



**MILLBRAE CITY COUNCIL  
MILLBRAE REDEVELOPMENT AGENCY  
MINUTES  
January 12, 2010**

**CALL TO ORDER MILLBRAE CITY COUNCIL AND REDEVELOPMENT AGENCY**

Mayor Seto called the meeting to order at 7:00 p.m.

**ROLL CALL:** Mayor/Agency Chair Paul Seto, Vice Mayor/Agency Vice Chair Daniel F. Quigg, Council/Agency Members Marge Colapietro, Gina Papan, and Nadia V. Holober

PLEDGE OF ALLEGIANCE TO THE U.S. FLAG – Millbrae Boy Scout Troop 355

Troop leader Richard Warfield noted that the Troop had a successful food drive benefiting the Salvation Army during holiday season, and thanked Millbrae residents for their support. He also noted that 2010 is the 100<sup>th</sup> Anniversary of the Boy Scouts of America.

1. **CEREMONIAL/PRESENTATION**

- John Ford, President, Millbrae Chamber of Commerce  
Presentation of Donation Check for Tree Lighting

John Ford thanked everyone involved with tree lighting on December 5<sup>th</sup> and presented a \$1,500 check to the City to help offset the costs of tree lighting. He thanked the community for their support of the Shop and Dine Program during the holiday season.

2. **AGENDA OVERVIEW/STAFF BRIEFING**

City Manager Marcia Raines reviewed the agenda items. She introduced Acting City Clerk Angela Louis.

- Informational Report Regarding Bills, Claims, and Payroll
- Report out from Closed Session - NONE

3. **APPROVAL OF MINUTES**

- Regular Meeting of November 24, 2009
- Special Meeting of December 4, 2009
- Regular Meeting of December 8, 2009

Upon a motion/second by Quigg/Papan, the minutes were unanimously approved.

4. **ORAL REPORT FROM CITY COMMITTEE/COMMISSION CHAIRS**

- Senior Advisory Committee - Announcing January 23, 2010 Health and Wellness Fair

Recreation Superintendent Mike Wride introduced Senior Advisory Committee Chair Patricia Realini and Committee Member Mary Somers who would give an update on the activities of the Senior Advisory Committee and announce the upcoming 4<sup>th</sup> Annual Health and Wellness Fair.

Chair Realini stated that in July the Committee voted to transfer \$11,000 from their donation account to the Senior Center programs account to support the monthly birthday lunch program, the newsletter, monthly refreshments, and transportation. The Senior Center serves between 400-500 seniors per week. Beginning in February, a free monthly lecture series will be held at the Senior Center.

Committee Member Mary Somers announced that the Senior Advisory Committee is hosting the 4<sup>th</sup> Annual Health and Wellness Fair on Saturday, January 23, 2010 from 10:00 a.m. to 2:00 p.m. at the Community Center. Everyone is invited to attend. The Fair will offer:

- demonstrations
- service providers
- health screenings
- light refreshments
- door prizes
- on site blood mobile

### **CITIZEN COMMUNICATION**

Wynn Grcich, Hayward resident, reported on toxic sewage sludge and how it is being used as organic matter and sold as fertilizer. She also spoke on radioactive contamination in drinking water.

Lou Sandrini, Millbrae resident, commented on the garbage contract approved by Council in November. He noted:

- the decision to not bid the contract was ill advised;
- rate increases are guaranteed for up to 24 years;
- rates increase regardless of Scavenger's profits;
- does not provide a method for several rates;
- Scavengers sets the rates which are based on cities they pick;
- City can not do anything about rate increases;
- rates are not prescribed by as in the contract;
- City has little or no contract leverage.

### **CONSENT CALENDAR**

Councilmember Colapietro commented on item 7:

- pleased that the proposed contractor has indicated that will take prior reports by the agencies;
- areas of overall cost savings would be identified;
- discussions concerning operating arrangements and shared services;
- requested Council updates throughout the analysis.

Mayor Seto requested that future reports regarding Fire Shared Services be made to Council.

