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

AGENDA ITEM No. 10

DATE: **July 17, 2013**

TO: **Fresno Local Agency Formation Commission**

FROM: **David E. Fey, AICP, Executive Officer**

SUBJECT: **Consider Adoption – Municipal Service Review and Sphere of Influence Update Prepared for the City of Huron.**

Recommendations:

- A) Acting as Lead Agency pursuant to California Environmental Quality Act (CEQA) Guidelines, find that prior to adopting the written determinations, the Municipal Service Review and Sphere of Influence determinations under consideration are Categorical Exempt from the provisions of the California Environmental Quality Act (CEQA) under Section 15306, "Information Collection" and Section 15320, "Changes in Organization of Local Agencies."
- B) Find that the Municipal Service Review and Sphere of Influence Update prepared for the City is complete and satisfactory.
- C) Find that the written determinations within the Municipal Service Review and Sphere of Influence Update satisfy State Law.
- D) Pursuant to Government Code Sections 56425 and 56430 make the required determinations for the Municipal Service Review and District Sphere of Influence, adopt the Municipal Service Review prepared the City, and update the Sphere of Influence for the City by reaffirming its current boundaries.

Summary / Background

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires LAFCo to review and update, as necessary, special district Spheres of Influence (SOIs) every five years. Prior to, or in conjunction with an agency's SOI update, LAFCo is required to conduct a *Municipal Service Review* (MSR) for each agency.

Municipal Service Reviews provide a comprehensive review of the services provided by a city or district and present recommendations with regard to the condition and adequacy of these services and whether or not modifications to a city or district's SOI are necessary. MSRs can be used as informational tools by LAFCo and local agencies in evaluating the efficiencies of current district operations and may suggest changes in order to better serve the public.

Sphere of Influence updates may involve an affirmation of the existing SOI boundaries or recommend modifications to the SOI boundaries. LAFCo is not required to initiate changes to an SOI based on findings and recommendations of the service review, although it does have the power to do so.

State law requires that the Commission adopt written MSR determinations for each of the following seven criteria:

1. Growth and population projections for the affected area.
2. Location and characteristics of any disadvantaged unincorporated communities,
3. Present and planned capacity of public facilities and adequacy of public services, including 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.

As part of the SOI update, the Commission is required to consider the following four criteria and make appropriate determinations in relationship to each:

1. The present and planned land uses in the area, including agricultural and open-space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

Environmental Determination

The California Environmental Quality Act ("CEQA") requires that the Commission undertake and review an environmental analysis before granting approval of a project, as defined by CEQA. The MSR is categorically exempt from the preparation of environmental documentation under a classification related to information gathering (Class 6 - Regulation section 15306), which states: "Class 6 consists of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted, or funded." Indeed, these MSRs collect data for the purpose of evaluating municipal services provided by the agencies. There are no land use changes or environmental impacts created by such studies.

Furthermore, the MSR qualifies for a general exemption from environmental review based upon CEQA Regulation section 15061(b)(3), which states: "The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA." Additionally, the SOI update qualifies for the same general exemption from environmental review based upon CEQA Regulation section 15061(b)(3).

There is no possibility that this MSR or SOI update may have a significant effect on the environment because there are no land use changes associated with the document.

Description:

City of Huron encompasses 1,041 acres located southwestern Fresno County, nine miles east of I-5, three miles south of SR-198, and about 54 miles southwest of the City of Fresno. The City provides Police protection, land use planning and building regulation, wholesale and retail water delivery, wastewater collection, treatment and disposal, refuse collection and recycling, street maintenance, and street lighting.

Fire prevention and suppression is provided by contract with the Fresno County Fire Protection District. Ambulance services are provided by the City of Coalinga. Parks and recreation services are provided by the Coalinga-Huron Recreation & Park District. Library services are provided by the Coalinga-Huron Unified School Library District.

