

MINUTES
REGULAR CITY COUNCIL MEETING
MONDAY, JUNE 13, 2011

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

ROLL CALL: Present: Kasten, Benton, Krolik, Chuang, May

MINUTES: The minutes of the May 9, 2011 City Council meeting were approved as submitted subject to a wording change made by Vice Mayor Benton. He stated that "several millions" in the sixth paragraph on page 7 should be "4.3 billions".

RECOGNITION:

- Police Chief Matt O'Connor introduced Matthew and Isabel Bernardo, and recognized Matthew for receiving the American Red Cross Bay Area Chapter's 2011 Community Youth Lifesaving Hero Award. Chief O'Connor stated that due to Matthew's quick thinking and valiant efforts, Matthew was able to get his six-year-old sister Isabel and himself out of their house during the San Bruno pipeline explosion, and as a direct result, they survived the fire. Mayor Kasten congratulated Matthew on his act of heroism during the San Bruno disaster and presented Matthew with a Certificate of Recognition. Mayor Kasten also recognized Matthew's parents, Teddy and Marie Bernardo, Hillsborough's Assistant Finance Director.

CONSENT CALENDAR:

Items 2 and 5 of the Consent Calendar were removed for discussion. On motion of Vice Mayor Benton, seconded by Councilmember Krolik, and unanimous on voice vote, Consent Calendar items 1, 3-4, and 6-9 were approved.

1. MONTHLY CLAIMS: MAY 1 THROUGH MAY 31, 2011

The monthly claims for the month of May 2011, in the amount of \$2,422,878.06 were approved as submitted.

2. RESOLUTION ESTABLISHING THE TOWN OF HILLSBOROUGH'S APPROPRIATIONS LIMIT FOR FISCAL YEAR 2011/2012

Mayor Kasten stated that he removed item 2 because it required a roll call vote. The resolution establishing the appropriations limit for fiscal year 2011/2012 was adopted with a unanimous roll call vote.

3. RESOLUTION ADOPTING AN AMENDMENT TO THE 2011/2012 BUDGET

The resolution adopting an amendment to the fiscal year 2011/2012 budget was adopted.

4. RESOLUTION AUTHORIZING THE CITY MANAGER AND THE FINANCE DIRECTOR TO SIGN CONTRACTS RELATING TO THE EXTENSION OF THE STANDBY PURCHASE AGREEMENT SUPPORTING THE TOWN OF HILLSBOROUGH'S SERIES 2000A, 2000B, 2003A and 2006A VARIABLE RATE CERTIFICATES OF PARTICIPATION

The resolution authorizing the City Manager and Finance Director to sign contracts relating to the Standby Purchase Agreement supporting the Town of Hillsborough's 2000A, 2000B, 2003A and 2006A Variable Rate Certificates of Participation was adopted.

5. RESOLUTION APPROVING THE THIRD AMENDMENT TO THE AGREEMENT FOR ANIMAL CONTROL SERVICES BETWEEN THE CITIES OF ATHERTON, BELMONT, BRISBANE, BURLINGAME, COLMA, DALY CITY, EAST PALO ALTO, FOSTER CITY, HALF MOON BAY, HILLSBOROUGH, MENLO PARK, MILLBRAE, PACIFICA,

PORTOLA VALLEY, REDWOOD CITY, SAN BRUNO, SAN CARLOS, SAN MATEO,
SOUTH SAN FRANCISCO, AND WOODSIDE AND THE COUNTY OF SAN MATEO

Councilmember May commented that he had an issue with the Peninsula Humane Society's Animal Control Services. He reported that he had an experience with pit bulls in Hillsborough. He stated that he felt that there could have been better cooperation from Animal Control Services, including better communication with the Police Department and victim. Police Chief Matt O'Connor announced that a lot of cities in San Mateo County have had complaints about Animal Control Services and that the San Mateo County Police Chiefs Association will designate a liaison to work with Animal Control Services to resolve some of the issues.

On motion of Councilmember May, seconded by Vice Mayor Benton, and unanimous on voice vote, the resolution approving the Third Amendment to the Agreement for Animal Control Services between the Peninsula Cities and the County of San Mateo was adopted.

6. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH RICHARD WOGISCH FOR PROFESSIONAL CONTRACT LANDSCAPE ARCHITECTURAL SERVICES

The resolution authorizing the City Manager to enter into an agreement with Richard Wogisch for professional contract landscape architectural services in an amount not to exceed \$25,000 was adopted.

7. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH RICHARDSON CONSULTING FOR CONTRACT PLANNING SERVICES

The resolution authorizing the City Manager to enter into an agreement with Richardson Consulting for contract planning services in an amount not to exceed \$35,000 was adopted.

8. RESOLUTION AWARDDING THE BID FOR THE 2011 WEED ABATEMENT PROJECT TO PESTMASTER SERVICES, INC.

The resolution awarding the contract for the 2011 Weed Abatement Project to Pestmaster Services, Inc. in the amount of \$10,485, with a contingency in the amount of \$1,500 for a total construction budget of \$11,985 to be funded by the General Fund, was adopted.

9. RESOLUTION AUTHORIZING THE TRANSFER OF WATER SERVICES SERVING TEN RESIDENCES ON NEWHALL ROAD TO THE CITY OF BURLINGAME

The resolution approving the payment to Shaw Pipeline in the amount of \$50,000 for the water service transfers to the Burlingame distribution system and allocating \$50,000 from the Water Fund was adopted.

City Attorney Norm Book thanked Josh Cooperman for his assistance with agenda item #4 by reviewing the documents relating to the Standby Purchase Agreement supporting the Town of Hillsborough's 2000A, 2000B, 2003A and 2006A Variable Rate Certificates of Participation.

PUBLIC HEARING:

10. FUNDRAISING EVENT PERMIT APPLICATION 11-03 FOR THE SAN MATEO ARBORETUM SOCIETY 36TH ANNUAL HILLSBOROUGH/SAN MATEO GARDEN TOUR

City Clerk Miyuki Yokoyama stated that the San Mateo Arboretum Society submitted a fundraising application for their 36th Annual Hillsborough/San Mateo Garden Tour on

Saturday, September 10, 2011, from 10:00 a.m. to 4:00 p.m. at 121 New Place Road, 670 Chiltern Road, and 1835 Willow Road.

Ms. Yokoyama stated that public notices have been sent to homeowners located within a 500-foot radius of the three locations and that no comments have been received. She added that due to a conflict, 1835 Willow Road will not be included in the garden tour. She stated that staff recommends approval of the application subject to the conditions of the Police, Fire and Building Departments.

Ms. Yokoyama introduced Ron Vick and Susan Carder of the San Mateo Arboretum Society. Mr. Vick stated that the San Mateo Arboretum Society educates the community about gardening and that the proceeds from the fundraiser help fund the gardens in San Mateo's Central Park.

Councilmember Krolik announced that the Town is standardizing the size of fundraising signs so that they can be hung on the posts that are now installed. Mr. Vick stated that he will work with staff on the San Mateo Arboretum Society's Garden Tour sign.

Mayor Kasten opened the public hearing. There were no comments. The public hearing was closed.

On motion of Councilmember Krolik, seconded by Councilmember Chuang, and unanimous on voice vote, Fundraising Event Permit Application 11-03 for the San Mateo Arboretum Society's 36th Annual Hillsborough/San Mateo Garden Tour on Saturday, September 10, 2011, subject to the conditions recommended by staff, was approved.

11. ORDINANCE AMENDING SECTIONS 13.20.020 AND 13.20.040 OF THE HILLSBOROUGH MUNICIPAL CODE TO ADOPT MAXIMUM METER SERVICE CHARGES AND MAXIMUM WATER SERVICE RATES FOR THE NEXT FIVE YEARS EFFECTIVE APRIL 12, 2011 – ADOPTION

Finance Director Edna Masbad stated that the next two agenda items were originally introduced at the April 11, 2011 City Council meeting. She reported that the back-up ordinance amending Hillsborough Municipal Code Sections 13.20.020 and 13.20.040 to adopt maximum meter service charges and maximum water service rates for the next five years, effective April 12, 2011, was subsequently introduced again at the May 9, 2011 City Council meeting in the event of a challenge to the urgency ordinance. She stated that the ordinance will implement annual increases in water rates for approximately 13%-14% each year for the next five years.

Mayor Kasten opened the public hearing.

Josh Cooperman, a Hillsborough resident, financial advisor for the Town, and member of the Financial Advisory Committee, stated that he wanted to alert the City Council to his concern that the Town is not raising rates fast enough to avoid a cash flow problem. He reported that the Town is selling less water and the San Francisco Public Utilities Commission is raising their wholesale water rates. He stated that the Town will be hit with an increased cost of service and will likely need to go through reserve funds, resulting in the credit rating criteria no longer being satisfied.

