

SAN MATEO



LOCAL AGENCY FORMATION COMMISSION

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Action Minutes San Mateo Local Agency Formation Commission Meeting January 17, 2024

Chair Draper called the Wednesday, January 17, 2024 meeting of the Local Agency Formation Commission (LAFCo) to order at 2:30 pm at the San Mateo County Board of Supervisors Chambers, 400 County Center, Redwood City, CA. Members of the public were also able to participate in the meeting remotely via Zoom.

1. Roll Call

Members Present: Anne Draper, Tygarjas Bigstycck, Virginia Chang-Kiraly, Kati Martin (arrived at 2:40pm), Harvey Rarback, Ray Mueller (arrived at 2:37pm), Warren Slocum.

Members Absent: None

Staff Present: Rob Bartoli, Executive Officer
Kelsey Mollura, Legal Counsel (remote)
Angela Montes Cardenas, Clerk

2. Public Comment for Items Not on the Agenda

None

3. Appointment of Chair and Vice Chair for 2024

Commission Action: Commissioner Chang-Kiraly motioned to move item 3 to later in the agenda to allow Commissioners Martin and Mueller to participate in the appointment of Chair and Vice Chair. Commissioner Rarback seconded the motion. Motion passed unanimously by roll call vote (Ayes: Bigstycck, Chang-Kiraly, Rarback, Slocum, Draper).

4. Consent Agenda

- a) **Approval of Action Minutes: November 15, 2023**
- b) **Time Extension for LAFCo File No. 19-03 – Proposed annexation of 252 Club Drive, Unincorporated San Mateo County (APN 049-050-050) to the City of San Carlos**

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

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 Chang-Kiraly moved to approve the consent agenda. Commissioner Bigstycck seconded the motion. Motion passed unanimously by roll call vote. (Ayes: Commissioners Bigstycck, Chang-Kiraly, Rarback, Slocum, Draper)

5. Consideration of LAFCo File No. 20-10: Proposed annexation of APNs 046-032-030, 046-32-040, 046-032-080, 046-032-090, and associated right-of-way to the City of Belmont from unincorporated San Mateo County and detachment from the Harbor Industrial Sewer Maintenance District (HISMD) and Belmont Highway Lighting District (BHLD)

Commissioner Mueller arrived at 2:37pm. Commissioner Martin arrived at 2:40pm.

Rob Bartoli, Executive Officer, provided an overview of the project at 608 Harbor Blvd, which proposes to annex 4 parcels in the Harbor Industrial Area into the City of Belmont and detach those parcels from the HISMD and BHLD. The project also proposes to consolidate the 4 parcels into a 0.71-acre lot that will be developed into a 5-story, multi-family residential building. Services, such as police, streets and storm water management, sewer, street lighting and parks, will transfer from the County to the City of Belmont, and the resulting property tax exchange has been approved by both the County Board of Supervisors and the Belmont City Council. The City of Belmont is the lead agency for CEQA. Mr. Bartoli reviewed several factors to be considered for applications for annexations. Based on those findings, staff recommended that the Commission approve the proposal for annexation and certify that the Belmont Village Specific Plan Environmental Impact Report and addendum for the Windy Hill Project prepared by the City of Belmont as lead agency is within the responsibility of the City of Belmont and not of San Mateo LAFCo.

Chair Draper inquired about the sewer laterals in the area. Carlos de Melo, the Community Development Director for the City of Belmont, confirmed that the sewer connection would occur at Elmer Street and O'Neill Avenue.

Commissioners Rarback and Bigstycck noted the inclusion of affordable housing in the project proposal and commented on the need for more affordable housing, as well as more housing at varying income levels.

Chair Draper opened and closed public comment. No written or oral comments received.

