



CITY COUNCIL/REDEVELOPMENT/GVMID

MINUTES

CITY COUNCIL REGULAR MEETING

JULY 7, 2008

BRISBANE COMMUNITY CENTER/LIBRARY, 250 VISITACION AVENUE, BRISBANE

CLOSED SESSION

At 7:00 p.m., the City Council met in closed session in the Library Conference Room.

- A. Conference with labor negotiator regarding International Association of Fire Fighters and Police Commander Unit; pursuant to Government Code Section 54957.6**

CALL TO ORDER/FLAG SALUTE

Mayor Barnes called the meeting to order at 7:38 p.m. and led the flag salute.

ROLL CALL

Councilmembers present:	Bologoff, Conway, Richardson, and Mayor Barnes
Councilmembers absent:	Waldo
Staff present:	City Attorney Baird, City Engineer/Public Works Director Breault, Administrative Management Analyst Cheng, Police Chief Hitchcock, City Manager Holstine, Senior Civil Engineer Kinser, Community Development Director Prince, Administrative Services Director Schillinger, Parks and Recreation Director Skeels, City Clerk Spediacci

ADOPTION OF AGENDA

CM Richardson proposed closing the meeting in memory of former Brisbane Mayor Ernest Conway.

CM Conway made a motion, seconded by CM Bologoff, to adopt the agenda as proposed. The motion was carried unanimously by all present.

PROCLAMATION

A. Declaring July 2008 Parks and Recreation Month

Mayor Barnes read a proclamation declaring July 2008 as Parks and Recreation Month and highlighting the importance of community parks and recreational activities.

ORAL COMMUNICATIONS NO. 1

David Mineta, president of the Jefferson Union High School District board, said he and Superintendent Crilly were present to thank the City of Brisbane for its support over the last 13 years.

Superintendent Michael Crilly, Jefferson Union High School District, joined in thanking the City for its financial support. He said Brisbane's contributions have provided after-school transportation, extra services, and special programs for Brisbane students.

CM Richardson commented that the relationship between the school district and the City is a reflection of the community's care and concern for its students.

CM Conway observed that some of the advanced placement classes have become part of the district's core curriculum, and test scores have been improving. He thanked Superintendent Crilly and the school board for their efforts.

John Christopher Burr, Brisbane resident, commended CM Richardson for proposing that the meeting be adjourned in memory of Ernest Conway, one of Brisbane's founders. He said Mr. Conway was a leader in the movement to protect San Francisco Bay from pollution, an effort that eventually led to the formation of the Bay Conservation and Development Commission.

Mr. Burr thanked the City Council for recognizing the importance of parks and recreational activities.

Karen Cunningham, Brisbane resident and Community Emergency Volunteer (CEV), expressed her appreciation to the Fire Department for their efforts in fighting recent fires. She said Brisbane was fortunate no property or lives were lost in the fires, although the mountain was badly scarred. She urged other citizens to become CEV's so they can be of greater assistance to their neighbors in future emergencies. She invited interested people to call her for further information.

CM Conway recognized and thanked the CEV's for their assistance.

Gary Apotheke, Brisbane, said he was very pleased and impressed with the Public Works Department's emergency response, noting that people communicated and listened well.

Mr. Apotheke observed that the wording of Item D on the Consent Calendar was misleading and unclear. He said the agenda documents and reports indicate the transaction has to do with a transfer of land that should be better described and explained to the public.

CONSENT CALENDAR

CM Richardson asked to remove Items D and G. CM Conway proposed pulling Items A and B. Mayor Barnes indicated he wished to discuss Item F.

C. Approve Monthly Investment Report as of May 31, 2008

E. Award the Prop. 1B Overlay Project to G. Bortolotto & Company

CM Waldo made a motion, seconded by CM Bologoff, to approve Items C and E of the Consent Calendar. The motion was carried unanimously by all present.

A. Adopt City Council Minutes of May 27, 2008

CM Conway indicated that he requested that this item and the next be pulled so he could abstain due to his absence from these meetings.