CITY OF HURON

MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE

**Report to the
Fresno Local Agency Formation Commission**

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July 2013

CITY OF HURON

Police, Land Use Planning, Water, Sewer, Refuse Collection,
Street Maintenance and Street Lighting Services

Contact Information

City Manager: Gerald W. Forde
Address: P.O. Box 339
Huron, CA 93234
Phone: (559) 945-2241

Management Information

Governing Body: City Council
Board Members: Mayor, Sylvia V. Chavez
Mayor Pro-Tem, Hilda R. Plasencia
Louis C. Rodriguez
Mike A. Morales
Robert C. Pimentel
Board Meetings: First and Third Wednesday of the month at 6:00 pm
Staffing: 15 full-time, 9 part-time, and 4 reserves

Service Information

Empowered Services: Full array of Municipal Services
Services Provided: Full array of Municipal Services
Area Served: Southwestern Fresno County
Population Served: 6,786
Acres Served: 1,041

Fiscal Information

Budget: \$1,338,050
Sources of Funding: Taxes, fines, fees, grants and funds

Administrative Policies

Master Plan: No **Policies/Procedures:** Yes **By-laws:** No
Boundary Updated: 2002 **SOI Updated:** 2007 **Other:** No

1. MUNICIPAL SERVICE REVIEW

Description of City

The City of Huron was incorporated in 1951 and is one of 15 cities in Fresno County. It is a general law city operating pursuant to laws of the State of California (Government Code, Section 34000 et seq.).

The City encompasses approximately 1,041 acres (1.3 square miles). The City's estimated population as of January 1, 2012, was 6,786 (United States Census data).

Located in southwestern Fresno County, the City of Huron is nine miles east of I-5, three miles south of SR-198, and about 54 miles southwest of the City of Fresno. The City's boundaries and Sphere of Influence are largely coterminous, as shown on the attached map, the Sphere extends slightly beyond the City to the south and north. The Sphere encompasses approximately 1,170 acres (1.8 square miles). Also, noncontiguous territory within the City boundary – its wastewater treatment plant - is located outside of the Sphere.

City Services

The City provides the following array of municipal services:

- Police protection, including traffic law enforcement
- Fire prevention and suppression (by contract with Fresno County FPD)
- Land use planning and building regulation
- Wholesale and retail water delivery
- Wastewater collection, treatment and disposal
- Refuse collection and recycling
- Street maintenance
- Street lighting

Ambulance services are provided by the City of Coalinga. Library services are provided by the Coalinga-Huron Unified Library District. Parks and recreation services are provided by the Coalinga-Huron Recreation & Park District. There had been discussion about the possibility of dissolving the Coalinga-Huron Recreation and Park District and having the Cities of Coalinga and Huron provide the services but discussion has ceased and no application for dissolution was filed.

INFRASTRUCTURE AND SERVICE PROVISIONS

City Infrastructure

The City's facilities include City Hall and police station, Senior Center, Public Works yard, water treatment and distribution facilities, wastewater collection, treatment and disposal facilities and park and ride facility.

City Finances

The City General Fund is a major mechanism for municipal services.

Projected General Fund revenues for FY 2012-13:

Taxes, Licenses and Permits	\$600,086
Fines and Penalties	27,300
Intergovernmental Revenues	524,400
Charges for Current Services	17,850
Other Revenues	<u>168,414</u>

Projected General Fund Revenues \$1,338,050.00

Projected General Fund expenditures for FY 2012-13:

City Council	\$ 34,021
City Administration and Finance	147,133
Police Department	1,000,428
Planning, Building and Grounds	116,804
Public Works	<u>39,664</u>

Projected General Fund Expenditures \$1,338,050.00

Overall projected FY 2012-13 revenues include:

General Fund	\$1,338,050
Redevelopment Agency Fund	841,751
Enterprise Fund	2,070,700
Special Revenue Fund	650,976
Capital Project Fund	<u>7,050</u>

Projected Other Fund Revenues \$4,908,527.00

Overall projected City expenditures for FY 2012-13

General Fund	\$1,338,050
Redevelopment Agency Fund	793,976
Enterprise Fund	2,512,562
Special Revenue Fund	1,277,275
Capital Project Fund	<u>0</u>

Projected Other Fund Revenues \$5,921,863.00

2. MSR DETERMINATIONS

This portion of the report addresses the factors specified in the governing statute for Municipal Service Reviews.

Growth and Population Projections

The City's current population is estimated to be 6,786. The City's population has decreased approximately 10% since 2007 when the City was estimated to have a population of 7,493 and 1,596 housing units (2012 California Department of Finance Estimate).

