

MINUTES
REGULAR CITY COUNCIL MEETING
MONDAY, SEPTEMBER 11, 2006

Mayor Kasten called the regular meeting to order at 6:05 p.m. at the Hillsborough Town Hall, 1600 Floribunda Avenue, Hillsborough, California.

Mayor Kasten opened the meeting with a moment of silence in memory of the fifth anniversary of the lives lost on September 11, 2001.

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

MINUTES: The minutes of the August 14, 2006, City Council meeting were approved as submitted.

PRESENTATION:

- 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

CONSENT CALENDAR:

On motion of Vice Mayor Mullooly, seconded by Councilmember Fannon, unanimous on voice vote, Consent Calendar Items 1 through 9 were approved.

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

The monthly claims for August 2006 in the amount of \$2,308,737.63 were approved.

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

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 was adopted.

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

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 was adopted.

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

The resolution amending and restating the appendix of designated positions for the Town of Hillsborough's Conflict of Interest Code was adopted.

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

The resolution approving Hillsborough's participation in San Mateo County's Peninsula Democracy Corps Program and authorizing 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 was adopted.

6. RESOLUTION ENDORSING THE SAN MATEO UNION HIGH SCHOOL DISTRICT BOND MEASURE

The resolution endorsing the San Mateo Union High School District Bond Measure was adopted.

7. RESOLUTION APPROPRIATING ADDITIONAL FUNDS FOR THE WINDSOR STORM DRAIN IMPROVEMENTS, PHASE 1

The resolution appropriating an additional \$60,000 from the Sewer Fund for the Windsor Storm Drain Improvements, Phase 1 was adopted.

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

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, was adopted.

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

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 was adopted.

NEW BUSINESS:

10. PRESENTATION REGARDING ALTERNATIVES FOR THE WASTE COLLECTION CONTRACTOR SELECTION PROCESS

Public Works Director Martha DeBry presented an overview of the contractor selection process for waste collection, including a review of the South Bayside Waste Management Authority (SBWMA) structure, the SBWMA's program recommendations, estimated costs, options for the selection process, and sought direction from the City Council as to how to proceed on behalf of Hillsborough in the upcoming waste collection contractor selection process.

Ms. DeBry stated that the SBWMA JPA (Joint Powers Authority) issued bonds for the Shoreway Recycling Facility and developed and negotiated the model franchise agreement and the agreements for construction and demolition processing and organics handling.

Ms. DeBry reported that the SBWMA Board would consider waste collection program recommendations in September/October 2006, and cities must opt in or opt out of the SBWMA selection process by March 2007. The SBWMA's RFP for waste collection contractors and equipment would be issued in August 2007.

Ms. DeBry stated that the goals of the SBWMA's program recommendations are to ensure consistent and reliable services, provide cost-effective services, meet 50% of the diversion goals for all agencies, ensure a cost-effective use of the Shoreway facility, and stimulate competition among the proposers.

Ms. DeBry stated that the SBWMA's program recommendations include: weekly recyclable collection with an automated cart at the curb which would result in higher tonnage collected, single stream collection of recyclables which would allow all recyclables to be in one cart which would yield higher tonnage, and a retrofit of the Shoreway facility at a cost of approximately \$5,000,000. Transfer Station Improvements would include expanding the Shoreway facility to allow more traffic, install scales, and improve collection programs.

Optional programs include universal waste, e-waste collection events, household hazardous waste (HHW) collection events, on-call collection and sharps collection.

Ms. DeBry stated that the SBWMA's program recommendation includes alternative fuel vehicles to meet the goal of reduced emissions from diesel engines per the clean diesel requirements of 2007.

Ms. DeBry stated that another SBWMA program recommendation is to finance an estimated \$45 million in rolling stock equipment. The SBWMA's proposed financing arrangement would allow smaller firms to bid.

Ms. DeBry added that SBWMA's program recommendations on waste collection contract terms would include incentives for excellent performance and a simplified compensation method.