CM Richardson made a motion, seconded by CM Bologoff, to adopt the May 27 minutes as presented. The motion was carried, 3 - 0 - 1 (CM Conway abstaining).

B. Adopt City Council Minutes of June 2, 2008

CM Bologoff drew attention to the sixth paragraph on Page 11 and said he had agreed with Mayor Barnes that there should be no motorized boats on the lagoon. Mayor Barnes clarified that he believed there should be no boats of any kind. CM Bologoff asked that the record be corrected to reflect his opposition to motorized boats.

CM Bologoff made a motion, seconded by CM Richardson, to adopt the June 2 minutes as amended. The motion was carried, 3 - 0 - 1 (CM Conway abstaining).

D. Approve Memorandum of Understanding between Universal Paragon Corporation (UPC) and the City of Brisbane to allow UPC to process a development application for the condo/hotel project at Sierra Point that will include a portion of land currently owned by the City

City Attorney Baird advised that he reviewed the report and the Memorandum of Understanding prepared by City Attorney Toppel. He said the purpose of the MOU is to allow the developer to submit a development application, and the City Council will be deciding later whether the land swap should be approved to facilitate that development.

CM Richardson clarified that the City was swapping land, not giving anything away. City Attorney Baird clarified that no transfer of title was taking place; the agreement allows the City and the developer to swap parcels if and when the City decides to do so in the future. CM Richardson noted the swap applies only to this particular application, and City Attorney Baird confirmed that understanding.

City Manager Holstine stated that the City Council will ultimately decide whether a project is approved and under what conditions. He explained that if the City does decide to proceed with a land swap in the future, there would be an appraisal of both properties and funds to compensate the City for the difference in value between the two parcels.

CM Conway acknowledged Mr. Apotheker's concerns about the vague wording on the agenda suggesting that the City Council was approving something.

CM Conway said he understood the purpose of the MOU was to allow the developer to submit an application for the project, consistent with the 1994 General Plan, which did not allow housing at the site. He expressed his opinion that if this project with its 400 units of housing is ever approved, it should be ratified by the voters. He noted that many citizens are concerned about keeping Brisbane's small-town atmosphere.

Mayor Barnes said he believed a General Plan amendment should be approved by the voters, but not this particular project.

Mayor Barnes invited comments from members of the public.

Dana Dillworth, Brisbane, read a letter from the executive director of the Public Trust Alliance expressing concern about having this proposed transfer of substantial public assets to a private party included on the Consent Calendar and recommending that the Council take no action. The letter argued that this fundamental change in character of public land should not be done without public discussion, as it will give future control over presently public assets to a private party. The author requested that the Council remove the item from the Consent Calendar.

Ms. Dillworth noted that the proposed decision on the Consent Calendar seems to be favoritism, since the developer has not done the proper environmental work on the Baylands. She objected to rewarding this developer with permission to proceed before the clean-up work required by regulatory agencies has been completed. Ms. Dillworth pointed out that the proposal is inconsistent with the General Plan, and she urged the City Council to heed this advice.

Tom Heinz, Brisbane, noted that last month, the City Council brought bioweapons to Brisbane, and this month, the Council is considering an exchange of valuable public land for a small chunk of land adjacent to the parking lot of the biotech facility. He characterized the transaction as a land swindle rather than a land “swap.”

Mr. Heinz said the publicly owned land is currently being used by many people for fishing and other recreational uses, and he urged Councilmembers to visit the site to see for themselves.

Mr. Heinz accused the City of deceiving the public and making decisions without public input. He objected to approving dense, urban development and big-box retail that will destroy the small-town character of Brisbane. He said the open space serves an important purpose in offsetting impacts of development. He reminded Councilmembers that they were elected by citizens to represent the interests and will of their constituents.

Mr. Heinz stated that the City should not reward this developer until all promises and requirements with respect to Baylands clean-up are met. He said the developer should work under existing laws rather than trying to force the City to accept a project the community does not want.

