

TOWN OF HILLSBOROUGH

San Mateo County

Thomas M. Kasten, Mayor
Catherine U. Mullooly, Vice Mayor
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1600 Floribunda Avenue
Hillsborough, CA 94010



A G E N D A

MONDAY, February 13, 2006

4:00 p.m. CLOSED SESSION

6:00 p.m. CITY COUNCIL MEETING

Hillsborough Town Hall

CLOSED SESSION (4:00 p.m.)

A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Subdivision (a) of Section 54956.9)

Name of case: Stanley Hilton vs. Hillsborough

B. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9: Two potential claims

C. CONFERENCE WITH LABOR NEGOTIATOR
Section 54957.6

Agency negotiator: Katharine Leroux, Assistant City Manager

Employee organization: Hillsborough Police Officers Association - Teamsters Local 856

REGULAR CITY COUNCIL MEETING (6:00 p.m.)

I. PLEDGE OF ALLEGIANCE

II. ROLL CALL

III. MINUTES: January 9, 2006

IV. PRESENTATION: Resolution of Appreciation – Retirement of Central County Fire Department Secretary Deanna Cresta

V. CONSENT CALENDAR:

The Consent Calendar includes routine items, which do not require discussion. A Councilmember may remove an item for discussion, and any member of the audience may request a Councilmember to remove an item for discussion. The items are approved in one motion.

1. MONTHLY CLAIMS: JANUARY 1 THROUGH JANUARY 31, 2006
2. REJECTION OF CLAIM: PETER AND MICHELE HANSEN, 2244 OAKDALE ROAD, HILLSBOROUGH
3. RESOLUTION INCREASING THE RATE STABILIZATION ACCOUNT TO \$750,000
4. RESOLUTION APPROVING MINOR MODIFICATIONS TO THE SAN MATEO COUNTY NARCOTICS TASK FORCE JOINT POWERS AGREEMENT
5. RESOLUTION APPROVING THE CSG CONSULTANTS, INC. WORK ORDER FOR ENGINEERING DESIGN OF THE 2006 PAVEMENT MAINTENANCE AND REHABILITATION PROJECT
6. RESOLUTION APPROVING THE PURCHASE OF TABLET COMPUTERS FOR SEWER FIELD CREWS
7. RESOLUTION APPROVING THE REROOF AT 1640 FLORIBUNDA AVENUE
8. RESOLUTION ACCEPTING AS COMPLETE THE EMERGENCY REPAIR OF A DAMAGED SEWER MAIN ADJACENT TO ROWAN TREE LANE

VI. NEW BUSINESS:

9. RESOLUTION REGARDING THE ANNEXATION POLICY
10. ORDINANCE PREZONING, FOR THE PURPOSE OF ANNEXATION, THE NORTHERLY 0.243 ACRE PORTION OF 911 PARROTT DRIVE TO RD, RESIDENCE DISTRICT – INTRODUCTION; Mr. Alan Canas and Mr. Marc Korody, Applicants

VII. PUBLIC HEARING:

11. RESOLUTION SETTING FEES AND DEPOSIT AMOUNTS RELATED TO WIRELESS FACILITY APPLICATIONS AND PERMITS
12. RESOLUTION APPROVING A 6.2% INCREASE IN REFUSE RATES

13. FUNDRAISING EVENT PERMIT APPLICATION 06-02 FOR THE ANNUAL FUNDRAISING AUCTION FOR THE CRYSTAL SPRINGS UPLANDS SCHOOL AT THE CRYSTAL SPRINGS UPLANDS SCHOOL GRYPHON CENTER AT 400 UPLANDS DRIVE

VIII. PUBLIC COMMENT:

Under Government Code 54954.3, members of the public have the right to address the City Council on any matter within the Council's jurisdiction. However, the Council may not take action on any non-agenda item (except in emergency circumstances). Before addressing the Council, speakers are requested to complete a yellow speaker's card and submit it to the City Clerk. Please come to the podium, state your name and address, limit remarks to 3 minutes, and do not repeat comments by other speakers.

