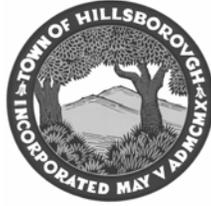


TOWN OF HILLSBOROUGH

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, NOVEMBER 13, 2006

5:00 p.m. CLOSED SESSION

6:00 p.m. CITY COUNCIL MEETING

Hillsborough Town Hall

CLOSED SESSION (5:00 p.m.)

A. CONFERENCE WITH LABOR NEGOTIATOR Section 54957.6

Agency negotiator: Kathy Leroux, Assistant City Manager

Employee organization: Public Works/Clerical Unit – Teamsters Local 856

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

I. PLEDGE OF ALLEGIANCE

II. ROLL CALL

III. MINUTES: October 9, 2006

IV. PRESENTATIONS:

- The Central County Fire Department will present winners of the Fire Department's Third Annual Fire Safety Poster Contest
- Hillsborough Beautification Foundation, Vista Park Design Committee, Certificate of Appreciation

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: OCTOBER 1 THROUGH OCTOBER 31, 2006
2. RESOLUTION APPROVING THE PURCHASE OF THREE COPIERS FOR THE ADMINISTRATION, POLICE AND FINANCE DEPARTMENTS AND AUTHORIZING APPROPRIATION OF ADDITIONAL FUNDS TO COVER THE COST
3. INTRODUCTION OF THE ORDINANCE AMENDING HMC SECTION 2.12.070 REGARDING TEARDOWNS
4. RESOLUTION APPROVING SUPPLEMENTAL LAW ENFORCEMENT SERVICES FUND (SLESF) FOR FY 06/07
5. RESOLUTION AWARDED THE BID FOR STREET IMPROVEMENTS AT SUMMIT ROAD AND SKYLINE BOULEVARD TO AGUILAR & SONS IN AN AMOUNT NOT TO EXCEED \$16,925 AND ALLOCATING FUNDS FROM THE GENERAL FUND FOR THE SAME
6. RESOLUTION CONFIRMING THE AWARD OF THE CONTRACT TO FERMIN CONSTRUCTION, INC. FOR THE WILLOW-WINDSOR STORM DRAIN IMPROVEMENT PROJECT
7. RESOLUTION APPROVING THE CONTRACT WITH PACIFIC TRENCHLESS, INC. FOR THE REPLACEMENT OF A SEVERELY DAMAGED STORM DRAIN PIPE LOCATED ADJACENT TO 245 DARRELL ROAD AND ALLOCATING UP TO \$27,000 FOR THE EMERGENCY REPAIR
8. RESOLUTION APPROVING THE CSG CONSULTANTS WORK ORDER FOR DESIGN SERVICES FOR THE VISTA AND DARRELL TANK SITES
9. RESOLUTION APPROVING THE CONTRACT WITH DU-ALL SAFETY COMPANY FOR MUNICIPALITY SAFETY SUPPORT SERVICES AND RISK MANAGEMENT FOR THE PUBLIC WORKS DEPARTMENT
10. RESOLUTION APPROVING THE PROCUREMENT OF SERVICES PROVIDED BY KATHLEEN GALLAGHER RELATED TO THE REFUSE CONTRACTOR SELECTION PROCESS AND OTHER ENVIRONMENTAL MANAGEMENT ACTIVITIES AND ALLOWING THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY TO PAY SUCH COSTS
11. RESOLUTION ACCEPTING THE AMENDED BYLAWS OF THE SAN MATEO COUNTY COUNCIL OF CITIES

VI. NEW BUSINESS:

12. RESOLUTION AUTHORIZING THE CITY MANAGER TO APPROVE AN AGREEMENT FOR THE COUNCIL CHAMBERS AUDIO/VISUAL UPGRADE AND AUTHORIZING APPROPRIATION OF ADDITIONAL FUNDS TO COVER THE COST

