



LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

MEETING

AGENDA

Wednesday, March 15, 2023

2:30 pm

Board of Supervisors' Chambers

Hall of Justice and Records

400 County Center

Redwood City, CA 94063

This meeting of San Mateo Local Agency Formation Commission (LAFCo) will be in person at the above mentioned address. Members of the public will be able to participate in the meeting remotely via the Zoom platform or in person at 400 County Center Redwood City, CA 94063. For information regarding how to participate in the meeting, either in person or remotely, please refer to instructions at the end of the agenda.

Hybrid Public Participation

The March 15, 2023 LAFCo meeting may be accessed through Zoom online at <https://smcgov.zoom.us/j/93703834059>. The webinar ID is: 937 0383 4059. The meeting may also be accessed by telephone by dialing +1 669 900 6833 (local) and entering webinar ID then #. Members of the public may also attend this meeting physically in the Board of Supervisor's Chambers at 400 County Center, Redwood City, CA 94063.

*Written public comments may be emailed to amontescardenas@smcgov.org, and should include the specific agenda item on which you are commenting.

* Spoken public comments will be accepted during the meeting in person or remotely through Zoom at the option of the speaker. Public comments via Zoom will be taken first, followed by speakers in person.

***Please see instructions for written and spoken public comments at the end of this agenda.**

ADA Requests

Individuals who require special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the agenda, meeting notice, agenda packet or other writings that may be distributed at the meeting, should contact Angela Montes, Commission Clerk, as early as possible but no later than 10:00am the day before the meeting at

(OVER)

COMMISSIONERS: ANN DRAPER, CHAIR, PUBLIC ▪ VACANT, VICE CHAIR, SPECIAL DISTRICT ▪ HARVEY RARBACK, CITY ▪ TYGARJAS BIGSTYCK, CITY ▪ WARREN SLOCUM, COUNTY ▪ RAY MUELLER, COUNTY ▪ KATI MARTIN, SPECIAL DISTRICT

ALTERNATES: CHRIS MICKELSEN, SPECIAL DISTRICT ▪ ANN SCHNEIDER, CITY ▪ JAMES O'NEILL, PUBLIC ▪ NOELIA CORZO, COUNTY

STAFF: ROB BARTOLI, EXECUTIVE OFFICER ▪ SOFIA RECALDE, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪ ANGELA MONTES, CLERK

amontescardenas@smcgov.org. Notification in advance of the meeting will enable the Staff to make reasonable arrangements to ensure accessibility to this meeting, the materials related to it, and your ability to comment.

*All items on the consent agenda may be approved by one roll call vote unless a request is made at the beginning of the meeting that an item be withdrawn. Any item on the consent agenda may be transferred to the regular agenda.

1. Roll Call
2. Oath of Office for New Commissioners Appointed
3. Public Comment for Items Not on the Agenda
4. Consent Agenda*
 - a. Approval of Action Minutes: January 18, 2023 pg. 5

Public Hearings

5. Adoption of Special Study for the Broadmoor Police Protection District pg. 10
6. Consideration of Adoption of Proposed Work Program and Draft LAFCo Budget for Fiscal Year 2023-2024 pg. 98
7. Consideration of Revised LAFCo Schedule of Processing Fees pg. 113

Regular Agenda

8. Consider approval of the draft audit prepared by O'Connor & Company of the San Mateo Local Agency Formation Commission's Financial Statements for the Fiscal Year ending June 30, 2021 pg. 120
9. Consideration Authorizing the Executive Officer to Execute an Engagement Letter with O'Connor & Company for auditing services for the Fiscal Year ending June 30, 2022 pg. 151
10. Consideration of Appointment of Vacant LAFCo Vice Chair pg. 158
11. Legislative and Policy Committee
 - a. Legislative Report – Information Only pg. 159
12. Commissioner/Staff Reports – Information Only
13. Adjournment

***Instructions for Public Comment During Teleconference Meetings**

During LAFCo hybrid meeting, members of the public may address the Commission as follows:

***Written Comments:**

Written public comments may be emailed in advance of the meeting. Please read the following instructions carefully:

1. Your written comment should be emailed to amontescardenas@smcgov.org.
2. Your email should include the specific agenda item on which you are commenting, or note that your comment concerns an item that is not on the agenda or is on the consent agenda.
3. Members of the public are limited to one comment per agenda item.
4. The length of the emailed comment should be commensurate with the two minutes customarily allowed for verbal comments, which is approximately 250-300 words.
5. If your emailed comment is received by 5:00 p.m. on the day before the meeting, it will be provided to the Commission and made publicly available on the agenda website under the specific item to which your comment pertains. If emailed comments are received after 5:00p.m. on the day before the meeting, the Clerk will make every effort to either (i) provide such emailed comments to the Commission and make such emails publicly available on the agenda website prior to the meeting, or (ii) read such emails during the meeting. Whether such emailed comments are forwarded and posted, or are read during the meeting, they will still be included in the administrative record.

***Spoken Comments**

In person Participation:

1. If you wish to speak to the Commission, please fill out a speaker's slip located at the entrance. If you have anything that you wish distributed to the Commission and included in the official record, please hand it to the Clerk who will distribute the information to the Commission members and staff.

Via Teleconference (Zoom):

1. The Commission] meeting may be accessed through Zoom online at <https://smcgov.zoom.us/j/93703834059>. The webinar ID is: 937 0383 4059. The Commission meeting may also be accessed via telephone by dialing +1 669 900 6833 (local). Enter the webinar ID, then press #. Members of the public can also attend this meeting physically in the Board of Supervisor's Chambers at 400 County Center, Redwood City, CA 94063.
2. You may download the Zoom client or connect to the meeting using an internet browser. If using your browser, make sure you are using a current, up-to-date browser: Chrome 30+, Firefox 27+, Microsoft Edge 12+, Safari 7+. Certain functionality may be disabled in older browsers including Internet Explorer.
3. You will be asked to enter an email address and name. We request that you identify yourself by name as this will be visible online and will be used to notify you that it is your turn to speak.
4. When the Commission Chair or Clerk calls for the item on which you wish to speak, click on "raise hand." Speakers will be notified shortly before they are called to speak.

***Additional Information:**

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Public records that relate to any item on the open session agenda for a regular Commission meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members of the Commission.

NOTICE: State law requires that a participant in a LAFCo proceeding who has a financial interest in the decision and who has made a campaign contribution of more than \$250 to any Commissioner in the past year must disclose the contribution. If you are affected, please notify commission staff before the hearing.

Agendas and meeting materials are available at www.sanmateolafo.org

SAN MATEO



LOCAL AGENCY FORMATION COMMISSION

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Action Minutes San Mateo Local Agency Formation Commission Meeting January 18, 2023

Chair Draper called the Wednesday, January 18, 2023, meeting of the Local Agency Formation Commission (LAFCo) to order at 2:30 pm via Zoom.

1. Roll Call

Members Present: Commissioners Tygarjas Bigstycck, Kati Martin, Warren Slocum, Harvey Rarback, Ann Draper. Commissioner Ray Mueller joined after roll call at 2:35pm.

Members Absent: Commissioner Lohman

Staff Present: Rob Bartoli, Executive Officer
Sofia Recalde, Management Analyst
Timothy Fox, Legal Counsel
Angela Montes Cardenas, Clerk
Janneth Lujan, Planning & Building

2. Oath of Office for New Commissioners Appointed

Mr. Fox swore in Commissioner Bigstycck and Mueller for their appointment to LAFCo.

3. Public Comment for Items Not on the Agenda

None

4. Consent Agenda

a. Approval of Action Minutes: November 16, 2022

b. Resolution to make findings relating to remote meetings under the Brown Act

Commission Action: Commissioner Martin moved to approve the consent agenda, and Commissioner Rarback seconded the motion which passed unanimously by roll call vote.

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ANGELA MONTES, CLERK

LAFCo Regular Meeting
Packet Page 5

(Ayes: Commissioners Bigstycck, Martin, Mueller, Rarback, Slocum, Chair Draper. Absent: Commissioner Lohman.)

5. Adoption of Special Study for the Broadmoor Police Protection District

Mr. Bartoli presented the special study for the Broadmoor Police Protection District (BPPD). He noted that the study focuses on BPPD's operations, finances, and governance. He summarized the staff report included in the agenda packet page 13 and discussed capacity and adequacy of public facilities and services, comparison to other agencies, financial ability, revenue financial documents and practices, and pension liability. Mr. Bartoli reviewed recommendations surrounding financial ability and accountability, structure and efficiencies. The report highlighted several concerns and challenges for the District including:

- BPPD has had significant budget deficits in five of the last six fiscal years for a total loss of \$1.4 million during that time.
- BPPD's net position has been negative every year since the end of FY 17.
- The District has adopted unbalanced budgets for four of the last seven years
- The District has a high officer to population ratio, but also has high cost for calls for service per police officer.
- The lack of long-term fiscal plans, budget deficits, and growing costs to BPPD may negatively impact service delivery to the residents of the District.
- Pension Liability of \$3.3 million.

Conversation ensued with Commissioners Martin regarding recommendation 4 on packet page 16, District audits being conducted in a timely manner. She suggested a more definitive recommendation and inclusion of ethics trainings.

Chair Draper opened public comment.

David Smith, Broadmoor Property Owners Association Board Member, requested that the Commission continue item as there will be a presentation by LAFCo at the Broadmoor Property Owners Association tomorrow night.

Michael Connolly, BPPD Interim Chief of Police, commented on the report and stated that while he didn't disagree with several recommendations, he stated that some of them should be modified in the study. He stated that he would welcome opportunity for more in-

depth conversation because he has more knowledge than people Mr. Bartoli may have spoken to.

John Duncan, BPPD Commander, noted that he has experienced a lot of the changes at BPPD. He said the public should have the opportunity to make a decision on what happens to the District.

Chair Draper closed public comment.

Conversation ensued with Commissioner Harvey, he noted that he would support merger with Daly City Police Department.

Commissioner Bigstycck noted that he is looking forward to hearing what the community has to say. He asked whether Chief of Police also acts as Manager for the District. Mr. Bartoli confirmed, and Commissioner Bigstycck recommend having those be two different roles and positions.

Conversation ensued with Commissioner Slocum and Mr. Bartoli regarding more information on the key issues stated and what the public outreach may look like.

Commissioner Mueller suggested that he would like to see the District contest or affirm the Special Study. He finds the report gravely serious.

Commission Action: Commissioner Rarback moved to direct the Executive Officer to continue community outreach efforts to Broadmoor residents and schedule the Final Special Study for the BPPD for a public hearing at the March 15 ,2023 Commission meeting, circulate it with any necessary amendments to the County, cities and independent special districts, and request BPPD contest or affirm findings. Commissioner Martin seconded the motion which passed unanimously by roll call vote. (Ayes: Commissioners Bigstycck, Martin, Mueller, Rarback, Slocum, Chair Draper. Absent: Commissioner Lohman.)

6. Consideration of the authorization of contract with consulting firm, V.W. Housen & Associates, for preparation of a LAFCo Peer Review Memorandum for LAFCo File No. 22-09 – Proposed Establishment of the East Palo alto Sanitary District (EPASD) as a subsidiary district of the City of East Palo Alto

Ms. Recalde presented the proposed consultant contract to the Commission for preparation of a LAFCo Peer Review Memorandum for LAFCO File No. 22-09. She summarized the MSR & SOI update that initiated the application from the City of East Palo Alto to establish East Palo Alto Sanitary District (EPASD) as subsidiary district to the City. Ms. Recalde noted the peer review proposal.

Chair Draper opened public comment.

Ms. Montes read written public comment submitted from Webster Lincoln. His comment mentioned surcharge conditions, storm drains, and San Francisquito Creek overflow.

Marc Bryman, East Palo Alto Landowner, commented on standstill for development by the District. He hopes to move forward this year and address house issues.

Jeff Poetsch, stated that undertaking a peer review would be prudent and will assure recommendations are accurate.

Chair Draper closed public comment and requested that consultant review what assumptions were made when producing the budget.

Commission Action: Commissioner Slocum moved to authorize the Executive Officer to enter into a contract with the consulting firm, V.W. Housen & Associates to conduct a peer review of the technical memorandum prepared by Freyer & Laureta included in the City of East Palo application to establish EPASD as a subsidiary district of the City. Commissioner Rarback seconded the motion which passed unanimously by roll call vote. (Ayes: Commissioners Bigstycck, Martin, Mueller, Rarback, Slocum, Chair Draper. Absent: Commissioner Lohman.)

7. Appointment of Budget and Legislative/Policy Committees for 2023

Commissioners volunteered for Committees as follows:

Legislative/Policy: Rarback, Martin, Draper

Budget: Mueller, Slocum, Bigstycck

Commission Action: Commissioner Slocum moved to appoint Budget and Legislative/Policy Committees for 2023. Commissioner Rarback seconded the motion which passed unanimously by roll call vote. (Ayes: Commissioners Bigstycck, Martin, Mueller, Rarback, Slocum, Chair Draper. Absent: Commissioner Lohman.)

8. Quarterly LAFCo Budget Update – Information Only

Mr. Bartoli summarized the quarterly LAFCo budget overview to the Commission.

Chair Draper opened and closed public comment, no comments were received.

9. CALAFCO – Information Only

a. CALAFCO Quarterly Newsletter – Information Only

Mr. Bartoli referred the Commission to the newsletter include in packet page 76.

Chair Draper opened and closed public comment, no comments were received.

10. Legislative and Policy Committee

a. Legislative Report – Information Only

Ms. Recalde summarized the staff report included in packet page 84.

Chair Draper opened and closed public comment, no comments were received.

b. Report on annexation approval and delegation of authority to LAFCo staff

Mr. Bartoli summarized the staff report included in packet page 167. He provided background and concluded that approval and delegation of authority to LAFCo staff is not supported by the Cortese-Knox-Hertzberg Act.

Chair Draper opened and closed public comment, no comments were received.

11. Commissioner/Staff Reports – Information Only

None

12. Adjournment

Chair Draper adjourned the meeting at 4:09 p.m.



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March 8, 2023

To: LAFCo Commissioners

From: Rob Bartoli, Executive Officer
Sofia Recalde, Management Analyst

Subject: Adoption of LAFCo Special Study of Broadmoor Police District

Summary and Background

This report is a Special Study for the Broadmoor Police Protection District (BPPD or the District). Section 56378 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides LAFCo with the authority to initiate and make studies of existing government agencies. The studies shall include but shall not be limited to, inventorying those agencies and determining their maximum service area and service capacities.

In 2015, San Mateo LAFCo adopted the North County Cities and Special District Municipal Service Review (MSR) and Sphere of Influence (SOI) Study, which included a review of the BPPD. As part of the 2022-2023 LAFCo workplan, the Commission authorized a special study of BPPD to evaluate operations and services provided by the District since the adoption of the MSR. This Special Study focuses on BPPD's operations, finances, and governance.

The Broadmoor Police Protection District was formed in 1948 to provide police and ambulance services to the unincorporated community of Broadmoor and surrounding incorporated area. In 1957, BPPD contracted with the Town of Colma to provide ambulance and radio dispatch services. That contract was amended in 1964 to include partial police protection services. In 1967, ambulance services were discontinued, and police patrol services to the Town of Colma ended in 1976, at which time Colma established its own full-time police department.

BPPD's service boundaries total 0.55 square miles and include the unincorporated area of Broadmoor Village and an unincorporated area adjacent to Colma. BPPD's service territory also includes three small parcels in unincorporated Daly City directly west of Broadmoor Village, each of which is developed with a single-family home.

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District's boundaries are irregular and include non-contiguous areas that resulted from annexation of areas to the City of Daly City over time. As these annexations occurred, the territory was concurrently detached from the BPPD since the City has a full-service police department. The BPPD service area includes single and multi-family housing, and commercial and retail development.

Governance

BPPD was formed under California Health and Safety Code Sections 20000-20322. The BPPD is the only operational police district in California that employs its own officers.

The formation of new Police Protection Districts now is prohibited. Code Section 20007 of Health and Safety Code states: "No district 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." Per Code Section 20008, "...any district in existence on January 1, 2008, in an unincorporated town, may protect and safeguard life and property, and may equip and maintain a police department, including purchasing and maintaining ambulances, and otherwise securing police protection."

BPPD is governed by a three-member Board of Commissioners elected by voters within the service district. The Commission meets monthly on the second Tuesday of each month.

Updates to the Final BPPD Special Study

LAFCo staff received written comment letters from residents of Broadmoor. The written comments did not necessitate changes to the Special Study and reflected residents' concerns about the key issues highlighted throughout the report, as well as both appreciation for and dissatisfaction with the services BPPD has provided over the years.

LAFCo received 8 comment letters and emails regarding the Special Study. Written comment letters are available in Appendix C of the Special Study. This includes written comments from the BPPD Chief of Police Michael Connolly. In his letter, he states that as many of the recommendations from the report will be adopted as feasible. Chief Connolly states he is currently working on fiscal framework for BPPD and towards a path of fiscal discipline.

Current Key Issues

Key issues identified in compiling information on Broadmoor Police Protect District include the following:

- 1) BPPD has had significant budget deficits in five of the last six fiscal years for a total loss of \$1.4 million. BPPD's net position has been negative every year since the end of FY 17. The BPPD Commission has adopted unbalanced budgets for FY 17, FY 18, FY 19 and FY 23. To address the budget losses and unbalanced budgets, the District has relied on the fund balance to address these deficits. As such, the fund balance, the only reserve for the District, has been drawn down over the past several budgets. The District currently projects a budget deficit of approximately \$450,000 for FY22-23.
- 2) BPPD does not prepare a separate report of actual revenue and expenditures at the end of each fiscal year. The District does not produce long-term financial planning documents for use in the budgeting process.

- 3) The District does have independent audits which are shared with staff and Board members; however it does not appear that these audits are agenized for discussion at Board meetings.
- 4) BPPD does not have a Master Plan, Strategic Plan or Capital Improvement Plan that plans for asset management and replacement, such as facility upgrade or repairs and replacement of equipment and vehicles.
- 5) The lack of long-term fiscal plans, budget deficits, and growing costs to the District may negatively impact service delivery.
- 6) BPPD has three main revenue sources: 1) Property taxes, 2) Excess Education Revenue Augmentation Fund (Excess ERAF) and 3) a Supplemental parcel tax that BPPD voters approved in 2000. Excess ERAF comprises 12% of the District's overall budget and is considered to be an unstable revenue source.
- 7) The District has a high officer to population ratio, but also has high cost for calls for service per police officer.
- 8) In response to a Brown Act lawsuit, the District has now implemented procedures and policies regarding the hiring of new Police Chiefs/General Managers.

Proposed Special Study Recommendations

For the Circulation Draft of this Special Study, LAFCo has the following determinations and recommendations:

Capacity and Adequacy of Public Facilities and Services Summary and Recommendations

BPPD provides police protection to the unincorporated area of Broadmoor Village and an unincorporated area adjacent to Colma. BPPD operates with 8 full-time sworn officers, including a Commander of Police and Chief of Police, 6 per-diem officers, which include a training manager lieutenant and investigations sergeant, 7 volunteers, and one administrative staff member. The District has a higher ratio of officer per 1,000 persons compared to the City of Daly City, but the cost for service call per police officer is more than four times the amount for BPPD.

Recommendations

- 1) The District should explore cost sharing with adjacent cities or other alternatives to contract for or consolidate services to reduce costs.
- 2) The District may consider developing and monitoring performance measures, which could include measurements of response times for calls and volume of calls to demonstrate the benefit of the higher costs associated with higher levels of performance.

Financial Ability Summary and Recommendations

BPPD has had significant budget deficits in five of the last six fiscal years. BPPD's net position has been negative every year since the end of FY 17. The BPPD Commission has adopted unbalanced budgets for FY 17, FY 18, FY 19 and FY 23. For these budget losses and unbalanced budgets, the

District has relied on the fund balance to address these deficits. As such, the fund balance, the only reserve for the District, has been drawn down over the past several budgets.

BPPD does not prepare a separate report of actual revenue and expenditures at the end of each fiscal year. The District does not produce long-term financial planning documents for use in the budgeting process.

The District does have independent audits which are shared with staff and Board members, however it does not appear that these audits are agenzized for discussion at Board meetings. Delays in the timely production of audits can negatively impact budget preparation.

BPPD has three main revenue sources: 1) Property taxes, 2) Excess Education Revenue Augmentation Fund (Excess ERAF) and 3) a Supplemental parcel tax that BPPD voters approved in 2000. Excess ERAF, which comprises 12% of the District's overall budget, is considered to be an unstable revenue source. Furthermore, the State has taken an interest in redirecting some Excess ERAF to the State, so there is risk that Excess ERAF may not be available in future years.

BPPD does not have a Master Plan, Strategic Plan or Capital Improvement Plan that plans for asset management and replacement, such as facility upgrade or repairs and replacement of equipment and vehicles. The District replaces vehicles as needed through its annual budget process and does not foresee the need for facility upgrades in the near future. The District does not currently have any adopted fiscal policies.

The District does not currently adopt a Gann Appropriation Limit, as was recommended in the 2015 MSR.

Although the District does not have outstanding debt, it does carry significant pension liabilities that may pose a threat to its long-term financial health. In addition, a lack of a reserve fund and the continuing use of the District's fund balance puts the District in a vulnerable position to withstand a financial crisis, such as an economic recession, termination of Excess ERAF or unexpected expenses, while still being able to maintain its high level of service. Should the District face insolvency, legacy costs like pension payments for current and retired personnel, would still need to be addressed by the agency that absorbs the provision of police protection services for Broadmoor. That agency would be entitled to receive District revenue, including the supplemental parcel tax, which could be used to pay for pension costs and other legacy costs.

Recommendations

- 1) Prepare a quarterly financial report which presents the District's financial condition in a user-friendly way so board members and staff can better understand financial data. At a minimum the financial data should include a balance sheet, income statement and a budget-to-actual report to detect potential errors. The reports should reference final actual numbers from the previous fiscal year and should be compared to budgeted numbers. In years where there are deficits, the impact to the District's fund balance should be discussed in the budget documents.
- 2) Develop long-term fiscal documents that will assist the District in planning for expenditures, such as retirement costs. The Board could engage in a strategic planning session that will help prioritize goals and review the District's fiscal ability to meet these goals.

- 3) Budget documents should show the amount of funds that are allocated to the District fund balance/reserve.
- 4) Independent audits should be presented to the Board for discussion at public meetings. The audit should include management letters and a review of any recommendations for the audit process and fiscal ability of the District. Audits should be conducted in a timely manner.
- 5) Develop accounting, financial, governance and general administrative polices to help guide its decision making in a consistent manner. This should include policy regarding the development of a reserve fund as well as a policy about how reserve funds are utilized.
- 6) Explore the development of a Master Plan, Strategic Plan or Capital Improvement Plan that plans for asset management and replacement, such as facility upgrade or repairs and replacement of equipment and vehicles to help plan for long-term capital costs.
- 7) Consider allocating accounting and auditing services to two separate firms to enhance fiscal oversight and transparency.
- 8) Adopt annual Gann Appropriation Limit resolutions.
- 9) Explore ways to reduce reliance on Excess ERAF for routine District operations and maintenance and divert Excess ERAF to a reserve fund that the District can draw from for unexpected expenses.
- 10) The District should explore ways to address budget shortfalls and unbalanced budgets, either through enhanced revenue or reduced costs. This could be conducted along with the creation of long-term financial planning documents and discussions with residents and District employees about future funding and District services. It is recommended that BPPD conduct outreach and engagement with residents regarding the fiscal outlook for the District and potential changes to levels of service.
- 11) Post budget documents and audits on the District's website.

Accountability, Structure, and Efficiencies Summary

Public meeting agendas are posted on the District's website, but staff reports are not typically available. The District does record Board meetings, but currently, the recordings are not posted to the website and are only available at cost to members of public who request copies. The Police Chief/General Manager provides all administrative and human resource function for the District.

In response to a Brown Act lawsuit, the District has now implemented procedures and policies regarding the hiring of new Police Chiefs/General Managers.

Recommendations:

- 1) LAFCo recommends the creation of staff reports for Board of Commissioners agenda items. The creation of staff reports for Board items can increase transparency and raise public awareness of the issues that are being reviewed and acted on by the Commissioners. The District could explore sharing services with cities or other special districts to assist in creating the staff reports and compiling an agenda packet.

- 2) Video/audio of Board meetings should be posted on the District's website for public viewing.
- 3) Provide Brown Act training for all Commissioners.
- 4) Explore hiring additional staff or consultants to perform human resource functions and administrative tasks, including budget support. These functions could also be shared services with neighboring agencies.
- 5) Post position salary and compensation data on the District's website.
- 6) Post contracts and hiring policies on District's website.
- 7) Develop accounting, financial, governance and general administrative polices to assist the Commission and District staff. This should include the creation of policies regarding meeting agendas and noticing, Brown Act training, and audit and budget review.

Service/Governance Options

Status Quo

District would remain as is, with a three-member elected board and police services provided by officers and staff hired by the District. However, based on LAFCo's review of recent BPPD audit and budget documents, it is probable that changes to the level of service provided by the District or the levels revenue or expenditures would need to change due to budget constraints in the future. The supplemental parcel tax could be increased on property owners to raise revenue, or service and operations could be cut to reduce expenditures. These will be decisions that the BPPD Commission will need to evaluate. As part of the review of the potential changes to services or an increase in revenue, BPPD should engage with the residents of Broadmoor to understand their views on these issues and on the District. If services were not able to be provided by BPPD, the San Mateo County Sheriff's Office or other neighboring agency may be able to assist, but BPPD should engage in discussions with those agencies if the need arises.

Merge Broadmoor Police Protection District with City of Daly City

Merging BPPD with the City of Daly City (with concurrent annexation of BPPD's service territory) has the potential benefit of reducing overall service costs by eliminating duplicative staffing, administrative, and facility expenses. San Mateo LAFCo has identified Daly City (through adoption of the spheres of influence) as the long-term, logical service provider for both Broadmoor and unincorporated Colma. Daly City has its own full-service police department with its headquarters located less than one-quarter mile from the BPPD headquarters. Furthermore, the Broadmoor Unincorporated area is wholly surrounded by the City of Daly City and unincorporated Colma islands are fully bordered by Daly City on three sides and the Town of Colma.

Formation of a County Service Area (CSA) or a Community Services District (CSD) and Contract with the County or Daly City for Services

The Broadmoor Village subdivision receives services from the County of San Mateo, Broadmoor Police Protection District and Colma Fire Protection District. The District could reorganize either to a County Service Area (a dependent district under the jurisdiction of the County) or as a Community Services District (an independent special district with a five-member board). The

reorganized agency could contract for police services. As discussed in the 2015 MSR, the CSA or CSD could also consider contracting for fire and solid waste services.

Contracting with Another Agency without Reorganization

An additional alternative for the District that was not included in the 2015 MSR is that the District could consider contracting for service with another public safety agency to provide police services to the BPPD service area. Under this scenario, no LAFCo action would be required to enter into a service contract and the District remains intact. In California, there are three remaining Police Protection Districts, BPPD, the Fig Garden Police Protection District, and the Orange Cove Police. These two other districts, both located in Fresno County, contract with the Fresno County Sheriff's Office for enhanced police protection. The Board of Commissioners for these two districts continue to meet and the district themselves continue to operate.

BPPD could explore the option of contracting for service as a way for the District to better control costs and provide for improved economies of scale. Administrative functions such as Human Resources and payroll could be provided by the contracting agency and would no longer need to be provided by the District. Contracting with a public safety agency could also allow greater access to additional police resources and services for the Broadmoor community. While the scope of this special study does not include the fiscal analysis for contracting for services, if contracting is pursued, the District should analyze if there would be the potential for reducing or eliminating the special parcel tax.

Dissolution

BPPD could also be dissolved, either through a petition from registered voters or property owners residing in the District, a resolution from the BPPD Commission or another affected agency, or by LAFCo. This would require a LAFCo process and in most cases, would be subject to a protest proceeding. If the District was dissolved and Broadmoor remained unincorporated, police services would be provided by the San Mateo County Sheriff's Office, similar to other unincorporated areas in the County. To pay for remaining legacy costs for the District, such as pension liability, the County of San Mateo could use the property tax and supplement property tax revenue that the District currently receives. In this case, revenue would still be collected to pay for legacy costs associated with BPPD even though the District would no longer be providing services.

