

CLOVIS VETERANS MEMORIAL DISTRICT

MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE

Report to the
Fresno Local Agency Formation Commission

MSR-18-03 / SOI-188

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CLOVIS VETERANS MEMORIAL DISTRICT

Veteran services, community events, maintenance of facilities

Contact Information

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Alternate contact: Amy Whitacre, Director of Operations
District office: 808 Fourth Street
Clovis, CA 93612
Phone: (559) 559-229-0471
District website: www.cvmdistrict.org
Office hours: Monday-Friday, 8:30 a.m. to 6:30 p.m.

Management Information

District formation: 1946
Principal act: Military and Veterans code section 1170 *et seq.*
Special district powers: Own and operate public facilities for the use of war veterans, public or private organizations, and profit or non-profit organizations

LAFCo

Authorized services:¹ Vested under Military and Veterans code sections 1170-1259
Governing body: Five directors, elected or appointed by Fresno County Supervisors, Districts 2 and 5

Board members:	Appointed	Expires
Don Watnick	2016	12/2020
William E. Rice	2016	12/2020
Gordon D. Pickett	2014	12/2018
Tom Wright	2014	12/2018
Susan Frantzich	2014	12/2018

Board meetings: Held on the second Thursday of each month at 6:30 p.m. at the District office²
Staffing: 11 full-time employees, 8 part-time employees, and 10 volunteer/interns

Service Information

Population served: 190,000, estimate
Acres served and SOI: 103,048 acres
Infrastructure: District memorial hall and veteran monuments

Fiscal Information

Budget: \$3,217,773
Sources of funding: Annual property taxes, contributions, and grants
Rate structure: Rental user fees

Administrative Policies

Policies/Procedures: Yes **By-laws:** Yes **SOI formed:** 1976

SOI update: 2018 **Other:** California Special District Association
CSDA, Central Valley Local Chapter
Special District Risk Management Authority

¹ Pursuant to Government Code sec. 56425(i).

² Clovis Veterans Memorial District Policies.

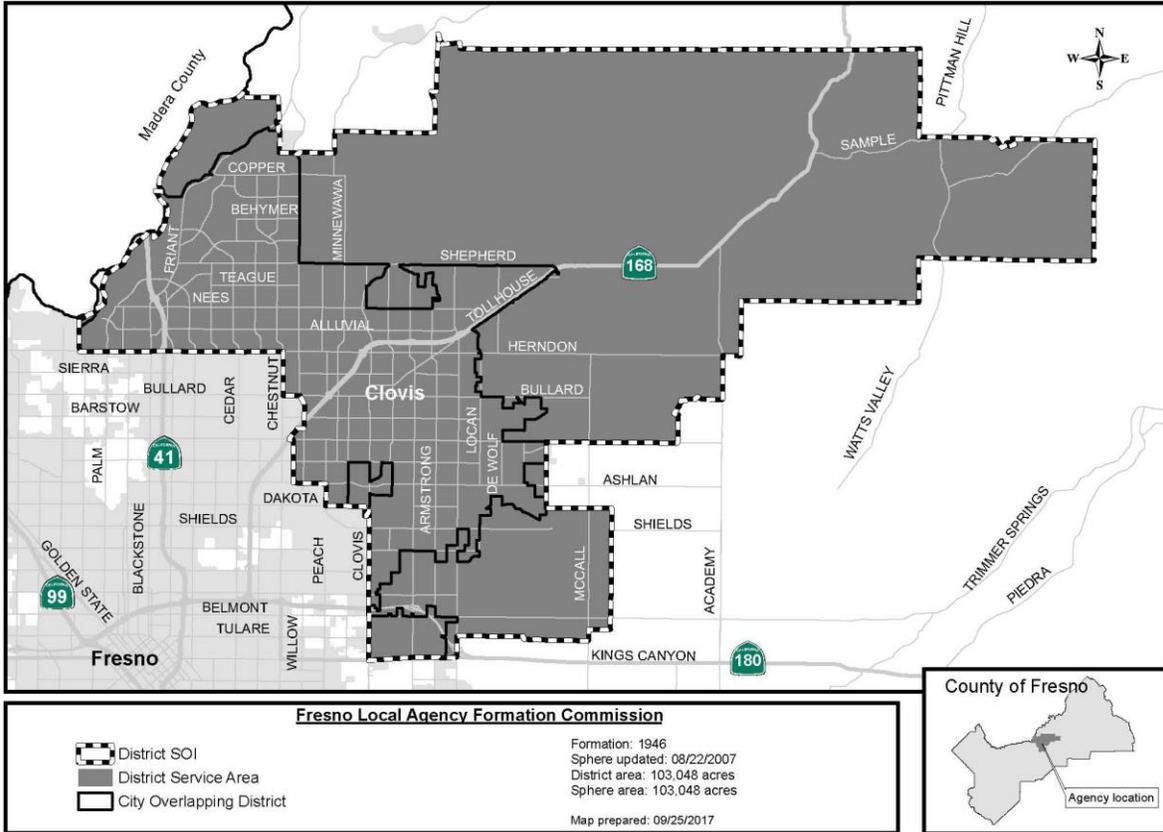
Table of Contents

1. MUNICIPAL SERVICE REVIEW	5
Principal Act.....	5
District Service Area	5
Authorized District Services	6
Fresno LAFCo MSR Policy	6
District Growth and Population Projections.....	6
Disadvantaged Unincorporated Communities	11
District Infrastructure.....	12
District Finances	14
Public Facilities, Opportunities for shared Facilities.....	16
Government Accountability	17
Any Other Matters	19
2. MSR DETERMINATIONS	20
3. SPHERE OF INFLUENCE UPDATE	24
4. RECOMMENDATIONS	25
5. ACKNOWLEDGEMENTS	25

Figure 1 – District Map

Clovis Memorial District

Authorized services: provision and maintenance of public facilities



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1. MUNICIPAL SERVICE REVIEW

PRINCIPAL ACT

In 1935, the California Legislature authorized the creation of memorial districts through enactment of the California Military and Veterans Code (MVC). Memorial districts are authorized by their principal act to provide and maintain memorial halls, assembly halls, buildings, public facilities, meeting places, indoor and/or outdoor recreation facilities, park and recreation facilities for veteran soldiers, sailors, and marines who have honorably served the United States in any wars or campaigns; as well as, for the use of people or organizations other than veterans.

Clovis Veterans Memorial District (“District”) was formed in 1946 under MVC section 1170 *et seq.* (hereafter “principal act” or “Memorial District Law”) by approval of the Fresno County Board of Supervisors. The District is an independent special district governed by a five-member board of directors. As an independent special district, the District is not governed by another legislative body (either a city council or a county board of supervisors). Members of the board are elected at large and eligible candidates must be a registered voter and resident within the district boundaries. At least three of the five available seats on the District board must be designated for veterans as required by VMC section 1197. District board members are responsible for exercising powers granted by statute and their independent judgement on behalf of the interests of residents, veterans, property owners, and the community as a whole.

