

Fresno LAFCo

Workshop

No.2:

Special Districts

Workshop Subjects

- Review FY 14-15 work plan and schedule.
- Identify the objectives of workshop.
- Present an overview of LAFCo's relationship with special districts.
- Summarize the Special Districts in Fresno County and the services they provide.
- Describe contemporary special district challenges.
- Discuss policy options for Fresno LAFCo.
- Discussion.

2014-15 Fresno LAFCo Work Plan

	J	J	A	S	O	N	D	J	F	M	A	M	J
Commission Workshop 1	x												
Policies and Procedures	Hearings to be noticed and scheduled as needed												
L.A. (Cities) Workshop 1		x											
Commission Workshop 2			x										
L.A.(Spec.Dist.)Workshop 2				x									
Model Annexation Process													
Fire Transition Policy													
DUC Implementation Policy													
Ag Policy													
Subcommittees	Ad hoc and standing committee assignments as directed by the Chair												

Workshop Objective

Establish a foundational understanding of the role of special districts, their relationship to Fresno LAFCo, their challenges, and what policies LAFCo can adopt to fulfill its statutory MSR responsibilities.

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 in 1963 by the Legislature 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; establishes a baseline process;
- 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 the mission;
- As local issues change, policies should adjust.

What are Special Districts?

- They are local governments established to provide one or more specific services in a defined area.
- Governed by a board.
- Provide a diverse array of services, such as fire protection, waste disposal, water supply, electric utilities, transportation and parks.
- There are 3,294 of these types of special districts in California.
- Does not include benefit assessment districts, school districts, or Mello-Roos/CFDs.

Types of districts

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

Common Special Districts In California

- 895 County Service Areas (23 in Fresno County)
- 372 Fire Protection Districts (5)
- 325 Community Services Districts (9)
- 252 Cemetery Districts (12)

California's Special Districts

- Total revenues \$42.08B in FY 2011-12.
- Mainly property taxes.
- Total expenditures \$43.16 billion in FY 2011-12.
- Mainly salaries, wages and benefits, and services and supplies.

Source: California State Controller

Fresno LAFCo's Special Districts

- 2,683 Special District Employees.
- Average Annual Wages: \$31,288.
- Avg. Annual Ret. & Health Cost per employee: \$9,480.
- Total Annual Special District Wages, Ret. & Health Cost: \$25,435,326.
- Total Annual Special District Wages: \$83,945,613.
- Includes several non-LAFCo districts.

Source: California State Controller

Summary of Fresno LAFCo's Special Districts

- 15 Cemetery Districts
- 9 Community Service Districts
- 1 Conservation District
- 22 County Service Areas
- 4 Drainage Districts
- 5 Fire Protection Districts
- 10 Irrigation Districts
- 4 Hospital Districts
- 1 Levee District
- 1 Library District
- 2 Memorial Districts
- 4 Mosquito Abatement Districts
- 2 Pest Control Districts
- 2 Police Protection Districts
- 3 Public Utility Districts
- 2 Reclamation Districts
- 2 Recreation and Parks Districts
- 10 Resource Conservation Districts
- 1 Sanitation District
- 22 Water Districts (California)
- 3 County Water Districts
- 7 Waterworks Districts
- 1 Flood Control District

Principal Acts by Statute

- Citrus Pest Districts
- Community Services Districts
- County Sanitation Districts
- Fire Protection Districts
- Health Care/ Hospital Districts
- Mosquito Abatement Districts
- Police Protection Districts
- Public Cemetery Districts
- Sanitary Districts
- Library Districts
- Memorial Districts
- Public Utility Districts
- Recreation and Park Districts
- Resource Conservation Districts
- California Water Districts
- County Water Districts
- Irrigation Districts
- Levee Districts
- Reclamation Districts

Food and Agriculture Code §8401 et seq.

Government Code §61000 et seq.

Health and Safety Code §4700 et seq.

Health and Safety Code §13800 et seq.

Health and Safety Code §32000 et seq.

Health and Safety Code §2000 et seq.

Health and Safety Code §20000 et seq.

Health and Safety Code §9000 et seq.

Health and Safety Code §6400 et seq.

