

2023

Commissioners

Chair

Matt Gourley
Public Member

Vice Chair

Kimbley Craig
City Member

Mary Adams
County Member, Alternate

Wendy Root Askew
County Member

Mike Bikle
Public Member, Alternate

Glenn Church
County Member

David Kong
Special District Member, Alternate

Mary Ann Leffel
Special District Member

Ian Oglesby
City Member

Warren Poitras
Special District Member

Anna Velazquez
City Member, Alternate

Counsel

Reed Gallogly
General Counsel

Executive Officer

Kate McKenna, AICP

**132 W. Gabilan Street, #102
Salinas, CA 93901**

*P. O. Box 1369
Salinas, CA 93902*

Voice: 831-754-5838

www.monterey.lafco.ca.gov

**AGENDA
LOCAL AGENCY FORMATION
COMMISSION
OF MONTEREY COUNTY**

**Regular LAFCO Meeting
Monday, October 23, 2023
3:00 P.M.**

**Board of Supervisors Chambers
Monterey County Government Center
168 West Alisal Street,
Salinas, California**

This meeting will be conducted in person at the Monterey County Government Center, Salinas. The Public may attend the meeting, participate by Zoom app, or view the meeting on LAFCO's YouTube channel.

Instructions for Remote Public Participation

1. **To Participate in the Meeting:** Use the Zoom app on your smart phone, laptop, tablet or desktop and click on this link: <https://montereycty.zoom.us/j/94885616832>

The meeting ID is: [948 8561 6832](https://montereycty.zoom.us/j/94885616832). There is no password. To make a public comment, please “Raise your Hand.”
2. **To View this Meeting:** Please click on the following link to the LAFCO of Monterey County YouTube site: <https://www.youtube.com/channel/UCIF6pPx2hn3Ek94Wg0UI7QA>.

Then click on the Live Stream of the scheduled meeting.
3. **To Participate by Phone:** Please call: +1 669 900 6833
Enter the meeting ID: [948 8561 6832](https://montereycty.zoom.us/j/94885616832) when prompted. There is no participant code – just enter the meeting id and the pound sign # after the recording prompts you. To make a public comment by phone, please push *9 on your phone keypad.
4. **To Make Public Comments Via Email:** Written comments can be emailed to the Clerk to the Commission at: malukis@monterey.lafco.ca.gov. Please include the following Subject Line: “Public Comment – Agenda Item #__”. Written comments must be received by noon on day of the meeting. All submitted comments will be provided to the Commission for consideration, compiled as part of the record, and may be read into the record.

PLEASE NOTE: If all Committee Members are present in person, public participation by Zoom is for convenience only and is not required by law. If the Zoom feed is lost for any reason, the meeting may be paused while a fix is attempted but the meeting may continue at the discretion of the Chairperson.

AGENDA
REGULAR COMMISSION MEETING
Monday, October 23, 2023

Call to Order

Roll Call

Pledge of Allegiance

General Public Comments

Anyone may address the Commission briefly about items not already on the Agenda.

Public Comments on Closed Session Item

The Commission Recesses for Closed Session Agenda Item

Closed Session may be held at the conclusion of the Commission's Regular Agenda, or at any other time during the course of the meeting, before or after the scheduled time, announced by the Chairperson of the Commission. The public may comment on Closed Session items prior to the Board's recess to Closed Session.

Closed Session

1. [Pursuant to Government Code Section 54956.9 \(d\)\(1\), the Commission will confer with legal counsel regarding existing litigation: Monterey Peninsula Water Management District v. Local Agency Formation Commission of Monterey County; Commissioners of the Local Agency Formation Commission of Monterey County; and DOES 1 through 20, \(Monterey County Superior Court Case No. 22CV000925\).](#)
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

Reconvene on Public Agenda Items

Roll Call

Read Out from Closed Session by LAFCO General Counsel

Read out by General Counsel will only occur if there is reportable action (s).

Consent Agenda

All items on the Consent Agenda will be approved in one motion and there will be no discussion on individual items, unless a Commissioner or member of the public requests a specific item to be pulled from the Consent Agenda for separate discussion.

2. [Approve Draft Minutes from the September 25, 2023 Regular LAFCO Commission Meeting.](#)
Recommended Action: Approve minutes.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
3. [Accept the September 2023 Draft Balance Sheet and Income Statement.](#)
Recommended Action: Accept statements for information only.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

4. [Approve Draft Schedule of Regular LAFCO Meetings for 2024.](#)
Recommended Actions: Approve 2024 Meeting Schedule.
5. [Accept Report on Anticipated Agenda Items and Progress Report on LAFCO Special Studies.](#)
Recommended Action: Accept report for information only.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

Old Business

6. [Review of LAFCO's Policies and Implementation Practices for Agricultural Preservation and Mitigation.](#)
Recommended Actions: Receive a report from the Executive Officer, receive public comments, and continue this agenda item to the January 22, 2023 regular meeting, or provide other direction.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

New Business

7. [Consideration of the 2023 Municipal Service Review and Sphere of Influence Study for Five Greenfield Area Public Agencies.](#)

Recommended Actions:

1. Receive a report from the Executive Officer;
2. Provide for questions or follow-up discussion by the Commission;
3. Consider the Public Review Draft 2023 *Municipal Service Review and Sphere of Influence Study* for the City of Greenfield, Greenfield Fire Protection District, Greenfield Memorial District, Greenfield Public Recreation District, and Greenfield Cemetery District (“Study,” Attachment 1); and
4. Consider and adopt a resolution (Attachment 2) to:
 - a. Find the action exempt from provisions of the California Environmental Quality Act; (CEQA) under Sections 15306 and 15061(b)(3) of the CEQA Guidelines)
 - b. Adopt the Study and make the recommended Municipal Service Review and Sphere of Influence determinations in accordance with Government Code sections 56430(a) and 562425(e);
 - c. Affirm the currently adopted spheres of influence of the City of Greenfield and four special districts, with no changes; and
 - d. Authorize the Executive Officer to proceed with identified corrective measures to address the Greenfield Memorial, Public Recreation, and Cemetery Districts’ non-compliance with state legal requirements and best practices.

(CEQA: Categorical Exemption, California Environmental Quality Act Guidelines Sections 15306 and 15061(b)(3)).

Executive Officer’s Communications

The Executive Officer may make brief announcements about LAFCO activities, for information only.

8. [Communications](#)
 - a) CALAFCO Conference Wrap-Up.
 - b) Community Project Funding in the Salinas Valley.
 (CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

Commissioner Comments

Individual Commissioners may comment briefly on matters within the jurisdiction of LAFCO. No discussion or action is appropriate, other than referral to staff or setting a matter as a future agenda item.

Adjournment to the Next Meeting

The next regular LAFCO Meeting is scheduled for **Monday, December 4, 2023 at 3:00 p.m. at the Monterey County Government Center.**

The Political Reform Act requires that a participant in a LAFCO of Monterey County proceeding who has a financial interest in a change of organization or reorganization proposal and who has made a campaign contribution of more than \$250 to any commissioner in the past year must disclose the contribution. If you are affected, please notify the Commission's staff before the meeting.

Pursuant to Government Code Section 54957.5, public records that relate to open session agenda items that are distributed to a majority of the Commission less than seventy-two (72) hours prior to the meeting will be made available to the public on the LAFCO of Monterey County website at www.monterey.lafco.ca.gov.

AMERICANS WITH DISABILITIES ACT (ADA): All regular and special meeting agendas and associated reports are available at www.monterey.lafco.ca.gov. Any person with a disability under the ADA may receive a copy of the agenda or associated reports upon request. Any person with a disability covered under the ADA may also request a disability-related modification or accommodation, including auxiliary aids or services, to participate in a public meeting. Requests for copies of meeting documents and accommodations must be made with LAFCO of Monterey County staff at (831) 754-5838 at least three business days prior to the respective meeting.

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

CLOSED SESSION

1. Pursuant to Government Code Section 54956.9(d)(1), the Commission will confer with legal counsel regarding existing litigation: *Monterey Peninsula Water Management District v. Local Agency Formation Commission of Monterey County; Commissioners of the Local Agency Formation Commission of Monterey County; and DOES 1 through 20*, (Monterey County Superior Court Case No. 22CV000925).

2023

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Regular Meeting DRAFT MINUTES
**LOCAL AGENCY FORMATION COMMISSION
OF MONTEREY COUNTY**

Scheduled for Adoption October 23, 2023

Monday, September 25, 2023
Monterey Room – Second Floor
Monterey County Government Center
168 West Alisal Street
Salinas, California

All Commissioners and public participated in the meeting on Monday, September 25, 2023 in person or by Zoom video conference.

Call to Order

The Local Agency Formation Commission was called to order by Chair Gourley at 3:00 p.m.

Roll Call

Commissioner Adams
Commissioner Root Askew
Commissioner Church
Commissioner Kong
Commissioner Leffel
Commissioner Oglesby
Commissioner Poitras
Commissioner Velazquez
Vice Chair Craig
Chair Gourley

Members Absent (Excused Absence)

None

Staff Present

Kate McKenna, AICP, Executive Officer
Darren McBain, Principal Analyst
Jonathan Brinkmann, Senior Analyst
Safarina Maluki, Clerk to the Commission/Office Administrator

Also Present

Reed Gallogly, General Counsel

Pledge of Allegiance

Commissioner Poitras led the Pledge of Allegiance.

General Public Comments

Anyone may address the Commission briefly about items not already on the Agenda.

There were no public comments.

Special Business

1. Administer the Oath of Office for Alternate Public Member Commissioner Mike Bikle for the remainder of a four-year term that expires on Monday, May 4, 2026.
Recommended Actions: LAFCO Chair Gourley will administer the Oath of Office followed by a group photograph of the Commission.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

Chair Gourley administered the Oath of Office for the appointment of Public Member (Alternate) Commissioner Mike Bikle for the remainder of a four-year term that expires on Monday, May 4, 2026.

Chair Gourley congratulated Commissioner Bikle.

Commissioner Bikle took his seat on the Commission.

The Commission took a group photograph.

Public Comments on Closed Session Item

There were no comments from members of the public.

- ◆ Commissioner Oglesby recused himself from the Closed Session item for this meeting and all future meetings as a member of the Monterey Peninsula Water Management District Board of Directors.
- ◆ Commissioner Adams recused herself from the Closed Session item for this meeting and all future meetings as Chair of the Monterey Peninsula Water Management District Board of Directors.

The Commission Recesses for Closed Session Agenda Item

Closed Session may be held at the conclusion of the Commission's Regular Agenda, or at any other time during the course of the meeting, before or after the scheduled time, announced by the Chairperson of the Commission. The public may comment on Closed Session items prior to the Board's recess to Closed Session.

The Commission ADJOURNED to Closed Session at 3:09 p.m.

Closed Session

2. Pursuant to Government Code Section 54956.9 (d)(1), the Commission will confer with legal counsel regarding existing litigation: Monterey Peninsula Water Management District v. Local Agency Formation Commission of Monterey County; Commissioners of the Local Agency Formation Commission of Monterey County; and DOES 1 through 20, (Monterey County Superior Court Case No. 22CV000925).
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

Reconvene on Public Agenda Items

The Commission RECONVENED to Open Session at 3:42 p.m.

Roll Call

Commissioner Adams
Commissioner Root Askew
Commissioner Bikle
Commissioner Church
Commissioner Kong
Commissioner Leffel
Commissioner Oglesby
Commissioner Poitras
Commissioner Velazquez
Vice Chair Craig
Chair Gourley

Read Out from Closed Session by LAFCO General Counsel

Read out by General Counsel will only occur if there is reportable action (s).

General Counsel Gallogly advised that there were no reportable items.

Consent Agenda

All items on the Consent Agenda will be approved in one motion and there will be no discussion on individual items, unless a Commissioner or member of the public requests a specific item to be pulled from the Consent Agenda for separate discussion.

3. Approve Draft Minutes from the August 26, 2023 Regular LAFCO Commission Meeting.
Recommended Action: Approve minutes.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378)
4. Approve Draft Notes from the September 18, 2023 LAFCO Budget & Finance Committee Meeting.
Recommended Action: Approve notes.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378)
5. Accept the August 2023 Draft Balance Sheet and Income Statement.
Recommended Action: Accept statements for information only.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378)
6. Accept and Authorize the Payoff of Unfunded Pension Liabilities.
Recommended Actions (By Budget & Finance Committee): Adopt a Resolution to authorize the lump sum payoff of LAFCO's unfunded pension liabilities, as follows:
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
 - a. Pay-off the Classic Miscellaneous Plan unfunded pension liability balance by October 16, 2023 in the amount of \$139,857.48 from equity in the Unreserved Fund Balance, and
 - b. Pay-off the PEPRA Miscellaneous Plan unfunded pension liability balance by October 16, 2023 in the amount of \$12,641.43 from equity in the Unreserved Fund Balance.

7. Accept Report on Anticipated Agenda Items and Progress Report on LAFCO Special Studies.
Recommended Action: Accept report for information only.
 (CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
8. Accept Report on Activities of the California Association of Local Agency Formation Commissions.
Recommended Action: Accept report for information only.

There were no public or Commissioner requests to pull items for separate discussion.

Commissioner Action:

Upon motion by Commissioner Oglesby, seconded by Commissioner Leffel, the Commission approved Consent Agenda Items #3 – #9, with the supplemental memo and resolution clarification for item #6.

Motion Carried:

AYES:	Commissioners: Root Askew, Church, Leffel, Oglesby, Poitras, Vice Chair Craig, Chair Gourley
NOES:	Commissioners: None
ALTERNATES:	Commissioners: Adams, Bikle, Kong, Velazquez (Non-Voting)
ABSENT:	Commissioners: None
ABSTAIN:	Commissioners: None

Old Business

9. City of Soledad – Miramonte Annexation Condition Compliance Status Report and Consideration of a Time Extension.
Recommended Actions: Receive a report from the Executive Officer, receive public comments, provide input to staff on the City’s proposed agricultural mitigation actions, and approve a one-year time extension (to December 19, 2023) of the Commission’s approval of the Miramonte annexation.
 (CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

Executive Officer McKenna and Principal Analyst McBain presented the report.

There were Applicants comments from:–
 Megan Hunter, City Manager – City of Soledad
 Paul Moncrief – Attorney for Developers

There was Commission discussion with comments from Commissioners Leffel, Velazquez and Chair Gourley. Commissioner Root Askew asked questions of Paul Moncrief, Attorney.

There were additional comments from Chair Gourley, Commissioners Church, Poitras, Craig and Oglesby.

There was public comment from Taven Kinison Brown, Director of Community Development (City of Gonzales) in response to a question from Commissioner Oglesby.

Commissioner Actions:

Upon motion from Commissioner Leffel with a second from Commissioner Root Askew, the Commission approved a one-year time extension (to December 19, 2024) of the Commission's approval of the Miramonte annexation and for LAFCO staff to work with the City of Soledad staff and the City of Gonzales staff to find 462 available acres within the proposed lots and parameters.

Motion Carried: (Roll Call Vote)

AYES: Commissioners: Root Askew, Church, Leffel, Oglesby, Poitras, Vice Chair Craig,
Chair Gourley
NOES: Commissioners: None
ALTERNATES: Commissioners: Adams, Bikle, Kong, Velazquez (Non-Voting)
ABSENT: Commissioners: None
ABSTAIN: Commissioners: None

Public Hearing

10. Consider City of Gonzales – “Gloria Road Ag Cooler” Annexation Proposal of Approximately 49 Acres East of U.S. Highway 101 and North of Gloria Road for future agricultural-industrial development (LAFCO File #23-01) and Adopt Resolution.

Recommended Actions:

- (1) Receive the Executive Officer's Report;
- (2) Open the public hearing and receive public comments;
- (3) Provide for questions or follow-up discussion by the Commission;
- (4) Close the public hearing; and
- (5) Move to adopt a resolution (Attachment 1) to:
 - a. Consider the mitigated negative declaration that the City prepared, pursuant to CEQA, to address the proposal's potential environmental effects;
 - b. Approve the City's proposed annexation and related special district detachments; and
 - c. Waive Conducting Authority (“protest”) proceedings for this proposal, as authorized by State law.

(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

Executive Officer McKenna and Principal Analyst McBain presented the report with a minor correction.

There were public comments from:-

Mayor Rios – City of Gonzales

Brent Slama – Brent Slama Consulting (under contract to the City of Gonzales)

Mike Rianda – Landowner

Megan Hunter – City Manager, City of Soledad

There were Commissioner comments from Commissioners Root Askew, Oglesby, Adams, Church and Velazquez.

Commissioner Actions:

Upon motion from Chair Gourley, seconded by Commissioner Leffel, the Commission adopted a resolution approving the City of Gonzales “Gloria Road Agricultural Cooler Project” Annexation, with the correction to section 6c striking out “by the City of Gonzales”, and related detachments from the Gonzales Rural Fire Protection District and the Resource Conservation District of Monterey County (LAFCO File 23-01), and Waiving Conducting Authority (Protest) Proceedings.

Motion Carried: (Roll Call Vote):

AYES: Commissioners: Root Askew, Church, Leffel, Oglesby, Poitras, Vice Chair Craig
Chair Gourley
NOES: Commissioners: None
ALTERNATES: Commissioners: Adams, Bikle, Kong, Velazquez (Non-Voting)
ABSENT: Commissioners: None
ABSTAIN: Commissioners: None

Executive Officer's Communications

The Executive Officer may make brief announcements about LAFCO activities, for information only.

II. Communications

- a) In Memoriam: Louis R. Calcagno.
- b) California Chapter, American Planning Association Conference: Presentation.
- c) Correspondence to the City of Salinas: Notice of Preparation – Environmental Impact Report for the General Plan Update and Climate Action Plan.
- d) Agricultural Preservation Policy Update.
- e) San Benito LAFCO Update
- f) Soledad Community Health Care District: 75th Anniversary
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

Executive Officer McKenna provided the report to the Commission.

There were no public comments.

Commissioner Comments

Individual Commissioners may comment briefly on matters within the jurisdiction of LAFCO. No discussion or action is appropriate, other than referral to staff or setting a matter as a future agenda item.

There were no Commissioner comments.

Adjournment to the Next Meeting

Chair Gourley, on behalf of and in appreciation of former Commissioner Louis R. Calcagno, adjourned the meeting at 4:55 p.m.

The next Regular LAFCO Meeting scheduled for Monday, October 23, 2023 at 3:00 p.m. **at the Monterey County Government Center (168 W. Alisal Street).**

The Political Reform Act requires that a participant in a LAFCO of Monterey County proceeding who has a financial interest in a change of organization or reorganization proposal and who has made a campaign contribution of more than \$250 to any commissioner in the past year must disclose the contribution. If you are affected, please notify the Commission's staff before the hearing.

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DRAFT

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

KATE McKENNA, AICP
Executive Officer

LOCAL AGENCY FORMATION COMMISSION
P.O. Box 1369
Salinas, CA 93902
Telephone (831) 754-5838
132 W. Gabilan Street, Suite 102
Salinas, CA 93901
www.monterey.lafco.ca.gov

DATE: October 23, 2023

TO: Chair and Members of the Formation Commission

FROM: Kate McKenna, AICP, Executive Officer

SUBJECT: September 2023 Draft Balance Sheet and Draft Income Statement

CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378

SUMMARY OF RECOMMENDATION:

These reports are for information only.

EXECUTIVE OFFICER'S REPORT:

Attached are the draft Balance Sheet and draft Income Statement for September 2023. These reports were prepared by CliftonLarsonAllen, LLP. Income and expenses are normal for this period.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

Attachments:

- 3.1 Draft Balance Sheet as of September 30, 2023, prepared on October 14, 2023, CliftonLarsonAllen, LLP.
- 3.2 Draft Profit & Loss Statement through September 30, 2023, prepared on October 14, 2023, CliftonLarsonAllen, LLP.