IX. CITY COUNCIL ITEMS:

This section of the agenda provides the City Council an opportunity to ask questions on any project of interest. No action can be taken on any item not on the agenda.

X. ADJOURN

SPECIAL ACCOMMODATIONS:

If you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in the City Council meeting, or if you need an agenda in an alternate form, please contact the City Clerk's Office at 375-7412 at least 24 hours before the scheduled City Council meeting.

MINUTES:

A copy of the unapproved minutes will be made available the Friday before the next regularly scheduled City Council meeting. Once minutes are approved by the City Council they will be made available the following day. City Council Agendas and approved minutes are available at the Town's website, www.hillsborough.net.



AGENDA – REPORTS

HILLSBOROUGH CITY COUNCIL

Monday, February 13, 2006
6:00 p.m.
Hillsborough Town Hall
1600 Floribunda Avenue, Hillsborough

CONSENT CALENDAR:

1. MONTHLY CLAIMS: JANUARY 1 THROUGH JANUARY 31, 2006 (Finance Director)

Summary: The monthly claims for the month of January 2006 in the amount of \$1,943,504.36 are submitted for approval.

Recommendation: Approve the monthly claims for January 2006 as submitted.

2. REJECTION OF CLAIM: PETER AND MICHELE HANSEN, 2244 OAKDALE ROAD, HILLSBOROUGH (Assistant City Manager)

Summary: This claim was received on August 25, 2005 for damage incurred on February 14, 2005. The claim is for damage caused by a sewage spill in the crawl space and basement of the claimants' residence. The claimants allege that pressure from the Town's main line energized their lateral and caused their lateral to leak at the joints. Sewage leaked through the lateral joints and spilled into the crawl space. The spill in the basement was caused by seepage from the lateral end cap. The Town's Building Department reviewed the photos and determined the end cap was "temporary" and is not designed to be permanent. The existing end cap does not comply with the Plumbing Code. According to Town's insurance adjuster, the Association of Bay Area Governments (ABAG), maintenance of the lateral end cap and the screw bands would appear to be the primary cause of the damage. ABAG recommends rejection of the claim.

Recommendation: Reject the claim.

3. RESOLUTION INCREASING THE RATE STABILIZATION ACCOUNT TO \$750,000 (Finance Director)

Summary: Upon issuance of the 2000 bond, the Town deposited \$500,000 in a Rate Stabilization Account as a way of enhancing its creditworthiness relating to its long-term debt financing. Thereafter, the Town has issued \$15M bonds in 2003 and is in the process of issuing another for \$12M.

In 2003, the Town covenants to increase the amount on deposit in this account, as it deems necessary or appropriate. The proposed 2006 bond issue would be structured to require the

Town to maintain in this account, an amount equal to twenty percent (20%) of the Maximum Annual Debt Service. The current \$500,000 balance in this account is 19% of the projected maximum annual debt service. Staff with the concurrence of Josh Cooperman, the Town's Financial Advisor, now recommends that the Town increases the account balance to \$750,000 (29%) to help ensure that the Town maintains its current credit rating.

The additional \$250,000 will be equally allocated between the Water and Sewer Funds.

The funds represent only a reservation of the enterprise fund balances and the funds remain with the Town's investment pool with interest accruing to the Water and Sewer Funds.

Recommendation: Approve the resolution increasing the rate stabilization account to \$750,000.

4. RESOLUTION APPROVING MINOR MODIFICATIONS TO THE SAN MATEO COUNTY NARCOTICS TASK FORCE JOINT POWERS AGREEMENT (Police Chief)

Summary: For the past 21 years, the San Mateo County Narcotics Task Force (NTF) has benefited public safety in the County through coordinated efforts to combat drug trafficking. The NTF Board of Directors recently conducted a systematic review of the 1984 Joint Powers Agreement (JPA) and the 1988 First Amendment, and is recommending several minor changes that will be included in the Second Amendment to the JPA.

