

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

April 14, 2009

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 City Council Chambers of City Hall by Mayor Perkins.

PLEDGE OF ALLEGIANCE

ROLL CALL: Councilmembers Bird, Rea, Goodhart, Mayor Perkins

ABSENT: Mayor Pro Tem Humphrey

ALSO PRESENT: City Manager Hoefgen, City Attorney Pannone, 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 announced, as a result of the vacancy created by Mr. Bird's election to the City Council, the appointment of James Vandever as Chairman of the Planning Commission and Winston Chang as Vice-Chair.

Mayor Perkins announced the initiation of a "Community Forum" to be held Tuesday, May 5, at 6:30 p.m. in the Council Chambers. The Mayor, Mayor Pro Tem, and the City Manager will be available to address questions and hear concerns from residents.

Mayor Perkins urged residents to shop locally to help strengthen local businesses.

CONSENT AGENDA

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

- MINUTES OF CITY COUNCIL MEETING OF MARCH 24, 2009
- RESOLUTION R09-10 AUTHORIZING SPECIFIC CITY OFFICIALS TO INITIATE THE DEPOSIT AND WITHDRAWAL OF CITY FUNDS WITH LAIF
- RESOLUTION R09-11 AMENDING THE BAIL SCHEDULE TO INCREASE PARKING CITATION FINES BY \$5.00 TO ACCOMMODATE AN INCREASE IN THE STATE COURTHOUSE CONSTRUCTION FEE SURCHARGE PLACED ON PARKING CITATIONS

- SPECIAL EVENT APPLICATION FOR THE PV MARATHON, MAY 2, 2009, FROM 7:00 A.M. TO 2:00 P.M.
- SPECIAL EVENT APPLICATION FOR THE AMERICAN DIABETES ASSOCIATION TO HOLD CYCLING EVENT “TOUR DE CURE” ON SUNDAY, MAY 31, 2009

COMMUNICATIONS FROM THE PUBLIC - None

NEW BUSINESS

PALOS VERDES TENNIS CLUB REQUEST FOR CHANGES RELATED TO GUEST FEES AND GUEST PLAY

Assistant City Manager Judy Smith reported that on March 10th the Palos Verdes Tennis Club Board of Directors reviewed and approved changes related to guest fees and guest play. In conformance with the Concession Agreement they are requesting approval from Council of the proposed changes. The Tennis Club defines guests as a non-member either a resident or non-resident. A guest need not be accompanied by a member. There is no limit on the number of times a non-member can play during the month. Currently, non-members pay \$10 before 12:00 Noon whether they are a resident or non-resident and the afternoon/evening rate is \$7 for resident and \$8 for non-residents. There has been an increase in non-member play and an increase in demand for evening play. There has also been a decline in memberships, currently at 380. The proposed change is to increase the non-member guest fee to \$15 for residents and \$20 for non-residents regardless of the time of day and to limit play to two times per month. The monthly resident dues are \$65. A resident non-member can currently play nine afternoons/evenings per month and not exceed the monthly dues rate. The current initiation fee is \$2,000. Council Liaisons Mayor Pro Tem Humphrey and Councilmember Bird were individually contacted by Ms. Smith and neither of them expressed objections to the proposed changes.

Councilmember Rea disclosed that he is a member of the Tennis Club and that he did not need to recuse himself from the vote as the matter did not impact him directly.

Councilmember Goodhart understood the need to be competitive with other area clubs. He asked if there had been an increase in costs that these changes would offset.

Tennis Club Manager John Hall reported that the Club budgeted for a 3% inflation increase and for the first quarter the Club is running at a slight surplus. The membership has dropped over the last few months. The idea is to incentivize residents to join the Club instead of “pay and play.”

Ms. Smith said the Tennis Club budget with 400 members was very conservative and now with 380 members it will be very tight.

Mayor Perkins asked how many people take advantage of the “pay and play” option. Mr. Hall said that a number of people have dropped their membership in favor of “pay and play.”

