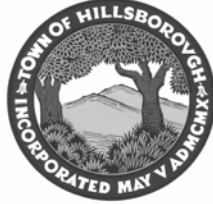


TOWN OF HILLSBOROUGH

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, December 11, 2006

4:00 p.m. CLOSED SESSION

6:00 p.m. CITY COUNCIL MEETING

Hillsborough Town Hall

CLOSED SESSION (4:00 p.m.)

A. CONFERENCE WITH LABOR NEGOTIATOR Section 54957.6

Agency negotiator: Katherine Leroux, Assistant City Manager

Employee organization: Hillsborough Police Officers Association - Teamsters Local 856, Firefighters Local 2400, Fire Administrators, and Unrepresented Employees

City Manager, Police Chief, Police Captains, Executive Assistant, Public Works Director, Public Works Superintendent, Public Works Assistant Superintendent, Public Works Supervisors, Director of Planning and Building, City Planner, Associate/Assistant Planner, Chief Building Official, Finance Director, Assistant Finance Director, Assistant City Manager, Assistant to the City Manager, Human Resources Specialist, City Clerk and Deputy City Clerk

B. CONFERENCE WITH LABOR NEGOTIATOR Section 54957.6

Agency negotiator: Katharine Leroux, Assistant City Manager and Martha DeBry, Public Works Director

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: November 13, 2006

IV. ADMINISTRATION OF OATH OF OFFICE:

- Councilmember Elect – D. Paul Regan
- Councilmember Elect – John J. Fannon

V. ELECTION OF MAYOR

VI. ADMINISTRATION OF OATH OF OFFICE: Mayor Elect

The newly elected Mayor will conduct the remainder of the meeting.

VII. ELECTION OF VICE MAYOR

VIII. ADMINISTRATION OF OATH OF OFFICE: Vice Mayor Elect

The meeting will recess for a reception.

IX. 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: NOVEMBER 1 THROUGH NOVEMBER 30, 2006
2. ACCEPTANCE OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) TOGETHER WITH THE INDEPENDENT PUBLIC ACCOUNTANT'S REPORT ON THE INTERNAL CONTROL FOR THE YEAR ENDED JUNE 30, 2006
3. RESOLUTION ADOPTING THE COUNTY OF SAN MATEO CERTIFICATION OF VOTES AND DECLARING THE RESULTS OF THE GENERAL MUNICIPAL ELECTION HELD ON NOVEMBER 7, 2006
4. RESOLUTION AUTHORIZING COMPENSATION ADJUSTMENTS FOR UNREPRESENTED EMPLOYEES, TEAMSTERS LOCAL 856 POLICE UNIT, IAFF FIRE UNIT LOCAL 2400 AND FIRE ADMINISTRATORS
5. ORDINANCE AMENDING HMC SECTION 2.12.070 REGARDING TEARDOWNS - REINTRODUCTION
6. ORDINANCE IMPLEMENTING THE GENERAL PLAN POLICY REGARDING PARK-IN-LIEU FEES - INTRODUCTION

7. RESOLUTION ACCEPTING AS COMPLETE THE CONTRACT WITH PACIFIC TRENCHLESS, INC. FOR THE REPLACEMENT OF A DAMAGED STORM DRAIN PIPE LOCATED ADJACENT TO 245 DARRELL ROAD
8. RESOLUTION ACCEPTING AS COMPLETE THE CONTRACT WITH BOND BLACKTOP, INC. FOR THE 2006 PAVEMENT MAINTENANCE AND REHABILITATION PROJECT
9. RESOLUTION ACCEPTING AS COMPLETE THE CONTRACT WITH FERMIN SIERRA CONSTRUCTION, INC. FOR THE WILLOW-WINDSOR STORM DRAIN IMPROVEMENT PROJECT
10. RESOLUTION APPROVING THE CONTRACT WITH PACIFIC TRENCHLESS, INC. FOR THE 3333 RALSTON AVENUE EASEMENT STORM DRAIN REPAIR PROJECT
11. RESOLUTION APPROVING THE AGREEMENT FOR SANITARY SEWER CLOSED CIRCUIT TELEVISION INSPECTIONS AND CLEANING SERVICES AND ALLOCATING ADDITIONAL FUNDING FOR PROFESSIONAL SERVICES IN THE SEWER BUDGET (\$50,000)
12. RESOLUTION APPROVING THE PURCHASE OF A 32' X 10' MOBILE OFFICE WITH A RESTROOM TRAILER IN THE AMOUNT OF \$13,580 AND ALLOCATING FUNDS FROM THE WATER FUND

