TOWN OF HILLSBOROUGH

San Mateo County

Catherine U. Mullooly, Mayor
Christine M. Krolik, Vice Mayor
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1600 Floribunda Avenue
Hillsborough, CA 94010

A G E N D A

MONDAY, MAY 12, 2008
1:30 p.m. STUDY SESSION
5:30 p.m. CLOSED SESSION
6:00 p.m. CITY COUNCIL MEETING
Hillsborough Town Hall

STUDY SESSION (1:30 p.m.)

- Review of the proposed budget for fiscal year 2008-2009

CLOSED SESSION (5:30 p.m.)

A. CONFERENCE WITH LABOR NEGOTIATOR
Section 54957.6

Agency Negotiator: Kristin Armbruster, Human Resources Specialist

Employee Organization: International Association of Fire Fighters Local 2400, Central County Fire

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

I. PLEDGE OF ALLEGIANCE

II. ROLL CALL

III. MINUTES: April 14, 2008

IV. PROCLAMATION:

- National Public Works Week, May 18-24, 2008

V. PRESENTATION:

- Certificate of Achievement for Excellence in Financial Reporting Award: Government Finance Officers Association. This is the sixth time the Town of Hillsborough has received this award.

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: APRIL 1 THROUGH APRIL 30, 2008

2. RESOLUTION SETTING THE AMOUNT OF THE SPECIAL TAX FOR POLICE PROTECTION AND FIRE PROTECTION AND PREVENTION FOR FISCAL YEAR 2008-2009

3. RESOLUTION PROVIDING FOR INTERIM MODIFICATIONS TO THE BUSINESS LICENSE TAX

4. RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH PBS&J FOR THE PREPARATION OF AN INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION FOR A SINGLE FAMILY RESIDENTIAL PROJECT AT 3000, 3030 AND 3050 RALSTON AVENUE

5. ORDINANCE AMENDING TITLE 15 OF THE HILLSBOROUGH MUNICIPAL CODE REGULATING BUILDING AND CONSTRUCTION TO REMOVE THE BUILDING PERMIT FEE SCHEDULE IN SECTION 15.04.070 AND RELOCATE THE FEE SCHEDULE INTO THE HILLSBOROUGH MASTER FEE SCHEDULE – INTRODUCTION

6. RESOLUTION REJECTING ALL BIDS FOR THE DARRELL TANK NO. 3 IMPROVEMENTS AND COATINGS PROJECT

7. RESOLUTION ACCEPTING AS COMPLETE THE CONTRACT WITH PACIFIC TRENCHLESS, INC. FOR THE 2008 STORM DRAIN PIPE BURSTING AND SLIP LINING PROJECT

8. RESOLUTION AUTHORIZING ADDITIONAL SERVICES WITH CYBERNET CONSULTING, INC.

9. RESOLUTION APPROPRIATING $35,594.62 FOR THE EMERGENCY REPAIR OF THE STORM DRAIN ON ARDEN ROAD

VII. NEW BUSINESS:

10. RESOLUTION AUTHORIZING SEWER SERVICE CHARGES AND CONNECTION FEES EFFECTIVE JULY 1, 2008

11. RESOLUTION ACCEPTING THE JUNE 30, 2007 ACTUARIAL VALUATION FOR THE TOWN OF HILLSBOROUGH RETIREES' HEALTHCARE PLAN

12. RESOLUTION ADOPTING THE "HILLSBOROUGH CIVIC GREEN BUILDING POLICY"

13. RESOLUTION SUPPORTING PARKS FOR THE FUTURE AND ENDORSING MEASURE O ON THE JUNE 3, 2008 BALLOT

VIII. PUBLIC HEARING:

14. RESOLUTION ADOPTING THE 2008-2009 OPERATING AND CAPITAL BUDGET

15. RESOLUTION SETTING AND CONFIRMING THE FEES AND CHARGES FOR FISCAL YEAR 2008-2009

IX. 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.

X. 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.

XI. 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.

Any writings or documents provided to a majority of the City Council regarding any item on this agenda will be made available for public inspection in the City Clerk's Office located at 1600 Floribunda Avenue, Hillsborough, CA 94010, during normal business hours.

