

**MINUTES OF A REGULAR MEETING
OF THE CITY COUNCIL OF THE CITY OF
PALOS VERDES ESTATES, CALIFORNIA**

December 13, 2011

A regular meeting of the City Council of the City of Palos Verdes Estates was called to order this day at 7:30 p.m. in the Council Chambers of City Hall by Mayor Rea. The Pledge of Allegiance followed.

ROLL CALL: Council Members Humphrey, Perkins, Goodhart, Mayor Pro Tem Bird, and Mayor Rea

ABSENT: None

ALSO PRESENT: City Manager Smith, Police Chief Dreiling, Public Works Director Rigg, City Treasurer Sherwood, City Attorney Hogin, Assistant City Attorney Smith, Asst. to City Manager Davis, Executive Asst./Deputy City Clerk Kroneberger

MAYOR'S REPORT – Matters of Community Interest

Mayor Rea thanked City Treasurer and Mrs. Joe Sherwood for representing the City at the Annual Peninsula "Parade of Lights" in Rolling Hills Estates on Saturday, December 3rd.

• PRESENTATION BY SOUTHERN CALIFORNIA EDISON – STATE OF THE UTILITY SYSTEM ON THE PALOS VERDES PENINSULA AND PALOS VERDES ESTATES

Marvin Jackmon, Southern California Edison Regional Public Affairs Manager, said safety is one of Edison's core values and presented a public safety video and PowerPoint presentation. He said the Peninsula infrastructure is aging and has aged; since 2008, they've invested \$10 million on the peninsula, and acknowledged more upgrades are needed and their service is not where they want it to be. He reported there are 4 circuits that serve the City (Chico, Coveview, Bauxite, and Crestwind), noting most of the outages occurring this year have been primarily in the Coveview circuit. Currently, when there is an outage, all 4 circuits are tripped and affected. He said the Coveview line is ~6 miles, with Bluff Cove at the end. Three substations also serve the City --Marymount, RPV, which serves the Coveview; Crest serves Bauxite; Rolling Hills, Torrance serves Chico; some services are overhead and some are underground. He reported 60% of the circuits feeding the peninsula are 4kV circuits. He said they did extensive upgrades to the Coveview circuit on the RPV side of the circuit in 2008, which serves PVE down Palos Verdes Drive. He described planned (notifications provided for maintenance work) and unplanned (weather, cable failures, overloading, etc.) outages. He described past upgrades, which were mostly switch & cable, totaling \$2 million since 2008. He said there is old cable in the Lunada Bay area that is now at its point of aging. In the first three months of 2012, to address current issues, fault indicators (4) and fuse switches will be installed to limit size and duration of outages. The fault indicators and switches will enable them to determine where the fault is occurring during an

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outage and they can isolate it to one circuit. Mr. Jackmon said they will also switch customers served on overhead lines from Coveview (the problem circuit in PVE) to the Bauxite circuit; one of their better performing circuits in this area.

He said they will also complete a \$4 million new circuit project and \$900K in capital improvements in 2012, and will continue to do preventative maintenance, including effective tree trimming.

Mr. Jackmon said the upgrades planned are very complex, expensive and will cause major disruptions, but they will communicate to create partnerships with the residents and work with the City. For example, they stopped work during high traffic volume periods during the project to replace the 2.5 miles of bad cable in the Via Coronel area (Bauxite).

He said power poles will be higher because of the higher voltage/clearance required. They will work with the City and homeowners, in terms of potential view obstructions, to handle the load in PVE and the other cities on the hill. He said planned outages will occur as they make improvements and until they can complete all work, and unplanned outages will continue.

He said they know they need to do more and are working on plans beyond 2012. Mr. Jackmon said they have invested over \$10 million from 2008 to 2011, and will invest more than \$4.9 million next year. To limit size and duration of outages (as experienced in the Chelsea area) in 2012, they will continue to work on communication with the City and residents.

Mayor Rea asked why have there been so many outages this year despite all the money Edison has invested in the Peninsula infrastructure. Mr. Jackmon responded that the cable is failing and the infrastructure, particularly in Lunada Bay, is old and aging. Most of the other outages in 2011 were due to this as well.

Councilmember Humphrey confirmed with Mr. Jackmon that the planned upgrades (fault indicators and switches) are designed to help the areas that suffered the most severe outages this past year.

Councilmember Perkins asked where the \$4 million new circuit project will take place. Mr. Jackmon said it will go through Rolling Hills Estates, RPV, and will hit the substation on the other side of the hill. He said any work adding new circuits to the peninsula affects improvements to the other cities on the hill as well.

