

Chapter 1 – Introduction

This chapter describes the background of LAFCO, the project scope of work, report design, and methodologies utilized in its preparation.

History of LAFCO

The end of World War II saw California experiencing a tremendous population increase, which resulted in the sporadic formation of cities and special service districts. During that period, California experienced a dramatic increase in population and economic development. These changes, together with increased personal mobility related to the popularity of the automobile, created growing demands for housing, public services, and public infrastructure, often in suburban areas.

Local Agency Formation Commissions (or LAFCOs) are a method unique to California in dealing with that population growth and public service conditions that have become increasingly apparent over the last few decades.

Before LAFCOs Were Created

Prior to 1964, decisions to expand city and special district boundaries were left to the annexing agency and the affected landowner. There was no external or third party oversight.

As a result, and due to the desires of some communities to capture their perceived share of new growth, annexation *wars* evolved between some agencies, with some expanding their area to be in a better position to annex additional territory. The creation of new cities or special districts also occurred without any third party review.

A general lack of coordination led to a multitude of overlapping, inefficient jurisdictional and service boundaries and premature conversion of much of the State's productive agricultural and open-space lands. The result was *urban sprawl*. The results of land speculation and development boom became evident as more of California's agricultural land was converted to urban use. Using various small units of local government, this premature and unplanned development created inefficient and expensive systems of delivering public services.



Governor Edmund G. Brown, Sr., responded to this problem in 1958 by appointing the Commission on Metropolitan Area Problems. The commission's charge was to study and make recommendations on the "misuse of land resources" and the growing complexity of overlapping local governmental jurisdictions. The commission's recommendations on local

governmental reorganization were introduced in the Legislature in 1963, resulting in the creation of Local Agency Formation Commissions (LAFCOs) operating in each county except San Francisco County.

LAFCO Regulation of Boundary Changes

Beginning in 1964, local boundary changes required approval of this new commission with countywide regulatory authority. Its broad goals and objectives included discouraging urban sprawl, encouraging the orderly formation and development of local governments based on local circumstances, promoting efficient and economical local governments and, where appropriate, guiding development away from agricultural and open space resources.

LAFCO regulates by approving or denying city and special district boundary changes and the extension of public services. It is empowered to undertake studies of local agencies and to initiate updates to the spheres of influence. Typically, applications to LAFCO originate with affected landowners and/or developers and cities or districts seeking to annex territory.

The commission is an independent agency, exercising a direct grant of legislative authority from the state government. Its decisions, while subject to judicial review, are not *appeal-able* to the county or any other local or statewide administrative body.

Stanislaus LAFCO

The Stanislaus LAFCO consists of five regular members: two members appointed by the Board of Supervisors from its own membership, two members of city councils appointed by the mayors of the nine cities in the County, and one public member appointed by the commissioners.

There are also three alternates – one in each category of membership – who vote in the absence of a regular member. Commissioners are appointed to four-year terms.

The day-to-day business of the commission, including analysis and recommendations about proposals, is the responsibility of the Executive Officer. The commission has legal counsel for assistance.

Objectives

(1) To encourage the orderly formation of local governmental agencies

LAFCO reviews proposals for the formation of new local governmental agencies and changes of organizational structure in existing agencies. Agency boundaries are often unrelated to one another and sometimes overlap at random. This complexity of local government can lead to higher service costs to the taxpayer and general confusion with regard to service jurisdictions.

(2) To preserve agricultural lands

LAFCO must consider the effect that any proposal will produce on existing agricultural lands. By guiding development toward vacant urban land and away from agricultural preserves, LAFCO assists with the preservation of our valuable agricultural resources.

(3) To discourage urban sprawl

Urban sprawl can best be described as irregular and disorganized growth occurring without apparent design or plan. This pattern of development is characterized by the inefficient delivery of important urban services (fire, police, sewer, drainage, and water) and the unnecessary loss of agricultural land. By discouraging sprawl, LAFCO discourages the misuse of land resources and promotes a more efficient system of local governmental agencies.

