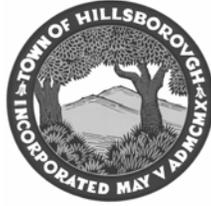


TOWN OF HILLSBOROUGH

San Mateo County

Thomas M. Kasten, Mayor
Catherine U. Mullooly, Vice Mayor
D. Paul Regan
John J. Fannon
Christine M. Krolik

1600 Floribunda Avenue
Hillsborough, CA 94010



A G E N D A

MONDAY, SEPTEMBER 11, 2006

5:30 p.m. CLOSED SESSION

6:00 p.m. CITY COUNCIL MEETING

Hillsborough Town Hall

CLOSED SESSION (5:30 p.m.)

A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9: One potential case

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

I. PLEDGE OF ALLEGIANCE

II. ROLL CALL

III. MINUTES: August 14, 2006

IV. PRESENTATIONS:

- Hillsborough Little League All-Star Team, District 52, Certificates of Recognition – Brenden Barrows, Gordon Barrows, Charlie Boyd, Henry Caruso, Brock Cozad, Frankie Ferrari, Grant Goodman, Austin Marcus, Chris Mark, Will Reilly, Andrew Schmitt, Garret Schubiner, Andrew Segre
- Hillsborough Zoning Study Committee, Certificates of Appreciation – Jay Benton, Charlie Barnett, Steve Benzian, Shawn Christianson, Farro Essalat, John Fannon, Tony Gschwend, Bruce Herman, Walter Heyman, Maryellie Johnson, Jack Ken, Monica Liang, Candace Lyche, Paul Regan, Richard Reisman, Bob Walker, Bob Waterman, Jennifer Werbe and Diana Witzel
- Architecture and Design Review Board, Certificate of Appreciation – Ward Carey

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: AUGUST 1 THROUGH AUGUST 31, 2006
2. RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH TRANSFIRST GOVERNMENT SERVICES TO DELIVER PAYMENT PROCESSING SERVICES (E-COMMERCE) AND AUTHORIZING THE CITY MANAGER AND THE FINANCE DIRECTOR TO IMPLEMENT THE AGREEMENT
3. RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH BARTLE WELLS ASSOCIATES TO CONDUCT A WATER AND SEWER RATE STUDY AND AUTHORIZING THE CITY MANAGER AND THE FINANCE DIRECTOR TO IMPLEMENT THE AGREEMENT
4. RESOLUTION AMENDING AND RESTATING THE APPENDIX OF DESIGNATED POSITIONS FOR THE CONFLICT OF INTEREST CODE FOR THE TOWN OF HILLSBOROUGH
5. RESOLUTION APPROVING HILLSBOROUGH'S PARTICIPATION IN SAN MATEO COUNTY'S PENINSULA DEMOCRACY CORPS PROGRAM
6. RESOLUTION ENDORSING THE SAN MATEO UNION HIGH SCHOOL DISTRICT BOND MEASURE
7. RESOLUTION APPROPRIATING ADDITIONAL FUNDS FOR THE WINDSOR STORM DRAIN IMPROVEMENTS, PHASE 1
8. RESOLUTION ACCEPTING AS COMPLETE THE CONTRACT WITH GRAHAM CONTRACTORS, INC. FOR THE 2005 PAVEMENT MAINTENANCE AND REHABILITATION PROJECT, ST-407
9. RESOLUTION AUTHORIZING THE EXECUTION OF THE MASTER AGREEMENTS, PROGRAM SUPPLEMENTAL AGREEMENTS, FUND EXCHANGE AGREEMENTS, FUND TRANSFER AGREEMENTS AND ANY AMENDMENTS THERETO WITH THE CALIFORNIA DEPARTMENT OF TRANSPORTATION FOR THE REHABILITATION OF CRYSTAL SPRINGS ROAD BETWEEN TARTAN TRAIL AND EL CERRITO AVENUE

VI. NEW BUSINESS:

10. PRESENTATION REGARDING ALTERNATIVES FOR THE WASTE COLLECTION CONTRACTOR SELECTION PROCESS
11. RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH CRW ASSOCIATES FOR COMMUNITY DEVELOPMENT SOFTWARE AND

**AUTHORIZE THE EXPENDITURE FOR OTHER RELATED MATERIALS
ASSOCIATED WITH THE SOFTWARE PACKAGE**

VII. OLD BUSINESS:

12. PLAN TO IMPLEMENT THE ZONING STUDY COMMITTEE RECOMMENDATIONS

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 – In memory of the fifth anniversary of the lives lost and heroes of
September 11, 2001**

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, September 11, 2006
6:00 p.m.
Hillsborough Town Hall
1600 Floribunda Avenue, Hillsborough

CONSENT CALENDAR:

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

Summary: The monthly claims for the month of August 2006 in the amount of \$2,308,737.63 are submitted for approval.

