




VENTURA LOCAL AGENCY FORMATION COMMISSION
STAFF REPORT

Meeting Date: July 19, 2023
 (Continued from May 17, 2023)

TO: LAFCo Commissioners

FROM: Kai Luoma, Executive Officer 

SUBJECT: Sphere of Influence Review:
 LAFCo 23-08S Fillmore-Piru Memorial District

Recommendation:

Adopt Resolution LAFCo 23-08S (Attachment 2) making determinations and reviewing the sphere of influence for the Fillmore-Piru Memorial District (District) pursuant to Government Code Section 56425(g), including that a sphere of influence update is not necessary.

District Information:

Memorial districts are formed under and operate pursuant to the provisions of Division 6, Chapter 1 of the Military and Veterans Code of the State of California, Section 1170 *et seq.* In general, memorial districts have the authority to provide and maintain halls and meeting places and indoor and outdoor recreational facilities for both the general public and veterans.

Formed in 1950, the Fillmore-Piru Memorial District is an independent special district that owns and operates the Veteran’s Memorial Building in the City of Fillmore. The District’s service area includes the City of Fillmore, the unincorporated community of Piru and other unincorporated areas in the east-central portion of Ventura County. The District’s primary sources of revenue are a share of the 1% property tax, rents and fees charged for the use of the memorial building and a \$5.00 annual parcel tax. The District has no employees but has entered into an agreement with the City of Fillmore for the provision of all administrative, operational and maintenance services.

The District’s jurisdictional boundary covers approximately 151,305 acres and its sphere of influence includes approximately 86,465 acres (see Attachment 1). Approximately 65,000 acres of the District’s jurisdictional boundaries are located within the Los Padres National Forest. The Commission removed this area from the sphere of influence in 2007, as discussed below.

COMMISSIONERS AND STAFF

COUNTY	CITY	DISTRICT	PUBLIC
Jeff Gorell	Jenny Crosswhite, Vice-Chair	Raul Avila	Pat Richards, Chair
Janice S. Parvin	John C. Zaragoza	Mary Anne Rooney	
<i>Alternate</i>	<i>Alternate</i>	<i>Alternate</i>	<i>Alternate</i>
Matt LaVere	Susan Santangelo	Mohammed A. Hasan	David J. Ross
Executive Officer	Deputy Executive Officer	Office Manager/Clerk	Legal Counsel
Kai Luoma	Andrea Ozdy	Richelle Beltran	Jeffrey Barnes

Background:

Pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.), the Commission was required to determine and adopt a sphere of influence (or “sphere”) for each city and special district on or before January 1, 2008. A sphere of influence is defined in Government Code Section 56076 as the probable physical boundary and service area of a local agency, as determined by the Commission. Every five years thereafter, the Commission must, as necessary, review and update each sphere of influence (Government Code Section 56425(g)).

2007 Municipal Service Review

A Municipal Service Review (MSR) report for the Fillmore-Piru Memorial District was accepted by the Commission in October 2007 (available on the LAFCo website by clicking [here](#)). The 2007 MSR noted the District was financially stable and had no debt. No significant infrastructure deficiencies were identified and the District was found to be in compliance with all budgeting, audit and financial reporting requirements. The MSR also determined that the District achieves management efficiencies by partnering with the City of Fillmore for administrative support services to operate the memorial hall. However, it was noted that there had been no elections for the District’s board of directors since at least 1990, which led to a determination that there was a lack of candidate and voter participation in the District’s governance. Citing the fact that board member elections occurred on an odd-year election cycle, the MSR included a recommendation that the District work with the City of Fillmore and the County of Ventura to change the election cycle to even-numbered years.

Though the MSR acknowledged that the District was currently financially stable and had no debt, it emphasized the fact that the District is constrained in its ability to generate other sources of financing beyond property taxes, facility use fees, and special assessment revenue. It was thus recommended that the District, the City of Fillmore and the County of Ventura consider the possibility of jointly initiating proceedings to dissolve the District within five years contingent on the following three criteria:

- The cost savings of dissolution equal or exceed the amount of the \$5 per parcel tax that now exists. This special tax would essentially “go away” if the District were to be dissolved.
- The City of Fillmore and the County of Ventura reached agreement on a new or revised property tax sharing agreement that would provide for the transfer of all or a substantial portion of the property tax now going to the District to the City.
- The District, the City and the County are willing and can agree that dissolution would be in the best interests of the residents and taxpayers in the area now served by the District.

