

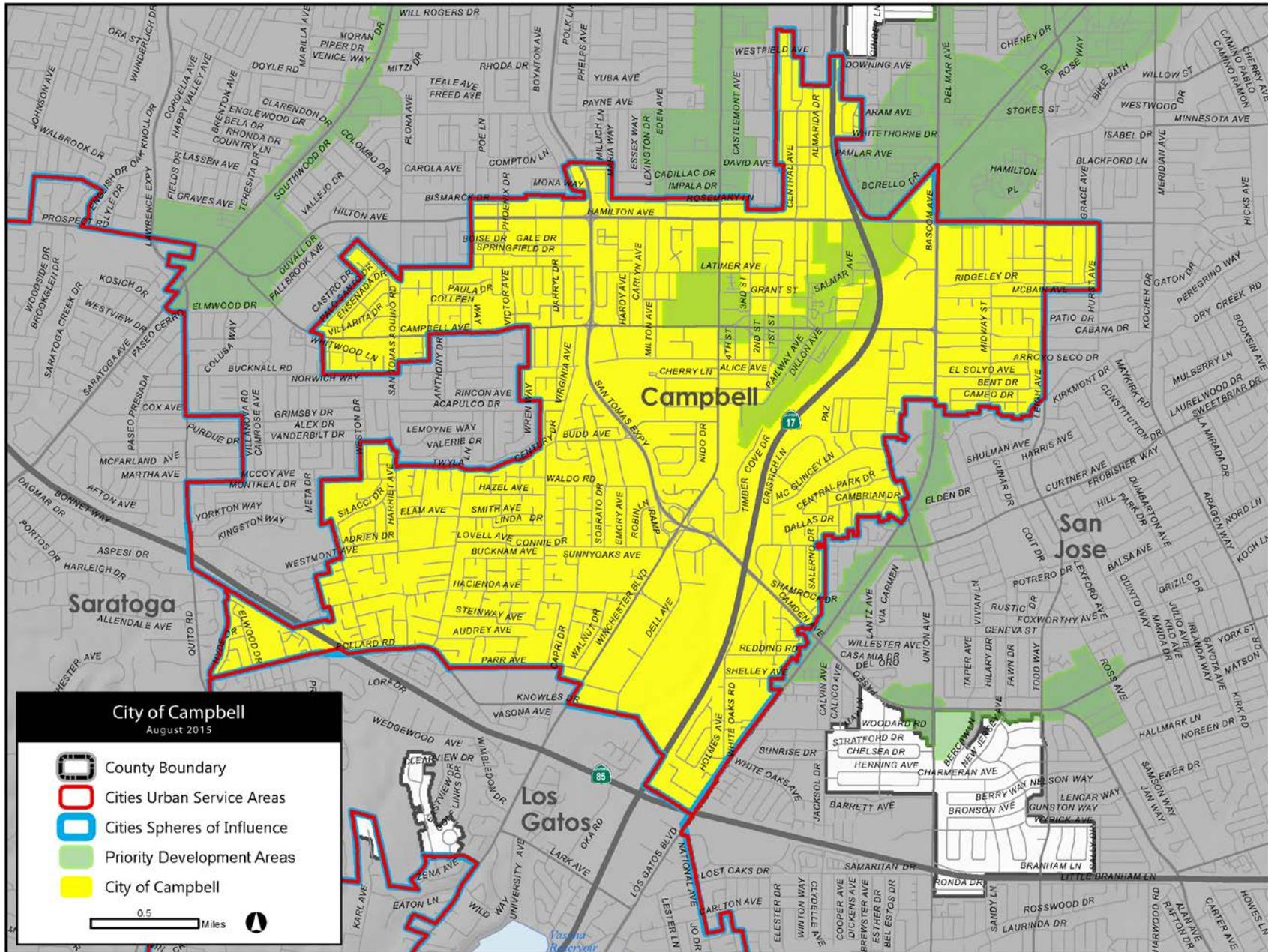
# City Profiles

## 3 City of Campbell

### 3.1 Agency Overview

The City of Campbell was incorporated in March 1952. According to the California Department of Finance's (DOF) 2015 estimates, the population of Campbell is 41,857. As of 2015, the City's incorporated area spans 6.09 square miles. Surrounded by the cities of Saratoga, Monte Sereno, San Jose and the Town of Los Gatos, the City of Campbell has a mix of both residential and commercial land uses. Campbell is part of a group of five jurisdictions that comprise the West Valley cities along with the cities of Cupertino, Monte Sereno, Saratoga and the Town of Los Gatos. As of 2015, Campbell's USA and its SOI are contiguous and encompass 6.09 square miles. These boundaries can be seen in Figure 9.