The recommended changes are:

1. Delete the date by which staff is required to prepare the budget. The date of the preparation of the budget is not important as long as the budget is presented to and approved by the NTF Board before the start of the fiscal year.
2. Change the start of the Task Force's fiscal year from October 1 to July 1, which is in line with the practices of the member agencies.
3. Modify the outdated description of the procedure by which the County notifies the member agencies of the amount of their contributions. The modified version describes the way this procedure actually works and has worked for the last several years.
4. Change the date by which parties need to give notice of termination to April 30, in light of the change of the beginning of the fiscal year.
5. Remove the "\$250,000" reference to the County's Self-Insured Retention (SIR) in the insurance section. The County's SIR (deductible) has fluctuated in recent years due to market conditions, and this change will allow the Task Force to continue to be covered by the County's insurance if the County's deductible changes from time to time.

Recommendation: Adopt the resolution approving minor modifications to the San Mateo County Narcotics Task Force Joint Powers Agreement and authorizing the Mayor to execute the JPA, subject to the City Attorney's final approval as to wording.

5. RESOLUTION APPROVING THE CSG CONSULTANTS, INC. WORK ORDER FOR
ENGINEERING DESIGN OF THE 2006 PAVEMENT MAINTENANCE AND REHABILITATION
PROJECT (Public Works Director)

Summary: CSG has submitted a proposal for the engineering design of the 2006 Pavement Maintenance & Rehabilitation Project. CSG will develop plans, specifications and a cost estimate to rehabilitate roadway sections based on the conditions described in the Metropolitan Transportation Commission's Pavement Management System Report and staff recommendations following the Phase 4 Water Main Rehabilitation Project. CSG will perform site investigations to assess actual pavement conditions on the selected streets and mark all dig-out repair areas.

This work order includes bid assistance to respond to requests for information during the bidding process and reproduction costs for the plans and specifications.

The costs are estimated based on the amount of time required to design the project. The fees are according to the Town's agreement with CSG for City Engineering Services. The total cost of the project is estimated at \$500,000 and the design costs together with reproduction costs represent less than 7% of the project cost.

Recommendation: Adopt the resolution approving the CSG work order in the total amount of \$34,600 and authorize funds from the General Fund.

6. RESOLUTION APPROVING THE PURCHASE OF TABLET COMPUTERS FOR SEWER
FIELD CREWS (Public Works Director)

Summary: On December 12, 2005, the City Council awarded a contract to ICOMMM, Inc. to provide a maintenance management software system for the Town's wastewater collection system. The software is currently being implemented, and installation and training are expected to be completed by mid-February.

A feature of the new system is the ability for crews to receive work orders, record field information, and retrieve wastewater system maps and work histories on laptop computers while in the field. This feature will provide several improvements over current processes, including:

1. Create more complete records of wastewater system performance and maintenance consistent with the San Francisco Bay Regional Water Quality Control Board's mandate.
2. Provide a tool for assessing and improving crew efficiency and performance.
3. Further the Town's ongoing efforts to improve the accuracy of the wastewater collection system maps.
4. Add to the crews' capabilities when responding to service calls and filling work orders.

The type of laptop computer needed for this application is a ruggedized tablet PC. This compact laptop provides easy touch-screen usage in the field and includes special features to protect against harsh field conditions, such as moisture, accidental drops, and rough handling.

One tablet computer will be installed with manufacturer-approved vehicle mounts in each of the rodding trucks (2), jet truck, and manual rodding truck. The fifth tablet will be kept by the Sewer supervisor and will serve as a backup.

