

MINUTES
REGULAR CITY COUNCIL MEETING
MONDAY, OCTOBER 8, 2007

Mayor Mullooly called the regular meeting to order at 6:00 p.m. at the Hillsborough Town Hall, 1600 Floribunda Avenue, Hillsborough, California.

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

MINUTES: The minutes of the September 10, 2007 City Council meeting were approved as submitted.

Mayor Mullooly announced that the November City Council meeting will be held on Tuesday, November 13, 2007, due to the Veteran's Day holiday occurring on Monday, November 12, 2007.

CONSENT CALENDAR:

On motion of Vice Mayor Krolik, seconded by Councilmember Kasten, and unanimous on voice vote, Consent Calendar items 1 through 10 were adopted.

1. MONTHLY CLAIMS: SEPTEMBER 1 THROUGH SEPTEMBER 30, 2007

The monthly claims for the month of September 2007 in the amount of \$2,226,197.58 were approved as submitted.

2. QUARTERLY TREASURER'S REPORT

The Treasurer's Report for the quarter ending September 30, 2007, was approved.

3. QUARTERLY INTEREST RATE PRODUCTS (SWAP) REPORT

The Interest Rate Products Report for the quarter ending September 30, 2007, was accepted.

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)

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) was adopted.

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

The resolution approving the revised agreement with Matrix Consulting to include San Bruno Fire Department in the information gathering phase of the consultants' study was adopted.

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

The resolution amending the General Plan Implementation Plan to extend the timeframe for evaluation of the Tree Removal Ordinance was adopted.

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

The 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, was for information only; no action required.

8. ORDINANCE AMENDING CHAPTER 1.20.015 OF THE HILLSBOROUGH MUNICIPAL CODE REGARDING BULLETIN BOARDS – INTRODUCTION

The ordinance amending Chapter 1.20.015 of the Hillsborough Municipal Code regarding bulletin boards was introduced and the first reading of the ordinance was waived. November 13, 2007, was set as the public hearing date to consider adoption of the ordinance.

9. RESOLUTION AWARDING A CONTRACT TO FERMIN SIERRA CONSTRUCTION, INC. FOR WATER MAINS AND PRESSURE REDUCING VALVES – VISTA AND FOREST VIEW ZONES

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, was adopted.

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

The resolution approving refuse collection service provider selection process documents as prepared by the South Bayside Waste Management Authority was adopted.

NEW BUSINESS:

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

City Engineer Cyrus Kianpour reported that 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. He stated that 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.

Mr. Kianpour stated that the base bid price from O'Grady Paving exceeded the engineer's base bid estimate, and that 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, including the removal of micro-surface treatments, elimination of all striping, stop bar and legends, and lowering of mobilization associated with eliminated items. He stated that in total, the scope of work for O'Grady Paving's base bid of \$192,748 was reduced by \$78,170 to \$114,578. He recommended that \$15,422 be used as a contingency, which would bring the total to the budgeted \$130,000.

Mr. Kianpour stated that this project is included in the Capital Improvement Program and funding would 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.

Mr. Kianpour asked if there were any questions. Councilmember Fannon asked if reducing the scope of work by \$78,000 would impact the quality of work. Mr. Kianpour replied that base failures would be removed and replaced, and that the reduction in the scope of work should not impact the quality of the work.

On motion of Councilmember Kasten, seconded by Councilmember Fannon, and unanimous on voice vote, 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, was adopted.

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 and Building Elizabeth Cullinan provided a Power Point presentation on the housing element cycle and stated that the next adopted Housing Element must be submitted to the California Department of Housing and Community Development (HCD) by June 30, 2009. She stated that a key part of Housing Element process is the development of the Regional Housing Needs Allocation (RHNA). The RHNA is the number and affordability levels of housing units required to be *planned for* by each jurisdiction.

Ms. Cullinan reported that recent changes to State law allow jurisdictions to form a "Subregion" to administer the RHNA process. She stated that on July 10, 2007, the Town of Hillsborough adopted a resolution authorizing Hillsborough to become a member of a Countywide Subregion. All other San Mateo County jurisdictions also became a member of the Subregion. A Technical Advisory Committee (TAC) and a Policy Advisory Committee (PAC) were appointed to act as advisory and governing boards of the Subregion.

Ms. Cullinan reviewed the Subregion formation, including the advantages that housing needs are addressed subregionally versus locally, the opportunity to work cooperatively for housing opportunities within the County, the ability to establish an independent (versus State mandated) methodology for allocation determination, and the possibility for cost-savings in the Housing Element preparation.

Ms. Cullinan stated that affordability requirements include planning for 15,738 new units between 2009-2014 in the Subregion, with Hillsborough planning for 86 new units between 2009-2014.

Ms. Cullinan reported that the Town's current Certified Housing Element documents the opportunity for 138 new housing units between 1999-2006. She added that the Town's current Certified Housing Element meets and exceeds all levels of affordability and that Hillsborough issued permits for 98 new units during the 1999-2006 planning period. She explained that this success is due to the relaxation of second unit regulations, unimproved land opportunities, and the Town's dedication to housing programs.

