

SAN MATEO

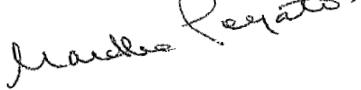


LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

July 13, 2016

To: LAFCo Commissioners

From: Martha Poyatos, Executive Officer 

Subject: Request for Authorization to Release Request for Proposals to Prepare a Municipal Service Review and Sphere of Influence Update for the Sequoia Healthcare District and the Peninsula Health Care District

This staff report requests that the Commission authorize release of a Request for Proposals (RFP) for a consultant-prepared Municipal Service Review (MSR) and sphere of influence (SOI) update for the Sequoia Healthcare District (SHD) and the Peninsula Health Care District (PHCD). In adopting the 2016-17 Fiscal Year Budget, the Commission authorized appropriations for this purpose.

Scope of Work

An MSR and SOI update would examine the finances and programs at SHD and PHCD in the context of District-enabling legislation (Section 32000 et seq. of the CA Health and Safety Code) and the mandated determinations contained in CA Government Code Sections 56430 and 56425(e) as noted below.

Government Code Section 56430 (for MSRs)

1. Growth and population projections for the affected area
2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the SOI
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies, including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated communities within or contiguous to the SOI
4. Financial ability of agencies to provide services
5. Status of, and opportunities for, shared facilities
6. Accountability for community service needs, including governmental structure and operational efficiencies
7. Any other matter related to effective or efficient service delivery as required by LAFCo policy

COMMISSIONERS: JOSHUA COSGROVE, CHAIR, Special District • DON HORSLEY, VICE CHAIR, County • ANN DRAPER, Public • RICH GARBARINO, City
MIKE O'NEILL, City • JOE SHERIDAN, Special District • ADRIENNE TISSIER, County

ALTERNATES: RIC LOHMAN, Special District • RAY MUELLER, City • SEPI RICHARDSON, Public • WARREN SLOCUM, County

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

Government Code Section 56425(e) (for SOI Reviews)

In determining the sphere of influence of each local agency, the Commission shall consider and prepare a written statement of its determinations with respect to each of the following areas of determination:

1. The present and planned land uses in the area, including agricultural and open-space lands
2. The present and probable need for public facilities and services in the area
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide
4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency

Based on these areas of determination, the Scope of Work would include:

- Analysis of the current and future need for services and a description of the value of these services to the district constituents;
- Identification of governance options including the status quo, consolidation of the health care districts, annexation of excluded areas, and any other viable service options;
- Fiscal analysis of existing and alternative means of funding services (under the scenario of expanded boundaries);
- Analysis of the Districts' current obligations and the extent to which a successor or consolidated district would be obligated to continue to perform those obligations after reorganization (e.g., retiree health benefits, etc.) the allocation/distribution of assets (e.g., property, records, funding, etc.), disposition of liabilities, etc.;
- Analysis of accountability and transparency in the areas of finance, website, and Brown Act compliance;
- Three-year Revenue/Expenditure Budget Trends, Ratios of Revenue Sources, Annual Debt Service Expenditures to Total Annual Expenditures, and Capital Improvement Program, including, but not limited to, current and three previous budgets, audits, calculation of appropriations limit, rate setting, and cost recovery;
- An inventory of the nature, location, and extent of any functions or classes of services provided by the districts.

Fiscal Impact

Adequate funding is available in the 2016-17 budget to perform a focused service review on the health care districts.

Recommendation

Authorize the Executive Officer to circulate an RFP for preparation of an MSR and SOI update for the Sequoia Healthcare District and Peninsula Health Care District. Commission authorization would then be required to award a contract to the most qualified bidder.