

MINUTES
REGULAR CITY COUNCIL MEETING
MONDAY, JANUARY 9, 2006

Mayor Kasten called the regular meeting to order at 6:07 p.m. at the Hillsborough Town Hall, 1600 Floribunda Avenue, Hillsborough, California.

ROLL CALL: Present: Krolik, Regan, Fannon, Mullooly, Kasten

MINUTES: The minutes of the December 12, 2005 City Council meeting were approved as submitted.

PRESENTATION: The San Mateo County Crime Lab awarded Julianne Giusti, Steve Tharp, Rob Chinca and Dave Agee of the Hillsborough Police Department with special Automated Fingerprint Identification System (AFIS) citations for the submission of exemplary quality latent fingerprint lifts from burglary scenes, which resulted in the identification and arrest of the suspects.

CONSENT CALENDAR:

On motion of Councilmember Regan, seconded by Councilmember Fannon, unanimous on voice vote, Consent Calendar Items 1 through 4 and 6 through 7 were approved. Councilmember Krolik corrected the heading on Item 5 and removed Item 5 for discussion.

1. MONTHLY CLAIMS: DECEMBER 1 THROUGH DECEMBER 31, 2005

The monthly claims for the month of December 2005 in the amount of \$3,413,318.82 were approved.

2. QUARTERLY TREASURER'S REPORT

The Treasurer's Report for the quarter ending December 31, 2005 was approved.

3. RESOLUTION TERMINATING THE JOINT POWERS AGREEMENT
ESTABLISHING THE CRIMINAL JUSTICE COUNCIL OF SAN MATEO COUNTY

The resolution authorizing the execution of an amendment to the Joint Powers Agreement Establishing the Criminal Justice Council of San Mateo County, which amendment would disband the Criminal Justice Council, was adopted.

4. RESOLUTION ACCEPTING AS COMPLETE THE PAVEMENT MAINTENANCE
AND REHABILITATION PROJECT ST-405 AND ST-406

The resolution accepting as complete the Pavement Maintenance and Rehabilitation Project ST-405 and ST-406 and authorizing staff to file a Notice of Completion for the project was adopted.

5. RESOLUTION TO ABANDON PUBLIC UTILITY EASEMENTS AT FAGAN DRIVE

Councilmember Krolik asked if there were any plans to change or demolish the home. City Engineer Cyrus Kianpour stated that he was not aware of any such plans. He added that merging two lots required the removal of the easement from the property. The easement runs through the middle of the lot. All easements must be removed for abandonment, which is consistent with zoning laws. Mr. Kianpour stated that there would be one house on the merged lot.

On motion of Councilmember Krolik, seconded by Vice Mayor Mullooly, and unanimous on voice vote, the resolution of abandonment for the public utility easements along the common line between 85 Fagan Drive and 90 Fagan Drive as indicated in Exhibit A of the resolution was adopted.

6. RESOLUTION APPROVING THE RECLASSIFICATION OF TWO MAINTENANCE WORKER POSITIONS TO PUBLIC WORKS SUPERVISORS AND ALLOCATION OF A NEW POSITION OF SERVICE CLERK I/II IN THE PUBLIC WORKS DEPARTMENT

The resolution approving the reclassification of two Maintenance Worker positions to Public Works Supervisors and the allocation of the new position of Service Clerk I/II in the Public Works Department, and appropriation of funds for the same was adopted.

7. RESOLUTION APPROVING THE PURCHASE OF A TOSHIBA 351C COPIER FOR THE PUBLIC WORKS DEPARTMENT

The resolution approving the purchase of the Toshiba 351c Color Copier from American Business Equipment, Inc. in the amount of \$9,953.58 with funds allocated from the water and sewer funds was adopted.

NEW BUSINESS:

8. PRESENTATION REGARDING PARKS FOR THE FUTURE

San Mateo County Supervisor Jerry Hill stated that *Parks for the Future*, which started a number of years ago, develops and establishes a sustainable funding source for parks and recreation in San Mateo County. As funds become scarce, parks tend to suffer in the first round of budget cuts.

