

# AGENDA

## FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)

March 12, 2025 – 1:30 P.M.

Hall of Records, Room 301, 2281 Tulare Street, Fresno, California

### COMMISSION MEMBERS

Buddy Mendes, Chair  
Mario Santoyo, Chair Pro Tem  
Nathan Magsig  
Daniel Parra  
Gary Yep

### ALTERNATE MEMBERS

Tom Chaney  
Scott Robertson  
Vacant

### LAFCO STAFF

Brian Spaunhurst, Executive Officer  
Amanda Olivas, Clerk to the Commission  
Jessica Gibson, LAFCo Analyst  
Joel Matias, LAFCo Analyst  
Monica Leon, LAFCo Analyst  
Jessica Johnson, LAFCo Counsel

LAFCo Office: 1401 Fulton Street, Suite 800, Fresno, CA - 93721 - (559) 600-0604  
Staff reports prepared for each item listed in this agenda may be viewed at [www.fresnolafco.org](http://www.fresnolafco.org).

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1. **Call to Order and Roll Call**
  2. **Pledge of Allegiance**
  3. **Comments from the Public:** Any person wishing to address the Commission on a subject not listed on the agenda may do so at this time. (State your name and address and please keep your comments to three (3) minutes.)
  4. **Potential Conflict of Interest:** Any Commission member who has a potential conflict of interest shall now identify the item and recuse themselves from discussing and voting on the matter pursuant to Govt. Code sec 84308.

### CONSENT AGENDA

All consent agenda items are considered routine in nature and will be enacted by one motion; there will be no individual discussion of these items unless requested by a member of the Commission or the public. Any item pulled from the consent agenda for discussion will be set aside until after approval of the consent agenda. Prior to taking any action the public will be given the opportunity to comment on any consent item. The consent agenda will be considered on or about 1:30 p.m.

5. **Recommendation:** Approve 5A by taking the following actions:
  - A. **Consider Approval:** Minutes from the LAFCo meeting of February 12, 2025.

### REGULAR AGENDA ITEMS

6. **Workshop:** Preliminary Budget and Work Plan for FY 2025-26.  
**Recommendation:** Receive and File.

7. **Informational Item:** CALAFCO Staff Update.

**Recommendation:** Receive and File.

8. **Executive Officer Comments**

9. **Commission Comments/ Reports**

10. **Adjournment**

**THE NEXT LAFCO MEETING** will be held on April 9, 2025, at 1:30 p.m. in the Board of Supervisors' Chamber – Hall of Records, Room 301, Fresno, California.

**PLEASE NOTE:**

(1) "If you are an applicant for, or a participant in, any proceeding on the agenda for a land use entitlement and have made campaign contributions totaling more than \$500.00 to any member or alternative member of the Commission within twelve (12) months prior to the Commission considering your application, please immediately inform the Commission of your contribution. State law disqualifies each Commissioner and Alternate Commissioner from participating in and voting on land use entitlement decisions (which include changes of organization and reorganizations) if the Commissioner or Alternate Commissioner has received campaign contributions from (i) an applicant for a land use entitlement, (ii) someone who lobbies the Commission or LAFCo staff regarding an application for land use entitlement, (iii) someone who testifies in person before the Commission regarding an application for land use entitlement, or (iv) someone who otherwise acts to influence the outcome of an application for land use entitlement. State law also prohibits applicants, agents, and participants from making campaign contributions to a Commissioner or Alternate Commissioner within twelve (12) months after the Commission's action. If you have any questions regarding these requirements (which are contained in the California Gov. Code sec. 84308 *et seq.*) please feel free to contact LAFCo staff at (559) 600-0604."

(2) In compliance with the Americans with Disabilities Act (**ADA**), if you need special assistance to participate at this meeting, please contact Ms. Amanda Olivas, Clerk to the Commission at 559-600-0604. Notification provided a minimum of 48 hours prior to the meeting will enable the Clerk to make reasonable arrangements to ensure accessibility to this meeting. Pursuant to the ADA, the meeting room is accessible to the physically disabled.



