

SAN MATEO

**LOCAL AGENCY FORMATION COMMISSION**

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December 12, 2012

TO: Members, Local Agency Formation Commission

FROM: Martha Poyatos, Executive Officer

SUBJECT: Circulation Draft Municipal Service Review and Sphere of Influence Update (Information Only)

Summary:

It is recommended that the Commission receive the attached Circulation Draft Municipal Service Review and Sphere of Influence Update (and comments received to date) for the Highlands Recreation District as information only and schedule a public hearing for March 20, 2013. This lead time is requested for a number of reasons outlined below.

LAFCo staff completed and distributed a Circulation Draft Municipal Service Review and Sphere of Influence Update (MSR/SOI) for the Highlands Recreation District (HRD) on November 16 with a request for comments by December 12, 2012. However, because there is considerable anxiety at the District regarding what impacts the not yet published MSR/SOI report for the City of San Mateo, County Service Area 1, Crystal Springs County Sanitation District and related County-governed districts may have on the HRD, the District declines to comment on the HRD MSR/SOI circulation draft until they have had the opportunity to review the San Mateo MSR/SOI circulation document.

Today LAFCo staff learned that comments on data contained in the administrative draft of the San Mateo MSR/SOI would not be returned until early to mid-January due to the holidays and other deadlines. This combined with the need to circulate the San Mateo Circulation Draft MSR/SOI to the City, the County, HRD and to three homeowner associations in the Highlands/Baywood Park/Baywood Plaza neighborhoods and host a meeting in the community regarding the report necessitates additional time prior to scheduling a LAFCo public hearing on the report.

Attached for your information is the Circulation Draft MSR/SOI for Highlands Recreation District along with correspondence and comments received to date. The District budget and audit may be found at www.sanmateolafco.org. A final report and recommended service review and sphere determinations will be prepared following receipt of comments from the affected agencies.

Circulation Draft
Municipal Service Review
And Sphere of Influence Update
Highlands Recreation District
November 15, 2012

Section 1: Overview

This report is a municipal service review and sphere of influence update for the Highlands Recreation District, an independent special district providing park and recreation service to a portion of the unincorporated Highlands/Baywood Park/Baywood Plaza Community in the sphere of influence of the City of San Mateo. Government Code Section 56430 requires that LAFCo complete municipal service and sphere of influence reviews on all cities and special districts. Once comments are received on this circulation draft, comments will be incorporated into a final report including recommended determinations for Commission consideration. District comments on this Circulation Draft are requested by December 12, 2012.

A sphere of influence is a plan for the boundaries of a city or special district. The Highlands Recreation District's existing sphere of influence, adopted by the San Mateo Lafco Commission in 1985 and reaffirmed regularly since, is coterminous with District boundaries with a recommendation that the District become a subsidiary district of the City of San Mateo upon annexation of the Highlands area to the City. The municipal service review is not a proposal for reorganization of agencies, in this instance the Highlands Recreation District, rather a State-mandated study of service provision in regard to the following seven areas of determination as set forth in Government Code Section 56430:

- Growth and population projections for the affected area
- The location and characteristics of any disadvantaged unincorporated communities¹ within or contiguous to the sphere of influence
- 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 influence²
- Financial ability of agencies to provide services
- Status of, and opportunities for, shared facilities
- Accountability for community service needs, including governmental structure and operational efficiencies
- Any other matter related to effective or efficient service delivery, as required by commission policy

Once adopted, the service review determinations are considered in reviewing and updating spheres of influence pursuant to Government Code Section 56425. The sphere of influence,

¹ "Disadvantaged community" means a community with an annual median household income that is less than 80 percent of the statewide annual median household income.

² Language in Italics was added by amendments chaptered and effective November 2011.

which serves as the plan for boundaries of a city or district, is discussed in the second part of this report. Simply put, the sphere of influence indicates which city can best provide municipal services to an urban area. This State-mandated study is intended to identify challenges and opportunities and provides an opportunity for the public and affected agencies to comment on district service, finances, and opportunities to share resources prior to LAFCo adoption of required determinations.

San Mateo Local Agency Formation Commission (LAFCo):

LAFCo is a State-mandated, independent commission with countywide jurisdiction over the boundaries and organization of cities and special districts including annexations, detachments, incorporations, consolidations, formations and dissolutions. Among the purposes of the commission are discouraging urban sprawl, preserving open-space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances.

The Commission includes two members of the Board of Supervisors, two members appointed by the mayors of city councils of the twenty cities, two board members appointed by the presidents of the twenty-two independent special districts, a public member appointed by county, city and special district members, and four alternate members (county, city, special district and public). LAFCo adopts a budget independently and contracts with the County of San Mateo for services. The Executive Officer serves as LAFCo staff reviewing boundary change applications and preparing municipal service reviews and sphere of influence studies. Pursuant to State law, LAFCo's net operating budget is apportioned in thirds to the County of San Mateo, the 20 cities and the 22 independent special districts.

San Mateo LAFCO prepared comprehensive sphere of influence studies and adopted spheres of influence (SOI) for cities and special districts in 1985 and 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 Act of 2000 and the new requirement to prepare municipal service reviews in conjunction with or prior to sphere updates, San Mateo LAFCo began the process of preparing Municipal Service Reviews (MSRs) and SOI updates in late 2003. Studies were first prepared on sub-regional and countywide independent special districts, followed by south county cities and special districts. A comprehensive, consultant-prepared report on the City of Half Moon Bay, Unincorporated Mid-Coast and independent special districts was prepared and adopted by the Commission in October of 2008.

Municipal Service Review/Sphere of Influence Update (MSR/SOI):

This MSR/SOI Update examines the Highlands Recreation District (HRD). MSR/SOI updates are also being prepared for the City of San Mateo, and County-governed districts that serve unincorporated areas in the City of San Mateo sphere of influence.

LAFCo prepares the MSR/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 Service Reviews and Sphere Updates are then circulated to the agencies under study and interested individuals and groups. The final MSR/SOI update will include comments on the circulation draft and recommended determinations for Commission consideration. Municipal service review determinations must be adopted before the Commission updates or amends a sphere of influence.

Section 2: Summary of Key Issues

Key issues identified in compiling information on the Highlands Recreation District (HRD) include the following:

1. HRD provides park and recreation programs in district boundaries funded primarily by recreation fees and approximately 10% of the 1% property tax³ collected in district boundaries. The next nearest active park and recreation programs that vary from those of the District are located in the City of San Mateo and at the College of San Mateo. The County of San Mateo operates a regional park system.
2. As a single purpose special district providing park and recreation service in an area with stable assessed values with funding from property tax and fee revenue, HRD is relatively insulated from the economic downturn and State shifts of local government revenue compared to the County and cities, or districts providing a broader set of services and with total assessed valuation that is more susceptible to fluctuation.
3. HRD serves a portion of the larger unincorporated Highlands/Baywood Park/Baywood Plaza area that receives a variety of services from the County including: enhanced police and fire protection by inclusion in County Service Area No. 1 funded by approximately 26% of the 1% property tax and a special parcel tax of \$65 per parcel annually; a County-governed sewer district funded with property tax and primarily user fees and a variety of small lighting and drainage districts funded with property tax. Budgets of each of these districts are distinct and segregated from each other. The HRD does not receive funding from these Districts.
4. At the writing of this report, the County, cities and special districts are considering various resource sharing and cost-cutting measures including but not limited to

³ Before ERAF (Educational Revenue Augmentation Fund), 1992 State enacted legislation in which property tax from cities and special districts is shifted to local schools as a State budget balancing tool. The District's Budget reflects the net amount of property tax received by the District after ERAF shifts.

contracting and sharing services in the areas of police, fire, parks and public works services to achieve efficiencies and economies of scale.

5. The District leverages resources through collaboration with the Highlands Community Association, Highlands Senior Network, CalFire, Sheriff's Activities League, Highlands School and Crystal Springs United Methodist Church.
6. The Board of Directors of the District has elected not to receive salary or benefits in compensation for their service as board members and serve as volunteers.
7. An opportunity exists for the District to expand open space assets by acquiring approximately 92 acres of land adjacent to District boundaries and surrounded by the Highlands/Baywood Park/Baywood Plaza resulting from approval of development of 11 residential parcels discussed below. These lands offer local and not regional benefit. Consideration of acquisition would include the cost to the District and whether lands would be open to the public or maintained as open space buffer and view shed.
8. The District's 2012-13 Budget cites various goals for this fiscal year including upgrading technology and the District's website and printed materials, improving District policy documentation and manuals and improving financial reporting. Sections of this report include observations about Board meetings, agenda, minutes and budget adoption that may assist the District in this effort.
9. An alternative to service delivery by special districts for this unincorporated area includes annexation to the adjacent City of San Mateo, which provides active park and recreation and municipal level of police and fire protection funded with a broad base of general purpose revenues and park and recreation fees. Annexation would not legally require any change in governance to the District

Section 3: Highlands Recreation District

Highlands Recreation District (District) is an independent community services district governed by a five-member board elected by voters of the District. The District was formed in 1957 pursuant to Government Code Section 61000⁴ as a financing vehicle for construction of a recreation center with swimming pool and tennis courts. The District operates a recreation center located on 3.45 acres at 1851 Lexington Avenue in the unincorporated Highlands neighborhood and maintains 41 acres of open space nearby. (Please see Attachment A for map). The recreation center includes a swimming pool, baby pool, three tennis courts, a playground, outdoor basketball/sports court, locker rooms and storage, lifeguard office and storage, fitness center, three-quarter size basketball gym, full kitchen, men and women

⁴ District enabling legislation authorizes a broad set of municipal services including water, sewer, solid waste, fire protection, public recreation, childcare, street lighting, mosquito abatement, police, library, street improvements, undergrounding electric and communication infrastructure, ambulance, cable, cemeteries, airports and transportation services. See Attachment B for complete listing of authorized services. HRD services are limited to park and recreation and childcare. If the District determined other services besides park and recreation and childcare should be activated, LAFCo approval would be required.

restrooms, storage room, 670 square foot office and restroom, social room and newly constructed licensed early education center, age appropriate playground, ADA accessible registration office and community room with kitchenette.

The District includes approximately 789 residential parcels comprising the unincorporated Highlands neighborhood or a little over half of the residential parcels located in the larger unincorporated area in the sphere of influence of the City of San Mateo.⁵ The larger unincorporated area of which all is included in the Crystal Springs County Sanitation District has a total of 1,471 parcels and also includes adjacent Baywood Park and Baywood Plaza.⁶

As noted in the District budget, the District conducts programs that provide individuals with opportunities to improve their health and fitness, continue life-long learning, enjoy outdoor areas and socialize with other members of the community. Program elements include childcare, exercise classes, aquatics programming, senior programming, sporting classes, enrichment classes and the recently constructed licensed early education center. The District's mission is to offer balanced and high quality programs that ensure all elements are offered to all age groups throughout the year at a reasonable cost.

The Budget states that the District's mission is achieved through property taxes, user fees, volunteers, donations and collaboration with the Highlands Community Association, Highlands Senior Network, CalFire, Sheriff's Activities League, Highlands School and Crystal Springs United Methodist Church.

The District operates with 15 full time staff including a General Manager, School Age Program Director, Aquatics Supervisor, Recreation Supervisor, Maintenance Supervisor, Early Education Director and After School Program Head Teacher and seven early education staff. The District also employs childcare staff, pool staff, and administrative staff totaling a high of 75 during the summer to 51 part-time staff throughout the remainder of the year, many of whom may work as few as four hours per pay period. It is noted that 70% of the year round pool staff work fewer than 10 hours per week because pool hours are reduced.

Section 4: Areas of Determination

1) Growth and population projections for the affected area

The estimated population for Highlands Recreation District is 2,193 persons based on the number of parcels in the District and the Association of Bay Area Government's (ABAG) projection of an average of 2.78 persons per household in San Mateo County. The Highlands

⁵ The Highlands Unincorporated Neighborhood has an active neighborhood association, the Highlands Community Association that regularly communicates with HRD and the County of San Mateo regarding municipal service and land use matters affecting the Highlands.