Ms. Julia Bott of the San Mateo County Parks and Recreation Foundation stated that *Parks for the Future* is an effort to secure dedicated tax-based revenues to support the parks and recreation related activities of San Mateo County, the cities located within the County, the Ladera and Highlands recreation districts, and the Midpeninsula Regional Open Space District by placing a measure to increase the sales tax by 1/8th cent on a future ballot.

She explained that the legislative permission required to place a 1/8th cent increment on the ballot was secured in 2005 with the approval of SB 203. The revenue, projected to raise between \$13-16 million per year, would be allocated to jurisdictions per a formula and may be used for park and recreation related functions such as maintenance, operations, activities and programs, capital improvements and acquisition.

Ms. Bott stated that Hillsborough is projected to receive the minimum funding of \$205,000 annually. The estimated annual cost per person would be \$18.10. She stated that the City/County Association of Governments of San Mateo County (C/CAG) would possibly be the agency to distribute the funds.

She stated that while this item is presented as information only, *Parks for the Future* representatives are using it as an opportunity to receive feedback from Council, commission members, and the public. She added that a community based campaign committee would be formed to champion the ballot measure. As part of their effort, they would conduct additional polls and focus groups, prepare campaign literature and engage in a grassroots effort to pass the measure in November 2006.

Councilmember Regan stated that he attended an earlier *Parks for the Future* meeting and feels that it is a great idea for both youths and adults.

Mayor Kasten asked how many cities would be receiving the base amount. Ms. Bott replied that Atherton, Brisbane, Half Moon Bay, Portola Valley, Woodside, and Hillsborough would be receiving the base amount of \$205,000.

Mayor Kasten thanked Ms. Bott and Mr. Hill and said he looked forward to updates.

9. RESOLUTION ADOPTING AN INTEREST RATE RISK MITIGATION (SWAP) POLICY

Finance Director Edna Masbad stated that the Town has entered into interest rate swap agreements in the past with the last one executed on December 27, 2005. The swap policy seeks to formalize the guidelines the Town has used in these contracts. She stated that as a rule, it is always prudent for management to have a formal policy to be used as a guide when management makes financial decisions.

She added that the swap policy would prepare the Town for the rating agency presentation scheduled on February 1 and 2, 2005, in connection with the Town's proposed bond issue this spring. In September 2004, Standard & Poor's instituted a Debt Derivative Profile (DDP) Scoring System for swap portfolios as a component of an overall credit rating. Similarly, Fitch, the other rating agency the Town uses, in assigning credit ratings to issuers with interest rate derivative exposure, looks to see if sound guidelines are implemented and followed. Staff would like to demonstrate to these rating agencies, that the Town has a formal policy and that it would be a positive factor in the determination of the Town's credit rating for the upcoming bond issue.

Ms. Masbad stated that in developing this policy, staff used the guidelines provided by the Government Finance Officers Association (GFOA), California Debt and Investment Advisory Commission (CDIAC) and Standard & Poor's. Staff has also followed State legal requirements listed in Government Code Section 5922(a).

Ms. Masbad stated that one of the State requirements is the statement of purpose of the use of this product. In the Town's case, the objective is the expected lowering of net borrowing costs by issuing "synthetic" fixed-rate debt, i.e. variable-rate debt that has been swapped for a fixed rate. The proposed policy specifically prohibits the Town from entering into these contracts for "speculative" purposes. Both this policy and the Town's investment policy prohibit the use of this product purely for profit expectations.

She added that in most cases, issuers like the Town have achieved their initial intended objectives – that of lowering net borrowing costs. However, the use of these products also involves risks. Ms. Masbad discussed in detail the Town's specific swap transactions and the risks involved.

Ms. Masbad stated that the policy requires that staff submits a quarterly report to Council providing the status of the swap agreements, including the market value of each of the products. A sample of this quarterly report was included in the Finance Department's monthly report in the Council packet. The updated market value is a negative \$694,987 for all three swap agreements. If, at this point, JP Morgan wants to terminate the agreements for a termination event specified in the agreement, the Town would owe them this amount based on these agreements. This policy shall be incorporated with the Town's Budget and Fiscal Policies and shall be reviewed on an annual basis as part of the budget process.