**LAFCO of Monterey County
Balance Sheet**

Attachment 3.1

10/14/23

As of September 30, 2023

Accrual Basis

	Sep 30, 23
ASSETS	
Current Assets	
Checking/Savings	
1100 - Petty Cash	300.00
1007 - Wells Fargo Checking	144,523.79
1010 - Cash Co. Treasury	
1012 - Designated Cash Litigation Resv	122,652.83
1013 - Designated Cash - Accrued Leave	88,300.71
1014 - Designated Cash-Post Retirement	75,064.00
1015 - Designated Cash-Contingency	276,914.00
1020 - Restricted Cash-FORA Litigation	348,524.28
1010 - Cash Co. Treasury - Other	1,117,170.52
Total 1010 - Cash Co. Treasury	2,028,626.34
Total Checking/Savings	2,173,450.13
Accounts Receivable	
1236 - A/R Fiscal Year Ending 6/2024	164,419.55
Total Accounts Receivable	164,419.55
Other Current Assets	
1400 - Prepaid Insurance	9,591.27
1405 - Prepaid Expenses	15,442.56
Total Other Current Assets	25,033.83
Total Current Assets	2,362,903.51
Fixed Assets	
1500 - Equipment	2,185.00
1525 - Computer Equipment	15,099.37
1530 - Office Furniture	40,517.62
1550 - Accumulated Depreciation	-64,306.69
Total Fixed Assets	3,495.30
Other Assets	
1800 - Deferred Outflows-PERS Contrib.	59,328.29
1805 - Deferred Outflows-Actuarial	243,400.87
1810 - Deferred Outflows-OPEB Contrib	1,800.00
1815 - Deferred Outflow-OPEB Actuarial	5,754.00
Total Other Assets	310,283.16
TOTAL ASSETS	2,676,681.97
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 - Accounts Payable	6,318.65
Total Accounts Payable	6,318.65
Other Current Liabilities	
2220 - Accrued Leave	88,300.71
2410 - Post Retirement (GASB 75)	75,064.00
2200 - Payroll Liabilities	168.00
2380 - Dissolution of FORA Legal Liab.	348,524.28
2381 - Dissolution of FORA Admin Liab.	54,177.50
Total Other Current Liabilities	566,234.49
Total Current Liabilities	572,553.14
Long Term Liabilities	
2400 - Net Pension Liability/(Asset)	57,558.59
2500 - Deferred Inflow-GASB68 Actuarial	40,784.66
2505 - Deferred Inflows-OPEB Actuarial	56,930.00
Total Long Term Liabilities	155,273.25
Total Liabilities	727,826.39
Equity	
3700 - Invested in Capital Assets	3,495.30
3710 - Encumbered Funds	70,749.02
3800 - Reserve for Litigation	122,652.83
3810 - Reserve for Contingency	276,914.00
3850 - Unreserved Fund	1,050,548.21
3900 - Retained Earnings	-394,840.33
Net Income	819,336.55
Total Equity	1,948,855.58
TOTAL LIABILITIES & EQUITY	2,676,681.97

LAFCO of Monterey County
Profit & Loss

Attachment 3.2

10/14/23

Accrual Basis

July through September 2023

	Jul - Sep 23
Ordinary Income/Expense	
Income	
4000 · Fees	
4005 · Project	12,886.54
Total 4000 · Fees	12,886.54
4205 · County Contributions	363,784.00
4210 · City Contributions	363,783.99
4220 · District Contributions	363,785.00
4249 · FORA Admin Revenue	171.00
4300 · Interest	32.58
Total Income	1,104,443.11
Expense	
7300 · Depreciation	956.00
6000 · Employee Salaries	
6002 · Regular Earnings	152,568.59
6004 · FORA Admin Earnings	87.86
Total 6000 · Employee Salaries	152,656.45
6100 · Employee Benefits	
6013 · Post Retirement Healthcare	453.00
6010 · Accrued Leave	7,881.39
6007 · Management Expense Allowance	
6011 · Management Car Allowance	1,200.00
6007 · Management Expense Allowance - Other	150.00
Total 6007 · Management Expense Allowance	1,350.00
6102 · Worker's Compensation Insurance	752.00
6101 · Payroll Expenses	2,303.06
6103 · Employee Memberships	374.00
6104 · Deferred Comp Plan Contribution	9,484.80
6105 · PERS Retirement	17,628.75
6110 · PERS Health	
6111 · Med ER Non-Ele	1,812.00
6112 · Med ER Pre Tax	25,097.07
6110 · PERS Health - Other	102.91
Total 6110 · PERS Health	27,011.98
6130 · Insurance	
6139 · STD	276.18
6131 · LIFE	375.60
6132 · ADD	24.63
6133 · Dental	2,303.70
6134 · Vision	371.40
6135 · LTD	1,194.27
Total 6130 · Insurance	4,545.78
7204 · Accrued Leave Reserve	0.00
6100 · Employee Benefits - Other	700.00
Total 6100 · Employee Benefits	72,464.56
7000 · Postage and Shipping	628.37
7010 · Books and Periodical	238.00
7030 · Copy Machine	1,376.16
7060 · Office Supplies	100.47
7100 · Computer Software	219.98
7110 · Property and Gen Liability Ins	2,094.81
7150 · Training, Conferences & Wrkshps	675.00
7160 · Vehicle Mileage	110.43
7170 · Rental of Buildings	8,055.00
7200 · Telephone Communications	1,171.04
7242 · Outside Prof Svc-Accounting	16,000.00
7242 A · Gen Admin Svcs & HR Assistance	1,200.00
7248 · Outside Prof Svc-Annual Audit	1,500.00
7245 · General Legal Services	3,205.70
7250 · Miscellaneous Office Expense	310.68
7280 · Legal Notices	1,189.00
7280 · LAFCO Memberships	8,124.00
7290 · Litigation Reserve	12,832.91
Total Expense	285,106.56
Net Ordinary Income	819,336.55
Net Income	819,336.55

LAFCO *of Monterey County*

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132 W. Gabilan Street, Suite 102
Salinas, CA 93901
www.monterey.lafco.ca.gov

DATE: October 23, 2023

TO: Chair and Members of the Formation Commission

FROM: Kate McKenna, AICP, Executive Officer

PREPARED BY: Safarina Maluki, Clerk to the Commission/Office Administrator

SUBJECT: Draft Schedule of Regular Meetings for 2024

CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

RECOMMENDED ACTION:

It is recommended that the Commission approve the draft schedule of regular LAFCO Meetings for 2024.

EXECUTIVE OFFICER'S REPORT:

The attached draft schedule provides for regular LAFCO meetings on the fourth Monday of each month, with the following exceptions:

- **May** – Meeting moved to the **third Monday** due to the Memorial Day Holiday on May 27.
- **July** – No meeting to allow a summer recess.
- **November** – No meeting due to Thanksgiving Holiday, combined with early December meeting.
- **December** – Meeting scheduled Monday, December 2, 2024.

If the need arises, the Commission may set special meetings in accordance with the Bylaws.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

Attachment: Draft Schedule of Regular LAFCO Meetings for 2024.

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

DRAFT

2024 SCHEDULE OF REGULAR LAFCO MEETINGS

Scheduled for Adoption: October 23, 2023

January 22

February 26

March 25

April 22

May 20♦

June 24

July – No Meeting

August 26

September 23

October 28

November – No Meeting

December 2

*All regular meetings begin at 3:00 p.m. and are hybrid (in-person and virtual).
Meetings are also livestreamed on the LAFCO of Monterey County YouTube channel.*

♦ The regular meeting in May is scheduled one week earlier, due to the Memorial Day Holiday on Monday, May 27.

As of October 3, 2023

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

KATE McKENNA, AICP
Executive Officer

LOCAL AGENCY FORMATION COMMISSION
P.O. Box 1369 132 W. Gabilan Street, Suite 102
Salinas, CA 93902 Salinas, CA 93901
Telephone (831) 754-5838 www.monterey.lafco.ca.gov

DATE: October 23, 2023
TO: Chair and Members of the Formation Commission
FROM: Kate McKenna, AICP, Executive Officer
PREPARED BY: Jonathan Brinkmann, Senior Analyst
SUBJECT: Anticipated Future Agenda Items and Progress Report on Special Studies
CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378.

SUMMARY OF RECOMMENDATION:

Accept report for information only.

EXECUTIVE OFFICER'S REPORT:

Following are current work priorities and a partial list of items that the Commission may consider in coming months or years. It is organized by applications on file, potential applications under discussion, and LAFCO-initiated studies.

Part I: Items Currently on File and In Progress

1. **Castroville Community Services District:** Sphere of influence amendment and out-of-agency service extension to connect an existing development (Ortega Berry Farms) to the District's wastewater collection system. Application is complete.

The District Board has filed a request for a sphere of influence amendment and out-of-agency service extension for an area adjacent to existing District Boundaries along Struve Road. The purpose is to provide wastewater collection services to an existing building that is currently on a septic system. The service extension request is an interim step toward a future LAFCO annexation application. The request will be scheduled for Commission consideration on December 4, 2023.

2. **Fort Ord Reuse Authority Dissolution:** The Fort Ord Reuse Authority (FORA) ceased operations after June 2020. LAFCO had statutory authority to oversee the FORA dissolution and holds administrative and legal funds for that purpose. The County of Monterey is wrapping up FORA-related administrative tasks and anticipates a status report to the Board of Supervisors in early 2024. We anticipate that LAFCO will be consider a dissolution resolution and distribute FORA-related funds to jurisdictions by June 2024.

3. **Mission Soledad Rural Fire Protection District:** Sphere amendment and annexation of Paraiso Springs Resort (portion). Application status is incomplete.

The County approved the Paraiso Springs project in November 2019, and a portion of the site needs to be annexed to the local fire district to comply with a County condition of approval. LAFCO received the District's application in 2022 and determined that the application is incomplete. After an inactive period, the District has re-engaged with LAFCO staff to resolve items in the completeness letter.

Part 2: Potential Agenda Items under Discussion

1. City of Gonzales (pre-application):

- a) Vista Lucia and Puente del Monte projects: Annexation of some or all of an approximately 1,350-acre area placed in the City's sphere in 2014, plus potentially an adjacent 50-acre parcel. The City of Gonzales is currently completing an administrative draft Specific Plan and EIR for the Vista Lucia project (Fanoe-owned lands of approximately 770 acres). The City similarly is working on a specific plan and an EIR for the Puente del Monte project (Jackson and Rianda-owned lands comprising approximately 547 acres).

In total, the two projects together would represent a large expansion of the City, approximately doubling the existing City size. The scope of such an expansion raises issues relevant to LAFCO's review. LAFCO will comment on the project's draft EIR when it becomes available. The City anticipates submitting a LAFCO annexation application for the Vista Lucia project in 2024.

- b) D'Arrigo Brothers farmworker housing: The property owners are proposing a 137-unit farmworker housing project designed to accommodate up to 1,096 agricultural employees. The site on Fanoe Rd north of Johnson Canyon Road is adjacent to the city limits and within the city's designated sphere of influence. Provision of city water and sewer services will require the Commission's approval of either an annexation to the city or an out-of-agency service extension. Staff participated in an initial meeting of City and County staff on September 19.

2. Monterey Peninsula Airport District: Detachment from the City of parcels owned by the Monterey Peninsula Airport District. Status is pre-application.

Most Airport District-owned parcels are in the unincorporated County. Several outlying parcels along Highway 68 are in the City of Monterey. The District is interested in detaching these parcels from the City to eliminate a split in underlying city-county jurisdictions as the airport develops new facilities according to its master plan. LAFCO staff are participating in coordination meetings with Airport, City, and County representatives.

3. City of Soledad: Hacienda Apartments farmworker housing: Out-of-agency service extension to provide City wastewater services to an existing apartment complex. Status is pre-application.

The City of Soledad is working with the property owners, County of Monterey, Central Coast Water Board, and Rural Community Assistance Corporation (RCAC) to extend City wastewater services to the existing 24-unit farmworker housing apartment complex known as Hacienda Apartments, located approximately three miles northwest of Soledad. The apartment complex is currently served by a failing septic system. The preferred solution is to connect Hacienda Apartments to the existing City wastewater collection system used by the adjacent Camphora Apartments. The City plans to submit an out-of-agency service extension application to LAFCO for Hacienda Apartments once it has the necessary documents.

4. Marina Coast Water District: Potential annexation of MCWD's Armstrong Ranch property (north of the Marina Municipal Airport) and sphere of influence amendment/annexation of portions of the Bureau of Land Management (BLM) Fort Ord National Monument and Fort Ord Dunes State Park near existing MCWD boundaries.

In 2010, MCWD acquired approximately 231 acres of Armstrong Ranch land, located north of the City of Marina and south of the Monterey One Water facilities. The Armstrong Ranch property is within MCWD's existing sphere of influence. MCWD seeks to annex this property since it currently maintains water-augmentation infrastructure for its Regional Urban Water Augmentation Project and Monterey One Water's Pure Water Monterey Project on this property. MCWD currently maintains existing water

infrastructure within the BLM Fort Ord National Monument, and water and wastewater infrastructure within Fort Ord Dunes State Park.

Staff met with MCWD representatives in September 2023 and is working with them to refine the scope of the proposal area.

5. **City of Salinas:** Target Area “K” (proposed Ferrasci Business Center project) sphere amendment and annexation of approximately 140 acres at the northeast corner of Harrison Road and Russell Road. Status is pre-application.

The site, just north of Salinas and designated as Target Area K in the City’s approved Economic Development General Plan Element, is planned for business park, retail, and mixed-use (commercial and residential) development. Informal pre-application discussions have been underway with County staff, City staff and property owners since January 2020, most recently in May 2023. On June 6, 2023, LAFCO staff provided comments on the City’s Notice of Preparation of a Draft Environmental Impact Report as a CEQA Responsible Agency.

Part 3: Other LAFCO-Initiated Studies

Staff has prepared a Municipal Services Review/Sphere of Influence (MSR/SOI) study for the City of Greenfield and four Greenfield-area special districts. An administrative draft was shared with the agencies and a public review draft will be considered by the Commission on October 23, 2023.

An MSR/SOI study for Soledad area special districts is getting underway. The study will focus on the Soledad Cemetery District’s challenges with transparency, accountability, and compliance with state legal requirements; the Soledad-Mission Recreation District’s financial, operational, and governance challenges; and the Soledad Community Health Care District’s existing services and potential strategies to address financial challenges to maintain and expand the delivery of vital services to a growing community.

Staff is also initiating an MSR/SOI study for the seven Monterey Peninsula cities, beginning with a coordination meeting with City of Marina staff later this month.

An MSR/SOI study for the City of Gonzales will be prepared in 2024 to coincide with that City’s anticipated Vista Lucia annexation application (see page 2 of this report). The timing will depend upon when we receive the application with information needed for the study.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

LOCAL AGENCY FORMATION COMMISSION
P.O. Box 1369 132 W. Gabilan Street, Suite 102
Salinas, CA 93902 Salinas, CA 93901
Telephone (831) 754-5838 www.monterey.lafco.ca.gov

KATE McKENNA, AICP
Executive Officer

DATE: October 23, 2023
TO: Chair and Members of the Formation Commission
FROM: Kate McKenna, AICP, Executive Officer
PREPARED BY: Darren McBain, Principal Analyst
SUBJECT: **Continued from the August 28 and June 26 Regular Commission Meetings -
Review of LAFCO's Policies and Implementation Practices for Agricultural
Preservation and Mitigation**
CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378

SUMMARY OF RECOMMENDATION:

Receive a report from the Executive Officer, receive public comments, and continue this agenda item to the January 22, 2024 regular meeting, or provide other direction.

EXECUTIVE OFFICER'S REPORT:

Background

At the August 28, 2023 meeting, the Commission continued its prior review of Monterey LAFCO's policies and implementation practices for agricultural preservation and mitigation. The Executive Officer's report for August – attached below – recapped key elements of the policy and practices. The August report also discussed that LAFCO staff took part in an initial August 21 meeting of Salinas Valley mayors and City staff, along with County representatives, to explore developing a clear and consistent approach to implementing agricultural mitigation for City annexations of farmland.

On August 28, the Commission directed staff bring this item back as part of the October 23 meeting agenda for the Commission to begin considering potential changes to the current policy. In the meantime, two parallel efforts are continuing to make progress: The City-organized working group, with County and LAFCO staff participation, met on September 25 and October 16. The County of Monterey's Agricultural Advisory Committee considered the County's draft ordinance for unincorporated lands on September 28, to be followed by the County Planning Commission on November 8 and the Board of Supervisors by early 2024.

Discussion

On October 23, staff and counsel will provide an overview of the Commission's current adopted (2010) policy, main elements of implementation practices (such as timing of mitigation, ratios, potential exceptions from mitigation requirements), City- and County-led agricultural mitigation efforts that are currently underway, and other relevant information for the Commission's consideration.

Recommendation

Staff continues to recommend no changes, at this time, to the Commission's adopted policy or practices. Instead, staff recommends that Commission consider the information in this report, receive a

presentation and public input at the October 23 meeting, and then continue this item to the January 22, 2024 regular meeting. The additional time would allow for ongoing, productive City-County discussions to continue to work toward areas of agreement on how agricultural mitigation should be implemented for City annexations. Should the parties reach consensus (which may require additional time), the Commission could then consider modifying LAFCO's existing policies or practices to come into alignment with the agreed-on principles.

Alternatively, although staff does not recommend this option, the Commission has the discretion to provide direction on substantive amendments to LAFCO's agricultural mitigation policies now. Staff would then draft specific text revisions to the policy for review with legal counsel, to be followed by public review and comment and formal adoption by the Commission as part of a subsequent meeting agenda.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Kate McKenna". The signature is written in a cursive style with a large initial "K".

Kate McKenna, AICP
Executive Officer

Attachment:

- A. Executive Officer's report for the August 28, 2023 Commission meeting, with attachments-
 1. The Commission's Preservation of Open-Space and Agricultural Lands policy, as adopted in 2010
 2. June 26, 2023 staff presentation to the Commission (Farmland Preservation and Mitigation: LAFCO's Policies and Practices)
 3. Table: LAFCO Approvals that Involved Agricultural Mitigation, 2000-2022

adopted policy, as well as practices that have developed over the years for applying the policy to city annexations affecting farmland.

The presentation included a table summarizing the agricultural mitigation associated with prior LAFCO approvals from 2000 onward. An updated version of the table, adding a “Farmland acreage” column, was emailed to commissioners on June 29 and is provided as Attachment 3 to this report.

The presentation touched on the memorandums of agreement (MOAs) that the Cities of Salinas, Greenfield, Gonzales, and Soledad entered into with the County of Monterey between 2006 and 2016. The most recent of these MOAs (2016 MOA for the Soledad area) is available on LAFCO’s website under the “Studies and Maps” tab and is attached to August 28 agenda item 8. Staff also briefly discussed the County of Monterey’s ongoing development of an agricultural mitigation ordinance for projects in the unincorporated county, as well as the City of Gonzales’s ordinance adopted in April of this year. The County’s process is anticipated to extend into 2024.

During public comments, City of Salinas Community Development Director Lisa Brinton invited LAFCO staff to attend an August meeting of Salinas Valley mayors and city managers for a city-focused discussion on agricultural mitigation. Commissioners were generally supportive of this suggestion. The Commission ultimately approved a motion continuing the item to the August 28 meeting for discussion and possible direction to make policy changes. The motion included direction that, in the meantime, staff should not participate in or make recommendations on the County’s development of a draft ordinance until after the meeting with the Salinas Valley Cities has taken place.

August 21, 2023 Meeting with Salinas Valley City Representatives

On August 21, a group of Salinas Valley mayors and City staff, along with LAFCO staff and County representatives, met to explore developing a clear and consistent approach to implementing agricultural mitigation. It was a productive meeting, and the group agreed to continue the discussion on September 25. The County’s draft ordinance also currently remains under development, with participation by City staff, ag industry representatives, developers, and members of the public.

