

MINUTES
REGULAR CITY COUNCIL MEETING
MONDAY, July 14, 2003

Mayor Regan 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, Regan

MINUTES: The minutes of the June 9, 2003 City Council meeting were approved, subject to a few minor changes on Items 3 and 13.

PRESENTATION:

- Carolyn Chu discussed on behalf of Pat Martel, General Manager, San Francisco Public Utilities Commission, the introduction of the Chloramine Water Treatment Process.

CONSENT CALENDAR:

On motion of Councilmember Adams and seconded by Vice Mayor Kasten, unanimous on voice vote, Consent Calendar Items 1-3, 5, and 7-11 were approved. Items 4 and 6 were removed for discussion.

1. MONTHLY CLAIMS JUNE 1 THROUGH JUNE 30, 2003

The monthly claims for June 2003 were approved.

2. QUARTERLY TREASURER'S REPORT

The Treasurer's Report for the quarter ending June 30, 2003 was approved.

3. RESOLUTION APPROVING THE INVESTMENT POLICY

The resolution approving the investment policy was adopted.

4. RESOLUTION AUTHORIZING FINANCE DIRECTOR TO SIGN AGREEMENTS FOR BOND COUNSEL AND TRUSTEE'S SERVICES RELATING TO \$15M 2003 PROPOSED WATER AND SEWER BONDS

Councilmember Adams questioned Section 2 indicating the provisions that could accelerate fees. City Attorney Norm Book indicated that the Town is basically replicating what was done in the prior years.

The resolution authorizing the Finance Director to sign an agreement for bond counsel and trustee's services relating to the \$15M 2003 proposed water and sewer bond was adopted, subject to the City Attorney and Finance Director negotiating a cap on the fee of \$35,000.

5. RESOLUTION APPROVING THE DONATION OF ACCRUED PAID TIME OFF BENEFITS

The resolution authorizing a special one-time basis donation of accrued paid time off to an employee in the Public Works Department was adopted.

6. RESOLUTION CONFIRMING REPORT OF WEED ABATEMENT CHARGES AND ORDERING COLLECTION

Vice Mayor Kasten asked if property owners have the prerogative to clear their own property. Interim Deputy Fire Chief Larry Larson said yes.

The resolution confirming report of weed abatement charges and ordering collection was adopted.

7. RESOLUTION AUTHORIZING EMERGENCY ELECTRICAL IMPROVEMENTS RELATED TO SCADA SYSTEMS WITHOUT PUBLIC BID

The emergency resolution approving the SCADA-related electrical improvements was adopted.

8. RESOLUTION AWARDING A CONTRACT TO JJR CONSTRUCTION INC. FOR EL ARROYO WATER TANK SITE IMPROVEMENTS AND APPROPRIATE \$18,969 FROM THE WATER FUND

The resolution awarding the contract for the El Arroyo tank site improvements to JJR Construction Inc., in the amount of \$18,969, with a 10% contingency in the amount of \$1,897, for a total construction budget of \$20,866, and appropriating \$20,866 from the Water Fund was adopted.

9. RESOLUTION ACCEPTING AS COMPLETE THE SANITARY SEWER MAIN REPLACEMENT AT 165 BELLA VISTA DRIVE

The resolution accepting as complete the Sanitary Sewer Main Replacement at 165 Bella Vista Drive, and authorize staff to file a notice of completion for the project was adopted.

10. RESOLUTION REQUESTING THE SAN MATEO COUNTY BOARD OF SUPERVISORS IMPOSE CHARGES TO FUND THE COUNTYWIDE GENERAL NPDES STORMWATER PROGRAM THROUGH THE COUNTY FLOOD CONTROL DISTRICT

The resolution requesting that the San Mateo County Board of Supervisors impose charges to support the FY 2003/2004 Countywide Storm Water General Program Budget through the Flood Control District was adopted.

