

## 8.0 CITY OF MONTE SERENO

The services that are evaluated in this service review include:

- Wastewater
- Solid Waste
- Parks and Recreation
- Storm Water Drainage
- Law Enforcement
- Library

### 8.1 CITY LOCATION

The City of Monte Sereno (City) is bounded on the north and east sides by the City of Los Gatos, on the west side by the City of Saratoga and on the southeast by unincorporated areas. The City encompasses an estimated 1.56-square-mile area that is dominated by suburban and rural residential development. A map showing the City's boundaries is located after Section 2.0 of this Service Review.

### 8.2 GOVERNANCE AND PUBLIC PARTICIPATION

The City of Monte Sereno is a General Law City incorporated in 1958, operating under the City Council-City Manager form of government. The City Council is comprised of five members who are elected "at large" in November of even-numbered years. Council members are elected to serve 4-year terms. City Council meetings are held the 1st and 3rd Tuesday of every month at 7:30 p.m. at City Hall. Agendas are posted the Friday before the meetings and can be accessed on the City's Web site (<http://www.montesereno.org/meetings.php>). The City also publishes a monthly newsletter.

The City has several boards and commissions, as listed below, which may provide recommendations on direction to the City Council:

- Site and Architecture Commission
- Cultural Commission
- Youth Commission

### 8.3 FINANCE

The City prepares an annual budget. Budget development begins in February with the preparation of budget instructions and goal-setting sessions by the City Council and City Manager. During March, the City departments prepare proposed budgets, which are then reviewed and revised by the Finance Division and City Manager. The proposed budget is then submitted to the City Council in May. Prior to June 30, the City Council holds public hearings on the budget and adopts the final budget by resolution.

The City’s revenue sources are largely from property taxes, franchise taxes, and investment earnings. Table 8.A provides a list of the citywide sources of funds and the citywide uses of funds for fiscal year (FY) 2004–2005.

**Table 8.A: City of Monte Sereno Sources and Uses of City Funds, FY 2004–2005**

<b>Sources of Funds</b>	
Property tax	55.9%
Sales tax	1.5%
Franchise tax	14.4%
Real property transfer tax	6.5%
Motor vehicle tax	4.3%
Unrestricted investment earnings	9.9%
Other revenue	7.5%
<b>Total General Revenues:</b>	<b>\$1,928,819</b>
<b>Uses of Funds</b>	
General Government	61%
Public Safety	29%
Public Works	9%
Facilities	1%
<b>Total Expenses</b>	<b>\$1,995,660</b>

Source: City of Monte Sereno Financial Statements for FY 2005

Per the City’s Financial Statements for FY 2005, the City’s expenditures from governmental activities slightly exceeded City revenues. In 2004, the City experienced a similar pattern in government expenditures exceeding revenues. Table 8.B provides a summary of revenues and expenditures for FY 2005 and 2004. The City has budgeted for revenues to equal expenditures for FY 2006–2007.

**Table 8.B: City of Monte Sereno Summary of Revenues and Expenditures**

<b>Fiscal Year</b>	<b>2006–2007 Proposed</b>	<b>2005 Actual</b>	<b>2004 Actual</b>
Revenues	\$1,782,938	\$1,928,819	\$1,716,426
Expenditures	\$1,782,938	\$1,995,660	\$1,765,194
<b>Net Difference (loss)</b>	<b>\$0</b>	<b>(\$66,841)</b>	<b>(\$48,768)</b>

Source: City of Monte Sereno Financial Statements for FY 2005

## **Reserves**

The City's General Fund Reserve Balance as of March 31, 2006, was \$4,501,003. It is the City's policy that funds in the reserve account be maintained at a level between two and six years of operating revenue. The Fund as of March 31, 2006 was equivalent to nearly three years of operating costs.

## **Investment Policy**

All cash assets of the City are invested under the "Prudent Man Rule" in accordance with the following criteria in order of priority:

- Safety of Principal
- Liquidity
- Rate of Return

## **Long-Term Debt**

The City's long-term debt liabilities consist solely of compensated absences in the amount of \$29,039.

## **Service Rates**

The City reviews its fee schedule for services annually with the budget. Adjustments are made to reflect actual costs to provide the service. The last amendment to the fee schedule was in 2004.

