

# TOWN OF HILLSBOROUGH

San Mateo County

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

1600 Floribunda Avenue  
Hillsborough, CA 94010



## ***A G E N D A***

***MONDAY, JANUARY 8, 2007***

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

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

#### **B. CONFERENCE WITH LABOR NEGOTIATOR Section 54957.6**

Agency negotiator: Katharine Leroux, Assistant City Manager and Matthew O'Connor, Police Chief

Employee organization: Police Officers' Association – Teamsters Local 856

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

#### **I. PLEDGE OF ALLEGIANCE**

#### **II. ROLL CALL**

#### **III. MINUTES: December 11, 2006**

#### **IV. ADMINISTRATION OF OATH OF OFFICE:**

- Councilmember Elect – John J. Fannon

**V. PRESENTATION:**

- Resolution of Appreciation – Retirement of Assistant City Attorney Penny Greenberg
  - The meeting will recess for a reception

**VI. 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: DECEMBER 1 THROUGH DECEMBER 31, 2006
2. QUARTERLY TREASURER'S REPORT
3. QUARTERLY INTEREST RATE PRODUCTS (SWAP) REPORT
4. ORDINANCE AMENDING SECTIONS 13.20.040, 13.20.020 AND 13.20.030 OF THE HILLSBOROUGH MUNICIPAL CODE TO ADOPT MAXIMUM WATER SERVICE RATES, MAXIMUM METER SERVICE CHARGES, AND A FORMULA FOR THE CALCULATION OF WATER CONNECTION FEES EFFECTIVE FOR BILLINGS AFTER FEBRUARY 12, 2007 – INTRODUCTION
5. ORDINANCE AMENDING SECTIONS 13.34.030 AND 13.32.105 OF THE HILLSBOROUGH MUNICIPAL CODE TO ADOPT MAXIMUM SEWER SERVICE CHARGES AND A FORMULA FOR THE CALCULATION OF THE SEWER CONNECTION FEE EFFECTIVE FEBRUARY 12, 2007 – INTRODUCTION
6. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH NEAL MARTIN & ASSOCIATES FOR INTERIM PLANNING SERVICES AND AUTHORIZING AN ADDITIONAL APPROPRIATION OF FUNDS TOWARD THE SALARY EXPENSE
7. ORDINANCE AMENDING SECTION 2.12.010 OF THE HILLSBOROUGH MUNICIPAL CODE REGARDING THE TERMS OF MEMBERS OF THE ARCHITECTURE AND DESIGN REVIEW BOARD – INTRODUCTION
8. RESOLUTION APPROVING THE CSG SERVICE ORDERS FOR DESIGN SERVICES FOR THE 2007 STREET MAINTENANCE AND REHABILITATION PROJECT, THE SANITARY SEWER CLEANING AND VIDEO INSPECTION PROJECT – PHASE 6, AND THE FIRE MAINS LATERAL PROJECT
9. RESOLUTION AUTHORIZING \$60,000 TO FUND THE BACKFLOW DEVICE REIMBURSEMENT PROGRAM
10. RESOLUTION AUTHORIZING COMPENSATION ADJUSTMENTS FOR TEAMSTERS LOCAL 856 POLICE UNIT

**VII. OLD BUSINESS:**

11. ITEMS TO IMPLEMENT THE RECOMMENDATIONS OF THE ZONING STUDY COMMITTEE

**VIII. PUBLIC HEARING:**

12. FUNDRAISING EVENT PERMIT APPLICATION 07-02 FOR THE COMMUNITY SERVICE LEAGUE'S KITCHEN TOUR
13. ORDINANCE AMENDING HMC SECTION 2.12.070 REGARDING TEARDOWNS – ADOPTION
14. ORDINANCE ADDING CHAPTER 16.18 PARK-IN-LIEU FEES TO TITLE 16 OF THE HILLSBOROUGH MUNICIPAL CODE – ADOPTION

**IX. NEW BUSINESS:**

15. REPLACEMENT OF DAIS AND ACCESSORY DESK UNITS FOR THE COUNCIL CHAMBERS
16. RESOLUTION APPROVING MAILING OF THE NOTICE REGARDING THE PROPOSED 15.5% RATE INCREASES FOR RESIDENTIAL AND COMMERCIAL REFUSE COLLECTION

