

MINUTES
REGULAR CITY COUNCIL MEETING
MONDAY, APRIL 9, 2012

Mayor Kasten called the regular meeting to order at 6:05 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 March 12, 2012 City Council meeting were approved as submitted subject to revisions from Councilmember Krolik to the first paragraph under Proclamations on page 1 and to the eighth paragraph on page 8, and a revision by Mayor Kasten to the seventh paragraph on page 7.

RECOGNITION:

- Recognition for Car Crazy Promotion's 2011 Annual Car Show's "Most Outstanding Fire Apparatus" Award to the Hillsborough Fire Department's 1936 American La France Scout Fire Engine, entered by Central County Firefighter Drew Johnson, was postponed by Mayor Kasten to the Monday, May 14, 2012 City Council meeting.

Items 2, 7, 8 and 9 of the Consent Calendar were removed for discussion. On motion of Councilmember Krolik, seconded by Vice Mayor Benton, and unanimous on voice vote, Consent Calendar items 1, 3 - 6, 10 and 11 were approved.

CONSENT CALENDAR:

1. MONTHLY CLAIMS: MARCH 1 THROUGH MARCH 31, 2012

The monthly claims for the month of March 2012 in the amount of \$3,230,452.01 were approved as submitted.

2. QUARTERLY TREASURER'S REPORT

Mayor Kasten asked Finance Director Edna Masbad whether the Town should consider investments in other vehicles besides notes and bills. Ms. Masbad replied that in November of 2011, the Financial Advisory Committee (FAC) Chair directed the investment subcommittee to meet with staff to discuss whether to consider investments in other vehicles to enhance investment earnings. She reported that the subcommittee's recommendation to the FAC Chair was that there be no change in the current investment strategy at this time.

Mayor Kasten directed staff to continue working with the FAC to consider other investment options to enhance investment earnings.

Mayor Kasten thanked Ms. Masbad.

On motion of Mayor Kasten, seconded by Vice Mayor Benton, and unanimous on voice vote, the Treasurer's Report for the quarter ended March 31, 2012, was approved.

3. QUARTERLY INTEREST RATE PRODUCTS (SWAP) REPORT

The Interest Rate Products (SWAP) Report for the quarter ended March 31, 2012, was accepted.

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

The resolution providing for interim modifications to the business license tax for fiscal year 2012-2013 was adopted.

5. RESOLUTION SETTING THE AMOUNT OF THE SPECIAL TAX FOR POLICE PROTECTION AND FIRE PROTECTION AND PREVENTION FOR FISCAL YEAR 2012-2013

The resolution setting the amount of the public safety tax for fiscal year 2012-2013 was adopted.

6. ORDINANCE AMENDING CHAPTER 8.12 OF THE HILLSBOROUGH MUNICIPAL CODE REGARDING GARBAGE AND WASTE – INTRODUCTION

The ordinance amending Chapter 8.12 of the Hillsborough Municipal Code regarding garbage and waste was introduced and the first reading was waived. May 14, 2012, was set as the public hearing date to consider adoption of the ordinance.

7. RESOLUTION APPROVING AN AGREEMENT FOR COMPENSATION TO THE COUNTY OF SAN MATEO FOR COLLECTION OF SPECIAL CHARGES

Councilmember Chuang commented that the staff report states that there would be a \$1.35 per parcel collection of special charges which would amount to \$4,900 for the 3,630 accounts that are currently assessed the \$25 collection fee. She asked Finance Director Edna Masbad if this fee would be passed onto Recology. Ms. Masbad replied that the fee is part of the rate setting process and will be passed on to Recology.

On motion of Vice Mayor Benton, seconded by Councilmember Krolik, and unanimous on voice vote, the resolution approving the Agreement for Compensation to the County of San Mateo for Collection of Special Charges was adopted.

8. RESOLUTION ADOPTING A POLICY REGARDING THE TOWN'S DISTRIBUTION OF COMPLIMENTARY TICKETS

Councilmember Krolik asked City Attorney Norm Book if the cost of parking should be reported with the cost of the Concours ticket when elected officials receive complimentary tickets. Mr. Book replied that the ticket policy only applies to a block of tickets given to the Town and that complimentary tickets that elected officials receive should be reported on the Fair Political Practice's Form 700 Statement of Economic Interests.

On motion of Councilmember Krolik, seconded by Councilmember Chuang, and unanimous on voice vote, the resolution adopting the policy regarding the Town's distribution of complimentary tickets was adopted.

9. RESPONSE LETTER TO THE SAN MATEO COUNTY CIVIL GRAND JURY REPORT, "THE COUNTY, SAN CARLOS AND CAL FIRE, A MISSED OPPORTUNITY?"