## **8.4 LAND USE AND PROJECTED GROWTH WITHIN THE CITY**

According to the City's General Plan, Monte Sereno is over 90 percent developed and has only a small amount of infill development possible. Due to this, a large majority of new development in the City would involve redevelopment or intensification of previously developed areas. The City does not have projections regarding the amount, type, and location of redevelopment. Therefore, it is difficult to detail what potential affects redevelopment/intensification could have on existing infrastructure.

The City does not have any adopted projections that would be different than those adopted by the Association of Bay Area Governments (ABAG). The existing approximate acreage of vacant land within the City's urban service area (USA) is 20 acres. The average rate of consumption of vacant land within the City is two parcels per year. Many of the remaining vacant sites within the City are located on unstable, steep slopes.

## **Unincorporated Pockets**

There are three unincorporated pockets within the City's USA. LAFCO has provided maps of the islands to the City and they are also available on the LAFCO Web site. As discussed in Section 1.2,

the County and LAFCO have adopted policies, which state that urban islands and pockets should be annexed.

## 8.5 WASTEWATER

The West Valley Sanitation District provides wastewater services in the City. The District's Service Area map can be found in Appendix D of this document. A full discussion of infrastructure and services that are provided by the District, including within the City, can be found in Section 22.0 of this service review.

## 8.6 SOLID WASTE SERVICES

Solid waste service is provided by the City via contract with West Valley Collection & Recycling (WVC&R), which is a joint venture between Green Team of San Jose and Green Waste. The solid waste that is collected within the City is hauled to the landfills listed below. Additional detail regarding these facilities can be found in Appendix A.

- Guadalupe Sanitary Landfill
- Newby Island Sanitary Landfill

According to the most recent information posted by the California Integrated Waste Management Board (CIWMB), the City disposed of 1,343 tons of solid waste in 2005. CIWMB shows that the 2005 solid waste disposal generation factor for the City is 1 pound per resident per day and 6.8 pounds per employee per day.

Diversion rates are defined as the percentage of total solid waste that a jurisdiction diverted from being disposed in landfills through reduction, reuse, recycling programs, and composting programs. The California Public Resources Code (PRC 41780) required all jurisdictions to achieve 50 percent solid waste diversion after 2000. Per the CIWMB, the City exceeded this goal and had a 78 percent diversion rate in 2004 and a 71 percent diversion rate in 2005.

As shown in Table 8.C, the City has varying rates for residential solid waste services, which are dependent on the type of residence (e.g., single-family, multifamily, low-income). Commercial rates are based on the larger refuse bin size and by number of pickups per week.

**Table 8.C: City of Monte Sereno Monthly Solid Waste Rates**

<b>Residential</b>	35-gallon	\$32.88
	65-gallon	\$45.77
	95-gallon	\$68.65
<b>Commercial</b>	West Valley Collection and Recycling	Dependent on size of bin and number of pickups per week

Source: City of Monte Sereno Finance Department, 2006

The City is an active member of the West Valley Solid Waste Management Authority, a joint powers authority comprised of Monte Sereno, the Town of Los Gatos and the cities of Saratoga and Campbell. The joint powers body contracts for solid waste collection, recycling, and disposal services that serve both residential and commercial customers.

## **8.7 PARKS AND RECREATION**

The City owns no public parks or facilities other than the City offices. Similarly, the City does not provide any recreation programs.

## **8.8 STORM WATER DRAINAGE**

The City owns storm drain culverts, inlets, and manholes that drain water from a number of streets.. The City does not own any impounded areas, treatment facilities, etc. Many streets in the City do not have piped storm drainage. There are also a number of both intermittent and constantly flowing creeks, the majority of which are owned by adjacent property owners, although the Santa Clara Valley Water District does own right-of-way that includes a creek.

There are a small number of locations where water stands for a while after seasonal rains, as well as locations where surface drainage has caused pavement deterioration. The condition of culverts and pipes is unknown; the West Valley Sanitation District is contracted to perform maintenance.

