

SAN MATEO



LOCAL AGENCY FORMATION COMMISSION

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October 18, 2023

To: LAFCo Commissioners

From: Rob Bartoli, Executive Officer
Sofia Recalde, Management Analyst

Subject: Consideration of Final Municipal Service Review for the City of Burlingame

Summary and Background

LAFCo prepared comprehensive Sphere of Influence (SOI) studies and adopted SOIs for cities and special districts in 1985 and has subsequently reviewed and updated spheres on a three-year cycle. Updates focused on changes in service demand within the boundaries of cities and special districts. After enactment of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) and the new requirement to prepare MSRs in conjunction with or prior to SOI updates, LAFCo began the process of preparing Municipal Service Review (MSR) and SOI updates in late 2003. This Municipal Service Review is the first MSR for the City of Burlingame.

The City of Burlingame (the City or Burlingame) was incorporated on June 6, 1908. As of 2020, the population of Burlingame is 31,386¹. Burlingame's sphere of influence spans approximately 5.8 square miles, of which 4.4 miles consist of developable land, including unincorporated Burlingame Hills, eight parcels west of Skyline Boulevard and six parcels southwest of Skyline Boulevard. The remaining 1.4 square miles include Mills Canyon Preserve and the San Francisco Bay.

The City provides the following municipal services: law enforcement, parks and recreation, library, streets, lighting, water, wastewater and storm drain and flood control. Fire protection is provided by Central County Fire Department (CCFD), a joint powers agreement (JPA) with the Town of Hillsborough.

¹ US Census Bureau <https://www.census.gov/quickfacts/fact/table/burlingamecitycalifornia/PST045222>

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The City's revenue was impacted by the COVID-19 pandemic and is slowly recovering. Although the City has needed to draw down on its reserves over the past three years, it has been able to maintain a healthy reserve and continue to meet service demands.

Updates to the Final Circulation MSR

LAFCo staff held a virtual community workshop on October 3rd to review and receive feedback on the draft circulation MSR. Staff received a comment during the workshop to be more explicit in the recommendation regarding annexation of the Burlingame Hills area and how the potential annexation could benefit both the City and the residents of the unincorporated Burlingame Hills community. This comment has been incorporated into the report.

In addition, several minor updates were made between the draft circulation and the final MSR based on comments received during the public comment period, including the following:

- *Added to Financial Ability:* Excess Educational Revenue Augmentation Fund (ERAF) revenue, which represents less than 10% of the City's revenue, is considered by the County Controller's office to be an insecure source of revenue and cautions agencies from relying on it to fund critical services. The City disagrees with this assessment and does not view the loss of excess ERAF as an immediate threat to the City's finances. However, the City will continue to monitor discussions related to excess ERAF.
- *Added to Other:* One Shoreline, San Mateo County's flood and sea level rise resiliency district, is proposing to multi-jurisdictional project to protect built and natural areas along the San Francisco Bay Shoreline south of San Francisco International Airport near and within the cities of Millbrae and Burlingame from coastal flooding and sea level rise. LAFCo is supportive of these multi-jurisdictional partnerships to protect communities from the impacts of flooding and sea level rise.

All changes from the circulation draft MSR are noted in red in the final MSR.

Current Key Issues

Key issues identified in compiling information on the City of Burlingame include the following:

- Unincorporated Burlingame Hills is within the City's SOI and currently receives water service from Burlingame. A County-led study is currently evaluating governance options for the County governed Burlingame Hills Sewer Maintenance District that includes contracting for services with the City or the potential of annexing the area to the City of Burlingame and dissolving the District.
- The Central County Fire Department (which provides service to Hillsborough, Burlingame, and Millbrae) recently published a Community Risk Assessment/Standards of Care & Deployment Analysis that made several recommendations, including the development of a capital improvement plan for fire stations, vehicles and apparatus that are in poor condition and the construction or relocation of the Administrative Facility building.

- The City of Burlingame’s revenue is slowly recovering from the COVID-19 pandemic; however, revenue from the City’s transit occupancy task (TOT), one of the City’s primary revenue sources, has not returned to pre-pandemic levels.
- LAFCo is not aware of any deficiencies in agency capacity to meet existing service needs for which the agency does not have a plan in place to resolve. The City is anticipated to be able to meet service demands of foreseeable growth with project infrastructure improvements and other mitigation measures.

Proposed MSR Recommendations

As required by State law, there are seven areas of determination, including local policies as set forth in Section 56430.

1. Growth and population projections for the affected area.
2. The location and characteristics of any disadvantaged unincorporated communities² 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.
 - a. Water Resiliency and Climate Change
 - b. Impact of Natural Hazards and Mitigation Planning

For the Circulation Draft, LAFCo has the following determinations and recommendations:

1. Growth and Population Determination

Currently, there are an estimated 13,170 housing units in the City of Burlingame. Burlingame’s draft housing element proposes to add 3,257 housing units to the City’s housing stock, which represents a 25% increase in housing production over the next decade. However, the City’s General Plan has largely evaluated this potential future growth. The City has identified deficiencies in its water, wastewater and storm drainage infrastructure and has prioritized and allocated funding for capital improvement projects.

² “Disadvantaged community” means a community with an annual median household income that is less than 80 percent of the statewide annual median household income. This area of determination does not apply to the study area.

2. Disadvantaged Unincorporated Communities Determination

The City provides water service outside of its boundaries to unincorporated Burlingame Hills and to an unincorporated area to the southwest of the City along Skyline Boulevard. The County supports the unincorporated areas with sewer service and street and sidewalk maintenance. These two unincorporated areas within the Sphere of Influence of the City of Burlingame are not considered disadvantaged unincorporated communities.

3. Capacity and Adequacy of Public Facilities and Services Determination and Recommendations

LAFCo is not aware of any deficiencies in agency capacity to meet existing service needs for which the agency does not have a plan in place to resolve. The City is anticipated to be able to meet service demands of foreseeable growth with project infrastructure improvements and other mitigation measures. The City routinely adopts a 5-Year Capital Improvement Plan (CIP) for City owned infrastructure and facilities.

Fire protection services are provided by the Central County Fire Department, a Joint Powers Agreement (JPA) between the City of Burlingame and Town of Hillsborough. In March 2023, CCFD published a Community Risk Assessment/Standards of Care & Deployment Analysis that made several recommendations, including the development of a capital improvement plan for fire stations, vehicles and apparatus that are in poor condition and the construction or relocation of the Administrative Facility building.

As identified in the draft Burlingame Hills Sewer Maintenance District Operation and Governance Options report, the annexation of the Burlingame Hills area to the City is an option that could be explored by both the City and the County. Burlingame Hills is an unincorporated island, surrounded by the City of Burlingame and Town of Hillsborough and is largely developed. Similar to other unincorporated islands in the County, Burlingame Hills is governed and served by the County, inherently create public service inefficiencies. LAFCo support efforts to annex unincorporated islands to their neighboring cities as identified in their SOIs.

The annexation could benefit existing Burlingame Hills residents by allowing for potential economies of scales regarding sewer service and help minimize sewer rate increases. Annexation of Burlingame Hills (and two other unincorporated areas) could produce a fiscal “break-even” for the City’s budget. Depending on property tax share negotiations required for an annexation, which is a discretionary process between the City and the County, the tax sharing could create fiscal benefits to the City in excess of costs as well.

Recommendations -

1. In alignment with the Draft Burlingame Hills Sewer Maintenance District Operations and Governance Options Study, the City should continue to explore potential opportunities for shared services or governance changes related to the Burlingame Hills Sewer Maintenance District. This could include the operation of the District by the City or the eventual annexation of unincorporated Burlingame Hills into the City of Burlingame.

2. The City should partner with the Town of Hillsborough to review the recommendations in the CCFD Community Risk Assessment to prepare a capital improvement plan and CIP budget for fire stations, vehicles and apparatus that are in poor condition and the construction or relocation of the Administrative Facility building.

4. Financial Ability Determination and Recommendations

The California State Auditor has a risk indicator for the fiscal health of California cities. In FY 20-21, the City of Burlingame had a score of 59.2 out of 100 points (higher is better) and on a rating scale of “low”, “moderate”, and “high” risk, the City of Burlingame is classified as “moderate”. Debt burden, revenue trends, future pension costs and OPEB funding are the key City finance issues.

Like many cities in the County, the City continues to address maintaining current levels of services as costs continue to rise. To address pension costs, the City established a CalPERS Stabilization Reserve to address changes to the CalPERS pension requirements and any reduction in CalPERS investment returns. The City Council and staff are dedicated to prudent fiscal management to ensure the continued financial health of the City.

The City is aware of these financial liabilities and a comprehensive MSR is unlikely to contribute additional valuable information.

5. Shared Service and Facilities Determination and Recommendations

The City of Burlingame partners with other organizations to share project costs and services with other governments. It shares services through being a member of several JPAS, including JPAs with the Central County Fire Department and South Bayside Waste Management Authorities. LAFCo has not identified additional opportunities for the Town to share services or facilities with neighboring over overlapping organizations.

6. Accountability, Structure, and Efficiencies Determination

There are no recommended changes to the organization’s governmental structure or operations that will increase accountability and efficiency. In 2022, the Burlingame City Council adopted an ordinance to transition to by-district elections. The City has ample staff with subject matter capacity. The City has comprehensive policies regarding investment policy, debt management, credit card usage, purchasing, project accounting, and budget transfer requests. The City also has personnel, general and administrative policies; City Council member and meetings policies. The City performs annual independent audits and audits are reviewed at a City Council meeting.

7. Other Issues Determinations and Recommendations

The City is engaged in activities to address natural hazard mitigation and sea level rise for residents, businesses, and infrastructure.

Recommendation -

1. LAFCo encourages the City to continue its work in the areas of natural hazard mitigation and sea level rise and continue to coordinate with partner agencies.

Sphere of Influence Determination

LAFCo is required to make five written determinations when establishing, amending, or updating an SOI for any local agency that address the following (§56425(e)):

- 1. The present and planned land uses in the area, including agricultural and open-space lands.**

Burlingame's sphere of influence spans approximately 5.8 square miles, of which 4.4 miles consist of developable land and the remaining 1.4 include Mills Canyon Preserve and the San Francisco Bay. The City is bordered by Millbrae to the north; San Francisco Bay to the east; San Mateo, Hillsborough, and unincorporated Burlingame Hills to the south; and a portion of Burlingame Hills and another unincorporated area to the west. The City's land use is primarily residential with two major commercial areas and an auto row. There is no agricultural land within Burlingame's SOI.

- 2. The present and probable need for public facilities and services in the area.**

The City's facilities and services meet the current need of the area, and the City anticipates that it will be able to adequately provide facilities and services for the projected growth that may occur within its boundaries.

- 3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.**

The City is anticipated to be able to meet service demands of foreseeable growth with project infrastructure improvements and other mitigation measures. The City routinely adopts and dedicates funding to a Capital Improvement Plan (CIP) for City owned infrastructure and facilities.

- 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.**

There are no social or economic communities of interest within the City of Burlingame's SOI.

- 5. For an update of a SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to Section 56425(g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.**

No change to the Sphere of Influence of the City of Burlingame is proposed at this time.

Public/Agency Involvement

The primary source of information used in this MSR has been information collected from agency staff and adopted plans, budget, reports, policies, etc. On August 31, 2023, a Notice of

Public Hearing for the Draft MSR was released by LAFCo and published in the San Mateo County Times. In addition, notices were sent to every “affected agency”, meaning all other agencies and school districts with overlapping service areas. LAFCo staff will also be holding a virtual workshop for the public during the comment period.

The public comment period to receive written comments from the public and stakeholders commenced on September 20, 2023 after Commission approval of the circulation draft MSR and ended on October 13, 2023. No written comments were received from the public or stakeholders. In addition, notices were sent to every “affected agency”, meaning all other agencies and school districts with overlapping service areas.

LAFCo staff held a virtual workshop for the public during the comment period for both City of Burlingame and Town of Hillsborough MSRs on October 3, 2023. Verbal comments received during the virtual workshop about the Burlingame MSR were incorporated as described above in this report.

Environmental Review/CEQA

The MSR is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) under Section 15303, Class 6, which allows for the of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. The MSR collects data for the purpose of evaluating municipal services provided by an agency. There are no land use changes or environmental impacts created by this study.

The MSR is also exempt from CEQA under the section 15061(b)(3), the commonsense provision, which state that CEQA applies only to projects which have the potential for causing a significant effect on the environment and where it is certain that the activity will have no possible significant effect on the environment, the activity is exempt from CEQA.

The MSR and SOI update will not have a significant effect on the environment as there are no land use changes associated with the documents.

Recommendation

1. Open the public hearing and accept public comment;
2. Accept the Final Municipal Service Review for the City of Burlingame; and
3. Adopt the Municipal Service Review Determinations and Recommendations contained in this report.

Attachment

- A. Final Municipal Service Review for the City of Burlingame
- B. Resolution No. 1311 for the City of Burlingame Municipal Service Review and Sphere of Influence



**Municipal Service Review and Sphere of Influence
Review for the City of Burlingame**

Final Draft

Released October 18, 2023

Municipal Service Review and Sphere of Influence Review for the City of Burlingame

SUBJECT AGENCY:

City of Burlingame

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Burlingame, CA 94010

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CONDUCTED BY:

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**LAFCo Municipal Service Review
and Sphere of Influence Update
City of Burlingame**

Table of Contents

EXECUTIVE SUMMARY	2
Section 1: MSR Overview	2
San Mateo Local Agency Formation Commission	2
Local Government in San Mateo County.....	3
Purpose of a Municipal Service Review/Sphere of Influence Update.....	3
Section 2. Summary of Key Issues	4
Section 3: Affected Agencies	5
Section 4: City of Burlingame	5
Background & Overview	5
1) Growth and Population.....	7
2) Disadvantaged Unincorporated Communities	10
3) Capacity and Adequacy of Public Facilities and Services	12
5) Shared Service and Facilities.....	33
6) Accountability, Structure, and Efficiencies	34
7) Other	36
Section 5. Sphere of Influence Review and Update	38
Determinations.....	38
Appendix A. City of Burlingame Fact Sheet	40
Appendix B. References	41

EXECUTIVE SUMMARY

Section 1: MSR Overview

This report is a Municipal Service Review (MSR) and Sphere of Influence (SOI) update for the City of Burlingame (City). California Government Code Section 56430 requires that the Local Agency Formation Commissions (LAFCo) complete MSRs and SOI reviews on all cities and special districts. LAFCo is an independent entity with jurisdiction over the boundaries of cities and special districts. An SOI is a plan for the boundaries of a city or special district. The MSR and SOI update do not represent a proposal¹ for reorganization of agencies, but rather a State-mandated study of service provisions of an agency.

Once adopted, the service review determinations are considered in reviewing and updating the SOI pursuant to Section 56425. The SOI, which serves as the plan for boundaries of a special district, is discussed in the second part of this report. This State-mandated study is intended to identify municipal service delivery challenges and opportunities and provides an opportunity for the public and affected agencies to comment on city, county, or special district services and finance; and opportunities to share resources prior to LAFCo adoption of required determinations.

San Mateo Local Agency Formation Commission

San Mateo Local Agency Formation Commission (LAFCo or “the Commission”) is a State-mandated, independent commission with county-wide jurisdiction over the boundaries and organization of cities and special districts including annexations, detachments, incorporations, formations, and dissolutions. LAFCo also has authority over extension of service outside city or district boundaries and activation or divestiture of special district powers. Among the purposes of the Commission are discouraging urban sprawl, preserving open space and prime agricultural lands, planning for the efficient provision of government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances. LAFCo operates pursuant The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) contained in Government Code Sections 56000 and 57000. The Commission includes two members of the County Board of Supervisors, two members of city councils from the 20 cities, two board members of 21 of the 22 independent special districts, a public member, and four alternate members (county, city, special district, and public).

