

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



Adopted by the Commission on December 4, 2023

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Darren McBain, Principal Analyst
Jonathan Brinkmann, Senior Analyst
Safarina Maluki, Clerk to the Commission / Office Administrator

COUNSEL

Reed Gallogly, General Counsel

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

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

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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

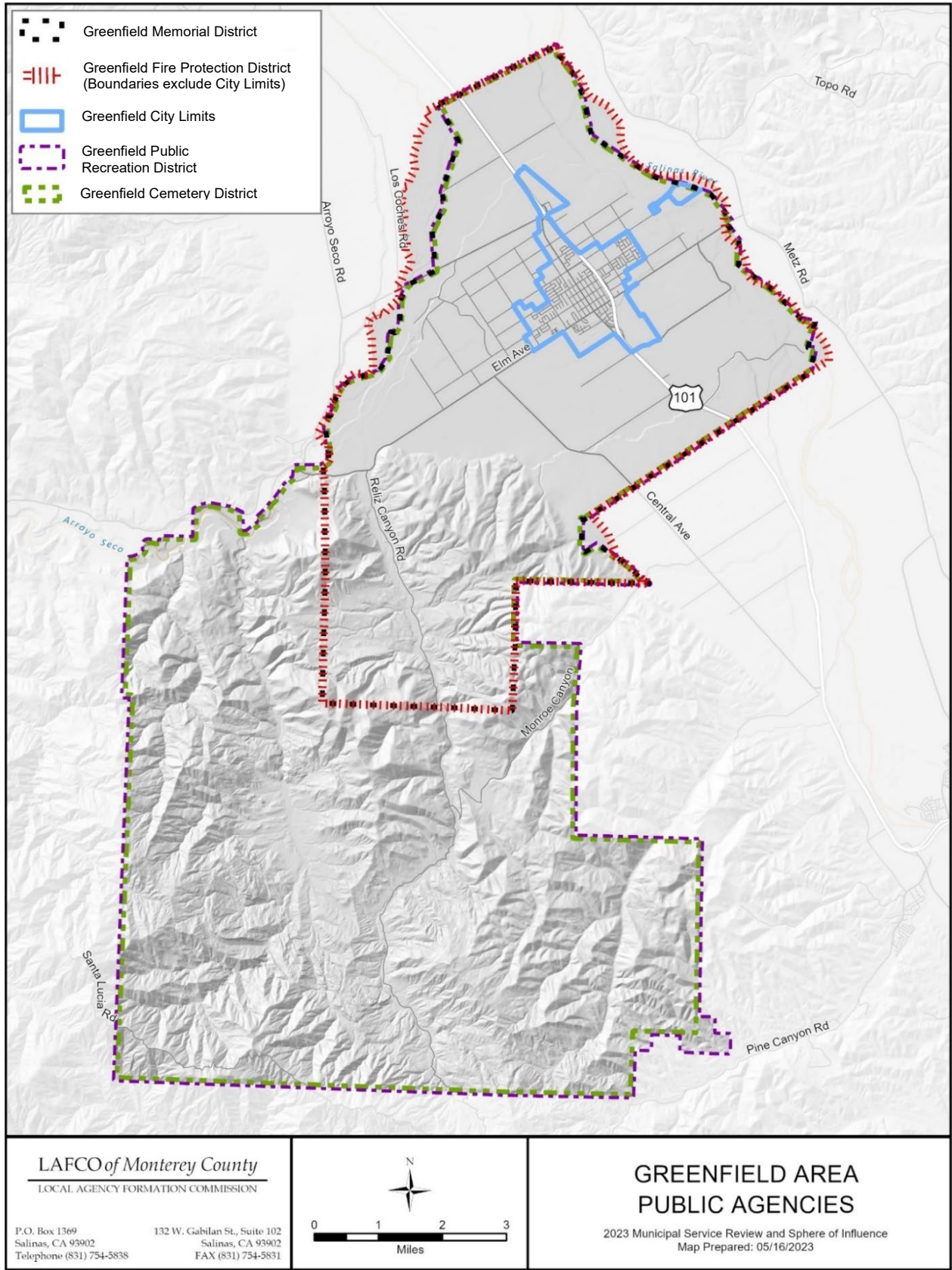
The following key findings highlight the study's most significant observations and conclusions.

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."

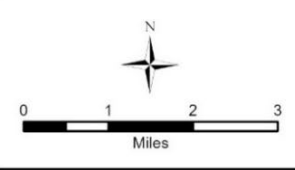
Greenfield-Area Public Agency Boundaries



LAFCO of Monterey County
 LOCAL AGENCY FORMATION COMMISSION

P.O. Box 1369
 Salinas, CA 93902
 Telephone (831) 754-5838

132 W. Gablian St., Suite 102
 Salinas, CA 93902
 FAX (831) 754-5831



**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 districts fund a

feasibility study to evaluate, in coordination with the City, 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. Groundwater contamination is a known issue with privately owned wells in the unincorporated area outside of the City and throughout the Salinas Valley. Part of the unincorporated area to the west of the City meets the Cortese Knox Hertzberg Act (CKH Act) definition of a Disadvantaged Unincorporated Community. LAFCO has a tool called an out-of-agency service extension to help address access to safe drinking water in these areas if the City and other parties are willing to plan and implement an extension of municipal water services.**