In conjunction with the acceptance of the MSR, the Commission updated the sphere of influence, which reduced the area of the District's sphere of influence by removing territory located in the Los Padres National Forest and nearby lands owned by the federal government.

2008 Grand Jury Report

In June 2008 the Ventura County Grand Jury released a report titled *Fillmore-Piru Memorial District Reorganization*. Largely based on the LAFCo MSR, the Grand Jury recommended that the District be reorganized as a subsidiary district of the City of Fillmore through the State legislative process. In a letter of response, the Commission noted that the District had progressed in its efforts to resolve certain issues since LAFCo completed the MSR. Most significant was the fact that the District took action to shift its election cycle from odd-numbered years to even-numbered years corresponding with the date of the statewide general election. This shift was subsequently approved by the County Board of Supervisors and became effective for the 2010 election. In acknowledgment of the District's efforts to permanently decrease its election related costs, the Commission indicated that it may be appropriate to postpone consideration of any restructuring options if the District could demonstrate the following: that it is conducting regular elections beginning in 2010; a sufficient number of candidates participate in the elections; and the District board members initiate and maintain compliance with Assembly Bill 1234 ethics training.

2012 Sphere of Influence Review

The Commission began a review of the District's sphere of influence in 2012. The review was completed in 2013. During the Commission's review, it was noted that the District had been conducting regular meetings and, for the most part, annual budgets and audits were being completed in a timely manner. As noted, the District had acted to shift its election cycle from odd-numbered years to even-numbered years to correspond with the date of the statewide general election and held competitive elections in 2010. The review also noted that no changes had occurred since 2007 with respect to District board member compensation: board members do not receive any stipend or expense reimbursement for their participation and, as such, were not required to complete any ethics training.

Nevertheless, in recognition of the fact that the District is constrained in its ability to generate other sources of revenue beyond property taxes, facility use fees and special assessment revenue, and, thus, long-term funding for District operations was uncertain, staff recommended that the Commission apply a provisional sphere of influence. The purpose of the provisional sphere would have been to encourage the District, the City of Fillmore and the County to discuss and agree on a plan for dissolution and designation of a successor agency to take over operation and maintenance of the veteran's memorial hall. However, after considering the practicality of dissolving the District (i.e., identifying a willing successor agency, the likely elimination of the parcel tax as a revenue source, community opposition, etc.), the Commission ultimately decided to review the sphere of influence and make no changes.

2017 Sphere of Influence Review

The review of the District's sphere of influence began in 2017 and was completed in 2018. The review found that the District continued to be financially stable and had no debt. No significant infrastructure deficiencies were identified and the District appeared to be in compliance with budgeting, audit and financial reporting requirements. Though the District remained constrained in its ability to generate other sources of financing beyond property taxes, facility use fees, and special assessment revenue, the concerns raised in 2007 and 2012 regarding the long-term financial viability of the District had not come to fruition.

The review noted that though the District held competitive elections in 2010, no elections had been held since. Though the lack of competitive elections was identified as a concern in the 2007 MSR and 2008 Grand Jury Report, the principal act under which the District was formed and operates specifically allows for the County Board of Supervisors to appoint board members when competitive elections cannot be held due to lack of qualified candidates (Military and Veterans Code § 1195). The Board of Supervisors appointed District board members in 2012, 2014, and 2016. Indeed, the lack of multiple qualified candidates to hold competitive elections may be explained by the fact that Military and Veterans Code § 1197 requires that at least three of the five board seats be designated for military veterans (who are also registered voters and reside within the District boundaries).

The Commission reviewed the sphere of influence for the District and determined that no update or municipal service review was necessary.

Discussion:

Sphere of Influence Evaluation

Based on the work plan established by the Commission, an evaluation of the District's sphere of influence was to be initiated during 2022. LAFCo staff has reviewed multiple years of financial documents and consulted with City of Fillmore staff to discuss the sphere of influence, and to determine: (1) if the District has experienced any changes to its service needs or areas since LAFCo's most recent evaluation of its sphere of influence, and (2) if the staff anticipates any service changes that would warrant adjustment of the sphere boundaries.

