

SAN MATEO



# LOCAL AGENCY FORMATION COMMISSION

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## Action Minutes San Mateo Local Agency Formation Commission Meeting March 15, 2023

Chair Draper called the Wednesday, January 18, 2023, meeting of the Local Agency Formation Commission (LAFCo) to order at 2:36 pm in the Board of Supervisors Chambers, 400 County Center, Redwood City, California. Members of the public were able to also participate in the meeting remotely via the Zoom.

### 1. Roll Call

Members Present: Commissioners Tygarjas Bigstycck, Kati Martin, Warren Slocum, Harvey Rarback (remote participation), Chris Mickelsen, Ann Draper

Members Absent: Commissioner Mueller

Alternate Members Present: Jim O'Neill, Ann Schneider (joined while meeting was in progress)

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

### 2. Oath of Office for New Commissioners Appointed

Mr. Fox swore in Commissioner Chris Mickelsen for his appointment to LAFCo.

### 3. Public Comment for Items Not on the Agenda

None

### 4. Consent Agenda

#### a. Approval of Action Minutes: March 15, 2023

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

Commission Action: Commissioner Slocum moved to approve the consent agenda, and Commissioner Martin seconded the motion which passed unanimously by roll call vote. (Ayes: Commissioners Bigstycck, Martin, Rarback, Slocum, Chair Draper. Abstention: Commissioner Mickelsen. Absent: Commissioner Mueller.)

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

Executive Officer Bartoli presented the staff report dated March 8, 2023. He said the LAFCo special study focuses on the District's operations, finances and governance. 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 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.
- High cost of service compared to nearby agencies.

He also compared violent and property crime and clearance between Broadmoor and Daly City as well reviewed the service/governance options for BPPD's and the Commission's consideration. He noted all public outreach and public comments received.

Mr. Bartoli answered Commissioner Bigstycck questions on the District's CalPERS lawsuit, costs associated with ongoing litigation and the agency's pension liability. In response to Commissioner Bigstycck's questions about what triggers a dissolution, Mr. Bartoli briefly described what the next steps for dissolution would be.

Conversation ensued with Commissioner Martin regarding whether Daly City would be willing to be successor agency or provide police services via contract.

Commissioner Rarback stated his concerns regarding the District's fiscal outlook and that his preferred governance option would be annexation to Daly City.

Conversation ensued with Commissioner Slocum regarding BPPD's ability to increase the parcel tax, the Controller's role in the matter, and Commissioner Mueller's request at the January meeting for BPPD to provide a formal response to the recommendations outlined in the Special Study. BPPD did submit a written response to LAFCo staff that generally agreed to the recommendations but did not provide an individual response and implementation timeline for each recommendation.

Commissioner Mickelsen stated he is aligned with the thoughts of the other Commissioners. Conversation ensued regarding Educational Revenue Augmentation Fund (ERAF). He would support a more aggressive timeline for dissolution.

Chief Connolly spoke to the Commission via zoom. He discussed the CalPERS litigation with former employees, administrative and transparency compliance, and described a fiscal framework, developed in partnership with Supervisor Canepa's Office, to raise revenue. The fiscal framework would include an economic development plan for Broadmoor and the rest of north county.

Chair Draper opened public comment.

Christine Taliva'a-Aguerre, President of Broadmoor Property Owners Association, is working closely with Chief Connolly. She said that they do not want to lose their private police department. She noted that they do not want to be under Daly City nor annexed to Daly City. She expressed her love and commitment for the District. She asked the Commission to work in collaboration with them.

Chair Draper closed public comment.

Chair Draper stated that the Commission needs a more detailed response from the District and would like status updates at the next meeting, followed by updates at 6 months and 12 months.

Mr. Bartoli commented on the timeline for future updates to the Commission regarding BPPD.

Commission Martin and Rarback agreed that Broadmoor problems have been around for a long time and are irreparable.

Commissioner Slocum commented that Chief Connolly did not share specifics of how the District would address their financial challenges. He said the financial issues are his biggest

concerns. He would like more information on the Economic Development mentioned by Chief Connolly.

Commissioner Mickelsen commented that he does not believe the residents of Broadmoor are being served and that it would be irresponsible to not address these issues.

Commissioner Slocum stated that there should be an option to reorganize the District if the Commission is unsatisfied with BPPD's reports during the 12-month update period.

Mr. Bartoli suggested adding a general discussion about dissolution on the agenda for the next Commission meeting.

Commission Action: Commissioner Bigstyck moved to adopt the Special Study for the Broadmoor Police Protection District and to request that the District respond in writing with their agreement or disagreement of the key issues and recommendations identified in the Special Study for inclusion in the agenda packet for the May 17, 2023 Commission meeting and present updates regarding BPPD, the implementations of the recommendations and fiscal conditions within 90 days (July 19, 2023), 6 months (September 20, 2023), and 12 months (March 20, 2024) of adoption of the Special study and request that LAFCo staff return to May 17, 2023 Commission meeting with an informational item regarding LAFCo initiated dissolution of a special district. Commissioner Martin seconded the motion which passed unanimously by roll call vote. (Ayes: Commissioners Bigstyck, Martin, Rarback, Slocum, Mickelsen, Chair Draper. Absent: Commissioner Mueller.)

