

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

682



FROM: Executive Office

SUBMITTAL DATE:
September 22, 2008

SUBJECT: Board Policy A-63 "New City Service Transition Policies and Procedures Manual"

RECOMMENDED MOTION: That the Board of Supervisors approve the addition of Policy A-63 "New City Service Transition Policies and Procedures Manual" to the Board of Supervisors Policy Manual.

BACKGROUND: The Board Policy Manual is a guide for departments on matters that are not otherwise addressed in state codes, county ordinances, or resolutions by the Board of Supervisors. The number of new city incorporations anticipated in the future and the complexity of the process for transitioning services from the county to the city, makes clear the need for the Board to have a specific policy regarding the process.

The Executive Office worked with a consultant and the various county departments and agencies affected by the transition of services to the city to develop this policy and procedures manual. This manual has been incorporated into Board Policy A-63 to provide guidance for all county departments and agencies that are involved in the transition of municipal services to the city.

Karen L. Johnson, Management Analyst

FINANCIAL DATA

Current F.Y. Total Cost:	\$ N/A	In Current Year Budget:	N/A
Current F.Y. Net County Cost:	\$ N/A	Budget Adjustment:	N/A
Annual Net County Cost:	\$ N/A	For Fiscal Year:	N/A

SOURCE OF FUNDS: N/A

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY:
Gary M. Christmas

County Executive Office Signature

- Policy
- Consent
- Policy
- Consent

Dept's Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.:

District:

Agenda Number:

3.15

**COUNTY OF RIVERSIDE, CALIFORNIA
BOARD OF SUPERVISORS POLICY**

Subject:

**NEW CITY SERVICE TRANSITION
POLICIES AND PROCEDURES MANUAL**

**Policy
Number**

A-63

Page

1 of 1

Policy:

As a requirement of any new city incorporation, the county is required to provide certain transitional services to the new city, on a net cost reimbursable basis for a defined period of time after incorporation. This requirement is state mandated and is designed to allow for the new city to establish its initial staffing, develop its initial servicing plan, accrue initial start up revenues, and to allow for a transition of these services.

The Board of Supervisors recognizes the need to establish general policies and procedures for the transition of municipal services to newly incorporated cities. It is the intent of this policy to establish guidance for county departments and agencies directly affected by this transition process.

Procedures:

A copy of the most recent version of the new city services transition policies and procedures manual is attached and shall be periodically replaced with successive versions to reflect changes in the transition process.

Attachment: Attachment 63A "New City Services Transition Policies and Procedures Manual"

NEW CITY SERVICE TRANSITION POLICIES AND PROCEDURES MANUAL

Overview

As a requirement of any new city incorporation, the county is required to provide certain transitional servicing to the new city, on a net cost reimbursable basis, for a defined period of time after incorporation. This requirement is state mandated and is designed to allow for the new city to establish its initial staffing, develop its initial servicing plan, accrue initial start up revenues, and to allow for a smooth transition of these services.

There are two periods of time that encompass a new city "transition period", pre-incorporation and post-incorporation. The pre-incorporation transition period is that period of time between the incorporation election and the "effective date of incorporation". The post-incorporation transition period is that period of time between the "effective date of incorporation" and the end of that fiscal year. This transition period can be as long as one full fiscal year, or as little as a few months of the fiscal year, depending on the timing and effective date.

Effective Date of Incorporation

The "effective date of incorporation" is the date established by LAFCO that is deemed as the new city's first "official" day. This is the first day that all municipal governmental legislative and "police power" functions transfer to the new city. Although the new city's city council-elect will engage in several tasks associated with getting the new city ready for business on that day, the county and the Board of Supervisors remains responsible for all governmental functions prior to that date.

Pre-Incorporation Transition Period

During the pre-Incorporation transition period, the county agencies and departments will be primarily responsible for establishing the revenue and cost tracking system each will use when the Post Incorporation transition period begins. The revenue and cost tracking systems can take different forms depending on the service requirements and data base capabilities of the individual agency/department.

Additionally, each agency/department will be responsible for developing a tracking system for determining the service level, project case processing, and/or other criteria utilized by that agency/department for providing its specific service to the new city jurisdiction. For some agencies/departments this service level tracking system will form the basis for tracking the revenues/costs.

The tracking systems can be an existing county agency/department database that will allow for tracking and extraction of all required information specific to the new city jurisdiction, or an off line system as simple as an excel spreadsheet. However, it is important that any assumptions being utilized for data compilation be consistent between agencies/departments. An example of this is that every agency/department that bases a service, revenue or cost assumption on a per capita method of tracking must utilize the same population.

There is no transfer of any service during this period. The agencies/departments will only be required to have their specific tracking systems in place in order to implement on the effective date of Incorporation for the new city. There will be some interface with the new city as transitional city staff may have introductory dialogue with various agencies/departments for establishing future coordination efforts during the post-incorporation transition period.

NEW CITY SERVICE TRANSITION POLICIES AND PROCEDURES MANUAL

Post-Incorporation Transition Period

During the post-incorporation transition period, the county agencies and departments will be primarily responsible for providing continuing services to the new city until transferred. The revenue and cost tracking systems developed during the pre-Incorporation transition period shall be maintained and updated on a continuous basis in order to capture "real time" status during this period.

During this period, the new city will work with the county to develop and implement a service transition plan that provides for the smoothest and most cost efficient transfer of services for both governmental agencies. The new city may elect to transfer any service wholly or partially during this period, but must accept all service responsibility at the end of the post-incorporation transition period. Any service that the new city desires to be "enhanced" during this period must first be negotiated with the county prior to implementation of the enhanced level.

