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

CONSENT AGENDA ITEM NO. 6

DATE: September 12, 2007

TO: Fresno Local Agency Formation Commission

FROM: Rick Ballantyne, Executive Officer
Darrel Schmidt, Deputy Executive Officer

SUBJECT: **Consider Adoption** – Municipal Service Review and Sphere of Influence Update Prepared for the Coalinga-Huron Unified School District - Library District; Municipal Service Review and Sphere of Influence Adoption for the Fresno County Library District.

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) before January 1, 2008, and every five years thereafter. Prior to, or in conjunction with an agency's SOI update, LAFCo is required to conduct a *Municipal Service Review* (MSR) for each agency.

On December 13, 2006, the Commission directed staff to enter into a contract with Braitman & Associates to prepare MSRs and SOI Updates for numerous cities and special districts. The attached MSRs, SOI Update and SOI Adoption have been prepared for the two library districts operating within Fresno County: the Coalinga-Huron Unified School District - Library District and the Fresno County Library District.

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. This report includes a recommended update to the Coalinga-Huron Unified School District – Library District.

All Special Districts are required to have a Sphere of Influence. In conducting research for this report, it was learned that the Commission has not adopted a Sphere of Influence for the Fresno County Library District. This report includes a recommendation that a Sphere of Influence be adopted for the District.

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

1. Infrastructure needs or deficiencies
2. Growth and population projections for the affected area
3. Financing constraints and opportunities
4. Cost avoidance opportunities
5. Opportunities for rate restructuring

6. Opportunities for shared facilities
7. Government structure options, including advantages and disadvantages of the consolidation or reorganization of service providers
8. Evaluation of management efficiencies
9. Local accountability and governance

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

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's are 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 MSR's 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's qualify 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 for the Coalinga-Huron Unified School District – Library District and adoption of an SOI for the Fresno County Library District coterminous with the current District boundary qualify for the same general exemption from environmental review based upon CEQA Regulation Section 15061(b) (3).

There is no possibility that these MSR's, the SOI update prepared for the Coalinga-Huron Unified School District – Library District, or adoption of an SOI for the Fresno County Library District that is coterminous with the District's current boundary, may have a significant effect on the environment because there are no land use changes associated with the documents. If the Commission approves and adopts the MSR and SOI update prepared for the Coalinga-Huron Unified School District – Library District; approves the MSR prepared for the Fresno County Library District; adopts an SOI for the Fresno County Library District that is coterminous with the District's current boundary as recommended; and determines that the projects are exempt from CEQA, staff will prepare and file a notice of exemption with the County of Fresno, as required by CEQA Regulation Section 15062.

Discussion / Summary of Determinations

1. Coalinga-Huron Unified School District - Library District

A. Maintain the District's Existing Sphere of Influence Boundary.

The Coalinga-Huron Unified School District – Library District encompasses approximately 549,661 acres (859 square miles) in southwestern Fresno County. The District's boundary and Sphere of Influence are coterminous and are identical to the Coalinga-Huron Unified School District and the Coalinga-Huron Recreation and Park District. The District includes the Cities of Coalinga and Huron. Together with the Fresno County Library District, the entire County of Fresno is served by a Library District.

The District operates all of the public libraries within its boundary. Library services are available at the District's main library located in the City of Coalinga and a branch library located in the City of Huron. Both facilities are extensively utilized by the public.

The District is governed by the Coalinga-Huron Unified School District Board of Trustees and is administered by the Director of Library Services. Eight full-time, three part-time, and one seasonal staff member are employed by the District.

Funding for the District is primarily derived from property taxes and Measure B, a 1/8th cent sales tax levy that is collected Countywide. The Audited Financial Statement for FY 2005-06 identified \$422,769 from property tax revenue, \$402,769 from Measure B revenue, and interest income of \$40,484. The District's FY 2006-07 budget totaled \$879,362, including \$538,462 for salaries and benefits, \$196,900 for services and supplies, \$94,000 for books and materials, and \$50,000 for capital outlay. The District also maintains a \$70,000 budget contingency and projects excess revenues of \$27,785. The District appears to be operating efficiently.