Ms. Masbad stated that there is a wording change on page 4 of the policy. At the end of the third line the words "the City Attorney" should be changed to "legal counsel". Councilmember Regan and Mayor Kasten also proposed some typographical corrections to the swap policy.

Some questions were posed by Councilmember Krolik regarding bonds and swap transactions that were responded to by staff and Councilmember Regan.

Councilmember Regan stated that the Town could save \$928,000 during the life of the bond, but if the rates go over 7% for more than 180 days, JP Morgan can get out of the swap agreement, which is referred to as a "knockout". It is not likely for the rates to exceed 7%. Councilmember Regan stated that the Town should not spend the extra \$928,000 to get a fixed rate.

Councilmember Krolik asked what would happen if a knockout occurred. Councilmember Regan stated that the Town could get a variable rate if a knockout occurred, but if the interest rates were at 10%, and it was an inflationary circumstance, the Town could raise the water and sewer rates. Councilmember Regan added that the Town is borrowing at a historically low interest rate, and that it is a very fortunate time to be using the swap policy.

On motion of Councilmember Fannon, seconded by Vice Mayor Mullooly, and unanimous on voice vote, the resolution adopting the Town of Hillsborough's interest rate risk mitigation (swap) policy was adopted with the corrections discussed.

10. RESOLUTION APPROPRIATING UP TO \$30,000 FOR THE EMERGENCY REPAIR OF A LANDSLIDE ADJACENT TO MACADAMIA ROAD

Public Works Director Martha DeBry reported that in the last weeks of December 2005 staff was advised of a minor landslide adjacent to Macadamia Road immediately across from Spencer Lake. Macadamia Road is on the earthen dam that creates Spencer Lake. The landslide is at the top of the dam and has been temporarily covered to prevent further saturation of the ground, but the slide continues to show signs of movement. As a result, new cracks are appearing in the asphalt pavement and barricades are limiting travel in the lane adjacent to the slide. (This slide is in a different area than the Macadamia Slide repaired by Interstate Paving in 2004.)

She stated that City Engineer Cyrus Kianpour is developing a plan to implement temporary repairs to ensure the roadway does not sustain further damage and preserve a storm drain inlet.

Ms. DeBry stated that because the need for repairs is immediate, staff is requesting authority to engage a contractor on an emergency basis. She recently received quotes for \$48,000 and \$36,000, and will also seek a third quote. Ms. DeBry is requesting that the amount be increased from \$30,000 to an amount not to exceed \$50,000 for the emergency landslide repair.

Councilmember Fannon asked if there is a permanent solution for this landslide problem. Mr. Kianpour stated that a permanent solution to the problem would be to build a retaining wall, which would cost approximately \$30,000 to \$50,000. The emergency plan that would be implemented in a couple of weeks would be the placement of rock rip rap to stabilize the area. This may be a permanent fix, and will be monitored in three months or so.

Vice Mayor Mullooly asked how secure the whole road is. Mr. Kianpour replied that he has requested an inspection of the dam. Vice Mayor Mullooly asked if there was any risk of a landslide on Macadamia, south of Butternut Drive. Mr. Kianpour replied that there has been no sign of a slide on Butternut Drive.

On motion of Vice Mayor Mullooly, seconded by Councilmember Fannon, and unanimous on voice vote, the resolution appropriating up to \$50,000 for the emergency repair of the Spencer/Macadamia landslide on an emergency basis was adopted.

OLD BUSINESS:

11. OPTIONS RELATED TO TOWN OFFICE SPACE: PRESENTATION OVERVIEW AND UPDATE REGARDING THE TOWN OF HILLSBOROUGH FACILITY REMODEL, STAFF PLACEMENT AND FURNITURE UPGRADES

Police Captain Mark O'Connor stated that the Space Allocation Project would move the three Central County Fire Administration personnel to the Fire Administrative Office on Rollins Road in Burlingame.

