

MINUTES
REGULAR CITY COUNCIL MEETING
MONDAY, JANUARY 10, 2005

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: Krolik, Regan, Fannon, Mullooly, Kasten

- Moment of silence in memory of former Mayor & Councilmember Jean Auer.

MINUTES: The minutes of the December 13, 2004 City Council meeting were approved as submitted.

PRESENTATIONS:

Resolution of Appreciation – Retirement of Police Corporal Ronald Gilbert

Citizen Communication Advisory Committee, Certificate of Appreciation – Christine Krolik

Awards Ceremony for the “Third Annual Red Ribbon Poster Contest” winners was moved to the February 14, 2005 City Council meeting

CONSENT CALENDAR:

On motion of Vice Mayor Mullooly and seconded by Councilmember Krolik, unanimous on voice vote, Consent Calendar items 1 – 7 were approved.

1. MONTHLY CLAIMS DECEMBER 1 THROUGH DECEMBER 31, 2004

The monthly claims for the month of December 2004, in the amount of \$2,852,771.64 were approved as submitted.

2. QUARTERLY TREASURER'S REPORT

The Quarterly Treasurer's Report ending December 31, 2004 was approved.

3. RESOLUTION ACCEPTING AS COMPLETE THE 2004 SANITARY SEWER MAINS LINING PROJECT PHASE I

The resolution accepting as complete the 2004 Sanitary Sewer Mains Lining Project Phase I and authorizing staff to file a notice of completion for the project was adopted.

4. RESOLUTION AUTHORIZING THE SUBMITTAL OF APPLICATION TO THE CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD OF FY 2004/2005 WASTE TIRE PLAYGROUND COVER GRANT

The resolution authorizing the submittal of application to the California Integrated Waste Management Board for FY 2004/2005 Waste Tire Playground Cover Grant was adopted.

5. RESOLUTION TO APPROVE SERVICE ORDER FOR ENGINEERING DESIGN – CHERRY CREEK SEWER MAIN

The resolution approving CSG for a service order in the amount of \$59,820 for the engineering design of Cherry Creek Sewer Main was adopted.

6. RESOLUTION AUTHORIZING PRE-TAX PAYROLL DEDUCTION PLAN FOR SERVICE CREDIT PURCHASE(S)

The resolution authorizing a pre-tax payroll deduction plan service credit purchase was adopted.

7. ACCEPTANCE OF COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) TOGETHER WITH THE INDEPENDENT PUBLIC ACCOUNTANT'S MANAGEMENT LETTER AND STAFF'S RESPONSES FOR THE FISCAL YEAR ENDED JUNE 20, 2004

The City Council accepted and filed the Comprehensive Annual Financial Report, together with the management report, for the fiscal year ended June 20, 2004.

PUBLIC HEARING:

8. ORDINANCE AMENDING SECTION 2.12.010 AND THREE SECTIONS OF THE TITLE 17 (Zoning) OF THE HILLSBOROUGH MUNICIPAL CODE

City Planner Maureen Morton indicated that this ordinance was discussed at the November 8, 2004 City Council meeting and introduced at the December 6, 2004 meeting. Ms. Morton explained the first proposed change is to eliminate the 2-year maximum term limit for the Chairperson of the Architecture and Design Review Board. The second proposed change is to include both attached and detached garages in the exception for allowing the expansion of nonconforming structures. The third proposed change is to clarify the point from which building heights are measured. The fourth proposed change is to reduce from seven feet to six feet the maximum ceiling height for basement areas (except for mechanical rooms) that are not counted in FAR calculations.

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

On motion of Councilmember Fannon, seconded by Vice Mayor Mullooly, unanimous on voice vote the ordinance amending Section 2.12.010 and three sections of Title 17 (Zoning) of the Hillsborough Municipal Code was adopted.