The District is a part of the "San Joaquin Valley Library System", a six-county inter-agency cooperative. Libraries within the "System" share technical expertise, electronic databases and materials, an on-line directory, and other cooperative programs with other libraries in the System. Participation in the San Joaquin Valley Library System helps to reduce costs while providing a higher level of services to its users.

No additional opportunities for shared facilities and no opportunities for rate restructuring were identified in this study.

Consolidation with the Fresno County Library District offers a potential option for modifying the District's government structure. However, there does not appear to be any interest by either of the Districts in pursuing this possibility. It should also be noted that the District, through its participation in the San Joaquin Valley Library System, is already experiencing regional benefits similar to that which would be experienced by a larger regional agency.

The District reports its Sphere of Influence and boundary are correct at this time and has not proposed any changes.

2. Fresno County Library District

- A. Adopt a Sphere of Influence Boundary which is Coterminous with the Current District Boundary.

The Fresno County Library District encompasses approximately 3,846,516 acres (6,010 square miles), and includes 13 of the County's 15 Cities. Together with the Coalinga-Huron Unified School District – Library District, the entire County of Fresno is located within a Library District.

The District provides library services throughout the County of Fresno with 64 branch libraries and mobile library facilities. The District owns or leases facilities in nearly every community within the District. An inventory of District library facilities is included as an attachment to the MSR. The District's facilities development plan entitled "The Heart of a Community: Its Public Library" reports on anticipated library needs for Fresno County residents through the year 2020.

The District is governed by the Board of Supervisors and is administered by the County Librarian. The District has 203 full-time and 95 part-time staff.

The District is funded primarily through taxes including significant funding generated from Measure "B", a 1/8th cent sales tax levy which is collected Countywide. Measure "B" funds comprise approximately 60% of the District's funding.

The District's FY 2006-07 Budget totaled \$29,366,863. Approximately two-thirds of the Budget consisted of salaries and benefits. The District is pursuing an aggressive, multi-year capital construction program to upgrade and improve many of its facilities. Nearly \$4,675,000 of FY 2006-07 revenues were appropriated for capital improvements.

The District also maintains the budget for the San Joaquin Valley Library System, a six-county inter-agency cooperative. The System's \$4,242,097 budget is financed by contributions from the participating agencies and the State.

In an effort to avoid costs and improve its services, the District utilizes joint purchasing and coordinated maintenance. As a participant in the "San Joaquin Valley Library System", the District shares technical expertise, electronic databases, materials, and an on-line directory. Additionally, the District out-sources new library material processing to reduce the need for permanent employees. The District is currently expanding its Radio Frequency ID technology for self-checkout of library materials.

The District also provides library service, through the County Sheriff and Probation Departments, to persons serving time in County jail and probation facilities. With the exception of its continued participation in the San Joaquin Valley Library System, no additional opportunities for sharing facilities were identified.

The MSR did not identify any opportunities for rate restructuring.

