

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

January 27, 2009

A regular meeting of the City Council of the City of Palos Verdes Estates was called to order this day at 6:00 p.m. in the City Council Chambers of City Hall by Mayor Joseph C. Sherwood.

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

ABSENT: None

ALSO PRESENT: City Manager Hoefgen

PARKLANDS COMMITTEE APPLICANT INTERVIEWS

The City Council and City Manager Hoefgen conducted separate interviews with three applicants, Henry Bazak, Dianna Chooljian, M.D., and Robert Kennedy to fill the vacancy on the Parklands Committee.

CLOSED SESSION: Council adjourned to Closed Session at 6:45p.m.

ALSO PRESENT: City Manager Hoefgen, City Attorney Pannone, Assistant City Attorney Ailin, Public Works/Planning Director Rigg

- **Conference with Legal Counsel**

MATTERS OF EXISTING LITIGATION (2 cases)

Pursuant to Government Code Section 54956.9 (a)

Young v. City of Palos Verdes Estates, Case No. YC057845

Iannitti v. City of Palos Verdes Estates, Case No. BS117627; and

MATTER OF POTENTIAL LITIGATION

Pursuant to Government Code Section 54956.9 (b)

One (1) Potential Case

RECONVENE: Council reconvened at 7:30 p.m.

PLEDGE OF ALLEGIANCE

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

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

Mayor Sherwood announced that the Council would consider Agenda Item #9 out of order due to some new information that was received.

Planning Director Allan Rigg said the item is a public hearing to appeal a Planning Commission approval of a new single family residence at 980 Via Rincon. The Staff was made aware that the silhouette that was represented and reviewed at the Planning Commission hearing was significantly changed after the Planning Commission hearing. The Staff did check the silhouette today, and it is different. After reviewing the certification provided by the surveyor for the original silhouette, it is apparent that the current silhouette is approximately two feet different from the one reviewed by the Planning Commission and is of a different envelope. The City does not have a valid silhouette certification, the silhouette has been changed significantly, and the Planning Commission reviewed a silhouette that was not consistent with the plans that were before them.

City Attorney Pannone recommended the Council remand this project back to the Planning Commission to re-hear the matter with a correct silhouette and certification. He said a motion should be made to have the Planning Commission re-hear the matter.

It was moved by Councilmember Humphrey, seconded by Mayor Pro Tem Perkins, and unanimously approved to remand to the Planning Commission NC-1335/GA-1440/M-681-08, consideration of a Neighborhood Compatibility, Grading and Miscellaneous Applications for a new single family residence located at 980 Via Rincon, Lot 8, Block 1731, Tract 714.

MAYOR'S REPORT

Southern California Edison (SCE) Regional Manager Scott Gobble updated the Council on work being conducted in Palos Verdes Estates and surrounding South Bay cities. SCE is spending \$15 billion over a five year period to upgrade the infrastructure that has been in place since the 1930's and 1950's. They appreciate their partnership with the communities as this program is implemented. In PVE 18 utility poles have been replaced in 2008 and the same number is scheduled for 2009. They are also pulling and replacing underground cable and putting in new transformers in some areas in the city. By 2010 all the meters in PVE will be changed out. The customer will then be able to purchase electricity at the time of the day they wish to use it. The customer will be rewarded with a lower cost by using electricity in the middle of the night.

Councilmember Rea asked why when a new pole is put in the old pole is not taken out. Mr. Gobble responded that the pole is shared by all the utilities and when all the utilities have been transferred to the new pole the old pole will be removed. This process can take from three to six months.

Councilmember Goodhart asked about the different terms used for undergrounding. Mr. Gobble said for SCE undergrounding is for the power lines, but for poles to be removed all the utilities (phone, cable) must be undergrounded.

Councilmember Goodhart asked if the residents will be informed when their meters will be changed out. Mr. Gobble said residents will be notified by mail when the project is ready to start and then they will be notified five days prior to Edison entering their property.

