

CONSENT AGENDA ITEM NO. 5-A

FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)

**MEETING MINUTES
FEBRUARY 8, 2017**

Members Present: Commissioners Brian Pacheco, Robert Silva, Daniel Parra, and Sal Quintero

Members Absent: Mario Santoyo

Staff Present: David E. Fey, AICP, LAFCo Executive Officer
Ken Price, LAFCo Counsel
George Uc, Senior LAFCo Analyst
Juan Lara, LAFCo Analyst
Amanda Graham, Office Assistant

1. Call to Order and Roll Call

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

2. Pledge of Allegiance

Chair Pacheco 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 potential conflicts of interest announced.

CONSENT AGENDA

5A. Minutes from the regular LAFCo meeting of February 8, 2017

Commissioner Parra made a motion to approve consent agenda item 5A, seconded by Commissioner Silva.

The Commission approved the consent agenda by a vote of 4-0-1-0.

REGULAR AGENDA ITEMS

6. Municipal Service Reviews and Sphere of Influence Updates for Orange Cove Fire Protection District and Fig Garden Fire Protection District.

LAFCo Senior Analyst George Uc presented staff's report and noted that the presentation covers two Fire Protection Districts' MSR's. The first will be the Orange Cove Fire Protection District and then staff will move to the Fig Garden Fire Protection District. Orange Cove Fire was formed in 1941 to provide fire protection services for the City of Orange Cove and the rural areas outside of the City. OCFPD is a multiple county district whose total service area encompasses 27,200 acres. The District's general response time within the City of Orange Cove is three to five minutes, and within in 10 minutes in the rural areas. OCFPD is an independent special district governed by three-member board of directors. The District employs one full time fire chief, 2 part-time employees, and 31 volunteers / paid-call firefighters. The District has a balanced budget for FY 2016-17. District revenues are generated through various means including annual property taxes, service fees, and special assessments. During the MSR process, LAFCo learned that the District was subject to a 2009 Fresno County Grand Jury (GJ) Report. The Grand Jury report noted various issues associated with local governance, internal controls, and district operations. LAFCo staff followed up with the District regarding the grand jury's recommendations, and observed that the District has made a good-faith effort to resolve the issues raised by the Grand Jury. The District informed LAFCo that its boundaries are sized appropriately, and a SOI revision is not anticipated in the near future. Using the Commission's 20 to 25-year planning horizon for SOIs, it is recommended that the Commission reaffirm the District's current SOI. Earlier today staff was advised by LAFCo legal counsel that language in the MSR on page 12 that addressed an outstanding debt from CalPERS (California Public Employees Retirement System) was out-of-date and counsel now informs staff that as of last month the District was able to resolve its CalPERS debt. Staff recommends that the Commission approve an update to this section of the MSR to reflect the District's resolution of its CalPERS debt.

LAFCo Legal Counsel Ken Price added that it is his understanding that this was an outstanding debt that was owed because of an actuarial study when the District terminated its CalPERS membership. Price explained the District's settlement with CalPERS to the Commission.

Uc added clarified that the Commission's modification of the OCFPD MSR would also modify a determination on page 19.

The Fig Garden Fire Protection District was formed in 1942. The District's service area and SOI are coterminous and encompass 441 acres. The District is completely within County of Fresno, and within an unincorporated island surrounded by the City of Fresno. The District primarily serves the Fig Garden neighborhood. FGFPD is an independent special district governed by a three-member board of directors. FGFPD does not employ any direct staff members. However, the District has a 30-year service agreement with the City of Fresno that provides District personnel and firefighting equipment, in exchange the District agreed to pay the City a base annual fee each year. The Agreement is effective through June 30, 2035. The District has a balanced budget for FY 2016-17. District revenues are generated through annual property taxes, special assessments, and service fees. In 2015, property owners within the District voted to approve the formation of a Community Facilities District that increased the District's annual special assessment in order to continue funding the District's operation. The District has a class rating of "Class 2" through the Insurance Service Office (ISO). The District's general response time is within four minutes on emergency medical aid and fire emergency calls. Growth of the FGFPD's service area is

virtually restricted by the surrounding Fresno City limits. As such, it is recommended for the Commission to reaffirm the FGFPD's current SOI.

