

MINUTES
REGULAR CITY COUNCIL MEETING
MONDAY, FEBRUARY 13, 2006

Mayor Kasten called the regular meeting to order at 6:04 p.m. at the Hillsborough Town Hall, 1600 Floribunda Avenue, Hillsborough, California.

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

MINUTES: The minutes of the January 9, 2006 City Council meeting were approved as submitted.

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

CONSENT CALENDAR:

On motion of Councilmember Fannon, seconded by Councilmember Regan, unanimous on voice vote, Consent Calendar Item 1 and Items 3 through 8 were approved. Mayor Kasten removed Item 2.

CONSENT CALENDAR:

1. MONTHLY CLAIMS: JANUARY 1 THROUGH JANUARY 31, 2006

The monthly claims for the month of January 2006 in the amount of \$1,943,504.36 were approved.

2. REJECTION OF CLAIM: PETER AND MICHELE HANSEN, 2244 OAKDALE ROAD, HILLSBOROUGH

This item was removed from the Consent Calendar.

3. RESOLUTION INCREASING THE RATE STABILIZATION ACCOUNT TO \$750,000

The resolution increasing the rate stabilization account to \$750,000 was adopted.

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

The resolution approving minor modifications to the San Mateo County Narcotics Task Force Joint Powers Agreement and authorizing the Mayor to execute the JPA was adopted.

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

The resolution approving the CSG work order in the total amount of \$34,600 and authorizing funds from the General Fund was adopted.

6. RESOLUTION APPROVING THE PURCHASE OF TABLET COMPUTERS FOR SEWER FIELD CREWS

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 was adopted.

7. RESOLUTION APPROVING THE REROOF AT 1640 FLORIBUNDA AVENUE

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 was adopted.

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

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, was adopted.

NEW BUSINESS:

9. RESOLUTION REGARDING THE ANNEXATION POLICY

City Planner Maureen Morton stated that on July 11, 1994 the City Council passed Resolution 94-22 regarding annexations. The policy reflected in the resolution stated that the City Council opposed the processing of an application to annex any property which is currently within another city.

Ms. Morton stated that she discussed the annexation policy with the City Attorney, who suggested bringing the annexation policy to the City Council for review. To improve flexibility, the City Council could consider rescinding this policy and adopt a policy where annexations will be evaluated on a case-by-case basis. The City Council's decision on the annexation policy is related to the next agenda item.

Councilmember Fannon asked why the Town would want to change the existing annexation policy. Mayor Kasten replied that the new annexation policy might give the existing and future City Councils more flexibility.

Ms. Morton stated that the current annexation policy opposes annexation of any property that is within another city. She reported that there are approximately twenty other lots which are split between San Mateo and Hillsborough.

Councilmember Regan stated that if the City Council does not adopt the revised annexation policy, he believed that the City Council could not consider the next agenda item.

City Attorney Norm Book stated that staff seeks clarification of the current City Council's direction with regard to the annexation policy. Mayor Kasten asked Councilmembers if they were comfortable with the current annexation policy, or if the City Council would consider a more flexible annexation policy.

Councilmember Krolik stated that it would be helpful to have more background information with regard to the previous City Council's thoughts when the current annexation policy was adopted.

Councilmember Regan suggested that the new resolution should add the word "generally" to Section #1 so that it reads "It is the policy of the Hillsborough Town Council *generally* to oppose..." This change would give the City Council greater flexibility in the future.

On motion of Councilmember Regan, seconded by Councilmember Krolik, and unanimous on voice vote, the City Council agreed to affirm, with a minor change, the annexation policy in Resolution 94-22 to add the word "generally" to Section #1 so that it reads "It is the policy of the Hillsborough Town Council *generally* to oppose the processing of an application to annex any property which is currently within another city." This restated policy will become the Town's new resolution.

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 Maureen Morton stated that the owners of the property at 911 Parrott Drive are requesting a rezoning to Hillsborough's RD, Residence District, the northerly 0.243 acre portion of their property, which is currently in the City of San Mateo. Rezoning 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.

Ms. Morton added that if the rezoning is approved, the applicants will apply to LAFCo, the Local Agency Formation Commission, to amend Hillsborough's Sphere of Influence to include this property, detach it from the City of San Mateo, and annex it 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 straightforward process.

Ms. Morton showed the Councilmembers the location of the property, the city limits for San Mateo and Hillsborough, and the plot plan for 911 Parrott Drive with a Power Point presentation.