AUDIO / VISUAL ADVISORY:

Those persons who wish to use PowerPoint, CDs, DVDs, VCRs or other mediums when presenting to the City Council, will be required to submit media items to the City Clerk by 12:00 p.m. on the day of City Council meetings. Media items can be emailed to myokoyama@hillsborough.net or brought in on disc or flash drives to the City Clerk's Office located at 1600 Floribunda Avenue, Hillsborough, CA 94010.

AGENDA – REPORTS

HILLSBOROUGH CITY COUNCIL
Monday, May 12, 2008
6:00 p.m.
Hillsborough Town Hall
1600 Floribunda Avenue, Hillsborough

CONSENT CALENDAR:

1. MONTHLY CLAIMS: APRIL 1 THROUGH APRIL 30, 2008 (Finance Director)

Summary: The monthly claims for the month of April 2008 in the amount of $2,487,138.39 are submitted for approval.

Recommendation: Approve the monthly claims for April 2008 as submitted.

2. RESOLUTION SETTING THE AMOUNT OF THE SPECIAL TAX FOR POLICE PROTECTION AND FIRE PROTECTION AND PREVENTION FOR FISCAL YEAR 2008-2009 (Finance Director)

Summary: The Special Tax approved by the citizens of the Town of Hillsborough in 1998 allows for an annual rate adjustment equal to a 2% increase each year with a maximum of an accumulated 15% increase from the original maximum fees of $496 for each improved parcel and $190 for each unimproved parcel. The maximum rates allowed by law of $570 and $218 respectively, were reached during fiscal year 2005-2006 and are set for the upcoming budget year 2008-2009. Annual revenues are $2,236,300.

Recommendation: Adopt the resolution setting the amount of the public safety tax for fiscal year 2008-2009.

3. RESOLUTION PROVIDING FOR INTERIM MODIFICATIONS TO THE BUSINESS LICENSE TAX (Finance Director)

Summary: The Hillsborough Business License Tax was originally established in 1985. At that time, the City Council approved certain continuing modifications that have been approved annually. Specifically, while the original ordinance authorized a ¾% business tax, the City Council has been adopting annual resolutions providing for the reduction of the ¾% tax to ½%.

Recommendation: Adopt the resolution providing for interim modifications to the business license tax for fiscal year 2008-2009.

4. RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH PBS&J FOR THE PREPARATION OF AN INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION FOR A SINGLE FAMILY RESIDENTIAL PROJECT AT 3000, 3030 AND 3050 RALSTON AVENUE (Director of Planning & Building)

Summary: Property owner Ted Kruttschnitt is proposing the consolidation of four existing lots known as 3000, 3030 and 3050 Ralston Avenue into two parcels through a lot line adjustment. (One of the existing residences sits on two lots.) The total area of the combined lots is approximately 12 acres. Three existing homes totaling approximately 22,000 square feet will be torn down and replaced by a 13,403 square foot Spanish Colonial Revival style residence, a 4,422 square foot guest house with a detached garage, and a 998 square foot tennis court pavilion (along with several other ancillary buildings). The total square footage of all proposed buildings would be approximately 19,000 square feet. City Council approval may be required because the project is more than 8,000 square feet in size. The item was considered during a preliminary review of the Architecture and Design Review Board (ADRB) on April 7, 2008, and received favorable commentary.

Environmental review will be required due to potential environmental impacts associated with tree removal, grading, and biological and historical resources. Environmental review would occur simultaneously with the design review process. The proposed environmental review is anticipated to cost $55,000. Since the environmental review of the project is expected to focus on a select number of issues (noted above) and the firm of PBS&J is highly qualified and experienced in the preparation of environmental documents within San Mateo County, staff is recommending sole-sourcing preparation of the environmental documentation for the project to PBS&J. At the completion of the environmental review process, the City Council Commissioner and Director of Planning and Building would review the ADRB vote and public comment for a determination as to whether the item would be referred to the City Council since the project exceeds 8,000 square feet in size.