Education Code §19400 et seq.

Military and Veterans Code §1170 et seq.

Public Utilities Code §15501 et seq.

Public Resources Code §5780 et seq.

Public Resources Code §9151 et seq.

Water Code §34000 et seq.

Water Code §30000 et seq.

Water Code §20500 et seq.

Water Code §70000 et seq.

Water Code §50000 et seq.

Fresno LAFCo Issues, 1986

- Proliferation of overlapping and competing local agencies.
- Need for more cooperation/coordination among local agencies.
- Inadequate level or range of services in county/community.
- Inadequate revenue base or adverse fiscal impacts for local agencies.
- Illogical, gerrymandered agency boundaries, service areas.
- Conflicts between urban and rural/agricultural land uses.
- Premature proposals and lack of development proposals.

Fresno LAFCo Issues, 1986

- Urban sprawl and leap frog urban development.
- Guiding urban growth away from prime agricultural lands.
- Defining agricultural lands and open space lands.
- Opposition of proposals by residents and popularity of proposals by landowners/developers.
- Provision of adequate noticing of LAFCO hearing and conducting authority hearing.
- County development approvals in cities spheres of influence.

Special District Issues, 2014

- No adopted annual budget, by-laws, or procedures.
- District board nonfeasance.
- Lack of staff or staff lacks administrative 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.

MSR Determinations

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

Initial MSR Special District Determinations

- Fire Protection Districts: volunteers only, lack of staff.
- Community Service Districts: vacant board seats, no budget provided, Grand Jury attention, groundwater contamination.
- Recreation and Park District: board misbehavior, poor administration.
- Cemetery Districts: full, need more room.
- Irrigation Districts/Water Districts: drought, conflicts with urbanization/SOI, no budget provided.
- County Service Areas: in Fresno SOI, infrastructure replacement; CDPH compliance.
- Resource Conservation Districts: many are inactive with no board, no contact, no projects, no budget.
- Other: a Reclamation District refused to participate with MSR; Hospital District filed for bankruptcy.

Sphere of Influence

- A plan for the probable physical boundaries and service area of a local agency, as determined by the commission.
- Every determination made by a commission ... shall be consistent with the sphere of influence of the local agency:
 - Annexations
 - Extension of Services
 - Activation of latent power

SOI Determinations

- The present and planned land uses in the area, including agricultural and open-space lands.
- The present and probable need for public facilities and services in the area.
- The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
- The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.
- For a city or special district that provides municipal services, the present and probable need for those public facilities and services of any DUC within the existing SOI.

Next Steps for MSRs

- Work Program focuses on MSRs as leading service to its local agencies.
- Must balance LAFCo's resources with the workload.
- Establish a MSR policy to interpret frequency of routine MSRs ("every five years or as needed"):
 - Establish a schedule of MSR updates;
 - By request of local agency for SOI amendment; and
 - As directed by Commission in response to problems or issues.

Next Steps for MSRs

- Determine 'adequate' standards of practice and operation.
- Support or direct districts to resources to assist special districts to meet these standards.
- Establish recommendations, accountability.
- Coordinate LAFCo efforts with Elections, Clerk to the Board, Sheriff, District Attorney, and Calif. enforcement departments.

Next Steps for MSRs

- Initial MSRs
 - Performed quickly, complying with statute.
 - Recommendations were general.
- Future MSRs
 - Guided by LAFCo policies.
 - Should be helpful, thorough, guidance documents.
 - Recommendations should focus on structural improvements.
 - Process should be collaborative, instructive.
 - Commission should hold agencies accountable.

Potential Reduction of MSRs for Special Districts

- 15 ~~Cemetery Districts~~
- 9 Community Service Districts
- 1 Conservation District
- 22 County Service Areas
- 4 ~~Drainage Districts~~
- 5 Fire Protection Districts
- 10 ~~Irrigation Districts~~
- 4 Hospital Districts
- 1 ~~Levee District~~
- 1 Library District
- 2 ~~Memorial Districts~~
- 4 Mosquito Abatement Districts
- 2 ~~Pest Control Districts~~
- 2 Police Protection Districts
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