13. RESOLUTIONS SUPPORTING THE APPLICATION BY THE CITY OF SAN MATEO REQUESTING THE LOCAL AGENCY FORMATION COMMISSION TO TAKE PROCEEDINGS FOR THE MINOR SPHERE OF INFLUENCE AMENDMENT AND THE ANNEXATION OF A PORTION OF WOODLAND DRIVE AND MAKING A DETERMINATION OF PROPERTY TAX EXCHANGE PURSUANT TO THE CALIFORNIA CONSTITUTION (REVENUE AND TAXATION CODE)

VII. DISCUSSION:

14. ORDINANCE TO IMPLEMENT THE GENERAL PLAN POLICY REGARDING PARK-IN-LIEU FEES

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

CONSENT CALENDAR:

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

Summary: The monthly claims for the month of October 2006 in the amount of \$2,953,135.91 are submitted for approval.

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

2. RESOLUTION APPROVING THE PURCHASE OF THREE COPIERS FOR THE ADMINISTRATION, POLICE AND FINANCE DEPARTMENTS AND AUTHORIZING APPROPRIATION OF ADDITIONAL FUNDS TO COVER THE COST (Finance Director)

Summary: The copier in the Administration Department was placed in service six years ago (purchased in October 2000) and has outlived its normal useful life of five years. The Police Department's copier has also been in service for five years. Lately, the copiers have been breaking down and have affected productivity; maintaining these copiers is no longer cost-effective. The Finance Department also needs a copier in their new offices at the Fire Administration Building.

Staff went out to bid and received proposals from five vendors. Normally, copiers can be procured using one of three venues: 1) an operating lease (rental) where at the end of the lease period the Town can buy the equipment at its fair market value; 2) a capital lease with a buy-out of \$1 at the end of lease; and 3) a cash purchase. The operating lease monthly outlay is a little less (6%) than a capital lease outlay; however, if the copier lasts more than the lease period, as in the case of the current Administration copier, the Town continues to pay the monthly rental. Additionally, the Town will pay \$1,000 to \$1,500 to discard the equipment.

Interest rates for capital leases from the vendors range from 10% to 11.5%. At these rates, the Town would end up spending approximately 15% (of cost) more in interest over the life of the lease after subtracting lost investment earnings. Staff can secure tax-exempt financing at around 5.35%. However, since the current earnings rate is lower than that, staff proposes that the Town provide its own financing from the Asset Replacement Fund at 5% interest. The Asset Replacement Fund will purchase the equipment and the General Fund will pay the annual debt service to the Asset Replacement Fund at 5% interest rate for a 5-year term. Based on the recommendation below, annual debt service for the three copiers is \$9,223.

Below is a list of the bids received. Cost, features, reliability and feedback from references regarding reliability and maintenance service were factors used to consider the proposals.

MBA (Toshiba)	\$ 40,727.51
Lanier (Ricoh)	\$ 37,484.41
Xerox	\$ 61,002.12
IKON Office Solutions (Canon) (for 2 machines only)	\$ 33,358.32
Imagistics Inc. (Oce) (for 2 machines only)	\$ 22,732.50

After a demonstration of the individual machines and feedback from other users, staff determined that the Toshiba copiers best address the Town's requirements based on its speed and other features (including networking, scanning, better resolution, bypass, stapling, booklet making, cover and insert modes, tab inserts, etc.) and that the proposal for the Toshiba copiers, though higher by \$3,200 over the next bid, best serves the Town's needs. The copiers from the lowest bidder do not address the Town's requirements.

The Town saved approximately \$15,000 for the three Toshiba copiers by "piggybacking" on the County's master contract.

Fiscal Impact: There is a \$10,000 budget for a new copier for the Finance Department in the Asset Replacement Fund. Staff requests appropriation of funds in the amount of \$30,727.51 from the Asset Replacement Fund Reserve to purchase the three copiers. There are enough funds in these departments to cover the cost.

Recommendation: Adopt the resolution approving the purchase of three copiers for the Administration, Police and Finance Departments and authorizing appropriation of additional funds to cover the cost.

