

RESOLUTION NO. _____

**A RESOLUTION OF THE FRESNO LOCAL AGENCY FORMATION COMMISSION
APPROVING THE FINAL BUDGET AND WORK PLAN FOR FISCAL YEAR 2020-21**

WHEREAS, the Fresno Local Agency Formation Commission is required by California State Government Code ("GC") section 56381 to adopt a proposed budget by May 1st and a final budget by June 15th of each fiscal year at noticed public hearings; and

WHEREAS, on May 13, 2020, the Commission considered its proposed LAFCo budget and draft work plan for fiscal year ("FY") 2020-21; and

WHEREAS, the Executive Officer prepared a final budget and work plan for FY 2020-21 and accompanying staff report, including recommendations, said budget and report having been mailed to and considered by the Commission pursuant to state law; and

WHEREAS, the Executive Officer distributed the final budget and work plan for FY 2020-21 to the Fresno County Board of Supervisors, the County Administrative Officer, each city, and each independent special district, as required by state law; and

WHEREAS, on June 10, 2020, the Commission held a public hearing to consider the final LAFCo budget and work plan for FY 2020-21, and at said hearing considered the Executive Officer's report and recommendations, all relevant factors, and heard all interested persons wishing to speak on the matter.

NOW, THEREFORE, BE IT RESOLVED that the Fresno Local Agency Formation Commission does hereby **DETERMINE AND ORDER** as follows:

The Commission approves the final LAFCo budget ("Exhibit A-1") and work plan ("Exhibit A-2") for FY 2020-21.

ADOPTED THIS 10th DAY OF JUNE 2020, BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

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STATE OF CALIFORNIA)
COUNTY OF FRESNO)

CERTIFICATION

I, David E. Fey, Executive Officer, Fresno Local Agency Formation Commission, hereby certify that the foregoing resolution was adopted by the Commission on the 10th day of June 2020.

David E. Fey, Executive Officer
Fresno Local Agency Formation Commission

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FINAL FRESNO LAFCo FY20-21 BUDGET SUMMARY				
Updated 5-21-2020				
REVENUE SUMMARY	Approved FY 19-20 Budget	Actual To Date	Estimate to Close FY 19-20	Proposed FY 20-21 Budget
ALLOCATION COUNTY	198,912	198,912	198,912	175,054
ALLOCATION CITIES	198,912	198,912	198,912	175,054
APPLICATION FEES	70,000	150,360	150,610	70,000
MISC. RECEIPTS	0	0	0	0
AUTH. FUND BALANCE CONTRIBUTION	120,155	0	10,113	182,250
Total	587,979	548,184	558,547	602,358
EXPENDITURE SUMMARY				
EXPENDITURE - OFFICE OPERATIONS	98,481	71,288	84,316	100,651
EXPENDITURE - PERSONNEL	413,623	339,520	415,307	436,056
EXPENDITURE - CONSULTING SERVICES	75,874	41,067	58,675	65,650
Total	587,979	451,875	558,297	602,358

FINAL FRESNO LAFCo FY20-21 BUDGET				
Updated 5-21-2020				
REVENUE - DESCRIPTION	Approved FY 19-20 Budget	Actual To Date	Estimate to Close FY 19-20	Proposed FY 20-21 Budget
ALLOCATION COUNTY	198,912	198,912	198,912	175,054
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MISC. RECEIPTS	0	0	0	0
AUTH. FUND BALANCE CONTRIBUTION	120,155	0	10,113	182,250
Total Revenue	587,979	548,184	558,297	602,358

FINAL FRESNO LAFCo FY20-21 BUDGET

Updated 5-21-2020

	Approved FY 19-20 Budget	Actual to date	Estimate to Close FY 19-20	Proposed FY 20-21 Budget
EXPENDITURE - OFFICE OPERATIONS				
Office Operations Expense	4,500	2,335	3,100	4,500
Office Lease	43,591	35,008	43,591	44,457
Liability Insurance	13,000	13,330	13,300	13,500
Copier Maintenance-Equipment	500	621	650	600
Postage	3,000	1,086	2,000	1,500
Publication & Legal Notices	2,500	1,576	2,500	2,500
Postage Equipment Rental	360	84	100	360
Staff Mileage	700	532	700	700
Commission Hearing Expenses	6,929	2,339	4,000	7,061
Commission and Staff Education/Training	11,232	5,206	5,206	11,974
Contingency Fund Expenses	3,000	0	0	3,000
Professional Memberships	9,169	9,169	9,169	10,500
Total Office Operations	98,481	71,288	84,316	100,651