DISTRICT SERVICE AREA

The District is solely within Fresno County, and situated in the northeastern portion of the County. The District encompasses the northeastern portion of City of Fresno, the entire City of Clovis, and extends eastward to the Sierra Nevada foothills. The District’s service area and sphere of Influence are coterminous and encompass 103,043 acres. The District’s jurisdictional boundaries are generally Auberry Road/Millerton Road to the north, Fruit Avenue to the west, Belmont/Kings Canyon Road to the south, and Pittman Hill Road to the east (**Figure 1 - District Map**).

According to the California Special Districts Association, there are 27 veteran memorial districts throughout the State of California.³ There are two memorial districts in Fresno County; Riverdale Memorial District is the only other memorial district in Fresno County.

Classified street access through the District’s service area include Shepherd Avenue, Herndon Avenue, State Route 168, Ashlan Avenue, and Belmont Avenue. Likewise, north to south-classified streets within the District service area include Clovis Avenue, Temperance Avenue, McCall Avenue, and North Academy Avenue.

³ California Special Districts Association, Laws Governing Special Districts, page 19.

AUTHORIZED DISTRICT SERVICES

Under Government Code (GC) section 56425(i), “when adopting, amending, or updating a sphere of influence for a special district, the commission shall establish the nature, location, and extent of any functions or classes of services provided by existing districts.”

The scope of District services are set forth in Memorial District Law. The District is authorized by its principal act to provide and maintain memorial halls, assembly halls, buildings, public facilities, and meeting places for the use of any person and or organizations other than war veterans, and all United States war veterans or campaigns recognized by the California Constitution.⁴

As of January 1, 2018, State law was amended to authorize veteran memorial districts, subject to an election, to provide funding to providers of supportive services that improve the quality of life for veterans and their families. If these services are approved by the voters through an election, memorial districts may allocate funding to assist veterans and their families with behavioral health services, counseling, social services, case management, affordable housing, and employment training and placement.⁵

FRESNO LAFCO MSR POLICY

A Municipal Service Review (MSR) is required in order to prepare or update a local agency’s sphere of influence. It is LAFCO’s observation that many special districts within Fresno County typically do not request or experience modifications to their service area or request an update or revisions to the Commission’s adopted SOI for the subject agency.

While the Commission is not required by law to make any changes to a SOI, it may, at its discretion, opt to reaffirm, expand, delete a SOI, or approve, deny, or approve with conditions any changes of organization or reorganization impacting the governmental agency as a result of the information gathered during the MSR update process.⁶

In accordance with GC sec. 56066, Fresno County is the principal county. Fresno LAFCo is responsible for updating the SOI for the District consistent with GC sec. 56425(g). In order to update the agency’s SOI, Fresno LAFCo has prepared this service review consistent with GC sec. 56430.

DISTRICT GROWTH AND POPULATION PROJECTIONS

Geographic Information System (GIS) files were derived from the U.S. Census Bureau to estimate a current population within the District service area. According to the ACS U.S. census tracts/block group units located within the District, there is an estimated total population of 190,000 people within the District’s boundaries.⁷ The census tracts/block group units do not

⁴ VMC code sec 1191(a).

⁵ Assembly Bill 671 (Chavez), MVC section 1191 (c) (1).

⁶ Fresno Local Agency Commission – Policy 107 – Municipal Service Review Policy.

⁷ Calculated population by LAFCo based on nine US census tracts, 4 block group units within the District. Americans Community Survey, 5-year estimates 2010-2014, November 27, 2017.

exactly match the District service area, but provide a basis for accounting the extent of the District's population and reviewing possible future demands for services in the areas served by the District.

Population concentrations inside the District are focused within the City of Clovis, and within the northeast and southeast portions of the City of Fresno. Less populated areas exist in the unincorporated areas of the District east and north of the metropolitan area. Within the District's service area, the City of Clovis, City of Fresno, and the County of Fresno are the land use authorities for their respective jurisdictions inside the District's service area.

Although the District's services do not directly facilitate or affect the rate, location of population development, support or induce population growth, the District informed LAFCo that it is developing a strategic vision plan that will identify opportunities for the District to expand its services to promote, advocate for, and honor all U.S. veterans.

The following description provides a narrative with regard to population projections, as planned by the land use authorities. LAFCo also references programs, policies, and projections adopted by the Fresno Council of Governments, a regional agency that undertakes comprehensive regional planning with an emphasis on transportation.⁸

City of Clovis

The City of Clovis is completely within the District service area, and the largest population growth is projected to occur within the City of Clovis' sphere of influence (SOI). According to the United States Census Bureau data, the City of Clovis has an estimated population of 102,148 people, and a housing stock of 36,604 units.⁹

The City of Clovis has experienced notable growth over the last ten years; the Clovis General Plan notes that the City uses a 2.96 percent annual growth rate assumption to forecast its future population growth.¹⁰ According to the Clovis' 2014 General Plan PEIR Population and Housing section, the City's population is anticipated to grow by 36,100 people by year 2035.¹¹ The majority of the Clovis' forecasted population growth would occur outside of the existing city limits and within the Clovis SOI. The City of Clovis plans for future urban land uses on 5,630 acres currently outside of the city limits within the Clovis SOI.

The Fresno Council of Governments (COG) provides growth projections for Fresno County and the spheres of influence of each of its cities for the period of 2015 through 2050. The 2017 Fresno County 2050 Growth Projections report was commissioned by the COG to assist with updating the Regional Transportation Plan as well as the Sustainable Communities Plan. The COG forecasts a 1.2 percent annual population growth rate assumption to forecast population

⁸ Fresno Council of Governments, Website, <https://www.fresnocog.org/about-cog/>.

⁹ U.S. Census, American Fact Finder – American Community Survey 5 year estimates, 2012-15, Clovis, California. Accessed, January 18, 2018.

¹⁰ City of Clovis, 2014 General Plan and Development Code Update, SCH#2012061069 Draft PEIR Section 5.13 Population and Housing, page 5.13-9.

¹¹ Ibid.

growth within the Clovis SOI.¹² According to the report, the areas within the Clovis SOI are projected to add 62,440 persons over the 2015-2050 period, based on this area's demographic attributes that influence birth rates and death rates, as well as anticipated migration patterns. According to Fresno COG estimates, the City of Clovis is projected to increase to 177,210 by 2050.¹³

City of Fresno

There are approximately 12,350 acres of the City of Fresno's northeast and southeast areas within the District of which less than 3,350 acres are situated in the Fresno city limits and developed with urban uses. The remaining 9,000-acres are located in the City of Fresno's Southeast Development Area (SEDA) SOI.

In 2006, the LAFCo conditioned future annexations within SEDA that are initiated by the city upon the adoption of a SEDA specific or community plan, preparation and adoption of a master service delivery plan, and preparation, and adoption and implementation of a program for annexing open space areas and rural residential areas.¹⁴ LAFCo observes that District's service area inside SEDA could not be annexed nor developed until the conditions are satisfied.¹⁵ The City of Fresno has scheduled to begin the SEDA planning process between during fiscal year 2018-2019.¹⁶ In the absence of a SEDA community plan, LAFCo does not expect any growth to occur in this area.