Legislative History

Through a series of legislative amendments over the past 30 years, LAFCO has become responsible for coordinating logical and timely changes in the local governmental structure, including annexations and detachments of territory, incorporations of cities, formations of special districts, consolidations, mergers and dissolutions; and to regulate the extension of services by cities and special districts outside of their boundaries.

A brief timeline of significant legislation and litigation that has shaped LAFCO's current powers and duties is useful to understanding the need for Municipal Service Reviews.

1964 LAFCO is created as a regulatory agency in each county to regulate cities and districts, promote orderly boundaries, and discourage urban sprawl.

1971 LAFCO becomes a planning agency when directed by the Legislature to prepare and adopt a *sphere of influence* of each city and special district.

1976 Due to a legal challenge to a city annexation, the courts declared LAFCOs are subject to the California Environmental Quality Act (CEQA), and annexations are *projects* under CEQA.

1983 Responding to a lawsuit involving a special district annexation, the Legislature creates firm time limits within which LAFCOs must adopt spheres of influence, or lose the ability to approve annexations.

1985 LAFCO and boundary change statutes are combined into one volume, the Cortese/Knox Local Government Reorganization Act.

1993 Significant reforms include allowing LAFCOs to initiate special district reorganizations and waive certain conducting authority protest hearings.

2000 LAFCO is required to (1) review and update spheres a least every five years and (2) prepare Municipal Service Reviews when updating spheres.

Legislative Requirement to Prepare Municipal Service Reviews (MSR)

Two separate studies recommended that LAFCOs review local agencies.

Little Hoover Commission – In May 2000, the Little Hoover Commission report, *Special Districts: Relics of the Past or Resources for the Future?*, focused on governance and financial problems among independent special districts and barriers to LAFCO's pursuit of district consolidation and dissolution.

The report focused on the need for oversight of special districts, noting "...the underlying patchwork of special district governments has become unnecessarily redundant, inefficient, and unaccountable." It raised concerns about a lack of visibility and accountability among some independent special districts and indicated many special districts have excessive reserve funds and questionable property tax revenue. The report expressed concern about the lack of financial oversight of the districts.

The report called on the Legislature to increase the oversight of special districts by mandating that LAFCOs identify service duplications and that LAFCOs study reorganization alternatives when service duplications are identified, when a district appears insolvent, when district reserves are excessive, when rate inequities surface, when a district's mission changes, when a new city incorporates, and when service levels are unsatisfactory. To accomplish this, the report recommended that the state strengthen the independence and funding of LAFCOs, require districts to report to their respective LAFCO, and require LAFCOs to study service duplications.

Commission on Local Governance – The second report, *Growth Within Bounds: Planning California Governance for the 21st Century*, had its genesis in legislation that created the Commission on Local Governance for the 21st Century in 1997. It was established to review current statutes on the policies, criteria, procedures, and precedents for city, county, and special district boundary changes.

The Commission released its final report in January 2000; that report examined the way that local government is organized and operates and established a vision of how the state will grow by "...making better use of the often invisible LAFCOs in each county."

The report points to the expectations that California's population will double over the first four decades of the 21st century, and raises concern that our government institutions were designed when our population was much smaller and our society was less complex. The report warns that, without a strategy, open spaces will be swallowed up, expensive freeway extensions will be needed, job centers will become farther removed from housing, and this will lead to long commutes, increased pollution, and a more stressful lifestyle. The report suggests local governments face unprecedented challenges in their ability to finance service delivery since voters cut property tax revenues in 1978 and the legislature shifted property tax revenues from local government to the schools in 1993.

The report recommended encouraging effective, efficient, and easily understandable government; and suggested that LAFCOs cannot achieve their fundamental purposes without a comprehensive knowledge of the services available within its county, the current efficiency of providing service within various areas of the county, future needs for each service, and expansion capacity of each service provider. Further, the report asserted that many LAFCOs lack such knowledge and should be required to conduct such reviews to ensure that municipal services are logically extended to meet California's future growth and development.

