# MINUTES REGULAR CITY COUNCIL MEETING MONDAY, JANUARY 9, 2012

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

Vice Mayor Benton announced that Mayor Kasten was absent due to illness and wished him well.

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

Absent: Kasten

<u>MINUTES:</u> The minutes of the December 12, 2011 City Council meeting were approved as submitted subject to changes by Vice Mayor Benton and Councilmember Krolik.

#### PRESENTATION:

Vice Mayor Benton presented Dr. Lawrence Peterson, who served as a Trustee for the Town of Hillsborough on the San Mateo County Mosquito and Vector Control District Board from January 1986 through December 2011 with a Certificate of Appreciation. Dr. Peterson thanked Vice Mayor Benton and he expressed his enjoyment serving as the Town's representative to the Board of Trustees and he encouraged the City Council to find a new Trustee to represent the Town. Vice Mayor Benton thanked Dr. Peterson.

On motion of Councilmember May, seconded by Councilmember Krolik, and unanimous on voice vote, Consent Calendar items 1 through 10 were approved.

## **CONSENT CALENDAR:**

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

The monthly claims for the month of December 2011, in the amount of \$4,013,552.25 were approved as submitted.

QUARTERLY TREASURER'S REPORT

The Treasurer's Report for the quarter ending December 31, 2011, was approved.

3. QUARTERLY INTEREST RATE PRODUCTS (SWAP) REPORT

The Interest Rate Products Report for the quarter ending December 31, 2011, was accepted.

4. ORDINANCE ADDING CHAPTER 4.05 OF THE HILLSBOROUGH MUNICIPAL CODE ESTABLISHING FRANCHISE FEES, PEG FEES AND CUSTOMER SERVICE PENALTIES FOR THE STATE VIDEO FRANCHISE HOLDERS PROVIDING VIDEO SERVICE WITHIN THE TOWN OF HILLSBOROUGH – INTRODUCTION

The ordinance adding Chapter 4.05 of the Hillsborough Municipal Code establishing franchise fees, PEG fees and customer service penalties for the state video franchise holders providing video service within the Town of Hillsborough was introduced and the first reading of the ordinance was waived. February 13, 2012, was set as the public hearing date to consider adoption of the ordinance.

5. RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE THE MEMORANDUM OF UNDERSTANDING BETWEEN THE TOWN OF HILLSBOROUGH AND TEAMSTERS LOCAL 856 - PUBLIC WORKS AND CLERICAL UNIT

The resolution authorizing the City Manager to execute the Memorandum of Understanding between the Town of Hillsborough and Teamsters Local 856 – Public Works and Clerical Unit was adopted.

6. ORDINANCE AMENDING SECTION 15.04.070 OF THE HILLSBOROUGH MUNICIPAL CODE REGARDING FEES FOR CONSTRUCTION RELATED WORK CONDUCTED PRIOR TO THE ISSUANCE OF A PERMIT - INTRODUCTION

The ordinance amending Section 15.04.070 of the Hillsborough Municipal Code regarding fees for construction related work conducted prior to the issuance of a permit was introduced and the first reading of the ordinance was waived. February 13, 2012, was set as the public hearing date to consider adoption of the ordinance.

7. RESOLUTION ACCEPTING AS COMPLETE THE 2009-2010 SANITARY SEWER CLEANING AND VIDEO INSPECTION PHASE VII (A) PROJECT FROM ROTO-ROOTER

The resolution accepting as complete the contract with Sanact, Inc. (Roto-Rooter) for the 2009-2010 Sanitary Sewer Cleaning and Video Inspection Phase VII (A) Project in the amount of \$184,962 was adopted.

8. RESOLUTION ACCEPTING AS COMPLETE THE STORM DRAIN MODIFICATION PROJECT ON MANOR DRIVE AND NEWHALL ROAD

The resolution accepting as complete the contract with Half Moon Bay Grading & Paving, Inc. for the Storm Drain Modification Project on Manor Drive and Newhall Road in the amount of \$20,360 was adopted.

9. RESOLUTION AUTHORIZING FUNDS FOR THE COMPLETION OF THE DESIGN AND ENVIRONMENTAL WORK FOR THE EL CERRITO / CRYSTAL SPRINGS TRUNK SEWER REPLACEMENT PHASE II PROJECT

The resolution authorizing the City Manager to execute all necessary consulting contracts for the completion of the design and specifications, NHPA Section 106 Cultural Resources clearance and the Subsequent EIR for the Crystal Springs / El Cerrito Trunk Sewer Replacement Phase II Project in an amount not to exceed \$282,630, and allocating the same from the Sewer Capital Improvement Fund – Crystal Springs / El Cerrito Trunk Sewer Replacement Phase II Project was adopted.