FINAL FRESNO LAFCo FY20-21 BUDGET

Updated 5-21-2020

	Approved FY 19-20 Budget	Actual To Date	Estimate to Close FY 19-20	Proposed FY 20-21 Budget
EXPENDITURE - CONSULTING SERVICES				
Payroll Services	2,200	1,426	2,000	2,200
Independent Financial Audit	10,000	8,901	8,901	5,000
Bookkeeping Service	2,200	1,506	2,000	2,200
Fr Co Accounting/Auditor/Controller	3,000	321	2,000	2,000
Fr Co Assessor/Recorder	5,000	3,375	4,000	3,500
LAFCo Counsel	20,000	5,718	10,000	20,000
Fr Co Elections	250	0	250	250
Fr Co Env Health	2,500	1,760	1,550	2,000
Fr Co PeopleSoft Financial Charges	500	181	250	500
Fr Co Data Processing Charges	27,724	17,881	27,724	28,000
Total Consultant Expenses	75,874	41,067	58,675	65,650

EXPENDITURE - PERSONNEL	Approved FY 19-20 Budget	Actual to Date	Estimate to Close FY 19-20	Proposed FY 20-21 Budget
Executive Officer				
Salary	126,788	107,282	126,788	133,127
Car Allowance	6,000	7,000	8,000	8,000
Worker's Comp	600	433	600	500
Unemployment Insurance	200	203	200	224
Retirement Contribution	12,679	10,515	12,679	13,313
SS & Medicare	10,143	8,040	10,143	10,184
Health Insurance Contribution	8,257	6,952	8,257	8,909
Life Insurance/Disability	120	103	120	130
Subtotal	164,786	140,528	166,786	174,386
Clerk to the Commission				
Salary	49,152	41,469	49,152	51,610
Workers Comp Contribution	492	148	175	175
Unemployment Insurance	250	200	250	224
Retirement Contribution	4,915	4,076	4,915	5,161
SS & Medicare	3,932	2,287	3,932	3,947
Health Insurance Contribution	12,000	9,693	12,000	11,899
Life Insurance/Disability	100	54	100	75
Subtotal	70,841	57,926	70,524	73,090
Senior LAFCo Analyst				
Salary	70,798	59,906	70,798	74,340
Workers Comp Contribution	275	266	275	275
Unemployment Insurance	250	230	250	224
Retirement Contribution	7,080	5,872	7,080	7,434
SS & Medicare	5,664	4,583	5,664	5,689
Health Insurance Contribution	0	0	0	0
Life & Disability Insurance	100	54	100	75
Subtotal	84,167	70,910	84,167	88,037

EXPENDITURE - PERSONNEL	Approved FY 19-20 Budget	Actual to Date	Estimate to Close FY 19-20	Proposed FY 20-21 Budget
LAFCo Analyst II				
Salary	53,014	44,858	53,014	55,668
Overtime	500	0	500	500
Workers Comp Contribution	176	135	176	175
Unemployment Insurance	150	223	150	224
Retirement Contribution	5,301	4,418	5,301	5,567
SS & Medicare	4,241	3,265	4,241	4,258
Health Insurance Contribution	8,257	6,952	8,257	8,909
Life & Disability Insurance	75	54	75	75
Subtotal	71,714	59,904	71,714	75,376
Intern				
Salary	19,968	9,258	19,968	19,968
Workers Comp Contribution	200	73	200	75
Unemployment Insurance	350	212	350	500
Retirement Contribution	0	0	0	0
SS & medicare	1,597	708	1,597	1,527
Health Insurance Contribution	0	0	0	0
Life and Disability Ins.	0	0	0	0
Subtotal	22,115	10,252	22,115	22,070
Bookkeeper				
Salary				2,520
Workers Comp Contribution				25
Unemployment Insurance				350
Retirement Contribution				0
SS & medicare				202
Health Insurance Contribution				0
Life and Disability Ins.				0
subtotal				3,097
Total Personnel	413,623	339,520	415,307	436,056

Final FY 2020-2021 Work Program
June 10, 2020

Based on the Commission's March 2019 discussion, 'core services' are noted.