He stated that the five staff members of the Hillsborough Finance Department would move to the current Hillsborough Fire Administrative office area. The timing of the move would be related to the City of Burlingame's office relocation, which is anticipated to be in a month or so. The new Finance Department facility would require an alarm system and security improvements. Many existing furnishings could be utilized, and some new and pre-owned furniture components based on ergonomic needs would be added. The bathroom, kitchen cabinets, air conditioning and heating systems would be upgraded.

Captain O'Connor stated that some of the unused furniture components would be used for the Central County Fire Department consolidation and a furniture supplier would broker the surplus furniture.

He stated that there would be staff relocation and furniture adjustments, the addition of a glass partition, and a conference room upgrade in the Town Hall Administrative Office.

Captain O'Connor stated that there would be staff relocation adjustments, the addition of two workplace positions, the use of existing furniture, some furniture adjustments and upgrades, and a conference room upgrade in the Building and Planning Department.

Councilmember Regan asked if residents would have to pay water bills at the new office location. Captain O'Connor replied that residents could continue to drop off their water bills at Town Hall.

Councilmember Krolik asked what the Fire Department apparatus bay was used for. Captain O'Connor answered that it is being used for storage and for police training.

Captain O'Connor added that he would report back to Council in a couple of months. Mayor Kasten thanked Captain O'Connor.

PUBLIC HEARING:

12. FUNDRAISER EVENT PERMIT APPLICATION 06-01 FOR A KITCHEN TOUR FOR THE COMMUNITY SERVICE LEAGUE AT 1941 PARKSIDE AVENUE, 270 BRIDGE ROAD, 35 SHELDON WAY, AND 711 BROMFIELD ROAD

Deputy City Clerk Miyuki Yokoyama stated that the Community Service League submitted an application for a fundraising event permit for a Kitchen Tour to be held on Friday, May 19, 2006 from 10:00 a.m. to 4:00 p.m. at 1941 Parkside Avenue, 270 Bridge Road, 35 Sheldon Way, and 711 Bromfield Road. Public notices have been sent to property owners located within a 500' radius of the four locations and there have been no comments received. The fundraiser would benefit the Mental Health Association of San Mateo County and the Youth and Family Services – Suicide Prevention Hotline.

Ms. Yokoyama stated that staff recommended approval of the application subject to the restrictions and conditions of the Police, Fire and Building Departments.

Mayor Kasten opened the public hearing. There were no comments. The public hearing was closed. On motion of Vice Mayor Mullooly, seconded by Councilmember Krolik, and unanimous on voice vote, the Fundraising Event Permit Application 06-01 for a Kitchen Tour for the Community Service League on May 19, 2006, subject to the conditions recommended by staff, was approved.

13. ORDINANCE ADDING CHAPTER 15.32 TO THE HILLSBOROUGH MUNICIPAL CODE REGARDING WIRELESS COMMUNICATIONS FACILITIES AND AMENDING SECTIONS 2.12.070 AND 17.16.010 OF THE HILLSBOROUGH MUNICIPAL CODE

Public Works Director Martha DeBry stated that this ordinance includes a detailed review process for the installation of wireless communications facilities within the

Town that includes third party review of plans for FCC conformance both in project design and installation, and a hierarchy of preferred sites, including collocation requirements and the option to locate on private property. This ordinance was introduced at the December 12, 2005 City Council meeting.

Mayor Kasten opened the public hearing. There were no comments. The public hearing was closed. On motion of Councilmember Krolik, seconded by Councilmember Fannon, and unanimous on voice vote, the ordinance adding Chapter 15.32 to the Hillsborough Municipal Code regarding wireless communications facilities and amending Sections 2.12.070 and 17.16.010 of the Hillsborough Municipal Code was adopted.

14. TREE POLE AT VISTA PARK

Public Work Director Martha DeBry stated that T-Mobile has made a proposal to locate a tree pole at Vista Park, and remove the existing cell site at Longview Drive. The tree pole would be constructed of a very durable material, which would be very long lasting.