Mr. Cooperman provided a facility liquidity fee table and stated that the City Council just approved the extension of the Standby Purchase Agreement for five years. He reported that it would cost the Town \$37,000 more per year if the Town's credit rating dropped from AAA to AA-, a 30 basis point increase. He stated that he was not in favor of rate increases, but that the Town does not have the capability to sustain the current levels, which will result in the same problem that the Town faced 10-15 years ago. He stated that Hillsborough residents will not be happy with the increase in rates, but the alternative would be to rob funds from the reserves and the Town would be worse off. He reported that the County of Sacramento raided funds for the capital improvement program to pay operating expenses to avoid laying off staff from the Police and Fire

Departments. He stated that he knows that the Town is also grappling with the costs of pensions and Other Post-Employment Benefits (OPEB).

Mr. Cooperman recommended that the Town continue to monitor the revenue from the sale of water every six months and to be more proactive. He predicted that in two to three years the Town will exhaust the water reserves if the rates are not increased. He stated that he just wanted to alert the City Council on the incipient problem coming down the road.

The Councilmembers further discussed Mr. Cooperman's concerns. Vice Mayor Benton stated that the Town will need to communicate to the residents about a possible water rate increase.

Mayor Kasten thanked Mr. Cooperman and commented that the table was very helpful. He stated that he was aware that the Town may need to do another Proposition 218 notice.

Mr. Cooperman thanked the City Council for their time.

Mayor Kasten closed the public hearing.

On motion of Councilmember Krolik, seconded by Councilmember May, and unanimous on voice vote, the back-up ordinance amending Hillsborough Municipal Code Sections 13.20.020 and 13.20.040 to adopt maximum meter service charges and maximum water service rates for the next five years, effective April 12, 2011, was adopted.

12. **ORDINANCE AMENDING SECTION 13.34.030 OF THE HILLSBOROUGH MUNICIPAL CODE TO ADOPT MAXIMUM SEWER SERVICE CHARGES FOR THE NEXT FIVE YEARS STARTING JULY 1, 2011 - ADOPTION**

Finance Director Edna Masbad stated that the ordinance amending Hillsborough Municipal Code Section 13.34.030 to adopt maximum sewer service charges for the next five years, starting July 1, 2011, was originally introduced on April 11, 2011, but reintroduced on May 9, 2011, to make clear that the Town is waiving the first reading of the ordinance. She reported that the ordinance adopts maximum sewer service charges effecting a 7% annual increase for the next five years starting July 1, 2011, which is equivalent to a maximum annual charge of \$2,325 per customer in five years.

Mayor Kasten opened the public hearing. There were no comments. The public hearing was closed.

On motion of Councilmember May, seconded by Vice Mayor Benton, and unanimous on voice vote, the ordinance amending Hillsborough Municipal Code Section 13.34.030 to adopt maximum sewer service charges for the next five years starting July 1, 2011, was adopted.

13. **MITIGATED NEGATIVE DECLARATION AND GRADING PERMIT APPLICATION FOR 2135 PARKSIDE AVENUE**

City Engineer Cyrus Kianpour provided the City Council with a revised Draft Initial Study and Mitigated Negative Declaration with corrections to the issues on greenhouse gas emissions. He stated that there were a host of actions required for this agenda item. He reported that the project involves demolition of an existing home and construction of a new 6,500 square foot single family dwelling. He stated that the Hillsborough Municipal Code requires City Council approval because the total amount of off-haul exceeds 1,500 cubic yards, and that the total export from the site is 2,940 cubic yards. He reported that it is required that action is taken on the Mitigated Negative Declaration before action is taken on the Grading Permit Application. He stated that the site is relatively flat, but the lot elevation being reduced will effectively lower the overall finished height of the structure. He added that the project was approved by the Architecture and Design Review Board (ADRB) last year.

Mr. Kianpour reported that the dump trucks will be travelling down Parkside Avenue to Hillsborough Boulevard to Ralston Avenue. He stated that the traffic plan will ensure that there are no issues with public safety and traffic during the off-hauling of materials. He added that the neighborhood has been notified about the Grading Permit Application

Councilmember May asked what the hours of excavation would be. Mr. Kianpour replied the hours of excavation would be 8:00 a.m. to 5:00 p.m. on the weekdays and 10:00 a.m. to 5:00 p.m. on Saturdays. Councilmember May asked how long the excavation will take. Mr. Kianpour replied that the excavation should be completed in a week or two.

