

TOWN OF HILLSBOROUGH

San Mateo County

Catherine U. Mullooly, Mayor
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1600 Floribunda Avenue
Hillsborough, CA 94010



A G E N D A

MONDAY, OCTOBER 8, 2007

6:00 p.m. CITY COUNCIL MEETING

Hillsborough Town Hall

The next City Council meeting will be held on Tuesday, November 13, 2007.

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

I. PLEDGE OF ALLEGIANCE

II. ROLL CALL

III. MINUTES: September 10, 2007

IV. 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: SEPTEMBER 1 THROUGH SEPTEMBER 30, 2007

2. QUARTERLY TREASURER'S REPORT

3. QUARTERLY INTEREST RATE PRODUCTS (SWAP) REPORT

4. RESOLUTION AUTHORIZING THE FINANCE DIRECTOR TO ENTER INTO AN AGREEMENT WITH BARTEL ASSOCIATES, LLC TO PERFORM AN ACTUARIAL STUDY FOR OTHER POST EMPLOYMENT BENEFITS (OPEB)

5. RESOLUTION APPROVING THE REVISED STUDY AGREEMENT WITH MATRIX CONSULTING GROUP TO INCLUDE SAN BRUNO FIRE DEPARTMENT IN THE INFORMATION GATHERING PHASE

6. RESOLUTION AMENDING THE GENERAL PLAN IMPLEMENTATION PLAN TO EXTEND THE TIMEFRAME FOR EVALUATION OF THE TREE REMOVAL ORDINANCE (OSC 3.1)
7. WITHDRAWAL OF T-MOBILE'S APPLICATION FOR A MONOPINE TO BE INSTALLED AT VISTA PARK AND POSTPONEMENT OF THE WIRELESS FACILITIES UPDATE TO NOVEMBER 13, 2007
8. ORDINANCE AMENDING CHAPTER 1.20.015 OF THE HILLSBOROUGH MUNICIPAL CODE REGARDING BULLETIN BOARDS – INTRODUCTION
9. RESOLUTION AWARDED A CONTRACT TO FERMIN SIERRA CONSTRUCTION, INC. FOR WATER MAINS AND PRESSURE REDUCING VALVES – VISTA AND FOREST VIEW ZONES
10. RESOLUTION APPROVING REFUSE COLLECTION SERVICE PROVIDER SELECTION PROCESS DOCUMENTS AS PREPARED BY THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY

V. NEW BUSINESS:

11. RESOLUTION AWARDED A CONTRACT TO O'GRADY PAVING FOR THE 2007 CRYSTAL SPRINGS ROAD REHABILITATION PROJECT STPL-5191

VI. OLD BUSINESS:

12. RESOLUTION ACKNOWLEDGING PARTICIPATION IN THE SAN MATEO COUNTY SUBREGION FOR THE REGIONAL HOUSING NEEDS ALLOCATION (RHNA) PROCESS AND ACCEPTANCE OF THE ASSIGNED HOUSING SHARE
13. RESOLUTION AWARDED A CONTRACT TO PROVEN MANAGEMENT, INC. FOR THE PUMP STATION UPGRADES AT SKYFARM 3 AND TOURNAMENT TANK SITES

VII. 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.

VIII. 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.

IX. 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, October 8, 2007
6:00 p.m.
Hillsborough Town Hall
1600 Floribunda Avenue, Hillsborough

CONSENT CALENDAR:

1. MONTHLY CLAIMS: SEPTEMBER 1 THROUGH SEPTEMBER 30, 2007 (Finance Director)
Summary: The monthly claims for the month of September 2007 in the amount of \$2,226,197.58 are submitted for approval.
Recommendation: Approve the monthly claims for September 2007 as submitted.
2. QUARTERLY TREASURER'S REPORT (Finance Director)
Summary: Government Code Section 53646(b) requires that the Quarterly Investment Report be rendered to the City Council during public session within 30 days of the quarter's end.
Recommendation: Approve the Treasurer's Report for the quarter ending September 30, 2007.
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.

The swap agreement entered into in 2000 covering the \$4,900,000 bond issue (Deal No. 50000438915) matured on June 1, 2007. These bonds revert back to a variable rate issue.

Recommendation: Accept the Interest Rate Products Report for the quarter ending September 30, 2007.
4. RESOLUTION AUTHORIZING THE FINANCE DIRECTOR TO ENTER INTO AN AGREEMENT WITH BARTEL ASSOCIATES, LLC TO PERFORM AN ACTUARIAL STUDY FOR OTHER POST EMPLOYMENT BENEFITS (OPEB) (Finance Director)

Summary: The Governmental Accounting Standards Board (GASB) issued Statement No. 45, "Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions" requiring governments to recognize the expense and related liability (assets) in their financial statements.