It was moved by Councilmember Goodhart, seconded by Councilmember Bird, and unanimously approved to accept the proposed changes to the tennis club guest (non-member) fees establishing \$15 for residents and \$20 for non-residents and limiting guest play to two times per month. (Humphrey absent)

AWARD OF A PROFESSIONAL SERVICES AGREEMENT TO HILTON, FARNKOPF, AND HOBSON CONSULTANTS FOR DEVELOPMENT OF A ROAD IMPACT FEE TO RECOVER MAINTENANCE COSTS ASSOCIATED WITH PRIVATE CONSTRUCTION PROJECTS AND REFUSE VEHICLES

Director Rigg reported that the City has experienced a shortfall in funding for roadway maintenance and rehabilitation since the expiration of the Utility Users Tax in 2003. The current funding for roadways is a combination of State funds, Special Discretionary funds, and transfers from the General Fund. The accumulated funds within the AB939 fund, the STPL funds, and the Proposition C funds have been recently exhausted. There is limited potential for receiving street rehabilitation funds from the economic stimulus funds. Construction traffic causes great damage to the City streets. The Planning Commission charged a road impact fee prior to 2000. The City stopped charging that fee when it was unable to find a solid formula to compute the fee for damage to the roadway based on the size of a project. The City of Hillsborough is similar in size to PVE and has recently implemented road impact fees. Hillsborough's fee is based upon a study completed by a consultant that determines the amount of traffic on the city streets due to construction vehicles, refuse vehicles, and also total traffic on the street. Through load calculations, they determine the associated roadway damage from each type of vehicle. They then proportionally allocate the costs to the construction projects and refuse vehicles. The damage due to construction is attached to building permits and the cost associated with refuse vehicles is an obligation of the refuse company, but, in most cases, is then added to the refuse bills. For PVE and its unfunded road obligation, this could potentially mean a road impact fee generating roughly \$225,000. Staff is asking the Council to hire a consultant to conduct a study which would form the basis to go forward with a road impact fee. Request for Proposals were sent and one proposal was received from Hilton, Farnkopf, and Hobson (HF&H). This is the same firm that conducted the study for the City of Hillsborough and has performed similar services for 35 jurisdictions.

Councilmember Goodhart said it is important to conduct the study as PVE prides itself on its roads. The study will analyze the nexus from construction vehicles and damage to roadways. He asked if the City has detected damage to roadways from construction and refuse vehicles or does staff just suspect there is damage. Director Rigg said there are two types of damage from construction projects to the roadways. There is local damage by trucks going in and out of the site and overall road damage over time. A fee is an accepted way to remedy the roads for cities with high construction traffic. There are projects in the City that have 10,000 yards of export which equates to 1,000 trucks weighing over 20,000 pounds travelling through the City. The Council can choose to tie the fee just to these types of export projects.

Councilmember Goodhart asked what the roadways are designed for regarding load. Director Rigg said he has not seen anything that correlates roadway design standards to any type of particular weight. The design is based on a traffic index, on the amount of vehicles that will be on the road.

Councilmember Bird asked if the City would be paying for time and materials for all of the meetings HF&H attends with the exception of the kick-off meeting. Director Rigg said time and materials would be only for Council presentations.

Mayor Perkins asked if the consultant's study would differentiate refuse vehicle and construction vehicle impacts. Director Rigg responded that prior studies that HF&H has completed do give a percentage breakdown and the final report will serve as a basis to impose either one of the two fees, neither, or both.

Mayor Perkins said that during this economic downturn there is not as much construction as in the last few years and she asked if there were any limitations on the City completing additional studies if in the future the construction traffic picks up again. Director Rigg thought that a new analysis would be required.

Councilmember Bird asked if there was need for concern that there was only one proposal received. Director Rigg responded that the City usually prefers more proposals and in this situation the City was aware that there were not a lot of companies that do this type of work and the City used IMS Systems to send RFPs to design, financial, architectural consultants in California. However, HF&H is well respected within the field as the firm to develop financial studies to develop a basis for fees.

Councilmember Rea was concerned about the timing and usefulness of completing the study during this slow economic time. The City must raise money in some way to pay for the maintenance of the roads and it is a question of when and what pocket that money comes out of. He was not sure if the item should be tabled until the economy picks up.

Councilmember Bird said Mr. Rea made a good point. He said when he sat on the Planning Commission and the projects had hundreds if not a thousand truckloads of dirt being taken out of the City he wondered why it was not much more expensive for those projects than for another project that was not exporting as much or any dirt. He felt it is a modest way for the City to recoup costs that are appropriate and he believes the report will come back giving the City the data that is needed to impose such a fee. He also will consider whether the time is right to complete this study.

