



**Action Minutes**

**San Mateo Local Agency Formation Commission Meeting**

**March 15, 2017**

In the Board of Supervisors' Chambers, 400 County Center, Redwood City, California, Chair Horsley called the March 15, 2017 meeting of the Local Agency Formation Commission (LAFCo) to order at 2:30 pm.

**1. Roll Call**

Members Present: Commissioners Joshua Cosgrove, Ann Draper, Rich Garbarino, Ric Lohman (Alternate Special District Member), Mike O'Neill, Warren Slocum, and Chair Don Horsley

Members Absent: Joe Sheridan

Staff Present: Martha Poyatos, Executive Officer  
Rebecca Archer, Legal Counsel  
Jean Brook, Commission Clerk

Chair Horsley noted that Commissioner Sepi Richardson (Alternate Public Member) was in the audience.

**2. Consent Agenda**

Commission Action: Commissioner Garbarino moved approval of the consent agenda consisting of the Action Minutes for January 18, 2017 and LAFCo File No. 17-01—Proposed Annexation of 109 Santa Maria Avenue, Portola Valley (APN 076-236-010) to West Bay Sanitary District. Commissioner O'Neill seconded the motion, which passed unanimously. (Ayes: Commissioners Cosgrove, Draper, Garbarino, Lohman, O'Neill, Slocum, and Chair Don Horsley; Noes: None; Absent: Commissioner Sheridan)

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

None.

**4. Public Hearing: Consideration of Adoption of Draft Proposed Net Operating Budget for Fiscal Year 2017-18**

Executive Officer Poyatos pointed out that her original March 9 staff report contained an budget narrative that did not include updated budget figures, and that a revised version had

**COMMISSIONERS:** DON HORSLEY, CHAIR, County ▪ MIKE O'NEILL, VICE CHAIR, City ▪ JOSHUA COSGROVE, Special City ▪ ANN DRAPER, Public  
RICH GARBARINO, City ▪ JOE SHERIDAN, Special District ▪ WARREN SLOCUM, County

**ALTERNATES:** VACANT, Special District ▪ VACANT, City ▪ SEPI RICHARDSON, Public ▪ DAVE PINE, County

**STAFF:** MARTHA POYATOS, EXECUTIVE OFFICER ▪ REBECCA ARCHER, LEGAL COUNSEL ▪ JEAN BROOK, COMMISSION CLERK

been distributed to the commissioners. She noted that budget had been sent out the County, cities, and special districts and that the Budget Committee supported her recommendation of approval.

Ms. Poyatos said that the appropriations budget includes a recommendation to transition to two full-time staff positions. She stated current staffing of one executive officer, a part-time clerk, and occasional use of consultants has not been adequate to comply with timely preparation of Municipal Service Reviews (MSRs) and Sphere Updates. She noted that staff is completing the final first round of MSRs for seven cities and one special district, which will continue in an ongoing cycle. She proposed doing a number regional studies, which may include fire agencies in the County.

She noted that the Commission has conducted second reviews of the San Mateo County Mosquito and Vector Control District, the San Mateo County Harbor District, and a long-term study of the Los Trancos County Water District (now a county maintenance district).

Ms. Poyatos explained that Salary and Benefits in the budget spreadsheet does not include any appropriation for the proposed additional staffing. She explained that the Commission could reappropriate the \$50,000 in reserve to partially cover an added full-time position and that the May staff report would contain more details about this option.

She said there is a fund balance of \$55,000 compared to this year's fund balance of \$151,888 and noted that the fund balance has fluctuated significantly based on savings, non-use of reserves or other accounts, or appropriation into a subsequent year's fund balance. She said that the rent for staff offices at the County reflects a rent increase within the Planning Department. She said that A-87 charges fluctuate annually, with \$10,250 budgeted for next year compared to this year's amount of \$6,193.

Ms. Poyatos noted that she had not received any feedback on the budget from the County, the 20 cities, or the 22 special districts. She recommended approval by resolution of the Draft Appropriations Budget of \$447,237. She noted that the spreadsheet shows that apportionment to the County, the cities, and the special districts increased because the appropriations were not offset with fund balance.

