

Addendum to

City of Kerman

**Municipal Service Review and
Sphere of Influence Update**

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

**LAFCO File Numbers:
MSR-07-23B-A / USOI-199
Kerman SOI Amendment**

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Introduction and Scope of this Addendum to the MSR

This addendum to the 2007 adopted Kerman Municipal Service Review ("MSR") has been prepared to focus on the requested Kerman sphere of influence ("SOI") amendment and the City's parks and recreational services by presenting data and analysis related to the Kerman SOI amendment.

On October 2, 2019, the California Natural Resources Agency announced \$37 million in funding for 21 projects under its Cultural, Community and Natural Resources grant program funded by Proposition 68. The City of Kerman's ("City") Parks, Recreation, and Community Services Department was one of the 21 awarded projects scheduled to receive approximately \$2 million in support of Kerman's Eastside Community Park ("ECP") project.

On June 12, 2020, the City informed LAFCo that grant funding for the ECP project was contingent upon the City's ability to have the site shovel-ready no later than December 31, 2020. According to the City, shovel-ready means that the ECP project is at the stage where workers can be employed or contracted to begin the construction.

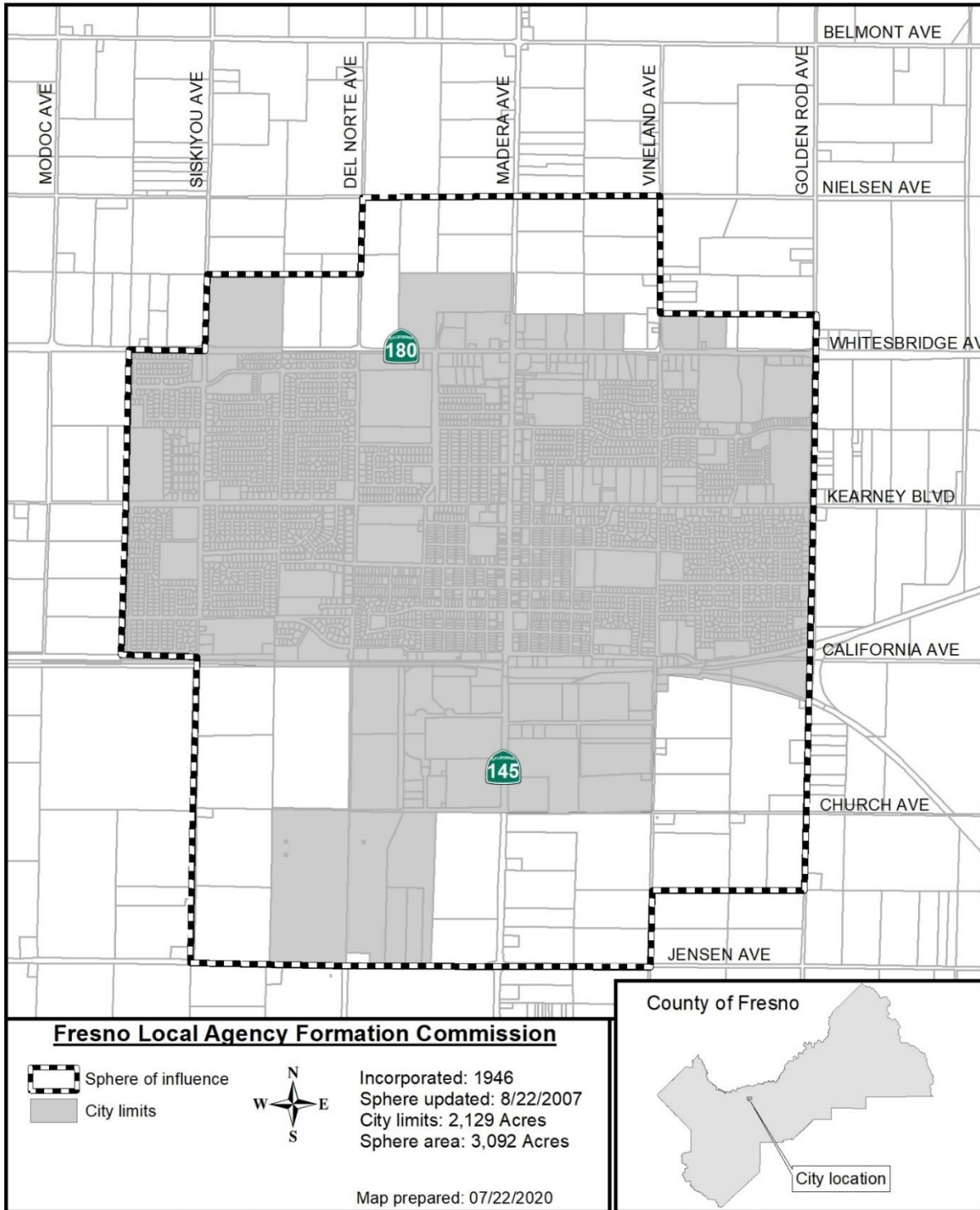
On June 23, 2020, the City filed an application with the Fresno Local Agency Formation Commission ("LAFCo") requesting a SOI amendment to include the ECP property into the Kerman SOI. The affected territory consists of 17.17 acres of land previously used as a walnut orchard located at the northeast corner of Goldenrod Avenue and California Avenue. Of the 17.17 acres, the City owns 15.6 acres, while Union Pacific Railroad Company owns 1.57 acres of abandoned railroad right-of-way near California Avenue. The City expects to purchase the parcel from the Railroad Company in the near future.

A concurrent annexation application was also submitted to LAFCo for the ECP site.

On July 8, 2020, the Kerman City Council adopted an update of the Kerman General Plan for the 20-year planning period from 2020 to 2040. The Kerman General Plan and associated certified environmental impact report propose a larger and more comprehensive amendment of the Kerman SOI than the SOI amendment examined in this MSR. However, in the interest of conforming to the City's grant funding time constraints, this MSR is limited in scope to the analysis and determinations necessary to examine the SOI amendment needed for the ECP.

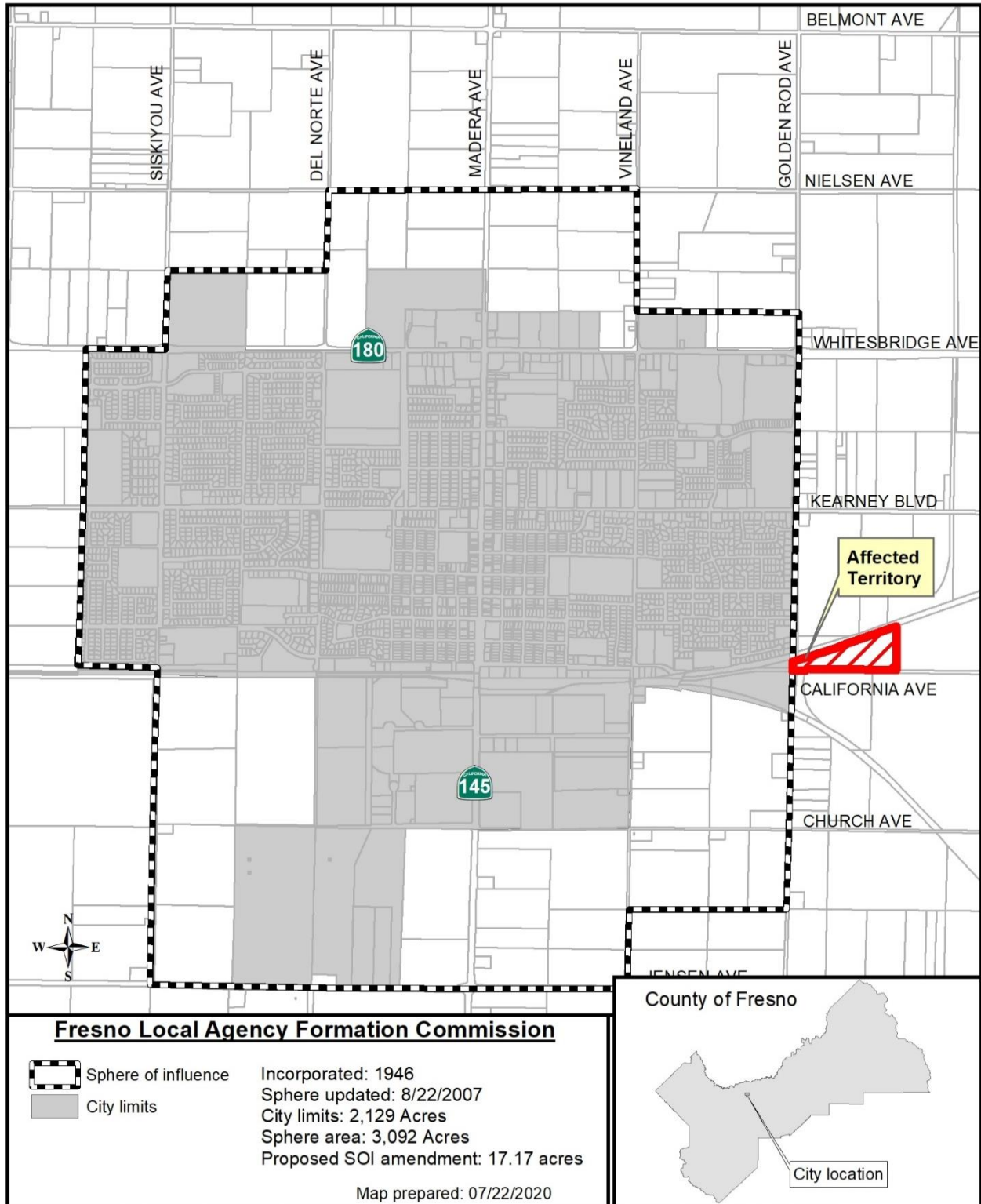
The proposed Kerman SOI amendment will facilitate annexation of the ECP by expanding the Kerman SOI to include the affected territory.

Figure 1. City of Kerman Map



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Figure 2. Kerman SOI Amendment Map



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Figure 3. Aerial View of Kerman SOI Amendment



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Figure 4. Eastside Community Park Master Plan Diagram



Kerman Sphere of Influence

In 1974, the Commission determined the first Kerman SOI. The Commission has adopted three subsequent updates of the Kerman SOI in 1982, 2005, and 2007. The Kerman SOI is generally bounded by Nielsen Avenue to the north, Jensen Avenue to the south, Goldenrod Avenue to the east, and the Kenneth Avenue alignment to the west.

The 2007 Kerman SOI encompasses 3,092 acres of which 68.9 percent (2,129 acres) of the available land within the existing Kerman SOI has been annexed into the City. The current Kerman SOI has existed in its current form for over 13 years.

Proposed Kerman SOI Amendment

The proposed SOI amendment requests the inclusion of two parcels totaling 17.17 acres, (Figure 3) to accommodate Phase One of the ECP project. At full build-out, the ECP will be the largest park on Kerman's eastside and will provide year-round recreational opportunities for the community.

The proposed SOI amendment represents a less than one percent change to the existing Kerman SOI. Both parcels are designated for Agriculture use by the County of Fresno General Plan and identified in the County's Exclusive Agriculture (AE-20) zone district.¹ The properties are not subject to an existing Williamson Act Contract. There are no private residences within the requested SOI amendment.

The Kerman General Plan designates the affected territory for Open Space use as a Community Park. Prior to applying to LAFCo, the City determined consistency between the proposal and the Kerman GP for the affected territory, conducted the necessary environmental review, and approved the necessary land use entitlements to provide for the logical progression of the City's growth.

On November 13, 2019, the Kerman City Council approved the following documents in support of the ECP proposal:

- **Eastside Community Park, Initial Study and Negative Declaration, Resolution No. 19-64:** The City Council approved the Negative Declaration No. 2019-01 (SCH No. 2019080200) for the Eastside Community Park project. A Notice of Determination was filed with the Fresno County Clerk on December 23, 2019.
- **Kerman General Plan Amendment 2019-01:** The City Council approved the changed the Kerman General Plan map to expand the Kerman SOI to include the two parcels that make up the Eastside Community Park site.²
- **Kerman Pre-zone 19-01:** The City Council approved the first reading and Ordinance Amendment of the Kerman Municipal Zoning Map to pre-zone the Eastside Community Park property from the Exclusive Agriculture (AE-20) Fresno County zone district to the Kerman "O" Open Space Zone consistent with the Kerman General Plan.