Additionally, during this period the county and the new city will negotiate any services that will remain as "contracted" services with the county after the post-incorporation period. These contracts must be adopted and approved by the governing boards of both the county and the new city prior to the end of the post-incorporation transition period.

General Policy Guidance

The County Executive Office has overall responsibility to coordinate overall county-city transition matters and to ensure that each county agency/department complies with the provisions of this policy.

Although each agency and department will have their own unique requirements for developing and administering their respective transition process, there are several items of a general nature that will apply to all agencies/departments.

1. During the pre-incorporation transition period the county prepares the necessary processes and documents to support the post-incorporation transition period. The county must ensure that all processes and documents are in place on time.
2. During the post-incorporation transition period, all services are to be provided at the "existing" level of service. County agencies and departments should consult the LAFCO Comprehensive Fiscal Analysis (CFA) utilized for the new city incorporation process to ensure that any differences in consistency with the existing level of service in the CFA, and the existing level of service during the transition period, are identified and segregated for revenue and cost accounting purposes.
3. No contracts with the new city are required during the post-incorporation transition period EXCEPT in a case where the city is requesting an enhanced level of service above the existing level.
4. The new city can transition services at any time during the post-incorporation transition period, fully or partially, subject to coordination with the county.
5. All services to be carried forward under contract with the county after the Post Incorporation transition period shall be negotiated prior to the end of that period.

NEW CITY SERVICE TRANSITION POLICIES AND PROCEDURES MANUAL

6. The county will be required to accurately track all service costs and revenues received applicable to the new city jurisdiction during the post-incorporation transition period for purposes of computing the county repayment amount to be assessed for the new city.
7. The official map and legal description of the new city shall be utilized for development of all data bases and/or revenue/cost accounting tracking systems for the new city's jurisdiction. The official LAFCO map and legal description can be utilized for this purpose.
8. The new city is responsible for completing all necessary filings with the state to establish official jurisdictional boundary changes for population, property tax assessment and revenue allocations.
9. Each agency/department shall develop an internal cost tracking system for collecting all costs associated with developing the new city's specific transition plan and revenue and cost *matrices/processes* identified.
10. Each agency/department shall submit a quarterly report of all transition period revenue/cost accounting status to the County Executive Office during the pre- and post-incorporation periods.
11. During the pre-incorporation transition period, the:
 - New city has no legal standing until the effective date of Incorporation.
 - County obligation to transition services does not begin until the effective date of incorporation, and the county cannot legally transfer any service until that time.
 - County must ensure that its processes are developed and in place to avoid any mistakes that could reflect negatively on the county.
 - County should not commit to any turnover process until it is ready to fully address process status and cost/deposit status for each individual project and/or service.
 - County must begin processing any new planning/permit or other applications until the effective date of incorporation.
 - County is bound to continue processing all applications until the effective date of Incorporation as usual unless developer requests a delay.
 - City can impose a delay only after effective date of incorporation.
12. Each agency/department shall coordinate any records transfer to the new city during the post-incorporation transition period with the city. Only those available records desired to be transferred by the city shall be provided. All costs associated with records transfer shall be identified and reported for inclusion in the service cost reimbursement.
13. Each agency/department shall notify the County Executive Office of any potential agreements, memorandums of understanding, ordinances, etc. that should be considered to be put in place during the post-incorporation transition period to ensure minimization of county liability in the event of a claim or other circumstance related to the transition process.

NEW CITY SERVICE TRANSITION POLICIES AND PROCEDURES MANUAL

Agency & Department Specific Requirements

In addition to the general policy guidance previously discussed, each county agency and department has specific requirements for managing the new city transition during each transition period. In order to ensure that an auditable level of accounting for quantifying county transition costs an offsetting revenues is achieved, each agency and department shall comply with the following identified specific requirements.

Assessor-County Clerk-Recorder's Office

Pre-Incorporation

- Establish a complete Assessor Parcel Number (APN) list for the new city jurisdiction from the official map and legal description available from LAFCO. NOTE- TLMA will develop GIS based parcel map.

NOTE- LAFCO is responsible to file a "Statement of Boundary Change" with the State Board of Equalization (SBE), and the county Assessor & Auditor-Controller's Offices (Government Code Section 57204). The new city is responsible to ensure that the submittal is complete in all respects in accordance with Government Code Sections 54900-54904, and to provide any additional information required by SBE for filings deemed incomplete.

- Develop assessed valuation information specific to the new city jurisdiction based on the official map and parcel data information.
- Provide APN and assessed valuation information to the Auditor-Controller's Office under normal procedures for all cities in the county.
- Establish a cost/revenue tracking matrix to identify all Property Transfer Tax (Documentary Tax) that would normally transfer to the new city during the post-incorporation transition year. Ensure matrix only identifies that portion that would transfer to the new city.
- Coordinate with the new city and inventory any records and documents that are to be transferred to the new city. NOTE- For all "recorded" documents, it should be more cost effective to develop a list of existing records that are available and would be retained in the county files.

Post-Incorporation

- Continue record inventory and coordinate transfer of any records to the new city.
- Update Property Transfer Tax matrix as necessary.
- Develop a final departmental revenue/cost accounting report of all services provided for determination of net costs of services to be recovered from the new city.

NOTE: After the end of the transition period, all operational policies, procedures, guidelines, processes, etc. utilized and applicable to all Riverside County cities will apply to the new city.

NEW CITY SERVICE TRANSITION POLICIES AND PROCEDURES MANUAL

Auditor-Controller's Office

Pre-Incorporation

- Coordinate with the Assessor's Office to obtain Assessor Parcel Number (APN) listing for the new city jurisdiction.