The Town provides post retirement health benefits to certain employees and recognizes related costs on a pay-as-you-go basis. It does not measure or recognize the cost of OPEB during the periods when those employees render the services or provide relevant information about OPEB obligations and the extent to which progress is being made in funding those obligations.

The Town is required to implement the standard effective FY 2008/2009. The funding mechanism, if approved, will be considered during the next budget process.

Staff sent out requests for proposals to seven vendors to perform the required actuarial study. Only two vendors responded with the following quotes:

1. AON CONSULTING – \$12,000 TO \$14,000 plus additional fees to cover additional tasks;
2. BARTEL ASSOCIATES – approximately \$15,000, but not to exceed \$18,000 for additional tasks.

The requested study seeks to include not only the implementation of the rules regarding accounting for OPEB, but also to provide assistance to the Town, with an understanding of the standard, the actuarial assumptions and methods, the valuation results, and financial statement impact, including a review of the funding plan design and cost. Upon review of the proposals from the two vendors, staff recommends awarding the contract to Bartel Associates, recognized to have submitted a more responsive and comprehensive scope of services. Copies of the two proposals are provided in the agenda packet for the City Council's review.

The Town will be utilizing the standard "Agreement for Professional Services" previously approved as to form by the City Attorney.

Financial Impact: Appropriation for \$10,000 is included in the 2007/2008 approved budget. The remaining cost would be absorbed by the individual department's operating budget. The cost will be allocated to all departments in the General, Water and Sewer Funds.

Recommendation: Adopt the resolution authorizing the Finance Director to enter into an agreement with Bartel Associates, LLC to perform an actuarial study for Other Post Employment Benefits (OPEB).

5. RESOLUTION APPROVING THE REVISED STUDY AGREEMENT WITH MATRIX CONSULTING GROUP TO INCLUDE SAN BRUNO FIRE DEPARTMENT IN THE INFORMATION GATHERING PHASE (Fire Chief)

Summary: At the September 10, 2007 City Council meeting, approval was given to enter into a study agreement with Matrix Consulting to gather information on a possible merger between the Central County Fire Department and the Millbrae Fire Department.

Recognizing that this might have ramifications involving other cities, the San Bruno Fire Department has requested that they be included in this phase of the study.

The study will be for information gathering only and the addition of other agencies will not increase the cost to the Town of Hillsborough.

Recommendation: Adopt the resolution approving the revised agreement with Matrix Consulting to include San Bruno Fire Department in the information gathering phase of the consultants' study.

6. RESOLUTION AMENDING THE GENERAL PLAN IMPLEMENTATION PLAN TO EXTEND THE TIMEFRAME FOR EVALUATION OF THE TREE REMOVAL ORDINANCE (OSC 3.1)
(Director of Planning & Building)

Summary: On March 14, 2005, the City Council adopted the revised General Plan, including the Land Use, Circulation, Open Space and Conservation, Public Safety, and Noise Elements. The General Plan was the result of input from the General Plan Steering Committee and the Town departments. Additionally, on July 10, 2006, the City Council adopted a General Plan Implementation Plan. The General Plan Implementation Plan incorporates a strategy to effectively implement the General Plan.

Staff is requesting City Council consideration of amending the General Plan Implementation Plan to extend the timeframe for completion and add greater flexibility to the following implementation measure:

Responsibility: Planning

Timeframe: 2007

Proposed revised timeframe: 2008

Proposed revised language: Open Space and Conservation (OSC 3.1): The Town will ~~update~~ evaluate the Tree Removal Ordinance to recognize the need to allow for a system of gradual replacement of important trees as they age to ensure that there is a mixture of healthy trees in the community and that there is not a period during which all of the trees die of old age at the same time.

Staff is recommending these changes to allow the newly appointed Director of Building and Planning to conduct a review of processes and implementation of the Hillsborough Municipal Code, bring forward a strategic recommendation to the City Council, and allow City Council consideration of such recommendation.

Recommendation: Adopt the resolution amending the General Plan Implementation Plan to extend the timeframe for evaluation of the Tree Removal Ordinance.