1. PROCESS APPLICATIONS: REORGANIZATIONS, SOI AMENDMENTS, ETC.

Application processing is a *core service* in that staff evaluates applications for consistency with CKH and adopted policies to promote orderly growth. The Commission, in taking action on an application, will be balancing the proposal with its other interests.

In the event of a conflict of staff resources between application and programmatic activities application processing will take priority.

2. CONTINUE FRESNO LAFCO'S MUNICIPAL SERVICE REVIEW PROGRAM

The MSR program is a *core service* in that it is the foundation for the update of a sphere of influence. A MSR is the analysis of the service or services to be provided by a local agency and consists of a written conclusions, or "determinations" based on evidence collected by LAFCo. MSRs conclude with recommendations based on this body of evidence that encourage order, logic, and efficient service delivery by local agencies.

First priority MSRs are those held over from FY 2019-20:

- Coalinga-Huron Mosquito Abatement District
- Consolidated Mosquito Abatement District
- Fresno Mosquito and Vector Control District
- Central Valley Pest Control District
- West Fresno County Red Scale Protective District
- Tri-County Hospital (formerly Kingsburg Hospital District)

Second priority MSRs, as resources are available, are the California Water Districts with 2007 MSRs:

- Broadview Water District
- Farmers Water District
- Fresno Slough Water District
- International Water District
- Westlands Water District
- Liberty Water District

Third priority are the irrigation districts with 2007 MSRs

- Consolidated Irrigation District
- Fresno Irrigation District
- Hills Valley Irrigation District
- James Irrigation District
- Riverdale Irrigation District

- Tranquillity Irrigation District
- Laguna Irrigation District

Fourth priority MSR are for other Special Districts with 2007 MSRs

- Malaga County Water District
- Big Creek CSD
- Del Rey CSD
- Lanare CSD
- Lower San Joaquin Levee District
- Westside RCD

3. PROGRAMMATIC SUPPORT OF CITIES' SPHERES OF INFLUENCE

Commissioners will recall that the SOI is a "plan for the probable physical boundaries and service area of a local agency, as determined by the commission." This programmatic activity is a *core service* as it supports cities' implementation of the SOI determined by the Commission.

Based on staff's experiences this fiscal year with the Cities' of Huron and Reedley MSRs, as well as consultation with other cities regarding their SOIs, staff proposes a more focused and extensive outreach to each of the 15 cities as follows:

- *Phase I: Information gathering and assessment.*
LAFCo staff will establish the acreage of land within each city's SOI that remains to be annexed; identify islands and peninsulas; identify potential land use conflicts that may result in irregular boundaries; and the city's respective growth rates to estimate when that city will likely seek an amendment of its SOI. This information will be provided to the cities for their review and comment.
- *Phase II: Outreach*
If a city expresses an interest in staging its resources for an update of its SOI, staff will coordinate with city staff for additional outreach including presentations to city councils, planning commission's or other organizations in support and preparation of the SOI amendment.
- *Phase III: Preparation for MSR*
Staff will work with city managers on anticipated SOI amendments to facilitate MSR update process and orient these managers on the information that is necessary for a MSR and how to best organize these data for efficient and timely analysis.

4. CONTINUE SUPPORT TO LOCAL AGENCIES AND THE PUBLIC

This is a *core service*. LAFCo exercises a unique authority over the growth and services of local agencies; so unique, in fact, that unless local agency staff are continuously engaged in annexations, SOI updates, or other LAFCo activities, the skill sets, and experiences learned are quickly replaced with other more pressing matters. It is clear to LAFCo staff that in order for the 15 cities and 112 special districts in Fresno County to interact effectively and efficiently with LAFCo it is necessary to be available to provide information, context, regulatory guidance, and other supporting services throughout the year.