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

2. RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH TRANSFIRST GOVERNMENT SERVICES TO DELIVER PAYMENT PROCESSING SERVICES (E-COMMERCE) AND AUTHORIZING THE CITY MANAGER AND THE FINANCE DIRECTOR TO IMPLEMENT THE AGREEMENT (Finance Director)

Summary: To provide customers convenience and faster service, the City Council at the August 14, 2006 meeting, authorized staff to offer alternate payment options that include payments with the use of credit, debit, ATM and check cards, Automated Clearing House (ACH) payments or direct debits to bank accounts, and recurring payments, to the extent staff is able to pass on related costs to the users. While ideally, related costs to offer this convenience should be passed on to users, restrictions from credit card companies prohibit the Town from passing on the costs for certain transactions.

At the August 14, 2006 meeting, several options were presented for consideration including absorbing costs of the service or offering the services only if costs would be borne by the users and/or a combination of both. The City Council opted for Option 1 that allows all off-site payment services only to enable the Town to pass on the costs to the users.

These electronic commerce services are implemented through a third-party intermediary. Staff solicited bids and a copy of the bid comparison is provided with the backup materials. While certain fees are comparable among the bidders, TransFirst can offer all the payment options the Town would like to offer as well as being able to implement the contract earlier than the other companies. Also included in the agenda packet is a press release issued by a municipality that signed up with the company discussing the company and the services offered. Staff recommends the retention of TransFirst Government Services as the Town's payment processing vendor based on the following:

- Industry knowledge
- Competitive fee structure
- Ability to provide security to protect cardholder data
- References and local government clients
- High level of customer service

Fiscal Impact: There is no cost to the Town to offer this service, as any related costs will be passed on to consumers who avail of the service.

Recommendation: Adopt the resolution authorizing the City Manager to execute the agreement with TransFirst Government Services to deliver payment processing services (e-commerce) and authorizing the City Manager and the Finance Director to implement the agreement on behalf of the Town.

3. RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH BARTLE WELLS ASSOCIATES TO CONDUCT A WATER AND SEWER RATE STUDY AND AUTHORIZING THE CITY MANAGER AND THE FINANCE DIRECTOR TO IMPLEMENT THE AGREEMENT (Finance Director)

Summary: During the budget process, staff was directed to solicit proposals for a comprehensive water and sewer rate study. The study is intended foremost to assess the current rate structure to determine the fixed costs of the system to provide water and sewer services to all customers regardless of usage, and how to allocate these costs. Additionally, the Town is looking at an extended financial outlook to ensure a stable stream of revenues to pay for operations and the long-term debt used to finance the system's capital needs; the ability to implement rate indexing pass through costs that could result from the expected increase in wholesale water from the Hetch Hetchy system and the Town's share of capital costs from the Cities of San Mateo and Burlingame with which the Town has wastewater contracts; and rate structuring in instances of a drastic change in consumption.

The study will also address other areas including reserving policy, conservation program, adequacy of connection fees and compliance to Proposition 218. The BAWSCA Water Conservation Landscape Program presented to the City Council during the August 14, 2006 meeting will be held off until completion of the study.

Staff sent out proposals to twelve firms out of which three responded. Staff now recommends awarding the contract to Bartle Wells Associates which best addressed the Town's objectives for the study.

The Town's approved budget for the enterprise operations includes a proposed water rate increase effective January 1, 2007. In light of a Supreme Court decision that now requires water and sewer rate increases to be subject to Proposition 218, rate increases will require a 45-day notice to all homeowners before the public hearing to approve rate changes and are now subject to the protest proceedings – rate changes can not be implemented if there is a majority protest (50% +1). To meet this requirement, it is expected that the study will be completed during the first week of October 2006. The study will first be presented to the Financial Advisory Committee for review and recommendation to Council. It will subsequently

be presented to the City Council at the October 9th or November 6th, 2006 meeting for a December 2007 or January 2008 public hearing respectively.

The City Council's agenda packet includes a copy of the proposal. Staff will be using the Town's usual agreement for professional services that has been previously approved by the City Attorney's office.