The report's recommendations were made part of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The law requires LAFCO to periodically update spheres of influence and review municipal services in updating the spheres.

Municipal Service Reviews (MSRs) are intended to provide LAFCO and the public with a comprehensive study of existing and future public service conditions and evaluate

organizational options to accommodate growth, prevent urban sprawl, and ensure that critical services are provided efficiently and cost-effectively.

Government Code Section 56430, which became effective on January 1, 2001, requires LAFCO to review municipal services provided in geographic areas appropriate to the service or services to be reviewed, and prepare a written statement of determinations with respect to each of the following.

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 consolidation or reorganization of service providers;
8. Evaluation of management efficiencies; and
9. Local accountability and governance.

MSRs do not require LAFCO to initiate changes based on service review findings, only to make determinations regarding the provision of public services. LAFCO, local agencies, and the public may subsequently use the determinations to analyze prospective changes of organization or reorganization, or to establish or amend spheres of influences.

MSRs are not *projects* under the provisions of the California Environmental Quality Act; they are feasibility or planning studies for possible future LAFCO action.

The outcome of conducting an MSR may be the implementation of a change of organization or reorganization. Either LAFCO, or a local agency, that submits a proposal may be the lead agency for compliance with CEQA and conduct an appropriate environmental review.

Sphere of Influence Update Guidelines

Since 1971, LAFCO has been obligated to develop and adopt a sphere of influence for each city and special district within the county. As a function of its duties and responsibilities, LAFCO is required to periodically review and update spheres of influence. Government Code Section 56425 requires the Commission to review and update, as necessary, all spheres of influence for cities and districts at least once every five years. The statute states “The Commission shall develop and determine the sphere of influence of each local governmental agency within the county and enact policies designed to promote the logical and orderly development of areas within the sphere” (Government Code Section 56425).

Section 56076 defines a sphere of influence as:

A plan for the probable physical boundaries and service area of a local agency, as determined by the commission.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires LAFCO, for the first time on or before January 1, 2008, and every five years thereafter, to “review and

update as necessary the adopted sphere of influence. (Amended January 1, 2006, Government Code Section 56425 [g].)

The initial review and subsequent five-year sphere of influence review shall be conducted in accordance with the requirements of the Cortese-Knox-Hertzberg Act and LAFCO-adopted policies and procedures, pursuant to Government Code Section 56430. The Act further requires that a municipal services review be conducted prior to or in conjunction with the update of a sphere of influence.

The purpose of a sphere of influence is to encourage the “. . . logical and orderly development and coordination of local government agencies so as to advantageously provide for the present and future needs of the county and its communities.” A sphere of influence serves a similar function in LAFCO determinations as general plans do for cities and counties. Consistency with the adopted sphere of influence is critical, and a change to the sphere requires careful review. The Commission emphasizes that a sphere of influence is a planning tool and the establishment of a sphere of influence or the inclusion of territory within a sphere of influence of an existing governmental entity does not automatically mean that the area is being proposed for annexation or development.

Policy Guidelines for Spheres of Influence

The sphere of influence policies adopted by the Stanislaus LAFCO provide direction on updating an agency’s sphere of influence (SOI). The following policies apply to fire districts:

(1) Zero Sphere of Influence: LAFCO may adopt a Zero SOI encompassing no territory for an agency. This occurs when LAFCO determines that the public service functions of the agency are either non-existent, no longer needed, or should be reallocated to some other agency of government. The local agency which has been assigned a zero sphere of influence should ultimately be dissolved.