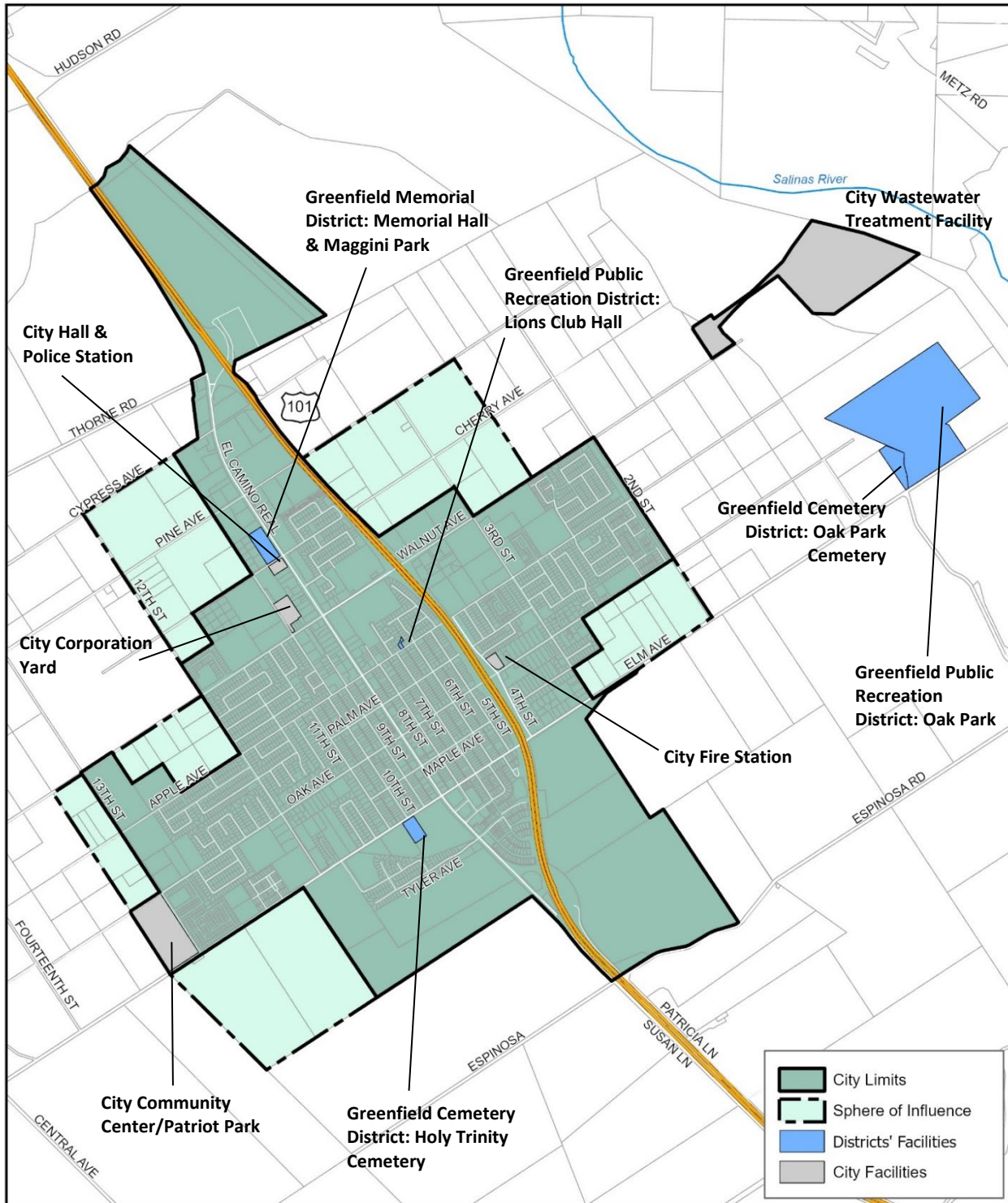
Groundwater contamination is a widespread problem in the Salinas Valley. Areas in the unincorporated area to the west of the City meet the definition of a Disadvantaged Unincorporated Community (DUC) and are impacted by groundwater contamination. In the short-term, a free bottled water delivery program is currently available to impacted residents who request the service. In the long-term, using State grant funds, the Community Water Center (CWC) is working to identify a permanent and feasible drinking water project solution for these areas. Additional State funding programs are available to assist with construction funding for the identified solution. The drinking water solution may involve expanding the larger City municipal water system to serve areas to the west of the City. If the expansion of the City water system is pursued as the permanent solution, LAFCO approval is required, but can be approved either within or outside the City's sphere of influence. LAFCO has approved similar out-of-agency services extensions requested by the City in the past, most recently in 2019.

8. 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



<p style="text-align: center;">LAFCO of Monterey County LOCAL AGENCY FORMATION COMMISSION</p> <p>P.O. Box 1369 Salinas, CA 93902 Telephone (831) 754-5838</p> <p>132 W. Gabilan St., Suite 102 Salinas, CA 93901 FAX (831) 754-5831</p>		<p style="text-align: center;">DISTRICT FACILITIES</p> <hr/> <p style="text-align: center;">GREENFIELD AREA PUBLIC AGENCIES</p> <p style="font-size: small;">Last LAFCO-Approved Change: 10/28/2019 Sphere of Influence Affirmed: 09/27/2010 Map Prepared: 05/16/2023</p>
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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 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. LAFCO staff agrees that this funding approach is reasonable.

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.

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.