Unincorporated territory, County of Fresno

The majority of the unincorporated land in the District's service area is situated east of the Fresno-Clovis Metropolitan Area up to and including a portion of the Sierra foothills. A small portion of the District's service area is within the Fresno County General Plan's Sierra-North Regional Plan Area.

Other than the unincorporated community of Academy, there are no additional unincorporated communities within the District. Academy is sparsely populated and is situated approximately five miles east of Clovis, near the intersection of State Route 168, N. Academy Avenue and Academy Oaks Lane. The Fresno County General Plan designates the majority of the unincorporated land within the District's service area for agricultural uses and incidental rural residential. Substantial population growth is not anticipated in the future.¹⁷ LAFCo observes that the majority of the forecasted population growth will be directed to the cities and SOIs of Clovis and Fresno, which are already inside the District service area. According to the Fresno County General Plan, rural settlement areas surrounded by agricultural and open space have historically experienced little growth since their establishment.

¹² Table 21- Projection of Total Population: Fresno County and Local Jurisdictions: 2015-2050, Fresno County 2050 Growth Projections, Fresno Council of Governments, https://www.fresnocog.org/wp-content/uploads/publications/Demographics/Fresno_COG_2050_Projections_Final_Report_050417.pdf

¹³ Ibid.

¹⁴ City of Fresno 2016 MSR update, page 29. Adopted by Fresno LAFCo July 13, 2016.

¹⁵ An exception supported by the City of Fresno, Fresno County, and approved by Fresno LAFCo was reorganization RO-15-02, an annexation initiated by landowner petition from Mr. John Bonadelle.

¹⁶ City of Fresno, City Council Resolution No. 2016-105, adopted June 9, 2016.

¹⁷ County of Fresno, General Plan Agriculture and Land Use Element, page 2-26.

The Fresno COG forecasts a 0.4 percent annual population growth rate assumption to forecast population growth in unincorporated areas outside of cities' SOIs.

The local agencies in and around Clovis share a significantly cooperative history, coordinating and supporting each other's growth and development. This next section will examine this relationship to explain the veteran District's current and desired boundaries.

Clovis Unified School District

A comparison between Clovis Unified School District's (CUSD) historical boundary maps and LAFCo's record of the District's boundaries shows that both agencies' boundaries concurred up until late 1988. In 1989, CUSD's elementary school boundaries were expanded to add the Friant/Millerton area, while additional changes between 1993 and 2000 added Tarpey Village, Millerton Newtown, Auberry, and Pinedale into the school district's boundaries.¹⁸

LAFCo's 2007 District MSR noted that the District desired a SOI revision that would coincide with CUSD's boundaries. The 2007 MSR concluded with a recommendation that the District submit a proposal to LAFCo to expand its SOI. A depiction of the agencies' boundaries and the area of interest are shown on **Figures 2 and 3 - District Vision Plan Area**. The District's interest in expanding its SOI was the product of conversations between the board members of the District and CUSD. These resulted in verbal agreements that the CUSD's old Friant Elementary School site would be donated to the District to serve U.S. veterans living in the Friant/Millerton communities.¹⁹ Although the school site is within the CUSD's boundaries, it is not within the District's service area or SOI. The 2007 MSR noted that a SOI revision is necessary in order for the school site to be annexed into the District.

The CUSD's interest in this arrangement changed with board member turnover. To date, the Friant Elementary School site remains closed, the school site was not donated to the District, nor was an application submitted to LAFCo that supports a SOI revision.

On April 5, 2018, LAFCo staff provided the Clovis Veterans Memorial District a presentation that touched on the importance of establishing a District long-range vision plan that memorializes the District's plan of outward growth. Such a vision plan would be developed with community and stakeholder input and should inform affected landowners and local agencies of the District's growth plans, report on necessary funding resources, and stages necessary resources to annex territory into its service area. Even though the District does not have current plans or policies in place that support an SOI revision, the District board reaffirmed its desire of outward growth.

At the conclusion of LAFCo's presentation, the District board adopted resolution to affirm its current boundaries and continue coordination with CUSD to develop a plan to consider expansion of CVMD's boundaries to coincide with CUSD when the school opens a new location outside of CVMD service area.

¹⁸ Clovis Unified School District, Historical Boundary Maps, via electronic communication with Mr. Andrew Nabors, Sr. Analyst with CUSD's Development & Boundary Analysis Department. February 20, 2018.

¹⁹ LAFCo's 2007 CVMD MSR and LAFCo communication with board members at the April 5, 2018 District Board Meeting.