3. INTRODUCTION OF THE ORDINANCE AMENDING HMC SECTION 2.12.070 REGARDING TEARDOWNS (City Planner)

Summary: There have recently been several incidents where the Architecture and Design Review Board (ADRB) has held a public hearing on, and approved an application for, a remodel and addition to a house. However, when the job was initiated, the entire house was torn down. There are several possible reasons why this has occurred. For example, in some cases it may make more structural sense for all the walls to be removed, rather than adding pieces of new wall to the existing walls. Sometimes owners believe that the Tax Assessor will base an adjustment differently if the approval is for a new house, rather than a remodel/addition.

The unexpected total teardown of a house causes problems because neighborhood residents received a public notice and possibly attended a public hearing for a project of a different scope than what occurs. Also, the ADRB tends to hold a higher design standard when a house is completely torn down and replaced than it does for a remodel/addition. If there are any non-conforming aspects of the existing house, such as a sub-standard-sized garage or a sub-standard setback area, if the house is torn down the new house must conform to today's

Hillsborough Municipal Code (Code) standards. Finally, an unexpected teardown can cause conflicts with the Town's construction recycling requirements.

It has been difficult to work with applicants on these issues because the Hillsborough Municipal Code does not include a definition of what a "teardown" is. This ordinance amends the Architecture and Design Review Board chapter of the Code to add a definition that if 50% or more of the exterior walls are removed, the project is considered a teardown and it will need to be noticed and considered as such.

This ordinance was not placed on the agenda for discussion since it is relatively minor and straightforward. It is also important for this ordinance to be adopted as soon as possible so that staff has a reference in the Code to help administer the teardown issue.

Recommendation:

1. Waive reading and introduce the ordinance; and
 2. Set December 11, 2006, as the public hearing date to consider adoption of the ordinance.
4. RESOLUTION APPROVING SUPPLEMENTAL LAW ENFORCEMENT SERVICES FUND (SLESF) FOR FY 06/07 (Police Chief)

Summary: Ever since FY 1996/1997, the Town has been receiving various annual amounts of Citizens Options for Public Safety (COPS) Supplemental Law Enforcement Services Fund (SLESF) grants at the end of the respective calendar years. During the last quarter of these past years, the City Council has passed resolutions to accept these grant funds so that the Police Department can make purchases of equipment to enhance and supplement front line police services.

The Police Department is eligible once again to receive \$100,000 in SLESF for FY 06/07. It is the intention of the Police Department to use this funding to secure equipment, technology, salaries and program supplies. These efforts will enhance front line municipal police services and community crime prevention programs.

Upon the approval of this agenda item, the Finance Department will send a copy of the resolution to the San Mateo County Controller's Office to release the grant funds to the Town.

The FY 06/07 SLESF grant cannot be used to supplant existing budgets or the General Fund.

Recommendation: Adopt the resolution accepting the \$100,000 offered through the State SLESF grant and approve the use of these monies to fund the purchases of equipment, technology, salaries and program supplies which in turn will enhance front line municipal police services and community crime prevention programs.

5. RESOLUTION AWARDING THE BID FOR STREET IMPROVEMENTS AT SUMMIT ROAD AND SKYLINE BOULEVARD TO AGUILAR & SONS IN AN AMOUNT NOT TO EXCEED \$16,925 AND ALLOCATING FUNDS FROM THE GENERAL FUND FOR THE SAME
(Public Works Director)

Summary: The intersection at Summit Road and Skyline Boulevard was recently annexed into the Town of Hillsborough. One purpose of the annexation was to gain the authority to change the traffic controls at the intersection. The City Engineer and Hillsborough Police Department have completed the necessary studies and determined that a three-way stop is appropriate at the intersection. To make the intersection safe the City Engineer is recommending changing the configuration of the curbs to narrow the street and improve the sight lines for vehicles. The stop sign on Summit Road will be moved closer to Skyline Boulevard, and in time two stop signs will be installed on Skyline Boulevard together with a street lamp.

Three bids for curb improvements were solicited with the following results:

Contractor	Bid
Aguilar and Sons	\$14,725
Andreini Bros, Inc.	\$17,823
Benedetti Concrete	\$29,400

Staff is recommending awarding the project to Aguilar & Sons in the amount of \$14,725. A contingency of 15% (\$2,200) is recommended for the project for a total amount of \$16,925.