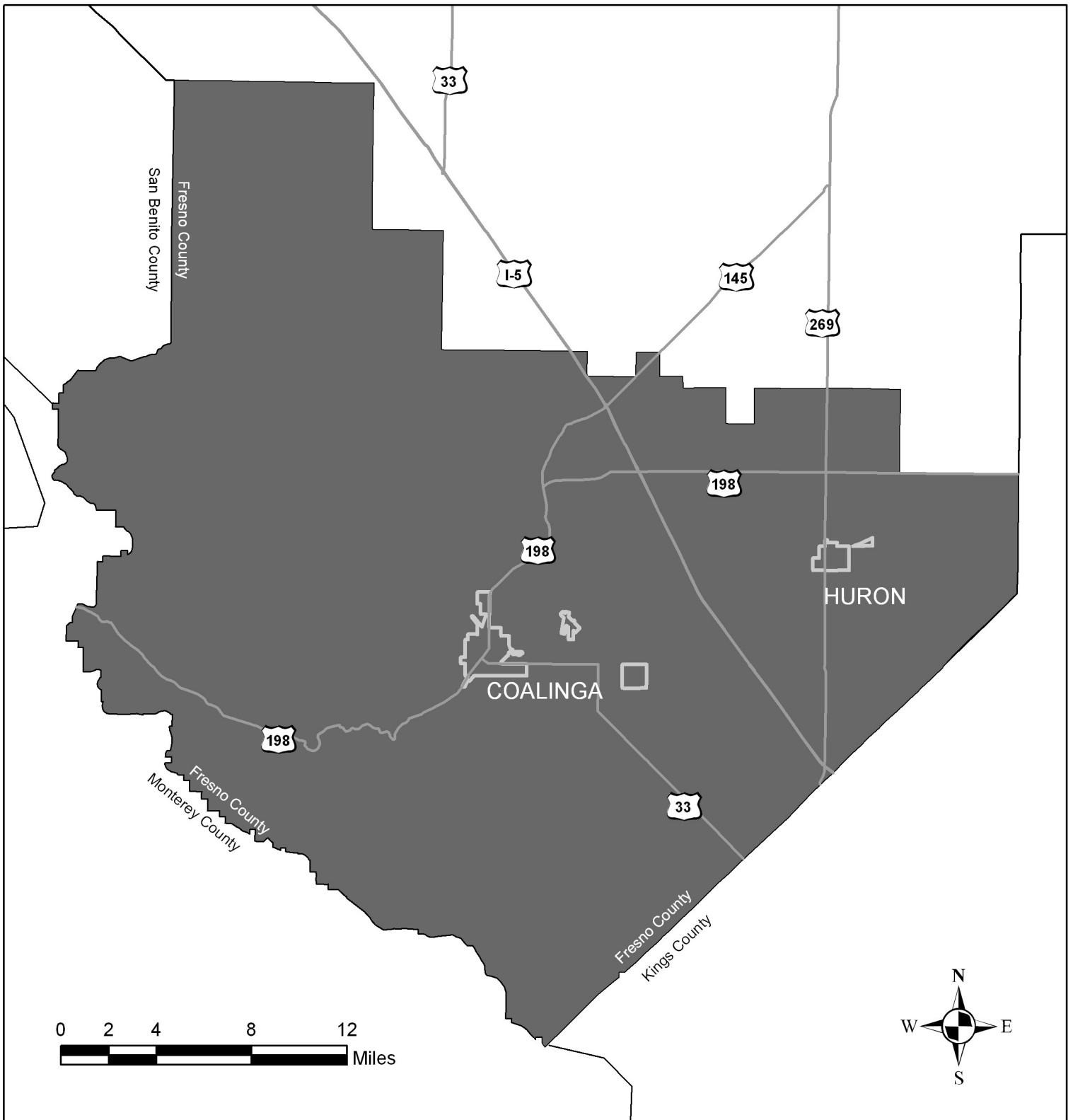
Consolidation with the Coalinga-Huron Unified School District – Library District offers a potential option for modifying the District's government structure. However, there does not appear to be any interest by either District in pursuing this possibility. It should also be noted that the District, through its participation in the "San Joaquin Valley Library System" is already experiencing regional shared benefits similar to that which would be experienced by a larger regional agency.

In preparing the MSR for the Fresno County Library District, staff learned that there is no record of the Commission having adopted a Sphere of Influence for the District. The District reports that its boundary is correct at this time and no changes are proposed. It is therefore appropriate

that the Commission adopt a Sphere of Influence that is coterminous with the District's current boundary.

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 Reviews and Sphere of Influence determinations under consideration are Categorically Exempt from the provisions of the California Environmental Quality Act (CEQA) under Section 15306, "Information Collection" and the general exemption from environmental review, CEQA Regulation Section 15061(b)(3), and find that the Coalinga-Huron Unified School District – Library District SOI Update and the adoption of the recommended SOI for the Fresno County Library District qualify for the same general exemption from environmental review based upon CEQA Regulation Section 15061(b)(3).
- B. Find that the Municipal Service Review and Sphere of Influence Update prepared for the Coalinga-Huron Unified School District – Library District and the Municipal Service Review and Sphere of Influence Adoption prepared for the Fresno County Library District are complete and satisfactory.
- C. Find that the written determinations within the Municipal Service Reviews and Sphere of Influence Update and Adoption satisfy State Law.
- D. Pursuant to Government Code Sections 56425 and 56430 make the required determinations for the Municipal Service Reviews and District Spheres of Influence; adopt the Municipal Service Reviews prepared for the Coalinga-Huron Unified School District – Library District and Fresno County Library District by Braitman and Associates; update the Sphere of Influence for the Coalinga-Huron Unified School District – Library District by reaffirming its current Sphere of Influence boundary; and adopt a Sphere of Influence for the Fresno County Library District that is coterminous with the District's current boundary.



