
**Fig Garden Police Protection District
PROPOSED SPHERE OF INFLUENCE REVISION**

FINANCIAL ANALYSIS

Fresno Local Agency Formation Commission

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Introduction

The Fig Garden Police Protection District (the District) is a political subdivision of the State of California generally referred to as a "special district". The District was formed on May 16, 1950, under the provision of Health and Safety Code Section 20000, et. seq. The District is governed by a Board of Commissioners elected by the voters of the District to four-year terms. The Commission members serve the Board on a voluntary basis.

The existing District includes approximately 444 acres (the "core area"). The boundaries are generally Palm Avenue on the west, Shaw Avenue on the north, Maroa Avenue on the east, and the Herndon Canal on the south, excluding there from an area bounded by Van Ness Boulevard on the west, Griffith Avenue on the north, Maroa on the east, and the Herndon Canal on the south.

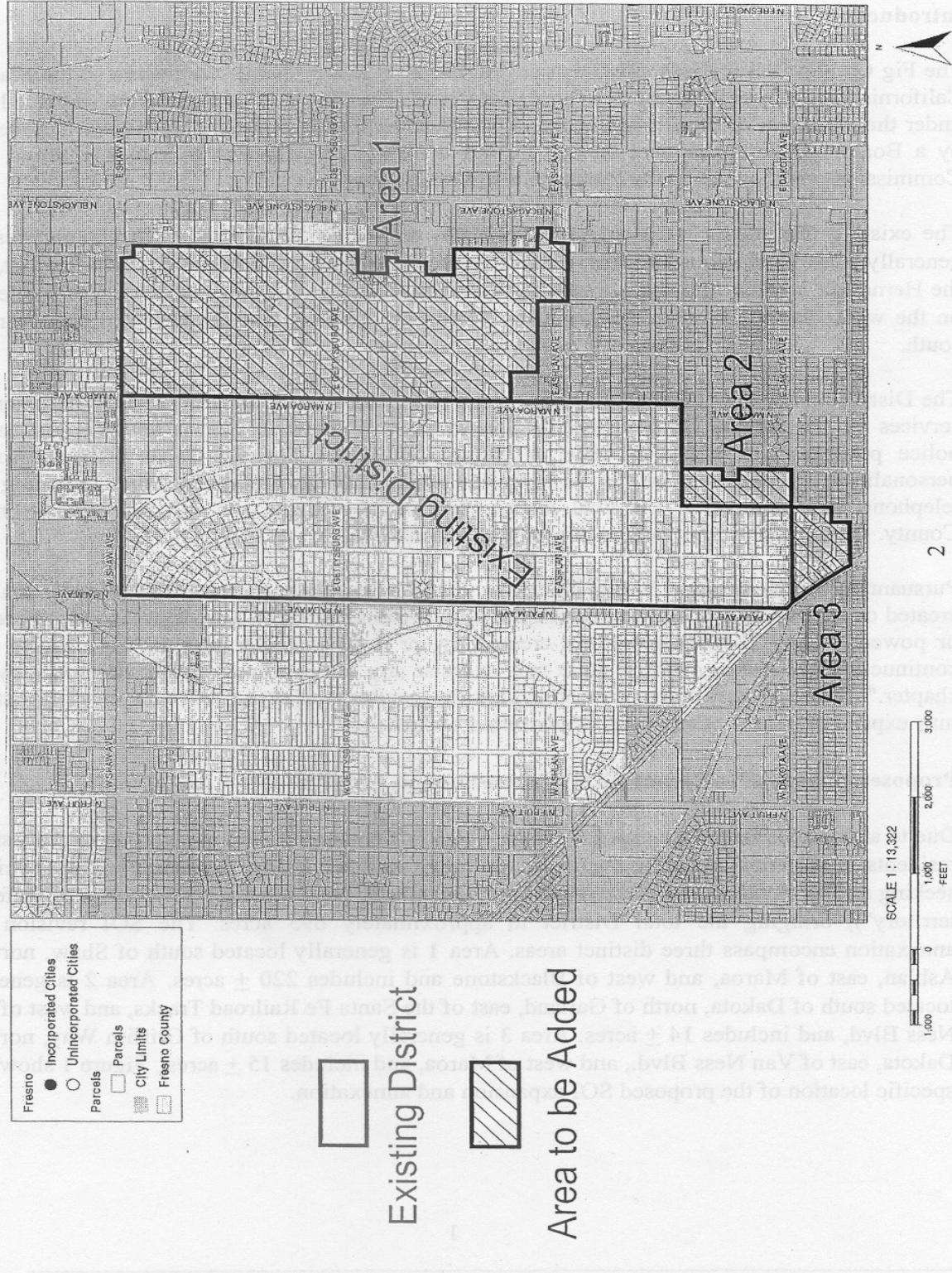
The District, as well as all unincorporated areas in Fresno County, is provided law enforcement services by the Fresno County Sheriffs Department. Within the current District boundaries, police protection is enhanced under a contract with the Sheriffs Department to provide personalized, extended service by an individual patrol officer. Related services including 911 telephone, communication, criminal justice, and penal systems are all provided by Fresno County. The County also provides accounting and auditing.

