

MINUTES
REGULAR CITY COUNCIL MEETING
MONDAY, June 9, 2003

Vice Mayor Kasten called the regular meeting to order at 6:00 p.m. at the Hillsborough Town Hall, 1600 Floribunda Avenue, Hillsborough California.

ROLL CALL: Present: Mullooly, Fannon, Adams, Kasten
Absent: Regan

MINUTES: The minutes of the May 12, 2003 City Council meeting were approved, subject to a few minor changes on Items 16, 23 and 24.

PRESENTATION:

- Certificate of Achievement for Excellence in Financial Reporting awarded to the Town of Hillsborough, by the Government Finance Officers Association of the United States and Canada for the comprehensive annual financial report for the year ending June 30, 2002

RECOGNITION:

- Mrs. Jack Pearse – Donation to the Hillsborough Fire Department to purchase pet resuscitation masks for each fire engine

CONSENT CALENDAR:

On motion of Councilmember Mullooly and seconded by Councilmember Fannon, unanimous on voice vote, Consent Calendar Items 1, 2, and 4 - 10 were approved. Item 3 was removed for discussion.

1. MONTHLY CLAIMS MAY 1 THROUGH MAY 31, 2003

The monthly claims for May 2003 were approved.

2. RESOLUTION ESTABLISHING THE TOWN OF HILLSBOROUGH'S APPROPRIATIONS LIMIT FOR THE FISCAL YEAR 2003-2004

The resolution establishing the Town of Hillsborough's appropriations limit for the fiscal year 2003-2004 was adopted.

3. RESOLUTION PROVIDING FOR INTERIM MODIFICATIONS TO BUSINESS LICENSE TAX

The resolution providing for interim modifications was taken off consent calendar and opened for public comment.

Finance Director Edna Masbad explained to the City Council that the Hillsborough Business License Tax Ordinance was originally passed in September 1985 and the approved tax was for ¾% based on a business' gross receipts. At the same time, however, the City Council voted to exact only ½% instead of ¾% without changing the original ordinance. Hence, annually since 1985, the City Council has to approve a business license tax ordinance modification confirming whether it will continue to assess ½% instead of the ¾% approved rate. The resolution before the City Council tonight is for this purpose where staff recommends continuing charging only ½%.

Finance Director Edna Masbad clarified to the City Council that the question being raised did not have any relevance to the resolution presented to the City Council for approval. As to the architect's concerns, Mrs. Masbad explained that in previous meetings, staff presented a recommendation that was approved by the City Council, to equally enforce the ordinance on all those conducting business in the Town of Hillsborough.

AIA President Torin Knorr, distributed a letter to the City Council, explaining that Architects should not be taxed for work possibly built in Town. Architects conduct most of their business outside of Town, and this could be considered double taxation.

Councilmember Adams indicated that the issue seems to be with the enforcement of the ordinance, but not the actual ordinance itself.

City Attorney Norm Book said his office's research did not find any legal impediment to enforce the business license ordinance that was approved in 1985.

AIACC Director of Regulatory Practice Kurt Cooknick indicated that the State is looking at the enabling language the Town is using to tax professional services.

City Attorney Norm Book explained that the Town has the authority to impose this tax.

Mr. Cooknick asked to meet with the City Attorney to discuss this issue in further detail. Mr. Book said he would meet with Mr. Cooknick.

Councilmember Adams indicated that if the City Council does not enact this ordinance tonight, the ordinance would not apply to anyone.

City Manager Anthony Constantouros stated that this item could be approved tonight, and the Town could address the concerns of the AIA, and if needed come back to the City Council if the ordinance required amendment.

Councilmember Mullooly indicated that the ordinance might require clarification as to whom this will affect.

Councilmember Adams added that the ordinance does not say specifically that it applies to professional services.

Mr. Cooknick requested that Town staff could be directed to send notification to the AIA explaining what is under consideration.

AIA California Council Lee Lippert indicated that the AIA was following this issue closely. Mr. Lippert added that the Town's action would dictate what action the AIA will take.