X. PUBLIC HEARING:

13. FUNDRAISING EVENT PERMIT APPLICATION 07-01 FOR CRYSTAL SPRINGS UPLANDS SCHOOL'S "MADCAP 2007" ANNUAL FUNDRAISING AUCTION

XI. OLD BUSINESS:

14. RESOLUTION ACCEPTING THE WATER AND SEWER RATE STUDY AND AUTHORIZING IMPLEMENTATION OF RECOMMENDATIONS PRESENTED BY BARTLE WELLS ASSOCIATES, CONSULTANTS

XII. DISCUSSION:

15. DISCUSSION OF THE ORDINANCE REGARDING CREEK PROTECTION

XIII. 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.

XIV. 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.

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

CONSENT CALENDAR:

1. MONTHLY CLAIMS: NOVEMBER 1 THROUGH NOVEMBER 30, 2006 (Finance Director)

Summary: The monthly claims for the month of November 2006 in the amount of \$3,505,690.01 are submitted for approval.

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

2. ACCEPTANCE OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) TOGETHER WITH THE INDEPENDENT PUBLIC ACCOUNTANT'S REPORT ON THE INTERNAL CONTROL FOR THE YEAR ENDED JUNE 30, 2006 (Finance Director)

Summary: Local ordinances and state statutes require that the Town publish a complete set of financial statements at the close of each fiscal year presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. Pursuant to that requirement, the Town's CAFR, audited by Vavrinek, Trine, Day & Co., LLP, Pleasanton, CA, is hereby submitted.

The Town has received an unqualified opinion on the financial statements.

At the November 17, 2006 meeting, the Financial Advisory Committee reviewed and approved the report for recommendation to the City Council for approval.

Recommendation: Accept and file the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006.

3. RESOLUTION ADOPTING THE COUNTY OF SAN MATEO CERTIFICATION OF VOTES AND DECLARING THE RESULTS OF THE GENERAL MUNICIPAL ELECTION HELD ON NOVEMBER 7, 2006 (City Clerk)

Summary: This resolution indicates that the Chief Elections Officer has completed the official canvass of the completed returns of votes cast at the Consolidated Gubernatorial General Election held throughout the Town of Hillsborough, County of San Mateo, on November 7, 2006. This resolution will certify that an election was held within the boundaries of the Town of Hillsborough on November 7, 2006, for the purpose of electing two members to the City Council for four-year terms.

Recommendation: Adopt the resolution adopting the County of San Mateo certification of votes and declaring the results of the General Municipal Election held on November 7, 2006.

4. RESOLUTION AUTHORIZING COMPENSATION ADJUSTMENTS FOR UNREPRESENTED EMPLOYEES, TEAMSTERS LOCAL 856 POLICE UNIT, IAFF FIRE UNIT LOCAL 2400 AND FIRE ADMINISTRATORS (Assistant City Manager)

Summary: This resolution memorializes changes in compensation for unrepresented employees, Teamsters Local 856 Police Unit, IAFF Fire Unit Local 2400 and Fire Administrators. Salary increases are based on Memoranda of Understanding (MOU) provisions, the Consumer Price Index and survey data.

Recommendation: Adopt the resolution authorizing compensation adjustments for unrepresented employees, Teamsters Local 856 Police Unit, IAFF Fire Unit Local 2400 and Fire Administrators.

5. ORDINANCE AMENDING HMC SECTION 2.12.070 REGARDING TEARDOWNS – REINTRODUCTION (City Planner)

Summary: This ordinance was introduced at the November 6, 2006 City Council meeting. Since then, staff has reconsidered some of the aspects of the ordinance and discussed it with some citizens and architects. As a result, some changes have been made and a re-introduction is required.

This ordinance provides a definition for a “teardown.” It amends the Architecture and Design Review Board chapter of the Hillsborough Municipal Code to add a definition that if 50% or more of the exterior walls are removed, the project is considered a teardown and it needs to be noticed as one.

The changes that have been made to the ordinance are to specify that garage walls are not included in the calculations when determining if 50% of the walls are being removed. Also, if the garage is attached to the house, the common wall is considered an exterior wall for the purposes of the calculations. The revised ordinance also further describes what is considered a wall “removal.”

Recommendation:

1. Waive reading and reintroduce the ordinance; and
2. Set January 8, 2007, as the public hearing date to consider adoption of the ordinance.

6. ORDINANCE IMPLEMENTING THE GENERAL PLAN POLICY REGARDING PARK-IN-LIEU FEES – INTRODUCTION (City Planner)

Summary: The Open Space and Conservation Element of the General Plan states that 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. This ordinance, which was discussed at the November 6, 2006 City Council meeting, implements an in-lieu parkland fee.