NEW BUSINESS:

9. INTRODUCE ORDINANCE LIMITING TIME FOR CONSTRUCTION PROJECTS, REQUIRING A QUALIFIED SUPERINTENDENT, AND REQUIRING PRE-CONSTRUCTION MEETINGS

Chief Building Official John Milke indicated that this ordinance was discussed at the November 8, and the December 13, 2004 City Council meetings. An additional section was added to the ordinance in order to provide a Stop Work Reactivation Fee. Mr. Milke explained that the draft ordinance consists of four parts. The first section is time limitations for construction projects, based on job value, with monetary penalties for noncompliance. The second section is the requirement for pre-construction meetings to include a parking management plan, erosion control, recycling, work hours, and keeping a neat site. The third section is the additional requirement of an on-site qualified job superintendent. This person would act as the first contact for staff and concerned neighbors. The fourth section is to allow for a stop work reactivation fee to help recover costs for the staff time involved in sorting out the problems that resulted in a stop work order.

Councilmember Regan asked what is happening when permits are not finalized. Mr. Milke indicated that homeowners get to a point in their project where the job is livable and stop calling for inspections. This can create unsafe conditions.

Councilmember Regan asked if the Town could return cash deposits with interest earned by the Town on timely completed projects and could charge interest on penalty amounts from the date the lien attaches until the penalty is paid. City Attorney Norm Book said he felt this could be done.

Councilmember Krolik asked about the time limit tables and her concern of homes being built for \$2,000,001 with a time limit of 30 months and if this could be changed to 24 months. Mr. Milke said anything over \$2,000,000 might be difficult for an owner/builder to complete such a project in that amount of time.

On motion of Vice Mayor Mullooly, seconded by Councilmember Fannon, unanimous on voice vote, the ordinance amending Chapter 15.04 and adding Chapters 15.26 and 15.30 of the Hillsborough Municipal Code was introduced as amended by returning cash deposit on timely completed projects with earned interest and charging interest on delinquent penalty payments at the maximum rate permitted by law until paid. The ordinance was set for public hearing at the February 14, 2005 City Council meeting.

DISCUSSION:

10. DISCUSSION OF STREET IMPACT FEE

Public Works Director Martha DeBry discussed a potential new revenue source for the wear on Town streets directly caused in part by BFI trucks. This new fee would be designed to recover costs and help maintain Town streets. The establishment of this fee is allowed under the existing franchise agreement.

Councilmember Regan asked what is the source of the \$300,000 for street maintenance. Ms. DeBry said gas tax, CCAG funding, and other funding sources.

Mayor Kasten asked if Measure A funds are included. Ms. DeBry answered yes Measure A funds are distributed through transportation authority and are included.

During the presentation, Ms. DeBry advised Council there is a reserve in the Town's balancing account with BFI. Mayor Kasten asked how many years the \$85,000 BFI reserve accommodates. Ms. DeBry said about a year or two. Mayor Kasten asked if the Town did this can BFI raise its rates. Ms. DeBry said only the City Council can set rates; BFI can only claim its actual costs of operation.

City Manager Anthony Constantouros added that BFI can pass this increase on to the residents.

Mayor Kasten said it sounds like the residents will end up paying either way. Mayor Kasten brought up the fact that construction trucks constantly driving through Town add to the impact of the streets. Ms. DeBry said it seems that about 6% of the wear on the streets is by construction vehicles. This is a fee that could be assessed by the Building Department.

City Attorney Norm Book noted that failure to impose the fee on contractors regularly using Hillsborough streets might be contested by BFI.

Councilmember Krolik said if the refuse rate goes down, and the fees go up, this could be a wash in the end.

Vice Mayor Mullooly said since there are different types of large trucks causing wear on the streets in Town such as PG&E, BFI etc. She would like to continue looking into this.

City Manager Anthony Constantouros added that in today's budget, we are working on a year-to-year basis, and it would be difficult to look ten years down the road for this type of recovery. He suggests the Town wait to see how other cities in San Mateo County handle this new impact fee, but staff could discuss it with the budget.

Mayor Kasten said he would like to keep track of what our sister cities will do with this fee and continue to think about the long term view on our streets in Town.