Figure 2 – District Vision Plan Area

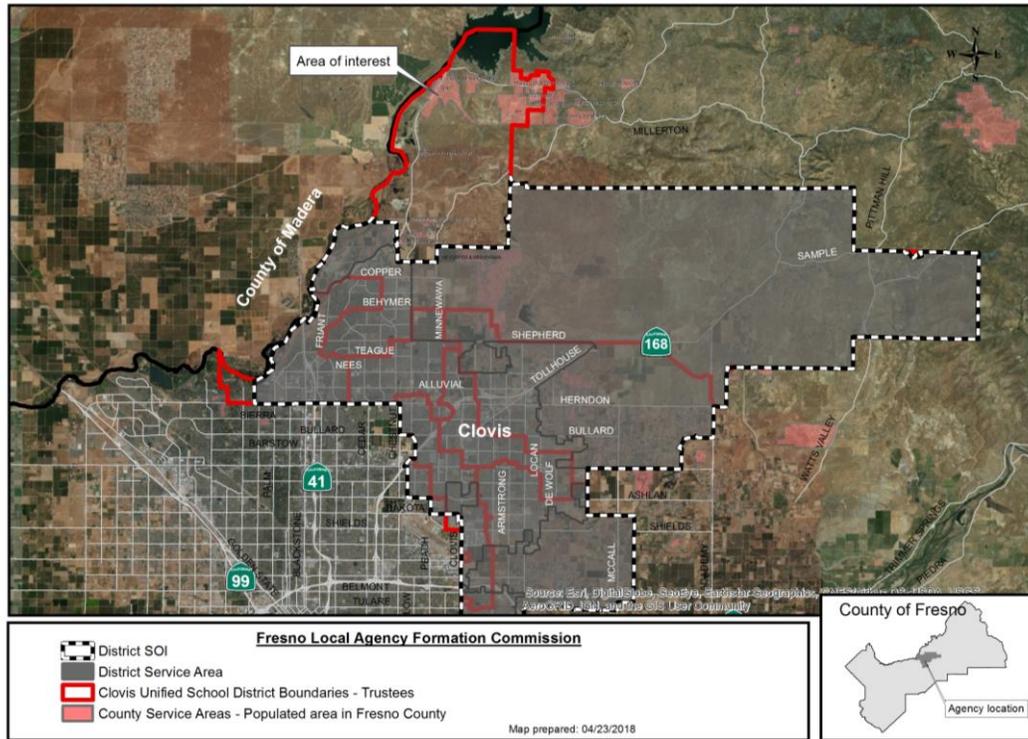
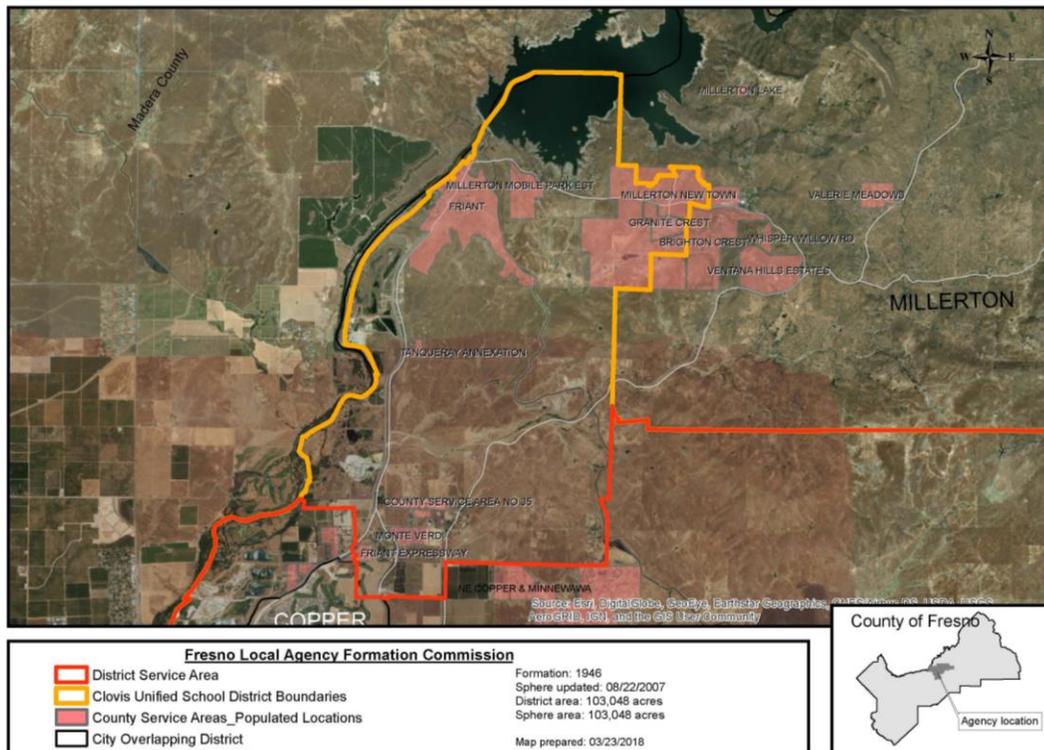


Figure 3 - District Vision Plan Area



DISADVANTAGED UNINCORPORATED COMMUNITIES

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) requires LAFCo to make determinations regarding "disadvantaged unincorporated communities" ("DUCs") when considering a change of organization, reorganization, SOI expansion, and when conducting municipal service reviews.

For any updates to a SOI of a local agency (city or special district) that provides public facilities or services related to sewer, municipal and industrial water, or structural fire protection, the Commission shall consider and prepare written determinations regarding the present and planned capacity of public facilities and adequacy of public services, and infrastructure needs or deficiencies for any disadvantaged unincorporated community within or contiguous to the SOI of a city or special district.

GC sec. 56033.5 defines a DUC as: i) all or a portion of a "disadvantaged community" as defined by sec. 79505.5 of the Water Code (territory with an annual median household income (MHI) that is less than 80 percent of the statewide annual median household income and as defined in GC sec. 56046 and WC sec. 79505.5); and a status of ii) "inhabited territory" (12 or more registered voters), as defined by GC sec. 56046, or as determined by Commission policy. Fresno LAFCo policy further refines the definition of a DUC as having at least 15 dwelling units at a density not less than one unit per acre.

Geographic Information System (GIS) files were derived from the US Census Bureau's American Community Survey (ACS) compiled for the five-year period 2010-2014 to identify the demographic composition for the various census geographies. Although the ACS provides annual and three-year estimates, the five-year reports between years 2010-2014 provide more precise data and mapping information for analyzing small populations. The five-year reports are the most reliable form of information generated by the US Census bureau.²⁰ The statewide MHI reported for years 2010 through 2014 was \$61,489. Hence, the calculated threshold for a DUC is any geographic unit with a reported MHI that is less than \$49,191. The census block group data was utilized to provide the economic and population backgrounds for this section of the MSR.

A large portion of District is located within census geographic units that exceeds the threshold for Disadvantaged Communities as defined by California Water Code section 79505.5. For the purpose of this MSR, LAFCo did not identify any geographic locations that satisfied the commission's DUC definition per LAFCo policy 106. Residents within the District's service area are equally eligible to benefit from the District's services.

²⁰ US Census Bureau, http://www.census.gov/acs/www/guidance_for_data_users/estimates/.

DISTRICT INFRASTRUCTURE

The District owns and operates various public facilities that consist of the District's headquarters, memorial halls, memorial gardens, and monuments. The District owns the following public facilities:

Clovis Veterans Memorial Building (CVMB) - Built in 1951, the CVMB is located at 808 Fourth Street, Clovis, Ca 93612. The CVMB is the District's premier facility and it houses the District's administrative offices. Throughout the years, the building has hosted local and regional events, from conferences to high school dances to private wedding receptions. In 2007, the building underwent extensive update, remodeling, and renovation. The CVMB is now comprised of over 20,000 square feet across 10 conference rooms, open patios, three-kitchen areas, a garden of honor, a grand ballroom, and an auditorium.

The District informed LAFCo that its CVMB's rooms and facilities are rentable for public and private meetings and banquet events, and the facility itself can serve as a public shelter in case of emergency. Regular facility customers include Veterans of Foreign Wars, American Legion, City of Clovis, Clovis Unified School District, Sierra Resource Conservation District, California Division of Forestry, and the Fresno Metropolitan Flood Control District.

Community Heritage Center Building (CHC) - CHCB is located north of Third Street and east of Clovis Avenue, in Old Town Clovis, 299 Clovis Avenue, Clovis, Ca 93612. The CHCB facility is located in the former "Gary O" building, a landmark in Old Town Clovis. The CHCB features a large meeting area that can accommodate up to 350 people along with four conference rooms. The District uses this facility as an educational center to honor the region's history various programs and events, local veterans' war experiences, and provide a platform for United States veterans to communicate their broader story through revolving exhibits and technology. In 2017, the facility underwent a major renovation to include a museum area.

