

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

October 27, 2009

A regular meeting of the City Council of the City of Palos Verdes Estates was called to order this day at 6:30 p.m. in the City Council Chambers of City Hall by Mayor Perkins.

ROLL CALL: Councilmembers Bird, Rea, Goodhart, Mayor Pro Tem Humphrey, Mayor Perkins

ABSENT: None

ALSO PRESENT: City Manager Hoefgen, Assistant City Attorney Ailin, Assistant City Manager Smith, Police Chief Dreiling, Public Works Director Rigg, City Treasurer Sherwood, Administrative Analyst Davis, Finance Manager Yamasaka, Minutes Secretary Monson

STUDY SESSION:

- **OVERVIEW OF CALPERS (CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM) AND THE CITY OF PALOS VERDES ESTATES' CURRENT AND FUTURE PENSION OBLIGATIONS**

RECESS: Council took a break at 7:25 p.m.

RECONVENE: Council reconvened to a Regular meeting at 7:35 p.m.

PLEDGE OF ALLEGIANCE

ROLL CALL: Councilmembers Bird, Rea, Goodhart, Mayor Pro Tem Humphrey, Mayor Perkins

ABSENT: None

ALSO PRESENT: City Manager Hoefgen, Assistant City Attorney Ailin, Assistant City Manager Smith, Police Chief Dreiling, Public Works Director Rigg, City Treasurer Sherwood, Administrative Analyst Davis, Minutes Secretary Monson

MAYOR'S REPORT – Matters of Community Interest

Mayor Perkins reminded residents that the next Community Forum will be held in Council Chambers on Monday, November 2nd, at 6:30 p.m., with the Mayor, Councilmember Rea and City Manager Hoefgen in attendance.

Mayor Perkins reminded residents that the PVE CARES 4th Annual Health Fair will be held on November 6th at the Neighborhood Church.

Mayor Perkins reported that on November 2nd, the City of Rolling Hills, in partnership with SBESC, will kick-off the SBESC Cart at the Peninsula Mall. This will be a place for residents to obtain information on how to conserve water, energy, and the environment. Also, SBESC will be sponsoring a holiday light exchange again this year.

Mayor Perkins asked residents to remember to vote in the School Board election on November 3rd.

Mayor Perkins congratulated PV News reporter, Amy Artino, on her recent marriage.

CONSENT AGENDA

It was moved by Mayor Pro Tem Humphrey, seconded by Councilmember Rea and unanimously approved that the following Consent Agenda items be approved:

- MINUTES OF CITY COUNCIL MEETING OF OCTOBER 13, 2009
- PW-565-09; AWARD OF CONSTRUCTION CONTRACT IN THE AMOUNT OF \$21,500 TO SIMICH CONSTRUCTION, INC. FOR THE CONSTRUCTION OF THE VIA CORONEL CATCHBASINS
- PLANNING COMMISSION ACTIONS OF OCTOBER 20, 2009

CDP-74/NC-1357-09; Consideration of Coastal Development & Neighborhood Compatibility Applications for additions to the single family residence located at 273 Rocky Point Road. Lot 9, Tract 17606.

Owner: Hosein Sadri & Souzan Ardalan

Action: Approved with conditions

NC-719RIII/GA-1454/M-723-09; Consideration of revised Neighborhood Compatibility, Grading and Miscellaneous Applications for additions to the single family residence located at 1509 Lower Paseo La Cresta. Lot 8, Block 7, Tract 8043.

Owner: Mr. & Mrs. Hom

Action: Approved with conditions

M-731-09; Consideration of a Miscellaneous Application for structures exceeding the maximum allowable height at the single family residence located at 2113 Via Alamitos. Lot 15 & a portion of Lot 9, Block 1652, Tract 7330.

Owner: Jon Wren

Action: Approved with conditions

M-732-09; Consideration of a Miscellaneous Application for a structure exceeding the maximum allowable height at the single family residence located at 3636 Via Palomino. Lot 10 & a portion of Lot 9, Block 6216, Tract 6887.

Applicant/Owner: Kory & Rory Hunter

Action: Denied

M-733-09; Consideration of a Miscellaneous Application for structures exceeding the maximum allowable height at the single family residence located at 2928 Paseo Del Mar. Lot 7, Block 2236, Tract 7144.

Applicant/Owner: Ildiko Rosen

Action: Approved with conditions

M-734-09; Consideration of a Miscellaneous Application for a structure exceeding the maximum allowable height at the single family residence located at 2804 Paseo Del Mar. Lot 2, Block 2235, Tract 7144.