Mayor Kasten asked if the Grand Jury had any legal authority to require the Town to confirm the Grand Jury findings. City Attorney Norm Book replied that the Town only needs to make a reasonable effort to respond to the Grand Jury findings and is not expected to put an unreasonable amount of time and effort in the response letter.

On motion of Mayor Kasten, seconded by Vice Mayor Benton, and unanimous on voice vote, the Town's response to the 2011-2012 San Mateo County Civil Grand Jury Report, "The County, San Carlos and Cal Fire, A Missed Opportunity?" was approved.

10. RESOLUTION ACCEPTING AS COMPLETE THE SANITARY SEWER MAINS CLEANING AND VIDEO INSPECTION PROJECT - PHASE V FROM VEOLIA ENVIRONMENTAL SERVICES

The resolution accepting as complete the contract with Veolia Environmental Services for the Sanitary Sewer Mains Cleaning and Video Inspection Project – Phase V in the amount of \$1,449,121 was adopted.

11. RESOLUTION APPROVING CSG WORK ORDERS FOR THE 2011 PREMIUM EFFICIENCY PUMP AND MOTOR REPLACEMENT PROJECT, MARLBOROUGH TANKS 1 AND 2 WATER TANK IMPROVEMENTS, SMOKE TESTING AND VIDEO INSPECTION OF PRIORITY BASINS, SEWER SYSTEM REPAIR OF GRADE 4 AND 5 DEFECTS, STREET RESURFACING PROJECT, AND CMMS IMPLEMENTATION

The resolution approving the CSG work orders for the 2011 Premium Efficiency Pump and Motor Replacement Project, Marlborough Tanks 1 and 2 Water Tank Improvements, Smoke Testing and Video Inspection of Priority Basins, Sewer System Repair of Grade 4 and 5 Defects, Street Resurfacing Project, and CMMS Implementation in the amount of \$223,207, allocating \$84,391 from the Sewer Fund, \$56,842 from the Water Fund, \$13,494 from the General Fund, and \$68,480 from Measure M, Measure A and Gas Tax, and authorizing the City Manager to sign the CSG work orders on behalf of the Town was adopted.

PUBLIC HEARING:

12. RESOLUTION APPROVING A REVOCABLE ENCROACHMENT PERMIT APPLICATION FOR 35 LAURELDALE ROAD

City Engineer Cyrus Kianpour provided a Power Point presentation on the Revocable Encroachment Permit Application for 35 Laureldale Road. He stated that the Hillsborough Municipal Code defines outdoor fixtures as structures 18 inches or higher and to construct or modify outdoor fixtures within the public right-of-way requires public noticing to adjacent neighbors for a public hearing and City Council approval. He added that a signed and recorded revocable encroachment permit agreement is also required.

Mr. Kianpour provided photos of the existing conditions of the frontage, driveway and encroachment area. He also provided the front fencing and gate plan showing the new vehicular gate and column in the right-of-way. He reported that the approval will allow a new six to seven-foot black steel vehicular gate and column to enclose the front yard and improve the flow of vehicles and pedestrians to and from the driveway. He recommended that the application be approved.

The Councilmembers and Mr. Kianpour discussed the right-of-way at 35 Laureldale Road.

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, the resolution approving the Revocable Encroachment Permit Application for 35 Laureldale Road and the issuance of a permit upon the owner's recordation of the executed agreement was adopted.

13. CONSIDERATION OF ADOPTION OF A MITIGATED NEGATIVE DECLARATION (MND) AND MITIGATION MONITORING AND REPORTING PLAN (MMRP) AND DESIGN REVIEW APPROVAL FOR 39 GLENBROOK DRIVE

Director of Building and Planning Liz Cullinan provided a Power Point presentation on the 39 Glenbrook Drive single family residential project. She described the project as a new multi-level "French Provencal" style home and detached single story guest house totaling approximately 8,700 square feet (9.17% Floor Area Ratio). She stated that landscaping will include tree removal, a new driveway, new patios, retaining walls, new plantings, lawn areas and landscape lighting. She further stated that to accommodate the new residence there would be grading of 5,870 cubic yards with 1,290 cubic yards of off-haul resulting in approximately 129 truckloads to and from the site. She added that a total of 47 trees are proposed for removal in association with the landscape plan, and 111 new trees ranging from 15 gallon to 48 inch box sizes would be planted.