Mr. Heinz reported that he had consulted with attorneys about drafting recall documents, and he threatened to proceed if the City Council approves the proposal. He urged the Council to reject the whole idea. Otherwise, he noted, Brisbane will incur extra costs to hold a special election to repeal the land swindle and recall the Councilmembers who approved it.

Mary Gutekanst, Brisbane, said that with approval of the MOU, the City would be making it possible for the developer to proceed with a whole new residential community at the Baylands, contrary to the wishes of the majority of Brisbane citizens. She noted that the results of the 2005 community survey show that only 28.7 percent of the respondents felt the City should consider residential development at Sierra Point; 60.9 percent thought growth should be kept to a minimum.

Ms. Gutekanst objected to allowing a residential development at Sierra Point without considerable public discussion. She cautioned that approving this 400-unit condo project will likely open the door for more residential projects.

Ms. Gutekanst noted that the City Attorney’s report indicates that the purpose of the land swap is to allow development of a public area that will give Sierra Point a “sense of place.” She pointed out that what gives Brisbane a sense of place is the relationship between the town and its natural environment, not the built environment. She urged the City Council not to allow the character of Brisbane to be changed forever. She recommended rejecting the MOU until having a full public discussion on residential uses at Sierra Point.

John Christopher Burr, lifelong resident of Brisbane, emphasized the toxic nature of the materials that went into the unregulated dump at Sierra Point. He expressed his opinion that it would not be good public policy to try to attract people to this hazardous site. He noted that the European Union regulates many more hazardous substances than the U.S., and he urged Brisbane to adopt this more stringent standard to give citizens an added element of protection. He recommended including this in the Safety Element of the General Plan.

Mr. Burr said research on toxic dumps shows their serious health impacts on women, children, and other vulnerable populations. He noted some people believe Brisbane already has some cancer clusters. He observed that allowing permanent residences on either the Sierra Point toxic dump site or the Baylands would be bad public policy.

Mr. Burr reported that he heard a presentation by a representative of the Bay Conservation and Development Commission to the San Mateo County Board of Supervisors about the global climate crisis, and noted most of Brisbane shoreline will be underwater if sea levels increase by only a few inches. He said the economic analysis of the project is inadequate because it does not address dikes and other mitigation measures.

Mr. Burr noted that the citizens of Brisbane have already expressed opposition to the idea of housing at the Baylands and Sierra Point because they know how bad the toxic contamination is. He said ignoring these concerns could expose Brisbane to liability claims, and possibly even bankruptcy, if people are harmed. He emphasized that the current General Plan does not allow housing, so approval of this proposal would be inconsistent with the General Plan, and therefore illegal. Mr. Burr added that amending the General Plan requires a legislative act, and he recommended allowing the voters of Brisbane to decide whether to allow this major change in the character of the town.

Gary Apotheker, Brisbane, urged the City Council and staff to listen to the citizens who cared enough to come to the meeting and register their concerns. He noted the speakers brought up a number of important issues, such as global warming, the conflict with the General Plan, and the implications of the proposed transaction. He said he was disturbed to see the Council heading in a direction so contrary to what people want. Mr. Apotheker added that the comments made at this meeting should inform the Council as to the desires of the community.

Michele Salmon, Brisbane resident, said she had mixed feelings about the proposal and agreed with CM Conway that the people ought to vote on a project that includes a significant level of impact on Brisbane's housing situation. She noted the proposal to put housing in the quarry was soundly defeated by 73 percent of the voters in Brisbane, an outcome that reflects how people feel about housing and environmental resources.

Ms. Salmon commented that the Sierra Point Marina and the Baylands are areas the City fought

hard to include. She said she has a photo taken 25 years ago when the fishing pier was installed. She recalled hiking the dump frequently and discovering pieces of trash and debris that would rise to the surface. She questioned the safety of kids playing and people living on these toxic waste sites now. Ms. Salmon expressed her opinion that allowing housing would not be reasonable, given these concerns.