¹ Assessor Parcel Numbers ("APN") 025-200-18S and 025-010-04U.

² **Note:** the SOI employed by the City is not the LAFCo SOI.

- **Kerman SOI amendment and Annexation Applications:** The City Council approved a resolution of application requesting LAFCo to initiate proceedings for SOI amendment and reorganization proceedings for property known as the Eastside Community Park.

California Environmental Quality Act (CEQA)

This addendum to the Kerman MSR collects data and analyzes data in support of a SOI amendment intended to facilitate a subsequent and coterminous annexation of the Eastside Community Park.

The City of Kerman, acting as Lead Agency under California Environmental Quality Act ("CEQA"), prepared an initial study and a Negative Declaration ("ND") for the Eastside Community Park (SCH No. 2019080200) pursuant to Public Resources Code Section 21092 and CEQA Guidelines Section 15070. The Kerman SOI amendment and subsequent annexation were included in the project description and analyzed in the Initial Study. On November 13, 2019, the City adopted Resolution No. 19-64 certifying the ND for the Eastside Community Park. The City filed a Notice of Determination with the County of Fresno's Clerk Office on December 23, 2019.

Acting as a Responsible Agency pursuant to CEQA Guidelines, LAFCo considered the initial study and certified the ND prepared by the City of Kerman, Lead Agency, for the Eastside Community Park (SCH No. 2019080200) for its review and update of the Kerman SOI and related reorganization.

Disadvantaged Unincorporated Community Analysis

A DUC is defined by Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH") as an inhabited territory (meaning territory within which there reside 12 or more registered voters), or as determined by LAFCo policy, that constitutes all or a portion of a "disadvantaged community" as defined by section 79505.5 of Water Code.

The State Water Code defines a "disadvantaged community" as a community with an annual median household income ("MHI") that is less than 80 percent of the statewide annual median household income.

On January 9, 2013, Fresno LAFCo exercised its powers under CKH and adopted local policy which refined the DUC definition within Fresno LAFCo's jurisdiction. Fresno LAFCo's DUC Policy characterizes DUCs as at least 15 dwelling units at a density not less than one unit per acre. Additionally, LAFCo's policy includes "Legacy Communities" which is defined as a geographically isolated community that meets the DUC criteria, is at least 50 years old, and is beyond the adopted SOI of any City.

In 2015, Fresno LAFCo adopted its first DUC database. On February 12, 2020, Fresno LAFCo comprehensively updated its DUC database based upon updates demographic datasets to estimate median household income levels within the County of Fresno. The 2020 DUC database relies upon information collected through the Commission's MSR Program, sphere of influence update program, and demographic information obtained from the United States Census Bureau Americans Community Surveys, five-year reports for years 2012-2016.

Based on this database, the affected territory does not meet LAFCo's DUC criteria.

City and County Meeting and Agreement

As prescribed by State law, City of Kerman and Fresno County representatives convened to discuss the proposed Kerman SOI amendment. Both local agencies have reached a formal agreement by the way of a Memorandum of Understanding (“MOU”).

On December 20, 2019, the County of Fresno County Administrative Officer found that the proposed Kerman SOI amendment and the ECP Reorganization were consistent with the Amended and Restated MOU between the City of Kerman and County of Fresno.

Kerman’s Parks and Recreation Services

The Kerman Parks, Recreation, and Community Services Department (“PRCSD” or “Department”) oversees the City’s parks and recreation programs. The Department is responsible to maintain the City’s recreational facilities, streetscape, parks, trails, other landscaped open space areas, city trees, and city building grounds.

The Department’s mission statement is: “To provide fun, safe, and affordable recreational opportunities in exceptional Park and Recreational Facilities that will enhance the quality of life and promote healthy lifestyles for all participants and citizens of our community.”

The City has ten park locations amounting to a total of 40 acres of land developed for recreational use. The Department coordinates the delivery of recreational programs to residents through various partnerships with local agencies, organizations, and community volunteers. The Department has various intergovernmental partnerships that support the Department’s vision to build and maintain sustainable parks and recreational programs.

The PRCSD’s intergovernmental partnerships include, but are not limited to, the following:

- Public Works Department provides park maintenance services,
- Police Department provide law and code enforcement,
- Planning and Development Services Department oversees land uses planning, and
- Engineering Division plans and secures grant funding resources in support of parks facilities.

Kerman General Plan: Conservation, Open Space, and Recreation Element

The Conservation, Open Space, and Recreation Element (“CORE”) of the Kerman General Plan provides goals and policies for ongoing development, maintenance, and funding, of existing and planned future city parks. The General Plan Land Use Diagram identifies several sites for future parks and open space in newly planned areas.

The City informed LAFCo that there is a Community-Wide Parks Master Plan in the works scheduled to be completed by Winter 2020. As envisioned, the Community-Wide Parks Master Plan will align with the goals and policies identified in the 2040 Kerman General Plan update.

The following list summarizes key policies included in the Kerman General Plan related to Parks and Recreation:

- **COS-2.1 Parkland Standard**, the City shall continue to acquire and develop adequate park sites to serve future City growth at a standard of 4 acres of combined park and open space land per 1,000 residents.

- **COS-2.2 Parkland Dedication**, the City shall continue to require developers to dedicate parkland or pay in-lieu fees.
- **COS-2.3 Future Park Locations**, the City shall ensure that future park locations are accessible to all residents and consider connectivity and visibility from major roadways. Park locations should provide for equitable distribution of parks within the community and strive to provide walkable access to a park from existing or new residential areas.
- **COS-2.4 Future Eastside and Westside Community Parks**, the City shall continue to work towards developing the planned regional parks and recreation facilities, including the Eastside and Westside Community Parks.
- **COS-2.5 Amenities at Parks and Recreational Facilities**, the City shall provide a variety of types of park sites and recreational facilities with an array of amenities to fulfill the city's diverse needs. Amenities shall include adequate lighting, restroom facilities, water fountains, and continuous trails connecting the sites.

Existing Park and Recreational Facilities

The Department maintains ten park sites within the City. Figure 5 provides additional details of each park facility within Kerman.

In addition to park service, the PRCSD manages Kerman's Community Center, recreation programs, senior services, park development programs, and transportation services. The PRCSD coordinates community event for the following facilities:

- The Community/Teen Center is located at 15100 Kearney Plaza, Kerman. The Community Center is a 13,000 square foot facility equipped with four rooms available for rental. The Community Center can host various events such as youth/teen recreation activities, community events, county election polling place, weddings, receptions, private parties, meetings, seminars, and fundraisers. Event fees are determined by City residency, event type, and size of event. Reservations are made on a first-come basis.
- The Kerman Senior Center is located at 720 South 8th Street, Kerman. The Senior Center is a 5000-square foot facility intended for use by senior citizens and offers a large dining area that seat up to 90 guests. Additional room can be used for community meetings, seminars, or classes and seat approximately 35 guests. Event fees are determined by City residency, event type, and size of event. Reservations are made on a first-come basis.
- Lions Park Pavilion Rental. Located at Lions Park, this pavilion includes 12 picnic tables, seating for 96 guests, BBQ pits, and horseshoe pits.
- Kerckhoff Park Cabana and Dance Pavilion are two picnic shelters available for rental. Each picnic shelter includes six picnic tables and seats 48 guests.

Figure 5. City of Kerman, Park and Recreation Facilities

Name	Acres	Location	Purpose/ Amenities
Kerckhoff Park	5.75	15061 West G Street	This multi-purpose park with features that include playground, softball/baseball field, bleachers, score board, public restrooms, picnic benches, bandstand and dance pavilion, picnic shelter and tables, and lighting. In the Fall, this park hosts the annual Kerman Almond Festival.
Lions Park	18.3	744 Park Avenue	The park features a 10-acre storm water basin, with no use six months or more out of the year. This is a multi-purpose park with features that include two softball/baseball, basketball courts, public restrooms, covered pavilion area with electricity, picnic tables, BBQ pit, three horseshoe pits, and paved parking. This park is home to the Kerman Youth Soccer League.
Plaza Veterans Park	1.3	1000 S. Madera Avenue	Plaza Park is home to the Veteran's Circle of Honor. This is a linear park that forms the median divider for Madera Avenue between California Avenue and C Street. Park amenities include restrooms, park benches, walking paths, picnic tables, lighting, and a canopy structure. A wrought iron fence now surrounds the park and buffers it from Madera Ave.
Wooten Park	1.5	Wooten Drive and C Street	This park's features include a large grass area with a softball/baseball backstop, trees, picnic benches, picnic tables and lighting. The park is also home to John Triantis playground, which includes slides, monkey-bars, spring-mounted animals, and a tire swing.
Rotary Park	4.9	702 Vineland Avenue	This is a school/park joint use facility with school district with limited use when school is in session. The park is home to the Kerman Cal Ripken Baseball League. Features include two softball/baseball fields, field lighting, spectator seating, park space, public restrooms, and concession facility. Rotary Park also features a large playground area.
Soroptimist Park	2.14	484 S. Siskiyou Avenue	This is a universally accessible park & playground. The innovative playground equipment allows a child in a wheelchair to ascend the playground ramp simultaneously with another child. Additional park amenities include a small grass area, picnic benches, picnic tables, antique-style lighting, wrought iron fencing, shelter structures and restrooms.
Kiwanis Park	2.12	At northeast corner of Merlot and San Joaquin Avenues	Park features include: a large green area with softball/baseball backstop, basketball court and picnic benches. A children's playground includes a toddler play area, composite playground, with slides, monkey-bars, swings, and twisty slide for older children.
B Street Park	1.0	B Street and Sixteenth Street	Park features include a large green area with grass, trees, playground, and picnic benches.
Katey's Kids Park	2.85	Gateway and Park Avenue	Kerman's newest neighborhood park and features a park/play environment.
Sunset Park	0.35	Southeast corner of Sixth Street and Sunset Avenue	This park is generally an open green space area with shade trees.
Vineland Park	0.62	On Vineland near California Ave	This park is generally an open green space area with shade trees.

Planned Parks Facilities

During the preparation of this MSR addendum, the City informed LAFCo that its working with various stakeholders to secure additional sites and funding for several park locations identified in the Kerman General Plan. In addition to the ECP as described previously in this MSR, the future planned park facilities are summarized as follows:

- Stanislaus Park is located at 14221 W. Stanislaus Avenue. The site encompasses approximately 1.8 acres and its planned features will include a playground, splash pad, picnic shelter, park lighting and fitness equipment. Completion is expected to occur by December 2021. This park site is in the City of Kerman.
- Northwest Park is located at 271 S. Kenneth Street and encompasses 2.5 acres. Construction is pending funding. There is currently no anticipated start date. The City owns this parcel. This park site is in the City of Kerman.
- Westside Community Park encompasses 37 acres and the land is located at the northeast corner of Siskiyou and California Avenues. A park master plan needs to be prepared for this site. Design and construction of this park is pending funding; there is no anticipated start date. The City owns this parcel. This park site is not currently in the City of Kerman.

Demand for Service

The four major factors influencing demand for the City's parks and recreation services are population growth, range of recreational activities offered by the Department, constituent outreach, and price. The wider the range of recreational opportunities, the greater the chance that a resident will find a preferred option, therefore potentially more people would be using services offered by the City. Similarly, the more constituents are aware of the recreational opportunities the more likely a greater number of people will be making use of the City's available facilities.

The Department tracks average daily attendance for its staffed park facilities as well as all fee-based activities such as youth sports, senior center events, aquatic programs, summer camps, and action sports. The Department offers recreation opportunities through sports activities for minimum or no cost.

The Aquatics Program offers year-round swimming at the Kerman High School pool. Swimming lessons are available, and the pool is open to the public on Mondays, Wednesdays, and Fridays. Two lifeguards are present to provide supervision. The Kerman Community Pool is available Saturday and Sunday evenings and Sunday afternoon for private pool rentals.

The Adult Programs includes Zumba Classes and Open Gym. Zumba classes feature exotic rhythms set to high-energy Latin and international beats. While Open Gym offers access to cardio and workout equipment at Kerman Middle School from Monday through Fridays.