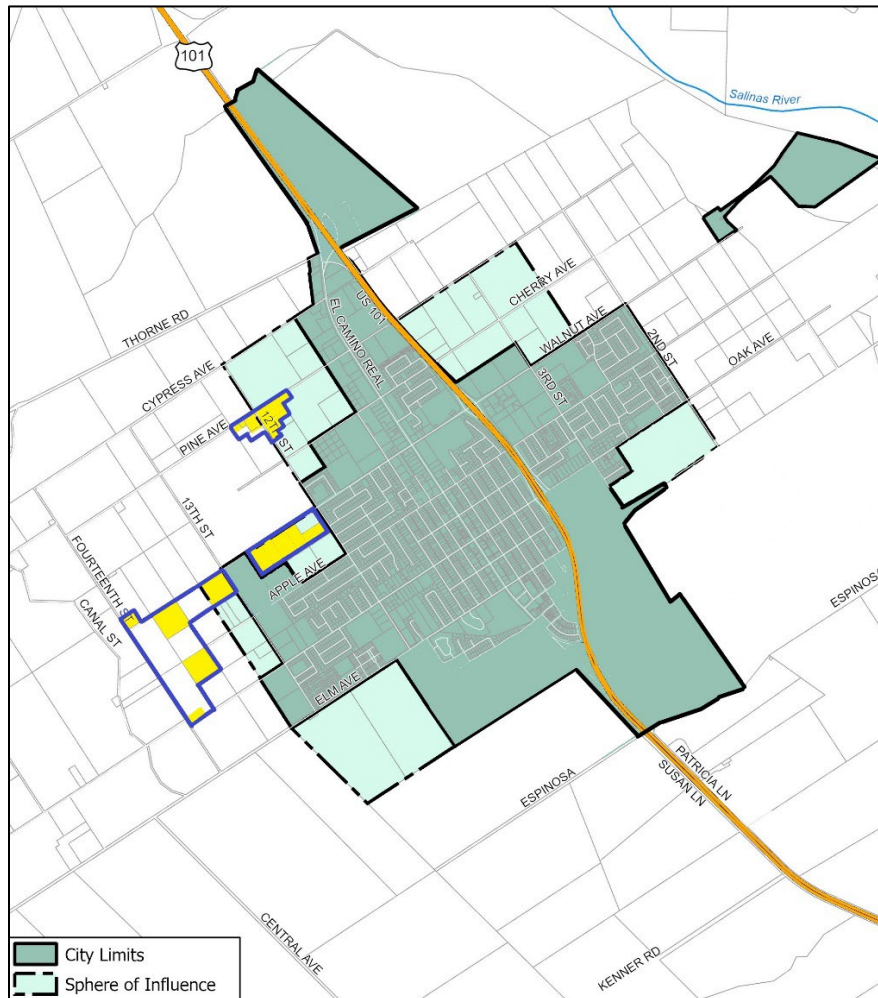
In October 2023, it was announced that the City will be receiving \$1 million in State funds to make radio transmission and reception improvements that will enhance public safety.

Disadvantaged Unincorporated Community and Groundwater Contamination

Groundwater contamination from nitrates, largely through chemical fertilizers and livestock manure, has been a pervasive problem in the Salinas Valley for over half a century. Pesticide contamination of groundwater is also a significant issue in areas of the Salinas Valley. Groundwater contamination outside of the City has affected water systems of various sizes, but is more widespread with shallower, privately owned wells serving individual residences or small water systems serving 2 to 14 connections. Part of the unincorporated area west of the City meets the CKH Act definition of a Disadvantaged Unincorporated

Community (DUC) and is affected by groundwater contamination from nitrates and pesticides. The CKH Act charges LAFCO with making determinations in its Municipal Service Reviews and Sphere of Influence Studies regarding a DUC's present and planned capacity, adequacy, needs, and deficiencies with respect to water, wastewater, and fire protection services.

Disadvantaged Unincorporated Community



At the October 23, 2023 Commission meeting, LAFCO received comments from Community Water Center (CWC) staff and members of the public regarding identification of a DUC west of the City and concerns with groundwater contamination. Based on a review of relevant voter information from the County Elections Department and in the absence of a local LAFCO DUC policy that could potentially provide a different or more specific definition of a DUC, staff found that the identified area west of the City meets the definition of a DUC under the CKH Act, California Government Code Section 56033.5. The area meets the CKH Act definition with 43 registered voters (greater than the threshold of 12 voters) and incomes less than 80% of the statewide annual median household income.

To describe the DUC area in unincorporated Monterey County west of the City, it is inhabited parcels (highlighted in yellow) within the DUC area outlined in blue on the map above. The DUC consists of three areas located primarily south of Walnut Avenue between 14th and 13th Streets, south of Pine Avenue and east and west of 12th Street, and south of Walnut Avenue and west of 12th Street.

Regulatory Framework for Drinking Water

The Monterey County Health Department's Environmental Health Bureau Drinking Water Protection Services (County DWPS) regulates approximately 980 small water systems (2-14 connections) and 300 "public" water systems (meaning systems with 15-199 connections that may be privately or publicly owned) throughout the County and is aware of the groundwater contamination issues in the unincorporated area west of the City. The County DWPS is not directly involved in monitoring individual wells serving only one connection.

When a public water system (15-199) is no longer in compliance with drinking water standards, County DWPS may impose strict requirements. For example, employee housing could have their permit revoked or new permitting for uses such as housing on a property could be suspended until drinking water standards met. For small water systems that are out of compliance with standards, County DWPS notifies

the water system owner of the water quality issues and precautions to take, but does not force them to make water system improvements to return to compliance. The identified DUCs west of the City include two public water systems that are currently meeting drinking water standards, and approximately four small water systems and at least seven single well owners that are out of compliance with drinking water standards.

A free bottled drinking water grant program is currently available to residents in the Salinas Valley if their drinking water well exceeds the State standard for nitrates and if they request the service. A number of residents in the unincorporated area west of the City currently participate in the program. The program will transition in March 2024 from being run by the Coalition for Urban Rural Environmental Stewardship, funded by members of the agricultural industry, to the Community Water Center (CWC), funded by a State grant program. After this transition, only households classified as disadvantaged households (incomes less than 80% of statewide annual median household income) will be eligible for the program.

In addition to nitrates, residents in the unincorporated area west of the City are impacted by 123-trichloropropane (123-TCP, a carcinogenic pesticide byproduct) groundwater contamination in a number of their drinking water wells. 123-TCP is dangerous when consumed or inhaled, making showering in contaminated water unsafe. To help address these concerns, CWC is working with residents outside of Greenfield and implementing a 123-TCP “point-of-entry” treatment pilot project (i.e., treatment provided where a water service connection enters an individual house or building) administered by the Central Coast Regional Water Board. Continuation of the pilot program through June 2026 is being funded by the State Water Resources Control Board.