The Councilmembers and Mr. Kianpour further discussed the off-hauling and erosion control plan.

Mr. Kianpour corrected the first paragraph of the resolution to read “6,500” rather than “5,600” square foot single family dwelling.

Councilmember Krolik asked what was the age of the single story Craftsman house that was going to be demolished. Director of Building and Planning Liz Cullinan replied that she was not sure of the age of the existing home, but that it was not listed as a historical resource. Councilmember Krolik asked if the ADRB approved the construction of the new home. Ms. Cullinan replied that the ADRB approved the plans at their September 16, 2010 meeting.

Mayor Kasten opened the public hearing. There were no comments. The public hearing was closed.

On motion of Vice Mayor Benton, seconded by Councilmember May, and with a 4:1 voice vote with Councilmember Krolik abstaining from voting, the Mitigated Negative Declaration for 2135 Parkside Avenue, based on the findings and mitigation measures as listed in the CEQA document, was adopted.

On motion of Vice Mayor Benton, seconded by Councilmember May, and with a 4:1 voice vote with Councilmember Krolik abstaining from voting, the Grading Permit Application was approved, subject to incorporating the mitigation measures under the Geology and Soils/Hydrology and Water Quality/Air Quality section of the Mitigated Negative Declaration, and authorizing staff to issue a Grading Permit upon completion of the plans.

On motion of Vice Mayor Benton, seconded by Councilmember May, and with a 4:1 voice vote with Councilmember Krolik abstaining from voting, the resolution adopting the Mitigated Negative Declaration and approving the Grading Permit Application for 2135 Parkside Avenue was adopted with the correction of the square footage to a 6,500 square foot single family dwelling.

OLD BUSINESS:

14. RESOLUTION AWARDDING CONTRACTS FOR THE REPAIR OF THE FAILED SLOPE ADJACENT TO 140 AND 150 WOODRIDGE ROAD AND ALLOCATING A TOTAL AMOUNT OF \$240,005 FOR THIS REPAIR

City Engineer Cyrus Kianpour reported that the City Council allocated funds and authorized staff to proceed with the repair of the failed slope adjacent to 140 and 150 Woodridge Road. He stated that the Town requested informal bids from nine prospective contractors. He explained that there were two options for the contractors to bid on with Option A being steel columns with wood lagging, and Option B being a keystone wall. He stated that Casey Construction was the only company to bid on Option A. He reported that the expenses for the emergency measures implemented to date by Farallon Company are approximately \$55,000 and the estimated total budget for the project will be \$240,005.

Councilmember May asked if Option A was the better of the two options. Mr. Kianpour replied that it was absolutely the better of the two options, and that walls with wood lagging have been installed at Shady Creek and Crocker Lake.

Councilmember Krolik asked about the bidding process. Mr. Kianpour stated that the bid opening was held on Tuesday, May 17, 2011, and that Rich Ramirez Excavation and Demo, Inc. was disqualified because the bid was submitted after the bid closing time of 2:00 p.m. on May 17, 2011.

The Councilmembers and Mr. Kianpour further discussed the two options for the slope repair and the bidding process.

Councilmember Krolik stated that the recommendation allocates an additional \$71,005 from the General Fund Reserves and she asked if that was in addition to the \$240,005 amount from the General Fund Reserves. Mr. Kianpour replied that the total budget of \$240,005 from the General Fund Reserves includes the \$71,005.

On motion of Councilmember Krolik, seconded by Councilmember May, and unanimous on voice vote, the resolution authorizing the City Manager to execute all necessary contracts and allocating an additional \$71,005 to the aggregate amount of \$240,005 from the General Fund Reserves for the emergency repair of the failed slope adjacent to 140 and 150 Woodridge Road was adopted.

Vice Mayor Benton asked if emergency funds were available to offset this project. Mr. Kianpour replied that there were no emergency funds available for this project.

15. **ORDINANCE REVISING AND UPDATING TITLE 16, SUBDIVISIONS, OF THE HILLSBOROUGH MUNICIPAL CODE - INTRODUCTION**

City Engineer Cyrus Kianpour stated that the proposed changes to Title 16 of the Hillsborough Municipal Code regarding subdivisions was presented at the May 9, 2011 City Council meeting. He reported that in response to the City Council's request at the May 9, 2011 City Council meeting, there has been some minor modifications to the text to clarify the definition of property damage in a 100-year storm event.