Pursuant to the Health and Safety Code sec. 20007, "no (police protection) districts shall be created or organized pursuant to this chapter after October 1, 1959. The organization, existence, or powers of any District heretofore created by, or organized pursuant to, this chapter shall continue to exist and any such District may exercise any of the powers conferred upon it by this chapter." While no new police protection districts may be formed in California, existing districts may expand or pursue other issues as permitted by law.

Proposed Sphere of Influence (SOI) Expansion and Annexation

Due to an increase in the fee charged by the Sheriffs Department, and in response to requests by residents in adjacent areas, the District is seeking expanded service boundaries. The District is seeking an SOI revision and corresponding annexation of approximately 250 acres (the "affected territory"), bringing the total District to approximately 695 acres. The SOI revision and annexation encompass three distinct areas. Area 1 is generally located south of Shaw, north of Ashlan, east of Maroa, and west of Blackstone and includes $220 \pm$ acres. Area 2 is generally located south of Dakota, north of Garland, east of the Santa Fe Railroad Tracks, and west of Van Ness Blvd, and includes $14 \pm$ acres. Area 3 is generally located south of Griffith Way, north of Dakota, east of Van Ness Blvd., and west of Maroa, and includes $15 \pm$ acres. Figure 1 shows the specific location of the proposed SOI expansion and annexation.

Figure 1: Proposed SOI Revision Area and Annexation



The affected area is more than 95% developed. Current land uses include approximately 90% residential uses and 10% office uses. The proposal seeks to include the three separate areas along with the existing “core area” into a single cohesive orderly and compact district. The proposal does not include any change in planned land use or any change of infrastructure or other municipal service aside from enhanced police protection.

The District “core area” contains approximately 725 parcels of which an estimated six single-family building lots are vacant. The current population is estimated at 2,175 persons and changes in population will be primarily controlled by an increase or decrease in average family size. Within the proposed expansion area there are approximately 512 parcels and the existing population is estimated at 1,400 persons; little vacant land remains. In the absence of expansion of the SOI, the projected growth in population for the District is flat. Should the proposed SOI revision and annexation be approved, the number of parcels in the District would increase to approximately 1,237 and the population would increase to approximately 3,575 persons, or a 65% increase.

The special assessment needed to include the additional territory is subject to Proposition 218 procedures. If LAFCo approves the SOI revision and annexation, the registered voters in the District will be allowed to vote on the issue of being assessed for the proposed new service.