(2) Assignment of an SOI: Where an area can be assigned to the SOI of more than one agency providing a particular needed service, the following hierarchy shall apply dependent upon ability to serve:

- A. Inclusion within a city sphere of influence
- B. Inclusion within a multi-purpose district sphere of influence
- C. Inclusion within a single-purpose district sphere of influence

In deciding which of two or more equally ranked agencies shall include an area within its SOI, LAFCO shall consider each agency’s service and financial capabilities, social and economic interdependencies, topographic factors, and the effect the eventual service extension will have on adjacent agencies.

(3) Exclusion of Territory: Under certain circumstances, an SOI may exclude portions of the existing boundaries of a city or district. The Commission encourages re-organization and special studies in this situation to make a final determination of which city or district should serve the excluded territory.

(4) Limited Service SOI: Territory proposed for inclusion within the SOI of a multi-service provider agency, which may be contained within the boundary of another limited purpose

district, may be included with the SOI of the multi-agency service agency and designated as Limited Service SOI area. Territory designated as Limited Service SOI shall not be considered for annexation to the multi-service agency. Territory may be included in a Limited Service SOI upon completion of a service review when any of the following determinations are made by the Commission:

- A. The existing multi-service agency is the most orderly and logical provider of the service(s).
- B. Existing or future services authorized to be provided by the limited purpose district are determined to be inadequate, not cost effective, or inefficient.
- C. Inclusion of the territory in the Limited Service SOI is in the best interests of the residents, the local government organization, and structure for the area.
- D. An agreement between the agencies exists for the provision of the limited service by the multi-service agency.

Service reviews are intended as an information tool to help LAFCO, the public, and other agencies better understand the public service structure. The service review will serve as an important resource to LAFCO in meeting its goals of preventing urban sprawl, protecting open space and agricultural lands, and ensuring efficient service provision. LAFCOs are not required to initiate boundary changes based on service review findings, only to make determinations regarding the provision of services.

Guidelines for Annexations

Cities are required to follow strict guidelines for annexations. Cities have specific plans and general plans that indicate a direction of growth and development. These regulations require that when these plans are updated, there is notification to affected parties, which includes adjacent fire districts. Fire districts are to be advised of a city's sphere of influence. Fire districts are notified of actions to be taken by cities, and they need to be prepared to respond with specific data that represents their position. The concept of standards of cover, which is discussed later in this report, will provide insight into the relationship of response polygons and the influence of automatic aid on how these decisions impact fire department operations.

Agencies to be Reviewed

This service review has been conducted on a countywide basis and includes all of the agencies that provide fire protection service in Stanislaus County. It focuses on 14 special districts that provide fire protection services as well as on the municipal fire departments of six cities. Consequently, this review includes a total of 20 agencies (see Figure 22).

Figure 2: Agencies Included in Service Review

Special Districts	Cities
Burbank-Paradise Fire Protection District	Ceres Fire Department
Ceres Fire Protection District	Modesto Fire Department
Denair Fire Protection District	Newman Fire Department
Hughson Fire Protection District	Oakdale Fire Department
Industrial Fire Protection District	Patterson Fire Department
Keyes Fire Protection District	Turlock Fire Department
Mountain View Fire Protection District	
Oakdale Rural Fire Protection District	
Salida Fire Protection District	
Stanislaus Consolidated Fire Protection District	
Turlock Rural Fire Protection District	
Westport Fire Protection District	
West Stanislaus Fire Protection District	
Woodland Ave. Fire Protection District	

The report includes information on the California Department of Forestry and Fire Protection to the extent necessary to establish relationships, quantify services, designate or map service locations/facilities, and provide a complete overview of fire protection services in the County. LAFCO has no authority over this agency.

Contents of this Report

This review provides an overview of the overall fire service provision structure in the County along with profiles of all the districts/departments that provide fire protection service. It identifies issues related to fire service provision, proposes various options for addressing these issues, and provides a brief analysis of the alternatives. Lastly, the report includes the required service review determinations for each of the 14 rural fire districts.