The Youth Programs are comprised of Youth Performing Arts, Hacienda-Heights After School Program, and Summer Day Camp. Youth Performing Arts is a theatre production program for youth ages six through 15 years of age that runs from September to October. The Hacienda-Heights After School Program is available for K-12 grade students who live at the Hacienda Heights apartment community to keep children safe, reduce juvenile crime, increase academic performance and school attendance. The Summer Day Camp Program is available for youth ages 6 to 12. The Summer Day Camp Program offers games and an opportunity to network and make

new friends within the community. Additionally, year-round Youth Sports programs are offered for children 3 to 12 years old.

The Teen Activities Program is overseen by the Kerman Youth Commission. The Kerman Youth Commission is an advisory body for the Department responsible for planning activities, events and programs that address the needs of Kerman’s youth during non-school hours.

Senior Programs are focused on serving local seniors by hosting annual events, online services, nutrition, and volunteer programs.

The Department does not track resident versus non-resident participation. The City’s does not have an estimate of park visitors that are residents from immediate surrounding areas. The programs and facilities that might attract out-of-town residents include the City’s park facilities, aquatics program, youth and adult programmed events, and the City’s annual festivals and holiday events.

The City informed LAFCo that demand for recreation programs has largely stayed the same over the last several years. The City informed LAFCo that park facility usage continues to increase steady each year and local sports leagues and outdoor facility rentals continue to grow each year. According to the Department demand for additional parkland is needed to continue the City’s effort to enrich residents’ lives by providing parks and recreational programs close to home. Figure 6 shows annual usage rates for the facilities that are tracked by the Department.

Figure 6. Park and Recreation Facility Usage, 2018 and 2019

Facility/Program	2018	2019
Community Center	39,800	41,840
Senior Center	18,500	19,300
Scout Hut	5,830	6,640
Kerckhoff Park	33,660	34,040
Rotary Park	46,900	49,940
Lions Park	32,205	35,339
Swimming Pool	4,030	4,235
Recreation Programs	4,760	5,200
Totals	185,785	196,534

Notes: These figures do not consider daily park use and youth sports practices. These numbers do not consider daily use at seven additional parks and city buildings. Source: City of Kerman, 2019.

Service Adequacy

This section reviews indicators of service adequacy attributed to the City’s park and recreation services, specifically developed parkland per 1,000 residents. The Kerman General Plan established a desired parkland standard to provide a combined four acres of open space and parkland per 1,000 residents.

Based on California Department of Finance 2020 report the City’s population estimate is 15,767 residents. The City’s current inventory of 40 acres of developed parkland inventory of parkland equates to approximately 2.5 acres per 1,000 residents. The addition of ECP’s approximately 16 acres brings the total of developed parkland inventory from 40 acres to 56 acres and increases the park to resident ratio to 3.5 acres per 1,000 residents.

The Kerman General Plan notes that the City's population may reach 20,470 residents by 2040.³ At that level, the City will require an additional 42 acres of developed parkland space to maintain the General Plan's parkland standard. The Kerman General Plan designates a total of 103 acres for future park space to be developed within the City's 2040 plan area. The City informed LAFCo that of the 103 acres designated for park space, approximately 82 acres of park space would need to be built so that the City meets its 2040 General Plan goal.⁴ Construction of the 103 acres of parks space at buildout of the City's 2040 plan area is estimated to create a ratio of five acres per 1,000 residents in the future.⁵

The ECP project is a high priority for the City to address unmet park and recreational need for the residents of Kerman. The ECP project will be proximate to primarily lower income neighborhoods in the older part of the City. The City as a whole does not have a year-round large park, but the east side of town especially is in critical need of park space. From an equity standpoint, the ECP has been planned to redress this imbalance and to further the City's goal of providing parks within walking distance for Kerman residents. The City informed LAFCo that grant opportunities to develop new park space can help the City meet its parkland standard and the passage of Kerman's 2018 sales tax measure (Measure M) provides additional funding for parks and facilities maintenance and repairs. It is noted that the General Plan does not call for a specific distribution of park space, and the City's size makes access to parks and recreation facilities relatively equitable. City staff have expressed to LAFCo that they believe that public parks and recreation services should be equally accessible and available to all people regardless of income level, ethnicity, gender, ability, or age.⁶

In fiscal year ("FY") 2019-20, the Department spent about \$4,300 in operating expenditures per acre. A National Recreation and Park Association ("NRPA") Special Report indicates that among the agencies throughout the country that operated public park facilities and responded to the NRPA survey in 2018, the median operating expenditures per acre of parks and non-park sites was \$6,750 per acre. Non-park sites include public lawn areas, public open space areas, and non-park designated landscapes.⁷ The typical park and recreation agency serving a jurisdiction with fewer than 20,000 people spends a median of \$7,196 per acre of park and non-park sites. The median increases to \$8,638 per acre for agencies serving jurisdictions with populations between 20,000 and 49,999. The typical operating expenditure per acre of park land rises with population density.⁸ However, maintenance of the ECP project per Proposition 68 grant funding guidelines will be a cost-saving over the City's current method by virtue of utilizing the Local Conservation Corps to perform landscape maintenance for the entire park.⁹

It should be noted that the cost of operation of parkland greatly depends on the type of facilities at a park. For example, a facility with restrooms, recreation centers, and recreation programs may be more costly to maintain and operate than a park that only requires occasional landscape maintenance.

³ Kerman General Plan Update DEIR (SCH#) Table 4.14-4 Existing and Future Park to Resident Ratio.

⁴ LAFCo communication with Kerman's PRCSO Director, August 12, 2020.

⁵ Ibid.

⁶ Ibid.

⁷ 2020 NRPA Agency Performance Review, Park and Recreation Agency Performance Benchmarks: <https://www.nrpa.org/siteassets/nrpa-agency-performance-review.pdf>

⁸ Ibid.

⁹ LAFCo communication with Kerman's PRCSO Director, August 12, 2020.

In the past, limited financing constrained the Department's ability to maintain parks, construct additional facilities, and make needed capital improvements. This changed in 2018 when Kerman voters approved a sales tax measure known as Measure M. According to City staff, the additional funding over the last two years has permitted the Department to complete deferred maintenance and initiate needed capital projects.

The Department will continue address a backlog created in past budget years that has led to aged infrastructure that is frequently more costly to maintain the older it becomes.¹⁰ The City regularly monitors and pursues State grant funding opportunities to assist with new projects, maintenance, or replacement of park equipment. The Department informed LAFCO that it has adequate capacity to provide services to its residents.

Department Staffing and Department Revenues

The Department is managed by one Community Services Director responsible to oversee the administration, community and senior centers, parks and city facilities maintenance/repair, recreation, senior and community services, park and facilities development services. The Department has seven full time equivalent (“FTE”) employees and eight year-round permanent part-time employees assigned to the City’s recreation programs, parks, and City maintenance services.

For FY 2019-2020, the following seven positions staffed the Department:

- Director of Community Services (1)
- Buildings & Facility Supervisor (1)
- Parks Maintenance Specialist (1)
- Parks Maintenance Technician (1)
- Recreation Supervisor (1)
- Senior Services Coordinator (1)
- Community Services Secretary (1)

The City informed LAFCo that a substantial portion of the City’s recreational programs relies on volunteers. The Department estimates that annually over 285 volunteers assist the City organize local events for the community. For example, the Senior Programs use approximately 35 volunteers; Special Events uses 100 volunteers, Seasonal Enrichment events use approximately 10 volunteers, and the Youth Sports programs uses approximately 140 volunteers to coach and organize events.

Kerman's park maintenance is primarily funded by the City’s General Fund, which is made up of general revenues. Most of the revenue comes from sales and property tax revenues. In addition to general revenue, development impact fees are imposed on all residential developments, hotels, motels, assisted living facilities, commercial, professional, and industrial buildings. The development impact fee is determined by the City Council and is reviewed on an annual basis. The funds generated from the development impact fees are used for the acquisition of land for parks and recreational areas.

For FY 2019-2020, the City's projected General Fund revenue amounts to \$7,295,631, of which \$1,001,166 is allocated to the City's recreational programs and social services and \$161,173 is allocated to the City's Parks Landscape Maintenance Program.

¹⁰ LAFCo communication with Kerman's PRCSO Director, August 12, 2020.

In 2018, Measure M was approved by the Kerman voters which enacted a 3/4 cent transaction and use tax to supplement funding for several capital improvement projects including but not limited to the construction of a senior center, regional fairgrounds, police station, animal kennel, and other similar projects. For FY 2019-2020, Measure M is expected to generate \$1 million in revenue for the City. Of the projected \$1 million, approximately \$700,000 is secured for the construction of a new Multigenerational Center and the ECP project. Additionally, Measure M funds will be utilized to repair and improve community facilities, local parks, and infrastructure. The Department informed LAFCo that additional revenues are obtained from facility rental revenues, land leases, and grant funding opportunities.

The City projects that the ECP will cost approximately \$5.9 million to construct, of which \$2.2 million would be funded by the Proposition 68 State grant, \$2.5 million from Land Water Conservation Fund grant and the City will match the remaining balance with the City's Measure M funds and community in-kind work.¹¹

The City informed LAFCo that existing park facilities, Department personnel, and recreational programs are at adequate levels to continue serving the City. Existing City policies support its ongoing commitment to secure adequate funding and resources to maintain appropriate service levels for Kerman's parks and recreation programs.

Addenda to the 2007 Kerman MSR Determinations

Based on the information in this report, this addendum addresses the following determinations pertaining to the Kerman MSR and SOI amendment for the ECP project. These determinations are recommended to be incorporated into the 2007 Kerman MSR and SOI update by reference. The following provides LAFCo's written statement of its determinations with respect to each of the following seven topics listed in Government Code section 56430:

1. Growth and population projections for the affected area.

- Implementation of the City's General Plan by year 2040 would increase Kerman's population to approximately 20,470 residents.
- The proposed SOI amendment is needed to accommodate Phase One of the Eastside Community Park project into the Kerman SOI. The ECP is anticipated to encompass 16 acres with features that include trails/ multimodal pathways, a lake, lighted basketball and handball courts, a community garden, a playground and splash pad, picnic shelters, a multi-use athletic field, and recreation center. Development of the affected territory will not induce population growth.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

- The affected territory does not meet the DUC MHI threshold as defined Fresno LAFCo's Policy 106 and CKH.

¹¹ LAFCo communication with Kerman's PRCS Director, August 12, 2020.

3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.

- The Conservation, Open Space, and Recreation Element (“CORE”) of the Kerman General Plan update provides goals and policies for ongoing development, maintenance, and funding, of existing and planned future city parks.
- The Kerman General Plan parkland policy states that the City shall continue to acquire and develop adequate park sites to serve future City growth at a standard of four acres of combined park and open space land per 1,000 residents.
- Based on the General Plan park space standard of four acres per 1,000 residents, the current inventory of parkland equates to 2.5 acres per 1,000 residents.
- The addition of ECP's approximately 16 acres brings the total of developed parkland inventory from 40 acres to 56 acres and increases the park to resident ratio to 3.5 acres per 1,000 residents.
- Implementation of the City's General Plan by year 2040 would increase Kerman's population to approximately 20,470 residents. At that level, the City will require an additional 42 acres of parkland to maintain the General Plan goal for the City's 2040 planning area.
- The Kerman General Plan designates 103 acres (existing and planned) for future park space that at build out is estimated to create a ratio of five acres per 1,000 residents by 2040.

4. Financial ability of agencies to provide services.

- For FY 2019-2020, the City's projected General Fund revenues amount to \$7,295,631, of which \$1,001,166 is allocated to the City's recreational programs and social services and \$161,173 is allocated to the City's Parks Landscape Maintenance Program.
- For FY 2019-2020, Measure M is expected to generate \$1 million in revenue for the City. Of the projected \$1 million, approximately \$700,000 is secured for the construction of a new Multigenerational Center and the ECP project. The Department informed LAFCo that additional revenues are obtained from facility rental revenues, land leases, and grant funding opportunities.

5. Status of, and opportunities for, shared facilities.

- The City has several agreements in place for the use of recreational facilities with local schools, clubs, and other youth recreational programs.

6. Accountability for community service needs, including governmental structure and operational efficiencies.

- The Parks, Recreation, and Community Services Department is managed by one Department Director responsible to oversee the administration, community center, parks and facilities, recreation, senior services, transportation, and park development services. The Department has nine full time equivalent (FTE) employees assigned to the City's recreation programs, parks, and maintenance services.

- 7. Any other matter related to effective or efficient service delivery, as required by commission policy.**
- LAFCO has reviewed its local policies and there are no other pertinent matters.

