

APPROVED

Action Minutes

San Mateo Local Agency Formation Commission

March 19, 2014

In the Board of Supervisors' Chambers, 400 County Center, Redwood City, California, Chair Garbarino called the March 19, 2014 meeting of the Local Agency Formation Commission (LAFCo) to order at 2:30 pm.

Members Present: Commissioners Allan Alifano, Joshua Cosgrove, Linda Craig, Don Horsley, Joe Sheridan, Adrienne Tissier, Chair Richard Garbarino

Members Absent: None

Staff Present: Martha Poyatos, Executive Officer
Rebecca Archer, Deputy County Counsel
Jean Brook, Executive Secretary

CONSENT AGENDA

- a. Approval of Minutes: January 15, 2014
- b. LAFCo File No. 13-14—Proposed Water Extension by City of Redwood City to two newly created parcels at 3046 Oak Knoll Drive (Unincorporated San Mateo County) pursuant to Government Code Section 56133
- c. LAFCo File No. 14-01—Proposed Water Extension by the City of Redwood City to Proposed Residence at 1005 Lakeview Way (Unincorporated San Mateo County) pursuant to Government Code Section 56133

Commission Action: Commissioner Tissier moved approval of the consent agenda. Commissioner Horsley seconded the motion, which passed unanimously.

Public Comment for Items Not on the Agenda

None.

NEW MATTERS

Consideration of Impartial Analysis for June 3, 2014 ballot measure for Reorganization of the Granada Sanitary District into a Community Services District and Adding the Service of Parks and Recreation (LAFCo File No. 13-05)

Ms. Poyatos referred to the staff report that provides a background on the approved proposal, the second page of which contains the impartial analysis for the June ballot measure. She recommended that the Commission consider and formally adopt it before the March 22 deadline to submit it to the Elections Office.

Public Comment: None.

Commissioner Horsley moved to approve and adopt the Impartial Analysis for June 3, 2014 ballot measure and directed Ms. Poyatos to transmit the analysis to the County election officials.

Commissioner Sheridan seconded the motion, which passed unanimously.

Chair Garbarino acknowledged that Joshua Cosgrove is now a regular Special District Member and welcomed Ric Lohman as the new Alternate Special District Member.

Consideration of Revised Fee Schedule

Ms. Poyatos noted that the draft schedule of processing fees for LAFCo, revised March 12, 2014, shows both current fees (in strikethrough font) and proposed fees. She said a County salary freeze had been in force since the last revision of the fee schedule in 2009 and ended November 2013. She requested that the recommended fees reflect the reinstated salary increase and the additional Salary & Benefits costs for the recently added Executive Secretary position.

Ms. Poyatos stated the LAFCo fees were established to reflect the level of complexity involved in processing an application, yet not discourage annexation applications. She recommended that the Commission consider and approve the revised fee schedule, which reflects a 10 percent increase over the last revision. She also noted that the Budget Subcommittee had reviewed the fee schedule and recommended that a policy be brought to the Commission in a subsequent meeting that would provide for annual fee reviews.

Public Comment: None.

Commissioner Craig moved to approve the revised fee schedule.

Commissioner Horsley seconded the motion, which passed unanimously.

Consideration of Adoption of Proposed Net Operating Budget for Fiscal Year 2014-15

Ms. Poyatos referred the Commission to the March 12 staff report. She noted that state law requires the Commission to consider the budget in two phases. She stated that the Commission must adopt a Proposed Budget at a noticed public hearing by May 1. She said that the budget is then recirculated to the County, cities, and special districts, and then a Final Budget is required to be adopted by the Commission by June 15. Ms. Poyatos noted that San Mateo and most other LAFCos accelerate the budget schedule because the funding agencies build their budgets on estimated LAFCo apportionment. She stated that this is a challenge because LAFCo does not have its final cost from the County and the proposed budget therefore includes staff's estimates of expenditures for the current fiscal year.