There were no other comments from the Commission.

There were no comments from the public.

Staff recommended the Commission consider two separate actions: Action A to approve the CEQA component of each MSR and actions B through D would address the determinations in a separate motion of the MSR.

Commissioner Parra motioned to approve agenda item 6-A; seconded by Commissioner Quintero.

The Commission approved the motion by a vote of 4-0-1-0.

Commissioner Parra motioned to approve agenda items 6-B, C, and D; seconded by Commissioner Silva.

The Commission approved the motion by a vote of 4-0-1-0.

OTHER MATTERS

7. Executive Officer Comments

Executive Officer David Fey reported that staff is adjusting its bookkeeper's monthly schedule. The financial report for January will be going out in the mail next week.

Second item is SB-1266 requires the all JPA file their agreement with LAFCo. Staff will be sending out a letter to all cities and special districts asking for copies of JPAs. Staff will be making amendments to the LAFCo website to make sure that whatever information we do get is available for public inspection.

On July 1, 2018, all 400 redevelopment oversight boards will be consolidated into one oversight board per county and each county's independent special districts selection committee are tasked with the authority to pick a special district that will represent special districts that have a RDA residual that they are entitled to. Fresno LAFCo does have a standing special district selection committee like the city selection committee. However, it is staff's responsibility to call that meeting, provide written notice, and receive the independent special districts recommendations. That will be done before July 1, 2018, and it's taking some time to ramp up and find out which particular special districts are entitled to a residual from the redevelopment agencies. Staff will keep the commission updated as this develops.

Commissioner Silva asked how LAFCo's MSR should fit into the financial practices of a water agency on the west side that was recently in the news. What involvement does the Commission have?

Fey answered Municipal Service Reviews contain several determinations that are identified

in statue. Those are conclusions that the commission draws based on evidence in the record and that evidence is developed when staff makes contact with the agencies. The determinations are the Commission's focal point. Staff is looking at information in the agency's public record, evidence of Brown Act compliance, evidence of an annual budget, essentially "big picture" information that are public, available, and are valuable to the Commission's determinations. Fey summarizes the MSR determinations: growth and population projections, potential for disadvantaged communities, present planned capacity of an agency's facilities to support growth, and so forth. It is a very "top of the waves" evaluation of the question: does this district have the capacity to provide services and are they planning ahead. If something is happening "below the waves" the MSR may not catch it as the scope of staff's investigation is really focused on the determinations. If there is some district misbehavior, the Commission is authorized to add other matters of interest to the Commission but at this point, our resources are really applied to the determinations that are in the statue. Those did not pick up the issues that the State Controller revealed, though the Mercy Springs Water District MSR noted a situation where staff of one district held other board positions on other districts managed out of the same office. That MSR also noted that the MSWD was slow on the response to LAFCo's questionnaire so that was included as a determination.

Silva replied that the question I had was make sure that the Commission was looking into these matters and was itself accountable.

LAFCo Legal Counsel Ken Price answered the fact that the MSR was done not that long ago there were obviously some indications of some administrative issues at Mercy Springs. The MSR process is entirely within the province of the Commission so if you deem that you wanted to amend the MSR you certainly can do that to reflect some of the new findings that the State Controller has made.

8. Commission Comments/ Reports

There were no comments or reports.

9. Closed Session

The Commission met in closed session to consider the executive officer's annual evaluation.

The Commission then reconvened in open session. Chairman Pacheco announced that there were no actions to report from closed session.

ADJOURNMENT

Commissioner Parra motioned to adjourn the meeting, seconded by Commissioner Silva. The motion passed on a vote of 4-0-1-0. The meeting was adjourned at 2:10 p.m.