There would be no fiscal impact to the Town of Hillsborough as the applicant would fund the environmental review.

Recommendation: Adopt the resolution authorizing the City Manager to execute a contract with PBS&J for the preparation of an Initial Study and Mitigated Negative Declaration for a single family residential project at 3000, 3030 and 3050 Ralston Avenue in an amount not to exceed $55,000.

5. ORDINANCE AMENDING TITLE 15 OF THE HILLSBOROUGH MUNICIPAL CODE REGULATING BUILDING AND CONSTRUCTION TO REMOVE THE BUILDING PERMIT FEE SCHEDULE IN SECTION 15.04.070 AND RELOCATE THE FEE SCHEDULE INTO THE HILLSBOROUGH MASTER FEE SCHEDULE – INTRODUCTION (Chief Building Official)

Summary: Currently, Building Department fees are specified in the various chapters of Title 15, Building and Construction of the Hillsborough Municipal Code (HMC). For example, building permit fees are contained in Chapter 15.04, Building Code; mechanical fee references are contained in Chapter 15.12, Mechanical Code; plumbing fee references are contained in Chapter 15.16, Plumbing Code; and so forth. This is cumbersome and inconvenient for

several reasons. First, any change to the fees requires passage of an ordinance to amend the HMC. Second, it is difficult for the public to access these fees. It would be more logical to relocate the Building Department fees to the Master Fee Schedule (MFS), a single, user-friendly document that contains most other Town fees. Also, updating the Master Fee Schedule is simpler, requiring passage of a resolution rather than an ordinance. To implement this change, passage of both an ordinance (to delete the fees from the HMC) and a resolution (to add them to the MFS) would be required.

Recommendation:

1. Introduce and waive the first reading of the ordinance; and
2. Set June 9, 2008, as the public hearing date to consider adoption of the ordinance.

6. RESOLUTION REJECTING ALL BIDS FOR THE DARRELL TANK NO. 3 IMPROVEMENTS AND COATINGS PROJECT (City Engineer)

Summary: This project includes structural improvements to Darrell Tank No. 3 that will be carried out in two phases. Phase 1, scheduled to be completed in May 2008, includes tank improvements, mixing improvements and disinfection. Phase 2, scheduled to be completed in December 2008, includes structural improvements, coatings, and disinfection. These improvements are necessary to extend the service life of the water tank and improve water quality.

The project bid opening was held on February 26, 2008, and the following bids were received:

#	Contractor	Bid Price
1	Olympus and Associates, Inc.	$270,999
2	FARR Synthetic Coatings	$299,021
3	Crosno Construction, Inc.	$373,680
4	Quality Painting & Maintenance	$392,000
5	Proven Management, Inc.	$447,793
6	Schembri Construction Co., Inc.	$545,393

The low bidder for this project was Olympus and Associates, Inc. Staff conducted an analysis of the proposal and determined that the contractor's qualifications and experience levels raised questions. After further investigation, it was found that there were several inconsistencies in the bid received from Olympus and Associates, Inc. After further questioning, staff was informed by the contractor that they had been assessed liquidated damages for a recent project and that they failed to identify this in the "experience and qualifications" section of the bid as required. Shortly following this meeting, Olympus and Associates, Inc. requested to pull their bid.

Staff then investigated the second bidder's experience and qualifications and found that they do not have the proper license to perform the work as required in the specifications.

Staff recommends that the City Council reject all bids for this project and rebid this project.

Recommendation: Adopt the resolution rejecting all bids for the Darrell Tank No. 3 Improvements and Coatings Project and authorize staff to rebid the project.

