

MINUTES
REGULAR CITY COUNCIL MEETING
MONDAY, March 8, 2004

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 February 9, 2004 City Council meeting were approved as submitted, subject to adding, Councilmember Adams abstaining from voting on Item 7.

PROCLAMATION:

Honoring Boy Scout Troop 156 for 75 years of Community Service

American Red Cross Month, March 2004

CONSENT CALENDAR:

On motion of Vice Mayor Kasten and seconded by Councilmember Adams, unanimous on voice vote, Consent Calendar items 1 and 2 were approved.

1. MONTHLY CLAIMS FEBRUARY 1 THROUGH FEBRUARY 29, 2004

The monthly claims for the month of February 2004 in the amount of \$1,550,987.53 were approved.

2. REJECTION OF CLAIM: LIONEL SAKAMOTO, MELANIE SAKAMOTO, LYNELLE RUSSO AND MICHELLE LAGUNA – Honolulu, HI

The claim filed by Lionel Sakamoto, Melanie Sakamoto, Lynelle Russo and Michelle Laguna, Honolulu, HI was rejected.

NEW BUSINESS:

3. RESOLUTION IN SUPPORT OF MEASURE A REAUTHORIZATION

Public Works Director Martha DeBry explained that the Measure A ballot was adopted in 1988 that authorized a ½ cent sales tax increase in San Mateo County. The funds are used for public transit, highway and local street improvements. Mrs. DeBry indicated that Hillsborough receives approximately \$350,000 in measure A funding annually, which is the primary source of funding for street infrastructure improvements. The City County Association of Governments (C/CAG) will vote on the measure in March.

Mayor Regan said the Town currently receives approximately \$350,000 and asked if that amount could be increased. Mrs. DeBry said yes, if the sales tax was increased.

Vice Mayor Kasten indicated that it is critical to continue to support C/CAG.

Richard Napier C/CAG's Executive Director referred to staff's excellent presentation and added that the sales tax measure is critical to local service. Mr. Napier encourages the City Council to support this measure since only the City and County can put this Measure on the ballot.

On motion of Vice Mayor Kasten and seconded by Councilmember Fannon, unanimous on voice vote, the resolution supporting the reauthorization of Measure A and providing direction to the Town's C/CAG representative to vote in favor of placing the reauthorization on the ballot was adopted.

4. RESOLUTION REJECTING BIDS AND APPROPRIATING FUNDING FOR THE CONSTRUCTION OF THE CORPORATION YARD GARAGE

Public Works Director Martha DeBry asked the City Council to reject the bids for the Corporation Yard Garage. Mrs. DeBry said the lowest bid received for the garage was \$245,000; staff estimated construction of a 1 –story building at \$180,000. The project would consist of construction of a 2,156 square foot garage for the purpose of parking 6 vehicles, one office space, lockers and restroom facilities. Mrs. DeBry indicated that the need for the “sewer garage” was first identified in the 1996 capital budget. Mrs. DeBry explained that the vehicles are stored indoors because it protects the vehicles from the elements (extending life of vehicle), deters theft of tools and vandalism, and improves the appearance of the yard. The need for lockers and restrooms provide privacy, a better environment for employees, and facilitates compliance with OSHA regulation. Also, the supervisor of the department requires an office space. The project was originally conceived as a 1-story building in 2000. The City Engineer felt it was necessary to add a 2nd story to accommodate newly acquired equipment and provide storage. A 2-story concept was discussed in August, 2002 and presented at a neighborhood meeting May 28, 2003. This design was then shown to the ADRB June 16, 2003. Staff discussed how a 2nd story structures would meet storage needs of the yard and Town Hall at additional meetings on July 24 and August 19, 2003. After neighbor concerns were heard, the structure was reduced to a 1-story garage, which was presented at the January 6, 2004.

Attorney Beth Tenney of McCracken, Byers, and Haesloop, LLP representative for Mr. Kevin Whitman indicated that she presented several documents prior the City Council meeting. Mrs. Tenney said many topics of the material submitted required CEQA review. Ms. Tenney indicated that Town staff position was that this structure was exempt under CEQA. Also, the staff said that is new structure would be built on an existing foundation that seems to be higher than any other structure around. Mrs. Tenney indicated that this structure does not fit in with any of the other existing properties, and there are hazardous materials exposed 3ft from adjacent neighbors.

David Ng, president to the Farm Lane Homeowners Association indicated that the Town should have an Environmental Impact Report conducted. There is high concern about underground fuel tank leaks. Also, the Town should consider how it stores hazardous wastes at the Corporation Yard and a long-term master plan.

