

Fresno LAFCo

Workshop on Inactive Special Districts

Workshop objectives

- Overview of LAFCo's relationship with special districts;
- Summary of special districts in Fresno County and the services they provide;
- Describe current special district challenges;
- Discuss policy options for Fresno LAFCo;
- Receive public testimony; and
- Provide direction to staff as needed.

Legislative Intent

- Since 1850, the Legislature has the sole authority to create, dissolve, or change the jurisdiction of cities and special districts.
- LAFCOs are independent regulatory commissions created by the Legislature in 1963 to control the boundaries of cities and special districts.
- A LAFCo in each of the State's 58 counties
- LAFCo's serve as the Legislature's "watch dog" over the boundaries of cities and special districts.

Purposes of the LAFCo

- Discourage urban sprawl.
- Preserve open-space and prime agricultural lands.
- Efficiently provide government services.
- Encourage the orderly formation and development of local agencies based upon local conditions and circumstances.
- Make studies and furnish information which will contribute to the logical development of local agencies.
- Shape the development of local agencies so as to provide for the present and future needs of each county and its communities.

Statute + Policies

- CKH sets forth the mission of the LAFCo and establishes a procedural baseline;
- CKH allows each LAFCo to adopt local policies to implement the mission;
- Policies address local issues; guide and direct staff and the commission as they implement LAFCo's mission;
- As local issues change, policies should adjust.

Special districts have four distinguishing characteristics.

- Are a form of government.
- Have governing boards.
- Provide services and facilities.
- Have defined boundaries.

Special Districts are not...

- The State, a county, or city.
- A school district or a community college district.
- An assessment district, special assessment district, or a zone of any special district.
- An improvement district.
- A community facilities district (Mello- Roos Community Facilities).
- An air pollution control district or an air quality maintenance district.

Types of districts

- Enterprise vs. Non-enterprise.
- Dependent vs. Independent.
- Single purpose vs. Multi-purpose.

Summary of Fresno LAFCo's Special Districts

- 22 County Service Areas
- 17 Water Districts (California)
- 12 Cemetery Districts
- 9 Community Service Districts
- 7 Irrigation Districts
- 7 Resource Conservation Districts
- 6 Waterworks Districts
- 5 Fire Protection Districts
- 4 Mosquito Abatement Districts
- 3 Drainage Districts
- 3 Hospital Districts
- 3 Public Utility Districts
- 3 County Water Districts
- 2 Memorial Districts
- 2 Police Protection Districts
- 2 Pest Control Districts
- 2 Reclamation Districts
- 2 Recreation and Parks Districts
- 1 Sanitation District
- 1 Flood Control District
- 1 Library District
- 1 Conservation District
- \$300M+ combined budgets

Municipal Service Reviews

- To plan for the future boundaries and service areas of cities and special districts, a LAFCO must prepare informational reports called municipal service reviews;
- The MSR is the basis for the LAFCo's SOI determination;
- LAFCo's determination on annexations and other boundary changes must be consistent with the spheres of influence that they adopt for all local agencies.

The MSR is LAFCo's “canary in a coal mine”

- Did the district cooperate with the preparation of the MSR?
- Does the district have a budget, projects, or services?
- Does the board meet regularly and in compliance with the Brown Act?

If not, determination may reflect this unresponsiveness

- Recommendation for district modification
- Commission to initiate proceedings for district modification
- Public hearings on district modification
- Commission determination

MSR Determinations

1. Growth and population projections for the affected area.
2. The location and characteristics of any DUC within or contiguous to the sphere of influence.
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies.
4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by commission policy.

In other words...

1. What is the agency's understanding of its growth?
2. Have DUCs been considered?
3. Is the agency planning ahead?
4. Has the agency considered how it will fund its growth?
5. Is the agency considering service efficiency?
6. Is the agency accountable?
7. Other matters of interest to the Commission.

Special District Issues, 2015

- No adopted annual budget, by-laws, or procedures.
- No services.
- District board nonfeasance.
- Grand Jury Reports
- Lack of staff or staff lacks T/M/F expertise.
- Board members fulfill both policy and operational functions.
- Lack of coordination of similar services between and among different special districts.
- Lack of transparency and/or Brown Act compliance.
- Changing demographics, antiquated mission.
- Not cooperative with LAFCo on the MSR.

Next Steps for MSRs

- Guided by clear LAFCo policies that establish an expectation of performance.
- Should be helpful and thorough guidance documents.
- Recommendations should focus on structural improvements.
- Process should be collaborative, instructive.
- Commission should hold agencies accountable.

Next Steps for MSRs

- Support Districts' efforts to improve their performance;
- Establish recommendations and accountability.
- Coordinate MSR development with County Elections Department, Clerk to the Board of Supervisors, County Sheriff, District Attorney, Grand Jury, and Calif. enforcement departments.

Suggested performance thresholds:

- District conforms with its principal act/district organization.
- District collects sufficient revenue.
- District provides an acceptable level of service(s).
- District operates in a transparent and public manner.

Limitations to LAFCo authority

- Public controversy does not necessarily mean LAFCo must exercise its authority.
- Citizen complaints about district or board
 - Citizen-district communication and involvement
 - Direct democracy: initiative, referendum, and recall.
- Grand Jury reports
 - 9 reports on special districts since 2001
 - These may not involve LAFCo, or may misunderstand LAFCo's authority.

Best approach may not be LAFCo's, but LAFCo has a role to play in district improvements.

Recommendations

- The Commission's interest in special district efficiency should be clearly stated in the form of an adopted policy.
- This policy should be consistent with LAFCo's function and legislative intent.
- This policy statement would serve as the basis for:
 - MSR determinations and recommendations
 - Determinations for SOI updates
 - Determinations for annexations
 - Initiation of district modifications

Workshop Wrap-up

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