The City is projected to have a 2040 population of approximately 8,230, an increase of approximately 21% (Fresno Council of Governments data). (Note: This figure assumes the City will maintain the same share of the County's population in 2030 as it had in 2007.)

Location and Characteristics of any Disadvantaged Unincorporated Communities

SB 244 and Fresno LAFCo policies define a "disadvantaged unincorporated community" to mean inhabited territory with 12 or more registered voters with an annual median household income that is less than 80 percent of the statewide annual median household income and that includes at least 15 dwelling units at a density not less than one unit per acre.

Any MSR for a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, shall identify any DUCs within and contiguous to the sphere of influence of that city or special district and describe the present and probable needs and deficiencies for the provision of those public facilities and services within such DUC. There are no disadvantaged unincorporated communities close to the City. With the exception of a few scattered homes, all of the residential development is within the City and receives City services.

In 2009, the most recent year staff was able to get income comparisons for, the median income for a household in Huron was \$18,414 where the state median household income was \$58,931. In 2009, Huron was about 31 percent of the median household income with about 43.6% of the population was below the poverty level.

Infrastructure Needs and Deficiencies

The City has not adopted a capital improvement program. It appears from the data submitted that existing infrastructure is sufficient to provide services for current uses.

Financial Ability of Agencies to Provide Services

As a California municipality, City finances are dependent on State statutes including formulas governing the distribution of certain types of revenues and local policies and decisions regarding growth of the community and the variety of services proffered.

No significant financing constraints are evident other than the fact that municipalities in California find themselves increasingly dependent on the State legislature for local government funding formulas such as the recent exchanges between sales taxes and motor vehicle in-lieu fees.

The City participates in the Central San Joaquin Valley Risk Management Authority to obtain reasonably priced insurance coverage and maintains instant aid agreements with the Fresno County Sheriff and Fresno County Fire Protection District.

Status of, and Opportunities for, Shared Facilities

The City does not currently share facilities with any other agency. There are no obvious opportunities for shared facilities in current City operations, due in part to the distance between the City and other communities.

Governmental Structure and Operational Efficiencies

The City is governed by a five-member council, all of whom are elected at large. The City Council meets regularly twice a month. Agendas are posted at City Hall, the school library and a local clinic.

The City utilizes a city manager form of government. It has 15 full-time, 9 part-time and 4 reserve employees.

3 . SPHERE OF INFLUENCE REVIEW AND UPDATE

Government Code Section 56076 defines Sphere of Influence as “A plan for the probable physical boundaries and service area of a local agency, as determined by the commission.”

Description of Current Sphere of Influence

The City’s boundaries and Sphere of Influence are largely coterminous. As shown on the attached map, the Sphere extends slightly beyond the City to the south and north.

Proposed Sphere Changes

The City states it is interested in having an expanded Sphere, but has not indicated where such an expansion should occur.

Until a formal application is received it is not possible for LAFCO to consider amending the Sphere since it lacks the necessary information and compliance with CEQA.

Sphere of Influence Recommendations and Determinations

It is recommended the Commission approve the following determinations and affirm the current Sphere of Influence.

1. Present and planned land uses in the area, including agriculture and open-space.
Present and planned land uses within the Sphere are a combination of residential, commercial, industrial, public, agricultural and open spaces uses.
2. Present and probable need for public facilities and services in the area.
The present and probable need for public facilities and services within the City and its Sphere are described in the Municipal Service Review. Urban uses within the City require a range of services such as water, sewer, law enforcement, fire protection and public recreation.
3. Present capacity of public facilities and adequacy of public service that the agency provides or is authorized to provide.
The City indicates it provides adequate facilities and services for existing land uses within the City.
4. Existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.
The City of Huron and environs represents a social and economic community.

4. ACKNOWLEDGEMENTS & REFERENCES

This draft Municipal Service Review was prepared by Fresno LAFCo staff using information provided by the City of Huron. Responsibility for any errors or omissions rests with those who provided information for the report.

5. RECOMMENDATIONS

In consideration of information gathered and evaluated during the Municipal Service Review, it is recommended the Commission:

1. Accept public testimony regarding the proposed Municipal Service Review.
2. Approve the recommended Municipal Service Review determinations, together with any changes deemed appropriate.
3. Approve the recommended Sphere of Influence determinations and affirm the current Sphere of Influence.