

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

**March 13, 2012**

**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, Asst. to City Manager Davis, Executive Asst./Deputy City Clerk Kroneberger**

**MAYOR'S REPORT – Matters of Community Interest**

**CONSENT AGENDA (Items #1 - 9)**

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

- **READING OF ORDINANCES CONSIDERED FOR INTRODUCTION ON FIRST READING OR ADOPTION ON SECOND READING**
- **CITY COUNCIL MINUTES OF FEBRUARY 28, 2012**
- **CITY TREASURER'S REPORT – FEBRUARY 2012**
- **RESOLUTION R12-04; AFFIRMING PLANNING COMMISSION DENIAL OF CDP-86-11; CONSIDERATION OF A COASTAL DEVELOPMENT PERMIT APPLICATION REQUESTING AFTER-THE-FACT APPROVAL OF TWO REAR YARD DECKS AT THE SINGLE FAMILY RESIDENCE LOCATED AT 605 PASEO DEL MAR. LOTS 2, 3, AND A PORTION OF B & C, BLOCK 1414, TRACT 17606**

**CITY COUNCIL  
MARCH 13, 2012**

- RESOLUTION R12-05; ADOPTION OF A POLICY FOR THE PRIVATE LANDSCAPING OF PARKLANDS
- RESOLUTION R12-06; APPOINTING DANIEL DREILING AS INTERIM POLICE CHIEF
- RESOLUTION R12-07; ADJUSTING THE FY 2011-12 BUDGET AND APPROVING THE USE OF GENERAL FUND AND LUMP SUM PAYMENT TO ELIMINATE THE CITY'S CALPERS SAFETY PLAN SIDE FUND LIABILITY
- RESOLUTION R12-08; ADJUSTING THE FY11-12 BUDGET TO ALLOW FOR COMPLETION OF THE FY 11-12 PEDESTRIAN PATHWAY IMPROVEMENT PROJECT
- PW-590-11; AWARD OF CONSTRUCTION CONTRACT FOR THE PASEO LA CRESTA PATH REPAIRS IN THE AMOUNT OF \$32,482 TO HARDY AND HARPER, INC. AND ADOPTION OF RESOLUTION R12-09, ADJUSTING THE FY 11-12 BUDGET

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

## **OLD BUSINESS**

STOP SIGN WARRANT ANALYSIS FOR VIA DEL MONTE AT VIA PINALE, VIA SOMONTE, PASEO DEL SOL, AND VIA RINCON  
*(Traffic Safety Committee Meeting Item February 8, 2012)*

MPT Bird recused himself from consideration or discussion regarding stop signs on Via Del Monte and Via Rincon. As a result, Mayor Rea announced bifurcation of the hearings; first, to be considered are the stop sign warrant analyses at Via Pinale, Somonte, and Paseo Del Sol to provide for MPT Bird's participation; second, analysis and testimony for Via Del Monte at Rincon, at which time the MPT may leave the Chamber.

Director Rigg said the Traffic Safety Committee reviewed the need for stop signs on Via Del Monte at their February 2012 meeting, and voted to recommend stop sign installations on Via Del Monte at Via Pinale unanimously, and at lower Via Somonte, with a 3-2 vote. Stop signs were not recommended at Via Del Monte at Paseo Del Sol. Traffic Safety Committee made findings for the recommended installations per the California MUTCD that these signs were warranted. He said the warrants for stop sign analysis are numerical criteria used for larger streets; Traffic Safety Committee did not find they were warranted for any of these intersections; however, significant limited sight visibility (warrant "C") was found in their review of intersections of Via Del Monte at Via Pinale, and at lower Via Somonte; echoed by some public commentary. At the Council meeting of February 28<sup>th</sup>, the item was removed from Consent due to written and verbal testimony

**CITY COUNCIL**  
**MARCH 13, 2012**

provided by the public. Council continued the item to allow for minutes preparation and review of submitted materials.

The following members of the public spoke:

David Kramer, [area resident], RPV, said the stop signs under consideration this evening are not warranted. He said the MUTCD requires specific and objective factors and according to the [City Traffic Engineer's] report, none of these warrants are met; instead 2 subjective conditions are mentioned as justifying additional stop signs – vehicle pedestrian conflicts and minimum stopping distances. He said the report provides no pedestrian counts or evidence of conflicts between cars and foot traffic, and he has seen relatively few pedestrians in 27 years on Via Del Monte, and no crossings at the 4 intersections under consideration. He said the minimum stopping and sight distances, using AASHTO, were cited to override the MUTCD. Currently, there is no reason to come to a complete stop at these intersections and lack of accident history seems to indicate that stopping distance is not currently a problem, but new stops may create them. He queried if safety or reduced speed is the goal, citing MUTCD is specific that stop signs are not to be used as speed control devices. He said there will be increased driver delay and frustration, noise, fuel consumption and pollution.

Jim Dutton, [resident], supported a stop sign at Via Pinale and ultimate removal of all or some of the speed bumps in front of his home; he is a pedestrian on the street and said these intersections are difficult to negotiate. MPT Bird said he appreciated Mr. Dutton's commentary.

Jim Parker, [resident], concurred with Mr. Kramer. He said he started the petition against the stop sign at Via Somonte. He said a stop sign there may cause an accident for downhill drivers, citing also noise and brake pad dust. He said signers also voiced support of removal of the speed bumps.

Graham Walker, [resident], said he's seen a lot of accidents at his corner, with a recent close call as he tried to leave his driveway.

Fred Mackenbach, [resident], encouraged Council's review of Chief Dreiling's Traffic Safety Committee report. He said when entering Via Del Monte from Via Somonte, added visibility may be provided by cleaning this area up and trimming vegetation; there are bushes that obstruct views going left or uphill onto Via Del Monte from Somonte.

Councilmember Goodhart confirmed with staff that Chief Dreiling's Traffic Safety Committee report was verbal. Director Rigg added that stop signs are very controlled in their analysis by the state; specifically, they are not to be used for traffic calming. Speeds on Via Del Monte was not part of the Traffic Safety Committee discussion, or their findings for the two [recommended] stop signs. He confirmed that Traffic Safety Committee does have the discretion per the MUTCD to install these signs; the specific finding is within his report. Mr. Rydell, the traffic engineer, was present at the TSC meeting, wrote the reports. He said several speakers at Traffic Safety Committee spoke of the walkability of both intersections--Via Somonte and Via Pinale.