As explained in the analysis under Written Determinations below, it appears that the existing sphere of influence boundary continues to reflect the District's current and probable service area. Therefore, no changes to the sphere of influence for the District are recommended. The sphere of influence review involving no changes is not subject to the California Environmental Quality Act (CEQA) because it "will not result in a direct or reasonably foreseeable indirect physical change in the environment" (CEQA Guidelines Section 15060(c)(2)).

Written Determinations

Government Code Section 56425(e) requires that, in determining the sphere of influence of an agency, the Commission consider and prepare a written statement of its determinations with respect to each of the following:

- (1) *The present and planned land uses in the area, including agricultural and open-space lands.* (Section 56425(e)(1))

The District's sphere of influence consists of a range of uses, including urban development within the City of Fillmore and the unincorporated community of Piru, as well as unincorporated very-low-density residential and open space/agricultural lands outside the City of Fillmore and Piru. Based on the land use designations and characteristics, unincorporated land uses within the District are expected to change little.

- (2) *The present and probable need for public facilities and services in the area.* (Section 56425(e)(2))

The District continues to provide the services that it was formed to provide, which is the ownership and operation of the Veteran's Memorial Building in the City of Fillmore. According to City documents, the District makes the Memorial Building available for rental to youth groups, community organizations, and service clubs for school events, special events, weddings, and other community functions. The need for the District's facilities and services is expected to continue for the foreseeable future.

- (3) *The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.* (Section 56425(e)(3))

As noted above, the District has no employees but has entered into an agreement with the City of Fillmore for the provision of all administrative, operational, and maintenance services. For accounting purposes, the District is classified by the City as a special revenue fund governed by the District's Board of Directors. The District continues to be financially stable, and has been operating with a budget surplus for at least the past four years. No significant infrastructure deficiencies have been identified and the District appears to be in compliance with budgeting, audit and financial reporting requirements. Board members continue to receive no stipends or expense reimbursements and are not subject to ethics training. No issues regarding the long-term financial viability of the District were identified.

As noted in the 2017 sphere of influence review, due to a lack of qualified candidates, the District last held competitive board elections in 2010, with the County Board of Supervisors appointing board members in 2012, 2014, and 2016. No competitive elections have been held during the period of this review. The County Board of Supervisors has appointed board

members in 2018, 2020, and 2022. The principal act under which the District was formed and operates specifically allows for the County Board of Supervisors to appoint board members when competitive elections cannot be held due to lack of qualified candidates (Military and Veterans Code § 1195).

- (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. (Section 56425(e)(4))*

The District's sphere of influence does not include territory that is known to be a community of interest. No disadvantaged unincorporated communities (defined in Government Code Section 56033.5 as communities having an annual median household income that is less than 80 percent of the statewide annual median household income), are located within or contiguous to the District's sphere of influence.

- (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 disadvantaged unincorporated communities within the existing sphere of influence. (Section 56425(e)(5))*

The review of the District's sphere of influence is not considered an update (i.e., a modification) to the sphere. Additionally, no disadvantaged unincorporated communities are located within or contiguous to the District's sphere of influence.