Fresno Local Agency Formation Commission Coalinga-Huron Unified School Library District

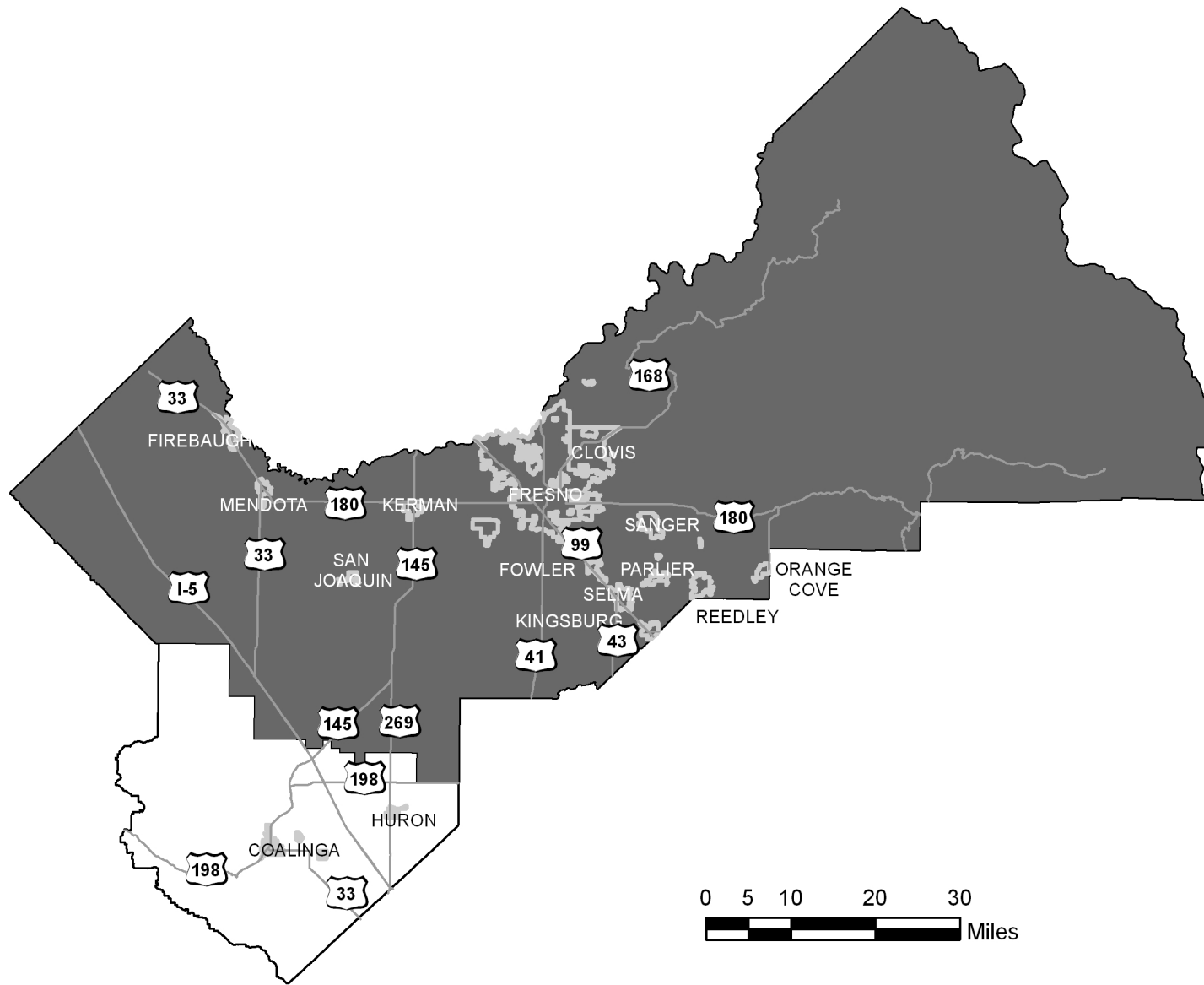
Legend

- District Area and SOI
- City Areas

Note: Portion of District Located in Monterey
and San Benito Counties Not Shown

District Formed: 1912
 SOI Adopted: May 19, 1976
 Map Date: July 2007

District Area: 549,661 Acres
 Sphere Area: 549,661 Acres



**Fresno Local Agency Formation Commission
Fresno County Library District**

Legend

- District Area
- City Areas

District Formed: 1910
 SOI Adopted:
 Map Date: July 2007
 District Area: 3,846,516 Acres
 Sphere Area:

RESOLUTION NO. MSR-07-26

**FRESNO LOCAL AGENCY FORMATION COMMISSION
FRESNO COUNTY, CALIFORNIA**

In the Matter of

LAFCo Determination

RESOLUTION MAKING)	MAKE DETERMINATIONS AND ADOPT
DETERMINATIONS AND ADOPTING)	MUNICIPAL SERVICE REVIEWS; AND
MUNICIPAL SERVICE REVIEWS; AND)	MAKE DETERMINATIONS AND UPDATE
MAKING DETERMINATIONS AND)	SPHERE OF INFLUENCE FOR
UPDATING SPHERE OF INFLUENCE)	COALINGA-HURON UNIFIED SCHOOL
FOR THE COALINGA-HURON UNIFIED)	DISTRICT-LIBRARY DISTRICT; AND MAKE
SCHOOL DISTRICT-LIBRARY DISTRICT))	DETERMINATIONS AND ADOPT SPHERE OF
AND ADOPTING SPHERE OF)	INFLUENCE FOR THE FRESNO COUNTY
INFLUENCE FOR THE FRESNO)	LIBRARY DISTRICT
COUNTY LIBRARY DISTRICT)	

WHEREAS, pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56425 et. Seq.) the Fresno Local Agency Formation Commission is required to review and update, as necessary, Spheres of Influence of local agencies not less than once every five years; and

WHEREAS, Government Code Section 56430 directs the Commission to conduct a review of municipal services not later than the time it considers an action to establish or update a Sphere of Influence; and

WHEREAS, Government Code Section 56427 directs the Commission to adopt spheres of influence for all cities and special districts; and