Councilmember Perkins said that we don't seem to be seeing the benefit of those upgrades in Palos Verdes Estates, noting her home has been affected often with power off 8-10 hours at a time. Reliable and dependable electricity is needed; understanding there are factors beyond SCE's control, but when they are being asked to increase energy efficiency, with things such as plug-in electric vehicles, it is absolutely critical to have dependable and reliable energy. She said she was not confident that some of the improvements outlined will take care of some of the areas in Palos Verdes Estates that have seen the greatest number of outages over the past 14-16 months.

Mr. Jackmon apologized; they are not at the standard they want regarding service and reliability in Palos Verdes Estates. They are working on a longer term plan beyond 2012 to address more projects

such as the work on the Bauxite circuit (replacement of 2.5 miles of cable); one of the things that needs to take place in various areas on the hill.

MPT Bird thanked Mr. Jackmon for attending, noting their frustration is with the failures and not having reliable power. He said we try to be proactive in terms of maintaining our infrastructure, such as roads and sewers, anticipate problems and have a schedule so that our residents have the infrastructure maintained throughout the year. He said it doesn't sound like SCE has been doing a very good job of anticipating the need for improvements over the last number of years, and asked Mr. Jackmon how he would grade SCE in terms of anticipating and delivering power to our City. Mr. Jackmon said all their work is planned out years in advance; they study new load/customer requirements, such as to accommodate electric vehicles. He said that is why they are installing the very large \$4 million circuit next year. He said they have not done enough; they are not where they want to be, but they are improving and trying to get better.

MPT Bird asked how they can be certain SCE will step up and do what is necessary going into the future. Mr. Jackmon said he hoped the plans described this evening prove that they are committed to do that and beyond. He said he is part of the Peninsula Reliability Project committee which looks at the hill and its infrastructure.

Councilmember Goodhart complimented SCE on supporting our Police Department's upcoming emergency preparedness drills. SCE's tree trimming has also been a key factor in not having experienced a lot of power outages during the recent windstorm, such as the devastation suffered by Pasadena and other cities.

Councilmember Goodhart commented that SCE executive management attendance would have provided a sense that they are committed to solving this problem. He commented on 3 potential residential undergrounding utility districts that disbanded several years ago due to the cost rising from ~\$20K to \$65K per residence. Power poles are distracting and undergrounding is an ideal solution; however, he never heard any other options made available since. He stated that ongoing power outages over the past few months are unacceptable and being told to buy a generator to address the problem is nonsense. He said PVE was ranked 6th in the Western United States (23rd nationally) relative to quality of life as noted in a recent Daily Breeze article; it is ironic they do not have reliable power. He said his most significant concern and frustration is that residents don't have an option. He asked how many of the 88 cities in the County have similar aged infrastructure and what is SCE's committed investment to them, and queried if the investment committed to PVE is enough. He estimated that the residents pay SCE half of the ~\$5 million billed annually for transmission distribution and new power generation charges. With the promotion of electrical vehicle use, he asked how Edison will address adequate power supply.

Mr. Jackmon said he would research these questions, but SCE has been working with electrical vehicle manufacturers, noting that they have had to upgrade 4kV circuits to 16kV to address residences (e.g. Santa Monica, Pasadena, Altadena, LaCanada/Flintridge) that have electric vehicles, having just finished 33 4kV upgrades in the last 4 months. He said they are aggressively looking at and addressing that load; and working with cities to address the need.

Councilmember Goodhart supported Edison returning quarterly to provide a status report on their progress in our City and surrounding areas. Mr. Jackmon said he would return and would also ask for an officer of the company to attend.

Councilmember Humphrey said there have been successful undergrounding districts in the City, noting that the aforementioned residents who gave up due to the escalation in costs never got an answer why the costs were so high. Mr. Jackmon said he would research this with City staff and respond.

Councilmember Goodhart said it would be helpful for Edison to consider assisting undergrounding districts while they are completing planned upgrades. Mr. Jackmon said they try to accommodate such projects, such as a similar recent project in Rolling Hills on PV Drive North.

Mayor Rea asked Mr. Jackmon how often he is in contact with City Managers. Mr. Jackmon responded that weekly calls have been occurring with City Manager Smith, but at least twice annually they have a joint meeting with all the cities and city managers on the hill.

Mayor Rea concurred in his support of a quarterly update on SCE's progress, goals, and to answer questions.

Councilmember Perkins said it would be more beneficial for Edison to have a longer view, such as 5 years out, to provide the opportunity for residents who are interested in forming undergrounding areas to respond, and to give our residents confidence that the power would be reliable if they determine to use plug-in cars. She concurred with MPT Bird's analogy regarding our proactive approach to our roads and sewers rather than waiting to fix these systems when they are broken. Mr. Jackmon apologized if it seemed they do not plan ahead; the 2.5 mile cable project was planned, and they know how old the infrastructure on the hill is and are trying to address those issues as quickly as possible.