Councilmember Goodhart asked if there will ever be enough power produced. Mr. Gobble said SCE is constantly working on identifying the power needs in California. It is a difficult process to build new infrastructure through existing communities, but they are working to get this accomplished.

Mayor Pro Tem Perkins said it was her perception that the replacement of underground cables seems to follow only when residents have suffered through many blackouts. She asked if there are plans in place for undergrounding and pole replacement. Mr. Gobble said SCE has five and ten year plans. SCE does yearly inspections of the vaults to check the switches and components. The part that is difficult to identify is the cable between the structures that can not be seen. So sometimes they do have to experience a problem with the cable before they are ready to spend hundreds of thousands of dollars to replace a system that may still be usable.

Councilmember Humphrey said it is difficult to call SCE to report a power outage since mobile phone lines rely on electricity, you need a hard-wired phone line. Mr. Gobble suggested that everyone have one old-fashioned hard-wired phone line just for emergency situations.

Mayor Sherwood asked if SCE would buy back energy from residents who have solar panels in place. Mr. Gobble said that the California Energy Commission has a solar program in place for homeowners to lower their bills, but the current program does not allow for compensation.

Mayor Sherwood said it is expensive to install solar panels and it would be beneficial if homeowners realized they can get a return on their investment. Mr. Gobble said the prices are dropping and there are good rebates available through the California Energy Commission.

CONSENT AGENDA

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

- MINUTES OF CITY COUNCIL MEETING OF JANUARY 14, 2009
- CITY TREASURER'S REPORT – DECEMBER 2008
- TREASURER'S QUARTERLY INTEREST REPORT – OCTOBER TO DECEMBER 2008
- PW-533-08; REJECTION OF ALL BIDS RECEIVED FOR THE EVR II UPGRADE PROJECT
- PW-545-08; COMPLETION OF CONTRACT FOR THE 6-INCH SANITARY SEWER PIPE CLEANING PROJECT
- SPECIAL EVENT APPLICATION FOR PALOS VERDES COMMUNITY ART ASSOCIATION AFFILIATES SUMMER ART SHOWS: APRIL 18-19, MAY 16-17, JUNE 20-21, JULY 18-19, AUGUST 15-16, AND SEPTEMBER 19-20, 2009 FROM 9:00 A.M. TO 5:00 P.M. ON THE MALAGA COVE PLAZA GREEN
- TRAFFIC SAFETY COMMITTEE MEETING ITEM OF JANUARY 14, 2009
Traffic calming application for Lunada Bay School Neighborhood
Action: Recommended that staff 1) install a NO LEFT TURN 6 AM – 8 AM sign on northbound Palos Verdes Drive West at Via Anacapa, 2) bring the issue back before the Committee one month after its implementation, and 3) bring Via Anacapa edgeline striping designs back to the Committee at the next meeting
- PLANNING COMMISSION ACTIONS OF JANUARY 20, 2009

M-691-08; Consideration of a Miscellaneous Application for non-standard encroachments at the single family residence located at 1128 Palos Verdes Dr. West. Portions of Lot D, E, F & 14, Tract 11620.

Owner: Joe Barnett

Action: Approved

M-692-08; Consideration of a Miscellaneous Application for a non-standard structure at the single family residence located at 856 Rincon Lane. Lot 12, Tract 10536.

Owner: Rincon Lane LLC

Action: Approved

NC-1333/GA-1437/M-683-08; Consideration of Neighborhood Compatibility, Grading and Miscellaneous Applications for a new single family residence located at 952 Granvia Altamira. Lot 3, Block 1751, Tract 8652.

Owner: Dr. Ashok Kumar & Neera Kumar

Action: Approved

NC-1343/GA-1442-08; Consideration of Neighborhood Compatibility and Grading Applications for additions to the existing single family residence located at 812 Via Conejo. Lots 9, 10 & a portion of 8, Block 1537, Tract 6884.