Figure 9. City of Campbell Existing Boundaries



### 3.1.1 City Staffing

In FY 2014, total City staffing included 203.4 full-time equivalent (FTE) employees. As shown in Table 9, the greatest number of FTEs is assigned to the public safety function.

Table 9. *City of Campbell Staffing in Top Four Functions*

City Staffing by Major Service Function	FY 2014 FTEs
Public Safety	69.0
Public Works	50.5
General Government	21.7
Community Development	11.5

Source: CAFR

### 3.1.2 Form of Government

Campbell is a general law city that operates under a council-manager form of government. The City Council consists of five members who are elected at-large. Council members serve four-year terms and select a mayor and vice mayor annually.

### 3.1.3 Joint Powers Authorities

The City of Campbell is a member of four joint powers authorities (JPAs), as shown in Table 10.

Table 10. *City of Campbell Joint Powers Authorities by Major Service Function*

Name of JPA	Major Service Function
Santa Clara County Library District	Library services
Silicon Valley Animal Control Authority	Animal control services
Silicon Valley Regional Interoperability Authority	Identify, coordinate, and implement public safety communications interoperability
West Valley Solid Waste Management Authority	Collection, disposal, recycling and landfill diversion of solid waste

Source: City website and City staff interviews

### 3.1.4 Awards and Recognition

The City of Campbell has been the recipient of several awards between 2010 and 2015, as shown in Table 11.

Table 11. *City of Campbell Recent Awards*

Name of Award	Issuer	Year(s) Received
Growing Smarter Together Award for Public-Private Partnership	ABAG	2014
Excellence in Budgeting	California Society of Municipal Finance Officers	2014

Name of Award	Issuer	Year(s) Received
Distinguished Budget Presentation Award	Government Finance Officers Association	2010-2014
Certificate of Achievement for Excellence in Financial Reporting	Government Finance Officers Association	2011-2013

Source: City of Campbell staff

## 3.2 Growth and Population

### 3.2.1 Growth and Population Projections

State law requires the Association of Bay Area Governments (ABAG) to prepare a “Sustainable Communities Strategy” (SCS) that considers how the region will accommodate projected growth over a long period while also reducing the region’s generation of greenhouse gases (GHGs) consistent with state goals for GHG reduction. “Plan Bay Area” is this region’s SCS, adopted by ABAG and the Metropolitan Transportation Commission (MTC) in July 2013.

The fundamental thrust of Plan Bay Area is to accommodate the majority of growth in Priority Development Areas (PDAs). PDAs include infill areas within a city, usually served by transit, such as historic downtowns and underutilized commercial strips. This approach is consistent with and supportive of LAFCO’s goals to encourage orderly boundaries, discourage urban sprawl, and preserve agricultural and open space lands. Plan Bay Area includes projections for the region’s population, housing and jobs growth within existing urbanized areas. These projections demonstrate that the region has the capacity to accommodate expected growth over the next 30 years without sprawling further into undeveloped land on the urban fringe.

Many Bay Area cities use ABAG’s projections as the basis for long-range planning. When ABAG prepared Plan Bay Area in 2013, it made projections for population and housing for 2015 for each city in the region. However, some cities believe that the state DOF estimates for population (based on information received on housing development and other current information) are more accurate. The City of Campbell uses the ABAG population projections for its long-term planning. ABAG’s projections for population, households (occupied housing units) and jobs are shown in Table 12.

Table 12. City of Campbell Population, Jobs and Housing Projections through 2040

	2010	2015	2020	2025	2030	2035	2040
<b>Population</b>	39,349	40,600	41,900	43,300	44,800	46,400	48,100
<b>Total Jobs</b>	27,320	29,410	31,690	32,400	33,120	34,110	35,170
<b>Total Households</b>	16,163	16,700	17,250	17,780	18,340	18,880	19,440

Source: 2010 population from US Census. ABAG data used for 2015 to 2040 projections.

### 3.2.2 Jobs and Housing

In 2015, according to ABAG estimates, the City has 29,410 jobs within the community and 21,770 employed residents. Within Campbell, there are 1.35 jobs for every employed resident. The U.S. Census American Community Survey 2013 estimates that Campbell has 16,616 housing units; when combined with ABAG's estimate of 29,410 jobs within the City, jobs and housing balance is 1.77.