Public/Agency Involvement

The primary source of information used in this Special Study has been information collected from District staff, including crime logs, service maps, organizational charts, audits, budgets, CalPERS documents, policies, resolutions, MOUs, Commission meeting minutes, etc. BPPD submitted a response to the administrative draft of the special study on November 8, 2022 and staff has incorporated comments as appropriate into the draft circulation report.

LAFCo staff presented the special study to the BPPD Commission on January 10, 2023 and to the Broadmoor Property Owners Association on January 19, 2023. LAFCo has received several comment letters and emails from both BPPD and the public regarding the special study as listed in Attachment C.

Progress Review

As part of this Special Study, LAFCo staff will continue to have discussions with BPPD staff and others regarding the District and the services that they provided. In March of 2024, LAFCo staff will bring back a report on BPPD to the LAFCo Commission regarding any progress towards implementing the Special Study recommendations and any changes in the District's financials. LAFCo staff will continue to keep the Commission informed of any major updates related to BPPD between this report and the 2024 review.

California Environmental Quality Act

This Special Study is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) under Section 15303, Class 6, which allows for the of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. This Special Study collects data for the purpose of evaluating municipal services provided by an agency. There are no land use changes or environmental impacts created by this study.

This Special Study is also exempt from CEQA under the section 15061(b)(3), the common sense provision, which state that CEQA applies only to projects which have the potential for causing a significant effect on the environment and where it is certain that the activity will have no possible significant effect on the environment, the activity is exempt from CEQA.

Recommendation

1. Open the public hearing and accept public comment; and
2. Accept the Final Special Study for the Broadmoor Police Protection District; and
3. Adopt the Special Study Determinations and Recommendations contained in this report.
4. Direct the Executive Officer conduct a progress review report for Broadmoor Police Protection District to be presented to the LAFCo Commission by March 2024.

Attachments

- A. Special Study for the Broadmoor Police Protection District with redlined comments
- B. Map of Broadmoor Police Protection District
- C. Public Comments Received
- D. Resolution 1301
- E. Special Study Determinations



LAFCo Special Study for the Broadmoor Police Protect District

Final Draft

Released March 8, 2023

LAFCo Special Study for the Broadmoor Police Protect District

SUBJECT AGENCY:

Broadmoor Police Protect District

388 88th Street

Broadmoor CA 94015-1717

Contact: Michael Connolly, Chief of Police

CONDUCTED BY:

San Mateo Local Agency Formation Commission

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Final
LAFCo Special Study for
Broadmoor Police Protection District
March 8, 2023

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Section 1: Introduction

This report is a Special Study for the Broadmoor Police Protection District. Section 56378 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH or The Act) provides the Local Agency Formation Commission (LAFCO) with the authority to initiate and make studies of existing government agencies. The studies shall include but shall not be limited to, inventorying those agencies and determining their maximum service area and service capacities.

In 2015, San Mateo LAFCo adopted the North County Cities and Special District Municipal Service Review (MSR) and Sphere of Influence (SOI) Study, which included a review of the Broadmoor Police Protection District (BPPD). As part of the 2022-2023 LAFCo workplan, the Commission has authorized a special study of BPPD to evaluate operations and services provided by the District since the adoption of the Municipal Service Review. This Special Study focuses on BPPD's operations, finances, and governance.

Section 2. Summary of Key Issues

Key issues identified in compiling information on Broadmoor Police Protection District include the following:

- 1) BPPD has had significant budget deficits in five of the last six fiscal years for a total loss of \$1.4 million. BPPD's net position has been negative every year since the end of FY17. The BPPD Commission has adopted unbalanced budgets for FY17, FY18, FY19 and FY23. To address the budget losses and unbalanced budgets, the District has relied on the fund balance to address these deficits. As such, the fund balance, the only reserve for the District, has been drawn down over the past several budgets. **The District currently projects a budget deficit of approximately \$450,000 for FY22-23.**
- 2) BPPD does not prepare a separate report of actual revenue and expenditures at the end of each fiscal year. The District does not produce long-term financial planning documents for use in the budgeting process.
- 3) The District does have independent audits which are shared with staff and Board members; however it does not appear that these audits are agendaized for discussion at Board meetings.
- 4) BPPD does not have a Master Plan, Strategic Plan or Capital Improvement Plan that plans for asset management and replacement, such as facility upgrade or repairs and replacement of equipment and vehicles.
- 5) The lack of long-term fiscal plans, budget deficits, and growing costs to the District may negatively impact service delivery.
- 6) BPPD has three main revenue sources: 1) Property taxes, 2) Excess Education Revenue Augmentation Fund (Excess ERAF) and 3) a Supplemental parcel tax that BPPD voters approved in 2000. Excess ERAF comprises 12% of the District's overall budget and is considered to be an unstable revenue source. **In addition, the State has taken an**

interest in potentially redirecting some Excess ERAF to the State. There is a risk that Excess ERAF may not be available in future years for local agencies.

- 7) The District has a high officer to population ratio, but also has high cost for calls for service per police officer.
- 8) In response to a Brown Act lawsuit, the District has now implemented procedures and policies regarding the hiring of new Police Chiefs/General Managers.
- 9) BPPD lacks fiscal, governance and administrative policies and procedures that would help address and potentially prevent many of the issues identified above.
- 10) The District should explore ways to address budget shortfalls and unbalanced budgets, either through enhanced revenue or reduced costs. This could be conducted along with the creation of long-term financial planning documents and discussions with residents and District employees about future funding and District services.

Section 3: Broadmoor Police Protection District

Background

The Broadmoor Police Protection District was formed in 1948 to provide police and ambulance services to the unincorporated community of Broadmoor and surrounding incorporated area. In 1957, BPPD contracted with the Town of Colma to provide ambulance and radio dispatch services. That contract was amended in 1964 to include partial police protection services. In 1967, ambulance services were discontinued, and police patrol services to the Town of Colma ended in 1976 after Colma established its own full-time police department.

Boundaries

BPPD's service boundaries total 0.55 square miles and include the unincorporated area of Broadmoor Village and an unincorporated area adjacent to Colma. BPPD's service territory also includes three small parcels in unincorporated Daly City directly west of Broadmoor Village, each of which is developed with a single-family home (600 Washington Street, 620 Washington Street, and 1590 Annie Street) (Attachment A).

District's boundaries are irregular and include non-contiguous areas that resulted from annexation of areas to the City of Daly City over time. As these annexations occurred, the territory was concurrently detached from the BPPD since the City has a full-service police department. The BPPD service area includes single- and multi-family housing, and commercial and retail development.

Enabling Legislation

Broadmoor Police Protection District was formed under California Health and Safety Code Sections 20000-20322. The BPPD is the only operational police district in California that employees its own officers.

The formation of new Police Protection Districts now is prohibited. Code Section 20007 of Health and Safety Code states: "No district 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.” Per Code Section 2008, “...any district in existence on January 1, 2008, in an unincorporated town, may protect and safeguard life and property, and may equip and maintain a police department, including purchasing and maintaining ambulances, and otherwise securing police protection.”

Structure and Governance

BPPD is governed by a three-member Board of Commissioners elected by voters within the service district. The Commission meets monthly on the second Tuesday of each month. The District also publishes a newsletter and sends email updates from staff and the Board to residents of the District.

Section 4: Areas of Review

The boxes checked below are potentially significant, as indicated by “yes” or “maybe” answers to the key policy questions in the checklist and corresponding discussion on the following pages.

1) Capacity and Adequacy of Public Facilities and Services

Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
a) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory?			X
b) Are there any issues regarding the agency’s capacity to meet the service demand of reasonably foreseeable future growth?			X
c) Are there any concerns regarding public services provided by the agency being considered adequate?			X

Discussion:

a-c) Capacity to serve customers: BPPD operates out of its headquarters building located at 388 88th Street in Daly City, just outside of the District’s boundaries. The facility, completely rebuilt between 2001 and 2003, provides 3,000 square feet. Two other police department

headquarters are located in close proximity to the BPPD: (1) the Daly City Police Department headquarters, located at 333 90th Street, Daly City, is less than one-quarter mile from the BPPD headquarters; and (2) the Town of Colma Police Department headquarters, located at 1199 El Camino Real, Daly City, is approximately two miles away.

BPPD operates with 9 full-time sworn officers, including a Commander of Police and Chief of Police, 6 per-diem officers, which include a training manager lieutenant and investigations sergeant (per-diem officers can work only 960 hours per year), 7 volunteers, and one administrative staff member. Prior to 2021, BPPD had a reserve officer unit that was staffed with a minimum of 10 reserve officers. Per District staff, In October 2021, the reserve officer unit was decommissioned due a lack of participation by the reserve officers.

Since 2019, BPPD provides patrol services through 12-hour shifts, with two officers per shift. Per District staff, prior to 2019, assistance from the San Mateo County Sheriff’s Office was required to supplement BPPD patrols. Per-diem officers fill patrol vacancies as needed and also provide administrative functions for the District. BPPD is a signatory to the countywide emergency response joint powers authority (JPA) and has received assistance on a few occasions from neighboring police agencies as well as assisted other agencies when requested.

Table 1. Officers Per Residents (as of 12/30/2022)

Agency	Residents	Full Time-Officers	Officers Per 1,000 Residents
BPPD (FY21)	7,206	9	2.04
City of Daly City PD (FY22)	104,901	111	1.06
Town of Colma PD (FY22)	1,507	19	12.61
County Service Area 1 (Contacted with San Mateo County Sheriff) (FY22)	4,767	3 ¹	0.63

¹ The contract with County Service Area 1 (Highlands) includes 18 hours of patrol service, 12 deputy hours per day shift and six deputy hours per night shift seven days a week. Response outside of those hours is provided out of the San Mateo County Sheriff’s Office and response requiring more than one deputy or additional service such as detectives, etc. are funded by the Sheriff’s Budget

Table 2. Comparison of Costs of Police Services

Agency	Police Budget	Calls for Service	Cost per Call for Service
BPPD (FY21)	\$2,692,985	750 ²	\$3,591
City of Daly City PD (FY22)	\$48,030,642	57,177	\$840
Town of Colma PD (FY22)	\$9,167,209	23,458	\$390
County Service Area 1 (Sheriff Service) (FY22)	\$866,555	2,110	\$411

The Broadmoor Police Protection District handles a variety of public assistance, patrol, traffic enforcement, as well as emergency Priority 1 response calls. The overall calls for service totaled approximately 750 calls and with a budget of \$2,692,985, that equates to \$3,591 per call response. This cost per call for service is more than four times the Daly City police department cost per call but is expected with BPPD’s higher rate of sworn officers per 1,000 residents (Table 1). This cost factor indicates that there may be an opportunity to consider cost sharing with adjacent cities or other alternatives to contract for or consolidate services to reduce costs.

A review of Part I violent crime (defined by the Federal Bureau of Investigation [FBI] as homicide, rape, robbery and aggravated assault) in Broadmoor and Daly City over the past 10 years reveals a comparable annual violent crime rate of approximately 2,000 violent crimes per 100,000 residents. In contrast, the Part I property crime (defined by the FBI as arson, burglary, larceny-theft and motor vehicle theft) was significantly higher in Daly City, reflecting the abundance of commercial businesses in Daly City compared to the mostly residential Broadmoor (Figure 1)³. In addition, Daly City has seen a higher clearance rate for both violent and property crimes (57% and 20%, respectively) over the past ten years compared to Broadmoor (44% and 10%), although the gap is narrowing for violent crime clearance in recent years (Figure 2).

The Part I crime and clearance data demonstrate that the likelihood of experiencing a violent crime is similar for residents in Broadmoor and Daly City, and that the likelihood of a crime being cleared (“solved”) is higher for residents of Daly City. This suggests that despite Broadmoor’s higher cost for service, the two police departments are providing a similar level of police protection to their residents.

² Estimate

³ FBI Crime Explorer, <https://cde.ucr.cjis.gov/LATEST/webapp/#/pages/home>

Figure 1. Part I Crime rates in Broadmoor and Daly City

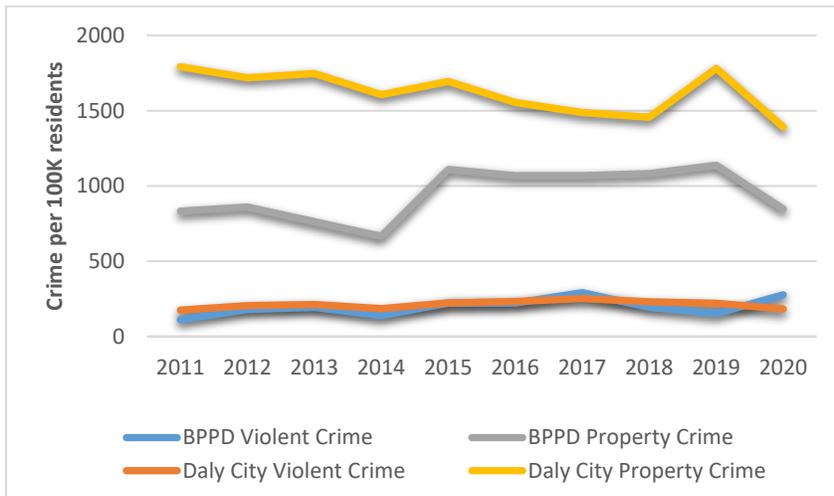
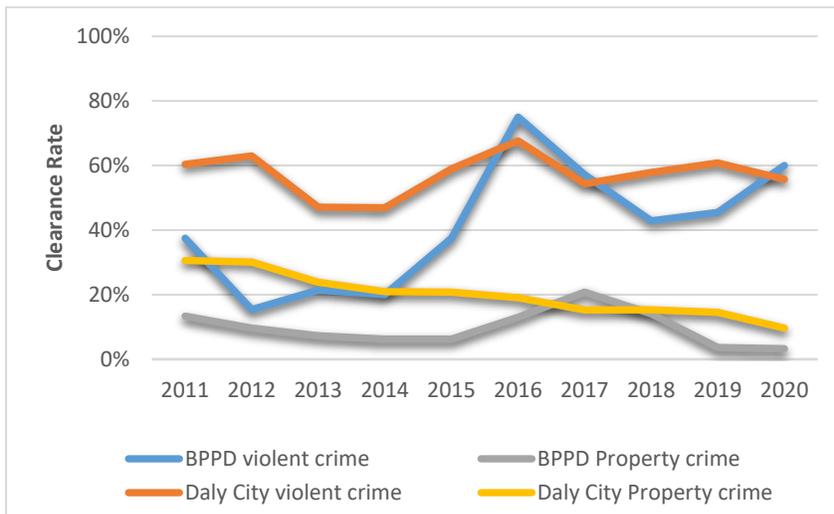


Figure 2. Part I Clearance Rates in Broadmoor and Daly City



Capacity and Adequacy of Public Facilities and Services Summary and Recommendations

BPPD provides police protection to the unincorporated area of Broadmoor Village and an unincorporated area adjacent to Colma. BPPD operates with 9 full-time sworn officers, including a Commander of Police and Chief of Police, 6 per-diem officers, which include a training manager lieutenant and investigations sergeant, 7 volunteers, and one administrative staff member. The District has a higher ratio of officer per 1,000 persons compared to the City of Daly City, but the cost for service call per police officer is more than four times the amount for BPPD. **Despite the higher cost of service and higher officer to resident ratio, BPPD appears to provide a similar level of protection (based on Part I crime and clearance rates) than neighboring Daly City.**

Recommendations

- 1) The District should explore cost sharing with adjacent cities or other alternatives to contract for or consolidate services to reduce costs. Potential options are explored in more detail in Section 5 - Service/Governance Options.
- 2) The District may consider developing and monitoring performance measures, which could include measurements of response times for calls and volume of calls to demonstrate the benefit of the higher costs associated with higher levels of performance.

2) Financial Ability

Financial ability of agencies to provide service	Yes	Maybe	No
a) Does the organization routinely engage in budgeting practices that may indicate poor financial management, such as overspending its revenues, failing to commission independent audits, or adopting its budget late?		X	
b) Is the organization lacking adequate reserve to protect against unexpected events or upcoming significant costs?		X	
c) Is the organization’s rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?		X	
d) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?		X	
e) Is the organization lacking financial policies that ensure its continued financial accountability and stability?	X		
f) Is the organization’s debt at an unmanageable level?			X

a) Budget and Audit process:

The BPPD Commission reviews and adopts budget proposals each fiscal year. Budget proposals include anticipated revenue and expenditures for the upcoming fiscal year along with a summary of prior year revenues and expenditures. The District reports that it does not have a reserves fund and that the operating budget carries excess funds from one year to the next. The adopted budget proposals do not indicate how prior year surplus or losses impact the

current year’s budget. BPPD does not prepare a separate report of actual revenue and expenditures at the end of each fiscal year. The District does not produce long-term financial planning documents for use in the budgeting process.

Actual revenue and expenditures for each fiscal year can be found in the annual audit reports and are described in Table 3. The largest expenditures are employee salary and benefits, including CalPERS pension contributions. BPPD experienced a budget loss each year from FY17 through FY20. Although expenditures did not exceed revenue in FY21, the budget underestimated its expenditures by over \$300K. While not explicitly stated in budget documents, it appears from audit documents that the District’s fund balance is being utilized to address these losses.

The BPPD Commission has adopted unbalanced budgets for FY17, FY18, FY19 and FY23. This was planned for this in FY17 (due to increased costs related to a lawsuit) and FY23 (increased insurance fees as result of lawsuits), but there were no explanations in FY18 and FY19. Although BPPD received more revenue than projected between FY17 through FY21, it underestimated annual expenditures from as little as \$134,183 in FY17 to as much as \$874,958 in FY20 (Figure 1). The budget items that were most significantly underestimated were salaries and wages, retirement, contracts, professional services and insurance (Table 4). While final audited actuals for FY21-22 are not available in review of data provided by the District and analyzed by LAFCo, it appears that BPPD experienced another year of budget deficits, with a loss of approximately \$280,000⁴. **The District currently projects a budget deficit of approximately \$450,000 for FY22-23 as presented in budget documents presented to the Commission by BPPD staff on January 10, 2023.**

⁴ BPPD Trail Balance for FY2021-2022

Table 3. Actual FY17 through FY22 Year-end Revenues and Expenditures⁵

	FY22	FY21	FY20	FY19	FY18	FY17
Revenue						
Property taxes	\$1,549,733		\$1,513,527	\$1,404,010	\$1,300,497	\$1,236,826
ERAF	\$566,781	\$2,708,371	\$420,737	\$395,540	\$302,068	\$267,015
Other special charges	\$716,207		\$684,129	\$651,210	\$651,210	\$620,852
Other misc.	\$330,845	\$330,142	\$330,963	\$356,781	\$406,283	\$331,749
TOTAL REVENUE	\$3,163,566	\$3,038,513	\$2,949,356	\$2,807,541	\$2,660,058	\$2,456,442
Expenditures						
Personnel	\$2,187,396	\$2,049,242	\$2,495,139	\$2,294,409	\$2,233,012	\$1,739,329
<i>Salary & wages</i>			\$1,521,182	\$1,357,711	\$1,368,420	\$1,296,052
<i>Benefits</i>			\$973,957	\$936,698	\$864,592	\$443,277
Office expenses	\$83,777	\$920,274	\$189,449	\$207,209	\$138,999	\$327,396
Insurance	\$322,189		\$278,251	\$144,716	\$113,942	\$93,838
Professional contract services	\$597,638		\$231,142	\$210,465	\$220,765	\$200,193
Other professional services	\$136,952		\$78,072	\$194,551	\$120,209	\$65,652
Vehicle maintenance	\$70,831		\$131,583	\$106,928	\$72,393	\$78,845
Other	\$49,887	\$55,168				
TOTAL EXPENDITURES	\$3,448,670	\$3,024,684	\$3,403,636	\$3,158,278	\$2,899,320	\$2,505,253
<i>Surplus (loss)</i>	<i>(\$285,104)</i>	<i>\$13,829</i>	<i>(\$454,280)</i>	<i>(\$350,737)</i>	<i>(\$239,262)</i>	<i>(\$48,811)</i>

⁵ Lamorena & Chang CPA audits for BPPD

Figure 1. Proposed versus Actual Budget Expenditures for FY17 through FY20

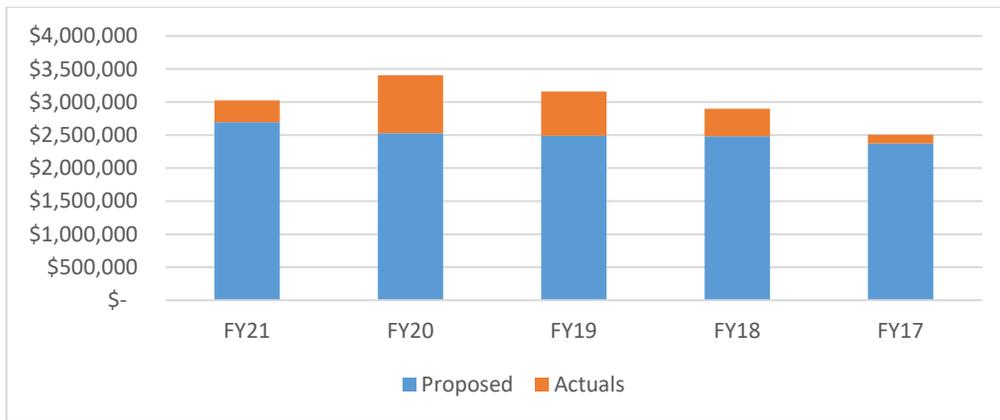


Table 4. Proposed versus actual expenditures FY17-20

Retirement	Proposed	Actual
FY17	\$246,895	\$238,795
FY18	\$536,345	\$515,608
FY19	\$395,672	\$603,300
FY20	\$393,226	\$682,820

Other professional services	Proposed	Actual
FY17	\$52,500	\$65,652
FY18	\$69,300	\$120,209
FY19	\$91,700	\$194,551
FY20	\$91,700	\$78,072

Contracts	Proposed	Actual
FY17	\$147,696	\$200,193
FY18	\$148,132	\$220,765
FY19	\$159,632	\$210,465
FY20	\$167,632	\$231,142

Insurance	Proposed	Actual
FY17	\$91,000	\$93,838
FY18	\$51,442	\$113,942
FY19	\$95,000	\$144,716
FY20	\$120,000	\$278,251

BPPD's net position has been negative every year since the end of FY17. The amount of change in net position is volatile (e.g., a 23% decrease in FY17 and 490% decrease in FY19). This negative net position is due to the District's liabilities exceeding its assets. The majority of this outstanding liability is related to long-term pension costs. **These long-term pension costs have continued to grow at a faster rate than assets.**

Between FY17 and FY20 the general fund balance decreased annually. The general fund increased minimally in FY21 by \$13,829 and reported an ending fund balance of \$1,104,416 at the end of FY21⁶.

Per the District's audits, the District has had at least four years of consecutive net losses FY18 through FY21, totaling a reduction of \$1.3 million dollars in the District's net position. Final audited actuals are not yet available for the fiscal year ending on June 30, 2022, however if the actuals from the District trail balance for FY21-FY22 and if the proposed FY22-23 budget is realized, the District's fund balance will decrease to less than **\$400,000 by the end of this fiscal year. The District had negative cash on-hand for two months during FY22-23 and it is likely that the number of months of negative cash on-hand will increase in FY23-24 if revenue is not increased or expenditures reduced. In an analysis by LAFCo, if all revenue collected by the District increases by 5%, including the supplement tax, property tax, and Excess ERAF, total revenue would only increase by approximately \$150,000. BPPD deficits have been an average of \$250,000 over the last six years.**

Per the District's audits and correspondence with District staff, one legal case is still pending, and there is a potential liability payment of \$750,000. If there is a payment, the District risk pool insurance will cover expense and settlements, but there may be impacts to liability insurance costs for the District with impacts to the District's General Fund.

While the District does undertake independent audits, LAFCo staff was unable to determine if independent audits are brought to the District's Board at a public meeting for review and approval. Per District staff, the audits are shared with staff and the Board, but past Board meeting agendas do not include these discussions. The same firm that conducts the District's audits also acts as the accountant for BPPD.

The most recent audit for the fiscal year ending on June 30, 2021 was completed in June of 2022. Audits have typically taken a year to complete. Since the 2018 audit, there has not been a discussion about any recommendations in the audit process. In 2017 a separate Management Letter was drafted highlighting several recommendations for financial accounting, internal controls, depreciation, and the creation of several policies. While some of these were implemented, there is no follow up documentation in subsequent audits for the majority of these recommendations.

Pension Liability

BPPD is currently contending with a CalPERS investigation in which CalPERS alleges that several retirees of the District received full-time compensation as employees while also receiving retirement benefits and two retirees received large lump sum payments in addition to their

⁶ Lamorena & Chang CPA audits for BPPD

regular pay. In a letter submitted by CalPERS to BPPD, CalPERS “noted instances of non-compliance with employment of retire annuitants, publicly available pay schedules, and incorrect reporting or non-reporting of payrates, earnings, and special compensation.”⁷

In response, District staff has noted that they have initiated a more robust hiring process that includes a review of an employee’s status with CalPERS. The District is continuing to work with CalPERS to address this issue.

The District is seeing rising pension costs and increases to the District’s net pension liability (Table 5). At the end of FY21, BPPD’s net pension liability had increased \$638,612 since FY17, bringing the total long-term liabilities to \$3,301,465. BPPD offers four plans, a Safety Plan, a PEPRSA Safety Police Plan, a Miscellaneous Plan and a PEPRSA Miscellaneous Plan⁸. Currently, the largest liability is with the Safety Plan. **While pension liability and unfunded liability is not unique to the BPPD, having a negative net position (where liabilities exceed assets 3 to 1), the potential for unbudgeted payments to CalPERS in response to ongoing investigations, and budget deficits in several of the last fiscal are circumstances that many other agencies do not have.**

Table 5. Annual Pension Contributions and Long-Term Pension Liability

	CalPERS Pension Contribution	Long-Term Pension Liability	Change from Prior Year
FY21	\$571,490	\$3,301,465	\$237,944
FY20	\$682,820	\$3,063,521	\$167,823
FY19	\$603,300	\$2,895,698	\$(31,664)
FY18	\$515,608	\$2,927,362	\$ 309,509
FY17	\$238,795	\$2,617,853	Not available

In review of the FY22-23 BPPD budget, CalPERS Unfunded Liability is budgeted at \$224,742. However, CalPERS documents show the Unfunded Liability amount to be paid during this fiscal year to be \$287,891 across all plans.

Other Post-Employment Benefits (OPEB)

BPPD does not provide any other post-employment benefits for medical or life insurance.

⁷ CalPERS Office of Audit Services Employer Compliance Review – “Review of Broadmoor Police Protection District” December 2021

⁸ The California Public Employees' Pension Reform Act (PEPRA), which took effect in January 2013, changes the way CalPERS retirement and health benefits are applied, and places compensation limits on members. The changes included setting a new maximum benefit, a lower-cost pension formula for safety and non-safety employees with requirements to work longer in order to reach full retirement age and a cap on the amount used to calculate a pension

b) Agency Reserves: The District does not have a reserve to protect against unexpected events or upcoming significant costs. Instead, the District relies on the fund balance for unanticipated expenses. As noted previously, budget documents do not track the fund balance amount.

c) Service charges and other revenue sources: BPPD has three main revenue sources: 1) Property taxes, 2) Excess Education Revenue Augmentation Fund (ERAF) and 3) a Supplemental parcel tax that BPPD voters approved in 2000.

In 1978, voters passed Proposition 13, which limited local agencies to a fixed 1% property tax, and each County Controller determines how to allocate the resulting revenues among various districts and agencies. The property tax revenue received by BPPD is unrestricted and can be used for all District business. Between FY17 and FY20 property taxes accounted for 50% of BPPD's revenue. Property taxes are a consistent source of revenue but are subject to economic growth and decline.

The supplemental parcel tax is the second largest source of revenue and accounts for an average of 22% of BPPD's revenue. The parcel tax was established in 2005 after receiving voter approval from Broadmoor residents in 2000 and is restricted to police activities. The supplemental parcel tax is a reliable source of funding, as each parcel is subject to a flat fee annually. The tax includes an escalation factor of up to five percent (per fiscal year) based upon the Consumer Price Index. The FY22-23 rate for residential dwellings is \$483 and \$1,055.25 for commercial or industrial parcels. While the rate for FY22-23 is the same as FY21-22, the District is projecting more revenue to be collected in this fiscal year. There is no sunset date for this special parcel tax. Noticing is required every year to continue the existing rate, decrease or increase the rate. Per District staff, public hearing was held for the FY22-23 budget, which includes the parcel tax.