Ms. Cullinan reviewed the history of the project, which was originally approved at the December 6, 2004 Architecture and Design Review Board (ADRB) meeting, and she stated that the proposed project since then has been revised and was approved at the March 5, 2012 ADRB meeting. Ms. Cullinan compared the 2004 project with the current proposed project. She also reviewed zoning compliance of the proposed project.

Ms. Cullinan stated that there are two decision making components to the approval of the project. She reported that the Town had prepared an Initial Study, Mitigated Negative Declaration (MND) and Mitigation Monitoring and Reporting Plan (MMRP) to address potential geologic, biologic and hydrologic impacts related to the steep slope of the site, the grading and tree removal. She stated that the documents conclude that due to the mitigation measures proposed in the MND, there are no environmental impacts that would rise to a level of significance; however, the primary environmental concern as expressed through public commentary related to drainage and run-off associated with the increased hardscape proposed. She reported that the Engineering Division confirmed that with the required detention basins there would be no increased drainage or run-off. She explained that in order to approve the project, the City Council first needs to adopt the MND and MMRP on the finding that on the basis of the whole record there is no substantial evidence that the project will have a significant effect on the environment, that the MND reflects the City Councilmembers' independent judgment and analysis, and that the requirements of the MMRP avoid or substantially lessen the significant environmental effects to the maximum extent feasible.

Ms. Cullinan stated that the second component to the approval of the project requires that the City Council find that key elements for design approval are consistent with the Town's Zoning Code, General Plan, and Design Guidelines. She explained that these documents require that a project be consistent with quantitative development standards set forth in the Hillsborough Municipal Code (i.e. height, setbacks, size), be consistent with the Design Guidelines (including massing and neighborhood compatibility), be sensitive to the environment, the topography of the site and surrounding buildings, and that the project be of high quality, unique, and historically accurate architecturally. Ms. Cullinan reviewed how the key components of the proposed project were consistent with the Town's General Plan, Zoning Code and Design Guidelines.

Ms. Cullinan stated that a series of public comments had been received with the primary environmental issue relating to drainage and run-off associated with the increased hardscape proposed and design concerns relating primarily to landscaping and massing.

Ms. Cullinan reported that on April 9, 2012, the applicant submitted requests to revise Condition 4 of the March 12, 2012 ADRB approval letter to clarify what trees are subject to review and approval for removal in the future, and to revise Condition 1, second paragraph, of the City Council design resolution to eliminate reference to the Italian Cypress trees, and to incorporate City Council approval of the landscape plan revision submitted on April 9, 2012, which includes the replacement of three olive trees with four Arbutus Marina trees at the front/right side of the property.

Ms. Cullinan recommended that the second sentence of Condition 4 of the March 5, 2012 ADRB approval be revised as follows: The landscape plan shall show the existing trees between the home and the canyon, and provide that if any of these existing trees are to be removed, the property owner shall provide new screen trees to assure cross canyon screening is substantially similar to the existing screening conditions. The removal of trees greater than 12 inches in diameter at 48 inches above grade at the time of City Council approval, and their required replacement, is subject to Town review and approval.

Ms. Cullinan provided a slide showing the proposed revised landscape plan presented to staff on April 9, 2012.

Ms. Cullinan recommended that the City Council open the public hearing and receive public commentary, close the public hearing, and approve the resolutions adopting the

Mitigated Negative Declaration, Mitigation Monitoring and Reporting Plan and approving the project design with any design modifications deemed appropriate.

Mayor Kasten opened the public hearing.

Toby Long, project architect, provided an overview of the project and described the French Provencal style home with a harmonious palette tucked into the hill with beautiful gardens. He specifically mentioned the sustainability and conservation features of the project. He stated that careful consideration had gone into the selection of materials and the design and noted that the project includes a rain water collection system and other green building features. He provided comparative elevations of the project and explained the changes made to the architecture since the preliminary review and addressed screening issues with the adjacent neighbor at 41 Glenbrook Drive. He stated that the project received positive comments from the ADRB.

Penney Magrane, landscape architect, provided an overview of the landscaping plan which would consist of a Mediterranean landscape with terraces and the home nestled into the site like a French hillside home. She stated that the plan includes extensive screening of the house with layers of plantings and trees, moderate/low water use and low fire fuel plants, and improvements that would provide erosion control and improve drainage. She reviewed the proposed location of the Arbutus Marina, Olive trees and Oleander that would provide screening. She presented the new fence design at the front of the property and noted that the stairs have been eliminated from the front street scape to provide more privacy.