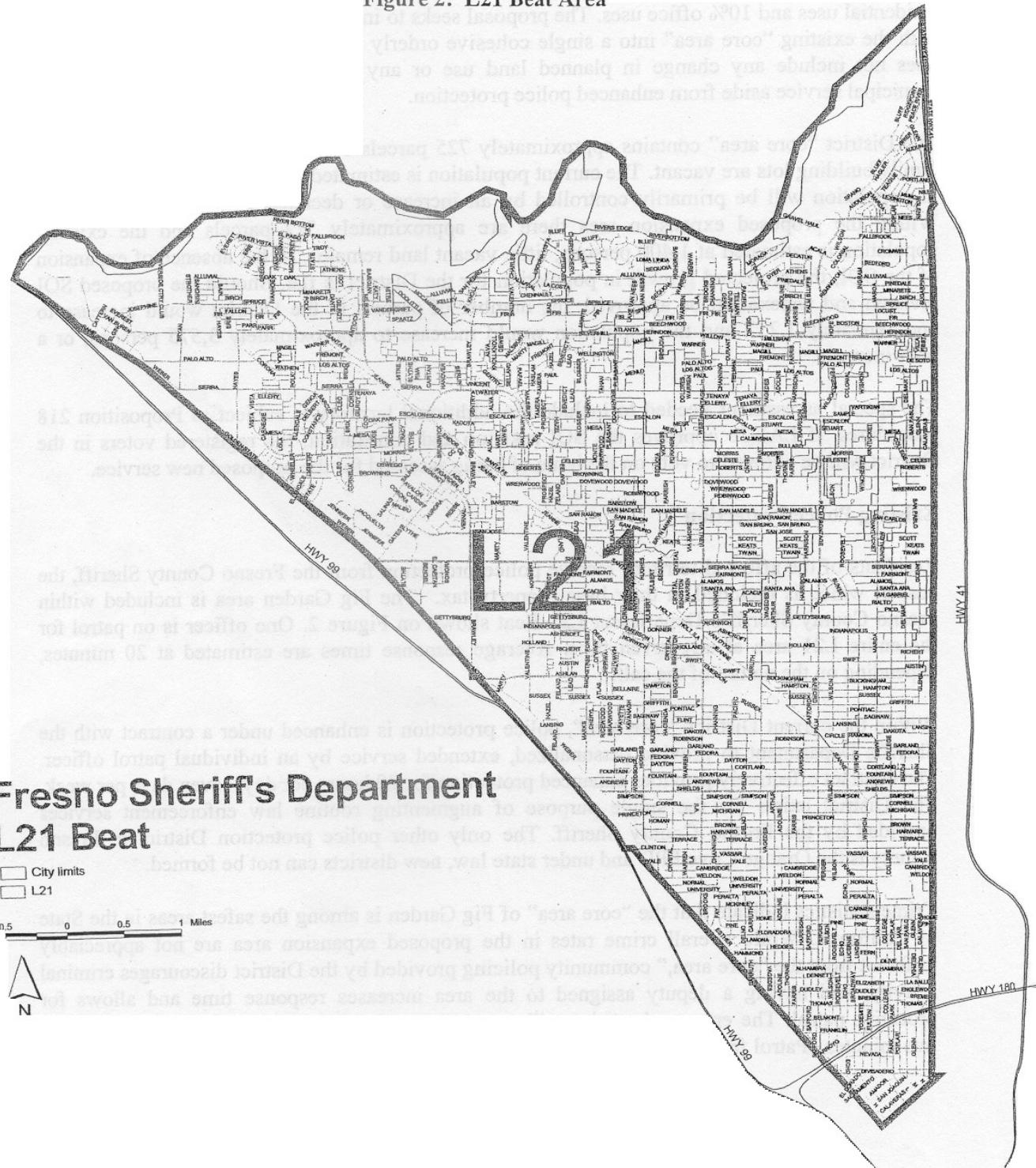
Existing Police Protection

Residents of the affected territory receive police protection from the Fresno County Sheriff, the cost of which is included in their base property tax. The Fig Garden area is included within Fresno County Sheriff's Department L21 Beat shown on Figure 2. One officer is on patrol for the entire L21 area at any given time. Average response times are estimated at 20 minutes, depending on the nature of the call.

Within the current District “core area”, police protection is enhanced under a contract with the Sheriff's Department to provide personalized, extended service by an individual patrol officer. The contract effectively provides enhanced protection for 20 hours per day, seven days per week. The District exists for the single purpose of augmenting routine law enforcement services provided by the Fresno County Sheriff. The only other police protection District in Fresno County is the Orange Cove PPD and under state law, new districts can not be formed.

Crime statistics indicate that the “core area” of Fig Garden is among the safest areas in the State of California. While overall crime rates in the proposed expansion area are not appreciably different from the “core area,” community policing provided by the District discourages criminal activity, and having a deputy assigned to the area increases response time and allows for proactive patrol. The enhanced service will cut response times from an average 20 minutes to two minutes. Patrol frequency will increase from once or twice a day to once or twice an hour.

Figure 2: L21 Beat Area



The Fig Garden Police Protection District

The District is governed by a three-member Board of Commissioners. Each member must be a resident of the District area during the term of service on the board. The Board holds quarterly meetings and is subject to the Brown Act with meeting notices posted at least 72 hours in advance of the meeting. The members, at their own expense, attend the annual dinner of the Fig Garden Homeowner's Association and the Fresno County Sheriff's Department sends a management representative to the annual meeting of the Fig Garden Homeowner's Association.