11. RESOLUTION AUTHORIZING ENTERING INTO AN AGREEMENT FOR PREPARATION OF REVISED DESIGN GUIDELINES

The resolution approving entering into an agreement with Design, Community & Environment to prepare revised Design Guidelines at a cost of \$39,942 was adopted.

STUDY SESSION:

12. HOUSING ENDOWMENT AND TRUST OF SAN MATEO COUNTY (HEAT)
San Mateo County – Office of Supervisor Gordon

Supervisor Gordon presented an informal presentation with consideration of joining the Joint Powers Authority. HEAT was formed to raise and distribute funds related to increasing the number of affordable housing units in the County. A Joint Powers Authority was established as the mechanism for conducting business.

NEW BUSINESS:

13. RESOLUTION AWARDING A CONTRACT TO ANDY'S ROOFING FOR REPLACEMENT OF ROOF AT FIRE STATION 32

Public Works Director Martha DeBry explained to the City Council that the roof at Fire Station 32, at 330 Ascot Road needs to be replaced. This project includes removal of the roof, dry rot repair, damaged gutters and overhang. Andy's Roofing Co. Inc. bid the project at \$54,870 with a large contingency recommended for the dry rot work. Mrs. DeBry provided a slide show to the City Council showing the various roofing materials throughout the area. Mrs. DeBry suggested that the City Council consider rebidding the roofing project and receive new bids using a composite roof at half the cost and lower maintenance of the current roofing material.

City Planner Maureen Morton indicated that if a pre-approved roofing material is used, the property owner is not required to go through the ADRB process.

Councilmember Adams said he did not want this to be treated different than any homeowner.

Mrs. DeBry added that the Town could rebid the project and look for the lowest price, and the best pre-approved material.

On motion of Councilmember Adams, seconded by Councilmember Mullooly, unanimous on voice vote, the City Council recommended staff to initiate another bid process for the roofing project for Fire Station 32 with alternate roofing materials.

14. **ORDINANCE AMENDING SECTION 15.04.070 OF THE HILLSBOROUGH MUNICIPAL CODE (Building Fee Schedule)**

Chief Building Official John Milke explained to the City Council that the current ordinance does not give the Chief Building Official any flexibility in penalty fees for work completed without permits. The amended language will provide the Building Department more flexibility in assessing fines for work started prior to obtaining the proper permits.

On motion of Councilmember Mullooly, seconded by Councilmember Fannon, unanimous on voice vote, the ordinance amending Section 15.04.070 of the Hillsborough Municipal Code (Building Fee Schedule) was introduced and set for public hearing at the August 11, 2003 City Council meeting.

15. **FINANCING OPTIONS FOR THE PROPOSED \$15M 2003 WATER AND SEWER BONDS**

Finance Director Edna Masbad explained that the 2003-2004 approved budget for water and sewer operations included a proposed \$15M bond issue to continue the operations' capital improvement program of water and sewer operations. At the Financial Advisory Committee's (FAC) June 25, 2003 meeting, JP Morgan Securities Inc. who underwrote the Town's 2000 bonds, presented four (4) financing options for the 2003 proposed bonds.

The Committee also discussed financing options on the 2000 Series B that has a remaining balance of \$9.7M, to determine whether the Town could consider locking in the current market's favorable fixed rates. The Town purchased a rate cap of 6.5% on Series B that matured in May 2003.

Mrs. Masbad indicated that the FAC voted unanimously to recommend to the City Council option 3 – variable rate bond with a 30-year swap to a synthetic fixed for both 2000 B Series and the new 2003 proposed bond issue.

Mayor Regan asked why take the risk when the Town has the option to lock into a rate. Mrs. Masbad indicated that under option 3, there would be a swap agreement. She further explained that the bonds are still variable bonds and the Town concurrently enters into a swap agreement with a counter party. The Town will be paying a fixed rate to the counter party regardless of where the variable rates go. However, either party under certain circumstances can terminate the swap agreement. In such a situation, the bonds revert back to being variable and the Town can either receive from or pay to the counter party the dollar value of the swap agreement depending upon the market conditions at such date.

