

MINUTES
REGULAR CITY COUNCIL MEETING
MONDAY, APRIL 14, 2008

Mayor Mullooly called the regular meeting to order at 6:04 p.m. at the Hillsborough Town Hall, 1600 Floribunda Avenue, Hillsborough, California.

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

MINUTES: The minutes of the March 10, 2008 City Council meeting were approved as submitted.

RECOGNITION:

- Mayor Mullooly recognized Nueva School for their innovative, environmentally responsible, sustainably designed educational facilities and congratulated them on their recent design awards, including the 2008 San Mateo County Green Building Award, Commercial Winner Award and the National American Institute of Architects (AIA) Committee on Architecture for Education, Award of Excellence. Nueva School Executive Director Diane Rosenberg accepted a plaque from the Town and gave a brief speech.

PROCLAMATION:

- Mayor Mullooly proclaimed April 21 – 25, 2008, as West Nile Virus and Mosquito and Vector Control Awareness Week

CONSENT CALENDAR:

Mayor Mullooly announced that on item 5 a few words were added to the resolution by the City Attorney. Item 6 was removed for discussion. Item 8 was removed from the agenda. On motion of Vice Mayor Krolik, seconded by Councilmember Regan, and unanimous on voice vote, Consent Calendar items 1 through 4, 5 as amended, 7, 9 and 10 were approved.

1. MONTHLY CLAIMS: MARCH 1 THROUGH MARCH 31, 2008

The monthly claims for the month of March 2008 in the amount of \$2,444,314.35 were approved as submitted.

2. QUARTERLY TREASURER'S REPORT

The Treasurer's Report for the quarter ending March 31, 2008, was approved.

3. QUARTERLY INTEREST RATE PRODUCTS (SWAP) REPORT

The Interest Rate Products Report for the quarter ending March 31, 2008, was accepted.

4. RESOLUTION ADOPTING BUDGET ADJUSTMENTS FOR FISCAL YEAR 2007/2008

The resolution adopting budget adjustments for fiscal year 2007/2008 was adopted.

5. RESOLUTION AUTHORIZING THE MAYOR TO SIGN THE U.S. MAYORS CLIMATE PROTECTION AGREEMENT

The resolution authorizing the Mayor to sign the U.S. Mayors Climate Protection Agreement was adopted.

6. APPROVAL OF THE HILLSBOROUGH SCHOOLS FOUNDATION'S NEW HILLSBOROUGH CONCOURS D'ELEGANCE AND CARNIVAL SIGN

Mayor Mullooly asked what would be the size of the proposed new sign for the Hillsborough Schools Foundation's Hillsborough Concours d'Elegance and Carnival.

City Clerk Miyuki Yokoyama replied that the new sign will be three feet by ten feet. Mayor Mullooly asked where the Hillsborough Schools Foundation would like to place the new sign. Ms. Yokoyama replied that the Hillsborough Schools Foundation would like to place the sign on the El Camino side of the rear Police Department parking lot wall.

Mayor Mullooly asked Police Chief Matt O'Connor if the new sign could be placed on the Police Department parking lot wall. Chief O'Connor replied that the new sign could be placed on the Police Department parking wall for the fundraising event.

On motion of Vice Mayor Krolik, seconded by Councilmember Regan, and unanimous on voice vote, the Hillsborough Schools Foundation's new Hillsborough Concours d'Elegance and Carnival sign was approved.

7. RESOLUTION ACCEPTING AS COMPLETE THE CONTRACT WITH O'GRADY PAVING, INC. FOR THE CRYSTAL SPRINGS ROAD REHABILITATION PROJECT

The resolution accepting as complete the contract with O'Grady Paving, Inc. for the Crystal Springs Road Rehabilitation Project in the amount of \$115,397 was adopted.

8. RESOLUTION AWARDING A CONTRACT TO OLYMPUS AND ASSOCIATES, INC. FOR THE DARRELL TANK NO. 3 IMPROVEMENTS AND COATINGS PROJECT

On motion of Vice Mayor Krolik, seconded by Councilmember Regan, and unanimous on voice vote, the resolution awarding a contract to Olympus and Associates, Inc. for the Darrell Tank No. 3 Improvements and Coatings Project was removed from the agenda.

9. RESOLUTION AWARDING THE 2008 WATER TANK CLEANING AND INSPECTION PROJECT TO CROSNO CONSTRUCTION, INC.

The resolution awarding the 2008 Water Tank Cleaning and Inspection Project to Crosno Construction, Inc. in the amount of \$139,066, with a contingency in the amount of \$20,900, for a total construction budget of \$159,966 from the 2006 Water and Sewer Bond issue was adopted.