Fresno Local Agency Formation Commission  
1401 Fulton Street, Suite 800, Fresno, CA 93721, (559) 600-0604

**CONSENT AGENDA ITEM NO. 5-A**

**FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)**

**MEETING MINUTES**

**February 12, 2025**

**Members Present:** Commissioners Chaney, Magsig, Parra, Yep, Mendes

**Members Absent:** None

**Staff Present:** Brian Spaunhurst, LAFCo Executive Officer  
Amanda Olivas, Clerk to the Commission  
Jessica Gibson, LAFCo Analyst  
Joel Matias, LAFCo Analyst  
Monica Leon, LAFCo Analyst  
Jessi Johnson, LAFCo Counsel

**1. Call to Order and Roll Call**

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

**2. Pledge of Allegiance**

Commissioner Yep led the Pledge of Allegiance.

**3. Comments from the Public**

There were no Comments from the Public.

**4. Potential Conflicts of Interest**

There were no Conflicts of Interest.

**CONSENT AGENDA**

**5. A. Minutes from the LAFCo Meeting of January 8, 2025.**

**B. Levine Act Changes to LAFCo Policies.**

Motion: Approve Items 5A-B

Moved: Commissioner Parra

Second: Commissioner Chaney

Ayes: Commissioners Parra, Chaney, Magsig, Yep, Mendes

Noes: 0

Absent: 0

Abstain: 0

Passed: 5-0

## **REGULAR AGENDA ITEMS**

### **6. Historical Budget Review.**

This was an informational Item; no action was needed.

### **7. Staff Salary Analysis.**

Commissioner Parra and Chair Mendes were appointed as the Ad Hoc Committee.

Action 1:

Motion: Approve Forming Ad Hoc Committee for Salary Resolution Update.

Moved: Commissioner Magsig

Second: Commissioner Yep

Ayes: Commissioners Magsig, Yep, Chaney, Parra, Mendes

Noes: 0

Absent: 0

Abstain: 0

Passed: 5-0

Action 2:

Motion: Appointment Members to the Ad Hoc Committee.

Moved: Commissioner Magsig

Second: Commissioner Chaney

Ayes: Commissioners Magsig, Chaney, Parra, Yep, Mendes

Noes: 0

Absent: 0

Abstain: 0

Passed: 5-0

Action 3: Staff to Work with the Committee to Update Salary Resolution.

Motion: Approve

Moved: Commissioner Magsig

Second: Commissioner Yep

Ayes: Commissioners Magsig, Yep, Chaney, Parra, Mendes

Noes: 0

Absent: 0

Abstain: 0

Passed: 5-0

### **8. Executive Officer Comments.**

LAFCo Executive Officer Brian Spaunhurst provided comments.

### **9. Commission Comments/Reports.**

There were no comments from the Commission.

## 10. Adjournment.

Moved: Commissioner Yep  
Second: Commissioner Parra  
The meeting adjourned at 1:50 p.m.

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Amanda Olivas  
Clerk to the Commission

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

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**AGENDA ITEM NO. 6**

**DATE: March 12, 2025**

**TO: Fresno Local Agency Formation Commission**

**FROM: Brian Spaunhurst, Executive Officer**

**SUBJECT: Preliminary Budget and Work Plan for Fiscal Year 2025-26.**

**RECOMMENDATION: Receive Report and Provide Direction.**

**Executive Summary**

The fiscal year (“FY”) 2025-26 LAFCo preliminary budget estimate is summarized in Attachment “A” and the preliminary 2025-26 work plan is presented in Attachment “B” for the Commission’s consideration and direction to staff.

The FY 2024-25 budget is \$782,044. Staff anticipates that fee revenue will close approximately \$50,000 above projections and expenses as a whole are projected to close approximately \$40,000 under budget at approximately \$742,044.