State law requires that ABAG quantify and allocate housing needs to each jurisdiction within the Bay Area. In periodic updates to the general plan's Housing Element, each Bay Area jurisdiction must then demonstrate how it will meet that need over the next planning period. The current Housing Element update cycle is from 2015 to 2023.

As Table 13 shows, the number of owner-occupied single family housing units in Campbell is only slightly greater than the number of renter-occupied multi-family housing units. According to ABAG, between January 1, 2014 and October 31, 2022, the City of Campbell's assigned housing need is 933 units. In February 2015, Campbell adopted its 2015-2023 Housing Element, which demonstrates that it has sites and housing opportunities available to accommodate 1,161 units. This is 228 units more than its assigned regional share of 933 units. The City of Campbell's housing element was certified in June 2015 by the State of California's Housing and Community Development Department.

Table 13. *City of Campbell Housing Profile*

Housing Statistic	Number
<b>Number of total existing housing units</b>	16,616
Owner-occupied (SFR) housing units	8,339
Renter-occupied housing units	7,754
<b>Regional Housing Need Allocation (RHNA) by income category</b>	<b>2014 to 2022</b>
Above moderate	391
Moderate	151
Low	138
Very Low	253
<b>Total</b>	<b>933</b>

Sources: U.S. Census American Community Survey 2013 (number of total housing units); ABAG (housing needs)

### 3.2.3 Planning and Building

In calendar year (CY) 2014, Campbell issued a total of 842 residential and commercial building permits. Total building permit valuation in CY 2014 is estimated at \$44,943,489.

The City's total assessed valuation for FY 2014 is approximately \$7.2 billion. This represents a 12% increase from FY 2009.

### 3.2.4 Priority Development Areas

The City has one priority development area. This area, known as the Central Redevelopment Area, is approximately 195 acres and is categorized as a future transit-oriented neighborhood. This PDA encompasses the City's historic downtown and its three Valley Transportation Authority (VTA) light rail stations. The PDA's boundary is contiguous with the former redevelopment area boundary, and the City's plans for the PDA are detailed in the Downtown Mater Plan, East Campbell Avenue Area Plan, Winchester Boulevard Master Plan and Civic Center Master Plan.

### 3.2.5 Planning for an Aging Population

The City of Campbell has a robust program featuring fitness, wellness, and educational and cultural activities for adults 50 years of age or older. The City has partnerships with nonprofit and County agencies that focus on serving seniors and link to those groups via classes and drop-in programming at the Senior Center. The City's Senior Center offers seniors a wide array of classes and access to social and health services. In particular, City staff noted that the lunch program is very successful and attracts seniors from other cities. The Campbell City Manager serves on a countywide task force that explores the provision of services to older Americans. According to staff, the City Council has expressed an interest in identifying services for the baby boomer population beyond what is currently provided.

## 3.3 Boundaries, Islands, and Disadvantaged Unincorporated Communities

### 3.3.1 Planning Boundaries

The City of Campbell's USA, SOI and municipal boundaries are coterminous.

The City has no plans to amend its USA or SOI within the next five years. It is not currently providing services to the area outside of its city boundaries.

Campbell identified two areas where municipal boundary changes with San Jose may make sense. Staff identified two parks, Aquino Park and San Tomas Park, serving both cities where proximity to Campbell maintenance facilities would make it much easier for Campbell to maintain them. Campbell staff identified an area east of Highway 17 bounded by Tolworth Drive, Ravenscourt Avenue and Whitehall Avenue. The City felt that because of the separation of this area from the City by the freeway, this area could be potentially be better served by San Jose. Campbell also noted an area in San Jose to the west of Campbell bounded by Fenlan Drive, West Campbell Avenue, Abbey Lane, Wren Way, and the Los Gatos Creek that is surrounded by Campbell that could potentially be brought into Campbell. Campbell staff noted that as part of evaluating the cost of any changes to boundaries, it may be possible to consider trading off the costs of increased parks maintenance in exchange for San Jose providing park ranger assistance along Campbell's portion of the Los Gatos Trail that is affected by the homeless population. These ideas have been surfaced but not discussed in any detail with the City of San Jose, and would require discussion and negotiation (primarily regarding fiscal impacts) before serious consideration could be given to implementation.

### 3.3.2 Unincorporated Islands

No unincorporated islands exist within the City of Campbell's USA.

### 3.3.3 Disadvantaged Unincorporated Communities (DUCs)

No disadvantaged unincorporated communities were identified within the City of Campbell.