LAFCo prepared comprehensive SOI studies and adopted SOIs for cities and special districts in 1985 and has subsequently reviewed and updated spheres on a three-year cycle. Updates focused on changes in service demand within the boundaries of cities and special districts. After enactment of the CKH Act and the new requirement to prepare MSRs in conjunction with or prior to SOI updates, LAFCo began the process of preparing MSR and SOI updates in late 2003. Studies were first prepared on sub-regional and County-wide independent special districts, followed by South County cities and special districts.

¹ An application for annexation may be submitted by 5 percent of the voters or landowners of territory proposed for annexation or by resolution of the District.

Local Government in San Mateo County

Municipal service providers in San Mateo County include the County, 20 cities, 22 independent special districts, five subsidiary districts governed by city councils, and 33 County-governed special districts. It merits emphasis that the County plays a dual role that differs from cities or districts. Districts provide a limited set of services based on enabling legislation, while cities generally provide basic services such as police and fire protection, sanitation, recreation programs, planning, street repair, and building inspection. The County, as a subdivision of the State, provides a vast array of services for all residents, including social services, public health protection, housing programs, property tax assessments, tax collection, elections, and public safety. Along with independent water, sewer, and fire districts, the County also provides basic municipal services for residents who live in unincorporated areas. According to Census 2020 data, 63,205 of the County’s total 765,417 residents live in unincorporated areas.

Purpose of a Municipal Service Review/Sphere of Influence Update

This MSR/SOI Update examines the City of Burlingame.

LAFCo prepares the MSR and SOI update based on source documents that include Adopted Budgets, Basic Financial Reports and Audits, Capital Plans, Urban Water Management Plans, and Planning Documents, including the General Plan. Draft MSRs and SOI updates are then circulated to the agencies under study, interested individuals and groups. The Final MSR and SOI update will include comments on the circulation draft and recommended determinations for Commission consideration. MSR determinations must be adopted before the Commission updates or amends an SOI.

Per Section 56430, the areas of MSR determination include:

1. Growth and population projections for the affected area.
2. The location and characteristics of any disadvantaged unincorporated communities² 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.

² “Disadvantaged community” means a community with an annual median household income that is less than 80 percent of the statewide annual median household income. This area of determination does not apply to the study area.

- a. Water Resiliency and Climate Change
- b. Impact of Natural Hazards and Mitigation Planning

Sphere of Influence Determinations:

LAFCo is required to make five written determinations when establishing, amending, or updating an SOI for any local agency that address the following (§56425):

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.
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to Section 56425(g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

Disadvantaged Unincorporated Communities

SB 244 (Chapter 513, Statutes of 2011) made changes to the CKH Act related to “disadvantaged unincorporated communities,” including the addition of MSR determination #35 and SOI determination #5 listed above. Disadvantaged unincorporated communities, or “DUCs,” are inhabited, unincorporated territories (containing 12 or more registered voters) where the annual median household income is less than 80 percent of the statewide annual median household income. City of Burlingame does not have any disadvantaged unincorporated communities within its SOI.

Section 2. Summary of Key Issues

- Unincorporated Burlingame Hills is within the City’s SOI and currently receives water service from Burlingame. A County-led study is currently evaluating governance options for sewer service that include potentially merging the County run Burlingame Hills Sewer Maintenance District with the City of Burlingame or dissolving the District and annexing the area to the City of Burlingame.
- The Central County Fire Department (which provides service to Hillsborough, Burlingame, and Millbrae) recently published a Community Risk Assessment/Standards of Care & Deployment Analysis that made several recommendations, including the development of a capital improvement plan for fire stations, vehicles and apparatus that are in poor condition and the construction or relocation of the Administrative Facility building.

- The City of Burlingame’s revenue is slowly recovering from the COVID-19 pandemic; however, revenue from the City’s TOT, one of the City’s primary revenue sources, has not returned to pre-pandemic levels.
- LAFCo is not aware of any deficiencies in agency capacity to meet existing service needs for which the agency does not have a plan in place to resolve. The City is anticipated to be able to meet service demands of foreseeable growth with project infrastructure improvements and other mitigation measures.

Section 3: Affected Agencies

County and Cities: City of Burlingame and San Mateo County

School District: Burlingame School District, San Mateo Union High School, and San Mateo Community College District

Independent Special Districts: San Mateo County Harbor District, San Mateo County Mosquito & Vector Control District, and Peninsula Healthcare District

Dependent Special Districts: Burlingame Hills Sewer Maintenance District

Section 4: City of Burlingame

Background & Overview

The City of Burlingame (the City or Burlingame) was incorporated on June 6, 1908. As of 2020, the population of Burlingame is 31,386.³ Burlingame’s sphere of influence spans approximately 5.8 square miles, of which 4.4 miles consist of developable land and the remaining 1.4 include Mills Canyon Preserve and the San Francisco Bay. The Burlingame train station, built in 1894, allowed for east access to summering San Francisco families. The train route also allowed housing development to flourish between 1910 and 1940, transforming Burlingame into a traditional commuter suburb, with neighborhoods organized along compact grids of tree-lined streets. Housing development since 1960 has been modest, as has population growth, but commercial development increased in the 1960s and 1970s due to proximity to the San Francisco Airport.⁴ Median household income in Burlingame is comparable to other cities in the region (\$150,182, compared to a Countywide median of \$131,769) but has higher shares of households in the highest and lowest income brackets compared to other cities^{3,5}. Almost half of Burlingame’s housing stock is multi-family housing, and more than 50% of units are renter occupied, which is a more even split between renters-owners than in other neighboring communities.

The City is bordered by Millbrae to the north; San Francisco Bay to the east; San Mateo, Hillsborough, and unincorporated Burlingame Hills to the south; and a portion of Burlingame

³ US Census Bureau, City of Burlingame 2020 U.S. Census Bureau Profile

⁴ City of Burlingame General Plan, Chapter II. Community Context, Nov. 2019

⁵ US Census Bureau, County of San Mateo 2020 U.S. Census Bureau Profile

Hills, the town of Hillsborough and another unincorporated area to the west. The City’s land use is primarily residential with two major commercial areas and an auto row.

Burlingame operates under the Council-City Manager form of government. Until recently, the 5 Councilmembers were elected at large. On January 18, 2022, the City Council adopted an ordinance to transition to by-district elections. Councilmembers were elected to Districts 1, 3 and 5 in the November 2022 election, and Districts 2 and 4 will be on the ballot during the November 2024 election.

City Council meets every first and third Monday of the month at 7pm. The Council met virtually during the COVID-19 public health state of emergency and has resumed in-person meetings in the Burlingame Council Chambers while also making virtual attendance an option for members of the public and interested parties.

Unincorporated Burlingame Hills borders the City of Burlingame on the south and west side of the City and consists of approximately 432 households with annual household incomes similar to households in the City. Residents of Burlingame Hills are represented by the County of San Mateo Board of Supervisors.

Municipal Services

SERVICE	RESPONSIBLE AGENCY
<i>Public Safety</i>	
Police protection	City of Burlingame
Fire protection	Central County Fire Department (JPA)
Emergency Medical Service	Central County Fire Department/American Medical Response (JPA with Town of Hillsborough and JPA with the San Mateo County Pre-Hospital Emergency Services Group)
Traffic enforcement	City of Burlingame
Animal Control	Peninsula Humane Society & SPCA
<i>Utilities</i>	
Water distribution	City of Burlingame
Wastewater collection	City of Burlingame Burlingame Hills Sewer Maintenance District – County Governed District (unincorporated Burlingame Hills)
Wastewater treatment	City of Burlingame
Electricity	Pacific Gas & Electric (PG&E) Peninsula Clean Energy (PCE)
Natural Gas	PG&E
Solid Waste Collection & Disposal	Recology San Mateo
Solid Waste Disposal	Recology San Mateo
Stormwater drainage and flood control	City of Burlingame County Department of Public Works (unincorporated Burlingame Hills)

Street Maintenance	City of Burlingame County Department of Public Works (unincorporated Burlingame Hills)
Street Lighting	City of Burlingame San Mateo County (unincorporated Burlingame Hills)
Community Services	
Parks and recreation	City of Burlingame
Library	City of Burlingame
Mosquito abatement and vector control	San Mateo County Mosquito and Vector Control District
Public transportation	SamTrans Caltrain Free shuttles managed by Commute.org <ul style="list-style-type: none"> • Burlingame Bayside Area Shuttle • Burlingame Point • Millbrae • Burlingame Commuter Shuttle

The MSR determinations checked below are potentially significant, as indicated by “yes” or “maybe” answers to the key policy questions in the checklist and corresponding discussion on the following pages. If most or all of the determinations are not significant, as indicated by “no” answers, the Commission may find that an MSR update is not warranted.

	Growth and Population		Disadvantaged Unincorporated Communities
	Capacity, Adequacy & Infrastructure to Provide Services		Financial Ability
	Shared Services		Accountability, Structure, and Efficiencies
	Other		

1) Growth and Population

Growth and population projections for the affected area.	Yes	Maybe	No
a) Is the agency’s territory or surrounding area expected to experience any significant population change or development over the next 5-10 years?			X
b) Will population changes have an impact on the subject agency’s service needs and demands?			X

c) Will projected growth require a change in the agency’s service boundary?			X
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Discussion

- a) Is the agency’s territory or surrounding area expected to experience any significant population change or development over the next 5-10 years?

As of 2020 the population of Burlingame is 31,386, representing 4% of San Mateo County residents. Between 2000 and 2020, the population of Burlingame increased 12%, more than the 9% growth experienced by the County during that period. The housing stock also increased 12% to over 13,000 units over roughly that same period. Much of this housing development occurred between 2013 and 2021 with the approval of several large multifamily residential projects and the adoption of a General Plan.⁶

The Association of Bay Area Governments (ABAG), the agency responsible for forecasting population, housing and economic trends in the nine Bay Area counties, in coordination with the California Department of Housing and Community Development (HCD) estimates the housing need for the region and allocates a portion of projected need to every jurisdiction. In collaboration with Bay Area partner agencies, non-profit organizations and residents, ABAG developed Plan Bay Area 2050, a long-range regional plan that, among other activities, projects the population growth of each region throughout the Bay Area. Plan Bay Area 2050 anticipates that Central San Mateo County, which includes the City of Burlingame, will increase its population by 39% from 87,000 households in 2015 to 121,000 households in 2050.

To accommodate the projected growth, cities and counties throughout the State are updating their housing elements every eight years to accommodate the regional housing need assessment (RHNA) allocation for the upcoming cycle. The County and the cities in San Mateo County are currently in the process of updating their Housing Elements to be consistent with the RHNA allocations. The Housing Element is a required component of a city’s or county’s General Plan, and the RHNA allocations for each cycle may require an update to zoning ordinances to demonstrate how it plans to meet the housing needs in its community.

In its most recent RHNA cycle, ABAG allocated 3,257 units to the City of Burlingame. The City is required to identify appropriately zoned developable or re-developable land to accommodate 3,257 new housing units by 2031.

⁶ City of Burlingame, Second Draft 2023-2031 Housing Element – September 6, 2023, https://cms6.revize.com/revize/burlingamecity/document_center/Planning/Draft%202023-2031%20Housing%20Element%20-%20Draft%20-%2009-11-23.pdf

Distribution of RHNA allocation for Housing Element

Income Level	RHNA 2013-2022	RHNA 2023-2031	RHNA Housing Elements Site Inventory	Projects in the pipeline as of 1/31/23	Difference
Very Low Income (50% Average Median Income [AMI])	276	863	900	147	+184
Low Income (60% AMI)	144	497	386	188	+77
Moderate Income (80% AMI)	155	529	434	72	-23
Above Moderate Income (120% AMI)	288	1,368	1,065	2,005	+1,702
Total:	863	3,257	2,785	2,412	+1,940

Envision Burlingame, the City's 2019 General Plan update, accommodates a buildout of 36,600 residents (up from approximately 31,000 in 2020) that plans for 2,951 new housing units and 9,731 jobs. The City's RHNA allocation is 306 units more than identified in *Envision Burlingame*. Most of this growth is targeted in the North Burlingame area, North Rollins Road and downtown, providing opportunities for higher density housing close to transit (BART and Caltrain). Affordable housing for all income levels is planned for, and specifically included in the *Downtown Specific Plan*, the *North Rollins Specific Plan* and the Draft Housing Element.

Approximately 2,681 housing units are currently in the pipeline for development, and as part of the Housing Element update the City of Burlingame has identified an additional 2,834 sites for development. The combined planned development and potential sites would meet all of the RHNA housing goals.⁷

- b) Will the population changes have an impact on the subject agency's service needs and demands?

As of 2020, there are 13,170 housing units in the City of Burlingame. Burlingame's draft housing element proposes to add 3,257 housing units to the City's housing stock, which represents a 25% increase in housing production over the next decade. The City's RHNA projects 306 additional housing units beyond what is projected in *Envision Burlingame*. The City is preparing an addendum to the General Plan Environmental Impact Report (EIR) to evaluate whether the additional 306 units would create further environmental impacts. According to the City, their preliminary analysis does not reveal significant impacts and there is adequate capacity to accommodate the additional units. The addendum to the EIR is anticipated to be completed by November 2023.

- c) Will projected growth require a change in the agency's service boundary?

The City of Burlingame is largely developed, and per *Envision Burlingame*, residential development is expected to occur within the existing boundaries of the City and will be focused in three areas, including the Downtown, North Rollins Road and the north end of El Camino

⁷City of Burlingame, *Second Draft 2023-2031 Housing Element – September 6, 2023* 2

Real. Commercial growth is anticipated in the Bayfront, but residential development is not planned in that area. In addition, the *Envision Burlingame* plans for the efficient and sustainable delivery of municipal services to its residents as it grows. The City has identified deficiencies in its water, wastewater and storm drainage infrastructure and has prioritized and allocated funding for capital improvement projects, such as the replacement and rehabilitation of aging pipelines and storm drainage system, improvements to the wastewater treatment plant and emergency water storage tank expansion, to ensure viability of these services.⁸

Growth and Population MSR Determination

Currently, there are an estimated 13,170 housing units in the City of Burlingame. Burlingame’s draft housing element proposes to add 3,257 housing units to the City’s housing stock, which represents a 25% increase in housing production over the next decade. However, the City General Plan largely evaluated this potential future growth. The City has identified deficiencies in its water, wastewater and storm drainage infrastructure and has prioritized and allocated funding for capital improvement projects.

2) Disadvantaged Unincorporated Communities

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
a) Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection?			X
b) Are there any “inhabited unincorporated communities” within or adjacent to the subject agency’s sphere of influence that are considered “disadvantaged” (80% or less of the statewide median household income)?			X
c) If “yes” to both a) and b), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community (if “no” to either a) or b), this question may be skipped)?			X

⁸ City of Burlingame, *Envision Burlingame*, <https://www.envisionburlingame.org/>

Discussion:

- a) Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection?

The City of Burlingame provides water services for unincorporated Burlingame Hills and an unincorporated area to the southwest of the City along Skyline Boulevard. Wastewater services are provided to these areas through the County operated Burlingame Hills Sewer Maintenance District and by on-site septic systems. In FY22-23, the annual sewer service fee for each residential unit equivalent is \$1,892 and will increase to \$1,982 in FY23-24.⁹ Fire protection within the City is provided by Central County Fire Department (CCFD), a Joint Powers Agreement between the City of Burlingame and the Town of Hillsborough. CCFD also provides contract service to the City of Millbrae.