Ms. Salmon noted that a memorandum of understanding is the first step toward a tacit agreement by the City that this project will move forward. She recommended not taking this path, and instead first asking citizens if they want housing at Sierra Point, and if they want a focal point or Bay-front land. She said what happens at Sierra Point should be guided by what the community wants, not what the developer wants.

Ms. Salmon argued that cost should not be the foremost consideration. She pointed out that waterfront property, clean air, and the mountain are irreplaceable assets that should take precedence over development. She objected to creating a new “urban canyon” along the Bay, and suggested ascertaining what constituents want before moving forward any further.

Terry O’Connell, Brisbane, questioned why the City would exchange prime waterfront property for two huge towers that will block citizens’ views and access to the Bay. She said that if the Council approves the MOU, the developer will assume that the project is acceptable, when, in fact, it is not. She recommended not allowing condos or residences on an area specifically prohibited in the General Plan. Ms. O’Connell expressed support for CM Conway’s proposal to put this matter on the ballot to let citizens make an informed decision.

Ms. O’Connell urged the City Council to maintain Brisbane’s uniqueness rather than allowing a development that will have unattractive towers and urban canyons. She asked the Council not to approve the MOU.

Danny Ames, Brisbane resident, declared his opposition to the two-tower proposal without a formal public ballot initiative. He agreed with Mr. Burr, Mr. Apotheker, and other speakers that more public input was necessary before proceeding.

Dana Dillworth asked the City Council to describe the public process offered when the decision was made regarding the land swap. She asked if there were other proposals, a declaration of surplus property, or any other public notification that the land was available. Ms. Dillworth observed that there was no end date on the agreement, and she suggested including some limits.

Beth Grossman, Brisbane, said she was pleased with the process the City provided to the community to help plan the Baylands development, including visioning exercises and planning workshops. She recommended having similar exercises for the Sierra Point property. She pointed out that the land at Sierra Point is prime waterfront property that might be put to a better use. She noted that citizens should have an opportunity to consider the overall plan for the

project and provide input on whether housing should be allowed and how the development would be connected to the rest of town.

Mayor Barnes reviewed some of the questions raised by members of the public. First, he asked if the MOU constituted a transfer of public assets to a private entity. City Attorney Baird stated that the MOU did not make any transfer; he clarified that the agreement simply allows the application to proceed. He added that any exchange of assets would take place at a later date.

Mayor Barnes asked if approval of the MOU was a ministerial or a legislative action. City Attorney Baird advised that MOU's can typically be handled administratively by the City Council; he said the processing of the actual application will involve ministerial decisions.

City Manager Holstine indicated that the land was not advertised as being available, and other bids were not solicited. He said the idea of the swap was developed in response to the Tung & Bottomley report on activating the public space and the applicant's proposal for a 700-room hotel that was approved in 1983. He noted that in exchange for the swap, the City will receive another piece of land and funds representing the difference in values.

Mayor Barnes asked if alternatives to the land swap had been considered. Community Development Director Prince responded that the concept of a creating a public plaza emerged through the General Plan update discussion for Sierra Point, the public placemaking workshops, and the Freedman, Tung & Bottomley study. He said including the possibility of a land transfer in the MOU makes the plaza part of the project description that will be studied as part of the CEQA environmental review for the hotel project.

Mayor Barnes asked if the MOU on the agenda creates a new residential community, as some members of the public have alleged. Community Development Director Prince stated that execution of the MOU does not constitute the granting of any land use approvals or entitlements.

Community Development Director Prince commented that having a public plaza at Sierra Point was a good idea, regardless of whether residential use is allowed. He noted the City Council and citizens will have ample time over the next several months to explore residential use and other issues. He recalled that as part of the General Plan update process, the Council expressed a willingness to entertain the idea of residential use after a thorough environmental review. He clarified that the MOU provides that the public plaza will be evaluated as part of the environmental review.

Mayor Barnes asked about the practicality of adopting the European standards for hazardous chemicals mentioned by Mr. Burr. City Manager Holstine said he was unable to comment without more information.

