



**2012 - 2013
Madera County Grand Jury
Final Report**

**Local Agency Formation Commission
(LAFCO)**

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Introduction:

The Madera County Grand Jury chose to review the Madera County Local Agency Formation Commission (LAFCO) because it had not been reviewed in the past six years and has no entity directly overseeing its function and performance.

LAFCO is a state mandated, locally funded agency set up to oversee the boundaries of cities and special districts. Encouraging orderly boundaries, discouraging urban sprawl, and preserving agricultural and open space lands are the key goals of LAFCO.

The Cortese-Knox-Hertzberg Act directs LAFCOs to discourage sprawl and encourage orderly growth. Boundaries are important because they assign physical space and define the identities of local governments. LAFCOs have both planning and regulatory powers. LAFCOs plan by adopting and revising “spheres of influence,” which are planning documents that show a city or special district’s future boundary and service areas. They regulate by reviewing and acting on proposals to change boundaries. LAFCOs control nine types of boundary changes:

- Annexations
- Formations
- Mergers
- Subsidiary Districts
- Detachments
- Dissolutions
- Incorporations
- Consolidations
- Reorganizations

The Madera County LAFCO consists of five members, which includes two members from the Board of Supervisors, one member each from the Madera and Chowchilla city councils, and one member at-large. While four of the five members are appointed by local jurisdictions, each Commissioner is independent when analyzing information and making determinations. Meetings are held in the Madera County Resource Management Agency Building, 2037 West Cleveland Avenue, Madera, California.

The mission of Madera LAFCO is to coordinate logical and timely changes in local governmental boundaries and to implement the applicable provisions of State law.

The Municipal Service Review (MSR) provides a current, formal, and comprehensive look at the provision of services of special districts within a county. MSRs are conducted by LAFCO or its independent contractor on existing special districts as mandated every five years.

Facts:

1. LAFCO contracts with the County of Madera for office space and administrative support. This support is provided by the County Planning Department.
2. LAFCO staff consists of an Executive Officer who devotes 8-1/2 hours a week to LAFCO, a part time clerk and an Assistant Executive Officer from the Planning Department who devotes one-quarter of his time to LAFCO business.
3. LAFCO and the Planning Department compete for available man hours of shared employees.
4. LAFCO holds regular meetings as needed. In the past year there have been four such meetings. They have an annual budget for eight commission meetings.
5. Board of Supervisors (BoS) members serving as LAFCO commissioners are not required to provide reports or briefings to the entire BoS.
6. Commissioners demonstrated a lack of understanding of basic LAFCO matters.
7. The LAFCO commission approved an expenditure of \$20,000 to conduct MSRs of the Madera Ranchos geographical area. This expenditure includes a \$10,000 temporary salary line item for the LAFCO Executive Officer to oversee the in-house production of the report.
8. The State publishes guidelines for conducting MSRs.
9. State law mandates MSRs be completed on each special district at least once every five years.
10. Road Maintenance Districts (RMD) are not under LAFCO's jurisdiction, however, Madera County LAFCO includes RMDs when conducting MSRs.
11. LAFCO is conducting public hearings to inform and seek input from the citizens of the Ranchos for information gathering purposes for the preparation of the MSRs.
12. The Madera County LAFCO website is deficient in providing state mandated public information.
13. LAFCO ignored their MSR of 2010 recommendation to dissolve the Sierra Foothills Public Utilities District.

Findings:

1. LAFCO is insufficiently staffed to conduct comprehensive in-house studies (MSRs) of the Madera Ranchos Community.
2. There is no evidence of LAFCO follow up on some recommendations of MSRs and specifically the Sierra Foothills Public Utility District.
3. Madera County LAFCO's practice of including Road Maintenance Districts in their MSRs is helpful in presenting a comprehensive view of public services in the studied districts.
4. BoS needs LAFCO input to make well-informed decisions concerning the special districts the BoS oversees.
5. LAFCO Commissioners are not using, or show interest in using, available information provided to make informed decisions.
6. LAFCO Commissioners' lack of a sense of duty and preparation results in basing their decisions strictly on the Executive Officer's recommendations.

Recommendations:

1. Commissioners implement recommendations as specified in the MSRs.
2. Review Sierra Foothills Public Utility District and take action as recommended in the MSR dated 2010.
3. Individuals who are nominated to accept a position on the LAFCO commission be made aware of the time and preparation necessary to make appropriate decisions.
4. LAFCO Commissioners take the initiative to inform themselves on LAFCO Rules and Regulations that guide the process of the land use issues before them.
5. LAFCO Commissioners provide pertinent LAFCO reports including MSR's and informational briefings to the county or city that appointed them to the commission.

Respondents:

LAFCO, Executive Officer
2037 West Cleveland Avenue
Madera, CA 93637

City Council, Mayor
City of Madera
205 W. Fourth Street
Madera, CA 93638

City Council, Mayor
City of Chowchilla
130 S. Second St.
Chowchilla, CA 93610

Madera County Board of Supervisors
200 West Fourth Street
Madera, CA 93637

Informational:

Planning Director
Madera County
2037 W. Cleveland Ave.,
Madera, CA 93637

Road Commissioner
Madera County
2037 W. Cleveland Avenue
Madera, CA 93637