NOTE- LAFCO is responsible to file a "Statement of Boundary Change" with the State Board of Equalization (SBE), and the county Assessor & Auditor-Controller's Offices (Government Code Section 57204). The new city is responsible to ensure that the submittal is complete in all respects in accordance with Government Code Sections 54900-54904, and to provide any additional information required by SBE for filings deemed incomplete.

NOTE- The SBE filing is required prior to December 1st of the calendar year prior to the effective transfer of property tax allocation to the new city jurisdiction.

- Coordinate with the SBE for the establishment of new Tax Rate Area (TRA) numbers for the new city jurisdiction. NOTE- the SBE is responsible to administer the TRA system and establish the new TRAs for the new city.
- Develop the new city's AB 8 allocation factor for the general property tax utilizing the Tax Allocation Factor and Base Property Tax calculations developed under Government Code Section 56810 contained within the Comprehensive Fiscal Analysis adopted by LAFCO for the new city incorporation.
- Develop the new city's AB 8 allocation factors for the Structural Fire Fund Property Tax, and all other CSA, Special District, and Special Fund (such as Library) Property Tax allocations subject to AB 8 that will transfer to the new city jurisdiction based on the LAFCO incorporation terms and conditions. NOTE- The city receives 100% of these allocations. They are not subject to the Section 56810 calculation requirement for general property tax.
- Develop the new city's AB 8 allocation factors for any Redevelopment Area (RDA) Base property tax and supplemental property tax increment (as applicable).

NOTE- For the RDA calculations, the new city will receive the base allocation based on the RDA "base year" and has already been included in the Section 56810 calculation. However, for RDAs that are not fully contained within the new city boundary, the "increment" above the RDA "base year" will be retained by the county, unless negotiated otherwise.

- Develop the new city's Property Tax Administrative Fee allocation formula to be applied to all applicable Property Tax and Special Assessment calculations as per the normal procedure for all county cities.
- Establish the new city account in the county system as per normal procedure for all county cities.

Post-Incorporation

- Calculate the new city transition year property tax allocations retained by the county in

NEW CITY SERVICE TRANSITION POLICIES AND PROCEDURES MANUAL

accordance with the AB 8 allocation formulas developed for the new city jurisdiction.

- General Property Tax
 - Redevelopment Area Base property tax and Supplemental Increment (if applicable)
 - Structural Fire Fund Property Tax
 - All other county CSA or Special District property taxes subject to AB 8 allocation requirements.
- Develop a final departmental revenue/cost accounting report of all services provided for determination of net costs of services to be recovered from the new city
 - Review the County Executive Office quarterly revenue/cost accounting reports that detail the net cost of services to be recovered from the new city.

NOTE: After the end of the transition period, all departmental operational policies, procedures, guidelines, processes, etc. utilized and applicable to all county cities will apply to the new city.

Clerk of the Board

Pre-Incorporation

- Obtain copies of all franchise agreements applicable to the new city jurisdiction and submit to the County Executive Office. **The new city will become the successor in interest to the county.**
- Develop a methodology for identifying all franchise fee revenue that would normally transfer to the new city during the post-Incorporation transition period. Ensure the methodology only identifies that portion that should transfer to the new city.
- Establish a cost tracking matrix to collect all costs associated with providing any services (e.g. noticing, administering franchise fee revenue) that will be provided during the transition period.

Post-Incorporation

- Update the cost matrix as necessary.
- Develop a departmental revenue/cost accounting report of all services provided.
- Maintain contact with the service providers and identify the effective date of any franchise agreement(s) executed with the new city. **At the conclusion of the post-incorporation transition period, the new city may decide not to execute a franchise agreement with the current service provider(s).**

NOTE- The county and the new city may negotiate any services that will remain as “contracted” services with the county after the post-incorporation period. These contracts must be adopted and approved by the governing boards of both the county and the new city and may need the approval of the franchise agreement service provider.

NEW CITY SERVICE TRANSITION POLICIES AND PROCEDURES MANUAL

Community Health Agency

Animal Services Department

Pre-Incorporation

- Establish a revenue/cost tracking matrix to collect all revenues and costs associated with providing animal control and sheltering services to the new city. The matrix shall:
 - Identify personnel, operations, indirect, and maintenance costs.
 - Delineate methodology for pro-ration of costs for providing services into the new city.
 - Ensure service level is consistent with the existing service level identified in the Comprehensive Fiscal Analysis (CFA) utilized by LAFCO for the incorporation. If the service level has changed, quantify that change, and collect that added cost separately.
 - Delineate total fees received from within the new city's jurisdictional boundary.

Post-Incorporation

- Update matrix as necessary.
- Develop a final departmental revenue/cost accounting report of all services provided for determination of net costs of services to be recovered from the new city.

Environmental Health Department

Pre-Incorporation

- Obtain copies of all franchise agreements with waste hauler service providers applicable to the new city jurisdiction and submit to the County Executive Office. **The new city will become the successor in interest to the county.**
- Develop a methodology for identifying all franchise fee revenue that would normally transfer to the new city during the post-incorporation transition period. Ensure the methodology only identifies that portion that would transfer to the new city.
- Establish a cost tracking matrix to collect all costs associated with administering franchise fee revenue during the transition period.

Post-Incorporation

- Update matrix as necessary.
- Develop a final departmental revenue/cost accounting report of all services provided.
- Maintain contact with the service providers and identify the effective date of Franchise Agreement(s) executed with the new city. **At the conclusion of the post-incorporation transition period, the new city may decide not to execute a franchise agreement with the current service provider(s).**

NEW CITY SERVICE TRANSITION POLICIES AND PROCEDURES MANUAL

NOTE- The county and the new city may negotiate any services that will remain as “contracted” services with the county after the post-incorporation period. These contracts must be adopted and approved by the governing boards of both the county and the new city and may need the approval of the franchise agreement service provider.

