MINUTES
REGULAR CITY COUNCIL MEETING
MONDAY, MAY 14, 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 April 9, 2012 City Council meeting were approved as submitted.

RECOGNITION:

- Councilmember Marie Chuang recognized Central County Firefighter Drew Johnson for being awarded Car Crazy Promotion's 2011 Annual Car Show's "Most Outstanding Fire Apparatus" Award for the Hillsborough Fire Department's 1936 American La France Scout Fire Engine.

PRESENTATIONS:

- Councilmember May recognized Architecture and Design Review Board (ADRB) Committee Member Mark Heine with a Certificate of Appreciation for serving as ADRB Chair from January 2009 through March 2012 and as a Committee Member from April 2006 through March 2012. Mr. Heine thanked the City Council for the opportunity to serve on the committee and stated that he enjoyed interacting with the Town and working with the Town's Planners. Mayor Kasten thanked Mr. Heine for volunteering his time and efforts.

- Vice Mayor Benton recognized Finance Director Edna Masbad and the Finance Department for receiving the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting Award for the tenth consecutive time. He thanked Ms. Masbad and Assistant Finance Director Marie Bernardo for achieving the award as it is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. He thanked the Finance Department for their enormous effort to put the Town's budget together.

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

CONSENT CALENDAR:

1. MONTHLY CLAIMS: APRIL 1 THROUGH APRIL 30, 2012

   Vice Mayor Benton stated that there are three to four landscapers maintaining the Town's islands and public spaces at an annual cost of $60,000 to $70,000, and asked if any thought was given to consolidating the landscape maintenance work to one contractor. Councilmember Krolik replied that she believed that the Hillsborough Beautification Foundation (HBF) used the vendors that installed the landscaping to maintain the landscaping because a discount is given for the landscaping project if maintenance is included and that the vendor becomes accountable for the landscaping once installed. Public Works Superintendent John Mullins stated that that was correct, the installation vendor is the maintenance vendor, and added that 100% of the funds for the landscape and maintenance of the Town's islands and public spaces is from HBF.

   Vice Mayor Benton asked if Duke's Root Control was the sole source provider when the Town sent out the request for proposals for sewer root control because of the root control product allowed by San Mateo County in the sewer system. He stated that he wanted to make sure that the project was competitively bid. Mr. Mullins replied that the project for sewer root control was competitively bid by two vendors.

On motion of Vice Mayor Benton, seconded by Councilmember Krolik, and unanimous on voice vote, the monthly claims for the month of April 2012 in the amount of $1,832,905.04 were approved as submitted.

2. RESOLUTION OF INTENTION TO APPROVE AN AMENDMENT TO THE CONTRACT BETWEEN THE CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM (CALPERS) AND THE CITY COUNCIL OF THE TOWN OF HILLSBOROUGH

   The Resolution of Intention to approve an amendment to the Miscellaneous contract between CalPERS and the Town of Hillsborough was adopted.

3. ORDINANCE AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM (CALPERS) AND THE CITY COUNCIL OF THE TOWN OF HILLSBOROUGH - INTRODUCTION

   The ordinance authorizing an amendment to the contract between the California Public Employees Retirement System (CalPERS) and the City Council of the Town of Hillsborough was introduced and the first reading was waived. June 11, 2012, was set as the public hearing date to consider adoption of the ordinance.

4. ORDINANCE AMENDING SECTION 8.16.030.G OF THE HILLSBOROUGH MUNICIPAL CODE - INTRODUCTION

   The ordinance amending Section 8.16.030.G of the Hillsborough Municipal Code was introduced and the first reading was waived. June 11, 2012, was set as the public hearing date to consider adoption of the ordinance.

5. 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.

6. 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.

7. RESOLUTION APPROVING A CSG WORK ORDER FOR PROGRAM MANAGEMENT FOR THE EL CERRITO / CRYSTAL SPRINGS TRUNK SEWER IMPROVEMENTS

   The resolution approving the CSG work order in the amount of $38,500, allocating the same from the Sewer Capital Improvement Fund – El Cerrito / Crystal Springs Trunk Sewer Improvements, and authorizing the City Manager to sign the CSG work order on behalf of the Town was adopted.

8. RESOLUTION ALLOCATING $41,000 FOR EMERGENCY STREET REPAIRS THROUGHOUT THE TOWN

   The resolution allocating $41,000 from the General Fund Reserve for the emergency street repairs and associated maintenance of the Town’s streets was adopted.