**CITY COUNCIL  
MARCH 13, 2012**

Mayor Rea confirmed that the issue of speed cushions is not before them for consideration this evening. Director Rigg said installation of a sign at Via Pinale would make it a changed condition, but it was not a reason to install the stops signs, nor was it part of the decision. Mayor Rea confirmed with Mr. Rigg that if sign is installed they would return within ~6 months with a report to see how it is working.

Councilmember Perkins asked if the brush suggested for clearance on either side of Via Somonte is on City property; Director Rigg confirmed that this had not been reviewed.

Councilmember Humphrey said she studied, traversed, and lived in the area; she was cognizant of traffic calming consideration on Via Del Monte, but they are considering stop signs for safety and visibility today, particularly from exiting side streets. She was familiar with the foliage mentioned by Mr. Mackenbach; similarly, this was considered when they looked Via Panorama near Granvia Altamira; a lot of foliage was trimmed back and it helped. She said visibility can be enhanced by trimming foliage at Somonte, although a lot of area residents felt they are fine with the safety of entrance and exits there; perhaps they don't want to force a stop sign there. She could see the helpful benefit of a stop sign at Via Pinale and they look at it again in 6 months; they would look at traffic calming as a separate issue.

Councilmember Perkins echoed Councilmember Humphrey's perspective. She has negotiated Via Pinale for years; it is always a challenge with the downhill traffic too whether or not there's going to be the visibility to take the turn, particularly when you are going uphill. She said it makes good sense to support the Traffic Safety Committee recommendation to install a stop sign there. It is a question of visibility. She said she would be considered about visibility, turning up and down the hill off Via Somonte, but the residents don't seem to be concerned except for the question of the existing bushes and foliage. She supported its trimming if it is something that is under the City's control before the installation of a stop sign. She was concerned another stop sign going uphill on Via Del Monte may create unintended consequences. She favored upholding the TSC recommendation for a stop sign at Via Pinale, but was open to what else could be done on Via Somonte.

Councilmember Goodhart thought the suggested Traffic Safety Committee locations for stop signs are worthy of consideration for safety of people entering and exiting Via Pinale and Via Somonte. He questioned the need for a stop sign going uphill at Via Pinale given that it's several hundred feet from Via Corta and there is adequate visibility, but not going downhill. He encouraged a review of the speed humps if the stops signs were placed there. He agreed there is adequate visibility up and downhill on Via Somonte; but trimming foliage will improve the situation. He said pedestrians do need to be cognizant of cars, and suggested more use of trails. He favored approval of the stop sign at Via Pinale, but not uphill, and did not support approval at Via Somonte.

Mayor Rea asked Director Rigg for the rationale for the uphill stop sign at Via Pinale. Director Rigg indicated stop signs are not installed only one direction. It creates significant confusion; the

expectation is if you see a stop sign in one direction, there's one in the other. Director Rigg confirmed that there are 2 one-way stops in the City – one at Via Panorama and one on PV Drive North at the Triangle. Councilmember Humphrey agreed there is confusion at Via Panorama; one has to be careful.

MPT Bird was in concurrence with what's been said; they've been looking at this issue with measured solutions and it's clear that a stop sign is needed at Via Pinale because of limited sight visibility; it is dangerous trying to make a left turn to go up Via Del Monte. If a clear majority of the Via Somonte residents don't think it's necessary, he did not support approval but would like to see the trees trimmed back then looked at again in the future. He said Council has determined to budget \$100K next year for enhanced maintenance of pathways and City trails; the Via Buena Path traverses Via Del Monte and encouraged use.

Councilmember Humphrey agreed with MPT Bird, noting that she does see a lot of pedestrians at Paseo Del Sol and Via Del Monte, but she did not feel a stop sign was warranted there.

Mayor Rea confirmed Council concurrence to not support stop signs at Paseo Del Sol. He agreed with MPT Bird's comments; he said it's clear stop signs ought to be at Via Pinale, but was conflicted about Via Somonte, as it appears Traffic Safety Committee was as well. He said it is a big sweeping S-curve, not unlike that at La Venta Inn; stops signs were installed last year where there is quite a challenge for traffic negotiating entering/exiting Via Del Monte. Those stop signs have been quite successful, along with warning signs leading up to them. He said negotiating turns at Somonte is challenging, but agreed there are other issues such as noise from breaking and stopping. He liked the idea of trimming back hedges to see if it improves the line of sight if cleaned up.

On motion of Councilmember Humphrey, seconded by Councilmember Goodhart, City Council approved Traffic Safety Committee recommendation to install a stop sign in both directions on Via Del Monte at Via Pinale, and disapproved the recommendation or warrant analysis for stop signs at the intersections of Via Somonte and Paseo Del Sol by unanimous oral vote.

MPT Bird recused himself from discussion of the warrant analysis for stop signs at Via Rincon, citing conflict of interest, and left Chambers.

Director Rigg said the Traffic Safety Committee also reviewed the warrant analysis and discussed stop signs at upper Via Rincon at their meeting of February 8<sup>th</sup>, which was not supported or approved.

On motion of Councilmember Goodhart, seconded by Councilmember Perkins, Council did not approve stop signs at the intersection of Via Del Monte and Via Rincon by majority oral vote; Bird recused.

PC-339-12; APPLICATION TO REMOVE 1 SILVER DOLLAR EUCALYPTUS TREE  
LOCATED IN THE CITY PATHWAY BETWEEN 1824 AND 1900 VIA ESTUDILLO

*(Parklands Committee Meeting Item of February 13, 2012)*

Applicant: Christine McNamara

Director Rigg said the Parklands Committee reviewed the subject application, discussed removal, and whether or not topping the tree would be an acceptable method to reduce it in height to create significant view enhancement. Via Estudillo residents voiced concerns about the application, and wished to maintain the tree in its current state; the application was denied. At the Council meeting of February 28<sup>th</sup>, the item was removed from Consent at the request of the applicant. Council continued the item to allow for minutes preparation and review of submitted materials. He said topping to bring the tree down to the ridgeline was of concern to the Parklands Committee because there wouldn't be much tree left.