Commission Action: Commissioner Mueller moved to approve LAFCo File No. 20-10. Commissioner Chang-Kiraly seconded the motion. The motion passed unanimously by roll call vote. (Ayes: Commissioners Bigstycck, Chang-Kiraly, Rarback, Slocum, Draper, Mueller, Martin)

6. Broadmoor Police Protection District Update

Mr. Bartoli presented an update on the Broadmoor Police Protection District (BPPD). On December 1, 2023, the County Treasurer-Tax Collector transferred District funds from the County Investment Pool to an independent bank account. District staff presented a financial update that was presented at the BPPD Commission Meeting on January 9, 2024. The update

noted that BPPD staff has been reduced to full-time officers only but did not state the number of current full-time officers. The update also noted that while payroll is lower year-to-date in FY 24 compared to FY 23, insurance and legal costs continue to rise. Finally, the District Commission did not move to contract with a consulting firm to support the District with their proposed ballot measure.

Chair Draper asked about the status of the response matrix regarding recommendations for BPPD. LAFCo staff responded that it has not been updated since it was received in July 2023.

Commissioner Rarback commented that every update regarding the Broadmoor Police Protection District is bad news and that it is problematic that the district can continue to exist given its condition.

Chair Draper opened public comment. Andrea Hall, Broadmoor resident, thanked the Commission for its continued attention to the issue. Ms. Hall stated that she would appreciate any step LAFCo can take to keep the District accountable. Chair Draper closed the comment period.

Commissioner Bigstyk noted the District's lack of transparency and stated that it is not clear if any work has been done to improve the situation.

Commissioner Martin asked Mr. Bartoli what the Commission's options are. Mr. Bartoli responded that it would be challenging for LAFCo to initiate dissolution because staff would be tasked with preparing a plan for service, which would require collaboration with the County and Sheriff's office and their willingness to provide service.

Chair Draper suggested initiating an MSR of the District to provide an updated, comprehensive analysis of the state of the District. Commissioner Chang-Kiraly agreed and stated that it is LAFCo's responsibility to collect information and impart it to the public.

Commissioner Mueller asked several questions about District's Commission agendas and transparency. Regarding the District's risk for insolvency, Commissioner Mueller expressed concern about a future ballot measure for BPPD to increase the supplemental parcel tax and potential bankruptcy of the District. In addition, he raised the question about the level of service residents will receive between now and the election, and whether the tax increase will ensure that residents get the level of service they desire in the future.

Commissioner Muller also inquired whether Broadmoor residents would be on the hook for the new assessment, if approved, if the District still goes bankrupt. He expressed support for conducting an MSR and wanted it to be clear that the purpose would be to collect information and not to dissolve the District.

Chair Draper reopened the public comment period. John Aguerre, Broadmoor resident, stated that he would like the matrix to be updated and expressed appreciation for LAFCo's desire to provide information to the public. Mr. Aguerre stated that there is a lot of support in Broadmoor for the police district, and he would like to see a solution that would allow the District to remain.

Commission Action: The Commission directed staff to initiate a municipal service review of BPPD and to include the efforts staff has taken thus far to collect information from the District.

Commissioner Mueller suggested forming an ad-hoc committee to address the question of Broadmoor residents' ongoing financial obligation should the District fail at the current or proposed assessment level. Commissioners Mueller and Chang-Kiraly volunteered to be on the ad-hoc committee.

Commission Action: Commissioner Slocum moved to have Commissioners Chang-Kiraly and Mueller participate in an ad-hoc committee. Commissioner Rarback seconded the motion. The motion passed unanimously by roll call vote. (Ayes: Commissioners Bigstycck, Chang-Kiraly, Rarback, Slocum, Draper, Mueller, Martin)

7. Appointment of Budget and Legislative/Policy Committees for 2024

Conversation ensued about the appointments to the budget and legislative and policy committees.

Chair Draper opened and closed public comment. No written or oral comments received.