Monterey LAFCO’s Agricultural Mitigation Practices

Because LAFCO’s adopted policy intentionally provides “high-level” guidance rather than specific direction on agricultural mitigation details, the specific actions that LAFCO has carried out in recent decades are more a matter of practices that have developed over the years, as opposed to implementing specific policy direction. LAFCO’s practices of implementing agricultural mitigation have included three key elements:

1. **Timing** of carrying out mitigation requirements

LAFCO’s practice for City annexations of farmland is to require agricultural mitigation to be identified and presented to the Commission as part of the Commission’s consideration of an annexation proposal. The mitigation actions must be fully executed prior to recordation of an annexation’s certificate of completion. This practice implements LAFCO’s legislative mandate to protect prime agricultural lands by directly linking specific, immediate agricultural mitigation actions to a LAFCO approval committing farmland to urban development. The Commission affirmed this practice most recently in December 2022 with approval of the Miramonte annexation to the City of Soledad. *Staff recommends that this practice is central to carrying out LAFCO’s fundamental purposes, and should not be changed.*

2. **Exceptions** from agricultural mitigation requirements

LAFCO’s practices have not included exceptions. Applying exceptions for land use types as part of the LAFCO process tends to be impractical because, at the time of an annexation proposal, there can be uncertainty as to the projects that will actually be built when development occurs, which may be years in the future. However, the Commission has the discretion to exempt part or all of an

annexation from ag mitigation requirements on a case-by-case basis. The Commission could consider adopting a policy exempting specific types of annexations – such as affordable housing, parks and open space, city projects, or processing facilities for agricultural products – from agricultural mitigation requirements in situations where deed restrictions or similar mechanisms provide more certainty as to future land uses on the site.

3. **Mitigation ratios:** the ratio of mitigation acreage to the acreage being annexed and developed with urban land uses

LAFCO's adopted policy does not establish 1:1, 2:1, or any other fixed ratio as a mitigation standard to be met. In practice, LAFCO's approved annexations have generally implemented agricultural mitigation ranging between 1:1 and 2:1. Based on staff's research, the overall mitigation ratio for LAFCO approvals since 2000 is approximately 1.5-to-1, as shown in Attachment 3. Having flexibility on the mitigation ratio can be used to incentivize placing easements on high-value locations, where easements can achieve the most benefit by channeling growth in desired directions or protecting lands that are subject to high development pressure.

For reference, some other mitigation ratios in the local area have included:

- The County's current draft ordinance for projects on unincorporated lands identifies mitigation ratios ranging from 1.25:1 to 2:1, depending on whether or not the development site is within a County-designated Community Area or Rural Center, and whether the site is designated Prime Farmland or a lesser designation.
- The City of Gonzales's adopted April 2023 ordinance appears to indicate a 1:1 ratio as the City's standard, but does not appear to state it outright.
- The 2016 City-County MOA for Soledad identified 1:1 as the standard until such time as the City either adopts a comprehensive citywide ag mitigation program or enters into a countywide program with the County of Monterey and the other Salinas Valley cities – neither of which has occurred to date, although in 2022 the City Council approved a program specific to the Miramonte Specific Plan area.
- The current 2006 City-County MOU for the City of Salinas, as amended in 2019, appears to be silent as to mitigation ratios.

Neither the County's agricultural mitigation ordinance (when adopted) nor a City ordinance would limit or pre-empt LAFCO's authority with regard to City annexations of farmland. The Commission is an independent body that will always have the discretion to determine agricultural mitigation requirements for annexations.

Staff Recommendation

With City-organized meetings and development of a County ordinance actively in progress, allowing additional time for those processes to continue could bring forward innovative ideas, approaches, or other beneficial input for the Commission to weigh.

Staff recommends no changes, at this time, to the Commission's adopted policy or practices. Instead, staff recommends that Commission consider the information in this report, receive public input at the August 28 meeting, and then continue this item to the December 4 regular meeting. At that time, the Commission could opt to either receive an update or provide direction on modifying LAFCO's current policies or practices.

Alternatively, the Commission could provide direction on substantive amendments to LAFCO's policies or practices now. The key elements of LAFCO's agricultural mitigation implementation practices are the issues outlined in this report regarding the timing of mitigation, potential exemptions, and mitigation ratios. For any of these subject areas, or others, the Commission could amend the adopted policy to

specifically incorporate either the current practice or a different standard – for example, the policy could be changed to identify a specific mitigation ratio as LAFCO’s typical standard.

Should the Commission opt to direct such changes now, then staff requests that the Commission provide direction at the August 28 meeting. Staff would then draft specific text revisions to the policy for review with legal counsel, to be followed by public review and comment and formal adoption by the Commission as part of a subsequent meeting agenda.

Staff will, in the meantime, continue to work toward bringing forward several active items that involve an agricultural mitigation component. These include the conditionally approved Miramonte annexation to Soledad (August 28 agenda item 8) and a proposed ag-industrial annexation to the City of Gonzales that is being scheduled for a public hearing as part of the September LAFCO meeting.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Kate McKenna". The signature is written in a cursive style with a large, stylized initial "K".

Kate McKenna, AICP
Executive Officer

Attachments:

1. The Commission’s Preservation of Open-Space and Agricultural Lands policy, as adopted in 2010
2. June 26, 2023 staff presentation to the Commission (Farmland Preservation and Mitigation: LAFCO’s Policies and Practices)
3. Table: LAFCO Approvals that Involved Agricultural Mitigation, 2000-2022

Adopted Policy for Preservation of Open-Space and Agricultural Lands

PART E. PRESERVATION OF OPEN-SPACE AND AGRICULTURAL LANDS¹⁹

I. INTRODUCTION

Significant debate exists concerning the authority of a local agency formation commission to adopt policies, rules, regulations, guidelines, or conditions regarding the establishment of “agricultural buffers” or other methods to address the preservation of open space and agricultural lands. The Cortese – Knox – Hertzberg Local Government Reorganization Act (the “Act”), California Government Code section 56000, et seq., is replete with provisions that grant to a local agency formation commission the authority to consider and provide for the preservation of open space and agricultural lands. “Among the purposes of a [local agency formation commission] are discouraging urban sprawl [and] preserving open-space and prime agricultural lands,” Section 56301. Furthermore, “[i]t is the intent of the Legislature that each commission, . . . , shall establish written policies and procedures and exercise its powers pursuant to this part in a manner . . . that encourages and provides planned, well-ordered, efficient urban development patterns *with appropriate consideration of preserving open-space and agricultural lands* within those patterns.” Section 56300 (a) (emphasis added). The Legislature has also declared that the preservation of open-space and prime agricultural lands is a “state interest” to be balanced against the promotion of orderly development. Section 56001.

A local agency formation commission is specifically charged in some instances with protecting open space and agricultural land. For example, an island annexation may not be approved if the island consists of prime agricultural land. Section 56375.3 (b)(5). A local agency formation commission may not approve a change to a Sphere of Influence where the affected territory is subject to a farmland security zone or Williamson Act contract, unless certain conditions exist. Sections 56426 and 56426.5.

In other situations, a local agency formation commission is charged with considering specific circumstances affecting open space or agricultural land when making a decision. For example, when considering a proposal that could reasonably be expected to lead to the conversion of open space lands to non-open space uses, a local agency formation commission must consider guiding such conversion away from prime agricultural land towards non-prime lands. Section 56377s (a) and 56668 (d). In addition, a local agency formation commission should encourage the conversion of open space lands within the jurisdiction or Sphere of Influence of a local agency before approving any proposal that would lead to such conversion outside the jurisdiction or Sphere of Influence of that agency. Sections 56377 (b) and 56668 (d). Finally, a

¹⁹ Part E of the Policies and Procedures was first adopted on January 25, 2010. This Part replaces the “Agricultural Lands Preservation Policy” adopted on November 27, 1979 (Resolution 79-30).

local agency formation commission must consider the “effect of [a] proposal on maintaining the physical and economic integrity of agricultural lands, . . .” Section 56668 (e).

While a local agency formation commission has considerable authority to provide for the preservation of open space and agricultural land, it may not directly regulate land use: “A commission shall not impose any conditions that would directly regulate land use density or intensity, property development, or subdivision requirements.” Section 56375. A local agency formation commission may, however, require that property sought to be annexed be prezoned, although it may not specify how it shall be prezoned. *Id.*

In order to implement the intent and purposes of the Act with respect to the preservation of open-space and agricultural lands, the Local Agency Formation Commission of Monterey County (“LAFCO”) adopts the following policy.

II. POLICY

It is the policy of LAFCO that, consistent with section 56300 (a) of the Act, applications or proposals for a change in organization or reorganization, or for the establishment or any change to a Sphere of Influence or urban service area (hereinafter, “Proposal” or “Proposals”), shall provide for planned, well-ordered, efficient urban development patterns with appropriate consideration of preserving open-space and agricultural lands within those patterns. To implement this policy, it is the further policy of LAFCO that:

1. A Proposal must discuss how it balances the state interest in the preservation of open space and prime agricultural lands against the need for orderly development. (Government Code section 56001.) Proposals that fail to discuss this balance, in the opinion of the executive officer, will be deemed incomplete. Proposals may be denied if they fail to demonstrate to the satisfaction of LAFCO that the need for orderly development is balanced against the preservation of open space and prime agricultural lands.
2. A Proposal must discuss its effect on maintaining the physical and economic integrity of agricultural lands. (Government Code section 56668 (a).) Proposals that fail to discuss their effect, in the opinion of the executive officer, will be deemed incomplete. Proposals may be denied if they fail to demonstrate to the satisfaction of LAFCO that the physical and economic integrity of agricultural lands is maintained.
3. A Proposal must discuss whether it could reasonably be expected to induce, facilitate, or lead to the conversion of existing open-space land to uses other than open-space uses. (Government Code section 56377.) Proposals that fail to discuss potential conversion, in the opinion of the executive officer, will be deemed incomplete. Proposals may be denied if they fail to demonstrate to the satisfaction of LAFCO that: a)

they guide development or use of land for other than open-space uses away from existing prime agricultural lands in open-space use and toward areas containing nonprime agricultural lands (Government Code section 56377 (a)); and b) development of existing vacant or nonprime agricultural lands for urban uses within the existing jurisdiction of a local agency or within the Sphere of Influence of a local agency will occur prior to the development of existing open-space lands for non-open-space uses which are outside of the existing jurisdiction of the local agency or outside of the existing Sphere of Influence of the local agency (Government Code section 56377 (b)).

4. A Proposal must, if applicable, provide for pre-zoning (Government Code section 56375 (a)), and must demonstrate that it is consistent with the General Plans and Specific Plans of the existing local agency and any immediately adjacent local agency (Government Code sections 56375 (a) and 56668 (g)). Proposals may be denied if they are not consistent with such plans, or, if not pre-zoned, if the Proposal does not demonstrate to the satisfaction of LAFCO that the existing development entitlements are consistent with the local agency's plans.

To further these policies, it is the position of LAFCO that agricultural buffers provide an important means to preserve open-space and agricultural lands and preserve the integrity of planned, well-ordered, efficient urban development patterns. Such buffers may be permanent, temporary, or rolling, and may take many forms; easements, dedications, appropriate zoning, streets, or parks, for example. How agricultural buffers are used to further the state policy of preserving open-space and agricultural lands within patterns of planned, well-ordered, efficient urban development is left to the discretion of each local agency; however, Proposals will be judged on how state-wide policies under the Act, and LAFCO adopted policies, with respect to the preservation of open-space and agricultural lands are furthered. Agreements between neighboring local agencies with regard to the preservation of open-space and agricultural lands are encouraged, and such agreements may be incorporated by LAFCO into a Proposal as a condition of approval, or may be required as a condition precedent to approval.

June 26 Staff
Presentation to the
Commission

LAFCO of Monterey County

LOCAL AGENCY FORMATION COMMISSION

Farmland Preservation and Mitigation: LAFCO's Policies and Practices

June 26, 2023

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LAFCO's Legislative Purposes

- ❖ LAFCOs created in 1963 to fulfill state policy goals/interests
- ❖ Legislative Purposes (Section 56000, *et seq.*)
 - Encourage orderly formation, growth & development of local government agencies
 - Preserve open space and prime agricultural lands
 - Discourage urban sprawl
 - Efficiently provide local government services

Guide to the
CORTESE-KNOX-HERTZBERG
LOCAL GOVERNMENT
REORGANIZATION ACT OF 2000



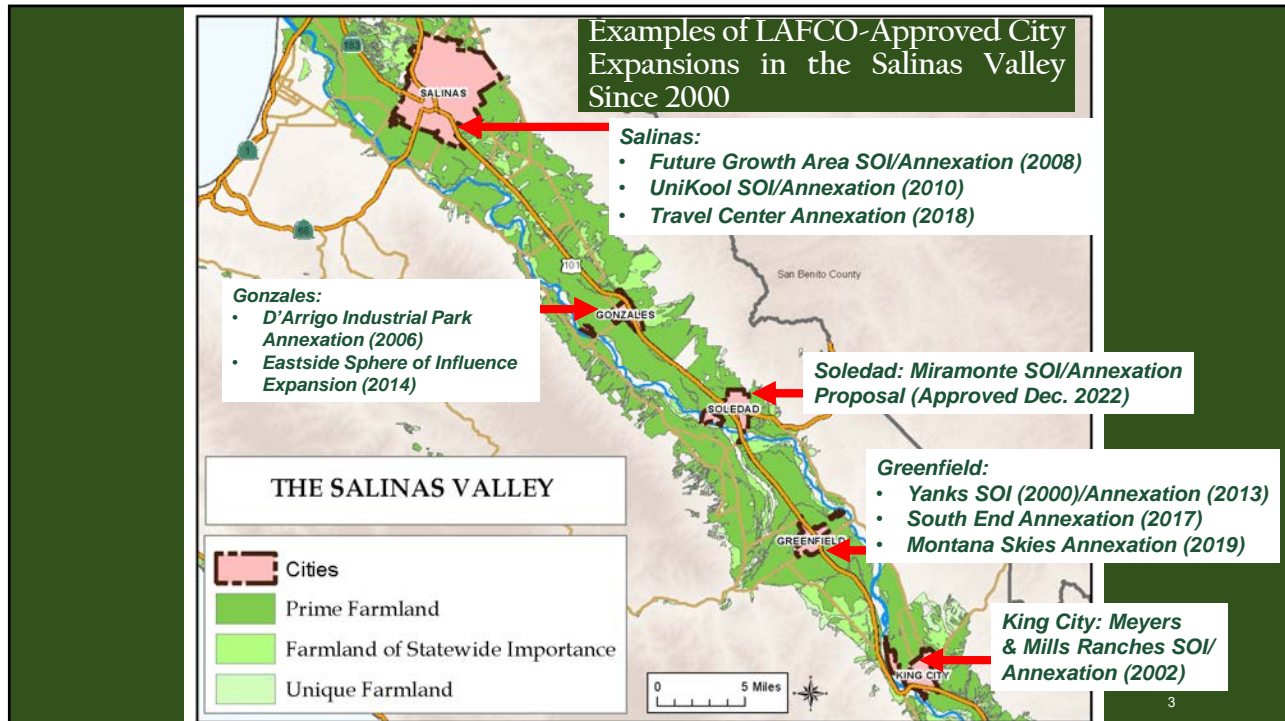
Prepared by
Assembly Committee on Local Government
Honorable Cecilia M. Aguiar-Curry, Chair
December 2021

Local Agency Formation Commission of Monterey County

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3

CKH Act Mandates Regarding Farmlands

- ❖ Discourage urban sprawl, and preserve open space and prime agricultural lands (Section 56301)
- ❖ Balance the preservation of open space and agricultural lands, which is a state interest, with the promotion of orderly development (Section 56001)
- ❖ Adopt **local policies** that encourage and provide planned, well-ordered, efficient urban development patterns *with appropriate consideration of preserving open space and agricultural lands* within those patterns (Section 56300 (a))
 - ❖ 1979: Monterey LAFCO adopts an Agricultural Lands Preservation Policy
 - ❖ 2010: Current version adopted



Local Agency Formation Commission of Monterey County

4

Monterey LAFCO's Policy Approach

Policy approach: Require proposals to discuss/explain how they meet LAFCO policy objectives and CKH Act mandates for balancing agricultural preservation and orderly development.

- ❖ Monterey LAFCO's adopted policies establish broad objectives, rather than prescribe specific actions or performance standards to meet (such as specific mitigation acreage ratios);
- ❖ Applying conservation easements and buffers to a specific proposal is left to the discretion of the proposer.
- ❖ The burden is on the applicant to show/explain satisfactory compliance.
- ❖ Overall goal: provide flexibility on how a proposal can meet LAFCO's policy objectives
- ❖ Proposals are deemed incomplete if the executive officer determines they do not address LAFCO's policy objectives.
- ❖ The commission may deny, modify, or add terms and conditions to a proposal if the proposal does not satisfy the ag preservation policies to the commission's satisfaction.

Local Agency Formation Commission of Monterey County



5

LAFCO's Practices Regarding Ag Mitigation

"Practices": Actions taken by LAFCO in implementing the CKH Act's mandates and Monterey LAFCO's local policies

Key Elements of LAFCO's Practices:

- ❖ Ag mitigation carried out at the time of annexation (LAFCO condition of approval, prior to final recordation of the annexation)
 - ❖ Ag mitigation tied to annexations since the 1990s
- ❖ Direct placement of conservation easements on specific sites: more typical than paying an in-lieu fee to fund acquisition of future easements
- ❖ Flexibility on mitigation acreage ratios, to account for differences in potential easement receiver sites (location/"strategic value," soil quality, level of being subject to likely development pressure, etc.) and to potentially incentivize placing easements on high-value sites
 - ❖ Mitigation generally in a range from 1:1 to 2:1, depending on the circumstances (locations of easement receiver sites, etc.)
 - ❖ 2:1 mitigation as a goal, to enhance the amount of permanently protected farmland

Local Agency Formation Commission of Monterey County



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LAFCO's Practices Regarding Ag Mitigation

Year approved	Annexation proposal	City	Site acreage	Mitigation acreage	Type of Mitigation
2000	Yanks SOI amendment (annexation followed in 2013)	Greenfield	135	306	Conservation easement
2002	Meyers-Mills Ranches	King City	216	361	Conservation easement
2010	Uni-Kool	Salinas	252	197	Fee-title ownership transfer to a land trust
2017	South End	Greenfield	292	666	Conservation easement
2018	Travel Center	Salinas	65	20	Conservation easement
2019	Montana Skies	Greenfield	31	24	In-lieu fee payment
2022 (Dec.)	Miramonte	Soledad	654	462*	Conservation easements and/or in-lieu fees, TBD
			1,645	2,036	

Local Agency Formation Commission of Monterey County

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LAFCO's Practices Regarding Ag Mitigation (cont'd)

Most recent LAFCO approval implementing these practices:

Dec. 2022 Miramonte sphere amendment and annexation to City of Soledad (654 acres)

Condition of approval regarding ag mitigation (applies only to the annexation):

- ❖ "In consultation with, and to the satisfaction of the LAFCO Executive Officer, the applicant and property owner shall identify and propose agricultural conservation easements in the vicinity of the 2016 City-County Memorandum of Agreement's designated Permanent Agricultural Edge or Urban Growth Boundary to the east, south, or west of city limits if suitable easement receiver sites are available, and/or pay in-lieu fees to a qualified land conservation entity to fund future acquisition of conservation easements. The required conservation easements and/or in-lieu fee payment amounts shall apply to lands within the affected territory that are designated as Prime Farmland or Farmland of Statewide Significance on the State of California Department of Conservation's 2018 important farmlands map. The proposed conservation easements and/or in-lieu fee payments, as well as the proposal's related western agricultural buffer easement, shall be executed to the satisfaction of the Executive Officer prior to recordation of the Certificate of Completion."
- ❖ Current status: Approved by LAFCO; annexation component is in condition-compliance phase

Local Agency Formation Commission of Monterey County

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City-County MOAs: A Factor in Implementing Ag Mitigation

Memorandums of Agreement (MOAs) between cities and the County are encouraged as part of determining a city's Sphere of Influence.