Other municipal services in the unincorporated area such police, fire, emergency medical services, road maintenance and storm drain maintenance are provided by the County. The unincorporated area is within the boundaries of the City of Burlingame.

- b) Are there any inhabited unincorporated communities within or adjacent to the subject agency’s sphere of influence that are considered disadvantaged (80% or less of the statewide median household income)?

The inhabited unincorporated areas within Burlingame’s sphere of influence include Burlingame Hills, eight parcels west of Skyline Boulevard, and six parcels southwest of Skyline Boulevard. Based on available US Census data, these areas exceed the income threshold and do not qualify as disadvantaged unincorporated communities.

- c) If yes to both, is it feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community?

Not applicable.

Disadvantaged Unincorporated Communities MSR Determination

The City provides water service outside of its boundaries to unincorporated Burlingame Hills and to an unincorporated area to the southwest of the City along Skyline Boulevard. The County supports the unincorporated areas with sewer service and street and sidewalk maintenance. These two unincorporated areas within the Sphere of Influence of the City of Burlingame are not considered disadvantaged unincorporated communities.

⁹ County of San Mateo Public Works, Sewer Service Rate Information, <https://www.smcgov.org/publicworks/ssr>

3) Capacity and Adequacy of Public Facilities and Services

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 sphere of influence.	Yes	Maybe	No
a) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory?			X
b) Are there any issues regarding the agency’s capacity to meet the service demand of reasonably foreseeable future growth?			X
c) Are there any concerns regarding public services provided by the agency being considered adequate?			X
d) Are there any significant infrastructure needs or deficiencies to be addressed?			X
e) Are there changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades?			X
f) Are there any service needs or deficiencies for disadvantaged unincorporated communities related to sewers, municipal and industrial water, and structural fire protection within or contiguous to the agency’s sphere of influence?			X

Discussion:Water

The City of Burlingame purchases all of its potable water from the San Francisco Public Utilities Commission (SFPUC) and provides water to residential, commercial, industrial and governmental customers within the incorporated city limits and unincorporated Burlingame. Water demand averaged 1,221 million gallons (MG) per year between 2016 and 2020, and in 2020, the City delivered 1,271 million gallons (MG) of water to 8,728 connections within its service area.¹⁰

¹⁰ City of Burlingame, *2020 Urban Water Management Plan*, https://cms6.revize.com/revize/burlingamecity/document_center/Water/CityofBurlingame_2020_UWMP.pdf

The City’s General Plan provides population projections through 2040. The City’s Urban Water Management Plan provides an estimate for the service area population through 2045 by extending the General Plan’s population estimate and assumed constant growth, as well as adding on the population of Burlingame Hills. All expected growth in the City is attributed to the future development of multi-family residences and accessory dwelling units. Taking into account historical water use and expected population increase, water demand within the City is projected to increase to 1,721 MG by 2045, a 35% increase to the water demand in 2020 (1,271 MG).¹¹ The City’s contractual allocation with SFPUC is for 5.23 million gallons per day (MGD), or approximately 1,909 MG per year, and is above the City’s projected water demand through 2045.

The Water Conservation Act of 2009 was enacted in November 2009 and requires the state of California to achieve a 20 percent reduction per capita water use by December 31, 2020. To achieve this, each urban retail water supplier was required to establish water use targets for 2015 and 2020 using methodologies established by the Department of Water Resource (DWR). Potable water usage has decreased since 2010 due to drought restrictions from 134 gallons per capita per day (GPCD) to 107 GPCD in 2020, and the City continues to adhere to its water use target of 135 gallons per capita per day (GPCD).

Burlingame, along with cities throughout the region and State, has taken steps to prepare for years of water shortage. Consistent with California Water Code section 10632, the City developed a Water Shortage Contingency Plan that includes six levels to address a range of shortage conditions, identifies demand mitigation measures for Burlingame to implement at each level, and identifies procedures for Burlingame to annually assess whether a water shortage is likely to occur in the coming year.

In addition, Burlingame has implemented multiple water demand management strategies over the past several decades. The City adopted a water rationing plan in 1992 that allows the city to enforce water waste reductions in dry weather years by prohibiting, mandating, and enforcing various actions and adopted a permanent water waste prevention ordinance in 2021 that prohibited specific wasteful potable water uses. Metering, conservation pricing, public education and outreach and other water demand management measures complete the suite of water conservation strategies employed by the City.¹²

In 2022, the City implemented capacity charges for new connections to the water and sanitary sewer system to recover costs associated with infrastructure improvements that benefit new or expanded development¹³. Water rates for City of Burlingame and Burlingame Hills customers were last increased on January 1, 2019.¹⁴

¹¹ City of Burlingame, 2020 Urban Water Management Plan

¹² City of Burlingame, 2020 Urban Water Management

¹³ City of Burlingame, Water & Sewer Capacity Charge Study, Draft 07/18/21

¹⁴ City of Burlingame, FY 2023-24 Master Fee Schedule, <https://cms6.revize.com/revize/burlingamecity/departments/Finance/2023-24%20Proposed%20Master%20Fee%20Schedule%20-%20Proposed.pdf>

Water Capacity Charges (Proposed for FY 23-24)

Service	Fee
Single-family	\$7,260 per dwelling unit
Multi-family (two or more bedrooms)	\$4,513 per dwelling unit
Multi-family (studio or one bedroom)	\$2,942 per dwelling unit
Detached ADU	\$3.03 per square foot
Non-residential, water meter size= ¾ inch	\$10,987 per connection
Non-residential, water meter size= 1 inch	\$18,326 per connection
Non-residential, water meter size= 1 ½ inch	\$36,613 per connection
Non-residential, water meter size= 2 inch	\$58,588 per connection
Non-residential, water meter size= 3 inch	\$109,877 per connection
Non-residential, water meter size= 4 inch	\$183,142 per connection

Single Family Residential Rates per 1,000 Gallons (FY 23-24)

Tier	Gallons	Monthly rate
Tier 1	0 – 4,000	\$9.79
Tier 2	4,001 – 8,000	\$10.98
Tier 3	8,001 – 16,000	\$12.18
Tier 4	16,001 – 24,000	\$13.38
Tier 5	24,001 and up	\$14.58
All other classifications (non-Single Family Residential Rate per 1,000 Gallons)		\$11.46

Fixed Monthly Water Charges (FY 23-24)

Meter Size	Monthly charge
5/8"	\$42.02
3/4"	\$42.02
1"	\$70.03
1.5"	\$140.05
2"	\$224.08
3"	\$420.15
4"	\$700.25
6"	\$1,400.50
8"	\$2,240.80

The City's 5-year Capital Improvement Program (CIP) includes improvements to the water distribution system, including pipeline rehabilitation, emergency storage tank expansion and transmission pipelines and pump station improvements. Currently, the projected CIP budget is \$110 million for water infrastructure improvements.¹⁵

¹⁵ City of Burlingame, FY 2023-24 Budget,

<https://cms6.revize.com/revize/burlingamecity/departments/Finance/FY2023-24%20Adopted%20Budget.pdf>

Sanitary Sewer

The City of Burlingame maintains the sanitary sewer system and provides wastewater services for City residents. The sewer system is comprised of approximately 95 miles of gravity sewer pipe that conveys wastewater to 7 pump stations before flowing to the City Wastewater Treatment Facility on Airport Boulevard.

The Wastewater Treatment Facility has the capacity to treat 5.5 MGD of wastewater up to 16 MGD during wet weather conditions. Since 1972, the City has contracted with Veolia Water North America to provide operations and maintenance services for the facility.

In August 2021, the Burlingame City Council approved a capacity charge for new connections and a sewer rate increase for residents, with a 9% increase to take place each year for the next three years, beginning in 2022 to pay for repairs and capital improvements to aging sewage infrastructure.¹⁶

Sewer Capacity Charges (Proposed for FY 23-24)

Service	Fee
Single-family	\$11,075 per dwelling unit
Multi-family (two or more bedrooms)	\$7,667 per dwelling unit
Multi-family (studio or one bedroom)	\$5,206 per dwelling unit
Detached ADU	\$4.62 per square foot
Non-residential, water meter size= ¾ inch	\$21,299 per connection
Non-residential, water meter size= 1 inch	\$35,499 per connection
Non-residential, water meter size= 1 ½ inch	\$70,997 per connection
Non-residential, water meter size= 2 inch	\$113,595 per connection
Non-residential, water meter size= 3 inch	\$212,991 per connection
Non-residential, water meter size= 4 inch	\$354,986 per connection

Bi-Monthly Sewer Rates for New Single Family Residential (Proposed for FY 23-24)

Residential type	Rate
1 bedroom or studio	\$59.64
2 bedrooms	\$89.46
3 bedrooms	\$119.28
4 bedrooms	\$149.10
5+ bedrooms	\$178.92

¹⁶ City of Burlingame, City Council Regular Meeting Agenda - August 16, 2021, https://burlingameca.legistar1.com/burlingameca/meetings/2021/8/1762_A_City_Council_21-08-16_Meeting_Agenda.pdf

Monthly Sewer Rates per 1,000 Gallons of Water Usage (Proposed for FY 23-24)

Facility type	Rate
Residential (Jan-April)	\$14.91
Multi-unit	\$14.65
Light Commercial	\$15.35
Moderate/Heavy Commercial	\$25.63
Food Related	\$35.69
Institutional/Schools/Churches	\$8.62
Minimum Bi-Monthly Charge	\$29.82
Monthly Equivalent	\$14.91

The City’s 5-year Capital Improvement Program includes improvements to the sanitary sewer system, including improvements to the aging collection system and Wastewater Treatment Plant. Currently, the CIP budget is \$197 million for improvements to the sanitary sewer system.¹⁷

Storm Drain

The City operates and maintains approximately 50 miles of storm drainage system including seven creeks/watershed areas with open and closed channel systems with over 2,000 catch basins. In May 2009, Burlingame residents approved an annual storm drain fee to fund a storm drain capital improvement program to replace and upgrade the City’s aging storm drainage facilities and ensure long-lasting flood protection. Currently, the projected CIP budget for storm drain improvements is approximately \$46M. The storm drainage fee was calculated at 4.192 cents per square foot of each property’s impervious surface area, and voters granted City Council authority to increase the fee by the annual consumer price index (CPI) up to 2% annually. The City expects to collect \$3.3M from storm drainage fees in FY 23-24.¹⁷

Streets & Sidewalks

Except for El Camino Real, which is a state highway that is maintained by Caltrans, the City of Burlingame operates and maintains the 84 miles of streets and 116 miles of sidewalks within City limits. The streets and sidewalks are maintained by a City computer program that uses historical data, traffic volume and the existing roadway section to estimate the life of the roadway. The Metropolitan Transportation Commission (MTC) rates the qualities of city roads in the Bay Area on a scale of 1 (very poor) to 100 (new) by evaluating several factors, including pavement age, climate and precipitation, traffic loads and funding. In 2020, MTC rated Burlingame City roads at a 78, which is considered “Good”.¹⁸

The \$424M CIP budget includes annual improvements to streets, bike lanes, sidewalks, curb, gutter and ADA improvements, as well as the Railroad Grade Separation Project at Broadway.¹⁹

Fire Protection

¹⁷ City of Burlingame, *FY 2023-24 Budget*

¹⁸ Metropolitan Transportation Commission, *Pavement Condition of Bay Area Jurisdictions 2021*

¹⁹ City of Burlingame, *FY 2023-24 Budget*

Since 2004, the Central County Fire Department (CCFD) has provided fire protection and emergency medical services to the City of Burlingame and the Town of Hillsborough through a Joint Powers Agreement (JPA) between the two cities by merging their fire departments. Central County Fire also provides fire protection and emergency medical services to the City of Millbrae through a service contract that expires in 2024. CCFD staffs six fire stations, two of which are in Burlingame, in addition to an administrative office in Burlingame and training facility in Millbrae. The two fire stations can reach most areas in Burlingame within a 4-minute travel time. Fire stations are open 24 hours a day, every day, and the administrative office is open Monday-Friday.

CCFD Facilities in Burlingame

Facility	Location	Year Built
Burlingame Fire Station 34	799 California Drive	1994
Fire Station 35	2823 Hillside Drive	1980
Administrative Station 36	1399 Rollins Road	1961

CCFD is comprised of 90 full-time employees, including 45 firefighters and paramedics, 22 Captains, 4 Battalion Chiefs, 7 fire prevention staff, 6 administrative staff and 3 executive staff. CCFD responds to approximately 7,000 calls for service every year with its 6 engines and 1 ladder truck. Legal counsel, human resources, and accounting services are contracted out to further streamline costs.²⁰ In addition, CCFD holds several agreements with various agencies for shared services, including search and rescue training, advanced life support services, dispatch, mechanic shop services and tactical emergency services.

The total service area is 15.51 square miles with a population of approximately 66,000. The value of property protected is over \$16B.

Governance

The Department is governed by a four-person Board of Directors comprised of two councilmembers from Burlingame and Hillsborough who determine the level of fire, emergency medical and disaster preparedness services to be provided by the Department. All major decisions by the Board require ratification by the respective Council. The Board appoints the City Managers of each city to serve as Chief Administrative Officer for alternating two-year terms. The Chief Administrative Officer appoints the Fire Chief who shall conduct the day-to-day operations of the Department. Currently the City Manager of Burlingame holds the Chief Administrative Officer position.

The Board typically meets quarterly on the second Wednesday of the month at 4pm. The Board met virtually during the COVID-19 public health state of emergency and has resumed in-person meetings alternating locations in the Burlingame Council Chambers and Hillsborough Town Council Chambers, while also making virtual attendance an option for members of the public and interested parties.

²⁰ Central County Fire Department, *FY 2023-24 Adopted Budget*

Budget

The Central County Fire Department JPA requires that the Department adopt a budget approved by member agencies for maintenance and operations costs and costs of special services prior to June 30th of each year.

CCFD operates under budget policies that guide the development and administration of their annual budget. Operating revenues must fully cover operating expenditures, including debt services. However, total expenditures can exceed revenues in a given year to fund CIP projects and other one-time expenditures if there are sufficient reserves to cover such expenditures. The Board of Directors may amend or supplement the budget after its adoption by a majority vote of the Board. Annual budgets are presented to and adopted by the Board for each fund, except for the Capital Projects Fund, which establishes budgetary control on a project-by-project basis.

The City of Millbrae is responsible for 30% of the operational budget and the remaining 70% is split in a 60/40 cost allocation formula between the City of Burlingame (60%) and the Town of Hillsborough (40%). Nearly 96% of the Department’s General Fund revenue comes from the three cities, and the remaining revenue comes from permits and licenses, program revenue, workers’ compensation premiums and other sources. Ninety percent of General Fund expenditures are for salaries and benefits.

CCFD adopted the FY 23-24 budget of \$34,499,746, a 5.6% increase from the revised adopted FY 21-22 budget. The key changes included the addition of 2 full-time employees (up from 88 employees in the prior fiscal year), higher cost-of-living adjustments due to none given in FY 22-23, allocation of \$1.3M to reserves for upcoming equipment expenditures and increases to CalPERS contributions and health insurance premiums. The Department’s FY 23-24 fund balance is projected to be \$771,885.²¹

Burlingame’s budget for CCFD services in FY 23-24 was \$14.4M, a 6.2% increase from the prior year, and includes an additional \$330,000 for retained workers’ compensation program costs and emergency preparedness activities.²²

Performance

On average, CCFD responds to over 7,000 calls for service annually, arrives on a structure fire scene within six minutes of dispatch over 80% of the time, and responds to priority 1 (emergency) calls in under five minutes and thirty seconds.