The following residents voiced their concerns:

Joe Barnett, [Resident] (Malaga Cove Plaza businesses not addressed; Malaga Lane groundwater in vaults causing outages and related environmental concerns caused by pumps)

Irv Miller, [Resident] (SCE investment may not be enough to make the infrastructure reliable; frustration of generators and related noise/fumes to address outages; unknown outages)

Catherine White, [Resident] (micro-level customer service responses; SCE dismissive response to claim subsequent to loss caused by power surge)

Doug Laurin, [Resident] (presentation did not address primary concerns or provide detailed plans and resulting expectations)

Marie DuRocher, [Resident] (supported Council's aggressive advocacy on this volatile issue)

Andy Knox, [Resident] (SCE's underinvestment over the years; supported expedited investment and work plan to bring infrastructure current)

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Mayor Rea quoted from a letter received from SCE addressing comments for a specific plan for what is going to occur, which included a multi-year plan for the peninsula that will be presented for our review. He said it was his hope that they will be hearing about the Peninsula Reliability Project Plan at their quarterly report.

Mr. Jackmon presented a Resolution of Appreciation from the President of Southern California Edison to the City.

Councilmember Goodhart wished for Edison to address the question of how much they will need to invest to bring our City to the standard we expect upon their return.

CONSENT AGENDA (Items #1 - 10)

It was moved by Councilmember Humphrey, seconded by Councilmember Goodhart and unanimously approved that the following Consent Agenda items be approved:

- CITY COUNCIL MINUTES OF NOVEMBER 8, 2011
- CITY TREASURER'S REPORTS – OCTOBER 2011 AND NOVEMBER 2011
- MONTHLY FINANCIAL REPORT – NOVEMBER 2011
- AWARD OF CONTRACT TO VAN LINGEN TOWING INC. TO PROVIDE THE CITY OF PALOS VERDES ESTATES WITH EXCLUSIVE POLICE TOWING SERVICES
- ONE-YEAR CONTRACT EXTENSION WITH THE CITY OF INGLEWOOD (ICMS) FOR PARKING CITATION PROCESSING SERVICES
- PW-580-11; COMPLETION OF CONTRACT FOR THE FY 11-12 OVERLAY PROJECT
- WAIVE FURTHER READING OF ORDINANCES CONSIDERED FOR INTRODUCTION ON FIRST READING OR ADOPTION ON SECOND READING
- TRAFFIC SAFETY COMMITTEE MEETING ITEM OF NOVEMBER 9, 2011

Review of Pedestrian Related Signage Adjacent to George Allen Field
Approved with conditions.

- PARKLANDS COMMITTEE MEETING ITEMS OF NOVEMBER 14, 2011

PC-335-11; Application to remove 1 California pepper tree located in the city parkway adjacent to 3932 Via Valmonte
Applicant: Patricia Hourigan
Approved with conditions.

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PC-336-11; Application to remove 1 Silver Dollar Eucalyptus tree located in the city parkway adjacent to 1909 Via Estudillo
Applicant: KBMS Properties/LLC Sara Skousen
Approved with conditions.

Conceptual Design for the triangle median at the intersection of Via Campesina and Paseo Del Campo
Approved.

- **PLANNING COMMISSION ACTIONS OF NOVEMBER 15, 2011**

CDP-84/NC-1428-11; Consideration of Coastal Development Permit and Neighborhood Compatibility Applications for a new single family residence located at 317 Rocky Point Road. Lot 4, Tract 17606.

Owner: John & Delores Kusmiersky
Approved with conditions.

NC-1433-11; Consideration of a Neighborhood Compatibility Application for a new single family residence located at 3820 Via La Selva. Lot 6, Block 6213, Tract 6887.

Owner: Rick & Jill Tomaro
Approved with conditions.

NC-1423R-11; Revised Neighborhood Compatibility Application for a new detached structure at the single family residence located at 4040 Via Valmonte. Lot 11, Block 6321, Tract 7143.

Owner: Mr. & Mrs. CD Wilson
Approved with conditions.

GA-1296R-11; Revised Grading Application for the new single family residence located at 1815 Via Visalia. Lot 3 & portion of Lot 4, Block 1550, Tract 7333.

Owner: Mr. & Mrs. Davis Moore
Approved with conditions.

COMMUNICATIONS FROM THE PUBLIC – No one came forward to speak.

PUBLIC HEARING/ORDINANCE (7:30 p.m.)

INTRODUCTION OF ORDINANCE 12-700; AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALOS VERDES ESTATES, CALIFORNIA, AMENDING TITLES 16, 17, AND 18 OF THE PALOS VERDES ESTATES MUNICIPAL CODE

City Manager Smith confirmed that public notice was given.