This project is exempt from the California Environmental Quality Act (CEQA) per section 15301(d) of the State Public Resources Code.

Recommendation: Approve the resolution awarding the bid for street improvements at Summit Road and Skyline Boulevard to Aguilar & Sons in an amount not to exceed \$16,925 and allocating funds from the General Fund for the same.

6. RESOLUTION CONFIRMING THE AWARD OF THE CONTRACT TO FERMIN CONSTRUCTION, INC. FOR THE WILLOW-WINDSOR STORM DRAIN IMPROVEMENTS
(Public Works Director)

Summary: In September 2006, the City Council allocated additional funding for storm drain repairs to alleviate flooding issues on Windsor Court. It was not possible to award the contract prior to the September 2006 City Council meeting because bids had not been received because the design needed finalization. However, exigent circumstances required completion of the repairs as soon as possible. Since the late 1990's, chronic flooding has occurred in the Windsor area due to high storm water volumes overwhelming the drainage system. The City Engineer determined that a previous study did not completely identify all of the sources of storm waters upstream. Field observations in 2005 demonstrated that a good volume of run off was contributed from the Burlingame Country Club golf course into the Willow system. The project design diverted much of this flow into storm drains on Brookvale Road which

subsequently enter a creek. In September 2006, the City Council was advised of the need to execute repairs in advance of the rainy season. A bidding process was completed with the following results:

Contractor	Bid
Fermin Construction	\$ 98,950
Templeton Engineering	\$107,750
Shaw Pipeline	\$122,450

Fermin Construction, Inc. was selected to perform the repairs located near Brookvale Road and Eucalyptus Avenue. The repairs have been completed in a timely manner and the costs are anticipated to be below the bid price.

Recommendation: Adopt the resolution confirming the award of contract to Fermin Construction, Inc. for the Willow-Windsor Storm Drain Improvements.

7. RESOLUTION APPROVING THE CONTRACT WITH PACIFIC TRENCHLESS, INC. FOR THE REPLACEMENT OF A SEVERELY DAMAGED STORM DRAIN PIPE LOCATED ADJACENT TO 245 DARRELL ROAD AND ALLOCATING UP TO \$27,000 FOR THE EMERGENCY REPAIR (Public Works Director)

Summary: In 2005, Public Works was notified of a deteriorated storm drain pipe at 245 Darrell Road. The storm drain pipe is 270 feet long and is made of corrugated metal pipe. This pipe was to be lined as part of the 2006 Sanitary Sewer Lining Project, but very recently the Town was advised that the pipe was too deteriorated to be lined, and instead, needed to be completely replaced. The deteriorated pipe, which is adjacent to the roadway, could collapse at any time, which would damage the roadway and could cause flooding of the residence at 245 Darrell Road. Given the condition of the pipe, the potential damage its collapse would cause and the impending rainy season, the Director of Public Works authorized the emergency repair of the deteriorated pipe. Staff engaged Pacific Trenchless, Inc. to do the repair work. The estimated cost of the repair work is \$24,785.

Due to the fact that the work is already in progress, Public Works staff recommends allocating an additional 10% (\$2,215) for any unforeseen expenses incurred in connection with the repair work.

This project is exempt from the California Environmental Quality Act (CEQA) per section 15301(d) of the State Public Resources Code.

Recommendation: Adopt the resolution approving the contract with Pacific Trenchless, Inc. for the replacement of a severely damaged storm drain pipe located adjacent to 245 Darrell Road and allocating up to \$27,000 for the emergency repair of the damaged pipe.

8. RESOLUTION APPROVING THE CSG CONSULTANTS WORK ORDER FOR DESIGN SERVICES FOR THE VISTA AND DARRELL TANK SITES (Public Works Director)

Summary: CSG Consultants has submitted proposals for design services for two water projects.

The first project of \$52,060 is for the design of a new tank(s) at the Vista Tank site. The scope of work includes the replacement of a wood stave tank which is currently out of service and a steel tank with the capacity of 350,000 gallons. Project construction cost is estimated at \$1,500,000 for the construction of one or two steel tanks, whichever is determined to be the best alternative for the Town.