⁶ Source: San Mateo County Assessor's Office "Roll Tracker"

community is in the sphere of influence of the City of San Mateo. The ABAG population growth projections for the City of San Mateo and sphere of influence reflect growth of 14% by 2035, indicating projected growth of 307 persons for the Highlands/Baywood Park/Baywood Plaza area.⁷ These projections do not reflect limitations relative to unincorporated Highlands and recently approved Ticonderoga LLP/Chamberlain subdivision (11 homes), which included dedication of 92.47 acres to open space, thereby reducing potential infill development. Based on this project, estimated growth in the area is 30 persons assuming 11 homes and average of 2.78 persons per household.

2) The location and characteristics of any disadvantaged unincorporated communities⁸ within or contiguous to the sphere of influence.

This area of determination does not apply to the community served by the Highlands Recreation District.

3) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies

The District's facility is located at 1851 Lexington Avenue in the Unincorporated Highlands neighborhood near Highways 280 and 92. District facilities are detailed above. The recently constructed and dedicated Early Education Center and Multipurpose Room were financed through Certificate of Participation (COP) bond financing. The June 2011 Audit cited Certificates of Participation issued at \$3,195,000⁹ with annual bond payments at \$177,256 for the Fiscal Year ending June 2012. The COP requires two interest payments and one principal payment each year. The total of these payments for 2012-13 is \$226,256. The interest and principal payment liabilities are not being accrued on a monthly basis. The Discounted COP net purchase price was \$3,151,148.05 of which \$2.7 million was deposited in the Project Fund.¹⁰

As noted on page 3 of the 2012-13 Budget, "2011-2012 Recap" the Adopted 2011-12 Budget set aside funds for the initial bond interest payment of \$88,628, and the Actual 2011-12 expenditures also included the accrued installment \$59,086 due in August of 2012. Subsequent year debt service is shown in Note 5 on Page 19 of the Audit for June 2011, with annual payments totaling \$226,256, \$229,156 and \$226,956 for Fiscal Years, 2013, 2014 and 2015, respectively. The debt was issued with a maturity of September 1, 2040. The estimated construction cost including construction documents and fees, permitting, contingencies and

⁷ Of note is that the Highlands Recreation District encompasses a portion and not all of the area included in the City's sphere. The Highlands Recreation District includes 789 parcels of the total 1,471 parcels included in the unincorporated Highlands/Baywood Park/Baywood Plaza.

⁸ "Disadvantaged community" means a community with an annual median household income that is less than 80 percent of the statewide annual median household income.

⁹ June 2011 Audit, Page 4.

¹⁰ The balance included \$96,840.93 in Cost of Issuance, \$231,212.50 Reserve, and \$123,094.62 Capitalized Interest Account of Installment Payment Fund. (Source: Trustee's Receipt of Proceeds)

interior furnishings and exterior landscaping was \$3,000,000. At the adoption of the 2012-13 Budget, \$2,655,000 had been expended. It is anticipated that the yet to be completed June 2012 Audit will provide more updated information. The District budget includes information on other improvements to District facilities. Annual budgets also provide for routine maintenance, repairs and upgrades.

As noted above, there is the potential for transfer of open space lands to the District as a result of dedication of 92 acres as a component of an 11 home subdivision. Offer of transfer and annexation would analyze costs and district resources associated with maintenance of these lands. To this end, the District's 2012-13 Adopted Budget includes a goal of continuing to work toward acceptance of donation of the lands dedicated for open space from the Ticonderoga Partners Project.

4) Financial ability of agencies to provide services

Key revenue streams available to California enterprise districts such as Highlands Recreation District include fees for service and property tax. Districts may also, with voter approval, assess parcel taxes. Tools to balance budgets include: reducing service levels; deferring projects; sharing service and joint power agreements with other agencies¹¹; increasing existing taxes and fees; maximizing grant funding; and drawing down on reserves.

As a single purpose special district, funded with property tax and user fees and located in an area of the County that has not experienced significant negative effects of the downturn in the housing market affecting property tax revenues, Highlands Recreation District has been relatively insulated from the challenges faced by most local government in recent years. The assessed valuation of the District is \$410,758,325. Growth in assessed value from 2010-11 to 2011-12 was 4.97% compared to 3.33% countywide. Estimated growth in assessed value from 2011-12 to 2012-13 is 3.21% compared to 2.68 countywide.¹² In addition, the District's ability to set park and recreation fees has allowed the District to reduce reliance on property tax, working toward recovering the cost of park and recreation operations and establishing general and capital reserves.

Highlands Recreation District 's estimated actual 2011-12 park and recreation fees were \$1,755,407 in 2011-12 and property tax revenues were approximately \$366,413 in 2011-12 (unaudited). Page 1 of the 2012-13 Budget Detail reflects estimated fund balance of \$1,280,134, property tax revenues of \$365,000, Interest of \$9,000, park and recreation fees of \$2,069,697, estimated refunds and returned checks of -\$33,500, stale dated check of \$200,

¹¹ In San Mateo County, the County, cities and special districts participate in many joint power agreements for services such as animal control, fire protection, library service, sewage treatment, emergency dispatch, ambulance and transportation planning. In addition, some entities have entered into agreements to share specific positions such as battalion chief, police chief or other staff position.

¹² San Mateo County Assessor's Office on-line "Roll Tracker" <https://secure.smcare.org/apps/art/MainMenu.aspx>

miscellaneous revenues of \$11,000 for total revenue of \$2,421,397 and total resources available of \$3,701,531.

On the expenditure side for Fiscal Year 2011-12 (unaudited), estimated actual compensation and benefits are cited at \$1,226,468, operations of \$434,656, capital improvements at \$92,916 and bond interest of \$147,714 with total expenditures of \$1,901,754 excluding capital costs funded by Certificates of Participation. Page 4 of the 2012-13 Budget Detail reflects total operating expenditures of \$2,026,141, Bond Interest Payment of \$176,256, Fixed Assets of \$219,000, Appropriation for Contingencies of \$300,000, Capital Reserve of \$880,134 and General Reserve of \$100,000 for total appropriations of \$3,701,531.

The increase in both fee revenue and operating expenditures reflects primarily the first full year of operation of the new early education center. The following table represents revenues, expenditures and changes in fund balance from audits for Fiscal Years Ending June 2008 through June 2011.

Operating Surplus (Deficit)				
	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
Total Revenues	1,591,867	1,556,184	1,796,823	1,744,281
Total Expenditures	1,822,056	1,510,150	1,682,145	3,152,936 ¹³
Excess (Deficit)	(230,189)	46,034	114,678	(1,408,655)
Other Financing Sources				3,195,000
Net Change Fund Balance	(230,189)	46,034	114,678	1,786,345
Fund Balances, Beginning	1,047,801	817,612	863,646	978,324
Fund Balances, Ending	\$817,612	\$863,646	\$978,324	\$2,764,669

The District Fund Balances for the fiscal years ending June 30, 2008 through 2011 were \$817,612, \$863,646, \$978,324, and \$2,764,669, respectively as shown.¹⁴ (The 2012-13 Budget Narrative, page 4 states that the District began the fiscal year with an increase in Fund Balance of \$337,655, resulting in \$1,280,134 maintained in the County Treasury and \$144,000 in the District's Borel Bank Account. Note that fund balance figures in adopted budgets do not mirror fund balance figures in Audits. It appears that that this is due to the budget being adopted prior to completion of the Audit and the fund balance in the budget is not formally amended once the audited fund balance is available. The District indicates the Board will adopt an amended budget when the Audit for the period ending June 2012 is available. The 2008 deficit reflects increased capital projects and facilities renovation. Growth in fund balance reflects the District's planned construction of the early education center and the 2010-11 Fiscal Year receipt of bond proceeds and only partial expenditure of bond revenue. Capital reserves are

¹³ Includes capital outlay child care center bond financing of \$1,499,326.

¹⁴ Source: District Audits for Fiscal Years ending June, 2008 through June 2011

established based on the anticipated five year projections and anticipated capital projects are budgeted for each fiscal year.¹⁵

	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
Capital Outlay	303,168	344,183	534,719	593,295
Contingencies	200,000	190,000	163,500	228,000
Unreserved	314,444	329,463	280,105	1,943,374
Total	\$817,612	\$863,646	\$978,324	\$2,764,669

District Financial Guidelines stipulate that appropriation for contingency shall be no greater than 15% of expenditures and Fund Balance Reserve shall be a minimum of 15% of the operating budget. The 2012-13 Budget also includes a general reserve of \$100,000.

The District indicates that the June 30, 2012 reserves will reflect, compared to June 2011, significantly lower unreserved funds as much of these were COP funds required for construction of the Early Education Center. The District comments that the June 30 State Controller's report indicates Capital Outlay of \$473,296, Contingencies at \$300,000; and Unreserved at \$934,024 for a total of \$1,707,320.

As shown below, current assets to current liabilities indicate the District is consistently in good position to meet short term obligations.

Current Assets to Current Liabilities				
	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
Current Assets	985,536	935,415	1,147,148	3,251,450
Current Liabilities	117,803	121,890	168,824	545,886
Ratio	8.3	7.6	6.79	5.9

The District comments that as of June 30, 2012 (unaudited), the current assets are \$1,828,257 and the current liabilities are \$221,689, resulting in a ratio of 8.3. The District notes however that current assets include \$295,335 held by the Bank of Mellon, of which \$231,213 is allocated for the final year of COP payments currently scheduled for 2040, and thus are not included in current liabilities. Eliminating these funds from current assets reduces the effective ratio to 7.2.

The June 2011 Audit and 2012-13 Adopted Budget are attached to this report. Previous Fiscal Year financial information is available at (www.highlandsrec.ca.gov)

Staffing Levels:

¹⁵ The District also has established Accounting and Fraud Policies developed in response to recommendations in annual audits as well as a check signature policy requiring General Manager and Board Member signature for checks exceeding \$1,500. The Finance Committee assists in preparation of the annual budget. The Board receives monthly financial reports on the status of District finances.

As noted in the District’s budget, full-time management includes the General Manager, School Age Program Director, Aquatics Supervisor, Recreation Supervisor, Early Education Director and After School Program Head Teacher. The following table extracted from the District’s 2012-13 budget reflects staffing level funded including seasonal demands.

	Full Time	Year Round Part-time	Summer Only Part-time
Permanent Staff	6		
After School Program		10 (4.8 FTEs)	6 (5.5 FTEs)
Early Education Center	7	1	
Pool	1	21(3.8 FTEs)	21 (7.3 FTEs)
Office		2	
Maintenance	1		1
	15	34 (11.6 FTEs)	28 (13.1 FTEs)

The District comments that part-time staff is widely defined with a particularly wide range for the pool and after school program staff. The summer part time pool staff includes lifeguards and instructors who may work as little as four hours per pay period. Over nine months of the year, 70% of the year-round pool staff works fewer than 10 hours per week because the operation hours of the pool are reduced.

As reported on Page 21 of the Audit for year ended June 2011, the District’s employee benefit plan is a Tax Deferred Simple IRA Plan that is available to exempt employees who have earned more than \$5,000 in the preceding year. The District contributes a 3% match of the eligible employee’s gross annual salary for employees who choose to participate. The District’s contributions for the period ending June 30, 2011 were \$9,492. The District also offers medical insurance, dental and disability coverage for full time, year round employees that combined with IRA contributions total \$55,200 or 3.8% of total compensation and benefits in the current year budget. As an agency that offers a modest benefit packet compared to cities and the County, the District has no unfunded liability for post-retirement benefits.

Opportunities for rate restructuring

The District has an adopted fee schedule that results in fee revenues ranging from 77% to 80% of total revenues annually.

The District has a three-tier monthly rate schedule for annual pool membership fees for family and individuals for: 1) Highlands residents, 2) non-residents that live in the boundaries of County Service Area 1 which also includes Baywood Park and Baywood Plaza and 3) non-residents from other areas. Pool entrance fees for those who do not purchase annual membership are tiered for Highlands Recreation District residents versus non-residents. Tennis court keys may be purchased by Highlands Recreation District residents only. All other program

fees are tiered with a \$5 differential for non-residents.¹⁶ The only instance where a class would not have a non-residence premium is if the price for the class is required by the contract instructor to be the same price offered at other park and recreation facilities.