Public Health Department

The new city has the option to continue the county Retail Tobacco License Program by passage of appropriate ordinances after incorporation. As this is a county program, there would be no revenue or service transfer responsibility.

Economic Development Agency

Pre-Incorporation

- Establish existing revenue/cost tracking matrix for any CSA, Landscape and/or Lighting Maintenance Districts (LLMD), or other Special Assessment Districts that will be detached and transferred to the new city under the Terms & Conditions of the LAFCO incorporation resolution. The matrix shall:
 - Describe briefly the CSA/LLMD/Special Assessment District- area covered (map), services provided, revenue sources, etc.
 - Delineate amounts and sources of all revenues received from within the new city jurisdiction applicable for the CSA.
 - Delineate all costs associated with providing services within the new city jurisdiction applicable for the CSA.
 - Determine & identify any pro-ration formula to be employed for any CSA that is being partially detached.
- Develop the new city's Special Assessment allocations for all Special Assessment Districts such as Landscape Maintenance Districts, Lighting Districts, and CSAs, etc., that will transfer to the new city.
- Establish a list of all local parks/trails/facilities that will transfer to the new city. **Do not include any park/trail/facility that is considered “regional” and managed by the Riverside County Park and Open-Space District.**
- Establish a revenue/cost tracking matrix to *collect all revenues* and costs associated with maintaining identified parks/trails/facilities. The matrix shall:
 - Identify personnel, operations, indirect, and maintenance costs.
 - Delineate methodology for pro-ration of costs for providing maintenance services.
 - Delineate total fees received from within the new city's jurisdictional boundary utilized for offsetting maintenance costs.
- Establish a list of all programs and recreational services that are currently provided to the new city's jurisdictional boundary for which the service responsibility will transfer to

NEW CITY SERVICE TRANSITION POLICIES AND PROCEDURES MANUAL

the new city. **Do not include programs that remain a required county provided program or service.**

- Establish a revenue/cost tracking matrix to collect all revenues and costs associated with providing the identified programs and recreational services to the new city. The matrix shall:
 - Identify personnel, operations, indirect, and maintenance costs.
 - Delineate methodology for pro-ration of costs for providing services into the new city.
 - Delineate total fees received from within the new city's jurisdictional boundary utilized for offsetting program/service costs.
- Determine any Redevelopment Project Area or Sub-Area partially or wholly encompassed within the new city jurisdictional boundary.
- Establish a status matrix for all projects planned or in progress within each Redevelopment Project Area/Sub-Area within the new city jurisdictional boundary. The matrix shall:
 - Describe briefly the project- location, type (project specific, routine request/study, etc.)
 - Delineate exact status of each project and identify any project that will not be complete prior to the end of the post-incorporation transition period.
 - Delineate and identify by type the total funds allocated for each project.
 - Delineate total costs anticipated for each project.
- Develop a matrix of any ongoing Economic Development Programs and the Graffiti Abatement Program sponsored by the county ongoing within the new city jurisdictional boundary. The matrix shall:
 - Describe briefly the program
 - Delineate by type the total funds allocated for each program for the post-incorporation transition period.
 - Delineate total costs anticipated for each program for the post-incorporation transition period.

Post-Incorporation

- Update established revenue/cost tracking matrix on a continuous basis.
- Coordinate with the new city staff and develop a transition plan for CSA activities.
- Transition all CSAs based on the agreed upon transition plan with all transition complete no later than the end of the post-incorporation transition period
- Determine any reserve Fund Balance for each CSA/LLMD/Special Assessment District that will transfer to the new city at the end of the post-incorporation transition period.
- Calculate the new city transition period CSA or Special Assessment District Special Assessments retained by the county for the new city jurisdiction.

NEW CITY SERVICE TRANSITION POLICIES AND PROCEDURES MANUAL

NOTE- These calculations of retained revenues will be utilized for credit against the costs of services provided to the new city during the transition period when calculating the county reimbursement.

- Calculate and coordinate the transfer of any Special Assessment revenue to be transferred during the transition period to the new city under the same process and timetable of existing county cities.
- Negotiate any necessary Redevelopment Project Area or Sub-Area tax sharing or cooperative planning agreements required.
- Provide the matrix for Economic Development Programs developed during the pre-incorporation transition period to the new city.
- Develop a final departmental revenue/cost accounting report of all services provided for determination of net costs of services to be recovered from the new city.

Fire Department

Pre-Incorporation

- Establish a cost tracking matrix to collect all costs that will be assigned to the new city under a contract basis for each fire station servicing the new city. The matrix shall:
 - Identify personnel, operations, indirect, and maintenance costs for each station.
 - Delineate methodology for pro-ration of costs for any station partially servicing the new city.
 - Ensure service level is consistent with the existing service level identified in the Comprehensive Fiscal Analysis utilized by LAFCO for the incorporation. If the service level has changed, quantify that change, and collect that added cost separately.
 - Identify any recurring revenues that may be applicable to fire stations serving the new city that would be included as a cost offset to the new city. (Note- Do not track Structural Fire Fund Property Tax)

Post-Incorporation

- Update matrix as necessary.
- Develop a final departmental revenue/cost accounting report of all services provided for determination of net costs of services to be recovered from the new city.

Flood Control and Water Conservation District

Pre-Incorporation

- Establish a list of all programs and services that are currently provided to the new city's jurisdictional boundary for which the service responsibility will transfer to the new city.