Ms. Cullinan recommended adoption of the draft resolution acknowledging participation in the San Mateo County Subregion and acceptance of the assigned housing share. She asked if there were any questions. Ms. Cullinan introduced Duane Bay, Director of the San Mateo County Housing Program.

Councilmember Fannon asked what the Town of Hillsborough is doing in terms of very low housing. Ms. Cullinan replied that second units, participation in housing programs, and housing opportunities on institutional properties, such as schools, can qualify as low income housing.

Vice Mayor Krolik asked how many second units have been constructed during the current Housing Element cycle in the Town of Hillsborough. Ms. Cullinan replied that 62 second units were approved in Hillsborough during the 1999-2006 cycle.

Councilmember Regan asked whether the Town could receive credit for funding housing projects in other communities. Ms. Cullinan explained that State Law and the Subregion formation presented opportunities for jurisdictions to receive credit for participating in housing projects in other jurisdictions.

Councilmember Regan asked if there was a fee program in place for shared housing. For example, when a house is demolished does the Town charge an affordable housing fee? Ms. Cullinan replied that the Town does not have any in-lieu or inclusionary zoning requirements at this time. Councilmember Regan asked if a transfer tax could be assessed when a home is purchased to fund the housing programs. Ms. Cullinan replied that a transfer tax would be another option. Ms. Cullinan stated that inclusionary zoning or other funding requirements could be considered during the Housing Element update.

Vice Mayor Krolik asked if the second units are actually rented out. Ms. Cullinan replied that homeowners are not currently required to disclose if the second units are actually rented out.

Councilmember Regan asked if homeowners disclose the rental amount of their second units. Ms. Cullinan replied that homeowners are not currently required to disclose the rental amount of their second units.

On motion of Councilmember Fannon, seconded by Councilmember Regan, and unanimous on voice vote, 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 was adopted.

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

City Engineer Cyrus Kianpour stated that 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.

Mr. Kianpour explained that this project would drastically improve the reliability and quantity of water available to the areas served by the two pressure systems while enhancing firefighting capabilities. He added that the existing pressure systems have limited ability to deliver water under pressure and draw water from other sites during a fire event. He reported that since modern pumps can be operated at variable frequencies, the new equipment would be more energy efficient, providing some operational savings to the Town.

Mr. Kianpour stated that this project bid is approximately \$800,000 higher than the estimated budget of \$1,200,000, due to added amenities. He explained that 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.

Mr. Kianpour asked if there were any questions. Councilmember Kasten asked if the pump station upgrades at Skyfarm 3 and Tournament Tank Sites were near the top of the priority list. Mr. Kianpour replied that the pump station upgrades at Skyfarm 3 and Tournament Tank Sites were at the top of the priority list. He added that in three to four months, a list of priority projects will be submitted to the City Council.

On motion of Councilmember Regan, seconded by Vice Mayor Krolik, and unanimous on voice vote, 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 was adopted.

PUBLIC COMMENT:

There were no comments.

CITY COUNCIL ITEMS:

Mayor Mullooly announced that the Sudden Oak Death Informational Meeting will be held on Thursday, October 25, 2007, at 6:00 p.m. at Town Hall.

Mayor Mullooly announced that the RU Ready Disaster Preparedness Class will be held on Wednesday, November 7, 2007, from 6:30 p.m. to 8:30 p.m. at Town Hall. Mayor Mullooly, Vice Mayor Krolik, and Councilmember Fannon announced that they will be attending.

Mayor Mullooly announced that the Hillsborough Beautification Foundation will be having "A Tree Talk" seminar with a local arborist on Sunday, October 28, 2007, from 1:00 p.m. to 3:00 p.m. at Town Hall.

Mayor Mullooly announced that the League of California Cities will be having a Planning Commissioner Training session on Thursday, October 25, 2007, in Mountain View.

Mayor Mullooly announced that the Housing Leadership Council's Housing Leadership Day will be on October 26, 2007, from 8:00 a.m. to 3:00 p.m. Councilmember Kasten announced that he would be attending.

Mayor Mullooly announced that the San Mateo County Board of Supervisors will conduct a Shared Vision community forum on Wednesday, October 10, 2007, from 7:00 p.m. to 9:00 p.m. at the Millbrae City Hall.

Mayor Mullooly announced that the Council of Cities Dinner/Meeting will be held on Friday, October 26, 2007, in Burlingame. Mayor Mullooly, Councilmember Fannon, and Councilmember Regan announced that they would be attending.

Mayor Mullooly re-announced that the November City Council meeting will be held on Tuesday, November 13, 2007, due to the Veteran's Day holiday occurring on Monday, November 12, 2007.

ADJOURN:

Mayor Mullooly adjourned the meeting at 6:30 p.m.