Owner: Mr. & Mrs. David Oberman

Action: Approved

NC-1345/GA-1444/M-696-08; Consideration of Neighborhood Compatibility, Grading and Miscellaneous Applications for additions to the single family residence located at 1413 Via Galicia. Lot 80, Tract 27438.

Owner: Anil & Madhvi Aggarwal

Action: Approved

NC-1346/GA-1445/M-697-08; Consideration of Neighborhood Compatibility, Grading and Miscellaneous Applications for a new single family residence located at 2804 Paseo Del Mar. Lot 2, Block 2235, Tract 7144.

Owner: Charkat, LP

Action: Approved

NC-856R/M-689-08; Consideration of Neighborhood Compatibility and Miscellaneous Applications for additions to the single family residence located at 1709 Via Arriba. Lot 6, Block 1530, Tract 6884.

Owner: Ray Eastwood

Action: Approved

M-690-08; Consideration of a Miscellaneous Application for a new detached structure at the single family residence located at 1724 Paseo Del Mar. Lot 7, Block 1271, Tract 7140.

Owner: Jeff Gunzenhauser & Dianna Chooljian

Action: Approved

M-693-08; Consideration of a Miscellaneous Application for a non-standard structure at the single family residence located at 1261 Via Landeta. Lot 11, Block 1490, Tract 6889.

Owner: Mike & Lisa Krantz

Action: Approved

M-694-08; Consideration of a Miscellaneous Application for a non-standard structure at the single family residence located at 4304 Via Nivel. Lot 14, Block 6320, Tract 7143.

Applicant/Owner: Chris Andrews

Action: Denied

COMMUNICATIONS FROM THE PUBLIC

Resident Joan Davidson, [PVE], feels there is a potentially major problem nearby with the possibility of Rancho Palos Verdes re-zoning the intersection of Granvia Altamira and Hawthorne. The re-zoning may cause a large traffic increase depending on what type of businesses moves in. She feels the traffic counts were done on incorrect days according to the MTA standards. She would appreciate PVE getting involved.

John Freeman, [RPV] lives near the same intersection as previous speaker. He agrees with the previous speaker. Intersection impacts PVE and RPV. He is asking PVE to get involved to protect both cities. What is being proposed is five times larger than what is currently on the site.

ORDINANCES

INTRODUCTION OF ORDINANCE 09-688; AMENDING SECTION 10.64.010 OF THE PALOS VERDES ESTATES MUNICIPAL CODE ESTABLISHING PRIMA FACIE SPEED LIMITS AND APPROVING THE POSTING OF SPEED LIMIT SIGNS ON LOCAL STREETS WITHIN THE CITY.

Public Works Director Allan Rigg stated that the City recently reviewed speed limits throughout the City in December 2008. As part of that review, speed limits were changed on four streets remained unchanged on eleven streets. There were concerns from residents regarding changing the speed limit on two of those streets. The City did not previously have a speed survey on record which would allow enforcement of the 25mph speed limit on Granvia Altamira. On Palos Verdes Boulevard at the City entrance the survey showed a higher speed limit needed to be posted. The City decided to have the consulting traffic engineer conduct additional speed surveys on these two streets. The new survey showed a lower average speed on Granvia Altamira which allows a 30mph speed limit to be posted and enforced. On Palos Verdes Boulevard the prior speed limit was 30mph and the City's survey showed a higher average speed causing a 35mph speed limit to be posted and enforced. The traffic engineer conducted a new survey and received results confirming 35mph.

Director Rigg said they also had the traffic engineer look at the potential need of a guard rail on the median on Palos Verdes Boulevard. Due to the accident history, street configuration, the presence of a curb and the geometrics of the area, the traffic engineer concluded that a guard rail was not required for safety considerations. He did recommend three items to make the northbound curve safer: 1) reflectors on the pavement, 2) install a "Curve Ahead" sign, and 3) install raised reflectors on the median.

