

RESOLUTION NO. 155

FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)
FRESNO COUNTY, CALIFORNIA

PROPOSED LAFCO BUDGET AND WORK PLAN FOR FISCAL YEAR 2016-2017))))	APPROVED PROPOSED BUDGET AND WORK PLAN FOR FISCAL YEAR 2016-17 WITH FINAL ACTION TO BE TAKEN AT THE MAY 11, 2016 HEARING
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WHEREAS, the Fresno Local Agency Formation Commission is required by California State Government Code Section 56381 to adopt its Proposed Budget by May 1st of each year and its Final Budget by June 15th of each year at noticed public hearings; and

WHEREAS, the Executive Officer mailed copies of the Commission’s Proposed Fiscal Year 2016-2017 LAFCo Budget and Work Plan to the Fresno County Board of Supervisors and to each City and Special District located within the County, as required by law; and

WHEREAS, the Executive Officer prepared a staff report, including a recommendation, said report having been mailed to and considered by this Commission; and

WHEREAS, this Commission considered the Executive Officer’s report, all attachments, and recommendations, all relevant factors and heard all interested parties wishing to speak on the Fiscal Year 2015-2016 Proposed Budget and Work Plan (Exhibits A and B).

NOW, THEREFORE, BE IT RESOLVED that the Fresno Local Agency Formation Commission does HEREBY STATE, FIND, RESOLVE, DETERMINE, AND ORDER as follows:

Section #1. This Commission by consensus approved the Proposed Fiscal Year 2016-2017 LAFCo Budget and Work Plan as presented in Exhibit “A” of this resolution.

Section # 2. This Commission directs staff to forward its Final Budget for Fiscal Year 2016-2017 to affected agencies for review and comment prior to the Commission’s scheduled May 11, 2016, public hearing.

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ADOPTED THIS 13TH DAY OF APRIL 2016, BY THE FOLLOWING VOTE TO WIT:

AYES: COMMISSIONERS PARRA, SANTOYO, PACHECO, PEREA, SILVA

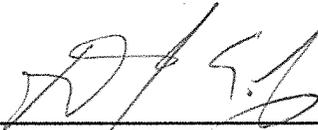
NOES: NONE

ABSENT: NONE

STATE OF CALIFORNIA)
COUNTY OF FRESNO)

CERTIFICATION

I, David E. Fey, Executive Officer of the Fresno Local Agency Formation Commission, certify that the foregoing resolution was adopted by the Commission at a regular meeting held on the 13th day of April, 2016.



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

FRESNO LAFCO PROPOSED FY16-17 BUDGET SUMMARY

4/4/16; Inclusive of Feb 2016 Financial Statement; 3/16 bank statements

#	REVENUE SUMMARY	Approved FY 15/16 Budget	Estimate to Close FY 15/16	Difference	Proposed FY 16-17 Budget
10100	ALLOCATION COUNTY	186,206	186,206	0	204,515
10200	ALLOCATION CITIES	186,206	186,206	0	204,515
10300	APPLICATION FEES	40,000	110,000	70,000	68,500
10700	MSR CONTRACT ADMINISTRATION	0	0	0	1,000
10800	SPECIAL HEARINGS	0	0	0	0
10900	MISC. RECEIPTS	0	547	547	500
	AUTH. FUND BALANCE CONTRIBUTION	35,190	2,993	-32,197	101,805
	Total	447,603	485,952	38,350	580,836

#	EXPENDITURE SUMMARY	Approved FY 15/16 Budget	Estimate to Close FY 15/16	Difference	Proposed FY 16-17 Budget
51000	EXPENDITURE - OFFICE OPERATIONS	99,845	94,272	-5,573	93,045
52000	EXPENDITURE - PERSONNEL	289,958	332,854	42,896	380,936
53000	EXPENDITURE - CONSULTING SERVICES	57,800	58,825	1,026	106,854
	Total	447,603	485,952	38,350	580,836

FRESNO LAFCO PROPOSED FY16-17 BUDGET SUMMARY

REVENUE

4/4/16; Inclusive of Feb 2016 Financial Statement; 3/16 bank statements

10000	REVENUE - DESCRIPTION	Approved FY 15/16 Budget	Estimate to Close FY 15/16	Difference	Proposed FY 16-17 Budget
10100	ALLOCATION COUNTY	186,206	186,206	0	204,515
10200	ALLOCATION CITIES	186,206	186,206	0	204,515
10300	APPLICATION FEES	40,000	110,000	70,000	68,500
10400	MSR PREPARATION	0	0	0	0
10600	MSR CONSULTANT CONTRACTS	0	0	0	0
10700	MSR CONTRACT ADMINISTRATION	0	0	0	1,000
10800	SPECIAL HEARINGS	0	0	0	0
10900	MISC. RECEIPTS	0	547	547	500
	AUTH. FUND BALANCE CONTRIBUTION	35,190	2,993	(32,197)	101,805
	Total Revenue	447,602	485,952	38,350	580,836

DRAFT 2016 LAFCO WORK PLAN
April 13, 2016

Introduction

Fresno LAFCo's Financial and Accounting Procedures specify that before July 1st, the LAFCo Executive Officer shall prepare for the Commission's review and approval 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.