WHEREAS, notice of this Commission's hearing of said requests was duly given in a publication of general circulation as required by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and State law, and at the time and in the form and manner provided by law; and

WHEREAS, the Commission has heard, discussed and considered all relevant evidence, including but not limited to the Executive Officer's *Municipal Service Review and Sphere of Influence Update Report*, environmental documentation, applicable land use plans and all testimony, correspondence and exhibits received during the public hearing process, all of which are included herein by reference.

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

Section #1. Acting as Lead Agency pursuant to California Environmental Quality Act (CEQA) Guidelines, this Commission finds that prior to adopting the written determinations, the Municipal Service Reviews and Sphere of Influence determinations under consideration are Categorically Exempt from the provisions of the California Environmental Quality Act (CEQA)

under Section 15306, "Information Collection" and the general exemption from environmental review, CEQA Regulation Section 15061(b)(3), and find that the Coalinga-Huron Unified School District – Library District SOI Update and the adoption of the recommended SOI for the Fresno County Library District qualify for the same general exemption from environmental review based upon CEQA Regulation Section 15061(b)(3).

Section #2. This Commission finds that the Municipal Service Review and Sphere of Influence Update prepared for the Coalinga-Huron Unified School District – Library District and the Municipal Service Review and Sphere of Influence Adoption prepared for the Fresno County Library District are complete and satisfactory.

Section #3. This Commission finds that the written determinations contained within the Municipal Service Reviews and Sphere of Influence Update and Adoption satisfy State Law.