Ms. DeBry reviewed the various programs recommended by the SBWMA Board and their projected rate impact. Then she discussed the recommended programs that the Town might consider desirable including weekly recyclable collection, single stream recycling, transfer station improvements and optional recycling programs.

Ms. DeBry stated that a wet/dry sorting process by which waste would be separated into two containers, one for recyclables (dry) and one for everything else (wet) is available, but there is limited regional capacity for this type of service. This process would yield significantly higher recycling rates.

Ms. DeBry stated that the goal of the selection process would be to have a new franchise by January 2011. The Town has three options, namely to continue in the SBWMA process, continue as option in the SBWMA process, or to bid separately. If the Town continues in the SBWMA process there would be an ease of process for the selection and annual reviews and advantages derived from economies of scale, but there would also likely be a rate increase, few bidders, and future program availability would depend on agreement of the other SBWMA member agencies. If the Town chose to continue as an option in the SBWMA process, the Town would conditionally commit to the process, clearly define Hillsborough's needs within the RFP, allow the option for wet/dry sorting, and condition its acceptance on rates/service. If the Town chose to bid separately, the Town could select programs specific to the Town, build a one-on-one relationship with the contractor, have flexible terms of agreement, include the option for wet/dry sort, have the option to add programs, limit the contract term to three years or five years, rather than a seven to ten year contract, and have a short selection process, but this option may result in more intensive administration by staff and the rate impact would be uncertain.

Ms. DeBry added that a legal consideration would be that the bond commitment requires that the waste stream must go through the Shoreway facility, which may not be compatible with the wet/dry sort option.

Ms. DeBry stated that the Town's priorities would include reliable and convenient service, continuation of a high diversion rate, and maintaining low collection rates. Staff recommends exploring the wet/dry option, continuing as an option to the SBWMA process (conditioned on favorable rates and services), and to continue with independent process, if needed.

Mayor Kasten thanked Ms. DeBry. Councilmember Fannon asked if side yard pick up would be included for the elderly residents. Ms. DeBry replied that side yard pick up could be negotiated.

Councilmember Regan asked Ms. DeBry if the Town could opt in after the RFP is submitted. Ms. DeBry replied that the Town could bid as an alternate, could negotiate the process after the RFP, and could change the level of service to meet the needs of the Town. Councilmember Regan asked if the Town could participate in the SBWMA process while independently bidding the contract, which Ms. DeBry advised against, because the Town could complete the two processes sequentially, if necessary.

Ms. DeBry stated that she needed City Council direction now as the SBWMA Board has begun the process of selecting a program. Councilmember Fannon stated that he needed to know the costs of the services for the Town. Ms. DeBry responded that rate increases are anticipated with a new contract. The rate impacts are estimated to be a low of -3.71 to a high of 10.05.

Councilmember Krolik asked what cities participate in the wet/dry sort. Ms. DeBry replied that Portola Valley, Woodside, and San Francisco participate in the wet/dry pick up.

Councilmember Regan asked how many companies are expected to bid if the Town bids separately. Ms. DeBry replied that she would expect 8-9 bidders if the Town bids separately. Mayor Kasten asked how many companies would submit bids with the SBWMA. Ms. DeBry replied that she would expect 2-3 companies would submit a bid to the SBWMA.

Ms. DeBry stated that if the SBWMA proposal did not include alternate fuel vehicles, 2.71% could be saved, eliminating weekly recycling would save up to 3%, and eliminating single stream recycling would save up to 3%. Mayor Kasten asked who developed the estimates for the SBWMA. Ms. DeBry replied that Hilton Farnkopf and other consultants developed the information. Mayor Kasten requested Ms. DeBry hire a consultant to get estimates for the services required for the Town, analyze whether to proceed as an option on the SBWMA contract and to select options for the Town's needs.

Ms. DeBry stated that the SBWMA JPA needs to keep the Shoreway facility viable and keep the recycling processing there, and, in any event, it would be desirable to route recyclables through the Shoreway facility. The wet/dry process could only be done at a Gilroy facility at this time, as there is not a lot of regional capacity.