Mayor Rea asked Director Rigg if the applicant could lace the tree without Parklands Committee approval. Director Rigg said yes, lacing could be done to this tree, but it is a short-lived venture because eucalyptus spring back with water sprouts, similar to what happens when it is topped. A worse situation can result with lacing; it can create a greater view blockage if lacing isn't done often and continual. Lacing is a no-fee over-the-counter permit; structural modifications, such as topping, or removal of trees are under Parklands purview. Policy provides for approval of either removal or a less severe modification of the tree; topping can be considered.

Mayor Rea confirmed their options with staff, which include approving removal of the tree, denying removal of the tree, approving topping, and/or requiring planting of a replacement tree or deposit to the tree bank.

Councilmember Goodhart commented there are different varieties of eucalyptus trees; he's seen lacing in Valmonte which opens the trees up for a couple years before they become dense to require additional lacing. Director Rigg said lacing is an option available to the resident with a no-fee permit.

Councilmember Bird said the forester noted in his report that the tree had been trimmed two years before and asked for details. Director Rigg said he did not have the information and the City Forester was not present.

Director Rigg said the City only trims trees for the safety of the tree and the safety of the public; limbs that could fall or that are crossing or unhealthy for the tree are removed. In general, they do not shape trees or lace them so one can see through them. Lacing is for the beautification of the tree and enjoyment of the neighbors and is solely financed by private individuals – open to anybody at any time.

Councilmember Humphrey confirmed the street tree for Via Estudillo is the Coppertone (non-fruit bearing) Loquat. She confirmed with staff that street trees replace a non-street tree when it dies, or

is removed through the Parklands Committee. There is no program to actively replace trees with street trees. She said neighbors, per minutes, do not appear to like the loquat. Director Rigg said they could request a different tree designation. She confirmed with Director Rigg that most of the foliage behind this tree is on private property.

Christine McNamara, [resident], applicant, said the tree greatly impairs their view and it is a view restoration issue, not view enhancement. She said the request is reasonable and consistent with the Parklands Tree Management Policy goals and objectives permitting removal "...when views are becoming unreasonably impaired by trees." She said this is a question of equity and equal protection, not emotion and personal preference, and felt they did not get a fair hearing of all true and relevant facts and that inaccuracies, personal preference, and bias unduly influenced the committee's decision. She said the picture used at the meeting was not representative of their view; it was taken prior to their reduction of their trees on Monday, February 13<sup>th</sup>. She said she was assured that this was for ID purposes only; however, Committee members pointed to the trees that were reduced and claimed they blocked their view, so why bother with the eucalyptus. She said pictures provided in the packet were taken with a higher quality lens but with no zoom. She said one [Parklands] member cited "majority rules" noting that the policy does not mention this preference. She said two members decided against their application because "we don't have a panoramic view" and this is reverse logic; this precisely why they need their view maintained. The tree does not provide shade and removal or crown reduction does restore the view over lower roof tops and through other trees. Sunset and water can be seen through the tree, which proves the ocean view exists behind it. She said they bought a house with an ocean view and they deserve equal protection. She said neighbors were against removal because the tree appears healthy, noting there is no mention in the policy that trees cannot be removed when it can be proven that they are blocking ocean views. She said trees are pleasant, but so are ocean views and are at least as valuable and should be treated as such. She said if removal is denied, they ask for structural modifications to reduce the crown substantially as per policy "to strike a reasonable balance between the protection and enhancement of mature trees and the preservation of views for each property owner."

Paul McNamara, [resident], owner, said the issue is whether the Tree Management Policy is followed. He said two provisions cited by Mrs. McNamara were not followed. There is to be a balance between views and trees per the policy; and said the [Parklands Committee] missed the balance, and felt the decision should be overturned or modified. Each household represented at that meeting said they were willing to modify the tree in some way, supporting trimming or lacing, but nothing was done. Quoting from policy, he read "...to consider to the extent reasonably practicable the preservation or enhancement of view corridors to the ocean." He said it is practicable to do this; the 55-60 ft. tree can be removed; it is only that size because it has been neglected for 20-30 years. He said that tree was not above the roofline when they moved in to their house; it has come directly to the expense of their view. He said the City Forester said the criteria for street trees is that it cannot grow above the roofline, and the policy states "3D" states that he could not put in a tree that could impair the view like this; the growth of that tree has come at their expense in terms of their view and it is not fair. He said you had to take a step to restore what is right and what follows the

**CITY COUNCIL  
MARCH 13, 2012**

City's tree policy. He said they would plant another tree that would go up to the roofline, or contribute to the tree bank, which is the fair balance.

Councilmember Goodhart said he look at the site on Estudillo and from Via Coronel properties (1220, 1224) adjacent to the applicants, and was torn. He opined trees are part of the view; admittedly if the single tree does block a portion of the ocean view, he could make a case for removing part of the tree. He said there are other trees in the area that stick up, although lower, in the view corridor. He asked for other commentary.

MPT Bird said he believed the dissent has it right; safety trumps convenience when they talk about stop signs. With this issue, he said views trump trees and he favored the removal of this tree. He said they are looking at this one tree before them tonight. They would not approve a tree this high; it blocks a resident's ocean view. He supported staff determining replacement or contributing to the tree bank. He favored removal of this tree, on balance, on this application.

Councilmember Humphrey agreed, but had been on the fence. She walked the areas, and wrestled with the issue that it is a healthy and pretty tree. She said one of the reasons they worked on this policy, was to try to get a balance between trees and views. She said they chose street trees so that they would not impede views or be problematic. Commentary from residents, per minutes, did not indicate this tree was historic or shaded their house or had personal value; the tree would eventually be gone and would be replaced by a street tree. She supported whatever they could to have the applicant's view enhanced.

Councilmember Perkins said she had more of a struggle with this issue because of the time she spent on the Parklands Committee. She sees the balance between the trees that someone experiences on Via Estudillo versus the impairment of the view. She stood on the [applicant's] deck and viewed the tree from their living room to see the impact of that tree. She said it's one thing to consider tree removal when it's front of your view, but it has different character when asking to remove a tree that is part of, and impacts, somebody else's neighborhood and those neighbors come forward to say they do not support removal. When on the Parklands Committee, she said they balanced their consideration that the tree was in the view, and if there were no objections, the tree was gone. But when the neighbors who lived with that tree had objections because they felt it contributed to the ambiance of their street and neighborhood, it was more difficult to balance. She favored leaving the tree, allowing it to be laced or thinned to see how that worked; if in a couple years it does fill in, then it could be reconsidered for removal. This is a healthy tree, and there are other Silver Dollar Eucalyptus trees on that street; it adds character to the street. Yes, that tree is in the view from the deck, but there is also other greenery present.