Robert Blunk Architect, said that he has been working in Hillsborough since 1960. This new area of enforcement was noticed to architect in too short of a time frame and without discussion. Mr. Blunk requested that notification be sent out, and that an extension of time be provided.

Charles Kavanagh Land Surveyor / Civil Engineer, indicated that the taxes due came to be more than his rent in Burlingame. The ordinance is not clear as to what type of work done in Town, vs. services performed outside of Town.

Councilmember Mullooly indicated that the City Council should continue with the motion to adopt the ordinance as the Town has done in the past.

On motion of Councilmember Mullooly, seconded by Councilmember Adams, unanimous on voice vote, the resolution providing interim modifications to the Business License Tax was adopted.

4. RESOLUTION ACCEPTING AS COMPLETE THE 2003 EMERGENCY SANITARY SEWER UPGRADE BY PIPE BURSTING PROJECT AT 1505 BLACK MOUNTAIN ROAD

The resolution accepting the 2003 Emergency Sanitary Sewer Upgrade by Pipe Bursting Project at 1505 Black Mountain Road as complete was adopted.

5. RESOLUTION ACCEPTING AS COMPLETE THE 2003 SANITARY SEWER MANHOLE REHABILITATION PROJECT, SS-207

The resolution accepting as complete the 2003 Sanitary Sewer Manhole Rehabilitation Project SS-207 was adopted and staff was authorized to file a notice of completion for the project.

6. RESOLUTION APPROPRIATING FUNDS FOR EMERGENCY PUMP REPAIRS AND MAINTENANCE AT FACILITIES INCLUDING TOURNAMENT, BARROILHET, AND SKYFARM

The resolution appropriating \$51,000 from the water enterprise fund for expenses related to pump repair and maintenance at the Tournament, Barroilhet, and Skyfarm facilities was adopted.

7. RESOLUTION APPROVING CONTRACT RENEWAL FOR ANIMAL CONTROL SERVICES WITH THE PENINSULA HUMANE SOCIETY

This resolution authorizing the City Manager to enter into a renewed contract for Animal Control Services between the Town of Hillsborough and the Peninsula Humane Society for fiscal year 2003-2004 for an amount not to exceed \$57,028 was adopted. Staff was directed to inquire about adding wild life to the contract.

8. RESOLUTION ACCEPTING FINAL MAP FOR CROCKER WOODS SUBDIVISION AND AUTHORIZE CITY MANAGER TO EXECUTE SUBDIVISION IMPROVEMENTS AGREEMENT

The resolution accepting the Final Map for the Crocker Woods Subdivision and authorizing the City Manager to execute the Subdivision Improvement Agreement was adopted.

9. RESOLUTION AWARDING A CONTRACT TO CW DIVERS FOR THE 2003 WATER TANK CLEANING PROJECT, W-143

The resolution awarding CW Divers the contract for the 2003 Water Tank Cleaning Project, W-143, in the amount of \$48,014, with a 10% contingency in the amount of \$4,801, for a total budget of \$52,815 was adopted.

10. RESOLUTION AWARDING A CONTRACT TO SHAW PIPELINES, INC FOR THE 2003 WATER MAIN REPLACEMENT PROJECT, WHICH INCLUDES CAPITAL IMPROVEMENT PROJECTS W-105, W-121, W-133, W-134 AND W-135

The resolution awarding Shaw Pipelines, Inc. the contract for the 2003 Water Main Replacement Projects W-105, W-121, W-133, W-134, and W-135, in the amount of \$568,816, with a 10% contingency in the amount of \$56,812, for a total construction budget of \$625,628 was adopted.

PUBLIC HEARINGS:

11. CONSIDERATION OF THE FINAL ARCHITECTURE AND DESIGN REVIEW OF PLANS FOR A NEW HOUSE OVER 8,000 SQ. FT. IN SIZE AT 15 WOODGATE COURT, Mr. and Mrs. David Steirman, applicants

City Planner Maureen Morton explained that the Final Architecture and Design Review (ADRB) for this home at 15 Woodgate Court included a teardown, tennis court, pool, poolhouse, landscaping, tree removal, fencing and driveway gate. There was no neighbor objection and no appeals filed. The Board spoke positively of the design, but recommended the architect look into a different roofing material and garage doors. The applicant turned around the changes, and the Board supported the project 5-0. Ms. Morton indicated that one letter was received regarding drainage issues and was forwarded to the appropriate department.