Further discussion followed regarding the street impact fees and the study prepared by Hilton, Farnkopf and Hobson.

11. NEW CAPITAL IMPROVEMENT PROJECT TO IMPROVE READING OF WATER METERS

Public Works Director Martha DeBry provided an overview of a proposed new capital improvement project to read water meters using radio technology. Currently, about half of the Town's 4,200 water meters are read manually which requires about 80 hours per month of staff time. Installing a radio read system would reduce the amount of time to read meters to less than 8 hours for the entire Town.

In addition to providing labor savings, radio readings would allow the Town the opportunity to improve customer service by alerting consumers more promptly about high readings. Ms. DeBry indicated that many residents are notified of water leaks through their water bill. However, the time lag between the problem starting and receiving a bill can be as much as 10 weeks.

Ms. DeBry believes this project could be completed within 2 years and should be included with other bond-funded activities in 2005/2006. This project would not require significant design work, and a bid award could be completed within a couple of months. The total project budget is estimated at \$500,000.

Councilmember Krolik commented on the fact that this could save water, and help detect leaks sooner. She also asked if any water conservation money would be available. Ms. DeBry said she would look into it.

Vice Mayor Mullooly indicated that consumers would now be notified of high water usage and could possibly be billed each month. Ms. DeBry said monthly billing would require restructuring the rate schedule to ensure adequate revenues, and there would be some additional costs associated with monthly billing.

Councilmember Fannon asked if other communities in the area use radio technology and what their results were. Ms. DeBry said the City of Davis and the City of Santa Cruz both use this system and were pleased with the outcome.

City Manager Anthony Constantouros noted that each generation of meter reading technology tends to be less expensive, and it has been about 10 years since there has been any change to this process. Mr. Constantouros believes there could be some reactions from residents with change.

Councilmember Regan said he would like to hear more from the Finance Department, and the possibility of monthly billing.

Vice Mayor Mullooly said she would like to hear of alternate ways for residents to pay their water bill.

The City Council discussed a new Capital Improvement Project to improve the reading of water meters in Town, by using radio technology. The City Council asked questions and requested staff to continue researching this CIP.

12. GENERAL DISCUSSION OF PROPERTIES WITH POTENTIAL FOR SUBDIVISION

City Planner Maureen Morton briefly discussed large properties within and adjacent to Town limits with the potential to be subdivided and possible annexation. The purpose of the discussion was to highlight issues such as possible densities, development regulations, private vs. public streets, exactions such as park dedication fees, etc. which may be associated with subsequent subdivision proposals.

Councilmember Fannon asked if there was any indication as to when someone might develop one of these large sites. Ms. Morton believes some residents have looked into the possibility but there have been no applications filed.

Councilmember Fannon said that the City Council should wait and see what residents decide. Ms. Morton said that it would be important that the new General Plan reflect the Town's wishes with regard to the future development of these and other properties.

PUBLIC COMMENT:

None

CITY COUNCIL ITEMS:

Vice Mayor Mullooly announced that she attended the San Mateo County Board of Supervisors meeting where new member Adrienne Tissier was sworn in to take the place of Mike Nevin.

Mayor Kasten indicated that the policy of settlements against the Town has been revised. The new policy will allow the City Manager or his/her designee to approve settlements up to \$5,000 and the Administration Commissioner to approve settlements up to \$10,000.

Mayor Kasten received a letter from a resident, with no name or address, who was concerned about aircraft noise polluting the environment. Mayor Kasten indicated that a representative from the City Council will mention this concern at the next Airport Roundtable meeting.

Mayor Kasten announced that there will be a Community Meeting held on January 26, 2005 with regards to the revisions to the General Plan.

Mayor Kasten announced that there will be a Council of Cities Dinner January 28, 2005 if anyone would like to attend.

Councilmember Regan indicated that the Finance Department's report showed an ERAF refund received from the San Mateo County in the amount of \$422,000.

ADJOURN:

Mayor Kasten adjourned the meeting at 8:03 p.m. In Memory of former Mayor and Councilmember Jean Auer.