Current City-County MOAs:

- ❖ **Soledad (2016)**
 - ❖ **Gonzales (2014)**
 - ❖ **Greenfield (2013)**
- Regarding agricultural mitigation, these MOAs:
1. Anticipated that the City would participate in developing a unified countywide ag mitigation program, or a comprehensive city-specific program, and
 2. Until such time, provided for the City to carry out ag mitigation at a 1:1 ratio.
- ❖ **Salinas (2006)** – City and County agree to the creation and implementation of agricultural conservation easements (wording is much less specific than the later MOAs)



Recent County- and City-Led Efforts

County of Monterey Draft Farmland Mitigation Ordinance (2023)

- ❖ Currently in preliminary draft form; County staff is developing the ordinance in meetings with a subcommittee of the County's Agricultural Advisory Committee (AAC).
- ❖ County staff anticipates taking a draft ordinance forward to the full AAC, Planning Commission, and Board of Supervisors later this year.

City of Gonzales - Agricultural Resource Mitigation Ordinance

- ❖ Citywide ordinance, adopted in April 2023

City of Soledad - Miramonte Agricultural Mitigation Plan

- ❖ Miramonte site-specific plan, approved by City Council in May 2022



Key Policy/Practice Considerations

- ❖ **Timing** of carrying out agricultural mitigation
- ❖ Potential **exemptions** from mitigation requirements
- ❖ Mitigation **ratios**

Local Agency Formation Commission of Monterey County



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Current and Future LAFCO Applications Involving Ag Mitigation

In LAFCO's "condition-of-approval compliance" phase

- ❖ **City of Soledad:** Miramonte 654-acre annexation
*LAFCO approved the proposal in Dec. 2022. Sphere amendment is in effect.
For the annexation, ag mitigation remains under discussion and incomplete.*

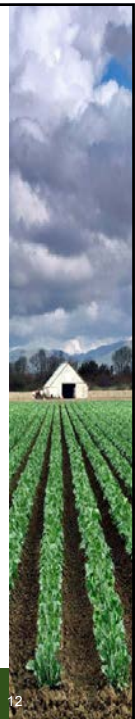
Recently filed – May 2023

- ❖ **City of Gonzales:** Gloria Rd Agricultural Cooler 45-acre annexation
Agricultural mitigation is being voluntarily proposed, consistent with LAFCO practices - but not a requirement of the City's own processes.

Anticipated in 2024

- ❖ **City of Salinas:** "Target Area K"/Ferrasci Ranch 140-acre sphere of influence amendment and annexation (*Draft EIR preparation is underway*); Also, potentially other sites identified in the City's 2018 Economic Development General Plan Element
- ❖ **City of Gonzales:** Vista Lucia annexation contemplating approximately 3,500 residential units on 768 acres (*Draft EIR not yet circulated*)

Local Agency Formation Commission of Monterey County



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Questions / Discussion



Table:
LAFCO Approvals that
Involved Agricultural
Mitigation, 2000-2022

LAFCO Approvals that Involved Agricultural Mitigation, 2000-2022

Year approved	Annexation proposal	City	Total site acreage	Farmland acreage (approx.)	Mitigation acreage	Type of mitigation
2000	Yanks SOI amendment (annexation followed in 2013)	Greenfield	135	135	306	Conservation easement
2002	Meyers-Mills Ranches	King City	216	189	361	Conservation easement
2010	Uni-Kool	Salinas	252	240	197	Fee-title ownership transferred to a land trust
2017	South End	Greenfield	292	259	666	Conservation easement
2018	Travel Center	Salinas	65	34*	20	Conservation easement
2019	Montana Skies	Greenfield	31	24	24	In-lieu fee payment
2022 (Dec.)	Miramonte	Soledad	654	462	462**	Conservation easements and/or in-lieu fees, TBD
Totals			1,645	1,343	2,036	
Overall mitigation ratio <i>(ratio of mitigation acreage to farmland acreage)</i>					1.52 to 1	

*Includes about 14 acres that were designated Prime but considered to be unfarmable due to location, lack of access, and no irrigation.

Update (Oct. 2023): The Commission's 9/25/2023 approval of the Gloria Road Agricultural Cooler annexation to the City of Gonzales included placement of a 44.8-acre conservation easement nearby at a 1:1 mitigation ratio. This annexation is not yet finalized/recorded.

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

KATE McKENNA, AICP
Executive Officer

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DATE: October 23, 2023
TO: Chair and Members of the Formation Commission
FROM: Kate McKenna, AICP, Executive Officer
PREPARED BY: Jonathan Brinkmann
SUBJECT: Consideration of 2023 Municipal Service Review and Sphere of Influence Study for Five Greenfield Area Public Agencies
CEQA: Categorical Exemption, California Environmental Quality Act Guidelines Sections 15306 and 15061(b)(3).

SUMMARY OF RECOMMENDATIONS:

It is recommended that the Commission:

1. Receive a report from the Executive Officer,
2. Provide for questions or follow-up discussion by the Commission;
3. Consider the Public Review Draft *2023 Municipal Service Review and Sphere of Influence Study* for the City of Greenfield, Greenfield Fire Protection District, Greenfield Memorial District, Greenfield Public Recreation District, and Greenfield Cemetery District (“Study,” Attachment 1); and
4. Consider and adopt a resolution (Attachment 2) to:
 - a. Find the action exempt from provisions of the California Environmental Quality Act (CEQA) under Sections 15306 and 1506 and 15061(b)(3) of the CEQA Guidelines;
 - b. Adopt the Study and make the recommended Municipal Service Review and Sphere of Influence determinations in accordance with Government Code sections 56430(a) and 56425(e);
 - c. Affirm the currently adopted spheres of influence of the City of Greenfield and four special districts, with no changes; and
 - d. Authorize the Executive Officer to proceed with identified corrective measures to address the Greenfield Memorial, Public Recreation, and Cemetery Districts’ non-compliance with state legal requirements and best practices.

EXECUTIVE OFFICER’S REPORT:

Overview of the Study

State law requires LAFCOs to periodically review the services and spheres of influence of all cities and special districts. Consistent with the Commission’s adopted work program, LAFCO staff has prepared a comprehensive study of the City of Greenfield and Greenfield Fire Protection, Memorial, Public Recreation, and Cemetery Districts.

Another purpose of this Study was to support the Greenfield community by providing in-depth review and recommendations for Greenfield-area special districts facing multiple issues and challenges. Through preparation of the Study, LAFCO staff identified critical deficiencies in the Greenfield Recreation, Memorial, and Cemetery Districts' administrative functions, compliance with State legal requirements, and implementation of best practices. For example, the three districts have no current adopted budgets and have not completed audits for the previous six to ten years. The Study recommends a series of corrective actions and timelines for the three districts to address non-compliance. Some of the key actions include adopting current annual budgets, completing current audits, completing Form 700 (Statements of Economic Interests filings), and partnering with the City on a feasibility study to integrate City and District services.

The City of Greenfield and Greenfield Fire District have successfully implemented an integrated model since 2018. Under this model, through the City-owned fire station, associated equipment, and firefighters, the City provides all fire protection and emergency medical services, by contract, throughout the Fire District in exchange for receiving most of the District's annual revenues. The Fire District continues to exist as a government agency with revenue-collecting powers, but the City provides the actual facilities, equipment, staffing, and services. LAFCO encourages the City and Memorial, Public Recreation, and Cemetery Districts to seriously evaluate this model. City staff has indicated a willingness to participate in and help direct a feasibility study funded by the three districts.

California Environmental Quality Act (CEQA) Compliance

Pursuant to Section 15306 of the California Environmental Quality Act ("CEQA") Guidelines, the Study qualifies to be determined categorically exempt, in that the Study consists of basic data collection, research, management, and resource evaluation activities that will not result in a serious or major disturbance to an environmental resource, and pursuant to Section 15061(b)(3), because it can be seen with certainty that there is no possibility that this study may have a significant effect on the environment.

Agency Coordination and Public Review

The attached public review draft Study incorporates review and comments by City staff and representatives of the four Greenfield area special districts on an earlier initial draft. Upon completion of the public review draft, staff posted the Study to LAFCO's website as part of the October 23 meeting agenda packet and provided it to all known interested parties.

Alternative Actions:

In lieu of the recommended actions, the Commission may direct changes to the attached draft resolution and/or the Study. Any major changes to the draft resolution or Study would require that this agenda item be continued for further coordination and review.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

Attachments:

1. Public Review Draft – *2023 Municipal Service Review and Sphere of Influence Study for Greenfield Area Public Agencies* ("Study")
2. Draft Resolution

cc:

City of Greenfield
Greenfield Fire Protection District
Greenfield Memorial District
Greenfield Public Recreation District
Greenfield Cemetery District

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

2023 Municipal Service Review and Sphere of Influence Study:

Greenfield Area Public Agencies

- City of Greenfield
- Greenfield Fire Protection District
- Greenfield Memorial District
- Greenfield Public Recreation District
- Greenfield Cemetery District



Public Review Draft as of October 16, 2023

COMMISSIONERS

Chair Matt Gourley, Public Member
Vice-Chair Kimbley Craig, City Member
Wendy Root Askew, County Member
Glenn Church, County Member
Mary Ann Leffel, Special District Member
Ian Oglesby, City Member
Warren Poitras, Special District Member
Mary Adams, Alternate County Member
Mike Bikle, Alternate Public Member
David Kong, Alternate Special District Member
Anna Velazquez, Alternate City Member

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Executive Summary

Introduction

This study provides information about the operations, services, and spheres of influence¹ of the:

- City of Greenfield,
- Greenfield Fire Protection District,
- Greenfield Memorial District,
- Greenfield Public Recreation District, and
- Greenfield Cemetery District.

This study meets LAFCO's requirements, under state law, for conducting periodic service reviews and sphere of influence studies. In addition, this study highlights the successful integration of the City and the Fire District since 2017. The study also addresses the Memorial, Recreation, and Cemetery Districts' critical lack of compliance with state laws and best practices for administering public agencies.

Located in the central Salinas Valley, the City of Greenfield serves a population of about 19,000 in approximately three square miles.

Outside of the city, a population of about 700 in a large rural area ranging from 40 to 100 square miles immediately surrounding the city is served by the four districts (see map, opposite). The boundaries of three of the special districts include the city plus the large rural area. The boundary of the Fire District only includes the large rural area.

The City and the Fire District are effectively delivering services and carrying out their purposes. Working as an integrated unit following a LAFCO approval in 2017, the City now operates and owns the fire station and its associated equipment, and provides fire protection and emergency medical services to residents of the City and the Fire District in exchange for receiving most of the fire district's annual revenues.

In contrast, the Memorial, Recreation, and Cemetery Districts function as single-purpose, stand-alone local government units. These three districts do not have a comprehensive service agreement with the City or another public agency. These districts also have demonstrated deficiencies in meeting their fiduciary, legal, and administrative duties, as discussed within this report.

Key Findings

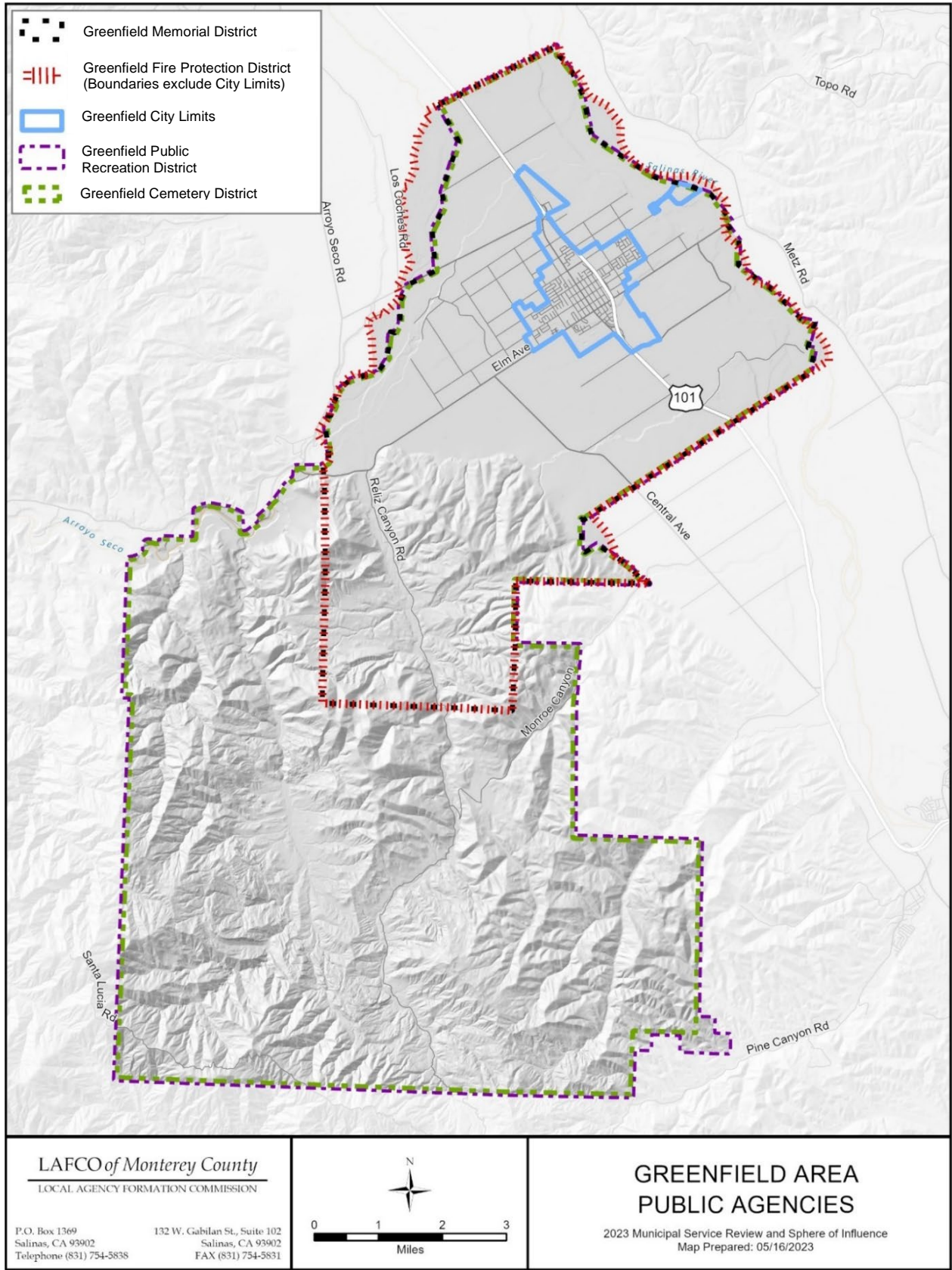
The following key findings highlight the study's most significant observations and conclusions.

1. **The Greenfield Memorial, Public Recreation, and Cemetery Districts currently lack basic administrative capabilities and are not being managed in a transparent and legally compliant manner. The districts have no current adopted annual budgets. Several million dollars in revenues to the three districts (mostly local property taxes) has been unaudited for the past six to ten years.**

In preparing this study, LAFCO staff found critical deficiencies in the Greenfield Recreation, Memorial, and Cemetery Districts' administrative functions, compliance with State legal requirements, and implementation of best practices. The three districts also did not adopt annual budgets for fiscal years 2022-23 or 2023-2024. The three districts have not prepared financial audits for the past six to ten years.

¹ A Sphere of Influence is defined by LAFCO of Monterey County as "A plan for the probable physical boundaries and service area of a local agency, as determined by LAFCO ([California Government Code] section 56076). The area around a local agency eligible for annexation and extension of urban service within a twenty-year period."

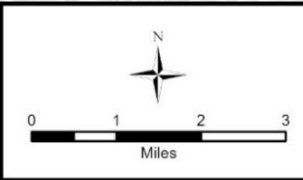
Greenfield-Area Public Agency Boundaries



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**GREENFIELD AREA
 PUBLIC AGENCIES**

2023 Municipal Service Review and Sphere of Influence
 Map Prepared: 05/16/2023

Prompted by this LAFCO study, the districts have now taken initial steps to address these deficiencies. As part of preparing this study, LAFCO staff engaged representatives of the County Auditor-Controller's Office, County Counsel's Office (representing each of the three districts), and district board representatives to identify corrective measures specific to audits. The districts have also stated they are moving forward with adopting annual budgets for the current fiscal year that began on July 1. However, these actions have not yet been completed.

Staff's recommended corrective measures begin with requesting immediate compliance actions by the districts. First-tier priorities for compliance include adopting an annual budget for the current fiscal year 2023-24 and conducting audits for recently completed fiscal years. Additional recommendations are addressed in the Recommended LAFCO Actions subsection, below.

2. The Greenfield-area agencies within this study generally appear to be financially stable.

Three of the special districts are deficient in their administrative and financial practices as described above. However, these districts do not appear to be experiencing financial hardship. Property tax revenues are providing a reliable and consistent income stream to the districts. Self-reported (unaudited) financial information prepared by the districts indicates that, in recent years, the districts' revenues have exceeded expenses by approximately \$66,000 to \$164,000. A key problem is that the only recent financial reporting available is unaudited information. Budgets need to be adopted and financial audits need to be completed to verify the revenue received and how these public funds are being managed.

3. The City of Greenfield and the Greenfield Fire Protection District are effectively and efficiently carrying out their purposes. These agencies have successfully integrated the provision of fire protection and emergency medical services to residents of the city and the Fire District.

The two agencies are implementing State law requirements and many best practices for government agencies. Following a feasibility study and LAFCO actions in 2017, the City and the Fire District now function as one integrated unit providing fire protection and emergency medical services to both the city and the unincorporated area within the Fire District.

This model is based on a services agreement (contract) in which the District provides most of its revenues to the City in exchange for receiving services from the City's fire department. The District remains in existence as a public agency with its own board of directors and the ability to collect revenues. However, the City owns the fire station, employs staff, and provides all the services, operations, and administrative oversight.

4. The successful City-Fire District integration is a potential model for the City to provide services efficiently to the other three Greenfield-area special districts.

Four separate public agencies – the City and the Recreation, Cemetery, and Memorial Districts – all own and operate park-like or community center-like spaces in the Greenfield community. This local government framework of a city plus three single-purpose districts results in redundancies in administration and operations.

This framework is rooted in the past, when fewer options existed for creating special districts. The Greenfield districts were formed between 1943 and 1953. Greenfield incorporated as a city in 1947. The idea of a multi-purpose community services district first became part of California state law in 1951.

Under the city-district integrated service model, a special district remains in existence as a means of collecting revenues to fund services to the unincorporated area outside the city, but the City provides the actual services to the district, by contract. The arrangement would remain in effect for as long as both the City and the district wish to continue with the contract.

An arrangement of this type is a natural progression from an antiquated model to a more efficient city-centered approach to delivering government services. We recommend that the City and the districts

fund a feasibility study to evaluate options for expanding this service model to the Recreation, Cemetery, and/or Memorial Districts.

- 5. The Greenfield Memorial, Public Recreation, and Cemetery Districts' facilities and services have diminished in recent years due to lack of reinvestment/maintenance of district-owned facilities and acquisition of additional land. The three districts need to make facility improvements and investments to meet the current and future service demands of the community.**

Due to lack of reinvestment and maintenance, the Recreation and Memorial Districts no longer offer swimming and active sports recreation services at their respective facilities. The Cemetery District will soon no longer be able to provide burials at Holy Trinity Cemetery due to lack of capacity. This will reduce burial options available to the community, although Oak Park Cemetery still has capacity.