Commissioner Cosgrove inquired about the amount spent on consultants in the past three to four years. Ms. Poyatos said the total is \$170,000, which was spent on an as-needed basis. Commissioner Cosgrove asked if the additional full-time staff member would preclude the use of consultants and Ms. Poyatos replied that consultants would still be needed for complex projects. She added that having another staff member would have the primary benefit of allowing LAFCo to remain current with MSRs and other work.

In reference to the addition of videorecording LAFCo meetings on the budget, Commissioner Cosgrove asked where the content would be available to the public. Ms. Poyatos said that links to YouTube videos of the meetings would be posted on the LAFCo site.

Commissioner Lohman asked for clarification on the one-third appropriate amounts. Ms. Poyatos said that that refers to one-third of the Net Operating Budget -- appropriations less revenues (fund balance plus application fees) -- of \$361,951.

Commissioner O'Neill asked if the rent would increase with the addition of a new staff member and Ms. Poyatos confirmed that the rent would increase, noting that the clerk position may be shared with other councils and commissions. He asked if the \$50,000 would cover salary and benefits for a full-time staff member. Ms. Poyatos replied that this amount was not for a full fiscal year, and that the costs would increase in the 2018-19 budget.

Commissioner Slocum asked about sharing the clerk position. Ms. Poyatos said that there is a possibility that the LAFCo clerk position could potentially be shared with other County boards and commissions whose schedules don't conflict with LAFCo's. She also confirmed that the videorecording of LAFCo meetings would be conducted by the same person who records the Board of Supervisors' meetings.

Chair Horsley noted that Ms. Poyatos is the sole administrator of LAFCo with no successor planned. He also agreed that another staff member would allow LAFCo to come up to speed on completing MSRs. He agreed with Ms. Poyatos that consultants can provide specific expertise where needed.

Commission Action: Commissioner Draper moved to open the public hearing. Commissioner Lohman seconded the motion, which passed unanimously. (Ayes: Commissioners Cosgrove, Draper, Garbarino, Lohman, O'Neill, Slocum, and Chair Don Horsley; Noes: None; Absent: Commissioner Sheridan)

Public Comment: None.

Commission Actions:

Commissioner O'Neill moved to close the public hearing. Commissioner Lohman seconded the motion, which passed unanimously. (Ayes: Commissioners Cosgrove, Draper, Garbarino, Lohman, O'Neill, Slocum, and Chair Don Horsley; Noes: None; Absent: Commissioner Sheridan)

Commissioner Cosgrove moved to (1) consider and approve by resolution the Proposed Draft Appropriations Budget of \$447,237, and (2) direct the Executive Officer to schedule the Final 2017-18 Budget for a public hearing at the May 17, 2017 Commission meeting and circulate the Final Budget with any necessary amendments to the County, cities, and independent special districts. Commissioner Slocum seconded the motion, which passed unanimously. (Ayes: Commissioners Cosgrove, Draper, Garbarino, Lohman, O'Neill, Slocum, and Chair Don Horsley; Noes: None; Absent: Commissioner Sheridan)

**5. California Association of and Local Agency Formation Commissions (CALAFCO) Legislative Report and Update on Little Hoover Commission—Information Only**

Ms. Poyatos noted that her staff report includes the Legislative Report as of March 8, which outlines the legislation being followed by CALAFCO, which is currently sponsoring AB 464 and AB 979. She noted that the CALAFCO Bulletin dated March 14 that was distributed to the commissioners indicates that the oversight hearing on health care districts is being moved to Fall 2017.

**6. Special District Risk Management Authority (SDRMA) Letter Regarding Longevity Distribution Credit for Fiscal Year 2017-18**

Ms. Poyatos said that SDRMA has been LAFCo's insurance provider for eight years and that LAFCo receives the longevity credit annually, resulting in a savings of \$28 in the current budget.

**7. Commissioner/Staff Reports**

Ms. Poyatos announced that she had just received the Circulation Draft of the health care districts MSR from the consultants. She said LAFCo would publish a notice in the newspaper about an April 20 public workshop to be held either in San Mateo or Foster City to hear comment on the Circulation Draft. She said she would also ask the health care districts to announce the workshop on their meeting agendas. She said that the Final MSR would be presented at the May LAFCo meeting.

**8. Adjournment**

The meeting was adjourned at 2:52 pm in memory of Commissioner Sheridan's father, who recently passed away.