**X. DISCUSSION:**

17. DISCUSSION OF THE MAYOR'S APPOINTMENTS TO COMMISSIONS
18. DISCUSSION OF SFPUC'S PROPOSED CAPITAL IMPROVEMENT PROJECTS TO BE CONSTRUCTED IN AND NEAR HILLSBOROUGH
19. DISCUSSION OF THE REFUSE CONTRACTOR SELECTION PROCESS
20. DISCUSSION OF THE PROPOSED ORDINANCE REGARDING PUBLIC PARKS

**XI. 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.*

**XII. 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.*

**XIII. 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](http://www.hillsborough.net).*



## **AGENDA – REPORTS**

### **HILLSBOROUGH CITY COUNCIL**

Monday, January 8, 2007  
6:00 p.m.  
Hillsborough Town Hall  
1600 Floribunda Avenue, Hillsborough

#### **CONSENT CALENDAR:**

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

**Summary:** The monthly claims for the month of December 2006 in the amount of \$2,445,968.70 are submitted for approval.

**Recommendation:** Approve the monthly claims for December 2006 as submitted.

2. QUARTERLY TREASURER'S REPORT (Finance Director)

**Summary:** Government Code 53646(b) requires that the Quarterly Investment Report be rendered to the City Council during public session within thirty days of the quarter's end.

**Recommendation:** Approve the Treasurer's Report for the quarter ending December 31, 2006.

3. QUARTERLY INTEREST RATE PRODUCTS (SWAP) REPORT (Finance Director)

**Summary:** Pursuant to Government Code Section 5922(a) and the Town's Interest Rate Mitigation Policy, a quarterly report providing the status of all interest rate products will be provided to the City Council on a quarterly basis.

**Recommendation:** Accept the Interest Rate Products Report for the quarter ending December 31, 2006.

4. ORDINANCE AMENDING SECTIONS 13.20.040, 13.20.020 AND 13.20.030 OF THE HILLSBOROUGH MUNICIPAL CODE TO ADOPT MAXIMUM WATER SERVICE RATES, MAXIMUM METER SERVICE CHARGES, AND A FORMULA FOR THE CALCULATION OF WATER CONNECTION FEES EFFECTIVE FOR BILLINGS AFTER FEBRUARY 12, 2007 - INTRODUCTION (Finance Director)

**Summary:** The Town undertook a comprehensive water and sewer rate study during the fall of 2006 with the help of an independent firm. The consultants presented its findings and

recommendations to both the Financial Advisory Committee and the City Council which approved the study and its implementation at the meeting of December 7, 2006.

The study recommended adoption of maximum rates for the water meter and service charges and a formula for the calculation of the sewer connection fee that will support the long-term financial health of the water enterprise operations. The Town may charge rates at or below the maximum meter and service charges. The study recommends anticipated charges for the next four years along with the corresponding effective dates not to exceed the maximum charges.

Changes to the water connection charge and meter and service charges require a modification of the Hillsborough Municipal Code. This ordinance reflects the changes needed to adopt the maximum meter and service charges and the calculation and annual adjustment of the water connection fee. These rate changes are also processed in full compliance with Proposition 218 requirements.

**Recommendation:**

1. Introduce and waive the first reading of the ordinance; and
  2. Set February 12, 2007, as the public hearing date to consider adoption of the ordinance.
5. ORDINANCE AMENDING SECTIONS 13.34.030 AND 13.32.105 OF THE HILLSBOROUGH MUNICIPAL CODE TO ADOPT MAXIMUM SEWER SERVICE CHARGES AND A FORMULA FOR THE CALCULATION OF THE SEWER CONNECTION FEE EFFECTIVE FEBRUARY 12, 2007 – INTRODUCTION (Finance Director)

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The study recommended adoption of a maximum sewer service charge and a formula for the calculation of the sewer connection fee that will support the long-term financial health of the sewer enterprise operations. The Town may charge rates at or below the maximum sewer service charge. The study recommends anticipated rates for the next four years along with the corresponding effective dates not to exceed the maximum sewer service charge.

Changes to the sewer connection charge and service charge require a modification of the Hillsborough Municipal Code. This ordinance reflects the changes needed to adopt the maximum service charge and the calculation and annual adjustment of the sewer connection fee. These rate changes are also processed in full compliance with Proposition 218 requirements.

**Recommendation:**

1. Introduce and waive the first reading of the ordinance; and
2. Set February 12, 2007, as the public hearing date to consider adoption of the ordinance.

