

RESOLUTION NO. 2010-01

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION  
OF THE COUNTY OF SUTTER MAKING DETERMINATIONS AND  
APPROVING A MUNICIPAL SERVICE REVIEW AND SPHERE OF  
INFLUENCE UPDATE FOR FAIRVIEW CEMETERY DISTRICT

**Recitals**

1. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires each Local Agency Formation Commission (LAFCO) in every County to update Spheres of Influence every five years pursuant to Section 56425(f).
2. The Act requires LAFCOs to conduct a Municipal Service Review prior to or concurrently with updating an agency's Sphere of Influence and at the same time make nine written statements of determination with respect to each of the following:
  - A) **Infrastructure needs or deficiencies.**
  - B) **Growth and population projections for the affected area.**
  - C) **Financing constraints and opportunities.**
  - D) **Cost avoidance opportunities.**
  - E) **Opportunities for rate restructuring.**
  - F) **Opportunities for shared facilities.**
  - G) **Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers.**
  - H) **Evaluation of management efficiencies.**
  - I) **Local accountability and governance.**
3. On May 22, 2008, the Sutter County Local Agency Formation Commission adopted Resolution No. 2008-03, initiating Municipal Service Review and Sphere of Influence Updates for all cemetery districts in Sutter County.
4. On May 27, 2010, the Commission reviewed and considered the Executive Officer's report, and the Rules of Procedure for the Sutter County Local Agency Formation Commission, as amended April 24, 2008, conducted a public meeting at which it heard and received all oral and written comments, evidence, and objections which were made, presented, or filed regarding the Municipal Service Review and Sphere of Influence Update. All persons present were given an opportunity to hear and be heard.

The LOCAL AGENCY FORMATION COMMISSION OF THE COUNTY OF SUTTER resolves, determines, orders, and finds as follows:

Section 1. The Commission has determined the Municipal Service Review study is not a project subject to the California Environmental Quality Act (CEQA). To the extent that it may be so considered, it is not subject to CEQA by virtue of two applicable exemptions. First, the Municipal Service Review and Sphere of Influence Update is Categorical Exempt from CEQA pursuant to Section 15306 of the Guidelines which exempts basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. This exemption may be used strictly for information gathering purposes or as part of a study leading to an action which a public agency (LAFCO) has not yet approved, adopted or funded. The information gathered for the Municipal Service Review will not have an effect upon an environmental resource. The Sphere of Influence Update will validate the boundaries of an existing Sphere and no changes to that Sphere of Influence will occur. Therefore, no environmental impacts will result and the Executive Officer is directed to file a Categorical Exemption for this proposal.

Second, the Commission has determined the Municipal Service Review and Sphere of Influence Update is also covered by the general rule of CEQA, Section 15061b(3) of the CEQA Guidelines that states that CEQA only applies to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Fairview Cemetery District's Municipal Service Review evaluates the District's current operations and does not propose any changes of organization or reorganization. In addition, the District's Sphere of Influence will remain unchanged. As a result, the Municipal Service Review and Sphere of Influence Update will not have any impact upon the environment and therefore is not subject to CEQA.

Section 2. The Commission adopts and incorporates by reference the Executive Officer's Report, and its attachments and appendices, as its Statement of Reasons for the Municipal Service Review and Sphere of Influence Update.

Section 3. In accordance with Government Code Section 56430, LAFCO makes the following written determinations for the Municipal Service Review for the Fairview Cemetery District:

- 1) Infrastructure needs or deficiencies determination** - Fairview Cemetery District's infrastructure is adequate to serve its area. The district does not appear to have any deficiencies that would prevent it from providing burial services to its service area.

- 2) **Growth and population projections for the affected area determination** - The district's service needs are forecast based upon using census data, past burial rates and the sale of pre-need grave sites. The district has estimated that it has capacity in its existing cemetery to serve the area for another 15-20 years based on the historic burial rates.
- 3) **Financing constraints and opportunities determinations** - Fairview Cemetery District's revenues are adequate to provide burial services for their service area. The district stated that they have a limited ability to increase fees and that it is unlikely that a tax increase would be approved by the registered voters of the area. There were no revenue opportunities discovered for the district through the conduct of the municipal service review.
- 4) **Cost avoidance opportunities determination** - In the municipal service review completed for the District in 2004, the financial audit for fiscal years 2000, 2001 and 2002 concluded the district does not maintain a complete listing of all property and plant. It was the recommendation by the auditor that a complete listing of all fixed assets, including property and plant be developed so that the financial statements can be presented in accordance with generally accepted accounting principles.