As noted above, Park and Recreation Fees for 2012-13 are budgeted at \$2,036,197 and property tax is estimated at \$365,000. (Property tax revenue results from a property tax share of approximately 10.5% of the 1% property tax within District boundaries.)¹⁷ Program fee revenues are anticipated to be 26% greater in the current fiscal year due to increases in all department revenues, in particularly from the Early Education Center.

At the October 9 Board of Directors meeting, the Board appointed an ad hoc committee to conduct a program fee review that would re-evaluate the resident and non-resident fees.

5) Status of, and opportunities for, shared facilities

District services are provided at Highlands Recreation Center with limited opportunity for offsite programs and limited capacity for non-resident services. As noted in the 2011-2012 Budget Narrative, the District's mission is to offer balanced and high quality programs that ensure all elements are offered to all age groups throughout the year and the District achieves this mission through support from property taxes, user fees, volunteers, donations and collaboration with the Highlands Community Association, Highlands Senior Network, CalFire, Sheriff's Activities League, Highlands School and Crystal Springs Methodist Church.

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

This section examines the degree to which an agency keeps affected residents informed about services, budget, programs, anticipated changes in service, effectiveness and efficiency in responding to service needs and the degree to which an agency encourages public participation in decision making.

¹⁶ City of San Mateo fee policy for non-residents includes a 25% surcharge with maximum surcharge of \$25.00 for program registration for non-residents who do not own property in the City of San Mateo. Several programs fees including programs operated at San Mateo Foster City Elementary School District facilities are exempt from the non-resident surcharge. Facility rental fees are subject to 25% non-resident surcharge with no maximum cap on surcharge.

¹⁷ As noted on Page 20 of the Audit for June 2011, property taxes are distributed to agencies under the Teeter Plan which allows the Controller to allocate 100% of the secured property taxes billed and not yet paid. The County remits property tax in five installments: 5% in November, 45% in December, 5% in March, 35% in April and 10% in June.

The Highlands Recreation District is governed by a five-member board, elected by voters in the district.¹⁸ The Board meets on the second Tuesday of the month at 7:00 p.m. at the Highlands Recreation District at 1851 Lexington Avenue, in the unincorporated Highlands neighborhood. Board meetings are subject to the Ralph M. Brown Act governing public meetings. The agenda is posted at the Center and on the District's website.

The Board adopts a budget annually that is developed by the Board's Finance Committee and the budget is available to the public. The budget document references fiscal policies in place that limit access to funds and to the District's financial information. The Board reviews detailed financial reports monthly and approves items prior to disbursement of funds. District accounts payable are reviewed and approved by the District Board at the Board meetings and are not reviewed by the Finance committee. The District also contracts for preparation of an annual audit.

Indicative of the small administrative staffing and past custom, written staff reports associated with agenda items are not available to the public on the District's website or at the Board meeting. Observations about District Board meetings and budget adoption practices include the following:

- 1) District Board meetings are not recorded and the minutes of meetings do not provide sufficient detail to adequately document fiscal or other decisions made by the Board such as the amount of the budget that was adopted. Minutes do not reflect Board members absent.
- 2) The Budget is adopted by motion versus by resolution and the budget document is not dated or labeled "adopted and date", which when combined with lack of recorded or detailed minutes, results in no documentation of budget adoption and spending authority. Budget narrative does not include discussion of total appropriations including reserve accounts.
- 3) The Board meeting agenda is posted and available on the website but the limited written staff reports are not posted on the website nor are they available for public review at Board meetings.
- 4) Approval of monthly expenditures are conducted as a posted agenda item after being distributed to the Board 72 hours prior to the meeting but are not reviewed by the finance committee prior to the meeting.

Useful resources for best practices in these areas include California Special Districts Association¹⁹ and Institute for Local Government.²⁰

¹⁸ San Mateo County Elections Division reports that in the last ten years, vacancies on the HRD Board have been filled by appointment because candidates ran unopposed or no candidate filed by the filing deadline.

¹⁹ See attached from CSDA website on special district educational programs.

²⁰ See www.ca-ilg.org for "Financial Management for Government Officials: Questions to Ask

In regard to operational efficiencies, District governance is efficient in that the Board of Directors serve as volunteers. The District is unique in that it is a small, single purpose special district serving an unincorporated neighborhood that is part of a larger unincorporated island immediately adjacent to a full-service city.²¹ As noted elsewhere the District along with other overlapping county-governed districts was established when the community was being developed in the 1950's and was at the time, considered remote because Highways 280 and 92 were not yet constructed and the City of San Mateo had not yet expanded to the west as it is today. The District comments that area continues to be remote because there are currently no public transportation options. However, absent public transportation Polhemus Road connects the community to Highway 92 and De Anza Boulevard, Parrot Drive, and Bellaire among other streets, connect the community to adjacent San Mateo. San Mateo's Beresford Park located at 2720 Alameda de las Pulgas is 4.1 miles or ten minutes from the District's facility and San Mateo Fire Station No. 27 located at 1801 De Anza Boulevard is 1.4 miles or five minutes from the District's facility.

In considering the cost of District services there are two perspectives. First, as a District that relies primarily on program fees, data on resident and non-resident membership is necessary to arrive at the cost of service by annual member or participant. As a District with one 3.45 acre facility and 41 acres of open space, that is funded in part by property tax and is voluntary to join, one method of arriving at the District's cost to the its tax payers is to base analysis on total property tax received by the District and estimated population which equates to \$166 per resident per year. Other measures include one community center per 2,193 residents and .02 acre of open space per resident. If the District's total budget is divided by total population, annual cost per resident is \$1,104. Again this does not take into consideration that some residents are not members and that there are non-resident members and participants.

In comparison, the adjacent City of San Mateo with a Census 2010 population of 97,207 has 300 acres of park land, 30 parks, two swimming pools, 16 tennis courts and six community centers and has one community center per 16,201 residents. The City's total Park and Recreation budget is \$14.2 million with a General Fund subsidy of \$8.8 million, which based on General Fund subsidy translates to an annual per capita cost of \$91.00 per resident. Per capita cost of the total budget of \$14.2 million would be \$146 per resident annually.

The District comments that they offer a multitude of programs that do not require membership and notes that the open space is not accessible to the public but the District funds maintenance for fire safety. The District comments that it offers programs such as year round pool and licensed day care, which are expensive and have been in some cases eliminated in the City due to financial instability.

²¹ A similar community services district is Ladera Recreation District (unincorporated Portola Valley) with a population 1,426, parcel count of 553, total assessed valuation of \$537,381,640, expenditure budget of \$538,626 and revenue budget of \$560,000 of which 72% is fee revenue and 26% is property tax.

The District website (www.highlandsrec.ca.com) and recreation guide published three times a year provide information on District recreation programs and activities, District governance, Board composition, meeting schedule, agenda, budget and audits. Board meeting agenda are posted to the website but links for staff reports are not currently provided. At the October 9 District Board meeting, it was indicated that website redesign will be undertaken in upcoming months. Redesign gives the District the opportunity to consider the following which can be considered best practice in local government: add links to staff reports associated with board meeting agendas; add board of directors term dates to the roster of board of directors; add a roster of standing committees of the board and meeting schedule; and place District audits on the same page as District budget and financial documents.

Governance Alternatives:

Section 56430 requires discussion of governance alternatives and advantages and disadvantages of reorganization. The sphere of influence of the Highlands Recreation District is coterminous with district boundaries with a recommendation that the District be established as a subsidiary district of the City of San Mateo upon annexation of the Highlands to the City. As a subsidiary district, the HRD assets, finances and liabilities would remain segregated as a reporting entity with no change in service area or mission. The primary change would be that the City Council would be the governing body. Under this sphere designation, annexations therefore would require either an amendment to the sphere of influence to add additional territory, or that the Commission adopt a finding that annexation of additional territory would not conflict with future implementation of the adopted sphere (annexation to the City of San Mateo and establishment as subsidiary district). Changes since the sphere of influence was adopted in 1985 include the District's newly constructed Early Education Center funded with Certificates of Participation and the recently approved Ticonderoga Subdivision which allows 11 new residences on the periphery of the District boundaries.

The following table illustrates the several service providers that serve the Highlands and adjacent Baywood Park area. Note as illustrated in the attached map that each entity has different boundaries and Crystal Springs County Sanitation District is the only district that encompasses all of the unincorporated area.

Highlands						
Police	Fire	Water	Sewer	Park & Recreation	Lighting	Other²²
CSA 1 ²³	CSA 1	CalWater	Crystal Springs County Sanitation District	Highlands Recreation Dist.	Bel Aire Lighting District	County of San Mateo
Baywood Park						
CSA 1	CSA 1	CalWater	Crystal Springs County Sanitation District	None ²⁴	Bel Aire Lighting District and Enchanted Hills Lighting District	County of San Mateo
Baywood Plaza						
CSA 1	CSA 1	CalWater	Crystal Springs County Sanitation District	None	Bel Aire Lighting District (Partial)	County of San Mateo

While annexation to the City of San Mateo has not been a popular notion in the community, encouraging annexation of urban areas to cities is a stated goal for LAFcos and is consistent with the County’s General Plan. In addition, discussion of annexation is required as part of the areas of determination under Section 56430. Discussion of annexation is also a benefit in that it clarifies some misconceptions about consequences of annexation. In this regard, discussion of alternatives is not intended to minimize the strong ties residents have with the District, which was formed specifically to finance recreation facilities and services for the developing Highlands neighborhood.

Consideration must also be given to the multiple, overlapping special districts detailed above that provide services to the Highlands/Baywood Park/Baywood Plaza neighborhoods. Collectively these districts receive an unusually high level of property tax to fund a service delivery model originally instituted at the time of development of the Highlands/Baywood Park subdivisions when the area was considered remote prior to construction of Highways 92 and 280 and prior to construction of the City of San Mateo nearby facilities such as the San Mateo Fire Station #27 located at 1807 De Anza Boulevard (constructed in 1972). Since development and formation of the District, the community has since evolved from remote to contiguous to City of San Mateo residential areas. It should also be noted that laws governing annexation do not require that the entire area be annexed at one time. It is possible to complete annexation in phases that might first take into consideration neighborhoods that are contiguous to City boundaries.

Because the District serves unincorporated Highlands, which is in the sphere of influence of the City of San Mateo, governance alternatives include:

²² Roads, Drainage, Solid Waste Franchise, General Government Services

²³ County Service Area 1 administered by the County Manager’s Office contracts with San Mateo County Sheriff and CalFire for service to the Highlands and Baywood Park Area.

²⁴ The County of San Mateo’s nearest regional park is Coyote Point Recreation Area. The nearest City of San Mateo Park recreation center is Beresford Recreation Center and Park. Some city residents utilize HRD facilities.

1. Annexation of the Highlands Unincorporated Area to the City of San Mateo and establishment of the District as a subsidiary district of the City of San Mateo. In this scenario the City Council would serve as governing body of the District and the District budget would remain segregated from the City's recreation budget with services continuing as they are currently provided. (Current sphere designation)
2. Annexation of Highlands Unincorporated Area to the City of San Mateo and continued existence of the District as a separate independent district, which is permitted by enabling legislation. (Status Quo)
3. Amendment of the sphere of influence and expansion of Highlands boundaries to include balance of unincorporated area, taking into consideration: a) annexation would not include a property tax transfer and would instead rely on a two tier fee schedule to assure that property tax collected is not used to subsidize service for residents in expanded area or include a parcel tax or benefit assessment that approximates the property tax per parcel the District currently receives and b) District facility has no additional capacity for program attendance, facility use and parking, and expansion of service area would therefore require acquisition of additional facilities or shared use of additional facilities.
4. Annexation of the Highlands unincorporated area to the City of San Mateo, dissolution of the District and transfer of assets and service responsibility to the City of San Mateo as part of the park and recreation department of the City. Consideration would need to be given to advantages and disadvantages to Highlands residents of use of District facilities as a program with a broader benefit to City of San Mateo residents, resulting in reduction in the neighborhood based service level while also expanding the City services available to Highland residents at city resident rates versus non-resident rates. Analysis would need to address changes in traffic patterns of users from outside the area using the District facility and Highlands residents driving to other facilities.
5. Expansion of either the County Service Area 1 or the existing Highlands Recreation District as a Community Services District to include the entire unincorporated area and transfer all special district service responsibility to either an expanded county-governed County Service Area or an expanded Highlands Recreation District as an independently governed Community Services District. In this scenario, the expanded County Service Area or Community Services District would be the governing body for all services to the unincorporated area. Zones of service would be established to delineate service areas by type of service and revenues and expenditures for individual programs would be segregated but consolidated under one multi-purpose district and one governing body.
6. See also discussion establishing the Crystal Springs County Sanitation District as a subsidiary district of the City of San Mateo contained in the City of San Mateo Municipal Service Review and Sphere update to be circulated.