²¹ Central County Fire Department, *FY 2023-24 Adopted Budget*

²² City of Burlingame, *FY 2023-24 Budget*

CCFD Systemwide performance

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	Est. FY 22-23*
Total calls for service	7,493	7,410	7,004	8,328	4,774
Medical responses	4,548	4,486	4,314	5,141	3,014
Fire suppression responses	144	116	156	153	96
Hazardous conditions responses	214	225	169	238	114
Training hours completed	7,168	18,122	20,491	12,294	4,017
% of time fire engine arrives on structure fire scene within 6 min of dispatch	100%	83%	86%	73%	76%
Avg. response time for all calls	6:59	5:17	5:43	5:32	5:29
Avg. response time for priority 1 calls (emergency)	6:59	5:02	5:30	5:18	5:21
Average response time for priority 3 calls (non-emergency)	6:59	6:21	6:37	6:38	6:08

* FY 22-23 YTD data collected as of March 9, 2023

In March 2023, CCFD published a Community Risk Assessment/Standards of Cover & Deployment Analysis that examined the department’s response performance, operations, facilities and apparatus, organizational structure, governance and mutual cooperation.²³ The Assessment made several recommendations to CCFD including:

- Developing capital facilities and apparatus replacement plans for fire stations, vehicles and apparatus that are in poor condition
- Constructing or relocating Administrative Facility to a more suitable location and replacing and relocating Station 36 (currently vacant and at the same location as the Administrative Headquarters) to a new location with new fire staff to address future growth
- Developing and analyzing performance metrics
- Increasing staffing to meet National Fire Protection Association standards
- Conducting a management staff analysis to understand if more operational management staff is needed
- Conducting studies to assess feasibility of developing cooperative services with neighboring agencies and turning the department into a fire district

Police

The Burlingame Police Department, located at 1111 Trousdale Drive, is a full-service department offering investigative, preventative, and community policing programs designed to

²³ Central County Fire Department, Community Risk Assessment/Standards of Cover & Deployment Analysis, March 2023, <https://ccfd.org/wp-content/uploads/2023/07/Central-County-FD-CRA-SOC-Study-FINAL-2023-0327-optimized.pdf>

protect and serve Burlingame’s residents and visitors. The Department is comprised of three divisions. The Operations Division includes uniformed patrol and the Traffic & Parking Bureau. The Investigation Division includes Inspectors, the School Resource Officer and the Community Response Team. The Support Services/Administrative Division includes the Records Bureau, the Communications Bureau (Dispatch), and Training.

The force currently consists of 40 full-time sworn police officers (1 Chief, 1 Captain, 2 Lieutenants, 6 Sergeants, and 30 Officers), 19 full-time non-sworn professional staff, and approximately 10 part-time non-sworn professional staff.

The police budget for police services, including communications and parking enforcement, in FY 23-24 was \$21,149,280, an 8% increase from the FY 22-23 budget, primarily due to an increase in personnel costs and insurance costs.

Burlingame Police Department Statistics

	2018	2019	2020	2021	2022
Calls for service	41,172	41,662	45,872	43,706	43,787
Crimes reported	1,994	2,388	2,434,	2,202	2,220
Total Arrests	696	638	601	624	532
Average calls per officer	1,029	1,042	1,147	1,093	1,095
Average calls per dispatcher	5,882	5,952	6,553	6,244	6,255
Traffic stops	4,620	5,981	3,413	4,548	3,567
Vehicle accidents	324	300	200	199	252

The County Sheriff’s office provides police services to the residents of unincorporated areas in San Mateo County, including Burlingame Hills.²⁴

San Mateo County Sherriff Calls to Burlingame Hills

Year	2016	2017	2018	2019	2020	2021
Incidents	376	330	338	337	300	329

Parks and Recreation²⁵ ²⁶

The City of Burlingame’s park system includes 19 neighborhood parks, Mills Canyon Wildlife area, Skyline Park and land owned the California State Lands Commission and leased by private businesses (Robert E Wooley State Park and Fisherman’s Park). The City also owns four recreation facilities, including the recently opened Burlingame Community Center, Village Park

²⁴ Berkson Associates, Burlingame Hills Sewer Maintenance District Operational and Governance Options, Draft Report, November 1, 2022

²⁵ City of Burlingame, <https://www.burlingame.org/parksandrec/>

²⁶ City of Burlingame, *FY 2023-24 Budget*

Preschool, and a closed golf facility with a club house that remains operational and includes a restaurant, meeting spaces and a Police Substation.²⁷

The City owns and maintains over 16,000 trees growing in Burlingame and is a proud member of Tree City USA, a program of the Arbor Day Foundation. Each year the City plants approximately 400 new trees. In addition, the City maintains a comprehensive street tree inventory, which the City is in the process of making publicly accessible.

The Parks and Recreation Department offers a wide range of recreational programs for young children, teens, adults and seniors. The Parks & Recreation Foundation helps subsidize the scholarships required for children to attend the classes and programs offered by the Department. In addition, the Department hosts several events and event series throughout the year, including Kid’s Night Out, the Royal Ball, Music in the Park and Movies in the Park, Family Campout, Burlingame Muddy Mile and a Holiday tree lighting.

In 2020, the City adopted a Parks Master Plan to guide the Department’s policies, planning and development of the City’s parks and recreational programs. The Plan includes short, medium and long-term implementation plans for projects to enhance the City’s parks that align with the Plan’s goals to support healthy people and healthy places, promote active transportation, increase stewardship and expand partnerships and diversity of revenue sources.

The Burlingame Parks and Recreation Department is staffed by 34 FTE. The Department’s FY 23-24 budget is \$13,691,926, representing a 19.4% increase from the FY 22-23 budget due in large part to increased need and cost of tree maintenance services due to recent storms, capital expenditures and increase in insurance costs.

Library²⁸

The Burlingame Public Library began lending books in 1909 when authorized by an ordinance passed by the Board of Town Trustees. Today the City has two libraries – the Burlingame Main Library, which open seven days a week, and the Easton Branch, which is open Monday-Saturday. In addition to the library collection and online and digital resources, the libraries offer classes, programs and events for kids, teens and adults. The City of Burlingame is a member of the Peninsula Library System (PLS), a JPA of 35 public and community college libraries in San Mateo County that is available to all County residents. Founded in 1971, PLS is primarily funded by member libraries, but also receives funding from the County, State and Federal government.

Most PLS libraries have meeting rooms and adjacent outdoor areas that community groups use for activities and events, as well as computers, printers and copy machines for public use. PLS allows all residents of the County to obtain library services at any library in the County.

The Burlingame Public Library is governed by a five-person Board of Trustees who are appointed to 3-year terms and meet in person on the third Tuesday of the month.. Agendas, meeting minutes and video recordings of past meetings are posted on the Burlingame Public Library website.

²⁷ Communications with the City of Burlingame, 09/08/2023

²⁸ City of Burlingame, <https://www.burlingame.org/library/>

The Library is staffed by 23 full-time employees and approximately 40 hourly employees. It has an annual budget of \$4M in FY 23-24, an 8.2% increase from the prior fiscal year. The Library has a service population of approximately 37,000 residents annually, which includes all Burlingame residents and two-thirds of Hillsborough residents. There are over 27,000 registered borrowers.

Since 1995 the Burlingame Library Foundation has raised over \$3M to support the Library, including targeted capital projects. Donations go towards funding all library programs, the expansion of the printed materials and eBook collections, access to information technology and the preservation of the historic building and library furnishings.

Contract Services

Animal Control

Twenty cities in San Mateo County, including the City of Burlingame, contract with the County to operate a countywide animal control program. The County contracts with the Peninsula Humane Society & SPCA to enforce all animal control laws, shelter homeless animals and to provide a variety of other related services.

Garbage/solid waste/recycling/composting

The South Bayside Waste Management Authority (BWMA), also known as ReThinkWaste, is a joint powers authority between the County, 10 cities, including Burlingame, and the West Bay Sanitary district that provides oversight and management of solid waste service providers. Recology has been the recycling, compost and solid waste collection contracted service provider for the JPA service area since 2011. Solid waste fees were most recently updated on April 1, 2022.

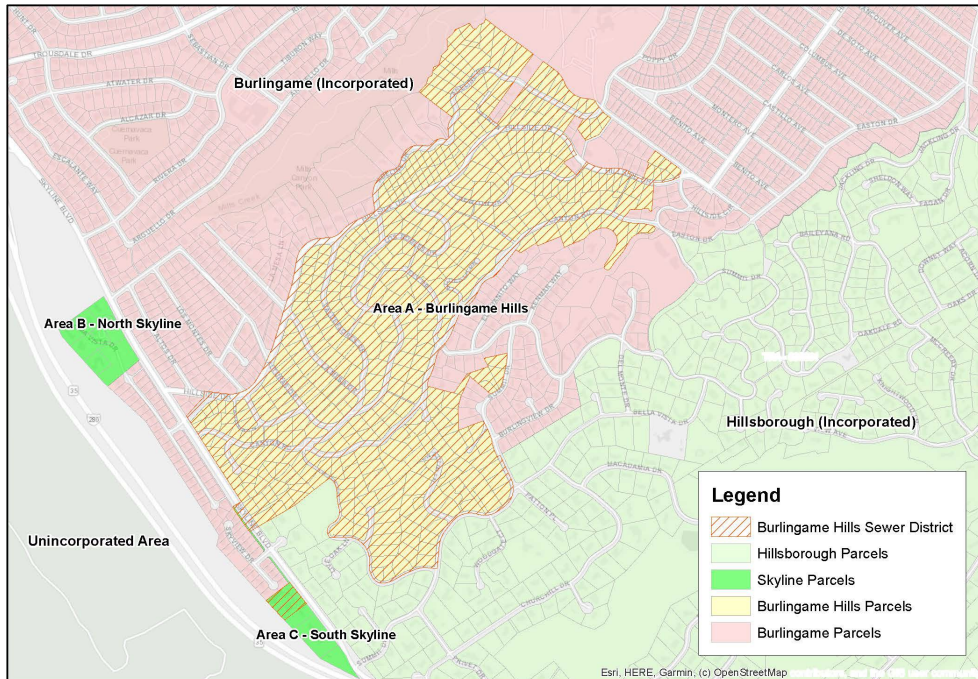
City of Burlingame Monthly Solid Waste Rates (Effective April 1, 2022)

Residential		Commercial	
20 Gallon Cart	\$16.13	32 Gallon Cart	\$29.83
32 Gallon Cart	\$29.83	64 Gallon Cart	\$59.66
64 Gallon Cart	\$59.66	96 Gallon Cart	\$88.54
96 Gallon Cart	\$88.54	1 Yard Bin	\$188.23
		2 Yard Bin	\$376.49
		3 Yard Bin	\$564.67

Burlingame Hills and Unincorporated Areas

Burlingame Hills was subdivided in the 1910s and 1920s and developed in the subsequent decades; approximately half the lots were developed by 1946, and the area was nearly fully developed by 1956. The possibility of annexation of Burlingame Hills to the City has been discussed multiple times over the years, partly responding to concerns that piecemeal annexations adversely affected the efficiency of public services and typically resulting in subdivided lots and increased density. The most recent inquiry by Burlingame Hills residents took place between 1991 and 1993.

There are three unincorporated areas within the Sphere of Influence of the City of Burlingame, Burlingame Hills (shown as Area A on the following map), North Skyline (Area B), and South Skyline (Area C).



Unincorporated Burlingame Hills & Burlingame Hills Sewer District



Water

The City of Burlingame provides the majority of water service in the Burlingame Hills area and surrounding unincorporated areas along Skyline Boulevard. The Town of Hillsborough also services a portion of these two unincorporated areas.

Sanitary Sewer

Wastewater collection services in Burlingame Hills are provided by the County governed and operated Burlingame Hills Sewer Maintenance District (BHSMD) to approximately 440 households.²⁹ BHSMD sewer pipes connect to the City of Burlingame’s collection system and flow to the City’s treatment plant. BHSMD also provides sanitary sewer services to two small, adjacent unincorporated areas in San Mateo County.

In past years portions of the Burlingame Hills Sewer Maintenance District’s (BHSMD) aging sewer system have failed due to multiple factors including grease, other non-flushable items, and tree roots, and these issues contributed to sanitary sewer overflows (SSOs). While the County has worked diligently to make needed repairs and replace the aging pipes, the District faces significant improvement costs that must be borne by a relatively small customer base. Although

²⁹ Berkson Associates, Burlingame Hills Sewer Maintenance District Operational and Governance Options, Draft Report, November 1, 2022

the County has endeavored to complete needed repairs and replacements, the District faces significant capital improvement costs estimated at over \$10M that will be borne by a small customer base. Property tax, excess ERAF and other revenue account for only 17% of the District's budget in FY 21-22, and the remainder comes from sewer rates paid by Burlingame Hills residents. Total revenue for FY 21-22 was a little over \$950,000. Since the other revenue streams are fairly stable and not likely to increase, the Study forecasts that sewer rates will need to be increased nearly 50% from \$1,982 in FY 23-24 to \$2,900 over the next 10 years to pay for the capital improvements. Whereas City sewer rates include both a fixed monthly rate and a variable monthly charge depending on water usage, residents of Burlingame Hills pay a flat sewer rate regardless of water consumption. The County increased BHSMD water rates in 2021, and the FY 23-24 annual rate is \$1,982, or \$165.16 per month.

In 2019, the County initiated a study entitled the Burlingame Hills Sewer Maintenance District Operation and Governance Options report to explore the provision of City sewer services to unincorporated Burlingame Hills and reviewed operational and governance options to improve services and facilities while keeping costs to customers relatively low. The Study examined two governance options, in addition to the option to maintain the status quo with phased capital improvements occurring over a 10-year period. The first option is for BHSMD to remain intact until completion of the capital improvements, followed by annexation to the City and the dissolution or merger of BHSMD with the City. The second option is for the City of Burlingame to annex Burlingame Hills and dissolve the district immediately with County participation in funding for capital funding improvements. The study proposed the benefits of annexation, including sewer system integration and potential rate stabilization, access to Central County Fire services, coordinated land use planning with the City, and City representation. As of the writing of this MSR, the final version of the Burlingame Hills Sewer Study has not been finalized and there have been no changes to the governance or services of BHSMD.