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Assistant City Attorney Smith reported pursuant to City Council's direction, staff has reviewed several portions of the Municipal Code to update the City's zoning regulations to comply with changes to state law. Given that multiple portions of the PVEMC haven't been updated in some time, this resulted in substantive changes throughout Titles 16, 17, and 18. Major proposed changes, suggested by staff, include updating the findings and procedures related to the approval of a parcel map or tract map to be consistent with the Subdivision Map Act; including new procedures for lot line adjustments and merger of parcels; including definitions for bed and breakfast inns and communal housing (permitted uses in R-1 Zones) upon approval of Conditional Use Permits; including new regulations for mobile home parks and mobile homes (permitted uses in multi-family residential zones) upon approval of a CUP; permitting movie theater uses in commercials upon approval of a CUP; updating regulations related to commercial and non-commercial antennas; including density bonus regulations in compliance with GC 65915; and other updates needed to comply with state law or make the Municipal Code consistent and more accessible. Staff also analyzed the proposed changes for any environmental impacts that may result in compliance with CEQA; the negative declaration is also before Council for consideration this evening, which was submitted for public review and no comments were received. On September 20 and October 18, the proposed changes were presented to the Planning Commission as regular public hearings and revisions were presented to the Council at their last meeting.

Mr. Smith said additional changes were recommended by City Council at the November 8th Council meeting; several were incorporated. Subdivision fees (Sect. 16.4.100); references to railways and freeways were eliminated. In Section 17.04.100c, language was clarified regarding tie votes. Meet and confer process language was changed to "neighborhood meeting" to avoid inference that presumes negotiation. In Section 17.08.240, the kitchen definition was clarified and in Section 17.08.380, they specified that holiday decorations are not considered signs. In Section 17.32.10, code enforcement officer was referenced; in 17.40.10, exemption for Neighborhood Compatibility applications was eliminated, resulting that all applications for minor modifications will be treated pursuant to the same process.

Mr. Smith said one of the most significant changes to be made is in Title 18; new regulations prohibiting commercial events in single family and multi-family residential homes and read the full text. He said a typographical error was corrected in this section which makes reference to Section 18.48, which should be 8.48 or the Nuisance section of the Code. Tattoo parlors have been deleted from the Uses exempt in the Commercial Zone due to First Amendment constraints, and the Sign Ordinance has been revised to go back to the existing language, and the exception related to certain lots in Section 18.20.10 has been deleted as outdated and unnecessary.

Mayor Rea opened the public hearing; no one came forward to speak, and he closed the public hearing.

Council members Perkins and Humphrey confirmed they had no changes to suggest.

Councilmember Goodhart thanked staff and fellow Council for their work and review; MPT Bird agreed.

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Mayor Rea said Council and staff put in a tremendous effort, as well as Planning Commission, and he appreciated all the hard work.

City Attorney Hogin said a motion to approve the Negative Declaration and to introduce on first reading an Ordinance of the City Council of the City of Palos Verdes Estates, California, amending Titles 16, 17, and 18 of the Palos Verdes Estates Municipal Code, as corrected, is in order. Councilmember Humphrey so moved, seconded by Councilmember Goodhart and carried unanimously by the following oral roll call vote:

AYES:	Goodhart, Perkins, Humphrey, MPT Bird, Mayor Rea
NOES:	None
ABSTAIN:	None

OLD BUSINESS

REVIEW OF POTENTIAL ADDITIONAL TRAFFIC CALMING MEASURES ON VIA DEL MONTE (TRAFFIC SAFETY COMMITTEE MEETING ITEM OF NOVEMBER 9, 2011)

Director Rigg said traffic concerns have been raised by Via Del Monte residents many times over the years, and especially since 2004. Katz-Okitsu Associated (KOA) did a traffic calming study and suggested different tools to implement on Via Del Monte. Recently, Malaga Cove Homeowners Association submitted a traffic calming application; items, including speed cushions as suggested within that study were installed. Speed cushions were reviewed after 6 months; Council agreed they would remain, and directed staff to re-engage KOA to take a fresh look towards additional measures that could be implemented on the street, as well as to expand the study area up to Granvia Altamira. Speed surveys were conducted, which showed excessive speeds that would warrant traffic calming measures. Going forward, KOA suggested 1) installation of speed feedback signs, 2) installation of additional signage along the route, and 3) installation of raised pavement markers at 3 curved areas of the roadway. Public and staff observed that speeding occurred through the area by cutting through inside corners. He said significant concerns were raised by bicyclists and others regarding the suggested raised pavement markers and were not suggested for Council's consideration. He showed sign samples that could be moved. He commented that discussion regarding speed cushions was specifically not part of this evaluation by KOA. Replacement of the cushions can be done as directed by Council.

Councilmember Humphrey suggested not identifying the location for placement of speed feedback signs since they can be moved. Mr. Rigg said their intent was to determine their effectiveness, then return to the Traffic Safety Committee to identify other locations.

Mayor Rea queried why they should pin themselves down by determining specifically where the signs are to be placed. Mr. Rigg said the Traffic Safety Committee said adding this digital signage is a big step, perhaps not consistent with the rural atmosphere of the community.