Section 2: Sphere of Influence Review

Government Code Section 56425 specifies that in determining the sphere of influence of each local agency, the commission shall consider and prepare a written statement of its determinations with respect to each of the following:

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

This sphere of influence update incorporates information and determinations in the municipal service review and changes that have taken place since the sphere of influence was originally adopted.

District Enabling Legislation and Active Powers:

The District was formed pursuant to Government Code Section 61000 with a broad set of municipal services as a community services district. Of those authorized, Highlands Recreation District services are limited to park and recreation including open space maintenance and early education center, and any new services would require approval by LAFCo. If a funding measure is a condition of LAFCo approval, activation would be subject to approval of voters in the District.

District Spheres and Service Areas:

The Highlands Recreation District service area is described above. The sphere of influence designation is coterminous with a sphere designation that the District be established as a subsidiary of the City of San Mateo. Changes since spheres were adopted in 1985 include the District's newly constructed Early Education Center funded with Certificates of Participation and infill development approved in areas adjacent to District boundaries.

In addition, in the past the District staff has indicated that neighboring Baywood Park residents have expressed an interest in annexing to the District because children in Baywood Park attend the same public schools as children located in Highlands Recreation District boundaries and there is a desire to participate in the same afterschool activities. More recently, District comments have included the fact that the District programs are already at capacity and that the non-resident fee tier allows these residents to participate in District programs.

Given District comments that its programs are at or near capacity and that parking is congested during certain hours, it does not appear that the District has capacity to significantly expand service area without also building additional facilities or having access to shared use of other facilities in the Baywood Park Area.

Sphere of Influence 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. The following section discusses these areas of determination.

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

Land uses within the boundaries of the District are predominantly residential, with limited institutional (school) and resource management land use designations.

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

The area within boundaries of the District consists predominantly of residential areas requiring basic municipal services including recreation programs and facilities provided by the District and there is a demonstrated need for continued recreation services.

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

Services authorized by the enabling legislation of the District are set forth in Government Code Section 61000. The service review provides information on the services provided by the District and District facilities indicating a capacity to serve Highlands residents and limited non-residents at a non-resident fee schedule. Any new services not currently provided would require application to LAFCo.

The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency

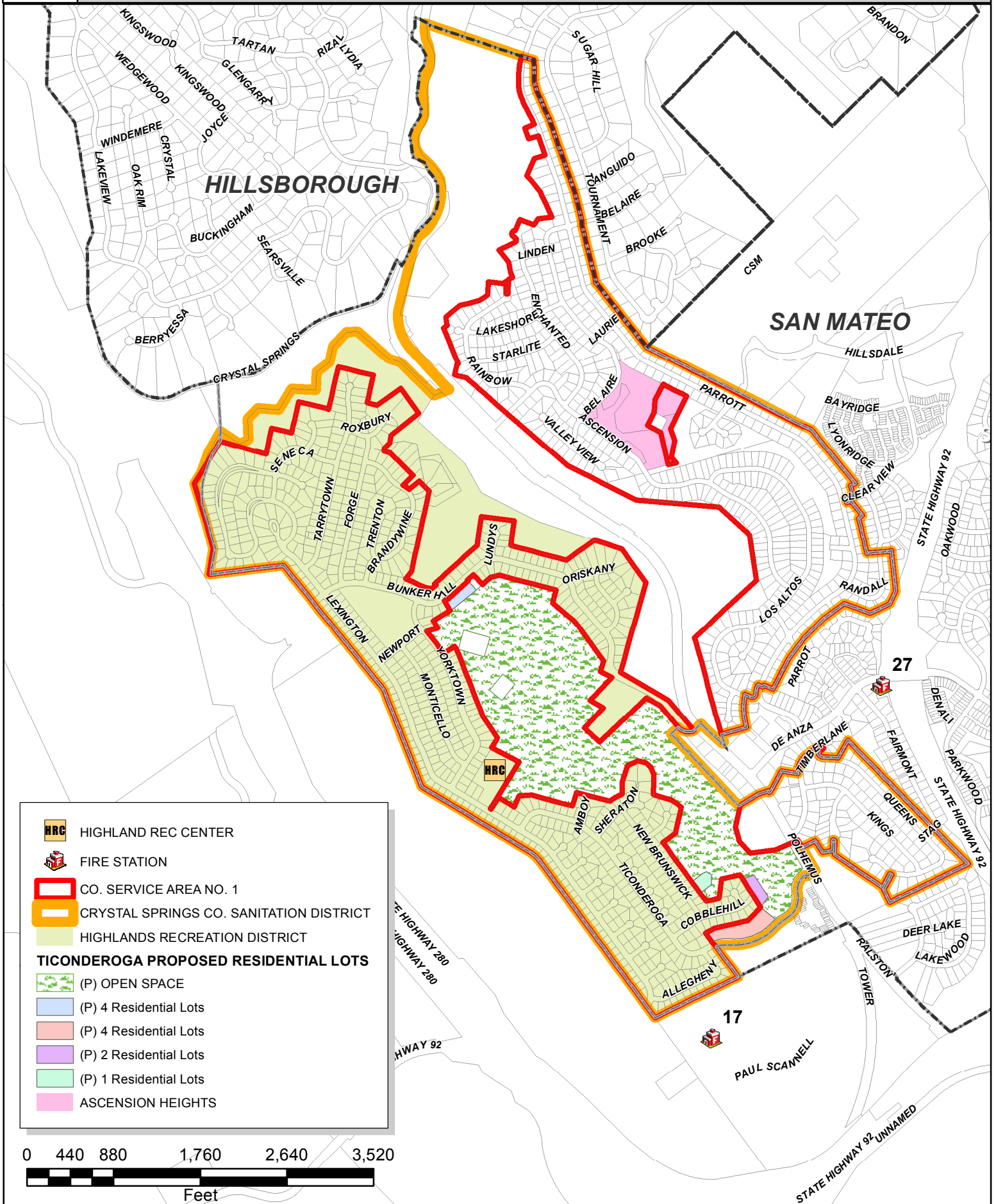
The Highlands Community and Highlands Recreation District share a common history in that the purpose of the District formation was to fund recreation facilities for the Highlands Community. A broader community of interest includes the balance of the unincorporated area because the Highlands/Baywood Park/Baywood Plaza neighborhoods are served by one elementary school, one County-governed sanitation district and one County-Governed County Service Area for enhanced police and fire protection.

Please submit comments by December 12, 2012 to:

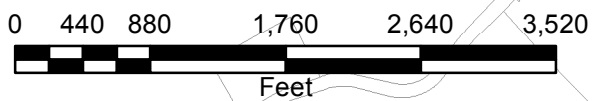
Martha Poyatos, Executive Officer
San Mateo LAFCo
455 County Center
Redwood City, CA 94063
650-363-4224
650-363-4849 fax
mpoyatos@smcgov.org



Unincorporated San Mateo County Highlands Area



	HIGHLAND REC CENTER
	FIRE STATION
	CO. SERVICE AREA NO. 1
	CRYSTAL SPRINGS CO. SANITATION DISTRICT
	HIGHLANDS RECREATION DISTRICT
TICONDEROGA PROPOSED RESIDENTIAL LOTS	
	(P) OPEN SPACE
	(P) 4 Residential Lots
	(P) 4 Residential Lots
	(P) 2 Residential Lots
	(P) 1 Residential Lots
	ASCENSION HEIGHTS



Martha Poyatos - Highlands

From: <wuot@att.net>
To: <mpoyatos@smcgov.org>
Date: 12/5/2012 10:01 AM
Subject: Highlands

Hello,

Regarding your Circulation Draft Municipal Service Review And Sphere of Influence Update Highlands Recreation District November 15, 2012. Please stay out of our neighborhood. We are doing fine and need less not more government intervention and analysis.

Regards

Mark Wuotila
1651 Yorktown Rd
San Mateo, CA 94402

Comment letters as of 12/12/12 on HiRD Circulation Draft MSR/SOI

All other districts which provide services to the Highlands (e.g., water, sewer, etc.) are included in the City's draft report, which was not available at the time of this writing. However, these districts may also be discussed at the December 19th meeting.

More information about LAFCO can be found at: <http://www.co.sanmateo.ca.us/portal/site/lafco>

Please feel free to contact Brigitte Shearer at brigitte@highlandsrec.ca.gov or 650-341-4251 with any questions.

Hubert & Eunice Chan 1784 Monticello Road San Mateo, California 94402
Telephone: (650) 578-8950
echangesq@gmail.com

December 12, 2012

Ms. Linda Craig, Chair
San Mateo County Local Agency Formation Commission (LAFCO)
455 County Center, 2nd Floor
Redwood City, CA 94063

Re: Highlands Recreation District

Dear Ms. Craig:

Our family moved to the Highlands nine (9) years ago, when my son was just starting Kindergarten and I was pregnant with my daughter. We were attracted to the Highlands because of the Highlands Elementary School, but most of all, the unique After School Program that the Highlands Recreation District offered. They personally picked up the children from school, walked one block to the Rec Center, and offered snacks, homework help, and fun activities. I especially recall one incident, when my five-year-old daughter was still adjusting to her new school schedule and was crying hysterically nearly every day. I called Mike Koenig, the After School Program Director at the time, and together we worked out a loving and positive solution. It was such a seamless remedy she doesn't even recall ever being upset. My husband and I are both working parents, and we are reassured that "It takes a village" to raise our children. Our village is the Highlands Recreation District.

The Highlands Recreation District is managed by a 5 member board elected by Highland residents. Since the board members, like us have raised their children in the neighborhood, they make decisions that protect our children, support programs that allow our children to develop their emotional and physical well-being. These board members understand the character of our small community and provide services that enhance it such as the year-round swimming pool and the full-day childcare program. If we have outsiders manage this community, the Highlands Recreation District will lose its unique character and loving, personal touch.

Over the past nine years, the Highlands Recreation District continues to change and improve. It added new play structures, constructed facilities for a full-day childcare program, developed a thriving swimming team and even offered Jazzercise classes. My kids have attended the summer camp programs and classes offered by the San Mateo County, and it does not compare in quality to the Highlands Recreation District. I have friends who live outside our area but specifically join the soccer, basketball and swimming teams the Highlands Recreation District offers because of the caliber of the teachers and the friendliness of the volunteer Highlands coaches. When you walk through the Highlands, you are aware of a thriving community, with laughing children, adults talking and staff working together with the parents to raise our children.

Changes to the very structure and core of the Highlands Recreation District will ultimately make it lose its appeal. In a society that is becoming increasingly distant and remote, friendly communities are difficult to find. We moved to the Highlands because we wanted our children to experience a community. A place that the neighbors help keeps an eye out on criminals and will pick up your kids when you are stalled in traffic. An After School Program that has a Director that cares about every child, and will make simple adjustments for your child's emotional well-being. A 5 member board elected by Highland residents is crucial to the Highlands Recreation District community. If we remove the important leaders who create the very essence of the village, there will be "no village" to help raise the children.

I urge you to keep the unique character and structure of the Highlands Recreation District intact.

