

AGENDA

FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)

March 13, 2024 – 1:30 P.M.

Hall of Records, Room 301, 2281 Tulare Street, Fresno, California

COMMISSION MEMBERS

Gary Yep, Chair
Buddy Mendes, Chair Pro Tem
Nathan Magsig
Daniel Parra
Mario Santoyo

ALTERNATE MEMBERS

Michael Lopez
Scott Robertson
Vacant

LAFCO STAFF

Brian Spaunhurst, Executive Officer
Amanda Olivas, Clerk to the Commission
Jessica Gibson, LAFCo Analyst
Juan Lara, LAFCo Analyst
Jessica Johnson, LAFCo Counsel

LAFCo Office: 1401 Fulton Street, Suite 900, Fresno, CA - 93721 - (559) 600-0604
Staff reports prepared for each item listed in this agenda may be viewed at www.fresnolafco.org.

1. **Call to Order and Roll Call**
2. **Pledge of Allegiance**
3. **Comments from the Public:** Any person wishing to address the Commission on a subject not listed on the agenda may do so at this time. (State your name and address and please keep your comments to three (3) minutes.)
4. **Potential Conflict of Interest:** Any Commission member who has a potential conflict of interest shall now identify the item and recuse themselves from discussing and voting on the matter pursuant to Govt. Code sec 84308.

CONSENT AGENDA

All consent agenda items are considered routine in nature and will be enacted by one motion; there will be no individual discussion of these items unless requested by a member of the Commission or the public. Any item pulled from the consent agenda for discussion will be set aside until after approval of the consent agenda. Prior to taking any action the public will be given the opportunity to comment on any consent item. The consent agenda will be considered on or about 1:30 p.m.

5. **Recommendation:** Approve 5A-5C by taking the following actions:
 - A. **Consider Approval:** Minutes from the LAFCo meeting of January 10, 2024.
 - B. **Consider Approval:** Authorize the Chair to sign letters of support for AB 3277 (ad valorem taxes) and SB 1209 (Indemnification proposal).

C. Consider Approval: City of Selma “DeWolf-Floral Reorganization.” A proposed reorganization consisting of the detachment of approximately 33 acres from the Fresno County Fire Protection District, the Kings River Conservation District, and the Consolidated Irrigation District and annexation of this territory to the City of Selma and the Selma-Kingsburg-Fowler County Sanitation District, said territory being located east of DeWolf Avenue, north of Floral Avenue and west of SR 99. (LAFCo File No. RO-23-05)

REGULAR AGENDA ITEMS

- 6. **Consider Approval:** Request by the City of Fresno to waive the application fees for Extension of Services Request OS-24-02.
- 7. **Workshop:** Preliminary Budget and Work Plan for FY 24-25.
- 8. **Executive Officer Comments**
- 9. **Commission Comments/ Reports**
- 10. **Adjournment**

THE NEXT LAFCO MEETING will be held on April 12, 2024, at 1:30 p.m. in the Board of Supervisors’ Chamber – Hall of Records, Room 301, Fresno, California.

PLEASE NOTE:

(1) If you are an applicant for, or a participant in, any proceeding on the agenda for a **land use entitlement** and have made **campaign contributions** totaling more than \$250.00 to any member or alternative member of the Commission **within twelve (12) months prior to the Commission considering your application**, please immediately inform the Commission of your contribution. State law **disqualifies** each Commissioner and alternative Commissioner from participating in and voting on land use entitlement decisions (which include changes of organization and reorganizations) if the Commissioner or alternative Commissioner has received campaign contributions from (i) an applicant for a land use entitlement, (ii) someone who lobbies the Commission or LAFCo staff regarding an application for land use entitlement, (iii) someone who testifies in person before the Commission regarding an application for land use entitlement, or (iv) someone who otherwise acts to influence the outcome of an application for land use entitlement. State law also prohibits applicants and participants from making campaign contributions totaling more than \$250.00 to a Commissioner or alternate Commissioner during the time of the proceeding is pending before the Commission and for twelve (12) months **after** the Commission’s final action. If you have any questions regarding these requirements (which are contained in the **California Political Reform Act** Government Code Section 84308 *et seq.*), please feel free to contact LAFCo staff at (559) 600-0604.

(2) In compliance with the Americans with Disabilities Act (**ADA**), if you need special assistance to participate at this meeting, please contact Ms. Amanda Olivas, Clerk to the Commission at 559-600-0604. Notification provided a minimum of 48 hours prior to the meeting will enable the Clerk to make reasonable arrangements to ensure accessibility to this meeting. Pursuant to the ADA, the meeting room is accessible to the physically disabled.



Fresno Local Agency Formation Commission
1401 Fulton Street, Suite 900, Fresno, CA 93721, (559) 600-0604

CONSENT AGENDA ITEM NO. 5A

FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)

MEETING MINUTES

January 10, 2024

Members Present: Commissioners Magsig, Mendes, Santoyo, Yep

Members Absent: Commissioners Parra

Staff Present: Brian Spaunhurst, LAFCo Executive Officer
Amanda Olivas, Clerk to the Commission
Jessica Gibson, LAFCo Analyst
Juan Lara, LAFCo Analyst
Jessica S. Johnson, LAFCo Counsel

1. Call to Order and Roll Call

Chair Yep called the meeting to order at 1:30 p.m.

2. Pledge of Allegiance

Commissioner Magsig led the Pledge of Allegiance.

3. Comments from the Public

There were no comments from the public.

4. Potential Conflicts of Interest

There were no conflicts of interest.

CONSENT AGENDA

5. A. Minutes from the LAFCo Meeting of December 13, 2023.

B. Contract with Sampson, Sampson & Patterson, LLP to perform LAFCo's Biennial Financial Audit for FY 2021-2022.

Motion: Approve Item 5A-5B

Moved: Commissioner Mendes

Second: Commissioner Santoyo

Ayes: Commissioners Mendes, Santoyo, Magsig, Yep

Absent: Commissioner Parra

Passed: 4-0-1-0

REGULAR AGENDA ITEMS

6. A Request by the City of Fresno to Waive the Application Fees for the Proposed Ashlan-Hayes No. 2, 3, & 4 Change of Organization Application.