9. RESOLUTION ALLOCATING $56,000 FOR EMERGENCY SEWER PUMP REPAIRS AT THE HAYNE SEWER LIFT STATION

Mayor Kasten suggested that an article be included in the next Town quarterly newsletter highlighting the problems with flushing certain items into the sewer system. Public Works Director Matt O'Connor stated that the Town's website has a section on the Town's sewer systems and lists what not to flush down the toilet. He further stated that he would tie in that information with the Town's schools and Town's e-Announcement.

On motion of Mayor Kasten, seconded by Councilmember May, and unanimous on voice vote, the resolution transferring $56,000 from the Sewer Fund to the Public Works Pump Maintenance Budget and authorizing payment of approximately $56,000 to Pump Repair of San Francisco was adopted.

10. RESOLUTION AUTHORIZING THE PURCHASE OF TWO IN-CAR DIGITAL VIDEO RECORDERS

Councilmember Chuang asked how beneficial the in-car digital video recorders were for the Police Department. Police Chief Mark O'Connor replied that the digital video recorders are a good system and that seven of the nine police cars already have the digital video recorders in use. He stated that the system is connected to the police station via the wireless local area network.

The Councilmembers and Chief O'Connor further discussed the in-car digital video recorder system.

On motion of Councilmember Chuang, seconded by Councilmember May, and unanimous on voice vote, the resolution authorizing the Police Department to purchase two L3 Communication Mobile Vision in-car digital video systems for the bid amount of $10,690 to be funded by the SLESF grant, and authorizing a 10% contingency for additional unforeseen expenses related to the replacement project in the amount of $1,069 was adopted.

11. NEW SIGN FOR HILLSBOROUGH SCHOOLS FOUNDATIONS' FUN RUN

Councilmember Krolik stated that she supports the Hillsborough Schools Foundation's (HSF) Fun Run 100% and she stated that if HSF would like to promote the Fun Run, a table could be provided at North School during the Hillsborough Memorial Day Parade event.

On motion of Councilmember Krolik, seconded by Councilmember May, and unanimous on voice vote, the new sign for the Hillsborough Schools Foundation's Fun Run was approved.

PUBLIC HEARING:

12. RESOLUTION ADOPTING THE 2012-2013 OPERATING AND CAPITAL BUDGET

Assistant City Manager Kathy Leroux reported that the Town's budget for fiscal year 2012-2013 was presented to the City Council earlier this evening at a Study Session. She stated that the proposed budget represents the Town's financial plan for all programs and services, and that it is a balanced operating budget, including that of the General Fund and Water and Sewer Operations. She further stated that the Capital Budget is partly funded from prior year reserves and loans from the state revolving fund and that it reflects adequate reserve levels and compliance with the Town's budget and fiscal policies for all funds. She added that the Capital Program is consistent with the Town's General Plan.

Ms. Leroux recommended that the City Council open the public hearing and receive comments, close the public hearing and adopt the resolution adopting the 2012-2013 Operating and Capital Budget.

Vice Mayor Benton stated that the Financial Advisory Committee (FAC) thoroughly reviewed the Operating and Capital Budget for six to eight hours in three different meetings and that the FAC did recommend approval for the Operating and Capital Budget.

Mayor Kasten thanked the Town's management and all employees for the spirit of collaboration to balance the budget. He stated that the quality and leadership of the Town's employees have made it easier for the City Council to approve a balanced budget.

Councilmember May stated that it was a terrific Study Session presentation and budget book. He thanked Finance Director Edna Masbad and Assistant Finance Director Marie Bernardo.

Councilmember Chuang thanked Town staff and the FAC. She stated that she enjoyed reading the budget book and that she thoroughly appreciated management's leadership and staff's collaboration to balance the budget.

Mayor Kasten announced that it was the first time that Ms. Leroux took leadership in the Town's Operating and Capital Budget and that she did an excellent job.

Mayor Kasten pointed out that the revised resolution provided to the City Council shows the deduction for the water and sewer capital improvement plan and other funds funded by borrowing and prior year's reserves for the total operating expense.

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

On motion of Vice Mayor Benton, seconded by Councilmember Krolik, and unanimous on voice vote, the resolution adopting the 2012-2013 Operating and Capital Budget was adopted.