Ms. Morton stated that 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. The property tax bill reflects payment to the San Mateo/Foster City School District. The municipal share of property taxes is currently allocated to the City of San Mateo.

Ms. Morton stated that this property has 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 half-acre minimum lot size specified in Hillsborough's Subdivision Ordinance.

Ms. Morton recommended waiving the reading and introducing the ordinance, and setting 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.

Ms. Morton stated that the homeowners are in the audience to answer questions for the City Council.

Councilmember Regan stated that he was surprised that the developer built the home at 911 Parrott Drive in two jurisdictions.

Councilmember Fannon asked if the twenty other homeowners would want to be annexed to Hillsborough. Ms. Morton stated that the City Council would need to look at each property individually on a case-by-case basis. Councilmember Fannon noted that this property does not meet the setback and square footage requirements, and the lot is less than half an acre.

Councilmember Regan asked if the Town could approve the annexation subject to the home conforming to the Town's development standards. City Attorney Book stated that such a condition would require the owners to comply with Hillsborough's standards even before the property is annexed to the Town of Hillsborough and might, in effect, appear to pre-determine a future action of the Council. The homeowners could not apply for building permits from Hillsborough if the property is not annexed to Hillsborough.

Mayor Kasten asked the owners what was their reason is for the annexation request. Mr. Mark Korody stated that they want to upgrade the house and are not sure to which city's standards the design should comply. He stated that currently both the Hillsborough and San Mateo Police and Fire Departments serve the property. The city limit line runs through the house, so "he sleeps in Hillsborough and dines in San Mateo".

Councilmember Regan stated that he would view the annexation more favorably if the property conformed to Hillsborough's standards. If the property complied with the Town's standards then he would find it more acceptable for annexation.

On motion of Councilmember Fannon, seconded by Councilmember Regan, the Council resolved not to introduce for the purpose of annexation, the northerly 0.243-acre portion of 911 Parrott Drive to RD, Residence District.

Councilmember Regan stated that the home should conform to the Town's setback requirements. Mayor Kasten stated that if the homeowners were to remodel to current Town standards they could reapply for annexation.

Ms. Morton stated that there is an allowance for 14' setbacks on teardowns.

Councilmember Regan suggested that the homeowners should work with the Architecture Design Review Board (ADRB).

City Attorney Book stated that he appreciated the dilemma facing the applicants since if they applied Hillsborough's standards to the property, but were not yet annexed, the home might not meet San Mateo standards.

Public Works Director Martha DeBry presented a PowerPoint presentation of the twenty-six properties with parcels located in both Hillsborough and San Mateo. Nine of the properties have Hillsborough addresses, and the rest are in San Mateo. The owners are subject to local taxes associated with the jurisdictions, (school bonds, etc.). The public services are determined by the infrastructure. (Hillsborough serves some San Mateo addresses.)

PUBLIC HEARING:

11. RESOLUTION SETTING FEES AND DEPOSIT AMOUNTS RELATED TO WIRELESS FACILITY APPLICATIONS AND PERMITS

Public Works Director Martha DeBry stated that on January 9, 2006 the City Council adopted an ordinance which provides that the Town establish a fee for the application for a wireless permit, an actual charge fee for third party review of wireless site plans and after-construction inspection, and a fee for renewal of wireless permits every three years.

Ms. DeBry stated that 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. Ms. DeBry proposed an application fee of \$1,578, a deposit of \$2,500 for third party review, and \$280 for the three-year renewal. 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.

Ms. DeBry recommended 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.

Mayor Kasten asked the Councilmembers if they had any questions for Ms. DeBry. Councilmember Krolik asked if there was any profit on the fees the Town was charging. Ms. DeBry replied that the Town would receive no profit.

Councilmember Regan asked if the renewal process was easy since the Town is only charging \$280. Ms. DeBry replied that the renewal process is easy, and would only require a driveby by Town staff.

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 resolution setting fees and deposit amounts for wireless facilities and waiving the application fee for the three pending applications was adopted.

12. RESOLUTION APPROVING A 6.2% INCREASE IN REFUSE RATES

Public Works Director Martha DeBry stated that 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 and weekends. 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.

Additionally, the franchise fee has not been directly charged to refuse customers, as Allied Waste continued to collect 5%, and was depleting the reserve in the Town's balancing account in order to remit the full 10% to the Town. In 2004 the franchise rate was increased to 10%, and the balancing account reserve was not depleted until this year.