7. WITHDRAWAL OF T-MOBILE'S APPLICATION FOR A MONOPINE TO BE INSTALLED AT VISTA PARK AND POSTPONEMENT OF THE WIRELESS FACILITIES UPDATE TO NOVEMBER 13, 2007 (Public Works Director)

Summary: This agenda item memorializes the decision of T-Mobile to withdraw its application for a wireless permit to install a Monopine at Vista Park. T-Mobile voluntarily withdrew its application citing concerns about restrictions of the use of the property that was to be leased. No further consideration will be given to the application or the related lease of property at Vista Park.

The wireless facilities update scheduled for this meeting will be presented at a Study Session immediately preceding the November 13, 2007 City Council meeting. The public is welcome to attend the Study Session.

Recommendation: For information only; no action required.

8. ORDINANCE AMENDING CHAPTER 1.20.015 OF THE HILLSBOROUGH MUNICIPAL CODE REGARDING BULLETIN BOARDS – INTRODUCTION (Public Works Director)

Summary: As discussed at the July 9, 2007 City Council meeting, a municipal code amendment is needed in order to move the Town's bulletin boards from their present locations at Brentwood Drive and West Santa Inez Avenue, and Baileyana Road at Jackling Drive to Fire Stations 32 and 33. Following introduction of the ordinance, a public hearing will be set for November 13, 2007, to adopt the ordinance. If adopted, the ordinance will allow movement of the boards in January 2008.

Recommendation:

1. Introduce and waive the first reading of the ordinance; and
2. Set November 13, 2007, as the public hearing date to consider adoption of the ordinance.

9. RESOLUTION AWARDED A CONTRACT TO FERMIN SIERRA CONSTRUCTION, INC. FOR WATER MAINS AND PRESSURE REDUCING VALVES – VISTA AND FOREST VIEW ZONES (City Engineer)

Summary: This project includes installation of approximately 2,400 linear feet of new water mains and five pressure reducing valves to the Vista and Forest View Water Tank site zones. This improvement will provide additional redundancy to service both water tank site zones. The project scope was identified as necessary to allow the replacement of the Vista Tank in the near future, and to demonstrate the viability of eliminating the Forest View Tank and Oaks Pump Station.

Because a portion of the new water main will be in the Forest View trail easement where Eucalyptus trees have been felled, the contractor will remove some of the debris. These costs may be recovered as a result of existing litigation related to the tree damage. The City Attorney's office has recommended tracking these charges separately. An allowance of \$100,000 for tree removal is included in the bid price.

The project bid opening was held on September 25, 2007, and the following bids were received:

#	CONTRACTOR	BID PRICE
1	Fermin Sierra Construction, Inc.	\$614,700
EE	ENGINEER'S ESTIMATE	\$657,735
2	Shaw Pipeline	\$676,745
3	J. Flores Construction	\$694,309
4	Bay Pacific Pipeline	\$746,200
5	West Valley	\$788,875
6	California Trenchless, Inc.	\$800,170
7	P & J Utility	\$835,720

The low bidder for this project is Fermin Sierra Construction, Inc. Staff conducted an analysis of the proposals and verified that the contractor's qualifications and experience levels are satisfactory.

A contingency of 15% is recommended for this project based on recent experience for similar work due to the nature of the numerous unforeseen problems that may be encountered.

Project funding will be from the 2006 Water and Sewer Bond issue. 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 Water Mains and Pressure Reducing Valves – Vista & Forest View Zone to Fermin Sierra Construction, Inc. in the amount of \$614,700, with a contingency in the amount of \$92,205, for a total construction budget of \$706,905 from the 2006 Water and Sewer Bond issue.

10. RESOLUTION APPROVING REFUSE COLLECTION SERVICE PROVIDER SELECTION PROCESS DOCUMENTS AS PREPARED BY THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY (City Engineer)

Summary: Documents for the selection of refuse collection service provider and transfer station operator were presented to the City Council on September 10, 2007, for review. The South Bayside Waste Management Authority has requested that each member agency approve the documents and formally state their continued participation in the selection process. Copies of the documents are available at the City Clerk's office for review. A copy

of Attachment 13, which is specific to the Town of Hillsborough, is included in the City Council packet.

Recommendation: Adopt the resolution approving refuse collection service provider selection process documents as prepared by the South Bayside Waste Management Authority.

NEW BUSINESS:

11. RESOLUTION AWARDING A CONTRACT TO O'GRADY PAVING FOR THE 2007 CRYSTAL SPRINGS ROAD REHABILITATION PROJECT STPL-5191 (City Engineer)

Summary: The project to rehabilitate Crystal Springs Road between Tartan Trail Road and El Cerrito Avenue was bid separately from the street project in order to meet grant conditions. The original scope consisted of 2.1 linear miles of crack sealing, 4,700 square feet of dig out repairs, 11,000 square yards of micro-surfacing, and 11,800 linear feet of striping.