Projected growth of 11.8% in the City of Greenfield from 2020 to 2045 will place additional demand on the facilities and services of the three districts (AMBAG 2022 Regional Growth Forecast). To address the service reductions described above and to meet the future needs of the growing community, the three districts need to make reinvestments such as repairing/improving an existing swimming pool and existing park, and purchasing adjacent land to an existing cemetery.

- 6. The Greenfield Memorial, Public Recreation, and Cemetery Districts need ongoing education and training outreach.**

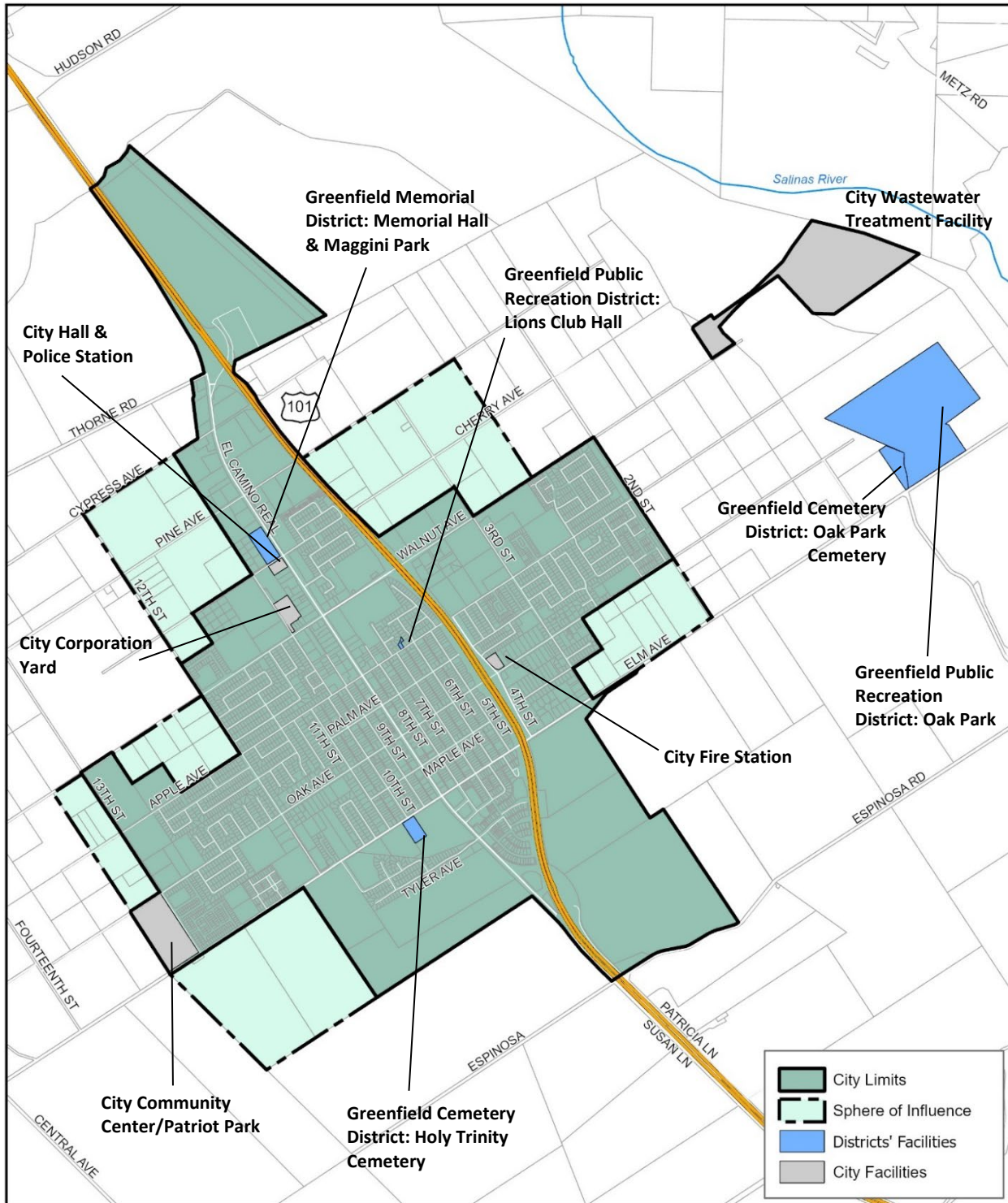
The legal, financial, and practical requirements of running a local agency can be challenging. We recommend that the three Districts receive training and professional development regarding State legal requirements and best management practices. In coordination with County Counsel's Office, LAFCO has previously provided educational board orientation trainings for the Greenfield districts. LAFCO can continue to support the three districts by providing educational materials. All three districts have recently retained general counsel services that can help with required and best practices training. Assistance is also available from professional organizations such as the California Special Districts Association.

- 7. No changes to the agencies' spheres of influence are recommended at this time.**

The City of Greenfield has sufficient undeveloped land already within its existing city limits to accommodate substantial future growth, plus other lands within the city's designated sphere of influence. None of the special districts within this report's scope has an existing designated sphere of influence beyond the district's current boundaries. District representatives have not requested any sphere amendments. Staff recommends that no sphere changes are warranted as an immediate priority at present.

Due to historical circumstances, the Recreation and Cemetery District jurisdictional boundaries are significantly larger than the Fire Protection and Memorial Districts. These two districts' boundaries are probably larger than necessary. However, this issue is not a current priority. More importantly, all four of these districts' facilities are either within the City of Greenfield or in close proximity. Therefore, City department staff could potentially operate district facilities with minimal need for travel time, if the City and districts decide to enter into such an arrangement in the future.

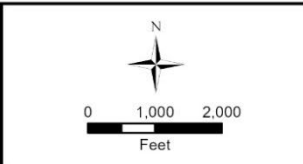
Greenfield-Area Public Agency Facilities



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DISTRICT FACILITIES

GREENFIELD AREA PUBLIC AGENCIES

Last LAFCO-Approved Change: 10/28/2019
 Sphere of Influence Affirmed: 09/27/2010
 Map Prepared: 05/16/2023

Recommended LAFCO Actions

Based on the analysis and in this study, the Executive Officer recommends adoption of a resolution to:

1. Find that, pursuant to Section 15306 of the California Environmental Quality Act (CEQA) Guidelines, the service review and sphere of influence study is categorically exempt, in that the study consists of basic data collection, research, management, and resource evaluation activities that will not result in a serious or major disturbance to an environmental resource, and pursuant to Section 15061(b)(3), because it can be seen with certainty that there is no possibility that this study may have a significant effect on the environment; and
2. Adopt the 2023 Municipal Service Review and Sphere of Influence Study for the City of Greenfield, Greenfield Public Recreation District, Greenfield Cemetery District, Greenfield Memorial District, and Greenfield Fire Protection District; and
3. Affirm the currently adopted spheres of influence of the City and four districts, with no changes; and
4. Authorize the Executive Officer to proceed with identified corrective measures to address the Greenfield Memorial, Public Recreation, and Cemetery Districts' lack of compliance with state legal requirements and best practices, as follows.
 - a. Request that the three districts, as a first priority, take immediate actions to meet legal requirements for financial management:
 - Adopt annual budgets for the current fiscal year (FY) 2023-24, and
 - Retain qualified audit consulting firms to perform financial audits for FY 2020-21 and 2021-22.
 - b. Request that the three districts, as a second-tier priority, take actions to comply with other state legal requirements:
 - Complete required Form 700 (Statements of Economic Interests filings for all Board members and any applicable staff);
 - Complete required ethics and harassment prevention training for Board members and staff,
 - Comply with website posting requirements per the Brown Act and other state laws (Public Recreation and Cemetery Districts only),
 - c. Encourage the three districts to:
 - Adopt bylaw amendments that promote compliance with training requirements,
 - Retain qualified audit consulting firms to conduct performance audits (evaluations of each district's fiscal practices and processes), and
 - Review and implement best practices recommended by the performance audits and in the Special District Leadership Foundation's "High Performing District" checklist
 - d. Hold a compliance progress-review meeting among LAFCO and representatives of the three districts approximately three months after adoption of this study;
 - e. If the three districts have not met State legal requirements within approximately six months of adoption, involve other regulatory oversight agencies, as necessary, to pursue compliance with legal requirements; and
 - f. Encourage the City and the Greenfield Memorial, Recreation, and Cemetery Districts to fund a feasibility study to evaluate City-District integration – or other service model options – for improving delivery of municipal services to the overall Greenfield community, including the surrounding unincorporated area. LAFCO staff will facilitate a meeting among representatives of the City and the three special districts to start this dialogue.

Background and Preparation for this Study

City and Fire Protection District Integration of Services

From 2007 to 2016, the Greenfield Fire Protection District, the City, and LAFCO identified significant challenges to the Fire District's fiscal viability. At that time, the City was within the Fire District. The Fire District provided fire protection and emergency medical services to both the city population and the outlying rural area.

By 2016, the Fire District's revenue base was increasingly unable to keep pace with the costs of providing minimal professional fire and emergency medical service levels. In response to this fiscal urgency, the City hired consultant Citygate Associates, LLC to prepare a comprehensive feasibility study of options for different service models.

After evaluating seven alternatives, the comprehensive study recommended that the City detach from the Fire District and form a City fire department to serve both the City and the rural District area. This model is carried out through a service agreement in which the District provides most of its annual revenues to the City in exchange for receiving City fire protection and emergency medical services. The City owns the fire station, employs staff, and provides all the services, operations, and administrative oversight. LAFCO, the District, and the City implemented the recommended model in 2017. Six years later, the partnership between the City and the District serves as a successful model of local government cooperation and efficiency.

2015 Municipal Service Review

LAFCO's previous municipal service review, completed in 2015, found that the Greenfield Public Recreation, Cemetery, and Memorial Districts were complying with most State law requirements. However, the districts were three years behind schedule in completing audits of the districts' finances. Staff met with the districts to provide informational resources about professional development and training opportunities for district staff and board members.

2019 Memorandum /Discussion Paper

In 2019, LAFCO staff prepared a memorandum to County of Monterey District 3 Supervisor Chris Lopez outlining options and opportunities for achieving greater efficiencies of service delivery in the Greenfield area. A link to the discussion paper is provided in the Sources and Acknowledgments section.

Current Study

In preparing this study, LAFCO staff gathered initial information from the agencies and met in person with agency representatives. To help identify potential solutions to the issues identified in the current study, LAFCO staff also met with a senior staff member from the County of Monterey's Auditor-Controller's Office. The representative shared information on the extent of audit compliance deficiencies by the Recreation, Cemetery, and Memorial Districts and offered guidance in addressing the deficiencies. This guidance has been incorporated into the study's recommendations.

LAFCO's General Counsel met with legal counsel for the Greenfield Public Recreation, Cemetery, and Memorial Districts and discussed the three districts' deficiencies in implementing state legal requirements and best practices. (Note: District counsel is an attorney in the County Counsel office. LAFCO also contracts with the County Counsel office, but the two attorneys are different individuals).

District counsel attended board meetings of the three districts in September 2023 to provide a general training on the Brown Act, and share guidance from the County Auditor-Controller's Office for each District to take steps to complete audits. District counsel also advised the three districts to review LAFCO's administrative draft municipal service review and sphere of influence study and use the study as a blueprint for completing State legal requirements and implementing best practices.

In September 2023, LAFCO staff provided an administrative draft of this study to the agencies for review and comment. In its review, the City's representative agreed that a feasibility study would be necessary to

adequately evaluate potential City-District integration of services, or other options. From the City's perspective, it would be appropriate for the involved Districts to fund a feasibility study.

After completing a feasibility study, if the City decided to become involved in a service model to support operations of the districts, the City's goals would generally be to:

- 1) Implement the statutory and regulatory requirements that are currently missing,
- 2) Assist in establishing strategic planning toward achieving any stated agency mission, including the development of a capital spending plan to maintain and enhance current infrastructure,
- 3) Implement standard internal controls (especially financial and reporting), and
- 4) Ultimately, assist each district to achieve sustainability with whatever funding sources they currently have.

Regulatory Framework

This section briefly outlines basic requirements of state law, recommended best practices, and regulatory oversight roles that are applicable to public agencies in California. The City of Greenfield and the Greenfield Fire Protection District are, in large measure, in compliance with legal requirements and are implementing some of the recommended best practices. The Greenfield Memorial, Public Recreation, and Cemetery Districts are currently not in compliance with legal requirements and should take immediate corrective actions as discussed in this report.

Requirements of State Law

The State Legislature has passed various laws establishing fundamental legal requirements for special districts. Many of these State laws also apply to counties and cities. To summarize, special districts must generally:

- Adopt annual budgets
- Complete financial audits
- Submit annual financial and compensation reports to the California State Controller's Office
- Maintain a website
- Hold open and public meetings in keeping with the Brown Act
- Implement ethics training and harassment prevention training for board members
- File annual Form 700 (Statement of Economic Interest) by board members and key staff, and adopt a conflict-of-interest code
- Adopt bylaws (rules for conducting district meetings/proceedings)

Best Practices

Along with State legal requirements, local public agencies also implement best practices to promote public trust and confidence and minimize the risk of mistakes or missteps. The Special District Leadership Foundation's High Performing District checklist identifies recommended best practices in the areas of Finance and Human Resources. Some key examples include:

- **Finance:** Establish and periodically review sound fiscal and internal control policies and procedures; periodically review revenue and expenses for compliance with the adopted annual budget; approve capital improvement plans and periodically review revenue and expenses for compliance with the plans; and use a competitive process for awarding contracts
- **Human Resources:** Adopt policies and procedures establishing the processes for hiring and firing, including background checks and evaluating the performance of, and adjusting the compensation of, the general manager; review policies and procedures on an annual basis to ensure compliance with new laws.

Regulatory Oversight

LAFCOs provide oversight of cities and special districts through conducting required periodic municipal service reviews and sphere of influence studies such as the current study. These studies of local government agencies have the goal of improving efficiency and reducing costs of providing municipal services.

Common regulatory tools for LAFCO have been to inform local agencies of their state legal requirements and provide educational resources to encourage compliance. However, when non-compliance persists, involvement of other oversight agencies may become necessary. Some of the other agencies providing oversight of local government agencies include the County Auditor-Controller, the Civil Grand Jury, and District Attorney, as well as the State Controller's Office and the Fair Political Practices Commission.

Agency Profiles

City of Greenfield

Incorporation Date	January 7, 1947
Legal Authority	California Government Code Section 34000 et seq. (General Law City)
City Council	Four City Council members elected from voter districts to staggered four-year terms and one Mayor elected at large to two-year terms
City Limits Area	1,931 acres
Sphere of Influence Area	599 acres to the west and east of the existing City limits
Population	Approximately 19,000 (18,937 per the 2020 Census)
Budget (FY 2023-24)	\$22.2 million in budgeted revenues and \$21.4 million in budgeted expenditures
Fund Balance/ Current Assets (as of June 2023)	\$27 million in cash and investments (June 1, 2023 Budget Workshop)
City Staff	Approximately 80 authorized full-time and 33 part-time positions.
Mission Statement	The mission of City of Greenfield is to provide personalized, quality community services.
Mayor	Robert White
City Manager	Paul Wood, CPA
City Hall	599 El Camino Real, Greenfield, CA 93927
Website	www.ci.greenfield.ca.us
Meetings	City Council meetings are held the second and fourth Tuesday of each month.

Overview

The City of Greenfield provides a full range of municipal services to its residents and businesses. The City strives to preserve a balance among the community's rural character, economic vitality, and cultural diversity.

In 2017, the City detached from the Greenfield Fire Protection District and formed a municipal fire department. The District transferred its fire station and firefighting apparatus to the City, and the District's firefighters became City employees. Through a LAFCO-approved services agreement with the Fire District, the City now provides fire protection and emergency medical services to the District. The District continues to exist as a public agency, but its role now largely consists of collecting property tax revenue and fees from the area within District boundaries. The District then turns these revenues over to the City in exchange for receiving City services.

As of the 2020 Census, the City's population was 18,937. The City's population may be underreported since the Census data may not capture a significant undocumented population living in the City. The City experienced significant growth from 1990 to 2020, more than doubling its population, and growing at an average rate of 5.1% per year. The Association of Monterey Bay Area Governments (AMBAG) 2022 Regional Growth Forecast projects that the City of Greenfield's population will increase by 2,149 persons with a growth rate of 11.8% from 2020 to 2045. Fifty-five percent of the City's population is under the age of 30 according to the US Census 2021 American Community Survey. The large youth population in the City will place increasing demands on the City's services. During a meeting among LAFCO, City, and the Community Water Center staff in 2023, it was discussed that stakeholders, adjacent to the City along

Walnut Avenue and 12th Street & Pine Avenue, may be interested in receiving potable water service from the City in the future through a service extension.

Compliance with State Legal Requirements and Best Practices

The City of Greenfield is generally in compliance with the state legal requirements and best practices for public agencies. The City has adopted an annual budget for the current fiscal year. The City Council holds a goal-setting session each fiscal year and conducts an annual review of organizational performance with the City Manager. Councilmembers receive the State-required ethics training and sexual harassment prevention training at least every two years. City Councilmembers and staff submit Form 700 Statements of Economic Interests as required by the State.

In addition to meeting agendas and agenda materials, the City's website provides detailed information about city services, financial information, audits, and the Greenfield Municipal Code.

The City is currently one year behind in completing the required annual audit. The City's auditor is currently working to complete the annual audit for Fiscal Year (FY) 2021-22.

Financial Summary

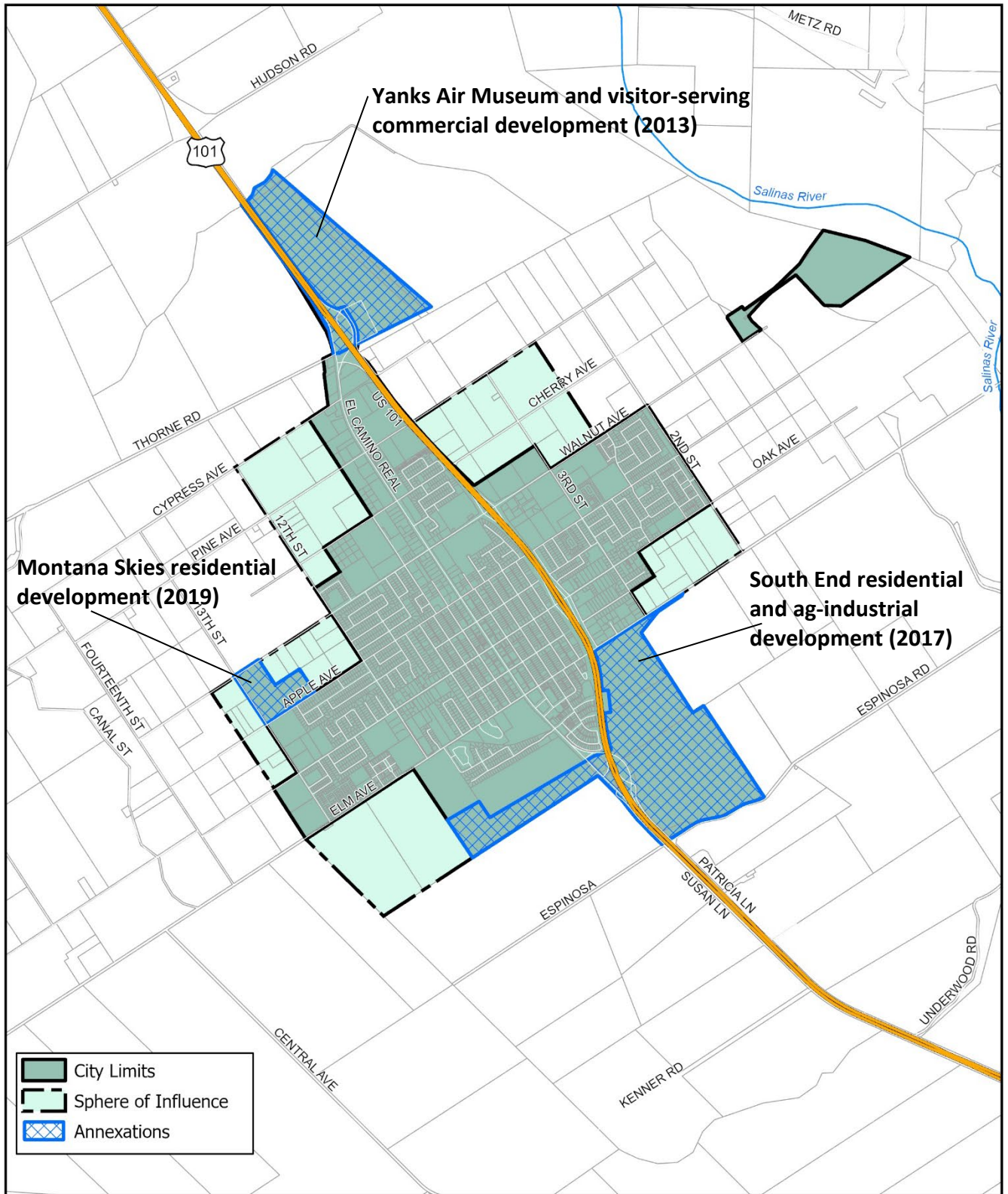
The City's adopted annual budget for FY 2023-24 includes anticipated expenditures of \$21.4 million. Within the overall budget, revenues slightly exceed expenditures. The City's FY 2019-20 audit showed revenues exceeding expenses by \$1,062,845. The City's practice of budgeting for fully staffed departments has helped keep actual costs lower than budgeted costs.