Councilmember Adams asked about the basement, and if basements were becoming a trend in Town.

Ms. Morton said yes, more basements are being built when the code amendment was adopted and FAR allows for only a part of a basement to be counted.

Vice Mayor Kasten opened the public hearing.

Architect Noemi Avram, indicated to the City Council that this was a magnificent lot and the property owners wanted to protect the existing landscape and keep the house set back and not visible from the street. Mrs. Avram said that the Board's comments helped them to improve the project

Vice Mayor Kasten closed the public hearing.

On motion of Councilmember Fannon, seconded by Councilmember Mullooly, unanimous on voice vote, the final Architecture and Design Review of plans for a new house over 8,000 sq. ft. in size at 15 Woodgate Court was approved as submitted, subject to compliance with the Standard Conditions.

12. CONSIDERATION OF THE FINAL ARCHITECTURE AND DESIGN REVIEW OF PLANS FOR AN ADDITION RESULTING IN A HOUSE OVER 8,000 SQ. FT. IN SIZE AT 135 FALLENLEAF DRIVE; Mr. and Mrs. Billy Yeah, applicants

City Planner Maureen Morton explained that the project at 135 Fallenleaf Drive consisted of two additions at the first and second stories and the total square footage of the resulting house exceeds 8,000 sq. ft. Ms. Morton indicated that the application conforms to all Town requirements and standards. There was no neighbor objection and no appeals filed. The property owners at 140 Redwood Drive submitted a letter with concern about the amount of construction in the immediate area. Staff wrote a response explaining that the ADRB's purview is aesthetics and provided the correct resources for construction-related complaints.

Councilmember Mullooly indicated that according to the plans, it seemed that the pool and tennis court were in the setback area. Ms. Morton explained that the property owners received written sign off from the neighbor allowing the pool and tennis court to be constructed in the set back area.

Vice Mayor Kasten opened the public hearing.

John Stewart Architect indicated to the City Council that the ADRB approved the project unanimously.

Vice Mayor Kasten asked if the oak trees would remain. Mr. Stewart said yes.

Vice Mayor Kasten closed the public hearing.

On motion of Councilmember Mullooly, and seconded by Councilmember Adams, unanimous on voice vote, the final Architecture and Design Review of plans for an addition resulting in a house over 8,000 sq. ft. in size at 135 Fallenleaf Drive was approved as submitted, subject to compliance with the Standard Conditions.

13. RESOLUTION TO AUTHORIZE REVERSION TO ACREAGE AND RECORDATION OF A LOT MERGER MAP FOR CRYSTAL SPRINGS UPLANDS SCHOOL AND ACCEPT DEDICATION OF EASEMENT FOR WATER MAIN

City Engineer Cyrus Kianpour explained that the approval for the gymnasium requires elimination of several existing lot lines of record on the site. The Crystal Springs Uplands site will be merged into a single parcel. The Subdivision Map Act requires a public hearing prior to merger of lots and recordation of a map. The Crystal Springs Uplands School site consists of eight lots and the merger requested will reduce the number of lots to one. The exterior boundary of the Crystal Springs Uplands site will not be changed and only internal lot lines will be vacated. The map requested for approval also grants the Town of Hillsborough an easement for an existing water main on site. Mr. Kianpour indicated that the map would have an irrevocable offer of dedication to the Town for the water main easement.

Vice Mayor Kasten opened the public hearing.

Reva Segall, 456 Cornell Avenue, San Mateo indicated to the City Council that she received a public notice regarding the Crystal Springs Uplands School project, and does not understand the impact on her.

Mr. Kianpour explained that the state law requires a public notice to be sent out to residents within 300 sq. ft. of any act-taking place in the area. Mr. Kianpour indicated that she should not be directly impacted by this project, but informed her that the Town does have the right to access the underground water main.