## 3.4 City Services

In Campbell, core municipal services are primarily delivered by City staff and JPAs. As noted earlier, Campbell is part of the West Valley cities group, which collaborates on many aspects of service delivery. Such collaboration is noted where applicable. The primary service provider for the major municipal services discussed in this report is summarized in Table 14.

Unless specifically noted, the City of Campbell did not anticipate difficulty in continuing to provide services or maintain infrastructure or facilities related to service delivery in the following areas.

Table 14. City of Campbell Service Delivery Model by Major Service Function

Major Service Function	Primary Service Provider	Non-City Service Provider, if applicable
<b>Animal Control</b>	JPA	Silicon Valley Animal Control Authority
<b>Law Enforcement</b>	City	
<b>Library</b>	JPA	Santa Clara County Library District
<b>Parks and Recreation</b>	City	
<b>Planning/Building</b>	City	
<b>Solid Waste</b>	JPA	West Valley Solid Waste Management Authority, which contracts with West Valley Collection and Recycling
<b>Streets</b>	City	
<b>Stormwater</b>	City	
<b>Utilities</b>		
<b>Electricity</b>	Franchise Agreement	Pacific Gas and Electric
<b>Gas</b>	Franchise Agreement	Pacific Gas and Electric
<b>Telephone, High-speed Internet</b>	Franchise Agreement	AT&T, Comcast ( <a href="#">State-Issued Franchise</a> )
<b>Wastewater</b>	Special District	West Valley Sanitation District

Source: City website and City staff interviews

Due to the Great Recession, in the past five years the City stopped providing some services that were not serving critical needs (e.g., street maintenance activities such as repainting street light poles). Recently some of the backlog of street maintenance services that were put on hold have resumed, such as crack sealing and restriping. The City has not started providing any new municipal services in the past five years. Given the expected population growth for the City of Campbell, City staff does not anticipate any difficulty providing municipal services to its community.

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A summary of key service level statistics is compiled as part of Attachment A to this report.

### **3.4.1 Animal Control**

The Silicon Valley Animal Control Authority is the service provider for animal control within the City of Campbell. In FY 2014 total City expenditures for this function were \$284,000. Service level statistics are included in Attachment A.

### **3.4.2 Law Enforcement**

The City of Campbell provides law enforcement and dispatch services within the City limits. In total, there are 42 sworn law enforcement officers. During FY 2014, there were 14,826 calls for service. Police response time for 95% of Priority One calls was five minutes. The City has not provided a target response time for Priority One calls.

In FY 2014, total City expenditures on this function were \$13,457,383. Approximately 33.7% of the City's General Fund is dedicated to law enforcement.

In addition to normal law enforcement services, the City of Campbell provides a Special Weapons and Tactics (SWAT) team specialized services. Other specialized services, such as helicopter, bomb squad, dive team, crowd control, and crime scene investigation are not provided.

### **3.4.3 Library**

The Santa Clara County Library District provides library services within the City of Campbell. There is one facility located within the City. Annual print circulation comes to 662,985 for print materials, and nearly 124,000 digital books are available for download to library patrons.

### **3.4.4 Lighting**

Lighting within the City is provided and maintained by the City. Some existing streetlights have been switched to LED. A summary of lighting infrastructure is provided in Attachment A.

### **3.4.5 Parks and Recreation**

The City is the primary service provider for parks and recreation. FY 2014 total expenditures for parks and recreation were \$7,190,382. The City has 12 parks and a total of 87 park acres. The City reports 2.1 park acres per 1,000 population, which falls below their goal of 3.0 park acres per 1,000 population.

The City operates one community center, one senior center, and one swimming pool. Campbell also partners with the City of Saratoga to provide some recreation programs. As discussed in section 3.3.1, a modification of Campbell and San Jose's boundaries may achieve greater service efficiency with regard to park maintenance and patrol.

### **3.4.6 Solid Waste**

The City of Campbell is a member of the West Valley Solid Waste Management Authority JPA. The authority arranges and manages collection, disposal, recycling, and landfill diversion of solid waste originating in the cities of Campbell, Monte Sereno, Saratoga, and the Town of Los Gatos. Through the

authority, solid waste services are contracted to a service provider (currently West Valley Collection and Recycling). In FY 2014, City expenditures for public solid waste services were \$774,500.