NEW CITY SERVICE TRANSITION POLICIES AND PROCEDURES MANUAL

Do not include programs/services that remain a required county provided program.

- Establish a cost tracking matrix to collect all revenues and costs associated with providing the identified programs and services to the new city. The matrix shall:
 - Identify personnel, operations, indirect, and maintenance costs.
 - Delineate methodology for pro-ration of costs for providing services into the new city.
 - Delineate total fees received from within the new city's jurisdictional boundary utilized for offsetting program/service costs.

Post-Incorporation

- Update matrix as necessary.
- Develop a final departmental revenue/cost accounting report of all services provided for determination of net costs of services to be recovered from the new city.

Registrar of Voters

Pre-Incorporation

- Establish a cost tracking matrix to collect all costs associated with the incorporation election.

Post-Incorporation

- Update matrix as necessary.
- Develop a final departmental revenue/cost accounting report of all services provided for determination of net costs of services to be recovered from the new city.

Sheriff's Department

Pre-Incorporation

- Establish a cost tracking matrix to collect all costs associated with providing law enforcement services to the new city. The matrix shall:
 - Identify personnel, operations, indirect, and maintenance costs.
 - Delineate methodology for pro-ration of costs for providing services into the new city.
 - Ensure service level is consistent with the existing service level identified in the Comprehensive Fiscal Analysis (CFA) utilized by LAFCO for the incorporation. If the service level has changed, quantify that change, and collect that added cost separately. (The existing service level can be based on a "sworn personnel per 1,000 population")

NEW CITY SERVICE TRANSITION POLICIES AND PROCEDURES MANUAL

- **NOTE: The CFA sworn personnel factor includes traffic enforcement estimated by the CHP**
- Establish a plan for providing traffic enforcement service during the post-incorporation transition period that will be reflective of the existing service level as estimated in the CFA.

Post-Incorporation

- Update matrix as necessary.
- Develop a final departmental revenue/cost accounting report of all services provided for determination of net costs of services to be recovered from the new city.

Waste Management Department

Pre-Incorporation

- Establish a list of all programs and services that are currently provided to the new city's jurisdictional boundary for which the service responsibility will transfer to the new city. **Do not include programs/services that remain a required county provided program.**
- Establish a cost tracking matrix to collect all revenues and costs associated with providing the identified programs and services to the new city. The matrix shall:
 - Identify personnel, operations, indirect, and maintenance costs.
 - Delineate methodology for pro-ration of costs for providing services into the new city.
 - Delineate total fees received from within the new city's jurisdictional boundary utilized for offsetting program/service costs.

Post-Incorporation

- Update matrix as necessary.
- Develop a final departmental revenue/cost accounting report of all services provided for determination of net costs of services to be recovered from the new city.

Office of the Treasurer-Tax Collector

Pre-Incorporation

- Coordinate with the Assessor's Office to obtain Assessor Parcel Number (APN) listing for the new city jurisdiction.

NOTE- LAFCO is responsible to file a "Statement of Boundary Change" with the State Board of Equalization (SBE), and the county Assessor & Auditor-Controller's Offices (Government Code Section 57204). The new city is responsible to ensure that the submittal is complete in all respects in accordance with Government Code Sections

NEW CITY SERVICE TRANSITION POLICIES AND PROCEDURES MANUAL

54900-54904, and to provide any additional information required by SBE for filings deemed incomplete.

- Develop a database that will segregate all revenues collected within the new city's boundary for the following revenues:
 - Transient Occupancy Tax
 - Other revenues (Identify)
- Establish the new city account in the county system as per normal procedure for all county cities.

Post-Incorporation

- Calculate the new city transition period allocations retained by the county for the new city jurisdiction for each of the following revenues:
 - Transient Occupancy Tax
 - Other revenues (Identify)
- Calculate and coordinate the transfer of any revenue to be transferred during the transition period to the new city under the same process and timetable of existing county cities.
- Develop a final departmental revenue/cost accounting report of all services provided for determination of net costs of services to be recovered from the new city.

NOTE: After the end of the transition period, all departmental operational policies, procedures, guidelines, processes, etc. utilized and applicable to all county cities will apply to the new city.

Transportation & Land Management Agency

Administration

Pre-Incorporation

- Develop GIS parcel map and case processing matrix for the new city boundary. The legal description and legal map adopted by LAFCO shall be utilized for this purpose.
- Update the population and housing unit information for the new city boundary for use by the various county agencies and departments as required for support of their revenue/cost estimates.
- Support each TLMA department in development of their respective project matrix and revenue/cost status reports.
- Develop a report of all county fees and mitigation fees, applicable to the new city jurisdiction.
- Develop a cost/revenue tracking system for providing general counter services and GIS database services for GIS services that may be requested by the new city.

NEW CITY SERVICE TRANSITION POLICIES AND PROCEDURES MANUAL

Post-Incorporation

- Assist TLMA departments establishing priorities for project case processing with new city staff ensuring priorities are defined and understood.
- Assist TLMA departments in coordination with the new city staff for development of the project transition plan for all projects
- Assist TLMA departments in implementing the agreed upon transition plan with all transition complete no later than the end of the post-incorporation transition period.
- Assist TLMA departments in development of their respective final departmental revenue/cost accounting report of all services provided for determination of net costs of services to be recovered from the new city.

Project/Fee/Deposit Transfer Process

1) For all projects in process in any TLMA department where the city desires to transfer prior to the end of the post-incorporation transition period, the City Manager shall make the request in writing for case or permit transfer. If the city does not require any further county reviews or clearances on that project, the project shall transfer in its entirety. For those projects that the city requests early and still requires county departments to comment and/or process clearances (conditions of approval), the case materials will transfer to the city, however, the deposit shall remain with the county unless negotiated otherwise. The city and county will then coordinate clearances until the project is finalized and can be closed in the county system.