Attorney Michael B. Allen, representing Bob and Susan Cooper, indicated the Coopers were in opposition. Mr. Allen indicated the Cooper's were in opposition to the new development. Mr. Allen said he attended all six meetings regarding the garage. The new garage is very obvious from the rear of the Coopers' property. A flat roof was suggested in lieu of a gable roof. Mr. Allan added that CEQA input is needed along with a master plan for the Corporation Yard.

George Outland urged the City Council to develop a long-range master plan for the Town Corporation Yard. Mr. Outland also believes there should be a Town-wide group meeting to discuss the various options and locations for the yard. Mr. Outland added that if the Council decides to proceed with the construction of a new sewer department garage, at its present site, he believes the Town should honor the letter sent August 18, 2000 indicating “the new building will be very close to the height of the existing buildings next to it”.

Bob Yee explained that he had noticed an activity increase at the Corporation Yard, along with other construction and new antenna installation. Mr. Yee said the weekends have been exceptionally noisy with employees washing equipment and conducting work furlough. Mr. Yee added that the Town should take a look at the long term planning of the yard, and off site storage.

Michael Stepanian indicated that things such as trucks, debris boxes, gas tanks, and gas spills do not belong in a residential neighborhood. Mr. Stepanian said these trucks do not need to be garaged; there is no big theft problem in Town. Also the above ground tank is a hazard. Mr. Stepanian suggested that the Town had engaged in a “cover-up” regarding the fuel leak at the Yard. Mr. Stepanian added that Town administration vehicles, police vehicle and fire vehicles all obtain gas at the Corporation Yard, which contributes to the high traffic. The lowering of the proposed garage is a temporary fix and does not take into consideration all the environmental issues.

Mike Amaroli said the Council did not know how strongly residents felt about this proposed project. Even though he lives three blocks away, he feels the Corporation Yard will only grow with time. Mr. Amaroli indicated that a study should be conducted to see where else the yard could be moved. Mr. Amaroli added that the Town spent \$1,800,000 on a house near Town Hall and asked why the money couldn't be spent on a better location for the yard.

Claudia Smay urges the Council to hire an independent consultant and set up an advisory committee consisting of citizens, Council, and employees to make recommendations on how to best meet the Town's needs. Mrs. Smay added that the neighbors would never all agree on a solution, but everyone is troubled by the incompatible land use and architectural style.

David Smay said their property look directly into corporation yard. The Town did add planting and reduced lighting. He hopes the Town will encompass better planning in the future.

Tania Stepanian indicated that there was a toxic spill at the Corporation Yard years ago. She said there were rusting barrels and hazardous material signs posted all around the yard. Mrs. Stepanian indicated that there was excessive noise at the yard and it seemed to be a permanent construction site. Staff and employees are very pleasant; however, she was shocked when staff indicated to her the deck on the rear of the existing office may be enclosed, and that Town does not need to abide by the same rules applied to residents. Mrs. Stepanian added that the money put towards the new garage should be put toward finding a more commercial location for the yard.

Edmond Hom indicated that he has been on both sides of the project. Mr. Hom respects the City Council, and feels they will make the right decision. Mr. Hom said it seems the main reason for the garage is to park new vehicles. Mr. Hom said he parks his cars outside and has never experienced vandalism. He suggests that there be an alternate solution for this garage.

Peter Shanholt indicated that his driveway is located on La Honda Road and would not be able to see the garage, especially if they paint it. Unfortunately he feels there had been a loss of trust with Town residents and the Council. The Corporation Yard has grown in the number of employees, and the foundation has been poured without discussion. Mr. Shanholt said there needs to be a master plan and rebuilt trust with the neighbors.

Mark Lenhart said the Corporation Yard should to be relocated because of the attitude and loss of trust with the Town. Mr. Lenhart asked what other things are happening, and why can't the Corporation Yard be moved. Mr. Lenhart stated that a staff person indicated the Town was exempt from certain rules is rude. Mr. Lenhart indicated that no other adjoining cities have a yard neighboring residents. Mr. Lenhart is asking that an outside independent consultant be hired.

Max Stepanian said he watched the Corporation Yard change from not much activity to a great deal of activity. Mr. Stepanian indicated there is a need for a master plan, and there has been little disclosure to the residents as to what is going on. An environmental impact report should to be investigated along with the need to look for another location for the yard.