As is the case with many cities, the City is challenged with cost increases for cost of living, CalPERS Unfunded Accrued Liability (UAL), workers' compensation insurance, and health care costs. In June 2021, the City's UAL for its Miscellaneous Plan was \$1,834,460 (84% funded) and for its Safety Police Plan was \$2,051,495 (83.1% funded). The City's CalPERS plan funding percentages and pension contribution trends are similar to the neighboring Cities of Soledad and King City.

In FY 2021-22, the City received an \$8.5 million Proposition 68 grant from the California Department of Parks and Recreation to build a new community recreation center building, accessible playground, multi-use sports field, looped walking/jogging path, parking lot, landscaping, and lighting on a nine-acre parcel. The City has prioritized this project to augment its recreation facilities and programs.

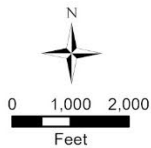
In October 2023, it was announced that the City will be receiving \$1 million in State funds to make radio transmission and reception improvements that will enhance public safety.





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CITIES

GREENFIELD

Last LAFCO-Approved Change: 10/28/2019
 Sphere of Influence Affirmed: 09/27/2010
 Map Prepared: 05/16/2023

Greenfield Fire Protection District

Formation Date	November 4, 1940
Legal Authority	Fire Protection District Law of 1961, Health & Safety Code, section 13800+
Board of Directors	Three-member Board of Directors, elected for four-year terms
District Area	Approximately 43.2 square miles
Sphere of Influence	Same as existing District boundaries
Population	Approximately 600
Authorized Powers	Fire protection and emergency medical services
Budget (FY 2023-24)	\$352,000 in budgeted General Fund revenues and expenditures
Employees	The District provides services through a service agreement with the City of Greenfield. The City Fire Department that serves the District has staffing of 32 employees (12 full-time and 20 paid call firefighters)
Mission Statement	We protect the Heart of the Valley with a team of highly trained and motivated professionals who are dedicated to delivering aggressive fire suppression, effective fire prevention and compassionate patient care.
Board President	Allan Panziera
Fire Chief	Jim Langborg
Facilities	The District has no facilities. Fire protection and emergency medical services are received from the City of Greenfield by contract.
Address	380 Oak Avenue, Greenfield, CA 93927
Website	https://ci.greenfield.ca.us/494/The-Greenfield-Fire-Protection-District
Meetings	Board meetings are held the third Thursday of each month at 4:00 pm at Greenfield City Hall, 599 El Camino Real, Greenfield, CA 93927.

Summary/Background

The Greenfield Fire Protection District was formed in 1940, based on the boundaries of the Greenfield Union School District. In-district population is approximately 600.

Until 2017, the District's boundaries included the City of Greenfield. By 2015, the District was experiencing increasing service demands and limited funding to meet those demands. To address these challenges, the City of Greenfield detached from the District and created the new City of Greenfield Fire Department in 2017.

Through a service agreement and the City-owned fire station, associated equipment, and firefighters, the City of Greenfield now provides fire protection and emergency medical services to the City and the rural District. For its part, the District provides most of its annual revenues to the City for these services. City voters passed a parcel-based special tax to increase funding for the new City Fire Department in May 2017. The



District's service agreement with the City of Greenfield ensures that the District's residents outside the City receive fire protection and emergency medical services from the City. The City's partnership and service delivery agreement with the Greenfield Fire Protection District serves as a model of local government cooperation and efficiency.

The District has a three-member board of directors. The District has no sphere of influence designated beyond its existing boundary. There are no proposals for expansion.

Compliance with State Legal Requirements and Best Practices

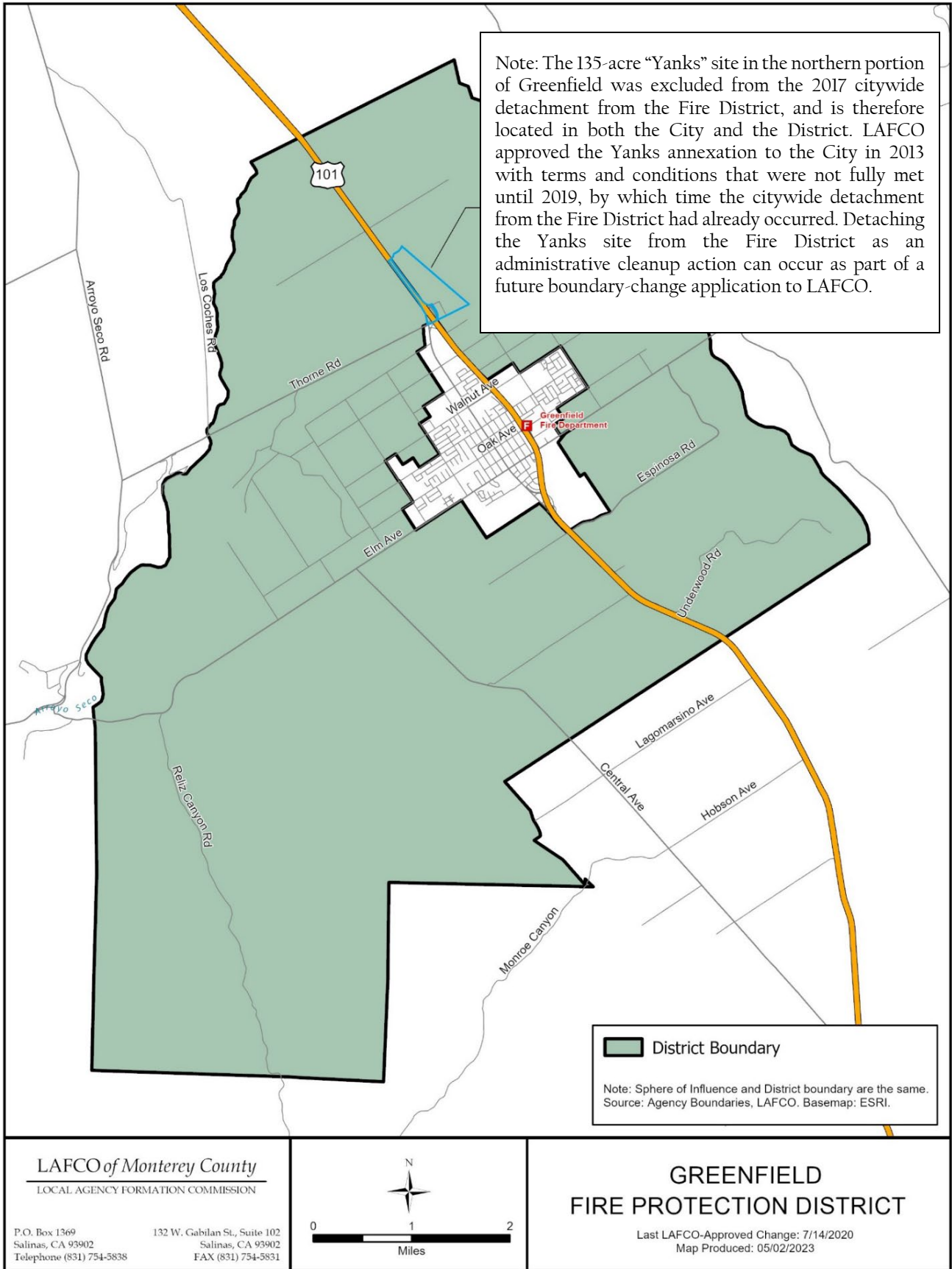
The District is generally compliant with most requirements of state law and best practices. Board meetings are open and accessible and are publicly noticed in accordance with the Brown Act. District Board members receive the State-required ethics training and sexual harassment prevention training at least every two years. Board members and staff submit Form 700 Statements of Economic Interests as required by the State. The City of Greenfield hosts a website for the District. The website provides information about the District's governance, finances, contact information, and board meetings.

The District is currently four years behind in completing required annual audits. The District is coordinating with their auditor to ensure completion of these annual audits.

This District does not adopt an annual budget, in that – by contractual arrangement – the District turns its operating revenues over to the City of Greenfield in exchange for receiving fire and emergency medical services from the city. The City comprehensively plans and budgets for provisions of these services.

Financial Summary

The District's budget for FY 2023-2024 includes anticipated expenditures of \$352,000. Within the overall budget, revenues match expenditures. The District and the City believe that their service model will continue to operate as the City continues to grow and annex portions of the District. The City recognizes that revenue from the District will decrease as the City gradually expands into the surrounding unincorporated area over time. However, the City expects that City growth will result in revenue growth to the City, which should more than compensate for revenue reductions from the District. The District has assurances from its service agreement that it will continue to receive fire protection and emergency medical services from the City.



Greenfield Memorial District

Formation Date	September 2, 1947
Legal Authority	Military and Veterans Code, Sections 1170-1259 et seq.
Board of Directors	Five-member Board of Directors, elected for four-year terms.
District Area	Approximately 43.4 square miles
Sphere of Influence	Same as existing District boundaries
Population	Approximately 19,700 (including about 19,000 within Greenfield city limits)
Authorized Powers	Operate and maintain memorial halls and indoor and outdoor park and recreation facilities.
Financial Data (FY 2020-21)	\$214,329 in total revenues and \$110,643 in total expenditures (Special District Financial Transactions Report)
Fund Balance (as of October 2023)	Approximately \$550,000 in total fund balance (Reported by a District representative in October 2023)
Employees	One full-time secretary and one full-time maintenance manager.
Mission Statement	To serve local veterans and the Greenfield community.
Board President	Daniel Covarrubias
Facilities	Greenfield Memorial Hall and Jim Maggini Memorial Park
Address	615 El Camino Real, Greenfield, CA 93927 P.O. Box 91, Greenfield, CA 93927
Website	https://www.greenfieldvmh.org/
Meetings	Board meetings are held the first Tuesday of each month at 6:00 pm at the Greenfield Memorial Hall, 615 El Camino Real, Greenfield, CA 93927.

Summary/Background

The Greenfield Memorial District was formed by an election in 1947. The District was established to construct a veterans memorial building through public funds. Construction of the memorial hall was completed in 1956. The District also owns and operates the adjoining Jim Maggini Memorial Park.

The District serves approximately 19,700 people over an area of 43.4 square miles. Most (about 19,000) of this population resides within the City of Greenfield. The District's boundary is the same as its sphere of influence and there are no proposals for expansion.

The five-member Board of Directors currently consists of two Board members who have remained on the Board and three new Board members. The District Board meets regularly to conduct business related to building maintenance, finances, and operations.

The District's Memorial Hall is a popular venue for weddings, banquets, quinceañeras, and other private events. Weekends are currently booked six to nine months in advance. District representatives state that the District recently spent approximately \$200,000 completing major repairs to the Memorial Hall's gym floors, heating system, and roof.



In recent years, Jim Maggini Memorial Park's previously improved baseball field has been degraded due to discontinued maintenance and improvements. The park has lost its capacity to serve the community as an improved sports park. The District should implement strategic planning and capital improvement program planning to ensure that it maintains adequate facilities to meet future service delivery needs for the community.



Compliance with State Legal Requirements and Best Practices

The District is not in compliance with key aspects of State legal requirements or recommended best practices for public agencies. The last audit of the District's finances was completed approximately ten years ago. The District has not adopted annual budgets for the current or prior fiscal year, and is not current with completing ethics and harassment prevention training or annual filing of Form 700.

LAFCO staff provided a District Board orientation presentation in April 2022 after concerns were raised about the District's governance, transparency, accountability, and operations. At the time, the District was experiencing challenges in retaining board members, obtaining a quorum of board members to conduct District business, lapses in financial reporting, human resources issues, and substantial repair and maintenance issues. Since that time, the District has made some improvements. The District is now meeting public noticing and accessibility requirements of the Brown Act and launched a new website in 2022, which provides required information such as District's governance, State financial reports, compensation reports, contact information, and the most recent Board meeting agenda.

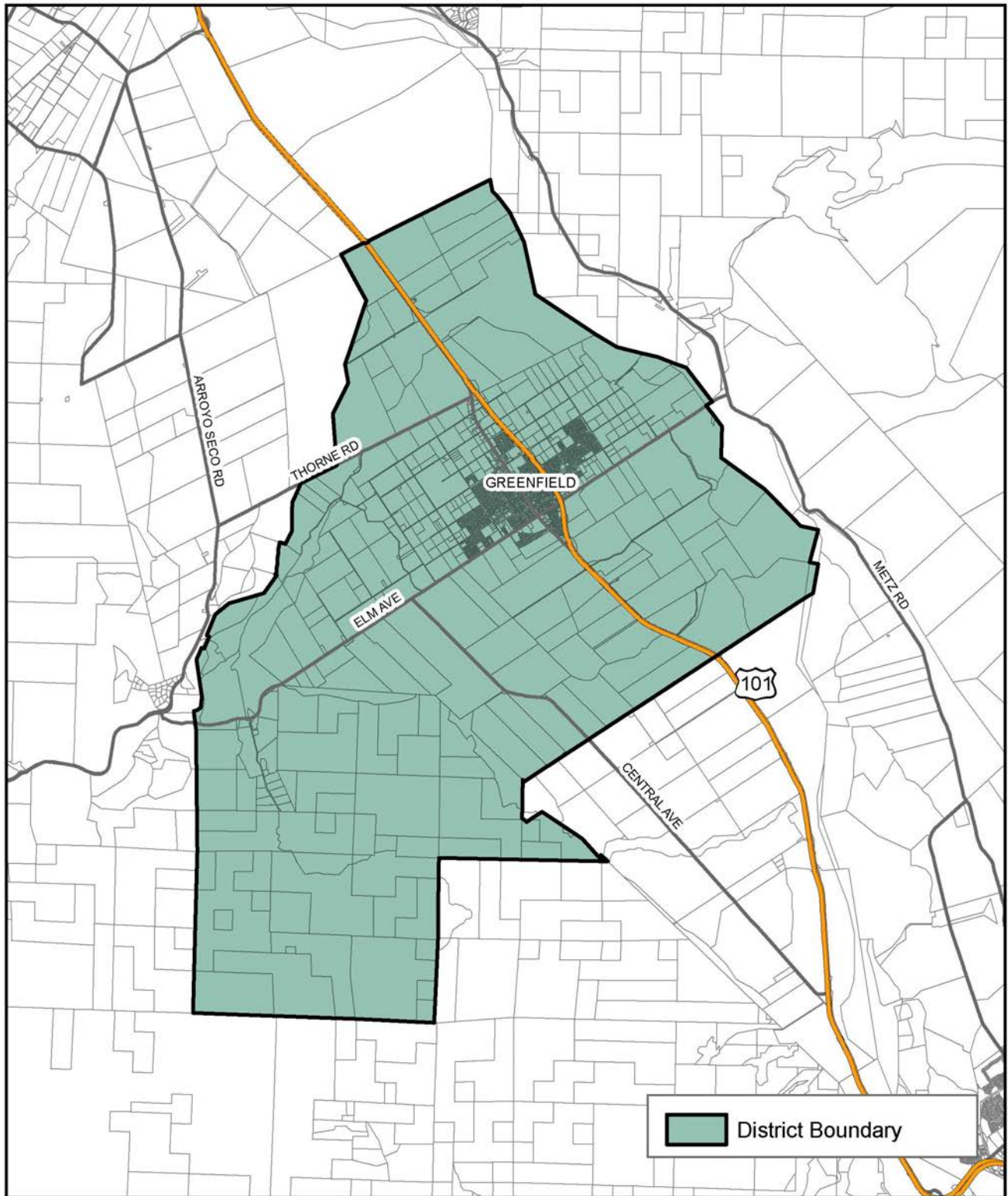
In response to LAFCO's efforts to engage the District on compliance issues identified in this study, the District has recently secured an auditor to perform a biennial audit for fiscal years 2020-21 and 2021-22. A District representative also stated that the District has conducted a budget workshop and would consider adoption of an annual budget at an upcoming meeting.

Financial Summary

In the absence of a current annual audit of the District, the most recent available financial information is a FY 2020-21 Special Districts' Financial Transactions Report. This report must be submitted annually to the California State Controller's Office. According to this information, the District received \$195,705 in property taxes and \$18,624 in other revenues, comprising 91% and 9%, respectively, of its total annual revenues of \$214,329. In the same fiscal year, the District had \$110,643 in total expenditures, of which 45% was for salaries & benefits and 55% was for supplies & services.

In October 2023, a District representative reported that the District had approximately \$550,000 as an available fund balance (unaudited data).

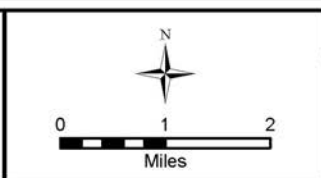
The District's staff currently includes a full-time maintenance manager (paid) and a full-time secretary (volunteer). While this form of administrative support has reduced the District's staffing costs, the use of volunteer staffing is not a sustainable long-term financial practice.



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MEMORIAL DISTRICTS

GREENFIELD MEMORIAL DISTRICT

Last LAFCO-Approved Change: 05/24/1983
 Status Quo Sphere of Influence Affirmed: 12/07/2015
 Map Prepared: 12/18/2014

Greenfield Public Recreation District

Formation Date	1953
Legal Authority	Public Resources Code, Section 5780-5780.9
Board of Directors	Five-member Board of Directors, appointed for four-year terms
District Area	Approximately 102.7 square miles
Sphere of Influence	Same as existing District boundaries
Population	Approx. 19,700 (including about 19,000 within Greenfield city limits)
Authorized Powers	Community recreation, park, and open space facilities; recreation services.
Unaudited Financial Data (FY 2021-22)	\$350,581 in total revenues and \$186,493 in total expenditures (Draft FY 2023-24 Budget Worksheet)
Fund Balance (as of October 2023)	Approximately \$829,000 in total fund balance (Reported by a District representative in October 2023)
Employees	One full-time caretaker and one part-time maintenance worker
Mission Statement	The Greenfield Public Recreation District works to provide the community with recreational opportunities in a safe and economical manner, and to protect the natural resources of the County.
Board President	David Kong
Facilities	Oak Park (23 acres), approximately one mile east of Greenfield, Lions Club Hall, 618 Apple Avenue in Greenfield
Address	42603 Elm Avenue, Greenfield, CA 93927 P.O. Box 432, Greenfield, CA 93927
Website	https://oakpark.specialdistrict.org/
Meetings	Third Thursday of each month at 6:00 pm at TNT Insurance Meeting Room, located at 140 El Camino Real in Greenfield

Overview

The District was formed in 1953 by the Board of Supervisors after a local election affirmed the proposal. The District serves a population of approximately 19,700 in an area of 102.7 square miles within the Salinas Valley and Santa Lucia Mountains. Most (about 19,000) of this population lives in the City of Greenfield.