Innovation Center Facility (ICF) - The ICF is located south of Third Street and west of Veterans Parkway in Old Town Clovis. This facility is comprised of three buildings situated along 318 through 322 Veterans Parkway, in Old town Clovis. The District designates the ICF facility as its warehouse center, which includes upstairs office spaces and classroom facilities. The ICF facility is also used by the Clovis Culinary Center (CCC), a licensed commercial kitchen that provides training programs, commercial size cooking facilities, and a food preparation facility for local food-related entrepreneurs, with an emphasis in small businesses. The CCC also provides training programs to enable entrepreneurs to research new products, develop and expand marketing strategies, and receive financial management advice to help, start and expand their business. This facility is one of the first of its kind in the San Joaquin Valley region that supports emerging entrepreneurs and serves as a way to assist area veterans to gain access to CCC through free or reduced-cost memberships.²¹

²¹ Northern California Community Loan Fund, News: Clovis Culinary Center Opening in Late 2016 to Support Food Entrepreneurship. <https://www.ncclf.org/clovis-culinary-center-opening-in-late-2016-to-support-food-entrepreneurship/>.

The District owns five public displayed memorials that commemorate the sacrifices made by veterans serving the county. The memorials honor the veterans and provide patriotic landmarks within the Clovis area.²² The five monument displays are summarized as follows:

- The *Last Full Measure of Devotion* is located outside the District's headquarters on 808 Fourth Street, Clovis. The memorial recognizes veterans of different wars or battles though our nation's history as well as the internment of Japanese Americans during World War II.
- The *Garden of Honor* was built in 2008 and is located within the District's headquarters facility. The monument is a remembrance of Clovis Veterans who paid the ultimate price serving our country in World War I, World War II, Vietnam, Korea, Iraq, Afghanistan, and the Persian Gulf.
- *On behalf of a Grateful Nation* is a human scale monument located at the District's headquarters facility. Five life size figures represent each different military branch and of different eras in USA history.
- *Trust in me, My Friend* is located at 85 Temperance Avenue in Clovis, near the Miss Winkles Pet Adoption Center. The monument recognizes the friendship between veterans and military dogs that have served the county during wars.
- *Pinedale Assembly Center Remembrance Plaza* is located at 625 W. Alluvial Avenue, in Fresno. The remembrance plaza honors the 4,800 Japanese-Americans who were interned near the formerly unincorporated community of Pinedale from May to July of 1942.

The District informed LAFCo that it also owns various equipment and machinery distributed throughout its facilities, which generally consists of:

- Trailer mounted mobile wash skits
- Tennant R-14 extractor
- Power tug pallet jack
- 2013 Carson
- Custom built parade float
- 2001 Chevrolet truck

The District owns 13 legal parcels that, when combined, amount to approximately four acres of land-consisting parcels. Its public facilities are located within the Clovis area; with one being a 0.16 acre parcel situated in the northeast portion of the City of Fresno. Within the Clovis area, parcels owned by the District include:

- APNs: 492-174-04T, 07T;
- 492-17-305T,06T, 13T, 14T, 09T, 10T, 11T;
- 492-172-06T, 5T;
- 492-171-02T; and
- 492-171-06T.

Parcel owned by the District in the City of Fresno:

- 405-550-85T

²² Clovis Veterans Memorial District's Memorial, <http://www.cvmddistrict.org/our-memorials>.

DISTRICT FINANCES

Consistent with its policies, the District prepares and adopts an annual budget before July 31st of each year. The District's budgets include anticipated revenue and expenditures for the forthcoming fiscal year (FY) which begins July 1st and concludes June 30th of each year. The District reports its financial activities using a General Fund – the District's major operation fund that accounts for all the agency's financial activities. The budget includes the District's goals, objectives, and projects supported by the board of directors' for the upcoming year.

The District's annual budget is adopted during a duly-noticed public hearing on or before July 31st of each year. The District accounts for various revenues and anticipated expenditures by budget line items. During the year, the District staff provides its board members with a mid-year report and a comparison of its previous year's financial activities to monitor the District's financial trend during the year. The budgets may be revised by the District's Board during the year to consider unanticipated income deficits and/or expenditures. During the preparation of this MSR, the District provided LAFCo a copy of its adopted budgets for the FY 2014-2015, FY 2015-2016, FY 2016-17.

The District's primary source of revenue is its share of the 1% property tax charged to all parcels within the District's boundaries by the Fresno County Auditor-Controller/Treasurer-Tax Collector. For example, in FY 2017-18 the District received \$2,979,064 in property tax revenue. In the past eight years, land within the District (primarily in City of Clovis) has increased value associated with building permit activity and new residential and commercial projects. Equally, LAFCo notes that the District's annual tax base revenue has slightly increased because of land based improvements. LAFCo reviewed the District's tax based revenue (revenue received by District from its share of 1% tax) trend for the past eight year; the data shows that the District tax base revenue increased by an average of 4% due to improvement projects that contribute to higher land valuation. (i.e. increased building permit activity or through conversion of agricultural land to urban land uses.)

The District also generates revenue from user fees generated from facility rental fees and services, intergovernmental agreements, operation grant via community contributions, and capital grants.

The District's fund balance at the beginning of fiscal year 2015-16 (beginning July 1, 2015) was \$1,795,522, and the District ended the year on June 30, 2016 with a fund balance amount of \$2,878,130.

According to the District's FY 2016-17 budget, total district revenue amounted to \$3,217,773, while total expenditures amounted to \$3,620,011, resulting in a deficit of approximately \$402,238. Additional information is provided later in this section referencing the District's audited financial statements for year ended on June 30, 2016.

The District informed LAFCo that its annual tax-based revenue provides approximately 82 percent of the District gross revenue. However, property tax-based revenue is not sufficient to fund the District's operation and capital improvement costs. The District therefore relies on user rental fees and community contributions to close the gap between revenue and expenditures. According to the District, this gap was the product of earlier budget practices that

frequently predicted higher annual revenues than were actually attained with the District's pre-2016 room rental fees, tax-based revenue, and contributions.

A second factor that contributed to the deficit was the unanticipated expense of mandatory compliance with the Americans with Disabilities Act, which required substantive facility improvements that exceeded the District's adopted FY 2016-17 budget.

To address the first factor contributing to the deficit, the District informed LAFCo that new management strives to improve its budgeting methods, and forecasts considerably more conservative and achievable revenue estimates. The District anticipates that its new conservative approach will assist to balance its revenues and anticipated expenditures moving forward.

For example, the District board undertook a major fee study in 2016 that evaluated its room rental trends during the months of October, November, and December of calendar year 2015. Based on the District's data analysis, on June 14, 2016, the Board unanimously voted to increase rental fees to balance ongoing facility maintenance and improvement costs. The District has an adopted fee schedule that accounts for facility rental rates by various categories: District resident rates, out of District rates, public agency, and/or non-profit organizations rates based on its tax-exemption number issued by the Internal Revenue Services (IRS). The District's revised fee schedule became effective July 1, 2016.

The District provided LAFCo with its most current independent financial statements for fiscal year 2015-16 (ending on June 30, 2016) prepared by an independent Auditor/Certified Public Accountant. The auditor's report provides LAFCo an overview representation on the District's financial practices and financial controls.