Addenda to the 2007 Kerman SOI Determinations

This addendum fulfills the requirements of Government Code sections 56430 and allows LAFCO to consider the minor amendment to the Kerman SOI for the ECP project consistent with the written determinations for the City of Kerman. In determining the SOI for each local agency, the Commission shall consider and prepare a written statement of its determinations with respect to each of the following pursuant to Government Code section 56425(e).

- 1. The present and planned land uses in the area, including agricultural and open-space lands.**
 - The two parcels comprising the proposed Kerman SOI amendment was previously used as a walnut orchard. The parcels are currently in agricultural use and are designated as Agriculture by the County of Fresno General Plan and identified in the County's Exclusive Agriculture (AE-20) zone district. Neighboring land uses consist agricultural land to the north, east, and south of the affected territory. The Kerman city limit is located immediately west of the affected territory.
 - The Kerman General Plan Land Use Map designates the affected territory as Open Space (Community Park), and the City has pre-zoned the territory as "O" Open Space consistent with the Kerman General Plan.
- 2. The present and probable need for public facilities and services in the area.**
 - The City has 40 acres of developed parkland space distributed among ten non-contiguous park sites equating to approximately 2.5 acres per 1,000 residents. The City needs a total of 22 acres of developed parkland to meet its General Plan goal based on existing parks and current population estimates.
 - The proposed ECP project will provide an additional 16 acres of park space and will bring the parkland to resident ratio to 3.5 acres per 1,000 residents.
 - Implementation of the City's General Plan by year 2040 would increase the Kerman's population to approximately 20,470 residents. At that level, the City will require an additional 42 acres of developed parkland to maintain the General Plan goal.
 - The Kerman General Plan designates 103 acres (existing and planned) for future park space that will, at build out, create a ratio of five acres per 1,000 residents by 2040.
- 3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.**
 - The City informed LAFCo that existing park facilities, Department personnel, and recreational programs are at adequate levels to serve the City. The City has policies that support the ongoing commitment to secure adequate funding resources to maintain appropriate service levels for Kerman's parks and recreation programs.

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.**
 - The ECP will be proximate to primarily lower income neighborhoods in the older part of the City.
5. **For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.**
 - There are no disadvantaged unincorporated communities proximate with the proposed Kerman SOI amendment that meet the DUC definition as defined by Fresno LAFCo's Policy 106 and CKH.

Recommendations

In consideration of information gathered and evaluated in this MSR addendum, it is recommended the Commission:

1. Receive this report and any public testimony regarding the proposed Municipal Service Review addendum and proposed Kerman SOI amendment.
2. Find that the Municipal Service Review Addendum is exempt from the California Environmental Quality Act pursuant to CEQA Guidelines section 15306 (Information Collection).
3. Approve the recommended Municipal Service Review addendum determinations, together with any changes deemed appropriate.
4. Approve the recommended sphere of influence amendment determination addendum, together with any changes deemed appropriate.
5. Find that City of Kerman, acting as Lead Agency under California Environmental Quality Act ("CEQA"), prepared an initial study and a Negative Declaration ("ND") for the Eastside Community Park (SCH No. 2019080200) pursuant to Public Resources Code Section 21092 and CEQA Guidelines Section 15070.
6. Find that as a Responsible Agency pursuant to CEQA Guidelines, LAFCo considered the initial study and certified ND prepared by the City of Kerman, Lead Agency, for the Eastside Community Park (SCH No. 2019080200) for its review and update of the Kerman SOI.
7. Determine that the Kerman SOI amendment is consistent with the Kerman General Plan.
8. Amend the Kerman SOI to include the 17.17-acre site planned to accommodate the Eastside Community Park site as depicted in Figure 2 of this addendum.
9. Recommend that the City of Kerman consider a comprehensive SOI update application to LAFCo based on the updated Kerman General Plan.

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

AGENDA ITEM No. 14

DATE: August 22, 2007

TO: Fresno Local Agency Formation Commission

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

SUBJECT: **Consider Adoption** – Municipal Service Reviews and Sphere of Influence Updates Prepared for the Following Cities:

1. City of Firebaugh
2. City of Kerman
3. City of Mendota
4. City of Reedley
5. City of San Joaquin

Summary / Background

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires LAFCo to review and update, as necessary, city and special district Spheres of Influence (SOI) 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 have been prepared for the Cities of Firebaugh, Kerman, Mendota, Reedley, and San Joaquin.

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 any 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.

SOI updates may involve an affirmation of the existing SOI boundary or recommend modifications to the SOI boundary. 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. Such updates are required by State law to be conducted every five years. MSRs are required to be prepared prior to, or in conjunction with, SOI updates.

State law requires that the Commission in its consideration of the MSRs adopt written 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 the SOI update, 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 updates 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 or SOI updates may have a significant effect on the environment because there is no land use changes associated with the documents. If the Commission approves and adopts the MSR's and SOI updates 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. City of Firebaugh

- A. Maintain the City's existing Sphere of Influence boundary.

The City of Firebaugh is located in northwest Fresno County and northwest of the City of Mendota (see map location). The City encompasses approximately 2,087 acres (3.26 square miles) and its SOI contains approximately 3,411 acres (5.33 square miles).

The City's current population is estimated to be 6,692 (California Department of Finance data). Firebaugh has grown approximately 17% since 2000 and is projected to grow another 52% to 10,161 by 2030. This estimate, as provided by the Council of Fresno County Governments, is based on the assumption that the City will maintain the same percentage population growth as experienced from 1997 through 2007.

The City is governed by a five-member City Council. Council members are elected by division. The City is administered by a City Manager and has 34 full-time, four part-time, and one contract employees.

The City provides a wide range of services including, but not limited to: police and fire protection, emergency medical services, land use planning, parks, water and wastewater services, solid waste collection, and street lighting.

City-owned facilities include City Hall, the Community Center, the Senior Citizens Center, Veterans Building and health center, two parks, and public works facilities and infrastructure.

The City's FY 2006-07 Budget projected \$8,718,132 in revenues and \$8,325,777 in expenses. The budget included \$3,024,500 for capital projects. The City levies fees and service charges for municipal services and imposes fees on new growth to ensure adequate infrastructure and new land uses do not adversely affect the existing population.

The MSR did not identify any opportunities for shared facilities in current City operations. The City participates in the Central San Joaquin Valley Risk Management Authority to obtain reasonable priced insurance coverage, and with the Fresno County Sheriff and the Clovis and Fresno Police Departments to obtain equipment.

The City adjusts its fees and service charges as necessary to recover the City's costs to provide these services.

The City is in the process of updating its General Plan and anticipates expansion of its boundary to the north to include approximately 120 additional acres. A formal SOI application has not been submitted to LAFCo as yet. The Commission may consider such an expansion once a complete application has been received from the City. At this time, staff recommends affirmation of the existing SOI.

2. City of Kerman

A. Maintain the City's existing Sphere of Influence boundary.

The City of Kerman is located in central Fresno County along State Route 180, approximately 16 miles west of the City of Fresno. The City contains approximately 1,931 acres (3.01 square miles). Its SOI encompasses approximately 3,091 acres (4.83 square miles).

The City's current population is estimated to be 13,591 (California Department of Finance data). Kerman has grown approximately 59% since 2000 and is projected to potentially grow as much as another 142% to 32,900 by 2030. This estimate, as provided by the Council of Fresno County Governments, is based on the assumption that the City will maintain the same percentage population growth as experienced from 1997 through 2007.

The City is governed by a five-member City Council. The Council members are elected at large. The City is administered by a City Manager and has 58 full-time, 25 part-time, and 20 seasonal, and three contract employees.

The City provides a wide range of services including, but not limited to: police, land use planning, public parks and recreation programs, transit services, water and wastewater services, street maintenance, street lighting, flood control, drainage, and storm water disposal. Fire prevention and suppression services are provided by the North Central Fire Protection District. American Ambulance provides emergency medical and transport services.

City-owned facilities include City Hall, the Kerman Senior Center, Community/Teen Center, City Library, Police Station, a number of parks, water and wastewater facilities, and public works offices and shops.

Within the last three years the City has constructed two 750,000 gallon water tanks and has purchased 80 acres for future expansion of its wastewater hold ponds for a planned wastewater treatment plant expansion.

The City's 2006-07 Budget projected General Fund revenues totaling \$3,608,558 and General Fund expenditures totaling \$3,608,558. Property taxes, sales and other taxes, and charges for services constitute the vast majority of these funds. Police operations make up approximately 53% of General Fund expenditures. Administration and legislative functions, recreation and social services, and public works account for the remainder of these expenditures.

The City's five-year *Capital Improvement Program* (CIP) projects extensive municipal facilities improvements. The CIP is updated annually. The City also updates its Development Impact Fees (DIF) on an annual basis. Additionally, the City has instituted a Fire Service Impact Fee for future development of facilities for the North Central Fire Protection District. The various fees and service charges for municipal services as well as fees and DIF for new growth are intended to ensure adequate infrastructure and new land uses do not adversely affect the existing population.

The City's FY 2007-08 Budget is anticipated to include approximately \$11 million in capital improvements including an expansion of City Hall, expansion of the wastewater treatment plant, and acquisition of 40 acres for future use as a park. Improvements for the Community Center, parks and recreation facilities, and roads and drainage facilities are also anticipated.

The City shares some of its park facilities with the Kerman Unified School District and is partnered with the School District's Kerman High School Building Trades Class to build City facilities such as park restroom/concession facilities, shop/office buildings for the City's Public Works Department, and lower cost of housing units.

The City through an agreement with Fresno County provides water service to some properties located approximately one-half mile south of the City.

The City seeks to avoid costs through its participation with: 1) the Central San Joaquin Valley Risk Management Authority; 2) a groundwater management JPA with the Fresno Irrigation District (FID) and all water agencies and water companies within FID's boundary, and 3) the San Joaquin Valley Power Authority.

The City reviews its fees annually and frequently adjusts its fees and charges for service to fully recover City costs.

The City states it has recently completed a 10-year General Plan Update for its 20-year (2007-2027) General Plan. In conjunction with the General Plan Update, the City has also completed 20-year Master Plans for water, sewer, and drainage facilities. During the time in which the General Plan was being developed, potential annexations for residential development were held in suspension. With approval of the updated General Plan in February, 2007, the City Council lifted this suspension on annexations for residential development.

The City states it has delayed submitting applications to expand its Sphere until the MSR is completed. It is anticipated the City will submit a proposal to the Commission to expand its Sphere, based on its updated General Plan, in the near future. At this time the Commission cannot consider an expansion of the City's SOI since it lacks necessary information and compliance with CEQA.

Based on this information, staff recommends the Commission adopt the MSR and SOI update determinations and affirm the current Sphere of Influence, deferring action on any Sphere amendments until the City submits a complete and acceptable application.

3. City of Mendota

A. Maintain the City's existing Sphere of Influence boundary.

The City of Mendota is located in western Fresno County approximately 35 miles west of the City of Fresno (see location map). State Route 33 traverses the City of Mendota. The City contains approximately 1,627 acres (2.54 square miles). Its SOI encompasses approximately 2,539 acres (3.97 square miles).

The City's current population is estimated to be 9,426 (California Department of Finance data). Mendota has grown approximately 19% since 2000 and is projected to grow another 68% to 15,850 by 2030. This estimate, as provided by the Council of Fresno County Governments, is based on the assumption that the City will maintain the same percentage population growth as experienced from 1997 through 2007.

The City is governed by a five-member City Council. City Council members are elected at large. The City is administered by a City Manager and has 19 full-time and three seasonal employees.

The City provides a wide range of services including, but not limited to: police protection, land use planning, public parks and open space, an airport, water and wastewater services, street maintenance, street lighting, flood control, drainage, and storm water disposal. The City contracts for fire protection with the California Division of Forestry (CDF). The City contracts for emergency medical services with American Ambulance and solid waste collection and disposal with a private hauler.

City-owned facilities include the City Hall, the Library, Community and Senior Citizens' Centers, two parks, a wastewater treatment plant, public works facilities, and an animal control kennel. The City states it is in the process of expanding its wastewater treatment plant capacity from 1.24 million gallons per day (mgd) to 2.5 mgd, in order to handle future growth.