The memo attached in the City Council's agenda packets includes a list of the key issues required by the Quimby Act and the way in which the ordinance addressed them. The ordinance, which is also included in the City Council's agenda packet, includes an example of how the in-lieu fee would be calculated using the average per-acre cost of vacant land and property related to teardowns from the two previous years.

Recommendation: Waive reading and introduce the ordinance. Set January 8, 2005, for the public hearing to consider adoption.

7. RESOLUTION ACCEPTING AS COMPLETE THE CONTRACT WITH PACIFIC TRENCHLESS, INC. FOR THE REPLACEMENT OF A DAMAGED STORM DRAIN PIPE LOCATED ADJACENT TO 245 DARRELL ROAD (City Engineer)

Summary: This project slip-lined approximately 275 linear feet of severely damaged corrugated metal storm drain pipe with a new seamless high density polyethylene pipe. The construction included reconnection of an existing private lateral with a connection and repair of failing asphalt areas adjacent to the roadway.

This project was awarded to Pacific Trenchless, Inc. in November of 2006 with a budget of \$27,000 including contingencies. The work has been completed under budget for a final amount of \$24,785.

Recommendation: Adopt the resolution accepting as complete the contract with Pacific Trenchless, Inc. for the replacement of a damaged storm drain pipe located adjacent to 245 Darrell Road in the amount of \$24,785.

8. RESOLUTION ACCEPTING AS COMPLETE THE CONTRACT WITH BOND BLACKTOP, INC. FOR THE 2006 PAVEMENT MAINTENANCE AND REHABILITATION PROJECT (City Engineer)

Summary: Bond Blacktop performed work to resurface approximately 9.5 miles of roadway, completing 11,540 square feet of dig-outs where the structural base of the roadway had failed and adjusted two manholes to grade. This project utilized several different resurfacing treatment measures, including scrub-seal and micro-surfacing.

The project was awarded to Bond Blacktop, Inc. in May of 2006 with a budget of \$490,000 including contingencies. The work has been completed under budget for a final amount of \$443,194.74 because a few street sections were removed from the project. A list of streets from the 2006 Pavement Maintenance Project is included in the City Council agenda packet.

Recommendation: Adopt the resolution accepting as complete the contract with Bond Blacktop, Inc. for the 2006 Pavement Maintenance and Rehabilitation Project in the amount of \$443,194.74.

9. RESOLUTION ACCEPTING AS COMPLETE THE CONTRACT WITH FERMIN SIERRA CONSTRUCTION, INC. FOR THE WILLOW-WINDSOR STORM DRAIN IMPROVEMENT PROJECT (City Engineer)

Summary: In November 2006 the City Council confirmed the award for the Willow-Windsor Storm Drain Improvement Project to Fermin Sierra Construction, Inc. The project included installation of one new inlet on Newhall Road and one new inlet on Windsor Drive, 57 linear feet of new 12-inch pipe on Windsor Drive, 213 linear feet of 30-inch pipe on Eucalyptus Avenue, and 106 linear feet of 24-inch pipe within the easement between the Burlingame Country Club (BCC) and Stacey Court. The contract also included installation of two new manholes, modification to the existing headwall structure and one field inlet adjacent to the BCC.

This project was awarded to Fermin Sierra Construction, Inc. in November of 2006 with a budget of \$100,000 including contingencies. The work has been completed under budget for a final amount of \$97,350.

This project is included in the CIP budget and will be funded by the 2006 Water and Sewer Bond.

Recommendation: Adopt the resolution accepting as complete the contract with Fermin Sierra Construction, Inc. for the Willow-Windsor Storm Drain Improvement Project in the amount of \$97,350.

10. RESOLUTION APPROVING THE CONTRACT WITH PACIFIC TRENCHLESS, INC. FOR THE 3333 RALSTON AVENUE EASEMENT STORM DRAIN REPAIR PROJECT (City Engineer)

Summary: Staff was notified last year of a severely deteriorated and clogged storm drain pipe at 3333 Ralston Avenue. The corrugated metal pipe at Ralston Avenue and the easement to Pinehill Road is filled with roots and experiencing severe corrosion at the bottom of the pipe. Maintenance crews could not successfully remove roots from the pipe to prevent it from backing up, which has resulted in the erosion of landscaping and improvements on the private property.