The City assesses infrastructure needs following a citizen complaint or a field condition assessment in which the City will determine which culverts need to be lined or replaced. The City has stated there are numerous substandard catch basins and drop inlets that should be upgraded. Infrastructure improvements are financed through the General Fund, and all significant property improvements as well as those adjacent to rights-of-way are conditioned to follow Municipal Code requirements to improve storm water drainage.

## **8.9 LAW ENFORCEMENT**

The City of Monte Sereno contracts with the Town of Los Gatos for all law enforcement services. The City contracts for the specific level of service that is desired. Please see Section 7.8, Law Enforcement Services, for a full description of law enforcement services provided to the City by the Los Gatos Police Department.

## **8.10 LIBRARY**

Library Services for the City are provided by Santa Clara County Library. The Saratoga Library serves the City and is located at 13650 Saratoga Avenue. Library services that are provided by the County Library System are detailed in the service review that has been completed for the South and Central Santa Clara County areas.

## **8.11 DETERMINATIONS FOR THE CITY OF MONTE SERENO**

The service review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 1985 (CKH Act). Based on the above information, following are the written determinations for the City.

### **Infrastructure Needs and Deficiencies**

1. The City owns no public facilities other than the City offices.
2. The City is in need of upgrades to the existing storm drainage infrastructure.
3. The Town of Los Gatos Council is currently exploring alternatives for moving the Los Gatos Police Department to an off-site facility or to retain it at its current location and rebuild it as part of an upgrade to the Town of Los Gatos' civic center complex, which would serve the City.

### **Growth and Population**

1. The City is over 90 percent developed and has only a small amount of infill development possible. Many of the remaining vacant sites within the City are located on unstable, steep slopes. Similarly, there is very little annexation potential because most of the City's SOI area is not developable.
2. The City has stated that its population projections are consistent with ABAG, which has a growth rate projection of 0.28 percent a year.

### **Financing Constraints and Opportunities**

1. The 2006-2007 Monte Sereno Budget states that the City is in sound financial condition. Therefore, the City would be able to provide for the improvements/maintenance that the City will require.

### **Cost Avoidance Opportunities**

1. The Los Gatos/Monte Sereno Police Department entered into an agreement with the City of Campbell Police Department to share resources for a combined SWAT team.

### **Opportunities for Rate Restructuring**

1. The City annually reviews the fee schedule. Adjustments are made to reflect actual costs to provide the service. The last amendment to the fee schedule was in 2004.

### **Opportunities for Shared Facilities**

1. Monte Sereno owns no public facilities other than the City offices. Therefore, there are no opportunities for shared facilities.

### **Government Structure Options**

1. LAFCO identified three unincorporated pockets within or adjacent to the City. In order to implement more efficient planning boundaries and take advantage of the current streamlined annexation opportunity, the City should consider pursuing annexation of the remaining unincorporated island areas.

### **Evaluation of Management Efficiencies**

1. The City's cooperative agreements with other agencies provide management efficiencies in the provision of services.

### **Local Accountability and Governance**

1. The City ensures that local accountability and governance standards are met by holding City meetings pursuant to the Brown Act.

## **8.12 SOI RECOMMENDATION FOR THE CITY OF MONTE SERENO**

### **Current SOI Boundary**

The City's existing SOI, which was adopted in April 1984, is coterminous with its City limits to the north, east, and west. The southwestern portion of the City's SOI includes unincorporated hillside territory located outside of the City's USA boundary. Some of this area sustains very-low density residential development, while some of this area is undeveloped, and has little or no roads or other infrastructure. There are also three unincorporated islands within the City's USA boundary. The boundaries of two of these unincorporated islands form the northwestern portion of the City's SOI boundary.

The City is bounded by the Town of Los Gatos to the north, east, and southeast; and by the City of Saratoga to the west. The City's 1984 SOI boundary includes lands that are planned for both urban uses, as well as, lands planned for very-low density residential uses and also includes areas in which the City and the County have shared interests in preserving non-urban land uses. Since 1984, there have been only very minor amendments to Monte Sereno's SOI boundary.