Mayor Rea also looked at the tree from the various streets; he thanked the McNamara's for inviting him inside their house. He opined they wouldn't approve a tree that would grow this big on this street, if asked, and they wouldn't approve planting a Canary Island Pine; they are trying to get away from trees like this on view properties. This is why we have official street trees—to aim in that direction. Fifty years from now, this tree will not be there, but the houses will; there will be



shorter trees in this neighborhood. He agreed it is a balancing process; it is not an easy balance to make because it is a beautiful tree and it is part of the view. But, he opined, it is blocking a significant part of the [applicant's] ocean view and favored removal.

Councilmember Humphrey said two [Via Estudillo] neighbors had voiced requests that the tree not be replaced the tree if allowed to be removed per the Parklands minutes. Director Rigg explained if a new tree was planted, the bulb of the tree would be 10-20 ft.; it would then block their views. Councilmember Humphrey also noted neighbors were interested in changing the street tree designation. Director Rigg recommended a \$500 contribution to the tree bank and staff can work with the neighborhood regarding a change of street tree.

Councilmember Goodhart appreciated Council's commentary; the process is subjective, although there is criteria in our tree policy as noted per the McNamara's. On other applications where trees grown into, or block a portion of, the view, he said they have not removed trees, and he was trying to find a balance. In this particular instance, what is significant is the type of tree - the Silver Dollar Eucalyptus is rather dense. This tree does block a good portion of the view and supported removal.

Councilmember Humphrey said if she thought lacing the tree would resolve the situation, she would not support removal. It obviously can't be topped.

On motion of MPT Bird, seconded by Councilmember Humphrey, Council approved Parklands Application PC-339-12 for removal of One (1) Silver Dollar Eucalyptus tree located in the city pathway between 1824 and 1900 Estudillo according to the standard conditions for tree removal approvals; applicant is to pay \$500 to the Tree Bank by majority oral vote, Councilmember Perkins dissenting.

## **NEW BUSINESS**

**PW-577-11; AWARD OF CONTRACT FOR CONSTRUCTION OF THE ROCKY POINT ROAD SEWAGE PUMP STATION PROJECT IN THE AMOUNT OF \$1,489,891 TO METRO BUILDERS AND ENGINEERS GROUP LTD.**

Director Rigg reported that the Rocky Point Pump Station was constructed in 1964 and recently updated in 1994. Problems with the Rocky Point Pump Station includes inadequate storage capacity, poor dry well access, lack of an emergency power source, and components which do not meet current safety standards. It has a tendency to flood during heavy rains from water that enters the pump station through its access hatches. AKM Consulting Engineers' design includes refitting the existing pump facility with new pumps and piping, and an air compressor, and a new below-grade motor control center. A very large emergency well will be built into the street to take the overflow of sewage, if the facility should fail. An emergency back-up generator is also included within the specs, which would be deployed if needed. He said they worked carefully to keep this a below ground facility in this quiet residential neighborhood. He said only small curbs and access

**CITY COUNCIL  
MARCH 13, 2012**

hatches can be seen from aboveground. Seven bids were received with a tight range from the low to high bid, indicating good plans and specs. Metro Builders and Engineers Group submitted the apparent low bid; they have a significant amount of recent pump station experience and have done a variety of local projects, and also for the State. This is a complex project that will require specialized construction inspection services, included within the budget, and he said the success of the recent Via Barri sewer pump station project is due to the good inspection from the outside consultant, AKM. He said this project is entirely funded from our sewer user fee and we thank the public for the money to be able to this right for them.

MPT Bird confirmed with staff that a performance bond is included with the contract, which would provide money to complete the project if something happened and the contractor did not complete it. City Attorney Hogin said the surety would step in and finish the project; the City is very well protected. Bad workmanship, unfinished projects, collapsed bridges are things to be concerned about and those were not heard by staff.

Discussion ensued regarding contractor references. Director Rigg indicated the main concerns mentioned by other agencies was requested change orders and extra costs incurred. With the quality of our plans, the quality of inspection he is confident we will not have the same issues, which sometimes can be related to bad plans, specs and poor inspection. Staff confirmed for Council a performance bond is included as part of the contract, which would provide funds to complete the project if the contractor was unable to perform. City Attorney Hogin said the surety would step in and finish the project; the City is well protected. Bad workmanship, unfinished projects and things to be concerned about and that is not the comments heard by staff when checking references for this contractor.

Councilmember Goodhart asked if this is the last project in our sewer plan. Director Rigg said there are two force mains to be completed after this project.

On motion of Councilmember Goodhart, seconded by Councilmember Perkins, Council awarded a construction contract for the completion of the Rocky Point Road Sewage Pump Station Project in the amount of \$1,489,891 to Metro Builders and Engineers Group Ltd. by unanimous oral vote.

**AWARD OF PROFESSIONAL SERVICES AGREEMENT FOR CONSTRUCTION INSPECTION SERVICES IN THE AMOUNT OF \$116,500 TO AKM CONSULTING ENGINEERS FOR THE ROCKY POINT ROAD SEWAGE PUMP STATION PROJECT**

Director Rigg reported that three proposals were received from firms that provide the specialized inspection services needed for the Rocky Point Sewage Pump Station Project—KOA, Harris & Associates, and AKM. Each of the proposals was reviewed independently of the cost proposal for experience and individuals; AKM was found to have the most experience in comparison to the other two firms. The reviewers felt AKM Consulting Engineers is the best firm and better suited to provide these services, they are part of the original design team, and have proven themselves on the

first [Via Barri Pump Station] project. He said \$116,500 cost proposal seems reasonable and was comparable to what was spent on the first pump station, with the same rough scope of work.

Councilmember Goodhart confirmed they are not required to award a professional services agreement to the lowest bidder and staff confirmed their evaluation was based on capability and professional services experience included with their proposal. Director Rigg said this was a qualifications based selection; then the price was reviewed. Councilmember Goodhart confirmed with staff that they did not evaluate the other bidders' costs.