Storm Drains

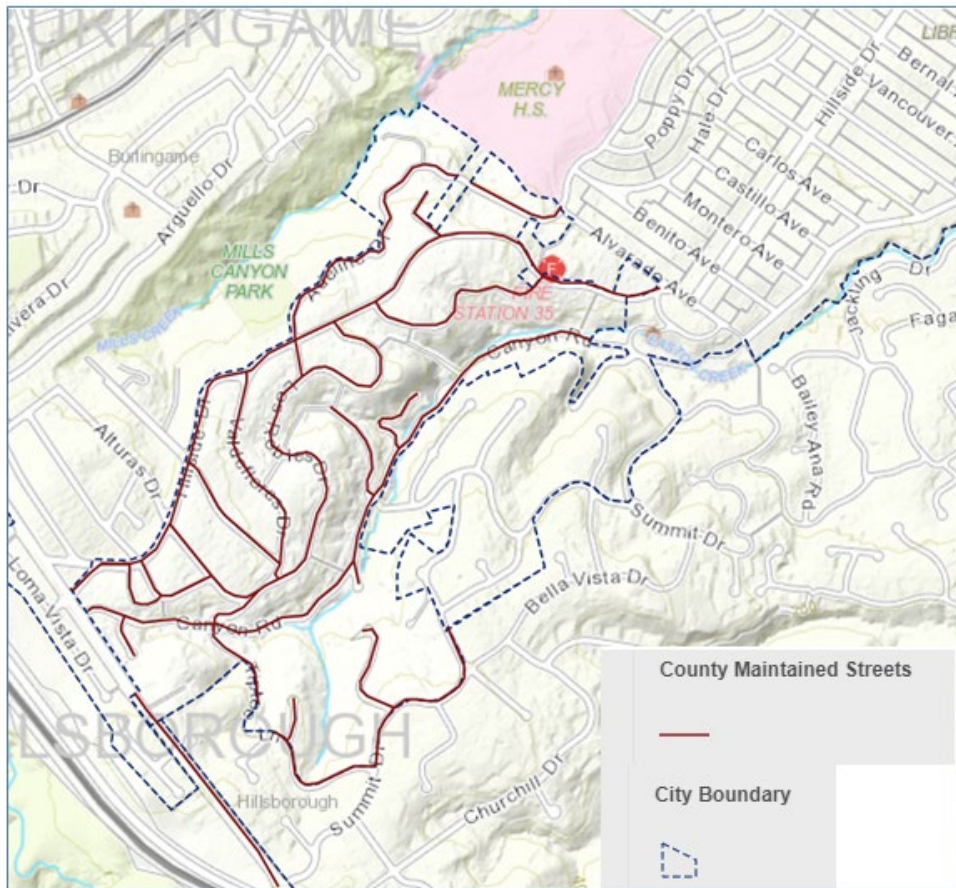
The County Department of Public Works provides stormwater maintenance in Burlingame Hills.

Streets & Sidewalks

The County Department of Public Works is responsible for the maintenance of approximately 6.3 miles of centerline road miles in Burlingame Hills. Average PCI is 76 (Very good). There were no road improvements planned for FY 22-23. There are no sidewalks in Burlingame Hills.³⁰

³⁰ Berkson Associates, Burlingame Hills Sewer Maintenance District Operational and Governance Options, Draft Report, November 1, 2022

COUNTY-MAINTAINED ROADS IN BURLINGAME HILLS



Fire Protection

Fire service in Burlingame Hills is provided by CalFire via a contract with the San Mateo County Fire Department.³¹ CalFire Station #17 (San Mateo Highlands) is located approximately 8.7 miles from Burlingame Hills. The station is staffed with an engine, truck, and a battalion chief. In accordance with an auto-aid agreement, CCFD is the fire agency expected to respond to the Burlingame Hills area up to and including the sixth responding station because of the proximity of its stations to the Burlingame Hills area. CCFD responds to nearly all of the fire incidents in Burlingame Hills. According to the City of Burlingame, the cost for responding to fire calls for service in Burlingame Hills is absorbed by each agency in the CCFD JPA, of which the County is not a member.

³¹ Berkson Associates, Burlingame Hills Sewer Maintenance District Operational and Governance Options, Draft Report, November 1, 2022

Fire Incidents & Resources Dispatched to Burlingame Hills

Year	Incidents	CCFD	San Mateo Fire	CalFire	San Bruno Fire
2016	89	88	1	0	0
2017	82	93	0	4	3
2018	70	76	0	0	0
2019	75	85	0	3	0
2020	93	120	0	0	0
2021	83	103	1	1	1
<u>Total</u>	<u>492</u>	<u>565</u>	<u>2</u>	<u>8</u>	<u>4</u>

The County adopted budget for fire protection services for FY 22-23 was \$21,890,261 and is funded through a combination of property taxes, intergovernmental revenue, and other charges and revenue. This includes property tax collected from properties in the unincorporated Burlingame Hills area.

Percent of fire and emergency medical calls responded to within 7 minutes was 90% in FY 20-21.³² The current Insurance Services Office (ISO) rating for CCFD for Burlingame is 2. ISO ratings reflect how well equipped a fire department is to respond to fires in the community, with the highest score being a 1 and the lowest is a 10.

Police

The San Mateo County Sheriff's Department has primary responsibility for serving unincorporated areas including Burlingame Hills. The California Highway Patrol is responsible for traffic enforcement in unincorporated areas.

Street Lighting

Burlingame Hills has no streetlights and is not within any of the County's eleven lighting maintenance districts.

Solid Waste

Solid waste services are provided by the South Bayside Waste Management Authority (SBWMA), also known as RethinkWaste, a joint powers authority of twelve public agencies in San Mateo County. RethinkWaste owns and manages the Shoreway Environmental Center which receives all of the recyclables, organics, and garbage collected in its service area. RethinkWaste also provides strategic oversight, support and management of service providers that collect, process, recycle and dispose of materials for the 12 Member Agencies.

- a) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory?

Staff has not identified any deficiencies in Burlingame's capacity to meet the service needs of existing development within its territory.

³² County of San Mateo, County Fire Performance, <https://performance.smcgov.org/reports/Fire>

- b) Are there any issues regarding the agency’s capacity to meet the service demand of reasonably foreseeable future growth?

The City of Burlingame is planning for significant growth over the next decade and has demonstrated its capacity to plan for and meet the demands of reasonably foreseeable future growth within City limits. Should the City of Burlingame decide to provide sewer maintenance services to Burlingame Hills in the future, the County has begun examining operational and governance options, as well as the impact to the City’s existing system and operations.

The Community Risk Assessment for CCFD recommended significant investments in staffing, vehicle and equipment replacements and facility upgrades to ensure its ability to serve residents in its jurisdiction.

- c) Are there any concerns regarding the public services provided by the agency being considered adequate?

Staff does not have any concerns regarding the adequacy of the public services being delivered by the City of Burlingame.

- d) Are there any significant infrastructure needs or deficiencies to be addressed?

The City of Burlingame continues to implement capital improvements to the City’s storm drain system to increase capacity to prevent flooding during storms and is planning for improvements at the wastewater treatment plant to account for future sea level rise.

- e) Are there changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades?

The City is not aware of changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades.

- f) Are there any service needs or deficiencies for disadvantaged unincorporated communities related to sewers, municipal and industrial water, and structural fire protection within or contiguous to the agency’s sphere of influence?

Not applicable. Please see response to 2a-c.

Capacity and Adequacy of Public Facilities and Services MSR Determination

LAFCo is not aware of any deficiencies in agency capacity to meet existing service needs for which the agency does not have a plan in place to resolve. The City is anticipated to be able to meet service demands of foreseeable growth with project infrastructure improvements and other mitigation measures. The City routinely adopts a Capital Improvement Plan (CIP) for City owned infrastructure and facilities.

Fire protection services are provided by the Central County Fire Department, a Joint Powers Agreement (JPA) between the City of Burlingame and Town of Hillsborough. In March 2023, CCFD published a Community Risk Assessment/Standards of Care & Deployment Analysis that made several recommendations, including the development of a capital improvement plan for fire stations, vehicles and apparatus that are in poor condition and the construction or relocation of the Administrative Facility building.

As identified in the draft Burlingame Hills Sewer Maintenance District Operation and Governance Options report, the annexation of the Burlingame Hills area to the City is an option that could be explored by both the City and the County. Burlingame Hills is an unincorporated island, surrounded by the City of Burlingame and Town of Hillsborough and is largely developed. Similar to other unincorporated islands in the County, Burlingame Hills is governed and served by the County, inherently create public service inefficiencies. LAFCo support efforts to annex unincorporated islands to their neighboring cities as identified in their SOIs.

The annexation could benefit existing Burlingame Hills residents by allowing for potential economies of scales regarding sewer service and help minimize sewer rate increases. Annexation of Burlingame Hills (and two other unincorporated areas) could produce a fiscal “break-even” for the City’s budget. Depending on property tax share negotiations required for an annexation, which is a discretionary process between the City and the County, the tax sharing could create fiscal benefits to the City in excess of costs as well.

Recommendations:

1. In alignment with the Draft Burlingame Hills Sewer Maintenance District Operation and Governance Options Study, the City should continue to explore potential opportunities for shared services or governance changes related to the Burlingame Hills Sewer Maintenance District. This could include the operation of the District by the City or the eventual annexation of unincorporated Burlingame Hills into the City of Burlingame.
2. The City should partner with the Town of Hillsborough to review the recommendations in the CCFD Community Risk Assessment to prepare a capital improvement plan and CIP budget for fire stations, vehicles and apparatus that are in poor condition and the construction or relocation of the Administrative Facility building.

4) Financial Ability

Financial ability of agencies to provide service	Yes	Maybe	No
a) Does the organization routinely engage in budgeting practices that may indicate poor financial management, such as overspending its revenues, failing to commission independent audits, or adopting its budget late?			X
b) Is the organization lacking adequate reserve to protect against unexpected events or upcoming significant costs?			X
c) Is the organization’s rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?			X
d) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?			X

e) Is the organization lacking financial policies that ensure its continued financial accountability and stability?			X
f) Is the organization’s debt at an unmanageable level?			X

Discussion:

a) Budgeting practices:

The City of Burlingame’s budgeting process includes a mid-year budget review with revenue projections and a five-year forecast which is produced each March. Any budget amendments that increase expenditures require majority approval by the City Council. The City Council also holds an annual goal setting session for the upcoming fiscal year that prioritizes programs and services for funding and determines future medium and long-term goals for the City. These, in addition to any outcomes from the mid-year budget review session, inform the budget planning process for the upcoming fiscal year so that expenditures reflect the community’s priorities and that there is revenue available to fund those programs and services. The City Council adopts an annual budget after a public hearing at a regularly scheduled Council meeting. The study sessions and City Council meetings are open to the public, and the City encourages participation and input.

The City produces a Comprehensive Annual Financial Report (CAFR)/Annual Comprehensive Financial Report (ACFR). The most recent audit report for the period ending on June 30, 2022 did not reveal any instances of noncompliance or any deficiencies in internal control that are considered to be material weaknesses.

The COVID-19 pandemic has greatly impacted the City’s revenue sources over the past 3 fiscal cycles. Although revenues are slowly recovering, they have not yet reached pre-pandemic levels. Furthermore, rising personnel costs and unfunded capital projects present a challenge in developing balanced budgets in the long term.

The California State Auditor maintains a Fiscal Health of California Cities dashboard³³ to identify local government agencies that are at risk for potential waste, fraud, abuse, or mismanagement, or have major economic challenges. The City of Burlingame received a score of 59.2 out of 100 points (higher is better), classified as moderate risk, in FY 20-21. Debt burden, revenue trends, future pension costs and OPEB funding were identified as the City’s most significant fiscal challenges.

³³ California State Auditor, Fiscal Health of California Cities Dashboard, City of Burlingame FY 2020-21, https://www.auditor.ca.gov/local_high_risk/dashboard-csa.html

California State Auditor fiscal Health Risk Indicator for FY 20-21

Risk Factor	Risk	Risk Factor	Risk
General Fund Reserves	Moderate	Pension Funding	Low
Debt Burden	High	Pension Costs	Moderate
Liquidity	Low	Future Pension Costs	High
Revenue Trends	High	OPEB Obligations	Low
Pension Obligations	Moderate	OPEB Funding	High

Indeed, Burlingame’s revenue was significantly impacted by the COVID-19 pandemic with the reduction of revenue from the City’s transient occupancy tax (TOT). Although general fund revenues are slowly recovering, the City’s TOT is expected to be at 61% of the pre-pandemic level.³⁴ However, the City’s total net position as of June 30, 2022 increased \$49.1M to \$364.4M.

City of Burlingame General Fund Budget FY 20-FY24

	FY 18-19 Actuals	FY 19-20 Actuals	FY 20-21 Actuals	FY 21-22 Actuals	FY 22-23 Budget	FY 23-24 Adopted Budget
Revenues						
Property Tax	\$21,955,937	\$23,304,404	\$24,223,779	\$27,722,881	\$29,452,500	\$31,644,580
Sales and Use Tax	\$17,819,970	\$14,803,366	\$15,665,703	\$17,577,474	\$17,468,000	\$17,458,222
Transient Occupancy Tax	\$29,384,461	\$20,416,543	\$5,738,558	\$12,378,959	\$15,725,000	\$17,919,000
Other Taxes	\$3,233,401	\$3,133,927	\$2,957,503	\$3,511,113	\$3,043,500	\$3,811,000
Other Revenue	\$12,143,573	\$10,499,619	\$13,536,494	\$8,804,112	\$9,803,225	\$9,676,900
Total Revenue	\$84,537,342	\$72,157,859	\$62,122,037	\$69,994,539	\$75,492,225	\$80,509,702
Expenditures						
Total Expenditures	\$55,763,099	\$58,205,465	\$58,443,624	\$62,719,502	\$71,178,930	\$74,518,635
<i>Surplus (deficit)</i>	<i>\$28,774,243</i>	<i>\$13,952,394</i>	<i>\$3,678,413</i>	<i>\$7,275,037</i>	<i>\$4,313,295</i>	<i>\$5,991,067</i>

The City’s adopted budget for the fiscal year 2023-24 is \$149.2M, of which 50% is allocated to General Fund Expenditures, 21% to Capital Improvements, 20% to water and sewer and 9% to other expenditures.

Excess Educational Revenue Augmentation Fund (ERAF) revenue, which represents less than 10% of the City’s revenue, is considered by the County Controller’s office to be an insecure source of revenue and cautions agencies from relying on it to fund critical services. The City disagrees with this assessment and does not view the loss of excess ERAF as an immediate threat to the City’s finances. However, the City will continue to monitor discussions related to excess ERAF³⁵.

³⁴ City of Burlingame, *FY 2023-24 Budget*

³⁵ Communications with the City of Burlingame, 09/21/2023

Pensions & Pension liability

Over the course of FY 21-22, the City of Burlingame was able to significantly reduce its net pension liability by \$28.4M to \$47.9M by end of June 30, 2022. To address growing pension liabilities, the City implemented a plan in FY 17-18 to annually set aside additional funding in a pension trust fund. The \$6,403,876 towards unfunded pension liability in FY 22-23.³⁶ The normal cost portion of the pension payment is estimated to be \$3 million for FY 23-24.

Other Post-Employment Benefits (OPEB)

The City's net OPEB liability decreased \$9M to \$14.2M during FY 21-22. The City established an OPEB Internal Service Fund for accumulated retiree medical benefits. The City makes periodic contributions to the California Employers' Retiree Benefits Trust Fund (CERBT) based on a percentage of payroll. Once pay-as-you-go demands exceed the internal charges to departments (estimated in FY 25-26), the trust fund will be drawn upon to cover the excess premium payments. The balance in the trust is anticipated to be approximately \$28.1 million as of June 30, 2023; the liability is anticipated to be fully funded in 2037.³⁷

b) Reserves:

The City adopted a General Fund reserve policy in FY 14-15 to shield against future economic downturns and disasters. The policy establishes a target amount to be held in reserve, including 24% of budgeted revenues to protect against drops in General Fund revenue, \$2M to respond to natural disasters and catastrophes, and \$500,000 for contingencies. The projected fund balance for the General Fund at the end of FY 23-24 is \$41M, representing over 55% of the City's annual general fund operating expenditures. However, per City staff, FY 23-24 will mark the third year that there has been a need to draw down on the economic stability reserves due to the economic downturn since the COVID-19 pandemic. The Catastrophic and Contingency reserves have been able to maintain the established targets of \$2M and \$500,000, respectively.³⁸

c) Rate and fee schedules:

The City evaluates its Master Fee Schedule annually and conducts comprehensive rate studies every three to five years. Water and sewer rates were last studied in 2021 and resulted in the implementation of capacity charges for new connections to the water and sanitary sewer systems to recover costs associated with infrastructure improvements that benefit new or expanded development. The City is planning a comprehensive rate study for FY 23-24.

d) Is the agency unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?