13. RESOLUTION AUTHORIZING SEWER SERVICE CHARGES AND WATER AND SEWER CONNECTION FEES EFFECTIVE JULY 1, 2012

Assistant Finance Director Marie Bernardo stated that staff is recommending a resolution for sewer service charges and water and sewer connection fees which will take effect beginning July 1, 2012. She reported that this coming fiscal year's rate increase is based on the comprehensive water and sewer rate study conducted in 2010, which the City Council approved on April 11, 2011. She stated that the recommended sewer rate will increase by 7% for a total amount of $1,898 per parcel for the Town's 3,876 parcels, and accordingly the non-residential accounts consisting of the Hillsborough City School District and private clubs are computed based on a three-year average for winter water use for fiscal years 2009-2010, 2010-2011 and 2011-2012.

Ms. Bernardo stated that the water and sewer connection fees will increase by 2.9% based on the Engineering News Record Construction Cost, a 20-city average index in accordance with the Town's ordinance under Section 13.20.030 and 13.32.105.

Ms. Bernardo recommended that the City Council adopt the resolution authorizing sewer service charges and water and sewer connection fees for fiscal year 2012-2013 effective July 1 2012.

The Councilmembers and Ms. Bernardo discussed the rate increases.

The City Council recommended that staff notify Hillsborough City School District, Crystal Springs Uplands School, and Nueva School about the rate increases before they take effect since those accounts will see the highest rate increases on July 1, 2012.

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 resolution authorizing sewer service charges and water and sewer connection fees for fiscal year 2012-2013, effective July 1, 2012, was adopted.

14. RESOLUTION SETTING AND CONFIRMING THE FEES AND CHARGES FOR FISCAL YEAR 2012-2013

Assistant Finance Director Marie Bernardo stated that the budget document is included in the Town's Master Schedule of Fees and Charges under Appendix A, pages 1 thru 15 of the Budget Book. She reported that annually, the City Council is required to adopt by resolution the fees and charges for the following fiscal year. She added that the only variable is charges for specific services which are based on the current fully loaded hourly rate.

Ms. Bernardo recommended adoption of the Town's Schedule of Fees and Charges and the related Cost of Allocation Plan for fiscal year 2012-2013.

Vice Mayor Benton reported that the Financial Advisory Committee (FAC) reviewed the fees and charges. He stated that the FAC requested that the committee be acquainted with the various Building and Planning fees and charges at a future FAC 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 Chuang, and unanimous on voice vote, the resolution setting and confirming the fees and charges for fiscal year 2012-2013 was adopted.

15. ORDINANCE AMENDING CHAPTER 8.12 OF THE HILLSBOROUGH MUNICIPAL CODE REGARDING GARBAGE AND WASTE - ADOPTION

Assistant Finance Director Marie Bernardo stated that staff has requested the adoption of the ordinance amending Chapter 8.12 of the Hillsborough Municipal Code regarding garbage and waste collection and charges. She reported that as introduced at the April 9, 2012 City Council meeting, Section 8.12.030 added Section E requiring payment of such charges as approved and established by the City Council. She stated that new Section 8.12.090 provides that the Town shall have the option of contracting with the San Mateo Tax Collector to assess the $25 per month flat fee or $300 per year per parcel with structure with $1,164,600 in total revenues for the 3,882 parcels. She further stated that new Section 8.12.100 is added regarding emergency removal by any person where such removal is necessary for the protection of the public health.

Ms. Bernardo recommended adoption of Sections 8.12.030, 8.12.090 and 8.12.100 of the Hillsborough Municipal Code.

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 ordinance amending Chapter 8.12 of the Hillsborough Municipal Code regarding garbage and waste was adopted.

OLD BUSINESS:

16. ORDINANCE AMENDING CHAPTER 13.32 OF THE HILLSBOROUGH MUNICIPAL CODE AND ADDING A NEW CHAPTER 13.33 REGARDING PRIVATE SEWER LATERALS – INTRODUCTION

Public Works Director Matt O'Connor reported that three extensive community outreach workshops have been conducted with positive feedback from residents. He presented

Engineering Consultant Dennis Diemer to provide more information on the private sewer lateral inspection and repair ordinance.

The Councilmembers, City Attorney Norm Book and Mr. Diemer discussed the private sewer lateral inspection and ordinance and proposed loan program for private sewer lateral repairs.

Mr. Book recommended that Section 13.33.100.A be modified to read "The town *may* implement a program for providing financial loans to property owners upon whom the burden of the town's I&I elimination program would impose a financial hardship."