The preliminary budget continues the Commission’s practice of maintaining an operational reserve of \$200,000. Staff estimates a preliminary FY 2025-26 budget of approximately \$876,731, an increase of approximately \$94,687 from FY 2024-25.

Despite the overall increase in costs, budget savings and increased fee revenues from FY 2024-25 provides the Commission with the opportunity to consider applying these savings into the FY 2025-26 budget resulting in Allocations increasing by \$17,343 for the County and \$17,343 to be split among the Cities (less than 5% increase).

This preliminary estimate will be further refined based on continuing staff analysis and Commission direction leading up to the presentation of the final budget in May.

Based on Commission comments and direction, a proposed budget and work plan will be presented to the Commission on April 9, 2025 and a final budget and work plan will be presented to the Commission at its May 14, 2025 hearing. The distribution of the preliminary budget is limited. However, in accordance with Government Code (GC) sec. 56381, the proposed and final budgets will be distributed to all local agencies and the County Administrative Officer.

## **Overview of Budget Process**

GC section 56381(a) states, “The commission shall adopt annually, following noticed public hearings, a proposed budget by May 1 and final budget by June 15. At a minimum, the proposed and final budget shall be equal to the budget adopted for the previous fiscal year unless the commission finds that reduced staffing or program costs will nevertheless allow the commission to fulfill the purposes and programs of this chapter.”

The Commission’s *Financial and Accounting Procedures* stipulate that “In order to get an early start on the budget and allow for careful consideration of the budget options, the Executive Officer will present a preliminary budget to the Commission in March of each year in order to obtain advance direction from the Commission.” The Commission’s budget is based on a July 1st to June 30th fiscal year.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”) authorizes the operational costs of LAFCo to be shared one-half by the County and one-half by cities where only the County and cities are represented on the Commission. In the event that special districts choose to be represented on the Commission, LAFCo funding would then be shared one-third by the County, cities, and the special districts or by an alternative method approved pursuant to GC sec. 56381(b)(4).

LAFCo’s operational expenses are augmented by fees established by the Commission in accordance with section 56383 of the GC for services rendered to process applications for annexations, reorganizations, and detachments, as well as other LAFCo actions.

## **Preliminary Summary of FY 24-25 Budget to Close**

### **Revenue**

FY 24-25 anticipated \$782,044 in revenue, comprised of a net allocation of \$707,044 (\$353,522 from both the County and the 15 cities), and \$25,000 anticipated in application fees. Staff anticipates that FY 24-25 fee revenue will close \$37,000 higher than projected due to an influx of project applications.

### **Expense - Office Operations**

FY 24-25 budgeted office operations for \$168,927 and are estimated at this point to close at approximately \$135,000. Contributing factors include the preservation of our Contingency Fund, opting for free/reduced online training instead of in person, as well as reducing Commission Hearing Expenses by only meeting when Agendas are full or as needed. Staff was also able to secure significant savings by switching Liability Insurance carriers.

### Expense - Personnel

FY 24-25 personnel expenses were budgeted for \$547,407 and are estimated to close at \$547,407.

### Expense - Consulting Services

Consulting services expenses were budgeted for \$65,710 and are estimated to close at \$60,000.

## **Preliminary FY 25-26 Budget and Work Plan**

Preliminary FY 25-26 budget estimate is \$876,731, comprised of the following:

### Revenue

The preliminary FY 2025-26 revenue forecast is approximately \$876,731, with an estimate of County and cities' contribution of approximately \$370,865, respectively, \$35,000 in application fees, and a \$100,000 fund balance contribution from surplus and interest rolled over from FY 2024-25.

### Expenses – Personnel

The preliminary personnel expense forecast is \$640,781. This figure reflects anticipated updates to the Salary Resolution, merit-based step increases for permanent staff and funding three part time student interns.