On motion of Councilmember Goodhart, seconded by MPT Bird, Council awarded a professional services agreement in the amount of \$116,500 to AKM Consulting Engineers for construction inspection services of the Rocky Point Road Sewage Pump Station Project by unanimous oral vote.

## ECONOMIC USE ANALYSIS OF CITY PROPERTIES AT BLUFF COVE AND VIA VALMONTE

City Manager Smith and Director Rigg departed the Chamber due to a conflict of interest.

Assistant to the City Manager Davis reported that she and the City Attorney were assigned for purposes of this review and study due to the conflict of interest of senior management staff that currently reside in the Bluff Cove homes. Last year, the City Council appointed a subcommittee consisting of the Mayor and Mayor Pro Tem to develop an efficiency and effectiveness study for City operations and services, which led to an examination of City-owned properties. In October 2011, the City Council approved a contract with the consulting firm Kibel Green, Inc. to conduct an analysis of the various City-owned properties to provide a preliminary economic evaluation of City-owned properties located at Palos Verdes Drive West at Bluff Cove and The Tower (or Gate) House on Via Valmonte.

Assistant Davis said the scope of work included providing estimates of the potential market rent ranges for comparison to the current rents charged to the licensees or tenants; to provide an initial assessment of the potential marketability of the properties considering of the existing state of certain geotechnical issues, including the preliminary estimate of their potential market values; to provide a preliminary analysis and comparison of the advantages and disadvantages renting, selling or designating some or all of the properties as open space; and lastly to provide a preliminary analysis of value related to the continuation of current use of the homes for City employees and contractors.

Assistant Davis said she, the City Attorney, and the City geologist worked very closely with the Kibel Green consultant throughout the entire investigation. They provided historic documentation relating to litigation and settlements of the Bluff Cove properties, various geologic reports done over the years, existing license agreements for the Bluff Cove homes and the lease agreement for the Via Valmonte property among other relevant information. The consultant also conducted site inspections. She said there was a lack of information regarding the geotechnical and habitable

conditions of the properties, and it was found that there was significant geotechnical land issues determined through historic documentation that identified the area at Bluff Cove as landslide and unstable land. There were concerns about the habitable conditions of those structures and lack of data in regards to the remediation of those Bluff Cove properties.

She said the typical assumption the consultant uses to determine the values is that all homes are improved to a condition of being habitable and no significant changes are made to the current condition of the home other than the minimum health and safety requirements. To properly assess the estimated fair market value and/or rent of properties, KGI provides a range based upon the market value of other comparable homes in the area, and then deducts the cost of remediation, which is not currently known for these properties, and the cost of sale or maintenance/repair, to determine the net economic value to the City.

There were a total of seven properties with single family homes that were evaluated at Bluff Cove. Of these seven homes, three homes are rented to City employees/contractor, four are vacant, one of which was a “life estate” that recently became vacant during this project period.

KGI performed physical inspections of the Bluff Cove properties, with the exception of the life estate property, and noted various health and safety concerns--significant cracking to structures, water and sewage intrusion, evidence of water and moisture damage, and mold. A mold and moisture assessment was conducted and minor mold was found in one home; very minor remediation projects were suggested.

KGI additionally raised concerns regarding structural issues and recommended further professional structural analysis.

Significant information missing in KGI’s research was a comprehensive geologic report updated over the last few years. The City maintains some geologic reports that indicate the properties are within an active landslide area; there wasn’t any updated geologic monitoring and no consideration of remediation in any of those reports. This information plays a critical role when evaluating the potential market values for rental and resale purposes.

Councilmember Goodhart confirmed there are two privately owned properties on PVDW within the group of City-owned homes in Bluff Cove.

Assistant Davis said the consultant provided a matrix of each property, which included ratings (preliminary poor, average, and poor) of the interior and exterior of the homes comparing the condition of these homes in comparison to the median home observed in the same area, without accounting for the habitability and geotechnical issues.

She provided snapshot views with descriptions of conditions and ratings of each of the properties on PowerPoint. Councilmember Humphrey said some of the houses along Bluff Cove were demolished due to vandalism and significant land movement concerns.

**CITY COUNCIL  
MARCH 13, 2012**

Each property's interior and exterior (1009, 1015, 1017, 1101, 1105, 1117, 1121 PVDW) were rated ranging from "preliminary poor" to "preliminary average."

Ms. Davis noted considerable cracking in the backyard when she visited the property at 1101; KGI was not able to assess thoroughly, because the status of the "life estate" has just changed within the last three weeks.

Councilmember Goodhart confirmed that erosion at 1017 PVDW (vacant) is on the cliff-side of the property; some moisture damage has occurred at this property and there has been some land subsidence. Councilmember Humphrey noted when a former employee lived there a portion of the backyard fell into the ocean. Asst. Davis said it was a 10 ft. drop; a backyard fence had to be relocated.

She said a common theme in the assessment of the properties was significant cracking, off track doors and windows, and drainage issues.

The Gate House property at 4440 Via Valmonte was rated "preliminary average/poor" for both the interior and exterior due to its age; it is currently leased.

Assistant Davis said the report includes in their analysis the benefits of housing City employees or contractors, including integrating key personnel into the fabric of the community, the value of local and accessible key staff members of the City in the event of emergency, and the utilization of idle City assets to reduce the payroll cost of employees (subject to income taxes) and contractor service cost (a credit is applied against the contractor's invoices).

The City also tasked KGI to consider open space designation for the Bluff Cove properties.

The consultant suggested additional analysis of the geology and remediation of the land before making any recommendations regarding Open Space designation or use. The costs associated to demolishing the homes, consideration of the use and extent of facilities that may be placed on the open space, and the cost of maintaining the open space areas themselves are also considerations.

KGI recommended that conversion can be done in phases starting from North, where there are already two vacant lots, working South. Of note, there are the two private properties which provide a significant limiting condition should it be determined to convert completely to open space.

While the City anticipated that KGI would be able to provide a market value and rent rate for all the properties, there were challenges with the Bluff Cove properties that prevented that determination.