Vice Mayor Kasten closed the public hearing.

On motion of Councilmember Mullooly, seconded by Councilmember Adams, unanimous on voice vote, the resolution approving the lot merger map for the Crystal Springs Uplands School and accepting dedication of an easement for a water main was adopted.

14. ORDINANCE AMENDING CHAPTER 13.40 TO THE HILLSBOROUGH MUNICIPAL CODE REGARDING (UNDERGROUND UTILITY)

Public Works Director Martha DeBry explained that this was the second reading of the undergrounding utilities ordinance. Once the ordinance is passed, the City Council can then establish each individual district within its clearly defined boundaries. A resolution would be passed naming the specific district or districts to be undergrounded. This resolution would be passed on to the participating utility companies to budget, engineer and schedule the work to complete the project. Mrs. DeBry indicated that that the ordinance has been amended by the City Attorney to reflect the City Council's direction to restrict underground districts to the use of 20A Funds. This ordinance will not require any resident to participate in 20A undergrounding projects if such participation requires the resident to expend personal funds.

Vice Mayor Kasten opened the public hearing. There being no comment, the public hearing was closed.

On motion of Councilmember Mullooly, seconded by Councilmember Adams, unanimous on voice vote, the ordinance enabling the City Council to create individual underground utilities districts utilizing 20A funds was adopted.

15. RESOLUTION SETTING REFUSE FRANCHISE FEE AT 10%

Public Works Director Martha DeBry explained that the franchise fee was set at 5% and the Town can increase the franchise fee in order to raise general fund revenues. As discussed at the May Council meeting, an increase from 5% to 10% will yield approximately \$80,000 annually. Mr. DeBry indicated that this cost would likely be passed on directly to refuse customers. For the majority of households using the 32-gallon service, the increase would equal \$1.00 per month. Ms. DeBry stated that this fee is not subject to proposition 218, which requires a vote for new taxes.

Vice Mayor Kasten opened the public hearing. There being no comment, the public hearing was closed.

On motion of Councilmember Fannon, seconded by Councilmember Adams, unanimous on voice vote, the resolution setting the refuse franchise fee at 10% was adopted.

16. ORDINANCE AMENDING SECTIONS 13.20.030 AND 13.20.040 OF THE HILLSBOROUGH MUNICIPAL CODE TO INCREASE WATER CONNECTION CHARGES AND SERVICE RATES EFFECTIVE JULY 1, 2003

Finance Director Edna Masbad explained that changes to the water rates require a modification of the Hillsborough Municipal Code. A 15% rate increase in water connection fees and services charges was approved to provide for increases in operating expenses and the required debt services coverage for the outstanding bonds and the proposed bond issue, partial proceeds of which will fund the capital improvement program of the water operations.

Vice Mayor Kasten opened the public hearing. There being no comment, the public hearing was closed.

On motion of Councilmember Fannon, and seconded by Councilmember Mullooly, unanimous on voice vote, the ordinance amending Sections 13.20.030 and 13.20.040 of the Hillsborough Municipal Code to increase water connection charges and service rates effective July 1, 2003 was adopted.

17. ORDINANCE AMENDING SECTIONS 13.32.105 AND 13.34.030 OF THE HILLSBOROUGH MUNICIPAL CODE TO MODIFY SEWER CONNECTION FEES AND SERVICE CHARGES EFFECTIVE JULY 1, 2003

Finance Director Edna Masbad explained that changes to the sewer rates require a modification of the Hillsborough Municipal Code. A 30% rate increase in sewer connection fees and services charges was approved to provide for increases in operating expenses and the required debt service coverage for the outstanding bonds and the proposed bond issue, partial proceeds of which will fund the capital improvement program of the sewer operations.

Vice Mayor Kasten opened the public hearing. There being no comment, the public hearing was closed.

On motion of Councilmember Adams, seconded by Councilmember Mullooly, unanimous on voice vote, the ordinance amending Sections 13.32.105 and 13.34.030 of the Hillsborough Municipal Code to modify sewer connection fees and service charges effective July 1, 2003 was adopted.