10. RESOLUTION APPROVING THE CSG WORK ORDER FOR PROGRAM MANAGEMENT FOR THE EL CERRITO / CRYSTAL SPRINGS TRUNK SEWER IMPROVEMENTS PHASE II PROJECT

The resolution approving the CSG work order in the amount of \$65,400, allocating the same from the Sewer Capital Improvement Fund – El Cerrito / Crystal Springs Trunk Sewer Improvements Phase II Project in the amount of \$65,400, and authorizing the City Manager to sign the CSG work order on behalf of the Town was adopted.

#### **PUBLIC HEARING:**

11. FUNDRAISING EVENT PERMIT APPLICATION 11-09 FOR THE NUEVA SCHOOL BENEFIT AUCTION

City Clerk Miyuki Yokoyama stated that Nueva School submitted a fundraising application for their benefit auction to be held on Saturday, March 31, 2012, from 5:00 p.m. to 11:00 p.m. at Nueva School located at 6565 Skyline Boulevard.

Ms. Yokoyama stated that public notices have been sent to homeowners located within a 500-foot radius of the property and no comments have been received. She added that staff recommends approval of the application subject to the restrictions and conditions of the Police, Fire and Building Departments.

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

On motion of Councilmember Krolik, seconded by Councilmember May, and unanimous on voice vote, Fundraising Event Permit Application 11-09 for the Nueva School Benefit Auction on Saturday, March 31, 2012, subject to the conditions recommended by staff, was approved.

12. ORDINANCE AMENDING SECTION 2.12.070 OF THE HILLSBOROUGH MUNICIPAL CODE REGARDING DESIGN REVIEW OF SECOND STORY ADDITIONS LESS THAN FIVE HUNDRED SQUARE FEET IN SIZE TO EXISTING DWELLINGS - ADOPTION

Director of Building and Planning Liz Cullinan reported that the ordinance allowing second story additions under five hundred square feet in size to existing dwellings was introduced at the December 12, 2011 City Council meeting. She stated that this ordinance would provide an opportunity for second story additions under five hundred square feet with nominal visibility to be processed at an Administrative Review level rather than an Architecture and Design Review Board (ADRB) level.

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

On motion of Councilmember May, seconded by Councilmember Chuang, and unanimous on voice vote, the ordinance amending Section 2.12.070 of the Hillsborough Municipal Code regarding design review of second story additions of less than five hundred square feet in size to existing dwellings was adopted.

#### **DISCUSSION:**

## 13. FISCAL YEAR 2012-2013 PRELIMINARY BUDGET REVIEW

Assistant City Manager Kathy Leroux provided a Power Point presentation on the fiscal year 2012-2013 preliminary budget review. She reviewed the budget calendar stating that in December 2011, budget forms were distributed to the departments, and in February 2012, the departments will review the worksheets and discuss changes. She stated that in February or March 2012, a City Council Workshop will be held to focus on topics related to the budget, and in March 2012, the draft budget will be presented to the Financial Advisory Committee (FAC) for discussion. She further stated that in March 2012, the departments will submit updated fees and charges along with budget narratives and performance measures. Ms. Leroux reported that in April 2012, the proposed budget document will be completed and presented to the City Council and FAC for another review. She stated that on May 14, 2012, following a City Council Budget Study Session and a public hearing at the City Council meeting, the budget will be recommended for adoption.

Ms. Leroux reported that the Town has had an award-winning budget document for the past nine years and has had a balanced budget every year. She added that the Town's budget is an excellent, user-friendly document and is based on major city goals and City Council priorities.

Ms. Leroux stated that through the budget process, the departments estimate the cost of delivering services and revenues are estimated to determine the available funds for operations. She reported that the FAC reviews the document carefully and makes their recommendations to staff. She stated that the Town is fortunate to have the caliber of volunteers serving on the FAC.

Ms. Leroux posed the question to the City Council as to whether any changes or modifications to the Town's budget should be considered.

Ms. Leroux stated that for a comparison she reviewed the award-winning budgets for the cities of Colma, Mountain View and San Jose. She reported that there are "fads" in budgeting, such as priority-based budgeting, and she stated that historically, the Town has stayed away from fads, but if there was an approach to budgeting that was useful, the Town would consider it. She added that performance measurement enhancements seem to be an area that other cities and the Town of Hillsborough will be looking at.