Staff solicited three contractors to bid on the project and only Pacific Trenchless, Inc. and D'Arcy & Harty Construction, Inc. responded with proposals as follows:

#	CONTRACTOR	BASE
1	Pacific Trenchless, Inc.	\$23,594
EE	Engineer's Estimate	\$28,000
2	D'Arcy & Harty Construction, Inc.	\$28,340

Staff conducted an analysis of the proposal and verified that their qualifications and experience levels are satisfactory. Staff is recommending a 20% contingency budget for this project.

This project, not included in the CIP budget, can be funded by the 2006 Water and Sewer Bond.

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 awarding the contract for the 3333 Ralston Avenue Easement Storm Drain Repair Project to Pacific Trenchless, Inc. in the amount of \$23,594, with a 20% contingency in the amount of \$4,720, for a total construction budget of \$28,314 to be funded by the 2006 Water and Sewer Bond.

11. RESOLUTION APPROVING THE AGREEMENT FOR SANITARY SEWER CLOSED CIRCUIT TELEVISION INSPECTIONS AND CLEANING SERVICES AND ALLOCATING ADDITIONAL FUNDING FOR PROFESSIONAL SERVICES IN THE SEWER BUDGET (\$50,000)
(Public Works Director)
-

Summary: The City of Burlingame recently acquired new equipment to conduct visual inspections of the interior of sewer mains. Video inspections are an inexpensive method of identifying problems within a sewer main and to validate the effectiveness of the City's maintenance program. Burlingame has acquired both a van with video equipment and a new sewer jet truck, which will be staffed by Burlingame personnel. The Town's Sewer Department Supervisor assisted Burlingame with the evaluation of the video equipment.

As Burlingame was developing its program, Burlingame staff invited the Town to explore contracting for the video inspection service. Over the past six months, an agreement was developed to purchase inspection services on a fee-for-service basis. The Town would compensate Burlingame based on the number of lineal feet inspected or cleaned by a jet truck. The rates were based on Burlingame's estimated cost to provide service. The unit prices are lower than those in the most recent capital projects, because the mains selected for capital projects are typically in easements, and the most problematic in terms of access and known problems. The services will supplement cleaning that occurs as part of the capital program and will be focused on mains located within street rights-of-way. Capital projects will still be necessary to arrange for spot repairs identified during the inspection process. The Sewer Department Supervisors of the respective agencies would determine the schedule for inspection.

The agreement does not require a minimum amount of service to be provided or purchased. For fiscal year 2006/2007, an amendment to the Sewer Department's budget for professional services account of \$50,000 is requested to pay for services received under the contract.

Recommendation: Adopt the resolution approving the agreement for sanitary sewer closed circuit television inspections and cleaning services and allocating additional funding for professional services in the sewer budget (\$50,000).

12. RESOLUTION APPROVING THE PURCHASE OF A 32' X 10' MOBILE OFFICE WITH A RESTROOM TRAILER IN THE AMOUNT OF \$13,580 AND ALLOCATING FUNDS FROM THE WATER FUND (Public Works Director)

Summary: The Hillsborough Public Works Department is requesting the purchase of a 32' x 10' mobile office with a restroom trailer that has been in use at the Municipal Service Center for the past three years serving as an office for the Public Works Director and later as a locker room for Sewer and Water Department crews. It is outfitted with electrical, computer, water and sewer connections. The trailer is currently leased from Williams Scotsman, Inc. at a cost of \$426/month. The Public Works Department anticipates a need to retain the trailer for a number of purposes to allow time for the remodel of the Water Department garage locker room and the rear office in the main house.

The cost to purchase the mobile office including all fees and taxes is \$13,580. If the unit is retained for more than thirty-one months the Town will reduce expenses. Funding will need to be allocated from the Water Fund for the unbudgeted purchase.

Recommendation: Adopt the resolution approving the purchase of a 32' x 10' mobile office with a restroom trailer in the amount of \$13,580 and allocating funds from the Water Fund for the same.

PUBLIC HEARING:

13. FUNDRAISING EVENT PERMIT APPLICATION 07-01 FOR CRYSTAL SPRINGS UPLANDS SCHOOL'S "MADCAP 2007" ANNUAL FUNDRAISING AUCTION (City Clerk)

Summary: Crystal Springs Uplands School submitted an application to conduct its "Madcap 2007" Annual Fundraising Auction at the Gryphon Center located at Crystal Springs Uplands School at 400 Uplands Drive in Hillsborough. This event is proposed to take place on April 28, 2007.

Hillsborough Municipal Code Section 5.16.080 requires a public hearing for a fundraising event permit where more than 200 people will be in attendance during any one day at any one property. Public Notices have been sent to owners of properties located within a 500-foot radius of the property listed above.