18. RESOLUTION AUTHORIZING PLACEMENT OF SEWER SERVICE AND STORM DRAINAGE CHARGES AND OF THE SPECIAL TAX FOR POLICE PROTECTION AND FIRE PROTECTION AND PREVENTION ON THE 2003-2004 COUNTY TAX ROLL AND AUTHORIZING THE COUNTY TAX COLLECTOR TO COLLECT SUCH CHARGES

Finance Director Edna Masbad explained that the County Tax Collector collects the Town's sewer service charges, storm drainage charges and the public safety special tax in the same manner in which the county collects the property taxes pursuant to the Hillsborough Municipal Code.

Vice Mayor Kasten opened the public hearing. There being no comment, the public hearing was closed.

On motion of Councilmember Adams, seconded by Councilmember Mullooly, unanimous on voice vote, the resolution authorizing placement of sewer service and storm drainage charges and of the special tax for police protection and fire protection and prevention on the 2003-2004 county tax roll and authorizing the county tax collector to collect such charges was adopted.

19. ORDINANCE AMENDING TITLE 17 (ZONING) AND RELATED OTHER CHANGES TO THE HILLSBOROUGH MUNICIPAL CODE TO IMPLEMENT THE POLICIES AND PROGRAMS IN THE HOUSING ELEMENT OF THE GENERAL PLAN

City Planner Maureen Morton indicated that in many cases this ordinance reflects existing requirements and provisions of state law, but where it is possible, the law has been crafted to relate specifically to the Town. The ordinance carries out the goal of the Housing Element to provide the necessary opportunities for housing and all segments of the community while maintaining the Town's character.

Vice Mayor Kasten opened the public hearing. There being no comment, the public hearing was closed.

On motion of Councilmember Fannon, seconded by Councilmember Adams, unanimous on voice vote, the ordinance implementing the programs in the Housing Element of the General Plan was adopted.

NEW BUSINESS:

20. SELECTION OF NAME FOR NEW PARK AT HAYNE AND BLACK MOUNTAIN ROAD

Public Works Director Martha DeBry explained that the Hillsborough Beautification Foundation (HBF) constructed a park located at the corner of Hayne and Black Mountain Road. The Foundation is recommending to the City Council that the park be named "Crossroads Park". In its winter mailing to all Town residents, the HBF asked for suggested names for the park. After consolidating the list and discussing alternatives, the HBF voted for its recommendation. Mrs. DeBry indicated to the City Council that they might accept the recommended name, or select any alternatives they wish to consider.

On motion of Councilmember Mullooly, seconded by Councilmember Fannon, unanimous on voice vote, the selection of the name for the new park at Hayne and Black Mountain Road was approved as "Crossroads Park".

21. ORDINANCES ADDING CHAPTER 3.10 TO THE HILLSBOROUGH MUNICIPAL CODE REGARDING (PUBLIC PROJECTS), Introduction

Public Works Director Martha DeBry explained that this ordinance enables the Town to amend the bidding process and allows the Town to select contractors from a list of bidders. Mrs. DeBry indicated that the bidding process for projects over \$100,000 would still require City Council approval. The City Council would still be informed of all public projects being performed throughout the Town.

On motion of Councilmember Adams, seconded by Councilmember Fannon, unanimous on voice vote, the ordinance adding Chapter 3.10 to the Hillsborough Municipal Code regarding (Public Projects) was introduced, and set for public hearing at the July 14, 2003 City Council meeting.

22. RESOLUTION AUTHORIZING SUPPLEMENTAL FUNDS FOR THE CRYSTAL SPRINGS PHASE I SEWER IMPROVEMENT PROJECT, SS-214

City Engineer Cyrus Kianpour explained that the Town awarded the construction contract for this project to Kinsel Industries, Inc. on August 12, 2002. Mr. Kianpour informed the City Council that the project was near completion, and approximately 3,700 ft. of under-sized trunk sewer along Crystal Springs Road was replaced. Due to exceeding the budget for anticipated changes in scope, several additional extra-work items have arisen in the course of construction. The source of funding for this work is the Sewer Enterprise Fund, and the \$215,000 of supplementary funds can be included in the proposed 2003 Bond Issue.