Although revenue is slowly recovering and the City has been able to draw on its reserves and municipal service fees and charges to fund infrastructure maintenance, replacement and

³⁶ Communications with the City of Burlingame, 07/18/2023

³⁷ Communications with the City of Burlingame, 07/18/2023

³⁸City of Burlingame, FY 2023-24 Adopted Budget

expansion projects, the City views increasing personnel costs and unfunded capital projects as a challenge to maintain balanced budgets in the long-term.

- e) Is the agency lacking financial policies that ensure its continued financial accountability and stability?

The City of Burlingame has adopted several policies to ensure its continued financial accountability and stability, including policies regarding capital investments, cost recovery, debt, the general fund reserve, interfund loans, investments and purchasing.

- f) Is the agency’s debt at an unmanageable level?

The City has an AAA credit rating for its outstanding pension obligation bonds, and an AA+ on the City’s outstanding lease revenue bonds and water and wastewater revenue refunding bonds. The rating on the City’s storm drainage revenue bonds is AA.

As of June 30, 2022, the City had 12 outstanding bonds or loans, including a taxable bond issue for pension obligations, two loans from the State of California Water Resources Control Board for improvements to the Burlingame Wastewater Treatment Plant, and a storm drain revenue bond issued under the Internal Revenue Service’s Build America Bond program.

The City’s general obligation debt limit was \$516 million, which represents 3.75% of total assessed valuation based on assessments at 100% of full market value as of June 30, 2022. With only the 2006 Pension Obligation Bonds (\$6.8 million outstanding) considered to be general obligation debt, the City’s legal debt margin was \$509 million.³⁹ The debt service for outstanding bonds or loans is budgeted on an annual basis. The majority of this debt is due in the late 2030s and early 2040s. Debt service in FY 23-24 was budgeted at \$2.8 million for general fund debt and approximately \$7 million for water, sewer, stormwater, and parking service, for a total of \$9.8 million in debt services.

Financial Ability MSR Determination

The California State Auditor has a risk indicator for the fiscal health of California cities. The City of Burlingame has a score of 59.2 out of 100 points (higher is better) and on a rating scale of “low”, “moderate”, and “high” risk, the City of Burlingame is classified as “moderate” as illustrated by the key indicators below. Pension and OPEB funding, and future costs, are the key City finance issues.

Like many public agencies, the City continues to address maintaining current levels of services as costs continue to rise. To address pension costs, the City established a CalPERS Stabilization Reserve to address changes to the CalPERS pension requirements and any reduction in CalPERS investment returns. The City Council and staff are dedicated to prudent fiscal management to ensure the continued financial health of the City.

The City is well aware of these financial liabilities and a comprehensive MSR is unlikely to contribute additional valuable information.

³⁹ City of Burlingame, *CAFR FY 2021-22*

5) Shared Service and Facilities

Status of, and opportunities for, shared facilities	Yes	Maybe	No
a) Is the agency currently sharing services or facilities with other organizations? If so, describe the status of such efforts.	X		
b) Are there any opportunities for the organization to share services or facilities with neighboring or overlapping organizations that are not currently being utilized?			X
c) Are there governance options to allow appropriate facilities and/or resources to be shared, or making excess capacity available to others, and avoid construction of extra or unnecessary infrastructure or eliminate duplicative resources?		X	

a) Is the agency currently sharing services or facilities with other organizations?

Public Works: For over a decade, the City of Burlingame shared fleet services with the Town of Hillsborough, but the Town now receives fleet maintenance service from another provider.

CCFD: In addition to the CCFP JPA with the Town of Hillsborough for fire protection and emergency services and a contract with the City of Millbrae, CCFD holds several agreements to share services with other organizations:

- Agreement with the City of San Bruno for Joint Training Program
- Agreement with the San Mateo County Pre-Hospital Emergency Medical Service Group to be a designated Paramedic First Response Service Provider. This includes Fire 911 Dispatch
- Agreement with the College of San Mateo to provide maintenance and repair services for fire apparatus and fleet vehicles
- Agreement with the Colma Fire District to provide maintenance and repair services for apparatus and fleet vehicles
- Agreement with the South San Francisco Fire Department to provide maintenance and repair services for fire apparatus and fleet vehicles

Parks and Recreation: The City has joint user agreements with the Burlingame School District (BSD) for after-school enrichment and sports, crossing guards, use of two synthetic turf fields and cost sharing for future returfing and with the San Mateo Union High School District (SMUHSD) for use of the Burlingame High School pools.

Police Department: In 2013, the Burlingame Police Department partnered with the San Bruno Police Department (SBPD) to establish a Virtual Dispatch Center to reduce redundancy for the

communications centers in both agencies. The configuration of a shared Computer Aided Dispatch (CAD), phone system, and police radio gives BPD and SBPD the ability to continue operations during an emergency, with no interruption in service. This allows the cities to dispatch for the other city from their own respective dispatch center.

Shared Services MSR Determination

The City of Burlingame partners with other organizations to share project costs and services with other governments. It shares services through being a member of numerous joint powers agencies/authorities, including with the Central County Fire District. Central County Fire District is also the first responder for emergency fire and medical calls in the unincorporated neighborhood of Burlingame Hills. LAFCo is not aware of any other opportunities that are not being utilized.

6) Accountability, Structure, and Efficiencies

Accountability for community service needs, including governmental structure and operational efficiencies	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?			X
b) Are there any issues with staff turnover or operational efficiencies?			X
c) Is there a lack of regular audits, adopted budgets and public access to these documents?			X
d) Are there any recommended changes to the organization’s governance structure that will increase accountability and efficiency?			X
e) Are there any governance restructure options to enhance services and/or eliminate deficiencies or redundancies?			X
f) Are there any opportunities to eliminate overlapping boundaries that confuse the public, cause service inefficiencies, unnecessarily increase the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices?			X

Discussion:

Burlingame is a General Law City that operates under the City Council-Manager governance structure. Under this structure, power is concentrated in the elected City Council, which is

responsible for hiring the City Manager to implement its policies. The City Council is responsible for setting policy and is ultimately accountable to the citizens for the management of City services. The City Manager is directly responsible for the management of City departments and has the responsibility for preparing the budget, directing day-to-day operations, hiring and firing personnel, and serving as the Council's chief policy advisor.

Burlingame's City Council consists of 5 councilmembers who, until recently, were elected at large. On January 18, 2022, the City Council adopted an ordinance to transition to by-district elections. Councilmembers were elected to Districts 1, 3 and 5 in the November 2022 election, and Districts 2 and 4 will be on the ballot during the November 2024 election.

- a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?

The Burlingame City Council meets every first and third Monday of the month at 7pm. The City posts the schedule for regularly scheduled City Council meetings and study sessions on their website. The calendar clearly lists the dates of each regularly scheduled Council meeting in the current calendar year, noting when there are cancelled meetings or meetings scheduled on a Tuesday instead of a Monday when it falls on a holiday.

The City Council met virtually during the COVID-19 public health state of emergency and has resumed in-person meetings in the Burlingame Council Chambers while also making virtual attendance an option for members of the public and interested parties. Instructions for how to access regular meetings by phone or via Zoom on a computer are posted on the Council meeting page along with the agenda for the upcoming City Council meeting. The meeting page also includes instructions on how to provide public comment to the Council.

Agendas are posted online and contain links to meeting minutes from the prior meeting, staff reports and, if applicable, attachments. Prior meeting information can be found online through 2008 and includes the agenda, meeting minutes, and a video recording of the meeting, when available.

LAFCo staff is not aware of any failures to comply with disclosure laws of the Brown Act within the last five years.

- b) Are there issues with staff turnover or operational efficiencies?

Since FY 18-19 the City of Burlingame has either maintained staffing levels or increased staffing compared to the prior year. LAFCo staff does not have any concerns about staff turnover or operational deficiencies in the City.

- c) Is there a lack of regular audits, adopted budgets, and public access to these documents?

City Council holds a mid-year budget study session for the current fiscal year in March and a study session to discuss the proposed budget for the upcoming fiscal year in May. Both study sessions are documented in the Meeting Calendar for the current fiscal year, and a public hearing for the proposed budget for the upcoming fiscal year is held at a regular City Council meeting prior to adoption.

The City of Burlingame prepares Comprehensive Annual Financial Reports (CAFR)/Annual Comprehensive Financial Reports (ACFR) that are audited by an independent accounting firm annually. The City has received the Government Finance Officers Association Awards for Excellence in Comprehensive Annual Financial Reporting for 12 consecutive years. Audits for FYs 2009-22 are available on the City’s website, with the most recent one completed for FY 21-22. These reports are reviewed by the City Council.

Adopted budgets, CAFRs/ACFRs, Continuing Disclosure Annual Reports, Mid-Year Financial Summaries, Five Year Budget Forecasts and the City’s Master Fee Schedules are available for public review on the City’s website.

Per the City’s FY 21-22 ACRF: Budget amendments that increase a fund’s appropriations require majority approval by the City Council. Certain budgetary re-allocations within departments require approval by the Finance Director and department heads. Budget amendments between departments are approved by the Finance Director and City Manager. A mid-year budget status report and a long-term financial forecast for the next five years are presented to the City Council as part of an ongoing assessment and evaluation of budgetary performance, with special attention to the General Fund and certain other major funds.

d-f) Changes in governance structure:

LAFCo staff is in support of ongoing conversations between the City of Burlingame and the County regarding governance and service options for the County governed Burlingame Hills Sanitary Maintenance District, which currently delivers sanitary sewer services to unincorporated Burlingame Hills. The County initiated a study in 2019 to examine governance options with the goal of improving services and facilities while keeping costs to customers in Burlingame Hills relatively low. As of this MSR, the final version of the Burlingame Hills Sewer Maintenance District Operation and Governance Options report has not yet been published. See response to Capacity and Adequacy of Public Services regarding the annexation of the Burlingame Hills Area.

Accountability, Structure, and Efficiencies MSR Determination

There are no recommended changes to the organization’s governmental structure or operations that will increase accountability and efficiency. In 2022, the City Council representation established districts instead of being elected at large. The City has ample staff with subject matter capacity. The City has comprehensive policies regarding investment policy, debt management, credit card usage, purchasing, project accounting, and budget transfer requests. The City also has personnel, general and administrative policies, City Council member and meetings policies. The City performs annual independent audits and audits are reviewed at a City Council meeting.

7) Other

Any other matter related to effective or efficient service delivery, as required by commission policy.	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
a) Are there any other service delivery issues that can be			X

resolved by the MSR/SOI process?			
b) Water Resiliency and Climate Change			
i) Does the organization support a governance model that enhances and provides a more robust water supply capacity?	X		
ii) Does the organization support multi-agency collaboration and a governance model that provide risk reduction solutions that address sea level rise and other measures to adapt to climate change?	X		
c) Natural Hazards and Mitigation Planning			
i) Has the agency planned for how natural hazards may impact service delivery?	X		
ii) Does the organization support multi-agency collaboration and a governance model that provides risk reduction for all natural hazards?	X		

a) Other service delivery issues that can be resolved by the MSR/SOI process.

LAFCo staff has not identified other service delivery issues that could be resolved through the MSR/SOI process.

b) Water Resiliency and Climate Change

The Community Development Department has established the “Bayfront Commercial” zoning district with requirements to mitigate sea level rise. The City is also a participant in One Shoreline, formally known as the San Mateo County Flood and Sea Level Rise Resiliency District. On October 10, One Shoreline released a statement regarding a proposed a multi-jurisdictional project to protect built and natural areas along the San Francisco Bay Shoreline south of San Francisco International Airport near and within the cities of Millbrae and Burlingame from coastal flooding and sea level rise⁴⁰.

In the City’s 2020 Urban Water Management Plan, Burlingame identified several activities and demand management measures related to future droughts and the maintenance of water usage goals and such as enforcement of prohibited water use restrictions, public education and outreach, metering, and conservation pricing. In addition, the City also administers rebate programs for the purchase of high efficiency toilets and washing machines and offers discounted pricing for a smart irrigation controller and a water saving fixture giveaway, among other incentivizing programs.

⁴⁰ <https://oneshoreline.org/projects/millbrae-burlingame/>

c) Natural Hazards and Mitigation Planning

The City has removed vegetation in Mills Canyon to reduce the threat of wildfires there. The City has also been working to remove or reduce trees that became destabilized in the recent storms. The City continues to implement capital improvement projects to upgrade the City’s storm drain systems to increase capacity to prevent flooding during storms. The City is planning new improvements at the wastewater treatment plant to account for future sea level rise.

In addition, the City participates in the multi-jurisdictional Hazard Mitigation Plan for San Mateo County.

Other Issues MSR Determination

The City is engaged in activities to address natural hazard mitigation and sea level rise for the City residents, business, and infrastructure.

Recommendation:

1. LAFCo encourages the City to continue its work in the areas of natural hazard mitigation and sea level rise and to continue to coordinate with partner agencies on ongoing and future projects, such as the One Shoreline Millbrae and Burlingame Shoreline Area Protection and Enhancement Project.

Section 5. Sphere of Influence Review and Update

Determinations

Section 56425 requires the Commission to make determinations concerning land use, present and probable need for public facilities and services in the area, capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide, and existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency. These include the following determinations:

1. **The present and planned land uses in the area, including agricultural and open space lands.**

Burlingame’s sphere of influence spans approximately 5.8 square miles, of which 4.4 miles consist of developable land and the remaining 1.4 include Mills Canyon Preserve and the San Francisco Bay. The City is bordered by Millbrae to the north; San Francisco Bay to the east; San Mateo, Hillsborough, and unincorporated Burlingame Hills to the south; and a portion of Burlingame Hills and another unincorporated area to the west. The City’s land use is primarily residential with two major commercial areas and an auto row. There is no agricultural land within Burlingame’s SOI.

2. **The present and probable need for public facilities and services in the area.**

The City’s facilities and services meet the current need of the area, and the City anticipates that it will be able to adequately provide facilities and services for the projected growth that may occur within its boundaries.

3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

The City is anticipated to be able to meet service demands of foreseeable growth with project infrastructure improvements and other mitigation measures. The City routinely adopts and dedicates funding to a Capital Improvement Plan (CIP) for City owned infrastructure and facilities.

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.

There are no social or economic communities of interest within the City of Burlingame’s SOI.

5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to Section 56425(g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

No change to the Sphere of Influence of the City of Burlingame is proposed at this time.

On the basis of the Municipal Service Review:

Staff has reviewed the agency’s Sphere of Influence and recommends that a SOI Update is NOT NECESSARY in accordance with Government Code Section 56425(g). Therefore, NO CHANGE to the agency’s SOI is recommended and SOI determinations HAVE NOT been made.

Staff has reviewed the agency’s Sphere of Influence and recommends that a SOI Update IS NECESSARY in accordance with Government Code Section 56425(g). Therefore, A CHANGE to the agency’s SOI is recommended and SOI determinations HAVE been made and are included in this MSR/SOI study.



Source: Esri, DigitalGlobe, GeoEye, IGN, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, Swayze, and the GIS User Community

BURLINGAME SPHERE OF INFLUENCE

Appendix A. City of Burlingame Fact Sheet

City Manager: Lisa K. Goldman

Address: 501 Primrose Road, Burlingame, CA 94010

Email Address: lgoldman@burlingame.org

Phone Number: 650-558-7204

Date of Incorporation: June 6, 1908

City Councilmembers:

Councilmember	Term Expiration Date
Michael Brownrigg, Mayor	November 2026
Donna Colson, Vice Mayor	November 2024
Emily Beach	November 2024
Ricardo Ortiz	November 2026
Peter Stevenson	November 2026

Compensation: Councilmembers receive an annual salary of \$7,080.48. Appointed board and commission members do not receive compensation. Health, dental and vision benefits are offered to City Councilmembers.