Ms. DeBry explained that 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. Staff is recommending the premium paid for gallons over 100 be increased from \$0.10/gallon to \$0.12/gallon. The new rates would be effective immediately.

Councilmember Regan asked if the Town determines the rate increase. Ms. DeBry replied that the Town does determine the rate increase, and added that the rates generated a surplus when the SBWMA went to a more progressive rate structure. Mr. Bob Hilton of Hilton, Farnkopf and Hobson stated that the cost of service, backyard service, and rate structures drive the rates up.

Councilmember Krolik asked if Hillsborough only has backyard service. Mr. Hilton replied that Hillsborough has predominantly backyard solid waste pickup, while most cities have curbside pickup. Councilmember Krolik asked if Atherton has backyard service. Mr. Hilton replied that Atherton does have backyard service with a distance charge.

Councilmember Fannon asked if the cost of service would be less if Hillsborough had only curbside service. Mr. Hilton replied that it would be less with curbside pickup.

Councilmember Krolik asked if Hillsborough could have recycling pickup in the backyard also. Ms. DeBry stated that the rates would increase if Hillsborough had a backyard recycling pickup. Mr. Hilton stated that Monte Sereno, Los Gatos, and Saratoga have curbside pickup. Councilmember Regan stated that the 40% increase for backyard recycling pickup would amount to approximately an additional \$25 per month.

Mayor Kasten opened the public hearing. Ms. Stacey Wagner, Community Relations Manager for Allied Waste, clarified that the increase in refuse rates are proposed as a result of higher labor costs, particularly overtime. The Teamsters receive time and a half for Saturdays and double time on Sundays.

Mayor Kasten asked why the pickup day changed in Hillsborough. Ms. Wagner replied the reason was for efficiency, cost effectiveness, and accountability, as the drivers will get to know the customer habits better with the new schedule. Allied Waste will service the Town of Hillsborough five days a week, instead of driving from one end of Town to the other end. The pickup times are from 6:00 a.m. to 6:00 p.m. There will be an improvement as to the response time. The Allied Waste website provides customers with their service day schedule.

The public hearing was closed. On motion of Councilmember Fannon, seconded by Councilmember Regan, and unanimous on voice vote, the resolution approving a 6.2% increase in refuse rates was adopted.

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

Deputy City Clerk Miyuki Yokoyama stated that Crystal Springs Uplands School submitted an application for their annual fundraising event to raise money for the School's faculty retention fund. The auction will be held on Saturday, March 25, 2006 from 5:00 p.m. to 10:00 p.m. at Crystal Springs Uplands Gryphon Center at 400 Uplands Drive.

Ms. Yokoyama stated that public notices have been sent to property owners located within a 500' radius and there have been no comments received. Staff recommends 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 Councilmember Krolik, seconded by Councilmember Regan, and unanimous on voice vote, the Fundraising Event Permit Application 06-02 for the annual fundraising auction for Crystal Springs Uplands School on March 25, 2006, subject to the conditions recommended by staff, was approved.

PUBLIC COMMENT:

There were no comments.

CITY COUNCIL ITEMS:

Councilmember Regan stated that Mr. Josh Cooperman of the Financial Advisory Committee, Finance Director Edna Masbad, City Engineer Cyrus Kianpour, and he met with JP Morgan, Standard & Poor's, and Fitch to rate the new bonds. He added that more municipalities are now doing swaps. Ms. Masbad stated that Standard & Poor's affirmed the Town's AA rating.

Mayor Kasten introduced the Citizens Communication Advisory Committee's newest member, Marie Chuang, who has been the Concours d'Elegance auction chair, is bilingual, and is a hardworker.

Mayor Kasten asked City Engineer Cyrus Kianpour if the failure of Highway 24 was due to the scrub seal and microseal process. Mr. Kianpour replied that the failure was due to moisture being trapped and the sealant not adhering to the surface. Mayor Kasten recognized Assistant City Planner Gina Tynan, and Corporal Nelson Corteway, Officers Pete Scatena, Ayra Lashgari and canine Eso for receiving notes and words of appreciation.

Mayor Kasten announced to the City Council that the monthly Council of Cities Dinner/Meeting is scheduled for Friday, February 24, 2006.

ADJOURN:

Mayor Kasten adjourned the meeting at 7:32 p.m.