On motion of Councilmember Mullooly, seconded by Councilmember Adams, unanimous on voice vote, the resolution for the Crystal Springs Phase I Sewer Improvement Project, SS-214 authorizing \$215,000 in supplemental funds and appropriating \$215,000 from the Sewer Enterprise Fund was adopted.

23. AUTHORIZE THREE YEAR AGREEMENT AND FUNDING FOR LIBRARY SERVICES

Finance Director Edna Masbad explained to the City Council that the City of Burlingame and City of San Mateo have been meeting with staff to renegotiate the funding agreement for library services provided to the Town's residents. The Town's current agreement with the two cities allows for a CPI increase over the previous year's funding level and the Town's FY 02-03 contribution is \$441,960 or approximately \$40 per capita. Mrs. Masbad indicated that the two cities have proposed that the Town pay each year the lower of each city's per capita operating cost or the average of the Peninsula Library System (county wide) libraries. The proposal excludes the cost of debt service. The projected increased annual cost for the first year is \$100,000. Future annual adjustments will be made based on the above formula. As part of the Town's long-term planning, the Financial Advisory Committee has created a sub-committee to evaluate alternatives and to explore funding mechanisms for library services. The sub-committee will commence its meetings by this summer and will present a report by the spring of 2004.

On motion of Councilmember Mullooly, and seconded by Councilmember Adams, staff was directed to enter into a three-year agreement with the City of Burlingame and City of San Mateo for library services subject to a 90-day cancellation notice after the first year of the agreement and appropriate \$100,000 from the General Fund Budget Contingency to Library Services. Councilmember Fannon abstained.

DISCUSSION:

24. ACCEPT THE TOWN'S TECHNOLOGY ASSESSMENT REPORT

Finance Director Edna Masbad explained to the City Council that a contract was awarded to RoLo Consulting Company to assess the Town's information technology needs.

Robinson Leung provided the City Council with a brief presentation divided into seven sections explaining the Town's Technology Assessment Report: Data Networking, Information Management, World Wide Web, Application, Standardization, Inter-office Communication, and Support.

On motion of Councilmember Adams, seconded by Councilmember Fannon, unanimous on voice vote, the Technology Assessment Report was accepted and the implementation of recommendations specific to network servers outlined in the conclusion (2nd paragraph) for an approximate cost of \$18,000 was approved. Staff was directed to develop an implementation plan for the overall recommendations outlined in the conclusion (1st paragraph) and return to Council for approval; and staff was directed to develop a plan and budget to enhance the Town's website.

PUBLIC COMMENT:

There were no comments.

CITY COUNCIL ITEMS:

Councilmember Mullooly asked Vice Mayor Kasten if it would be acceptable to have the Airport Community/Roundtable's monthly report sent by email, or sent to the City Clerk to make copies and distribute. Vice Mayor Kasten asked if it would be possible to have a summary report drafted and emailed, rather than a lengthy report. Councilmember Mullooly said she would suggest that to the Airport Roundtable.

Councilmember Fannon asked if there was anything mentioned in the newsletter regarding the fire merger. Fire Chief Milanese said no.

City Manager Anthony Constantouros updated the City Council on the alarm letters sent out to Town residents. Due to the number of calls received, the Police Department sent out a question and answer letter. Vice Mayor Kasten said this might be a good topic for the newsletter. Councilmember Adams mentioned that many people just aren't aware of the alarm service provided by the Town.

City Manager Anthony Constantouros brought to the City Council's attention that there have been several complaints about the new 4ft high black chain link fence being installed around Spencer Lake. The neighbors along Macadamia have forwarded several letters of complaint to the Public Works Department. Councilmember Mullooly suggested maybe the Hillsborough Beautification Foundation could do some planting along the fence.

ADJOURN:

Vice Mayor Kasten adjourned the meeting at 8:10 p.m.