7. RESOLUTION ACCEPTING AS COMPLETE THE CONTRACT WITH PACIFIC TRENCHLESS, INC. FOR THE 2008 STORM DRAIN PIPE BURSTING AND SLIP LINING PROJECT (City Engineer)

Summary: The contractor, Pacific Trenchless, Inc., installed 33 linear feet of 18-inch polyethylene pipe on Arden Road, and 180 linear feet of 8-inch polyethylene pipe on Inverness Way using pipe bursting and slip lining techniques. Due to the fact that these pipes are located in the environmentally sensitive riparian areas, the slip lining and pipe bursting methods were used for repairs to avoid trenching, thereby minimizing disturbance to the creeks. The repairs will help prevent flooding and erosion. It will also decrease the annual maintenance of these storm drain systems.

The project was awarded to Pacific Trenchless, Inc. in February 2008, in the amount of $30,305, and the work was completed under budget for $25,255.

Recommendation: Adopt the resolution accepting as complete the 2008 Storm Drain Pipe Bursting and Slip Lining Project by Pacific Trenchless in the amount of $25,255.

8. RESOLUTION AUTHORIZING ADDITIONAL SERVICES WITH CYBERNET CONSULTING, INC. (City Engineer)

Summary: The Town has executed a contract with Cybernet Consulting, Inc. for the design of the new Security Control and Data Acquisition (SCADA) system. Since the execution of the contract, the Town has requested additional work to include involvement in the construction of the Tournament and Skyfarm Pump Stations, assistance with a Town-wide communication network, development of control methodology with emphasis on energy savings, and water quality measurements.

The cost for the additional work will be $23,600. Project funding will be from 2006 Bond proceeds.

Recommendation: Adopt the resolution authorizing the additional scope of work by Cybernet Consulting Inc. in the amount of $23,600 from the Water Fund.

9. RESOLUTION APPROPRIATING $35,594.62 FOR THE EMERGENCY REPAIR OF THE STORM DRAIN ON ARDEN ROAD (City Engineer)

Summary: Staff was inspecting the new storm drain pipe bursting project on Arden Road at West Santa Inez Avenue and noticed there was a serious problem with the pipe just upstream of the new pipe that was being installed. The pipe just upstream was made of corrugated metal, which was severely deteriorated and had collapsed leaving only about six inches of open pipe for the stream to flow through. The contractor doing the pipe bursting, Pacific Trenchless, Inc., stated that they could not pipe burst this section due to site constraints.

Upstream of this corrugated pipe is a 20 foot section of concrete pipe that is in excellent condition. If this segment of pipe had not been repaired immediately, the area could have been left with a large lake with the potential to cause significant property damage. Staff engaged Farallon Company to perform the emergency repair on a time and material basis.

The repair started within two days of notification to proceed and immediately ran into complications with the inlet structure directly adjacent to the repair location. The inlet structure and the pipe were approximately 12 to 15 feet deep. The inlet structure, which was made of brick, collapsed into the trench, so the contractor was directed to replace the deep inlet structure with a new structure. The time and material cost of this repair was $35,594.62.

Because the need for repairs was immediate, staff authorized the start of work prior to receiving City Council approval. Funds for the project are available through Measure A revenue. An emergency appropriation requires a minimum 4/5 vote of the City Council to find that an emergency exists, and, as a result, a roll call vote is required.

Recommendation: Adopt, with a roll call vote, the resolution appropriating $35,594.62 for the emergency repair of the drainage system on Arden Road.

NEW BUSINESS:

10. RESOLUTION AUTHORIZING SEWER SERVICE CHARGES AND CONNECTION FEES EFFECTIVE JULY 1, 2008 (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 their 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 11, 2006.

Pursuant to the study, the Town adopted a maximum sewer service charge for the next four years to support the long-term financial health of the sewer enterprise operations. The Town may charge rates at or below the maximum sewer service charge in the intervening years. The ordinance adopting a maximum sewer service charge of $1,658 per Equivalent Dwelling Unit (EDU) was approved by the City Council on February 12, 2007, after a public hearing and following the noticing requirements of Proposition 218.