Sincerely,

Eunice and Hubert Chan

cc: Martha Poyatos, LAFCO
Brigitte Shearer, Highlands Recreation District



DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CAL FIRE)
SAN MATEO - SANTA CRUZ UNIT

6059 Highway 9
Felton, CA 95018
(831) 335-5355
Website: www.fire.ca.gov



RECEIVED

DEC 11 2012

LAFCO

December 4, 2012

Ms. Linda Craig, Chair
San Mateo County Local Agency Formation Commission (LAFCO)
455 County Center, 2nd Floor
Redwood City, CA 94063

Ms. Craig,

I understand that LAFCO is currently reviewing the Municipal Service Review and Sphere of Influence Update for the Highlands Recreation District (HRD). CAL FIRE and the Highlands Rec District have enjoyed a very productive and mutually beneficial collaborative relationship for years.

As you know, our community is situated on the very western edge of unincorporated San Mateo. Several years ago, the HRD staff dedicated resources to assist in establishing and maintaining a Community Emergency Response Team (CERT). CAL FIRE provides the training that has now certified over 100 persons on the steps to safely and effectively assist in the event of a disaster. The program would not be this robust without the HRD commitment to its continued success and without the positive working relationship between the HRD and CAL FIRE.

The Rec Center is a well-managed and well-maintained facility. The Board and staff's commitment to safety is excellent. As a result, our services are rarely needed for emergency response, but more likely to deliver Santa Claus or assist with the annual raising of the dome that is installed over the pool each fall. The Rec Center staff also works diligently with FireSafe Crews and us to ensure that the HRD open space acreage is properly maintained.

The careful and conscientious oversight of HRD management makes this an efficient and effective hub for an active community. There is no need to change any part of District's structure. Therefore, I support the Highlands Recreation District's desire to remain an independent special district and, on behalf of CAL FIRE, I respectfully request that the Commission recommend that the HRD's Sphere of Influence designation remain unchanged.

Thank you for your consideration.

Sincerely,

Scott M. Jalbert
Deputy Chief- Operations
San Mateo Division

cc: Martha Poyatos, LAFCO
Brigitte Shearer, Highlands Recreation District

Martha Poyatos - HRD discussion: non-resident letter of support for HRD

From: Vicki Grey <vgrey@sbcglobal.net>
To: <mpoyatos@smcgov.org>
Date: 12/12/2012 4:43 PM
Subject: HRD discussion: non-resident letter of support for HRD
CC: <brigittes@highlandsrec.ca.gov>

Hello:

Will you please forward the below letter to Linda Craig re: the Highlands Recreation District discussion? I'm a non-resident of Highlands and want to share my view as to why HRD should remain a separate independent district.

Thanks so much,
Vicki Grey

=====

December 12, 2012

Ms. Linda Craig, Chair
San Mateo County Local Agency Formation Commission (LAFCO)
455 County Center, 2nd Floor
Redwood City, CA 94063

As **non-Highlands residents**, I'm writing to urge the LAFCo Commission to maintain HRD's status quo sphere of influence, which allows the district to remain in existence as a separate independent district. I provide some unique feedback as a non-resident below.

As background, we're working parents, residents and tax payers living in city of San Mateo's Shoreview neighborhood. My kids go to Highlands School through a district transfer. One of the reasons we tried for (and thankfully got) the transfer, was that we hoped to send our kids to the Rec for after school program. It's very well run, safe, staffs wonderful people, and offers a great mix of activities which I wouldn't otherwise be able to offer my kids during the work week. In fact, even today as I write, my kids will be chaperoned to/from swim lessons and swim team after homework hour. Our older daughter just finished a computer games design class which she loved and wants to do AGAIN next year along with a basketball league, and my younger daughter participates in Jr Jazzercise. The kids have made great friends there, both kids and "rec leaders" alike, and also enjoy camp and kids night out. So you can see I think HRD is a unique and special place.

With that said, we are also San Mateo Parks & Rec supporters. My old daughter went to all through preschool at Shoreview, Beresford, and Lakeshore locations. And both my kids went to a mix of camp at SMP&R and Highlands Rec this summer. So I'm not knocking San Mateo services.

But as far as what you're considering: merging HRD with San Mateo rec services and budgets... I can offer my own experience and feedback as to why HRD should maintain its own sphere of influence from a practical standpoint. Many of my San Mateo friends who live outside the Highlands say they find the Highlands to be a remote and inconvenient place to access. They wouldn't consider utilizing it for recreation or pool services, or would have to think long and hard before they do due to its being out of the way from their normal pathways. In fact, more than once, I've heard friends term the Highlands as "*its own world*", or say "*I never can figure out a quick way to get there from my house*". I would probably think the same thing, if not for the fact my kids go to school down the street. So therefore, why should HRD lose its independent status and have its programs be influenced or diluted by outside, non-participating parties? For instance, I appreciate that HRD keeps its pool open year round to serve its own community's demand, while Joinville Pool (by to my house!) is closed for the winter!

So in closing, I highly recommend you allow HRD to remain independent and keep doing what it's doing: serving the local community's needs as opposed to the larger district... who wouldn't be utilizing the services much anyhow.

Thanks so much for your consideration.

Sincerely,

Victoria Grey

December 4, 2012

Ms. Linda Craig, Chair
San Mateo County Local Agency Formation Commission (LAFCO)
455 County Center, 2nd Floor
Redwood City, CA 94063

I'm a resident of the San Mateo Highlands. My family moved to the neighborhood because of the unique character of this remote community, it's excellent school and the vibrant Rec Center – an ideal combination for a family such as my own, with two young children. My youngest child is enrolled in the newly-added Early Education Center, which has been a god-send. This licensed program is a gem for Highlands residents and our family, especially when our school age daughter starts in the After School Program, which is operated at the same site.

The reason the Rec is such an integral part of our community is because it represents and serves its constituents. There has long been a deficit of pre-school childcare options in San Mateo County, particularly in the very western edge of San Mateo. Since the Highlands neighborhood is populated with many more dual-income households these days, the need for childcare has grown even more recently.

The Rec staff and board of directors are dedicated to operating a facility that we, the residents, value highly. The staff is responsive to our needs, flexible and committed to providing the best possible offerings and service. Several are long time employees and even residents of the neighborhood. It's rare to find that 'small town feel' anywhere. We're fortunate to have it in our community.

As a resident and tax payer of the San Mateo Highlands, I hereby urge the LAFCo Commission to maintain the District's status quo sphere of influence, which allows the Highlands Recreation District to remain in existence as a separate independent district.

Bottom line: Please don't change a thing!!
Thank you for your consideration.

Sincerely,



David Salotti

Cc: Martha Poyatos, LAFCO
Brigitte Shearer, Highlands Recreation District

December 4, 2012

Ms. Linda Craig, Chair
San Mateo County Local Agency Formation Commission (LAFCO)
455 County Center, 2nd Floor
Redwood City, CA 94063

I'm a resident of the San Mateo Highlands. My family moved to the neighborhood because of the unique character of this remote community, it's excellent school and the vibrant Rec Center – an ideal combination for a family such as my own, with two young children. My youngest child is enrolled in the newly-added Early Education Center, which has been a god-send. This licensed program is a gem for Highlands residents and our family, especially when our school age daughter starts in the After School Program, which is operated at the same site.

The reason the Rec is such an integral part of our community is because it represents and serves its constituents. There has long been a deficit of pre-school childcare options in San Mateo County, particularly in the very western edge of San Mateo. Since the Highlands neighborhood is populated with many more dual-income households these days, the need for childcare has grown even more recently.

The Rec staff and board of directors are dedicated to operating a facility that we, the residents, value highly. The staff is responsive to our needs, flexible and committed to providing the best possible offerings and service. Several are long time employees and even residents of the neighborhood. It's rare to find that 'small town feel' anywhere. We're fortunate to have it in our community.

As a resident and tax payer of the San Mateo Highlands, I hereby urge the LAFCo Commission to maintain the District's status quo sphere of influence, which allows the Highlands Recreation District to remain in existence as a separate independent district.

Bottom line: Please don't change a thing!!
Thank you for your consideration.

Sincerely,



Brooke Dean

Cc: Martha Poyatos, LAFCO
Brigitte Shearer, Highlands Recreation District

Martha Poyatos - LAFCO review of the Highlands Recreation Center

From: Jenna Fahrner <jennawhitefahrner@yahoo.com>
To: "mpoyatos@co.sanmateo.ca.us" <mpoyatos@co.sanmateo.ca.us>
Date: 12/12/2012 9:15 AM
Subject: LAFCO review of the Highlands Recreation Center
CC: "brigitte@highlandsrec.ca.gov" <brigitte@highlandsrec.ca.gov>
Attachments: HighlandsLetter.docx

Ms. Poyatos:

Attached (and below) you will find a letter urging the LAFCO to allow the Highlands Recreation Center to remain independent.

Sincerely,
Jenna White Fahrner (lifelong Highlands resident)

December 12, 2012

Ms. Linda Craig, Chair
San Mateo County Local Agency Formation Commission (LAFCO)
455 County Center, 2nd Floor
Redwood City, CA 94063

Dear Ms. Craig:

I'm a life-long resident of the San Mateo Highlands having grown up here and now raising my own young family in this amazing and vibrant community. My family enjoys this neighborhood because of the unique character of this remote community - there simply are no other neighborhoods like this, and that should not change. The Highlands has an excellent school and a vibrant Rec Center – an ideal combination for a family with young children. My child is enrolled in the newly-added Early Education Center which provides a much needed service to this special community.

The reason the Rec is such an integral part of our community is because it represents and serves its constituents. There has long been a deficit of pre-school childcare options in San Mateo County, particularly in the very western edge of San Mateo. Since the Highlands neighborhood is populated with many more dual-income households these days, the need for childcare has grown even more over the years.

The Rec staff and board of directors are dedicated to operating a facility that we, the residents, value highly. The staff is responsive to our needs, flexible and committed to providing the best possible offerings and service. Several are long time employees and even residents of the neighborhood. It's rare to find that 'small town feel' anywhere. We're fortunate to have it in our community.

As a resident and tax payer of the San Mateo Highlands, I hereby urge the LAFCo Commission to

maintain the District's status quo sphere of influence, which allows the Highlands Recreation District to remain in existence as a separate independent district.

Bottom line: Don't change a thing!!

Thank you for your consideration.

Sincerely,

Jenna White Fahrner

cc: Martha Poyatos, LAFCO
Brigitte Shearer, Highlands Recreation District

December 11, 2012

Ms. Linda Craig, Chair
San Mateo County Local Agency Formation
Commission (LAFCO)
455 County Center, 2nd Floor
Redwood City, CA 94063

Re: Highlands Recreation District

Dear Ms. Craig:

We live in the surrounding area of the Highlands. Our son, Kai, is currently enrolled in the Early Education Center at the Highlands Recreation Center (“Rec Center”) and he is zoned for Highlands Elementary so we very much view the Highlands as our community. We have lived in the area for two years and during that time, it has become very apparent that the Rec Center is the heart of the community. We are amazed at all the activities and services the Rec Center provides year round in addition to the events that it hosts on various holidays, like the 4th of July, Halloween, and Christmas, for everyone to have fun and socialize.

The facility itself is immaculate and is just as well maintained as any other facility run by the City of San Mateo, if not better. It is effectively managed by a 5-member board of elected Highlands residents who are responsive to the needs of the community. The Rec Center is constantly making improvements to make the facility safe and enjoyable to use, like the repaving of the basketball court and play area. It also offers programs which are not available in other City of San Mateo Rec Centers, i.e., a year round pool, and full-day childcare, which is at capacity. The Rec Center employs and manages a full staff which is necessary for its upkeep in its current capacity while maintaining financially sound. There is no reason for the City of San Mateo, or any other agency, to interfere in the operations of the Rec Center because there are no improvements that they can make that would benefit Highlands residents. The Highlands Board and Staff have demonstrated that they are very capable of running the Rec Center in an efficient manner that is in tune with the needs of the community. Merging the Rec Center with the City of San Mateo may cause more harm than good, and that is a result that nobody wants.