Mayor Barnes said he had heard rumors before about cancer clusters in Brisbane but had never

seen evidence. He asked if the staff was aware of any such evidence. Community Development Director Prince responded that he was not aware of any. CM Conway suggested asking the chief health official for San Mateo County. Mayor Barnes asked the staff to check and report back.

Mayor Barnes noted that citizens expressed concern about the possibility that Sierra Point and the Baylands would be submerged in the future because of global warming. Community Development Director Prince said the EIR for both projects will adopt the current scientific consensus on sea level rise. He noted that the extent of sea level rise depends on what people do to control greenhouse gas emissions and slow the rate of global warming. He pointed out that many cities are adopting green building ordinances, and the political emphasis seems to be shifting to focus more on the issue.

Mayor Barnes asked if the MOU was illegal because of its inconsistency with the General Plan. City Attorney Baird clarified that the MOU only provides a basis for the EIR to proceed, and it does not amend the General Plan. He said the applicant would need to go through a separate process for a General Plan amendment. He added that he saw no illegality in the MOU.

Mayor Barnes asked the staff to identify what benefits the City would receive from the project. City Manager Holstine noted the project will generate transient occupancy tax revenues from the hotels, property tax revenues, and business license fees.

Mayor Barnes asked the staff to look into the allegations about garbage surfacing on the old dump, and City Manager Holstine said the staff would check.

CM Conway noted that the MOU refers to the Council's vote at the meeting of February 4, 2008. He clarified that although a majority approved, the vote was 3 - 2. He stated that he did not support the project and opposed the idea of condominium units at Sierra Point. He indicated he planned to vote against the MOU.

CM Bologoff asked which part of the project would come first, the hotel or the residential component. He recalled hearing in the past that the hotel would not be feasible without the residential use.

Steve Hanson, Universal Paragon Corporation, said the hotel and condominium components go together as one project. He noted the project will be financed and entitled together.

CM Richardson stated that she did not want to rush, and she observed that the issues raised by members of the public should be considered more thoroughly. She recommended deferring action.

Community Development Director Prince noted that the revised design guidelines for Sierra Point will be coming to the Council soon, and he suggested taking both matters together.

Mayor Barnes observed that the primary issue seems to be the idea of housing at Sierra Point. He pointed out that if there is already a Council consensus on this point, the Council should make its position clear and vote now.

CM Richardson said the General Plan clearly prohibits housing. Mayor Barnes clarified that the General Plan specifically prohibits housing at the Baylands, but it does not expressly address housing at Sierra Point. He noted that housing is currently not a permitted use under either the General Plan or the Sierra Point Master Plan.

CM Conway made a motion, seconded by CM Bologoff, to reject the MOU. The motion was carried, 3 - 1 (Mayor Barnes opposed).

F. Award the Safe Routes to School Project to Chrisp Co.

Mayor Barnes said he pulled this item for informational purposes only. He noted the contract pertains to the Safe Routes to School Project, and he commended City Engineer/Public Works Director Breault for seeing the project through to completion. He said the staff obtained funding and worked with the school district and other interested parties, and he expressed his appreciation for those efforts.

Mayor Barnes made a motion, seconded by CM Conway, to award the contract as proposed. The motion was carried unanimously by all present.

G. Authorize the Mayor to execute an agreement to transfer unused entitlements between HCP LS Brisbane, Sierra Point LLC, and the City of Brisbane

City Attorney Baird drew attention to a change in one of the agreements pertaining to Item G. He said the identification of the parties and their interests in Paragraph B of the "Recitals" section correctly states that UPC is the owner in fee of receiving site and own a leasehold interest in the transferring site. He added that a revised draft agreement with the corrections is in front of the Council for consideration.

CM Richardson asked the staff to explain the purpose of the proposed exchange. Community Development Director Prince said the agreement formalizes the transfer identified in the Master Plan approved in 1984 to allow transfer of square footage from one parcel to another. He noted the owner of the biotech campus, HCP, which purchased the property from Opus, did not use all of the original allocation for the parcel. He explained that Opus is taking the 89,815 square feet to the office building site at the northwest corner.