Bart Hechtman, land use counsel representing the homeowners, Will and Penny Knuff, commented that there were two things that needed clarification. He stated that there was disagreement with Condition 1 regarding the trees on page 115 of the City Council agenda packet and that he would like a decision made tonight. Mr. Hechtman also stated that he provided Ms. Cullinan with his revision to Condition 4 of the ADRB approval letter dated March 12, 2012, on page 109 of the City Council agenda packet, regarding screening for cross canyon views. He requested that the wording be revised to state that the new house is significantly screened from cross canyon views except for the top of the tower.

Penny Knuff, property owner of 39 Glenbrook Drive, provided background information on the project which began in 2003, and she stated that she and her husband Will have been involved in every aspect of the project. She also stated that every detail of the project has been carefully thought out and asked that the Councilmembers be as thoughtful in their deliberation.

Will Knuff, property owner of 39 Glenbrook Drive, also provided background information on the project and stated that the project without exception complies with all Town guidelines and that the project was unanimously approved by the ADRB at the March 5, 2012 meeting. He explained that five neighborhood meetings were held and that he felt that he fully understood the nature of his neighbors' comments regarding screening, privacy, drainage, and traffic management, and that meaningful concessions have been made to address his neighbors' concerns. He stated that his neighbors, the Salgos, have been given the opportunity to choose replacement trees, and that the Salgos have agreed to the Arbutus Marina trees. Mr. Knuff read the positive comments about the project from the March 5, 2012 ADRB meeting.

Mary Ann Basler, a Hillsborough resident, stated that her concern was about future drainage problems as there is no problem with the drainage now, and if the project is approved by the City Council, the Town should be responsible for future drainage problems. She expressed her concern about the removal of Oak trees and stated that the project should retain the Oak woodland, Deodar Cedar and Canary Pine trees to maintain neighborhood compatibility. She commented that there is no way to hide the house by tucking it into the hill. She added that the top level of the new home would be the height of a five or six story building when viewed from the street.

Assistant City Attorney Mark Hudak stated that the Town's Engineering Division confirmed that with the detention basin, there would be no additional run-off associated with the proposal and that staff concluded that the required drainage plan could accommodate a 25-year storm. He added that the Town would not be liable for drainage run-off if the project is approved, as drainage from private property is the homeowner's responsibility.

Roxann Salgo, a Hillsborough resident, stated that the Arbutus Marina trees would be okay, but that she did not want Olive trees to replace the Pine trees. She commented that she thought that the Arbutus Marina trees would be planted in the back area to screen the house. She stated that she did agree to putting a fence around the trees for screening. She further stated that Italian Cypress trees would be more to her and her husband's liking as she did not see how Olive trees would screen the new home.

Miklos Salgo, a Hillsborough resident, commented on the massing of the building as it would be the largest building on the street and that he was also concerned about screening. He stated that he was very happy with the plan for Arbutus Marina trees at the fire engine turnaround. He also stated that he was concerned about drainage.

Jim Toby, Civil Engineer for the Knuffs, explained the proposed drainage detention system to collect and control run-off releases to address drainage and run-off concerns. He stated that there could be 129 truckloads of dirt from the grading, but the number of truckloads could vary depending on the trucks used.

Richard Ruch, a Hillsborough resident, stated that his concern was the height of the new home as he could very clearly see the story poles for the roofline of the proposed home. He stated that he was also concerned about screening if only three-foot trees are planted as it would take a number of years for the trees to mature to provide the desired screening.

Mayor Kasten closed the public hearing.

The Councilmembers, Ms. Cullinan, Mr. Kianpour, and Ms. Magrane discussed the drainage, screening, trees, building height, massing, and ADRB's decision on the proposed project.

The City Council recommended that the resolution for design review approval be revised to include Condition 4 of the ADRB approval letter dated March 12, 2012, with the addition of the word "significantly" before "screened from cross canyon views except for the top of the tower" and that removal of and replacement of trees is subject to staff review and approval. The City Council also recommended that staff delete the paragraph that begins with "Of the seven Olive trees..." under "Conditions" on page 115 of the City Council agenda packet and add language that trees to be planted be consistent with Plan L-10 dated April 9, 2012, with the exception that Italian Cypress trees shall be incorporated into the general area of removal of the Deodar Cedar and Canary Island Pine to the extent feasible, and that replacement trees, quantities, and location is subject to staff's review and approval.

On motion of Councilmember May, seconded by Vice Mayor Benton, and unanimous on voice vote, the resolution adopting the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Plan for a new single family residence at 39 Glenbrook Drive was adopted.