6. **RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH NEAL MARTIN & ASSOCIATES FOR INTERIM PLANNING SERVICES AND AUTHORIZING AN ADDITIONAL APPROPRIATION OF FUNDS TOWARD THE SALARY EXPENSE** (Assistant City Manager)

**Summary:** With the pending retirement of the City Planner, staff has determined that hiring a contract professional planner to assist and direct the planning functions of the Town will provide for continued service and support to the community. Staff feels Neal Martin & Associates of San Carlos best meets the needs of the Town. The firm has been in business for over thirty years providing professional planning services to the public and private sector. The estimated time frame for the position is approximately six months. The cost of the assignment will be approximately \$70,000. An appropriation of \$70,000 from the General Fund Reserves is needed to cover the projected costs.

**Recommendation:** Adopt the resolution authorizing the City Manager to enter into an agreement with Neal Martin & Associates and authorizing an appropriation of \$70,000 from the General Fund Reserves.

7. **ORDINANCE AMENDING SECTION 2.12.010 OF THE HILLSBOROUGH MUNICIPAL CODE REGARDING THE TERMS OF MEMBERS OF THE ARCHITECTURE AND DESIGN REVIEW BOARD – INTRODUCTION** (City Planner)

**Summary:** An ordinance has been developed to provide an opportunity for the Mayor to extend the term of a member of the Architecture and Design Review Board. Since this ordinance is minor in nature and reflects current practice, it was not scheduled for discussion.

**Recommendation:**

1. Introduce and waive the reading of the ordinance; and
2. Set February 12, 2007, as the public hearing date to consider adoption of the ordinance.

8. **RESOLUTION APPROVING THE CSG SERVICE ORDERS FOR DESIGN SERVICES FOR THE 2007 STREET MAINTENANCE AND REHABILITATION PROJECT, THE SANITARY SEWER CLEANING AND VIDEO INSPECTION PROJECT – PHASE 6, AND THE FIRE MAINS LATERAL PROJECT** (Public Works Director)

**Summary:** CSG has submitted proposals for construction management and implementation for the following projects:

2007 Street Maintenance and Rehabilitation Project - CSG will provide design services for the project which includes preparation of plans, specifications, estimates and bid assistance. The total cost for the project is approximately \$400,000 with the design service cost of \$45,600, which includes reproduction costs. Because plans were prepared for a number of streets that were not resurfaced with the 2006 Street Maintenance and Rehabilitation Project, the total cost for engineering is expected to be substantially lower than the estimate. The project is funded by Measure A and the General Fund.

Sanitary Sewer Cleaning and Video Inspection Project – Phase 6 - CSG will provide design services for the project which includes preparation of plans, specifications, estimates and bid assistance. The project includes cleaning and inspection of approximately 30,000 linear feet of deteriorated sewer mains. The total cost for the project is \$450,000 with the design services estimated at \$21,100, which will be funded with 2006 Bond revenues.

Fire Mains Lateral Project – CSG will provide design services for a new project that has been developed to address water quality issues on several streets including Barbara Way, Skyline Boulevard, Denise Drive, Black Mountain Road, Southdown Road, View Haven Road and Darrell Road. In 1994, 12" mains were installed parallel with existing 6" mains to enhance fire suppression capabilities on several streets. The private service laterals to homes are fed by the 6" mains and the hydrants by the 12" mains. Constructing 12" mains without laterals lowered the price of construction at the time. Since the introduction of chloramines, the aging of water within the 12" water main is a concern because disinfectants become less effective with time. In the absence of disinfectant, nitrification can occur within the main. By attaching the approximately 70 laterals to the larger main, water will continuously circulate within the main. The 6" mains, which range in age from 60 to 90 years, will be abandoned once the laterals have been transferred. The project includes investigation to identify locations of existing services, installation of new copper service lines, installation of new water meters and boxes, installation of additional fire hydrants and abandonment of old mains and services. The total cost of the project is estimated at \$400,000 and design services for this project is \$36,600, which will be funded with 2006 Bond revenues.

**Recommendation:** Adopt the resolution approving the CSG service orders in the total amount of \$103,300, and allocating \$45,600 in Measure A and General Fund revenues and \$57,700 in funds from the 2006 Bond revenues.

9. RESOLUTION AUTHORIZING \$60,000 TO FUND THE BACKFLOW DEVICE  
REIMBURSEMENT PROGRAM (Public Works Director)

**Summary:** Since January 2003, the Public Works Department has operated a reimbursement program to encourage residents to install sewer backflow devices. The Town provides reimbursements of 50% of a resident's cost up to \$500 for most properties, and up to \$1,000 for certain higher risk properties. The original allocation for the program of \$100,000 was supplemented by an allocation of \$100,000 in December 2006. As the deadline (January 1, 2007) for residents to install backflow protection approached, the Town received numerous requests for reimbursements, and there is not a sufficient amount of funding available to provide reimbursements for all residents. An allocation of \$30,000 would provide adequate funding for all applications received to date. In order to fund applications not yet received for devices installed prior to the deadline, an additional \$30,000 allocation is requested.