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 state's interests, the Commission's issues and goals.

I. The scope of the work plan is developed to be 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. 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 leap frog 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, 2015* were presented to the Commission:

1. No adopted annual budget, by-laws, or procedures.
2. No services.
3. District board nonfeasance.
4. 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 issues have emerged since that time:

11. District board lacks quorum.
12. Board members lack T/M/F expertise.
13. Board members continue to serve after terms expire.

III. The work plan is refined to conform with Commission goals:

1. Encouraging Orderly Formation and Development of Agencies;
2. Encouraging Consistency with Spheres of Influence and Recommended Reorganization Of Agencies;
 - a. 102-04 Transition Agreements
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.

Preliminary 2016-17 Work Plan

Municipal Service Review Program

Summary: the MSR Program is currently the most important function of the Fresno LAFCo; LAFCo exercises a unique statutory authority in the implementation of its MSR Program.

Municipal Service Reviews are the only independent 'governance audit' performed locally, regularly, and intended to coordinate services among and between local agencies. The MSR program supports the respective missions of local agencies, improves service delivery efficiencies, and enhances accountability of local agencies.

Pursuant to Commission direction and policy for an assertive MSR program, staff developed an ambitious schedule of MSR updates for all local agencies.

The program has resulted in increasing order and efficiencies for LAFCo, the subject local agencies, and allied local and state agencies. Nearly all of the current MSRs have revealed one or more issues of local agency operation that warrants determinations and supportive recommendations. The issues raised have included lack of compliance with Principal Acts, lack of compliance with Brown Act, inconsistent boundaries, and other things that can negatively influence service delivery efficiencies.

The complication is that these problems also resulted in an unanticipated workload for LAFCo staff, primarily the LAFCo analyst, who is responsible for the day-to-day progress of the MSR program. In addition to the additional work, many agencies rely on the LAFCo GIS database which should be updated as new information is developed.

This is not to say that the MSR Program is flawed—it is doing what the Commission intended for it to accomplish. But the initial MSR Program schedule assumption of staff-hours to complete an "average" MSR under-estimated the effort to acquire effective communication with local agencies and the time to identify and resolve issues related to service delivery efficiency.

In adopting the FY 16-17 budget, the commission will have taken action to address the current challenges of the MSR Program.

Application processing (Pre-applications / Applications)

Annexations, detachments, extensions of service, spheres of influence updates, and other district modifications that are requested by local agencies and the public, as well as any activities initiated by the Commission will be processed in accordance with statute and policy.

Staff may engage in incidental changes to the LAFCo website and documents presented therein to increase application processing efficiencies.

Consultation and facilitation to local agencies and the public

This accounts for the many requests for information, interpretation, advice, and project facilitation that arise.

Local Agency Spring Workshop

Staff will contact all local agencies and offer to attend council and board meetings to explain the role of LAFCo, Spheres of influence, Reorganizations, MSRs, and Annexations. The workshop will describe the application process, critical timelines, and the public hearing and conducting authority process. We will also walk through the sphere of influence update process to put it in proper perspective, and describe the function of Municipal Service Reviews.

In addition, pursuant to the adopted Annexation Program Guidelines, staff will offer an Annexation Program Workshop to local agency staff and the development community. Staff is in discussion with the California Special District Association to facilitate a special district workshop.

Update of LAFCo Policies and Procedures

This project began in FY 15-16 as a comprehensive examination and update of Fresno LAFCo's current Policies and Procedures manual. The goal is to clarify procedural and policy language, and bring the manual into full conformance with CKH. In consultation with the Commission, this project will also strive to make the document more easily understandable by local agencies and the general public.

Application Fee Analysis

This project will evaluate the Commission's application fees: do the current fees balance expenses associated with application processing; the state of subsidiary expenses (such as services provided through the Professional Services Agreement with Fresno County); and the fiscal implications of waiving application fees.

Assess Agricultural Preservation Policies

This project began in FY 15-16 and is recommended to continue in FY 16-17 with the goal to conclude by May, 2017.

Preserving open-space and prime agricultural lands is of paramount importance to the Commission. LAFCo's statutory foundation puts it in a position to develop policies that permit it to influence orderly growth without being involved in actual land uses.

This project will evaluate the effectiveness of past LAFCo policy efforts, efforts of other agencies in Fresno County, and provide recommendations on an appropriate level of commission policy, whether project-by-project or on a sphere of influence basis.