On a personal note, we can’t emphasize enough how important the Rec Center is to our family. As a dual-income household, it is extremely difficult to find dependable and convenient childcare where we feel comfortable leaving our son for up to 10.5 hours per day on occasion. The staff has cared for Kai before the age of one and has helped him hit all his developmental milestones. Kai is a happy and well-adjusted little boy who loves going to daycare and we have the Rec Center to thank for that. We hope that we can count on the Rec Center to be there for Kai when he is old enough to attend the After School Program, to take swimming and tennis lessons, and to take advantage of all the other programs that the Rec Center has to offer. We are fortunate that there is a close knit community that Kai can

Ms. Linda Craig, Chair
December 11, 2012
Page 2

grow up in and we don't want that to disappear.

As members of the Highlands Community, we strongly urge LAFCo to maintain the District's status quo sphere of influence, which allows the Highlands Recreation District to remain in existence as a separate independent district.

Thank you for your consideration.

Sincerely,

PAMELA AND JAMES BOBOWSKI

cc: Martha Poyatos, LAFCO
Brigitte Shearer, Highlands Recreation District

Martha Poyatos - San Mateo Highlands: Separate Independent District

From: Priscilla Shaw <priscillaeshaw@yahoo.com>
To: "mpoyatos@co.sanmateo.ca.us" <mpoyatos@co.sanmateo.ca.us>
Date: 12/11/2012 8:47 PM
Subject: San Mateo Highlands: Separate Independent District
CC: "brigittes@highlandsrec.ca.gov" <brigittes@highlandsrec.ca.gov>, Andrew ...

Dear Ms. Poyatos,

My husband and I have a three year old son who attends the Highlands Rec Center Early Education program. We have been at the school since it opened in January of 2012. We love the staff and find the preschool to be everything we could have hoped it would be. The staff is amazing, the director Rebecca is wonderful and the program is run very well. We really feel that the level of excellence at this school is a direct result of it being operated under the strong leadership of the San Mateo Highlands Recreation Center.

In addition, my husband and I love the community feel of the San Mateo Highlands. We hope to purchase a home in this area one day so our toddler son and (not yet born) baby boy can both continue attending preschool and eventually elementary school in this area. There is a real sense of community in the San Mateo Highlands that you don't feel in a lot of other areas in on the Peninsula. We feel fortunate to have discovered this gem of a preschool and have been treated so warmly by everyone, even though we do not currently live in the highlands.

As a San Mateo resident whose child is enrolled full-time at the San Mateo Highlands Early Education Program, I hereby urge the LAFCo Commission to maintain the District's status quo sphere of influence, which allows the Highlands Recreation District to remain in existence as a separate independent district. Please do not change anything as we are very happy and impressed with how the Highlands Recreation Center is run. The staff and leaders at HRC are clearly doing something right and we hope they are allowed to continue to operate as an independent district.

Thank you for your consideration.

Sincerely,

Priscilla and Andrew Shaw

650-685-8894

December 11, 2012

Ms. Linda Craig, Chair
San Mateo County Local Agency Formation Commission (LAFCO)
455 County Center, 2nd Floor
Redwood City, CA 94063

We live in San Mateo, very close to Highlands, and our children attend the Highlands recreation center. Our family moved to our neighborhood because of the unique character of this remote community. The Highlands has an excellent school and a vibrant Rec Center – an ideal combination for a family with young children. My son is enrolled in the newly-added Early Education Center. This licensed program is a gem, particularly for us since we have a school age daughter who attends highlands elementary and also goes to the After School Program at the rec, which is operated at the same site as the early education center for our son.

The reason the Rec is such an integral part of our lives and the Highlands community is because it represents and serves its constituents. There has long been a deficit of pre-school childcare options in San Mateo County, particularly in the very western edge of San Mateo. We are one of many dual-income households in this area and are delighted with the high quality of childcare we have found at the rec.

The Rec staff and board of directors are dedicated to operating a facility that we value highly. The staff is responsive to our needs, flexible and committed to providing the best possible offerings and service. Several are long time employees and even residents of the neighborhood. It's rare to find that 'small town feel' anywhere. We're fortunate to have it in our community.

I strongly support the efforts of the Highlands residents, who are our friends, neighbors and classmates, to urge the LAFCo Commission to maintain the District's status quo sphere of influence, which allows the Highlands Recreation District to remain in existence as a separate independent district.

Bottom line: Don't change a thing!!

Thank you for your consideration.

Sincerely,

Dana McClintock

cc: Martha Poyatos, LAFCO
Brigitte Shearer, Highlands Recreation District

Martha Poyatos - Highlands rec

From: <kwinks@ix.netcom.com>
To: <lcraig@smcgov.org>
Date: 12/11/2012 10:36 AM
Subject: Highlands rec
CC: <mpoyatos@smcgov.org>, <brigitte@highlandsrec.ca.gov>

December 11, 2012

Ms. Linda Craig, Chair
San Mateo County Local Agency Formation Commission (LAFCO)
455 County Center, 2nd Floor
Redwood City, CA 94063

My family has been a part of the Highlands community for 4 years. We chose this neighborhood school for our daughter because of the excellent school system, the culturally diverse but very close-knit community, and primarily the Recreation Center afterschool program. This ideal combination of community and convenience is a rare gem. We'd like it to stay that way.

This community is unique, partly because it is physically remote. It offers everything we need to provide our family a safe, enriching environment right in our backyard. Neighbors know each other, parents are highly involved in the local schools, seniors have formed a network to share ideas and activities and to socialize – all without having to drive too far. The community joins together to celebrate holidays. The Rec Center provides the gathering place for nearly all of these events. It is truly the hub of this community. What makes this hub special is that it's run for and by Highlands residents who are fully invested in achieving the mission: to meet the needs of the residents and community members. As those needs have changed, the Rec has adapted. The Rec will best be able to continue this mission and maintain the unique character we value if it is permitted to remain an independent special district, governed by a board of directors elected by Highlands residents.

As a resident and tax payer of San Mateo, and a parent that relies on the aftercare program at the rec, I hereby urge the LAFCo Commission to maintain the District's status quo sphere of influence, which allows the Highlands Recreation District to remain in existence as a separate independent district. Bottom line: Don't change a thing!!

Thank you for your consideration.
Sincerely,

Karen Parecki

cc: Martha Poyatos, LAFCO
Brigitte Shearer, Highlands Recreation District

Martha Poyatos - Please Keep the Highlands Recreation District Independent

From: "Higashi, June" <jhigashi@visa.com>
To: "mpoyatos@co.sanmateo.ca.us" <mpoyatos@co.sanmateo.ca.us>, "brigitte@hi..."
Date: 12/10/2012 4:38 PM
Subject: Please Keep the Highlands Recreation District Independent

Hello Martha and Brigitte,

This is a copy of the letter I sent to Linda Craig today. I hope that Highlands Recreation District will stay independent.