**Recommendation:** Adopt the resolution authorizing \$60,000 to fund the backflow device reimbursement program.

10. RESOLUTION AUTHORIZING COMPENSATION ADJUSTMENTS FOR TEAMSTERS  
LOCAL 856 POLICE UNIT (Assistant City Manager)

**Summary:** This resolution memorializes changes in compensation for the Teamsters Local 856 Police Unit. Salary increases are based on Memoranda of Understanding (MOU) provisions, Consumer Price Index and survey data. The MOU for the Police Unit specifies that salary surveys be conducted using journey level salaries. The surveys done in December 2006 were conducted using the entry level salaries. The result is changes in salary increases for the positions of Code Enforcement Officer and Communications Officer.

**Recommendation:** Adopt the resolution authorizing compensation adjustments for Teamsters Local 856 Police Unit

## **OLD BUSINESS:**

### 11. ITEMS TO IMPLEMENT THE RECOMMENDATIONS OF THE ZONING STUDY COMMITTEE (Associate Planner)

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**Summary:** At its meeting of September 11, 2006, the City Council adopted the Plan to Implement the Zoning Study Committee Recommendations (Implementation Plan) to address the Town's regulation of large houses on small lots. The Implementation Plan identified the three categories of tasks related to the Committee's recommendations, as listed below, and a timeline to reflect the City Council's priorities and allocate staff's resources accordingly for the review, adoption and/or implementation of the tasks by the end of March 2007. This agenda item is intended to provide the City Council with an update on the progress to implement the Committee's recommendations and to provide an opportunity for the City Council to discuss the work products and/or tasks completed to date and provide direction to staff. Attachments A through D are included in the City Council agenda packets; copies have been provided to all members of the Zoning Study Committee.

#### I. Consider Increasing Front and Side Setbacks

As directed by the City Council, staff worked with the firm Design Community and Environment (DC&E) to prepare a study of possible modifications to the Zoning Ordinance to increase required front and side setbacks for larger homes. At the September 11, 2006 meeting, the City Council expressed that "larger homes" should be defined as homes of 8,000 square feet or larger. Input from three architect members of the Zoning Study Committee was solicited in developing the analysis. The setback study, including recommendations prepared by DC&E, (Attachment B) is attached in the City Council's agenda packets for review. David Early of DC&E will be present at the meeting to give a brief presentation and answer any questions about the study. Based upon direction of the City Council at this meeting, staff will prepare an amendment to the Zoning Ordinance to increase front and side setbacks for large homes, as needed, for introduction at the February 12, 2007 City Council meeting in accordance with the adopted schedule.

#### II. Design Guidelines Revisions and ADRB Checklist

In November and December 2006, staff worked with DC&E to revise the language on page 8 of the Town's Residential Design Guidelines (Attachment C) to clarify the Town's expectation that new development projects will demonstrate compliance with the guidelines. To assure that

the language revisions are clearly expressed and that they accurately address the Committee's recommendation, staff has reviewed them with two members of the Committee who also currently serve on the Citizens Communication Advisory Committee (CCAC). The Architecture and Design Review Board (ADRB) will review and comment on the draft revisions at their regular meeting on January 22, 2007. After ADRB review and comment, the proposed revisions will be presented to the City Council for adoption by resolution at the February 12, 2007 meeting in accordance with the adopted schedule.

Staff is currently working with two members of the ADRB to develop a Design Guidelines Checklist. The checklist will be completed by project applicants to help assure that they review and employ the principles and standards of the Design Guidelines before applications are submitted to the Planning Office. In accordance with the adopted schedule, the checklist will be presented for review and comment by the ADRB on February 5, 2007. Staff will present the checklist to the City Council on March 12, 2007. Its use as part of ADRB applications will be implemented by staff immediately thereafter.

### III. Preliminary Review Process

Staff worked with the CCAC to develop a Preliminary Review Neighbor Bulletin and associated revisions to the ADRB's Preliminary Review application packet. The Neighbor Bulletin (Attachment D) is a handout that provides information about the Town's design review process and identifies how and when neighbors may comment on a proposed project throughout this process. As it reflects their policy, the ADRB reviewed the draft handout and associated revisions to the application packet on December 4, 2006. The bulletin is now provided by the Planning Office to project applicants upon initial discussion with Planning staff of new house projects. Staff requires that this bulletin be mailed to all neighbors sharing a common property line or directly across the street from the project site before an application for Preliminary Review may be filed with the Town. Staff has implemented the use of the new Preliminary Review Neighbor Bulletin and the revised Preliminary Review application packet one month ahead of the anticipated schedule.