### Expense - Office Operations

The preliminary office operations expense forecast is \$158,116. This figure reflects planned increases in: Office lease, CALAFCO dues, liability insurance, staff and Commissioner participation in the Annual CALAFCO Conference/Staff Workshop, publication and legal noticing fees, and staff mileage.

### Expense - Consultant Services

The preliminary consulting services expenses forecast is \$77,833. This figure includes expenses anticipated for the next audit.

## **Preliminary FY 2025-26 Work Plan**

The preliminary budget supports the Commission's role as an independent planning and regulatory agency whose purposes are to encourage the orderly formation of local governmental agencies, preserve agricultural land resources, and discourage urban sprawl. The Commission's work plan represents projects and activities that fulfill its goals and



objectives. The budget represents the funding to accomplish projects important to the Commission.

A preliminary FY 2025-26 work plan is included as Attachment “B,” consistent with the analysis presented in this report. It contains ongoing assignments such as the MSR program, application processing and consultation and facilitation to local agencies and the public.

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**ATTACHMENT A**

<b>- - Preliminary FY25-26 BUDGET - -</b>			
Updated 2-28-2025			
<b>REVENUE SUMMARY</b>	<b>Adopted FY 24-25 Budget</b>	<b>Estimate to Close FY 24-25</b>	<b>Proposed FY 25-26 Budget</b>
ALLOCATION COUNTY	353,522	353,522	370,865
ALLOCATION CITIES	353,522	353,522	370,865
APPLICATION FEES	25,000	62,250	35,000
ACCOUNT INTEREST	0	11,600	0
AUTH. FUND BALANCE CONTRIBUTION	50,000	50,000	100,000
AUTH. CONTRIBUTION FROM RESERVES	0	0	0
<b>Total</b>	<b>782,044</b>	<b>830,894</b>	<b>876,731</b>
<b>EXPENDITURE SUMMARY</b>			
EXPENDITURE - OFFICE OPERATIONS	168,927	135,000	158,116
EXPENDITURE - PERSONNEL	547,407	547,407	640,781
EXPENDITURE - CONSULTING SERVICES	65,710	60,000	77,833
<b>Total</b>	<b>782,044</b>	<b>742,407</b>	<b>876,731</b>

**PRELIMINARY FY 2025-26 WORKPLAN**  
**March 12, 2025**

**1. PROCESS APPLICATIONS, REORGANIZATIONS AND CITIES' SOI AMENDMENTS**

**Preliminary budget implication: application fees will fund this activity.**

Proposals under discussion but not submitted include a City of Clovis Annexation, City of Selma SOI Amendment and Annexation, City of Reedley Annexation, a City of Kingsburg Annexation, WWD 41 SOI Amendment and Annexation and WWD 42 Detachment.

**2. FRESNO LAFCO'S MUNICIPAL SERVICE REVIEW PROGRAM**

**Preliminary budget implication: this activity can be funded from LAFCo's operating account.**

On November 5, 2014, the Commission adopted its MSR program. The goal of the Fresno LAFCo MSR program is to provide cities and special districts with an assessment of their provision of services, make recommendations regarding areas of improvement, and determine whether an agency is equipped to effectively provide services within its existing or expanded SOI.

A MSR is necessary for any update of a SOI pursuant to GC sec. 56430.

Fresno LAFCo's 132 MSRs are informally categorized in three "generations:"

- **"1.0" MSRs** are the first generation of MSRs adopted in 2007. These are the first MSRs performed; they are generally brief, frequently conclusory, and may not have been developed with the cooperation of the affected local agency.
- **"1.5" MSRs** are second generation MSRs that were updated between 2008 and 2014. These MSRs may present more analysis of the affected local agency as staff's experience preparing MSRs grew (locally and statewide through the CALAFCO community).
- **"2.0" MSRs** are MSRs that have been updated pursuant to the Commission's 2014 MSR Policy. The 2.0 MSRs present more complete and comprehensive data and analysis in compliance with the 2014 MSR Policy.