In CY 2013, Campbell disposed of 30,072 tons of solid waste. Campbell offers green waste and yard trimming disposal and recycling of mixed paper, bottles, cans and other recyclable materials. In 2013, the City's amount of pounds of solid waste disposed per person per day was 4.1 for its general population, meeting the state's goal for the community of 5.2 pounds. The pounds of solid waste per person per day for employees in the community was 7.0, meeting the state's goal for the community of 8.3 pounds. No solid waste disposal facility is located within Campbell, but West Valley Collection and Recycling may use any of the nine landfill transfer stations located within Santa Clara County.

### **3.4.7 Streets**

The City of Campbell maintains 227 lane miles, 96 center lane miles, and 85 sidewalk miles. The City expends approximately \$1.72 million annually on street-related expenditures. Street sweeping is provided by contract under a joint procurement with the Town of Los Gatos. The City did not indicate the number of street trees that it maintains. Tree maintenance is done through in-house staff with trimming work contracted.

The City's pavement condition index (PCI) is 74, which exceeds its PCI goal of 70.

### **3.4.8 Stormwater**

The City's stormwater system is jointly managed and maintained by the City's Public Works Department and West Valley Sanitation. Given the new regulations coming into effect, City staff noted concerns about unfunded state mandates related to stormwater. The concerns are about future costs to address the City's aging stormwater system and related system maintenance that has been deferred.

Maintenance of the stormwater system is partially funded by a stormwater maintenance fee added to residents' wastewater bills.

In addition, the City of Campbell is part of the West Valley Clean Water Program (WVCWP). Along with Monte Sereno, Los Gatos and Saratoga, the City of Campbell helped create WVCWP to control discharge of polluted stormwater into local creeks and the San Francisco Bay. Campbell participates in the Santa Clara Valley Urban Runoff Pollution Prevention Program (SCVURPPP) along with several other cities and the County to address water pollution on a regional basis (more information on SCVURPPP is included in the Shared Services chapter of this document). SCVURPPP members share a common National Pollutant Discharge Elimination System (NPDES) permit, allowing member agencies to discharge stormwater into the San Francisco Bay (see the Shared Services chapter for more information). The City reports that it is compliant with NPDES standards.

As part of WVCWP, West Valley cities, including Campbell, pay a fee to receive administrative guidance and implementation compliance with the regional NPDES requirements. Property owners within the West Valley Sanitation District, which includes Campbell, pay a surcharge to fund WVCWP. For residential properties, the fee is approximately \$20 per parcel. Fees for commercial properties vary depending on square footage. The fee is collected as part of the tax roll along with sewer service charges.

### 3.4.9 Utilities

Pacific Gas & Electric (PG&E) is the electricity and gas provider within Campbell. PG&E did not respond to requests to identify the total number of PG&E gas and electric meters in the City of Campbell. The City did not indicate concerns about PG&E's ability to serve Campbell's existing population or its future demand for energy and natural gas.

Telecommunications providers (telephone, high speed internet and land-based video/cable services) serving Campbell are AT&T and Comcast. Campbell indicated no concerns about the availability or reliability of telecommunications services, including high-speed internet.

### 3.4.10 Wastewater

The City of Campbell receives wastewater service from West Valley Sanitation District. The District has 158 miles of sewer within the City.

The District is responsible for all wastewater collection in Campbell's city limits. The District contracts with the San Jose-Santa Clara Regional Wastewater Facility for wastewater treatment and disposal. Sludge is treated and processed (converted to biosolids) and used as alternate daily cover for landfills. Recycled water is not available within the City.

## 3.5 Financial Information

The following section provides key financial data points related to Campbell's municipal operations based on the most recent audited financial statements available from FY 2014. Select information is provided from FY 2009 for trend and comparative information.

In FY 2014, Campbell's total citywide expenditures exceeded \$45.4 million. Approximately 80% (\$36.3 million) of these expenditures constituted General Fund expenditures.

### 3.5.1 Revenues and Expenditures

The City's primary source of revenue is sales tax. Sales tax revenue in Campbell in FY 2014 was significantly above pre-Great Recession levels. It increased by about \$3.5 million (36%). The City's property tax revenue, which now includes the excess property tax increment previously collected by the City's former redevelopment agency that was dissolved by the state in 2012, has increased by \$1.3 million (15%) during the same period (see Table 15).

Table 15. City of Campbell Tax Revenues

Tax Revenue Type	FY 2009	FY 2014
Sales Tax	\$9,625,398	\$13,115,263
Property Tax	\$8,926,242	\$10,237,769
Utility Users Tax	N/A	N/A

Source: CAFR

A summary of the City's General Fund revenues and expenditures is shown in Table 16.