Councilmember Papan commented on item 6. Converting the street lights to LED is a great program. Currently only 18% will be converted, she would like to see the entire City converted and queried if the savings from the LED lights could be put aside to fund future conversions.

Vice Mayor Quigg noted that the lights on the holiday tree were LED. He stated that Millbrae is lucky to have a moderate climate that will allow for the use of LED lights and noted that several City traffic lights are already LED.

Upon a motion/second by Papan/Quigg Consent Calendar items 5-8 were unanimously approved.

5. Investment Report for Period Ending November 30, 2009
6. Resolution No. 10-01 Approving Use of Grant Program Stimulus Funding for LED Street Lights
7. Resolution No. 10-02 Approving Agreement with Citygate Associates for Fire Shared Services/Merger Implementation Analysis
8. Annual Report Regarding Developer Impact Fees for FY 08-09

**PUBLIC HEARING**

NONE

**OLD BUSINESS**

9. Authorization to Seek Bids: Phase II of the Millbrae Fields Renovation Project, Plans and Specifications No. 016

Richard Mao of CSG Consultants, Inc., Project Manager of the Millbrae Fields Renovation Project stated that in 2008, the City of Millbrae and the Millbrae School District agreed to jointly fund the reconstruction of the sports fields at Lomita Park, Meadows, Spring Valley, Green Hills, and Taylor Middle School. Phase I includes Lomita Park, Meadows, and Spring Valley. Phase II includes Taylor and Green Hills. Originally, the proposed budget was \$3.5 million, with the City and School District sharing equivalent funding at \$1.75 million each. It was recently discovered that the District only allocated \$1.5 million in their budget. District staff was able to reallocate an additional \$200,000 to bring the project to up to \$1.7 million, pending School Board approval. The City will allocate \$1.7 million as well, bringing the total for the project to \$3.4 million. The cost of Phase I was \$1.82 million which allows for approximately \$1.58 million for Phase II. The original estimate for Phase II was \$1.9 million and direction has been given to the architect to reduce the scope of work. The main feature of the renovation will be the drainage of the fields. Other items will be placed as alternate bid items, and if the bids come in low, some of those items can be added back into the project. He noted that the lower field at Green Hills would be placed as an alternate bid item at this time, as it is primarily used as a practice field. The playground structures at Lomita Park and Green Hills were removed with subsequent inspection deemed as non compliant and could not be reinstalled. He stated that staff concurs that this is part of the project but with the budget constraints it can not be added back into the project until after the bid. He recommended that Council adopt a motion to authorize staff to seek bids for Phase II.

City Manager Marcia Raines noted that Superintendent Martin was present at tonight's meeting and that the School Board received an update on the project at their Board Meeting on January 11<sup>th</sup>.

Councilmember Papan noted the following:

- the lower field at Green Hills is not for practice only, games are played there all the time;
- why the playground on the field at Green Hills will not be relocated?
- will there be upgrades to the other playground at Green Hills?

Mr. Mao noted that that the playground in question is not part of the project.

Trustee Caroline Shea was invited to speak and she noted that the playground structure that is on the black top is not in this project and is on School Districts their long term planning list. Lomita Park has no playground structure at this time.

Councilmember Papan inquired if the second playground from Green Hills could be reused at Lomita Park.

Trustee Shea stated that the playground could not be reused as they are pre-approved structures by the Department of State Architect Review.

Councilmember Papan again noted that the lower field at Green Hills is used all of the time and asked if the renovation of this field was being put off.

Mr. Mao stated that the lower field is in the alternate bid. The current bid structure is based on the base bid plus alternate bids.

Councilmember Holober asked for clarification on the lowest responsible and alternate bid. How will the lowest responsible bid be determined. She also noted that a couple of years back the law changed with regards to public contracting and how they were advertised.

Mr. Mao stated that the base bid plus the alternate bids would determine the lowest responsible bid.

Upon a motion/second by Papan/Colapietro, Council unanimously adopted a motion directing staff to seek bids for Phase II of the Millbrae Fields Renovation Project, Plans and Specifications No. 016.