Director Rigg recommended the Council approve the adjustment of the speed limit from 35mph to 30mph on Granvia Altamira.

Councilmember Goodhart was concerned with Palos Verdes Boulevard leaving the city going north. His concern was with the difference between enforcement and safety. The City needs to determine the risk and the consequences with or without a guard rail being installed. Director Rigg said traffic engineering and the posting of speed limits is specifically regulated by law in order to enforce with radar.

Councilmember Goodhart asked if the traffic engineer's opinion prevents the City from installing a guardrail. Director Rigg said in the analysis for the guard rail the traffic engineer looked at several things: 1) the steepness of the embankment, 2) analysis of past traffic accidents, and 3) if there is any type of raised curb median. The analyses to not install a guard rail are the results of standard engineering practice.

Councilmember Goodhart said the City could initiate a study to figure out the costs to install a guardrail. City Manager Hoefgen agreed that the engineer's analysis does not preclude the City from taking action. He cautioned that the City needs to be careful taking action contrary to the recommendations of a third party review. Any review should go through the Traffic Safety Committee.

Councilmember Humphrey said the issue on the Agenda is the speed limits.

Mayor Sherwood said in the accident that started this discussion, the driver was more than likely exceeding the speed limits and a guard rail may not have made any difference.

Mayor Sherwood asked for public comments and seeing no one wishing to speak to the issue asked for a motion.

It was moved by Councilmember Humphrey, seconded by Mayor Pro Tem Perkins, and unanimously approved to introduce Ordinance 09-688; an Ordinance of the City Council of the City of Palos Verdes Estates amending Section 10.64.010 of the Municipal Code establishing prima facie speed limits and approving the posting of speed limit signs on local streets within the City.

NEW BUSINESS

R09-03; RESOLUTION APPROVING A CONCESSION AGREEMENT WITH HGS MANAGEMENT, LLC, FOR OPERATION OF THE PALOS VERDES STABLES EFFECTIVE MARCH 1, 2009, ESTABLISHING SERVICES FEES AND APPROVING A \$25.00 INCREASE IN BOARDING RATES EFFECTIVE JUNE 1, 2009

City Manager Hoefgen reported that the Palos Verdes Stables were established in 1926 pre-dating the City. The Stables are a public facility owned by the City offering boarding, equestrian training, and public programs. The Stables have been managed by RCG Management, Bob Gaudenti, since 2000. In 2007 RCG notified the City they did not wish to extend the concession agreement. The Council directed Staff to meet with Mr. Gaudenti to try to extend the contract; a new contract did not materialize. Staff issued a Request for Proposal (RFP) in September of 2008. The Stable Liaisons, Councilmember Humphrey and Mayor Pro Tem Perkins, worked with Staff on the RFP. One of the requirements for the RFP was a mandatory walk-through of the Stable facilities. Four private parties participated in the walk-through. One proposal was received from Erin Isom-McLewee and David McLewee under the name HGS Management LLC. Erin and David are current residents of PVE. Erin has a wealth of experience running stables and David is a businessman. The Stables are maintained and operated by the Concessionaire. The Concessionaire makes all the arrangements for hiring

employees, for trainers, and boarding of horses. The City receives a 5% concession payment from all the proceeds coming into the Concessionaire. HGS Management plans to keep all the current boarders, trainers, and employees. HGS plans to fill the stables to capacity, they recommend a \$25.00 per month rate increase to take affect in June, and also plan to change the structure of the service fees charged. The term for the Concession Agreement is five years and may be extended by mutual consent at the end of the five years. A new provision has been added to the agreement as Ms. McLewee is an English trainer. This was thoroughly discussed and Ms. McLewee will be limited to 15% of total ring time for her training. A Stable Committee will be appointed as a requirement of the agreement. HGS Management plans to build luxury stalls on the site which will be subject to a review process. There will now be an annual audit to be paid equally between the City and the Concessionaire. The City requires a letter of credit to be on file for the first two years of the agreement. The agreement can also be terminated in the case of non-performance. Mr. Hoefgen displayed a PowerPoint showing HGS Management's expected revenues and expenses. Capital contributions of \$12,000 are planned by HGS Management for the first year. There will be meetings among the boarders, trainers and the Concessionaire as part of the transition to the new management.