The City's FY 2006-07 Budget projected General Fund revenues totaling \$1,727,515 with substantial portions of this revenue derived from sales taxes and other taxes, and intergovernmental revenues. General Fund expenditure projections totaled \$1,673,878, with substantial portions of these expenditures being used for police and fire protection services, building, planning and engineering, public works projects, and administrative functions. The City maintains separate funds for refuse, sewer, and water services, and capital improvements, as

well as other activities. The City budgeted \$1,659,000 for specific capital projects for FY 2006-07.

The City levies fees and service charges for municipal services and imposes fees on new growth to ensure adequate infrastructure and new land uses do not adversely affect the existing population. From information provided by the City, it appears that funding is being put in place for current and future public service needs.

The City has posed the idea of sharing a regional wastewater treatment plant with the City of Firebaugh, but funding for this project is not available. No other opportunities for sharing facilities were identified in the MSR.

The City utilizes performance measures which indicate that the City has been successful in reducing expenditures and increasing revenue through recovering reasonable costs incurred while providing services to its residents. Fees and charges for services are periodically adjusted to recover City costs.

The City is in the process of updating its General Plan and, due to projected population growth, expects to propose an expansion to its Sphere of Influence in the near future. An application has not been submitted for the Commission to consider amending the City's SOI or annexation of additional lands. The Commission may consider such an expansion once a complete application has been received from the City. At this time, staff recommends affirmation of the existing SOI.

4. City of Reedley

A. Maintain the City's existing Sphere of Influence boundary.

The City of Reedley is located in southeast Fresno County, approximately 25 miles southeast of the City of Fresno and 12 miles east of State Route 99 (see location map). The City's SOI is contiguous with the Fresno/Tulare County boundary on the south. The City contains approximately 3,116 acres (4.87 square miles). Its SOI encompasses approximately 4,723 acres (7.38 square miles).

The City's current population is estimated to be 24,909 (California Department of Finance data). Reedley has grown approximately 20% since 2000 and is projected to grow another 72% by 2030. This estimate, as provided by the Council of Fresno County Governments, is based on the assumption that the City will maintain the same percentage population growth as experienced from 1997 through 2007.

The City is governed by a five-member City Council. Council members are elected by division. The City is administered by a City Manager and has 110 full-time and 80 part-time employees.

The City provides a wide range of services including, but not limited to: police and fire protection, land use planning, parks, transit services, water and wastewater services, solid waste collection and disposal and recycling, street lighting, flood control, drainage, and storm water disposal.

City-owned facilities include City Hall, a fire station, Community Center, bath house, Reedley Opera House, two swimming pools, five parks, an airport including an office, shop, and aircraft hangers, a boat launch facility, and public works facilities and infrastructure including water, wastewater, and storm drainage collection facilities.

The City's FY 2006-07 Budget projected \$24,255,695 in revenues and \$24,188,078 in expenditures. Major expenditures included public safety, recreation/parks, community

development, general government, refuse collection and disposal, sewage collection and disposal, and water services.

The City also budgeted \$6,261,062 in FY 2006-07 for capital projects. These projects include expansion of the wastewater treatment plant from 3 million gallons per day (mgd) to 5 mgd, construction of two 1.5 million gallon water storage tanks, and installation of water meters. The City is updating its Utility Master Plans along with its General Plan update, which is expected to be completed in approximately 12 months.

The City has adopted a Community Facility District (CFD) policy whereby funds are paid by new residential, commercial, and industrial development projects to the District to help support police, fire, and parks and recreation services exclusively.

The City levies fees and service charges for municipal services and imposes fees on new growth to ensure adequate infrastructure and new land uses do not adversely affect the existing population. From information provided by the City, it appears that funding is being put in place for current and future public service needs.

Sewer service rates were recently increased to cover maintenance and operation costs. Fees and charges for services are periodically adjusted to recover City expenses.

The City participates with a number of other agencies in various ways to help avoid costs. The City is part of the Reedley Public Financing Authority, the Fresno Economic Development Commission, the Southeast Regional Solid Waste Commission, and the San Joaquin Valley JPA, which was recently formed with one county and 12 cities to purchase, generate, and sell electrical energy.

The City has submitted an application to expand its SOI by approximately 68 acres, and to annex these lands so that it can build a new regional sports park on this property. A number of documents related to this proposal have been submitted to LAFCo, but the application is not yet complete. Once additional materials are submitted and the Executive Officer has determined that the application is complete, this SOI amendment and annexation proposal will be scheduled to be heard by the Commission. At this time, staff recommends affirmation of the existing SOI.

5. City of San Joaquin

- A. Maintain the City's existing Sphere of Influence boundary.
- B. Encourage the City of San Joaquin and the Fresno Westside Mosquito Abatement District to pursue the option of having the District annex that portion of the City which is not within the District, so that the entire City can be treated equally with other properties in the City and throughout the District, including properties within the Cities of Firebaugh and Mendota, and so that abatement services will be provided throughout the District's Sphere of Influence.

The City of San Joaquin is located in central Fresno County approximately 20 miles southwest of the City of Fresno (see location map). San Joaquin contains approximately 710 acres (1.11 square miles). Its SOI encompasses approximately 962 acres (1.50 square miles).

The City's current population is estimated to be 3,870 (Department of Finance data). San Joaquin has grown approximately 18% since 2000 and is projected to grow another 76% by 2030. This estimate, as provided by the Council of Fresno County Governments, is based on the assumption that the City will maintain the same percentage population growth as experienced from 1997 through 2007.

The City is governed by a five-member City Council. Council members are elected at large. The City is administered by a City Manager and has 10 full-time, one part-time, and one contract employees.

The City provides a wide range of services including, but not limited to: police, land use planning, parks and recreation programs, transit service, water and wastewater services solid waste collection and disposal, street lighting, flood control, drainage, and storm water disposal. The City provides fire protection service through a contract with the California Division of Forestry (CDF).

Staff notes that the MSR prepared for the Fresno Westside Mosquito Abatement District reported that the City of San Joaquin is within the District's Sphere of Influence, but that the majority of the City is not within the District's boundaries. As such, most of the City does not receive direct mosquito inspection and treatment services, or disease surveillance services.

City-owned facilities include the City Hall, the Community Center, Senior Center, Learning Center modular buildings where day care services are provided, a vacant fire station, two parks, public works facilities and infrastructure, water and wastewater treatment facilities, and an animal control kennel.

The City's FY 2006-07 Budget projected General Fund revenues totaling \$760,700 and General Fund expenditures totaling \$984,080. The substantial difference between these projections is financed by a beginning fund balance of \$226,620.

The City maintains separate funds for solid waste, sewer, water, and other enterprise activities, as well as redevelopment and capital improvements. The FY 2006-07 Budget projects revenues of \$5,989,093 and expenditures of \$4,989,868 of which \$2,862,779 is budgeted for specific capital improvements. The City's Capital Improvement Program (approved in July 2004) projects infrastructure needs for parks, sewers, streets, and storm drains through 2009.

The City levies fees and service charges for municipal services and imposes fees on new growth to ensure adequate infrastructure and that new land uses do not adversely affect the existing population. The City has the ability to adjust its fees and service charges as necessary to recover the City's costs to provide these services. From the information provided, it appears that the City has made it a priority to adjust fees and charges as needed. The City appears to be operating efficiently.

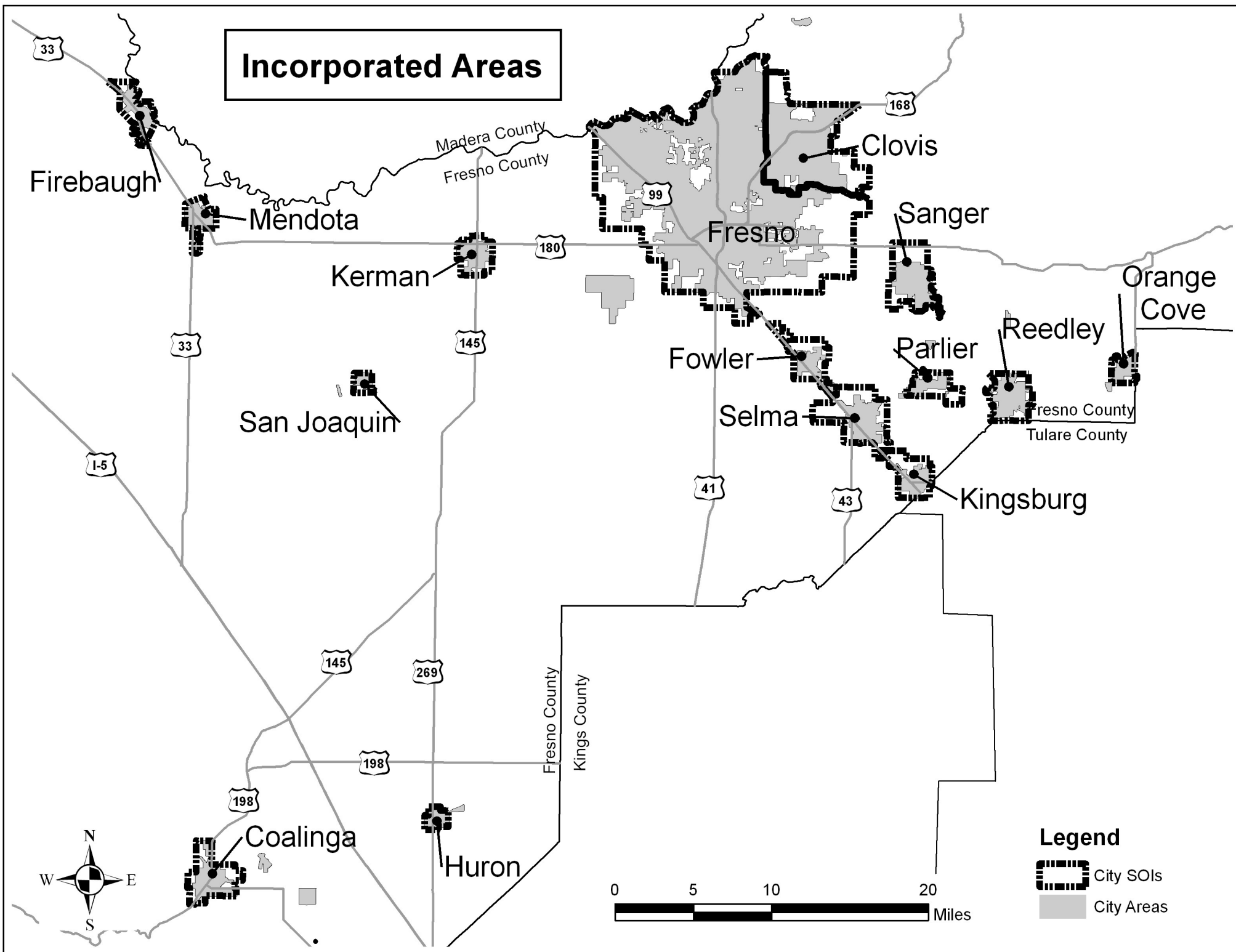
The City reports that its City boundary and Sphere of Influence are appropriate at this time and does not propose any changes. At this time, staff recommends affirmation of the existing SOI.

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 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 SOI Updates qualify for the same general exemption from environmental review based upon CEQA Regulation Section 15061(b)(3).
- B. Find the Municipal Service Reviews and Sphere of Influence Updates prepared for the Cities of Firebaugh, Kerman, Mendota, Reedley, and San Joaquin are complete and satisfactory.