## **NEW BUSINESS**

### 10. Report Regarding the Comprehensive Annual Financial Report (CAFR)

Finance Director LaRae Brown stated that the Comprehensive Annual Financial Report (CAFR) represents the financial position and the changes in the financial position for the fiscal year ending June 30, 2009. The CAFR is presented in three parts: 1). Introductory Section, 2). Financial Section, and 3). Statistical Section. She noted that General Fund is the chief operating fund of the City and the total ending Fund balance on June 30, 2009 was \$2,748,966.

Councilmember Colapietro thanked Ms. Brown and the staff who worked on the CAFR. She noted the following:

- statement by Maze and Associates that the City of Millbrae was in conformity;
- cumulative fund balances increased 2.80% compared with FY 07-08;
- total assets exceed our liabilities as of June 30 2009;
- comment on our Wastewater Treatment Plant loan obtained through stimulus monies;
- the City received a certificate of achievement for excellence in financial reporting.

Councilmember Papan thanked Ms. Brown for her report. She stated that she was on a recent conference call with the Governor's Office regarding the Governor's budget and, there is much uncertainty about what other cuts are coming our way. Hopefully additional businesses and revenues will be coming in, but the City needs to prepare for what the state may be planning to take away. The League of California Cities is working on protecting cities from any further takeaways or unfunded mandates. The City has been responsible in not spending what it does not have.

Vice Mayor Quigg concurred with his colleagues' comments.

Mayor Seto noted that the challenge we have is still ahead of us because when the local economy and the state economy turns, the City feels it later on, and this needs to be kept in mind.

Upon a motion/second by Quigg/Colapietro, the Council unanimously accepted the Comprehensive Annual Financial Report for period ending June 30, 2009.

#### 11. Quarterly Budget Update for Fiscal Year 2009-2010

Finance Director LaRae Brown indicated that the second quarter of the fiscal year ended on December 31<sup>st</sup>, and revenue for this quarter is still being received. Overall revenues are coming in as projected, and there are no significant deviations from the budget projections. Our operating costs are on target. In depth budget discussion will be at the mid year budget review in early spring.

Vice Mayor Quigg inquired about the Hotel Occupancy Tax funds; it is currently lower than projected. This is a concern, especially since the recent 2% increase.

Ms. Brown stated that we are on track with our Hotel Tax, only the first 5 months of the fiscal year are represented.

Councilmember Holober noted that year to date; only 41% of projected revenues have come in, and inquired if the City was waiting on other taxes.

Ms. Brown noted that all state taxes have been postponed until May. The City has received the following taxes:

- Property Tax in the amount of \$3.2 million arrived in December and one-half of our Proposition 1A Funds in the amount of \$242,000 will be deposited on January 15<sup>th</sup>;
- Sales Tax in the amount of \$545,000 represents the first four months of this fiscal year;
- Hotel Occupancy Tax in the amount of \$1.2 million represents the first five months of the fiscal year;
- Franchise Tax will be received in April;
- Business License Tax in the amount of \$318,000 received;
- Building Permits, Engineer and Planning Fees in the amount of \$271,000 received and in line with budgeted projection of \$578,000.

Vice Mayor Quigg noted that with the state delaying payments, borrowing property taxes, and taking Redevelopment Agency money, it is becoming more and more difficult to operate. The City is trying to be prudent by balancing its budget, but it is difficult to do so given the current conditions with the state.

Councilmember Colapietro inquired as to length of the deferment.

Ms. Brown noted that the City would receive the deferred monies in May.

Upon a motion/second by Colapietro/Quigg, the Council unanimously accepted the first and second quarter budget update report for fiscal year 2009-2010.

12. Amendment to Municipal Code to Eliminate Article III of Chapter 2.05 and Related Provisions Regarding City Treasurer Position
  - Waive 1<sup>st</sup> Reading
  - Introduce Ordinance

City Attorney Joan Cassman stated that the Municipal Code needs to be updated to bring it into compliance with the voters' decision of November 3, 2009, to transition the City Treasurer from an elective position to an appointive position. In order for the Code to reflect properly what the voters approved, the proposed ordinance would:

- eliminate Article III of Chapter 2.05, which describes the City Treasurer position as an elective office;
- amend all other sections of the Municipal Code which reference the city treasurer. In some cases the reference will be deleted and in other sections "director of finance: will be substituted where the term city treasurer was, for the purpose of establishing whom monetary obligations should be submitted;
- authorize the City Manager to assume responsibility for the function of city treasurer and to make the necessary appointments to carry out the duties in accordance with City rules and regulations;
- repeal the 1951 City of Millbrae Ordinance No. 60 which created the position of "Deputy City Treasurer".