The Police, Fire and Building Departments have reviewed the application and submitted comments and recommendations, which are included in the City Council's packet.

Recommendation:

1. Open the public hearing and receive comments;
2. Close the public hearing; and
3. Approve the Fundraising Event Permit Application 07-01 for Crystal Springs Uplands School's "Madcap 2007" Annual Fundraising Auction on April 28, 2007, subject to the conditions recommended by staff.

OLD BUSINESS:

14. RESOLUTION ACCEPTING THE WATER AND SEWER RATE STUDY AND AUTHORIZING IMPLEMENTATION OF RECOMMENDATIONS PRESENTED BY BARTLE WELLS ASSOCIATES, CONSULTANTS (Finance Director)

Summary: During the budget process, staff was directed to solicit proposals for a water and sewer rate study. The contract was awarded to Bartle Wells Associates at the September 11, 2006 City Council meeting.

The primary reason for the study was to evaluate the Town's rate structure to determine the coverage breakdown between fixed and variable costs and how it compares with other agencies. To make the study more comprehensive, the consultant was also commissioned to conduct an independent analysis of the Town's water and sewer enterprise rates and finances and to recommend rate adjustments that will support the long-term financial health of the enterprises.

The consultants presented their findings to the Financial Advisory Committee during two meetings held on October 19, 2006, and November 17, 2006. The committee discussed findings on each of the areas. Key recommendations include gradual water and sewer rate increases, as well as a number of adjustments to the water and sewer rate structures to better align them with the cost of service and to improve equity among ratepayers. A summary of the consultant's recommendations is included in the City Council agenda packet with the consultant's entire report.

The Financial Advisory Committee, after a lengthy discussion, approved for recommendation to the City Council the consultant's recommendations and the tables of charges, including the methodology to update future rates contained in their report dated November 15, 2006.

The study recommends the Town adopt four years of future rate increases pursuant to the procedural requirements of Proposition 218. This will eliminate the need for the Town to go through the process each year. The Town would still retain flexibility to revise the rate adjustments, if needed, as long as the increases do not exceed the maximum rates adopted under the Proposition 218 procedure.

In summary, from a combination of increase in fixed meter charge, a change in tiers breakpoints and a change in flow charges (based on usage), the study recommends effective annual water rate adjustments of 6% in calendar years 2007 and 2008 and 8% in calendar years 2009 and 2010, taking effect on January of each year except for year 2007. Pursuant to Proposition 218's 45-day noticing requirement, new rates in year 2007 could be implemented after a public hearing at the February 2007 City Council meeting. Sewer rates are recommended to increase by 3% each year for the next four years, taking effect on July of each year.

Recommendation: Adopt the resolution accepting the water and sewer rate study and authorizing implementation of recommendations presented by Bartle Wells Associates, Consultants.

DISCUSSION:

15. DISCUSSION OF THE ORDINANCE REGARDING CREEK PROTECTION

(Public Works Director)

Summary: The proposed Creek Protection ordinance has been prepared to address pollution and erosion control issues. Federal law requires the Town to take affirmative steps to prevent and mitigate illicit discharges of polluted materials into water of the state. This ordinance defines which creeks are subject to protection and requires a new creek protection permit be issued when construction is to occur near or in a creek.

Under the existing ordinance, the Town does not have the authority to prohibit construction on or near a creek, nor does it provide guidance for evaluating the impact of construction on a creek. In practice, the Town has limited construction within 15 feet of creek banks. Should the ordinance be adopted, builders must obtain a new permit, in addition to the building permit, if construction has the potential to effect the creek in any way. Builders will need to implement best management practices (BMP's) at all times to avoid pollution and erosion. Additional information and environmental evaluation will also be required for projects that are anticipated to have direct impacts on a creek.

The ordinance applies to existing facilities as well as proposed facilities. This is consistent with existing practices. For example, if the Town discovered an inappropriate connection to the storm drain system, the Town would require correction of the problem through the Code Enforcement process. This ordinance has the effect of more clearly defining violations as nuisances and gives the City Engineer enforcement authority.

This ordinance will only affect residents who live within 100 feet of a creek that drains into an area of ten acres or more (for example, San Mateo Creek, Sanchez Creek and Easton Creek), which are approximately 500 properties. It does not apply to all "V" ditches and storm drain channels. Prior to introducing the ordinance in February 2007, notices will be mailed to residents who may be subject to the ordinance to invite public comments. The new software adopted by the Building Department will allow these properties to be flagged as potentially being subject to the ordinance, which will make the management of this ordinance possible.

Recommendation: For discussion only; no action required.