The Town received four bids and O'Grady Paving was the lowest bidder overall. The Crystal Springs Road Primary Rehabilitation Program was budgeted at \$130,000 with most funding from a \$114,000 State grant. The results are presented below.

#	CONTRACTOR	BASE BID
EE	ENGINEER'S ESTIMATE	\$131,013
1	O'Grady Paving	\$192,748
2	Interstate	\$194,636
3	Valley Slurry	\$199,068
4	C.F. Archibald	\$221,435

Staff conducted an analysis of the proposals and verified that the low bidder's qualifications and experience levels are satisfactory.

The base bid price from O'Grady Paving exceeded the engineer's base bid estimate by 47%. A discussion between Staff and the contractor to review the project and perform some value engineering resulted in a reduction in the scope of work for a total reduction of \$78,170.

- Removal of micro-surface treatments (\$55,000)
- Elimination of all striping, stop bar and legends (\$17,170)
- Lowering of mobilization associated with eliminated items (\$6,000)

In total, the scope of work for O'Grady Paving's base bid of \$192,748 was reduced by \$78,170 to \$114,578. It is recommended that \$15,422 be used as a contingency, which will bring the total to the budgeted \$130,000.

It should be noted that the bid package contained the optional bid to remove and install guardrails (\$53,850). This was listed as Alternative Bid I in the bid documents and is recommended for rejection due to funding. The recommended project does not include guardrails.

This project is included in the Capital Improvement Program and funding will be appropriated from the General Fund, Measure A and Gas Tax funds. Up to \$114,000 may be potentially reimbursable by Federal funding previously awarded to the project in FY 2005/2006 through CalTrans.

As part of the bid package, the Town also received responses to the alternative bid to replace guardrails. It is recommended that the alternative bid be rejected as no funding source is available.

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

Recommendation: Adopt the resolution awarding O'Grady Paving the contract for the 2007 Crystal Springs Road Rehabilitation Project in the amount of \$130,000 and allocating General Fund, Federal Aid, Measure A and Gas Tax funds for the same; and rejecting Alternative Bid I.

OLD BUSINESS:

12. RESOLUTION ACKNOWLEDGING PARTICIPATION IN THE SAN MATEO COUNTY SUBREGION FOR THE REGIONAL HOUSING NEEDS ALLOCATION (RHNA) PROCESS AND ACCEPTANCE OF THE ASSIGNED HOUSING SHARE

(Director of Planning & Building)

Summary: According to State law, the next adopted Housing Element must be submitted to the California Department of Housing and Community Development (HCD) by June 30, 2009. Although this deadline may appear to be far in the future, it is important to begin compliance efforts now.

Recent changes to Housing Element law provide that Association of Bay Area Governments (ABAG) agencies may create Subregions (defined as two or more cities and the County). Additionally, when Hillsborough's 2002 Housing Element was developed, policies were included to work with nearby communities to explore Subregional housing needs and solutions.

On July 10, 2006, the Hillsborough City Council adopted a resolution authorizing the Town of Hillsborough to become a member of a Countywide Subregion for the purpose of administering the Housing Element Regional Housing Needs Allocation (RHNA). Additionally, pursuant to Government Code Sections 65584-65584.05, the twenty cities of San Mateo County and the County of San Mateo have become a member of a Countywide Subregion, an ad hoc joint powers authority formed specifically to locally administer the

ABAG RHNA process. The Subregion was approved by ABAG in September 2006. A Policy Advisory Committee (PAC) comprised of one City Council representative from each of the jurisdictions acts as the governing board of the Subregion. Additionally, a Technical Advisory Committee (TAC) comprised of one Staff representative from each of the participating jurisdictions serves in an advisory role to the PAC. The City/County Association of Governments (C/CAG) has been selected to represent the Subregion.

A key part of every Housing Element cycle is the development of the RHNA which is the number and affordability levels of housing units to be provided by each jurisdiction. The allocations have the potential to be very important for each jurisdiction since the Housing Elements, in order to be certified, need to demonstrate the way in which the units will be provided.