Councilmember Humphrey said the digital signs suggested fit into the aesthetic nature of the community and do not look too bad.

Mayor Rea asked about how they are powered. Mr. Rigg responded that solar powered signs restrict their movement; battery charging is quick and easy and the signs can be reinstalled within a day.

Councilmember Perkins said she was surprised that the KOA analysis provided such limited possibilities for traffic calming—installing more signs, or raised pavement markers, which she did not support due to their negative effects. She said there has been a proliferation of signs; but if it is tasteful, she said it was worth a shot. She queried if there were any additional suggestions made by KOA. Mr. Rigg said this was everything included in this study, but in their previous study a lot more invasive and structural measures (chicanes, median islands, roundabouts) were included but because of their impacts, the signs seemed less impactful. He said Via Del Monte is a difficult street to do traffic calming on and these are the measures KOA felt could still help.

Councilmember Perkins confirmed with Mr. Rigg that the correct interpretation of the speed study is that even though the stop signs were not put in place for traffic calming, but put in place for safety measures; they have had the collateral benefit of reducing the speed along Via Del Monte.

MPT Bird said the problem on Via Del Monte is that people are speeding, not that they don't realize they are speeding. He thought this new study would include suggestions for additional speed humps or bumps, like on other streets in our City, such as Via Valmonte and by Malaga Cove Library. The speed cushions were better than nothing; he opined more signs are not needed, but a device that will reduce speed. Now they have empirical proof that confirms that people are speeding he didn't think adding more signs is the solution. He said he would rather look at installing more devices that slow traffic down.

City Manager Smith said this is the second time KOA has studied Via Del Monte, so if there was an appropriate measure or something they felt would have worked, such as a speed hump at another location within Del Monte it would have been part of the initial plan; that was not one of the recommendations for that section from Rincon to Del Sol on the original study. Mr. Rigg said the original study included recommendation for speed cushions near Paseo Del Sol and the rest of VDM has too much of a slope to add them, plus upon review of the cushions on lower VDM, they were precluded by law from installing additional cushions by the Fire Department Code, which they continue work on toward the future. He said they have looked at other measures that may replace the speed cushions already installed, but there aren't locations that would work for a speed cushion-type device due to the slope on VDM. MPT Bird said there were other locations on Via Del Monte considered. Mr. Rigg said two locations – where the speed feedback signs are now proposed. This KOA report included additional measures; the original KOA report had 50 measures. MPT Bird asked why the Traffic Safety Committee didn't consider speed cushions on upper Via Del Monte; Mr. Rigg explained that it is too steep on that section of the street.

MPT Bird said they didn't move forward with the installation of additional speed cushions on Via Del Monte because they wanted to look at all of the Via Del Monte. Mr. Rigg said they were precluded by Fire Department Code to add more bumps or cushions; KOA looked at other additional measures.

Mayor Rea agreed with MPT Bird; staff was to study alternatives to the speed humps as well as installing additional humps on the street. They can continue to study the issue despite the interpretation of the Fire Code.

City Manager Smith said staff could pursue to study the alternatives with Council's direction, but the first step is revising the Municipal Code to get them exempted from the Fire Code provision. Mr. Rigg said he understood his direction was to look at additional measures, above and beyond what's already been proposed by KOA, not including speed cushions.

Councilmember Humphrey said she didn't know how they could continue to look at speed cushions when they are prohibited. She said flashing signs are effective in her experience.

Mayor Rea said they could continue to study such measures despite the Fire Code. He confirmed with staff that that the design parameter accepted by the community included within the traffic calming program which states that streets not over 5% in longitudinal slope, which is the accepted industry standard, and no municipality ever exceeds that slope.

Councilmember Goodhart said a comprehensive plan or assessment of Via Del Monte from Granvia Altamira to Via Corta was his expectation. He said the Traffic Safety Committee and Council have been reacting to residents' local demands on particular issues, e.g. the Malaga Cove Homeowners Association request for a traffic calming device incorporated on VDM, which has been an historical problem. He said what they need is a better feel of the options available to them, such as flashing signs, which brings one into focus about how fast one is going as Councilmember Humphrey observed. If they've exhausted the options provided by KOA, perhaps another vendor could provide a fresh look, although he hesitated to spend the money to do another study.

Councilmember Humphrey confirmed with City Attorney Hogin that they have a year to comply with the Fire Code.

Councilmember Perkins suggested they take no action tonight, and return with unified plan for the entire street.

Jim Dutton, [Resident], commented on the noise and disruptive impacts caused by trucks going over the speed humps installed in front his home, and related reduced property value. He said he spoke on behalf of his adjacent neighbors.