Commission Action: Commissioner Slocum moved to nominate Commissioner Chang-Kiraly, Draper and Bigstycck to the Budget Committee and Commissioners Martin, Mueller and Rarback to the Legislative/Policy Committee for 2024. Chair Draper seconded the motion. The motion passed unanimously by roll call vote. (Ayes: Commissioners Bigstycck, Chang-Kiraly, Rarback, Slocum, Draper, Mueller, Martin)

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, 2022

Sofia Recalde, Management Analyst, presented the draft audit for the fiscal year ending June 30, 2022. No deficiencies in internal controls or instances of non-compliance were noted, and there were no issues with LAFCo financial statements.

Commissioner Bigstycck inquired about the loss in net position at the end of FY 2022. Staff responded that this was due to an issue of timing of when revenue from member agencies was

received and credited. In this case, revenue from member agencies that was meant for FY 22 was received and credited in FY 21. This issue has been addressed for FYs 23 and 24 with the revenue deferred to the correct year even if it is received in the prior fiscal year.

Commissioner Chang-Kiraly commented that best practice is to change firms every 5-6 years, Mr. Bartoli noted that this is the 4th audit conducted by O'Connor and Company, staff intends to use O'Connor for the next audit, and that staff will look to a new vendor afterwards.

Chair Draper opened and closed public comment. No written or oral comments received.

Commission Action: Commissioner Chang-Kiraly moved to approve the annual audit for the fiscal year ending June 30, 2022. Commissioner Bigstyk seconded the motion. The motion passed unanimously by roll call vote. (Ayes: Commissioners Bigstyk, Chang-Kiraly, Rarback, Slocum, Draper, Mueller, Martin)

9. Quarterly LAFCo Budget update – Information Only

Ms. Recalde presented the quarterly update for the LAFCo budget. LAFCo has received 100% of the 1/3 apportionment from member agencies and has received 99% of the total revenue budgeted for FY 23-24. Except for legal notices, expenditures are all within budget. Total year-to-date expenditures are 37% of budget. Staff anticipates that year-end expenditures will be lower than anticipated due to the ongoing Clerk vacancy.

Chair Draper opened and closed public comment. No written or oral comments received.

Commission Action: None.

3. Chair and Vice Chair Appointment

Discussion ensued about the Chair and Vice Chair appointment.

Chair Draper opened and closed public comment. No written or oral comments received.

Commission Action: Commissioner Chang-Kiraly moved to approve appoint Commissioner Kati Martin as Chair and Commissioner Mueller as Vice Chair for 2024. Commissioner Rarback seconded the motion. The motion passed unanimously by roll call vote. (Ayes: Commissioners Bigstyk, Chang-Kiraly, Rarback, Slocum, Draper, Mueller, Martin)

Outgoing Chair Draper transferred Chair duties to the newly appointed Chair Martin.

10. Legislative Report – Information Only

Ms. Recalde presented the legislative report. CALAFCO is currently tracking eleven bills, none of which are new in 2024 or have been significantly updated in 2024.

Chair Martin opened and closed public comment. No written or oral comments received.

Commission Action: None.

11. CALAFCO 2023 Journal

The Commission received the CALAFCO Journal. Commissioner asked how conditions that are placed in MSRs are being enforced/implemented by other LAFCos. Mr. Bartoli stated that this may be an ongoing conversation of the CALAFCO Legislative Committee in the coming year and that he will provide updates as they occur.

Chair Martin opened and closed public comment. No written or oral comments received.

Commission Action: None.

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

Mr. Bartoli summarized an update received from Westborough Water District that highlighted their progress on several of the recommendations that LAFCo made in the MSR, including work related to updating the Districts Capital Improvement Plan, agenda packets being posted on the District website, and working on updating fiscal polies.

Mr. Bartoli also expressed thanks to outgoing Chair Draper for her leadership in 2023.

Chair Martin opened and closed public comment. No written or oral comments received.

Commission Action: None.

13. Adjournment

Chair Martin adjourned the meeting at 3:51pm.