Public Meetings: Every first and third Monday of the month at 7pm

Services Provided: Police protection, water, wastewater, storm drain and flood control, street maintenance, street lighting, parks and recreation, library, public transportation

Area Served: City of Burlingame

Population: 31,386

Sphere of Influence: Boundaries of Burlingame and unincorporated Burlingame Hills

FY 2023-24 Budget: \$149.24 million

Appendix B. References

- A. California State Auditor, Local Government High Risk Dashboard, [https://
www.auditor.ca.gov/local_high_risk/lhr-main-landing](https://www.auditor.ca.gov/local_high_risk/lhr-main-landing)
- B. City of Burlingame MSR response letters

Capacity and Adequacy of Public Facilities and Services

1. Burlingame's housing element plans for a 25% increase in housing units. How is the City preparing for the impact on this potential growth on municipal services?

The Housing Element reflects the direction of the Burlingame General Plan, which was adopted in 2019. The General Plan was evaluated through an Environmental Impact Report (EIR). The EIR concluded that no immediate changes to the system would be needed to meet the demands of growth, as the water and wastewater master plans already anticipated growth consistent with the General Plan. The growth projections of the General Plan were consistent with earlier projections from the Association of Bay Area Governments (ABAG), from which the water and wastewater master plans referenced. The EIR concluded that the collective, cumulative mitigating benefits of the General Plan policies included in the Infrastructure Element of the General Plan (Chapter 7) will result in a less-than-significant impact related to the identified significance criterion and the corresponding utility.

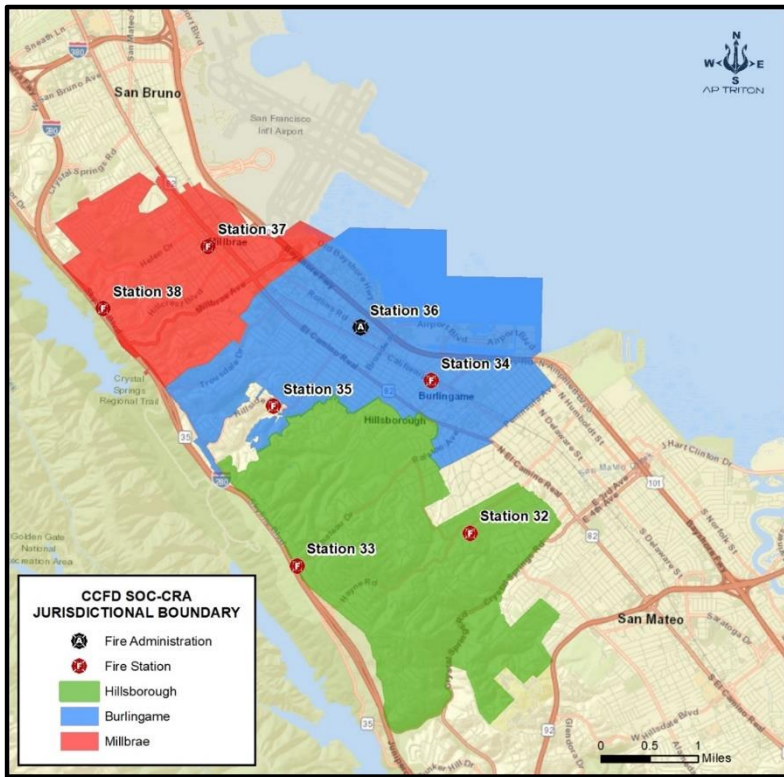
In order to meet the obligations of the Regional Housing Needs Allocation (RHNA) assigned to Burlingame for the sixth housing element cycle, the Draft 2023-2040 Housing Element projects 306 additional housing units beyond the 2,951 units projected in the 2019 General Plan. An addendum to the General Plan EIR is being prepared to evaluate additional environmental impacts, if any, from the additional 306 units. Preliminary analysis has indicated that any additional impacts would be less-than-significant, and that adequate capacity exists to accommodate the additional units. The addendum to the EIR is anticipated to be completed in August 2023.

2. Please provide the year that each existing police and fire station was constructed.

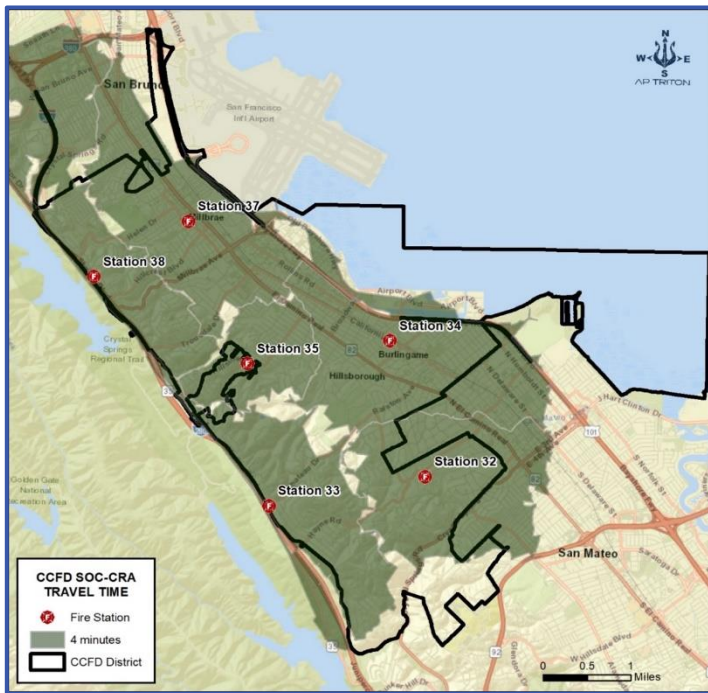
- Burlingame Fire Station 34, 799 California Drive, built 1994
- Burlingame Fire Station 35, 2823 Hillside Drive, built 1950
- Burlingame Administration Station 36, 1399 Rollins Road, built 1961
- Police Station, 1111 Trousdale Drive, built in 1983

3. Please provide beat/service maps for police and fire services.

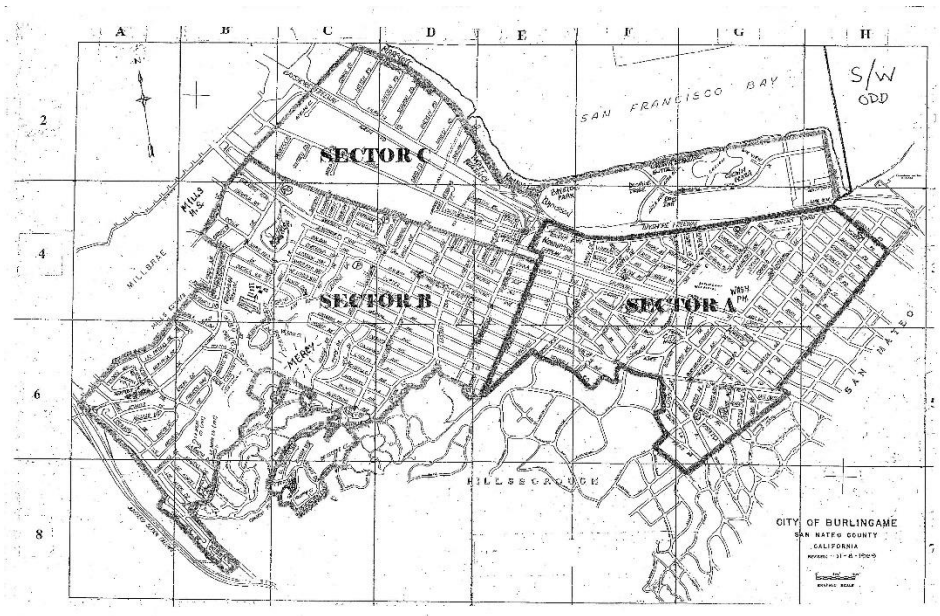
Central County Fire Department: Jurisdictional Boundary



Projected CCFD 4-Minute Travel Times from Stations



Police Department Beat Map



4. Does the City anticipate any changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades?

The City does not anticipate any changes in state regulations that will require significant facility and/or infrastructure upgrades at this time.

5. Is there adequate staffing and facilities to meet demand for the park and rec programs?

Parks and Recreation staffing is lean but can accommodate the community's current needs. As additional bioretention areas and new parks are added to the scope of work for the Parks Division, additional staffing may be needed. The anticipated growth in population may strain the already heavily used park system. The City opened a new Community Center in 2022; that facility should be able to meet the community's needs for many years. The City does not have an indoor gymnasium but is able to partner with the local K-8 district to use theirs.

6. Please characterize the existing relationship with the Central County Fire Department. Does the City anticipate any changes to the structure of the JPA or to services provided to the City by the JPA in the near term?

The Central County Fire Department (CCFD) was established through a Joint Powers Agreement (JPA) between the City of Burlingame and the Town of Hillsborough, with essential support services, such as finance and human resources, provided by the two cities. This partnership and JPA structure promotes more efficient administration and effective delivery of services without the additional overhead of a completely independent JPA agency. In December 2014, the Department entered into an agreement with the City of Millbrae to provide fire protection and emergency medical services.

The Department is governed by a Board of Directors ("Board"), consisting of two Councilmembers from each city, representing the cities in determining the level of fire, emergency medical, and disaster preparedness services to be provided. All major decisions by the Board require ratification by the respective City Councils. The City Managers of Burlingame and Hillsborough alternate serving as the Chief Administrative Officer of the Department for a two-year period. This model, together with the joint budget, provides an effective tool in maximizing the delivery of fire services, controlling costs, and maintaining local control in determining service levels.

The City of Burlingame does not anticipate any changes to the structure of the JPA or to the service provided to the City of Burlingame by the JPA in the near future.

7. What is the current ISO rating for the Central County Fire Department for Burlingame?

The current ISO rating for the Central County Fire Department for Burlingame is 2.

8. Please provide the current status of discussions with the County of San Mateo regarding the unincorporated area of Burlingame Hills. Does the City anticipate any changes service delivery or government structure for Burlingame Hills in the near term?

There are no ongoing discussions regarding any changes to service delivery for the unincorporated area of Burlingame Hills. In 2019, the City responded to a San Mateo County study regarding providing services to the unincorporated area of Burlingame Hills. In April and May 2022, the County's consultant asked the City for additional information in order to update the study. The City has not received a final version of the study, and no further action has been taken. The City does not anticipate any changes to service delivery or government structure in the near term.

9. How are costs allocated for fire calls for service that originate from unincorporated area of Burlingame Hills that are responded to by Central County Fire Department?

All San Mateo County fire agencies operate under automatic aid agreements, which cover services for Burlingame Hills. Cost are absorbed by each agency.

Financial Ability

1. Has the City experienced any challenges in raising rates or fees? How often are rates evaluated?

The Burlingame community has been very supportive of municipal services and in November 2022, Burlingame voters approved a business license tax, Measure X, with 75% voting yes. (The voters also approved a quarter-cent sales tax increase in 2017.)

The City of Burlingame evaluates its Master Fee Schedule annually, and a comprehensive study is planned for fiscal year 2023-24.

It is always challenging to raise water, sewer, and garbage rates. These rates are evaluated every three to five years.

2. Please provide copies of any adopted financial policies.

Please see the following policies, attached:

- Capital Investment Reserve Policy
- Cost Recovery Policy
- Debt Policy
- General Fund Reserve Policy
- Interfund Loan Policy
- Investment Policy
- Purchasing Policy

3. What are the City's current payments to CalPERS? What is the employee's portion of the CalPERS liability?

The City made a payment of \$6,403,876 for the fiscal year 2022-23 Unfunded Pension Liability amount. The normal cost portion of the pension payment is estimated to be \$3 million for the current fiscal year. Employees pay the following:

- a) Miscellaneous – Classic member – 8% + 1.5% of employer’s portion
- b) Miscellaneous – PEPRA – 7.25%
- c) Safety - Classic member – 9% +4% of employer's portion
- d) Safety – PEPRA – 13.75%

4. How has the City addressed unfunded pension liability costs now and in the near future?

In October 2017, the City first participated in the Public Agency Retirement Services’ (PARS) Public Agencies Post-Employment Benefits Trust, a § 115 Trust established for the exclusive purpose of funding pension obligations, with an initial contribution of \$3.7 million. The plan is designed to protect the City’s fiscal health in future years by setting aside funds for use when the City’s required CalPERS contribution rates rise above pre-established threshold rates. As of June 30, 2023, the anticipated balance in the account is approximately \$20.4 million.

5. How has the City addressed OPEB costs to date and what is planned for the near future?

The OPEB (Other Post-Employment Benefits) Internal Service Fund was established in fiscal year 2013-14 to account for the funding of accumulated retiree medical benefits. The City makes periodic contributions to the California Employers’ Retiree Benefits Trust Fund (CERBT), an irrevocable trust fund established specifically for this purpose, based on a percentage of payroll. Funds deposited in the CERBT account, established for Burlingame’s OPEB obligations, are invested with like funds in order to accelerate the pay-off of the City’s liability. Once pay-as-you-go demands exceed the internal charges to departments (estimated in fiscal year 2025-26), the trust fund will be drawn upon to cover the excess premium payments. The balance in the trust is anticipated to be approximately \$28.1 million as of June 30, 2023; the liability is anticipated to be fully funded in 2037.

6. What has been the staffing level over the last 5 years for the City?

<i>Fiscal Year</i>	<i>FTE #</i>
<i>FY2018-19</i>	<i>214.15</i>
<i>FY2019-20</i>	<i>214.27</i>
<i>FY2020-21</i>	<i>222.02</i>
<i>FY2021-22</i>	<i>222.02</i>
<i>FY2022-23</i>	<i>225.02</i>

7. Does the City anticipate any budget challenges in the foreseeable future?

The COVID-19 pandemic has greatly impacted the City’s revenue sources. Although revenues are slowly recovering, they have not yet reached pre-pandemic levels. Increasing personnel costs and unfunded capital projects continue to present a challenge in developing a budget that is sustainable for the long term.

Shared Services and Facilities

1. Has the City pursued other shared services or considered consolidation with other providers (i.e. 911 dispatch, training facilities, fleet maintenance, use of Burlingame School District or San Mateo Union High School District facilities)?

Public Works:

For more than a decade, the City of Burlingame provided shared fleet services to the Town of Hillsborough. Approximately two years ago, however, the Town of Hillsborough elected to obtain fleet maintenance services from other providers.

CCFD:

1. Joint Powers Agreement with Burlingame and Hillsborough
2. Agreement between Central County Fire Department and the City of Millbrae for Fire and Emergency Service.
3. Agreement for Joint Training Program between the Central County Fire Department and the City of San Bruno.
4. Agreement with the San Mateo County Pre-Hospital Emergency Medical Service Group to be a designated Paramedic First Response Service Provider. This includes Fire 911 Dispatch.
5. Agreement between the Central County Fire Department and the College of San Mateo for provisions of maintenance and repair services for fire apparatus and fleet vehicles.
6. Agreement between the Central County Fire Department and the Colma Fire District for provision of maintenance and repair services for apparatus and fleet vehicles.
7. Agreement between the Central County Fire Department and the South San Francisco Fire Department for provision of maintenance and repair services for fire apparatus and fleet vehicles. (This was set up as a back-up to the SSFFD maintenance shop)

Parks and Recreation:

The City has joint use agreements with both the Burlingame School District (BSD) and the San Mateo Union High School District (SMUHSD). The SMUHSD agreement is for joint use of the Burlingame High School pools. The Burlingame School District agreement includes after-school enrichment and sports, crossing guards, use of the two District synthetic turf fields, and cost-sharing for future returfing.