Section #4. Pursuant to Government Code Sections 56425 and 56430, this Commission makes the required determinations for the Municipal Service Reviews and District Spheres of Influence; adopts the Municipal Service Reviews prepared for the Coalinga-Huron Unified School District – Library District and Fresno County Library District by Braitman and Associates; updates the Sphere of Influence for the Coalinga-Huron Unified School District – Library District by reaffirming its current Sphere of Influence boundary; and adopts a Sphere of Influence for the Fresno County Library District that is coterminous with the District's current boundary.

* * * * *

ADOPTED THIS 12th DAY OF SEPTEMBER, 2007, BY THE FOLLOWING VOTE:

AYES: Commissioners Rodriguez, Fortune, Anderson, Larson, Lopez

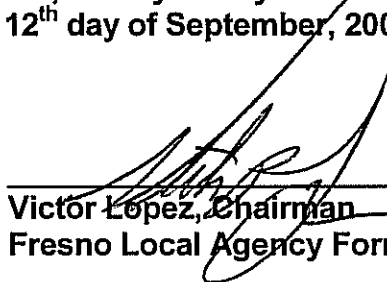
NOES: None

ABSENT: None

**STATE OF CALIFORNIA)
COUNTY OF FRESNO)**

CERTIFICATION

I, Victor Lopez, Chairman of the Fresno Local Agency Formation Commission (LAFCo), Fresno County, State of California, hereby certify that the foregoing resolution was adopted by the Commission on the 12th day of September, 2007.



**Victor Lopez, Chairman
Fresno Local Agency Formation Commission**

**STATE OF CALIFORNIA
COUNTY OF FRESNO**

I, Rick Ballantyne, Executive Officer to the Fresno County Local Agency Formation Commission, do hereby certify the foregoing to be a full, true and correct copy of the original thereof on file in my office.

Witness on the 19th day of September, 2007

**Rick Ballantyne
Executive Officer to Commission**

By *Candice Fleming*
Clerk to Commission

LIBRARY DISTRICTS

MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE

Report to the
Fresno Local Agency Formation Commission

Prepared By:

Braitman & Associates
8277 Cheshire St.
Ventura, CA 93004

September 2007

This report was prepared for the Fresno Local Agency Formation Commission (LAFCO) in accordance with Section 56430 of the California Government Code. It responds to the requirement that LAFCO conduct a Municipal Service Review (MSR) to study the delivery of municipal services and update Spheres of Influence.

The following two Library Districts occupy all of Fresno County.

- Fresno County Library District encompasses about 3,846,516 acres (6,010 square miles). It includes the entire County except for the southwestern portion of the County, and includes all cities except for Coalinga and Huron.
- Coalinga-Huron Unified School District – Library District encompasses about 549,661 acres (859 square miles) in the southwestern portion of the County. It includes the Cities of Coalinga and Huron and surrounding areas.

Although these agencies are formed and operate under different provisions of the State Education Code, consolidating public library services in Fresno County is a possibility. Neither District has expressed an interest in consolidation, however, and to a large extent, library services provided by the two Districts already have regional benefits due to their participation in the six-county San Joaquin Valley Library System.

Written determinations regarding the MSRs, the Spheres of Influence Update prepared for the Coalinga-Huron Unified School District – Library District and the recommended adoption of a Sphere of Influence for the Fresno County Library District are provided for the Commission's consideration.

These reports are informational documents and do not substitute for discretionary decisions that can only be made by the Commission. The decision to approve or disapprove any determinations or policies rests entirely with the Commission.

This report is subject to reconsideration and revision as directed by the LAFCO staff or by the Commission during the course of its deliberations.

MSR Guidelines prepared by the State Office of Planning and Research were referred to in developing information, performing analysis and organizing these studies.

COALINGA-HURON UNIFIED SCHOOL DISTRICT – LIBRARY DISTRICT

MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE

Report to the
Fresno Local Agency Formation Commission

Prepared By:

Braitman & Associates
8277 Cheshire St.
Ventura, CA 93004

September 2007

1. MUNICIPAL SERVICE REVIEW

Description of District

The Coalinga-Huron Unified School District – Library District was formed in 1912 and operates all public libraries within its boundaries. The District operates under the provisions of the State Education Code, Section 18300 et seq.