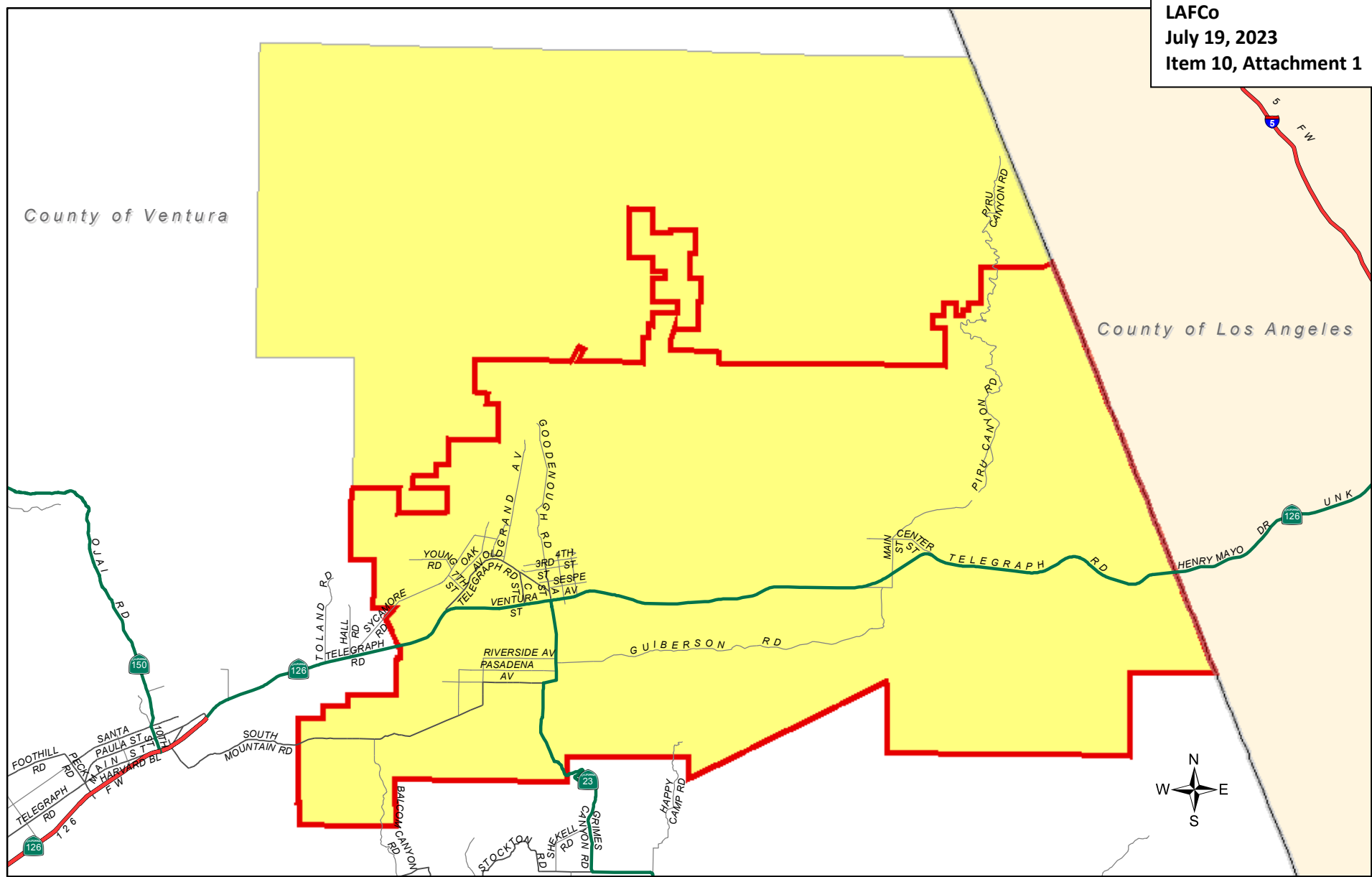
Notice of Public Hearing

This matter has been noticed as a public hearing pursuant to Government Code Section 56427. Additionally, all affected agencies have been notified of the public hearing.

Attachments:

1. Existing Sphere of Influence Map for Fillmore-Piru Memorial District
2. LAFCo 23-08S Resolution

LAFCo makes every effort to offer legible map files with the online and printed versions of our reports; however, occasionally the need to reduce oversize original maps and/or other technological/software factors can compromise readability. Original maps are available for viewing at the LAFCo office by request.



Fillmore/Piru Memorial District

Current as of:
 November 14, 2012



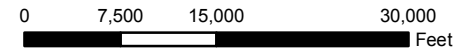
Legend

- District Sphere - 86,465.30 acres
- District Boundary - 151,305.24 acres

Prepared by County of Ventura - IT Services Department - GIS Services
 State Plane Coordinate System California Zone V - NAD 27

This map was compiled from records and computations

Published: November, 2013



1 inch = 15,000 feet



LAFCO 23-08S

**RESOLUTION OF THE VENTURA LOCAL AGENCY FORMATION
COMMISSION MAKING DETERMINATIONS AND REVIEWING
THE SPHERE OF INFLUENCE FOR THE FILLMORE-PIRU
MEMORIAL DISTRICT**