The second project is a study to evaluate the condition of the tank coatings to extend the life of all three steel tanks at the Darrell tank site, and enhance water circulation. The service order is for \$42,580 and construction costs are estimated at \$1,000,000.

Both projects are included in the approved Capital Improvement Program for fiscal years 2007 and 2008 and will be funded through the 2006 Bond revenues.

Recommendation: Adopt the resolution approving the CSG Consultants work order in the total amount of \$94,640 with funding provided through the 2006 Bond.

9. RESOLUTION APPROVING THE CONTRACT WITH DU-ALL SAFETY COMPANY FOR MUNICIPALITY SAFETY SUPPORT SERVICES AND RISK MANAGEMENT FOR THE PUBLIC WORKS DEPARTMENT (Public Works Director)

Summary: The Department of Public Works (DPW) safety goals are to reduce the number of workplace injuries and accidents and to comply fully with regulatory training requirements. In conjunction with the Cities Group, DPW has developed and operated its own safety programs and training regimens to meet most of the regulations and training requirements established by Cal-OSHA, Department of Health and other regulatory agencies. Because the Town has a small staff performing a range of duties that involve heavy machinery and many exposures including pesticides, sewage and confined spaces, it has been difficult to meet all requirements in a timely fashion. Off-site training is frequently used to meet the essential training needs of employees, which reduces the time available to perform field work. A Public Works Supervisor spends approximately 40-60 hours per month planning and administering in-house safety programs. While DPW has successfully lowered its number of reported Workers' Compensation injuries from 17 in 2003 to 7 in 2005 through training and incentives, there remains a need to enhance the training program to meet all state mandates.

The Assistant City Manager, HR Specialist and Public Works Supervisor Craig West recently evaluated proposals from several firms that administer risk programs for municipalities. Among the proposers was Du-All Safety, a full service environmental health and safety compliance firm located in Fremont, California. Du-All specializes in municipality-specific safety compliance, training, regulatory assessments, written safety program development, and implementation and administers similar programs for 53 cities including Burlingame, Campbell, Los Altos Hills and Gilroy.

Du-All is proposing a one-year contract, which is to be billed on a time and materials basis. The estimated cost for the contract is \$2,450 per month (\$29,400/year) which equals roughly 20 hours of training assistance. DPW is requesting a new allocation of training funds for the contract (44% water, 32% sewer and 24% General Fund). The bulk of currently allocated training funds are for supervisor training and certification related activities, such as Water Operator and Class B testing. The contract would significantly reduce the amount of time the Public Works Supervisor would spend administering training programs. However, he would continue to select and purchase safety equipment and install infrastructure improvements. If the program is cost-effective and successful, the Town will likely include the expense in future operating budgets.

Recommendation: Adopt the resolution approving the contract with Du-All Safety Company for Municipality Safety Support Services and Risk Management for the Public Works Department for a term of one year to develop and implement safety programs, employee safety training, and safety maintenance in the amount of \$29,400.

10. RESOLUTION APPROVING THE PROCUREMENT OF SERVICES PROVIDED BY KATHLEEN GALLAGHER RELATED TO THE REFUSE CONTRACTOR SELECTION PROCESS AND OTHER ENVIRONMENTAL MANAGEMENT ACTIVITIES AND ALLOWING THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY TO PAY SUCH COSTS
(Public Works Director)
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Summary: The Town is participating in the contractor selection process to find a new provider of solid waste and recyclable material collection services. At the September 2006 meeting, the City Council directed that the Town be bid as an option to the South Bayside Waste Management Authority (SBWMA) Request for Proposal (RFP). Thus, the Town must specify the types of programs it is seeking in the coming months and assist with the drafting of the RFP. Similarly, by fall an evaluation of the responses to the RFP must be performed.