Mayor Kasten asked Ms. DeBry if the survey showed whether residents were willing to pay more for services. Ms. DeBry stated that the Town residents did not want to pay more for services. Mayor Kasten asked for Ms. DeBry's recommendation. Ms. DeBry replied that she recommended Option 2, which is to continue as an option in the SBWMA process. Mayor Kasten asked if the Town could develop the Town's own RFP. Ms. DeBry replied that the Town could develop the Town's own RFP informally. Mayor Kasten asked if she could get the cost as a group and the cost for the Town alone. Ms. DeBry replied she would develop that information. Mayor Kasten thanked Ms. DeBry.

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 John Mullins stated that the 2006/2007 Capital Budget for Capital Projects has \$125,000.00 reserved for Community Development Software. He reported that, currently, most departments work independently from each other utilizing their own processes and software, which do not always easily interface with each other. Staff sought a program that would coordinate departmental efforts and streamline multi-discipline tasks. Staff research determined the Town's best choice of software for its needs would be CRW Associates' Trakit. This program is already being utilized by several nearby cities, such as Burlingame, South San Francisco, San Bruno, Belmont, and Millbrae. Staff toured some of these other communities to observe and research their processes. Each city recommended the use of the Trakit software and complimented the training and technical support provided by CRW Associates.

Mr. Mullins stated that Trakit is a suite of application modules designed to help streamline and coordinate the multi-disciplinary tasks of the 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 would replace the Town's current Building Department permitting software.

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

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

Mayor Kasten thanked Mr. Mullins. On motion of Councilmember Fannon, seconded by Councilmember Krolik, and unanimous on voice vote, the resolution authorizing the City Manager to execute the contract with CRW Associates, subject to review by the City Attorney, and authorizing the expenditure for other related materials associated with the software package, not to exceed \$128,000, was adopted.

OLD BUSINESS:

12. PLAN TO IMPLEMENT THE ZONING STUDY COMMITTEE RECOMMENDATIONS

Associate Planner Gina Tynan stated that 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, which was presented by Chairman Jay Benton, outlined recommended steps to be taken with regard to setbacks, the Design Guidelines, and developing a design review checklist for proposed development.

Ms. Tynan stated 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 revised for clarity 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.

Ms. Tynan reported that staff developed a plan to address the Committee's recommendations for review and approval by the City Council. The plan included a list of the tasks that need to be done to address the recommendations. It also included a time schedule showing that all the necessary changes to address the recommendations could be ready for consideration, adoption and implementation within six months.

Ms. Tynan stated that staff proposes to use the firm Design Community and Environment (DC&E) to assist with the setback study and the Design Guideline revisions, because DC&E has extensive experience with design issues in the Town. The contract the Town has with DC&E for the Zoning Committee study could be amended to provide for this additional work, and there are sufficient funds remaining in the budget of \$8,000. Ms. Tynan stated that staff proposes to work with two members of the ADRB to develop the Design Guidelines checklist.

Ms. Tynan stated that Mr. Duncan Beardsley, a resident, 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. Staff will review the changes to the handout with the ADRB to ensure it accurately reflects ADRB policy.

Councilmember Fannon stated that the timeline was well done and that staff accomplished what the Zoning Study Committee requested.

Councilmember Krolik stated that Attachment A, the FAR Table for Setback Study of "Large Houses", did not include 22.5% FAR on .76 acreage. Ms. Tynan replied that 23% FAR was a good starting point for the table, but that other ratios may be studied at the City Council's request. Mayor Kasten stated that the Committee was more interested in lots of 0.5 to 0.6 acres. Councilmember Krolik asked about large homes on irregularly shaped lots. Ms. Tynan replied that all homes over 8,000 square feet would be reviewed. Councilmember Krolik asked about houses with a FAR greater than 23% or 8,000 square feet. Ms. Tynan replied that houses with a FAR greater than 23% are generally not built on small lots. City Planner Maureen Morton stated that DC&E would focus their work on houses that are greater than 8,000 square feet or those with a FAR greater than 23%, which would capture most of the large homes. Councilmember Regan asked how many houses a year are over 8,000 square feet. Ms. Morton replied there are approximately three houses a year over 8,000 square feet.