The tablet computer recommended by ICOMMM, Inc. is the Xplore Technologies iX104C2V, which has been successfully used by three of its other clients in similar applications. ICOMMM, Inc. demonstrated this laptop to staff, who determined that it is satisfactory for this application. Staff also researched other ruggedized tablet computers such as models made by Panasonic and other manufacturers, but found the Xplore Technologies iX104C2V to be the most economical and to have the longest expected life.

ICOMMM's recommended vendor for this equipment is Redline Solutions, Inc. of Santa Clara, CA. Staff conducted a price comparison with other vendors and found Redline's pricing competitive. The following quotes were obtained:

| Vendor | Quote |
|------------------------------|----------|
| Redline Solutions, Inc. | \$21,500 |
| GeoAge, Inc. | \$22,600 |
| Red Hen Farming Systems, LLC | \$24,400 |

These laptops can be funded through the Sewer Fund, and will be placed into the inventory of computers for which reserves are budgeted annually.

Recommendation: Adopt the resolution approving the purchase of five Xplore Technologies iX104C2V tablet computers, vehicle mounting equipment, and accessories required for use with the ICOM3 Management System from Redline Solutions in the amount of \$ 21,500, and authorizing funds from the sewer fund for the same.

7. RESOLUTION APPROVING THE REROOF AT 1640 FLORIBUNDA AVENUE
(Public Works Director)

Summary: The renters of the Town property at 1640 Floribunda Avenue have reported several leaks in the roof and windows over the past two winters. Staff has performed minor repairs, and the leaks are becoming more frequent. Staff is recommending the tar and gravel roof be reroofed. The reroof will include the replacement of the rock stops and flashing, the removal of the siding near windows and a skylight so that underlayment can be replaced, and the cleaning and resealing of the gutter system.

Staff contacted five contractors and received two quotes:

| Bidder | Quote |
|----------------|---------|
| Bryson Roofing | \$8,400 |
| Ace Roofing | \$9,000 |

Bryson Roofing has performed several roofing jobs for the Town in the past and their work has been satisfactory.

Funds for the project can be allocated from the capital projects fund from proceeds collected from the house rental.

Some water damage may be revealed upon the removal of the underlayments, which may result in additional expenses to repair, therefore staff is recommending a contingency allocation up to \$5,000.

Recommendation: Adopt the resolution approving the reroof at 1640 Floribunda, and allocating funds from the capital projects fund/rental proceeds in an amount not to exceed \$13,400.

8. RESOLUTION ACCEPTING AS COMPLETE THE EMERGENCY REPAIR OF A DAMAGED SEWER MAIN ADJACENT TO ROWAN TREE LANE (City Engineer)

Summary: The Rowan Tree Slide Repair Project was awarded to Pacific Trenchless, Inc. in December 2005 with an original budget of \$22,000, which included a 15% contingency. The project was completed under budget for \$18,932.

The work performed under this contract consisted of replacing the failed sections of a sanitary sewer main behind 95 Rowan Tree Lane and 105 Rowan Tree Lane. The failed sections of pipe were replaced with 8-inch heat-fused polyethylene pipe. The slopes affected were also covered with heavy duty plastic to prevent surface water from infiltrating into the landslide area.

The work is complete and staff is requesting City Council acceptance of this project in order to file the Notice of Completion with the County Recorder. This request is exempt from the California Environmental Quality Act.

Recommendation: Adopt the resolution accepting as complete the emergency repair of a damaged sanitary sewer main adjacent to Rowan Tree Lane, and authorizing staff to file a Notice of Completion for the project.

NEW BUSINESS:

9. RESOLUTION REGARDING THE ANNEXATION POLICY (City Planner)

Summary: On July 11, 1994 the City Council passed Resolution 94-22 regarding annexations. The policy stated that the City Council oppose the processing of an application to annex any property which is currently within another city. The meeting minutes do not reflect any discussion of this item. Since the adoption of this resolution there has been only one proposed annexation, the San Mateo County "island" in the Stonebridge Subdivision. Since that property was unincorporated, the policy did not apply.