The City Council considered the financing options and directed staff to proceed with the Financial Advisory Committee's recommendation for option 3.

16. POSSIBLE SALE OF SURPLUS REAL PROPERTY LOCATED BETWEEN 1060 AND 1070 PARROT DRIVE

Public Works Director Martha DeBry asked the City Council to consider selling the property between 1060 and 1070 Parrot Drive. Mrs. DeBry indicated that the property has not been in use since the 70's. If the City Council is willing to declare the property as surplus, it must first offer to sell the property to the County and regional park district prior to making the property available to any other buyer. An appraisal must be performed to determine the fair market value prior to offering the property for sale to any other interested parties.

Vice Mayor Kasten asked if the Town would be required to remove all material off the property.

Mrs. DeBry said that the Town could sell the property as is or the Town could remove whatever material is still on the site.

Councilmember Adams asked what if the property appraisal is not as high as the Town would want to sell. Mrs. DeBry said she thought the Town could ask for more.

Councilmember Adams asked if the Town owned more property like this in Town. Mrs. DeBry said there might be one other possible site.

Staff was authorized to retain an appraiser to determine the fair market value of the property located between 1060 and 1070 Parrot Drive, and offer the property for sale to the County and Regional Park District.

17. RESOLUTION ELECTING TO BE SUBJECT TO THE UNIFORM CONSTRUCTION COST ACCOUNTING PROCEDURES SET FORTH IN ARTICLE 2 COMMENCING WITH SECTION 22010 OF THE PUBLIC CONTRACT CODE

Public Works Director Martha DeBry indicated that this resolution was a necessary administrative step to implement the bidding procedure ordinance also on the agenda.

The resolution electing to be subject to the uniform construction cost accounting procedures set forth in Article 2 commencing with Section 22010 of the Public Contract Code and directing the Finance Department to notify the State Controller of that election was adopted.

PUBLIC HEARINGS:

18. ADOPTION OF ORDINANCE TO CHANGE BIDDING PROCESS FOR PUBLIC PROJECTS

Public Works Director Martha DeBry explained to the City Council that public projects are improvements to infrastructures, which may include anything from replacing a roof on a building to replacing a sewer line. The State law requires local agencies to enter into a formal bidding process for any project in excess of \$5,000. The formal bidding process requires the publishing of notices, a 14-day waiting period which requires approximately 1 month to execute, and the City Council approval is required for every contract which may consume several more weeks. Most public projects exceed \$5,000, so consequently the Town must frequently approve emergency projects to ensure the timely completion of work.

Vice Mayor Kasten asked how contracts get added to the bid list of Town projects. Mrs. DeBry indicated that a Contractor would send in a request to be placed on the list.

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

On motion of Councilmember Mullooly, seconded by Councilmember Fannon unanimous on voice vote, the ordinance to change the bidding process for the public projects was adopted.

19. RESOLUTION ESTABLISHING UNDERGROUND UTILITY DISTRICT NO. 1 AND SETTING TIME FOR COMPLETION OF UNDERGROUNDING

Public Works Director Martha DeBry explained that the City Council recently adopted an ordinance enabling the establishment of an underground district. The resolution actually sets the boundaries of the undergrounding district. The proposed district is along Ralston Road from the intersection at Chateau to the intersection at Eucalyptus, and along Eucalyptus from the intersection at Ralston to the intersection at New Place Road. Mrs. DeBry indicated that the only properties affected are the school district properties.

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

On motion of Councilmember Kasten, seconded by Councilmember Adams unanimous on voice vote, the resolution establishing underground utility district No. 1 and setting time for completion of undergrounding was adopted.

PUBLIC COMMENT:

There were no comments.

CITY COUNCIL ITEMS:

Councilmember Mullooly indicated that the Airport Roundtable has her email address and she asked Vice Mayor Kasten if she could give them his email. All reports and agenda's would be sent via email instead of USP mail.

ADJOURN:

Mayor Regan adjourned the meeting at 7:45 pm.