Councilmember Perkins supported continuance, providing direction which includes taking a look at revision of the Municipal Code to exempt ourselves from the Fire Code provision (to allow them the flexibility of retaining speed cushions and adding other similar measures on Via Del Monte), and a comprehensive unified speed plan from Granvia Altamira to the bottom of the hill.

Mayor Rea expected a report based on the current condition, including the speed humps in place, and for alternatives to them.

Councilmember Perkins commented that feedback signs may be an integral part of what they do as part of a traffic calming plan.

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Councilmember Humphrey said they may try feedback signs as an interim measure, but also to determine if the speed cushions could be replaced with humps, or adding humps elsewhere on Via Del Monte.

Director Rigg said he, as City Engineer, KOA, or the city's traffic engineer would not recommend putting in a speed hump on Via Del Monte because of Fire Department access; it is a standard design consideration; this is an emergency access route. This is why KOA suggested the speed cushions in the first place. He is significantly against installing those devices without some access for the Fire Department; KOA can explore use of a lump, which is a hump which provides slots through it for emergency vehicles. The liability of putting things that are non-standard and against design guidelines in the public right-of-way is going to be against traffic accepted principles.

City Manager Smith said they've identified the major problem areas and have come a long way in addressing the problem. MPT Bird agreed, but the absence of residents present this evening doesn't mean the problem is solved. He did not want to do something that exposes the City to liability or which goes against the recommendation of experts, but he understood humps could be placed where the proposed feedback signs are proposed. It was his wish to follow experts' advice, but he was looking for a comprehensive solution to all of Via Del Monte.

Director Rigg said the additional measures were presented, because he understood the original measures were rejected and not embraced. Originally, KOA provided 50 suggestions that went before the Traffic Safety Committee (although reaching only to Via Rincon) but they saw the impacts to parking and the residents. Residents didn't embrace the typical large structural devices that KOA extensively originally studied.

City Manager Smith suggested they schedule a study session. Mayor Rea suggested that the traffic engineer and a representative of KOA could directly respond to their questions.

Councilmember Goodhart said they have the data; speeding is occurring, and the fundamental problem is how they address it--with passive devices or additional enforcement.

On motion of Councilmember Perkins, seconded by Councilmember Humphrey, Council continued the matter to an unspecified date for the purpose of conducting further review of traffic calming on Via Del Monte by unanimous oral vote.

NEW BUSINESS

PALOS VERDES GOLF CLUB FY 2012 OPERATING AND CAPITAL BUDGETS

MPT Bird recused himself from considering this item, citing potential conflict of interest as a member of the PV Golf Club, and departed the Chamber.

City Manager Smith reported that the concession agreement between the City and the PV Golf Club requires that the City review and approve the Club's operating and capital budgets, including the

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proposal of any change in dues or fees. On November 9th, the City received the Club' proposed 2012 (calendar year) Operating and Capital budgets as approved by its board of directors. She and liaisons Rea and Goodhart met with Club management and representatives to review the budget on December 6th. Significant changes in membership occurred in the last year. In 2010, the City approved an increase in regular members from 560 to 600. Non-resident membership is capped at 20% of that total (120 members), and non-residents currently comprise 15% of the regular membership. The Club is currently fully subscribed at 600 members, and has a waiting list for membership. The remaining Associate Golf Members (14) on the list will be offered membership within the next several months and the Club fully expects that by the end of March that category will cease to exist.

Ms. Smith reported that the Club is projecting a loss of ~\$101,000 on revenues of \$372,000 less than the budget (-4%); fully attributable to a shortfall in the food and beverage category due to decline in private party and banquet business. This is offset somewhat by other revenue, most of which are forfeited deposits from the Associated Golf Members. Expenses for 2011 are \$215,000 less than budget (2.6% less), with projected revenue of \$8.255 million, with expenses of \$7.91 million. Per the concession agreement, the Club contributes 10% (\$455,000) of their operating revenue to the capital improvement fund to assist with future capital needs; the net impact to the 2011 operating fund is the loss of \$101,000. The 2012 budget, based on 600 regular members, reflects income of \$8.83 million with expenditures (excluding depreciation) of \$8.192 million. After the contribution to the capital fund, the Club is presenting net income of \$163,192. The Club is requesting a 3% increase in all categories of monthly dues effective January 1, 2012, with other minor fee adjustments which don't have material impact on the operations and there is no proposed change in green fees. Historically, the Club has been diligent in adjusting monthly dues as required to meet operating needs. Monthly dues are still much lower than area private clubs, and amenities offered are a good value. A 10% concession fee is contributed to City; it is projected at \$833,000 for 2012; our third single largest source of general fund revenue.

The total initiation fees during 2011 totaled \$2.65 million; several deferred items are included in the capital budget—golf and clubhouse equipment, and value engineering to correct noted deficiencies from the Club House Improvement Project. The 2012 capital budget is requested at \$570,000. A capital needs study is in process and forthcoming.