The District's five-member board of directors currently consists of the same individuals who serve on the Greenfield Cemetery District. This recent change has helped address challenges in recruiting new board members when a vacancy occurs.

The District's primary facility is 23-acre Oak Park, located about a mile east of Greenfield. The park is open to the general public. Amenities include playground equipment, two tennis courts, a sand volleyball court, barbecue pits and picnic tables. However, the District's public swimming pool closed several years ago and



currently remains out of service. Oak Park's pool is the only public swimming pool in the Greenfield area. Because it is no longer operational, residents must now drive to other facilities such as the Soledad-Mission Recreation District's indoor pool facility to obtain this service. The District should implement measures such as capital improvement planning to ensure that it restores and maintains current service levels and builds adequate facilities to meet future service delivery needs for the community.

The District also owns a building in the City of Greenfield, which it leases to the Greenfield Lions Club nonprofit service organization. The District maintains building ownership because it provides a District presence within the City and preserves a building of historical value.

The District has no sphere of influence designated beyond its existing boundary. There are no proposals for expansion.

Compliance with State Legal Requirements and Best Practices

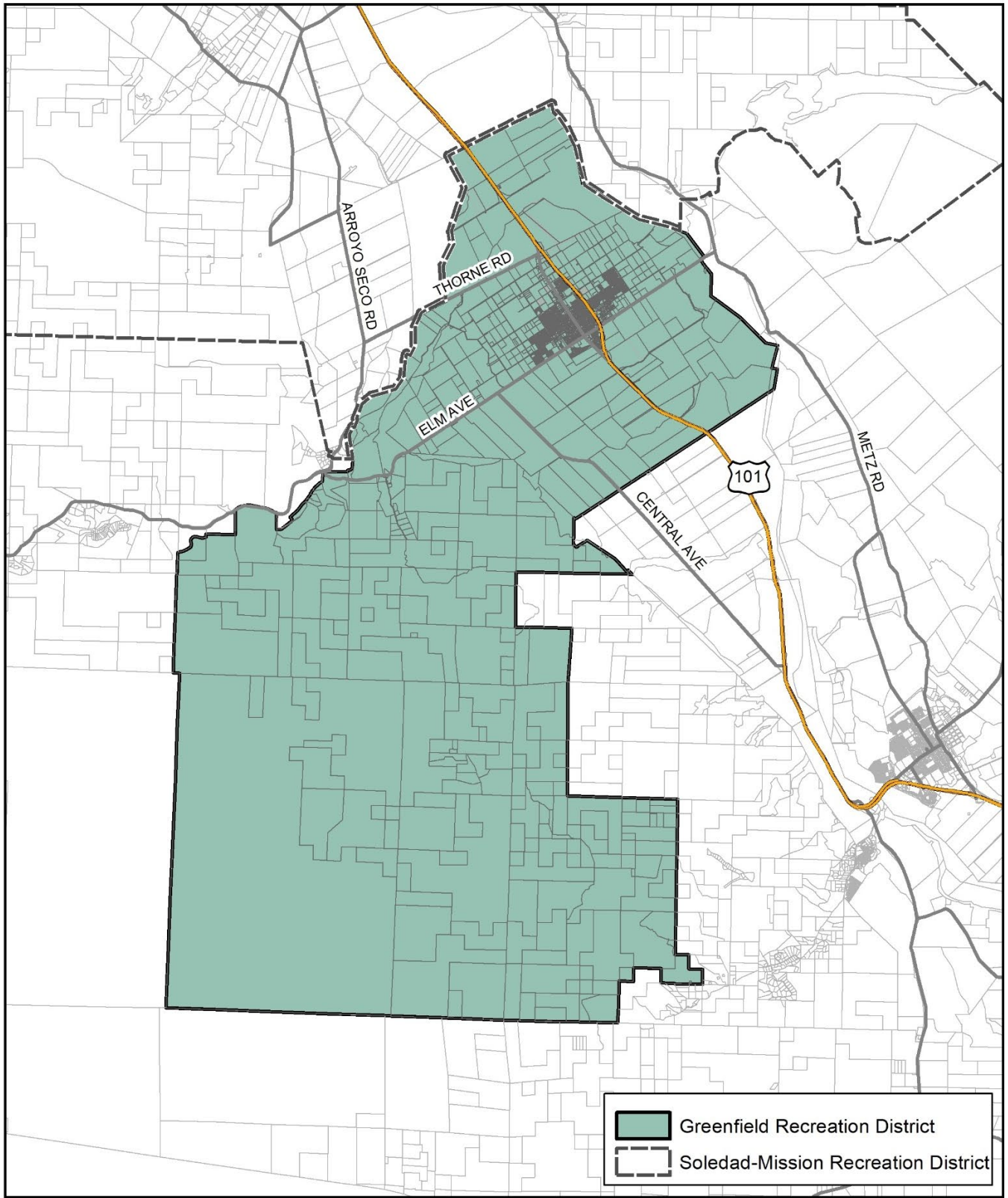
The District is not in compliance with key aspects of State legal requirements or recommended best practices for public agencies. The District's most recent financial audit appears to have been completed eight years ago. The District has not adopted an annual budget for FY 2022-23 or FY 2023-24. Required training on ethics and harassment prevention, and annual filing of Form 700 for board members, have not been completed. The District has a website, but it does not consistently post the most recent meeting agenda there pursuant to the Brown Act's requirements.

Prompted by LAFCO's efforts to engage the District to address the compliance issues identified in this study, a District representative responded that the District recently conducted a budget workshop and would consider adoption of an annual budget at an upcoming meeting.

Financial Summary

Because a current annual audit of the District is unavailable, the District's most recent financial information provided to LAFCO staff is its draft proposed FY 2023-24 budget worksheet. According to this unaudited data, in FY 2021-22 the District received \$264,888 in property taxes and \$85,693 in other revenues, comprising 76% and 24%, respectively, of its total annual revenues of \$350,581. In the same fiscal year, the District spent \$186,493, of which 66% was for supplies & services and 34% was for salaries and stipends.

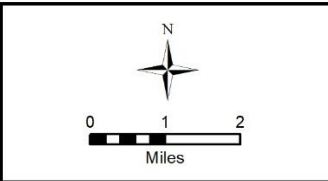
A District representative reported a total fund balance of approximately \$829,000 in October 2023 (unaudited data). This amount is approximately 250% of the District's annual revenues. The District does not currently have reserves policies or long-term strategic plans in place to guide the use of the District's available fund balance. A District representative stated that a portion of these funds may be needed in the future to demolish a dilapidated Quonset hut at Oak Park or to provide matching funds to grants for new facilities or other park improvements.



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RECREATION AND PARKS DISTRICT

GREENFIELD RECREATION DISTRICT

Status Quo Sphere of Influence Adopted : 05/24/1983
 Map Prepared: 10/01/2015

Greenfield Cemetery District

Formation Date	November 8, 1943
Legal Authority	Health and Safety Code, Sections 9000-9093
Board of Trustees	Five-member governing board whose members are appointed to four-year terms by the Monterey County Board of Supervisors
District Area	Approximately 102.4 square miles
Sphere of Influence	Same as existing District boundaries
Population	Approx. 19,700 (including about 19,000 within Greenfield city limits)
Authorized Powers	maintenance of cemetery grounds, opening and closing of burial space; interment services.
Unaudited Financial Data (FY 2021-22)	\$240,572 in total revenues and \$173,584 in total expenditures (July 17, 2023 memo from Green's Accounting, Draft FY 2023-24 Budget Worksheet Attachment)
Fund Balances (as of October 2023)	Approximately \$270,500 Endowment Fund (restricted); \$363,000 in other fund balances; and \$633,500 in total fund balances (Reported by a District representative in October 2023)
Employees	One manager and one part-time worker
Mission Statement	The mission of the Greenfield Cemetery District is to provide affordable burial services with compassion and dignity to the community.
Board President	David Kong
Manager	Manuel Mireles
Cemeteries	Holy Trinity Cemetery: Elm Avenue and 10 th Street, Greenfield Oak Park Cemetery: Elm Avenue at Espinoza Rd, 2 miles E. of the city
Address	P.O. Box 432, Greenfield, CA 93927
Website (information hosted by City)	https://ci.greenfield.ca.us/278/Greenfield-Cemetery-District
Meetings	Third Thursday of each month at 6:00 pm at TNT Insurance Meeting Room, located at 140 El Camino Real in Greenfield

Summary/Background

The Greenfield Cemetery District was formed in 1943 to provide services to the residents of the City of Greenfield and the surrounding rural community. The District provides cemetery ground maintenance, opening and closing, burial space, and interment services.

In-district population is approximately 19,700 people in an overall area of 102.4 square miles, which includes lands within the Salinas Valley and Santa Lucia Mountains. Most (about 19,000) of the population lives within the City of Greenfield. The District has no sphere of influence designated beyond its existing boundary. No sphere changes are proposed.

The District owns and operates two cemeteries. Holy Trinity Cemetery is historically Catholic and is located



in the City of Greenfield on Elm Street near Holy Trinity Church. Oak Park Cemetery is historically Protestant and is located two miles out of town on Elm Street adjacent to Oak Park. The District performs approximately 45 interments in the average year.

The District has nearly reached full burial capacity at Holy Trinity Cemetery and has remaining capacity of 20-30 years at Oak Park Cemetery. The District has no current plans to negotiate purchase of additional land.

Compliance with State Legal Requirements and Best Practices

The District does not comply with certain State law requirements and best practices for special districts. The most recent annual audit was completed six years ago. The District has not adopted an annual budget for FY 2023-24 and did not adopt a budget for the prior year. Required training on ethics and harassment prevention, and annual filing of Form 700 for all board members, have not been completed. The District meets open meeting requirements of the Brown Act. However, the District does not currently have a website.

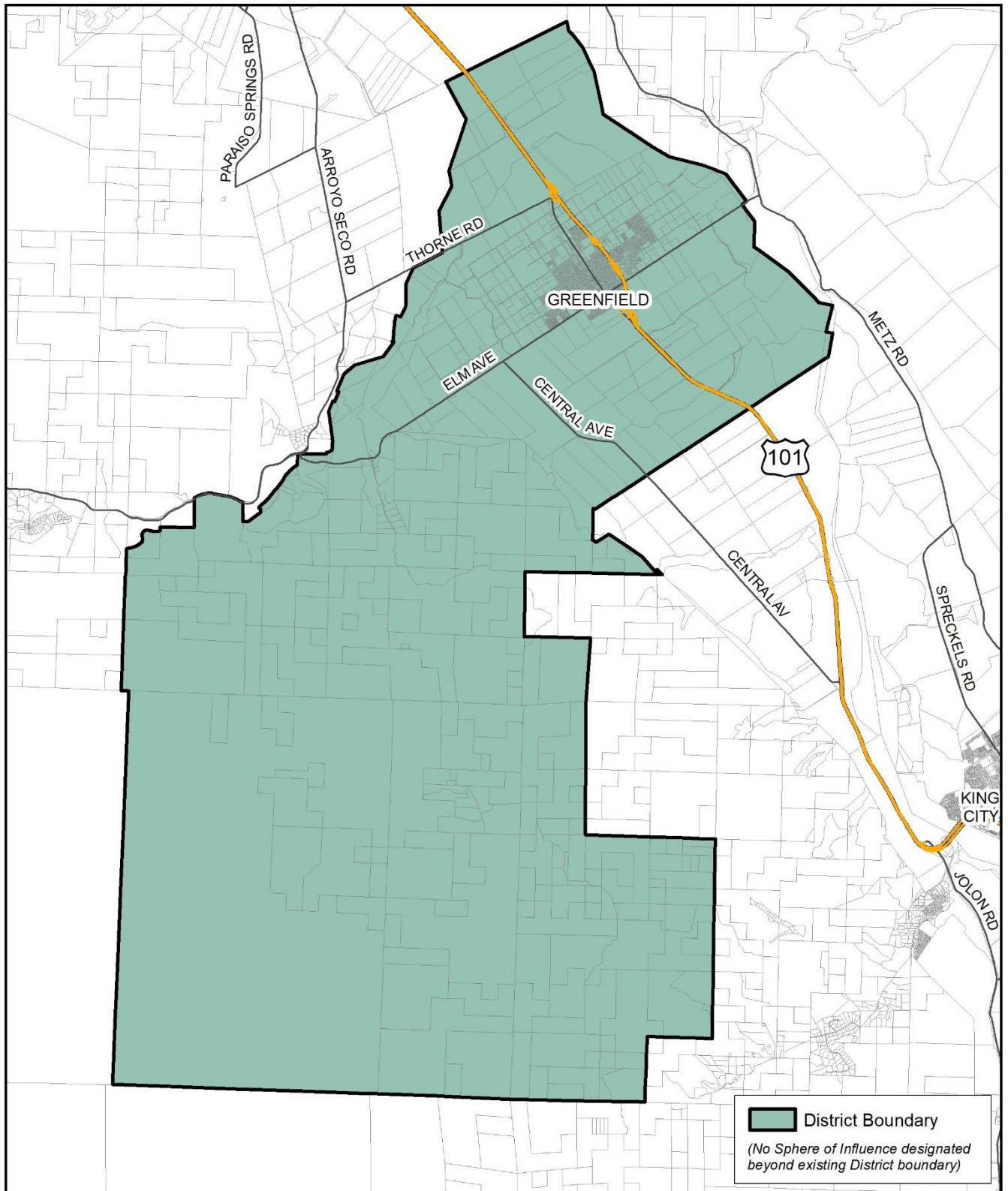
In response to LAFCO's efforts to engage the District on compliance issues identified in this study, a District representative responded that the District recently conducted a budget workshop and would consider adoption of an annual budget at an upcoming meeting.

Financial Summary

Because a current annual audit of the District was not available, the District's most recent available financial information is a July 17, 2023 memo with draft proposed FY 2023-2024 budget attachments from the District's accounting firm. According to this unaudited information, in FY 2021-2022, the District received \$160,323 in charges and fees for services, \$78,170 in property taxes, and \$2,079 in interest income, comprising 67%, 32%, and 1%, respectively, of its total annual revenues of \$240,572. In the same fiscal year, the District spent \$64,026 in salaries and \$109,558 in supplies & services, which was 37% and 63%, respectively, of its total annual expenditures of \$173,584.

To increase revenues to cover the costs of providing services, the District increased burial fees in 2022 by approximately 31% (its first burial-fee increase in more than ten years).

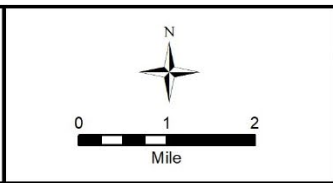
In October 2023, a District representative reported total fund balances of approximately \$633,500 (unaudited data). Of this amount, the District has approximately \$270,500, or 43% of the District's fund balances, in a restricted endowment care fund. Only the interest earned on this State-required endowment fund may be used for the care of the cemeteries owned by the District. The endowment fund principal must be maintained in perpetuity and is not available to be spent.



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CEMETERY DISTRICTS

GREENFIELD CEMETERY DISTRICT

Last LAFCO-Approved Change: 02/22/1983
 Status Quo Sphere of Influence Adopted: 02/22/1983
 Map Prepared: 11/20/2015

Spheres of Influence

The City of Greenfield has significant undeveloped land already within its existing city limits to accommodate substantial future growth, plus other lands within the city’s designated sphere of influence. Please refer to the map within the City of Greenfield’s agency profile, earlier in this report.

None of the special districts within this report’s scope has an existing designated sphere of influence beyond the district’s current boundaries. Each of the districts’ boundaries is slightly different from the others.

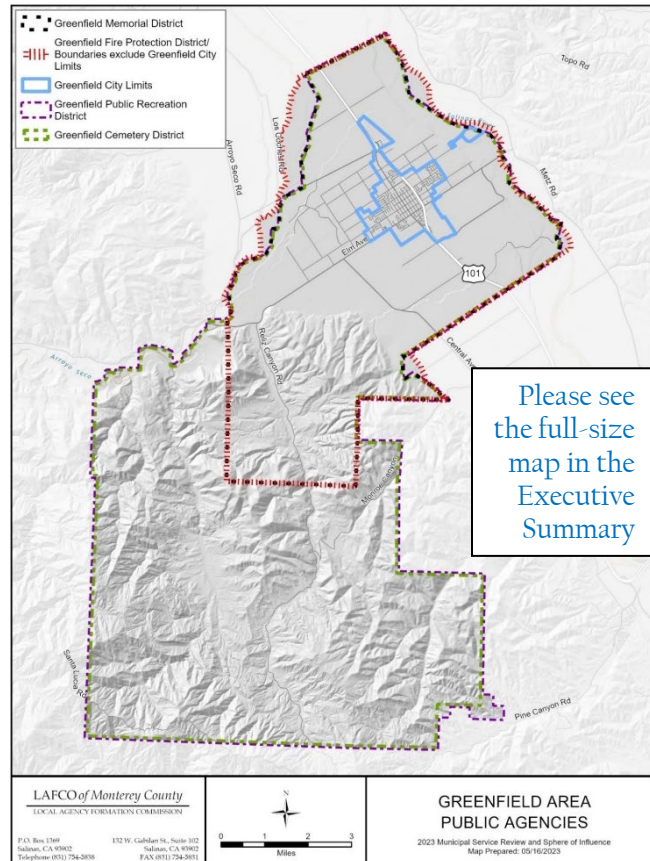
The Recreation and Cemetery District jurisdictional boundaries are significantly larger than the Fire Protection and Memorial Districts. It is unclear why this is the case.

The larger boundaries increase the property tax base for the Recreation and Cemetery Districts, relative to the other agencies. Property tax revenues provide the majority of annual revenues for all of the special districts in this study. In general, having a larger geographic area results in higher property tax revenues. However, the “southern” area that is within only the Recreation and Cemetery Districts consists of rugged terrain, contains little development, is sparsely populated², and – based on data in the County Tax Assessor’s digital mapping data layer – appears to have a total assessed valuation of about \$12 million. In comparison to assessed valuation of about \$974 million within the City of Greenfield and about \$300 million in the area within all four of the special districts, this southern area generates a very small percentage of the Recreation and Cemetery Districts’ revenues.

In addition, there is no obvious logical basis for why the sparsely populated “southern” area should be within the Recreation and Cemetery Districts (but not within the Fire or Memorial Districts). This subarea being within the Recreation and Cemetery Districts raises a question of whether the property tax revenue generated by this southern portion, and allocated through standard formulas and processes to a recreation district and a cemetery district, represents an effective and appropriate use of those funds.

District representatives have not requested any sphere amendments. Staff recommends that no sphere changes are warranted as an immediate priority focus for LAFCO. This study’s focus is on remedying the administrative and financial deficiencies of several of the special districts and highlighting potential options for increasing efficiencies of Greenfield-area service delivery.

It is important to note that LAFCO could – for example – re-designate an agency’s sphere of influence to be smaller than district boundaries. That action would signal the Commission’s intention that the agency’s boundaries should become smaller over the course of time, but it would not have any immediate effect on the agency’s boundaries or revenues. LAFCOs cannot detach lands from an agency unless the detachment is initiated by the agency itself, another public agency that overlaps it, or – less typically – a private petition that meets certain legal criteria.



² Population in this subarea cannot be precisely quantified, because district boundaries/subareas do not cleanly align with population data derived from the U.S. Census. Based on an informal estimate by County mapping staff, the total population of the “southern” area of the Recreation and Cemetery Districts could be 100 or less.

Determinations

Municipal Service Review Determinations

Per Government Code Section 56430(a)

This section contains recommended Municipal Services determinations for the City of Greenfield and the Greenfield Fire Protection, Memorial, Public Recreation, and Cemetery Districts.