Fiscal Impact: Cost of the study is \$31,800 plus direct expenses estimated at \$700 to be equally allocated to the Water and Sewer Funds.

Recommendation: Adopt the resolution authorizing the City Manager to execute the agreement with Bartle Wells Associates to conduct a water and sewer rate study and authorizing the City Manager and the Finance Director to implement the agreement.

4. RESOLUTION AMENDING AND RESTATING THE APPENDIX OF DESIGNATED POSITIONS FOR THE CONFLICT OF INTEREST CODE FOR THE TOWN OF HILLSBOROUGH (City Clerk)

Summary: This resolution updates the Town of Hillsborough's Conflict of Interest Code. The Fair Political Practices Commission (FPPC) requires the Town to update its Conflict of Interest Code biennially. The code revision for this year revises positions in Town that have changed since the last update.

Recommendation: Adopt the resolution amending and restating the appendix of designated positions for the Town of Hillsborough's Conflict of Interest Code.

5. RESOLUTION APPROVING HILLSBOROUGH'S PARTICIPATION IN SAN MATEO COUNTY'S PENINSULA DEMOCRACY CORPS PROGRAM (City Clerk)

Summary: Approximately 2,000 poll workers are needed to staff the County's 500 polling places every major election. Unfortunately, about 12% of the people who agree to serve as poll workers rescind their commitment within one month prior to the election, and about 2% of those who have volunteered cancel the day before. By participating in the Peninsula Democracy Corps Program, the Town of Hillsborough will be committed to provide employees who volunteer for the program with their normal pay for the day as well as the stipend provided by the Elections Division for training and serving as a poll worker. Approval of the employee's supervisor will be required as a condition of participation.

Recommendation: Adopt the resolution approving Hillsborough's participation in San Mateo County's Peninsula Democracy Corps Program and authorize Town personnel, subject to Department Head approval, to serve as poll workers on Election Day, and to receive their normal pay for the day as well as the normal stipend paid to poll workers.

6. RESOLUTION ENDORSING THE SAN MATEO UNION HIGH SCHOOL DISTRICT BOND MEASURE (City Manager)

Summary: The Committee for Quality High Schools has asked for the Town of Hillsborough City Council's endorsement of the High Schools Improvement Bond of 2006. This is a \$298

million bond measure that, if approved by the voters on November 7, 2006, will enable the San Mateo Union High School District to continue the renovation and rehabilitation of its 45 to 83 year old buildings and facilities.

The City Council's agenda packet includes a resolution and a Bond Project List. Some examples on the list include:

- Burlingame High School – New technology arts classroom building, an extensively remodeled interior/exterior cafeteria, and improvements to gyms and the courtyard;
- Aragon High School – New 1,000 seat theater, an expanded gym to seat 1,500, and an expanded and remodeled student services and career center; and
- San Mateo High School – A new facility to replace a 78 year-old building with a larger classroom building to accommodate music, biotechnology, and a Flex theater.

Superintendent Samuel Johnson, Jr. addressed this bond issue in his remarks before the City Council at the August 14, 2006 meeting.

Recommendation: Adopt the resolution endorsing the San Mateo Union High School District Bond Measure.

7. RESOLUTION APPROPRIATING ADDITIONAL FUNDS FOR THE WINDSOR STORM DRAIN IMPROVEMENTS, PHASE 1 (City Engineer)

Summary: In September 2005, the City Council authorized \$40,000 for modification of the existing storm drain inlets on Willow Road and Newhall Road and other interim improvements in the area of Windsor Court to mitigate chronic flooding problems in the area. The entire upstream storm drain system was closely studied over the winter prior to making the modifications and the City Engineer has determined that storm waters from the Burlingame Country Club (BCC) and adjacent properties are significantly contributing to the quantity of storm water flowing to the Willow/Windsor area. The original study of the flooding problem completed in 1999 by Wilsey Ham did not indicate these areas were contributing flows upstream of the Willow/Windsor area.

The City Engineer is recommending diverting the flow from the BCC to the creek along Brookvale Avenue, which will significantly reduce the likelihood of flooding in the Windsor area. This diversion will restore the original drainage pattern in the water shed and there is sufficient capacity to accommodate this diversion. The resolution before the City Council requests an additional \$60,000 to install storm drain lines and a box to divert the flows away from the Willow/Windsor area. The engineering for the project is complete and if approved the work will commence in September 2006.