Susan Miner said an environmental impact report should be mandatory. Mrs. Miner indicated that when she built her home in Town she was required to go through an extensive process, and so should the Corporation Yard.

Marina Tikhman said she built her house on Farm Lane with hopes to enjoy this peaceful town. Mrs. Tikhman said she had to go through the ADRB process and follow Town policies. Mrs. Tikhman indicated it seems the Town has no obligation to these requirements, and that is hypocritical. Mrs. Tikhman's concern is that more tax dollars go toward depreciation than toward property values.

Bruce Schwartz indicated that there has been substantial growth to the Corporation Yard buildings and staff. Mr. Schwartz said there has been no limit set as to how large the yard can grow. The Town needs to put this project on hold and inquire about a master plan to see where the Town will be heading in the future.

Steven Kane said the Corporation Yard has no effect on his daily living. Mr. Kane added that there are many residents who expect to have a trusting relationship with Hillsborough and should be treated with dignity and respect. This Corporation Yard has become a nuisance and the Town needs to create a long-range plan.

Scott Langmack thanked the City Council for all the community service they provide. Mr. Langmack indicated that the issue here is the City workers are trying to do their job and tonight is about a public outcry not to have an industrial site in our backyard. Mr. Langmack said it is unfair to concentrate all the Town's needs in one area. The Town should explore other options and a long-term plan for the Corporation Yard along with environmental goals.

David Williams said there are vehicles housed at the Corporation Yard. The sewer truck and backhoe are large vehicles that stored at the yard and are too large to travel up the small driveway of La Honda Road

Kevin Whitman explained that he had numerous concerns about the Corporation Yard, which included; leaks from an underground tank and concern about the Town acting secretly installing a new tank at the Yard without notice to neighbors. Consideration should be given to removing the fuel tank, an industrial growth ordinance and using open space as an alternative location for the Yard.

Attorney David Byers of McCracken, Byers, and Haesloop, LLP representing Kevin Whitman indicated that it is common sense that there is no way the Public Works Director could build this project for \$180,000. Mr. Byers said there is no reason why this project needs to be approved tonight. Mr. Byers said the residents have not been provided with any CEQA analysis, environmental assessment report or negative declaration and no negative declaration. The Town needs to provide a master plan along with an alternative to the Town residents.

John Edwards does not have any history on the Corporation Yard. Mr. Edwards said he has experience with building in Hillsborough, and there is no way the ADRB would allow residents to build this project. Mr. Edwards indicated that other cities in the peninsula do not have their Corporation Yard around residential neighborhoods. Mr. Edwards said this project could better meet the residents' concerns and the Town should consider revising this development.

Mayor Regan closed public speaking.

Mayor Regan asked Public Works Director Martha DeBry to respond to some of the issues discussed.

Mrs. DeBry indicated that the roof of the new garage is 20' 6" high. Mrs. DeBry said from a southern vantage point one could only see 15" of the building. Mrs. DeBry said there are several reasons why the Town does not want a flat roof. A flat roof would require replacement more often since it requires more maintenance as pine needles will gather on it, and a flat roof looks more industrial than the pitched roof.

Mrs. DeBry said the hazardous materials stored at the yard are household type supplies such as oil, paint, herbicides, and hydraulic fluids. Mrs. DeBry said the temporary shed stores Root-be-gone an herbicide, used by sewer crews.

Mrs. DeBry said the past fuel leak did require more than 5 years of monitoring and the Town has received a full environmental clearance from further testing by San Mateo County Environmental Health, which has jurisdiction over this matter. A copy of the letter closing the case was provided at the meetings. Mrs. DeBry stated that all of the records regarding the leak, testing and annual monitoring actions plans are public information available from the Town, the County and the Bay Area Regional Water Quality Board. The actions to remove the underground tank and install an above ground tank were both discussed at an open public meeting of the City Council. At no time had the Town failed to disclose information about the leak, nor was there any “cover up” or “secret” actions by the Town at any time. The above ground tank has two walls and is very well constructed. The above ground tank has never experienced a leak.

Mrs. DeBry said the fire and police departments do travel to the Corporation Yard. It is in the Town’s budget to inquire about a fueling facility at Town Hall. Mrs. DeBry explained that the fuel tanks at the Fire Stations only contain diesel fuel, and the Town dispenses approximately 36,000 gallons of unleaded fuel at the Corporation Yard. If Town vehicles had to travel outside of Town for fuel a great deal of time and productivity would be lost.