Since adoption of the Commission's 2014 MSR Program, this Commission has adopted a total of 49 2.0 MSRs in conjunction with the update of affected local agencies' SOIs. A list of the agencies with 2.0 MSRs is presented in **Attachment C**. Table 1-1 shows the Commission's MSR Inventory by generations.

Table 1-1, Fresno LAFCo MSR inventory by Generation

Municipal Service Review Program	MSRs by Generation			Total MSRs
	1.0	1.5	2.0	
Special District MSRs by Generation	17	50	49	116
City MSRs by Generation	1	7	7	15
Total MSRs by Generation	18	57	56	131

### Summary of Remaining 1.0 MSRs

Of the remaining 17 special district 1.0 MSRs, the following types of special districts hold the largest number of 1.0 MSRs:

- 6 Irrigation Districts,
- 1 Mosquito Abatement Districts,
- 3 Community Service Districts,
- 2 Pest Control Districts (one currently in progress),
- 2 California Water District
- 1 Hospital District
- 1 Levee District
- 1 County Water District

The balance of 1.0 MSRs consist of the following agencies: Consolidated Irrigation District, Fresno Irrigation District, Hills Valley Irrigation District, James Irrigation District, Riverdale Irrigation District, Tranquillity Irrigation District, Fresno Westside Mosquito Abatement District, Big Creek Community Services District, Del Rey Community Services District, Lanare Community Services District, Central Valley Pest Control District, West Fresno County Red Scale Protective District, Tri-County Hospital District, Lower San Joaquin Levee District, Liberty Water District, Westlands Water District, and Malaga County Water District.

In 2018, the Commission directed staff to defer updates of Irrigation District and California Water Districts' MSRs until after these agencies' GSAs have adopted their GSPs.

Staff recommends that the Commission's work plan continue to prioritize the update of the remaining 2007 special district MSRs (AKA the "1.0 MSRs"). Work on these MSRs would, however, take second place to application-driven MSRs.

The remaining MSRs would either require additional staffing or will need to be placed on hold until all of the 1.0 MSRs are completed :

- Central Valley Pest Control District
- West Fresno County Red Scale Protective District

- Coalinga-Huron Mosquito Abatement
- Consolidated Mosquito Abatement
- Fresno Mosquito and Vector Control
- Fresno Westside Mosquito Abatement
- Lower San Joaquin Levee District
- 12 County Service Areas
- Six County Waterworks Districts

### **3. Review and update of Fresno LAFCo Policy Manual**

**Preliminary budget implication: Can be funded by operational funds.**

Fresno LAFCo's Policy Manual has undergone a complete and thorough examination to update policies consistent with CKH, and to reflect contemporary priorities and characteristics of the Commission's local agencies. Unless major changes to CKH occur, only minor annual amendments will be made as needed.

### **BACKGROUND ON FRESNO LAFCO'S WORK PLAN**

Fresno LAFCo's Financial and Accounting Procedures specify that before July 1, the LAFCo Executive Officer shall prepare for the Commission's review and approval of an annual work plan. The work plan is prepared in conjunction with the annual budget. The work plan identifies the purposes and plans of state law and local policy, including requirements for service reviews, sphere of influence updates, and other mandated functions. The budget supports the work program.

This work plan reflects the Fresno LAFCo's Policies and Procedures and the current and the dynamic needs of the local agencies in Fresno County. The work plan is composed of projects to be undertaken directly by LAFCo staff during the year.

The work plan is developed to advance the goals and mission of Fresno LAFCo, consistent with state law.

#### **I. SCOPE OF WORK PLAN**

The scope of the work plan is consistent with the legislature's findings and declarations:

- It is the policy of the state to encourage orderly growth and development, which are essential to the social, fiscal, and economic well-being of the state.
- The logical formation and determination of local agency boundaries is an important factor in promoting orderly development and in balancing that development with sometimes competing state interests of discouraging urban sprawl, preserving open-space and prime agricultural lands, and efficiently extending government services.