Between FY17 and FY20, Excess ERAF accounted for approximately 12% of BPPD's revenue and represents the District's third largest source of revenue⁹. BPPD receives this revenue through the County as part of the ERAF calculation that limits funding shifts to school districts. When property tax revenues exceed a calculated amount, excess funds are allocated to other agencies, like BPPD, that receive property taxes. The County Controller does not recommend that agencies budget these supplemental funds for ongoing operations as they are determined each year and are not a reliable source of revenue on an ongoing basis.

Furthermore, the State has taken an interest in redirecting some of the excess ERAF to the State and away from local agencies. In 2022, as part of the proposed California State Budget, Excess ERAF was proposed to be capped at current levels for cities and counties and completely eliminated for special districts. **If this had passed, the loss of ERAF funds would reduce the**

⁹ In the early 1990s, the Legislature permanently redirected a significant portion of the property tax revenue from cities, counties, and special districts to schools and community colleges. Revenue from ERAF is allocated to schools and community colleges to offset the funding these entities otherwise would receive from the state General Fund. In a few counties (including San Mateo), ERAF revenue is more than enough to offset all of the General Fund allocated to schools and community colleges. The portion of ERAF not needed for schools and community colleges is dispersed to other agencies in the county. The revenue shifted through this process is known as excess ERAF. (Source: California Legislative Analyst's Office)

District's revenue moving forward by 12%. While the proposal **was not ultimately included in the State budget**, the issue of Excess ERAF will continue to be of interest to the State **as California is facing projected budget deficits in upcoming fiscal years.**

Other sources of revenue include BPPD's trust fund, court fines, interest, grant revenue and bad debt recovery.

Gann Appropriation Limits

In 1979, California voters approved the Gann Appropriation Limit Initiative, which established requirements for cities, counties, and most special districts that used property taxes or proceeds from property taxes to calculate an appropriation limit each year to reduce the amount of growth in expenditures for each agency¹⁰. This requirement applies to all cities and districts that receive 12.5% or more of the 1% property tax. The District receives approximately 26% of the 1% property tax in District boundaries. A formula was developed to increase the limit by the change in agency population and the Consumer Price Index (CPI) from the prior year.

In the 2015 Municipal Service Review (MSR) for North County Cities and Special District, which included BPPD, noted that the District had not adopted an annual resolution setting the Gann Appropriation Limit. The MSR recommended that BPPD should complete an analysis of its Gann Appropriation Limit and adopt resolutions annual. In a review of records and correspondence from the BPPD Police Chief, resolutions for the Gann Appropriation Limit have not been adopted.

d) Infrastructure maintenance: BPPD does not have a Master Plan, Strategic Plan or Capital Improvement Plan that plans for asset management and replacement, such as facility upgrade or repairs and replacement of equipment and vehicles. The District replaces vehicles as needed through its annual budget process and does not foresee the need for facility upgrades in the near future.

e) Fiscal policies and administrative policies: Per District staff, BPPD does not have any adopted financial policies. The District does not have a Board-approved policy on setting reserves.

f) Agency debt: BPPD does not report any outstanding debt.

Financial Ability Summary and Recommendations

BPPD has had significant budget deficits in five of the last six fiscal years. BPPD's net position has been negative every year since the end of FY17. The BPPD Commission has adopted unbalanced budgets for FY17, FY18, FY19 and FY23. For these budget losses and unbalanced budgets, the District has relied on the fund balance to address these deficits. As such, the fund balance, the only reserve for the District, has been drawn down over the past several budgets.

BPPD does not prepare a separate report of actual revenue and expenditures at the end of each fiscal year. The District does not produce long-term financial planning documents for use in the budgeting process.

¹⁰ Government Code Section 7900 et seq.

The District does have independent audits which are shared with staff and Board members; however it does not appear that these audits are agendaized for discussion at Board meetings. Delays in the timely production of audits can negatively impact budget preparation.

BPPD has three main revenue sources: 1) Property taxes, 2) Excess Education Revenue Augmentation Fund (Excess ERAF) and 3) a Supplemental parcel tax that BPPD voters approved in 2000. Excess ERAF, which comprises 12% of the District's overall budget, is considered to be an unstable revenue source. **Furthermore, the State has taken an interest in redirecting some Excess ERAF to the State, so there is risk that Excess ERAF may not be available in future years.**

BPPD does not have a Master Plan, Strategic Plan or Capital Improvement Plan that plans for asset management and replacement, such as facility upgrade or repairs and replacement of equipment and vehicles. The District replaces vehicles as needed through its annual budget process and does not foresee the need for facility upgrades in the near future. The District does not currently have any adopted fiscal policies.

The District does not currently adopt a Gann Appropriation Limit, as was recommended in the 2015 MSR.

Although the District does not have outstanding debt, it does carry significant pension liabilities that may pose a threat to its long-term financial health. In addition, a lack of a reserve fund and the continuing use of the District's fund balance puts the District in a vulnerable position to withstand a financial crisis, such as economic recession, termination of Excess ERAF or unexpected expenses, while still be able to maintain its high level of service. Should the District face insolvency, legacy costs like pension payments for current and retired personnel, would still need to be addressed by the agency that absorbs the provision of police protection services for Broadmoor. That agency would be entitled to receive District revenue, including the supplemental parcel tax, which could be used to pay for pension costs and other legacy costs.

Recommendations

- 1) Prepare a quarterly financial report which presents the District's financial condition in a user-friendly way so board members and staff can better understand financial data. At a minimum the financial data should include a balance sheet, income statement and a budget-to-actual report to detect potential errors. The reports should reference final actual numbers from the previous fiscal year and should be compared to budgeted numbers. In years where there are deficits, the impact to the District's fund balance should be discussed in the budget documents.
- 2) Develop long-term fiscal documents that will assist the District in planning for expenditures, such as retirement costs. The Board could engage in a strategic planning session that will help prioritize goals and review the District's fiscal ability to meet these goals.
- 3) Budget documents should show the amount of funds that are allocated to the District fund balance/reserve.
- 4) Independent audits should be presented to the Board for discussion at public meetings. The audit should include management letters and a review of any recommendations for

the audit process and fiscal ability of the District. Audits should be conducted in a timely manner.

- 5) Develop accounting, financial, governance and general administrative policies to help guide its decision making in a consistent manner. This should include policy regarding the development of a reserve fund as well as a policy about how reserve funds are utilized.
- 6) Explore the development of a Master Plan, Strategic Plan or Capital Improvement Plan that plans for asset management and replacement, such as facility upgrade or repairs and replacement of equipment and vehicles to help plan for long-term capital costs.
- 7) Adopt annual Gann Appropriation Limit resolutions.
- 8) Explore ways to reduce reliance on Excess ERAF for routine District operations and maintenance and divert Excess ERAF to a reserve fund that the District can draw from for unexpected expenses.
- 9) The District should explore ways to address budget shortfalls and unbalanced budgets, either through enhanced revenue or reduced costs. This could be conducted along with the creation of long-term financial planning documents and discussions with residents and District employees about future funding and District services. It is recommended that BPPD conduct outreach and engagement with residents regarding the fiscal outlook for the District and potential changes to levels of service.
- 10) Post budget documents and audits on the District’s website.

3) Accountability, Structure, and Efficiencies

Accountability for community service needs, including governmental structure and operational efficiencies	Yes	Maybe	No
a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?		X	
b) Are there any issues with staff turnover or operational efficiencies?		X	
c) Is there a lack of regular audits, adopted budgets and public access to these documents?	X		

a) Public meetings governance: BPPD is governed by a three-member Board of Commissioners elected by voters within the service district. The Commission meets monthly on the second

Tuesday of each month. Meetings are open to the public and are held in the BPPD headquarters. The District posts copies of meeting agendas to their website, however, the full meeting packet is not available. Currently, staff reports for agenda items are not produced.

While all Commission meetings are recorded, video or audio recordings of Commission meetings are not available on the District's website. Per District staff, recordings are available upon request and the requesting party would be responsible for all costs associated in preparing the recordings.

In 2019, a BPPD Commissioner was appointed Police Chief by the Commission. During this selection process, the Commissioner participated in the search and selection for a new Police Chief and "advocated for a non-agendized vote on the decision that would result in his appointment."¹¹ The Commissioner was appointed to the Police Chief's position on a 2-0 vote.

In 2021, this now former Commissioner and Police Chief plead no contest to Brown Act violations brought by the San Mateo County District Attorney's Office.

b) Staffing: Per the BPPD staff, the District has been able to meet staffing requirements. While officers have left for different agencies, BPPD reports that they have been able to find qualified applicants to fill vacancies. District staff reports that training requirements have been met and a non-patrol staffer has been designated as training manager for the District.

The Police Chief/General Manager provides all administrative and human resource function for the District.

The District has a Memorandum of Understanding that covers all line personnel, civilian employees, and per-diems. The position of Chief of Police and Police Commander are covered by separate contracts. The BPPD Commission reviews and approves the initial contract and any amendments to the Chief of Police contract.

c) Audits and transparency: As of the publication of this report, the latest independent audits and budget documents are not available on the District's website. The website does include budgets for 2016 through 2021, but the Fiscal Year 2021-2022 and 2022-2023 are not available. The only audit available for review on the District's website is for FY 2017. In review of agenda and minutes for the District, LAFCo staff was unable to determine if independent audits are brought to the Commission for review and approval.

While the County of San Mateo currently provides payroll services to the District, this contract will end on June 30, 2023. The District is searching for potential vendors to provide this service.

The Broadmoor Police Protection District's website provides basic contact information, meeting notices, agendas, and minutes, and a community events calendar. However, agendas for 2022 are not available and copies of minutes and agendas are in various locations on the website. As mentioned previously, written staff reports are not created for agenda items.

While salary information for District positions is included in budget documents, adopted salary ranges for positions and classifications are not available on the District's website.

¹¹ Jason Green and Robert Salonga "Ex-Broadmoor police chief pleads no contest to conflict-of-interest charge" *The Mercury News* 8/4/2021

Accountability, Structure, and Efficiencies Summary

Public meeting agendas are posted on the District’s website, but staff reports are not typically available. The District does record Board meetings, but currently, the records are not posted to the website and are only available at cost to members of public who request copies. The Police Chief/General Manager provides all administrative and human resource function for the District.

In response to a Brown Act lawsuit, the District has now implemented procedures and policies regarding the hiring of new Police Chiefs/General Managers.

Recommendations:

- 1) LAFCo recommends the creation of staff reports for Board of Commissioners agenda items. The creation of staff reports for Board items can increase transparency and raise public awareness of the issues that are being reviewed and acted on by the commissioners. The District could explore sharing services with cities or other special districts to assist in creating the staff reports and compiling an agenda packet.
- 2) Video/audio of Board meetings should be posted on the District’s website for public viewing.
- 3) Provide Brown Act training for all Commissioners.
- 4) Explore hiring additional staff or consultants to perform human resource functions and administrative tasks, including budget support. These functions could also be shared services with neighboring agencies.
- 5) Post position salary and compensation data on the District’s website.
- 6) Post contracts and hiring policies on District’s website.
- 7) **Develop accounting, financial, governance and general administrative policies to assist the Commission and District staff. This should include the creation of policies regarding meeting agendas and noticing, Brown Act training, and audit and budget review.**

Section 5. Service/Governance Options

In light of the fiscal, structural and administrative concerns raised above, a discussion of alternative service and governance options is pragmatic. The 2015 MSR for BPPD identified three government structure alternatives for the District:

Status Quo

District would remain as is, with a three-member elected board and police services provided by officers and staff hired by the District. **However, based on LAFCo’s review of recent BPPD audit and budget documents it is probable that changes to the level of service provided by the District or the levels revenue or expenditures would need to change due to budget constraints in the future. The supplemental parcel tax could be increased on property owners to raise revenue, or service and operations could be cut to reduce expenditures. These will be decisions that the BPPD Commission will need to evaluate. As part of the review of the potential changes to services or an increase in revenue, BPPD should engage with the residents of Broadmoor to**

understand their views on these issues and on the District. If services were not able to be provided by BPPD, the San Mateo County Sheriff's Office or other neighboring agency may be able to assist, but BPPD should engage in discussions with those agencies if the need arises.

Merge Broadmoor Police Protection District with City of Daly City

Merging BPPD with the City of Daly City (with concurrent annexation of BPPD's service territory) has the potential benefit of reducing overall service costs by eliminating duplicative staffing, administrative, and facility expenses. San Mateo LAFCo has identified Daly City (through adoption of the spheres of influence) as the long-term, logical service provider for both Broadmoor and unincorporated Colma. Daly City has its own full-service police department with its headquarters located less than one-quarter mile from the BPPD headquarters. Furthermore, the Broadmoor Unincorporated area is wholly surrounded by the City of Daly City and unincorporated Colma islands are fully bordered by Daly City on three sides and the Town of Colma.

Formation of a County Service Area (CSA) or a Community Services District (CSD) and Contract with the County or Daly City for Services

The Broadmoor Village subdivision receives services from the County of San Mateo, Broadmoor Police Protection District and Colma Fire Protection District. The District could reorganize either to a County Service Area (a dependent district under the jurisdiction of the County) or as a Community Services District (an independent special district with a five-member board). The reorganized agency could contract for police services. As discussed in the 2015 MSR, the CSA or CSD could also consider contracting for fire and solid waste services.

Contracting with Another Agency without Reorganization

An additional alternative for the District that was not included in the 2015 MSR is that the District could consider contracting for service with another public safety agency to provide police services to the BPPD service area. Under this scenario, no LAFCo action would be required to enter into a service contract and the District remains intact. In California, there are three remaining Police Protection Districts, BPPD, the Fig Garden Police Protection District, and the Orange Cove Police. These two other districts, both located in Fresno County, contract with the Fresno County Sheriff's Office for enhanced police protection. The Board of Commissioners for these two districts continue to meet and the district themselves continue to operate.

BPPD could explore the option of contracting for service as a way for the District to better control costs and provide for improved economies of scale. Administrative functions such as Human Resources and payroll could be provided by the contracting agency and would no longer need to be provided by the District. Contracting with a public safety agency could also allow greater access to additional police resources and services for the Broadmoor community. While the scope of this special study does not include the fiscal analysis for contracting for services, if contracting is pursued, the District should analyze if there would be the potential for reducing or eliminating the special parcel tax.

Dissolution

BPPD could also be dissolved, either through a petition from registered voters or property owners residing in the District, a resolution from the BPPD Commission or another affected agency, or by LAFCo. This would require a LAFCo process and in most cases, would be subject to a protest proceeding. If the District was dissolved and Broadmoor remained unincorporated, police services would be provided by the San Mateo County Sheriff's Office, similar to other unincorporated areas in the County. To pay for remaining legacy costs for the District, such as pension liability, the County of San Mateo could use the property tax and supplement property tax revenue that the District currently receives. In this case, revenue would still be collected to pay for legacy costs associated with BPPD even though the District would no longer be providing services.

Section 6: Written Public Comment

LAFCo staff received written public comment letters from Broadmoor residents. The written comments did not necessitate changes to the Special Study and are available in Appendix C.

Appendix A. Broadmoor Police Protection District Fact Sheet

Michael P. Connolly, Interim Chief of Police

Broadmoor Police Protection District

388 88th Street

Daly City, CA 94015-1717

(650) 755-3840

Date of Formed: December 21, 1948

Commissioners: Three-member board of commissioners elected to four-year terms.

Membership and Term Expiration Date: James Kucharszky (December 2022), Ralph Hutchens (December 2022), and Marie Brizuela, (December 2024)

Compensation: No compensation to Commissioners

Public Meetings: The Commission meets the second Tuesday of every month at 7:00 pm at Broadmoor Police Protection District headquarters.

Services Provided: Police Protection

Area Served: 0.55 square miles

Population: Approximately 7,206

Number of Personnel: 9 full-time sworn officers, including a Chief of Police, 6 per-diem officers, which include a training manager lieutenant and investigations sergeant (per-diem officers can work only 960 hours per year), 7 volunteers, and one administrative staff member.

Sphere of Influence: Zero (Dissolution)

Budget: See the Broadmoor Police Protection District website page (<https://www.broadmoorpolice.com/>)

Appendix B. References

Broadmoor Police Projection District FY 2022-23 Financial Information January 10, 2023.

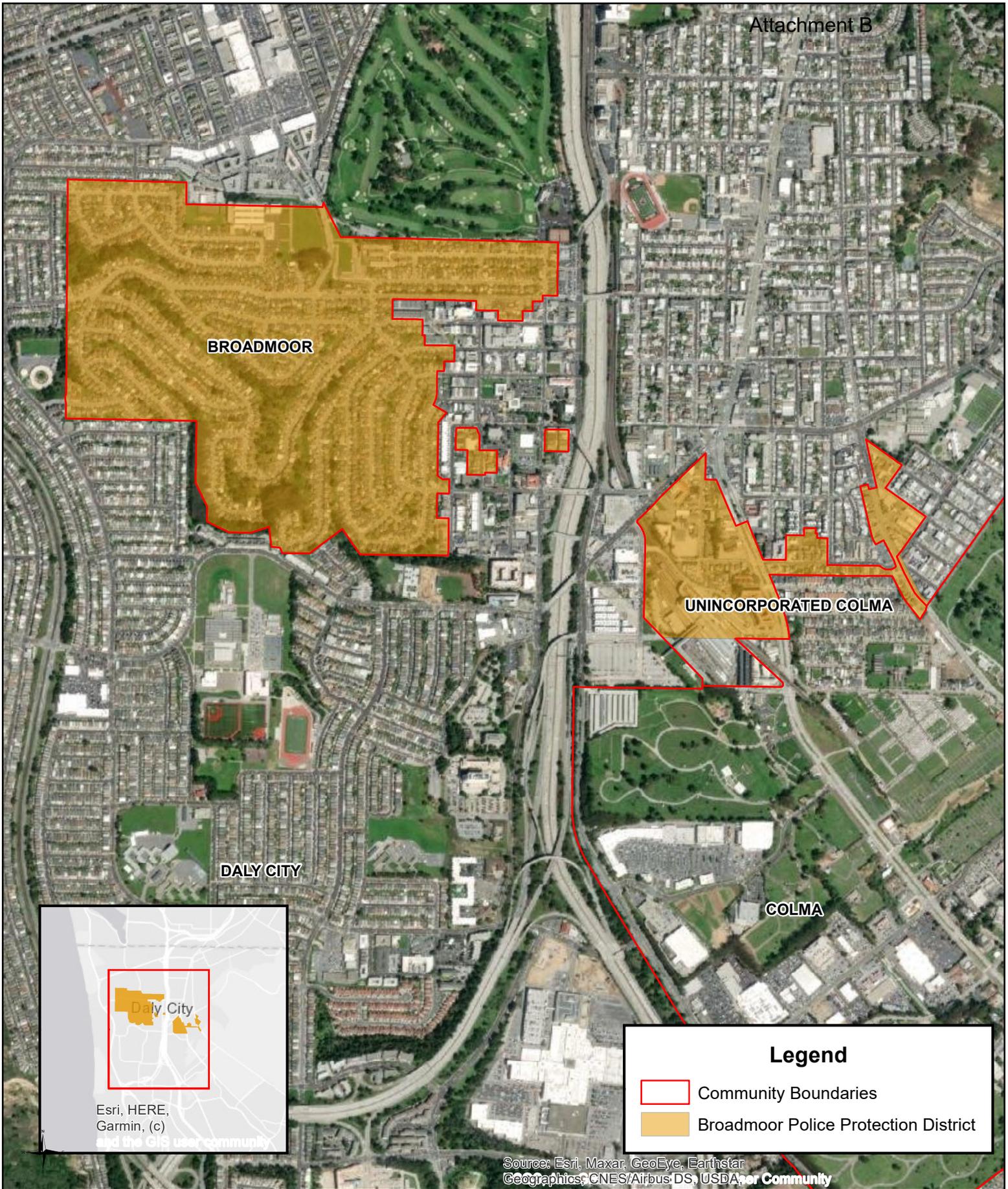
City Colma Police Department Budget and Calls for Service

City of Daly City Police Department Budget and Calls for Service

Melville, Mike (2022) Police Chief, Broadmoor Police Protection District. Personal Communication, Special Study Request for Information and Administrative Draft MSR response letters

San Mateo County Sheriff's Office and County Service Area 1 Budget and Calls for Service

San Mateo LAFCo "North County Cities and Special District Municipal Service Review and Sphere of Influence Study" September 16, 2015



Esri, HERE, Garmin, (c) and the GIS user community

Source: Esri, Maxar, GeoEye, Earthstar Geographics, CNES/Airbus/DS, USDA, and the GIS user community

Broadmoor Police Protection District

Letter	Date received	Respondent	Comment	LAFCO response
#1	2/10/2023	Marty Hackett	Concern over lack of traffic enforcement in Broadmoor by BPPD.	Comments noted. These comments do not require changes or edits to the MSR.
#2	2/16/2023	Ray Martinez	Likes the responsiveness of the police department. Concerned about the lack of transparency and the Board not having residents' best interest in managing the police force. He had a question regarding how to implement change at the District, such as contracting for service.	Comments noted. These comments do not require changes or edits to the MSR. Executive Officer responded to Mr. Martinez on 2/17/2023 regarding contracting for service for BPPD.
#3	2/16/2023	Eliana Lima	Preference to keep Broadmoor Police Department.	Comments noted. These comments do not require changes or edits to the MSR.
#4	2/20/2023	Andrea Hall	LAFCO must take steps to dissolve and replace BPPD. Concerns over BPPD budget, transparency and accountability. Additional concerns about record keeping and compliance with the law during a Public Records Act request.	Comments noted. These comments do not require changes or edits to the MSR.
#5	2/21/2023	Dave Smith	Recommendation to explore cost-saving measures leaves a lot of questions about the quality of future services and Broadmoor's additional parcel tax.	Comments noted. These comments do not require changes or edits to the MSR.

			<p>Recommendations regarding transparency and accountability seems reasonable, but the work required could have budget implications.</p> <p>Supportive of the status quo governance option.</p>	
#6	2/22/2023	Christine Taliva'a-Aguerre and John Aguerre	Hope that with the implementation of the recommendations in the Special Study will allow BPPD to continue to serve the community. They do not wish to annex to Daly City.	Comments noted. These comments do not require changes or edits to the MSR.
#7	2/26/2023	Carolyn Shaw	Concerns over budgetary shortfalls, lack of payroll/overtime oversight and the agency's financial liability that Broadmoor residents may be liable for. Preference to Daly City to provide police protection services.	Comments noted. These comments do not require changes or edits to the MSR.
#8	3/2/2023	Michael Connolly, BPPD Chief of Police	Many recommendations in the draft report will be adopted as feasible. BPPD is working with Supervisor Canepa to bridge some fiscal gaps and develop fiscal framework.	Comments noted. These comments do not require changes or edits to the MSR.

From: [Marty Hackett](#)
To: [Rob Bartoli](#)
Subject: Broadmoor police
Date: Friday, February 10, 2023 9:57:10 AM

CAUTION: This email originated from outside of San Mateo County. Unless you recognize the sender's email address and know the content is safe, do not click links, open attachments or reply.

Mr. Bartoli,

I am writing in response to the Broadmoor Village Grapevine newsletter. I have been a resident of Broadmoor village for thirty years. I am glad to be able to voice my concerns. I remember years ago seeing the police patrolling on a regular basis. For a long time now I don't seem to see much of them. My main concern is the lack of traffic enforcement. I live on Sweetwood Dr. and the intersection down on Washington is very dangerous. Due to the offset stop sign up aways on Washington you have to depend on people making a full stop coming the other way to turn safely. Too many people either make half stops or barrel up there and it is a crapshoot what to expect. If a car were to monitor this and other areas especially on Washington people would see that and this would be much safer. One day I actually saw a car there as I was walking and spoke to the officer. He pulled someone over while I was there. Saw him stopping someone later. Never saw him again or anyone else doing this. I have spoken to police a few times about this and have been told this. "I will come around tomorrow." I will speak to my guys." " The chief needs to set up a task force for this." Really? To their credit I have seen them respond to serious issues but not this. Along with the troubling news of some of those in charge I am losing confidence in them. What does it take to go around the area every couple of hours to patrol or sit on an intersection and hand out a few tickets? Since we pay for them I think they could do better.

Concerned resident.

From: [ray martinez](#)
To: [Rob Bartoli](#)
Subject: LAFCo BPPD report
Date: Thursday, February 16, 2023 3:13:42 PM

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Hello,

I found your report very enlightening. I had heard comments in the past about the Broadmoor Police department, but without an official source I was not well informed. I find the reports recommendations reasonable. I am leaning towards contracting with another agency for services without reorganization. I do like that this police department actually responds to calls compared to the other departments in this county and San Francisco county. What bothers me is the lack of transparency, and the idea that our police board does not seem to put our interest first in managing the police department. It was disappointing to see Chief Connolly get away with a slap on the wrist.

When I looked at the link to the Broadmoor Police Facebook page I saw that Ryan McMahn was hired by the Broadmoor Police department. McMahn was terminated by Vallejo after two fatal shootings and a \$5 million dollar law suit settlement.

Who has the authority to implement changes in this case, and what would that procedure look like?

Thank you,

Ray Martinez

651 MacArthur Dr.

Broadmoor, CA

415-810-9391

From: [Elaina Lima](#)
To: [Rob Bartoli](#)
Subject: Broadmoor Police
Date: Thursday, February 16, 2023 9:14:25 PM

CAUTION: This email originated from outside of San Mateo County. Unless you recognize the sender's email address and know the content is safe, do not click links, open attachments or reply.

Hello,

Thank you for your presentation regarding LAFCo last month.

As a resident of Broadmoor Vlg. We would very much like to keep the Broadmoor Police Dept.

Regards,

Elaina Lima

From: [Hall, Andrea M.](#)
To: [Rob Bartoli](#)
Subject: RE: San Mateo LAFCo Study on Broadmoor Police Protection District
Date: Monday, February 20, 2023 4:33:42 PM
Attachments: [image001.png](#)
[2023.02.20 LAFCo Letter.pdf](#)

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Hi Rob,

Attached please find my public comments on the LAFCo report. Thank you for your help.

 **Andrea M. Hall**

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andrea.hall@dentons.com
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From: Rob Bartoli <RBartoli@smcgov.org>
Sent: Friday, January 27, 2023 12:45 PM
To: Hall, Andrea M. <andrea.hall@dentons.com>
Subject: RE: San Mateo LAFCo Study on Broadmoor Police Protection District

[WARNING: EXTERNAL SENDER]

Hi Andrea,

Not a problem. We are asking for comments on the report by Feb. 22, 2023.

Thank you,

Rob

Rob Bartoli
Executive Officer
San Mateo LAFCo
455 County Center, 2nd Floor
Redwood City, CA 94063
Direct Tel: (650) 363-4224
Email: rbartoli@smcgov.org

From: Hall, Andrea M. <andrea.hall@dentons.com>
Sent: Friday, January 27, 2023 12:32 PM
To: Rob Bartoli <RBartoli@smcgov.org>
Subject: RE: San Mateo LAFCo Study on Broadmoor Police Protection District

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Hi Rob,

Can you remind me of the deadline for submitting written comments on the Broadmoor study?
Sorry I've been traveling for work this week and time has gotten away from me.

 **Andrea M. Hall**

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From: Rob Bartoli <RBartoli@smcgov.org>
Sent: Tuesday, January 17, 2023 1:16 PM
To: Hall, Andrea M. <andrea.hall@dentons.com>
Subject: RE: San Mateo LAFCo Study on Broadmoor Police Protection District

[WARNING: EXTERNAL SENDER]

Hi Andrea,

The latest version of the LAFCo staff report and special study can be found here:
<https://www.smcgov.org/lafco/event/regular-lafco-meeting-january-18-2023>

I look forward to meeting you in person as well.

Thank you,

Rob

Rob Bartoli
Executive Officer
San Mateo LAFCo
455 County Center, 2nd Floor
Redwood City, CA 94063
Direct Tel: (650) 363-4224
Email: rbartoli@smcgov.org

From: Hall, Andrea M. <andrea.hall@dentons.com>
Sent: Tuesday, January 17, 2023 11:56 AM
To: Rob Bartoli <RBartoli@smcgov.org>
Subject: RE: San Mateo LAFCo Study on Broadmoor Police Protection District

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Hi Rob,

I just want to let you know that I will be at the Broadmoor Property Owners' meeting on Thursday evening. I will bring 40 printed copies of the LAFCo report because I see the report was recently removed from the BPPD's website. I'm sure it will be a mess with the old-time residents going on about how Big-Spreadsheet is conspiring to take away their police department and all of their nostalgia for the good days before racist CCRs were outlawed. Nevertheless, I thank you for seeing this through and attending to attempt to explain LAFCo's findings. Looking forward to meeting you in person.