10. RESOLUTION APPROVING THE CSG WORK ORDERS FOR DESIGN SERVICES FOR THE MACADAMIA DRAINAGE BASIN STUDY AND 2008 CARDIGAN STORM DRAIN AND HEADWALL REPAIR

The resolution approving the CSG work orders for design services for the Macadamia Drainage Basin Study and 2008 Cardigan Storm Drain and Headwall Repair in the total amount of \$64,300 from Measure A and Gas Tax was adopted.

NEW BUSINESS:

11. RESOLUTION ACCEPTING THE TOWN OF HILLSBOROUGH VEGETATION MANAGEMENT STRATEGY AND GUIDELINES

Public Works Director Martha DeBry stated that on April 9, 2007, the City Council awarded a contract to May and Associates to develop the Vegetation Management Strategy and Guidelines for the nine Town-owned open space areas. She stated that the proposed process includes the formation of a Task Force to further prioritize the many possible open space projects. She added that the most urgent and executable projects, such as fire protection and habitat maintenance, could then be forwarded to the City Council for consideration. Ms. DeBry also stated that she has retained the services of a grant writer to assist with finding funding for projects which are not currently included in the budget.

On motion of Councilmember Regan, seconded by Vice Mayor Krolik, and unanimous on voice vote, the resolution accepting the Town of Hillsborough Vegetation Management Strategy and Guidelines was adopted.

PUBLIC HEARING:

12. RESOLUTION APPROVING 2.6% RATE INCREASES FOR RESIDENTIAL AND COMMERCIAL REFUSE COLLECTION AND ESTABLISHING FEES FOR NON-CURBSIDE COLLECTION OPTIONS

Public Works Director Martha DeBry stated that at the February 11, 2008 City Council meeting, a presentation was made regarding the annual rate application for municipal waste collection services submitted by Allied Waste Systems (Allied). She added that under the franchise agreement with Allied, costs for the coming year are projected and rate increases are proposed to bridge anticipated funding gaps. She stated that the franchise expires in December 2010.

Ms. DeBry reported that there is an estimated \$160,000 shortfall anticipated for December 31, 2008. She stated that the Town has the discretion as to how rates are increased. Ms. DeBry reviewed the various rate types and the proposed 2.6% rate increase and new fees. She stated that the average Hillsborough resident with a 32-gallon can service is currently paying \$23.68 and the proposed rate would be \$24.32, which does not include the 10% franchise fee.

Ms. DeBry stated that refuse rates are subject to Proposition 218 protest procedures and a notice was mailed to all residences in advance of the April 14, 2008 City Council meeting advising them of their right to protest the rate increase. She stated that to date, less than 40 protest letters have been received. Ms. DeBry reviewed the comments received in the protest letters and commented that Allied does offer a special service for the disabled. Additionally, residents can subscribe to a lower than 32-gallon rate.

Ms. DeBry stated that she anticipated a future residential rate increase in 2009 prior to the end of the franchise agreement, and that the Town has a reserve for the end of the franchise.

Councilmember Regan asked if Ms. DeBry responded to all the protest letters. Ms. DeBry responded that she could respond to all the protest letters if the City Council would like that. Vice Mayor Krolik suggested including Allied Waste's customer service phone number in the response letter. Ms. DeBry replied that she would send a blanket letter with Allied's customer service phone number to all the residents who protested the increase in refuse rates. Councilmember Regan asked Ms. DeBry if she received any complaints about the franchise fee in the protest letter. Ms. DeBry replied that residents did not complain about the franchise fee in the protest letter.

Mayor Mullooly opened the public hearing. There was no public comment. Mayor Mullooly closed the public hearing.

Mayor Mullooly asked City Clerk Miyuki Yokoyama to present the protests received against the proposed refuse rate increase. Ms. Yokoyama stated that pursuant to Proposition 218, the proposed refuse rates would not be adopted if more than 50% of the affected property owners submitted written requests protesting the proposed rate changes. Written requests could be mailed, faxed or hand-delivered through the conclusion of the public hearing. She added that since there are 4,011 property owners within the Town's refuse collection service area, 50% of this number plus 1, or 2,006 valid protests, would prevent the Town from adopting the proposed refuse rates. The Town received only 26 protests filed following the requirements of Proposition 218. Since only 26 protests were received, the Town would be able to adopt the proposed refuse rates.

On motion of Councilmember Regan, seconded by Vice Mayor Krolik, and unanimous on voice vote, the resolution approving 2.6% rate increases for residential and commercial refuse collection and establishing fees for rear/side yard collection was adopted.