Kathleen Gallagher is the former Recycling Programs Manager for the SBWMA and has over 15 years experience in the waste management industry. She has prepared a proposal to assist the Town with the RFP process and the evaluation of other environmental management programs, including the Town's construction and demolition program and green building policies. Ms. Gallagher's services would be billed on an hourly basis as needed. As with the Town's contract with Joan Edwards and Associates, the cost of the consultant services can be paid by the SBWMA and funded through the annual refuse rate application. Costs for Ms. Gallagher's services are estimated at approximately \$60,000 over the next 12 months.

Recommendation: Adopt the resolution approving procurement of services provided by Kathleen Gallagher related to the refuse contractor selection process and other environmental management activities and allowing the South Bayside Waste Management Authority to pay such costs.

11. RESOLUTION ACCEPTING THE AMENDED BYLAWS OF THE SAN MATEO COUNTY COUNCIL OF CITIES (City Clerk)

Summary: Beginning at the January 2006 meeting of the San Mateo County Council City Selection Committee and Council of Cities meeting, Mayors and Councilmembers expressed interest in making certain amendments to the Bylaws of the San Mateo County Council of Cities. At the behest of the members present, a subcommittee of the Council of Cities was appointed consisting of Chair Nadia Holober (Millbrae), Vice Chair Deborah Gordon (Woodside) and Mayor Tom Kasten (Hillsborough). The Subcommittee discussed changes to the Bylaws over a period of several months, taking into account the requests of San Mateo County Councilmembers and mandates of the California Government Code. Proposed changes were drafted and reviewed by the Office of the County Counsel. At the October 27, 2006 meeting, the final Draft Bylaws were distributed to attendees to take back to their respective cities to give direction to the Mayors, the voting members of the City Selection Committee, regarding the approval of the new Bylaws. It should be noted that, upon the suggestion of County Counsel's office, the drafting of rules and procedures specific to the City Selection Committee has been initiated. The City Selection Committee will meet on November 17, 2006, to vote to approve or disapprove the amended Bylaws of the San Mateo County Council of Cities as they are currently drafted.

Fiscal Impact: There is no direct fiscal impact to the Town as a result of the amendment.

Recommendation: Adopt the resolution accepting the amended Bylaws of the San Mateo County Council of Cities.

NEW BUSINESS:

12. RESOLUTION AUTHORIZING THE CITY MANAGER TO APPROVE AN AGREEMENT FOR THE COUNCIL CHAMBERS AUDIO/VISUAL UPGRADE AND AUTHORIZING APPROPRIATION OF ADDITIONAL FUNDS TO COVER (Police Chief)

Summary: The Council Chambers need an audio/visual upgrade to make it more efficient for its current uses. In addition to the monthly City Council and Architecture and Design Review Board meetings, it is used by staff, civic groups and organizations to conduct meetings, training sessions, banquets, and other presentations.

The Council Chambers is used citywide for governmental activities as well as the Town's water and sewer operations. Staff recommends that the cost of the project be allocated among the General, Water and Sewer Funds based on their operating budgets. Recommended allocation would be 65%, 20% and 15% respectively.

A committee consisting of the Police Chief, City Planner and the Finance Director undertook the project. A Request for Proposal was sent to five vendors; three responded, of which two were determined to be responsive to the Town's specifications.

The proposals include improving the audio system with new microphones and functional speakers, a new screen to be situated in the middle of the front wall for easy viewing of the audience, a new video system including new projection equipment and operating stations,

monitors for the dais, a functional lectern that houses equipment, a remote control system and equipment racks. A short presentation will be made by the Police Chief to discuss the recommended changes including the document camera and the audio conferencing elements.

Listed below are the two bids received. Two elements that the Town might want to consider postponing are the document camera and the audio conferencing features. The costs of these features are presented separately to allow the Town to decide whether it wants them done at this time. Staff believes that they are not absolutely essential now, but that it would be ideal and more cost-effective to install the total package, rather than piecemeal it over time.