Best,

Andrea



Andrea M. Hall

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From: Rob Bartoli <RBartoli@smcgov.org>

Sent: Thursday, November 10, 2022 3:38 PM

To: Hall, Andrea M. <andrea.hall@dentons.com>

Subject: San Mateo LAFCo Study on Broadmoor Police Protection District

[WARNING: EXTERNAL SENDER]

Hi Andrea,

I hope you are doing well.

As I had mentioned during the public member interviews, LAFCo was in the process of undertaking a special study on the Broadmoor Police Protection District. The Draft Special Study has now been published (see attached) and will be discussed at the LAFCo meeting next Wednesday.

Thank you,

Rob

Rob Bartoli
Executive Officer
San Mateo LAFCo
455 County Center, 2nd Floor

Redwood City, CA 94063
Direct Tel: (650) 363-1857
Email: rbartoli@smcgov.org

February 20, 2023

Via Email (rbartoli@smcgov.org)

Rob Bartoli
Executive Officer
San Mateo LAFCo
455 County Center, 2nd Floor
Redwood City, CA 94063

Re: Public Comment Re: LAFCo Special Study of Broadmoor Police District

Dear Mr. Bartoli:

LAFCo must take steps to dissolve and replace the Broadmoor Police Protection District. The BPPD is a dangerous anachronism. It cannot afford to patrol half a square mile while complying with state regulations on police and paying insurance premiums. While the economics of the BPPD may have made sense 75 years ago when the area was more sparsely-populated and middle class, they no longer make any fiscal sense when servicing a mortgage on a single-family house in Broadmoor costs around \$6,000 per month. Paying for adequate administration and oversight as well as patrol services has been impossible for decades now.

Rather than facing this reality and attempting to provide services more sustainably to Broadmoor by pairing with neighboring agencies, BPPD has doubled down on its inefficiency and incompetence. It attacks the integrity of anyone who questions its sustainability. It cries it has no money (even to comply with the law) as its employees embezzle millions of dollars from the state.

BPPD claims LAFCo's report presents an incomplete picture is yet another farcical attempt to distract from its own incompetence and corruption. BPPD claims that the LAFCo report did not consider response times or the crime rate. However, they do not present any evidence to support their claims that their response times or major crime rates are lower than comparable areas. My lived experience does not show that our crime rates are any lower than elsewhere. In the last two years, on my block alone, a resident was pistol-whipped and shots were fired. At least three catalytic converters were stolen, and my neighbor's home was burglarized. Elsewhere in Broadmoor, a woman was paralyzed by a stray bullet. Nothing indicates Broadmoor is any safer than the surrounding areas.

Indeed, given its history of deception, any numbers promulgated by the BPPD should be viewed with skepticism and distrust. Last December, its attorney, Paul M. Davis, whom it pays \$5475 per month, admitted that they have no document retention policies and make no effort to index records related to their encounters with the public. (See Exhibit C.) He resisted the notion that the BPPD were required to keep records and supply them on demand to members of the public at all.

Rather than providing me the records as requested, he unilaterally scheduled a time during my work hours (Ex. D.) and accused me of being “angry” and making the request based on personal animus. He called my requests “nonsense.” (Ex. C.) As I explained to him, any member of the public is allowed to request records for any reason. *Id.*

In response, he claimed my request that the BPPD determine how many traffic citations it had written was “inane.” *Id.* He alleged budgetary constraints prevented the BPPD from complying with the PRA. The BPPD is indisputably required to comply with the PRA by providing records to members of the public upon request for any reason. **If the BPPD cannot comply with California laws regulating police agencies, then it should not be allowed to continue to operate.** How can the BPPD supply reliable numbers regarding their policing when they have admitted they have no idea what or how many records of even parking tickets they retain? It makes no sense.¹

In sum, I appreciate that LAFCo has reexamined the BPPD and shown it is in a precarious financial position because of its history of mismanagement. However, its unrepentant incompetence has exhausted my patience. It is time to act to replace the BPPD with a modern police force that will comply with the laws and respect the community it serves.

Sincerely,



Andrea M. Hall

¹ The BPPD’s parking tickets should be extremely easy to index and compile because Vehicle Code section 40202(c) requires the BPPD maintain the tickets. Destroying or losing said tickets is a misdemeanor.

Exhibit A

December 19, 2022

Via Email (pmd@davislawoffice.com)

Broadmoor Police Protection District
c/o Paul M. Davis, Esq.
1 Blackfield Dr., Suite 193
Tiburon, CA 94920-2053

Re: Public Records Act Request Regarding Enforcement of San Mateo County Ordinance sections
7.28.030 and 7.28.190

Dear Mr. Davis:

I write to respond to your correspondence of December 13, 2022. First, I cannot come to the department to review records myself in person on Wednesday, December 21, at 1 p.m. because of professional obligations. Consequently, I must continue to insist that the Broadmoor Police Protection District (“BPPD”) meet its obligations under the Public Records Act by making its records “open to inspection **at all times** during the office hours of. . . [the] local agency.” Gov’t Code § 7922.525 (emphasis added.) Alternatively, BPPD may provide me with copies after reviewing its own records to determine which responsive records are nonconfidential, even though the deadline to respond to my request passed more than a week ago and the BPPD requested no extension. Gov’t Code § 7922.535. I reiterate that I would prefer electronic copies of those records and an estimate of the costs of preparing copies before they are provided to me.

Second, you claim that responding to such requests is “nonsense” and “inane.” You further argue that “[n]o public entity will hire expensive staff to accomplish what [I] want,” and that I do not “want [my] tax dollars wasted on that.” I must disagree. Lack of staffing or funding is no excuse for the BPPD’s failure to comply with the PRA. *State Bd. of Equalization v. Superior Ct.*, 10 Cal. App. 4th 1177, 1190 (1992)(“To the extent the Board complains of staff inconvenience and expense, we are given no reason to reject the trial court’s finding that the burden is sufficiently alleviated by retaining outside counsel with expertise in these matters to perform the task.”) At the very least, it must articulate specifically how and why its staffing is insufficient to respond to the request. A conclusory claim that responding is a waste of taxpayer dollars will not do. *Becerra v. Superior Ct.*, 44 Cal. App. 5th 897, 930 (2020) (To determine whether an agency has complied with the PRA, courts “may consider certain estimates that quantify the burden and cost of production” “based on solid foundations.” A statement “lacking in meaningful detail. . . fell short of demonstrating that public fiscal and administrative concerns over the expense and inconvenience of responding to real parties in interest’s records request.”)

The PRA tolerates some burden on public agencies and waste of taxpayer resources because the Act serves an important goal: fostering transparency and enhancing trust in government. *Riskin v. Downtown*

Los Angeles Prop. Owners Ass'n, 76 Cal. App. 5th 438, 444 (2022) (“Rooted in the CPRA and implicit in the democratic process is the notion government should be accountable for its actions, and in order to verify accountability, individuals must have access to government files.”)

The California Supreme Court has found this policy especially salient when the subject is law enforcement: “In order to maintain trust in its police department, the public must be kept fully informed of the activities of its peace officers.” *Commission on Peace Officer Standards & Training v. Superior Court*, 42 Cal.4th 278, 297 (2007) “Given the extraordinary authority with which they are entrusted, the need for transparency, accountability and public access to information is particularly acute when the information sought involves the conduct of police officers.” *Pasadena Police Officers Assn. v. Superior Ct.*, 240 Cal. App. 4th 268, 283 (2015). The state’s Supreme Court has observed:

The public’s legitimate interest in the identity and activities of peace officers is even greater than its interest in those of the average public servant. ‘Law enforcement officers carry upon their shoulders the cloak of authority to enforce the laws of the state. . . . ‘It is indisputable that law enforcement is a primary function of local government and that the public has a far greater interest in the qualifications and conduct of law enforcement officers, even at, and perhaps especially at, an “on the street” level than in the qualifications and conduct of other comparably low-ranking government employees performing more proprietary functions. The abuse of a patrolman’s office can have great potential for social harm. . . .’”

Commission on Police Officer Standards, 42 Cal.4th at 297-298.

This brings me to my third point. Although I requested that your letter explain in detail the basis for withholding records, you raise just one exemption in your letter. You claim Penal Codes sections 832.5 and 832.7 (the “Pitchess Statutes”) prevent the disclosure of any personnel records of any peace officer. You do not explain why the records requested are subject to the Pitchess statutes, nor what efforts the BPPD made to identify such records. I must disagree that those sections allow BPPD to refuse to disclose records it has not reviewed and “ha[s] no idea how many” such records it possesses. the Pitchess statutes protect only personal, medical, or benefit information and “[c]omplaints, or investigations of complaints.” Penal Code § 832.8. *See also Pasadena Police Officers*, 240 Cal. App. 4th at 289 (“Police officer personnel records include only the type of information specified in Penal Code section 832.8. (citation omitted.) Only records generated in connection with a citizen complaint, or administrative appraisal or discipline, are protected.”)

The definition in section 832.8 does not extend to employee names, job titles, and salaries; pension amounts; and employment and severance agreements. *Int’l Fed’n of Pro. & Tech. Engineers, Loc. 21, AFL-CIO v. Superior Ct.*, 42 Cal. 4th 319, 346 (2007)(“The term ‘records relating’ to the kinds of information specified in Penal Code section 832.8 is more reasonably understood as a reference to records that actually reflect the enumerated items. Records of salary expenditures do not reflect any of the items enumerated in the statute. Thus, Penal Code sections 832.7 and 832.8 do not mandate that peace officer salary information be excluded from disclosure under the Act.”)

It also does not extend to statements without “consequence for [an officer’s] duties, tenure, compensation, or benefits” or statements not in response to a citizen complaint. *Essick v. Cnty. of Sonoma*, 81 Cal. App. 5th 941, 953 (2022); *Pasadena Police Officers*, 240 Cal. App. 4th at 289 (“other portions of the Report, including the CID investigation, which do not constitute or relate to employee appraisal, are not” exempt from disclosure.)

Further, Penal Code section 832.7(b)(1)(C) requires public disclosure of records “relating to an incident in which a sustained finding was made by any law enforcement agency or oversight agency of dishonesty by a peace officer or custodial officer directly relating to the reporting, investigation, or prosecution of a crime, or directly relating to the reporting of, or investigation of misconduct by, another peace officer or custodial officer, including, but not limited to, any sustained finding of perjury, false statements, filing false reports, destruction, falsifying, or concealing of evidence.” Your letter simply states that the Pitchess Statutes apply, even though you concede you have made no effort to review the records to determine their number or contents. That is not enough. *Becerra*, 44 Cal. App. 5th at 932 (“the nature and scope of responsive records [under the Pitchess Statutes] in the Department’s possession are relatively unknown to litigants and the courts, and the burden of making such records available for inspection must, at this juncture, be established through expert testimony, or at the very least, with a more thorough showing that substantiates the Department’s burden.”)

The case law cited above would provide the San Mateo County Superior Court ample basis on which to order the BPPD to comply with the PRA by reviewing the records it possesses and producing them with reasonable redactions.

Sincerely,



Andrea M. Hall

Exhibit B

SEATTLE
(206) 497-1188
WASHINGTON, DC
(202) 241-1316
SAN MATEO
(650) 349-0700

PAUL M. DAVIS

ATTORNEY AT LAW

1 BLACKFIELD DRIVE

SUITE 193

TIBURON, CALIFORNIA 94920-2053

TELEPHONE: (415) 884-2555

PAUL M. DAVIS

ALSO ADMITTED IN THE
DISTRICT OF COLUMBIA
AND THE
STATE OF WASHINGTON

December 13, 2022

BY EMAIL ONLY
andreameghanhall@gmail.com

Andrea Hall
1843 Sweetwood Drive
Broadmoor Vlg., California 94015

In re: Further Response to Public Records
Request to Broadmoor Police

Dear Ms. Hall:

This will be my final response to you. I have wasted more than enough time and tax dollars on this.

The Broadmoor Police Department has fully responded to your request and you are scheduled to inspect the disclosable records on December 21, 2022, at 1:00 p.m. at the police department.

No further responses or correspondence regarding this matter will be forthcoming, thus any further emails or correspondence from you regarding this matter will be ignored and any allegations by you shall be deemed denied.

Sincerely,

LAW OFFICES OF PAUL M. DAVIS

Paul M. Davis (e-signature)

Paul M. Davis
District Counsel

cc: John F. Duncan (ACOP)
Police Commission

Exhibit C

[WARNING: EXTERNAL SENDER]

Begin forwarded message:

From: Andrea Hall <andreameghanhall@gmail.com>
Date: December 13, 2022 at 4:00:30 PM PST
To: Davis Law Offices <pmd@davislawoffice.com>
Cc: Commissioner James Kucharszky <jkucharszky@pd.broadmoor.ca.us>, "Cmdr. John Duncan" <jduncan@pd.broadmoor.ca.us>
Subject: Re: Emailing: Andrea Hall 003.pdf

Mr. Davis,

As I have explained to you several times, your characterization of my demand that the Broadmoor Police comply with the requirements of the Public Records Act as the product of some “angry” personal vendetta against the police is insulting. It minimizes the goals of the Act, which makes “access to information concerning the conduct of the people's business” “a fundamental and necessary right of every person in this state.” Government Code § 6250. This is hardly “nonsense,” and my reasons for making my request are irrelevant to BPPD’s duty to comply with the request. *Marylander v. Superior Ct.*, 81 Cal. App. 4th 1119, 1125 (2000)(“all public records may be examined by any member of the public, often the press, but conceivably any person with no greater interest than idle curiosity.”)

Further, an unsubstantiated, unquantified claim of burden is no excuse for failing to respond to my request. Records requests, however, inevitably impose some burden on government agencies.” *California First Amend. Coal. v. Superior Ct.*, 67 Cal. App. 4th 159, 166 (1998) (“CPRA requests invariably impose some burden on public agencies.”) Agencies are obliged to disclose all records they can locate “with reasonable effort.” *Id.* A request is “overbroad and unduly burdensome” if it “requires an agency to search an enormous volume of data for a ‘needle in the haystack’ or, conversely, a request which compels the production of a huge volume of material may be objectionable as unduly burdensome.” *Id.* Do you maintain that BPPD must search “an enormous volume of data” or produce “a huge volume of material?” Or do you simply contend that BPPD has failed to allocate the resources necessary to comply with the PRA? Please clarify.

Best,
Andrea

On Dec 13, 2022, at 3:27 PM, Davis Law Offices <pmd@davislawoffice.com> wrote:

Hello Ms. Hall,

Let me be clear. I am not going to waste your time and my time parsing nonsense. What I told you was there could be thousands of documents. I have no idea how many documents there are. If you

want to inspect the documents we will make them available for you to inspect. But, I have spent more than enough of my time on this and I'm reasonably certain you have spent more than enough of your time on this as well. I see nothing fruitful that will come by spending more time on this.

You now expect taxpayers to hire staff to determine how many documents there are. That request is inane.

The staff at Broadmoor, like all public agencies, is funded by tax dollars. No public entity will hire expensive staff to accomplish what you want, and I really don't think you want your tax dollars wasted on that. We comply with the Public Records Act with the staffing and resources available to us.

Finally, while I have no idea why you are as angry as you are, I once again offer to discuss with you anything that might have happened between you and the Broadmoor Police Department that might have caused you to be upset and I will attempt to rectify that situation as best I can; I invite your dialogue in that regard.

Thank you for giving me the opportunity to assist you.

Paul M. Davis
District Counsel

----- Original Message -----

From: [Andrea Hall](#)

To: [Davis Law Offices](#)

Cc: [Commissioner James Kucharszky](#) ; [Cmdr. John Duncan](#)

Sent: Tuesday, December 13, 2022 3:15 PM

Subject: Re: Emailing: Andrea Hall 003.pdf

Mr. Davis,

This response is cynical and disingenuous. On our phone call, you told me there were hundreds of thousands of records and it would be a "monumental undertaking" for the department to respond to my request. That was the chief reason you cited for not responding to my request and now you appear to be disavowing it.

Given that you cannot even identify the number of records that are responsive to my request, it appears neither you nor the BPPD have made a good faith attempt to comply with my request at all. It's disturbing to see that those tasked with enforcing the laws in Broadmoor have so little respect for the laws regulating them.

Best,
Andre

On Dec 13, 2022, at 3:10 PM, Davis Law Offices
<pmd@davislawoffice.com> wrote:

Good afternoon Ms. Hall,

There are not hundreds of thousands of documents. You must have misunderstood something. I don't know precisely how many documents might be involved, but you have asked for records dating back to 2015, so the amount of records could be voluminous. Once again, I do not know. The records will not be pulled until you arrive.

You can take as much time as you need so long as there is adequate staffing. If you cannot complete your inspection on December 21 you may indeed return to complete it.

When you arrive simply identify yourself to the records clerk at the front desk and she will guide you through the process.

Thank you.

Paul M. Davis

----- Original Message -----

From: [Andrea Hall](#)

To: [Davis Law Offices](#)

Cc: [Commissioner James Kucharszky](#) ; [Davis Law Offices](#) ; [Cmdr. John Duncan](#)

Sent: Tuesday, December 13, 2022 3:03 PM

Subject: Re: Emailing: Andrea Hall 003.pdf

Hi Mr. Davis,

Thank you for your response. Again, I will address the supposed exemptions cited in your prior letter more fully when time permits.

Approximately how long will I have to review the hundreds of thousands of responsive records you told me the department maintains? Will I be able to return to examine additional records? Who should I ask to see on December 21? Thank you.

Andrea

On Dec 13, 2022, at 2:50 PM, Davis Law Offices
<pmd@davislawoffice.com> wrote:

Please see attached.

Hi Mr. Davis,

Thank you for your response. Again, I will address the supposed exemptions cited in your prior letter more fully when time permits.

Approximately how long will I have to review the hundreds of thousands of responsive records you told me the department maintains? Will I be able to return to examine additional records? Who should I ask to see on December 21? Thank you.

Andrea

> On Dec 13, 2022, at 2:50 PM, Davis Law Offices
<pmd@davislawoffice.com> wrote:

>

>

> Please see attached.

Exhibit D

SEATTLE
(206) 497-1188
WASHINGTON, DC
(202) 241-1316
SAN MATEO
(650) 349-0700

PAUL M. DAVIS

ATTORNEY AT LAW

1 BLACKFIELD DRIVE

SUITE 193

TIBURON, CALIFORNIA 94920-2053

TELEPHONE: (415) 884-2555

PAUL M. DAVIS

ALSO ADMITTED IN THE
DISTRICT OF COLUMBIA
AND THE
STATE OF WASHINGTON

December 13, 2022

BY EMAIL ONLY
andreameghanhall@gmail.com

Andrea Hall
1843 Sweetwood Drive
Broadmoor Vlg., California 94015

In re: Further Response to Public Records
Request to Broadmoor Police

Dear Ms. Hall:

This will serve to document in part our telephone conference of this date in which you expressed to me your concerns relating to the Broadmoor Police Department's initial response to your request to inspect public records is concerned.

This letter shall respond *ad seriatim* to your letter of November 29, 2022, which I received from you yesterday.

1. Arrangements will be made to allow you to come to the records division of the police department to inspect, under supervision, copies of parking citations that have been issued for the timeframe you requested. Because some of those records might contain confidential information, you will not be provided with unredacted copies nor will you be permitted to make notes from them.

2. Arrangements will be made to allow you to come to the records division of the police department to inspect, under supervision, copies of parking citations that have been issued for the timeframe you specified. Because some of those records might contain confidential information, you will not be provided with unredacted copies nor will you be permitted to make notes from them.

3. Personnel records of peace officers are not public records open for public inspection because such records are by statute confidential. (Penal Code §§832.5 and 832.7) Such records are not available for your inspection.

December 13, 2022

4. The police department does not maintain an index or catalog that would provide any method to search for the information you are requesting.

5. Personnel records of peace officers are not public records open for public inspection because such records are by statute confidential. (Penal Code §§832.5 and 832.7) Such records cannot be made available for your inspection.

6. Personnel records of peace officers are not public records open for public inspection because such records are by statute confidential. (Penal Code §§832.5 and 832.7) Such records cannot be made available for your inspection.

Please note that the exemptions from public disclosure cited above are merely illustrative, not exhaustive. You might also want to review Government Code §§6253.9(g), 6254(f), 6254(p)(2) and other statutes that exempt records of public agencies, particularly criminal justice agencies, from public inspection.

Once again, if you are experiencing any issue that you feel is not being handled properly or adequately by any member of the Broadmoor Police Department I encourage you to bring that issue to the attention of the Chief of Police and/or the Police Commission. The duly elected Police Commission is deeply concerned about the quality of life in, and residents of, Broadmoor and they take very seriously their policy-making role in that regard.

Thank you for the opportunity to respond to your public records request.

Sincerely,

LAW OFFICES OF PAUL M. DAVIS

Paul M. Davis (e-signature)

Paul M. Davis
District Counsel

cc: John F. Duncan (ACOP)
Police Commission

Exhibit E

December 10, 2022

Via Email (pmd@davislawoffice.com)

Broadmoor Police Protection District
c/o Paul M. Davis, Esq.
1 Blackfield Dr., Suite 193
Tiburon, CA 94920-2053

Re: Public Records Act Request Regarding Enforcement of San Mateo County Ordinance sections 7.28.030 and 7.28.190

Dear Mr. Davis:

I am in receipt of your December 6, 2022 reply to my request for public records dated November 29, 2022. Not only have you misdated my request, but your letter fundamentally mischaracterizes the nature and motivation of my request, the purpose of California's Public Records Act ("PRA"), and the duties it imposes on public agencies. I must continue to insist that the Broadmoor Police Protection District ("BPPD") produce the records I requested on November 29.

First, your letter states only that the BPPD has no responsive records. Government Code section 6253.1 imposes on the BPPD a duty to respond to requests for disclosure of the information in public records. The PRA's "identification requirement may not be used by a government agency as a method of withholding records." *Bd. of Equalization v. Superior Ct.*, 10 Cal. App. 4th 1177, 1192 (1992). "[T]he requirement of clarity [for PRA requests] must be tempered by the reality that a requester, having no access to agency files, may be unable to precisely identify the documents sought." *California First Amend. Coal. v. Superior Ct.*, 67 Cal. App. 4th 159, 165-66 (1998). Rather, "part of the responsibility for identifying records [lies] with the agency itself." *Bd. of Equalization*, 10 Cal. App. 4th at 1192.

Thus, the BPPD cannot just allege it has no responsive records. Its duty to respond "includ[es] assisting the requester in formulating reasonable requests, because of the [BPPD's] superior knowledge about the contents of its records." *Cmty. Youth Athletic Ctr. v. City of Nat'l City*, 220 Cal. App. 4th 1385, 1417 (2013). This might include providing an index of records that are in the BPPD's custody, possession, or control. *Bd. of Equalization*, 10 Cal. App. 4th at 1192-93. However, "[c]onclusory or boilerplate assertions" of the nonexistence of the requested records "are not sufficient." *ACLU of N. California v. Superior Ct.*, 202 Cal. App. 4th 55, 83 (2011).

Second, contrary to your assertions, my request does not "appear[] to relate to parking violations in" Broadmoor. Rather, my November 29, 2022 letter explicitly states twice that I am making this request, because "upon information and belief, the Broadmoor Police Protection District has a pattern or practice of citing violations of San Mateo County Ordinance sections 7.28.030 and 7.28.190 disparately based on

the alleged violator's racial identity." I am not concerned about parking violations *per se*. I am concerned that the BPPD is citing only a portion of those parking violations, based on racial animus. My concerns arise from my experiences as a resident of Broadmoor and as an attorney committed to providing equal access to justice to my community. Consequently, I want to examine any written records related to the enforcement of those provisions, the personnel records for Officer Payne, and any citizen complaints related to Officer Payne. Your minimization of my concerns as being about "parking violations" and your suggestion that attending a meeting of the Police Commission can substitute for reviewing and analyzing seven years of public records is insulting.

I must continue to insist the BPPD meet and confer with me to narrow my requests for the following:

1. all records, including but not limited to police reports and citations, related to the enforcement of San Mateo County Ordinance section 7.28.030 since November 28, 2015.
2. all records, including but not limited to police reports and citations, related to the enforcement of San Mateo County Ordinance section 7.28.190 since November 28, 2015.
3. all personnel records for Officer J. Payne;
4. all records related to Officer J. Payne's enforcement of Title 7 of the San Mateo County Code of Ordinances.
5. all records evidencing any citizen complaint filed against Officer J. Payne since November 28, 2015;
6. all records evidencing any action taken as a result of citizen complaints filed against Officer J. Payne since November 28, 2015;

If I do not hear back from you to refine my requests to identify responsive records in the BPPD's possession, custody, or control by December 21, 2022, I will assume the BPPD will not respond and file the attached draft complaint.

I look forward to meeting and conferring with you to refine my request to allow the BPPD to respond. Again, please contact me at 650-278-2912 or andreameghanhall@gmail.com, pursuant to Government Code section 6253.1. Thank you for your timely attention to this matter.

Sincerely,



Andrea M. Hal

cc: Chief John F. Duncan
Hon. James Kucharsky

ANDREA M. HALL
ANDREAMEGHANHALL@GMAIL.COM
1843 SWEETWOOD DRIVE
UNINCORPORATED COLMA, CA 94015-2014
TELEPHONE: 650-278-2912

1 ANDREA M. HALL (SBN 317491)
andreameghanhall@gmail.com
2 1843 Sweetwood Drive
Unincorporated Colma, CA 94015-2014
3 Telephone: 650-278-2912

4 Attorney pro per
5
6
7

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 COUNTY OF SAN MATEO

10
11
12 Andrea M. Hall,

No. XXXX

13 Plaintiff,

COMPLAINT FOR DECLARATORY AND
INJUNCTIVE RELIEF AND VERIFIED
PETITION FOR WRIT OF MANDATE

14 vs.

15 Broadmoor Police Protection District, and
DOES 1 through 10, inclusive,

16 Defendants.
17

18 **INTRODUCTION**

19 1. In this suit, a third-generation resident of Broadmoor, an unincorporated area in
20 San Mateo County, which maintains its own police protection district, seeks to enforce her rights
21 under Article 1, section 3 of the California Constitution and the state Public Records Act
22 (“PRA”). In particular, plaintiff seeks records to confirm that the Broadmoor Police Protection
23 District (“BPPD”) selectively enforces the law based on the alleged violator’s racial identity.

24 2. As a lifelong resident of Broadmoor, plaintiff has watched as BPPD officer
25 repeatedly harass some of her neighbors, even goading and taunting some into physical fights,
26 while others walk away without even so much as a warning. In light of her recent experience and
27 recent news about the department’s hiring practices, plaintiff decided to seek records about the
28 racial identity of those who are cited and personnel records for one officer who questioned

ANDREA M. HALL
ANDREAMEGHANHALL@GMAIL.COM
1843 SWEETWOOD DRIVE
UNINCORPORATED COLMA, CA 94015-2014
TELEPHONE: 650-278-2912

1 plaintiff's qualifications as a lawyer, apparently because she is a woman.

2 3. Rather than allay her concerns about its practices, the BPPD responded that they
3 maintain no such records. The BPPD refused to meet and confer to refine her requests as the
4 PRA requires and instead merely maintains that no such records exist.

5 4. The BPPD's refusal to meet and confer has forced plaintiff to file this suit seeking
6 a declaration that she is entitled to such records under the PRA, an injunction requiring the BPPD
7 to produce the requested records, and attorney's fees.

8 **JURISDICTION AND VENUE**

9 5. This Court has jurisdiction under Government Code section 6258 and Code of
10 Civil Procedure sections 1060 and 1085.

11 6. Venue is proper in this Court pursuant to Government Code section 6259 Code of
12 Civil Procedure sections 393 and 394(a).

13 **PARTIES**

14 7. Plaintiff Andrea M. Hall is a lifelong resident of Broadmoor in Unincorporated
15 San Mateo County. Her mother's family has resided in Broadmoor continuously since the
16 subdivision was constructed in the late 1940s. She is also an attorney whom fellow Broadmoor
17 residents regularly approach for legal advice about their interactions with the BPPD.

18 8. Defendant Broadmoor Police Protection District is a state police protection district
19 responsible for enforcing laws in Broadmoor Village in Unincorporated San Mateo County.
20 BPPD maintains and is the legal custodian of records about their enforcement activities in
21 Broadmoor. BPPD maintains its primary place of business at 388 88th Street in Daly City. It is a
22 legal resident of San Mateo County and is amenable to service of process in San Mateo County.