**Recommendation:** Review the setback study and recommendations prepared by DC&E and direct staff to prepare an ordinance for introduction at the February 12, 2007 City Council meeting. Review and comment on other tasks associated with the recommendations of the Zoning Study Committee, as needed.

## **PUBLIC HEARING:**

### 12. FUNDRAISING EVENT PERMIT APPLICATION 07-02 FOR THE COMMUNITY SERVICE LEAGUE'S KITCHEN TOUR (City Clerk)

**Summary:** The Community Service League submitted an application to conduct its Kitchen Tour on May 18, 2007, at the following addresses:

- 20 Bridle Court
- 530 West Santa Inez Avenue
- 30 Annescourt Place

- 25 Marialinda Court
- 745 Chiltern Road

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 properties 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 07-02 for the Community Service League's Kitchen Tour on May 18, 2007, subject to the conditions recommended by staff.
13. ORDINANCE AMENDING HMC SECTION 2.12.070 REGARDING TEARDOWNS -  
ADOPTION (City Planner)

**Summary:** This ordinance was introduced on November 13, 2006, and re-introduced with changes on December 11, 2006. This ordinance provides a definition for a "teardown". There have been different interpretations of what constitutes a teardown and there have been cases where the Architecture and Design Review Board (ADRB) has approved, in a public hearing, an application for a remodel and addition to a house. However, once the job has been initiated, the entire house has been torn down.

The unexpected total teardown of a house causes problems because the neighbors have received a public notice and possibly attended a public hearing for a project of a different scope than what actually 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 substandard garage or setback area) and the house is torn down, the new house must conform to today's Code standards. An unexpected teardown can also cause conflicts with the Town's construction recycling requirements.

This ordinance amends the Architecture and Design Review Board chapter of the Municipal Code to add a definition that if 50% or more of the exterior walls are removed (not including the garage), the project is considered a teardown and it will need to be noticed and considered as such.

**Recommendation:**

1. Waive reading and open the public hearing; and
2. Close the public hearing and adopt the ordinance.

14. ORDINANCE ADDING CHAPTER 16.18 PARK-IN-LIEU FEES TO TITLE 16 OF THE  
HILLSBOROUGH MUNICIPAL CODE – ADOPTION (City Planner)

**Summary:** This ordinance was discussed at the November 13, 2006 City Council meeting and introduced at the December 11, 2006 meeting. As a result of comments from Councilmember Regan, changes were made to the formula in the ordinance before it was introduced and those changes are included in the ordinance. The ordinance provides for the collection of park-in-lieu fees for new subdivisions to help mitigate the costs of providing parks to meet the needs of new residents. The ordinance is consistent with the Quimby Act and the Town's General Plan.

**Recommendation:**

1. Waive the reading and open the public hearing; and
2. Close the public hearing and adopt the ordinance adding Chapter 16.18 to the Hillsborough Municipal Code regarding park-in-lieu fees.

**NEW BUSINESS:**

15. REPLACEMENT OF DAIS AND ACCESSORY DESK UNITS FOR THE COUNCIL  
CHAMBERS (Police Chief)

**Summary:** At the regularly scheduled December 11, 2006 City Council meeting, staff was authorized by the City Council to proceed with upgrades to the Audio Visual (AV) equipment in the Council Chambers. During the presentation, the City Council was advised that staff would make every effort to utilize the existing dais furniture. As this AV upgrade project has unfolded, it has become very apparent that the existing dais furniture is not suited to be retrofitted for this technical transition.

A variety of specialty furniture vendors were contacted to submit project proposals for the construction of three pieces of Council Chamber furniture, including the following: 1) a more appropriate five-seat dais; 2) a movable four-seat staff desk; and 3) a movable/expandable document table. Of the three vendors that submitted project proposals, Mission Bell was the most responsive to our needs.

Mission Bell Manufacturing, Morgan Hill, CA (all furniture)	\$41,114
Marshall Furniture, Chicago, IL (dais only)	\$25,000
One Work Place, Milpitas, CA (modify existing dais)	\$ 1,200

Mission Bell has been commissioned to construct custom furniture for meeting and conference rooms at the San Jose Civic Center, Stanford University, UCSF, Genentech, University of Santa Clara, as well as many other professional offices in the SF Bay Area.

