

APPROVED

Action Minutes

San Mateo Local Agency Formation Commission Meeting

May 20, 2015

In the Board of Supervisors' Chambers, 400 County Center, Redwood City, California, Chair Craig called the May 20, 2015 meeting of the Local Agency Formation Commission (LAFCo) to order at 2:34 pm.

1. Roll Call

Members Present: Commissioners Joshua Cosgrove, Rich Garbarino, Don Horsley, Ray Mueller (Alternate City Member), Ric Lohman (Alternate Special District Member), Adrienne Tissier, and Chair Linda Craig

Members Absent: None.

Staff Present: Martha Poyatos, Executive Officer
Rebecca Archer, Deputy County Counsel (arrived at 2:45 pm)
Jean Brook, Commission Clerk

2. Welcome to New Alternate City Member Raymond Mueller

Chair Craig welcomed Ray Mueller as the Alternate City Member from the City of Menlo Park.

3. Consent Agenda

Chair Craig noted that the Action Minutes for March 18, 2015 were corrected to include Commissioners O'Neill and Sheridan in the unanimous vote approving the March consent agenda.

Commission Action: Commissioner Garbarino moved approval of the consent agenda consisting of the Action Minutes: March 18, 2015, LAFCo File No. 15-01—Proposed Water Extension by the City of Redwood City to Assessor's Parcel Number 068-022-600 on Glenloch Way, LAFCo File No. 15-02—Proposed Water Extension by the City of Redwood City to Assessor's Parcel Number 057-031-180 on Cordilleras Road, and LAFCo File No. 15-03—Proposed Water Extension by the City of Redwood City to Assessor's Parcel Number 068-052-160 at 2535 Woodland Place. Commissioner Horsley seconded the motion, which passed unanimously. (Ayes: Commissioners Cosgrove, Garbarino, Horsley, Mueller, Lohman, Tissier, and Chair Craig; Noes: None; Abstentions: None.)

4. Public Comment for Items Not on the Agenda

None.

5. Consideration of Adoption of Proposed Net Operating Budget for Fiscal Year 2015-16

Executive Officer Poyatos noted that Deputy Counsel Rebecca Archer's arrival was delayed due to traffic.

Ms. Poyatos referred to the May 13 final budget staff report recommending adopting the budget of \$421,406. She noted that State law requires the budget be adopted in two phases: (1) a proposed budget that is circulated to the cities, County, and special districts for review and changes, and (2) recirculating the budget among the same groups for approval as the final budget. She said a third step involves amending the budget, which is based on estimated amounts, after July 1 based on the year-end actual fund balance.

Referring to Page 2 of the May 13 staff report, Ms. Poyatos noted that a deposit and contract for environmental review on an annexation to West Bay Sanitary District results in no net change to the Proposed Budget presented in March. She said there were changes to the estimated actuals for the memberships, meetings, conferences, legal advertisements, and County counsel resulting in an increase of \$3,367. Ms. Poyatos noted the attachment of last year's apportionment table from the Controller's office that cities and districts may refer to when preparing their budgets.

Ms. Poyatos said that an appropriation had been made in previous years for consultants to prepare Municipal Service Reviews. She said that while the current proposed budget for 2015-16 had no recommended amount for consultants, the Commission has the discretion to move funds from reserve into consulting if needed.

She stated that as requested at the March meeting, staff had done research regarding LAFCos' use of outside consultants. She noted that within the Bay Area, budgets ranged from Monterey LAFCo with \$850,000 annual budget appropriations and four full-time staff members who produce all service reviews in house to San Mateo LAFCo with a \$421,000 annual budget and 1.5 staff members who produce service reviews both in house and using consultants. She noted that staffing and spending are dependent upon the local conditions of each county and that San Mateo LAFCo's spending falls below the average of what agencies are spending in their budgets and consulting funds.

Ms. Poyatos recommended adopting the budget as proposed.

Commissioner Cosgrove requested that Ms. Poyatos email him the consulting research.

Commissioner Horsley asked if service reviews for 2015-16 would be handled by additional staff or by consulting contracts. Ms. Poyatos said the cities remaining to be reviewed include Foster City, Burlingame, Millbrae, Hillsborough, San Bruno, and South San Francisco. She added that second-round MSRs are expected to be less labor-intensive and will be done in house.

Commissioner Horsley asked if it would be prudent to allot some funds for consulting. Ms. Poyatos said she would prefer to have the Commission look at that when they have their revision after the year-end fund balance is actual.

Public Comment: None.

Commission Action: Commissioner Horsley moved to close the public hearing. Commissioner Garbarino seconded the motion, which passed unanimously. (Ayes: Commissioners Cosgrove, Garbarino, Horsley, Mueller, Lohman, Tissier, and Chair Craig; Noes: None.)

Commissioner Lohman commented on the budget going down as a welcome exception. Chair Craig noted that this was because of consultant funding not being included.