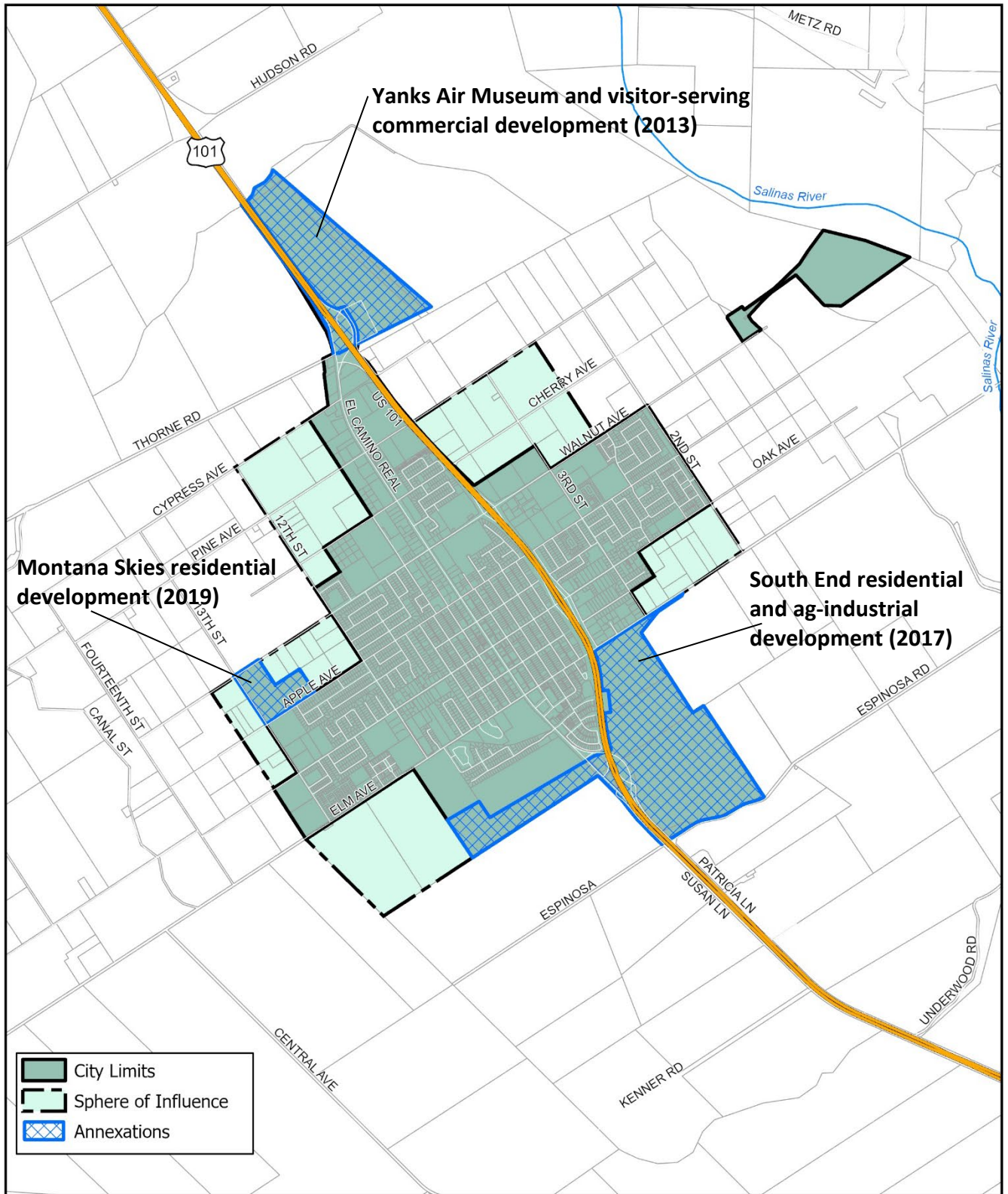
Potential LAFCO Role: Out-of-Agency Service Extension

Through a State grant program, CWC is providing technical assistance and is in the process of hiring a consultant to study and identify a permanent and feasible drinking water solution for the identified areas west of the City. Additional State funding programs are available to fund full construction of a long-term and feasible drinking water solution as well as to provide incentives to consolidating water systems.

The drinking water solution will likely involve expanding the larger City municipal water system to serve areas to the west of the City. To implement this potential solution, the City, property owners, and other stakeholders would need to agree to and plan for the extension of the City municipal water system to these areas. At this time, City staff has indicated that the City has other obligations and priorities, such as serving existing residents and future development within the city limits, which take precedence.

LAFCO’s immediately available tool to support this approach would be to process an out-of-agency water service extension application, if one is submitted by the City in the future. LAFCO has approved similar out-of-agency service extensions requested by the City in the past, most recently in 2019. The out-of-agency service extension process is available both within and outside of a DUC.

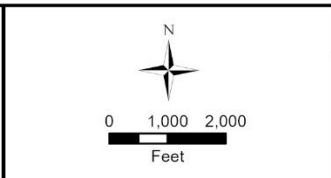
Expanding the City’s sphere of influence to encompass the DUC is not a practical option at this time. LAFCO currently has no basis to expand the City’s sphere of influence. The City has not indicated an intent or capacity to expand further to the west beyond its existing sphere of influence. If the City were to grow to the west, this could impact more than 100 acres of prime farmland and could result in more than 1,000 additional residential units, with corresponding impacts to City infrastructure and the physical environment. These potential impacts would need to be thoroughly evaluated and addressed, most typically with the City initiating the process and functioning as the lead agency under the California Environmental Quality Act. The City already has several hundred acres of undeveloped land within its existing city limits and an additional 600 acres within its existing sphere of influence. However, a sphere amendment and annexation to bring the DUC and/or other nearby lands into the city may be feasible in the longer term if the City and property owners are willing.