The City Council recommended that the last sentence of Section 13.33.040.F.1 be revised to read "Properly installed plumbing *and storm drainage* fixtures will not allow the smoke to escape into the structures served." The City Council also recommended that Section 13.33.070.B be revised to read "When the town inspects, and repairs or replaces if necessary, the lower portion of a lateral, the town will also evaluate the upper portion of the lateral unless evidence satisfactory to the city engineer is provided that documents that the upper lateral has been newly installed*, has been* fully replaced in accordance with town standards within the preceding five years*, or the property owner has a current Compliance Certificate."* The City Council also recommended that Section 13.33.080.A.2 be revised to read "If a homeowner wishes to obtain a Compliance Certificate at any time other than when the town is rehabilitating the public sewer main serving the property, the owner shall *provide documentation demonstrating compliance or shall* arrange for a pressure test to be conducted; *the pressure test* must be observed and approved by the town's Inspector."

On motion of Councilmember Krolik, seconded by Councilmember May, and unanimous on voice vote, the ordinance, as amended, amending Chapter 13.32 of the Hillsborough Municipal Code and adding a new Chapter 13.33 regarding private sewer laterals was introduced and the first reading was waived. June 11, 2012, was set as the public hearing date to consider adoption of the ordinance.

DISCUSSION:

17. CITY MANAGER RECRUITMENT PROCESS

City Manager Anthony Constantouros stated that he wanted to discuss options for the recruitment process for the City Manager position which will be vacant as of December 31, 2012.

Mayor Kasten stated that a subcommittee consisting of Vice Mayor Benton and himself was created to deal with the recruitment of a new City Manager.

Mr. Constantouros stated that the key question was whether the Town should hire a professional recruiter as funds have been included in the 2012-2013 budget for a recruiter.

Councilmember Krolik asked what the time line was for hiring a new City Manager. Mr. Constantouros replied that a new City Manager should be selected by November 2012.

The Councilmembers and Mr. Constantouros further discussed the City Manager recruitment process.

The City Council directed staff to invite four to five recruiters to be interviewed by the City Manager Recruitment Subcommittee and for the subcommittee to report back to the City Council to have the City Council as a whole choose a recruiter at a future City Council meeting.

INFORMATIONAL:

18. UPDATE ON RECENT ARRESTS IN CONNECTION TO HILLSBOROUGH RESIDENTIAL BURGLARY CASES

Police Chief Mark O'Connor provided a Power Point presentation on the update on the arrest of two suspects connected to several open residential burglary cases in Hillsborough over recent weeks.

Mayor Kasten thanked Chief O'Connor for the update and thanked those involved in the capture of the suspects.

PUBLIC COMMENT:

There were no public comments.

CITY COUNCIL ITEMS:

Councilmember Krolik announced that the 3rd Annual Memorial Day Parade will be held on Monday, May 28, 2012, and that Hillsborough City School District Superintendent Anthony Ranii will be the event's emcee this year.

Councilmember Chuang announced that at the Central County Fire Department Board Meeting on Tuesday, April 24, 2012, that the new labor agreement was approved with significant concessions, including reducing fire truck staffing from four to three, giving up one holiday, and a two-tier retirement plan.

Vice Mayor Benton announced that he has stepped down as Chair of the Central County Fire Department Board of Directors and that Burlingame Mayor Jerry Deal will be the new Chair and Councilmember Chuang will be the Vice Chair.

Councilmember Krolik announced that approximately 50 people attended the Hillsborough Reads event at Town Hall on Wednesday, April 25, 2012, with New York Times bestselling author Alice LaPlante. She stated that Kathy Garver, Cissy from Family Affair, is the next scheduled speaker for Hillsborough Reads.

Mayor Kasten announced that the Chair of C/CAG (City/County Association of Governments of San Mateo County) sent a letter to the California High-Speed Rail Authority in support of a blended rail system to close the door on a four-track rail system and not in support of the High-Speed Rail financial plan.

Police Department Executive Assistant LeAnn Thornton reported on the Operation Eagle Visit which includes a visit by the Town's Adopt-A-Unit at Town Hall at 11:15 a.m. on Saturday, May 26, 2012.

ADJOURN:

Mayor Kasten adjourned the meeting at 8:04 p.m. in memory of former City of San Mateo Mayor John Lee.