Mrs. DeBry indicated the Town does not own unrestricted open space suitable as a location for the yard as suggested by Mr. Whitman. The open space near highway 280 is owned by the SFPUC.

Mrs. DeBry said the City of Burlingame recently reconstructed their yard for \$2,000,000, which excludes land acquisition costs.

Mrs. DeBry said the Town had proposed a two-story building to help benefit Town Hall storage. The Town will still have storage needs when a one-story garage is constructed.

Ms. DeBry added that numbers have been added to all Town vehicles and ask the residents to contact her with any concerns as to reckless driving.

Councilmember Fannon asked the City Attorney if the Corporation Yard is exempt from CEQA. City Attorney Norm Book stated that the project under consideration is limited to the 2,150 sq. ft. garage, which qualifies under CEQA for one or more categorical exemption. He pointed out that the new structure is not designed to increase activity, just support what is there.

Councilmember Fannon said he had a concern with the issue mentioned regarding trust. Mr. Fannon said there were many people who did not attend the meetings. Mr. Fannon indicated that residents who did attend the meeting brought forward some concerns about lighting, landscape, and BFI noise. The Town had a constructive reaction to these concerns. Mr. Fannon added that the Town’s population has grown and the Town has specific needs that must be met. Mr. Fannon suggested a committee meet every six months to see where the Town residents are with their concerns.

Councilmember Adams indicated that he would favor a study of the Corporation Yard and its future growth.

Councilmember Mullooly said she finds it interesting to hear the residents concern about cars and trucks outside, and now the Town is being asked to not build a garage and keep their equipment outside. Councilmember Mullooly added that if the equipment at the Corporation Yard were not cared for, we would end up spending money to replace it.

Mayor Regan asked if the underground tank has been completely removed, and if the site has been tested. Mrs. DeBry said State Law required the removal of all single wall tanks by 1998 and the Town completed five years of testing and monitoring. The County and Environmental Health Department does not require additional testing.

Mayor Regan asked if the ADRB is equipped to handle the review of the Corporation Yard garage. City Planner Maureen Morton said the ADRB struggled with commenting on the design, as current design guidelines do not address commercial buildings.

Mayor Regan said in listening to these concerns, he believes the issues mentioned must be addressed. However, Mayor Regan indicated that relocation of the Yard is not something the Town is likely to do without a long-term study.

Councilmember Fannon said we have been studying this project for two plus years. Mr. Fannon explained that the Corporation Yard is where it should be.

Mayor Regan asked if there are any other concerns over the next five years. Ms. DeBry said yes, there would still be a storage issue, since the second story was not approved.

Councilmember Adams thought a study should be done in accordance to what the Town needs.

Vice Mayor Kasten that it should be taken into consideration that the Yard is now centrally located in the Town.

On motion of Councilmember Mullooly, seconded by Councilmember Adams, unanimous on voice vote, the resolution rejecting the bids submitted was adopted.

On motion of Councilmember Fannon, seconded by Councilmember Adams, unanimous on voice vote, the City Council deferred the project for further study. Council asked staff to return to the April 12, 2004 City Council meeting and provide a recommended approach.

5. RESOLUTION AUTHORIZING THE CITY PLANNER TO ENTER INTO AN AGREEMENT FOR THE GENERAL PLAN UPDATE

City Planner Maureen Morton explained that the State Law requires every city to have a General Plan, which includes at least seven mandatory elements and should be updated every ten years, except the Housing Element, which requires updating every five years. Ms. Morton indicated that the firm, Design, Community & Environment, prepared the General Plan Update. This is the same firm currently completing the Design Guidelines, although different staff and sub-consultants will be used. Ms. Morton indicated this firm was selected because of its understanding of the project, the Towns recent successful similar experience in other communities, the level of expertise in important technical areas (such as traffic, hillside and creekside development, website support, etc.), their approach toward the project and providing cost effective services within the project budget.

Councilmember Fannon asked if the Corporation Yard could be included in this project. Ms. Morton answered that a different agency would be involved in general plan process.

On motion of Councilmember Fannon, seconded by Vice Mayor Kasten, unanimous on voice vote, the resolution authorizing the City Planner to enter into an agreement with Design, Community & Environment to update the General Plan for a sum not to exceed \$168,553 was adopted.