Ms. Poyatos said that the current budget is based on what LAFCo estimates to be its actual budget, what the fund balance carryover would be for the new fiscal year (recognized as a revenue in the 2014-15 budget), and the estimated revenues and estimated proposed costs for the new fiscal year.

Ms. Poyatos noted a correction to Page 4 of the Budget Narrative under Salary & Benefits stating the total amount should read \$275,211.

Ms. Poyatos stated that the Proposed Budget reflects an increase in the net operating budget of \$42,260, due primarily to having a smaller fund balance carryover. She said that the fund balance fluctuates based on savings in each fiscal year. She said that the appropriations budget is approximately \$11,197 greater than the Adopted Budget of 2013-14. In spite of increasing the reserves and setting the one-time reserve at \$10,000, the net increase in secretarial charges is offset by what was originally \$26,000 per year for LAFCo administrative support provided by the Parks and Recreation secretary.

Ms. Poyatos recommended that the Commission approve the draft budget of \$423,971 by motion (not by resolution as stated in the staff report). She said that LAFCo would then recirculate the budget to the County, cities, and special districts prior to its adoption in May. She also noted that because the budget is based on an estimated fund balance after the close of the fiscal year, there is a need to adopt an amended budget – sometimes called the September Revision – that reflects actual expenditures and the actual fund balance.

Ms. Poyatos stated that the Budget Subcommittee reviewed continuing the half-time Executive Secretary position and continuing to add \$50,000 under Consulting for special studies and they recommended that these items be included. She recommended approving the budget as presented, pending any changes proposed by the Commission.

Public Comment: None.

In response to a question from Commissioner Cosgrove, Ms. Poyatos stated that the Request for Proposal (RFP) is being issued for the current-year consulting contract for the North County cities of Daly City, Pacifica, Brisbane, and related special districts.

Commissioner Cosgrove asked if there was any alteration to the \$50,000 line item and Ms. Poyatos said that she did not anticipate any. He asked if the County Counsel line item is always budgeted at \$30,000 since it often seems to come in under that amount. Ms. Poyatos answered that LAFCo spending for County Counsel was likely to come close to the \$30,000 amount in 2014-15.

Commissioner Alifano noted that the \$423,971 in the appropriations budget is only a 2 or 3 percent increase over the \$412,774. Ms. Poyatos stated that last line item on the budget table of the one-third apportionment is what the cities and special districts will primarily focus on. She noted that the cities and special district shares are based on their proportional revenues, with certain cities and special districts bearing a larger share than others.

Commissioner Horsley moved to approve the proposed net operating budget for Fiscal Year 2014-15.

Commissioner Craig seconded the motion, which passed unanimously.

California Association of LAFCos Correspondence

Ms. Poyatos noted that the CALAFCO Quarterly newsletter in the Commissioners' packets contains some information about legislation.

Public Comment: None.

Commissioner Alifano asked about the time and location of the annual LAFCo conference. Ms. Poyatos responded that it is being held in Ontario, CA in October and that the budget takes into account the venue each year.

Commissioner Cosgrove expressed interest in attending the Best Practices course to be held in Sacramento in June. Ms. Poyatos said that she would follow up on enrollment.

Commissioner/Staff Reports

Ms. Poyatos reported that the public member recruitment is underway and will close on April 8. She said that the recruitment committee consists of Commission volunteers representing County, city, and special district members, which include Chair Garbarino and Commissioners Tissier and Cosgrove. She said that the committee will conduct interviews and make a recommendation to the Commission at the May 21 meeting.

Ms. Poyatos noted the added value of Jean Brook joining the LAFCo staff as Executive Secretary, including the savings in time and costs of distributing meeting agendas and materials electronically. She also stated that since the LAFCo website will be migrating to a new server with a new look and feel sometime in April, staff will be able to update the website directly. She said that as a result, the agendas and other information will be posted more expediently.

Public Comment: None.

Chair Garbarino asked Ms. Poyatos to advise the Commission when the public member interviews will occur.

Adjournment

The meeting was adjourned at 2:47 pm.