LAFCO of Monterey County
 LOCAL AGENCY FORMATION COMMISSION

P.O. Box 1369
 Salinas, CA 93902
 Telephone (831) 754-5838

132 W. Gabilan St., Suite 102
 Salinas, CA 93901
 FAX (831) 754-5831



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

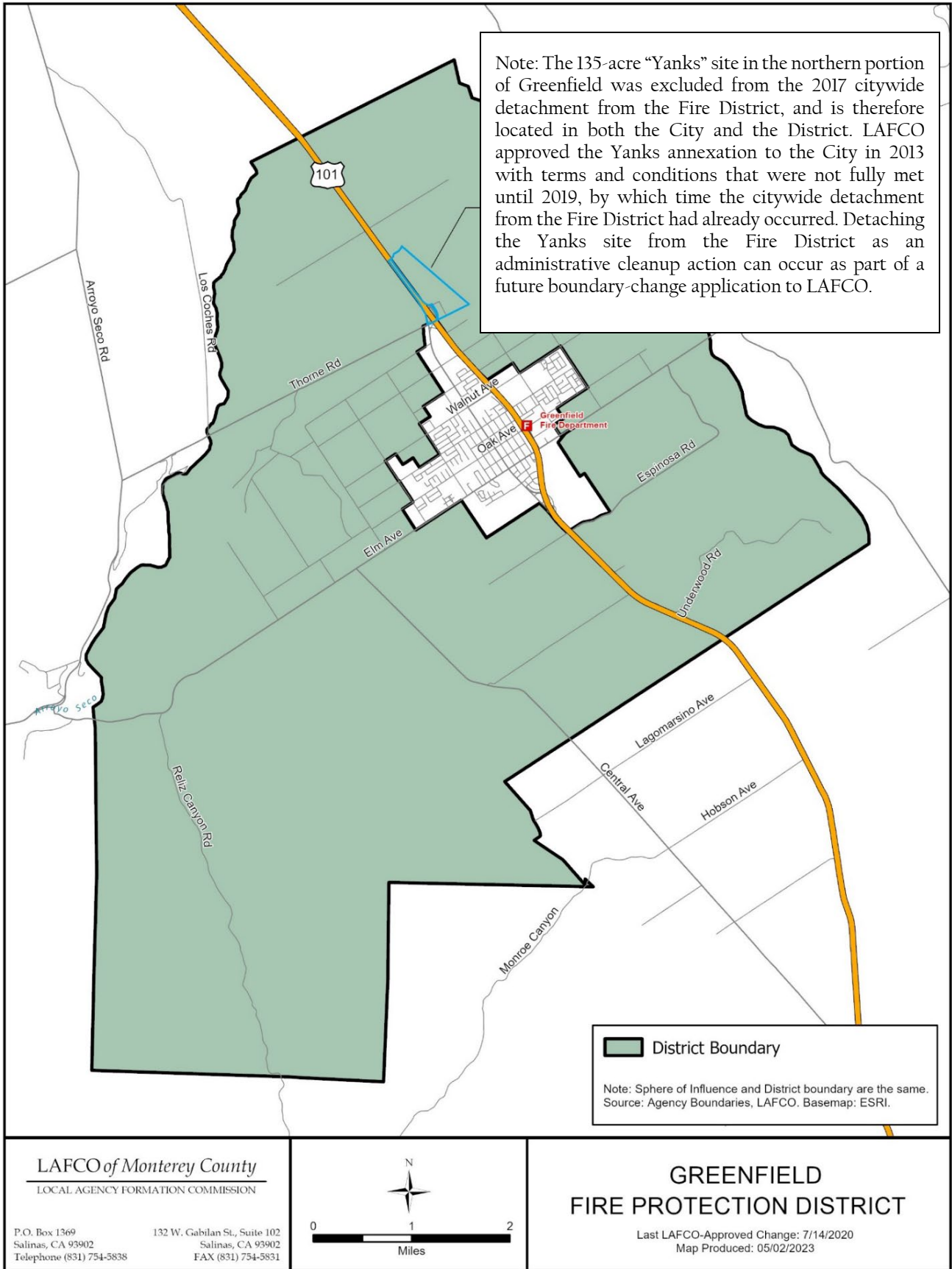
The District is generally compliant with most requirements of state law and best practices. Board meetings are open and accessible and are publicly noticed in accordance with the Brown Act. District Board members receive the State-required ethics training and sexual harassment prevention training at 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.

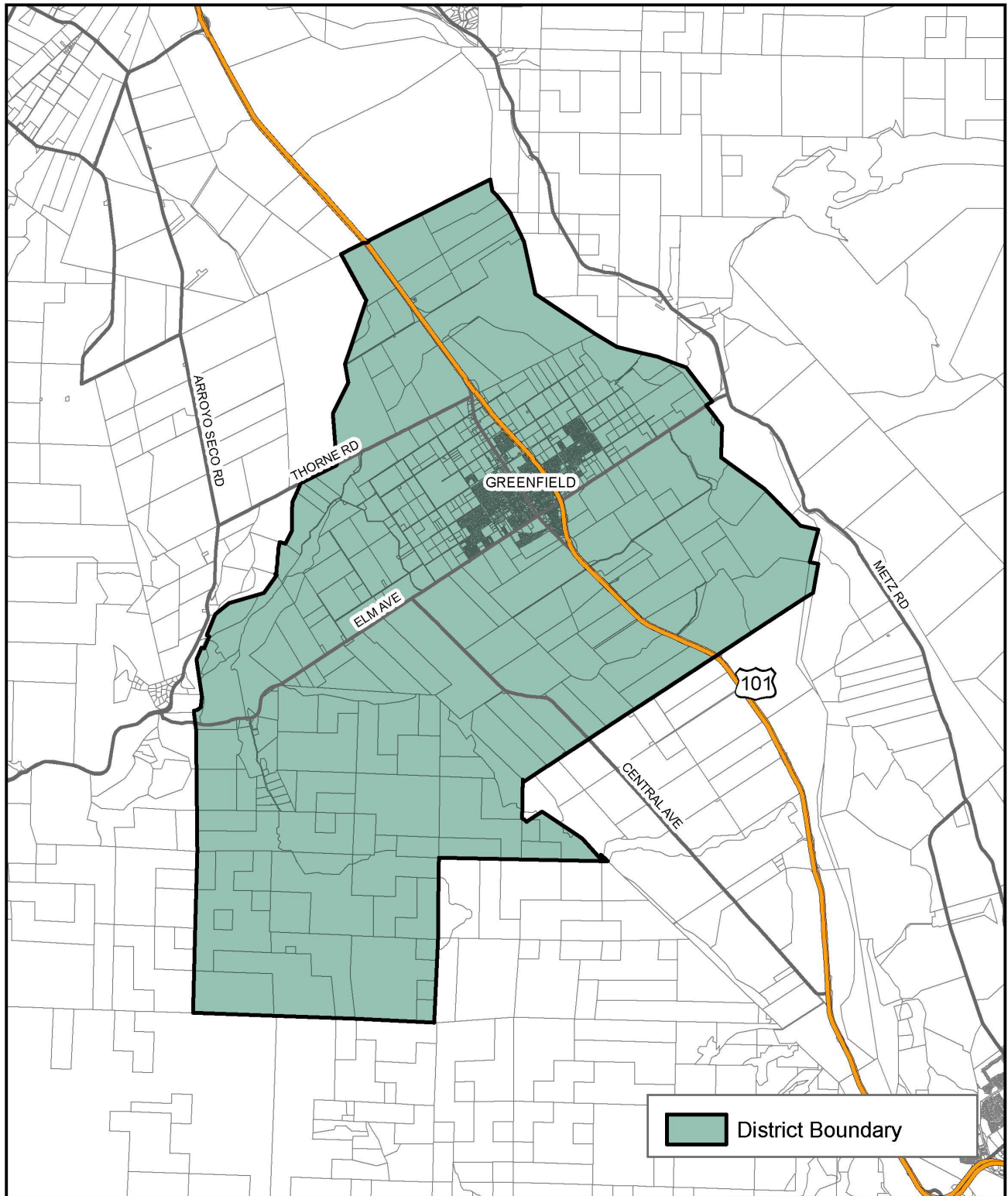
In response to LAFCO's efforts to engage the District on compliance issues identified in this study, the District has recently secured an auditor to perform a biennial audit for fiscal years 2020-21 and 2021-22. A District representative also stated that the District has conducted a budget workshop and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