With the creation of the Subregion, the participating agencies were able to determine a housing allocation methodology, as well as an opportunity to negotiate allocation trades between willing partners. On March 22, 2007, the Subregion adopted a methodology incorporating factors including household growth (45%), household growth near transit (5%), existing jobs (22.5%), job growth (22.5%) and job growth near transit (5%). This resulted in an allocation for the San Mateo County Subregion of 15,738 new units within the time period of 2009-2014. Each jurisdiction then became responsible for a percentage share of the Subregional allocation. The Town of Hillsborough has been allocated (or required to plan for) .55% of the total Subregional allocation, or 86 new housing units, during this time. The allocation will include requirements for the planning of "very low income," "low income," "moderate income," and "above moderate income" households within communities. Since the methodology and allocation processes are subject to an appeal period, the numbers are not expected to be final until all Councils/Board of Supervisors have reviewed and accepted the proposed numbers and the appeal period is complete.

During the last Housing Element cycle (January 1, 1999 through June 30, 2006) the Town of Hillsborough was required to plan for the construction of 84 new housing units. State Housing Law does *not* require the construction of the allocated number of new units, but rather the *planning and opportunity* for the allocated number of new units. The existing Housing Element documents the opportunity for construction of 138 new housing units within the 1999-2006 planning period. Additionally, the Town of Hillsborough issued permits for 98 new units (second dwelling units and net new residential units) during the 1999-2006 planning period. The Town's success can be attributed to the relaxation of the second unit program, vacant land opportunities, housing programs, and dedicated efforts in working with HCD by the Town Council and Staff.

While Hillsborough appears to have the ability to plan for a greater number of *overall* new housing units than required by the proposed allocations, it is likely that the Town will need to increase efforts towards the planning for "very low" income units for the upcoming Housing Element Cycle. More specifically, there is an increase of six "very low" income units required for the upcoming cycle as compared to the number planned for in the previous Housing Element Cycle. (Note that Hillsborough's *objectives* exceeded ABAG allocation *requirements*). Setting objectives to meet this enhanced requirement can be done through

a variety of programs and efforts as well as a demonstration of the past success of the second dwelling unit program.

Staff believes that with the Town's existing vacant land inventory, continued implementation of the second unit and other programs, and close work with HCD, the Town of Hillsborough should be able to identify opportunities for the creation of 86 new housing units. Additionally, Staff, the TAC, and the PAC support the methodology used to create the allocations.

Recommendation: Adopt the resolution acknowledging participation in the San Mateo County Subregion for the Regional Housing Needs Allocation (RHNA) process and acceptance of the assigned housing share in accordance with the Technical Advisory Committee and Policy Advisory Committee recommendation.

13. RESOLUTION AWARDING A CONTRACT TO PROVEN MANAGEMENT, INC. FOR THE PUMP STATION UPGRADES AT SKYFARM 3 AND TOURNAMENT TANK SITES

(City Engineer)

Summary: This project includes the demolition of the existing pressure tanks, remodeling of the existing pump stations, including replacement of the existing pumps, construction of a fire pump/200 KW diesel engine generator building, general site improvements, and other ancillary work at the Skyfarm 3 and Tournament Tank sites. This complex project is expected to require twelve months to complete.

This project will drastically improve the reliability and quantity of water available to the areas served by the two pressure systems while enhancing fire fighting capabilities. The existing pressure systems have limited ability to deliver water under pressure and draw water from other sites during a fire event. Since modern pumps can be operated at variable frequencies, the new equipment will be more energy efficient, providing some operational savings to the Town.

The project bid opening was held on September 18, 2007, and the following bids were received:

#	CONTRACTOR	BID PRICE
1	Proven Management, Inc.	\$1,714,718
2	Pacific Infrastructure	\$1,737,000
EE	ENGINEER'S ESTIMATE	\$1,797,507
3	Trinet Construction, Inc.	\$1,838,990
4	Cal State Constructors, Inc.	\$2,147,000

The low bidder for this project is Proven Management, Inc. Staff conducted an analysis of the proposals and verified that the contractor's qualifications and experience levels are satisfactory.

A contingency of 15% is recommended for this project based on recent experience for similar work due to the nature of the numerous unforeseen problems that may be encountered.

It should be noted that this project bid is at a cost of approximately \$800,000 higher than the estimated budget of \$1,200,000. This figure was included only as a rough projection prior to an engineer's estimate, which is normally completed immediately prior to bidding. As a result of this additional expense and other higher than expected capital expenses, some projects, including the Vista Tank Replacement Project, which was projected for 2008, may be deferred two years or more depending on the availability of funding.

This project is in the Capital Improvement Program and funding will be from the 2006 Water and Sewer Bond issue. 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 to Proven Management, Inc. for the Pump Station Upgrades at Skyfarm 3 and Tournament Tank Sites in the amount of \$1,714,718, with a contingency in the amount of \$257,208, for a total construction budget of \$1,971,926 from the 2006 Water and Sewer Bond issue.