How the Report will be Used

A. To Update Spheres of Influence (SOI)

The information collected through the service review will be used by LAFCO specifically to update the SOIs of individual agencies (cities and special districts), including expansions or reductions in the SOI boundaries or creation of new SOIs. This report will be used to update the SOIs of the 14 rural fire districts. With regard to the cities, LAFCO will use this information along with the information gathered in subsequent service reviews to update the SOI of each city.

B. To Initiate or Consider Jurisdictional Boundary Changes

The service review contains a discussion of various alternative government structures for efficient service provision. LAFCO is **NOT** required to initiate any boundary changes based on service reviews. However, LAFCO, other local agencies (including cities, special districts, and the county), or the public may subsequently use the service reviews, together with additional research and analysis (where necessary) to pursue changes in jurisdictional boundaries. Government Code Section 56375(a) gives LAFCO the power to initiate certain types of boundary changes consistent with a service review and sphere of influence study. These boundary changes include:

- Consolidation of districts (joining two or more districts into a single new successor district)
- Dissolution (termination of the existence of a district and its corporate powers)
- Merger (termination of the existence of a district by the merger of that district with a city)
- Establishment of a subsidiary district (where the city council is designated as the board of directors of the district)
- A reorganization that includes any of the above

Any local agency (cities, special districts, or the county) which contains or would contain or whose sphere of influence contains any territory within the proposal to be reviewed by LAFCO, may apply to LAFCO for a boundary change with a resolution adopted by its legislative body. Registered voters within the proposal area or property owners owning property within the proposal area may petition LAFCO for a boundary change. The following boundary changes, in addition to those listed above, may be proposed to LAFCO:

- Formation of a new district/city
- Annexation or detachment to/from a city/district
- A reorganization that includes any of the above

C. To Consider Other Types of LAFCO Applications

LAFCO may also use the information presented in the service review to review future proposals for extensions of services beyond an agency's jurisdictional boundaries.

D. Other Uses

Other entities and the public may use this report as a foundation for further studies and analysis of issues relating to fire protection services in this County.

Service Review Process

LAFCO retained the consulting services of Emergency Services Consulting inc. (ESCi) to assist staff in preparing a countywide fire services Municipal Service Review. ESCi collected information from all the agencies/departments that provide fire services in Stanislaus County. On-site interviews were conducted with officers and/or members of almost every agency. The fire chief was not always available for the on-site interviews. The purpose of these on-site visits was to validate information provided in a mailed survey questionnaire and develop an

understanding of each agency's organization of emergency services, costs, staffing, and programs, as well as any issues potentially impacting this study.

The on-site interviews were conducted over a period of six days, encompassing two separate weekends. All of the agencies evaluated in this MSR were contacted, and most of them were physically visited. All of the documents provided in response to the data collection questionnaire were reviewed.

A brief description of each agency has been provided in Chapter 3. Photographs were taken of each station so that they could be easily identified later. GPS coordinates or addresses were documented for each of these facilities.

The consultant team was able to arrange an on-site interview or to conduct a telephone interview with representatives from all districts. Data collection from the questionnaire focused on documenting key aspects of fire service organization, including staffing, staffing policies, budgets, salaries and fringe benefits, emergency medical service delivery, fire prevention programs, training, apparatus and facilities, and call for service workloads.

A profile for each of the agencies was created using the collected information. These profiles were sent to the agencies for review and comment and have been incorporated into the final profiles included in this report. Periodic updates on the service review process by the consultant have been provided to LAFCO and the Fire Chiefs' Association.

A small technical advisory committee met with ESCi several times to discuss and review input. This group provided liaison with the Fire Chiefs' Association and LAFCO during the process.

Summary

Most of the fire districts within Stanislaus County have *diminishing spheres of influence*. In other words, territory is detached from the fire district upon annexation to a city which provides its own municipal fire services. The primary reason for detachment is to eliminate the duplication of fire service and reduce the number of resources required by service providers to achieve efficiency and effectiveness.