2) For projects where a "fixed fee" has been collected, the balance of the fee shall be retained by the county.

3) For deposit based time and material projects the following shall apply-

- Any unused deposit balance shall be refunded to the applicant, and it will be the responsibility of the new city to collect any further deposits for that project.
- Any balance due on a deposit for expenditures exceeding deposits held shall be collected from the applicant prior to transfer of the project.

Each department shall coordinate a "cut off" strategy for project processing prior to end of post-incorporation transition period to ensure that all projects are transferred on time, unless negotiated separately with the new city.

Building and Safety

Pre-Incorporation

- Establish existing Building and Safety project case processing matrix for each individual project within the new city jurisdiction utilizing the TLMA case processing database. The matrix shall:
 - Describe briefly the project- location, commercial/residential, acres, # of units/sq. ft., etc.

NEW CITY SERVICE TRANSITION POLICIES AND PROCEDURES MANUAL

- Delineate exact status of each project
- Delineate deposit received for each project
- Prepare a status report of all projects that are in the permitting and/or inspection process that will not be completed and closed out prior to the effective date of incorporation
- Establish a data base specific to the new city boundary of all businesses registered under the county Business Registration Program. The database shall include:
 - Name and address of each registered business.
 - Current fee status of each registered business.

Post-Incorporation

- Update established project case processing tracking matrix on a continuous basis.
- Coordinate establishment of priorities for project case processing with new city staff ensuring priorities are defined and understood.
- Support all new city functions and meetings for all projects that are placed before the new city for jurisdictional action or approval.
- Coordinate with the new city staff and develop a project transition plan for all projects
- Transition all projects based on the agreed upon transition plan with all transition complete no later than the end of the post-incorporation transition period
- Update the Business Registration Program information and coordinate transition of the program to the new city.
- Develop a final departmental revenue/cost accounting report of all services provided for determination of net costs of services to be recovered from the new city.

Code Enforcement

Pre-Incorporation

- Establish existing Code Enforcement case processing matrix for each individual Code Enforcement case within the new city jurisdiction utilizing the TLMA case processing database. The matrix shall:
 - Describe briefly each case- location, commercial/residential, acres, # of units/sq. ft., etc.
 - Delineate exact status of each case project.
 - Delineate the violation for each case.
 - Delineate all Code Enforcement related activity requiring Planning department interface.
- Prepare a status report of all active cases that are in process with that will not be closed out prior to the effective date of incorporation.
- Prepare a report of all known closed out cases within the new city jurisdiction.

NEW CITY SERVICE TRANSITION POLICIES AND PROCEDURES MANUAL

- Identify any additional programs, such as community cleanups, etc., performed within the new city jurisdictional boundaries that will transfer to the new city.

Post-Incorporation

- Update established case processing tracking matrix on a continuous basis.
- Coordinate establishment of priorities for case processing with new city staff ensuring priorities are defined and understood.
- Support all new city functions and meetings for all cases that are placed before the new city for any required jurisdictional action.
- Coordinate with the new city staff and develop a project transition plan for all cases, and additional programs.
- Transition all cases and additional programs based on the agreed upon transition plan with all transition complete no later than the end of the post-incorporation transition period.
- Develop a final departmental revenue/cost accounting report of all services provided for determination of net costs of services to be recovered from the new city.

Environmental Programs

Pre-Incorporation

- Establish existing Environmental Programs review project case processing matrix for each individual project within the new city jurisdiction utilizing the TLMA case processing database. The matrix shall:
 - Describe briefly the project- location.
 - Delineate any non-recoverable cost projects in process
- Prepare a status report of all projects that will not be completed and closed out prior to the effective date of incorporation

Post-Incorporation

- Update established project case processing tracking matrix on a continuous basis.
- Coordinate establishment of priorities for project case processing with new city staff ensuring priorities are defined and understood.
- Support all new city functions and meetings for all projects that are placed before the new city for jurisdictional action or approval.
- Coordinate with the new city staff and develop a project transition plan for all projects
- Transition all projects based on the agreed upon transition plan with all transition complete no later than the end of the post-incorporation transition period.
- Develop a final departmental revenue/cost accounting report of all services provided for determination of net costs of services to be recovered from the new city.

NEW CITY SERVICE TRANSITION POLICIES AND PROCEDURES MANUAL

Planning

Pre-Incorporation

- Establish existing Planning project case processing matrix for each individual project within the new city jurisdiction utilizing the TLMA case processing database. The matrix shall:
 - Describe briefly the project- location, commercial/residential, acres, # of units/sq. ft., etc.
 - Delineate exact status of each project.
 - Delineate total fees received for each project.
 - Delineate any non-recoverable cost projects in process.
 - Delineate all Code Enforcement related activity requiring Planning department interface.
- Prepare a status report of all projects that are processed to the point pending action before either the Planning Commission or the Board of Supervisors that will not be acted upon prior to the effective date of incorporation

Post-Incorporation

- Update established project case processing tracking matrix on a continuous basis.
- Coordinate establishment of priorities for project case processing with new city staff ensuring priorities are defined and understood.
- Support all new city "planning agency" functions and meetings for all projects that are placed before the new city for jurisdictional action or approval.
- Coordinate with the new city staff and develop a project transition plan for all projects
- Transition all projects based on the agreed upon transition plan with all transition complete no later than the end of the post-incorporation transition period
- Develop a final departmental revenue/cost accounting report of all services provided for determination of net costs of services to be recovered from the new city.