23 **FACTUAL ALLEGATIONS**

24 9. BPPD is an agency of the State of California, and as such, is governed by the
25 public disclosure requirements of Article I, section 3, of the California Constitution and the
26 CPRA, Cal. Gov't Code section 6250 et seq. Plaintiff does not know which BPPD employee is
27 responsible for receiving and responding to requests for public records under the California
28 Public Records Act.

ANDREA M. HALL
ANDREAMEGHANHALL@GMAIL.COM
1843 SWEETWOOD DRIVE
UNINCORPORATED COLMA, CA 94015-2014
TELEPHONE: 650-278-2912

1 10. On November 29, 2022, plaintiff submitted a written PRA request to the BPPD
2 seeking the disclosure of six categories of public records. A true and correct copy of that request
3 is attached hereto as Exhibit 1.

4 11. By email on December 6, 2022, BPPD's Attorney, Paul M. Davis responded to
5 plaintiff that no responsive records exist. His letter did not describe the process undertaken to
6 identify responsive records, nor did it attempt to refine the requests to make them responsive. He
7 also raised no objections about the requests and has thus waived them. A true and correct copy of
8 that request is attached hereto as Exhibit 2.

9 12. By email on December 10, 2022, plaintiff advised Mr. Davis that the BPPD's
10 response was inappropriate because the PRA's "identification requirement may not be used by a
11 government agency as a method of withholding records." *Bd. of Equalization v. Superior Ct.*, 10
12 Cal. App. 4th 1177, 1192 (1992). She further informed him that "part of the responsibility for
13 identifying records [lies] with the agency itself." *Id.* She also warned that if the department did
14 not meet and confer she was prepared to file the present complaint. A true and correct copy of
15 that letter is attached hereto as Exhibit 3.

16 13. Despite these warnings, BPPD has failed to meet and confer over plaintiff's
17 requests to refine them to identify responsive documents. It has also produced no records to
18 disprove that its enforcement of laws in Broadmoor is capricious and influenced by individual
19 officer's racial animus. Consequently, plaintiff continues to believe BPPD are in possession,
20 custody, and control of such records, but merely seek to avoid appropriate public scrutiny of the
21 information they contain. This belief is based on BPPD's response (or lack thereof) and its
22 employees' pattern and practice of failing to follow state laws on public meetings and pensions.

23 **FIRST CAUSE OF ACTION**

24 (Violation of the California Constitution and PRA against BPPD and DOES 1-10)

25 14. Plaintiff incorporates herein by reference the allegations set forth in paragraphs 1
26 through 13.

27 15. The California Constitution, Article I, section 3(b)(1), declares that "[t]he people
28 have the right of access to information concerning the conduct of the people's business, and,

1 therefore, the meetings of public bodies and the writings of public officials and agencies shall be
2 open to public scrutiny.”

3 16. The PRA, found at Government Code section 6250 declares that “access to
4 information concerning the conduct of the people's business is a fundamental and necessary right
5 of every person in this state.”

6 17. Government Code section 6253.1 imposes on public agencies, such as the BPPD, a
7 duty to respond to requests for disclosure of the information in public records. The PRA’s
8 “identification requirement may not be used by a government agency as a method of withholding
9 records.” *Bd. of Equalization v. Superior Ct.*, 10 Cal. App. 4th 1177, 1192 (1992). “[T]he
10 requirement of clarity [for PRA requests] must be tempered by the reality that a requester, having
11 no access to agency files, may be unable to precisely identify the documents sought.” *California*
12 *First Amend. Coal. v. Superior Ct.*, 67 Cal. App. 4th 159, 165–66 (1998). Rather, “part of the
13 responsibility for identifying records [lies] with the agency itself.” *Bd. of Equalization*, 10 Cal.
14 App. 4th at 1192.

15 18. Thus, the BPPD cannot simply allege it has no responsive records. Its duty to
16 respond “includ[es] assisting the requester in formulating reasonable requests, because of the
17 [BPPD’s] superior knowledge about the contents of its records.” *Cnty. Youth Athletic Ctr. v. City*
18 *of Nat'l City*, 220 Cal. App. 4th 1385, 1417 (2013). “Conclusory or boilerplate assertions” of the
19 nonexistence of the requested records “are not sufficient.” *ACLU of N. California v. Superior*
20 *Ct.*, 202 Cal. App. 4th 55, 83 (2011).

21 19. By its reliance on boilerplate assertions of nonexistence and its refusal to meet-
22 and-confer to identify responsive records, the BPPD has violated the 4 California
23 Constitution, Art. I, section 3, and the PRA, Government Code sections 6250 *et seq.*, and thereby
24 required plaintiff to expend several hours drafting letters and the present complaint to obtain the
25 desired records.

26 **PRAYER FOR RELIEF**

27 WHEREFORE, plaintiff respectfully prays that this Court:

- 28 1. Issue a writ of mandate directing BPPD to comply fully and without further delay

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1 with the PRA and to furnish plaintiff all public documents meeting the description
2 in her requests.

- 3 2. In the alternative, issue an order to BPPD to show cause why the court should not
4 issue such a writ and thereafter issue a peremptory writ compelling BPPD
5 to perform its public duty as set forth above;
- 6 3. Declare that BPPD has violated plaintiff's rights under the California Constitution,
7 Article I, section 3, and under Government Code sections 6250 *et seq.*, by failing
8 to meet and confer plaintiff's document requests;
- 9 4. Declare that BPPD has violated plaintiff's rights under the California Constitution,
10 Article I, section 3, and under Government Code sections 6250 *et seq.*, by failing
11 to produce the requested documents;
- 12 5. Enter an injunction directing that, because BPPD's delay in complying with its
13 obligations under the CPRA was without substantial justification, BPPD must
14 waive all fees associated with plaintiff's requests;
- 15 6. Enter judgment in plaintiff's favor for nominal damages;
- 16 7. Award plaintiff reasonable attorneys' fees and costs as authorized by Government
17 Code section 6259, and;
- 18 8. Order such additional relief as the Court may deem just and proper.

19 Dated: December __, 2022

Respectfully submitted,

20 ANDREA M. HALL

21
22 By: _____
23 ANDREA M. HALL

24 Attorney pro per

ANDREA M. HALL
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VERIFICATION

I, Andrea M. Hall, have read the foregoing Petition for Writ of Mandate and know the contents thereof. The same is true of my own knowledge, except as to those matters which are therein alleged on information and belief, and I also believe those matters to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this the day of December 2022 at Unincorporated Colma, CA.

Exhibit F

PAUL M. DAVIS

ATTORNEY AT LAW

1 BLACKFIELD DRIVE

SUITE 193

TIBURON, CALIFORNIA 94920-2053

TELEPHONE: (415) 884-2555

PAUL M. DAVIS

ALSO ADMITTED IN THE
DISTRICT OF COLUMBIA
AND THE
STATE OF WASHINGTON

SEATTLE
(206) 497-1188
WASHINGTON, DC
(202) 241-1316
SAN MATEO
(650) 349-0700

December 6, 2022

BY EMAIL ONLY
andreameghanhall@gmail.com

Andrea Hall
1843 Sweetwood Drive
Broadmoor Vlg., California 94015

In re: Response to Public Records Request to Broadmoor Police

Dear Ms. Hall:

I am district counsel for the Broadmoor Police Protection District.

Pursuant to Government Code §6253(c) this is Broadmoor's response to your written request for public records that you filed on November 28, 2022, which appears to relate to parking violations in your area.

The Broadmoor Police Department has no identifiable record that would be responsive to your request based upon the criteria you provided.

I note that you live in Broadmoor. If you are experiencing any kind of issue relating to parking in your area, the police department is committed to working with you to resolve such issues. I would strongly encourage you to contact Acting Chief Duncan and/or come to one of the monthly meetings of the Police Commission, the duly elected public body that sets policy for the Broadmoor Police Department. The Police Commission encourages residents to voice concerns at monthly meetings so that policy can be made and/or modified as needs arise or change. The next regular meeting of the Police Commission will be at 7:00 p.m. on December 13, 2022, at the police facility at 388 88th Street, Broadmoor. Your attendance there is highly encouraged.

Andrea Hall (. . . cont'd.)

Page Two

December 6, 2022

Please know that the Broadmoor Police Department is absolutely committed to providing Broadmoor residents with the very best services available.

If you want to discuss your specific issue with me I can be reached at the telephone number shown above.

Thank you for the opportunity to respond to your public records request.

Sincerely,

LAW OFFICES OF PAUL M. DAVIS

Paul M. Davis
District Counsel

cc: Chief John F. Duncan (ACOP)
Hon. James Kucharszky, (Chair, Broadmoor Police Commission)

Exhibit G

November 29, 2022

Via Certified Mail (7022 2410 0002 2244 0200)

Broadmoor Police Protection District
388 Eighty - Eighth Street
Unincorporated Colma, CA 94015-1717

Re: Public Records Act Request Regarding Enforcement of San Mateo County Ordinance sections 7.28.030 and 7.28.190

To Whom It May Concern:

I am requesting access to records in possession or control of the Broadmoor Police Protection District for inspection and copying pursuant to the California Public Records Act, California Government Code section 6250 et seq. ("CPRA"), and Article I, section 3(b) of the California Constitution. The specific records I seek to inspect and copy are listed below and related to a November 28, 2022 incident at 1839 Sweetwood Drive at approximately 5:00 p.m. During that incident, Officer J. Payne refused to enforce San Mateo County Ordinances sections 7.28.030 and 7.28.190 against a Toyota Tundra with California license plate number 6W91230. Upon information and belief, the Broadmoor Police have cited other residents from different racial backgrounds dozens of times under the same sections elsewhere in Broadmoor, particularly in the vicinity of 12 Village Lane.

As used herein, "record" includes "public records" and "writings" as those terms are defined at Government Code subsections 6252(e) and (g). Specifically, I request access to inspect and/or make copies of the following:

1. all records, including but not limited to police reports and citations, related to the enforcement of San Mateo County Ordinance section 7.28.030 since November 28, 2015.
2. all records, including but not limited to police reports and citations, related to the enforcement of San Mateo County Ordinance section 7.28.190 since November 28, 2015.
3. all personnel records for Officer J. Payne;
4. all records related to Officer J. Payne's enforcement of Title 7 of the San Mateo County Code of Ordinances.
5. all records evidencing any citizen complaint filed against Officer J. Payne since November 28, 2015;

6. all records evidencing any action taken as a result of citizen complaints filed against Officer J. Payne since November 28, 2015;

Because California Government Code section 12525.5(b) requires law enforcement agencies collect and retain data related to the perceived race or ethnicity, gender, and approximate age of each person stopped or cited, the aforementioned records should contain this information.

If you contend that any portion of the records requested is exempt from disclosure by express provisions of law, Government Code section 6253(a) requires segregation and redaction of that exempt material so that the remainder of the records may be released. If you contend that any express provision of law exists to exempt from disclosure all or a portion of the records I have requested, **Government Code section 6253(c) requires that you notify me of the reasons for the determination not later than 10 days from your receipt of this request.** Government Code sections 6253(d) and 6255(b) require that any response to this request that includes a determination that the request is denied, in whole or in part, must be in writing and include the name and title of the person(s) responsible for the Broadmoor Police Protection District's response.

Government Code section 6253(d) prohibits the use of the 10-day period, or any provisions of the CPRA or any other law, "to delay access for purposes of inspecting public records."

In responding to this request, please be mindful Article 1, section 3(b)(2) of the California Constitution expressly requires you to construe broadly all provisions that further the public's right of access, and to apply any limitations on access as narrowly as possible.

Finally, I make this request because, upon information and belief, the Broadmoor Police Protection District has a pattern or practice of citing violations of San Mateo County Ordinance sections 7.28.030 and 7.28.190 disparately based on the alleged violator's racial identity. This may form the basis for a civil complaint under California Civil Code sections 52.3 and 52.1 and 42 U.S.C. sections 14141 and 1983. Because this letter makes allegations that may result in civil claims against which the Broadmoor Police Protection District will require a defense, I must advise you to tender this letter to your liability insurers immediately.

If I can provide any clarification that will help expedite your attention to my request, please contact me at 650-278-2912 or andreameghanhall@gmail.com, pursuant to Government Code section 6253.1. I would prefer that the records be produced to me at that e-mail address, and I also ask that you notify me of any duplication costs exceeding \$20 before you duplicate the records so that I may decide which records I want copied.

Thank you for your timely attention to this matter.

Sincerely,

Andrea M. Hall

January 4, 2023

To: LAFCO
Local Agency Formation Commission
455 County Center, 2nd Floor
Redwood City, CA 94063-1663

From: David Smith, President, Broadmoor Property Owners Association (BPOA)

Re: Circulation Draft of the San Mateo LAFCo Special Study for Broadmoor Police Protection District

Commissioners,

I received a copy of your report the first week of December 2022, addressed to the President of the Broadmoor Property Owners' Association. This was my first knowledge of any such study of the BPPD. Since I am a pastor and a counselor, I have had little time to study the documents or even to arrange contact with other members of the BPOA, some of whom have been ill.

To complicate matters, because of the increasing pressures in my church work in these anxious days, I tendered my resignation as President of the BPOA before receiving this report. Other BPOA members are receiving copies for their own review and a future discussion.

Also, I am sending you my comments, as a homeowner and resident of Broadmoor for 40 years. I am writing as an individual, not representing the BPOA. I am focusing my comments on the report's Recommendations.

The first Recommendation, on page 3 of the Draft Special Study, I assume is amplified in the section about Options at the end of the report. But this first recommendation to explore cost-saving measures leaves a lot of questions about the quality of future services, as well as raising questions about our additional parcel tax, which is supposed to be used only for our own police force.

The second and third set of Recommendations, on pages 4 and 5, seem reasonable, in terms of transparency and accountability to the homeowners and residents, but the work required may mean the hiring of a full-time or part-time administrator or admin assistant or manager, which will increase the budget.

However, the last section on "Options for Service/Governance" is the most far-reaching, especially the second option, merging with Daly City. For as long as I've lived in Broadmoor, 40 years, we have consistently resisted being annexed by Daly City. The report indicates that Broadmoor is now "surrounded" by Daly City. This has been accomplished by Daly City's annexing sections of Broadmoor, especially the income-producing parcels, bit by bit, piece by piece. And if Daly City were to gobble us whole, what happens to the additional parcel tax?

No option, other than status quo, leaves us safe. And puts the parcel tax in unknown hands.

This part of my comments is being written on February 21, after Ron Bartoli's presentation to the Broadmoor Property Owners Association. I understand that Ron and Chief Connolly have been discussing the report as well.

My emphasis now is for us to maintain the status quo with the BPD. Any other option leaves us unsafe. We appreciate the officers who serve us and are trusting the process to keep the BPD intact.

Dave Smith

From: [Christine Talivaa Aguerre](#)
To: [Rob Bartoli](#)
Cc: [John cell](#)
Subject: Broadmoor Police Protection District
Date: Wednesday, February 22, 2023 8:34:07 PM

CAUTION: This email originated from outside of San Mateo County. Unless you recognize the sender's email address and know the content is safe, do not click links, open attachments or reply.

Good evening, Rob,

Thank you for preparing the San Mateo LAFCo Special Study for the Broadmoor Police Protection District. Our family has owned and resided in our home at 1156 Nimitz Drive, in Broadmoor Village since October 2002.

It is our sincere hope that your recommendations, coupled with active dialogue and guidance with the Broadmoor Police Dept., will allow them to remain a community service provider dedicated to Broadmoor residents.

We do not want to see a merger or annexation with Daly City, formation of a County Service Area or a Community Services District to contract with the County or Daly City, contracting with Another Agency without Reorganization or dissolution of the District. We, as community members, would also appreciate any guidance, suggestions or San Mateo County contacts to assist us in making this happen.

We realize that there is work to do and look forward to hearing from you to assist us in this endeavor. Thank you for your time and consideration in this matter.

Sincerely,
Christine Taliva'a-Aguerre and John Aguerre
1156 Nimitz Drive
Broadmoor Village, CA 94015
cell - 415/609-0371

From: [Rob Bartoli](#)
To: [Carolyn Shaw](#)
Cc: [Sofia Recalde](#)
Subject: RE: Broadmoor Police Protection District
Date: Monday, February 27, 2023 3:10:04 PM

Hi Carolyn,

Thank you for your comment.

Rob

Rob Bartoli
Executive Officer
San Mateo LAFCo
455 County Center, 2nd Floor
Redwood City, CA 94063
Direct Tel: (650) 363-4224
Email: rbartoli@smcgov.org

From: Carolyn Shaw <chshaw@yahoo.com>
Sent: Sunday, February 26, 2023 5:29 PM
To: Rob Bartoli <RBartoli@smcgov.org>
Subject: Broadmoor Police Protection District

CAUTION: This email originated from outside of San Mateo County. Unless you recognize the sender's email address and know the content is safe, do not click links, open attachments or reply.

The budgetary shortfalls, the lack of payroll/overtime oversight, the inability of the elected three person commission to effect or improve results are an appalling track record for Broadmoor PD. I think that Daly City is the best candidate to "rescue" policing for unincorporated Broadmoor and Colma. This should happen quickly. Why delay further the inevitable collapse of this police department?

As a property owner, I am also concerned about financial liability. Will Broadmoor residents become liable for any of the CalPERS fraud? Did the hiring of Officer Ryan McMahon go forward? If the City of Vallejo had to pay \$5.7 million to the family of one of Officer McMahon's victims, would homeowners in Broadmoor be liable if there should occur another excessive use of force decision?

We need to close shop and move on with a professional police force.

It is annoying that many critical issues are not made available for public comment or agenda items are difficult to access. You have to keep checking back to the website about meetings. There are no "push notifications" available.

I've live in Broadmoor since 1992. Initially I was pleased by our small force. That began to deteriorate under Chief Greg Love and the performance, and even behavior towards citizens, have not substantially improved. I haven't had a negative encounter with Broadmoor PD in the last several years but that may have more to do with COVID than anything else.

I'm concerned. I am also embarrassed for our community.

Carolyn Shaw
760 Maddux Drive
Broadmoor Vlg, CA 94015

From: [Michael Connolly](#)
To: [Rob Bartoli](#)
Cc: [Davis Law Offices](#); [James Kucharszky](#)
Subject: Addendums
Date: Thursday, March 2, 2023 1:31:40 PM
Attachments: [F6BE2B53D0DD4ECAB91CAF47246645F5295391.png](#)
Importance: Low

CAUTION: This email originated from outside of San Mateo County. Unless you recognize the sender's email address and know the content is safe, do not click links, open attachments or reply.

Director Bartoli,

In reading the LAFCO Draft Report again, many of the recommendations will be adopted as feasible. From a good government standpoint, I concur that standard business practices in terms of transparency and accountability have been opaque and will be improved. We have employed legal counsel that I work daily to ensure we evaluate decisions thoughtfully.

In terms of fiscal accountability; as a direct result of annexation, revenue was and continues to be impacted as well as some questionable practices about revenue. As an example, there are a number of parking meters in Broadmoor which were placed there by Daly City. Those meters over the years have collected untold revenue by Daly City in which they were not entitled to. There is no documents at the County or local level that offers any explanation for this anomaly. There are also other examples of eroded enterprise funding that has all contributed to diminished revenues. I only bring this to your attention to highlight the impact other jurisdictions have taken which impact Broadmoor.

In terms of a strategic plan for Broadmoor and more specifically the Broadmoor Police Department, I am currently working Supervisor David Canepa to bridge some of these fiscal gaps and develop both a fiscal framework for the department but more generally, Broadmoor economic opportunities in both the small commercial areas we have left along with the light industrial iron works on the eastern side of Broadmoor, (Hillside Blvd).

As for ongoing litigation; the legacy cases stem essentially from poor management practices. We have worked diligently with our insurance service provider to obtain significant training to mitigate risks. This will continue. It is my hope that the litigation will be resolved soon, but the fiscal impact will remain. There is little any department or agency can do to reduce risk of unjust lawsuits. This is part of the adversarial environment we operate in. I am sure that you can appreciate, that as best practices are employed in any profession, there are people who will take exception to change and organizational development. This is the situation we have found ourselves in and only time will tell what the outcome is.

Fiscal discipline will be the foundation under which the Broadmoor Police Commission will commit to. As the Special District Manager, Police Chief and primarily a resident, it is critical that we/I adhere not only to the best practices for financial stability but that of sound law enforcement practices, internally and more importantly our community.

I fully commit to working with your office to bring transparency, stability and partnership to implementing the recommendations outlined in your report.

Michael P. Connolly MS
Chief of Police

Broadmoor Police Department
388 88thStreet
Broadmoor, CA 94015-1717
Office: 1-650-755-3840
Cellular: 1-415-602-1282
MConnolly@pd.Broadmoor.ca.us



FBI National Academy Session 250

RESOLUTION NO. 1301

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF THE COUNTY OF SAN MATEO ADOPTING THE SPECIAL STUDY OF
BROADMOOR POLICE PROTECTION DISTRICT**

RESOLVED, by the Local Agency Formation Commission of the County of San Mateo, State of California, that

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, set forth in Government Code Section 56000 et seq., governs the organization and reorganization of cities and special districts by local agency formation commissions established in each county, as defined and specified in Government Code Section 56000 et seq.; and

WHEREAS, the Commission conducted a Special Study pursuant to Section 56378 of Broadmoor Police Protection District (BPPD); and

WHEREAS, the Executive Officer prepared a written report of the Special Study that was provided to the Commission and affected agencies; and

WHEREAS, the Executive Officer set a public hearing date for January 18, 2023, for the consideration of the Special Study and caused notice thereof to be posted, published and mailed at the times and in the manner required by law at least twenty-one (21) days in advance of the date; and

WHEREAS, the Commission heard and fully considered all the evidence presented at a public hearing held on January 18, 2023; and

WHEREAS, a public hearing by this Commission was held on the report and at the hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to the proposal and the Executive Officer's report; and

WHEREAS, the Special Study is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) under Section 15303, Class 6, which allows for basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. The Special Study collects data for the purpose of evaluating municipal services provided by an agency. There are no land use changes or environmental impacts created by this study.

The Special Study is also exempt from CEQA under the section 15061(b)(3), the common-sense

provision, which states that CEQA applies only to projects which have the potential for causing a significant effect on the environment and where it is certain that the activity will have no possible significant effect on the environment, the activity is exempt from CEQA; and

NOW, THEREFORE, the Local Agency Formation Commission of the County of San Mateo DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. By Resolution, the Commission accepts the Executive Officer's Report dated January 18, 2023, Final Special Study of Broadmoor Police Protection District, and all written comments and attachments incorporated herein and contained in attached "Exhibit A."

Section 2. By Motion, the Commission adopts the Special Study summary and recommendations set forth in "Exhibit B" which is attached and hereby incorporated by reference.

Regularly passed and adopted this ____ day of _____.

Ayes and in favor of said resolution:

Commissioners: _____

Noes and against said resolution:

Commissioners Absent and/or Abstentions:

Commissioners: _____

Chair
Local Agency Formation Commission
County of San Mateo
State of California

ATTEST:

Date: _____

Executive Officer
Local Agency Formation Commission

I certify that this is a true and correct copy of the resolution above set forth.

Date: _____

Clerk to the Commission
Local Agency Formation Commission

Exhibit B

Special Study for Broadmoor Police Protection District (BPPD) Summary and Recommendations

Capacity and Adequacy of Public Facilities and Services

BPPD provides police protection to the unincorporated area of Broadmoor Village and an unincorporated area adjacent to Colma. BPPD operates with 8 full-time sworn officers, including a Commander of Police and Chief of Police, 6 per-diem officers, which include a training manager lieutenant and investigations sergeant, 7 volunteers, and one administrative staff member. The District has a higher ratio of officer per 1,000 persons compared to the City of Daly City, but the cost for service call per police officer is more than four times the amount for BPPD.

Recommendations

- 1) The District should explore cost sharing with adjacent cities or other alternatives to contract for or consolidate services to reduce costs. Potential options are explored in more detail in Section 5 - Service/Governance Options.
- 2) The District may consider developing and monitoring performance measures, which could include measurements of response times for calls and call volume to demonstrate the benefit of higher costs associated with higher levels of performance.

Financial Ability

BPPD has had significant budget deficits in five of the last six fiscal years. BPPD's net position has been negative every year since the end of FY17. The BPPD Commission has adopted unbalanced budgets for FY17, FY18, FY19 and FY23. For these budget losses and unbalanced budgets, the District has relied on the fund balance to address these deficits. As such, the fund balance, the only reserve for the District, has been drawn down over the past several budgets.

BPPD does not prepare a separate report of actual revenue and expenditures at the end of each fiscal year. The District does not produce long-term financial planning documents for use in the budgeting process.

The District does have independent audits which are shared with staff and Board members, however it does not appear that these audits are agendaized for discussion at Board meetings. Delays in the timely production of audits can negatively impact budget preparation.

BPPD has three main revenue sources: 1) Property taxes, 2) Excess Education Revenue Augmentation Fund (Excess ERAF) and 3) a Supplemental parcel tax that BPPD voters approved in 2000. Excess ERAF, which comprises 12% of the District's overall budget, is considered to be an unstable revenue source. Furthermore, the State has taken an interest in redirecting some Excess ERAF to the State, so there is risk that Excess ERAF may not be available in future years.

BPPD does not have a Master Plan, Strategic Plan or Capital Improvement Plan that plans for asset management and replacement, such as facility upgrade or repairs and replacement of equipment and vehicles. The District replaces vehicles as needed through its annual budget process and does not

foresee the need for facility upgrades in the near future. The District does not currently have any adopted fiscal policies.

The District does not currently adopt a Gann Appropriation Limit, as was recommended in the 2015 MSR.

Although the District does not have outstanding debt, it does carry significant pension liabilities that may pose a threat to its long-term financial health. In addition, a lack of a reserve fund and the continuing use of the District's fund balance puts the District in a vulnerable position to withstand a financial crisis, such as economic recession, termination of Excess ERAF or unexpected expenses, while still being able to maintain its high level of service. Should the District face insolvency, legacy costs like pension payments for current and retired personnel, would still need to be addressed by the agency that absorbs the provision of police protection services for Broadmoor. That agency would be entitled to receive District revenue, including the supplemental parcel tax, which could be used to pay for pension costs and other legacy costs.

Recommendations

- 1) Prepare a quarterly financial report which presents the District's financial condition in a user-friendly way so board members and staff can better understand financial data. At a minimum the financial data should include a balance sheet, income statement and a budget-to-actual report to detect potential errors. The reports should reference final actual numbers from the previous fiscal year and should be compared to budgeted numbers. In years where there are deficits, the impact to the District's fund balance should be discussed in the budget documents.
- 2) Develop long-term fiscal documents that will assist the District in planning for expenditures, such as retirement costs. The Board could engage in a strategic planning session that will help prioritize goals and review the District's fiscal ability to meet these goals.
- 3) Budget documents should show the amount of funds that are allocated to the District fund balance/reserve.
- 4) Independent audits should be presented to the Board for discussion at public meetings. The audit should include management letters and a review of any recommendations for the audit process and fiscal ability of the District. Audits should be conducted in a timely manner.
- 5) Develop accounting, financial, governance and general administrative policies to help guide its decision making in a consistent manner. This should include policy regarding the development of a reserve fund as well as a policy about how reserve funds are utilized.
- 6) Explore the development of a Master Plan, Strategic Plan or Capital Improvement Plan that plans for asset management and replacement, such as facility upgrade or repairs and replacement of equipment and vehicles to help plan for long-term capital costs.
- 7) Consider allocating accounting and auditing services to two separate firms to enhance fiscal oversight and transparency.
- 8) Adopt annual Gann Appropriation Limit resolutions.
- 9) Explore ways to reduce reliance on Excess ERAF for routine District operations and maintenance and divert Excess ERAF to a reserve fund that the District can draw from for unexpected expenses.
- 10) Post budget documents and audits on the District's website.

Accountability, Structure and Efficiencies

Public meeting agendas are posted on the District's website, but staff reports are not typically available. The District does record Board meetings, but currently, the records are not posted to the website and are only available at cost to members of public who request copies. The Police Chief/General Manager provide all administrative and human resource functions for the District.

In response to a Brown Act lawsuit, the District has now implemented procedures and policies regarding the hiring of new Police Chiefs/General Managers.