Police Department:

In 2013, the Burlingame Police Department established a Virtual Dispatch Center partnership with the San Bruno Police Department. The virtual dispatch center created redundancy for the communications centers in both agencies. The configuration of a shared Computer Aided Dispatch (CAD), phone system, and police radio gives BPD and SBPD the ability to continue operations during an emergency, with no interruption in service. In essence, either city can dispatch for the other city from their own respective dispatch center.

Accountability, Structure, and Efficiencies

1. Have there been any failures to comply with disclosure laws and the Brown Act within the last five years?

The City is not aware of any failures to comply with disclosure laws or the Brown Act within the last five years.

2. Are there any issues with staff turnover or operational efficiencies?

Similar to many of the cities on the Peninsula, the City has experienced staff turnover, particularly in the Public Works and Parks maintenance areas. The high cost of living in the area has also resulted in smaller applicant pools. Despite the turnover, the City has been able to maintain its service levels.

Other

1. What actions has the City taken regarding potential sea level rise and climate change? Has the city constructed any stormwater systems to help address runoff?

The Community Development Department has established the “Bayfront Commercial” zoning district with requirements to mitigate sea level rise. The City is working with the OneShoreline District to implement a Sea Level Rise Shoreline Protection Project to mitigate flooding. The project is currently in the planning phase, and the study area includes both Burlingame and Millbrae.

2. What actions has the City taken regarding the impacts of natural hazards in the City?

- The City has removed vegetation in Mills Canyon to reduce the threat of wildfires there. The City has also been working to remove or reduce trees that became destabilized in the recent storms.
- The City continues to implement capital improvement projects to upgrade the City’s storm drain systems to increase capacity to prevent flooding during storms.
- The City is planning new improvements at the wastewater treatment plant to account for future sea level rise.

From: [FIN-Helen Yu-Scott](#)
To: [MGR-Lisa Goldman](#); [Sofia Recalde](#)
Cc: [MGR-Jeremy Kirshner](#); [Rob Bartoli](#)
Subject: RE: LAFCo mtg & Burlingame MSR
Date: Thursday, September 21, 2023 4:27:53 PM

Hello Sofia,

The state has attempted to take away the excess ERAF from us for the last 20 years. However, I do not believe the revenue source will go away anytime soon. The City has budgeted \$3.2 million for the excess ERAF revenue in its FY2023-24 General Fund budget for general operations. The City considers the freeze or take away of the excess ERAF as a threat that will take away our ability to deliver services to our community. We will monitor it carefully and review it on an annual basis.

Thank you!

Helen Yu-Scott

Finance Director

501 Primrose Road | Burlingame, CA 94010

Tel. (650) 558-7222 | hyscott@burlingame.org

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From: MGR-Lisa Goldman <lgoldman@burlingame.org>
Sent: Thursday, September 21, 2023 12:09 PM
To: Sofia Recalde <srecalde@smcgov.org>
Cc: MGR-Jeremy Kirshner <jkirshner@burlingame.org>; Rob Bartoli <RBartoli@smcgov.org>; FIN-Helen Yu-Scott <hyscott@burlingame.org>
Subject: RE: LAFCo mtg & Burlingame MSR

Thank you Sofia. We will take one last look at the MSR to see if we recommend any changes.

I'm copying our Finance Director Helen Yu-Scott on this message. Helen, can you respond to the excess ERAF questions highlighted below?

Thanks.

Lisa

Lisa K. Goldman

City Manager

501 Primrose Road | Burlingame, CA 94010

Tel. (650) 558-7204 | lgoldman@burlingame.org

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From: Sofia Recalde <srecalde@smcgov.org>
Sent: Thursday, September 21, 2023 11:51 AM
To: MGR-Lisa Goldman <lgoldman@burlingame.org>
Cc: MGR-Jeremy Kirshner <jkirshner@burlingame.org>; Rob Bartoli <RBartoli@smcgov.org>
Subject: RE: LAFCo mtg & Burlingame MSR

Hi Lisa,

The Commission approved the circulation draft of the MSR for the City of Burlingame at yesterday's LAFCo meeting, and the final MSR will be scheduled for a special LAFCo meeting on October 25 at 2:30pm. The comment period for the circulation draft MSR is open, and you may submit any additional comments to us by Friday, October 13. In addition, LAFCo staff will be holding a virtual public workshop the first week of October, and you and City staff are welcome to attend. We will let you know as soon as the date and time have been confirmed.

During yesterday's meeting, the Commission had a question regarding the excess ERAF that the city receives. As you know, there have been recent attempts to freeze the amount of excess ERAF that agencies receive or even eliminate the funds all together. Has the City evaluated the potential reduction or loss of excess ERAF and impacts to the City's budget? How are excess ERAF funds allocated in the General Fund (ie, are the funds programed for operations, reserve funds, debt service, or other)?

Please let us know if you have any questions.

Thank you,

Sofia

From: Sofia Recalde
Sent: Thursday, September 14, 2023 3:34 PM
To: MGR-Lisa Goldman <lgoldman@burlingame.org>
Cc: MGR-Jeremy Kirshner <jkirshner@burlingame.org>; Rob Bartoli <RBartoli@smcgov.org>
Subject: RE: LAFCo mtg & Burlingame MSR

Hi Lisa,

That is ok. We will follow up with you after the meeting with any comments from the Commission and to review next steps.

Thank you,

Sofia

RESOLUTION NO. 1311

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF THE COUNTY OF SAN MATEO
MAKING DETERMINATIONS PURSUANT TO GOVERNMENT CODE
SECTION 56430 FOR THE CITY OF BURLINGAME**

RESOLVED, by the Local Agency Formation Commission of the County of San Mateo, State of California, that:

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, set forth in Government Code Section 56000 et seq., governs the organization and reorganization of cities and special districts by local agency formation commissions established in each county, as defined and specified in Government Code Section 56000 et seq.,

WHEREAS, Government Code Section 56425 et seq. requires the Local Agency Formation Commission (LAFCo or Commission) to develop and determine the sphere of influence of each local governmental agency within the County; and

WHEREAS, the Commission conducted a Municipal Service Review pursuant to Government Code Section 56430 for the City of Burlingame;

WHEREAS, the Executive Officer prepared a written report of the Municipal Service Review that was provided to the Commission and affected agencies; and

WHEREAS, the Executive Officer set a public hearing date for October 25, 2023, for the consideration of the final Municipal Service Review and caused notice thereof to be posted, published and mailed at the times and in the manner required by law at least twenty-one (21) days in advance of the date; and

WHEREAS, the Commission heard and fully considered all the evidence presented at a public hearing held on October 25, 2023; and

WHEREAS, a public hearing by this Commission was held on the report and at the hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to the proposal and the Executive Officer's report; and

WHEREAS, the Commission is required pursuant to Government Code Section 56430 to make statement of written determinations with regards to certain factors; and

WHEREAS, the Commission is required pursuant to Government Code Section 56425 and local Commission policy to make statement of written determinations with regards to the following factors:

1. The present and planned land uses in the area, including agricultural and open-space lands.

Burlingame's sphere of influence spans approximately 5.8 square miles, of which 4.4 miles consist of developable land and the remaining 1.4 include Mills Canyon Preserve and the San Francisco Bay. The City is bordered by Millbrae to the north; San Francisco Bay to the east; San Mateo, Hillsborough, and unincorporated Burlingame Hills to the south; and a portion of Burlingame Hills and another unincorporated area to the west. The City's land use is primarily residential with two major commercial areas and an auto row. There is no agricultural land within Burlingame's SOI.

2. The present and probable need for public facilities and services in the area.

The City's facilities and services meet the current need of the area, and the City anticipates that it will be able to adequately provide facilities and services for the projected growth that may occur within its boundaries.

3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

The City is anticipated to be able to meet service demands of foreseeable growth with project infrastructure improvements and other mitigation measures. The City routinely adopts and dedicates funding to a Capital Improvement Plan (CIP) for City owned infrastructure and facilities.

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.

There are no social or economic communities of interest within the City of Burlingame's SOI.

5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to Section 56425(g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

No change to the Sphere of Influence of the City of Burlingame is proposed at this time.

WHEREAS, based on the results of the MSR, staff has determined that the SOI for the City of Burlingame is coterminous and does not need to be updated at this time; and

WHEREAS, the Municipal Service Review is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) under Section 15303, Class 6, which allows for basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. The Municipal Service Review collects data for the purpose of evaluating municipal services provided by an agency. There are

no land use changes or environmental impacts created by this study.

The Municipal Service Review also is exempt from CEQA under the section 15061(b)(3), the common-sense provision, which states that CEQA applies only to projects which have the potential for causing a significant effect on the environment and where it is certain that the activity will have no possible significant effect on the environment, the activity is exempt from CEQA; and

NOW, THEREFORE, the Local Agency Formation Commission of the County of San Mateo DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. By Resolution, the Commission accepts the Executive Officer's Report dated October 25, 2023, Final Municipal Service for the City of Burlingame, and all written comments and attachments incorporated herein and contained in attached "Exhibit A."

Section 2. By Motion, the Commission adopts the Municipal Service Review determinations set forth in "Exhibit B" which is attached and hereby incorporated by reference.

Regularly passed and adopted this 25th day of October 2023.

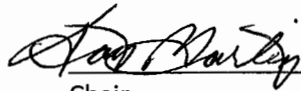
Ayes and in favor of said resolution:

Commissioners: Tygaris Bigstyc
Virginia Chang-Kiraly
Ray Mueller
James O'Neill
Harvey Rarback
Warren Slocum
Kati Martin

Noes and against said resolution:


Commissioners Absent and/or Abstentions:

Commissioners: Ann Draper



 Chair
 Local Agency Formation Commission
 County of San Mateo
 State of California

ATTEST:



 Executive Officer
 Local Agency Formation Commission

Date: October 25, 2023

I certify that this is a true and correct copy of the resolution above set forth.

Date: _____

 Clerk to the Commission
 Local Agency Formation Commission

Exhibit B

Municipal Service Review (MSR) Areas of Determination and Recommendations for the City of Burlingame

Areas of Determinations and Recommendations

Growth and population projections for the affected area.

Determination

Currently, there are an estimated 13,170 housing units in the City of Burlingame. Burlingame's draft housing element proposes to add 3,257 housing units to the City's housing stock, which represents a 25% increase in housing production over the next decade. However, the City General Plan largely evaluated this potential future growth. The City has identified deficiencies in its water, wastewater and storm drainage infrastructure and has prioritized and allocated funding for capital improvement projects.

Recommendation

- None

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the SOI.

Determination

The City provides water service outside of its boundaries to unincorporated Burlingame Hills and to an unincorporated area to the southwest of the City along Skyline Boulevard. The County supports the unincorporated areas with sewer service and street and sidewalk maintenance. These two unincorporated areas within the Sphere of Influence of the City of Burlingame are not considered disadvantaged unincorporated communities.

Recommendation

- None

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.

Determination

LAFCo is not aware of any deficiencies in agency capacity to meet existing service needs for which the agency does not have a plan in place to resolve. The City is anticipated to be able to meet service demands of foreseeable growth with project infrastructure improvements and other mitigation measures. The City routinely adopts a Capital Improvement Plan (CIP) for City owned infrastructure and facilities.

Fire protection services are provided by the Central County Fire Department, a Joint Powers Agreement (JPA) between the City of Burlingame and Town of Hillsborough. In March 2023, CCFD published a Community Risk Assessment/Standards of Care & Deployment Analysis that

made several recommendations, including the development of a capital improvement plan for fire stations, vehicles and apparatus that are in poor condition and the construction or relocation of the Administrative Facility building.

As identified in the draft Burlingame Hills Sewer Maintenance District Operation and Governance Options report, the annexation of the Burlingame Hills area to the City is an option that could be explored by both the City and the County. Burlingame Hills is an unincorporated island, surrounded by the City of Burlingame and Town of Hillsborough and is largely developed. Similar to other unincorporated islands in the County, Burlingame Hills is governed and served by the County, inherently create public service inefficiencies. LAFCo support efforts to annex unincorporated islands to their neighboring cities as identified in their SOIs.

The annexation could benefit existing Burlingame Hills residents by allowing for potential economies of scales regarding sewer service and help minimize sewer rate increases. Annexation of Burlingame Hills (and two other unincorporated areas) could produce a fiscal “break-even” for the City’s budget. Depending on property tax share negotiations required for an annexation, which is a discretionary process between the City and the County, the tax sharing could create fiscal benefits to the City in excess of costs as well.

Recommendations

- In alignment with the Draft Burlingame Hills Sewer Maintenance District Operation and Governance Options Study, the City should continue to explore potential opportunities for shared services or governance changes related to the Burlingame Hills Sewer Maintenance District. This could include the operation of the District by the City or the eventual annexation of unincorporated Burlingame Hills into the City of Burlingame.
- The City should partner with the Town of Hillsborough to review the recommendations in the CCFD Community Risk Assessment to prepare a capital improvement plan and CIP budget for fire stations, vehicles and apparatus that are in poor condition and the construction or relocation of the Administrative Facility building.

Financial ability of agencies to provide services.

Determination

The California State Auditor has a risk indicator for the fiscal health of California cities. The City of Burlingame has a score of 59.2 out of 100 points (higher is better) and on a rating scale of “low”, “moderate”, and “high” risk, the City of Burlingame is classified as “moderate” as illustrated by the key indicators below. Pension and OPEB funding, and future costs, are the key City finance issues.

Like many public agencies, the City continues to address maintaining current levels of services as costs continue to rise. To address pension costs, the City established a CalPERS Stabilization Reserve to address changes to the CalPERS pension requirements and any reduction in CalPERS

investment returns. The City Council and staff are dedicated to prudent fiscal management to ensure the continued financial health of the City.

The City is well aware of these financial liabilities and a comprehensive MSR is unlikely to contribute additional valuable information.

Recommendations

- None

Status of, and opportunities for, shared facilities.

Determination

The City of Burlingame partners with other organizations to share project costs and services with other governments. It shares services through being a member of numerous joint powers agencies/authorities, including with the Central County Fire District. Central County Fire District is also the first responder for emergency fire and medical calls in the unincorporated neighborhood of Burlingame Hills. LAFCo is not aware of any other opportunities that are not being utilized.

Recommendation

- None

Accountability for community service needs, including governmental structure and operational efficiencies.

Determination

There are no recommended changes to the organization's governmental structure or operations that will increase accountability and efficiency. In 2022, the City Council representation established districts instead of being elected at large. The City has ample staff with subject matter capacity. The City has comprehensive policies regarding investment policy, debt management, credit card usage, purchasing, project accounting, and budget transfer requests. The City also has personnel, general and administrative policies, City Council member and meetings policies. The City performs annual independent audits and audits are reviewed at a City Council meeting.

Recommendations

- None

Any other matter related to effective or efficient service delivery, as required by LAFCo policy including the following:

i. Water Resiliency and Climate Change

ii. Impact of Natural Hazards and Mitigation Planning

Determination

The City is engaged in activities to address natural hazard mitigation and sea level rise for the City residents, business, and infrastructure.

Recommendation

- LAFCo encourages the City to continue its work in the areas of natural hazard mitigation and sea level rise and to continue to coordinate with partner agencies on ongoing and future projects, such as the OneShoreline Millbrae and Burlingame Shoreline Area Protection and Enhancement Project.