WHEREAS, Government Code § 56425 et seq. requires the Local Agency Formation Commission (LAFCo or Commission) to develop and determine the sphere of influence of each local governmental agency within the County; and

WHEREAS, Government Code § 56425(g) requires that on or before January 1, 2008, and every five years thereafter, the Commission shall, as necessary, review and update the sphere of influence of each city and special district; and

WHEREAS, the Commission accepted the Municipal Service Review (MSR) report for the Fillmore-Piru Memorial District (District) dated October 17, 2007; and

WHEREAS, the Commission updated the sphere of influence for the District in 2007 and reviewed the sphere of influence in 2012 and 2017; and

WHEREAS, the Commission desires to review the sphere of influence for the District; and

WHEREAS, no change in regulation, land use, or development will occur as a result of reviewing the sphere of influence for the District; and

WHEREAS, at the times and in the manner required by law, the LAFCo Executive Officer gave notice of the consideration of this item by the Commission; and

WHEREAS, the sphere of influence review item was duly considered at a public hearing on July 19, 2023; and

WHEREAS, the Commission heard, discussed, and considered all oral and written testimony for and against the sphere of influence review including, but not limited to, the LAFCo Staff Report dated July 19, 2023, and recommendations; and

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED by the Commission as follows:

- (1) The LAFCo Staff Report dated July 19, 2023, and recommended review of the sphere of influence for the District are adopted; and
- (2) The subject sphere of influence review is assigned the following distinctive short form designation:

LAFCO 23-08S FILLMORE-PIRU MEMORIAL DISTRICT SPHERE OF INFLUENCE REVIEW;

and

- (3) An update (modification) to the sphere of influence for the District is not necessary; and
- (4) The Commission has considered the criteria set forth in Government Code § 56425(e) and determines as follows:

a. *The present and planned land uses in the area, including agricultural and open-space lands. (§ 56425(e)(1))*

The District’s sphere of influence consists of a range of uses, including urban development within the City of Fillmore and the unincorporated community of Piru, as well as unincorporated very-low-density residential and open space/agricultural lands outside the City of Fillmore and Piru. Based on the land use designations and characteristics, unincorporated land uses within the District are expected to change little.

b. *The present and probable need for public facilities and services in the area. (§ 56425(e)(2))*

The District continues to provide the services that it was formed to provide, which is the ownership and operation of the Veteran’s Memorial Building in the City of Fillmore. According to City documents, the District makes the Memorial Building available for rental to youth groups, community organizations, and service clubs for school events, special events, weddings, and other community functions. The

need for the District's facilities and services is expected to continue for the foreseeable future.

c. *The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide. (§ 56425(e)(3))*

The District has no employees but has entered into an agreement with the City of Fillmore for the provision of all administrative, operational, and maintenance services. For accounting purposes, the District is classified by the City as a special revenue fund governed by the District's Board of Directors. The District continues to be financially stable and has been operating with a budget surplus for at least the past four years. No significant infrastructure deficiencies have been identified and the District appears to be in compliance with budgeting, audit and financial reporting requirements. No issues regarding the long-term financial viability of the District were identified.

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d. *The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency. (§ 56425(e)(4))*

The District's sphere of influence does not include territory that is known to be a community of interest. No disadvantaged unincorporated communities (defined in Government Code Section 56033.5 as communities having an annual median

household income that is less than 80 percent of the statewide annual median household income), are located within or contiguous to the District's sphere of influence.

- e. ***For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection. . . the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence. (§ 56425(e)(5))***

The review of the District's sphere of influence is not considered an update (i.e., a modification) to the sphere. Additionally, no disadvantaged unincorporated communities are located within or contiguous to the District's sphere of influence.

- (5) The sphere of influence for the District is hereby reviewed and is generally depicted in Exhibit A, "Fillmore-Piru Memorial District," attached hereto; and
- (6) LAFCo staff is directed to have the official Geographic Information System (GIS) sphere of influence data maintained for the Ventura LAFCo by the Ventura County Information Technology Services Department as the official sphere of influence record for the District updated consistent with this action.

This resolution was adopted on July 19, 2023.