Description	CompView	Cietronics
A. Basic improvements as specified in the Request for Proposal	\$106,847.80	\$100,433.00
B. Document camera and related equipment	26,548.11	22,838.67
C. Audio conferencing element	5,076.35	5,881.63
Totals	\$138,472.26	\$129,153.30

The proposals do not include certain electrical jobs and millwork needed to configure the dais to accommodate the five monitors for the City Council. A bid comparison showing the details of the two bids reflect distinct differences in the individual approaches from the two vendors. To illustrate, there is a difference of \$11,600 on the cost of equipment and \$22,000 on the cost of labor between the two vendors. The estimate of additional electrical jobs from one vendor is \$2,500 while the other projects \$10,000 to \$15,000. Remodeling of the current dais to accommodate the monitors could cost up to \$10,000 while a new dais could cost up to \$20,000.

As of distribution time of the agenda packets, staff continues to analyze which of the two bids will be more cost-effective and will better fit our needs. Staff will make its final recommendation during the City Council meeting. The vendor for the recommended proposal will be available to answer questions.

Proposals from the two vendors are included in your agenda packet for your review. Both vendors came highly recommended. CompView's previous jobs include Foster City, UC Riverside, Intel, Boeing, American Express and Bank of America. Cietronics did similar projects for the San Jose City Hall, Franklin Templeton, Safeway Corporate Headquarters, San Francisco City Hall, San Francisco War Memorial Opera House and the City of Cupertino among others.

The standard professional services agreement subject to approval as to form by the City Attorney will be utilized for this project.

Fiscal Impact: In addition to the potential cost of \$138,500 for the higher bid, an additional cost of \$20,000 is requested to cover related jobs including electrical work, millwork to modify the dais and telephone line hook up for the audio conferencing.

The General Fund Capital has budgeted \$50,000 in FY 06/07 and another \$25,000 in FY 07/08 for this project. Staff recommends that the project be done all at once to be more cost-effective, thereby establishing the need to spend the \$75,000 in FY 06/07. If the document camera and the audio conferencing elements are to be approved, an additional \$28,000 appropriation is needed from the General Fund. There are enough funds from the Capital Project Fund reserve to cover the additional \$28,000. The proportionate share of the Water and Sewer Funds needs to be appropriated for \$32,000 and \$24,000 respectively for the whole project or less for the partial project.

Recommendation:

1. Direct staff to proceed with either the whole or the partial project;
 2. Approve the award of the contract; and
 3. Adopt the resolution authorizing the City Manager to execute an agreement for the Council Chambers audio/visual upgrade not to exceed \$159,000 for the whole project or \$127,000 for the partial project that excludes the document camera and the audio conferencing elements, and authorizing appropriations for additional funds to cover the cost.
13. RESOLUTIONS SUPPORTING THE APPLICATION BY THE CITY OF SAN MATEO REQUESTING THE LOCAL AGENCY FORMATION COMMISSION TO TAKE PROCEEDINGS FOR THE MINOR SPHERE OF INFLUENCE AMENDMENT AND THE ANNEXATION OF A PORTION OF WOODLAND DRIVE AND MAKING A DETERMINATION OF PROPERTY TAX EXCHANGE PURSUANT TO THE CALIFORNIA CONSTITUTION (REVENUE AND TAXATION CODE) (Public Works Director)

Summary: In 2004, the City of San Mateo's Public Works Department initiated discussions with the Town of Hillsborough regarding Woodland Drive. A homeowners association was requesting additional lighting near a pedestrian access point and some landscaping along Woodland Drive. Due to an odd annexation proceeding in the 1950's, the property that is now Aragon High School was annexed into San Mateo without Woodland Drive. Thus, the two sides of the street are in San Mateo, but the street itself is in Hillsborough.

The Town had not invested a lot into the maintenance of Woodland Drive prior to 2004 when it received a scrub seal treatment. The City of San Mateo is requesting that the Town participate in the cost of several base failures that are directly in front of the high school, which recently underwent a major renovation. The estimated cost to Hillsborough for the repairs is \$8,000.

The City Council of the City of San Mateo recently took action to make an application for a minor change in the Sphere of Influence as determined by the Local Agency Formation Commission (LAFCO). San Mateo also made a determination regarding the zero tax transfer, as is required by the California Constitution. Staff is presenting for the City Council's consideration two similar resolutions supporting the City of San Mateo's application to LAFCO and the zero tax exchange.