## **6. Consideration of Adoption of Proposed Work Program and Draft LAFCo Budget for Fiscal Year 2023-2024**

Management Analyst Recalde presented the staff report dated March 8, 2023. She began with an overview of the LAFCo budget process. She summarized estimated actuals for FY22-23, proposed FY23-24 budget and Workplan.

Commissioner Martin said that the Peninsula Health Care item on the Work Plan should be removed because it has been reviewed several times by the San Mateo County Grand Jury. Chair Draper asked the Budget Committee to review the items presented.

Conversation ensued with Mr. Bartoli and Commissioner Rarback regarding the Harbor District zero sphere of influence. Mr. Bartoli stated that an update would include a fiscal review and discussion of new services provided by the Harbor District.

Commissioner Slocum supported Chair Draper's comment. Conversation ensued regarding fire studies and Harbor District. Commissioner Slocum stated that the Department of

Emergency Management is doing a fire study and that staff should investigate whether there is overlap in scope.

Chair Draper opened public comment.

Alternate Commissioner Ann Schneider requested clarification on meaning of MSR/SOI update for City of Millbrae.

Chair Draper closed public comment.

Commission Action: Chair Draper moved to send the Work Program back to the Budget Committee for reconsideration of Healthcare Districts and Fire Study. Commissioner Slocum seconded the motion which passed unanimously by roll call vote. (Ayes: Commissioners Bigstycck, Martin, Rarback, Slocum, Mickelsen, Chair Draper. Absent: Commissioner Mueller.) Commissioner Bigstycck moved approve the draft budget for FY23-24 and to direct the Executive Officer to schedule the Final 23-24 budget for a public hearing at the May 17 2023 Commission meeting. Commissioner Slocum seconded the motion which passed unanimously by roll call vote. (Ayes: Commissioners Bigstycck, Martin, Rarback, Slocum, Mickelsen, Chair Draper. Absent: Commissioner Mueller.)

## **7. Consideration of Revised LAFCo Schedule of Processing Fees**

Management Analyst Recalde presented the staff report dated March 8, 2023. She provided the LAFCo processing fees update.

A discussion occurred regarding cost recovery as it relates to application fees and the processing of proposals.

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

Commission Action: Commissioner Slocum moved to direct the Executive Officer to schedule the updated LAFCo processing fee schedule for adoption at the May 17, 2023 Commission meeting. Commissioner Bigstycck seconded the motion which passed unanimously by roll call vote. (Ayes: Commissioners Bigstycck, Martin, Rarback, Slocum, Mickelsen, Chair Draper. Absent: Commissioner Mueller.)

## **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**

Mr. Bartoli presented the LAFCo Audit for the Fiscal Year Ending June 30, 2021. The audit did not identified any deficiencies in internal controls nor any instances of non-compliance.

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

Commission Action: Commissioner Slocum moved to 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. Commissioner Rarback seconded the motion which passed unanimously by roll call vote. (Ayes: Commissioners Bigstycck, Martin, Rarback, Slocum, Mickelsen, Chair Draper. Absent: Commissioner Mueller.)

### **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**

Mr. Bartoli gave a verbal update to the Commission.

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

Commission Action: Commissioner Bigstycck moved to authorize the Executive Officer to execute the engagement letter with O'Connor & Company for auditing services for the Fiscal Year ending June 30, 2022. Commissioner Mickelsen seconded the motion which passed unanimously by roll call vote. (Ayes: Commissioners Bigstycck, Martin, Rarback, Slocum, Mickelsen, Chair Draper. Absent: Commissioner Mueller.)

### **10. Consideration of Appointment of Vacant LAFCo Vice Chair**

Mr. Bartoli presented the item. In November 2022, the Commission selected a Chair and Vice Chair for 2023. 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.

Commission Action: Vice Chair moved to appoint Kati Martin as LAFCo Vice Chair. Commissioner Slocum seconded the motion which passed unanimously by roll call vote. (Ayes: Commissioners Bigstycck, Martin, Rarback, Slocum, Mickelsen, Chair Draper. Absent: Commissioner Mueller.)

### **11. Legislative and Policy Committee**

#### **a. Legislative Report – Information Only**

Ms. Recalde gave a verbal update to the Commission and referred to legislative packet.

Conversation ensued regarding SB 411 and AB 537.

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

**12. Commissioner/Staff Reports – Information Only**

None

**13. Adjournment**

Chair Draper adjourned the meeting at 4:55 p.m. in memory of Commissioner Ric Lohman.