On motion of Councilmember May, seconded by Vice Mayor Benton, and unanimous on voice vote, the resolution approving the project design was adopted with the revisions to include Condition 4 of the ADRB approval letter dated March 12, 2012, with the addition of the word "significantly" before "screened from cross canyon views except for the top of the tower" and that removal of and replacement of trees is subject to staff review and approval, and to delete the paragraph that begins with "Of the seven Olive trees..." under "Conditions" on page 115 of the City Council agenda packet and add language that trees to be planted be consistent with Plan L-10 dated April 9, 2012, with the

exception that Italian Cypress trees shall be incorporated into the general area of removal of the Deodar Cedar and Canary Island Pine to the extent feasible, and that replacement trees, quantities, and location is subject to staff's review and approval.

Mayor Kasten recessed the meeting at 9:27 p.m. Mayor Kasten called the meeting back to order at 9:31 p.m.

DISCUSSION:

14. UPDATE ON THE TEMPORARY FIRE STATION PROJECT

Fire Chief Don Dornell provided a Power Point presentation on temporary Fire Station 35. He stated that the purpose of the temporary fire station is to demonstrate to the communities that two fire stations can be consolidated into a better location that will reduce overall costs and not adversely impact the communities. He reported that the project goals are to select an appropriate site, develop site plans, hold neighborhood meetings, select contractors, and complete the temporary station and begin evaluation by fall 2012.

Chief Dornell stated that on August 8, 2011, the City Council approved proceeding with a temporary fire station to be shared with the Millbrae Fire Department. He stated that staff had recommended the Skyline Boulevard site owned by the City of Burlingame. He also stated that a preliminary site evaluation and discussion was held with San Mateo County and City of Burlingame Community Development Department.

Chief Dornell reviewed the start-up costs for site survey and title search, a records management system, Telestaff staffing program, and G2 Solutions project management for a total start-up cost of \$88,800. He explained that currently there are three separate records management systems in use, but with the new records management system there would be standardized codes for inspections, billing, incident reporting, occupancy tracking, response codes, and required fields for data entry. He added that creating a new database will maintain consistency for administrative needs.

Chief Dornell stated that G2 Solutions is experienced in project management of fire station development including impacts on neighborhoods and fire department daily operations, such as apparatus size and capabilities, personnel needs, and response protocols and solutions. He reported that the \$23,000 oversight cost versus the standard 10% project management cost will save approximately \$37,000.

Chief Dornell reported that the temporary fire station estimates are \$320,000 for excavation and structures, \$75,000 for utilities, \$40,000 for station equipment, \$25,000 for communications (station alerting and base radios), and \$40,000 for IT equipment (computers, T1 lines and cabling) for a total construction and site development of \$500,000.

Chief Dornell stated that the combined start-up and construction and site development costs will be \$588,800 with Millbrae's share \$294,400, Burlingame's share \$176,640, and Hillsborough's share \$117,760. He added that the initial estimate brought to the City Council was \$800,000.

Chief Dornell stated that the next step would be for staff to draft a cost sharing agreement with the City of Millbrae that will address the need to split costs 50/50 on the project, and to bring the cost sharing agreement to the City Councils and Fire Board in April or May of 2012.

The Councilmembers and Chief Dornell discussed temporary Fire Station 35.

Chief Dornell stated that the temporary station would be a modular 36 foot by 60 foot prefabricated structure that could later be used for storage.

Vice Mayor Benton asked when the temporary station would be completed. Chief Dornell replied that the temporary station would take four months to complete after approval, and therefore should be completed in November 2012.

Mayor Kasten thanked Chief Dornell.

PUBLIC COMMENT:

There were no public comments.

CITY COUNCIL ITEMS:

Councilmember Krolik announced that letters for underwriting the 3rd Annual Memorial Day Parade will be sent out and she commented on the significance of recognizing veterans.

Councilmember Krolik announced that a Hillsborough Neighborhood Network town wide meeting will be held on Monday, April 23, 2012, in the Council Chambers.

Councilmember Krolik announced that there will be a Hillsborough Reads event at Town Hall on Wednesday, April 25, 2012, with New York Times bestselling author Alice LaPlante.

Mayor Kasten announced that the Council of Cities Dinner/Meeting will be held in the Council Chambers on Friday, April 27, 2012, with speakers from the Secret Service and FBI.

Vice Mayor Benton announced that he attended the Commission on Disability Breakfast on Wednesday, April 4, 2012. Mayor Kasten thanked Vice Benton for attending for him.

Mayor Kasten recognized Sergeant Nelson Corteway for the outstanding feedback from the Identity Theft training held on Wednesday, March 7, 2012, which was extremely well-received by the Peninsula Estate Planning Council.

ADJOURN:

Mayor Kasten adjourned the meeting at 10:03 p.m.