A majority of the furniture expense (approx. \$25,000) will be covered by the AV program funds that were authorized on December 11, 2006. The remaining budgetary furniture proposal

overage (approx. \$16,114) can be covered by funds from the Building Maintenance line item and income from the Floribunda Avenue rental property.

**Recommendation:** Adopt the resolution accepting the proposal from Mission Bell Manufacturing for the amount of \$41,114 for the custom construction of an upgraded five-seat dais, an upgraded four-seat staff desk and an expandable document table. Staff also requests a contingency amount of \$3,886 for a total project amount not to exceed \$45,000.

16. RESOLUTION APPROVING MAILING OF THE NOTICE REGARDING THE PROPOSED  
15.5% RATE INCREASES FOR RESIDENTIAL AND COMMERCIAL REFUSE COLLECTION  
(Public Works Director)

**Summary:** Allied Waste Systems has submitted its annual rate application for municipal waste collection services. Under the franchise agreement with Allied, costs for the coming year are projected and rate increases are proposed to bridge any funding gaps. At the end of this year, Allied is projecting deficits for calendar years 2006 and 2007. The Town's rate consultant, Hilton, Farnkopf and Hobson, is recommending a 19.5% rate increase to collect enough revenue to eliminate the deficits by the end of 2007. This rate is a combination of the additional 10.9% of revenue needed for 2006 and 9.8% needed for 2007.

The Town has the discretion to carryover a deficit from year to year during the term of the franchise, which will expire on December 31, 2010. Staff is recommending that an additional 5.5% be added to help offset the deficit created in 2006 over the next two years. At the end of two years, the additional 5.5% increase will help offset future costs. For the average homeowner who uses a 32-gallon can, the proposed total 15.5% rate increase equals \$2.56 per month. Based on current projections, the Town should increase rates 10% to meet expenses in 2007.

Refuse rates are subject to Proposition 218 protest procedures. If the City Council approves the mailing of notices regarding the 15.5% rate increase, a hearing date of March 12, 2007, can be established. Should a majority of rate payers object to the increase it cannot be implemented.

**Recommendation:** Adopt the resolution approving mailing of the notice regarding the proposed 15.5% rate increases for residential and commercial refuse customers.

**DISCUSSION:**

17. DISCUSSION OF THE MAYOR'S APPOINTMENTS TO COMMISSIONS (Mayor)

**Summary:** Mayor Mullooly will discuss the appointment of Councilmembers to commissions and other inter-agency organizations. A list of appointments is included in the City Council's agenda packet.

**Recommendation:** For information only; no action required.

18. DISCUSSION OF SFPUC'S PROPOSED CAPITAL IMPROVEMENT PROJECTS TO BE  
CONSTRUCTED IN AND NEAR HILLSBOROUGH (Public Works Director)

**Summary:** Maureen Berry of the San Francisco Public Utilities Commission will make a Power Point presentation regarding the capital improvement projects that will be constructed in and near Hillsborough.

**Recommendation:** For information only; no action required.

19. DISCUSSION OF THE REFUSE CONTRACTOR SELECTION PROCESS (Public Works Director)

**Summary:** A brief Power Point presentation will be made to outline the programs proposed to be sent out to bid with the South Bayside Waste Management Authority's request for proposal.

**Recommendation:** For information only; no action required.

20. DISCUSSION OF THE PROPOSED ORDINANCE REGARDING PUBLIC PARKS (Public Works Director)

**Summary:** During public meetings regarding the design of Vista Park, many comments were received regarding the need to regulate the use of Town parks. Municipal Code Section 9.54 has a very limited definition of parks. It does not provide guidance for special events in parks and prohibits many activities, some of which require updating. In the past, the Town had fewer parks that were infrequently used. Today, Vista Park is a very actively used park. Recently, there has also been an increased interest to access open space areas.

A draft ordinance has been developed to address some of the issues that have come about, including:

- Establishing a definition of a park.
- Setting hours for use.
- Authorizing the Director of Public Works to establish rules for the parks.
- Establishing special use permits.
- Requiring use of safety equipment when using skateboards, skates or scooters.
- Designating parks as "drug-free" zones.

Town facilities that would meet the proposed definition of park include:

- Vista Park
- Water Conservation Park
- Crossroads Park
- All 258 acres of open space
- Town Hall parking lots

**Recommendation:** For information only; no action required.