
FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)
EXECUTIVE OFFICER'S REPORT

AGENDA ITEM No. 7

DATE: March 11, 2015

TO: Fresno Local Agency Formation Commission

FROM: David E. Fey, AICP, Executive Officer

SUBJECT: Municipal Service Review (MSR) Schedule

RECOMMENDATION: Receive and file.

Background

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH), Government Code §56301 states, "One of the objects of the commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities."

On November 5, 2014, the Commission approved a MSR program by employing a more deliberate and thorough approach for staff to continue forthcoming MSR updates. The new MSR guideline policies distinguish between local agencies by the nature of the service(s) they provide. First, the guidelines established two types of agencies: "Municipal Local Agencies" are cities and special districts that provide municipal services generally supportive of growth or are growth-inducing; and "Non-Municipal Local Agencies" whose services are neither supportive of growth nor are growth-inducing.

Second, in recognition of the variety of services and service levels that local agencies provide within Fresno County, the MSR guidelines policies introduced the three tier program to implement MSR updates:

- Level 1 MSRs provide a detailed review of cities and will evaluate all services provided by those agencies;
- Level 2 MSRs evaluates other municipal local agencies (special districts) that provide municipal services; these may be less detailed than Level 1;
- Level 3 MSRs examines non-municipal local agencies, that is, other special districts that do not provide municipal services; these MSRs may be less detailed than Level 2.

Third, the MSR introduced the use of a 20-year planning horizon to guide the Commission's determinations of a local agency's probable physical boundaries.

MSR Schedule

Based on these factors, staff has prepared a tentative MSR update schedule for fiscal years 2014-15 (current) through 2017-18 to implement the next generation of MSR updates by their

respective Levels 1, 2, and 3 (Attachment "A"). The MSR schedule anticipate participation of local agencies with the Commission's MSR program.

Level 1 MSRs will be prepared in conjunction with or prior to updating a city's SOI. Of the total 15 cities only three cities have a current MSR; staff is in the process of updating Cities of Fresno and Clovis' MSRs. Staff has tentatively scheduled five Level 1 MSR updates for FY 2015-16 and five for FY 2016-17. Although ten cities currently have MSRs that exceeds the five year review and update period, opportunity will be given to the cities to inform LAFCo if the agency anticipates any updates to their SOI. If a city does not anticipate a foreseeable SOI update, then staff will assume the MSR schedule reflects a reaffirmation of a city's current SOI. In the event that a city requests an SOI update that amends the MSR schedule, staff will inform the Commission of any changes to the MSR program schedule.

In preparation of the MSR schedule, update priority was given to local agencies identified in the Levels 2 and 3 tiers that have an MSR that exceeds the five-year review and update period. An expired MSR for an agency is one that exceeds the five year update period.¹ Local agencies identified under the Level 2 and 3 include the bulk of local agencies within Fresno County. Approximately 52, special districts identified as Municipal Local Agencies are identified in the Level 2 tier, while 67 Non-Municipal Local Agencies are identified in the Level 3 tier. Pursuant to the MSR guideline policies, these MSRs would generally require less detailed analysis and brought into compliance faster than compared to Level 1 MSRs. It is important to note that the Level 2 and 3 MSR will provide sufficient analysis to enable the Commission to make the necessary determinations pursuant to GC §56430.

The MSR schedule establishes a timeline for staff to engage local agencies to begin the MSR Update proceedings pursuant to Commissions Policy 107- Municipal Service Review Policy.

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¹ GC §56425(g), On or before January 1, 2008, and every five years thereafter, the Commission shall, as necessary, review and update each sphere of influence.