The City of San Mateo has prepared all the documents and proposed sharing the LAFCO fees associated with the annexation on an equal basis (approximately \$1,500).

The City Attorney has determined that no public notice or hearing is required for the City Council to take this action. Staff is recommending that the City Council accept public comment prior to taking action on these resolutions.

Recommendation:

1. Accept public comments;
2. Adopt the resolutions:
 - A. Supporting the application by the City of San Mateo requesting the Local Agency Formation Commission to take proceedings for the minor sphere of influence amendment and the annexation of a portion Woodland Drive from the Town of Hillsborough; and authorizing the Director of Public Works to sign all necessary applications or other documents associated with the proposed amendment and annexation; and
 - B. Making a determination of zero property tax exchange pursuant to the California Constitution (Revenue and Taxation Code).
3. Allocate up to \$9,500 from the General Fund for repairs to the street and application fees.

DISCUSSION:

14. ORDINANCE TO IMPLEMENT THE GENERAL PLAN POLICY REGARDING PARK-IN-LIEU FEES (City Planner)

Summary: Action 1.2 of the Open Space and Conservation Element of the General Plan states:

The Town will adopt an ordinance in compliance with the Quimby Act to require new development to provide land dedication and/or in-lieu fees in the amount equal to three acres of parkland per 1,000 new residents. Due to the limited availability of land within Hillsborough for new parks, future additional parks will mainly consist of neighborhood parks of five acres or less and packet parks of less than one acre. Larger parks will also be allowed.

Staff from the City Attorney's Office and the Planning Department has been looking into ways in which an ordinance might be developed to require dedication of parkland or payment of in-lieu fees for new or existing park facilities when new subdivisions are developed. The goal of the Quimby Act (California Government Code Section 66477, adopted in 1974, effective in 1975, and amended in 1982) is to require developers to help mitigate the impacts of property improvements. The Act gives municipalities the authority to pass land dedication and in-lieu

fee ordinances. Local agencies have found that the Quimby Act helps to supplement strained agency parks budgets. The Quimby Act applies only to the development of subdivisions, not to the construction of new houses on individual lots.

In developing an ordinance, several things must be taken into consideration:

- The standard for parks must be in the General Plan – As stated above, the General Plan has a standard for parks.
- The required dedication must be based on residential density, which is determined by multiplying the number of lots in the subdivision by the average number of persons per household, which (according to the 2000 Census) is 2.93 persons/household in Hillsborough.
- For subdivisions of 50 parcels or fewer, only the payment of in-lieu fees, rather than land dedication, may be required. It is assumed that all subdivisions in Hillsborough will be 50 parcels or fewer; therefore, developers will be required to contribute fees rather than land.
- The in-lieu fees must be used only for the purpose of developing new or rehabilitating existing neighborhood or community park or recreational facilities to serve the subdivision – Staff has determined that, since Hillsborough is relatively small, the development of new or rehabilitation of existing parks or recreational facilities would serve the population of any new subdivision in Town. These fees can be used for capital rehabilitation, but not routine maintenance, of projects in existing parks/open space/recreational facilities/areas. Fees could be used, for example, for purchasing and installing benches, new equipment or drainage systems in parks and recreational areas/facilities, re-surfacing tennis courts or re-sodding a soccer field, etc.
- There must be a schedule specifying how, when and where the Town will use the fees. Any fees collected must be “committed” within five years after the payment of the fees or the issuance of building permits on one-half of the lots created by the subdivision, whichever occurs later.
- In determining fees, the fee structure should be based on an acceptable value of land – Staff proposes that the in-lieu fee is based on a land value determined by calculating the average of the per-acre cost of land associated with all sales of unimproved property and property related to teardowns/new houses (this information is public) which were approved in the previous two years. Each year this valuation could be determined and the fee included in the fee schedule which is reviewed and approved by the City Council by resolution.

The draft ordinance, which is included in the City Council’s agenda packet, includes an example of how the in-lieu fee would be calculated.

Recommendation: Set December 11, 2006, for introduction of the ordinance.