According to the District's audited financial statements for FY 2015-16, actual total revenue amounted to \$3,319,460 and actual total expenditures amounted to \$2,236,852. The audited financial statements notes that the District ended the year with revenue of \$883,864 over the approved expenditures. The District received the largest revenue stream from property tax revenue and room rental fees with the largest expenditure were salaries, retirement plans, insurance, facility repairs, and utilities. During the same FY, the District exceeded anticipated expenditures in the following budget line items: Facility Security, Capital Improvements (Cook Land Company - Rental), and Debt Services.

The District sole debt item is a lease-to-own contract for the "Gary O" building located at 299 Clovis Ave, Clovis. The District anticipates the debt will be retired November 30, 2023.

The audited financial statement report indicates that at the time the financial audit was preformed, the District's financial practices conformed with the generally accepted accounting principles (GAAP), state laws and regulations, and its own internal policies. The District annually files its audited financial statements with the Fresno County's Auditor Controllers /Treasurer-Tax Collector's Financial Reporting and Audits Department consistent with State law.

PUBLIC FACILITIES, OPPORTUNITIES FOR SHARED FACILITIES

This section of the MSR considers the use of shared facilities, and their potential to offset costs or promote greater efficiency in provision of services within the region. The District service area overlaps with the following types of special districts:

- Clovis Cemetery District
- Clovis Unified School District
- City of Clovis
- City of Fresno
- Consolidate Mosquito Abatement District
- County Service Area No. 35 (Road Maintenance)
- County Service Area No. 51 (Dry Creek (inactive))
- County Service Area No. 44, Zone of benefit D (Monte Verdi Development)
- County Service Area No. 47 (Quail Lakes)
- Fresno County Fire Protecting
- Fresno County Library District
- Fresno Irrigation District
- Fresno Metropolitan Flood Control District
- Garfield Water District
- International Water District
- Kings River Conservation District
- Sierra Resource Conservation District
- Waterworks District No. 42
- West Fresno County Red Scale District

The District already benefits from various forms of shared public facility agreements. Furthermore, the District has an adopted policy that establishes its core values with regard to its facilities being shared with local agencies, community, and individuals to promote and advocate its underlying principles and to honor veterans.

The District has a joint powers agreement (JPA) with the City of Clovis' Senior Center to provide recreational service programs to senior veterans as well as other senior citizens.

On local and national holidays that honor the United States armed forces and veterans, the District places U.S. flags at graves sites to honor the veterans that have been interned at the Clovis Cemetery District's cemetery site located at 305 N. Villa Avenue, Clovis 93612.

The District has a memorandum of understanding with the Clovis Unified School District that allows the school district to use the Clovis VMD's facilities for school related functions such as Class Reunions, Booster Groups for sports, school band, and conferences, etc.

Other agencies that have used the Clovis Veterans Memorial District's facilities and benefit from shared facilities with the District, include but is not limited to:

- Fresno Metropolitan Flood Control District
- San Joaquin Valley Air Pollution Control District
- Kings River Conservation District
- Sierra Resource Conservation District, District board meetings.

- Religious Organizations – Knights of Columbus, The Salvation Army, Christian Organizations, Islamic Organizations, Protestant Organizations, Jewish Organizations, etc.
- American Vets, VFW, American Legion, Disabled American Veterans, Military Order of the Purple Heart, Marine Corps League, Navy League, etc.

GOVERNMENT ACCOUNTABILITY

This section of the MSR considers various topics, such as compliance with state disclosure laws, the Brown Act, public participation, i.e. open meetings, accessible staff, election processes, and the agency’s governing structure. Additionally, this section of the MSR considers the agency’s level of participation with the commission MSR program.

The District operates under the authority granted by Memorial District Law, which requires each memorial district to have a board comprised of at least five members to govern the District’s operation. At least three of the five available seats on the District board must be designated for veterans as required by VMC section 1197.

Furthermore, consistent with Memorial District Law, the District has adopted policies and procedures in place that provide a full disclosure for board members, staff, and the public about how the District conducts its business. These Clovis Veterans Memorial District Board Policies are regularly reviewed and updated by the board when necessary. The District also has adopted guidelines, rules and regulations, and operating guidance documents that establish the District’s purpose, government hierarchy, officer titles, staff responsibilities, and District board meetings details.

The District is an independent special district governed by a five-member board of directors, and functions independently from the County of Fresno. The District is not governed by another legislative body (either a city council or a county board of supervisors). Members of the board are elected at large and eligible candidates must be a registered voter, resident within the district boundaries, and a minimum of three board seats must be designated for veterans.

Board members are responsible for exercising powers granted by statute and their independent judgement on behalf of the interests of residents, property owners, veterans, and the community as a whole. As elected officials, board members are accountable to the voters in the District. The current District board of directors’ terms are staggered and three board seats are set to expire in 2018 and two in 2020. LAFCo could not determine the District’s last contested election date. Based on available information all board members have been appointed by the Fresno County Board of Supervisors, nominated by the District 5 Supervisor, in lieu of elections.

Each trustee is required to take the oath of office prior to being appointed to the District’s Board and file a Form 700s – Statements of Economic Interests—upon taking office, annually, and upon leaving office. Form 700s are disclosures of personal economic interest, help to ensure that financial conflict of interest is avoided. Every two years, board members are required by District policy to participate in training that cover general ethics principles and specific laws concerning conflict of interest, prerequisites for of office and government transparency. The District informed LAFCo that all board members have satisfied these training requirements.

District board members serve as volunteers and do not receive a compensation for attending district board meetings; however, consistent with District policies, board members are entitled to be compensated for expenses incurred while performing their duties as board members, such as travel time for training seminars, workshops, or conferences.

The District's vision and commitment to the community is memorialized through its adopted mission statement, which states: *"The mission of the Clovis Veterans Memorial District ("CVMD) is to provide a permanent living memorial honoring U.S. Military and Veterans; provide facilities and support programs to promote a legacy of service for preserving our communities and countries foundational ideals."*

During the preparation of this MSR, LAFCo found that the District's information is readily available and access to its public record can be easily be attained through the District's website: <http://www.cvmdistrict.org/about-us>. Informal District information and community events can also be found on the District's social media accounts: Facebook, Instagram, and Twitter.

The District's office and main facility is located on 808 Fourth Street, Clovis, Ca 93612. The District's hours of operation are from 8:30 a.m. through 6:30 p.m., Monday through Friday, excluding major holidays. The District's facilities are occasionally open on weekends, when either private or public room rental agreements are in place. The District provides staff members on those specific dates to monitor, secure (open and close facilities), and assist rental customers with any questions or concerns that arise.