Recommendations

- LAFCo recommends the creation of staff reports for Board of Commissioners agenda items. The creation of staff reports for Board items can increase transparency and raise public awareness of the issues that are being reviewed and acted on by the Commissioners. The District could explore sharing services with cities or other special districts to assist in creating the staff reports and compiling an agenda packet.
- Video/audio of Board meetings should be posted on the District's website for public viewing.
- Provide Brown Act training for all Commissioners.
- Explore hiring additional staff or consultants to perform human resource functions and administrative tasks, including budget support. These functions could also be shared services with neighboring agencies.
- Post position salary and compensation data on the District's website.
- Post contracts and hiring policies on District's website.
- Develop accounting, financial, governance and general administrative policies to assist the Commission and District staff. This should include the creation of policies regarding meeting agendas and noticing, Brown Act training, and audit and budget review.

Service/Governance Options

Status Quo

District would remain as is, with a three-member elected board and police services provided by officers and staff hired by the District. However, based on LAFCo's review of recent BPPD audit and budget documents, it is probable that changes to the level of service provided by the District or the levels revenue or expenditures would need to change due to budget constraints in the future. The supplemental parcel tax could be increased on property owners to raise revenue, or service and operations could be cut to reduce expenditures. These will be decisions that the BPPD Commission will need to evaluate. As part of the review of the potential changes to services or an increase in revenue, BPPD should engage with Broadmoor residents to understand their views on these issues and on the District. If services were not able to be provided by BPPD, the San Mateo County Sheriff's Office or other neighboring agency may be able to assist, but BPPD should engage in discussions with those agencies if the need arises.

Merge Broadmoor Police Protection District with City of Daly City

Merging BPPD with the City of Daly City (with concurrent annexation of BPPD's service territory) has the potential benefit of reducing overall service costs by eliminating duplicative staffing, administrative, and

facility expenses. San Mateo LAFCo has identified Daly City (through adoption of the spheres of influence) as the long-term, logical service provider for both Broadmoor and unincorporated Colma. Daly City has its own full-service police department with its headquarters located less than one-quarter mile from the BPPD headquarters. Furthermore, the Broadmoor Unincorporated area is wholly surrounded by the City of Daly City and unincorporated Colma islands are fully bordered by Daly City on three sides and the Town of Colma.

Formation of a County Service Area (CSA) or a Community Services District (CSD) and Contract with the County or Daly City for Services

The Broadmoor Village subdivision receives services from the County of San Mateo, Broadmoor Police Protection District and Colma Fire Protection District. The District could reorganize either to a County Service Area (a dependent district under the jurisdiction of the County) or as a Community Services District (an independent special district with a five-member board). The reorganized agency could contract for police services. As discussed in the 2015 MSR, the CSA or CSD could also consider contracting for fire and solid waste services.

Contracting with Another Agency without Reorganization

An additional alternative for the District that was not included in the 2015 MSR is that the District could consider contracting for service with another public safety agency to provide police services to the BPPD service area. Under this scenario, no LAFCo action would be required to enter into a service contract and the District remains intact. In California, there are three remaining Police Protection Districts, BPPD, the Fig Garden Police Protection District, and the Orange Cove Police. These two other districts, both located in Fresno County, contract with the Fresno County Sheriff's Office for enhanced police protection. The Board of Commissioners for these two districts continue to meet and the district themselves continue to operate.

BPPD could explore the option of contracting for service as a way for the District to better control costs and provide for improved economies of scale. Administrative functions such as Human Resources and payroll could be provided by the contracting agency and would no longer need to be provided by the District. Contracting with a public safety agency could also allow greater access to additional police resources and services for the Broadmoor community. While the scope of this special study does not include the fiscal analysis for contracting for services, if contracting is pursued, the District should analyze if there would be the potential for reducing or eliminating the special parcel tax.

Dissolution

BPPD could also be dissolved, either through a petition from registered voters or property owners residing in the District, a resolution from the BPPD Commission or another affected agency, or by LAFCo. This would require a LAFCo process and in most cases, would be subject to a protest proceeding. If the District was dissolved and Broadmoor remained unincorporated, police services would be provided by the San Mateo County Sheriff's Office, similar to other unincorporated areas in the County. To pay for remaining legacy costs for the District, such as pension liability, the County of San Mateo could use the property tax and supplement property tax revenue that the District currently receives. In this case, revenue would still be collected to pay for legacy costs associated with BPPD even though the District would no longer be providing services.

SAN MATEO



LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

March 8, 2023

To: LAFCo Commissioners

From: Rob Bartoli, Executive Officer
Sofia Recalde Management Analyst

Subject: Review of Draft Work Program and LAFCo Budget for Fiscal Year 2023-24

Budget Review Schedule and Background

Section 56381 of Cortese-Knox-Hertzberg Act (CKH or The Act), which covers adoption of the LAFCo budget requires Commission consideration of both a proposed and final budget at the following intervals:

1. By May 1, the Commission shall adopt a “proposed” net operating budget at a noticed public hearing.
2. By June 15, the Commission shall adopt a “final” net operating budget at a noticed public hearing following circulation of the recommended final budget to the County, all cities and all independent special districts.

The Act also provides that the proposed and final budgets shall be equal to the budget adopted for the previous fiscal year unless the Commission finds that reduced staffing or program costs will nevertheless allow the Commission to fulfill the purposes and programs of The Act. There is also a provision for carryover of unused funds to the subsequent year’s budget and requires that the LAFCo net operating budget be apportioned in thirds to the County, cities and independent special districts¹.

Proposed 2023-24 Budget

The attached draft budget includes actual expenditures for FY2021-22, adopted and estimated actual for FY2022-23 and the draft proposed FY2023-24 Budget of \$845,529. Key changes from the

¹ Apportionment of the one-third shares to individual cities and special districts is calculated by the County Controller based on proportionate share of revenues reported in the most recent edition of the State Controller’s reports on cities and special districts. For estimation purposes, agencies can use apportionment rates used by the Controller for the current Fiscal Year.

COMMISSIONERS: ANN DRAPER, CHAIR, PUBLIC ▪ VACANT, SPECIAL DISTRICT ▪ HARVEY RARBACK, CITY ▪ TYGARJAS BIGSTYCK, CITY ▪ WARREN SLOCUM, COUNTY ▪ RAY MUELLER, COUNTY ▪ KATI MARTIN, SPECIAL DISTRICT

ALTERNATES: CHRIS MICKELSEN, SPECIAL DISTRICT ▪ ANN SCHNEIDER, CITY ▪ JAMES O’NEILL, PUBLIC ▪ NOELIA CORZO, COUNTY

STAFF: ROB BARTOLI, EXECUTIVE OFFICER ▪ SOFIA RECALDE, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪ ANGELA MONTES, CLERK

draft budget at the Budget Committee to this version of the Draft Budget includes changes in the following areas:

- General supplies and photocopy expenses increased \$50 from \$500 to \$550
- Rent increased from \$14,000 to \$18,000
- Fiscal Office Specialist decreased from \$2,000 to \$1,676
- .5 FTE LAFCo Clerk decreased from \$70,000 to \$66,055
- ISD increased from \$8,513 to \$8,842

FY 23-24 Draft Budget highlights include a 6% increase to salary and benefits due to staffing changes, \$100,000 for a consultant to conduct a complex Municipal Service Review, a \$2,100 increase for outside auditing services, modest decreases in services, supplies and County service costs. In FY22-23, \$75,000 was placed in a special reserve with the intent of utilizing the funds in FY23-24 for a consultant prepared Municipal Service Review. The appropriations budget increased by \$123,362 (due to costs associated with the above-mentioned consultant) and net operating budget increased by \$48,362 and resulted in a 9% increase to the 1/3 apportionment to funding agencies compared to the prior fiscal year. It should be noted that the FY23-24 apportionment amount represents a 6% decrease from the FY21-22 1/3 apportionment.

	Final FY 22-23 Budget	Draft Proposed FY 23-24 Budget	Change
Appropriations Budget	\$662,167	\$785,529	\$123,362 (19%)
Net Operating Budget	\$797,167`	\$845,529	\$48,362 (6%)
One-third Apportionment	\$182,942	\$199,207	\$16,266 (9%)

Estimated Actual 2022-23 Budget

The FY 2023-24 Adopted Budget includes appropriations for the Executive Officer, Management Analyst, and shared Administrative Secretary; Commission meetings; County Attorney’s Office; general operating expenditures including rent, supplies, etc.; travel; meetings and legal counsel. In addition, the budget includes a one-time consultant expense of \$10,725 for the peer review of the City of East Palo Alto’s proposal to establish the East Palo Alto Sanitary District as a subsidiary of the city, which was paid through application fees from the City. Staff is conservatively estimating County Attorney’s Office actual charges based on the complexity of the several anticipated applications. Revenues include fund balance carry over, application fees and the intergovernmental revenue from the County, cities and special districts.

The key difference between the FY22-23 actuals being presented to the Commission compared to the Budget Committee is a revision to the estimated actuals for the .5FTE LAFCo Clerk. The estimated used for the FY22-23 was greater than the actual costs that will be charged to LAFCo.

Based on estimated revenues and expenditures, the estimated fund balance carryover to be applied to the 2023-24 fiscal year is \$212,707.

Proposed Work Program

The following draft work plan includes a summary of recent activities and upcoming goals/objectives, such as preparing Municipal Service Reviews (MSRs)/Sphere of Influence (SOI) updates and special studies, updating the Commission’s policies and procedures, and other projects and activities.

MSRs/SOI Updates - LAFCO law provides that every five years the Commission shall, as necessary, review and update each SOI [Gov. Code §56425(g)]. The statute also provides that in order to prepare and update an SOI, the Commission shall conduct an MSR. San Mateo LAFCo has completed first round MSR’s for all districts except Foster City, Burlingame, Hillsborough, Millbrae and San Bruno.

Task	Progress	Comments
Prepare Municipal Service Reviews and Sphere of Influence Studies for the following anticipated agencies: <ul style="list-style-type: none"> • Burlingame and Hillsborough (Summer 2023) • San Bruno and Millbrae (Fall 2023) • Foster City (Winter 2024) • Sequoia Healthcare District and Peninsula Health Care District – (Consultant produced study If approved by the Commission) • Update to San Mateo County Harbor District (Summer 2024) • County-wide Fire Study (If approved by the Commission in concept) 	On-going	All studies will include administrative and public hearing drafts. On January 2, 2023, LAFCo received a request from the League of Women Voter of North & Central San Mateo County requesting that LAFCo conduct a Municipal Service Review for the Peninsula Health Care District. The letter requested an MSR for the following reasons: <ul style="list-style-type: none"> • Negative cash flow from the Trousdale Assisted Living and Memory Care Facility • Future capital costs for a new development of senior homes and medical office space • To assess the impacts of COVID on the district and of review the current needs of the community. In 2017 a consultant prepared MSR was conducted for both the Sequoia Healthcare District and Peninsula Health Care District, the two healthcare districts in the County. If the Commission wishes to add a MSR for these two Districts to the

		workplan, it is recommended that direction be given to staff to engage in an RFP process for a consultant to conduct the study due to staff workload and the complexity of health care districts.
Process applications for boundary changes in a responsive, professional and efficient manner	On-going	Priority is given to applications for economic development, public health and safety, or other urgent needs. Potential proposals include: <ul style="list-style-type: none"> • CSA-11 annexation • City of East Palo Alto proposal to establish East Palo Alto Sanitary District as a subsidiary district of the City • West Bay Sanitary District activation of recycled water powers • Belmont annexations in Harbor Industrial Area • San Mateo Resource Conservation District annexation
Complete annual audits (FY 21-22)	On-going	Audit for FY21 is proposed for review and adoption at the March 15, 2023 LAFCo meeting
Comment on potential LAFCo applications, relevant projects & development proposals, city General Plan updates and/or related environmental documents	On-going as needed	
Initiate informal meetings to discuss budget and policy issues with Cities, Special Districts, and County, as appropriate	On-going	
Review of contract with County	On-going	Proposal to update annual contract with County to better reflect services provided by County staff and departments to LAFCo

Post public information on the LAFCo website and review website layout, graphics, and content for ease of public use	On-going	
Provide Commission with regular updates of laws, policies, and procedures	On-going	
Provide quarterly budget updates	On-going	Provide timely quarterly updates on budget to Commission after budget adoption
Participate in regional activities for which LAFCo has indirect or direct responsibilities, such as Plan Bay Area and Regional Housing Needs Allocation	On-going	
Promote San Mateo LAFCo's interests in statewide issues through active participation in the California Association of Local Agency Formation Commissions (CALAFCO)	On-going	
Digital Archiving	On-going	Staff continues to digitize proposal files, meeting agendas, and meeting minutes. Staff coordinates with County staff regarding converting annexation records into digital format and potential cost estimate for that work.
Mapping program	On-going	Continue to coordinate with County staff to update maps of agencies and provide them on the LAFCo website
Policies and Procedures Updates	On-going	
Update of Commissioner Handbook	On-going	

Review by Budget Committee

The Budget Committee reviewed the proposed Draft Budget and Work Plan on February 13, 2023 and did not propose any changes to the draft budget. Commissioner Mueller requested that the Commission have a discussion regarding the prioritization of MSRs and special studies in future fiscal years, a topic that has been included in the proposed Work Plan.

Recommendation:

Provide direction to Staff regarding any desired changes to the draft proposed FY23-24 LAFCo budget and work plan and recommendation to bring back the item to the Commission in May for adoption.

Attachments

- A. Budget Narrative for FY23-24
- B. Budget Spreadsheet for FY23-24, inclusive of Adopted Budget and expenditures for FY22-23, and actual expenditures for FY21-22
- C. Resolution No 1302
- D. Letter from Margaret Lukens, League of Women Voter of North & Central San Mateo County dated January 2, 2023

LAFCO PROPOSED 2023-24 BUDGET NARRATIVE

The following provides a narrative to the budget spreadsheet and reflects costs associated with LAFCo's contract with the County of San Mateo for staffing, office space, supplies and legal counsel.

Salary & Benefits (4111 through 4161 and 4512)

Salary and benefits of \$461,014 includes the County position of Principal Management Analyst that serves as Executive Officer by contract with the County, Management Analyst salary and benefits, administrative leave cash out, experience pay for positions per County HR, workers compensation charges, and Commissioner stipend of \$100 per bi-monthly meeting. Salary and benefits increase reflects the County's Salary Schedule. The shared Administrative Secretary position charges appear in Account 5838 and not in payroll.

Services & Supplies**Internet/Communications (5132)**

Appropriation of \$1,200 for internet and communication tools and services to support LAFCo staff. This includes the ongoing cell service plan for the Executive Officer.

Outside Printing (5191)

Appropriation of \$1,000 for copying and printing by outside print shops for special community mailings or workshop distribution of MSRs that cannot be distributed electronically.

General Office Supplies (5193)

A flat appropriation of \$550 for incidental office supplies provided to LAFCo.

Photocopy (5196)

A flat appropriation of \$550 for incidental copies made from the Planning Department copier where the LAFCo office is located.

Postage & Mailing (5197)

Appropriation of \$1,000 for postage/ mailing service through the County mailroom.

Computer Supplies (5211)

Appropriation of \$500 for computer supplies including the use of internet hotspots to support teleworking for staff.

Computer Equipment under \$5,000 (5212)

Appropriation of \$0 for computer equipment.

Software License (5215)

Appropriation of \$700 for two Microsoft 365 and Adobe licenses.

Records Storage (5218)

Appropriation of \$700 for offsite records storage.

Memberships (5331)

Estimated dues of \$16,000 for CALAFCO and California Special Districts Association (CSDA). Membership with CALAFCO allows staff and the Commission access to LAFCo focused trainings, conferences, and legislative updates. Along with access to SDRMA, membership with CSDA keeps staff apprised of issues of interest to special districts and LAFCo.

Legal Advertising (5341)

Appropriation of \$2,000 for legal notices published in newspapers for LAFCo hearing items that require notice.

Mileage Allowance (5712)

Appropriation of \$250 for mileage reimbursement.

Meetings & Conferences (5721)

The Meetings and Conference appropriation is estimated at \$11,000 based on the FY22-23 costs associated with attending the in-person 2023 CALAFCO Conference in Monterey and Staff Workshop in 2024.

Training (5733)

Appropriation of \$250 for educational classes, workshops, or training related to LAFCo or CEQA.

Fiscal Office Specialist (5814)

Appropriation of \$1,676 for a County Fiscal Office Specialist to process LAFCo accounts receivable, accounts payable, and payroll. This is an estimated cost.

.5 FTE LAFCo Clerk (5838)

Appropriation of \$66,055 for part-time contracted Executive Secretary position. This amount includes salary, benefits, and administrative overhead charges from County Planning. This is an estimated cost.

Outside Auditing Services (5842)

Allocation of \$9,800 for the anticipated FY22 audit.

Graphics/GIS (5848)

Appropriation of \$1,500 for GIS and other mapping services for LAFCo studies and sphere updates.

Consulting (5856)

Appropriation of \$100,000 to contract for consultant lead Municipal Service Review. In FY22-23, \$75,000 was allocated to a special reserve for future consultant lead Municipal Service Reviews.

Video Recording of Commission Meetings (5858)

\$4,000 based on minimum of 4 hours at \$100 per hour. Six regular meetings of various duration and one potential additional meeting.

DPW/GIS Mapping (5861)

Appropriation of \$4,000 for special work completed by ISD/Public Works GIS mapping related to LAFCo applications or studies.

Fingerprinting new employee (5866)

Appropriation of \$0 for fingerprinting services.

Controller Admin (5872)

Estimated Cost of \$8,000 for administering the apportionment and collection of LAFCo budget to County, cities, and special districts.

Telephone (6712)

This Account has been zeroed out. Telephone charges have been moved to Account 6713.

Other Information Services Department (ISD) Services (6713)

An estimate of \$8,842 for telephone, computer support, connectivity, etc.

Rent (6714)

Rent is estimated at \$16,744.

Motor Pool (6717)

Appropriation of \$78 for use of the County's vehicle fleet.

General Liability (6725)

Estimated appropriation of \$9,500 for insurance through CSDA for the Commission and employee insurance with County of San Mateo.

Bond Insurance (6727)

Estimated appropriation of \$70 for bond insurance.

County Attorney's Office (6732)

Appropriation of \$40,000 for County Attorney charges. This appropriation is based on requirement for indemnification by applicants for all annexation/reorganization proposals.

Human Resources (6733)

Estimated appropriation of \$100 for online Learning Management Services.

Countywide Security (6738)

The estimated cost for FY23-24 security has not been issued yet, and staff is estimating a charge of \$150.

All Other Charges - OFAS (Account 6739)

Appropriation of \$100 for the County accounting software (OFAS).

Card Key Services (Account 6751)

Appropriation of \$200 for card key services.

A-87 Charges/County Cost Allocation (6821)

A-87 is an Office of Management and Budget (OMB) circular or guideline that sets forth principles and standards for the determination of costs applicable to County programs funded by the Federal and State governments. Under the circular, the County has to observe uniformity in its allocation of costs, that is, the County cannot be selective in the allocation process whereby externally (State and Federal) funded programs are not charged equitably. Also referred to as the Countywide Cost Allocation Plan, the County uses A-87 guidelines to obtain reimbursement from Federal, State, and non-General Fund programs for departments that do not charge directly for services rendered. For example, the Controller's Office does not charge departments for payroll services. However, the cost of providing payroll services to Non-General Fund Departments and programs receiving funds from the Federal and State governments for this specific purpose is recovered through County Cost Allocation. The A-87 formula for 2023-24 has not been issued yet, and staff is estimating a charge of \$18,000.

LAFCo Loan Payment Refund (Account 6831)

Appropriation of \$0 for loan payment refund as this repayment was completed in FY21-22.

Reserve (8612)

Staff recommends appropriating \$60,000 of the fund balance to reserve, consistent with the current level of reserves. As this is an allocation from the fund balance, no additional agency apportionments are required. Commission authorization is required to spend reserve.

Application of Fund Balance Carry Over

The Commission's practice regarding fund balance has been to appropriate all or a portion of it for consulting and/or special reserve and use a portion to offset the net operating budget thereby reducing the funding obligation of the County, cities, and special districts to the extent possible. In preparing the annual budget, staff has been mindful of balancing the fiscal impact of the LAFCo budget to funding entities with the Commission's mandate to carry out processing of reorganization applications and preparation of municipal service reviews and sphere studies.

This year's estimated fund balance carry over is \$212,707 to offset agency costs.

LAFCo	Draft FY 23-24 Budget	Final Actual FY 21-22	Adopted FY 22-23	Est. Actuals FY 22-23	Draft Proposed FY 23-24
	Expenditures				
4111	Salary & Benefits Executive Office	264,488	247,480	247,480	261,732
4111	Salary & Benefits Management	133,500	183,460	146,768	188,199
4141	Admin. Leave Cash Out	10,131	0	1,767	5,790
4161	Commissioner Compensation	4,230	5,000	5,000	5,000
4512	Workers Compensation Experience	0	0	282	294
4000	SALARIES & BENEFITS SUBTOTAL	412,349	435,940	401,015	461,014
5132	Internet/Communications	673	2,300	2,300	1,200
5191	Outside Printing (other special p	0	1,000	0	1,000
5193	General Office Supplies	500	500	1,000	550
5196	Photocopy - in-house copier	500	500	500	550
5197	Postage & Mailing Service	61	1,000	200	1,000
5211	Computer Supplies	100	500	200	500
5212	Computer Equipment under \$5,000	0	0	500	0
5215	Software License	591	800	800	700
5218	Corovan Records Storage	291	700	300	700
5331	Memberships (CALAFCO/CSDA)	13,872	16,000	12,921	16,000
5341	Legal Advertising	767	1,500	1,500	2,000
5712	Mileage Allowance	0	250	0	250
5721	Meetings & Conferences	1,560	11,000	8,000	11,000
5733	Training	0	250	250	250
5814	Fiscal Office Specialist	1,526	2,000	2,000	1,676
5838	.5 FTE LAFCo Clerk	56,225	68,534	60,000	66,055
5842	Outside Auditing Services	9,065	7,700	7,700	9,800
5848	Graphics	0	1,500	0	1,500
5856	Consulting	129,449	0	10,725	100,000
5858	Other Professional Contract Services (Recording of Meetings)	0	4,000	1,000	4,000
5861	DPW/GIS Mapping	0	6,500	5,000	4,000
5866	Fingerprinting new employee	0	100	0	0
5872	Controller Admin	2,177	7,200	7,200	8,000
5000	SERVICES & SUPPLIES SUBTOTAL	217,358	133,834	122,096	230,731
6712	Telephone	354	350	250	0
6713	ISD (Automation Services)	8,478	12,500	9,000	8,842
6714	Rent	13,587	14,000	14,000	16,744
6717	Motor Pool	0	0	0	78
6725	Gen'l Liability	7,461	9,000	8,000	9,500
6727	Bond Insurance	64	100	65	70
6732	County Attorney's Office	23,942	40,000	20,000	40,000
6733	Human Resources	217	150	67	100
6738	Countywide Security	139	150	142	150
6739	All Other Charges (Accounting S	269	400	0	100
6751	Card key services	0	0	214	200
6821	A 87 Charges/County Cost Alloc	9,765	15,743	15,743	18,000
6831	LAFCo loan payment refund	12,416	0	0	0
6000	OTHER CHARGES SUBTOTAL	76,692	92,393	67,481	93,784
	Subtotal Appropriations	706,399	662,167	590,593	785,529
8612	Reserve	0	60,000	0	60,000
	Special Reserve	0	75,000	0	0
	Total Appropriations Budget	706,399	797,167	590,593	845,529
	Revenues				
3333	Fund Balance	401,925	218,142	218,142	212,707
2421	Application Fees	33,727	30,000	30,000	35,000
2600	Miscellaneous Revenue		0	1,333	0
1521	Interest	5,060	200	5,000	200
2658	CALAFCO Deputy EO Stipend	230	0	0	0
	Intergov. Rev. (County/City/District)	632,543	548,825	548,825	597,622
	Total Revenues	1,073,485	797,167	803,300	845,529
County/City/District/County 1/3 Apportionment		210,848	182,942	182,942	199,207

RESOLUTION NO. 1302

**RESOLUTION OF THE
SAN MATEO LOCAL AGENCY FORMATION COMMISSION
APPROVING THE DRAFT PROPOSED
2023-2024 FISCAL YEAR BUDGET AND WORK PROGRAM**

RESOLVED, by the Local Agency Formation Commission of the County of San Mateo, State of California that:

WHEREAS, Section 56381 of the Cortese Knox Hertzberg Local Government Reorganization Act of 2000 provides that the LAFCo Commission shall adopt a “Proposed” and “Final” budget; and

WHEREAS, the Proposed Draft Budget was circulated to the County, the cities and independent special districts; and

WHEREAS, the Commission has considered the “Proposed Draft Budget at a noticed public hearing and received public comment; and

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the San Mateo Local Agency Formation Commission hereby adopts the Proposed Budget for Fiscal Year 2023-2024 of \$845,451 as shown in Exhibit A and directs the Executive Officer to place consideration of the “Final” budget on the May 17, 2023 agenda after circulating it to the County, cities and independent special districts.

Regularly passed and adopted this ____ day of ____, 2023.

Ayes and in favor of said resolution:

Commissioners:

Noes and against said resolution:

Commissioners Absent and/or Abstentions:

Commissioners: _____

Chair
 Local Agency Formation Commission
 County of San Mateo
 State of California

ATTEST:

Executive Officer
 Local Agency Formation Commission

Date: _____

I certify that this is a true and correct copy of the resolution above set forth.

Date: _____

Clerk to the Commission
 Local Agency Formation Commission



January 2, 2023

Rob Bartoli
Executive Officer
San Mateo LAFCo
455 County Center, 2nd Floor
Redwood City, CA 94063

Dear Mr. Bartoli,

I write to request that the San Mateo Local Agency Formation Commission (LAFCo) conduct a Municipal Review (MSR) for the Peninsula Health Care District (PHCD).

Section 56425 of the California Government Code requires LAFCo to review the sphere of influence (SOI) for cities and special districts every five years *as necessary (emphasis mine)*. And, as stated on page 1 of LAFCo's May 24, 2017, MSR:

"LAFCos are required to conduct MSRs in conjunction with SOI updates as a result of the passage of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The purpose of MSRs is to comprehensively study existing and future public service conditions and ensure that critical services are provided in an efficient and cost-effective manner..."

LAFCo's most recent MSR is dated May 24, 2017. We believe an updated MSR on the PHCD is warranted for several reasons, including the following:

- Since the 2017 MSR, the PHCD has opened the Trousdale, a 124-unit assisted living and memory care community in Burlingame, at a cost of roughly \$80 million of taxpayer money, excluding interest costs on the \$50 million of debt the PHCD assumed to complete the project. Since 2017, the actual cash flow from the Trousdale has significantly underperformed their original pro forma projections, annually, and PHCD's 2022-23 operating budget projects cash flow from the Trousdale to be negative versus their originally projected \$1MM+. These original projections were included on page 6 of LAFCo's November 9, 2017, report, which endorsed the District's ability to operate the assisted living and memory care facility.

- The PHCD is in the advanced planning stages of entering into ground lease agreements with three entities, to open a new Peninsula Wellness Community (PWC). In its current iteration, the PWC will span 6.42 acres of public land and will include 377 senior homes, a medical office building, and open space.
- The CEO is retiring amid these significant new projects. Therefore, an MSR would seem to be vital for enabling the incoming CEO to assume leadership effectively.
- Finally, the COVID pandemic has undeniably impacted the people who live in the PHCD. The Trousdale and the PWC both cater to seniors specifically, so an MSR would include a review of the demographics as well as a current needs assessment of the PHCD, to inform the community on how the district can best fulfill its vision that, as posted on PHCD's website, "... all District residents achieve their optimal health through education, prevention and access to basic health care services- medical, behavioral, and dental."

This is not intended to be a comprehensive list of items we would expect the MSR of the PHCD to cover. Rather, we offer the list to make the case that an updated MSR of the PHCD is fully warranted at this time.

Sincerely,



Margaret Lukens

President

League of Women Voters of North & Central San Mateo County

444 Peninsula Ave. #1

San Mateo, CA 94401

SAN MATEO



LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

March 8, 2023

To: LAFCo Commissioners

From: Rob Bartoli, Executive Officer
Sofia Recalde Management Analyst

Subject: Review of the Proposed LAFCo Fee Schedule for FY23-25

Summary

The Cortese-Knox-Hertzberg (CKH) Act governing LAFCo operations authorizes the Commission to establish a schedule of fees for processing applications and provides that the fees shall not exceed the estimated reasonable cost of providing the service. Processing fees must be adopted by resolution following a noticed public hearing as part of a regularly scheduled meeting. During the FY19-20 budget process, a recommendation was made and adopted by the Commission to review fees every two years. Fees were last revised in 2021 as part of the FY21-22 Budget process.