This resolution will authorize implementing a sewer service charge of $1,563 per EDU for fiscal year 2008-2009, starting July 1, 2008. It represents a 3% increase from the $1,517 current residential rate.

Non-residential accounts will be charged at the Equivalent Dwelling Units rate using the formula from the study and the average winter water use from the recent prior three years, including 2005-2006, 2006-2007 and 2007-2008. Proposed rates for July 1, 2008, will be as follows:

Name of Account	Current Charge	EDUs	Proposed Charge 7/1/08
Equivalent Dwelling Unit	$1,517	1.0	$1,563
Hillsborough Racquet Club	$1,820	1.6	$2,501
CalTrans Rest Stop	$24,575	16.0	$25,008
Crystal Springs Uplands	$8,950	6.5	$10,160
Burlingame Country Club	$24,727	15.8	$24,695
Crystal Springs Golf Club	$26,699	23.3	$36,418
Hillsborough School District	$12,439	7.9	$12,348
Nueva School	$5,613	6.1	$9,534

Similarly, connection fees are to be adjusted annually based on the Engineering News Record Construction Cost (ENR-CCI) 20-City Average Index, which was 2.6% for March 2008.

	Current Charge	Proposed Charge 7/1/08
Residential	$9,919	$10,177
All other connections including 2nd units	To be determined based on estimated wastewater flow and strength according to the formula set forth in HMC Section 13.23.030	

Recommendation: Adopt the resolution authorizing sewer service charges and connection fees for fiscal year 2008-2009 effective July 1, 2008.

11. RESOLUTION ACCEPTING THE JUNE 30, 2007 ACTUARIAL VALUATION FOR THE TOWN OF HILLSBOROUGH RETIREES' HEALTHCARE PLAN (Finance Director)

Summary: The Governmental Accounting Standards Board (GASB), a body that establishes standards for state and local governments accounting and financial reporting, has issued GASB No. 45 "Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions". The new standard requires governments to measure and disclose an amount for annual Other Post Employment Benefit (OPEB) plans on the accrual basis of accounting. The annual cost is equal to the actuarially determined employer's annual required contribution to the plan (ARC). The Town offers health insurance benefits to certain employees and at least the minimum Public Employees' Medical and Hospital Care Act (PEMHCA) contribution to all retirees. Currently, the Town recognizes these costs on a pay-as-you-go basis.

The Town has a two-tiered healthcare plan based on the hire date for Unrepresented, Public Works Clerical and the Police labor groups. The Town currently has 83 retirees and 115 active employees of which 84 are entitled to the post employment health benefit.

The Town, a Phase 2 government (total annual revenues of $10,000,000 or more, but less than $100,000,000), is required to implement the standard for fiscal year 2008-2009.

On October 8, 2007, the City Council authorized contracting with Bartel Associates, LLC to do the required actuarial study.

The following table summarizes the plan's June 30, 2007, unfunded status (000s omitted):

	No Pre-Funding 4.25%	Pre-Funding 7.75%
Actuarial Accrued Liability (AAL)		
Actives	$10,483	$5,789
Retirees	14,098	9,589
Total	$24,581	$15,378

The Town's current annual pay-as-you-go cost for the benefits is approximately $784,000. Based on the actuarial study, the Town has an annual required contribution of approximately $1,900,000, if not prefunding, or $1,500,000, if prefunding, based on a 30-year amortization allowed by the standard. The actuarial report was presented to the Financial Advisory Committee (FAC) at their meeting of February 27, 2008. The Committee approved the actuarial report presented by the consultant, recommended prefunding the plan and, if approved by the City Council, will consider for recommendation to the City Council the third party vendor to place the trust with. The Town currently has $2,200,000 in an OPEB reserve that could be utilized to bridge the gap between prefunding the annual required contribution and the pay-as-you-go cost for at least three years.