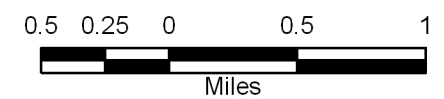
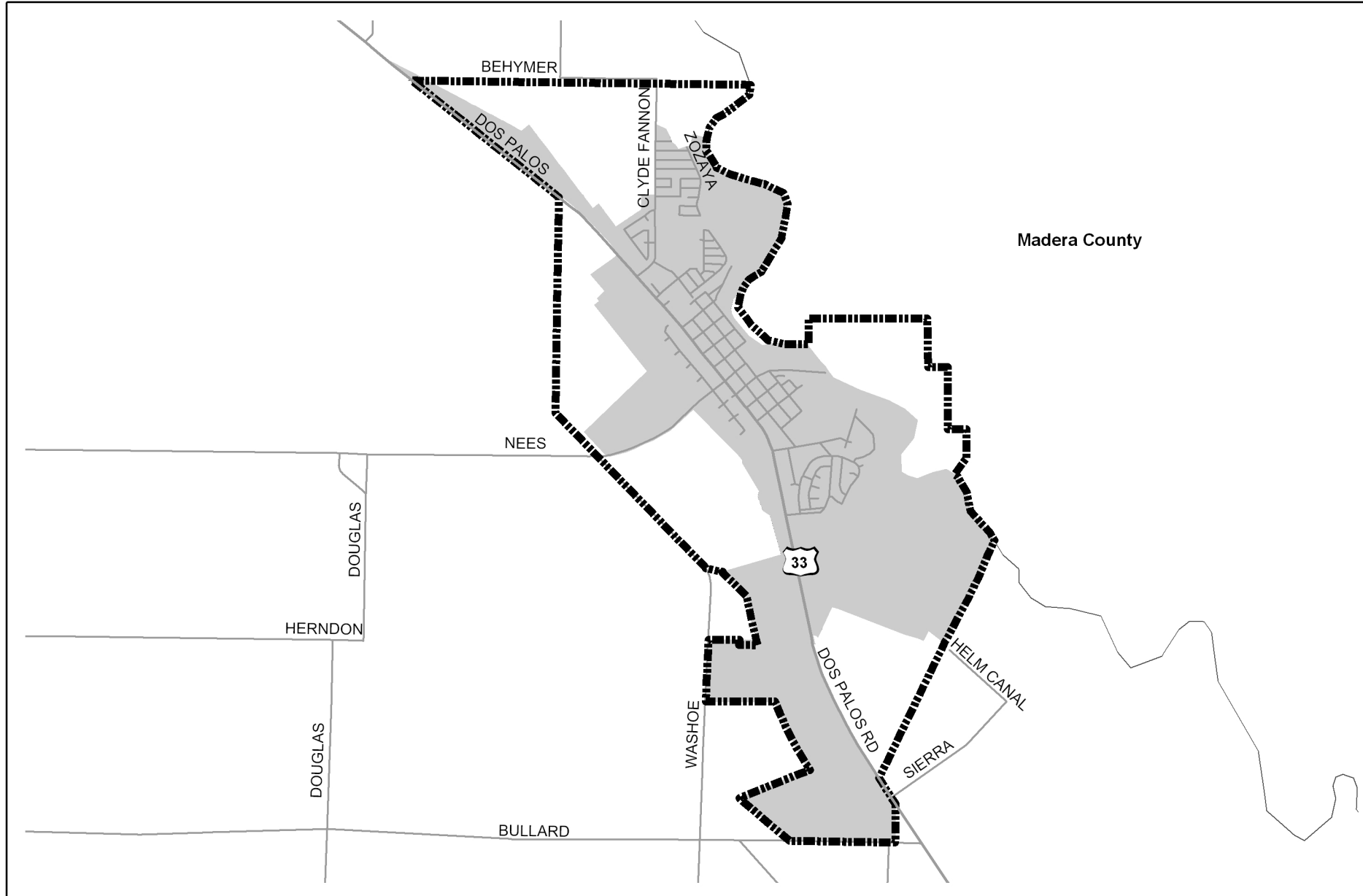
- C. Find that the written determinations within the Municipal Service Reviews and Sphere of Influence Updates satisfy State Law.
- D. Pursuant to Government Code Sections 56425 and 56430 make the required determinations for the Municipal Service Review and District Sphere of Influence, adopt the Municipal Service Review prepared for the Cities of Firebaugh, Kerman, Mendota, Reedley, and San Joaquin by Braitman and Associates, and update the Sphere of Influence for said Cities by reaffirming their current boundaries.
- E. Encourage the City of San Joaquin and the Fresno Westside Mosquito Abatement District to pursue the option of having the District annex that portion of the City which is not within the District.

Incorporated Areas



CITY OF FIREBAUGH

Adopted: October 23, 1974
Updated: August 23, 2000
Map Date: June 2007



Legend

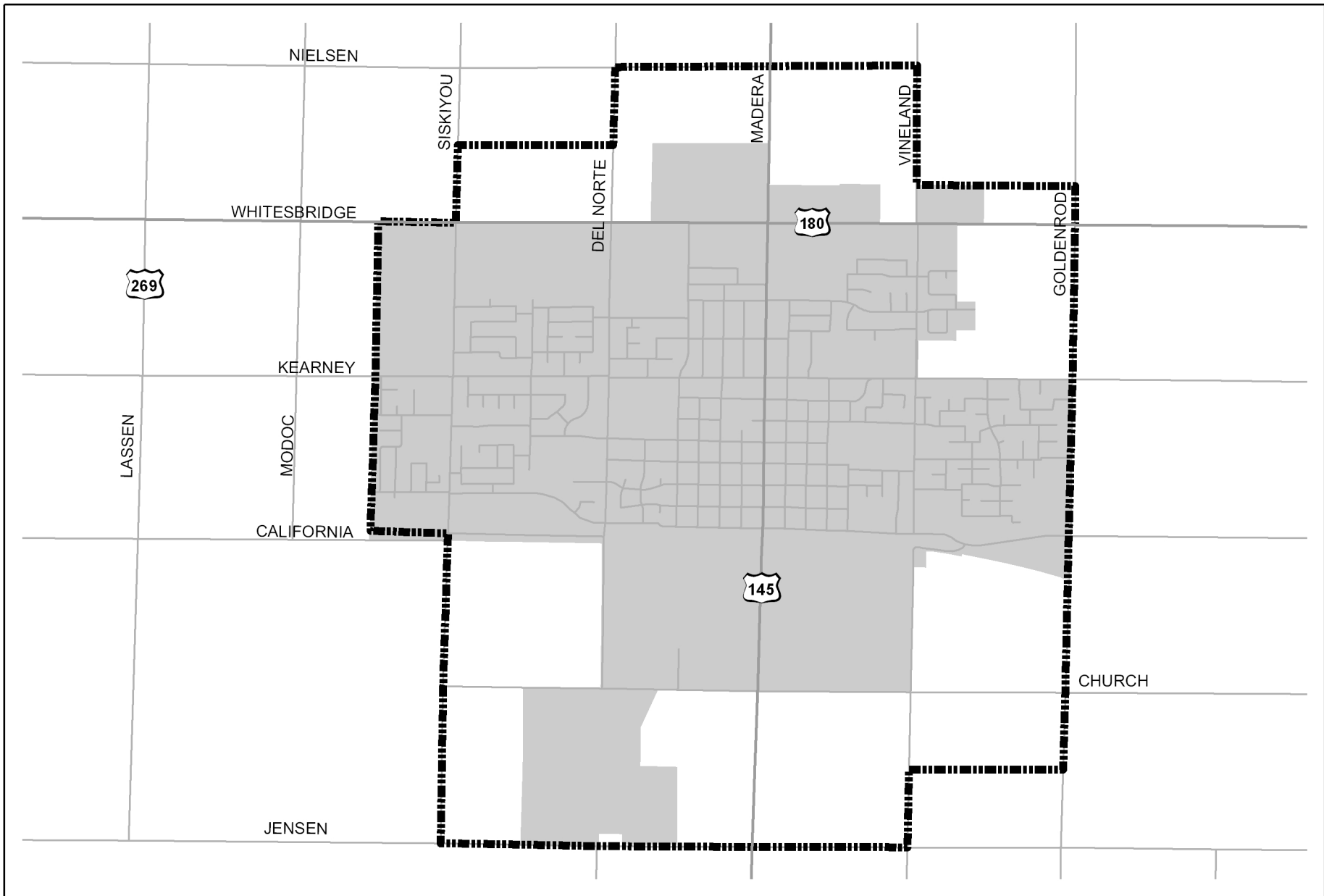
- Sphere of Influence
- City Limits

FRESNO LOCAL AGENCY FORMATION COMMISSION CITY OF FIREBAUGH SPHERE OF INFLUENCE

City Date (6/07)

Note: Areas are digitized acreages and do not reflect actual legal values

Sphere Area	3,411 Acres
City Area	2,087 Acres





CITY OF KERMAN

Adopted: October 23, 1974
 Updated: June 15, 2005
 Map Date: June 2007



Legend

 Sphere of Influence

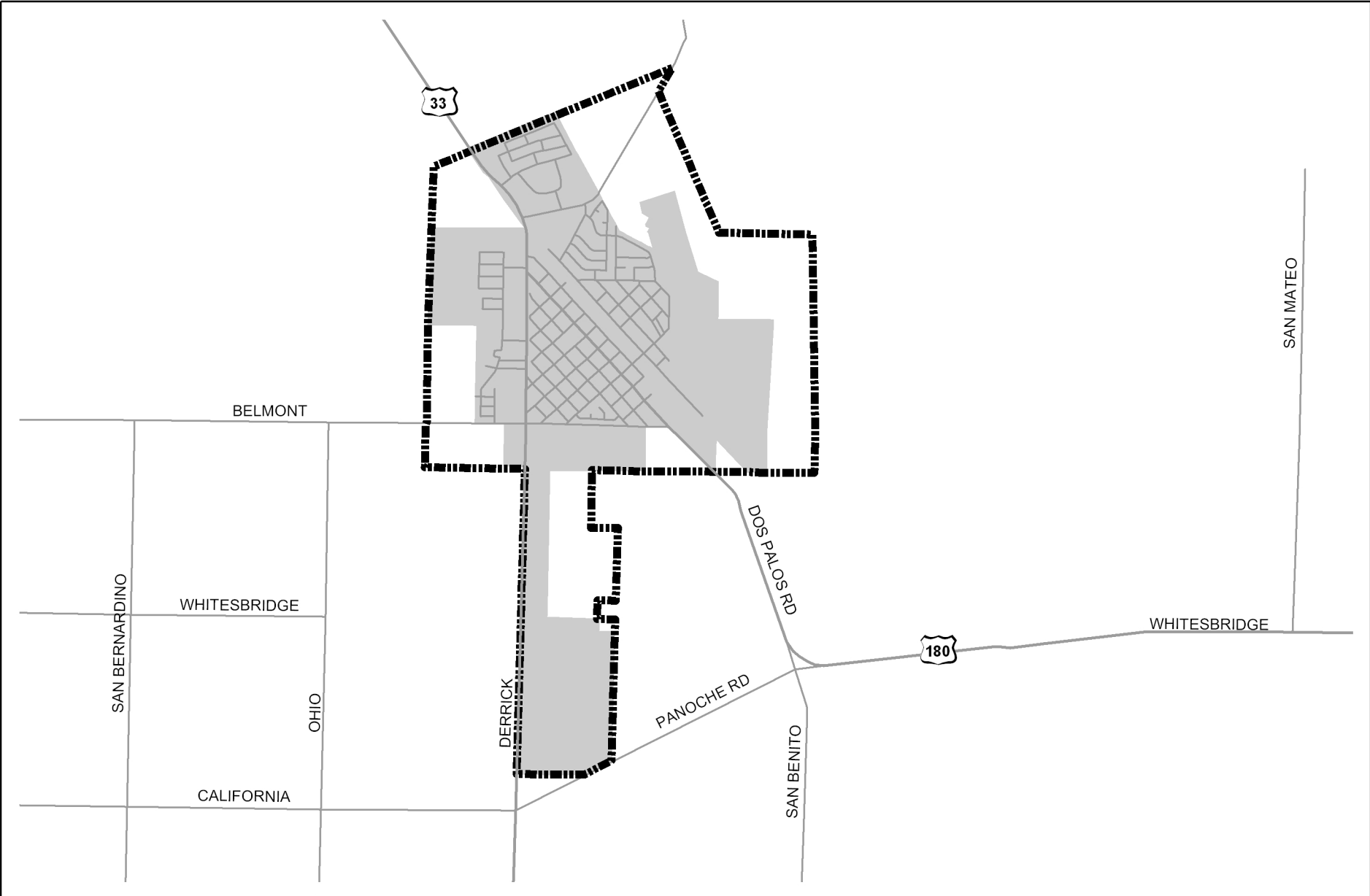
 City Limits

FRESNO LOCAL AGENCY FORMATION COMMISSION CITY OF KERMAN SPHERE OF INFLUENCE

City Date (6/07)

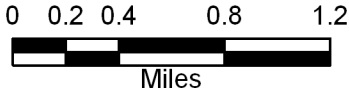
Note: Areas are digitized acreages and do not reflect actual legal values