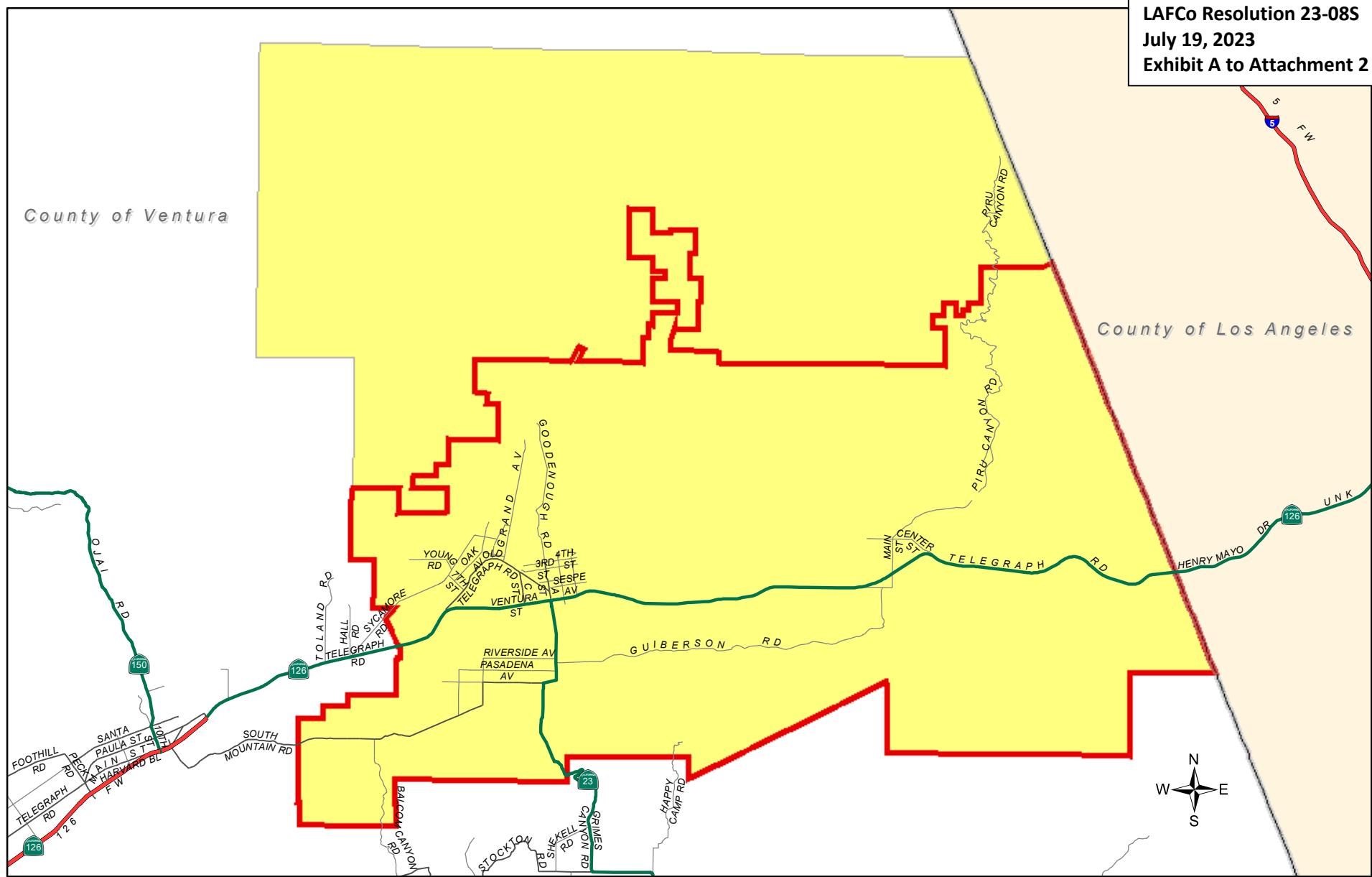
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Alt. Commissioner Santangelo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7-19-23
Date


Chair, Ventura Local Agency Formation Commission

Attachment: Exhibit A

c: Fillmore-Piru Memorial District
Ventura County Information Technology Services Department



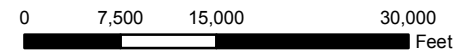
Fillmore/Piru Memorial District

Current as of:
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Legend

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Prepared by County of Ventura - IT Services Department - GIS Services
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