The Fig Garden Fire House (4537 N. Wishon) provides a room with telephone for the Board members to use for meeting purposes without charge. The Fig Garden Fire House is under the administration of the Fig Garden Fire Protection District as an independent special District within Fresno County.

Financing for the District is provided by an increment of the base Fresno County Ad Valorem property tax on each parcel in the district. This base tax is supplemented by an assessment of \$300 per commercial or multifamily residential parcel, \$299 per single-family residential parcel and \$75 per unimproved parcel to provide enhanced law enforcement services. These supplemental assessments may be increased with the cost of living.

The supplemental rate charged for members is set in a general election of the District membership. Any rate restructuring can only be done at the behest of the entire membership. (Health and Safety Code sec. 20101: "the District board shall call an election at which it shall submit to the voters in the District the question whether a special tax shall be levied for establishing and equipping a police department for the protection of life and property in the district).

Fiscal and Accounting Information. The accounts of the District are organized and operated on the basis of funds and account groups. The minimum number of funds is maintained consistent with legal and managerial requirements. Account groups are a reporting device used to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

The general fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The accounting records of the District are maintained by the District and the Fresno County Auditor-Controller. Copies of these records are on file with the Auditor-Controller. The annual budget that establishes the total spending authority for the District is adopted prior to the District's fiscal year.

The District utilizes the Fresno County Treasury as its depository for revenue transactions into separate and distinct funds, as well as for expenditure disbursement. The County maintains a cash and investment pool that is available for use by all funds. Interest revenues and corresponding interest receivable to the District are derived from the County Treasurer's interest allocation process.

The District receives property tax revenues levied on property within the District's service area. The District also receives additional monies from assessments for fees and services as legislated by Assembly Bill 549. The assessments are based on the benefit derived by each parcel within the District.

The Fresno County Auditor-Controller is responsible for the collection and apportionment of property taxes for jurisdictions including special districts within the County. All jurisdictions within California derive their taxing authority from the State Constitution and various legislative provisions contained in the State Government Code and Revenue and Taxation Code. Pursuant to Proposition 13, the County is permitted to levy a maximum tax of \$1.00 per \$100 of full cash value.

The District does not carry insurance coverage. The agreement in effect between the District and the Sheriff's Department has a hold harmless clause that provides for the defense of the other party against any liability for injury to person or property arising out of any negligent or wrongful acts of the alleged party. Exposure to various risks is therefore considered to be nearly nonexistent, and there is no requirement to carry any insurance coverage by the District.

The management of the Fig Garden Police Protection District appears to be efficient and increases in fees to existing core area residents have been carefully monitored and justified by the Board. The three-member Board of Commissioners serves without compensation or allowance.

Fee Calculation for Newly Annexed Area

The proposed contract with the Fresno County Sheriff's Department for the District would provide an annual contract for four deputies at 1,660 hours per year. When assigned to three daily shifts, this deployment is equivalent to providing an additional officer for 20 hours per day, seven days per week within the District boundaries. The amount of the contract is \$445,810 per year, or \$67.14 per hour for each officer.

The existing District receives approximately \$101,000 annually from the Proposition 13 subvention and these monies apply to the operating fund. Until recently, the District collected \$225 from each single-family parcel on an annual basis. This level of collection has resulted in annual deficit spending to the extent that reserves were projected to be exhausted by 2007. The District has now increased the fee for single-family lots to \$299 annually, but continues to project a deficit.

The proposed annexation area will bring an additional 512 parcels into the District boundary, increasing the total number of parcels in the District to approximately 1,237. At an annual assessment of \$299 per parcel, approximately \$369,863 would be assessed annually. With the addition of the Proposition 13 subvention, sufficient funds would be collected to pay for the County contract while building up an annual reserve of \$25,000.

The proposed assessment of \$299 per single-family lot appears to be equitable and would result in payment of the County contract and build up of a modest reserve. It is recognized that annual cost of living increases in the assessment would be required to keep the contract current.

Alternatives exist to the four-deputy, 20/7 coverage. The County Sheriff's Department also has provided cost estimates for three deputies (approximate 12/7 coverage) at \$334,357 annually and two deputies (approximate 10/7 coverage) at \$222,905 annually. Under these scenarios, the approximate annual assessment required in the expanded District would be \$210 for the three-deputy alternative and \$120 for the two-deputy alternative. In both instances, a modest reserve is also included.