Table 16. City of Campbell Major Sources of General Fund Revenue and Expenditures

	FY 2009	FY 2014
<b>Total General Fund Revenues</b>	\$32,073,104	\$41,330,586
<b>Total General Fund Expenditures</b>	\$32,530,373	\$36,292,461
<b>Top Four Sources of General Fund Revenues</b>		
<b>Sales and Use Tax</b>	\$9,625,398	\$13,115,263
<b>Property Taxes</b>	\$8,926,242	\$10,237,769
<b>Other Taxes</b>	\$4,090,894	\$7,561,182
<b>Charges for services</b>	\$3,345,513	\$3,522,570
<b>Top Four Sources of General Fund Expenditures</b>		
<b>Public Safety</b>	\$18,280,783	\$20,199,197
<b>General Government</b>	\$4,005,190	\$5,173,835
<b>Recreation</b>	\$4,807,544	\$4,983,642
<b>Public Works</b>	\$3,833,027	\$4,176,238

Source: CAFR

### 3.5.2 Debt

A summary of the City's obligations, debt, and liabilities is provided in Table 17.

Table 17. City of Campbell Obligations, Debt and Liabilities

Obligations, Debt and Liabilities	FY 2009	FY 2014
<b>General Bonded Debt</b>	\$0	\$0
<b>Ratio of Direct Debt (General Bonded Debt) to Net Assessed Valuation</b>	0.4%	0.3%
<b>Ratio of Combined Debt (Direct and Overlapping Debt) to Net Assessed Valuation</b>	2.5%	2.7%
<b>Unfunded pension liability</b>	\$2,332,797	\$19,292,423

Source: CAFR

### 3.5.3 Reserves

Campbell's unassigned General Fund reserve levels have increased by just over \$1 million since FY 2009. In 2009 the City assigned all of its General Fund reserves for various uses such as economic fluctuations, capital improvements, emergencies, and other uses. In 2014, all but \$1.1 million was assigned to these types of uses (see Table 18).

Table 18. City of Campbell Reserves

Line Item	FY 2009	FY 2014
<b>Unassigned General Fund Reserve Levels</b>	\$0	\$1,104,285
<b>Economic Uncertainty Reserve Fund (separate from General Fund Reserve)</b>	\$6,271,000	\$6,000,000

Source: CAFR

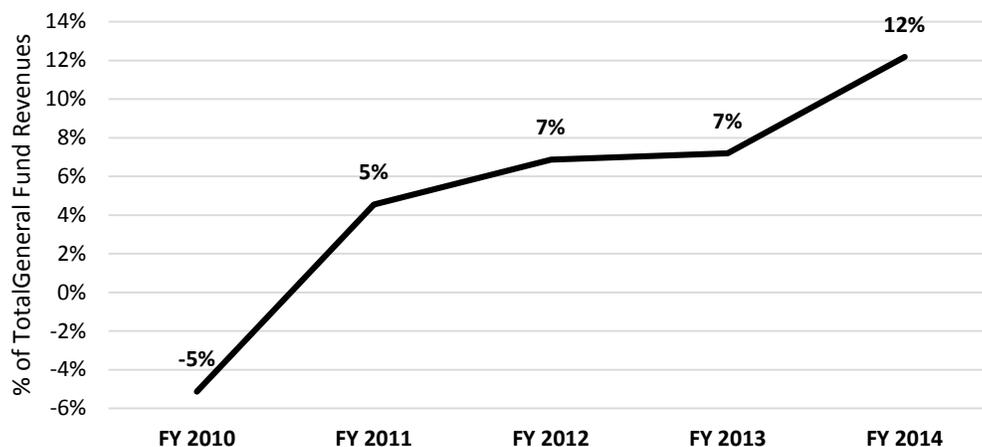
Not included in Table 18 are the City's total discretionary General Fund reserves, which have increased from \$22.9 million in FY 2009 to \$25.4 million in FY 2014.

### 3.5.4 Financial Health Indicators

By applying a combination of industry best practices and select indicators from the League of California Cities' Financial Health Diagnostic Tool, we are able to determine that the City of Campbell is in positive fiscal health. However, long-term fiscal sustainability is an issue being addressed by the City.

Over the past four years the City has reported annual operating surpluses in the General Fund. The trend of the City's General Fund deficit/surplus is shown in Figure 10. The City's General Fund operating surplus has increased by 17 percentage points since FY 2010; however those surpluses do not include transfers of nearly \$4 million annually to other funds for such things as debt service, capital project funding, and to reimburse other fund program expenditures.