Community Development Director Prince noted that the retail liner of 12,500 square feet around

the biotech campus was taken from the 50,000 square feet of Opus' leaseholder allocation.

CM Conway proposed continuing this matter to allow more time for the Council to review the agreement, and Councilmembers agreed.

PUBLIC HEARING

- A. Consider appeal of the Planning Commission's conditional approval of Design Permit and Use Permit to replace existing 130,674 sq. ft. office/warehouse with 90,000 sq. ft. freight forwarder facility at 325 Valley Drive with 20,000 cu. yds. of cut/fill**

Mayor Barnes noted that the staff recommends continuing this item until the July 21 meeting.

CM Bologoff made a motion, seconded by CM Conway, to continue this matter to July 21. The motion was carried unanimously by all present.

- B. Consider adoption of Resolution No. 2008-34, overruling protests and ordering the improvements and confirming the diagram and assessment, Sierra Point Landscaping and Lighting Project**

Mayor Barnes said Resolution No. 2008-34 sets a proposed assessment for 2008-2009, and he referred to the attached Engineer's Report for details about the proposed improvements, boundaries of the assessment district, diagram of the work, estimate of costs, and proposed assessment. He read a statement explaining the purpose of the proceedings and opening the public hearing.

City Clerk Spediacci reported that notices had been mailed and posted as required by law. She said proofs of mailing and a copy of the Engineer's Report have been made available for public inspection at City Hall.

Civil Engineer Kinser stated that the assessment funds are used to maintain public pathways, landscaping, and lighting at Sierra Point. She noted the proposed amount reflects a 12 percent increase approved by the voters last February, pursuant to Proposition 218 requirements.

CM Bologoff asked if future assessments would need to be approved by the owners of the 400 condo units, if that project is allowed. City Attorney Baird said all property owners would have the opportunity to register protests and participate in the process.

City Clerk Spediacci indicated that the City received no written protests.

There being no members of the public who wished to address the City Council on this matter,

CM Conway made a motion, seconded by CM Richardson, to close the public hearing. The motion was carried unanimously by all present and the public hearing was closed.

CM Conway made a motion, seconded by CM Bologoff, to adopt Resolution No. 2008-34 as proposed. The motion was carried unanimously by all present.

OLD BUSINESS

A. Consider argument in favor of business license tax increase for capital improvements

Administrative Management Analyst Cheng presented a draft argument in favor of increasing business license fees for business generating more than \$10 million in gross receipts. She noted that the City Council adopted a resolution at its June 16 meeting calling for a special election in November on this matter.

Ms. Cheng said the argument in favor communicates that the proposed increase would generate approximately \$450,000 in additional annual revenues for capital improvement projects and implementation of the tax over the course of three years to allow businesses time to budget for the change.

CM Conway indicated he had some proposed language revisions for the third bullet point. He recommended changing the wording to say, “. . . approximately \$450,000 annually, which can only be used for capital projects such as sewer, water, stormdrain improvements, or a new library building.” Councilmembers approved these changes.

In the next-to-last bullet point, second sentence, Mayor Barnes proposed the following revision: “Sales tax revenue received by the City from a business would be subtracted from that business’ license tax.”

Referring to the last bullet item, second sentence, Mayor Barnes suggested replacing “At the same time” with the word “While.” He noted that this change would help keep the total word count under 300.

Mayor Barnes asked if there would be any limit on the amount of license fee replaced by sales tax, and Ms. Cheng indicated there was no limit.

CM Richardson observed that the fourth bullet seems redundant. Mayor Barnes commented that it does no harm to emphasize that the increase will affect only a few large businesses in Brisbane.

CM Richardson made a motion, seconded by CM Conway, to approve the draft argument as amended. The motion was carried unanimously by all present.

B. Consider approval of Tunnel Avenue Bridge bird sign design and consider donation program details and funding

Parks and Recreation Director Skeels noted that this project came about at the request of a Brisbane resident several months ago. He said the staff gathered additional information and is now seeking direction on next steps.