BACKGROUND ON FRESNO LAFCO'S WORK PLAN

Fresno LAFCo's Financial and Accounting Procedures specify that before July 1, the LAFCo Executive Officer shall prepare for the Commission's review and approval of an annual work plan. The work plan is prepared in conjunction with the annual budget. The work plan identifies the purposes and plans of state law and local policy, including requirements for service reviews, sphere of influence updates, and other mandated functions. The budget supports the work program.

This work plan reflects the Fresno LAFCo's Policies and Procedures and the current and the dynamic needs of the local agencies in Fresno County. The work plan is composed of projects to be undertaken directly by LAFCo staff during the year.

The work plan is developed to advance the goals and mission of Fresno LAFCo, consistent with state law.

I. SCOPE OF WORK PLAN

The scope of the work plan is consistent with the legislature's findings and declarations:

- It is the policy of the state to encourage orderly growth and development, which are essential to the social, fiscal, and economic well-being of the state.
- The logical formation and determination of local agency boundaries is an important factor in promoting orderly development and in balancing that development with sometimes competing state interests of discouraging urban sprawl, preserving open-space and prime agricultural lands, and efficiently extending government services.
- Providing housing for persons and families of all incomes is an important factor in promoting orderly development.
- This policy should be effected by the logical formation and modification of the boundaries of local agencies, with a preference granted to accommodating additional growth within, or through the expansion of, the boundaries of those local agencies which can best accommodate and provide necessary governmental services and housing for persons and families of all incomes in the most efficient manner feasible.
- The Legislature also finds that, whether governmental services are proposed to be provided by a single-purpose agency, several agencies, or a multipurpose agency, responsibility should be given to the agency or agencies that can best provide government services.

II. PROJECTS OF THE WORK PLAN

The projects are identified to address important issues identified by the Commission in its initial Policies, Standards, and Procedures Document, adopted in 1986 or as revised. Fresno LAFCo identified the following list of problems and needs locally, which pertain to the Commission's responsibilities, and developed policies, standards and procedures in this

document in order to help resolve the problems and meet needs within the Commission's jurisdiction:

1. Proliferation of overlapping and competing local agencies.
2. Need for more cooperation/coordination among local agencies.
3. Inadequate level or range of services in county/community.
4. Inadequate revenue base or adverse fiscal impacts for local agencies.
5. Illogical, gerrymandered agency boundaries, islands, surrounded areas.
6. Illogical agency service areas.
7. Conflicts between urban and rural/agricultural land uses.
8. Premature proposals and lack of development proposals.
9. Phasing of agency expansion/growth.
10. Determining environmental effects of proposals.
11. Determining consistency with city or county general plans.
12. Urban sprawl and leapfrog urban development.
13. Guiding urban growth away from prime agricultural lands.
14. Defining agricultural lands and open space lands.
15. Opposition of proposals by residents and popularity of proposals by landowners/developers.
16. Provision of adequate noticing of LAFCO hearing and conducting authority hearing.

On February 18, 2015, the following Special District issues were presented to the Commission:

1. No adopted annual budget, by-laws, or procedures.
2. No services.
3. District board nonfeasance.
4. Special district is the subject of a Grand Jury reports.
5. Lack of staff or staff lacks technological/managerial/financial (T/M/F) expertise.
6. Board members fulfill both policy and operational functions.
7. Lack of coordination of similar services between and among different special districts.
8. Lack of transparency and/or Brown Act compliance.
9. Changing demographics, antiquated mission.
10. The special district does not cooperate with LAFCo on the MSR.

Other special district issues have since emerged:

11. The district board frequently lacks a quorum.
12. Board members lack technical, managerial, and/or financial expertise.
13. Board members continue to serve after terms expire (though frequently permitted by the district's principal act).
14. District does not file annual financial statements with County Auditor Controller Treasurer Tax Collector.

III. WORK PLAN CONFORMITY WITH FRESNO LAFCo GOALS

The work plan is refined annually to conform to Commission's adopted goals:

1. Encouraging orderly formation and development of agencies;

2. Encouraging consistency with spheres of influence and recommended reorganization of agencies;
3. Encouraging orderly urban development and preservation of open space patterns;
4. Encouraging conservation of prime agricultural lands and open space areas;
5. Providing public access to the Commission via the internet; and
6. LAFCo disadvantaged communities' policy.

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