### **SOI Boundary Recommendation**

It is recommended that LAFCO re-affirm the City of Monte Sereno's existing SOI boundary because the City of Monte Sereno's SOI boundary serves multiple purposes including serving as:

- A long range planning tool to help LAFCO evaluate USA boundary changes and annexation requests.
- Areas that will not necessarily be annexed to the City of Monte Sereno or will not necessarily receive services from Monte Sereno, but are areas in which the County and Monte Sereno may have shared interests in preserving non-urban levels of land use. Specific examples include the foothills and ridgelines located southwest of the City. Furthermore, both the City and the County share a mutual interest in protecting view sheds and natural resources.
- Areas where Monte Sereno and the County have significant interaction. A specific example of such interaction includes areas where the City receives discretionary planning application referrals from the County.
- Areas that contain social or economic communities of interest to Monte Sereno, such as areas within the City's jurisdiction.

In making this recommendation, it should be made clear that inclusion of an area within the City's SOI boundary should not necessarily be seen as an indication that the City will either annex or allow urban development and services in the area. The City's USA boundary is the more critical factor considered by LAFCO and serves as the primary means of indicating whether the area will be annexed and provided urban services.

### **8.13 SOI DETERMINATIONS FOR THE CITY OF MONTE SERENO**

As detailed in Section 1.1, Government Code Section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based on the information above, 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**

Land outside of the City's USA boundary but within the City's SOI boundary is largely undeveloped and designated either park and open space or hillsides. The City does not intend to extend services to the SOI area and planned land uses within the SOI are the same as existing land uses.

According to the City's General Plan, Monte Sereno is over 90 percent developed and has very little infill development. However, there is currently 20 acres of vacant and underutilized land within the City's USA boundary. Due to this, there is some opportunity for future development on vacant land as well as redevelopment projects. The current and projected absorption rate of this vacant land is very low (i.e. less than 2 parcels per year). Many of the remaining vacant sites within the City are located on unstable and steep slopes. According to the City, it is unlikely that the USA boundary will be extended into the City's SOI because most of the lands are not developable. The City is almost entirely residential and planned land uses in the City are not expected to change.

**Finding:** Planned land uses within Monte Sereno's USA boundary are consistent with existing land uses. Both the County of Santa Clara and the City of Monte Sereno General Plans call for the continuation of non-urban uses beyond these boundaries.

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

Although, a majority of the City is developed, the City is expected to experience modest growth mostly through in-fill development, redevelopment of underdeveloped parcels, and very low-density residential development within the hillsides. Similarly, the need for a full range of public facilities and services is expected to grow modestly in the future. The portion of the City's SOI which is located beyond the City's USA boundary has limited development potential due to having steep slopes and limited infrastructure. Therefore, there is a low probable need for public facilities and services in this portion of the City's SOI boundary.

Finding: The type of public services and public facilities required within Monte Sereno's SOI boundary will not change, although the level of demand will increase modestly.

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

The properties within the City receive a full range of public services from the City, through the City's various contracts with public service providers. For the most part, the present capacity of public facilities appears to be adequate. However, some specific inadequacies were identified, including (1) the City's existing storm drainage infrastructure is in need of upgrades; and (2) the Town of Los Gatos' Police Department, which also serves Monte Sereno, needs additional space for employees. The City of Monte Sereno has stated that infrastructure improvements are financed through the General Fund and all significant property improvements as well as those adjacent to rights-of-way are conditioned to follow Municipal Code requirements to improve storm water drainage. Furthermore, the City of Los Gatos is nearing completion of a Civic Center Master Plan, which may address the Police Department's need for additional space.

Finding: The present capacity of public facilities and public services is generally adequate. However, improvements to storm water drainage are needed, and the City's police service provider (i.e. Los Gatos Police Department) needs additional space for employees.

## **4. Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines that they are Relevant to the Agency**

The City's USA boundary contains three unincorporated pocket areas that are developed with urban land uses. The Joint Urban Development Policies of the cities, the County, and LAFCO call for islands or pockets of unincorporated land to be annexed to the applicable city.

Additionally, Monte Sereno's SOI boundary includes unincorporated hillsides that contain very-low density residential development. Due to the location of this existing development, the residents of this area must utilize City streets to travel to and from their homes. Furthermore, development in the unincorporated hillsides is visible from many parts of the City.

Finding: There exist social and economic conditions that cause interaction and interdependence between the City of Monte Sereno and the areas within the City's SOI boundary.