Mayor Seto noted if there would be a substitute for the position in the event that the Director of Finance was unavailable or if there was an absence in that position.

Vice Mayor Quigg stated that the City Manager will direct that this position be filled and that the duties associated with the position will be taken care of.

Councilmember Holober inquired about Council's role when an independent outside consultant is hired.

Ms. Cassman stated that it would depend on the amount; the City Manager has authority up to \$50,000 per the City rules and regulations.

Vice Mayor Quigg noted that in the past the auditors would be rotated and the City would go out to bid as well.

Ms. Cassman noted that the City goes out every five years to compare and evaluate the proposals received. This does not mean the City will change firms if the one being used presents the most reasonable proposal.

Upon a motion/second by Papan/Quigg, the Council unanimously adopted a motion to waive the first reading and introduce an ordinance amending the Millbrae Municipal Code to implement the appointive position of City Treasurer.

**COUNCIL COMMENTS**

Councilmember Holober stated that none of her committees had met. She wished everyone a Happy New Year, welcomed students back to school, and stated that she looked forward to working with everyone.

Councilmember Papan congratulated Bob Marshall of Marshall Realty for receiving SAMCAR's Community Service Award. She reminded everyone that they could opt out from receiving the yellow pages by going on-line to [www.yellowpagesoptout.com](http://www.yellowpagesoptout.com). She also requested that tonight's meeting be adjourned in memory of Millbrae resident Peter Pappageorge.

Councilmember Colapietro noted she attended the following meetings/events:

- Office of Emergency Services monthly MURS radio meeting;
- Millbrae Elementary School District Reorganization meeting;
- Senior Advisory Committee meeting;
- San Mateo County Council of Cities meeting, and was recently elected the 2010 Vice President;
- meeting with representatives of St. Dunstan's Knights of Columbus regarding the cancellation of SamTrans bus route 342;
- retirement party for City Clerk Deborah Konkol;
- Youth Advisory Committee to discuss the Bill of Rights for Children and Youth;
- the Central Peninsula Church of Millbrae service on January 10<sup>th</sup>;
- the League of California Cities campaign kick off meeting in Foster Cit on January 11<sup>th</sup>.

Vice Mayor Quigg stated that none of his committees had met. He wished everyone a Happy New Year.

Mayor Seto wished everyone a Happy New Year and congratulated David Petrovich on his recent appointment as Acting Community Development/Parks Director and Angela Louis as Acting City Clerk. He announced the following upcoming events:

- January 21<sup>st</sup> - Excellence in Business Awards Dinner hosted by the Chamber of Commerce;
- January 23<sup>rd</sup> - Millbrae Lions Club Crab Cioppino Dinner;
- January 23<sup>rd</sup> - 4<sup>th</sup> Annual Health and Wellness Fair.

**RECESS REDEVELOPMENT AGENCY AND ADJOURN CITY COUNCIL**

There being no further regular business, the Redevelopment Agency recessed and the City Council adjourned in memory of Millbrae resident Peter Pappageorge at 8:21 p.m.

**RECONVENE REDEVELOPMENT AGENCY****CLOSED SESSION**

Conference with Real Property Negotiators  
Government Code §54956.8  
Address: 1388 Broadway, Millbrae, CA 94030  
Negotiators for Agency: Executive Director and City Attorney  
Negotiators for Owner: Representatives of Silverstone Development

**ADJOURN REDEVELOPMENT AGENCY**

There being no further business, the Redevelopment Agency adjourned at 9:30 p.m.

/s/ Angela Louis  
/s/ City Clerk

/s/ Paul Seto  
/s/ Mayor