Ms. Leroux reviewed some ideas to consider for moving forward with the Town's budget. She reported that the Town has become more involved in activities and programs including yoga, mah jong, Hillsborough Neighborhood Network (HNN), and the Memorial Day Parade. She stated that staff involvement, best management and coordination of these programs, and the process for introduction of new programs need to be considered. She stated that the budget can be adjusted to focus on increases exceeding 20% or revenue decreases of more than 20%. She added that the Town has a new "Budget at a Glance" section incorporated in the budget document, whereas other agencies use brochure or mailer formats that contain a variety of information and can also be considered in the future.

Ms. Leroux reviewed major issues facing the Town in fiscal year 2012-2013 including a water rate increase from the San Francisco Public Utilities Commission (SFPUC). She explained that in developing the current budget, the Town used the preliminary SFPUC estimate of a 10% increase, but due to a larger decrease in water sales than anticipated, the SFPUC announced that increases could potentially be 17% to 31%, a shortfall to Hillsborough of approximately \$277,000 to \$777,000. She reported that the Bay Area Water Supply and Conservation Agency (BAWSCA) will be reviewing the basis for this change and that there will be updates coming at the end of February 2012.

Ms. Leroux reported that beginning in fiscal year 2012-2013, there may not be enough Educational Revenue Augmentation Funds (EFAF) because of the migration of some schools, such as the San Mateo County Community College District, to "basic aid" which will take away funds from property taxes. She stated that at this point, the "take away" from the Town is not yet known. She added that the Town received one million dollars in ERAF last year. Ms. Leroux reported that the Motor Vehicle License Fees will be a \$30,000 loss to the General Fund. She stated that the \$100,000 Supplemental Law Enforcement Services Fund (SLESF) police grant will remain.

Ms. Leroux reported that updating the aging water and sewer infrastructure is an ongoing and expensive process, and that there are future projects that will come with a cost as well, such as the potential private sewer lateral program, which is part of the Town's compliance with the cease and desist order.

Ms. Leroux stated that in anticipation of the budget shortfall, the Police Department will continue to not fund one lieutenant, two police officer and two police service technician positions. Ms. Leroux added that as discussed earlier, the Town also needs to manage volunteer activities to ensure that the programs are kept running as efficiently as possible.

The Councilmembers, Ms. Leroux, Finance Director Edna Masbad and City Attorney Norm Book further discussed the issues facing the upcoming budget.

Vice Mayor Benton thanked Ms. Leroux.

## 14. POLICE DEPARTMENT UPDATE

Police Chief Mark O'Connor provided a Power Point presentation on the Hillsborough Police Department (HPD) overview for 2011-2012. He reported that the Police Department is short a lieutenant, five police officers, a dispatcher and two police service technicians, but the lieutenant, two police officer and two police service technician positions will not be funded at this time due to the budget shortfall. He

stated however, a new police officer will start on January 16, 2012, a police officer candidate is currently undergoing a background check, and the Town is testing for an open dispatcher position. He reported that by the end of this month promotional tests will be conducted for the captain, while the sergeant and corporal positions will be filled in February.

Chief O'Connor reviewed the organizational structure of the Police Department.

Chief O'Connor reported that Hillsborough has the lowest crime rate of any California City with populations over 10,000 which has been achieved with proactive high-profile patrol, investigations, code enforcement, and community outreach efforts. He stated that the Police Department will continue to foster open and cooperative relationships with allied San Mateo County law agencies including the Police Chiefs Association, Law and SWAT Commanders, training managers, San Mateo County Communications Managers, detective bureaus, and federal and state offices. He also stated that the Police Department strives to maintain excellent relationships with the Hillsborough City School District, Nueva School and Crystal Springs Uplands School through interactive safety programs, holiday and personal safety presentations, stranger danger, barbeque lunch programs, disaster preparedness meetings, the schools' Read All Day program, and intruder lockdown drills.

Chief O'Connor reported that the Police Department is fully participating in the 2011-2012 Countywide Gang Task Force deployment to disrupt and dismantle area specific criminal street gang activities in neighboring jurisdictions. He stated that the Police Department has assisted in numerous high profile, high security political visits such as President Barack Obama's two recent visits to Millbrae, and will continue to do so. He reported that the department will be participating in DUI (Driving Under the Influence) saturation and checkpoint operations throughout our neighboring San Mateo County regions. He also reported that the reduction of crime, reduction of the fear of crime, awareness of crime prevention measures, and quality of life issues for residents will be an ongoing goal for the Police Department.

Chief O'Connor provided a chart showing the crime rate for the sixteen police agencies in San Mateo County. He reported that of the 512 HPD crime reports, 84 of those cases (16%) were filed with the District Attorney's office for prosecution, and of those 84 cases, 44 resulted in the prosecution of the offender, 30 cases remain active pending prosecution, and only 10 cases (12%) were dismissed by the District Attorney.