For the most recent audit completed for the District covering years 2006, 2007 and 2008, no such recommendation was made but it was noted the District has not maintained a detailed list of fixed assets at historical cost. The audit did not identify any instances of noncompliance that are required to be reported under Government Auditing Standards.

- 5) **Opportunities for rate restructuring determination** - Fairview Cemetery District is funded by a combination of property taxes, interest received from accounts, pre-need service sales and burial fees. Due to the district being a public cemetery district, there are no variances in rates, fees or taxes that are collected. The district earns interest from its cash accounts that are managed by the County Treasury, however; the district does not participate in any other investments. There were no opportunities for rate restructuring identified while conducting the municipal service review.
- 6) **Opportunities for shared facilities determination** - Fairview Cemetery District, like all cemetery districts in the County, own and maintain their individual cemetery facilities and utilize their own equipment or contract with private parties for use of equipment. Fairview Cemetery District retains the service of Reclamation District 1001 for grave digging services. Sutter LAFCO encourages all districts to share equipment, when possible, as a mechanism to facilitate reducing costs amongst all entities.

- 7) **Government structure options determination** - The structure of Fairview Cemetery District's Board appears to function properly for the district. The County Board of Supervisors appoints the Cemetery District's three person Board of Trustees. There has been no interest expressed by Fairview Cemetery District to merge with another cemetery district or alter the governmental structure currently in affect.
- 8) **Evaluation of management efficiencies determination** - In the municipal service review completed for the District in 2004, the financial audit for fiscal years 2000, 2001 and 2002 concluded the district does not maintain a complete listing of all property and plant. It was the recommendation by the auditor that a complete listing of all fixed assets, including property and plant be developed so the financial statements can be presented in accordance with generally accepted accounting principles.

For the most recent audit completed for the District covering years 2006, 2007 and 2008, no such recommendation was made but it was noted the District has not maintained a detailed list of fixed assets at historical cost. The audit did not identify any instances of noncompliance that are required to be reported under Government Auditing Standards.

- 9) **Local accountability and governance determination** - The board members of the Fairview Cemetery District are appointed by the County Board of Supervisors and are therefore held accountable by the County Board and the citizens of the District. All district meetings appear to be conducted in public in accordance with the Brown Act.

Section 4. In accordance with Government Code Section 56425(e), LAFCO makes the following written determinations with regard to the Sphere of Influence for Fairview Cemetery District:

- 1) **The present and planned land uses in the area, including agricultural and open space lands.**

Within the boundaries of the Fairview Cemetery District one will find mostly agricultural activities occurring along with scattered residential, industrial and commercial uses. The majority of the district is comprised of a rural landscape used for growing orchard crops, row crops and rice; however, the rural communities of East Nicolaus, Trowbridge, and Rio Oso are located within the district's boundaries. Scattered residential uses are also located throughout the area. The planned land uses in the district can be determined by reviewing both

the County's General Plan; however, the planned land uses closely match what exists in the area today.

**2) The present and probable need for public facilities and services in the area.**

Burial services and cemetery operation and maintenance services will be required as long as the human population continues to exist.

**3) The present capacity of public facilities and adequacy of public services the agency provides or is authorized to provide.**

The district estimates that their cemetery has approximately 15-20 additional years of capacity based upon past usage rates.

**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 unique social or economic communities of interest located in the district's boundaries.

Section 5. The Commission determines the existing boundaries of the Fairview Cemetery District Sphere of Influence are adequate to serve the district's needs and, therefore, re-adopts the existing Sphere of Influence boundary as shown in Attachment A of the Executive Officer's Staff Report and by reference, included herein.

Passed and adopted this 27<sup>th</sup> day of May, 2010, by the following vote:

AYES: Commissioners Montna, Gallagher, Maan and Pardesi

NOES:

ABSTAIN: Commissioner White

ATTEST:

  
DOUG LIBBY  
ASSISTANT EXECUTIVE OFFICER

  
CHAIRPERSON