Councilmember Krolik stated that residents were upset with size issues involving the Crocker Woods subdivision. Councilmember Fannon stated that the size and location of the lots and not the square footage was the issue with Crocker Woods. Residents were concerned about whether the homes were one or two stories. Ms. Tynan stated that one of the homes in Crocker Woods was approximately 5,200 square feet. Councilmember Fannon stated that the last home approved in Crocker Woods was only about 5,100 square feet.

Councilmember Krolik stated that she spoke to a developer who stated that 7,000 square feet is the minimum size needed to make a profit. Councilmember Fannon stated that the ADRB decided that 8,000 square feet houses should be the starting point and that 23% FAR should be the percentage. Mayor Kasten stated that homes greater than 8,000 square feet or those with a FAR greater than 23% should be reviewed. Ms. Tynan confirmed that houses with a FAR greater than 23% are more commonly perceived as being large houses.

Architect Kamran Ehsanipour of 205 Park Road, #207, Burlingame, stated that smaller lots would be penalized with the new setbacks. He suggested adjusting the FAR requirements for smaller lots.

Councilmember Regan asked for clarification on the definition of “should” or “shall” issue on page 8 of the Design Guidelines. Ms. Morton stated that “shall” implies more direction rather than a suggestion.

On motion of Vice Mayor Mullooly, seconded by Councilmember Regan, and unanimous on voice vote, the City Manager was authorized to execute a revision to the contract with DC&E to work with staff on some of the components of the Zoning Study Committee recommendations (not to exceed the remaining \$8,000 budgeted contract amount), and initiate the work program.

CITY COUNCIL ITEMS:

Vice Mayor Mullooly announced that she attended the Central County Fire Department’s fundraising event for the Alisa Ann Ruch Burn Foundation at Fire Station 34. The pancake breakfast and t-shirt sale raised \$6001.

Councilmember Regan requested feedback from the other Councilmembers regarding posting the Councilmembers bios on the Town’s website. Councilmember Krolik stated that she looked at the websites of other cities and noticed that usually just a photo and name is included. Councilmember Fannon stated he preferred just a photo and name on the Town’s website. Councilmember Regan stated that just a photo and name would be fine with him also. Mayor Kasten asked where this request came from. Finance Director Edna Masbad stated that other cities include bios in their budget books and that the bio would show who is on the City Council. Councilmember Regan asked if there were any legal issues with the bios. Assistant City Attorney Mark Hudak replied that he would research whether there are any legal issues with including bios on the website and budget book.

Councilmember Krolik announced that she attended the SFO Noise Abatement meeting. She reported that a new resident on Pullman Road wanted the noise monitor removed from his property, unless he could get free parking at San Francisco International Airport (SFO). Consequently, the noise monitor was removed. She requested that Public Works Director Martha DeBry research possible sites to relocate the noise monitor. Ms. DeBry stated that one of the water tank sites may work and is working with SFO Noise Abatement staff to locate a new site.

Mayor Kasten recognized Police Officer Scott Fritz, Sergeant Doug Davis, Firefighters Kim Shah, Drew Johnson, and John Kammeyer for receiving notes and words of appreciation.

Mayor Kasten and Councilmember Krolik announced that they would attend the Council of Cities Dinner/Meeting in Menlo Park on Friday, September 15, 2006.

Public Works Director Martha DeBry announced that the Vista Park Grand Opening will be held on Sunday, September 17, 2006, from 3:00 p.m. to 5:00 p.m.

ADJOURN:

Mayor Kasten adjourned the meeting at 8:29 p.m. in memory of the fifth anniversary of the lives lost and heroes of September 11, 2001.