Councilmember Goodhart felt it would be interesting for the study to be completed if it forms a baseline that the City could refer to in the future. He asked if the study will make a correlation or assess the current condition of the roads so that in the future the City could complete another study to compare. Director Rigg said the study will not assess the condition of the roadways – they will rely upon the Pavement Management System and the programmed and projected maintenance costs over time. HF&H will plug in these maintenance costs to create a financial model based on their observed amounts of various types of traffic and apply it to the Pavement Management System.

Councilmember Rea asked if the report will provide a model from which a percentage amount of damage to the street caused by construction traffic can be extrapolated which can then be applied in the future if the traffic increases by 50%. Director Rigg believed that it would.

Mayor Perkins said she would like to proceed with the study. She believes there is a disproportionate impact on the roadways due to the heavy construction vehicles. She thinks the data would be useful for

the City to have a sense of what the effects are and then make a decision whether to proceed with a road impact fee.

Councilmember Goodhart wondered if the City could impose a \$10 per residence fee for road maintenance. Director Rigg thought that that type of fee would be subject to Proposition 218 and would have to be put to a vote. City Attorney Pannone said the City can only assess a fee or a tax that is allowed by the State legislature. Councilmember Goodhart concluded in order to assess a fee the City is required to hire a qualified firm to complete a study. City Attorney Pannone affirmed.

City Manager Hoefgen said the City does not know what the future holds in terms of construction activity. In bringing this item to the Council, the staff did not think in terms of the desire to complete the study at a time when construction impacts are high. He believes that the rationale to move forward with the study is the same as when the staff first started to consider completing the study a year ago.

Mayor Perkins said that given the economic uncertainty she does not believe there will be additional transportation funds forthcoming to the City and the City will have to be more self-sufficient in funding essential city services.

Director Rigg said there is a fee that the City has not imposed which is very common and that is a franchise fee for the waste hauler. A 10% franchise fee would yield roughly \$200,000 in revenue.

It was moved by Councilmember Bird, seconded by Councilmember Rea, and unanimously approved to award a professional services agreement to Hilton, Farnkopf, and Hobson Consultants for development of a road impact fee to recover maintenance costs associated with private construction projects and refuse vehicles. (Humphrey absent)

STAFF REPORTS

City Manager's Report

City Manager Hoefgen congratulated Judy Smith and the Finance staff on their receipt of the GFOA award for financial reporting for the June 30, 2008 CAFR.

City Manager Hoefgen announced that the City is seeking applicants for current and potential vacancies on the City's Planning Commission, Parklands, and Traffic Safety Committees. Deadline for applications is Friday, May 1st.

CEREMONIAL MATTERS

Mr. Bill Orton of Senator Roderick Wright's office presented certificates of recognition to former City Treasurer Ed Ritscher and former Councilmember Joseph Sherwood. He also said the Senator was glad to write the requested letter of support for the Safe Routes to School grant application.

DEMANDS

It was moved by Councilmember Goodhart and seconded by Councilmember Bird that the demands, as approved by a majority of the City Council, totaling \$231,667.32 be allowed and it was unanimously approved.

It was moved by Councilmember Goodhart and seconded by Councilmember Bird that the demands, as approved by a majority of the City Council, No. 515201H to 514207H to 515218H, 515219 to 515288 totaling \$104,831.09 be allowed and it was unanimously approved.

MAYOR & CITY COUNCILMEMBERS' REPORTS

Mayor Perkins was honored to attend Assemblymember Bonnie Lowenthal's Women of the Year Conference which recognized Barbara Dye from the Peninsula.

Mayor Perkins reported that she spoke at Career Day at St. John Fisher's school.

Mayor Perkins reported Congressman Dana Rohrabacher has opened a local office on the Peninsula which will be open the 2nd and 4th Wednesday of each month.

Councilmember Rea announced his appointment to the nine-member Executive Board of the California Joint Powers Insurance authority (CJPIA).

Councilmember Bird reported that he will attend the Neighborhood Watch Block Captain Recognition evening on Wednesday, April 22 at 7:30 p.m. at City Hall

ADJOURNMENT

There being no further business before Council the meeting was adjourned at 8:25 p.m. to Tuesday, April 28, at 7:30 p.m. in the City Council Chambers of City Hall.

RESPECTFULLY SUBMITTED,

MICHÉLE D. MONSON, MINUTES SECRETARY

APPROVED:

ELLEN PERKINS, MAYOR