Regards,
June Higashi

~~~~~  
December 4, 2012

Ms. Linda Craig, Chair  
San Mateo County Local Agency Formation Commission (LAFCO)  
455 County Center, 2<sup>nd</sup> Floor  
Redwood City, CA 94063

My family has lived in the San Mateo Highlands for 11 years. We chose this neighborhood because of the excellent school system, the culturally diverse but very close-knit community, and the Recreation Center. This ideal combination of community and convenience is a rare gem. We'd like it to stay that way.

This community is unique, partly because it is physically remote. It offers everything we need to provide our family a safe, enriching environment right in our backyard. Neighbors know each other, parents are highly involved in the local schools, seniors have formed a network to share ideas and activities and to socialize – all without having to drive too far. The community joins together to celebrate holidays. The Rec Center provides the gathering place for nearly all of these events. It is truly the hub of this community. What makes this hub special is that it's run for and by Highlands residents who are fully invested in achieving the mission: to meet the needs of the Highlands residents. As those needs have changed, the Rec has adapted. The Rec will best be able to continue this mission and maintain the unique character we value if it is permitted to remain an independent special district, governed by a board of directors elected by Highlands residents.

As a resident and tax payer of the San Mateo Highlands, I hereby urge the LAFCo Commission to maintain the District's status quo sphere of influence, which allows the Highlands Recreation District to remain in existence as a separate independent district. Bottom line: Don't change a thing!!

Thank you for your consideration.

Sincerely,

June Higashi  
30 Burgoyne Ct  
San Mateo, CA 94402

cc: Martha Poyatos, LAFCO  
Brigitte Shearer, Highlands Recreation District



**SAN MATEO COUNTY SERVICE AREA NUMBER ONE COMMUNITY ASSOCIATIONS**

December 3, 2012

Martha Poyatos, Executive Officer  
San Mateo LAFCo  
455 County Center  
Redwood City, CA 94063

RE: Cancellation of December 19th LAFCo meeting on CSA #One Services

Dear Ms. Poyatos

San Mateo Local Agency Formation Commission (LAFCo) sent a report dated November 15 to the Highland Recreation District. Highlands Recreation District subsequently sent a copy to officers of the Highlands Community Association, which is one of the community associations in County Service Area Number One.

County Service Area Number One is acknowledged in the report. Public records show that San Mateo County government and LAFCo are aware of the community associations in County Service Area Number One as well as the contact information for constituent associations.

This letter notifies you that LAFCo has issued a report regarding special district services in The County Service Area Number One without contacting or involving the respective associations in this area. No outreach has been made to our communities. The meeting date is set in holiday period when many residents will not be available.

No due process has been followed for an evidenced based evaluation of current special district services. No specific evidence gathering or evaluation is provided of County Service Area Number One taxpayer impacts through annexation to the City of San Mateo analyzing the City's current, past, and future fiscal constraints already affecting service levels and taxpayers residing in the City.

We request that:

1. The single item LAFCo meeting about Highlands Recreation District scheduled for December 19, 2012 be immediately cancelled and notice of cancellation be sent to area communities;
2. LAFCo hold a meeting for all residents of CSA #One in coordination with CSA #1 associations before any further steps are taken;
3. LAFCo actively involve County Service Area Number One communities in information gathering and outreach efforts related to provision of County government services to County Service Area Number One.



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LAFCO

December 8, 2012

Ms. Linda Craig, Chair  
San Mateo County Local Agency Formation Commission (LAFCO)  
455 County Center, 2nd Floor  
Redwood City, CA 94063

Our family has lived in San Mateo for 11 years. Our child attends Highlands Elementary School and the Rec Center's After School Program. The Rec Center was a key deciding factor on why we chose to enroll our child at Highland's. The after school care couldn't be more convenient: the children are escorted safely from school to the Rec, where they can safely play with schoolmates, take endless variety of enrichment classes and even get their homework done - all under the umbrella of a licensed program. Our child is enrolled in the tennis program and we plan on enrolling her in the guitar lessons soon. Knowing our child is safe, happy and close to home is a comfort to us and an important reason why our family chose to live nearby.

The community has changed quite a bit over time. The REc recently added an after school Mandarin Language Program for elementary schoolers. This is now one of the Rec's most popular programs. The Rec coordinates soccer, t-ball and basketball leagues for youngsters, offers swim lessons for beginners to swim team level swimmers. The youth tennis program has also made quite resurgence recently. The beauty is that all of these things are offered right in the neighborhood. Parents don't need to frantically cart their children all over cities in the peninsula, adding to traffic and unproductive travel time.

The Rec staff and board of directors are dedicated to operating a facility that we, residents of San Mateo, value highly. As resident and tax payer of San Mateo, I hereby urge the LAFCo Commission to maintain the District's status quo sphere of influence, which allows the Highlands Recreation District to remain in existence as a separate independent district. Bottom line: Don't change a thing!!

Thank you for your consideration.

Sincerely,

The Khachadourian family



cc: Martha Poyatos, LAFCO  
Brigitte Shearer, Highlands Recreation District

December 4, 2012

Ms. Linda Craig, Chair  
San Mateo County Local Agency Formation Commission (LAFCO)  
455 County Center, 2<sup>nd</sup> Floor  
Redwood City, CA 94063

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**LAFCO**

I'm a <sup>52</sup> year resident of the San Mateo Highlands. My family has actively used the Rec Center for many years. My children learned to swim and dance here, my friends and I meet here for exercise classes and the social events hosted by the Rec have been neighborhood traditions for over 50 years.

The reason the Rec is such an integral part of our community is because it represents and serves its constituents. Highlands Seniors need a place to gather on a regular basis. A monthly book club meets in the new Multipurpose room. Several years ago, a fitness center was created to provide easy access to an affordable, non-intimidating, exercise facility just down the street and now it's become a regular meeting place for active seniors and those rehabilitating from illness or injury in the community.

The community has changed quite a bit over the past 10 years. Parents are busier, children's afternoons and summer days are more scheduled, and we're all trying to be as healthy as possible. Through it all, the Rec Center has evolved to meet those needs. There's now full day childcare for children as young as 3 months old. There's after school care for school age children and all day summer camps to accommodate the many working parents in our neighborhood. The Rec staff and board of directors are dedicated to operating a facility that we, the residents, value highly.

As a long time resident and tax payer of the San Mateo Highlands, I hereby urge the LAFCo Commission to maintain the District's status quo sphere of influence, which allows the Highlands Recreation District to remain in existence as a separate independent district. Bottom line: Don't change a thing!!

Thank you for your consideration.

Sincerely,

*Mrs. Joe-Nita Kirk*

cc: Martha Poyatos, LAFCO  
Brigitte Shearer, Highlands Recreation District

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DEC 10 2012

LAFCO

December 8, 2012

Ms. Linda Craig, Chair  
San Mateo County Local Agency Formation Commission (LAFCO)  
455 County Center, 2nd Floor  
Redwood City, CA 94063

Our family has lived in San Mateo for 11 years. Our child attends Highlands Elementary School and the Rec Center's After School Program. The Rec Center was a key deciding factor on why we chose to enroll our child at Highland's. The after school care couldn't be more convenient: the children are escorted safely from school to the Rec, where they can safely play with schoolmates, take endless variety of enrichment classes and even get their homework done - all under the umbrella of a licensed program. Our child is enrolled in the tennis program and we plan on enrolling her in the guitar lessons soon. Knowing our child is safe, happy and close to home is a comfort to us and an important reason why our family chose to live nearby.

The community has changed quite a bit over time. The REc recently added an after school Mandarin Language Program for elementary schoolers. This is now one of the Rec's most popular programs. The Rec coordinates soccer, t-ball and basketball leagues for youngsters, offers swim lessons for beginners to swim team level swimmers. The youth tennis program has also made quite resurgence recently. The beauty is that all of these things are offered right in the neighborhood. Parents don't need to frantically cart their children all over cities in the peninsula, adding to traffic and unproductive travel time.

The Rec staff and board of directors are dedicated to operating a facility that we, residents of San Mateo, value highly. As resident and tax payer of San Mateo, I hereby urge the LAFCo Commission to maintain the District's status quo sphere of influence, which allows the Highlands Recreation District to remain in existence as a separate independent district. Bottom line: Don't change a thing!!

Thank you for your consideration.

Sincerely,

The Khachadourian family



cc: Martha Poyatos, LAFCO  
Brigitte Shearer, Highlands Recreation District

**RECEIVED**

DEC 11 2012

**LAFCO**

Mark Perlson  
1736 Yorktown Rd  
San Mateo, CA 94402  
mark@perlson.com

Ms Linda Craig  
Chair  
San Mateo County Local Agency Formation Commission  
455 County Center, 2 Fl  
Redwood City, CA 94063

Dear Ms Craig

I am writing you in regards to the possibility that the Highlands Rec could be annexed by the city of San Mateo recreation district.

I want to say that I am highly against this - I do not want the current status quo to change. My family moved to this neighborhood from San Francisco just over a year ago, and one of the main drawing points was the Rec and all of the services it offers. My daughter and I are at the pool almost every weekend. My daughter attends the after school program.

From my understanding, the Rec is well run, has a sufficient budget, serves the needs of the community, is pretty much at capacity as far as the programs it runs, and doesn't really seem to need much help. Given that, I'm not sure what benefit I would get if it were to be annexed by the city. Would you be adding more budget to make it an even better place? Would my fees go down? Towel service at the pool? From my understanding the city cut rec budgets last year, so I doubt San Mateo will be bringing additional money in.

Right now I call up and they know who I am and take care of my needs for a great price and I have no complaints. I've only been here a year and if anything, it has gotten better since I have lived here - new pool dome, resurfaced tennis courts, new child care center, new basketball court, etc. Would the city be able to maintain that rapid level of improvement?

I literally trust the Rec with my child's life for hours each day, and I don't want any change that could impact the peace of mind I have. Please let it remain a separate independent district.

Thank you very much for your time,

Mark Perlson  
Cc Bridget Shearer, Highlands Rec



Clifford A. Assitt  
40 Woods Point Way  
San Mateo, CA 94402

December 7, 2012

Page 1 of 2 .

Ms. Linda Craig, Chair  
San Mateo County (LAFCO)  
455 County Center, 2<sup>ND</sup> Floor  
Redwood City, CA 94063

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**LAFCO**

I understand LAFCO is reviewing the status of the Highlands Recreation District as a separate independent district. I'm writing to request that LAFCO keep the status quo. There's a saying, "If it isn't broke, don't fix it." I see no good reason for change.

I've lived in the Highlands almost fifty years and during this time have seen nothing but improvement in the way the REC serves our community. Tennis is my game and I use our recently lighted and renovated courts at least once a week. My grandkids used the covered swimming pool just over the last weekend and loved it.

I've noted tremendous improvements on the grounds — landscaping, parking, and the childrens playground — just to cite a few.

(over)

(continued)

The REC Staff is dedicated to operating and improving a great facility that I value highly and which ties our community together.

I most strongly urge LAFCO to recognize what a treasure we have in the highlands and let us move on, maintaining things as they are.

Thank you,  
Sincerely,  
Clifford A. Asvitt

650-341-1844

cc: Martha Payatos (LAFCO)  
Brigitte Shearer, Highlands REC

RECEIVED

DEC 10 2012

LAFCO

John L. Goble, M.D.  
Joan H. Goble, M.D.  
2007 New Brunswick Dr.  
San Mateo, CA 94402-4012  
Phone 650 341 4336

Email: [goblejljh@sbcglobal.net](mailto:goblejljh@sbcglobal.net) (John) [joangoble@sbcglobal.net](mailto:joangoble@sbcglobal.net) (Joan)

December 7, 2012

Ms. Linda Craig, Chair  
San Mateo County Local Agency Formation Commission (LAFCO)  
455 County Center, 2<sup>nd</sup> Floor  
Redwood City, CA 94063

We are 51 year residents of the San Mateo Highlands. Our family has actively used the Rec Center for many years. Our children learned to swim and dance here, our friends meet here for exercise classes and the social events hosted by the Rec have been neighborhood traditions for over 50 years.

The reason the Rec is such an integral part of our community is because it represents and serves its constituents. Highlands Seniors need a place to gather on a regular basis. A monthly book club meets in the new Multipurpose room. Several years ago, a fitness center was created to provide easy access to an affordable, non-intimidating, exercise facility just down the street and now it's become a regular meeting place for active seniors and those rehabilitating from illness or injury in the community.

The community has changed quite a bit over the past 51 years. Parents are busier, children's afternoons and summer days are more scheduled, and we're all trying to be as healthy as possible. Through it all, the Rec Center has evolved to meet those needs. There's now full day childcare for children as young as 3 months old. There's after school care for school age children and all day summer camps to accommodate the many working parents in our neighborhood. The Rec staff and board of directors are dedicated to operating a facility that we, the residents, value highly.

As long time residents and tax payers of the San Mateo Highlands, we hereby urge the LAFCo Commission to maintain the District's status quo sphere of influence, which allows the Highlands Recreation District to remain in existence as a separate independent district. Bottom line: Don't change a thing!!

Thank you for your consideration.

Sincerely,





December 6, 2012

**RECEIVED**

DEC 10 2012

**LAFCO**

Ms. Linda Craig, Chair  
San Mateo County Local Agency Formation Commission (LAFCO)  
455 County Center, 2<sup>nd</sup> Floor  
Redwood City, CA 94063

I'm a resident of the San Mateo Highlands. My family moved to the neighborhood because of the unique character of this remote community. The Highlands has an excellent school and a vibrant Rec Center – an ideal combination for a family with young children. My child is enrolled in the newly-added Early Education Center. This licensed program is a gem for Highlands residents, particularly those who also have school age children in the After School Program, which is operated at the same site.

The reason the Rec is such an integral part of our community is because it represents and serves its constituents. There has long been a deficit of pre-school childcare options in San Mateo County, particularly in the very western edge of San Mateo. Since the Highlands neighborhood is populated with many more dual-income households these days, the need for childcare has grown even more over the years.

The Rec staff and board of directors are dedicated to operating a facility that we, the residents, value highly. The staff is responsive to our needs, flexible and committed to providing the best possible offerings and service. Several are long time employees and even residents of the neighborhood. It's rare to find that "small town feel" anywhere. We're fortunate to have it in our community.