Parks and Recreation Director Skeels advised that the proposal calls for placing twenty signs on the east railing of the new bridge. He said the design of the approximately 11"-by-15" signs will be similar to the signs along the Bay Trail in South San Francisco, depicted in Attachment B. He referred to Attachment A for a diagram showing where the signs would be installed. Parks and Recreation Director Skeels estimated that each sign would cost a total of \$530, so \$10,600 would be needed for twenty signs.

Parks and Recreation Director Skeels noted that if the Council decides to move forward, the staff will meet again with the proponents and members of the Audubon Society to select twenty birds and text for the signs.

Parks and Recreation Director Skeels suggested that the Council consider establishing a donation program for interested citizens to contribute for this project. He welcomed direction from the City Council.

CM Conway recommended finding out who made the Bay Trail signs. Parks and Recreation Director Skeels indicated that the staff had investigated but was unable to determine the manufacturer of the signs. He said the price quotation in the meeting packet is about \$200 less per sign than the Bay Trail signs.

CM Conway expressed his opinion that the bird sign project was worthwhile. He noted there may be local artists interested in assisting with the art work. Parks and Recreation Director Skeels commented that costs would be considerably reduced if volunteers could produce a camera-ready design.

Mayor Barnes said he did not expect to see this project as a supplemental appropriation. He suggested making signs as donations are received instead of doing twenty signs at once. Councilmembers expressed support for this approach.

CM Richardson recommended recognizing the donors by including the names of the contributors on the signs.

Mayor Barnes invited comments from members of the public.

Tom Heinz, Brisbane, suggested that the City sponsor a design competition as a way of offsetting some of the design costs.

Mayor Barnes thanked Mr. Heinz for the idea.

Dana Dillworth, Brisbane, proposed having artists create cards of the artwork in the process of developing the images. She recommended consulting expert birders Josiah Clark and Alan Ridley about the bird species. She noted that Mr. Clark also has made maps and pocket guides of local birds that could be made available to the public.

Councilmembers expressed support for this idea, and Parks and Recreation Director Skeels said he would obtain the experts' names and contact information from Ms. Dillworth after the meeting.

Parks and Recreation Director Skeels summarized the Council's consensus that the project should be donation-based only, with signs purchased as donations are made, and that donors be recognized with an inscription on the sign itself.

CM Conway recommended publicizing the project in the next issue of the newsletter.

At 9:25 p.m., the City Council took a brief recess. Mayor Barnes reconvened the meeting at 9:37 p.m.

NEW BUSINESS

A. Discussion of Water and Sewer Rates for Fiscal Year 2008/09

Administrative Services Director Schillinger advised that based on revenues received in Fiscal Year 2007/2008 and looking at anticipated costs during 2008/2009, the City needs to increase water and sewer rates by 17 percent each.

Administrative Services Director Schillinger summarized the 2001 rate study and reviewed rate increases since 2001. He noted that the proposed 17 percent rate increase is far less than what was projected in the rate study. He discussed the revenues and expenses associated with the water and sewer systems, and he explained how administrative expenses and departmental overhead costs were calculated. Administrative Services Director Schillinger reviewed the capital improvement projects already completed and the list of those remaining to be done. He observed that without the recommended rate increase, there will not be sufficient funds to cover costs.

Administrative Services Director Schillinger talked about the impact of the proposed increase on average water and sewer customers. He explained the current rate structure and estimated that

typical residential customers would be paying an additional \$11.50 per month.

Administrative Services Director Schillinger talked about the implementation process and alternatives. He said the City will provide a minimum of 45 days' notice to users and property owners, followed by a public hearing during September. He noted that if more than 50 percent of the customers protest, the rate increase cannot be implemented; otherwise, the rate increase would go into effect with the November bill.

Administrative Services Director Schillinger said the City Council's Water and Sewer Subcommittee has been looking at the costs of water and sewer services and alternatives, including a different rate structure. He noted that under the current structure, rates increase when less water is used, which is contrary to water conservation efforts. In addition, rates are unlikely to go down as the system grows because rates are based on the amount water used, not the number of ratepayers.