Sphere Area 3,092 Acres
City Area 1,931 Acres



CITY OF MENDOTA

Adopted: October 23, 1974
 Updated: July 8, 1998
 Map Date: June 2007



Legend

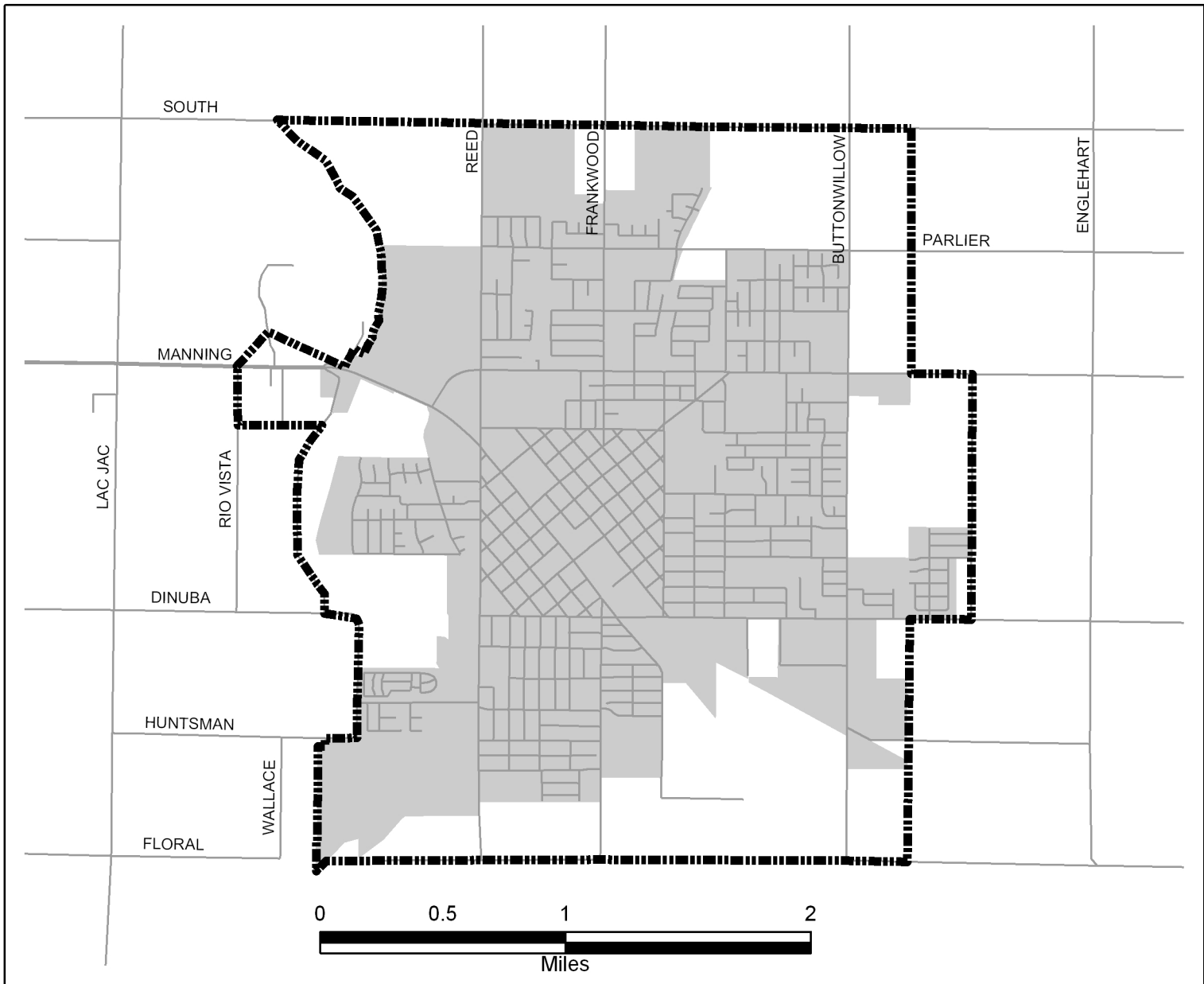
- Sphere of Influence
- City Limits

FRESNO LOCAL AGENCY FORMATION COMMISSION CITY OF MENDOTA SPHERE OF INFLUENCE

City Date (6/07)

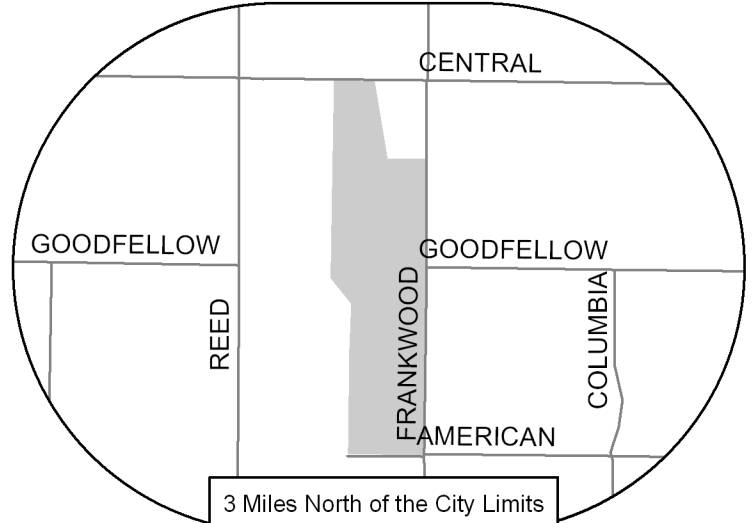
Note: Areas are digitized acreages and do not reflect actual legal values

Sphere Area 2,539 Acres
City Area 1,627 Acres



CITY OF REEDLEY

Adopted: August 27, 1977
 Updated: October 26, 1994
 Map Date: June 2007



Legend

- Sphere of Influence
- City Limits

FRESNO LOCAL AGENCY FORMATION COMMISSION CITY OF REEDLEY SPHERE OF INFLUENCE

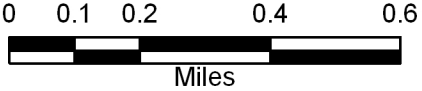
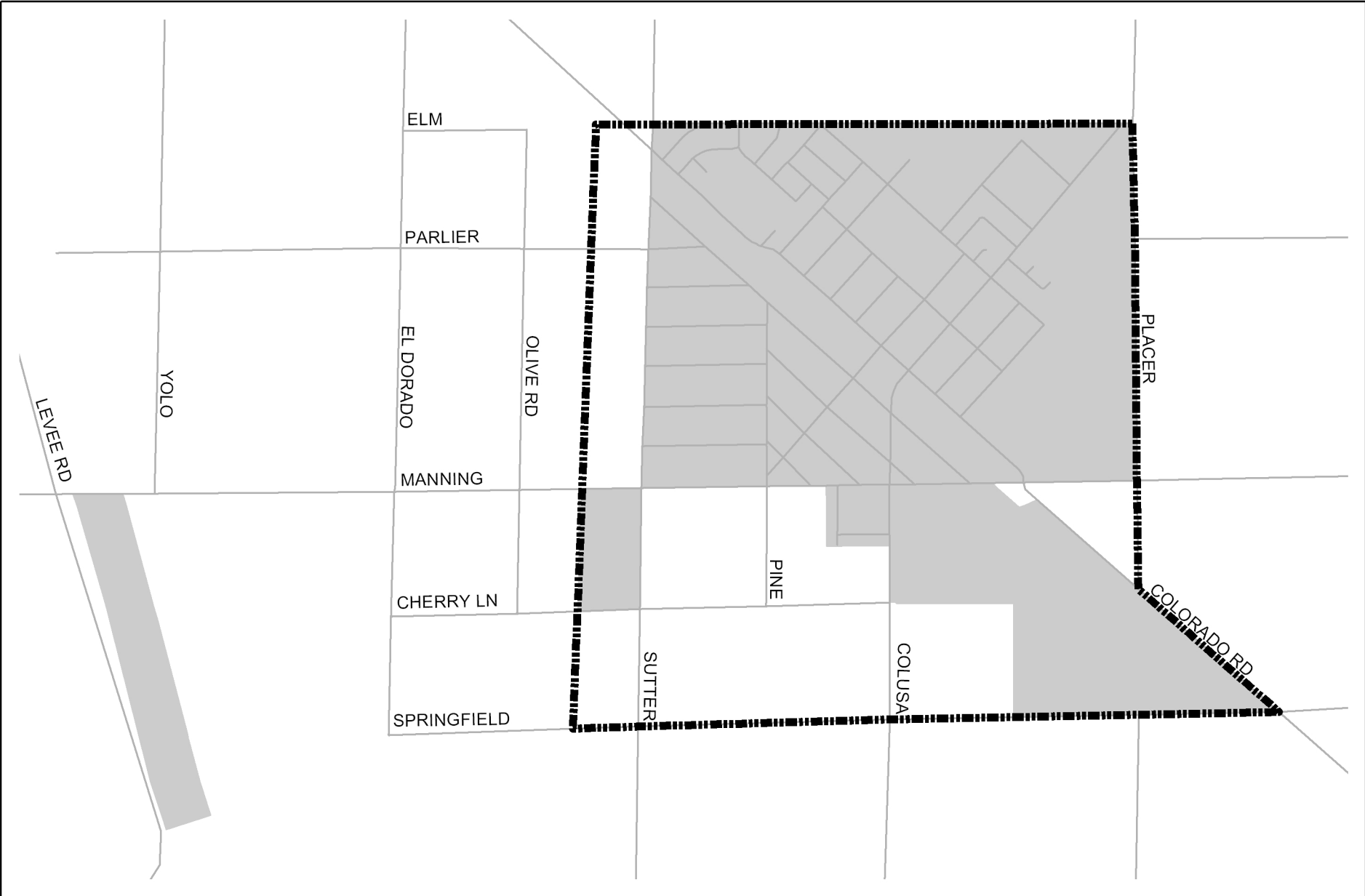
City Date (6/07)

Note: Areas are digitized acreages and do not reflect actual legal values

Sphere Area 4,723 Acres
City Area 3,116 Acres

CITY OF SAN JOAQUIN

Adopted: November 27, 1974
 Updated: August 25, 1982
 Map Date: June 2007



Legend

- Sphere of Influence
- City Limits

FRESNO LOCAL AGENCY FORMATION COMMISSION CITY OF SAN JOAQUIN SPHERE OF INFLUENCE

City Date (6/07)

Note: Areas are digitized acreages and do not reflect actual legal values

Sphere Area 962 Acres
 City Area 710 Acres

RESOLUTION NO. MSR-07-23B

**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 REVIEW; AND
MUNICIPAL SERVICE REVIEW; AND)	MAKE DETERMINATIONS AND UPDATE
MAKING DETERMINATIONS AND)	SPHERE OF INFLUENCE FOR THE CITY
UPDATING SPHERE OF INFLUENCE)	OF KERMAN
FOR THE CITY OF KERMAN)	

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, notice of this Commission's hearing of said request 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 Reviews and Sphere of Influence Update Reports*, 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 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 the general exemption from environmental review, CEQA Regulation Section 15061(b)(3), and find that the SOI Updates qualify for the same general exemption from environmental review based upon CEQA Regulation Section 15061(b)(3).

Section #2. This Commission finds the Municipal Service Review and Sphere of Influence Update prepared for the City of Kerman is complete and satisfactory.

Section #3. This Commission finds that the written determinations within the Municipal Service Review and Sphere of Influence Update satisfies State Law.

Section #4. Pursuant to Government Code Sections 56425 and 56430 this Commission hereby adopts the determinations as presented in the Municipal Service Review and Sphere of Influence Update documents.

Section #5. - The Executive Officer is hereby authorized and directed to mail certified copies of this resolution as provided in Government Code Section 56882 and to file, as appropriate, in the office of the Fresno County Clerk all environmental documents, if any, pertaining to the approval of this Proposal, as required by State law.

* * * * *

ADOPTED THIS 22nd DAY OF AUGUST, 2007, BY THE FOLLOWING VOTE:

AYES: Commissioners Anderson, Fortune, Larson, Lopez

NOES: None

ABSENT: Commissioner Rodriguez

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 22nd day of August, 2007.



Victor Lopez, Chairman
Fresno Local Agency Formation Commission

CITY OF KERMAN

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

August 2007

1. MUNICIPAL SERVICE REVIEW

Description of City

The City of Kerman was incorporated in 1946 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 1,931 acres (3.01 square miles). The City's estimated population as of January 1, 2007, was 13,591 (California Department of Finance data).