As a resident and tax payer of the San Mateo Highlands, I hereby urge the LAFCO commission to maintain the District's status quo sphere of influence, which allows the Highlands Recreation District to remain in existence as a separate independent district.

Bottom line: Don't change a thing!!

Thank you for your consideration.

Sincerely,

*Beckett Webster*

Cc: Martha Poyatos, LAFCO

Brigitte Shearer, Highlands Recreation District

December 6, 2012

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DEC 10 2012  
LAFCO

Ms. Linda Craig, Chair  
San Mateo County Local Agency Formation Commission (LAFCO)  
455 County Center, 2<sup>nd</sup> Floor  
Redwood City, CA 94063

I'm a resident of the San Mateo Highlands. My family moved to the neighborhood because of the unique character of this remote community. The Highlands has an excellent school and a vibrant Rec Center – an ideal combination for a family with young children. My child is enrolled in the newly-added Early Education Center. This licensed program is a gem for Highlands residents, particularly those who also have school age children in the After School Program, which is operated at the same site.

The reason the Rec is such an integral part of our community is because it represents and serves its constituents. There has long been a deficit of pre-school childcare options in San Mateo County, particularly in the very western edge of San Mateo. Since the Highlands neighborhood is populated with many more dual-income households these days, the need for childcare has grown even more over the years.

The Rec staff and board of directors are dedicated to operating a facility that we, the residents, value highly. The staff is responsive to our needs, flexible and committed to providing the best possible offerings and service. Several are long time employees and even residents of the neighborhood. It's rare to find that "small town feel" anywhere. We're fortunate to have it in our community.

As a resident and tax payer of the San Mateo Highlands, I hereby urge the LAFCO commission to maintain the District's status quo sphere of influence, which allows the Highlands Recreation District to remain in existence as a separate independent district.

Bottom line: Don't change a thing!!

Thank you for your consideration.

Sincerely,

 Dale Webster

Cc: Martha Poyatos, LAFCO

Brigitte Shearer, Highlands Recreation District

December 6, 2012

**RECEIVED**  
DEC 10 2012  
**LAFCO**

Ms. Linda Craig, Chair  
San Mateo County Local Agency Formation Commission (LAFCO)  
455 County Center, 2<sup>nd</sup> Floor  
Redwood City, CA 94063

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As a resident and tax payer of the San Mateo Highlands, I hereby urge the LAFCO commission to maintain the District's status quo sphere of influence, which allows the Highlands Recreation District to remain in existence as a separate independent district.

Bottom line: Don't change a thing!!

Thank you for your consideration.

Sincerely,

 Rachael Webster

Cc: Brigitte Shearer, Highlands Recreation District

December 6, 2012

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DEC 10 2012  
LAFCO

Ms. Linda Craig, Chair  
San Mateo County Local Agency Formation Commission (LAFCO)  
455 County Center, 2<sup>nd</sup> Floor  
Redwood City, CA 94063

My daughter and her family are a resident of the San Mateo Highlands. They moved to the neighborhood because of the unique character of this remote community. The Highlands has an excellent school and a vibrant Rec Center – an ideal combination for a family with young children. Their child is enrolled in the newly-added Early Education Center. This licensed program is a gem for Highlands residents.

The reason the Rec is such an integral part of our community is because it represents and serves its constituents. There has long been a deficit of pre-school childcare options in San Mateo County, particularly in the very western edge of San Mateo. Since the Highlands neighborhood is populated with many more dual-income households these days, the need for childcare has grown even more over the years.

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I hereby urge the LAFCO commission to maintain the District's status quo sphere of influence, which allows the Highlands Recreation District to remain in existence as a separate independent district.

Bottom line: Don't change a thing!!

Thank you for your consideration.

Sincerely,



Cc: Brigitte Shearer, Highlands Recreation District

December 6, 2012

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DEC 10 2012  
LAFCO

Ms. Linda Craig, Chair  
San Mateo County Local Agency Formation Commission (LAFCO)  
455 County Center, 2<sup>nd</sup> Floor  
Redwood City, CA 94063

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I hereby urge the LAFCO commission to maintain the District's status quo sphere of influence, which allows the Highlands Recreation District to remain in existence as a separate independent district.

Bottom line: Don't change a thing!!

Thank you for your consideration.

Sincerely,



Cc: Brigitte Shearer, Highlands Recreation District

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DEC 10 2012

LAFCO

December 6, 2012

Ms Linda Craig, Chair  
San Mateo County Local Formation Commission (LAFCO)  
455 County Center, 2<sup>nd</sup> Floor  
Redwood City, CA 04063

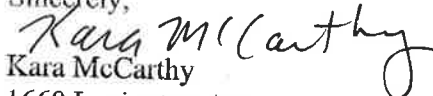
I moved to the San Mateo Highlands just over a year ago when I got married and now am a property owner in the neighborhood. My baby is enrolled in the Early Education Center. I am so fortunate to have that option since my work commute to the East Bay is long and with husband commuting to Palo Alto, a neighborhood day care and Rec center is exactly what our two income household needed. The teachers there are terrific and I feel like my baby is in good hands when I make my trek to the east bay for work.

The Rec center is such a huge asset to the community. We have met friends for our ad hoc evening Picnic and Play in the Park "PPP" evenings and I have enjoyed the Halloween event at the Rec for a couple years running (despite the fact that my adorable baby did not win best costume for his age group.) I am so impressed by the dedication of the Rec staff and the Board of Directors. They listen to the community and are responsive to our needs.

As a resident and a tax payer of the San Mateo Highlands, I request that the LAFCo Commission maintain the District's status quo sphere of influence, which allows the Highlands Recreation District to remain in existence as a separate independent district.

I can't think of a single reason that doing otherwise makes any sense to me, my family and my neighbors. I don't have time to even write this letter and here I am spending what limited free time I have to send in my plea. That is how important it is to me that you don't change a thing!

Sincerely,



Kara McCarthy  
1660 Lexington Ave  
San Mateo, CA 94402  
kmccarthy@mba1998.hbs.edu

cc: Martha Poyatos, LAFCO  
Brigitte Shearer, Highlands Recreation District

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I lived for many years in the city of San Mateo and owned a home on Sunnybrae. I dealt with my street flooding because the drains weren't cleared of leaves. I watched a friend on South Claremont spend three exhausting years in meetings to get speed bumps installed on his street. I wasn't impressed.

I can see why San Mateo might be interested in the assets and tax base of the Highlands, but I assure you we have absolutely no interest in San Mateo attempting to govern a remote corner in its 'sphere of influence'.

The Highlands Rec is a financially stable, well-run facility with professional management and Board of Directors who live in the community. The Rec is important to us because it serves our community. The staff is attentive to our needs and they provide more and better service than I have ever seen from a city, county or state agency because they go above and beyond, including holding their meetings when residents can attend, unlike the upcoming LAFCo meeting where few actual residents can be involved in the discussions that affect them greatly.


As you may be aware the Highlands holds an annual 4<sup>th</sup> of July event complete with a professional fireworks show, parade, water carnival, golf tournament, BBQ and midway games. Over a thousand people attend, many from outside the Highlands. The Stanford Marching Band performed at the event last year. I don't recall San Mateo even having a fireworks show, perhaps because city employees don't have the same care or concern for their community as the Highlands Rec Team. I lead the organization of the entire event in 2010 and I could not have done so without amazing, volunteer help from both the Rec Director and Board members and without both paid and unpaid help from the very cooperative Rec staff.

For three years I edited the Highlands monthly newsletter, the *lowdown*. Along with the Rec itself and the 4<sup>th</sup> of July event, the newsletter is one of the key things that makes the Highlands a community, a feeling lacking in San Mateo. And again, it wouldn't happen without the support of the great folks at the Rec.

My son is in the new day care center at the Rec. My wife and I love it. My older children have been involved in sports leagues organized by the Rec and I have been involved as a coach for many seasons. Seven years ago a twenty-something kid named Jeff Schwarz gave me the coaching orientation when I started and I have been nothing but impressed with him and am thankful he's still at the Rec and taking on more responsibility.

If you were to tell me the taxes I pay to support the Rec would drop 200% a year if San Mateo were to take it over, I would have a hearty LAFCo and tell you I'd pay 200% more to keep things the way they are.

Sincerely,



Gene McKenna  
1660 Lexington Ave  
San Mateo, CA 94402  
mckennagene@yahoo.com

cc: Martha Poyatos, LAFCO  
Brigitte Shearer, Highlands Recreation District



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December 9, 2012

Ms Linda Craig, Chair,  
San Mateo County Local Agency Formation Commission,  
455 County Center, 2<sup>nd</sup> Floor,  
Redwood City, CA 94063

Peter Bayley,  
1591 Lexington Ave  
San Mateo, CA 94402

My family has lived in San Mateo Highlands for 1 year. One of my daughters attends Highlands Elementary School and the Rec Center After School Program. The after-school program is extremely convenient as the children are escorted from school to the Rec where they can play safely, take many classes, and get homework done – all under the umbrella of a licensed program. These facilities are a major reason why my family and I chose to live in the Highlands.

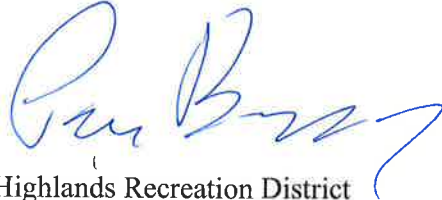
The great thing about the Highlands Rec Center is that it is located in the center of the community. There is no need to drive all over San Mateo at rush hour which would add to the already overcrowded and dangerous roads.

I understand that the Rec staff and board of directors are dedicated to operating a facility that is tailored to the needs of the immediate locality. As a resident and tax payer of the San Mateo Highlands, I hereby urge the LAFCo Commission to maintain the District's status quo sphere of influence, which allows the Highlands Recreation District to remain in existence as a separate independent district. Please don't allow any change to be made.

Thank you for your consideration,

Sincerely,

Peter Bayley, PhD.



cc. Brigitte Shearer, Highlands Recreation District

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Dec 09. 2012

Linda Craig, Chair  
San Mateo County local Agency Formation Commission (LAFCO)  
455 County Center, 2<sup>nd</sup> Floor  
Redwood City, CA 94063

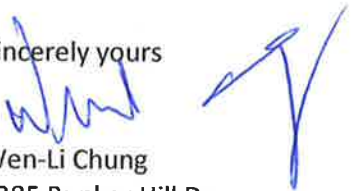
I'm a 6 years resident of the San Mateo Highlands. My family actively used the Recreation Center (Rec). I have been using the swimming pool for recreation swim and also taking several classes such as Aqua Track, Jazzercise, etc.

The reason the Rec is such an integral part of our community is because it represents and serves its constituents. I workout with Aqua Tract class at 8AM, and after that, joined with other Highlands Seniors in the fitness center around 9AM. The Rec is such a nice facility; it plays an important part of my life.

The Rec staff and board of Directors are so helpful and they are always there to address our questions or assist in our daily activity. Not just these, they are dedicated t operating a facility that we, the residents, value highly.

As a local resident and tax payer of the San Mateo Highlands, I strongly urge the LAFCO Commission to main the District's **status quo sphere of influence**, which allows the Highlands Recreation District to remain in existence as **a separate independent district**. Bottom line: **Don't change a thing**.

Sincerely yours

  
Wen-Li Chung  
2285 Bunker Hill Dr.  
San Mateo, CA 94402

Cc: Martha Poyatos, LAFCO  
Brigitte Shearer, Highlands Recreation District

December 6, 2012

Ms Linda Craig, Chair  
San Mateo County Local Formation Commission (LAFCO)  
455 County Center, 2<sup>nd</sup> Floor  
Redwood City, CA 04063

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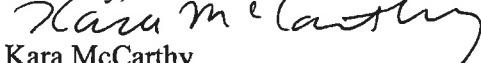
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cc: Martha Poyatos, LAFCO  
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DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CAL FIRE)  
SAN MATEO - SANTA CRUZ UNIT

6059 Highway 9  
Felton, CA 95018  
(831) 335-5355  
Website: www.fire.ca.gov



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December 4, 2012

Ms. Linda Craig, Chair  
San Mateo County Local Agency Formation Commission (LAFCO)  
455 County Center, 2nd Floor  
Redwood City, CA 94063

Ms. Craig,

I understand that LAFCO is currently reviewing the Municipal Service Review and Sphere of Influence Update for the Highlands Recreation District (HRD). CAL FIRE and the Highlands Rec District have enjoyed a very productive and mutually beneficial collaborative relationship for years.

As you know, our community is situated on the very western edge of unincorporated San Mateo. Several years ago, the HRD staff dedicated resources to assist in establishing and maintaining a Community Emergency Response Team (CERT). CAL FIRE provides the training that has now certified over 100 persons on the steps to safely and effectively assist in the event of a disaster. The program would not be this robust without the HRD commitment to its continued success and without the positive working relationship between the HRD and CAL FIRE.

The Rec Center is a well-managed and well-maintained facility. The Board and staff's commitment to safety is excellent. As a result, our services are rarely needed for emergency response, but more likely to deliver Santa Claus or assist with the annual raising of the dome that is installed over the pool each fall. The Rec Center staff also works diligently with FireSafe Crews and us to ensure that the HRD open space acreage is properly maintained.

The careful and conscientious oversight of HRD management makes this an efficient and effective hub for an active community. There is no need to change any part of District's structure. Therefore, I support the Highlands Recreation District's desire to remain an independent special district and, on behalf of CAL FIRE, I respectfully request that the Commission recommend that the HRD's Sphere of Influence designation remain unchanged.

Thank you for your consideration.

Sincerely,

Scott M. Jalbert  
Deputy Chief- Operations  
San Mateo Division

cc: ✓ Martha Poyatos, LAFCO  
Brigitte Shearer, Highlands Recreation District

**FLORENCE BEIER**  
2027 NEW BRUNSWICK DRIVE  
SAN MATEO, CA 94402  
650-573-1191/ email rfbeier@earthlink.net

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Ms. Linda Craig, Chair  
San Mateo County Local Agency Formation Commission (LAFCO)  
455 County Center, 2<sup>nd</sup> Floor  
Redwood City, CA 94063

cc. Martha Poyatos, LAFCO  
Brigitte Scherer, Highlands Recreation District

This letter is to express my interest in the Highlands Recreation District. My husband and I have been residents of the Highlands for 32 years.

I am concerned that this wonderful community center will remain the heart of our neighborhood that it has been for over fifty years. Our Rec Center is not just a place to go for swimming, tennis, fitness classes, and so on. Our children walk from the elementary school for afternoon fun, homework, and enrichment classes. Families gather weekly in the playground to share conversation and watch their youngsters make friends. Every holiday means an event at the Rec Center, including Santa and the Easter Bunny arriving on a fire truck. On July Fourth generations of Highlanders return with their children, as every age and color from our community celebrate together.

I have just begun to explain why we want to keep the HRD for our neighborhood. We welcome outsiders to all our programs and events – they are our guests and we willingly share our treasure. However, the management and focus of the HRD should continue its success as an independent entity in San Mateo County.

Thank you for your consideration.



Florence Beier