Ms. DeBry added that T-Mobile has not expressed any urgency for moving the cell site to Vista Park, and T-Mobile is willing to wait for the Town to determine the level of support from residents. Council authorized staff to notify residents within a 500 foot radius of the park to solicit their comments on the proposed wireless antenna site. A meeting was held on January 4, 2006 and the comments were discussed. Ms. DeBry stated that some residents felt that the cell site should remain on Longview, some felt that it should be moved to another location, and others felt that the tree pole at Vista Park was overkill and that the tree pole would require too large of a facility.

Councilmember Fannon asked how large a facility the tree pole would require. Ms. DeBry responded that the maintenance shed would remain the same size as in the Vista Park renovation design plan. The Town would use half of the maintenance shed, and T-Mobile the other half.

Councilmember Krolik asked if the ancillary equipment would be undergrounded. Ms. DeBry responded that the Town may require burying the ancillary equipment.

Councilmember Fannon asked if the residents in the Vista Park area were opposed to the tree pole. Ms. DeBry answered that overall the residents did not feel the placement at Vista Park was necessary.

Mayor Kasten stated that he attended the tree pole meeting. The height of the tree pole is driven by the canopy of the existing trees. Also, if there is more than one cell site located on a tree pole, the height of the tree pole would increase.

Ms. DeBry stated that the Town of Hillsborough is unique in that we have no commercial areas. Collocation would allow the Town to entertain other cell site applications at the same location. Another alternative would be to place cell sites on private property, which is an important option to explore as there are only a few Town-owned locations to install cell sites.

Ms. DeBry stated that she received forty emails and letters from residents. She added that she would like to explore further public outreach. December was not the best month to contact residents because of the holidays.

Councilmember Regan asked how many poles does T-Mobile need? Ms. DeBry responded that T-Mobile has four facilities within Hillsborough and still wants more coverage. T-Mobile is trying to cover as much area as possible, but the number of poles would depend on their business plan. Ms. DeBry received three other applications for Cingular's micro cell facilities.

Mayor Kasten added that the Town has a problem with coverage due to the hills. Hillsborough is notorious for dropped calls. Hillsborough is facing the dilemma of residents wanting better coverage and the Town lacking appropriate sites to place the antenna.

Ms. DeBry stated that she would explore the opportunity for private residents to host a cell site facility on their property. Homeowners could potentially receive \$2,500 per month for a cell site lease. Councilmember Krolik stated that many cell sites are located on private residences in Southern California.

Ms. DeBry stated that no lease agreement or compensation is required on a joint utility pole.

Ms. DeBry stated that she will explore further public outreach immediately and report back to Council in one or two months. Mayor Kasten stated that he would like to continue to move forward on this item and thanked Ms. DeBry.

PUBLIC COMMENT:

There were no comments.

CITY COUNCIL ITEMS:

Mayor Kasten, Vice Mayor Mullooly, Councilmembers Regan and Fannon announced that they would attend the Council of Cities Dinner/Meeting on Friday, January 27, 2006.

Vice Mayor Mullooly stated that the Sunday edition of the San Mateo Times quoted Police Chief Matt O'Connor about a new computer in the Police Department.

Councilmember Krolik thanked the Central County Fire Department's Engine 34 firefighter for assisting in the delivery of a baby.

Mayor Kasten recognized the twenty-five Police Department officers who responded to the shooting of a police officer in East Palo Alto.

Mayor Kasten recognized City Planner Maureen Morton, Corporal Pat Barrett, Dispatcher Kelly Ralston, Corporal Anne Dickson, Corporal Nelson Corteway, Officer Pete Scatena, Officer Dave Young, Sergeant Caroline Serrato, Officer Scott Fritz, Public Works Clerk Liz Smith, Code Enforcement Officer Linda Clark, Officer Ayra Lashgari and canine partner Eso for receiving notes and words of appreciation.

ADJOURN:

Mayor Kasten adjourned the meeting at 8:23 p.m.