San Mateo LAFCo's fee schedule categories include acreage and type of reorganization proposal. Fees are based on level of complexity of applications, County salary and benefit increases, and other service cost increases such as rent and County Attorney's Office charges.

The recommended revisions to the annexation/detachment fees account for increases in salary and benefits and the additional complexity and requirements related to processing applications. These fees were calculated based on an estimate of time to process the application by staff and the hourly rate for each portion of the application. On average, the fees for minor and major annexations are proposed to be increased by 7.5%.

Annexations and Outside Service Agreements that are less than 5 acres in size are the most common type of application received by LAFCo. The highest proposed application fee for this application would be a major application fee of \$4,864. This application fee is on par with Alameda, Contra Costa, Marin, Napa, Orange, Santa Clara, and Sonoma LAFCos. Fees for other types of actions are proposed to remain at actual costs based on staff hourly rates. The proposed

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ALTERNATES: CHRIS MICKELSEN, SPECIAL DISTRICT ▪ ANN SCHNEIDER, CITY ▪ JAMES O'NEILL, PUBLIC ▪ NOELIA CORZO, COUNTY

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LAFCo fee schedule has also been updated with a new table showing staff's fully burdened hourly rate (salary, benefits, and administrative costs).

The Commission has historically adopted fees with the goal of recovering a larger share of processing costs for individual proposals while not discouraging boundary change applications.

Committee Review

The Budget Committee reviewed the proposed fee schedule and did not propose any changes to the fee schedule.

Recommendation:

Provide direction to Staff regarding any desired changes to the fee schedule and recommendation to bring the item back to the May 17, 2023 meeting for adoption. If adopted in May, the fee schedules for FY23-25 would become effective 60 days after adoption by the Commission.

Attachments

- A. Proposed 2023 Processing Fee Schedule
- B. Adopted 2021 Processing Fee Schedule

SAN MATEO LAFCo FEE SCHEDULE
 Effective for Applications Accepted for Filing
 On or After (60 *days* from adoption)

PROCESSING FEES

(CA Government Code Sections 56383, 56654, and 56428)

Annexation or Detachment (City, District, or County Service Area)	Minor Applications (100% consent of property owners and exempt from CEQA)	Major Applications (Less than 100% consent of property owners or is not exempt from CEQA)
<u>Acres</u>		
1 or less	\$2,028 <u>\$1,872</u>	\$2,982 <u>\$2,754</u>
1.1 - 4.9	\$3,308 <u>\$3,114</u>	\$4,864 <u>\$4,580</u>
5 - 9.9	\$3,740 <u>\$3,489</u>	\$5,499 <u>\$5,131</u>
10 – 19.9	\$4,080 <u>\$3,766</u>	\$6,000 <u>\$5,538</u>
20 – 29.9	\$4,979 <u>\$4,646</u>	\$7,323 <u>\$6,833</u>
30 – 49.9	\$5,827 <u>\$5,415</u>	\$8,568 <u>\$7,962</u>
50 +	\$6,578 <u>\$6,108</u>	\$9,674 <u>\$8,983</u>

OTHER ACTIONS

Outside Service Agreement	Same as acreage fees above
Consolidation/Merger/Dissolution/Subsidiary District (Excludes legal notice and election costs)	Actual Cost
District Formation	Actual Cost
Municipal Service Review (Not initiated by LAFCo)	Actual Cost
Application for Activation or Divestiture of Special District Powers	Actual Cost
Dissolution for Inactivity	\$650
Incorporation/Disincorporation	Actual Cost
State Controller's Review of Comprehensive Fiscal Analysis	Actual Cost
Reorganization (two or more changes of organization included in one proposal)	Sum of Fees for Individual Actions, less 20%
Noticed public hearing (if required)	Actual Preparation and Publication Cost
Sphere of Influence Revision/Municipal Service Review	Actual Cost
Reconsideration pursuant to Section 56857	Actual cost/Deposit of \$650
Request for time extension	\$300
Request to hold special meeting	Actual Cost
Outside/Special Legal Fee	Actual Cost
Petition Verification	Actual Cost

LAFCO STAFF HOURLY RATES

Fully burdened LAFCo staff hourly rates:

Position	Hourly Rate
Executive Officer	\$193
Management Analyst	\$137
LAFCo Clerk	\$96
Legal Counsel	\$232

ENVIRONMENTAL REVIEW
(P.R.C. Section 21089)

CEQA Exemption	No Charge
Review of Lead Agency’s Negative Declaration or Environmental Impact or determination that preparation of Negative Declaration or Environmental Impact Report is required	\$325 plus Publication Cost
Preparation of a Negative Declaration or Environmental Impact Report	Actual Cost

COUNTY AND STATE FEES

The following fees are charged by State and County agencies and are listed below as public information to applicants. May be amended by State/County.

Department of Fish and Wildlife Fees (Fish and Game Code Sec. 711.4): (set by State/County)	
County Clerk - Document Handling Fee	\$50.00
Department of Fish and Wildlife CEQA Filing Fees	For specific information regarding filing fees for Negative Declarations or Environment Impact Reports, please refer to California Department of Fish and Wildlife https://www.wildlife.ca.gov/Conservation/CEQA
The above fees may be required where LAFCo is the lead agency for environmental review and will be collected by LAFCo for transmittal to the County Clerk. Where LAFCo is responsible agency, copies of original Notice of Determination and receipt by Lead Agency is required.	
State Board of Equalization Fees (Government Code Section 54902.5)	
The conducting agency (city, county or district) may collect a State Board of Equalization filing fee for submittal to LAFCo with final proposal documents. The fee is based on acreage. Please refer to the State Board of Equalization (http://www.boe.ca.gov/) fee schedule and consult LAFCo staff for details. Checks of this fee should be made to the State Board of Equalization Fees and submitted to San Mateo LAFCo for filing.	
County Department of Public Works Fees	Hourly rate of Public Works staff

ADMINISTRATIVE FEES

Photocopies	\$0.10 per page
Publications	Will be set for each publication
Conforming Copy	\$10.00 check payable to San Mateo County Recorder
Duplication of Meeting Record	Actual Cost

EXCEPTIONS: LAFCo processing fees may be waived by the Commission if financial hardship is demonstrated OR if the application is in response to a LAFCo condition or recommendation. State and County Clerk fees may not be waived.

DRAFT revised 2/8/23

SAN MATEO LAFCo FEE SCHEDULE
Effective for Applications Accepted for Filing
On or After July 20, 2021

PROCESSING FEES

(CA Government Code Sections 56383, 56654, and 56428)

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(P.R.C. Section 21089)

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SAN MATEO



LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

March 8, 2023

To: LAFCo Commissioners

From: Rob Bartoli, Executive Officer
Sofia Recalde Management Analyst

Subject: Consider approval of the draft audit prepared by O'Connor & Company of the San Mateo Local Agency Formation Commission's Financial Statements for the Fiscal Year ending June 30, 2021

Summary

As part of the contract for personnel, office space and services with the County of San Mateo, the Commission's funds are held in the County treasury and included in the County's budget system. For the Fiscal Year beginning July 1, 2018, the Commission's budget was moved out of the General Fund to a separate trust fund, shown in the County's budget document as information only, consistent with its being the budget of an independent Commission. When the Commission's budget was part of the General Fund, the County's annual audit included the LAFCo budget. Moving the Commission's budget from the General Fund to a trust fund required that the Commission engage independent auditors to prepare an audit of Commission finances.

O'Connor & Company, formerly R. J. Ricciardi, Inc., has completed the third outside audit for San Mateo LAFCo covering the 2020-21 fiscal year. O'Connor & Company has not identified any deficiencies in internal controls nor any instances of non-compliance. The audit did not find any problems with the LAFCo financial statements. Financial transactions are viewed by staff from San Mateo County Planning and Building, the San Mateo County Controller's Office, and by San Mateo County CEO's Budget Office.

In the 2018-19 audit, it was recommended that all trial balances be reviewed on monthly basis and that cash accounts be reconciled each month. As noted in the report, LAFCo staff continues to review monthly reports for the LAFCo accounts and works with County staff to reconcile accounts. In addition, LAFCo staff now provides quarterly financial updates to the Commission which will allow for opportunities to review how LAFCo performed financially in the previous quarter as compared to the adopted budget and to discuss any issues as appropriate.

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Committee Review

The Budget Committee reviewed the draft audit prepared by O'Connor & Company of the San Mateo Local Agency Formation Commission's Financial Statements for the Fiscal Year ending June 30, 2021 and recommended acceptance of the audit report by the Commission.

Recommendation Commission Action by Resolution

By resolution, approve the draft audit prepared by O'Connor & Company of the San Mateo Local Agency Formation Commission's Financial Statements for the Fiscal Year ending June 30, 2021

Attachments

- A. Commissioners and Management Report for FY21 Audit
- B. Annual Financial Report for FY21 Audit
- C. Resolution No. 1303

**SAN MATEO LOCAL AGENCY
FORMATION COMMISSION
COMMISSIONERS & MANAGEMENT REPORT**

**For the Year Ended
JUNE 30, 2021**



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Commissioners
San Mateo Local Agency Formation Commission
Redwood City, CA

In planning and performing our audit of the basic financial statements of San Mateo Local Agency Formation Commission (LAFCo) for the fiscal year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements but not for the purpose of expressing an opinion on the effectiveness of its internal control. Accordingly, we do not express an opinion on the effectiveness of LAFCo's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affect the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses, as defined above. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Commissioners, and officials of the federal and state grantor agencies and should not be used by anyone other than these specified parties.

We thank San Mateo Local Agency Formation Commission's staff for its cooperation during our audit.



O'Connor & Company

San Rafael, California
March 6, 2023

Commissioners
San Mateo Local Agency Formation Commission
Redwood City, CA

We have audited the basic financial statements of the San Mateo Local Agency Formation Commission (LAFCo) for the year ended June 30, 2021. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated December 17, 2021, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of LAFCo. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by LAFCo are described in Note 2 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year. We noted no transactions entered into by LAFCo during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We evaluated the key factors and assumptions used to develop the accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole. The most sensitive estimate(s) affecting the financial statements were:

- Fair value of investments and financial instruments.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 6, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to LAFCo's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as LAFCo's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis and the Budgetary Comparison Schedule for the General Fund, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

This report is intended solely for the information and use of management and the Commissioners of San Mateo Local Agency Formation Commission and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

San Mateo Local Agency Formation Commission
COMMISSIONERS & MANAGEMENT REPORT
For the Year Ended June 30, 2021

Current Year Observations

There were no current year observations.

Prior Year Observations

There were no prior year observations.

**SAN MATEO LOCAL AGENCY
FORMATION COMMISSION
REDWOOD CITY, CALIFORNIA**

ANNUAL FINANCIAL REPORT

JUNE 30, 2021



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INDEPENDENT AUDITORS' REPORT

Commissioners
San Mateo Local Agency Formation Commission
Redwood City, CA

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the San Mateo Local Agency Formation Commission, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the San Mateo Local Agency Formation Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to San Mateo Local Agency Formation Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the San Mateo Local Agency Formation Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the San Mateo Local Agency Formation Commission, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

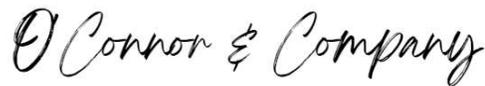
Emphasis of a Matter

As discussed in Note 1, the financial statements are intended to present the financial position and the respective changes in financial position of only those transactions attributable to San Mateo Local Agency Formation Commission. They do not purport to, and do not, present fairly the financial position of the County of San Mateo in conformity with U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3-6) and the required supplementary information (page 19), as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



O'Connor & Company

San Rafael, California
March 6, 2023

San Mateo Local Agency Formation Commission
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

This section of San Mateo Local Agency Formation Commission's (LAFCo's) basic financial statements presents management's overview and analysis of the financial activities of the organization for the fiscal year ended June 30, 2021. We encourage the reader to consider the information presented here in conjunction with the basic financial statements as a whole.

Introduction to the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to LAFCo's audited financial statements, which are composed of the basic financial statements. This annual report is prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for States and Local Governments*. The Single Governmental Program for Special Purpose Governments reporting model is used, which best represents the activities of LAFCo.

The required financial statements include the Statement of Net Position and Governmental Funds Balance Sheet; and the Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances.

These statements are supported by notes to the basic financial statements. All sections must be considered together to obtain a complete understanding of the financial picture of LAFCo.

The Basic Financial Statements

The Basic Financial Statements comprise the Combined Government-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of LAFCo's financial activities and financial position.

The Government-wide Financial Statements provide a longer-term view of LAFCo's activities as a whole and comprise the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of LAFCo as a whole, including all of its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations. The Statement of Activities provides information about all of LAFCo's revenues and all of its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of LAFCo's programs. The Statement of Activities explains in detail the change in Net Position for the year.

All of LAFCo's activities are grouped into Government Activities, as explained below.

The Fund Financial Statements report LAFCo's operations in more detail than the Government-wide statements and focus primarily on the short-term activities of LAFCo's Major Funds. The Fund Financial Statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt and other long-term amounts.

Major Funds account for the major financial activities of LAFCo and are presented individually. Major Funds are explained below.

The Government-wide Financial Statements

Government-wide Financial Statements are prepared on the accrual basis, which means they measure the flow of all economic resources of LAFCo as a whole.

The Statement of Net Position and the Statement of Activities present information about the following:

Governmental Activities – LAFCo's basic services are considered to be governmental activities. These services are supported by specific general revenues from local agencies.

San Mateo Local Agency Formation Commission
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2021

Fund Financial Statements

The Fund Financial Statements provide detailed information about each of LAFCo's most significant funds, called Major Funds. The concept of Major Funds, and the determination of which are Major Funds, was established by GASB Statement No. 34 and replaces the concept of combining like funds and presenting them in total. Instead, each Major Fund is presented individually, with all Non-major Funds summarized and presented only in a single column. Major Funds present the major activities of LAFCo for the year and may change from year-to-year as a result of changes in the pattern of LAFCo's activities.

In LAFCo's case, there is only one Major Governmental Fund.

Governmental Fund Financial Statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the Governmental Fund Financial Statements.

Comparisons of Budget and Actual financial information are presented for the General Fund.

Analyses of Major Funds

Governmental Funds

General Fund revenue increased this fiscal year compared to the prior year due primarily to increases in intergovernmental charges. Actual revenues were more than budgeted amounts by \$248,173.

General Fund expenditures were \$602,331, an increase of \$58,801 from the prior year primarily due to an increase in contract services charges. Expenditures were \$66,465 less than budgeted.

Governmental Activities

Table 1
Governmental Net Position

	2021 Governmental Activities	2020 Governmental Activities
Current assets	<u>\$ 448,218</u>	<u>\$ 171,413</u>
Total assets	<u>448,218</u>	<u>171,413</u>
Current liabilities	<u>46,293</u>	<u>19,047</u>
Total liabilities	<u>46,293</u>	<u>19,047</u>
Net position		
Unrestricted	<u>401,925</u>	<u>152,366</u>
Total net position	<u>\$ 401,925</u>	<u>\$ 152,366</u>

LAFCo's governmental net position amounted to \$401,925 as of June 30, 2021, an increase of \$249,559 from 2020. This increase is the Change in Net Position reflected in the Statement of Activities shown in Table 2.

San Mateo Local Agency Formation Commission
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2021

LAFCo's net position as of June 30, 2021 comprised the following:

- Cash and investments comprised \$447,779 of cash on deposit with the San Mateo County Treasury.
- Accounts receivable totaling \$439.
- Accounts payable totaling \$46,293.
- Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions. LAFCo had \$401,925 of unrestricted net position as of June 30, 2021.

The Statement of Activities presents program revenues and expenses and general revenues in detail. All of these are elements in the Changes in Governmental Net Position summarized below.

Table 2
Changes in Governmental Net Position

	2021 Governmental Activities	2020 Governmental Activities
<u>Expenses</u>		
Local agency formation services	\$ 602,331	\$ 543,530
Total expenses	602,331	543,530
<u>Revenues</u>		
Program revenues:		
Charges for services	152,713	20,040
General revenues:		
Intergovernmental revenue	692,192	491,255
Taxes and other	6,985	35,765
Total general revenues	699,177	527,020
Total revenues	851,890	547,060
<u>Change in net position</u>	\$ 249,559	\$ 3,530

As Table 2 above shows, \$152,713 or 18% of LAFCo's fiscal year 2021 governmental revenue, came from program revenues and \$699,177 or 72%, came from general revenues.

Program revenues consisted of annexation charges of \$152,713.

General revenues are not allocable to programs. General revenues are used to pay for the net cost of governmental programs.

Capital Assets

LAFCo has no capital assets.

Debt Administration

LAFCo does not utilize long-term debt to fund operations or growth.

San Mateo Local Agency Formation Commission
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

Economic Outlook and Major Initiatives

Financial planning is based on specific assumptions from recent trends, State of California economic forecasts and historical growth patterns in the various agencies served by LAFCo.

The economic condition of LAFCo as it appears on the balance sheet reflects financial stability. LAFCo will continue to maintain a watchful eye over expenditures and remain committed to sound fiscal management practices to deliver the highest quality service to the citizens of the area.

Contacting LAFCo's Financial Management

The basic financial statements are intended to provide citizens, taxpayers, and creditors with a general overview of LAFCo's finances. Questions about this report should be directed to San Mateo Local Agency Formation Commission, 455 County Center, 2nd Floor, Redwood City, CA 94063.

San Mateo Local Agency Formation Commission
STATEMENT OF NET POSITION
 June 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and investments	\$ 447,779
Accounts receivable	<u>439</u>
Total assets	<u>448,218</u>
 LIABILITIES	
Accounts payable and other accrued expenses	<u>46,293</u>
Total liabilities	<u>46,293</u>
 Net Position:	
Unrestricted net position	<u>401,925</u>
Total net position	<u>\$ 401,925</u>

The accompanying notes are an integral part of these financial statements.

San Mateo Local Agency Formation Commission
STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2021

	Governmental Activities
Program expenses	
Services and supplies	\$ 602,331
Total program expenses	602,331
Program revenues:	
Intergovernmental revenue	692,192
Charges for service	152,713
Other revenue	6,985
Total program revenue	851,890
Net program expense	249,559
Changes in net position	249,559
Beginning net position	152,366
Ending net position	\$ 401,925

The accompanying notes are an integral part of these financial statements.

San Mateo Local Agency Formation Commission
GOVERNMENTAL FUNDS BALANCE SHEET
June 30, 2021

	<u>General Fund</u>
Assets	
Cash and cash investments	\$ 447,779
Accounts receivable	<u>439</u>
Total assets	<u>\$ 448,218</u>
Liabilities and fund balance	
Liabilities:	
Accounts payable and other accrued expenses	\$ 46,293
Total liabilities	<u>46,293</u>
Fund balance:	
Assigned fund balances	<u>401,925</u>
Total fund balances	<u>401,925</u>
Total liabilities and fund balances	<u>\$ 448,218</u>

The accompanying notes are an integral part of these financial statements.

San Mateo Local Agency Formation Commission
RECONCILIATION OF THE
GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2021

Fund balances-total government funds	\$ 401,925
Amount reported for governmental activities in the statement of net position is different because:	
None	<u>-</u>
Net position of governmental activities	<u>\$ 401,925</u>

The accompanying notes are an integral part of these financial statements.

San Mateo Local Agency Formation Commission
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
 June 30, 2021

	<u>General Fund</u>
Revenues	
Intergovernmental revenue	\$ 692,192
Charges for service	152,713
Other revenue	6,985
Total revenues	851,890
Expenditures	
Services and supplies	602,331
Total expenditures	602,331
Excess of revenues over (under) expenditures	249,559
Fund balances, beginning of the period	152,366
Fund balances, end of the period	\$ 401,925

The accompanying notes are an integral part of these financial statements.

San Mateo Local Agency Formation Commission
RECONCILIATION OF THE
STATEMENT OF REVENUES
EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE
STATEMENT OF ACTIVITIES
 June 30, 2021

Net change in fund balance - total governmental funds	\$	249,559
The changes in net position reported for governmental activities in the statement of activities is different because:		
None		-
		<u>-</u>
Changes in net position of governmental activities	\$	<u>249,559</u>

The accompanying notes are an integral part of these financial statements.

San Mateo Local Agency Formation Commission
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - REPORTING ENTITY

A. Reporting Entity

The financial statements are intended to present the financial position and the respective changes in financial position of only those transactions attributable to San Mateo Local Agency Formation Commission. They do not purport to, and do not, present fairly the financial position of the County of San Mateo in conformity with U.S. generally accepted accounting principles.

B. Organization of LAFCo

San Mateo Local Agency Formation Commission (LAFCo) was formed in 1963. LAFCo is responsible for coordinating logical and timely changes in local government boundaries, conducting special studies that review ways to reorganize, simplify, and streamline governmental structure, and preparing a sphere of influence for each city and special district within its county. LAFCo's efforts are directed toward seeing that services are provided efficiently and economically while agricultural and open-space lands are protected. LAFCo also conducts service reviews to evaluate the provision of municipal services within its county.

C. Principles that Determine the Scope of Reporting Entity

LAFCo consists of seven voting members and four alternate members, and exercises the powers allowed by state statutes. This follows section 56325 of the Government Code. The basic financial statements of LAFCo consist only of the funds of LAFCo. LAFCo has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by, or dependent on, LAFCo.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

LAFCo's basic financial statements are prepared in conformity with U.S. generally accepted accounting principles. The Governmental Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

Government-wide Financial Statements

LAFCo's financial statements reflect only its own activities; it has no component units. The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through intergovernmental revenues and charges for services for performing annexation services.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of LAFCo's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods and services offered by the program. Revenues that are not classified as program revenues, including all intergovernmental revenues, are presented as general revenues.

San Mateo Local Agency Formation Commission
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation (concluded)

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. General Fund operations are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures (or expenses) as appropriate. LAFCo's resources are accounted for based on the purposes for which they are to be spent and the means by which spending activities are controlled. An emphasis is placed on major funds within the governmental categories.

The Fund Financial Statements are presented after the government-wide financial statements. These statements display information about major funds individually in a separate column and non-major funds in the aggregate for governmental funds. A fund is considered major if it is the primary operating fund of LAFCo or meets the following criteria: Total assets, liabilities, revenues, or expenditures (or expenses) of the individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type. The General Fund is always a major fund.

Governmental Funds

General Fund: This is the operating fund of LAFCo. The major revenue source for this fund is intergovernmental revenues. Expenditures are made for intergovernmental revenues projects and administration.

B. Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *full accrual basis* of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual* basis of accounting. Under this method, revenues are recognized when "measurable and available." LAFCo considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Those revenues susceptible to accrual are intergovernmental, certain charges for services and interest revenue. Charges for services are not susceptible to accrual because they are not measurable until received in cash.

Non-exchange transactions, in which LAFCo gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed.

LAFCo may fund programs with a combination of charges for services and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. LAFCo's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

San Mateo Local Agency Formation Commission
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

C. LAFCo Budget

Pursuant to Section 56381, et seq of the Government Code, LAFCo adopts a preliminary budget by May 1 and a final budget by June 15 of each year. Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. Budget/actual comparisons in this report use this budgetary basis. These budgeted amounts are as originally adopted or as amended by LAFCo. Individual amendments were not material in relation to the original appropriations that were amended.

D. Property, Plant and Equipment

LAFCo currently has no fixed assets.

E. Compensated Absences

LAFCo's staff are employed by the County of San Mateo and follow the San Mateo County's policy. Compensated absences comprise unpaid vacation, compensatory and holiday time which are eligible for payment upon separation from the County service. The liability for such time is reported in the San Mateo County's government-wide financial statements (CAFR) and not LAFCo's government-wide financial statements. The San Mateo County CAFR may be obtained by writing to: Office of the Controller, 555 County Center, 4th Floor, Redwood City, Ca 94063.

F. Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, LAFCo recognizes deferred outflows and inflows of resources.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by LAFCo that is applicable to a future reporting period.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of LAFCo's San Mateo County Employees Retirement Association (SamCERA) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by SamCERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 3 - CASH AND INVESTMENTS

LAFCo's cash is maintained with the San Mateo County Treasury in a non-interest-bearing account. LAFCo's cash on deposit with the San Mateo County Treasury at June 30, 2021 was \$447,779.

San Mateo Local Agency Formation Commission
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 3 - CASH AND INVESTMENTS (concluded)

Credit Risk, Carrying Amount and Market Value of Investments

LAFCo maintains specific cash deposits with San Mateo County (County). San Mateo County is restricted by state code in the types of investments it can make. Furthermore, the San Mateo County Treasurer has a written investment policy, approved by the Board of Supervisors, which is more restrictive than state code as to terms of maturity and type of investment. Also, San Mateo County has an investment committee, which performs regulatory oversight for its pool as required by California Government Code Section 27134. In addition, LAFCo has its own investment policy as well.

San Mateo County's investment policy authorizes San Mateo County to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, certificates of deposit, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, bankers' acceptances, repurchase agreements, and the State Treasurer's investment pool. At June 30, 2021, LAFCo's cash with the San Mateo County Treasurer was maintained in a non-interest-bearing account.

Fair Value Reporting - Investments

The County categorizes the fair value measurements of its investments within the fair value hierarchy established by GAAP. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. These levels are determined by the County's investment manager based on a review of the investment class, structure and what kind of securities are held in the portfolio. The County's holdings were an uncategorized input and not defined as a Level 1-3 input.

NOTE 4 - USE OF ESTIMATES

The basic financial statements have been prepared in conformity with U.S. generally accepted accounting principles and, as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Actual results could differ from those amounts.

NOTE 5 - CONTINGENCIES

LAFCo may be involved from time to time in various claims and litigation arising in the ordinary course of business. LAFCo management, based upon the opinion of legal counsel, is of the opinion that the ultimate resolution of such matters should not have a materially adverse effect on LAFCo's financial position or results of operations.

NOTE 6 - FUND EQUITY

The accompanying basic financial statements reflect certain changes that have been made with respect to the reporting of the components of Fund Balances for governmental funds. In previous years, fund balances for governmental funds were reported in accordance with previous standards that included components for reserved fund balance, unreserved fund balance, designated fund balance, and undesignated fund balance. Due to the implementation of GASB Statement No. 54, the components of the fund balances of governmental funds now reflect the component classifications described below.

In the fund financial statements, governmental fund balances are reported in the following classifications:

San Mateo Local Agency Formation Commission
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 6 - FUND EQUITY (concluded)

Nonspendable fund balance includes amounts that are not in a spendable form, such as prepaid items or supplies inventories, or that are legally or contractually required to remain intact, such as principal endowments.

Restricted fund balance includes amounts that are subject to externally enforceable legal restrictions imposed by outside parties (i.e., creditors, grantors, contributors) or that are imposed by law through constitutional provisions or enabling legislation.

Committed fund balance includes amounts whose use is constrained by specific limitations that the government imposes upon itself, as determined by a formal action of the highest level of decision-making authority. The Commissioners serve as LAFCo's highest level of decision-making authority and have the authority to establish, modify or rescind a fund balance commitment via minutes action.

Assigned fund balance includes amounts intended to be used by LAFCo for specific purposes, subject to change, as established either directly by the Commissioners or by management officials to whom assignment authority has been delegated by the Commissioners.

Unassigned fund balance is the residual classification that includes spendable amounts in the General Fund that are available for any purpose.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) fund balances are available, LAFCo specifies that restricted revenues will be applied first. When expenditures are incurred for purposes for which committed, assigned or unassigned fund balances are available, LAFCo's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

Net Position

Net Position is the excess of all LAFCo's assets over all its liabilities, regardless of fund. Net Position is divided into three captions under GASB Statement No. 34. These captions apply only to Net Position, which is determined only at the government-wide level, and are described below:

Net Investment in capital assets describes the portion of Net Position that is represented by the current net book value of LAFCo's capital assets, less the outstanding balance of any debt issued to finance these assets. *Restricted* describes the portion of Net Position that is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions that LAFCo cannot unilaterally alter. *Unrestricted* describes the portion of Net Position that is not restricted to use.

LAFCo's Net Position is unrestricted.

