



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Manager



Date: June 30, 2015
Board Meeting Date: July 7, 2015
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: John L. Maltbie, County Manager

Subject: Comment letter on the Circulation Draft Municipal Service Review for the San Mateo County Harbor District.

RECOMMENDATION:

Direct the County Manager to send the attached comment letter to the San Mateo County Local Agency Formation Commission as the County response to the Circulation Draft Municipal Service Review for the San Mateo County Harbor District.

BACKGROUND:

The 2013-14 San Mateo County Civil Grand Jury investigated the San Mateo County Harbor District (SMCHD) and issued a report titled: "What is the Price of Dysfunction? The San Mateo County Harbor District". Among the many recommendations in the Civil Grand Jury report were that the San Mateo County Local Agency Formation Commission (LAFCo) initiate a service review of the District and that the District be dissolved.

On May 29, 2015, LAFCo released a Circulation Draft Municipal Service Review for the Harbor District. The review cites multiple fiscal issues at the District and recommends a number of actions to remedy the fiscal problems. The County received a copy of the LAFCo review and can submit comments to LAFCo on the draft.

DISCUSSION:

The County Manager has prepared a comment letter on the LAFCo review of the Harbor District for consideration by your Board. The comment letter concurs with all the fiscal recommendations in the LAFCo report and notes that the County will not be commenting on the dissolution of the District unless LAFCo formally adopts a dissolution recommendation. However, the letter points out that the LAFCo report states that the District has multiple budget issues including over \$17 million in deferred maintenance, State loan payments, termination benefits and Calpers obligations. The

letter states that before taking action on the Grand Jury recommendation to have the County initiate dissolution of the District, the County will conduct a comprehensive analysis of District operations, finances and facilities. This review would include input from the City of South San Francisco and will be discussed by the Board of Supervisors prior to the Board taking any action.

FISCAL IMPACT:

There is no fiscal impact associated with sending the attached comment letter to LAFCo.

Attachment:

Letter to the San Mateo County Local Agency Formation Commission (LAFCo)