Transportation

Pre-Incorporation

- Develop a report of all fees, competitive grants, and other revenues (excluding gasoline and non-competitive Measure A revenues) collected from internal and other agencies applicable to projects in progress or planned the new city jurisdiction. This report shall also include all fees associated with agencies outside of the county such as the RCTC, developer fees, etc.
- Establish existing status matrix of all road, drainage and traffic signal maintenance in progress or planned within the new city boundary after the effective date of incorporation. The matrix shall:
 - Describe briefly the project- location, type (road repair, slurry seal, overlay, striping, street sweeping, drainage/catch basin, signal, etc.)

NEW CITY SERVICE TRANSITION POLICIES AND PROCEDURES MANUAL

- Delineate exact status of each project
- Delineate and identify total fees/grants received for each project if any (excluding gasoline taxes and non-competitive Measure A funds)
- Delineate total costs anticipated for each project

- Establish existing status matrix for all traffic engineering projects in progress or planned within the new city boundary after the effective date of incorporation. The matrix shall:
 - Describe briefly the project- location, type (project specific, routine request/study, etc.)
 - Delineate exact status of each project
 - Delineate and identify total fees/grants received for each project if any (excluding gasoline taxes and non-competitive Measure A funds)
 - Delineate total costs anticipated for each project

- Prepare a status report of all major capital improvement transportation projects that are in process and will not complete prior to the effective date of incorporation.
 - Describe briefly the project- location, type (new construction, major reconstruction, bridges, etc.)
 - Delineate exact status of each project
 - Delineate and identify total fees/grants received for each project if any (excluding gasoline taxes and non-competitive Measure A funds)
 - Delineate total costs anticipated for each project

Post-Incorporation

- Coordinate all capital maintenance projects not started with the new city for prioritization and funding negotiations.
- Update established routine road maintenance and traffic engineering project matrices on a continuous basis.
- Coordinate establishment of priorities for all road maintenance and traffic engineering projects with new city staff ensuring priorities are defined and understood.
- Coordinate with the new city staff and develop a project transition plan for all projects
- Transition all projects based on the agreed upon transition plan with all transition complete no later than the end of the post-incorporation transition period
- Develop a final departmental revenue/cost accounting report of all services provided for determination of net costs of services to be recovered from the new city.

Agricultural Commissioner's Office

Pre-Incorporation

- Establish a list of all programs and services that are currently provided to the new city's jurisdictional boundary for which the service responsibility will transfer to the new city. **Do not include programs/services that remain a required county provided program.**

NEW CITY SERVICE TRANSITION POLICIES AND PROCEDURES MANUAL

- Services subject to transfer to a new city, dependent upon the new cities current land use designations and uses include:

Beekeeping (Apiary)	County Ordinance Number 551
Dust Permits (Western County)	County Ordinance Number 484
Ag Manure Application Registration	County Ordinance Number 427
Right to Farm	County Ordinance Number 625
Ag Grading Registration	County Ordinance Number 457
Ag Burn Permits	AQMD Rule Number 444

- Establish a cost tracking matrix to collect all revenues and costs associated with providing the identified programs and services to the new city. The matrix shall:
 - Identify personnel, operations, indirect, and maintenance costs.
 - Delineate methodology for pro-ration of costs for providing services into the new city.
 - Delineate total fees received from within the new city's jurisdictional boundary utilized for offsetting program/service costs.

Post-Incorporation

- Update matrix as necessary.
- Develop a final departmental revenue/cost accounting report of all services provided for determination of net costs of services to be recovered from the new city.

Regional Park and Open-Space District

- All Parks, open space and other facilities managed by the County Regional Park and Open-Space District are considered "regional" facilities and will not transfer to the new city. Therefore, there is no requirement to establish a revenue/cost tracking matrix for these facilities.
- Any transfer of any regional facility to the new city would be the subject of a separate negotiation independent of the transition.

County Executive Office

County Augmentation Policy/Process

- For incorporations whereby a county revenue augmentation to the new city is authorized in accordance with Board Policy A-46, the following shall apply:
 - Within 30 days after the effective date of incorporation of the city, the county shall pay the full amount of augmentation authorized for that fiscal year in which the incorporation occurs.
 - Prior to the first payment, the county shall ensure the newly city has completed an IRS W-9 form and submitted to the Auditor-Controller's Office.
 - Commencing in the following fiscal year, and for all subsequent fiscal years in which a county augmentation is authorized, the county shall pay that respective

NEW CITY SERVICE TRANSITION POLICIES AND PROCEDURES MANUAL

fiscal year augmentation prior to the end of that fiscal year, reduced by the amount of excess sales and use tax collected by the city during the prior fiscal year. The excess sales and use tax is determined from the projected baseline sales and use tax to be received by the city for each fiscal year as depicted in the Comprehensive Fiscal Analysis utilized by LAFCO for the city incorporation.

- o If the amount of excess sales and use tax collected within the city in the prior fiscal year is greater than or equal to the amount of county augmentation due for a given fiscal year, the county shall not pay the county augmentation that year.

Revenue Neutrality Policy/Process

For incorporations whereby a revenue neutrality payment from the new city to the county is required as a term and condition of the incorporation, such payments shall be made in accordance with the terms and conditions of the negotiated revenue neutrality agreement or LAFCO determination as applicable.

County Repayment Status to City

- Collect revenue and expense data and supporting documentation related to newly incorporated cities from all county departments. Submit a quarterly report with supporting documentation to the Auditor-Controller's Office for review and validation.
- The county shall provide a quarterly report to the new city on the status of the net cost of services being provided during the post-incorporation transition period.

