



Attachment B

Recommended Municipal Service Review Determinations City of Belmont, Belmont Fire Protection District and Related County-Governed Districts

1. Growth and Population Projections

- a. Growth projections for the City of Belmont range from 2,900 or 11% over 2010 Census population by 2035 and growth of 3,200 or 12.3% over 2010 by 2035. Projections are not available for individual unincorporated areas.

2. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies:

- a. The City of Belmont Adopted Budgets contain information concerning the City's Capital Improvement Plan, which provides for the construction, maintenance, and repair of City streets, traffic and transportation systems, public buildings, parks, water, storm drain and sewer systems, and other City facilities.
- b. The Harbor Industrial unincorporated area has infrastructure deficiencies in the area of flood control that require collaboration between the County of San Mateo and Cities of Belmont and San Carlos.
- c. Financing infrastructure improvements to serve existing development in unincorporated areas is dependent upon a new funding source such as an assessment, parcel tax or "pay as you go" funding common with new development.

3. Financial Ability of City to Provide Services

- a. The City of Belmont, like all California cities, has been impacted by effects of economic downturn and State shifts of local revenues and has undertaken a proactive, multi-year budget correction plan referred to as Corrective Action Plan.
- b. Measures to balance the budget include implementation of several budget correction plans that include use of reserves, program and service reductions, personnel reductions and freezing of salaries, service sharing and revenue enhancement.
- c. The City Council has an adopted policy on general fund reserves to maintain reserves of not less than \$2,000,000 and not more than 20 of operating budget.
- d. Unlike any other cities with fire and emergency response service responsibility, fire protection responsibility and funding is separate from the general fund of the City of Belmont by existence of the Belmont Fire Protection District (BFPD), a

subsidiary district of the City of Belmont. The BFPD receives a segregated share of the 1% property tax revenue and is not subsidized by City General Fund revenues.

- e. BFPD 2010-11 Revenue was \$6,470,122 and the District's Projected Year End Fund Balance is \$3,636,431. The lower range of estimated cost of service under the hybrid and contracting models are within the current year revenue range. The low range estimate of the stand alone model exceeds current year revenues by \$826,402.

4. Status of, and Opportunities for, Shared Facilities

- a. By necessity and best practice, the City of Belmont practices resource sharing and shared facilities with the County, cities and other agencies as detailed in the Municipal Service Review.
- b. At the writing of this report, the County, cities and special districts are considering various resource sharing and cost-cutting measures including but not limited to contracting and sharing services in the areas of police, fire and public works services to achieve efficiencies and economies of scale.
- c. Collectively the County of San Mateo, cities and fire districts spend \$185 million annually on fire protection and emergency response.¹ Salaries, health care and pensions are major cost drivers of fire and emergency response. In spite of long-standing practices of automatic aid and shared services, cost of service has grown in the face of diminished funding sources. The prolonged economic downturn and negative impact to funding sources and the pending dissolution of the Belmont San Carlos Fire Department underscore the need for the County, fire districts and cities to create further efficiencies, work toward sustainable regional service delivery and a stable governance model.

5. Governance, Accountability for Community Service Needs, including Governmental Structure and Operational Efficiencies

- a. The City of Belmont maintains an extensive website that provides access to City programs, documents and other information in a timely manner.
- b. The Council appointed boards, committees and commissions provide for public input and participation in a variety of city programs and services.
- c. Opportunities exist to collaborate with the County of San Mateo to annex areas in the City's sphere of influence that are surrounded by the City, that could benefit from City services and contribute to city property tax and other revenues.
- d. Opportunities exist to collaborate with the County of San Mateo to explore governance alternatives of the Harbor Industrial Sewer Maintenance District for more cost effective and efficient service and equitable rates.
- e. Existence of non-contiguous unincorporated neighborhoods creates inherent inefficiencies in provision of municipal services by the County including services

¹ Based on 2010/2011 appropriation budgets of the County Structural Fire Fund, cities and special districts that provide fire protection and emergency response. See attached table.

such as road maintenance, sewer service, police and fire protection and building inspection. For the City of Belmont, this includes the Harbor Industrial Area and, proposed for addition to the City's sphere a small area of Unincorporated Devonshire.

- f. Opportunities also exist for the County and City of Belmont to promote annexation of unincorporated areas to achieve efficiencies in service delivery and/or examine contract service provided by the agency best able to provide efficient service.
- g. The Belmont City Council has an adopted policy supporting a cooperative approach to annexation of the Harbor Industrial Association.
- h. Absent annexation, opportunities exist for the County and City of Belmont to examine alternatives in operation and governance of the Harbor Industrial Sewer Maintenance District operations for a more efficient and regional approach. These include: establishing sewer service as a subsidiary district of the City to provide for a subsidiary district with responsibility for sewer functions and sewer service for city territory and unincorporated areas in the City's sphere; the County contracting with nearby cities for sewer maintenance and operation; and expansion of the service of the South Bayside System Joint Power Authority (SBSA JPA) to transfer sewer operations and maintenance of sewer infrastructure of all entities that flow to the plant.