To improve flexibility the City Council can consider rescinding this policy and adopt a policy that annexations will be evaluated on a case-by-case basis. The Council's decision on the Town's annexation policy will determine consideration of the next agenda item.

Recommendation: Adopt the new resolution rescinding Resolution 94-22 and adopt the revised annexation policy.

10. ORDINANCE PREZONING, FOR THE PURPOSE OF ANNEXATION, THE NORTHERLY 0.243 ACRE PORTION OF 911 PARROTT DRIVE TO RD, RESIDENCE DISTRICT – INTRODUCTION; Mr. Alan Canas and Mr. Marc Korody, Applicants (City Planner)

Summary: The owners of property at 911 Parrott Drive, Mr. Alan Canas and Mr. Marc Korody, are requesting a prezoning to Hillsborough's RD, Residence District, the northerly 0.243 acre portion of their property, which is currently in the City of San Mateo. Prezoning is a step which must take place before an owner applies for a "reorganization", in this case to detach this portion of their lot from the City of San Mateo and annex it to Hillsborough. The city limit line currently bisects the lot and the house, which was constructed in 1950-51 with building permits issued by the City of San Mateo. The southerly portion of the lot is zoned RD in the Town of Hillsborough. There are approximately twenty other lots which are split between San Mateo and Hillsborough.

The 20,588.55 square foot (0.473 acre) lot at 911 Parrott Drive contains a 2,367 square foot single story house (including the attached garage) and a 112 square foot garden shed. The northerly 10,606.15 square foot portion of the lot, including 960 square feet of the house and the garden shed, are in the City of San Mateo. The remaining 9,982.39 square feet of the lot and 1,399 square feet of the house are within the Town of Hillsborough. The property has a Hillsborough mailing address and is served by Hillsborough water and sewer. Although the applicants' letter indicates that the previous owner's children attended Hillsborough schools, the property tax bill reflects payment to the San Mateo/Foster City School District, rather than the Hillsborough City School District. The municipal share of property taxes is currently allocated to the City of San Mateo.

There are three apparent inconsistencies with Hillsborough's Zoning Ordinance. The house is set back 14'-3" from one side property line and Hillsborough's minimum requirement is 20'. The garden shed is also within the required sideyard setback area, but a letter of support from the adjacent neighbor has been submitted. And, although the owners plan to remodel and add onto the house, it is currently smaller than the 2,500 square foot minimum house size in Hillsborough. The lot is smaller than the 0.5 acre minimum lot size specified in Hillsborough's Subdivision Ordinance.

If the prezoning is approved, the applicants will apply to LAFCo, the Local Agency Formation Commission, to: 1) amend Hillsborough's Sphere of Influence (which is the probable physical boundary and service area of the Town and which is currently co-terminus with the city limits line) to include this property, 2) detach from the City of San Mateo, and 3) annex to the Town of Hillsborough. The City Council will be asked to authorize the City Manager to negotiate the exchange of property tax revenues, which is a fairly straight forward process.

The rezoning is consistent with the General Plan, which designates this site for single-family residential uses, and is categorically exempt from the environmental review requirements of the California Environmental Quality Act. However, this lot does not comply with a number of current Town requirements and approval by the Council could initiate future applications from the approximately twenty similarly sited lots.

The ordinance, including a site plan and legal description, and backup materials are included in the City Council's agenda packet.

Recommendation:

1. Waive reading and introduce the ordinance; and
2. Set March 13, 2006 as the public hearing date to consider adopting the ordinance rezoning the northerly portion of 911 Parrott Drive to RD, Residence District.

PUBLIC HEARING:

11. RESOLUTION SETTING FEES AND DEPOSIT AMOUNTS RELATED TO WIRELESS FACILITY APPLICATIONS AND PERMITS (Public Works Director)

Summary: On January 9, 2006 the City Council adopted an ordinance which provides that the Town establish:

1. A fee for application for a wireless permit.
2. An actual charge fee for third party review of wireless site plans and after construction inspection.
3. A fee for renewal of wireless permits every three years.