Recommendation: Adopt the resolution appropriating an additional \$60,000 from the Sewer Fund for the Windsor Storm Drain Improvements, Phase 1.

8. RESOLUTION ACCEPTING AS COMPLETE THE CONTRACT WITH GRAHAM CONTRACTORS, INC. FOR THE 2005 PAVEMENT MAINTENANCE AND REHABILITATION PROJECT, ST-407 (City Engineer)

Summary: This project utilized several different treatment measures including dig-outs, rejuvenating sealer, scrub sealer, and micro surfacing. The sealing processes specified in the project reflected the Town's adaptation of newer technologies that use polymer-enhanced emulsions to penetrate cracks and strengthen the existing asphalt pavement.

The contractor applied various treatments to approximately 15.4 miles of roadway. Due to weather constraints and scheduling issues the contractor was not able to complete the punch list items until Spring 2006.

This project was awarded to Graham Contractors, Inc. in July of 2005, with a budget of \$843,267 including contingencies. The work has been completed for a final amount of \$774,118. The lower cost reflects the removal of several streets from the project area including Stonehedge, El Cerrito and New Place Road, which were added to and completed the 2006 project area and some credits for work not completed.

Recommendation: Adopt the resolution accepting as complete the contract with Graham Contractors, Inc. for the 2005 Pavement Maintenance and Rehabilitation Project, ST-407 in the amount of \$774,118.

9. RESOLUTION AUTHORIZING THE EXECUTION OF THE MASTER AGREEMENTS, PROGRAM SUPPLEMENTAL AGREEMENTS, FUND EXCHANGE AGREEMENTS, FUND TRANSFER AGREEMENTS AND ANY AMENDMENTS THERETO WITH THE CALIFORNIA DEPARTMENT OF TRANSPORTATION FOR THE REHABILITATION OF CRYSTAL SPRINGS ROAD BETWEEN TARTAN TRAIL AND EL CERRITO AVENUE (Public Works Director)

Summary: The Town of Hillsborough is eligible for \$114,000 in funding from the Surface Transportation Program, which is administrated by the Metropolitan Transportation Commission. The funds are from the Federal government and passed through the California Department of Transportation. The proposed resolution is necessary to complete requests for funding the project.

The proposed project will rehabilitate Crystal Springs Road between Tartan Trail and El Cerrito Avenue, which is the only street section in Town that qualifies for the funding under the program. Engineering and bid documents are complete and the project should be presented for the City Council's approval in October or November of 2006.

Recommendation: Adopt the resolution authorizing the execution of the Master Agreements, Program Supplemental Agreements, Fund Exchange Agreements, Fund Transfer Agreements and any amendments thereto with the California Department of Transportation for the rehabilitation of Crystal Springs Road between Tartan Trail and El Cerrito Avenue.

NEW BUSINESS:

10. PRESENTATION REGARDING ALTERNATIVES FOR THE WASTE COLLECTION CONTRACTOR SELECTION PROCESS (Public Works Director)

Summary: In the past year the City Council has heard several presentations regarding the process for selecting a new waste collection contractor, including a survey of resident opinions about refuse and recycling services. The South Bayside Waste Management Authority (SBWMA) through its committees has developed a series of recommendations that are likely to be included in the request for proposals that will be sent to potential contractors. Staff will review these recommendations and the related savings/costs associated with the recommendations.

A recent survey of Hillsborough residents provided clear indications that residents desire to preserve side/rear yard collection of trash and, in July 2006, the City Council provided similar direction to preserve current service levels. Unfortunately, the cost of providing side/rear yard service within the framework of the SBWMA uniform franchise may cause rates to increase significantly as it is labor intensive.

Staff will outline the options for selecting a contractor as part of the SBWMA or independent of the SBWMA, including the timeframes for the option, and the pros and cons of engaging in the processes.

Recommendation: Direct staff to engage in the waste collection contractor selection process independent of the SBWMA.

11. RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH CRW ASSOCIATES FOR COMMUNITY DEVELOPMENT SOFTWARE AND AUTHORIZE THE EXPENDITURE FOR OTHER RELATED MATERIALS ASSOCIATED WITH THE SOFTWARE PACKAGE (Chief Building Official)

Summary: The 2006/2007 Capital Budget for Capital Projects has \$125,000.00 reserved for a Community Development Software. Currently, most departments work independently from each other utilizing their own processes, which do not easily interface with the other departments. Staff was looking for a program that would coordinate efforts between departments and streamline the multi-discipline tasks. Staff research has determined the best choice of software for the Town is Trakit created by CRW Associates. This program is being utilized by several nearby cities such as Burlingame, South San Francisco, San Bruno, Belmont, and Millbrae. Staff toured these other communities to observe and research their processes. Each city recommended the use of the CRW software and complimented the training process and the technical support provided by CRW Associates.