Chief O'Connor stated that the Police Department uses social networking to provide outreach to as many segments of the community as technology allows. He reported that the department uses San Mateo County's Community Alert System, Twitter, Facebook, Nixle, and Reverse 911 to reach residents.

Chief O'Connor reported that continued training remains very important to the department as it provides techniques and tactics that could reduce risk and liability for driving, use of force, arrest and control, hand-to-hand combat, and verbal judo. He stated that the Police Department continues to be involved in San Mateo County's Pharmaceutical Disposal Program, the annual Bicycle Safety Rodeo, and school lunches with students. He reported that the department continues to provide Countywide mutual aid for routine patrol calls, hot or priority calls, unexpected or overwhelmed resources, and anticipated or planned operations for the Gang Task Force, Narcotics Task Force, North Central Regional SWAT team, as well as FBI and US Secret Services deployments. He stated that the department also continues to support the Town's Adopt-A-Unit in Afghanistan by sending care packages and banners expressing support to the troops.

Chief O'Connor reported that the Gatehouse is fully operational as a command post as well as a training center and report writing outpost.

Chief O'Connor stated that current issues and goals include developing personnel in their new positions, balancing the 2011-2012 budget, continuing the high prosecution

rate with the District Attorney's office, further training of police dog Orin, and ongoing training of police officers.

Vice Mayor Benton thanked Chief O'Connor.

## **OLD BUSINESS:**

15. SCHEDULING OF CITY COUNCIL WORKSHOP AND HILLSBOROUGH CITY SCHOOL DISTRICT BOARD OF TRUSTEES / HILLSBOROUGH CITY COUNCIL JOINT STUDY SESSION

Assistant City Manager Kathy Leroux reported that the City Council held a half-day workshop last year to discuss a wide range of topics related to the Town and that it was recommended that another workshop be held this year.

The City Council and Ms. Leroux discussed possible dates for this year's workshop and the City Council workshop was scheduled for Wednesday, February 29, 2012, from approximately 8:30 a.m.-12:30 p.m. in the Administration Conference Room.

City Manager Anthony Constantouros asked the City Council to let staff know if they have any discussion items that they would like to include on the agenda for the workshop.

Ms. Leroux stated that the proposed date for the annual Hillsborough City School District Board of Trustees / Hillsborough City Council Joint Study Session is Saturday, March 3, 2012, from 9:30 a.m. to 12:00 p.m. Councilmember May announced that he may be out of town on that date.

Mr. Constantouros stated that other potential dates for the Hillsborough City School District Board of Trustees/Hillsborough City Council Joint Study Session will be explored with the Councilmembers and School Boardmembers.

Vice Mayor Benton thanked Ms. Leroux and Mr. Constantouros.

## **PUBLIC COMMENT:**

City Engineer Cyrus Kianpour reported that a public notice will be sent out to property owners affected by the Crystal Springs / El Cerrito Sewer Project. He stated that the Citizens Communication Advisory Committee will be reviewing the notice on Tuesday, January 10, 2012.

Vice Mayor Benton thanked Mr. Kianpour.

#### **CITY COUNCIL ITEMS:**

Vice Mayor Benton introduced Kevin Fong of Senator Leland Yee's office.

Vice Mayor Benton announced that he would be attending the Council of Cities Dinner/Meeting in the City of Burlingame on Friday, January 27, 2012. Councilmember May announced that he would also be attending.

Councilmember Chuang thanked Fire Chief Don Dornell and the Central County Fire Department for the wonderful toy drive. Vice Mayor Benton stated that it would be nice to have Firefighter Herman Barahona attend a City Council meeting so that the City Council could thank him for coordinating the annual toy drive.

Councilmember Krolik announced that there will be a Hillsborough Reads event on Wednesday, January 18, 2012, from 11:00 a.m. to 12:00 p.m. at Town Hall.

Councilmember Krolik announced that there will also be a Town-wide Hillsborough Neighborhood Network (HNN) meeting at Town Hall on Monday, January 23, 2012,

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beginning at 9:00 a.m. and that San Bruno City Manager Connie Jackson will be speaking on the lessons learned from the San Bruno explosion.

Councilmember Krolik thanked City Clerk Miyuki Yokoyama for coordinating the Volunteer Recognition Event and the Employee Appreciation Event last month.

Councilmember Krolik thanked Police Executive Assistant LeAnn Thornton for setting up the Adopt-A-Tree at Town Hall to help support the Town's Adopt-A-Unit in Afghanistan.

Fire Chief Don Dornell reported on the two Fire Department calls that required crews to respond close to Town Hall during this evening's City Council meeting.

## **ADJOURN:**

Vice Mayor Benton adjourned the meeting at 7:04 p.m.