Commission Action: Commissioner Tissier moved to consider and adopt the Recommended Final Budget of \$421,406 for Fiscal Year 2015-16. Commissioner Lohman seconded the motion, which passed unanimously. (Ayes: Commissioners Cosgrove, Garbarino, Horsley, Mueller, Lohman, Tissier, and Chair Craig; Noes: None.)

6. Legislative Committee Report

Ms. Poyatos noted LAFCo Legislative Committee's letters of support for selected legislation. She mentioned that the Commission had adopted a policy authorizing the Committee to take positions in between scheduled LAFCo meetings if a timely response was needed for a position on a bill. She noted LAFCo's opposition to SB 239, which she said was currently undergoing some amendments.

Public Comment: None.

Commissioner Cosgrove asked if any more support letters would be going out in the near future. Ms. Poyatos said she hadn't received any more requests from CALAFCO.

7. California Association of Local Agency Formation Commissions (CALAFCO) Correspondence

a. Call for Nominations for Board of Directors for 2015-16

Chair Craig noted that both City Member and Public Member positions were available for nomination from the Coastal Region. Commissioner Garbarino expressed interest in applying for the City Member position. Chair Craig reminded the Commission that their support would be needed at the CALAFCO conference happening September 2-4 in Sacramento.

Commission Action: Commissioner Horsley moved to endorse and nominate Commissioner Garbarino as a City Member of the Coastal Region of the CALAFCO Board of Directors for 2015-16. Commissioner Tissier seconded the motion, which passed unanimously. (Ayes: Commissioners Cosgrove, Garbarino, Horsley, Mueller, Lohman, Tissier, and Chair Craig; Noes: None.)

b. Thank You Letter Regarding Participation in 2015 Annual Staff Workshop, April 15-17, Grass Valley

c. Report on Attendance at the Staff Workshop

Ms. Poyatos said that Commission Clerk Jean Brook benefitted from several sessions that focused on clerks. She said she attended a number of helpful sessions, including one on fire district solvency. She said the workshop is also a great opportunity to network with her Executive Officer peers from other counties.

Public Comment: None.

8. Continuity Report to the Civil Grand Jury Regarding the San Mateo County Harbor District

Ms. Poyatos noted that the purpose of a continuity report is to show that actual follow-up is taking place on an issue. She said this report had multiple recommendations for the Harbor District, one for LAFCo to initiate a Municipal Service Review (which is currently underway), and one for the County to apply to dissolve the District. She said it was recommended that the County would wait for the results from the service review before making a decision about initiating dissolution and that there would be more reporting to the Grand Jury as the review moves forward.

Chair Craig asked about the timing of the reporting. Ms. Poyatos said the report on the Harbor District will be released on May 27. She noted that LAFCo has been waiting for the District to complete their final budget adoption, that the District is in a state of flux due to staff changes and moving their office.

Public Comment: None.

9. Commissioner/Staff Reports

Ms. Poyatos discussed the progress of the outstanding Municipal Service Reviews. She mentioned that the North Counties review, which includes Pacifica, Daly City, Colma, Brisbane, and their underlying districts, would be released on May 21. She noted that staff would be conducting outreach at each of the agencies and ensuring that community groups have access to the report and that comments are requested by June 29. She anticipated that the report would be available for Commission consideration at the July 15 LAFCo meeting, as would the Harbor District report.

She noted that Los Trancos County Water District had applied for dissolution conditioned upon formation of a County Maintenance District. She said the District sold their water system to Cal Water in 2005, but as a pre-Proposition 13 district continued to receive property tax. She said the new plan involves the County, Midpeninsula Regional Open Space District, and Woodside Fire Protection District to ensure enhanced fire safety, stormwater runoff, and land management. She said that one complication of the reorganization is a parcel with a small lake and an undeveloped residentially zoned parcel within District boundaries that the community wishes to remain undeveloped. She said that successor agencies will take ownership of the property and hold conservation easements and noted that a consultant-prepared survey shows the community is supportive of the reorganization.

Public Comment: None.

Commissioner Horsley commended Chair Craig's and Ms. Poyatos's hard work on the project. He said the newly created county maintenance district will be of great service to the community.

Chair Craig said that the District commended Supervisor Horsley and the County Department of Public Works for their efforts as well. She noted that she attended the District board meeting where they voted to proceed with the dissolution as well as meetings of the Midpeninsula

Regional Open Space District. She said all the agencies involved are in agreement with moving forward with the reorganization.

Commissioner Garbarino expressed his appreciation of Chair Craig's support. Commissioner Horsley noted that Menlo Park Fire Protection District Board Vice President Rob Silano had been in the audience and proposed that the meeting adjourn in memory of his wife who had passed away a few days earlier.

10. Adjournment

The meeting was adjourned at 3:00 pm in memory of Barbara Silano.