Mayor Rea said the golf club is a beautiful facility; a gem of the community. He supported approval of the budgets and dues increase.

Councilmember Goodhart complimented the Club on managing the conversion of the associate memberships to allow for capital that addresses deferred maintenance and equipment acquisitions for improvements to the benefit of our residents and members. He said upon their review of the budget, the Club advised they have been more aggressive in banquet and party revenues and created more tournaments to improve revenue. He said he was confident the Club would meet their budget and supported the dues increase.

Councilmember Humphrey noted she and Councilmember Perkins were club liaisons when they wrestled with membership and she was happy to see the Club at full membership with a wait list, which includes non-residents. She supported approval of the budgets and increases; the Club is a wonderful asset to our community.

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Councilmember Perkins agreed. In order to have a healthy budget, you need a good solid membership base and to know that there are a good number of rounds of golf played each year. She was pleased the Club is at full membership. Residents would be given priority for membership over non-residents. She thanked Steve Hockett for hospitality towards the South Bay Council of Governments for their meetings, providing a wonderful opportunity to share this treasure with others in the South Bay and hopefully may generate some income for the Club.

Jerry Kuzmanoff, current PVGC President, said they enjoyed and appreciated the relationship between the City and the Club and continued support.

On motion of Councilmember Goodhart, seconded by Councilmember Perkins, Council approved the FY 2012 Palos Verdes Golf Club operating and capital budgets; approved a 3% increase in monthly dues and approved changes in other fees as specified in the proposed budget by unanimous oral vote; MPT Bird recused.

MPT Bird returned to the Chamber.

PW-578B-11; AWARD OF CONSTRUCTION CONTRACT FOR THE COMPLETION OF THE MEXICO PLACE STORM DRAIN IN THE AMOUNT OF \$108,640 TO FS CONSTRUCTION AND ADOPTION OF RESOLUTION R11-38, ADJUSTING THE FY 11-12 BUDGET

Director Rigg reported that drainage from the Mexico Place cul de sac is currently conveyed down to the Palos Verdes Drive West through a swale on private property and then onto parkland. Over the years, this has created significant erosion to the parkland and along the concrete swale against the two private properties. In July 2010, KFM Engineering was retained to study options; an underground pipe at the existing swale was the best option suggested. The original engineer's estimate was \$48,000, and the City was surprised that the low bid was \$112,000. They looked how this could be redesigned or constructed otherwise, but came to the conclusion this was still the best and cheapest method. Lowest responsible bid, upon rebid, was \$108,640 from FS Construction. A lower bid was received, but it was found there were no references, while FS Construction has done similar projects.

Mayor Rea asked if it was determined why KFM's cost estimate was so low compared to the received bids. Originally it was thought a lot of the work could be done by machine, but due to the slope and site constrictions, it was determined a lot of the work would have to be done by hand.

City Manager Smith noted a clerical error; Resolution R11-38 is the correct resolution number.

Councilmember Goodhart asked if the intention of the project is to remove the swale and put in an underground pipe with a collection device. Mr. Rigg said yes, there would be catch basin at the cul de sac, which goes into the pipe, then flow in the catch basin on PV Drive West. The swale would be removed and the storm drain system to the left of the private property would be connected to the drain.

On Motion of Councilmember Humphrey, seconded by Councilmember Goodhart, City Council awarded a construction contract for the completion of the Mexico Place Storm Drain Project in the

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amount of \$108,640 to FS Construction, and adopted Resolution R11-38, adjusting the FY 11-12 budget by unanimous oral vote.

REVIEW OF REQUEST FOR PROPOSALS FOR THE RESIDENTIAL REFUSE COLLECTION CONTRACT

Director Rigg said the current contract with Athens Services expires June 30, 2012. He said staff has recognized additional functions that would make it a better contract for the City and the residents, such as adding a definition of universal waste (batteries and fluorescent tubes primarily); all vehicles shall be fueled by liquefied or compressed natural gas; requirement for contractor to provide for electronic billing and payment of invoices, and terms within the contract have been modified so rates may be adjusted, to allow for reductions in rates, rather than only increases.

The City will go out to bid in mid-January, have a pre-proposal conference at City Hall, with proposals due March 9th for a potential award on April 10, 2012.

The basis for award has been based on value in other cities, rather than on lowest bid. It is to the City's benefit to affect quality and value, and to consider the amount of experience of the haulers with other cities, their depth of resources, the rate that they propose, and Council can determine how much value they attribute to these factors.

Gary Clifford, Athens Services, said they have worked to forge a relationship with the City, with local businesses, staff, schools, residents and with local sports and believe stellar service is provided and asked Council to consider discussion of extending their contract.

Councilmember Goodhart said he was concerned that they have no criteria for the value-based award. In fairness, he would like the bidders to have a sense of how these proposals would be evaluated. He proposed they have some gross topics of interest, e.g. environmental.