Fines/Forfeitures Revenue

Pre-Incorporation

Contact Courts Services - Division of Information Technology and request that agency code(s) is established for fines and forfeitures collected on behalf of the city. Note: agency codes vary depending on whether Sheriff's services are contracted. Two codes may be necessary if the new city will not have an executed agreement with the county Sheriff's department within the first month of the incorporation effective date.

NOTE: These revenues will not be used as a revenue offset for transition costs. Fine and Forfeiture revenue will be sent directly to the city on a monthly basis once the agency code(s) have been established.

Franchise Agreements

- Obtain copies of all franchise agreements from the appropriate departments and submit to the city. **The new city will become the successor in interest to the county.**
- Provide a quarterly report of franchise agreement related revenues and expenses to the new city during the post-incorporation transition period.

Sales Tax Transition Period Revenue Offset

Establish a matrix segregating the estimated sales tax to be retained by the county from the new city jurisdictional boundaries during the post-incorporation transition period, and which

NEW CITY SERVICE TRANSITION POLICIES AND PROCEDURES MANUAL

will be applied as a revenue offset to the county transition period service costs. **NOTE: Generally, this retained sales tax will be one quarter assuming the new city makes appropriate timely filings with the State Board of Equalization.**

NPDES Administration

Establish a cost tracking matrix for identifying all administrative and permit fees applicable to the new city jurisdictional boundaries during the post-incorporation transition period. **NOTE: The costs for department level implementation and management of NPDES programs and BMPs are collected by the individual departments in TLMA.**

Community Facilities District (CFD) Management

- The county will continue the management and legislative/administrative oversight responsibilities for any CFD that is in existence on the effective date of incorporation. Transfer of this function to the new city would be subject to a separate negotiation.
- Any new CFD that is proposed during the post-incorporation transition period and thereafter will be the responsibility of the new city.

Developer Impact Fee (DIF) Revenue Transfer Policy

- All DIF revenue received prior to the effective date of incorporation will remain with the county for the designated purposes for which the fee was collected. DIF revenue collected during the post-incorporation transition period, prior to transfer of the collection process to the city, shall be identified and reported to the city. The city shall be responsible for adopting all necessary resolutions for implementation of the DIF program required to support county regional infrastructure initiatives.
- *The county shall execute a Memorandum of Understanding with the new city for the purpose of identifying the process and procedures by which DIF revenues are allocated for designated projects.*

Mobile Home Park and Rental Stabilization Registration and Fees

The new city has the option to provide mobile home rent stabilization protection to qualified residents by passage of the appropriate ordinance after incorporation. *Mobile home park owners collect an annual administrative fee from the affected residents, a portion of which is remitted to the director of the Mobile Home Rent Stabilization Ordinance. The director shall provide a list of those mobile home parks which are currently registered within the city jurisdiction.*

Outside Agencies/Joint Powers Authorities

Council of Governments (WRCOG & CVAG)

The new city will be responsible for initiating their representation with their respective area COG, and ensuring that they initiate all appropriate resolutions, ordinances, agreements and other legal documents necessary to maintain compliance with the COG's program and funding requirements.

NEW CITY SERVICE TRANSITION POLICIES AND PROCEDURES MANUAL

The county will be required to fund the new city's TUMF Fee annual dues for the post-incorporation transition period, and shall be reimbursed as part of the transition period reimbursement process.

Riverside County Habitat Conservation Agency (RCHCA)

The new city will be responsible for initiating their representation with the RCHCA, and ensuring that they initiate all appropriate resolutions, ordinances, agreements and other legal documents necessary to maintain compliance with the RCHCA program and funding requirements.

Western Riverside County Regional Conservation Authority (RCA)

A new city incorporated within the jurisdictional boundary of the RCA will be responsible for initiating their representation with the RCA, and ensuring that they initiate all appropriate resolutions, ordinances, agreements and other legal documents necessary to maintain compliance with the RCA program and funding requirements.

Riverside County Transportation Commission (RCTC)

The new city will be responsible for initiating their representation with the RCTC, and ensuring that they initiate all appropriate resolutions, ordinances, agreements and other legal documents necessary to maintain compliance with the RCTC transportation program and funding requirements.

Agency/Department Points of Contact

- The County Executive Office transition team will be responsible for developing and updating a list of contacts for the following agencies/departments:
 - Assessor/Clerk Recorder
 - Auditor-Controller's Office
 - Clerk of the Board
 - Community Health Agency – Animal Care Services
 - Community Health Agency – Environment Health
 - Community Health Agency – Public Health
 - Economic Development Agency
 - Fire Department
 - Flood control
 - Registrar of Voters
 - Sheriff
 - Waste Management
 - Office of the Treasurer-Tax Collector
 - Transportation & Land Management – Administration
 - Transportation & Land Management – Building and Safety
 - Transportation & Land Management – Code Enforcement
 - Transportation & Land Management – Environmental Programs
 - Transportation & Land Management – Planning
 - Transportation & Land Management – Transportation
 - Agriculture Commissioner

NEW CITY SERVICE TRANSITION POLICIES AND PROCEDURES MANUAL

- County Regional Park and Open-Space District
- Court Services – Division of Information Technology
- Executive Office – Sales Tax
- Executive Office – NPDES Administration
- Executive Office – Community Facilities District (CFD) Management
- Executive Office – Developer Impact Fee (DIF) Revenue
- Council of Governments (WRCOG & CVAG)
- Riverside county Habitat Conservation Agency (RCHCA)
- Western Riverside County Regional Conservation Authority (RCA)
- Riverside County Transportation Commission (RCTC)
- The new city's council-elect, city manager, city attorney, and finance director.