The Councilmembers, City Attorney Norm Book and Mr. Kianpour discussed the revisions to Title 16. Councilmember May stated that he was satisfied with the revisions to the park in-lieu fees and lot line adjustments.

On motion of Vice Mayor Benton, seconded by Councilmember Krolik, and unanimous on voice vote, the ordinance was introduced and the first reading of the ordinance was waived. July 11, 2011, was set as the public hearing date to consider adoption of the ordinance revising and updating Title 16, Subdivisions, of the Hillsborough Municipal Code.

PUBLIC COMMENT:

There were no public comments.

CITY COUNCIL ITEMS:

Acting Director of Public Works John Mullins updated the City Council on the Manhole Recovery Project on New Place Road. He reported that the property owner on New Place Road was willing to be responsible for raising the two sewer manholes located on his property. Mayor Kasten thanked Mr. Mullins for working with the property owner.

Councilmember Chuang announced that the Central County Fire Department Merger Discussion meeting scheduled for Tuesday, June 14, 2011, has been cancelled.

Councilmember Chuang announced that the Central County Fire Department will be hosting their Annual Pancake Breakfast on Saturday, June 18, 2011, from 8:00 a.m. to 12:00 p.m. at Fire Station 34.

Vice Mayor Benton reported that he attended the Central County Fire Department Board Meeting that was held on Tuesday, May 17, 2011, with representation from the Cities of Hillsborough and Burlingame, but there was no representation from the Cities of San Bruno and Millbrae. He added that the Board Meeting was followed by a work session, which included representation from the four cities, to discuss the possible fire merger. Vice Mayor Benton stated that at the very spirited work session, the discussion included the need for information on CalFire's efficient operations, the formation of a fire merger subcommittee, how an administrative merger would work, and the possibility of merging Stations 35 and 38 with a plan to test the concept for six months. He reported that the meeting that was scheduled for Tuesday, June 14, 2011, was to discuss whether or not to consolidate Stations 35 and 38, but that the meeting was cancelled. He added that it was very hard for all the representatives to get together in the summer, which was very frustrating.

Mayor Kasten asked which representatives were appointed to the Fire Merger Subcommittee. Vice Mayor Benton replied that Councilmember Chuang, Burlingame Councilmember Jerry Deal, and representatives from the Cities of San Bruno and Millbrae were appointed members of the Fire Merger Subcommittee.

Councilmember Krolik thanked Police Captain Mark O'Connor and Acting Public Works Director John Mullins for their assistance with the Second Annual Hillsborough Memorial Day Parade. She stated that she would like to have the Hillsborough Memorial Day Parade on an annual basis since it is fairly economical. Mayor Kasten thanked Councilmember Krolik for planning the parade and he thanked Town staff for their hard work.

Councilmember Krolik commended Acting Public Works Director John Mullins for the Environmental Fair and Shred-It Event that was held on Saturday, June 4, 2011, at Town Hall. Mr. Mullins reported that approximately 110 people participated in the Shred-It Event and 60 participated in the Environmental Fair. Mayor Kasten commented that the Environmental Fair went very well with enthusiastic vendors and fabulous food. Assistant City Manager Kathy Leroux reported that the costs involved in the Environmental Fair were paid through grant funds.

Acting Public Works Director John Mullins stated that with the competitive bidding process for the Woodridge Slope Repair Project, the bids came in very close, which would not have happened if the Town had used a contract for time and materials. He added that Option A, a wall with wood lagging, was the better of the two options for the project.

Mayor Kasten thanked Acting Public Works Director John Mullins and CSG Consultants Senior Program Analyst Ed Cooney for their helpful guidance in reading the Water Usage Report.

Mayor Kasten announced that the Council of Cities Dinner/Meeting will be held on Friday, June 24, 2011, in the City of Daly City. Mayor Kasten and Councilmembers May and Chuang announced that they would be attending.

Mayor Kasten announced that the San Mateo County City Selection Committee will be having an election at the Council of Cities Dinner/Meeting on Friday, June 24, 2011, to select members to serve on the San Mateo County Transit District and he asked the Councilmembers to provide their input on who to vote for.

ADJOURN:

Mayor Kasten adjourned the meeting at 7:30 p.m.