There were no such challenges with the Gate House; based on the rating of the structure and the property, the adjusted market value is \$166,000 - \$199,000, and the adjusted market rent rate would

be \$550 -\$660. The current tenant pays \$417 per month, but has consumed complete maintenance responsibilities including major repairs which should be considered.

Councilmember Humphrey confirmed there is a lease agreement with the tenant, who is not an employee or contractor.

KGI reported statutory procedural steps are necessary, per California Government Code for disposal of “surplus land” should the City decide to discontinue the current use of the properties and sell the Bluff Cove sites. For selling or leasing the land for private purposes, the City must make a written offer to any public entity that has jurisdiction over the Bluff Cove properties, or to any housing developer certified by the California Housing Finance Agency in order to sell or lease the land to be developed for low-and moderate-income housing, and any other local and state agencies for consideration of buying or leasing the land for park and recreational purposes. Interested entities would have 60 days to respond and the City must enter good faith negotiations to determine a mutually satisfactory sales price of lease term. If no party expresses an interest, then the City may sell or lease the Bluff Cove properties at the market rate.

Councilmember Humphrey asked for clarification regarding public entities with jurisdiction over the Bluff Cove properties. City Attorney Hogin said usually they are a parkland district, a land trust, a conservancy, or an entity that does not have governmental jurisdiction formed that included the Peninsula, e.g. Santa Monica Mountains Conservancy has the jurisdiction of everything in the Santa Monica Mountains.

Councilmember Humphrey confirmed that a housing developer certified by the California Housing Finance Agency could buy or lease the land but would have to develop the land for low-and moderate-income housing. City Attorney Hogin said that is a priority use of all land under State law.

Councilmember Goodhart confirmed with staff that it is unknown who does have jurisdiction, also confirming that the PVHA would not have jurisdiction; they are not a public entity.

Councilmember Perkins confirmed that could only occur if the City was interested in selling or leasing the land, not if they wished to convert it to open space. City Attorney Hogin said this would only have to occur if the City wishes to dispose of the land.

A geologic report, c. 1980’s, showing landslide susceptibility and the depths range from 50 to 80 feet below was described as an example among other like and narrative reports that were provided to KGI.

Councilmember Goodhart said lots 1 and 2 are the vacant lots, which are the closest to the soldier pile wall area in Bluff Cove recently built. He asked if it was known if the geology at that [Bluff Cove wall] site is identical. Asst. Davis said she could not answer; this is the information they’ve realized is still needed.

**CITY COUNCIL  
MARCH 13, 2012**

KGI was able to fully accomplish the assessment of the Gate House and preliminary analysis of the benefits by continuing its current use by City employees and contractors in their license agreements; however, in order to provide the City with estimates of potential rent ranges and values properties, as well as comparing the advantages and disadvantages of either renting, selling or designating some or all of the properties as open space, the consultants recommend that the City engage experts to inspect the physical condition of the subject properties to better determine the habitability of the structures. KGI also recommends the City conduct further geologic monitoring and analysis and cost estimates of remediation efforts.

This additional work would be required to determine an accurate valuation figure for each property.

The City conducted a geologic study for the recently vacated home at 1117 PVDW; however, it was done during this project period, so no recommendations have been pursued. The City Geologist made recommendations for only that property, but Ms. Davis suggested it could be used as a model for what more could be done for the other properties, such as:

- Monitoring at 4-7 points with annual and/or frequent readings
- Provide diligent observation of existing site conditions to determine changes to the bluff area – specifically during and after prolonged or heavy rain events.
- Inspect and clean area drains
- Address rodent burrow issues
- Evaluate storm drain for damage and effectiveness
- Confirm type of foundations that support the residence, which can be accomplished by excavation of two to three test pits adjacent the existing foundations in the rear yard.

The City geologist indicates that there are ways to deepen the foundation of the residence at 1117 through caissons and tiebacks as well as reinforcing the bluff to reduce erosion. However, due to the topography of the land, he indicates that the necessary depth of the caissons and the costs may be impractical or very cost-prohibitive. Since cost estimates were not provided, staff is working with the geologist to get a better indication of how much that monitoring and remediation work would cost.

Ms. Davis concluded that direction is sought from Council to determine if allocation of additional funds for this investigation is desired. There are currently 4 vacant Bluff Cove properties and Council direction is sought.

Mayor Rea said one of the privately owned [Bluff Cove] properties changed ownership ~5 years ago and confirmed with staff they do not have a geology report. Ms. Davis said the resident has indicated a report may have been done before they moved in; findings are unknown. If provided, the City geologist would use it as part of his analysis.

Mayor Rea said the plans show that there are caissons drilled down at 1121 PVDW; he asked if other plans were reviewed. Ms. Davis this has not yet been done. The City geologist recommended reviewing the foundation structure for 1117 and the plans will be reviewed before doing any excavation. It is unknown how far down the caissons are placed.

Mayor Rea said in their review of the north end landslide a few years ago, in determining if the fault line went the under the roadway, a contractor drilled 6 holes at a cost of ~\$17,000. The area was mapped out and it was found that the fault line did not go under the road, which determined how far down they had to drill. He confirmed there are no other reports or studies available for the rest of this Bluff Cove area. Mayor Rea said one option would be for a contractor to drill extensive holes at good cost.

Asst. Davis said the overall geologist costs for the PVDW Stabilization Project was ~\$50,000; \$17,000 was just for that drilling.

Mayor Rea said passive monitoring of land movement is now being done at the Douglas Cut. Ms. Davis indicated the geologist suggests it is appropriate to identify land movement, which encompasses several years of monitoring. She said there has been spot (reactive) monitoring, such as when some land dropped at 1117 PVDW, and cracking noises were identified at 1121 PVDW in 2003. There is clear evidence there has been land movement; however, ongoing monitoring has not been done.

Councilmember Perkins said the report is excellent and it raises issues that were suspected. She confirmed with staff that it is unknown what the cost would be to conduct structural analysis of the houses, geological monitoring, and remediation measures. City Attorney Hogin said they're at the point where they have determined what has to be done, such as addressing mildew, flooding, and ongoing maintenance of the cracking to be sure nobody is in danger from these structures. Now that they've seen there are some significant issues, she queried how much more is to be spent to find out whether or not there are other uses, or if they can dispose of the properties; suggesting if it costs \$5 million to stabilize, perhaps they could sell at some profit, but it could cost \$30 million and it will never be worth that much.