6. RESOLUTION AWARDING CONTRACT FOR AERIAL PHOTOS

City Engineer Cyrus Kianpour explained that the scope of work for this project will provide color aerial photos and elevation contours with 2ft intervals to supplement the Town's geographic elevation contour maps. Mr. Kianpour indicated that detailed information might be obtained by clicking on a property, such as a parcel number, or data on what events have taken place in that area. The Global Positioning System (GPS) can also locate water lines, sewer lines, and hydrants. Mr. Kianpour indicated that a full demonstration would be presented in six months.

Vice Mayor Kasten asked if this fed into the General Plan. Mr. Kianpour answered yes.

Mayor Regan asked who owns the pictures, and can the pictures be sold to Town residents. Mr. Kianpour said the photos would be the property of the Town.

On motion of Councilmember Adams, seconded by Councilmember Mullooly, unanimous on voice vote, the resolution awarding contracts for aerial photos and appropriate \$23,870 from the Sewer Fund and \$23,870 from the Water Fund was adopted.

7. RESOLUTION AUTHORIZING CONTRACT CHANGE ORDER #2 FOR THE SANITARY SEWER CLEANING AND VIDEO INSPECTION PROJECT, PHASE I

City Engineer Cyrus Kianpour explained that the Phase I project was intended to clean, point repair and inspect approximately 25,000 feet of sewer mains. A contract was awarded to JF Pacific Liners in September 2003, and a contract change order was authorized in November of 2003 for the rehabilitation of another 2,500 feet. These areas are currently being lined. Mr. Kianpour indicated that a majority of the work is performed within easement and open space areas, which are difficult to access. Mr. Kianpour said the work did start in September 2003 and is almost complete.

On motion of Councilmember Fannon, seconded by Vice Mayor Kasten, unanimous on voice vote, the resolution authorizing contract change order # 2 in the amount of \$30,000 for a total project cost of \$471,940.25 for the Sanitary Sewer Cleaning and Video Inspection Project, Phase I was adopted.

8. RESOLUTION DECLARING THREE PROPERTIES AS SURPLUS: 115 Reservoir Road and remainder pieces on Whitwell Drive and Armsby Drive

Public Works Director Martha DeBry indicated that the Town is, not using the three properties listed. There has been an expression of interest by the neighbors to purchase two of these properties. Mrs. DeBry said if the City Council declared these properties as surplus, only one may be offered to other public entities for public use, and all funds could go into the General Fund.

Vice Mayor Kasten added that Reservoir Road was an exceptional site.

Mrs. DeBry said that these specific properties could not serve a public use.

On motion of Councilmember Mullooly, seconded by Councilmember Adams, unanimous on voice vote, the resolution declaring the properties as surplus, and authorize staff to begin in the process to dispose of the 3 properties was adopted.

DISCUSSION ITEM:

9. STATUS UPDATE AND JOINT POWERS AGREEMENT ON COMBINING THE HILLSBOROUGH / BURLINGAME FIRE DEPARTMENTS

Burlingame Fire Chief Reilly explained that back in September 2003, the City Council authorized a 90-day Coverage Study to evaluate the potential economic and service delivery benefits of combined departments. The case study was successful. Chief Reilly said there were no issues with response times, and the savings was in excess of \$700,000. The department working together has come together quite well. The final draft Joint Powers Agreement (JPA) is included in the City Council packet for questions and concerns.

A brief discussion followed during which several revisions were suggested for the draft agreement.

PUBLIC COMMENT:

None

CITY COUNCIL ITEMS:

Councilmember Mullooly and Mayor Regan indicated that they would be attending the Council of Cities Dinner in South San Francisco.

City Attorney Norm Book reported out of closed session that the City Council had approved sale of Parrott Drive parcel No. 03-181-180 (abandoned water tank site) for the sum of \$110,000.00 if the Public Works Department concludes that the clean up of the site and the performance of any required remediation can be done for less than \$50,000.00; if not, the sale would be for \$50,000.00 “as is” with the buyer assuming the clean up obligation.

Councilmember Adams indicated that the Undergrounding Committee met last month, and a survey was being conducted showing undergrounding all PG&E lines in Town.

Public Works Director Martha DeBry reported that there was an accident in the Public Works department with one of the dump trucks. The truck broke loose down a hill into a fence at Strawberry Hill. The truck was totaled, and no one was injured. The Town has taken full responsibility and is looking to replace the vehicle.

Councilmember Mullooly announced to the department head staff that she and the City Council enjoy reading each of their monthly reports.
Mayor Regan congratulated Dave Agee of the Hillsborough Police Department for his heroic efforts

ADJOURN:

Mayor Regan adjourned the meeting at 9:25 p.m.