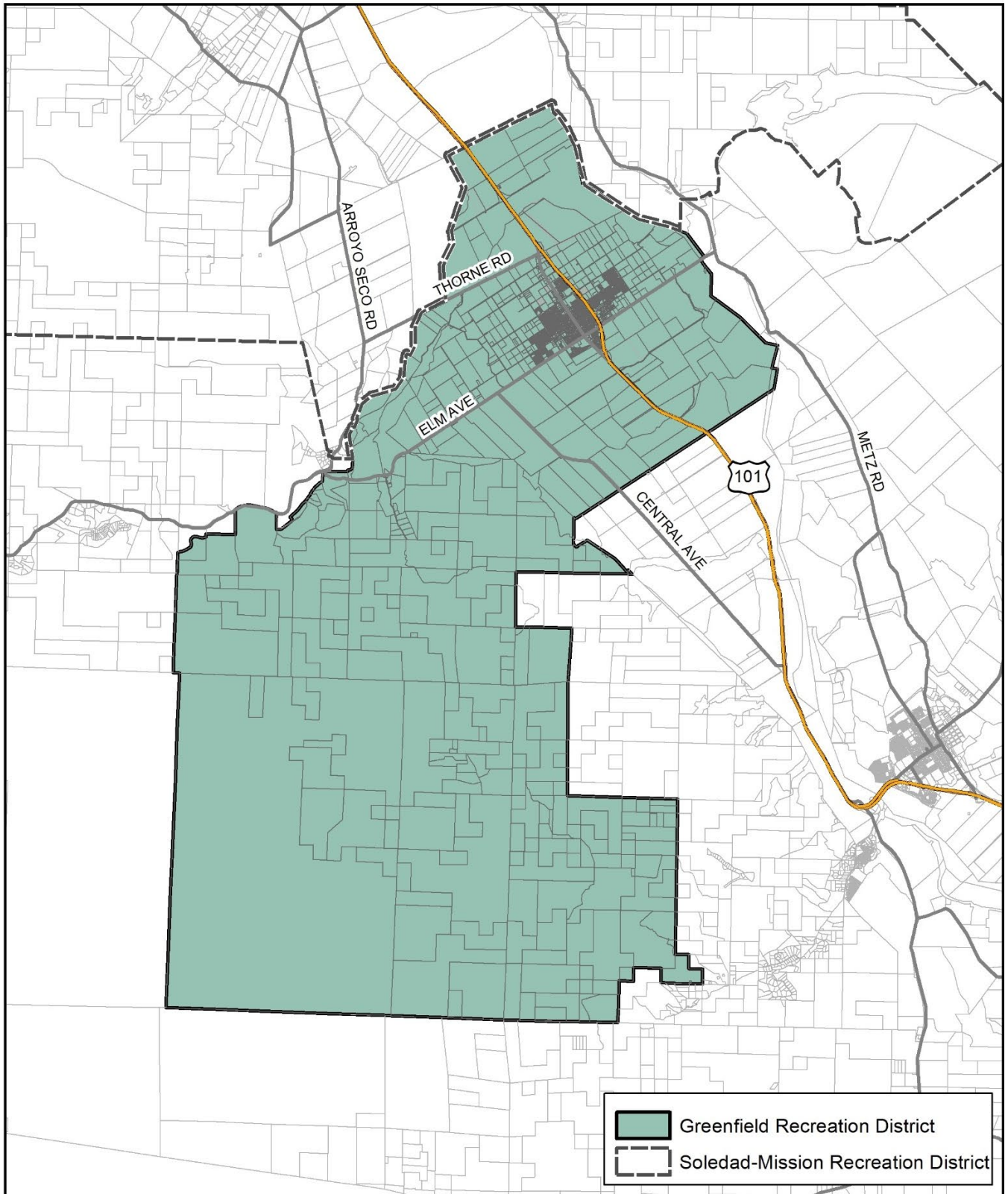
The District is not in compliance with key aspects of State legal requirements or recommended best practices for public agencies. The District's most recent financial audit appears to have been completed eight years ago. The District has not adopted an annual budget for FY 2022-23 or FY 2023-24. Required 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.

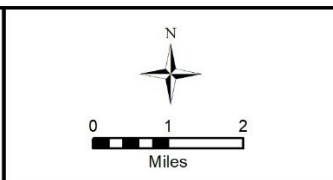
A District representative reported a total fund balance of approximately \$829,000 in October 2023 (unaudited data). This amount is approximately 250% of the District's annual revenues. The District does not currently have reserves policies or long-term strategic plans in place to guide the use of the 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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P.O. Box 1369
 Salinas, CA 93902
 Telephone (831) 754-5838

132 W. Gabilan St., Suite 102
 Salinas, CA 93901
 FAX (831) 754-5831



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.