DISCUSSION:

13. REVIEW OF THE DRAFT BUDGET FOR FY 2008/2009

Assistant Finance Director Marie Bernardo stated that the finance staff was advised to present the City Council with a preview of the Town's budget plans for fiscal year 2008/2009 before presenting the budget proposal at the Financial Advisory Committee (FAC) meeting on April 29, 2008.

Ms. Bernardo stated that Governmental Accounting Standards Board Statement 45 (GASB 45), which was issued in June 21, 2004, requires the Town to account for and report the annual cost of the Town's retiree health benefits outstanding obligations and commitments. Ms. Bernardo explained that the Town must account for and report Other Post Employment Benefits (OPEB) in the same manner used for accounting for and reporting pension obligations for the PERS Retirement Plan.

Ms. Bernardo stated that earlier this year, Bartel Associates Inc. was hired to prepare the Town's Actuarial Report as required by GASB 45. Ms. Bernardo stated that the Actuarial Report indicates that Hillsborough has an unfunded liability of \$15,378,000 using a pre-funding scenario. Ms. Bernardo stated that the Town's Annual Required Contribution for fiscal year 2008/2009 is \$1,500,000, if the Town pre-funds through CalPERS.

Ms. Bernardo presented Power Point slides with additional information on GASB 45 and what other agencies in San Mateo County are doing in regards to GASB 45.

Ms. Bernardo reviewed the fiscal year 2008/2009 budget highlights. She stated that the Street Department plans to continue improving the City's Pavement Conditions Index and enhance storm drain facilities to prevent flooding conditions on street surfaces.

Ms. Bernardo stated that the Fire Department is requesting replacement of self-contained breathing apparatus and other equipment, as current units are at the end of their service life and either are incompatible with surrounding agencies or are substandard. Ms. Bernardo stated that fire agencies are also mandated to move their communications to "narrow banding" by June 2011, requiring the replacement of mobile radios, portable radios, mobile status terminals and Zetron Station Alerting Systems. She stated that the garage door opening at Fire Station 33 on Chateau Drive needs to be raised an additional six inches to allow for clearance for the new apparatus.

Ms. Bernardo stated that the General Fund budget anticipates \$19,000,000 in revenues and \$19,700,000 in expenditures. Ms. Bernardo presented charts explaining the General Fund proposed budget, extended outlook and estimated shortfall for future fiscal years.

Ms. Bernardo stated that a water and sewer rate increase is based on the recommendations from the comprehensive rate study. She added that the remaining 2006 Bond proceeds will be fully expended by this fiscal year; therefore, capital projects are being carefully prioritized. She reported that one major project for fiscal year 2009/2010 is the \$8,000,000 El Cerrito Sewer Capacity Project, which will be funded by a State Revolving Loan.

Ms. Bernardo announced that the full budget document will be formally presented to the City Council at the May 12, 2008 City Council meeting.

Councilmember Regan asked why the City of Half Moon Bay is only prefunding \$70,000 for retiree health benefits. Ms. Bernardo replied that the City of Half Moon Bay has a small staff receiving the retiree health benefit. Councilmember Regan asked if Burlingame will be prefunding their retiree health benefit. Ms. Bernardo replied that the City of Burlingame will not be prefunding any retiree health benefits for fiscal year 2008/2009.

Vice Mayor Krolik asked if spending \$900,000 for street maintenance will upgrade Hillsborough's paving conditions from "fair" to "good". Public Works Director Martha DeBry replied that the \$900,000 will help maintain Hillsborough's streets, but improving paving conditions from "fair" to "good" will take more time.

Mayor Mullooly thanked Ms. Bernardo for the review of the draft budget.

PUBLIC COMMENT:

There were no public comments.

CITY COUNCIL ITEMS:

Mayor Mullooly announced that she received a copy of a letter from a resident recognizing Central County Fire Department Captain Michael Vonada, Firefighter John Griffin, and Firefighter Steve Besozzi for responding to an emergency call and providing the finest service in a medical emergency and for being a real asset to the community.

Mayor Mullooly announced that she attended the Lions Club Annual Police and Firefighters Awards Banquet on March 28, 2008, where Central County Fire Department Captain Jack Lindecker received a Service Award for his efforts in getting Rescue 33 typed by the State of California as a Medium Duty Rescue resource.

Vice Mayor Krolik and Councilmember Regan announced that they would be attending the Council of Cities Dinner/Meeting on April 25, 2008, and would be participating in the Trivia Challenge.

Vice Mayor Krolik thanked Director of Planning and Building Liz Cullinan and CSG Consultant Kathleen Gallagher for their participation in the Sustainable Hillsborough Task Force.

ADJOURN:

Mayor Mullooly adjourned the meeting at 7:06 p.m.