The 2008-2009 proposed budget that will be presented later in the City Council meeting incorporates prefunding the plan and using a portion of the $2,200,000 in the OPEB reserve as recommended by the FAC.

Included in the City Council agenda packet is the consultant's actuarial report and the executive summary.

Staff recommends approving the resolution accepting the actuarial report only. Staff will be returning to the City Council to seek approval for the funding option, including the third party vendor with which to establish the trust required by the standard, after the Financial Advisory Committee has completed the task of finding the vendor. This item was briefly summarized and presented to the City Council at the April 14, 2008 City Council meeting when the draft budget for fiscal year 2008-2008 was reviewed.

Recommendation: Adopt the resolution accepting the June 30, 2007 actuarial valuation for the Town of Hillsborough Retirees' Healthcare Plan.

12. RESOLUTION ADOPTING THE "HILLSBOROUGH CIVIC GREEN BUILDING POLICY"
(Assistant City Manager)

Summary: The Sustainable Hillsborough Task Force (Task Force) reviewed the "Hillsborough Civic Green Building Policy" (Policy) draft at their April 23, 2008 meeting and unanimously recommended that the City Council approve the Policy. The Task Force recommended

approval of the Policy because the Town can lead by example in "green building" when constructing future Town facilities and improve energy efficiency, conserve water, reduce greenhouse gas emissions, reduce utility costs and provide healthier indoor environments. Exemptions may apply to certain projects that involve the replacement, alteration or additions to historic structures. A copy of the policy is included in the City Council's agenda packet.

New Town facilities would meet the nationally recognized standard in green building excellence developed by the United States Green Building Council (USGBC) known as "Leadership in Energy and Environmental Design" (LEED). There are four levels of LEED: Certified, Silver, Gold and the highest level, Platinum, and the Task Force recommends that Town facilities achieve the LEED Silver level. Meeting the LEED Silver level requires that Town facilities obtain a minimum 33 points (green building measures) out of a possible 69 points. (Nueva School in Hillsborough achieved the LEED Gold level.)

An increasing number of jurisdictions are adopting Civic Green Building Policies, including Palo Alto, County of San Mateo, Pleasanton, San Jose and San Francisco. The Santa Clara Cities Association Green Building Collaborative recently recommended that cities adopt a civic green building policy requiring LEED Silver certification, or better, for new public construction. Independent studies have shown that green buildings are the same, or a slightly higher cost (0.5% to 2%) to design and build compared to conventional construction, but that the green building design results in life cycle (energy and maintenance) savings of approximately 20% of total construction costs – more than ten times the initial investment. The only Town project in the foreseeable future is the reconstruction of the Gatehouse planned for late 2008 or 2009.

A study recently completed by the California Integrated Waste Management Board (CIWMB) showed that green buildings have an average return on investment of 20% over 20 years. The Policy can also assist Hillsborough in meeting AB 32, "The California Global Warming Solutions Act," by reducing greenhouse gas emissions.

Recommendation: Adopt the resolution adopting the "Hillsborough Civic Green Building Policy".

13. RESOLUTION SUPPORTING PARKS FOR THE FUTURE AND ENDORSING MEASURE O ON THE JUNE 3, 2008 BALLOT (Acting Public Works Director)

Summary: Parks for the Future is an effort to secure dedicated tax-based revenues to support the parks and recreation related activities of San Mateo County, the cities located within the County, the Ladera and Highlands recreation districts and Mid Peninsula Regional Open Space District. This would be accomplished through voter approval of a measure to increase the sales tax by 1/8th of a cent for a period of 25 years. The San Mateo County Board of Supervisors at its February 26, 2008 meeting adopted an ordinance proposing the 1/8th cent retail transaction and use tax for park and recreation purposes. The Board also adopted a resolution for the placement of the measure on the June 3, 2008 ballot.