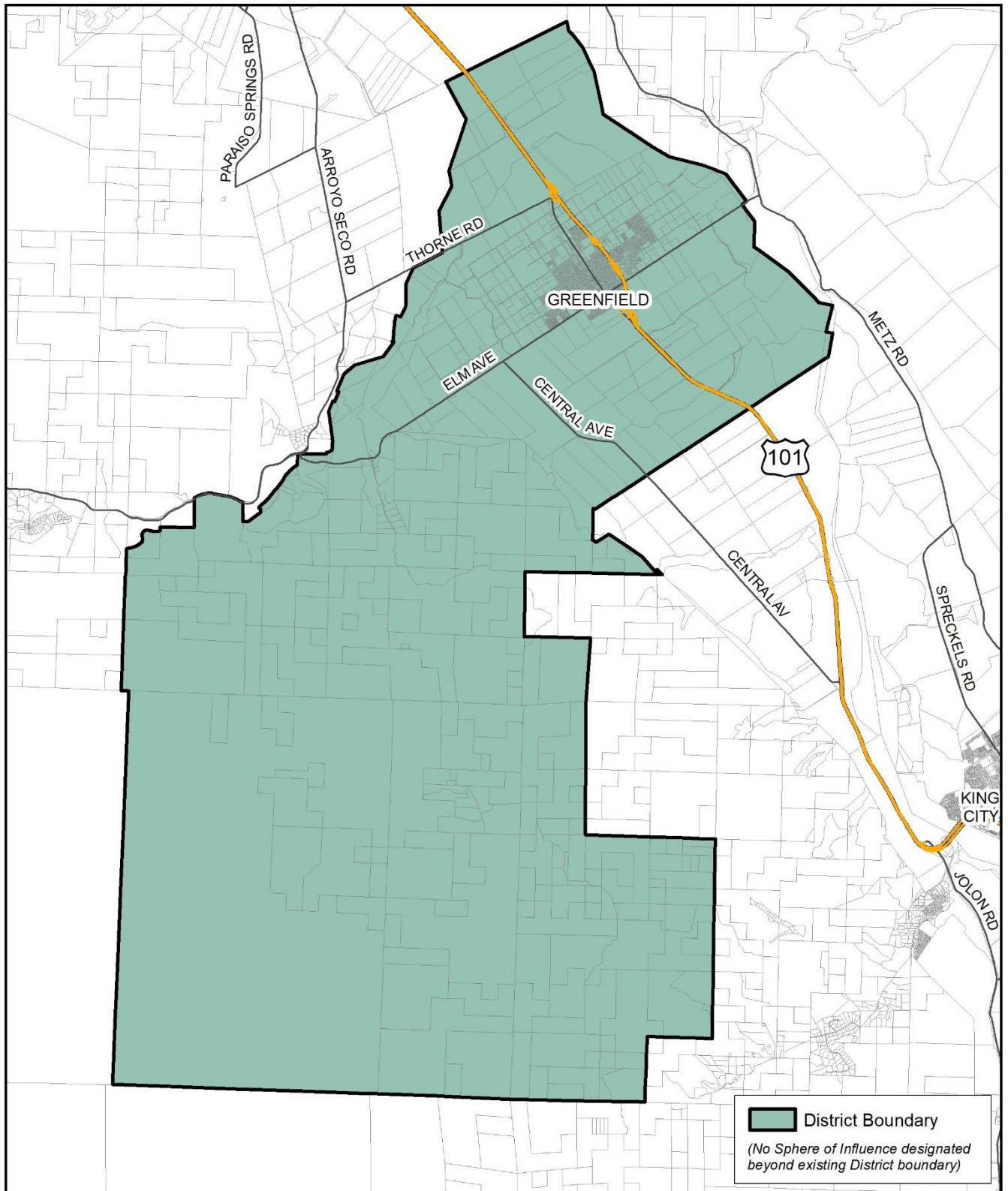
In response to LAFCO's efforts to engage the District on compliance issues identified in this study, a District representative responded that the District recently conducted a budget workshop and would consider adoption of an annual budget at an upcoming meeting.

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).

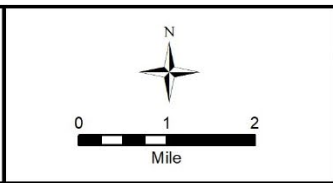
In October 2023, a District representative reported total fund balances of approximately \$633,500 (unaudited data). Of this amount, the District has approximately \$270,500, or 43% of the District's fund balances, in a restricted endowment care fund. Only the interest earned on this State-required endowment 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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P.O. Box 1369
 Salinas, CA 93902
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132 W. Gabilan St., Suite 102
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 FAX (831) 754-5831



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.

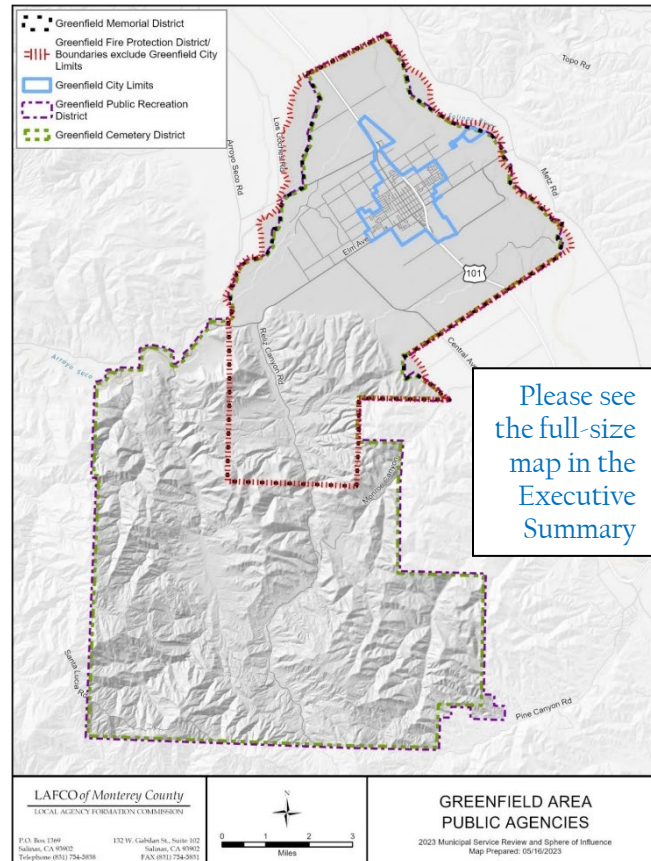
The Recreation and Cemetery District jurisdictional boundaries are significantly larger than the Fire Protection and Memorial Districts. It is unclear why this is the case.