CRW is a suite of application modules designed to help streamline and coordinate the multi-disciplinary tasks of a community (i.e. Building, Planning, Code Enforcement, Public Works, Engineering, and Fire Departments). These modules provide the mechanisms to create a system to track any type of project, permit, code enforcement case, and/or development activity that may be associated with the Town. This all-inclusive software will replace the Town's current Building Department permitting software.

The CRW software will eliminate duplication of work and provide for increased cross-departmental efficiencies in both administrative and operational processing by allowing easy access to data within the Town's database.

This centralized system will increase collaboration between departments to improve workflow efficiency and ensure the integrity of information entered into a database. The result will be improved business processes. The CRW system is flexible and the software can be modified to grow with the Town's processes as they evolve. An annual maintenance cost of \$9,000 will apply after the first year of implementation.

During the research process, a total of four vendors were approached to provide a cost proposal. Of the four vendors approached, only CRW submitted a bid.

The cost breakdown below represents the proposal from CRW Associates with the five-user package and the additional costs for necessary software and hardware that will be required to complete the system.

An additional \$10,000 for an additional five-user package will be purchased. The cost of the additional user package will be shared between the Finance, Planning, Police, and the Public Works Departments.

Cost of CRW Trakit Community Development Software (The data conversion and configuration is limited to the Building Department only.)	\$ 108,000
Additional 5 user package that will be shared between the Finance, Planning, Police and Public Works Departments	\$10,000
Required software and license agreements	\$ 4,000
Additional hardware: 2 computers, 2 monitors, 1 printer, associated materials, and modification to the front counter	\$6,000
Total Expenditure	\$ 128,000

Recommendation: Adopt the resolution authorizing the City Manager to execute the contract with CRW Associates and authorize the expenditure for other related materials associated with the software package not exceed \$128,000; authorize the City Manager to sign a contract subject to review by the City Attorney.

OLD BUSINESS:

12. PLAN TO IMPLEMENT THE ZONING STUDY COMMITTEE RECOMMENDATIONS
(Associate Planner)

Summary: At its meeting of July 10, 2006, the City Council received a report, including recommendations, from the Zoning Study Committee (the Committee) which was appointed to study the Town's regulation of large houses on small lots. The report presented by Chairman

Jay Benton outlined some recommended steps to be taken with regard to setbacks, the Design Guidelines, and developing a design review checklist for proposed development.

The Committee recommended that the Zoning Ordinance should be studied for possible modification to increase required front and side setbacks for larger homes. The Committee also recommended that some wording on page 8 of the Design Guidelines should be changed and that a checklist should be developed to help assure that Architecture and Design Review Board (ADRB) applicants review and meet the intent and requirements of the Design Guidelines before applications are submitted.

Planning staff agreed to develop a plan to address the Committee's recommendations and present it for review and approval of the City Council. The plan, which includes a list of the tasks which need to be done to address the recommendations, is attached in the City Council's agenda packets. It includes a time schedule which shows that all the necessary changes to address the recommendations can be ready for review, and can be adopted and implemented within six months.

Staff proposes to use the firm Design Community and Environment to assist with the setback study and the Design Guideline revisions since the firm has extensive experience with design issues in the Town. The contract the Town has with the firm for the Zoning Committee can be revised to provide for this additional work and there is sufficient budget (\$8,000) remaining. Staff proposes to work with two members of the ADRB to develop the Design Guidelines checklist.

Staff has added an additional related task to the plan. A resident, Mr. Duncan Beardsley, has pointed out that the handout explaining the ADRB's Preliminary Review process for new houses could be improved. Staff agrees and has already arranged with the Chair of the Citizen's Communication Advisory Committee to assist with revising the information therein. It will also be important to review the changes to the handout with the ADRB, since it reflects their policy.

The plan to implement the Committee's recommendations is important because it should accurately reflect the City Council's priorities and allocate staff's resources accordingly.

Recommendation: Review the proposed plan and schedule, authorize the City Manager to execute a revision to the contract with DC&E to work with staff on some of the components (not to exceed the remaining \$8,000 budgeted contract amount), and initiate the work program.