Figure 10. City of Campbell Gross Annual General Fund Deficit/Surplus by year from FY 2010 to FY 2014



Source: CAFR

The City has budgeted an operating surplus in its General Fund for FY 2015, and has a five-year financial plan that provides for maintaining sufficient General Fund reserves during that period. Campbell has generally been conservative in its budget estimations, and actual performance typically exceeds budgeted forecasts.

Table 19 shows the City's General Fund Fiscal Indicators. Not included in the City's FY 2015 operational surplus/deficit are transfers from the General Fund of \$1.3 million to fund capital projects, which if recurring in nature, would impact the General Fund's long-term fiscal health. The City's liquidity ratio indicates the necessary cash to fund its liabilities. General Fund uncommitted reserves of 8.2% is below the Government Finance Officers Association recommended minimum reserve of 17% (or two months) of annual operating expenditures. However, the City has committed over \$10.1 million for economic fluctuations and emergencies that, if taken into account, would yield a reserve of 18.4%, above the Government Finance Officers Association (GFOA) recommended minimum reserve.

Table 19. City of Campbell General Fund Fiscal Indicators

Fiscal Year	Indicator	Value
FY 2015	Net Operating Deficit/Surplus	1.3%
FY 2014	Liquidity Ratio <sup>1</sup>	10.3
FY 2014	Fund Balance as percent of Expenditures <sup>2</sup>	8.2%

Source: CAFR, City Finance Staff

<sup>1</sup> Calculated by combining cash and short-term investments and then dividing by current liabilities

<sup>2</sup> Unreserved (unassigned and assigned) General Fund Reserves as a percent of annual operating expenditures

Campbell indicated that in light of its long-range revenue projections, the City started to take a closer look at its service delivery models to determine whether they can achieve and maintain fiscal sustainability over the long term at current service levels in light of the need for infrastructure investment in streets, parks, stormwater systems, and City facilities in the coming years.

### 3.5.5 Financial Reporting

The City's comprehensive annual financial report (CAFR) is prepared in a timely manner and audited by an independent certified public accountant (CPA) that issued an unqualified opinion on the CAFR (see Table 20).

Table 20. City of Campbell Financial Reporting

Financial Reporting Indicator	Status
Unqualified opinion from independent CPA	Yes
Publication of CAFR within six months of fiscal year	Yes

## 3.6 Service Review Determinations

LAFCO is required to prepare a written statement of determination with respect to six key areas as specified by Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. Using criteria described in section 2.4, the following determinations are provided for the City of Campbell.

### 1. GROWTH AND POPULATION PROJECTIONS

As of 2015, the City of Campbell serves 41,857 residents within its 6.09 square mile incorporated area. ABAG projects that the City's population will grow steadily by approximately 0.7% per year, leading to a population of 48,100 in 2040.

The City has no unincorporated islands.

The City has identified sufficient housing opportunities to meet its RHNA of 933 housing units between 2014 and 2022. The City is completely surrounded by other cities, so Campbell does not have the potential for growth beyond its existing USA. One PDA is planned within Campbell for infill development.

The City's most recent general plan was adopted in November 2001, but has updated various elements of the Plan over the years, including the Land Use and Transportation Element in 2014.

The City's existing boundaries accommodate the level of growth projected by ABAG in Plan Bay Area.

## **2. LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE SPHERE OF INFLUENCE**

No DUCs were identified within or contiguous to Campbell's SOI.

## **3. PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES, ADEQUACY OF PUBLIC SERVICES, AND INFRASTRUCTURE NEEDS OR DEFICIENCIES, INCLUDING THOSE RELATED TO SEWERS, WATER AND FIRE IN ANY DUCS WITHIN OR CONTIGUOUS TO THE SOI**

City staff noted that, given new regulations coming into effect, the City is concerned about unfunded state mandates related to stormwater infrastructure maintenance. As a result of these regulations, the City anticipates future costs to address its aging stormwater system and related deferred maintenance.

The City of Campbell does not anticipate obstacles to maintaining existing service levels or meeting infrastructure needs in the next five years, given the growth and population increases projected.

The City's number of park acres per 1,000 population of 2.14 is currently below the goal of 3.0 it has established.