Councilmember Perkins confirmed it was unknown what demolition would cost for uninhabitable homes. Looking at the current status of habitability – cracks, drop off, etc. – she asked if the City has sufficient waivers of liability should anything happen. City Attorney Hogin said the question is how much liability can be waived and suggested they need to stay on top of the current conditions, and Council may decide if they want to put the money into them to keep them habitable. Currently, there are minor treatable issues, such as with mold. Asst. Davis said an area had significant flooding because of cracking and structural issues which provided for the moisture intrusion.

Councilmember Goodhart asked if its rain intrusion or plumbing issues; Ms. Davis responded it is a mixture. In their moisture assessment, a plumbing concern was found in one area, but nothing extreme.

**CITY COUNCIL  
MARCH 13, 2012**



MPT Bird confirmed with staff it cost ~\$945,000 to repair PVDW to the north of these properties. He suggested this area is roughly 7 times the distance, he queried if the cost might be exponentially the same to shore up all of that property ending at 1121. Ms. Davis said what makes it more complex is that there are structures with foundations that have to be considered which would be problematic.

Mayor Rea queried how much money do they have to spend to figure out what is to be done next, and if it's worthwhile to do; there are decision points every step of the way. He was concerned with reports of cracking noise, and the noted reports of the recent slide of the Paseo Del Mar roadway in San Pedro, where experts were not predicting it would collapse as it did. He said what is alarming is that they do not have the geology reports that was thought would exist. The condition may be better than what is thought, but with all the cracking, he was alarmed. He queried if they are throwing good money after bad and at what point do they not put more money into this--or if it may be a house-by-house decision.

There were no members of the public present who wished to speak.

Councilmember Humphrey said the City did not set out to own these properties and she did know what should be done with them, and queried the ongoing liability. Even when PVDW was stabilized, they don't know what could happen in twenty years. They have to consider the stability of the land before they could even consider recommending this area as open space; the whole thing hinges on the stability of the land.

Mayor Rea said he had a problem with the Kibel Green's assumption that the estimated fair market value range could be \$11-\$13 million after remediation. The process for the City selling this land includes offering it to a public entity, or developers who want to develop low and moderate income housing first, which doesn't sound like it's within that \$11-13 million range. The City can't just sell it like a private party. City Attorney Hogin agreed, it is useful though to look at the market value as though it was on perfect land only to the extent that it provides a benchmark; they may find it takes \$30 million to stabilize the property.

Councilmember Humphrey remained concerned about their longstanding liability. After two houses were demolished, it was decided years ago the other bluff homes should be offered to employees and those they knew to act sort of as caretakers.

City Attorney Hogin Council said they would like the opportunity to sit down with the committee one more time to come up with a recommendation as to how they proceed in terms of perhaps demolishing the vacant homes, doing some remediation to the interiors/exterior of the ones that continue to be lived in and monitoring.

Mayor Rea said the geologic issue is interesting because the passive monitoring recommendation sounds relatively inexpensive but it is long term, and it still may not tell them what they need to

know. The more aggressive approach of drilling bore holes may cost hundreds of thousands of dollars to give them a picture of what's below the ground, but would that make them any further along towards making a decision as to what to do with this property, knowing that it eventually may go down the cliff.

Councilmember Goodhart said they have city employees who reside in a few of these homes and thought it is important to mitigate any near term issues, because there is a potential safety issue, which is their responsibility. He supported getting an estimate from a geologist to look at the entire series of lots as to how they would approach determining stability and potential liability. Before they decide to do anything, they have to understand what's underground.

Councilmember Humphrey suggested an RFP for these services may be appropriate. Asst. Davis said she has asked the geologist to provide this information and is awaiting a report which provides a best case scenario as to how the properties should be monitored, and to also provide an idea of remediation and associated costs.

Councilmember Goodhart said if the geology is suspect, he would not want to think about selling the land. Checking the stability of the inhabited properties should be their primary focus; a geology report would be our guide.

Councilmember Perkins said she is concerned about the geology and does not see anything that suggests there is going to be long term stability in this area, from having had to stabilize Bluff Cove in the northern area, to the drop off in some of the homes that are in the southern area. She is concerned about their current potential liability for the inhabited homes as well as any future liability in trying to dispose of them, although she understood more data is needed. She can't imagine being in a situation where they would want to be offering these properties for sale to anyone. Given the restrictions of how and to whom they need to be offered, she didn't think this as a viable possibility. She agreed with Councilmember Goodhart; they have to have an understanding of the geology. She was in favor of trying to get more information, or provide costs to obtain it. Knowing that we have people living there, and it provides real benefits to the City in being able to offer these to key employees and contractors. They need to understand if they can continue to make these homes safe before they continue to offer them to people. She's seen where the drop off has been, the cracks, crashes, and they need to understand more, and favored seeing what the geology is or seeing what the costs would be to have a geologic report and staff to continue to work with the committee for further recommendation.

Councilmember Humphrey was in concurrence.

MPT Bird thanked the men and women who served on previous City Councils for having the foresight for being provided lemons, as the Mayor had said, and making lemonade because they were never presented with a healthy lemon tree. He said these properties were salvaged out of a lawsuit and previous City Councils determined that an appropriate use would be to allow key City employees and contractors to reside in them; what a benefit that has been to our community to have

**CITY COUNCIL  
MARCH 13, 2012**

senior staff, police officers, and the City Manager so close that in the event of an emergency they are already home; already here. He supported getting more information because they need know about the geologic issues. It may be cost prohibitive, but we need the data so they can be appropriate stewards and wise about how they decide what to do with this City property. He said it would be great if they could have more police officers living in these properties, rather than officers with young families living an hour or hour-and-half away, residing in our community and providing benefit to our citizens. If the homes were not habitable, what a benefit it would be to have open space. If it was appropriate, what a benefit it would be to have a community building if there was a way to do that, but it doesn't appear that any of that would be feasible without knowing what the costs are going to be. They cannot make an appropriate choice without the information that we need. It is easy to look at these properties as "Beautiful Bluff Cove homes with beautiful views with million dollar lots. What a waste that they are vacant or rented out for so little!" He said thank goodness they have had individuals willing to reside there; we need to be good landlords and make sure that they are safe and that they remediate mold, mildew, safety, plumbing, sewage issues and look at whether or not it is feasible to continue to rent them out. It may be appropriate to bulldoze the homes and have them just be open and natural space. He said his first choice was to have City employees reside in those homes; more information is needed.