The revenue, projected to total between approximately $16,000,000 per year (in 2002 figures), would be allocated to jurisdictions by a formula. Hillsborough is estimated to receive $205,000 annually. The revenue must be used for park and recreation related functions, but each jurisdiction will have the authority to spend the funds according to its needs. Funds could be spent on maintenance, operations, activities and programs, capital improvements or acquisition, and jurisdictions could vary how the money is spent over the life of the tax. Under the measure, cities and the County will be required to maintain their General Fund contributions to the parks and recreation budgets. The City/County Association of Governments of San Mateo County (C/CAG) would serve as the administrative board for distribution of funds, auditing and reporting functions.

Parks of the Future is requesting that governing boards in San Mateo County provide support for the ballot measure. The City Council previously supported this measure when it was on the November 2006 ballot as Measure A. It received 55.4 % support, but fell short of the 66.7% required for passage. Polling shows that public support remains high and the proponents have a more robust campaign this time. Ms. Julia Bott, Executive Director of the San Mateo County Parks and Recreation Foundation, will present this request to the City Council.

Recommendation: Adopt the resolution supporting Parks for the Future and endorsing Measure O on the June 3, 2008 ballot.

PUBLIC HEARING:

14. RESOLUTION ADOPTING THE 2008-2009 OPERATING AND CAPITAL BUDGET
(Finance Director)

Summary: The Town of Hillsborough's Proposed Budget for fiscal year 2008-2009 with preliminary budgets for fiscal years 2009-2010 and 2010-2011, is hereby presented to the City Council for consideration. The proposed budget for fiscal year 2008-2009 represents the Town's financial plan for all programs and services. The proposed budget reflects a General Fund budget that implemented prefunding the Other Post Employment Benefits (OPEB) liability, subject to the Governmental Accounting Standards Board (GASB) 45 accounting standard requirement, adequate reserve levels and compliance with the Town's budget and fiscal policies for all funds. The Plan also includes the Fiscal Year 2008-2009 Capital Improvement Budget that is consistent with the Town's General Plan.

It also recommends a 3% increase in sewer rates effective July 1, 2008. Water revenue projections include adjustments to water rates to take effect on January 1, 2008, effecting approximately a 6% increase in water revenues. Both increases are pursuant to the comprehensive water and sewer rate study done in the fall of 2006 and approved for implementation by the City Council on December 11, 2006.

The draft budget was presented to the Financial Advisory Committee at the meeting held on April 29, 2008. The Committee's recommendations will be presented to the City Council at the budget study session scheduled to begin at 1:30 p.m. on Monday, May 12, 2008, before the City Council meeting.

Recommendation:

1. Open the public hearing and take comments;
2. Close the public hearing; and
3. Approve the resolution adopting the 2008-2009 Operating and Capital Budget.

15. RESOLUTION SETTING AND CONFIRMING THE FEES AND CHARGES FOR FISCAL YEAR 2008-2009 (Finance Director)

Summary: Annually, the City Council is required to adopt by resolution, the fees and charges for the following fiscal year. The schedule represents the Town's master schedule that includes all the fees and charges, such as the sewer and water connection fees, service charges, and the public safety special tax. However, as a matter of administrative policy, changes to the water and sewer rates and the public safety special tax are presented to the City Council as individual agenda items requiring separate actions.

Changes to existing fees, as well as new fees being proposed this year, are outlined in the master Schedule of Fees and Charges, which is included in the City Council packet. Changes to the sewer rates for non-residential accounts are presented as a separate agenda item. The fees reflect the Town's goal towards total cost recovery in user fees where revenues do not exceed the cost of providing the service. The 2008-2009 Cost Allocation Plan reflecting the hourly rates used in the development of the fees are made part of the budget document that was distributed earlier. The new fees are to take effect on July 1, 2008.

The master schedule also includes the date when fees were last changed pursuant to the City Council's request for that information.

Recommendation:

1. Open the public hearing and take comments;
2. Close the public hearing; and
3. Adopt the resolution setting and confirming the fees and charges for fiscal year 2008-2009.