Regular District board meetings are held at 6:00 p.m. on the second Thursday of each month at the Clovis Memorial District Building located at 808 Fourth Street, Clovis, Ca 93612. The board has the discretion to shift the date, time and place of its regular board meetings provided that there is adequate notice provided to the public. All board meetings are subject to the Ralph M. Brown Act and are noticed consisted with that act. Prior to any board meeting, an agenda listing all items to be transacted by the board is prepared, and posted 72 hours in advance for public review at the District office main entrance. Agendas for special meetings are posted at least 24 hours before the meeting, and interested parties are contacted by District personnel. District board meetings are open to the public. Each agenda includes an opportunity for the public to address the board on items not on the agenda, and within the jurisdiction of the District. Individuals or organizations interested in addressing the District board are encouraged to contact District staff first so that staff can identify a date to be places on an agenda.

Meetings of the board of directors are conducted by the chairperson in a manner consistent with the policies of the District, and the latest edition of Robert's Rules of Order. The District board annually elects one of its members to serve as president, vice-president and board secretary.

The District chairperson presides at all meetings of the board, and announces its decision on all subjects, and decides all questions of orders, subjects, and signs all board ordinances and resolutions and contracts approved by the District board. The chairperson also perform any other duties imposed by the board, after first receiving approval by at least three members of the board. In the absence of the chairperson, the vice-chairperson assumes all duties of the chairperson. The board secretary countersigns all contracts on behalf of the district and perform any other duties prescribed by the majority of the board. The board secretary keeps

the record of all the board meetings, and acts as secretary at all board meetings and records the minutes, votes, and prepares board agendas. The board secretary is the custodian of the District record, and maintains a record of all official proceedings. The board secretary is also tasked with the responsibility to prepare the District's annual financial report that discloses the District's financial condition and operations during the preceding year.

The District has appointed a Chief Executive Officer responsible to carry out the District's day-to-day operation, implement District policies, and oversee supporting staff and the District's public facilities. The Chief Executive Officer manages the overall operation of the District, including but not limited to arranging facility maintenance services, drafting rental contracts, and management of the District's financial accounts, billings, and payroll. The Chief Executive Officer administers the District's expenditures, and oversees the District's facilities and maintenance needs. The Executive Officer is assisted by a Director of Operations as well as 11 full-time employees, 8 part-time employees, and 10 volunteer/interns.

The District is an active member of the California Special District Association (CSDA) Central Valley Local Chapter of CSDA (CVLC), and Special District Risk Management Authority (SDRMA). The CSDA is the association that provides a strong voice for all independent special districts in the State by promoting legislative representation, educational resources, and special district support and collaboration.

As of April 2017, the CVLC was formed which encompasses all of Fresno, Kings and Tulare counties to provide a local forum for member districts to discuss and consider issues of importance to special districts. The CVLC was formed to provide local workshops, educational seminars, and programs of mutual interest and benefit to its members. CVLC is CSDA's 14th affiliated chapter in California.²³ LAFCo notes that Clovis Veterans Memorial District has been very influential and instrumental with the formation and success of the CVLC of CSDA.

The SDRMA is a public agency formed under California GC section 6500 et seq. and provides a full service risk management program for California's local governments. SDRMA provides local agencies with comprehensive coverage protection for workers' compensation, general liability, public officials errors and omissions, employment practices liability, auto, property, boiler and machinery, mobile equipment and crime and fidelity coverage. In addition, SDRMA provides local agencies with access to a health benefits program including medical, dental, vision, and life.

The District's government structure is appropriate to ensure adequate services are provided and managed. At the time preparing this MSR, the District's government structure appears to be adequately structured, operates, and fulfills its role as a services provider within the Clovis – Fresno area, and beyond.

ANY OTHER MATTERS RELATED TO EFFECTIVE OR EFFICIENT SERVICE DELIVERY

None.

²³ Central Valley Local Chapter of CSDA, <http://www.csdanet/about-csda/csda-chapters/central-valleylocal-chapter-csda/>.

2. MSR DETERMINATIONS

This portion of the report addresses the factors specified in the governing statute for Municipal Service Reviews and provides analysis in conformance with GC section 56425 and Fresno LAFCo policy. Pursuant to GC section 56430, the commission has prepared the following written determinations.

1. GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA

- Population concentrations within the District are focused within the City of Clovis and the northeast and southeast portions of the City of Fresno. The unincorporated areas of the District are sparsely populated.
- According to the U.S. Census - American Community Survey 5-year Estimates, for the years 2010-2014, there is an estimated total population of 190,000 people within the District's boundaries.
- Commission policy for determining spheres of influences uses a 20 to 25-year planning horizon.²⁴
- District services do not directly facilitate or affect the rate of growth, location of population development, support or induce population growth. District growth will occur through expansion of its existing facilities or the purchase/lease of real property within the District boundaries.
- The District is interested in a future SOI revision that would expand its boundaries to coincide with Clovis Unified School District's (CUSD) boundaries to coordinate its expansion of services with CUSD's new school opening/construction schedule for the Friant/Millerton area.

2. THE LOCATION OF AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITY WITHIN OR CONTIGUOUS TO THE SPHERE OF INFLUENCE

- LAFCo did not identify any DUCs within the District's boundaries as defined by Fresno LAFCo policy during the preparation of this report.
- As authorized by its principal act, the District maintains memorial halls, assembly halls, buildings, public facilities, and provides a permanent living memorial honoring U.S. Military and Veterans. For the purposes of this section, services provided by the District are not related to public facilities or services related to sewers, municipal and industrial water, or structural fire protection.

3. PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES AND INFRASTRUCTURE NEEDS OR DEFICIENCIES

- The District owns various public facilities that include, the Clovis Veterans Memorial Building, Community Heritage Center Building, and Innovation Center Facility.

²⁴ Fresno LAFCo policy 107-03.

- The District’s facilities have served as host to local and regional events, from conferences to high school dances, and private wedding receptions.
- The District owns equipment, tools, and machinery needed to maintain adequate public facilities and fulfill its responsibility within the Clovis area. The District’s management and board annually review and identify the District’s infrastructure needs, repairs, and improvements expenditures and allocates funding for the upcoming year.
- The District owns 13 legal parcels located within the District’s service area. Combined, the land amounts to approximately four acres.
- The District’s facilities are adequate to meet current demand. However, the District is preparing a planning process to determine its long-range service needs and estimate the actions needed to address these needs.

4. FINANCIAL ABILITY OF AGENCY TO PROVIDE SERVICES

- Consistent with the District’s policies, the District prepares and adopts an annual budget before July 31st of each year. The District’s budgets include anticipated revenues and expenditures for the forthcoming fiscal year (FY) which begins July 1st and concludes June 30th of each year. The budget includes the District’s goals, objectives, and board of directors’ supported projects for the upcoming year.
- The District’s primary source of revenue is the annual property tax charged to all parcels within the District’s boundaries. The District receives its share the 1% property tax based on its pre-Proposition 13 level of taxation through the Fresno County Auditor-Controller/Treasurer–Tax Collector.
- District staff provides its board members a mid-year report and a comparison of its previous year’s financial activities to monitor the District’s financial trend during the year. The budgets may be revised by the District’s Board during the year to consider unanticipated income deficits and/or expenditures.
- For Fiscal Year 2015-16, the District’s total revenue amounted to \$3,319,460 and actual total expenditures amounted to \$2,236,852. The audited financial statements notes that the District ended the year in a positive; and, \$883,864 over the approved District budget.
- The District’s annual tax-based revenue provides approximately 82 percent of the District annual financial support. The District’s facility rental fees and community contributions provide supplemental revenue for the District.
- The District has an adopted facility rental fees schedule. In 2016, the District evaluated its room rental trends through a major fee study program. Based on the District’s data analysis, the District’s rental fee schedule was reassessed and on June 14, 2016, the Board unanimously voted to increase rental fees to balance ongoing facility maintenance and improvement costs.