The District includes the southwestern portion of Fresno County. The remainder of the County is within the Fresno County Library District. The District boundaries and Sphere of Influence are coterminous, as shown on the enclosed map.

The District boundaries are identical to the Coalinga-Huron Unified School District and the Coalinga-Huron Recreation and Park District.

The Coalinga-Huron Unified School District Board of Trustees governs the Library District. The Director of Library Services administers the district with eight full-time, three part-time and one seasonal staff members.

District Services and Background

The District provides public library services.

2. MSR DETERMINATIONS

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

Infrastructure Needs and Deficiencies

Services are provided at a Main Library in the City of Coalinga and a Branch Library in the City of Huron. The public makes extensive use of library services at these facilities.

Growth and Population Projections

District services do not directly facilitate or affect the rate or location of population development, though the District provides library improvements and services based on demonstrated needs.

Financing Constraints and Opportunities

Of the total \$879,362 FY 2006-07 Budget, \$538,462 is comprised of Salaries and Benefits, \$196,900 is Services and Supplies, \$94,000 is Books and Materials and \$50,000 is for capital outlay.

Funding comes primarily from property taxes and Measure B, a 1/8th cent sales tax levy that is collected Countywide. The Audited Finance Statement for FY 2005-06 records property tax revenue of \$422,769, Measure B revenue of \$402,041 and interest income of \$40,484.

A budget contingency of \$70,000 and projected revenues-over-expenses of \$27,785 indicates the District is fiscally solvent and existing financing sources are sufficient to meet financial obligations in providing District services.

Cost-Avoidance Opportunities

The District shares technical expertise, electronic databases and materials, an online directory and other cooperative programs with other public library jurisdictions in the San Joaquin Valley Library System. The District indicates it is implementing a Strategic Plan to plan for improved services into the future.

Opportunities for Rate Restructuring

There are no obvious opportunities for rate restructuring in the operations of the District.

Opportunities for Shared Facilities

The District participates in the San Joaquin Valley Library System, a six-county inter-agency cooperative financed by contributions by the participating agencies and by State contributions.

Government Structure Options

There do not appear to be readily available government structure options. Consolidation with the other Library District in the County is possible, though there does not appear to be any interest in this option by either of the agencies.

Management Efficiencies

The District exhibits the characteristics of a well-managed agency operating efficiently and serving its customers effectively.

Local Accountability and Governance

A five-member School District Board of Trustees, elected at-large, governs the District. It meets on the fourth Tuesday of each month. Agendas are posted at the libraries. Planning is under way to establish a District website.

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 District’s exterior boundaries and Sphere of Influence are coterminous.

No Proposed Sphere Changes

The District reports its Sphere and boundary are correct at this time and no changes are proposed at this time.

Sphere of Influence Recommendation 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.

Land uses within the District are a mix of residential, commercial, industrial, public uses, agriculture and open space. Planned uses include similar designations.

2. Present and probable need for public facilities and services in the area.

The mixture of land uses within the District requires a broad array of public services and facilities. The probable need for public facilities and services reflect land use plans of the cities within its boundaries and the County.

3. Present capacity of public facilities and adequacy of public service that the agency provides or is authorized to provide.

The capacity of District facilities is sufficient for services it provides.

4. Existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

Territory within the District represents a community of interest for District services.

4. ACKNOWLEDGEMENTS & REFERENCES

This draft Municipal Service Review was prepared by Braitman & Associates working at the direction of the Fresno LAFCO staff. Responsibility for any errors or omissions rests with those who prepared the report.

The Coalinga-Huron Library District provided information on which the evaluation is based. Director of Library Services Carol Kreamer was instrumental in providing data.