1. Growth and population projections for the affected area

The City of Greenfield's population is approximately 19,000 (18,937 as of the 2020 census). The Fire District's population is about 600. For the other districts, the in-district population includes city residents plus up to approximately 700 residents in the outlying unincorporated area, for a total of about 19,700.

Most population growth in Monterey County in recent decades has occurred in the cities. The Association of Monterey Bay Area Governments (AMBAG) 2022 Regional Growth Forecast projected the City of Greenfield population to increase by 11.8% between 2020 and 2045, which is about the same as AMBAG's projection for Monterey County as a whole (11.4%). According to the U.S. Census 2021 American Community Survey, the City of Greenfield has a relatively large youth population (55% under the age of 30), compared to the County as a whole (42% under the age of 30). The large youth population in the overall Greenfield community could place increasing demands on service providers in the area.

2. Location and characteristics of any disadvantaged unincorporated communities ("DUCs") within or contiguous to the sphere of influence

There are no potential DUCs within or contiguous to the City and four special districts' existing spheres of influence. State law defines DUCs as unincorporated communities with an annual median household income that is less than 80% of the statewide annual median household income. A large Census block group in unincorporated Monterey County surrounds the City and meets the income criteria of a DUC. However, this area has no identifiable inhabited area contiguous to the City's sphere of influence.

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

The City is a capable service provider of its various municipal services. The City has constructed, acquired, and adequately maintains its public facilities and other infrastructure. With a large youth population and projected moderate growth in the City over the next 25 years, the City is taking appropriate actions to plan for future service and infrastructure needs. For example, the City's adopted FY 2023-24 Budget includes hiring of eight additional staff positions and includes capital projects such as improved City entrance signage, park lighting, ball field improvements, and road improvements.

The Greenfield Fire Protection District provides services to the unincorporated area surrounding the City through a comprehensive service agreement with the City, in which the City provides the services within the District's boundaries in exchange for most of the District's annual revenues. The City is planning for the present and future fire protection and emergency medical services needs of the City and the District by designing improvements to the City's existing fire station that would include updated bathrooms, sleeping quarters, office facilities, electricity generator, and security systems.

The Greenfield Memorial District's Jim Maggini Memorial Park is not actively maintained and needs significant improvements. The Public Recreation District's outdoor swimming pool is currently unused and non-operational. The Cemetery District has nearly reached full burial capacity at Holy Trinity Cemetery. Although other facilities, such as playgrounds at Oak Park, Oak Park Cemetery, and Greenfield Memorial Hall, are operated and actively maintained by the three districts, the current or pending

inoperability of the facilities listed above are examples of previously available services or facilities being no longer available or having diminished capacity.

Investment is needed to repair, replace, or augment these facilities to meet current and future needs of the growing Greenfield-area community. It would be appropriate for the Memorial, Recreation, and Cemetery districts to develop annual capital improvement programs and adopt annual budgets to ensure that capital improvements and upgrades are made in a timely fashion.

4. Financial ability of agency to provide services

The demands on the five Greenfield-area public agencies vary due to the size and geography of each agency's boundaries, land use, demographics, types of services provided, and other factors. These factors help determine the level of funding required to provide an adequate level of service.

The five public agencies within this study receive per-resident revenues ranging from approximately \$11 (Greenfield Memorial District) to \$1,172 (City of Greenfield), depending on assessed valuation, the date of the public agency's formation, development activity, property sales within the agency's boundaries, and other factors.

The financial resources of the agencies appear adequate to meet current demands for services. However, audits of the operations of the Greenfield Memorial, Public Recreation, and Cemetery Districts were last completed six to ten years ago. Completion of annual audits is needed to provide an accurate picture of agency finances. Upon completion of annual audits, it is recommended that the three districts perform strategic planning for current and future service and facility needs. The strategic planning effort would include completion of capital improvement and financial plans to implement needed service and facility improvements.

5. Status of, and opportunities for, shared facilities

In 2017, the City of Greenfield detached from the Greenfield Fire Protection District and created the City of Greenfield Fire Department. Since this time, the District has contracted with the City to provide fire protection and emergency medical services – through the City's staff, equipment, and facilities – to its residents in exchange for most of the District's annual revenues. The District and City's service agreement serves as a model of local government cooperation and efficiency.

The Greenfield Public Recreation, Greenfield Cemetery, and Greenfield Memorial Districts each function mostly as stand-alone local government agencies with no significant partnerships with other public agencies to share facilities or services. Partnering with other local agencies could help the three districts to achieve economies of scale through pooled resources. Partnerships with other local agencies could also improve each district's efficiency and effectiveness.

LAFCO strongly encourages the City of Greenfield and three districts to collaborate on completion of a feasibility study, which would explore and recommend a service model option to improve the Greenfield Public Recreation District, Greenfield Cemetery District, and Greenfield Memorial District's administrative and service delivery efficiency and effectiveness.

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

Registered voters within the City elect a mayor at-large and four councilmembers based on voter districts. Elections are frequently vigorous and active. Each of the four districts is governed by a three- or five-person Board of Directors/Trustees. The five-person Greenfield Public Recreation District and Greenfield Cemetery District Board Directors/Trustees are the same individuals appointed by the Monterey County Board of Supervisors. The five-person Greenfield Memorial District and three-person Greenfield Fire Protection District Board members are elected by voters within their respective districts. If there are no candidates, or if the number of candidates equals the number of eligible seats, the County Board of Supervisors will appoint Directors. The Memorial District's bylaws also include a process for the Board of

Directors to post a notice of vacancy and to appoint a replacement to fill a vacancy by majority vote within 30 days before the County Board of Supervisors would make an appointment to fill a vacancy.

The Greenfield Memorial, Recreation, and Cemetery Districts have various deficiencies in complying with State law (including, but not limited to, adopting annual budgets and completing financial audits), and implementing best practices. These Districts must take immediate action to correct identified deficiencies.

LAFCO strongly encourages the three districts to explore opportunities for improving government structure and operational efficiencies. Such opportunities may include entering into a service agreement with another government agency (such as the City of Greenfield) to provide services. LAFCO also recommends that the City of Greenfield and three districts collaborate to complete a feasibility study. The study would explore and recommend a service model option to improve the three districts' administrative and service delivery efficiency and effectiveness.

7. Any Other Matter Related to Effective or Efficient Service Delivery, As Required by Commission Policy

LAFCO of Monterey County has adopted Sphere of Influence Policies and Criteria within its *Policies and Procedures Relating to Spheres of Influence and Changes of Organization and Reorganization*. These policies and criteria were adopted, in conformance with State law, to meet local needs. The proposed affirmations of the existing five Greenfield area public agencies' spheres of influence are consistent with local policies and criteria.

Sphere of Influence Determinations Per Government Code Section 56425(e)

This section provides recommended sphere of influence determinations for the **City of Greenfield and the Greenfield Fire Protection, Memorial, Public Recreation, and Cemetery Districts**. The Executive Officer recommends that the Commission affirm the current spheres of influence with no changes at this time.

1. Present and planned land uses in the area, including agricultural and open-space lands

Current and future land uses within the study's scope are guided by the general plans of the County of Monterey and the City of Greenfield. Areas outside of the Greenfield city limits are primarily farmlands and grazing land uses. The City's existing sphere and boundaries encompass a wide range of land uses, including open space and agricultural land. The primary agricultural areas within the City's existing 599-acre sphere are areas to the west and east of the city limits. Present and planned land uses are discussed and evaluated in the City's adopted 2005 General Plan, the 2005 General Plan's certified Final Environmental Impact Report (EIR), and in the approved 2013 City-County-LAFCO MOA for orderly and appropriate land use development in the Greater Greenfield Area. The MOA's fundamental objective is to balance the preservation of open space and prime agricultural lands with the need for orderly City growth.

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

The Greenfield area has a relatively young population that is currently projected by AMBAG to experience moderate growth through 2045. The City provides a full range of municipal services and has adopted utility master plans and impact fees to ensure that developments within the city fund their share of the costs of city facilities.

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

The City and Greenfield Fire Protection District generally have adequate facilities and services to meet the needs of the overall community that they serve. Since the City-District fire services agreement model took effect in 2017, service levels within the Greenfield Fire Protection District's territory have been consistently maintained.

Levels of service provided by the Greenfield Public Recreation, Greenfield Cemetery, and Greenfield Memorial District have decreased over recent years due primarily to loss of Oak Park's swimming pool operation, Holy Trinity Cemetery approaching/reaching its burial capacity, and discontinued maintenance of Greenfield Memorial District's Jim Maggini Memorial Park as an active sports park. These reductions in levels of services likely place higher demands on similar neighboring public facilities such as Soledad-Mission Recreation District's indoor pool facility, Greenfield Cemetery District's Oak Park Cemetery, and City of Greenfield's Patriot Park's sports facilities.

Consequently, there is an immediate need for the three districts to engage with the community to assess current and future needs for facilities and services. A strategic planning process would also include completion of capital improvement and financial plans to implement identified service and facility improvements.

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

There are no particular social or economic communities of interest in the area that have been determined to be relevant to the five Greenfield area public agencies.

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, the present and probable need for those public facilities and services of any DUCs within the existing sphere of influence.

There are no potential disadvantaged unincorporated communities within the five public agencies' existing spheres of influence.

Sources and Acknowledgements

Information that LAFCO received from City and special district representatives was essential in developing this study.

City staff and special district representatives met with LAFCO staff and provided copies of audits, financial statements, budgets, policies and procedures, Municipal Code, and photographs through the City's and special districts' web sites and/or emails.

Key City and special district representatives who contributed to development of the draft document included City Manager Paul Wood, Director of Community Development Paul Mugan, Fire Chief Jim Langborg, Greenfield Fire Protection District President Allan Panziera, Greenfield Public Recreation/Cemetery District President and LAFCO Commissioner David Kong, Greenfield Memorial District Directors Carlos Venegas and Augustin Almazan, and Greenfield Memorial District Secretary Michael Bloom.

LAFCO's earlier Municipal Service Review and Sphere of Influence Studies provided additional background information about the City and special districts. LAFCO staff also utilized:

- Information provided by the Association of Monterey Bay Area Governments (“AMBAG”) 2022 Regional Growth Forecast, published in June 2022; the 1990, 2000, 2010, and 2020 U.S. Censuses; and 2022 National Funeral Directors Association Cremation & Burial Report;
- The State Controller's By the Numbers website (<https://districts.bythenumbers.sco.ca.gov/#!/year/default>);
- The State Controller's “Special Uniform Accounting and Reporting Procedures” 2023 Edition (https://www.sco.ca.gov/Files-ARD-Local/spd_manual_2023_edition.pdf);
- The Special District Leadership Foundation's “High-Performing District Checklist” (<https://higherlogicdownload.s3.amazonaws.com/CSDA/feaf941-6df6-4428-a23c-583379a09704/UploadedImages/PDfs/high-perform-list.pdf>); and
- LAFCO memorandum: “Discussion Paper – An Informal Review of Potential Service Delivery Options for Local Agencies in the Greater Greenfield Area” (<https://www.co.monterey.ca.us/home/showpublisheddocument/121683/638180153664006614>).
- The California Special Districts Association's “Special District Board Member Handbook” (https://higherlogicdownload.s3-external-1.amazonaws.com/CSDA/508fb6fd-d41d-9e7e-1009-859c6022d132_file.pdf?AWSAccessKeyId=AKIAVRDO7IEREB57R7MT&Expires=1697062329&Signature=%2BKVNbWvNy3H%2By6jMma4c8MzwThA%3D)

RESOLUTION 23-XX

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY MAKING DETERMINATIONS ADOPTING THE 2023 MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE STUDY FOR THE CITY OF GREEN AND GREENFIELD FIRE PROTECTION, MEMORIAL, PUBLIC RECREATION, AND CEMETERY DISTRICTS

RESOLVED, by the Local Agency Formation Commission of Monterey County, State of California, that:

WHEREAS, State law requires that the Commission conduct periodic reviews and updates of the Sphere of Influence of each city and special district in Monterey County (Government Code section 56425); and

WHEREAS, State law further requires the Commission to update information about municipal services before, or in conjunction with, adopting sphere updates (Government Code section 56430); and

WHEREAS, LAFCO staff has met and consulted with representatives of the City and of the four Greenfield area special districts, and has received written information regarding current and expected growth boundaries, the location and characteristics of disadvantaged unincorporated communities, planned and present capacity of public facilities, adequacy of public services, financial ability to provide services, opportunities for shared facilities and services, government structure, and operational efficiencies; and

WHEREAS, the information gathered has provided the basis for preparation of *2023 Municipal Service Review and Sphere of Influence Study for Greenfield Area Public Agencies* (“Study”) and the Executive Officer has furnished a copy of this Study to each person entitled to a copy or expressing interest in receiving a copy; and

WHEREAS, the Commission set October 23, 2023 as the date on which the Commission would consider the Study; and

WHEREAS, on the date of the consideration of the Study the Commission has heard from interested parties, considered the above-referenced Study and the report of the Executive Officer, and considered the factors determined by the Commission to be relevant to this matter, including, but not limited to, factors specified in Government Code sections 56425(e) and 56430(a), and the Commission’s policies;

NOW, THEREFORE, the Local Agency Formation Commission of Monterey County does HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

Section 1. The foregoing recitals are true and correct.

Section 2. Acting as Lead Agency pursuant to California Environmental Quality Act (CEQA) Guidelines, the Commission finds that the Study is categorically exempt from the provisions of CEQA, in that the Study consists of basic data collection, research, management, and resource evaluation activities that will not result in a serious or major disturbance to an environmental resource, and

pursuant to Section 15061(b)(3), because it can be seen with certainty that there is no possibility that this study may have a significant effect on the environment.

Section 3. In evaluating the City's sphere of influence, the Commission has conducted a review of the services provided by the City. This service review was conducted in accordance with Government Code section 56430. The analysis, conclusions and recommendations in this review were prepared with information provided by, and in consultation with, the City. Data sources are available for review in the office of the Commission.

Section 4. In preparing a municipal service review, the Commission has considered a written statement of its determinations in accord with Government Code section 56430(a). These determinations are for all five Greenfield area public agencies, included in the Study. These determinations are made with respect to each of the following seven areas:

- a. Growth and population projections for the affected area,
- b. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence,
- c. 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,
- d. Financial ability of agencies to provide services,
- e. Status of, and opportunities for, shared facilities,
- f. Accountability for community service needs, including governmental structure and operational efficiencies, and
- g. Any other matter related to effective or efficient service delivery, as required by Commission policy.

Section 5. In evaluating the spheres of influence of the studied public agencies, the Commission has considered a written statement of its determinations, in accord with Section 56425(e) of the Government Code. These determinations, included in the Study, are made with respect to each of the following five areas and are incorporated by reference into this resolution.

- a. The present and planned land uses in the area, including agricultural and open-space lands,
- b. The present and probable need for public facilities and services in the area,
- c. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide,
- d. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency, and
- e. 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.

Section 6. The Commission has considered, as a part of its deliberations, all oral presentations and written communications received prior to the close of the public hearing.

Section 7. The Commission hereby adopts the 2023 *Municipal Service Review and Sphere of Influence Study for Greenfield Area Public Agencies* and makes the Study's seven recommended Municipal Service Review determinations and the five recommended Sphere of Influence determinations in accordance with Government Code sections 56430(a) and 56425(e), respectively, as set forth in the Study.

Section 8. In accordance with Government Code section 56425(g), the Commission affirms the currently adopted spheres of influence, as shown in maps contained within the Study, of the following five public agencies, with no changes:

- City of Greenfield
- Greenfield Fire Protection District
- Greenfield Memorial District
- Greenfield Public Recreation District
- Greenfield Cemetery District

Section 9. The Commission authorizes the Executive Officer to proceed with identified corrective measures to address the Greenfield Memorial, Public Recreation, and Cemetery Districts' lack of compliance with state legal requirements and best practices, as follows.

- a. Request that the three districts, as a first priority, take immediate actions to meet legal requirements for financial management:
 - Adopt annual budgets for the current fiscal year (FY) 2023-24, and
 - Retain qualified audit consulting firms to perform financial audits for FY 2020-21 and 2021-22.
- b. Request that the three districts, as a second-tier priority, take actions to comply with other state legal requirements:
 - Complete required Form 700 (Statements of Economic Interests filings for all Board members and any applicable staff);
 - Complete required ethics and harassment prevention training for Board members and staff; and
 - Comply with website posting requirements per the Brown Act and other state laws (Public Recreation and Cemetery Districts only).
- c. Encourage the three districts to:
 - Adopt bylaw amendments that promote compliance with training requirements;
 - Retain qualified audit consulting firms to conduct performance audits (evaluations of each district's fiscal practices and processes); and
 - Review and implement best practices recommended by the performance audits and in the Special District Leadership Foundation's "High Performing District" checklist.
- d. Hold a compliance progress-review meeting among LAFCO and representatives of the three districts approximately three months after adoption of this study;
- e. If the three districts have not met State legal requirements within approximately six months of adoption, involve other regulatory oversight agencies, as necessary, to pursue compliance with legal requirements; and
- f. Encourage the City and the Greenfield Memorial, Recreation, and Cemetery Districts to fund a feasibility study to evaluate City-District integration – or other service model options – for improving delivery of municipal services to the overall Greenfield community, including the

surrounding unincorporated area. LAFCO staff will facilitate a meeting among representatives of the City and the three special districts to start this dialogue.

UPON MOTION of Commissioner _____, seconded by Commissioner _____, the foregoing resolution is adopted this 23rd day of October, 2023 by the following vote:

AYES:	Commissioners:
NOES:	Commissioners:
ALTERNATES:	Commissioners:
ABSENT:	Commissioners:
ABSTAIN:	Commissioners:

By: _____
Matt Gourley, Chair
Local Agency Formation Commission of Monterey County

ATTEST: I certify that the within instrument is a true and complete copy of the original resolution of said Commission on file within this office. Witness my hand this 23rd day of October, 2023

By: _____
Kate McKenna, AICP, Executive Officer

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

LOCAL AGENCY FORMATION COMMISSION
P.O. Box 1369 132 W. Gabilan Street, Suite 102
Salinas, CA 93902 Salinas, CA 93901
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KATE McKENNA, AICP
Executive Officer

DATE: October 23, 2023
TO: Chair and Members of the Formation Commission
FROM: Kate McKenna, AICP, Executive Officer
SUBJECT: Executive Officer Communications
CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378.

SUMMARY OF RECOMMENDATION:

Receive report for information only.

EXECUTIVE OFFICER'S REPORT:

CALAFCO Conference Wrap-Up

Staff and Commissioners may take this opportunity to comment on the 2023 CALAFCO Annual Conference taking place in Monterey from October 17-20.

I would like to thank Commissioners Root Askew and Leffel, together with Chair Gourley, for their significant contributions as conference hosts. Sincere thanks to Senior Analyst Jonathan Brinkmann and Clerk/Office Administrator Safarina Maluki for working closely with CALAFCO and our local government colleagues and keynote speaker to ensure a successful conference.

Thank you to all Commissioners, staff and general counsel for attending the conference and supporting our statewide organization.

Community Project Funding in the Salinas Valley

Senator Anna Caballero has successfully secured \$1.8 million to fund essential community projects for the City of King, City of Greenfield, and the Soledad-Mission Recreation District. At the request of the Senator's office, I attended a check presentation ceremony for the Soledad -Mission Recreation District for \$400,000 for improvements and maintenance of the District's pool facility. Soledad Mayor/Commissioner Anna Velazquez also attended the event on October 9. Ceremonies were also held in the City of King (\$400,000 for park recreation facility upgrades) and City of Greenfield (\$1 million for public safety communications). Thank you to Senator Anna Caballero and Assembly Speaker Robert Rivas for securing this funding and for recognizing LAFCO's role in addressing identified needs for our rural communities.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer