land Uses

The City adopted a General Plan Update in 1989. The planning area within the General Plan provided a basis for the land use analysis and future development policies. The existing Sphere of Influence is coterminous with City limits in some places and extends roughly 500-1,200 feet outside of City limits in other areas (PMC, 2011). The City's General Plan was last updated in 1989 and should be updated to address the areas' potential land uses within the SOI in order to allow for planning of infrastructure delivery to these residents in an efficient manner. Master planning of water, sewer, and storm drainage infrastructure would further aid in appropriate planning of service extensions as well and should likely be done concurrently with the General Plan Update.

The current SOI would appear to be adequate to meet present and future service needs of residents if the existing land uses are maintained and not altered. The SOI covers adjacent, existing communities which may need services in the future if their service provider is no longer able to operate. The areas within the SOI are mainly agricultural and rural residential. Were these areas to develop and become more populated, the City would consider annexation in order to provide basic services. The City would be able to possibly step in as subsequent service provider in the future.

6.3 - Present and Probable Need for Public Facilities and Services

The City provides a range of services to its residents, while sometimes coordinating with other agencies to best provide services in a comprehensive manner. Additionally, the City has outlined its growth and development within the adopted General Plan. The slow growth of the City of Montague has allowed the City to serve the needs of its residents without needing to expand. Given the historic growth rate of the City and the lack of development within the City and its SOI, there is no apparent need to expand public facilities and services in the area that warrant amendment of the SOI at this time.

The only probable need for public facilities would be for the existing areas within the SOI, were these areas to become more developed. It is also within the City's best interest to continue to update their existing facilities, along with conducting studies to determine the timeline and funding opportunities to do so.

6.3.1 - DISADVANTAGED UNINCORPORATED COMMUNITIES

The area outside the City limits but in the SOI is mostly vacant land, with small areas of development but much of this area is considered disadvantaged. The City would be the logical service provider for this area. Therefore, the City would need to prepare to extend these services to this area as part of any reorganization within, and development of, the area. However, this area is already within the SOI and therefore no amendment would need to be made.

6.4 - Present Capacity of Public Facilities and Adequacy of Public Services

The City currently provides a level of service which is satisfactory to meet the needs of residents. The creation and update Master Plans on a five-year basis would allow for better tracking and evaluation of service levels and needs. Furthermore, inclusion of a Capital Improvement Program within the two-year adopted budget would further show the enhancements and improvements completed to enhance infrastructure operated by the City.

6.5 - Existence of Any Social or Economic Communities of Interest

As stated in Section 3, there are currently communities of social or economic interest within or adjacent to the existing SOI, identified as DUCs. However, by keeping these neighborhoods within the SOI, it would allow the City to be a viable service provider under the provisions of Government Code §56133 and subject to the policies of Siskiyou LAFCo, in the event than an existing service provider is no longer able to do so.

6.6 - Montague Sphere of Influence Recommendations

As shown in the MSR and throughout the determinations of this document, the City of Montague is currently providing services at a satisfactory level to its citizens. The City is accountable to its customers through the City Council, which are elected at-large. However, the City needs to monitor its revenues compared to expenditures, as recent financial

statements appear to show a deficit, and much of the City's expenditures are spent on debt repayment.

The growth of the City is managed through the General Plan. As a result, modest growth has been planned and identified within the City but policies for development will allow for services and infrastructure planning to catch up with the needs of future residents. However, the City should consider updating the General Plan along with adopting infrastructure Master Plans for water, sewer and storm drain facilities in order to accommodate existing residents' needs and possible future expansion within the SOI.

In conclusion, based on the analysis provided within this report, the existing SOI for the City of Montague is adequate to service the existing residents as well as possible future needs of communities within it.

Recommendation 6-1 – It is recommended that the City of Montague Sphere of Influence remain unchanged.

Recommendation 6-2 – With the adoption of a General Plan to guide growth policies, the City's existing SOI is acceptable to accommodate present growth needs for residents. Future growth needs, however, will need to be further analyzed with the adoption of a new General Plan.

Recommendation 6-3 - With the adoption of a General Plan to guide growth policies, the capacity of public facilities is required to be reviewed during new development proposals by the City. It is within the best interest of the City to periodically review the capacity of its public facilities in order to determine the present and future needs of its residents.

Recommendation 6-4 – The City may be considered a logical service provider for adjacent, existing communities if one of the current service providers is no longer solvent or able to provide services. At that time, a feasibility study should be commissioned to identify potential options for successor agencies to provide other services to these communities.

SECTION 7 - REFERENCES

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