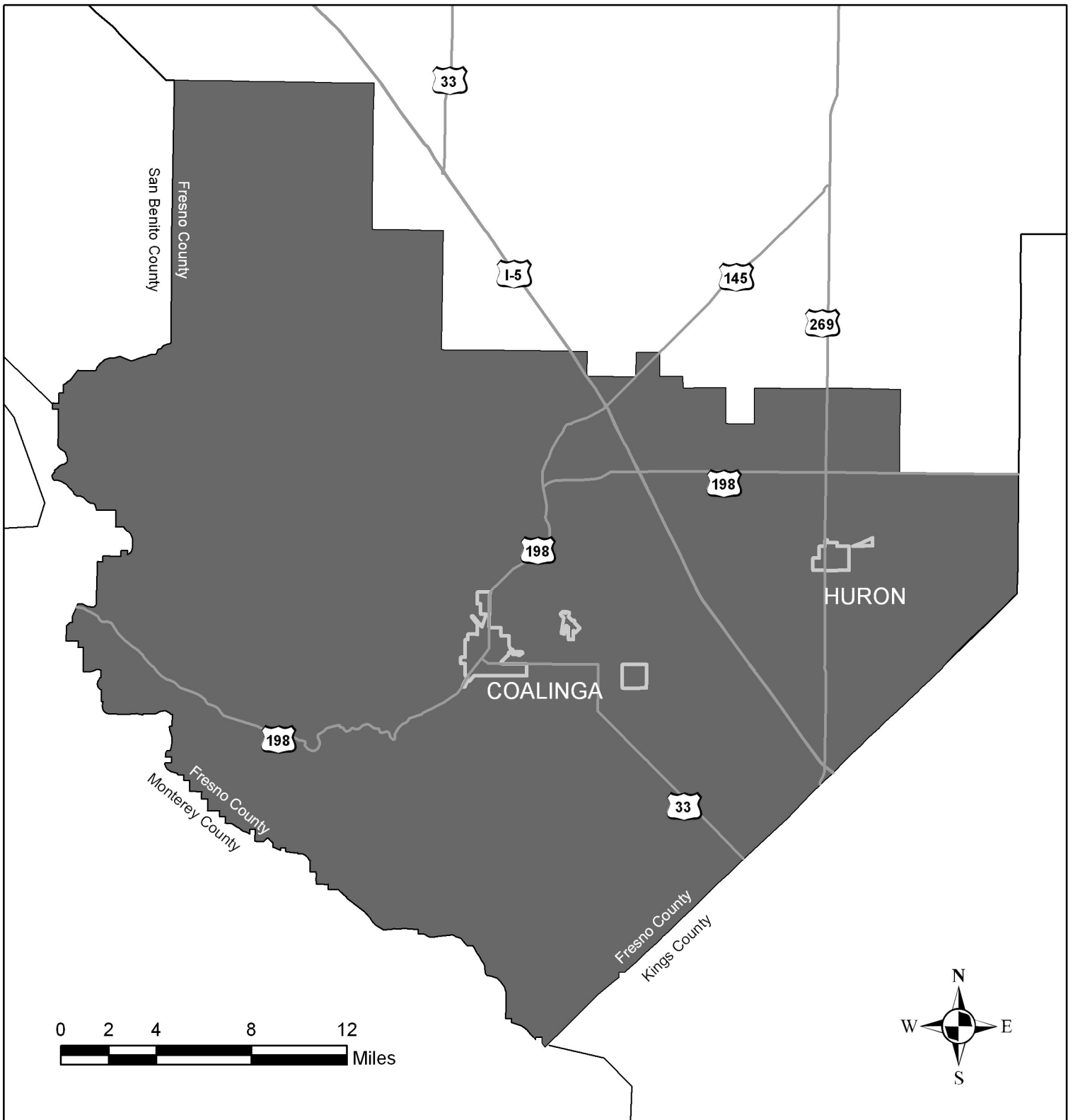
Available Documentation

The “Request for Information for Municipal Service Reviews” submitted by the District and supporting documents referred to therein are available in the LAFCO office.

5 . R E C O M M E N D A T I O N S

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.



Fresno Local Agency Formation Commission Coalinga-Huron Unified School Library District

Legend

- District Area and SOI
- City Areas

Note: Portion of District Located in Monterey
and San Benito Counties Not Shown

District Formed: 1912
 SOI Adopted: May 19, 1976
 Map Date: July 2007

District Area: 549,661 Acres
 Sphere Area: 549,661 Acres