Owner: Charles Parks

Action: Approved with conditions

COMMUNICATIONS FROM THE PUBLIC – none

NEW BUSINESS

RESOLUTION R09-33; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE AND SALE AGREEMENT AND RELATED DOCUMENTS WITH RESPECT TO THE SALE OF THE CITY'S PROPOSITION 1A RECEIVABLE FROM THE STATE

Assistant City Manager Judy Smith explained that Proposition 1A was passed by California voters in 2001 to ensure that local revenues remain with local government. The provisions of Prop 1A can be suspended in the event of a fiscal emergency declared by the Governor and approved by a 2/3 vote of the Legislature. The State's 2009-10 budget process has resulted in the State borrowing 8% of property tax revenue apportioned to cities, counties, and special districts. For PVE, this amounts to approximately \$525,000. The State must repay the funds within three years (June 30, 2013). The Prop 1A Securitization Program is offered by the California Statewide Communities Development Authority (CSCDA) a joint powers authority sponsored by the Association of Counties and the League of California Cities. CSCDA will purchase the Prop 1A receivables and issue bonds and provide local agencies with the cash proceeds. This allows PVE to receive the monies borrowed by the State in two equal installments during the current fiscal year; in January and May. The funds are not restricted. All costs of participation are borne by the State. The documents to enroll in the program have been reviewed and approved by the City Attorney. The City Manager and the City Treasurer are the designated officials to execute the documents and must be approved by November 6, 2009 in order to participate.

Treasurer Joseph Sherwood said he did a large amount of research on the Prop 1A Securitization program. He looked into CSCDA and discovered it is a joint powers authority. His major concern was for any hidden fees that may pop up in the future. He spoke with an Aleshire & Wynder associate and was told that all the fees will be part of the principle amount that is offered as the bond. He recommended that Council approve the securitization. He said that 57 of 58 counties and ten of the largest cities in California have joined.

Councilmember Rea wondered where the State would come up with the money to pay the difference in the interest. He wanted to be sure the City would not be expected to pay the difference in interest.

Assistant City Attorney June Ailin said there will be a period of time when the money that comes from the bond purchasers will be sitting with a bank accruing interest. She expects that would cover part of the differential in interest. Due to the large rate of participation, there would be a very large pool of money generating a significant investment return.

Treasurer Sherwood believed that the bonds would be general obligation bonds.

Councilmember Goodhart believed it would be the joint power authority that would be taking on any risks not the cities or State.

Mayor Perkins believes it would be a greater risk not to participate given the State's current financial instability and possibly being unable to repay PVE the funds owed.

Councilmember Bird believes it would serve the citizens well for PVE to get the money returned as soon as possible. He also would not like to be a creditor of the State in 2013.

Mayor Perkins thanked Treasurer Sherwood and Assistant City Manager Smith for their comprehensive analysis of the issue.

It was moved by Councilmember Rea, seconded by Councilmember Bird, and unanimously approved to approve the City's participation in the Proposition 1A Securitization Program; adopt Resolution R09-33 and authorize the appropriate City Officials to execute the required program documents.

STAFF REPORTS

City Manager's Report

City Manager Hoefgen reported the PVDW Roadway Stabilization Project will soon be underway and, at this time, the contractor does not anticipate road closures or detours will be necessary.

He also indicated L.A. County Fire's "Ready, Set, Go" disaster planning guide is available on the City website along with the City's "Get Ready, Get Certified" program materials.

He also advised that a state mandated landscape maintenance ordinance to promote water conservation will be coming before Council for action in the near future.

DEMANDS

It was moved by moved by Mayor Pro Tem Humphrey and seconded by Councilmember Rea that the demands, as approved by a majority of the City Council, totaling \$225,435.71 be allowed and it was unanimously approved.

It was moved by moved by Mayor Pro Tem Humphrey and seconded by Councilmember Rea that the demands, as approved by a majority of the City Council, 516327H to 516329H, 516330 to 516394 totaling \$513,767.35 be allowed and it was unanimously approved.

MAYOR & CITY COUNCILMEMBERS' REPORTS

Mayor Perkins advised she and Councilmember Goodhart attended a presentation by the L.A. County Board of Supervisors recognizing the service of Rolling Hills Estates Mayor Judy Mitchell as President of the League of California Cities.

Mayor Perkins announced Mr. Goodhart's appointment to the Environmental Quality Policy Committee of the League of California Cities.

Mayor Perkins reported attending the South Bay COG Board of Director's meeting and the County Sanitation District Board Meeting.

Councilmember Rea reported attending the CJPIA Executive Committee meeting and the Authority's intent to issue a "white paper" on risk management practices in light of recent unexpected claim losses. He suggested that in a future Work Program the City should re-examine its risk management policies. He also suggested that PVE hire an outside consultant to perform an organization analysis of the city government to address risk management performance and the efficiency and effectiveness of the City. He will also be attending the CJPIA Risk Management conference in San Francisco.

Councilmember Bird reported he attended the City's Disaster District Planning Committee meeting which included a presentation by CalTech on earthquakes.

Councilmember Goodhart attended the Open House at the County run Malaga Cove Academy and the Special Education Local Plan Area (SELPA) program. He said the PVPUSD administration will be moving into the facility in mid-December. He suggested the Malaga Cove Homeowners' Association and the PVPUSD have a joint meeting to address any area resident's concerns.

Councilmember Goodhart complimented Allan Rigg and staff for the Via Anita landscape improvements. He suggested the City recognize resident Ann Valdez for her efforts to ensure the Via Anita area be included in the landscaping improvements to the north entrance of the City.

ADJOURNMENT

There being no further business before Council the meeting was adjourned at 8:25 p.m. to Tuesday, November 10, 2009 at 7:30 p.m. in the City Council Chambers of City Hall.

RESPECTFULLY SUBMITTED,

MICHÉLE D. MONSON, MINUTES SECRETARY

APPROVED:

ELLEN PERKINS, MAYOR