Administrative Services Director Schillinger reviewed fixed and variable sources of revenues for the water and sewer systems. He pointed out that fixed revenues make up about 26 percent of overall revenues, whereas fixed costs make up about 73 percent of the expenses, resulting in an imbalance. He noted the staff and subcommittee are considering ways of changing the structure to achieve a better balance.

CM Conway said that after reviewing all the information, the subcommittee concluded that the situation is not likely to improve and agreed with the staff that a 17 percent increase is needed now. He noted that the subcommittee considered a variety of options, including outsourcing. He observed that because most of the costs are fixed, there is little that can be done to reduce them in the short term. CM Conway remarked that not increasing rates would compound the problem.

CM Conway said one long-term possibility for reducing sewage costs would be to capture and retreat water so it can be used for gray water systems. Mayor Barnes asked how much a water recycling plant at the Baylands would help. City Engineer/Public Works Director Breault responded that if a plant at the Baylands could treat all the sewage from the development and much of the sewage produced by the rest of Brisbane, costs would be reduced because less sewage would be discharged to San Francisco for treatment.

Administrative Services Director Schillinger pointed out that shifting the rate structure to more fixed charges instead of variable charges for commercial customers would also help.

CM Conway commented that an alternative might be to pay for capital projects through future appropriations when funds are available and setting rates to pay for operating costs.

Administrative Services Director Schillinger added that the proposed increase will not affect any of the customers in the low-income assistance program.

CM Bologoff expressed concern that water conservation during future drought years will reduce revenues, necessitating additional rate increases. Administrative Services Director Schillinger acknowledged that reductions in water usage would lower revenues. He said that rate increases to customers could be avoided in that event by not funding depreciation and capital projects.

CM Richardson observed that if all the recommended capital improvement projects on the list are funded, rates would need to increase more. Administrative Services Director Schillinger estimated a 35 percent increase would be necessary to fund all the projects on the list. He clarified that the proposed 17 percent rate increase will pay just for the projects that are already funded, plus ongoing maintenance and other costs. He said the staff will come back in the future with funding options for all the capital improvement projects as part of an overall financing plan.

Mayor Barnes recognized raising customer rates was always a difficult choice. Councilmembers concurred with the staff that the 17 percent increase should go forward as proposed.

Administrative Services Director Schillinger indicated that all ratepayers and property owners will be notified within the next couple weeks, and a public hearing will be held in September.

CM Richardson asked Administrative Services Director Schillinger to email copies of his presentation to Councilmembers.

STAFF REPORTS

A. City Manager's Report on upcoming activities

City Manager Holstine said he had nothing to report.

B. Update on Emergency Communications and Preparedness

City Engineer/Public Works Director Breault drew attention to his written report and highlighted the address of a San Mateo County Website where people can register to receive digital alerts by cell phone or email during emergencies. He noted the Community Festival in October will feature a community preparedness booth with CEV's and representatives from the Office of Emergency Services, Red Cross, and other response agencies. He encouraged people to visit the Website at www.smcready.org.

Mayor Barnes thanked City Engineer/Public Works Director Breault for the information.

MAYOR/COUNCIL MATTERS

A. Subcommittee Reports

None.

B. Designation of voting delegates and alternates at League of California Cities Annual Conference - September 24-27, Long Beach

CM Bologoff noted that the Mayor and Mayor Pro Tem usually serve as Brisbane's delegates. Mayor Barnes said he was unable to attend. CM Richardson indicated she planned to go to the conference. Councilmembers agreed to designate CM Richardson as the voting delegate.

ORAL COMMUNICATIONS NO. 2

There were no members of the public who wished to address the City Council.

ADJOURNMENT

There being no further business, CM Conway made a motion, seconded by CM Bologoff, that the meeting be adjourned. The motion was carried unanimously by all present and the meeting was adjourned at 10:20 p.m. in memory of Ernie Conway.

ATTEST:

Wendy Ricks, Acting City Clerk, for Sheri Marie Spediacci
Sheri Marie Spediacci
City Clerk