NOTE 7 - LAFCO'S EMPLOYEES' RETIREMENT PLAN

The San Mateo Employees Retirement Association (SamCERA) operates as a cost-sharing multiple employers defined benefit plan and administers the pension plan for the San Mateo County and its permanent employees. The County of San Mateo's net pension liability/(asset) is reported in the San Mateo County's government-wide financial statements and not in LAFCo's government-wide financial statements.

Copies of SamCERA's annual financial reports, which include required supplementary information (RSI) for the Plan may be obtained by writing to: San Mateo County Employees Retirement Association, 100 Marine Parkway, Suite 125, Redwood City, CA 94065, or by calling (650) 599-1234.

San Mateo Local Agency Formation Commission
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 8 - OTHER POST-EMPLOYMENT BENEFIT (OPEB)

Plan Description

The County of San Mateo administers a post-employment benefit (OPEB) sick leave conversion Retiree Health Plan (single employer defined benefit plan). LAFCo is a participant in this plan. This plan provides healthcare benefits to members who retire from the County and are eligible to receive a pension from SamCERA. Eligible retirees may elect to continue healthcare coverage in the County health plan and convert their sick leave balance at retirement to a County-paid monthly benefit that will partially fund their retiree health premiums. The County of San Mateo's OPEB liability is reported in the San Mateo County's government-wide financial statements and not in LAFCo's government-wide financial statements.

San Mateo County issues a Comprehensive Annual Financial Report (CAFR) that includes financial statements and required supplementary information for their OPEB retiree health plan. The ACFR may be obtained by writing to Office of the Controller, 555 County Center, 4th Floor, Redwood City, CA 94063.

San Mateo Local Agency Formation Commission
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Budget and Actual
For the Year Ended June 30, 2021
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		with <u>Final Budget</u>
Revenues:				
Intergovernmental revenue	\$ 571,717	\$ 571,717	\$ 692,192	\$ 120,475
Charges for services	32,000	32,000	152,713	120,713
Other revenue	-	-	6,985	6,985
Total revenues	<u>603,717</u>	<u>603,717</u>	<u>851,890</u>	<u>248,173</u>
Expenditures:				
Services and supplies	<u>668,796</u>	<u>668,796</u>	<u>602,331</u>	<u>66,465</u>
Total expenditures	<u>668,796</u>	<u>668,796</u>	<u>602,331</u>	<u>66,465</u>
Excess of revenues over (under) expenditures	<u>\$ (65,079)</u>	<u>\$ (65,079)</u>	249,559	<u>\$ 314,638</u>
Fund balance, beginning of period			<u>152,366</u>	
Fund balance, end of period			<u>\$ 401,925</u>	

RESOLUTION NO. 1303

**RESOLUTION OF THE
SAN MATEO LOCAL AGENCY FORMATION COMMISSION
APPROVAL OF THE AUDIT PREPARED BY O'CONNOR & COMPANY FOR THE COMMISSION'S FISCAL
STATEMENTS FOR THE FISCAL YEAR ENDING JUNE 30, 2021**

RESOLVED, by the Local Agency Formation Commission of the County of San Mateo (LAFCo), State of California, that:

WHEREAS, prior to 2018, the Commission's appropriations budget was part of the County of San Mateo General Fund and independently audited annually; and

WHEREAS, in 2018 the Commission's appropriations budget was transferred to a trust fund account that necessitated LAFCo to contract with an outside auditor to perform an independent audit; and

WHEREAS, LAFCo entered into an agreement with O'Connor & Company, formerly R. J. Ricciardi, Inc., for an audit of the Commission's Fiscal Statements for the year ending June 30, 2021; and

WHEREAS, the draft audit did not identify any deficiencies in internal controls nor any instances of non-compliance; and

WHEREAS, LAFCo staff continues to review monthly reports for the LAFCo accounts and works with County staff to reconcile accounts. LAFCo staff provides quarterly financial updates to the Commission which will allow for opportunities to review how LAFCo performed financially in the previous quarter as compared to the adopted budget and to discuss any issues as appropriate.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Commission hereby approves the draft audit prepared by O'Connor & Company of the San Mateo Local Agency Formation Commission's Financial Statements for the Fiscal Year ending June 30, 2021.

Regularly passed and adopted this ____ day of _____.

Ayes and in favor of said resolution:

Commissioners:

Noes and against said resolution:

Commissioners Absent and/or Abstentions:

Commissioners:

Chair
 Local Agency Formation Commission
 County of San Mateo
 State of California

ATTEST:

Date: _____

Executive Officer
Local Agency Formation Commission

I certify that this is a true and correct copy of the resolution above set forth.

Date: _____

Clerk to the Commission
Local Agency Formation Commission

SAN MATEO



LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

March 8, 2023

To: LAFCo Commissioners

From: Rob Bartoli, Executive Officer
Sofia Recalde, Management Analyst

Subject: Review of Engagement Letter from O'Connor & Company for auditing services for the Fiscal Year ending June 30, 2022

Summary

As part of the Commission's contract with the County of San Mateo, the LAFCo budget is maintained in the County's budget system. Beginning in Fiscal Year 2018, the Commission's budget was moved out of the County's General Fund to a separate trust fund and shown in the County's budget document as information only, consistent with its status as an independent commission. When the Commission's budget was part of the General Fund, the County's annual audit included the LAFCo budget. When the budget was moved from the General Fund, it became necessary to conduct independent audits.

The audits for the fiscal year ending June 30, 2019 and June 30, 2020 have been completed by R. J. Ricciardi, Inc. and the audit for fiscal year ending June 30, 2021 has been completed by O'Connor & Company (formerly R. J. Ricciardi, Inc.) it will be reviewed by the Commission at the March 15, 2023 meeting. San Mateo LAFCo is requesting to contract with an independent auditor, R. J. Ricciardi, Inc, for auditing services for the Fiscal Year ending June 30, 2022.

Attached is an engagement letter from O'Connor & Company for auditing services. The letter proposes a fee of \$9,800 which would be payable in the 2022-23 and 2023-24 Fiscal Years.

Committee Review

The Budget Committee reviewed the Engagement letter with O'Connor & Company and recommended Commission approval of engagement with O'Connor & Company to provide auditing services for the fiscal year ending June 30, 2022.

COMMISSIONERS: ANN DRAPER, CHAIR, PUBLIC ▪ VACANT, SPECIAL DISTRICT ▪ HARVEY RARBACK, CITY ▪ TYGARJAS BIGSTYCK, CITY ▪ WARREN SLOCUM, COUNTY ▪ RAY MUELLER, COUNTY ▪ KATI MARTIN, SPECIAL DISTRICT

ALTERNATES: CHRIS MICKELSEN, SPECIAL DISTRICT ▪ ANN SCHNEIDER, CITY ▪ JAMES O'NEILL, PUBLIC ▪ NOELIA CORZO, COUNTY

STAFF: ROB BARTOLI, EXECUTIVE OFFICER ▪ SOFIA RECALDE, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪ ANGELA MONTES, CLERK

Recommendation

By motion, authorize the Executive Officer to execute the attached engagement letter with O'Connor & Company. for auditing services for the Fiscal Year ending June 30, 2022

Attachments

A. Engagement letter with O'Connor & Company dated February 6, 2023



1101 FIFTH AVENUE, SUITE 360
 SAN RAFAEL, CA 94901
 PH. (415) 457-1215
 FAX. (415) 457-6735
 www.maocpa.com

February 6, 2023

Rob Bartoli, Executive Officer
 San Mateo LAFCo
 455 County Center, 2nd Floor
 Redwood City, CA 94063

Dear Rob:

We are pleased to confirm our understanding of the services we are to provide San Mateo Local Agency Formation Commission for the year ended June 30, 2022.

Audit Scope and Objectives

We will audit the financial statements of the governmental-type activities and the major fund, including the notes to the financial statements, which collectively comprise the basic financial statements, of San Mateo Local Agency Formation Commission (LAFCo) as of the year ended June 30, 2022. Accounting standards generally accepted in the United States of American (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), and the statement of revenues, expenditures, and changes in fund balance – budget and actual – for the General Fund, to accompany San Mateo LAFCo's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to San Mateo LAFCo's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any reassurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.
2. Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund.

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management.

We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of San Mateo LAFCo's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We will also prepare the financial statements of San Mateo LAFCo in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements.

Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing. Further, we understand that your employees will prepare all information we request in our Client Participation List in the format requested and send it to us 30 days prior to scheduling the audit field work. If you have insufficient personnel or time to prepare these items we can assist you in this area and we will discuss with you the additional time required and estimated fee for these services.

The audit documentation for this engagement is the property of O'Connor & Company and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the regulating entity or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of O'Connor & Company personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the regulatory agency or its designee. The regulatory agency or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Michael O'Connor is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our estimated fees for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our estimated fee, including expenses will be \$9,800 for the audit of San Mateo LAFCo.

Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes thirty days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

If additional time is needed for us to assist San Mateo LAFCo in the resolution or investigation of accounting errors, discrepancies, or reconciliation issues, assistance in the preparation of schedules, or to reflect in our workpapers corrections to the San Mateo LAFCo's accounting records made after the start of the engagement, we will perform such additional work at our standard hourly rates indicated below:

Director \$200
Audit Director/Manager \$150
Audit Supervisor \$120-150
Senior Accountant \$100
Administrative \$100

In addition to the estimated fees noted above, we reserve the right to invoice San Mateo LAFCo at our standard hourly rates for time incurred providing information to successor auditors in compliance with AU Sec. 315. Our invoices and related fees for this service will be payable upon presentation.

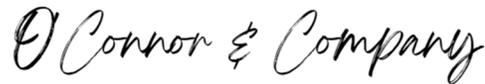
Reporting

We will issue a written report upon completion of our audit of San Mateo LAFCo's financial statements. Our report will be addressed to those charged with governance of San Mateo LAFCo. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We reserve the right to suspend or terminate our work if you have failed to fulfill your responsibilities set forth in this engagement letter, and such failure materially interferes with our work. If our work is suspended or terminated because of your failure to fulfill your responsibilities set forth in this engagement letter, you agree that we will not be responsible for your failure to meet government and other deadlines, for any penalties or interest that may be assessed against you resulting from your failure to meet such deadlines, and for any damages (including consequential damages) incurred as a result of the suspension or termination of our work.

We appreciate the opportunity to be of service to San Mateo LAFCo, and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign a copy of this letter, and return it to us.

Very truly yours,



RESPONSE:

This letter correctly sets forth the understanding of San Mateo LAFCo:

Officer signature: _____

Title: _____

Date: _____

SAN MATEO



LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

March 8, 2023

To: LAFCo Commissioners
From: Rob Bartoli, Executive Officer
Subject: Consideration of Appointment of Vacant LAFCo Vice Chair

Summary

In November 2022, the Commission selected a Chair and Vice Chair for 2023. Per past practice of the Commission, these positions rotate by type of Commission membership in the following order: County, City, Public, and Special District. For 2023, Commissioner Draper, Public Member, was elected as Chair and Commissioner Lohman, Special District Member, was elected as Vice Chair.

With the recent passing for Commissioner Lohman, the LAFCo Vice Chair is now vacant. The Commission, if it so chooses, can select a new Vice Chair for the vacant position. If the Commission desires to follow the traditional rotation, then it would be appropriate to appoint a Special District member as Vice Chair.

Recommended Commission Action:

By motion, appoint a Vice Chair for 2023.

COMMISSIONERS: ANN DRAPER, CHAIR, PUBLIC • VACANT, SPECIAL DISTRICT • HARVEY RARBACK, CITY • TYGARJAS BIGSTYCK, CITY • WARREN SLOCUM, COUNTY • RAY MUELLER, COUNTY • KATI MARTIN, SPECIAL DISTRICT

ALTERNATES: CHRIS MICKELSEN, SPECIAL DISTRICT • ANN SCHNEIDER, CITY • JAMES O'NEILL, PUBLIC • NOELIA CORZO, COUNTY

STAFF: ROB BARTOLI, EXECUTIVE OFFICER • SOFIA RECALDE, MANAGEMENT ANALYST • TIM FOX, LEGAL COUNSEL •

ANGELA MONTES, CLERK

LAFCo Regular Meeting
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SAN MATEO



LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

March 8, 2023

To: LAFCo Commissioners

From: Rob Bartoli, Executive Officer
Sofia Recalde Management Analyst

Subject: Legislative report

Summary

CALAFCO is currently tracking 17 bills, 6 of which are spot bills. Legislation that is of interest to San Mateo LAFCo includes:

- AB 930 would authorize the legislative bodies of 2 or more local governments, defined to include a city, county, special district, or transit agency, to jointly form a Reinvestment in Infrastructure for a Sustainable and Equitable California district (RISE district). The legislation states that a RISE district is focused on funding the planning, acquisition, and construction of housing, infill supportive infrastructure, or other related projects. A RISE district would be authorized to use various sources of revenue including property tax revenue local sales tax, and transient occupancy taxes. The bill would provide for the establishment of a governing board of a RISE district with representatives of each participating local government. AB 930 appears to be similar to SB 852 (2022) regarding the formation of climate resilience districts, also a funding district, outside of the LAFCo process. (*CALAFCO – Watch*)
- SB 411 would permanently add back provisions of the Brown Act that had been temporarily enacted during the COVID-19 pandemic to allow legislative bodies to use alternate teleconferencing provisions similar to the emergency provisions indefinitely and without regard to a state of emergency. (*CALAFCO – Neutral*)

COMMISSIONERS: ANN DRAPER, CHAIR, PUBLIC ▪ VACANT, SPECIAL DISTRICT ▪ HARVEY RARBACK, CITY ▪ TYGARJAS BIGSTYCK, CITY ▪ WARREN SLOCUM, COUNTY ▪ RAY MUELLER, COUNTY ▪ KATI MARTIN, SPECIAL DISTRICT

ALTERNATES: CHRIS MICKELSEN, SPECIAL DISTRICT ▪ ANN SCHNEIDER, CITY ▪ JAMES O'NEILL, PUBLIC ▪ NOELIA CORZO, COUNTY

STAFF: ROB BARTOLI, EXECUTIVE OFFICER ▪ SOFIA RECALDE, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪ ANGELA MONTES, CLERK

- AB 557 (sponsored by the California Special District Association) would extend teleconferencing provisions when a declared state of emergency is in effect, or in other situations related to public health, indefinitely. This law is a follow-up to AB 361 (2022) and seeks to return some of the pandemic-era teleconferencing provisions to the Brown Act. (*CALAFCO – Neutral*)

Recommended Commission Action:

Receive the report.

Attachments

- A. Legislative Daily Report 3/3/2023

CALAFCO Daily Legislative Report as of Monday, March 06, 2023

[AB 930](#) ([Friedman D](#)) **Local government: Reinvestment in Infrastructure for a Sustainable and Equitable California (RISE) districts.**

Current Text: Introduced: 2/14/2023 [html](#) [pdf](#)

Introduced: 2/14/2023

Status: 3/2/2023- Referred to Coms. on L. GOV. and J., E.D., & E.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Would authorize the legislative bodies of 2 or more local governments, defined to include a city, county, special district, or transit agency, to jointly form a Reinvestment in Infrastructure for a Sustainable and Equitable California district (RISE district) in accordance with specified procedures. The bill would require the Office of Planning and Research (OPR) to develop standards for the formation of RISE districts no later than November 30, 2025. The bill would provide for the establishment of a governing board of a RISE district with representatives of each participating local government.

Position: Neutral

Subject: Special District Principle Acts

CALAFCO Comments: This bill has a similar overtone to SB 852 Dodd in 2022 regarding the formation of climate resilience districts outside of the LAFCo process.

As introduced, this bill (AB 930) is focused on the generation of funding and the governance of the expenditure of those funds. However, it should be carefully tracked in case that mission is expanded.

[AB 1439](#) ([Garcia D](#)) **Housing.**

Current Text: Introduced: 2/17/2023 [html](#) [pdf](#)

Introduced: 2/17/2023

Status: 2/18/2023-From printer. May be heard in committee March 20.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Current law generally sets forth the duties of the Department of Housing and Community Development, which is the principal state department responsible for coordinating federal-state relationships in housing and community development and for implementing the California Statewide Housing Plan. This bill would state the intent of the Legislature to enact legislation related to housing.

Position: Placeholder - Spot Bill

Subject: Housing

CALAFCO Comments: This is a spotholder bill that only notes an intent to address housing.

[AB 1460](#) ([Bennett D](#)) **Local government.**

Current Text: Introduced: 2/17/2023 [html](#) [pdf](#)

Introduced: 2/17/2023

Status: 2/18/2023-From printer. May be heard in committee March 20.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, provides the exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts, except as specified. This bill would make a nonsubstantive change to the provision naming the act.

LAFCo Regular Meeting

Position: Neutral

Subject: CKH General Procedures, Other

CALAFCO Comments: As introduced, this bill makes only a minor nonsubstantive change to CKH in that it would merely add commas to Section 56000 so that it would read: "This division shall be known, and may be cited, as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000."

SB 68 (McGuire D) Local government.

Current Text: Introduced: 1/5/2023 [html](#) [pdf](#)

Introduced: 1/5/2023

Status: 1/18/2023-Referred to Com. on RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Current law provides for the formation and powers of various local governments, including counties and cities. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides the sole and exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts. This bill would state the intent of the Legislature to enact legislation relating to local government.

Position: Watch

CALAFCO Comments: 1-6-2023: As it currently stands, this bill appears to be a spot holder. In the write-up it notes that the legislative intent will be to address local government and it specifically mentions CKH. Consequently, the Executive Director reached out to the author's office requesting more particulars. On 1-9-2023, the author's office responded that they had no additional info to share but that, while the the leg counsel introduction mentioned CKH, their language had nothing to do with it.

SB 440 (Skinner D) Agricultural preserves: annexations.

Current Text: Introduced: 2/13/2023 [html](#) [pdf](#)

Introduced: 2/13/2023

Status: 2/22/2023-Referred to Com. on RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Under existing law, the Williamson Act, upon the annexation by a city of any land subject to a contract with a county that enforceably restricts the land to agricultural use within an agricultural preserve, the city succeeds to all rights, duties, and powers of the county under the contract unless specified circumstances apply, including that the land being annexed was within one mile of the city boundary when the contract was executed, the contract was executed before January 1, 1991, and the city filed a protest of record that identifies the affected contract and the subject parcel. The act authorizes a local agency formation commission to request, and requires the Department of Conservation to provide, advice and assistance regarding these provisions. The act requires the department to advise the local agency formation commission of its concerns, whether or not it has been requested to do so, and requires the commission to address those concerns. This bill would make nonsubstantive changes to those provisions.

Position: None at this time

Subject: Ag Preservation - Williamson, Annexation Proceedings

SB 455 (McGuire D) Governmental organization.

Current Text: Introduced: 2/13/2023 [html](#) [pdf](#)

Introduced: 2/13/2023

Status: 2/22/2023-Referred to Com. on RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Current constitutional and statutory law prescribes the organization of the government in California. The Government Code prescribes certain definitions for purposes of its interpretation,

including definitions for "state," "county," and "city." This bill would state the intent of the Legislature to enact legislation relating to governmental organization.

Position: Placeholder - Spot Bill

Subject: Other

CALAFCO Comments: This is a spotholder bill that notes that its intent will be to enact legislation relating to governmental organization.

SB 537 (Becker D) Open meetings: local agencies: teleconferences.

Current Text: Introduced: 2/14/2023 [html](#) [pdf](#)

Introduced: 2/14/2023

Status: 2/22/2023-Referred to Com. on RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Would state the intent of the Legislature to enact subsequent legislation that expands local government's access to hold public meetings through teleconferencing and remote access.

Position: Placeholder - Spot Bill

Subject: Brown Act

CALAFCO Comments: This is a spotholder bill that states an intent to expand local government's access to hold public meetings through teleconferencing and remote access.

SB 768 (Caballero D) California Environmental Quality Act: transportation impact analysis: rural areas.

Current Text: Introduced: 2/17/2023 [html](#) [pdf](#)

Introduced: 2/17/2023

Status: 3/1/2023-Referred to Com. on RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Would state the intent of the Legislature to enact subsequent legislation that would create a new transportation impact analysis for rural areas for purposes of CEQA. This bill contains other existing laws.

Position: Placeholder - Spot Bill

Subject: CEQA

CALAFCO Comments: This is a spotholder bill that notes an intent to enact subsequent legislation that would create a new transportation impact analysis for rural areas for purposes of the California Environmental Quality Act.

SB 833 (McGuire D) Natural resources.

Current Text: Introduced: 2/17/2023 [html](#) [pdf](#)

Introduced: 2/17/2023

Status: 3/1/2023-Referred to Com. on RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Current law declares that resource conservation is of fundamental importance to the prosperity and welfare of the people of this state, and provides for the formation and powers of resource conservation districts. This bill would declare the intent of the Legislature to enact subsequent legislation relating to natural resources.

Position: Placeholder - Spot Bill

Subject: Special District Powers, Special District Principle Acts, Special Districts Governance

CALAFCO Comments: This is a spotholder bill that notes only an intent to enact subsequent legislation relating to natural resources.

SB 865 (Laird D) Municipal water districts: automatic exclusion of cities.

Current Text: Introduced: 2/17/2023 [html](#) [pdf](#)

Introduced: 2/17/2023

Status: 3/1/2023-Referred to Com. on GOV. & F.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chapters
1st House				2nd House							

Summary:

Current law authorizes a governing body of a municipal water district to adopt an ordinance excluding any territory annexed to a metropolitan water district organized under the Metropolitan Water District Act, if the territory is annexed prior to the effective date of the formation of the municipal water district. Current law requires the Secretary of State to issue a certificate reciting the passage of the ordinance and the exclusion of the area from the municipal water district within 10 days of receiving a certified copy of the ordinance. This bill would extend the number of days the Secretary of State has to issue a certificate to 14 days.

Position: None at this time

Subject: Annexation Proceedings

CALAFCO Comments: Existing law authorizes a governing body of a municipal water district may adopt an ordinance excluding any territory annexed to a metropolitan water district organized under the Metropolitan Water District Act, providing that the territory is annexed prior to the effective date of the formation of the municipal water district. If that happens, the Secretary of State must, within 10 days of receiving a certified copy, issue a certificate reciting the passage of the ordinance that excludes the area from the municipal water district. This bill would extend the Secretary of State's window to issue that certificate from 10 to 14 days.

3

AB 557 (Hart D) Open meetings: local agencies: teleconferences.

Current Text: Introduced: 2/8/2023 [html](#) [pdf](#)

Introduced: 2/8/2023

Status: 2/17/2023-Referred to Com. on L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chapters
1st House				2nd House							

Summary:

Current law, until January 1, 2024, authorizes a local agency to use teleconferencing without complying with specified teleconferencing requirements in specified circumstances when a declared state of emergency is in effect, or in other situations related to public health, as specified. If there is a continuing state of emergency, or if state or local officials have imposed or recommended measures to promote social distancing, existing law requires a legislative body to make specified findings not later than 30 days after the first teleconferenced meeting, and to make those findings every 30 days thereafter, in order to continue to meet under these abbreviated teleconferencing procedures. Current law requires a legislative body that holds a teleconferenced meeting under these abbreviated teleconferencing procedures to give notice of the meeting and post agendas, as described, to allow members of the public to access the meeting and address the legislative body, to give notice of the means by which members of the public may access the meeting and offer public comment, including an opportunity for all persons to attend via a call-in option or an internet-based service option. Current law prohibits a legislative body that holds a teleconferenced meeting under these abbreviated teleconferencing procedures from requiring public comments to be submitted in advance of the meeting and would specify that the legislative body must provide an opportunity for the public to address the legislative body and offer comment in real time. This bill would extend the above-described abbreviated teleconferencing provisions when a declared state of emergency is in effect, or in other situations related to public health, as specified, indefinitely.

Position: Neutral

Subject: Brown Act

CALAFCO Comments: Similar in scope to SB 411, this bill is follow-on legislation to AB 361 (2022) and seeks to return some of the pandemic-era teleconferencing provisions to the Brown Act. This bill is sponsored by CSDA.

AB 817 (Pacheco D) Local government: open meetings.

Current Text: Introduced: 2/13/2023 [html](#) [pdf](#)

Introduced: 2/13/2023

Status: 2/14/2023-From printer. May be heard in committee March 16.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Current law, the Ralph M. Brown Act, requires each legislative body of a local agency to provide notice of the time and place for its regular meetings and an agenda containing a brief general description of each item of business to be transacted. The act also requires that all meetings of a legislative body be open and public, and that all persons be permitted to attend unless a closed session is authorized. This bill would make nonsubstantive changes to a provision of the Ralph M. Brown Act.

Position: Placeholder - Spot Bill

Subject: Brown Act

CALAFCO Comments: This bill appears to be a spot holder in that it currently only makes minor grammatical changes. The lack of substance raises concern regarding future changes to this bill.

AB 1348 (Grayson D) Local government: open meetings.

Current Text: Introduced: 2/16/2023 [html](#) [pdf](#)

Introduced: 2/16/2023

Status: 2/17/2023-From printer. May be heard in committee March 19.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Current law, the California Public Records Act, requires state agencies and local agencies to make public records available for inspection, subject to specified criteria, and with specified exceptions. Current law, the Ralph M. Brown Act, requires the meetings of the legislative body of a local agency to be conducted openly and publicly, with specified exceptions. Current law makes agendas of public meetings and other writings distributed to the members of the governing board disclosable public records, with certain exceptions. This bill would make nonsubstantive changes to the public record provisions governing the writings related to agendas of public meetings.

Position: Neutral

Subject: Brown Act

CALAFCO Comments: This bill as introduced would change the Section 54957.5 of the Brown Act in a minor and nonsubstantive way by changing an "a" to "any" in two places.

SB 411 (Portantino D) Open meetings: teleconferences: bodies with appointed membership.

Current Text: Introduced: 2/9/2023 [html](#) [pdf](#)

Introduced: 2/9/2023

Status: 2/22/2023-Referred to Coms. on GOV. & F. and JUD.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Current law, until January 1, 2024, authorizes the legislative body of a local agency to use alternate teleconferencing provisions during a proclaimed state of emergency or in other situations related to public health that exempt a legislative body from the general requirements (emergency provisions) and impose different requirements for notice, agenda, and public participation, as prescribed. The emergency provisions specify that they do not require a legislative body to provide a physical location from which the public may attend or comment. Current law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency's jurisdiction and other requirements are met, including restrictions on remote participation by a member of the legislative body. This bill would authorize a legislative body to use alternate teleconferencing provisions similar to the emergency provisions indefinitely and without regard to a state of emergency. The bill would alternatively define "legislative body" for this purpose to mean a board, commission, or advisory body of a local agency, the membership of which board, commission, or advisory body is appointed and which board, commission, or advisory body is otherwise subject to the Ralph M. Brown Act.

Position: Neutral

Subject: Brown Act

CALAFCO Comments: This bill would permanently add back provisions to Section 54953.4 of the Brown Act that had been temporarily enacted during the COVID-19 pandemic. The amendment would allow a legislative body to use teleconferencing provisions, and would define the proper procedure for conducting such a meeting, would require the legislative body to take no further action in the event of a broadcasting disruption within the local agency's control until the broadcast can be resumed, would require time public comment periods to remain open until the public comment time has elapsed, and would not only prevent requiring comments in advance but would also require that the public be afforded the chance to comment in real time.

SB 878 (Committee on Governance and Finance) Validations.

Current Text: Introduced: 2/17/2023 [html](#) [pdf](#)

Introduced: 2/17/2023

Status: 3/1/2023-Referred to Com. on GOV. & F.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Would enact the First Validating Act of 2023, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill contains other related provisions.

Position: None at this time

Subject: LAFCo Administration

CALAFCO Comments: This is the first of three annual validating acts.

SB 879 (Committee on Governance and Finance) Validations.

Current Text: Introduced: 2/17/2023 [html](#) [pdf](#)

Introduced: 2/17/2023

Status: 3/1/2023-Referred to Com. on GOV. & F.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Would enact the Second Validating Act of 2023, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill contains other related provisions.

Position: None at this time

Subject: LAFCo Administration

CALAFCO Comments: This is one of three annual validating acts.

SB 880 (Committee on Governance and Finance) Validations.

Current Text: Introduced: 2/17/2023 [html](#) [pdf](#)

Introduced: 2/17/2023

Status: 3/1/2023-Referred to Com. on GOV. & F.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Would enact the Third Validating Act of 2023, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

Position: None at this time

Subject: LAFCo Administration

CALAFCO Comments: This is one of three annual validating acts.

Total Measures: 17

Total Tracking Forms: 17