Mayor Rea agreed; they wanted to put value basis into the contract because they are not simply looking at the cheapest trash hauler, but the best overall hauler. Price is certainly a very important factor, but they are going out to bid to make sure we are getting the best service, although we've had a good experience with Athens.

Councilmember Goodhart suggested a methodology which includes technical, cost, and the management approach – 3 general categories that are used in a value-based evaluation. This provides some idea of how they will evaluate these proposals, which is fair.

Councilmember Perkins agreed and suggested a Council subcommittee work with Director Rigg to identify what the value categories of consideration should be, perhaps with the City Attorney's review.

Councilmember Humphrey said other cities have adopted the value-based technique and suggested they have access to the language they've used. Director Rigg said the language within the suggested RFP includes criteria used by RPV. Councilmember Humphrey said all the proposals should be evaluated on the same criteria. She concurred with Mayor Rea that Athens is doing a wonderful job for

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the City, but felt it was a matter of due diligence of their responsibility to the residents to make sure we're getting the best value.

MPT Bird was in concurrence, but asked if bidders will know what they would be considering with regard to value basis. Director Rigg said they would be judged on price, experience, and transition plan; other than that there isn't much more. He said the price will be fairly well defined, the scope of services is very well defined, experience and ability to provide the services, and a transition plan. They want to make sure that the hauler has rear yard service experience, which is very specific to our community.

Councilmember Humphrey agreed; we definitely don't want to be a test case for contractors providing service.

Mayor Rea said they can consider how professional services contracts are awarded, such as for an auditor or City Attorney. City Attorney Hogin said Council can consider it in the same manner.

Councilmember Perkins commented each Council member may have different perspectives on how they would consider the value basis proposals. City Attorney said this is permitted; when contractors know value bidding is being considered, it behooves them to prepare a bid which includes what they bring to the table, such as the ability to help the City meet environmental goals, reuse/recycling, use of electric trucks, or showing how they're innovative in some way to help meet these goals. Trash collection is a very competitive market with a defined group of competitors that will be able to provide the service the City desires.

Councilmember Perkins agreed it should be left to the discretion of each Council member to apply what they see as each bid providing value.

Councilmember Goodhart said this is not a professional services contract in the context of a city attorney or auditor; there is a difference because they will service our residents on a weekly basis, and it would be helpful to include items of interest and importance to them as a City, it should be so stated in the RFP and the bidders would respond accordingly. He said they could also assess the proposals individually, or they could relay these criteria at the bidders' conference without weighting them specifically.

Director Rigg said staff will provide a significant amount of information, including reference checks, other cities they do similar services in, price, and other information to work through to determine their value based judgment.

On motion of Councilmember Humphrey, seconded by MPT Bird, Council approved the Residential Refuse Collection Request for Proposals and directed staff to proceed with advertising for proposals by unanimous oral vote.

STAFF REPORTS

CITY MANAGER'S REPORT

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City Manager Smith, with Council's concurrence, set Wednesday, January 11, 2012, at 5:00 p.m. in Council Chambers as an Adjourned Regular Meeting to complete review of proposed revisions to the PVE Municipal Code.

DEMANDS

It was moved by Councilmember Humphrey and seconded by Councilmember Perkins that the demands, as approved by a majority of the City Council, totaling \$228,094.98 be allowed and it was unanimously approved.

It was moved by Councilmember Humphrey and seconded by Councilmember Perkins that the demands, as approved by a majority of the City Council, totaling \$235,624.74 be allowed and it was unanimously approved.

It was moved by Councilmember Humphrey and seconded by Councilmember Perkins that the demands, as approved by a majority of the City Council, totaling \$232,872.56 be allowed and it was unanimously approved.

It was moved by Councilmember Humphrey and seconded by Councilmember Perkins that the demands, as approved by a majority of the City Council No. 520601H, 520602 to 520669 totaling \$539,971.80 be allowed and it was unanimously approved.

It was moved by Councilmember Humphrey and seconded by Councilmember Perkins that the demands, as approved by a majority of the City Council No. 520690H, 520691 to 520771 totaling \$403,182.01 be allowed and it was unanimously approved.

MAYOR & CITY COUNCILMEMBERS' REPORTS

Mayor Pro Tem Bird congratulated City Attorney Christi Hogin for her recognition by the Daily Journal as one of the top 25 municipal lawyers in the State.

ADJOURNMENT

There being no further business before Council the meeting was adjourned at 10:20 p.m. to Wednesday, January 11, 2012, in Council Chambers of City Hall for the purpose of an Adjourned Regular Meeting.

**RESPECTFULLY SUBMITTED,
VICKIE KRONEBERGER/s/
EXECUTIVE ASSISTANT/DEPUTY CITY CLERK**

**APPROVED BY:
WILLIAM JOHN REA, MAYOR /s/**

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