Mayor Rea said they are not in the position to make a decision as to what to do with the homes tonight; we need more information, which is being pursued. An estimate as to what it would cost to not only monitor but to remediate the geological/geotechnical issues. When the information comes in they will reconvene the ad hoc subcommittee – MPT Bird and himself.

MPT Bird queried weren't they entitled to the existing geological reports as the client in the litigation. City Attorney Hogin said yes, but there was surprisingly little information. She had assumed that the litigation had gone far enough that everyone knew what the geology was, but it appears that most of the reports had to do with the asbestos and drainage on the land and that there was the presumption of the underlying landslide and geology. It appears they were settled early enough that there weren't any experts who analyzed the geology itself. Councilmember Humphrey said the contention of the homeowners at that time was that it was caused by faulty storm drains.

Regarding, the Tower House, Mayor Rea confirmed that they are charging rent about what Kibel Green recommends is the market rate, taking into account that the tenant is doing the upkeep; it seems to be a fair deal. The lease agreement is a month-to-month arrangement, and confirmed there has been no issue with the tenant's maintenance of the property. He's lived there since the 1970's and he's made many improvements.

Mayor Rea confirmed consensus that staff will return to the ad hoc subcommittee with proposals. The subcommittee will report back to Council with recommendations as to how Council might proceed.

City Manager Smith and Director Rigg returned to the Chamber.

**CITY COUNCIL  
MARCH 13, 2012**

## **STAFF REPORTS**

### **CITY MANAGER'S REPORT**

- **REPORT ON UPDATE TO CITY'S MISSION / VISION STATEMENT AND RESULTS OF EMPLOYEE SURVEY**

City Manager Smith reported that the City's Mission, Vision, and Value Statement of 2012 is being reviewed, which was initially created in 2000. The impetus for creating a statement at that time was a focus on customer service. At the request of Council and part of her tenure as City Manager, staff has revisited and updated those statements as appropriate. An employee committee that worked on this represented all facets of the City staff and she thanked them for their comments and suggestions. Members were Sergeants Steve Barber and Tony Best, Assistant to the City Manager Alexa Davis, Financial Services Technician Karen Kato, and Maintenance Worker Anthony Mendoza.

The Mission Statement now reads: *Guided by the highest principles of public policy and law, our mission is to provide exemplary service to the Community, City Council, and our fellow Employees with a commitment to integrity, efficiency, professionalism, and cooperation.*

A broader focus to the Vision Statement was provided by the committee, which now reads: *To achieve the highest quality of life in Palos Verdes Estates by honoring the principles of our City's founding fathers, while adapting to future needs and challenges.*

City Manager Smith said it was noteworthy to mention the reference to the quality of life in Palos Verdes Estates. The most significant re-working was to the Value Statement, which now reads:

*As City employees, we value:*

- *Honesty and Integrity*
- *Respect for those we serve and each other*
- *Teamwork*
- *Exceptional and Responsive Service*
- *Effective Communication*
- *A Safe Community and Work Environment*
- *Responsible Use of Resources—Natural, Fiscal, Human*

As part of this process, City Manager Smith distributed a survey to City Staff; responses were anonymous and the replies and participation was overwhelming. Besides questions regarding employee satisfaction, there were two specific reasons for the survey: 1) to try and understand the consensus on what is our purpose, and 2) What can we be doing, or should be doing better? The #1 ranked response was "provide quality service, and serve the residents." She said what the staff identified as their primary purpose dovetails to the Mission, Vision and Value Statement, which is noteworthy as the committee members were unaware of the survey results. She said 92% of the

**CITY COUNCIL  
MARCH 13, 2012**

respondents indicated that they are very proud to work for the City of Palos Verdes Estates; 86% responded that they feel their work is very meaningful to fulfilling our purpose.

MPT Bird suggested replacing “founding fathers” with “founders” because it would be a more inclusive term, which would include families, families that were raised here, and the contributions each made. Asst. Davis (and committee member) was certain the committee would support this recommendation. Mayor Rea and Council concurred.

Mayor Rea said he appreciated that this was developed by the City employees, rather than from Council or management; it is much more powerful and meaningful to our City employees to have done it this way.

Councilmember Goodhart said the employees provided serious and thoughtful responses.

Mayor Rea said this could be used as a management tool, and the results were gratifying.

Councilmember Humphrey commended staff, and Councilmember Perkins suggested this information be shared in the City Newsletter and new business cards printed with the updated statement.

## **DEMANDS**

It was moved by Councilmember Goodhart and seconded by MPT Bird that the demands, as approved by a majority of the City Council, totaling \$277,032.42 be allowed and it was unanimously approved.

It was moved by Councilmember Goodhart and seconded by MPT Bird that the demands, as approved by a majority of the City Council No. 521153V, 521178 to 521254 totaling \$171,620.57 be allowed and it was unanimously approved.

## **MAYOR & CITY COUNCILMEMBERS' REPORTS**

Mayor Rea reported that he and MPT Bird will be attending Senator Rod Wright's Women of Distinction Luncheon on Friday, March 16th; Mayor Rea nominated PVE resident and honoree Marcia Good for her hard work for developmentally disabled children and adults in the South Bay community.

Councilmember Perkins reported that the South Bay Cities COG will host an open house before their board meeting on the 22<sup>nd</sup> to show their new leased office space at 20285 Western Avenue in Torrance at 4:30 p.m. Roderick Diaz, MTA, will make a presentation to the Board on options for the Metro Green Line expansion into LAX.

**CITY COUNCIL  
MARCH 13, 2012**

**ADJOURNMENT**

There being no further business before Council this evening, Mayor Rea adjourned the meeting at 10:25 p.m. to Wednesday, March 21, 2012 in Council Chambers for the purpose of an Adjourned Regular Meeting/Council reorganization.

**RESPECTFULLY SUBMITTED,**

**VICKIE KRONEBERGER,  
EXECUTIVE ASSISTANT/DEPUTY CITY CLERK**

**APPROVED BY:**

**WILLIAM JOHN REA, MAYOR**

**CITY COUNCIL  
MARCH 13, 2012**