The City is in an agricultural area of north central Fresno County approximately 16 miles west of the City of Fresno. It includes the intersection of SR 180 and SR 145.

The City's boundaries and Sphere of Influence are not coterminous. As shown on the attached map, the Sphere extends beyond the City, notably to southern and northern areas. The Sphere of Influence encompasses approximately 3,091 acres (4.83 square miles).

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 and the Community/Teen Center where the meetings are held.

The City utilizes a city manager form of government. It has 58 full-time, 25 part-time, and 20 seasonal employees and three contract positions.

City Services

The City provides the following array of municipal services:

- Police protection, including traffic law enforcement
- Land use planning and building regulation
- Public parks and public recreation programs
- Refuse collection and recycling
- Transit services
- Retail water delivery and water conservation
- Wastewater collection, treatment and disposal
- Refuse collection and recycling via contract with Allied Waste System
- Street maintenance, including bridges and culverts
- Street lighting (shared with Pacific Gas & Electric)
- Flood control, drainage and storm water disposal

Fire prevention and suppression within the City is provided by the North Central Fire Protection District (via a contract with the City of Fresno). The American Ambulance company provides emergency medical and medical transport services.

INFRASTRUCTURE AND SERVICE PROVISIONS

City Infrastructure

The City of Kerman's land, buildings and facilities include:

- Community facilities include City hall, a Senior Center, Community/Teen Center, Library, Public Works Offices and Shops, and Police Station.
- Recreational facilities include: Skate Park, Community/Teen Center, Scout Hut, "B" Street Park, Kerckhoff Park, Kiwanis Park, Lions Park, Plaza/Veterans Park, Rotary Park, Soroptomist Park, Wooten Park, Vineland Park and Sunset Park. Facilities in the development stage include: Kearney School Park, Westside Park and Kerckhoff Park Teen Center.
- Public works facilities include the public works buildings and yard, streets and appurtenant structures, and drainage, water and wastewater facilities.

The City constructed two 750,000 gallon water holding tanks in the last three years. One was part of a \$3.3 million water facility improvement project. Several years ago the City purchased 80-acres for wastewater holding ponds for a planned Wastewater Treatment Plant expansion.

- Approximately \$11 million of capital improvements are budgeted in FY 2007-08 including a \$2.2 million City Hall expansion, \$3.2 million Wastewater Treatment Plant expansion and \$1million 40-acre park acquisition.

City Finances

The City General Fund is the primary financing mechanism for municipal services. The FY 2005-06 and 2006-07 budgets are available in the LAFCO office as is the City Audit for the year ending June 30, 2006.

General Fund revenues for FY 2006-07 are projected to include:

Property Taxes	\$1,334,000
Sales Taxes, Other Taxes and Franchises	976,000
Licenses and Permit Fees	114,400
Fines and Penalties	107,300
Interest and Rentals	92,000
Intergovernmental Revenues	273,313
Charges for Current services	546,100

Transfer from General Fund reserves	95,446
Other Revenues	<u>69,999</u>
Projected General Fund Revenues	\$3,608,558

General Fund expenditures are projected by category for FY 2006-07 as.

Police Operations	\$1,939,506
Administration and Legislative	524,019
Recreation & Social Services	592,515
Public Works	<u>552,518</u>
Projected General Fund Expenditures	\$3,608,558

2. SERVICE REVIEW DETERMINATIONS

Infrastructure Needs and Deficiencies

The City's five-year capital improvement program (CIP) (Fiscal Years 2005-06 to 2009-10) projects extensive municipal facilities and is available in the LAFCO office. The City CIP is updated annually as are development impact fees (DIFs). The City has instituted fire service impact fees for future development of fire service facilities for North Central Fire Protection District.

Significant improvements have been and are projected for the City's water and wastewater systems, parks and recreational facilities, city hall remodel, community center expansion, public works yard improvements, construction and reconstruction of public roads and drainage facilities.

The majority of funds for proposed improvements are from DIFs including Quimby Act park fees, community donations and Redevelopment funding for parks and recreation as well as Gas Tax and Caltrans Cooperative Agreements for various roadway improvements.

Growth and Population

The City's current population is estimated to be 13,591. The City's population has grown approximately 59% since 2000 when the City was estimated to have a population of 8,551 and 2,462 housing units (2000 U.S. Census).

The City is projected to have a 2030 population of approximately 32,900, an increase of approximately 142% (Fresno Council of Governments data). (Note: This figure assumes the City will maintain the same share of population growth 2007 – 2030 as it has maintained from 1997 – 2007.)

Financing Constraints

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 retains significant cash reserves in the General Fund.

The City levies fees and service charges for recreation programs and other standard municipal services, imposes DIFs on new growth to ensure there will be adequate infrastructure and municipal services and that new land uses do not adversely affect the existing population.

City debt is related to two water bonds. Retirement of this debt is included within the water utility rate structure.

Opportunities for Shared Facilities

The City and Kerman Unified School District (KUSD) share the Kerman/Floyd Elementary site as Rotary Park. The City maintains baseball/softball diamonds, playground equipment, restroom/concession facilities and bleachers at Rotary Park. The park is available to the public after school, weekends, holidays and summer months. With the development of the 20 acre Kearney Elementary School site the City is working with KUSD to develop an 8 to 9-acre park/ball field facility for community use.

The City also partners with KUSD's Kerman High School Building Trades Class to build City facilities such as park restroom/concession facilities, shop/office buildings for the City's Public Works Department and lower cost housing units.

The City provides water service to an unincorporated Dave Avenue area properties approximately one-half mile south of the City by agreement with Fresno County.

Government Structure Options

There are no obvious opportunities for governmental structure options.

Cost Avoidance Opportunities

Joint powers authorities or joint decision-making efforts in which the city participates include the 55 city Central San Joaquin Valley Risk Management Authority, a self-insured risk sharing arrangement; a groundwater water management JPA with Fresno Irrigation District (FID) and all water agencies and water companies within the FID's boundaries; and San Joaquin Valley Power Authority, a recently formed JPA with one county and 12 cities to purchase, generate and sell electrical energy.

The City has an automatic aid agreement with the Fresno County Sheriff. The City's Redevelopment Agency shares and funds joint recreational facilities with the Kerman Unified School District, including for example the Kerman Community/High School swimming pool, tennis courts, and playgrounds.

The City indicates it has a long standing history of developing park sites in cooperation with community service clubs and developers.

Opportunities for Rate Restructuring

The City annually reviews and frequently adjusts fees and charges for services to recover City expenses.

Evaluation of Management Efficiencies

The City exhibits characteristics of an agency that is operating efficiently.

Local Accountability and Local Government

The City is locally accountable and has significant public notice protocols. Notices and agendas of City Council and Planning Commission meetings are posted at the City Hall and Community/Teen Center where the meetings are held.

The City distributes a "utility newsletter" with monthly utility bills to disseminate information about City activities. A City website is being developed.

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 LAFCO.

Description of Current Sphere of Influence

The City's boundaries and Sphere of Influence are not coterminous. The Sphere extends beyond the City most notably to the north and northwest. A map of the City and its Sphere is attached.

Proposed Sphere Changes

The City states that it has recently completed a 10-year General Plan Update for its 20-year (2007 to 2027) General Plan. Potential annexations for residential development were held in suspension while the updated General Plan was being developed. The suspension was lifted when the City Council approved the General Plan update in February 2007. In conjunction with its General Plan update the City also completed 20-year Master Plans for water, sewer and drainage facilities.

The City delayed submitting applications to expand its Sphere until the Municipal Service Review is completed. It is anticipated the City will submit a proposal to the Commission to expand its Sphere based on the recently updated General Plan.

Until an 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 Recommendation and Determinations

It is recommended the Commission approve the following determinations and affirm the current Sphere of Influence as depicted on the map.

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 and fire protection.

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

The City indicates it is able to provide adequate facilities and services for existing and planned land uses within the City boundaries and Sphere area.

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 Kerman and environs represents a social and economic community.

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 City of Kerman provided information on which the evaluation is based. City Manager Ron Manfredi was instrumental in providing data.

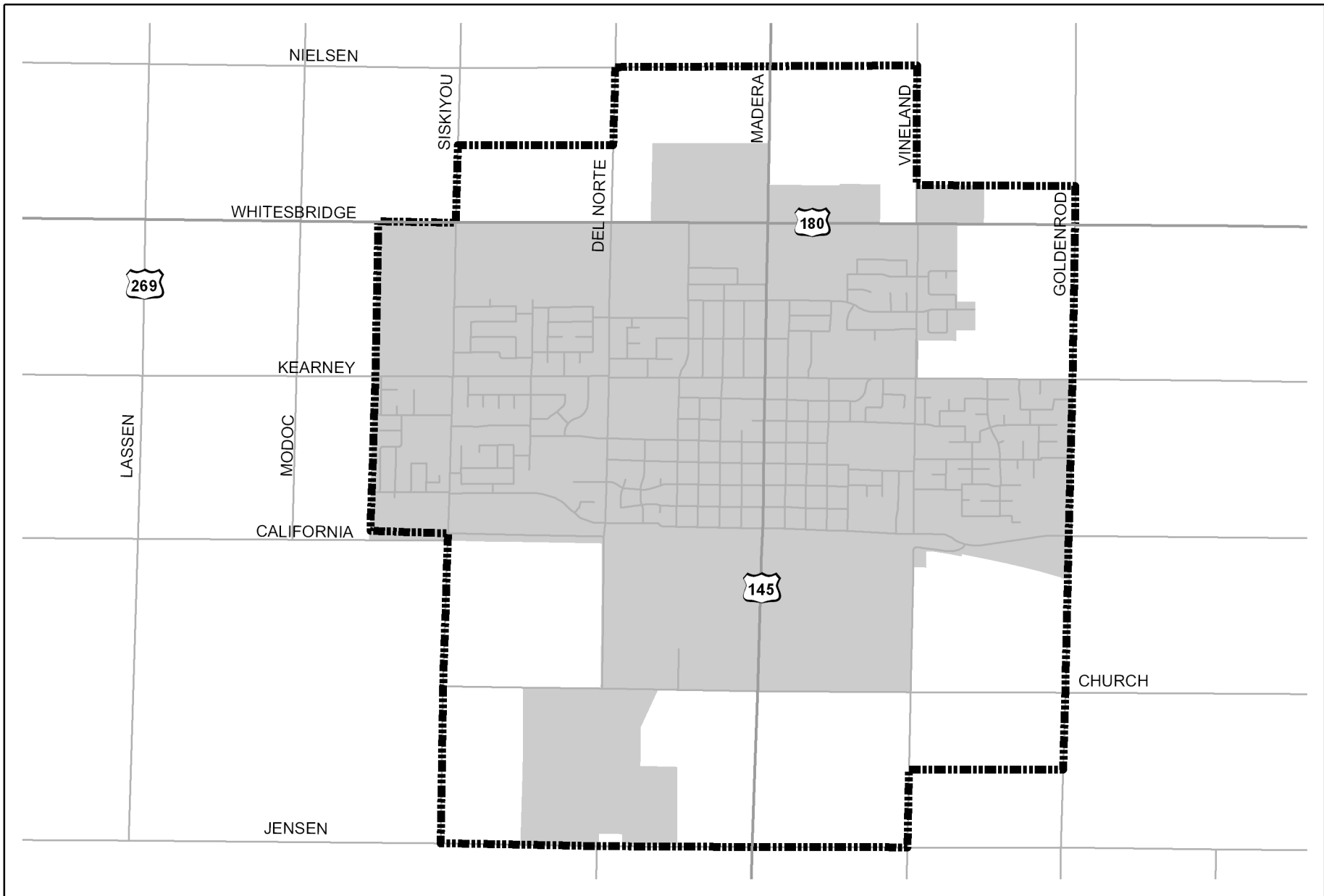
Available Documentation

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

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, affirm the current Sphere of Influence and defer action amending the Sphere until the City submits a complete and acceptable application.





CITY OF KERMAN

Adopted: October 23, 1974
 Updated: June 15, 2005
 Map Date: June 2007



Legend

 Sphere of Influence

 City Limits

FRESNO LOCAL AGENCY FORMATION COMMISSION CITY OF KERMAN SPHERE OF INFLUENCE

City Date (6/07)

Note: Areas are digitized acreages and do not reflect actual legal values

Sphere Area 3,092 Acres
City Area 1,931 Acres