- Providing housing for persons and families of all incomes is an important factor in promoting orderly development.
- This policy should be effected by the logical formation and modification of the boundaries of local agencies, with a preference granted to accommodating additional growth within, or through the expansion of, the boundaries of those local agencies which can best accommodate and provide necessary governmental services and housing for persons and families of all incomes in the most efficient manner feasible.
- The Legislature also finds that, whether governmental services are proposed to be provided by a single-purpose agency, several agencies, or a multipurpose agency, responsibility should be given to the agency or agencies that can best provide government services.

## II. PROJECTS OF THE WORK PLAN

The projects are identified to address important issues identified by the Commission in its initial Policies, Standards, and Procedures Document, adopted in 1986 or as revised. Fresno LAFCo identified the following list of problems and needs locally, which pertain to the Commission's responsibilities, and developed policies, standards and procedures in this document in order to help resolve the problems and meet needs within the Commission's jurisdiction:

1. Proliferation of overlapping and competing local agencies.
2. Need for more cooperation/coordination among local agencies.
3. Inadequate level or range of services in county/community.
4. Inadequate revenue base or adverse fiscal impacts for local agencies.
5. Illogical, gerrymandered agency boundaries, islands, surrounded areas.
6. Illogical agency service areas.
7. Conflicts between urban and rural/agricultural land uses.
8. Premature proposals and lack of development proposals.
9. Phasing of agency expansion/growth.
10. Determining environmental effects of proposals.
11. Determining consistency with city or county general plans.
12. Urban sprawl and leapfrog urban development.
13. Guiding urban growth away from prime agricultural lands.
14. Defining agricultural lands and open space lands.
15. Opposition of proposals by residents and popularity of proposals by landowners/developers.
16. Provision of adequate noticing of LAFCO hearing and conducting authority hearing.

On February 18, 2015, the following Special District issues were presented to the Commission:

1. No adopted annual budget, by-laws, or procedures.
2. No services.
3. District board nonfeasance.
4. Special district is the subject of a Grand Jury reports.
5. Lack of staff or staff lacks technological/managerial/financial (T/M/F) expertise.

6. Board members fulfill both policy and operational functions.
7. Lack of coordination of similar services between and among different special districts.
8. Lack of transparency and/or Brown Act compliance.
9. Changing demographics, antiquated mission.
10. The special district does not cooperate with LAFCo on the MSR.

Other special district issues have since emerged:

11. The district board frequently lacks a quorum.
12. Board members lack technical, managerial, and/or financial expertise.
13. Board members continue to serve after terms expire (though frequently permitted by the district's principal act).
14. District does not file annual financial statements with County Auditor Controller Treasurer Tax Collector.

### III. WORK PLAN CONFORMITY WITH FRESNO LAFCo GOALS

The work plan is refined annually to conform to Commission's adopted goals:

1. Encouraging orderly formation and development of agencies;
2. Encouraging consistency with spheres of influence and recommended reorganization of agencies;
3. Encouraging orderly urban development and preservation of open space patterns;
4. Encouraging conservation of prime agricultural lands and open space areas;
5. Providing public access to the Commission via the internet; and
6. LAFCo disadvantaged communities' policy.

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

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**AGENDA ITEM No. 7**

**DATE: March 12, 2025**

**TO: Fresno Local Agency Formation Commission**

**FROM: Brian Spaunhurst, Executive Officer**

**SUBJECT: CALAFCO Status Update.**

**RECOMMENDATION: Receive and File.**

**Background**

At its February 12, 2025, Commission Hearing, the Executive Officer provided an update on the status of CALAFCO that provided an overview of the recent departure of the Executive Director and notification of three LAFCOs that will not be renewing their memberships for FY 25/26.

This report is to serve as a formal update on the status of membership, significant changes underway, and discuss any questions the Commission may have.