## **4. FINANCIAL ABILITY OF AGENCY TO PROVIDE SERVICES**

Campbell's General Fund has consistently operated at a surplus over the past four years after an operating deficit reported in FY 2010. The City has a five-year financial plan that maintains a healthy level of General Fund reserves. Campbell's General Fund reserves of 8.2% is below the minimum reserve threshold of two months of operating expenditures (8%) as recommended by the GFOA, however the City has committed over \$10.1 million for economic fluctuations and emergencies that, if taken into account, would yield a reserve of 18.4%, above the GFOA recommended minimum reserve. In addition, the City's liquidity ratio of 10:1 indicates the necessary cash to fund its short-term obligations with sufficient cash flow.

Campbell indicated that in light of its long-range revenue projections, the City started to take a closer look at its service delivery models to determine whether they can achieve and maintain fiscal sustainability over the long term at current service levels in light of the need for infrastructure investment in streets, parks, stormwater systems, and City facilities in the coming years. Nevertheless, the City of Campbell has sufficient financial resources to accommodate infrastructure expansion, improvements or replacement based on the agency's current capital improvement plans.

The City prepared its CAFR in a timely manner, which was audited by an independent CPA with an unqualified opinion.

## 5. STATUS AND OPPORTUNITIES FOR SHARED FACILITIES

The City of Campbell is engaged in service sharing agreements as identified in Table 21 below.

Table 21. *Summary of Shared Services in the City of Campbell*

Service Area	Type of Sharing Arrangement	Partnering Entity
Animal Control	JPA	SVACA
Library Services	JPA	SCCLD
Law Enforcement – Radio Communications	JPA	SVRIA
Public Works – Equipment	Joint Use Agreement	Shared between Los Gatos, Campbell and Cupertino
Recreation	Contract	LGSRD
Solid Waste	JPA	WVSWMA
Stormwater	MOU	SCVURPPP

Further opportunities to share services were identified in the area of parks maintenance for certain park areas that are owned by the City of San Jose, as indicated in section 21.3.1.

## 6. ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES

Campbell provides comprehensive information about core municipal operations on its website, including public hearing notices, agendas, and minutes for the City Council and its various advisory commissions and committees; annual budget; CAFR; general plan; and various master plans.

Through the publication of these documents, the City of Campbell promotes accountability for its community service needs.

The City identified opportunities during this service review to include two parks that are currently within San Jose’s municipal boundary, Aquino Park and San Tomas Park, where proximity to Campbell maintenance facilities would make it much easier for Campbell to maintain. It further identified an area, as more fully described in section 3.3.1 above, within San Jose’s municipal boundary that is fully surrounded by Campbell that could potentially be brought into Campbell that could be better served by Campbell.

## 3.7 Sphere of Influence Recommendations and Determinations

### SOI BOUNDARY RECOMMENDATION

The City's existing SOI is coterminous with its boundary. The City of Campbell is bounded by the City of San Jose to the north, east and west; by the Town of Los Gatos to the south; and by the City of Saratoga to the southwest.

Since the existing Campbell SOI is coterminous with the City limits, fully bounded by other cities, and no further outward expansion is possible, it is recommended that LAFCO reaffirm the existing SOI for the City of Campbell.

The City identified opportunities during this service review to include two parks that are currently within San Jose's municipal boundary, Aquino Park and San Tomas Park, where proximity to Campbell maintenance facilities would make it much easier for Campbell to maintain. It further identified an isolated developed area (described in section 3.3.1 above) within San Jose's municipal boundary that is fully surrounded by Campbell that could potentially be brought into Campbell. These modifications would need to be considered at a later date pending discussions between the respective cities on those boundary modifications.

### SOI DETERMINATIONS FOR THE CITY OF CAMPBELL

Government Code §56425(e) requires written determinations with respect to the following four factors to update an agency's SOI. Based upon the information contained within Campbell's service review profile in this chapter, the following determinations are provided to update the City's existing SOI:

**1. The Present and Planned Land Uses in the Area, Including Agricultural and Open-Space Lands**

The Campbell SOI is coterminous with the boundaries of the City. Planned land uses in the City are consistent with existing land uses.

**2. The Present and Probable Need for Public Facilities and Services in the Area**

The type of public services and facilities required within Campbell's SOI boundary is not expected to change, although the level of demand will increase slightly.

**3. The Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide**

The present capacity of public facilities appears to be adequate. However, Campbell is still in the process of addressing the impacts that state mandates will have related to stormwater infrastructure maintenance on budgetary and operational resources, as indicated in the City's service review determination #3 above.

**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**

All communities of interest within the USA and City limit are included within the SOI.

**5. For Those Cities that Provide Public Facilities or Services Related to Sewers, Water or Fire Protection, the Present and Probable Need For Those Public Facilities and Services in Any DUCs within the Existing SOI**

Not applicable.