The basis for creating these fees is associated with the Town's past experiences reviewing applications, and the amount of time staff anticipates the new processes will require. A report with the fee calculations is included in the Council's packet. The cost of the third party review will vary depending upon the project, and the \$2,500 deposit should cover the expense in most cases (the unused portion of the deposit will be refunded.) The fees will be adjusted annually. Staff is proposing the following fees and deposits be established:

| Fee/Deposit | Amount |
|--------------------------------|---------|
| Application | \$1,578 |
| Deposit for third party review | \$2,500 |
| Three-year renewal | \$ 280 |

Staff is recommending that the application fee be waived for the three pending applications that were submitted in 2005. The vendor has agreed to provide all the information now required in a wireless application, and to pay for the third party review.

Recommendation: Adopt the resolution setting fees and deposit for wireless facilities and waive the application fee for the three pending applications.

12. RESOLUTION APPROVING A 6.2% INCREASE IN REFUSE RATES (Public Works Director)

Summary: Hilton, Farnkopf and Hobson has evaluated Allied Waste's (formerly BFI) application to increase refuse rates. Increases are proposed as a result of higher labor costs, particularly overtime. Allied Waste is in the second year of its contract with the Teamsters Union, which provides additional overtime compensation for holidays. A detailed examination of 2005 actual overtime costs demonstrated that the increased expense is a result of the structure of the labor agreement, and thus cannot be mitigated with better management control.

Allied Waste also requested that the South Bay Waste Management Association (SBWMA) share in the cost to settle two lawsuits. In both instances, Allied Waste had not engaged in any illegal activity, but was required to pay a substantial defense cost. The SBWMA agreed to share half of the cost, and to negotiate the terms of how such actions will be handled in the future.

The result of the expense increases to cover this year's projected expenses for Hillsborough is a 6.2% rate increase, which is an increase from \$0.62/gallon of trash to \$0.66/gallon of trash. For the average residence that has a 32 gallon trash can, the cost increase equates to \$1.28/month. This is the first rate increase since 2000. (However, the franchise rate was increased in 2004 by 5%.) Staff is recommending the premium paid for gallons over 100 be increased from \$0.10/gallon to \$0.12/gallon. Commercial rates will also be adjusted by 6.2% as detailed in the resolution. The new rates would be effective immediately.

Recommendation:

1. Open the public hearing and accept comments;
2. Close the public hearing; and
3. Adopt the resolution approving a 6.2% increase in refuse rates.

13. FUNDRAISING EVENT PERMIT APPLICATION 06-02 FOR THE ANNUAL FUNDRAISING AUCTION FOR THE CRYSTAL SPRINGS UPLANDS SCHOOL AT THE CRYSTAL SPRINGS UPLANDS SCHOOL GRYPHON CENTER AT 400 UPLANDS DRIVE (Deputy City Clerk)

Summary: The Crystal Springs Uplands School submitted an application to conduct its annual fundraising auction at the Crystal Springs Uplands School Gryphon Center at 400 Uplands Drive in Hillsborough. This event is proposed to take place on Saturday, March 25, 2006 from 5:00 p.m. to 10:00 p.m.

Hillsborough Municipal Code Section 5.16.080 requires a public hearing for a fundraising event permit where more than 200 people will be in attendance during any one day at any one

property. Public Notices have been sent to owners of the properties located within a 500-foot radius of the property listed above.

The Police, Fire and Building Departments have reviewed the application and submitted recommended conditions, which are included in the City Council's packet.

Recommendation:

1. Open the public hearing and receive comments;
2. Close the public hearing; and
3. Approve the Fundraising Event Permit Application 06-02 for the annual fundraising auction at the Crystal Springs Uplands School Gryphon Center on March 25, 2006, subject to the conditions recommended by staff.