- The District’s financial practices, as reported by the District’ audited financial statements, conformed to the generally accepted accounting principles (GAAP).
- At the time this service review was prepared, the District’s financial management practices and revenue activity indicated that the District annually secures adequate revenues to fund its anticipated operating expenditures.

5. STATUS OF, AND OPPORTUNITIES FOR, SHARED FACILITIES

- The District benefits from various forms of shared public facility agreements. Furthermore, the District has an adopted policy that establishes its core values with regard to its facilities being shared with local agencies, community residents, organizations, and individuals to promote and advocate its underlying principles and to honor veterans.

6. ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENT STRUCTURE AND OPERATIONAL EFFICIENCIES

- The District is governed by a five-member board of directors, elected at large, and functions independently from the County of Fresno.
- The District has adopted policies and procedures in place that provide a full disclosure to how the District conducts business for board members, staff, and the public.
- Every two years, board members are required by District policy to participate in training that cover general ethics principles and specific laws concerning conflict of interest, prerequisites for of office and government transparency. The District informed LAFCo that all board members have satisfied training requirements, as indicated by District policy and state law.
- District board members serve as volunteers and do not receive a compensation for attending district board meetings. District policies provide for board members to be compensated for expenses incurred while performing their duties, such as travel time for training seminars, workshops, or conferences.
- District’s information is readily available and access to its public record can be easily be attained through the District’s website: <http://www.cvmdistrict.org/about-us>.
- Regular District board meetings are held at 6:30 p.m. on the second Thursday of each month at the Clovis Memorial District Building located at 808 Fourth Street, Clovis, Ca 93612. Each agenda is posted 72 hours in advance of a board meeting for public review at the District office main entrance.
- Each board meeting agenda includes an opportunity for the public to address the board on items not on the agenda, and within the jurisdiction of the District. Individuals or organizations interested in addressing the District board are encouraged to contact District staff first so that staff can identify a date to be places on an agenda.

- The District has one appointed Chief Executive Officer responsible to carry out the District's day-to-day operation, implement District policies, and oversee supporting staff and the District's public facilities. The Executive Officer is assisted by a Director of Operations, as well as, 11 full-time employees, 8 part-time employees and 10 volunteer/interns.
- The District is an active member of the California Special District Association (CSDA) Central Valley Local Chapter of CSDA (CVLC), and Special District Risk Management Authority (SDRMA).
- The District's government structure is appropriate to ensure adequate services are provided within its service area.

7. ANY OTHER MATTER RELATED TO EFFECTIVE OR EFFICIENT SERVICE DELIVERY, AS REQUIRED BY COMMISSION POLICY

- None

3. SPHERE OF INFLUENCE UPDATE

When Fresno LAFCO updates, amends, or revises a sphere of influence for a local governmental agency within its purview, it must adopt specific determinations with respect to the following factors:

1. PRESENT AND PLANNED LAND USES, INCLUDING AGRICULTURAL AND OPEN-SPACE LANDS

- The City of Clovis and City of Fresno are the land use authorities within the incorporated areas of the District's service area. Their respective land use plans show a mix of urban land uses. The largest population growth is projected to occur within the City of Clovis' sphere of influence (SOI). The Cities of Clovis and Fresno general plans designate urban land uses for areas identified within their SOIs, respectively.
- The County of Fresno is the land use authority for unincorporated land located within the District. The Fresno County General Plan designates the majority of the unincorporated land within the District's service area for agricultural uses and incidental rural residential. Substantive planned population growth within the unincorporated area is generally limited to the existing communities of Friant and Millerton Newtown.

2. PRESENT AND PROBABLE NEED FOR PUBLIC FACILITIES AND SERVICES IN THE AREA

- Existing District facilities have sufficient capacity to meet the District's current service demand.
- The District informed LAFCo of its desire to serve U.S. veterans residing within the Friant Millerton Newtown areas. The District plans to develop a plan that identifies goals, public facilities, and necessary financial resources to establish public facilities within the communities of Friant and Millerton Newtown.

3. PRESENT CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES THAT THE AGENCY PROVIDES OR IS AUTHORIZED TO PROVIDE

- The District's facilities are adequate to continue supporting the District's mission of providing a permanent living memorial that honors U.S. Military and Veterans within the Clovis and Fresno area.

4. EXISTENCE OF ANY SOCIAL OR ECONOMIC COMMUNITIES OF INTEREST IN THE AREA IF THE COMMISSION DETERMINES THAT THEY ARE RELEVANT TO THE AGENCY

- As observed by LAFCo, there are no social or economic communities of interest that exist near the District relevant to the agency's service provisions.

5. THE PRESENT AND PROBABLE NEED FOR THOSE PUBLIC FACILITIES AND SERVICES OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN THE EXISTING SPHERE OF INFLUENCE

- For the purposes of this section, services provided by the District do not support growth or induce population growth. Services provided by the District would not present a direct benefit to a disadvantaged unincorporated community.

4. RECOMMENDATIONS

In consideration of information gathered and evaluated during the Municipal Service Review, it is recommended the Commission:

1. Receive this report and any public testimony regarding the proposed Municipal Service Review and proposed sphere of influence update.
2. Find that the Municipal Service Review is exempt from the California Environmental Quality Act pursuant to section 15306 (Information Collection).
3. Approve the recommended Municipal Service Review determinations, together with any changes deemed appropriate.
4. Approve the recommended sphere of influence determinations, together with any changes deemed appropriate.
5. Affirm the existing Clovis Veterans Memorial District sphere of influence.
6. That the Clovis Veterans Memorial District establish a vision plan that supports a SOI revision, sets measurable goals, provides policy direction, and evaluates its desire of outward growth.

5. ACKNOWLEDGEMENTS

This Municipal Service Review update was prepared by Fresno LAFCO. Supporting documentation was made available through the effective partnership between District staff and LAFCo. LAFCo extends its appreciation to the District for their assistance in the development of this Municipal Service Review.

Available Documentation – documents used for the preparation of this report consist of public records and are available at the Fresno Local Agency Formation Commission Office located at:

Fresno Local Agency Formation Commission
2607 Fresno Street, Suite B
Fresno, California 93721

The Municipal Service Review is available on Fresno LAFCo’s website, <http://www.fresnolafo.org/default.asp>