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.

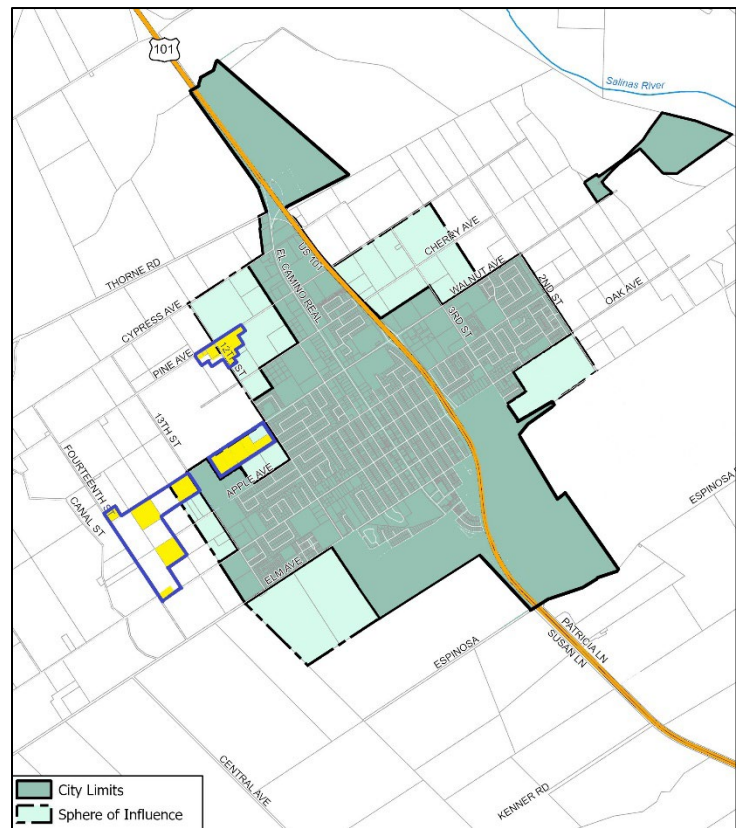
1. Growth and population projections for the affected area

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

The Cortese-Knox-Hertzberg Act, Section 56033.5, defines a DUC as inhabited territory (with 12 or more registered voters) 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. Within this large Census block group, there are small clusters of unincorporated residential parcels – in an area within and adjacent to the City's existing designated sphere of influence – mostly along the south side of Walnut Avenue between 13th and 14th Streets, at the corner of 12th St. & Pine Ave., and on the south side of Walnut Ave. at the corner of 12th St. & Pine Ave., identified in the map to the right in blue with inhabited parcels highlighted in yellow. This overall area has a total of 43 registered voters meeting the CKH Act's criterion of having 12 or more registered voters. Multiple on-site wells at these properties are known to have had issues with water quality for several years, as discussed in more detail in the City of Greenfield Agency Profile under the Disadvantaged Unincorporated Community and Groundwater Contamination section of this study.



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)

City of Greenfield

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.

As discussed in MSR determination #2, there is a DUC both within and adjacent to the City's existing designated sphere mostly along the south side of Walnut Avenue between 13th and 14th Streets, at the corner of 12th St. & Pine Ave., and on the south side of Walnut Ave. at the corner of 12th St. & Pine Ave.

The City is continuing to grow with a population of approximately 19,000 residents. The City maintains its municipal services and plans for future growth and capacity of its wastewater, municipal water, fire protection, and other services within its city limits. Through a service agreement with the Greenfield Fire Protection District, the City also provides adequate fire protection service to these areas. The City does not currently provide municipal water and wastewater to these areas, which are outside of the city limits. Small water systems (2 to 14 connections) and individual private wells on these properties are known to have had issues with water contamination and water quality for several years.

The City of Greenfield has the option to extend potable water service to these areas in the future through submitting a LAFCO application for an out-of-agency service extension. At this time, City staff has indicated that the City has other obligations and priorities, such as serving existing residents and future development within the city limits. If the City makes such an application in the future, LAFCO will review the City's current capacity to provide municipal water service or wastewater service to these areas. LAFCO can approve a service extension to areas within the City's sphere of influence, and also outside the sphere if the County Environmental Health Bureau determines the existence of an existing or impending threat to public health or safety. LAFCO has approved several City of Greenfield out-of-agency service extensions in the past, most recently in 2019. Any such extension would likely be a significant expense and would most likely need to be funded either by the property owners, by grants, or by some other combination of funding sources. Through a State Water Board program grant, CWC is providing technical assistance and will hire a consultant to study and identify a feasible, long-term drinking water project solution for this DUC area west of the City. Additional State funding programs are available to fund full construction of an identified long-term drinking water project to the DUC as well as to provide incentives to the consolidating system.

Greenfield Fire Protection District

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.

Greenfield Memorial, Recreation, and Cemetery Districts

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

Please see MSR determinations #2 and #3 above, and SOI determination #5, below. There are no other 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.

As discussed in MSR determination #2, an area to the west of the City has been identified as a DUC. There is a present and probable need for municipal water services to be provided to the DUC due to groundwater contamination. See MSR determination #3 for additional information.

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://www.co.monterey.ca.us/home/showpublisheddocument/127719/638381500908573245>);
- 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>); and
- The California Special Districts Association's "Special District Board Member Handbook" (<https://www.co.monterey.ca.us/home/showpublisheddocument/127717/638381500899198137>).