Motion: Approve Item 6

Moved: Commissioner Magsig

Second: Commissioner Mendes

Ayes: Commissioners Magsig, Mendes, Santoyo, Yep

Noes: 0

Absent: Commissioner Parra

Passed: 4-0-1-0

7. Workshop: Mid-Year Budget and Work Program Status for FY 2023-2024.

This is a workshop; no action is needed.

8. Executive Officer Comments.

LAFCo Executive Officer Brian Spaunhurst provided comments.

9. Commission Comments/Reports.

No Commission Comments.

10. Adjournment

Moved: Commissioner Mendes

Second: Commissioner Santoyo

The meeting adjourned at 1:59 p.m.

Amanda Olivas
Clerk to the Commission

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

CONSENT AGENDA ITEM NO. 5-B

DATE: March 13, 2024

TO: Fresno Local Agency Formation Commission

FROM: Brian Spaunhurst, Executive Officer *BS*

SUBJECT: **Consider Legislative Action:** Authorize the Chair to sign letters of support for AB 3277 (ad valorem taxes) and SB 1209 (Indemnification proposal).

Recommendation: Authorize Chair to sign letters of support and direct staff to submit to the Assembly, Senate, Governor, as well as CALAFCO for their use.

CALAFCO Executive Director Rene' LaRoche has requested LAFCos statewide to consider sending letters of support for two CALAFCO sponsored bills.

The first bill is AB 3277 (ad valorem taxes). This bill will add language that clarifies that the performance of a financial analysis for the formation of a district is only required where a portion of the ad valorem property taxes is being sought.

The recommended letter of support for AB 3277 is attached as Attachment "A."

The second bill is SB 1209 (Indemnification proposal). This bill will add a new section into Government Code authorizing LAFCOs to enter into an indemnification agreement with an applicant. Counties and cities are already empowered to require indemnification, and routinely do so with respect to discretionary land-use approvals. SB 1209 would merely provide LAFCOs with the same authority.

The recommended letter of support for SB 1209 is attached as Attachment "B."

Individuals and Agencies Receiving this Report

- Jessica S. Johnson, LAFCo Counsel



Fresno Local Agency Formation Commission

March 13, 2024

Honorable Juan Carrillo, Chair
Assembly Local Government Committee
1020 N St.
Rm. 157
Sacramento, CA 95814

RE: SUPPORT of AB 3277, Local agency formation commission: districts: property tax

Dear Senator Carillo,

The Fresno Local Agency Formation Commission (LAFCo) is pleased to **Support Assembly Bill 3277**, sponsored by the California Association of Local Agency Formation Commissions (CALAFCO), which makes a clarifying change to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the Act).

Under existing statute, a commission must perform a financial analysis of ad valorem property taxes when a proposal is received that includes the incorporation of a city and the formation of a district. The only purpose of the analysis is to determine how best to apportion the property taxes between the agencies. However, occasionally, an application is received in which the district waives any portion of the ad valorem taxes. In those situations, no analysis is needed for the process, yet it remains required by statute.

This bill will add language that clarifies that the performance of the financial analysis in that situation only needs to be performed in those instances where a portion of the ad valorem property taxes is being sought.

By making this minor change, **AB 3277** will apply this time-consuming process only to those applications that require it.

For the reasons noted above, Fresno LAFCO **Supports AB 3277**.

Please do not hesitate to reach out with questions or concerns about our position.

Yours sincerely,

Gary Yep
Fresno LAFCo Chairman

cc: Members and Consultants, Assembly Local Government Committee
William Weber, Consultant, Assembly Republican Caucus
René LaRoche, Executive Director, CALAFCO



Fresno Local Agency Formation Commission

March 13, 2024

Honorable David Cortese
California State Senate
1021 O Street, Suite 6630
Sacramento, CA 95814

RE: *SB 1209 (Cortese): Local agency formation commission: indemnification – SUPPORT
Awaiting hearing – Senate Local Government Committee*

Dear Senator Cortese:

The Fresno Local Agency Formation Commission (LAFCO) is pleased to support Senate Bill 1209, sponsored by the California Association of Local Agency Formation Commissions (CALAFCO). SB 1209 would add a new section into Government Code authorizing LAFCOs to enter into an indemnification agreement with an applicant. Counties and cities are already empowered to require indemnification, and routinely do so with respect to discretionary land-use approvals. SB 1209 would merely provide LAFCOs with the same authority.

This bill addresses a 2022 decision of the Second District Court of Appeals, which found that existing State law does not provide explicit authority to require indemnification. Absent indemnification authority - and because LAFCO funding is statutorily required in a specified ratio from the county, cities, and special districts within a county - the costs to defend litigation must be absorbed by all of LAFCO's funding agencies.

Consequently, **SB 1209** will:

- Provide LAFCOs with the ability to use a tool already in use by counties and cities;
- Prevent costs to defend litigation from being shifted to a county, its cities, and its special districts; and
- Remove the possibility that an applicant threatens litigation to coerce a desirable LAFCO determination.

Thus, for the above reasons, Fresno LAFCO is in strong **support of SB 1209**.

Sincerely,

Gary Yep
Fresno LAFCo Chairman

cc: The Honorable Maria Elena Durazo, Chair, and Members, Senate Local Government Committee
Anton Favorini-Csorba, Chief Consultant, Senate Local Government Committee
Ryan Eisberg, Consultant, Senate Republican Caucus
Rene' LaRoche, Executive Director, California Association of Local Agency Formation Commissions

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

CONSENT AGENDA ITEM NO. 5-C

DATE: March 13, 2024

TO: Fresno Local Agency Formation Commission

FROM: Brian Spaunhurst, Executive Officer *BS*

BY: Juan Lara, LAFCo Analyst III

SUBJECT: Consider Approval - City of Selma "DeWolf-Floral Reorganization." A proposed reorganization consisting of the detachment of approximately 33 acres from the Fresno County Fire Protection District, the Kings River Conservation District, and the Consolidated Irrigation District and annexation of this territory to the City of Selma and the Selma-Kingsburg-Fowler County Sanitation District, said territory being located east of DeWolf Avenue, north of Floral Avenue and west of SR 99. (LAFCo File No. RO-23-05)

Applicant: City of Selma

Landowners/Parties of Real Interest (100% Consent): City of Selma, Selma Development Partners LLC.

(This proposed reorganization has been placed on the consent agenda without notice pursuant to Govt. Code sec. 56662(a) because the territory is uninhabited, no affected local agency has submitted a written demand for notice and hearing, and all property owners have consented in writing to the annexation.)

RECOMMENDATION: Approve by Taking the Following Actions:

Action 1:

- A. Acting as Responsible Agency pursuant to California Environmental Quality Act ("CEQA") Guidelines, find that prior to approving the proposed reorganization, the environmental effects of the Proposal as shown in the CEQA documents prepared, adopted, and submitted by the Lead Agency, were reviewed and considered, and determine these documents to be adequate pursuant to CEQA Guidelines section 15096.

Action 2:

- B. Find that the proposed reorganization is consistent with LAFCo Policies and the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH").

- C. Find pursuant to CKH and information in the record that:
 - a. The territory is uninhabited; and
 - b. All landowners and affected agencies have consented to the reorganization.
- D. Assign the distinctive short form designation “DeWolf-Floral Reorganization” and approve the reorganization subject to the following conditions of approval:
 - a. Pursuant to Fresno LAFCo Policy 108-07, the Executive Officer shall record the approved application if all conditions have been satisfied and once he or she has determined that the facts pertaining to the application during the time of recording are materially similar to those facts considered by the Commission when the application was approved. Facts, as used in the proceeding sentence, is defined to include, but is not limited to, whether or not the proposed project is materially similar to the project described in any application before the Commission.
 - b. Ownership of land permitting, the annexation shall include the full-width right-of-way along Floral Avenue along the annexation boundary and all additional full width of right of way to the east in order to ensure all existing city road improvements are contained within Selma’s city limits.
 - c. Required fees shall be paid to the Selma-Kingsburg-Fowler County Sanitation District in accordance with District regulations. The City of Selma shall submit satisfactory verification to the Executive Officer that said fees have been paid prior to the completion of the reorganization.
 - d. Submit a revised Map and Legal Description adequate to file with the State Board of Equalization.
- E. Waive further Conducting Authority Proceedings and order the reorganization subject to the requirements of CKH.

Executive Summary

On September 18, 2023, the City of Selma adopted Resolution No. 2023-88R requesting the Commission to begin proceedings for the “DeWolf-Floral Reorganization” to detach approximately 33 acres from the Fresno County Fire Protection District, the Kings River Conservation District, and the Consolidated Irrigation District and annex it to the City of Selma and the Selma-Kingsburg-Fowler County Sanitation District.

Proposal/Land Use

- The proposal consists of the detachment of approximately 33 acres from the Fresno County Fire Protection District, the Kings River Conservation District, and the Consolidated Irrigation District and annexation to the City of Selma and the Selma-Kingsburg-Fowler County Sanitation District.

- Information related to the proposals affected territory, land use, proposed development, special districts, surrounding areas, and existing/proposed services can be found on **(Attachment A)**.
- The affected territory is within the City of Selma sphere of influence **(Attachment B)** and is contiguous to the Selma city limits **(Attachment C)**.
- The affected territory is within the Selma-Kingsburg-Fowler County Sanitation District sphere of influence and is contiguous to the district service area **(Attachment D)**.
- The proposal is currently zoned AE-20 (Exclusive Agricultural) and has been rezoned to the Selma C-R (Regional Commercial) zone district by Resolution No. 2023-88R.
- The territory is uninhabited.
- The proposal is consistent with the Selma General Plan Land Use Plan.

Consistency with LAFCo Policies, Standards, and Procedures

- The County has determined that the proposal is consistent with the Memorandum of Understanding (Master Tax Sharing Agreement) and the Standards for Annexation between the City of Selma and County of Fresno.
- The proposal is subject to the 10-year property tax allocation agreement between the City of Selma and the Fresno County Fire Protection District set to expire on July 21, 2024.
- The proposal is consistent with the CKH and LAFCo Policies, Standards, and Procedures, including, but not limited to, sections 100 and 200.
- All properties within the proposal have been rezoned to the Selma C-R (Regional Commercial) district by Resolution No. 2023-88R.
- The City of Selma is within the Central Kings GSA and has a Groundwater Recharge Plan in place.

Revenue & Tax Code

Fresno County has determined that proposed DeWolf-Floral Reorganization involving the annexation of approximately 33 acres is consistent with the with the Standards of Annexation of the Amended and Restated Memorandum of Understanding (Master Tax Sharing Agreement) between the City of Selma and County of Fresno, therefore, no further tax negotiations are necessary pursuant to Revenue and Tax Code section 99b.

Relationship to Regional Housing Goals and Policies

The proposed project is within an area planned for commercial uses. No housing opportunities will be lost as the project is consistent with the Selma General Plan.

Sustainable Groundwater Management Act

California’s Sustainable Groundwater Management Act (“SGMA”) was signed into law by former Governor Edmund G. Brown Jr. on September 16, 2014. This three-part legislation requires local agencies to develop groundwater sustainability plans that are compatible with

their regional economic and environmental needs. SGMA creates a framework for sustainable local groundwater management for the first time in California’s history.

SGMA requires local agencies to form Groundwater Sustainability Agencies (“GSAs”) in local groundwater basins by June 2017 and requires the adoption of Groundwater Sustainability Plans (“GSPs”) for groundwater basins deemed high priority by year 2020. The Central Kings GSA will represent the City of Selma.

Environmental Determination

The City of Selma, acting as “Lead Agency” under CEQA, adopted an Addendum to the Selma Grove Project EIR for the DeWolf-Floral Reorganization filed with the Fresno County Clerk’s office on September 21, 2023, Document No. E200910000294, consistent with the requirements of CEQA.

As “Responsible Agency”, the Commission is required to review and consider the City’s environmental documents prior to taking its action. If the Commission determines that these documents are adequate, pursuant to CEQA, it may make the required findings provided under “Recommendations” above.

Pursuant to CEQA Guidelines section 15096(i), if the Commission determines that these documents are adequate, a Notice of Determination will be prepared and filed with the County of Fresno Clerk’s office in compliance with section 21152 of the Public Resources Code.

Costs and Other Changes Affecting Residents or Landowners

None reported by the City of Selma staff.

Agencies and Individuals Submitting Comments

- Paul Nerland, Fresno County Administrative Officer
- Cesar Gonzalez, IT Analyst, Fresno County Elections Department
- Bryant Vandervelde, Supervising Cadastral Tech, Fresno County Assessor’s Office
- Kevin Tsuda, Environmental Health Specialist II, Environmental Health Division
- Phillip G. Desatoff, General Manager, Consolidated Irrigation District
- Yvette Alves, Executive Assistant, Business & Supports Service, Selma Unified School District

Territory Boundaries

The boundaries of the proposed annexation **are not** definite and certain, and the County Assessor has determined that the map and legal description **are not adequate** to file with the State Board of Equalization.

Registered Voter Data

The County of Fresno Elections Office reported that there were **zero** registered voters in the affected territory.

Compliance with the Requirements of CEQA

Lead Agency: City of Selma

Level of Analysis: Addendum

Finding: Addendum to EIR (See Environmental Documents at www.fresnolafco.org under the Hearing and Workshops tab in the March 13, 2023, file).

Individuals and Agencies Receiving this Report

- LAFCo Counsel
- Bernard Jimenez, Planning and Resources Management Officer
- Kings River Conservation District
- Fresno County Fire Protection District
- Consolidated Irrigation District
- Selma-Kingsburg-Fowler County Sanitation District
- Trevor Sterns, Contract Senior Planner, City of Selma

Attachment A

PROPOSAL INFORMATION

1. Affected Territory

Acreage:	33
Current Land Use:	AE-20 (Exclusive Agricultural)
Number of Residences/ Population:	Residents: 0/ Population: 0 estimated
Registered Voters:	Voters: 0
Assessor Parcel Number(s):	348-191-07S,348-191-11S,348-191-10S

2. Proposed Development The affected territory will be developed with 620,000 sq feet of commercial uses.

3. Surrounding Territory – Commercial to the north and east, Agricultural to south and west

4. Existing Service Agencies and Proposed Service Changes

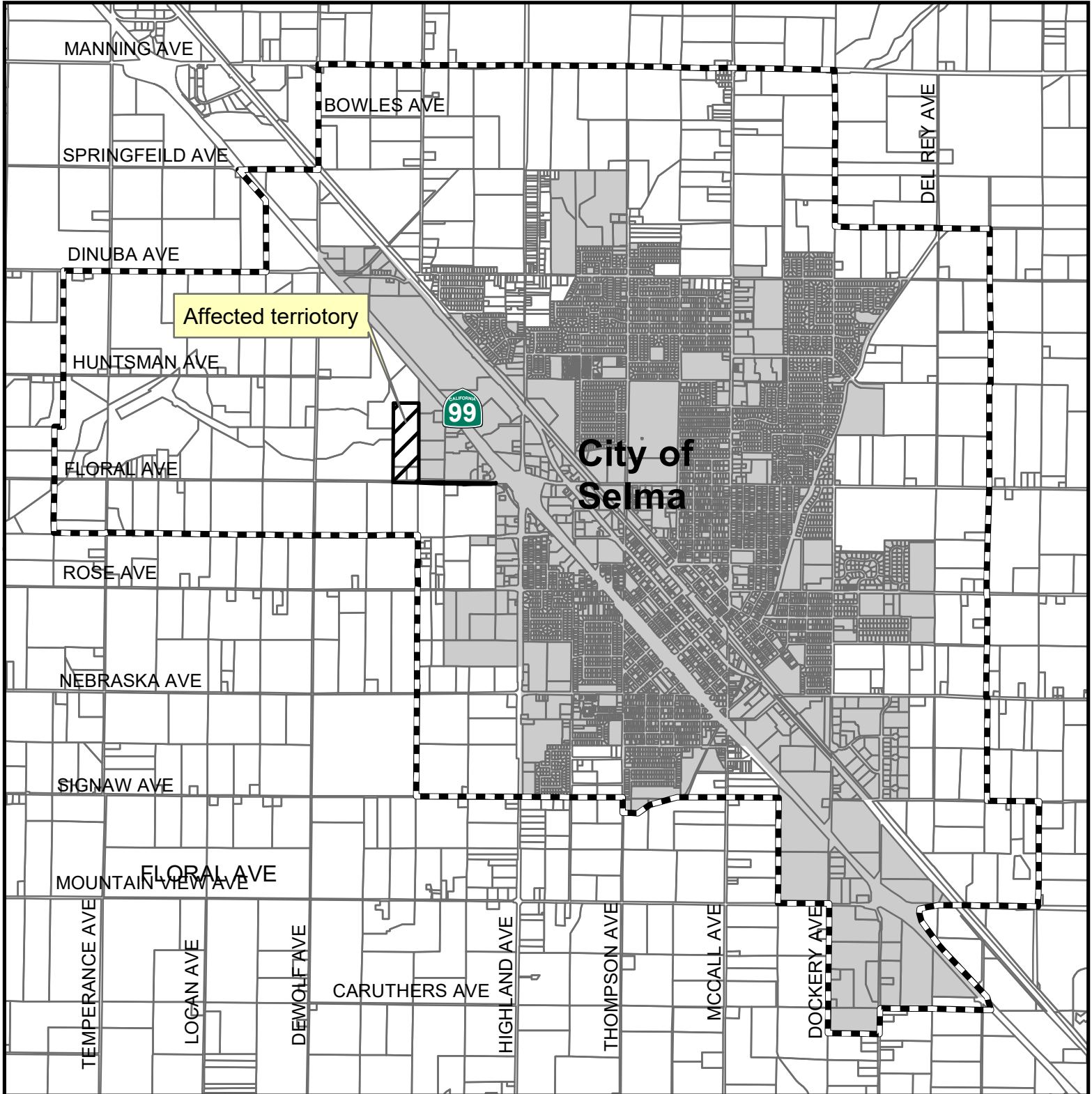
Service	Existing Service	Change
Water	Wells/ Groundwater	Cal Water
Sewer	Private Septic	Selma-Kingsburg-Fowler County Sanitation District
Fire Protection	Fresno County Fire Protection District	Selma Fire Department

(See Service Plan on our website at www.fresnolaftco.org)



5. Cities and Districts Included Wholly or Partially Within the Affected Territory

Fresno County	Fresno County Library
Selma Cemetery District	Fresno County Fire Protection District
County Service Area No. 35	Fresno Metropolitan Flood Control District
Kings River Conservation District	Consolidated Mosquito Abatement District
State Center Community College District	County School Service
Selma Unified School District	Consolidated Irrigation District
Selma-Kingsburg-Fowler County Sanitation District	West Fresno Red Scale Pest Control District

ATTACHMENT B



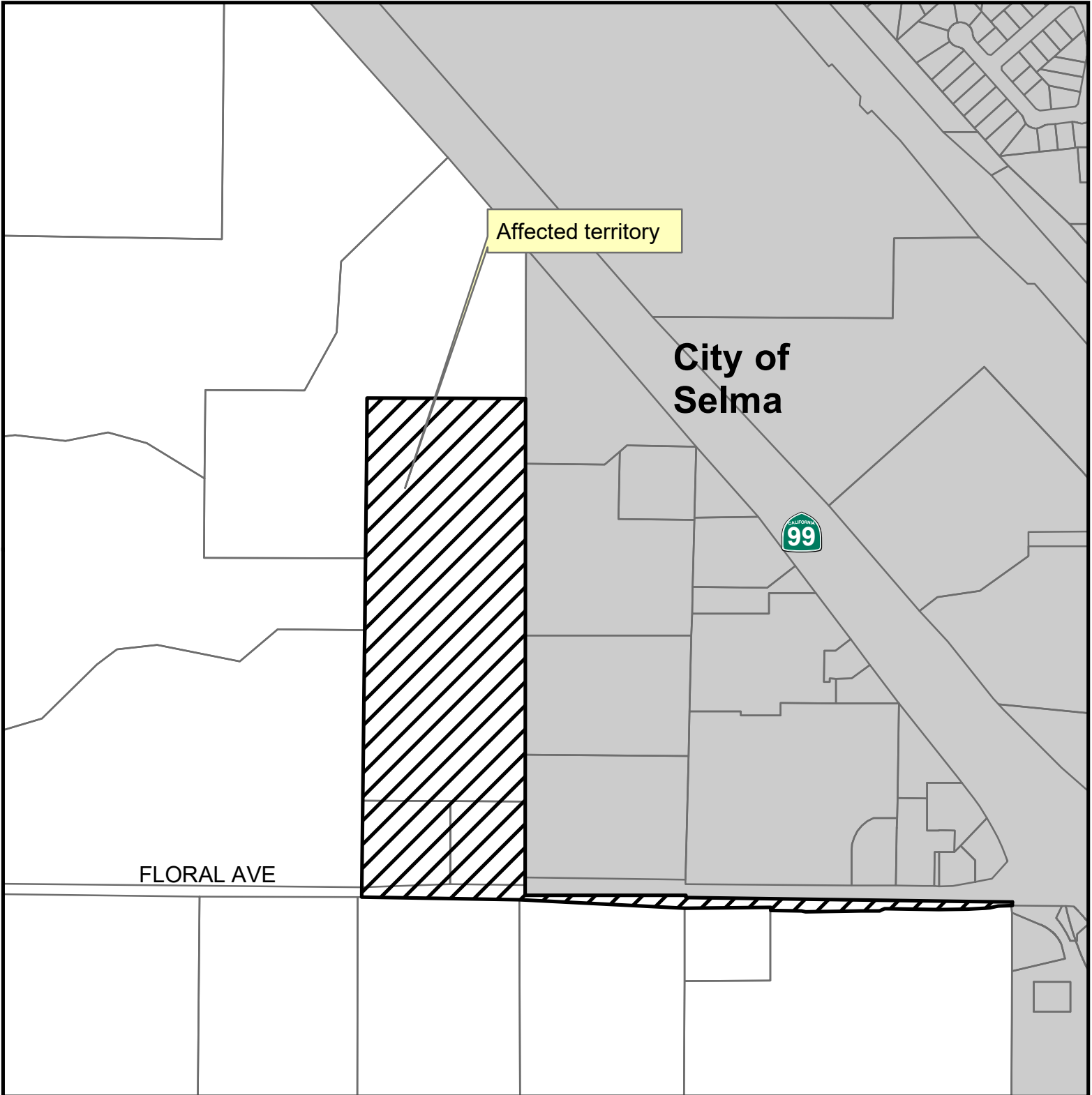
Fresno Local Agency Formation Commission

-  Sphere of influence
-  City limits





Map prepared: 02/27/2024

ATTACHMENT C



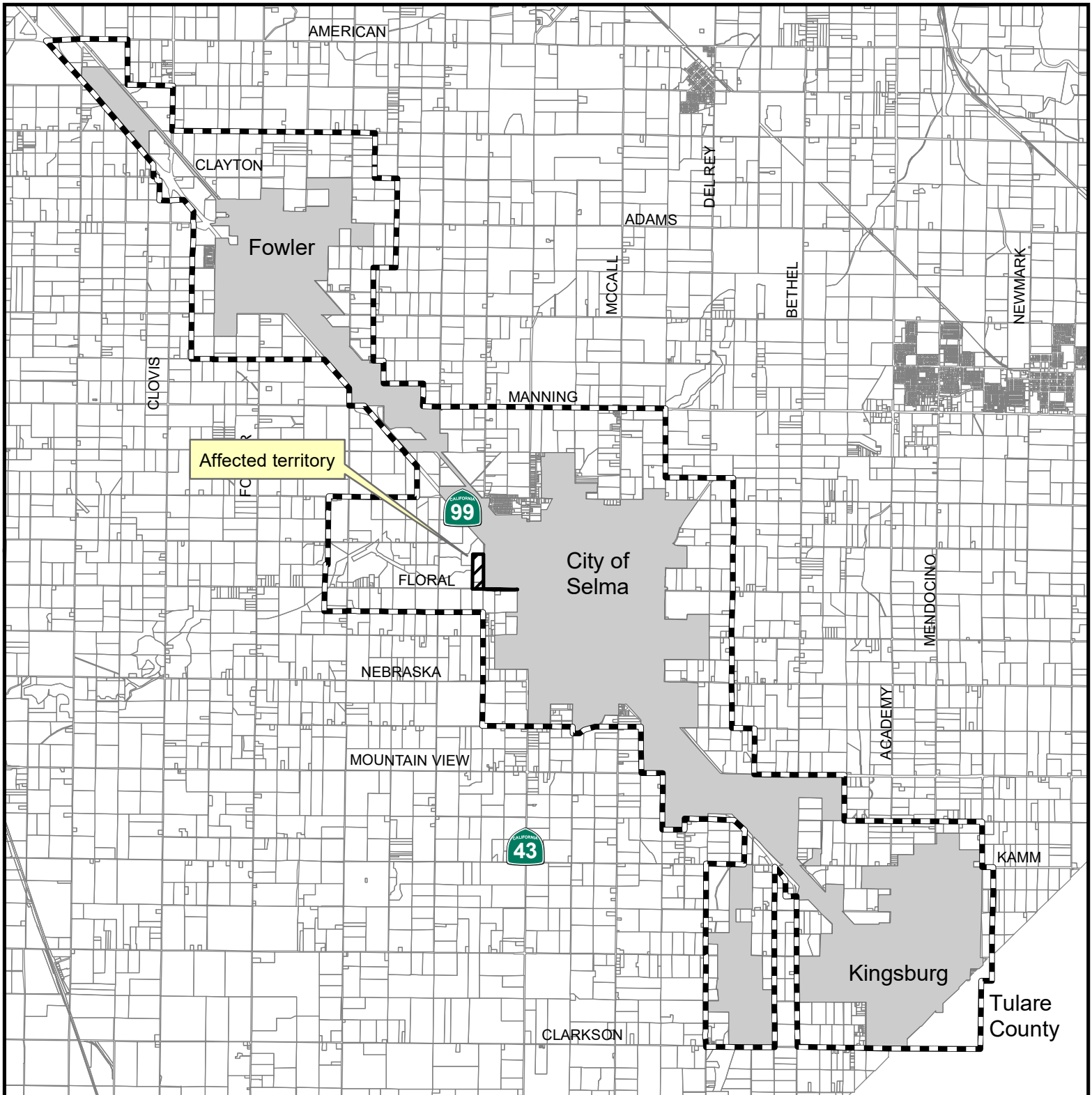
Fresno Local Agency Formation Commission

-  Sphere of influence
-  City limits






Map prepared: 02/27/2024

Attachment D



Fresno Local Agency Formation Commission

-  Affected territory
-  SKF County Sanitation District SOI
-  SKF County Sanitation District service area



Map prepared: 02/27/2024

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

AGENDA ITEM No. 6

DATE: March 13, 2024

TO: Fresno Local Agency Formation Commission

FROM: Brian Spaunhurst, Executive Officer *BS*

SUBJECT: Request by the City of Fresno to waive the application fees for Extension of Services Request OS-24-02.

RECOMMENDATION OPTIONS:

1. Deny the request and direct the City of Fresno to submit the proper fee amount (requires a simple majority); or
2. Approve the request to waive application fees for \$750 (requires no less than four-fifths vote).
3. Approve the reduction of application fees by an amount determined by the Commission (requires no less than four-fifths vote).

Executive Summary

The City of Fresno has applied for extension of sewer service at 4613 N. Palm Ave. The City's application included a letter from the property owner (Attachment "A") citing her fixed income does not allow her to pay the fee that is passed from LAFCo to the property owner.

The City of Fresno has formally requested a waiver of the LAFCo extension of services processing fees per the requirements of LAFCo policy. The fee requested to be waived for extension of services is \$750. LAFCo policy also requires a four-fifths vote for approval, or modified approval.

City Staff has been invited to present and answer any questions the Commission may have.

Background

Statute and Policy Authorize the Commission to Reduce or Waive Fees

Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH"), Government Code sec. 56383(d):

The commission may reduce or waive a fee, service charge, or deposit if it finds that payment would be detrimental to the public interest. The reduction or waiver of any fee,

service charge, or deposit is limited to the costs incurred by the commission in the proceedings of an application.

Existing LAFCo Policy on fee reduction or waiver from Fresno LAFCo Policy Manual 350.07 (Exceptions to Required Fees):

The Commission may waive any processing fee by a four-fifths affirmative vote if the imposition of such fee would be detrimental to the public interest, as determined by the Commission. Any change specifically recommended by the Commission in a study approved by Commission may not require a fee.

Budgetary Implications

The Commission's 2023-24 budget projects \$20,000 in fee revenue; the requested fee waiver is approximately 3.75% of projected revenue.

Staff notes that in accord with LAFCo statute, the City of Fresno pays approximately one-third of the Commission's annual operating budget.

Attachment A



Harriet Ann Herman
4613 N. Palm Avenue
Fresno, California 93704
Home No. 559-222-1606 (land line)
e-mail: harietherman8300@comcast.net

LaFCo
c/o Camille Bourrel
Staff Assistant, City of Fresno
Dept. of Public Utilities - O&M Facility
1626 E Street
Fresno, CA 93706

Dear Gentleperson's:

This letter is a request to LaFCo to waive the fees of \$750.00 in regards to the 'Extra-Territorial Agreement'.

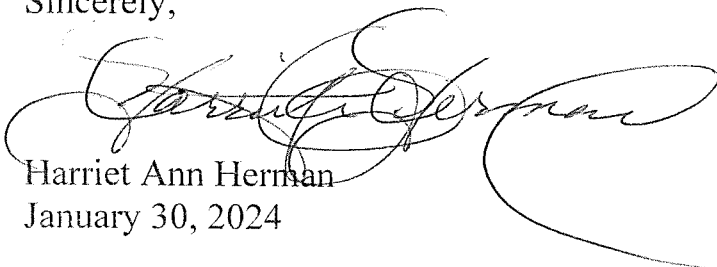
Am 75 ½ years old with my only source of income is my 'retirement income'.

The property in question re the Territorial Agreement is 4613 N. Palm Ave., Fresno, CA has been in my name as of early 1997 and I've been paying Property Taxes since.

Also should be noted that I've also been paying Sewer charges from the City of Fresno in regards to the property mentioned above on Palm Avenue.

Thank you for your time and consideration.

Sincerely,



Harriet Ann Herman
January 30, 2024

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

AGENDA ITEM NO. 7

DATE: March 13, 2024

TO: Fresno Local Agency Formation Commission

FROM: Brian Spaunhurst, Executive Officer 

SUBJECT: Preliminary Budget and Work Plan for Fiscal Year 2024-25.

RECOMMENDATION: Receive Report and Provide Direction.

Executive Summary

The fiscal year (“FY”) 2024-25 LAFCo preliminary budget estimate is summarized in Attachment “A” and the preliminary 2024-25 work plan is presented in Attachment “B” for the Commission’s consideration and direction to staff.

The FY 2023-24 budget is \$665,158. Staff anticipates that fee revenue will close approximately \$29,000 above projections and expenses as a whole are projected to close approximately \$20,000 under budget at approximately \$616,158.

The preliminary budget continues the Commission’s practice of maintaining an operational reserve of \$150,000. Staff estimates a preliminary FY 2024-25 budget of approximately \$712,521, an increase of approximately \$47,363 from FY 2023-24.

Despite the overall increase in costs, budget savings and increased fee revenues from FY 2023-24 provides the Commission with the opportunity to consider applying these savings into the FY 2024-25 budget resulting in Allocations only increasing by \$4,682 for the County and \$4,682 to be split among the Cities.

This preliminary estimate will be further refined based on continuing staff analysis and Commission direction leading up to the presentation of the final budget in May.

Based on Commission comments and direction, a proposed budget and work plan will be presented to the Commission on April 10, 2024 and a final budget and work plan will be presented to the Commission at its May 8, 2024 hearing. The distribution of the preliminary budget is limited. However, in accordance with Government Code (GC) sec. 56381, the proposed and final budgets will be distributed to all local agencies and the County Administrative Officer.

Overview of Budget Process

GC section 56381(a) states, “The commission shall adopt annually, following noticed public hearings, a proposed budget by May 1 and final budget by June 15. At a minimum, the proposed and final budget shall be equal to the budget adopted for the previous fiscal year unless the commission finds that reduced staffing or program costs will nevertheless allow the commission to fulfill the purposes and programs of this chapter.”

The Commission’s *Financial and Accounting Procedures* stipulate that “In order to get an early start on the budget and allow for careful consideration of the budget options, the Executive Officer will present a preliminary budget to the Commission in March of each year in order to obtain advance direction from the Commission.” The Commission’s budget is based on a July 1st to June 30th fiscal year.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”) authorizes the operational costs of LAFCo to be shared one-half by the County and one-half by cities where only the County and cities are represented on the Commission. In the event that special districts choose to be represented on the Commission, LAFCo funding would then be shared one-third by the County, cities, and the special districts or by an alternative method approved pursuant to GC sec. 56381(b)(4).

LAFCo’s operational expenses are augmented by fees established by the Commission in accordance with section 56383 of the GC for services rendered to process applications for annexations, reorganizations, and detachments, as well as other LAFCo actions.

Preliminary Summary of FY 23-24 Budget to Close

Revenue

FY 23-24 anticipated \$665,158 in revenue, comprised of a net allocation of \$645,158 (\$322,579 from both the County and the 15 cities), and \$20,000 anticipated in application fees. Staff anticipates that FY 23-24 fee revenue will close \$29,000 higher than projected due to an influx of project applications.

Expense - Office Operations

FY 23-24 budgeted office operations for \$122,064 and are estimated at this point to close at approximately \$102,000. Contributing factors include the preservation of our Contingency Fund, opting for free/reduced online training instead of in person, as well as reducing Commission Hearing Expenses by only meeting when Agendas are full or as needed.

Expense - Personnel

FY 23-24 personnel expenses were budgeted for \$467,384 and are estimated to close at \$467,384.

Expense - Consulting Services

Consulting services expenses were budgeted for \$75,710 and are estimated to close at \$75,710.

Preliminary FY 24-25 Budget and Work Plan

Preliminary FY 24-25 budget estimate is \$712,521, comprised of the following:

Revenue

The preliminary FY 2024-25 revenue forecast is approximately \$712,521, with an estimate of County and cities' contribution of approximately \$327,261, respectively, \$25,000 in application fees, and a \$33,000 fund balance contribution from surplus and interest rolled over from FY 2023-25.

Expenses – Personnel

The preliminary personnel expense forecast is \$515,961. This figure reflects one proposed promotion to Senior LAFCo Analyst, merit-based step increases for remaining permanent staff and funding part time student intern and bookkeeper.

Expense - Office Operations

The preliminary office operations expense forecast is \$130,850. This figure reflects planned increases in: Office lease, CALAFCO dues, liability insurance, full staff and Commission participation in the Annual CALAFCO Conference, publication and legal noticing fees, and staff mileage.

Expense - Consultant Services

The preliminary consulting services expenses forecast is \$65,710. This figure includes an increase in LAFCo Counsel fees in anticipation of the upcoming County/LAFCo Agreement renewal.

Preliminary FY 2024-25 Work Plan

The preliminary budget supports the Commission's role as an independent planning and regulatory agency whose purposes are to encourage the orderly formation of local governmental agencies, preserve agricultural land resources, and discourage urban sprawl. The Commission's work plan represents projects and activities that fulfill its goals and objectives. The budget represents the funding to accomplish projects important to the Commission.

A preliminary FY 2024-25 work plan is attached as Attachment “B,” consistent with the analysis presented in this report. It contains ongoing assignments such as the MSR program, application processing and consultation and facilitation to local agencies and the public.

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ATTACHMENT A

- - Preliminary FY24-25 BUDGET - -			
Updated 3-08-2024			
REVENUE SUMMARY	Adopted FY 23-24 Budget	Estimate to Close FY 23-24	Proposed FY 24-25 Budget
ALLOCATION COUNTY	322,579	322,579	327,261
ALLOCATION CITIES	322,579	322,579	327,261
APPLICATION FEES	20,000	48,938	25,000
ACCOUNT INTEREST	0	8,000	0
AUTH. FUND BALANCE CONTRIBUTION	0	0	25,000
AUTH. CONTRIBUTION FROM RESERVES	0	0	8,000
Total	665,158	702,096	712,521
EXPENDITURE SUMMARY			
EXPENDITURE - OFFICE OPERATIONS	122,064	102,000	130,850
EXPENDITURE - PERSONNEL	467,384	467,384	515,961
EXPENDITURE - CONSULTING SERVICES	75,710	75,710	65,710
Total	665,158	645,094	712,521

**PRELIMINARY FY 2024-25 WORKPLAN
March 13, 2024**

1. PROCESS APPLICATIONS, REORGANIZATIONS AND CITIES’ SOI AMENDMENTS

Preliminary budget implication: application fees will fund this activity.

Proposals under discussion but not submitted include a City of Clovis SOI Amendment and Annexation, City of Selma SOI Amendment and Annexation, City of Reedley SOI Amendment and Annexation, City of Kingsburg SOI Amendment and Annexation, Raisin City Water District SOI Amendment and Annexation, and Panoche Drainage District SOI Amendment and Annexation.

2. FRESNO LAFCO’S MUNICIPAL SERVICE REVIEW PROGRAM

Preliminary budget implication: this activity can be funded from LAFCo’s operating account.

On November 5, 2014, the Commission adopted its MSR program. The goal of the Fresno LAFCo MSR program is to provide cities and special districts with an assessment of their provision of services, make recommendations regarding areas of improvement, and determine whether an agency is equipped to effectively provide services within its existing or expanded SOI.

A MSR is necessary for any update of a SOI pursuant to GC sec. 56430.

Fresno LAFCo's 132 MSR's are informally categorized in three “generations:”

- **“1.0” MSR's** are the first generation of MSR's adopted in 2007. These are the first MSR's performed; they are generally brief, frequently conclusory, and may not have been developed with the cooperation of the affected local agency.
- **“1.5” MSR's** are second generation MSR's that were updated between 2008 and 2014. These MSR's may present more analysis of the affected local agency as staff’s experience preparing MSR's grew (locally and statewide through the CALAFCO community).
- **“2.0” MSR's** are MSR's that have been updated pursuant to the Commission’s 2014 MSR Policy. The 2.0 MSR's present more complete and comprehensive data and analysis in compliance with the 2014 MSR Policy.

Since adoption of the Commission's 2014 MSR Program, this Commission has adopted a total of 49 2.0 MSR's in conjunction with the update of affected local agencies’ SOI's. A list of the agencies with 2.0 MSR's is presented in **Attachment C**. Table 1-1 shows the Commission's MSR Inventory by generations.

Table 1-1, Fresno LAFCo MSR inventory by Generation

Municipal Service Review Program	MSR's by Generation			Total MSR's
	1.0	1.5	2.0	
Special District MSR's by Generation	17	50	49	116

City MSR by Generation	1	7	7	15
Total MSR by Generation	18	57	56	131

Summary of Remaining 1.0 MSRs

Of the remaining 17 special district 1.0 MSRs, the following types of special districts hold the largest number of 1.0 MSRs:

- 6 Irrigation Districts,
- 1 Mosquito Abatement Districts,
- 3 Community Service Districts,
- 2 Pest Control Districts (one currently in progress),
- 2 California Water District
- 1 Hospital District
- 1 Levee District
- 1 County Water District

The balance of 1.0 MSRs consist of the following agencies: Consolidated Irrigation District, Fresno Irrigation District, Hills Valley Irrigation District, James Irrigation District, Riverdale Irrigation District, Tranquillity Irrigation District, Fresno Westside Mosquito Abatement District, Big Creek Community Services District, Del Rey Community Services District, Lanare Community Services District, Central Valley Pest Control District, West Fresno County Red Scale Protective District, Tri-County Hospital District, Lower San Joaquin Levee District, Liberty Water District, Westlands Water District, and Malaga County Water District.

In 2018, the Commission directed staff to defer updates of Irrigation District and California Water Districts' MSRs until after these agencies' GSAs have adopted their GSPs.

Staff recommends that the Commission's work plan continue to prioritize the update of the remaining 2007 special district MSRs (AKA the "1.0 MSRs"). Work on these MSRs would, however, take second place to application-driven MSRs.

The remaining MSRs would either require additional staffing or will need to be placed on hold until all of the 1.0 MSRs are completed :

- Central Valley Pest Control District
- West Fresno County Red Scale Protective District
- Coalinga-Huron Mosquito Abatement
- Consolidated Mosquito Abatement
- Fresno Mosquito and Vector Control
- Fresno Westside Mosquito Abatement
- Lower San Joaquin Levee District
- 12 County Service Areas

- Six County Waterworks Districts

3. Review and update of Fresno LAFCo Policy Manual

Preliminary budget implication: Can be funded by operational funds.

Fresno LAFCo's Policy Manual has undergone a complete and thorough examination to update policies consistent with CKH, and to reflect contemporary priorities and characteristics of the Commission's local agencies. Unless major changes to CKH occur, only minor annual amendments will be made as needed.

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.