Councilmember Humphrey has been a liaison to the Stables for about 18 years. She owned a horse that was boarded at PV Stables prior to becoming a Council member. The City faced a dilemma 10 years ago on whether to keep or close the Stables. Palos Verdes is one of a small number of cities that has a public stables. She is very pleased as a liaison and a horse person to have found someone interested in taking over management of the Stables. She is pleased that between Mr. and Mrs. McLewee they have management and horse skills. The City is not looking to the Stables as a large revenue source; looking at a service that is wonderful to offer our residents. It is a benefit that Mr. and Mrs. McLewee live in the City. She would like to see the stables continue in the City.

Mayor Pro-Tem Perkins agrees with what Mr. Hoefgen and Ms. Humphrey reported. As a newer liaison to the Stables she wanted to be sure the City was taken care of both through good management and recognizing that these are public stables. She is pleased with the proposed Concession Agreement which reflects the fact that the Stables are primarily public. She is also pleased with the enthusiasm for re-establishing some programs that will benefit the residents.

Erin Isom-McLewee, [PVE], said she is very excited and it was hard for her to hear that there was a possibility of a place like the PV Stables closing down. She plans to implement services to ensure that the Stables do not lose money so it will not be threatened with closing again. She has experience in turning a stable into a profitable operation within an eight month period. She has a vision for the PV Stables to be more profitable, to add more camps, and have more kids from the local schools on the equestrian teams.

David McLewee, [PVE], said that Erin is very knowledgeable regarding the horse industry and she was very successful in her operations in Arizona. He said it is very difficult to support land costs with the operation of running horses and their costs in California. He reported that during their research of the Stable he and Erin went through the budget line by line. They feel that they have identified additional revenue streams that were not identified by the prior concessionaire. They have channeled everything that is supposed to go through the Stable to the Stable. They would like to implement protocols that will allow the Stable to stay in business for a long time.

Gail Hunble, [PVE], believes Erin McLewee is an excellent trainer and David McLewee is a great businessman and they will make a wonderful team.

Tajie Major, [PVE], had two concerns with the agreement. She asked if the City's liability would be increased by having outside referrals for trail rides. She would like the service fee for timothy hay changed to just paying the difference in cost over the alfalfa or bermuda hay.

Debra McCarthy, [PVE], also supports charging only the difference in the cost over the alfalfa or bermuda hay. She has three horses at the facility and it would cost her \$375 additional each month to board her horses under this agreement. She asked how often the rates are allowed to be raised. She suggested there be more sand put in the rings for better footing, using less dusty shavings, and disaster preparedness. She would like to know how the Stable Committee will be developed and how disputes will be settled. She asked that the boarders continue to be able to use the rings while lessons are being conducted.

Kathleen Markowsky, [RPV], is a current boarder at PV Stables. She has worked with Erin McLewee for two years and believes she will be an asset to the Stables. She feels the rings are quiet at PV and there should be plenty of time for everyone to train.

Laura Duffy, [PVE], thanked everyone for finding a concessionaire. She felt the use of the rings is causing most of the anxiety. It will require creativity to have trainers and boarders in the ring at the same time, but it can be done.

Sandy Ollen, [PVE], and her husband have three horses boarded at the PV Stables. They are grateful for the transition. She would like to see a maintenance plan in place. The change in fees for timothy hay will cost her an additional \$100 for each horse. She said you can buy hay at that price and she doesn't understand the charge. She asked if the boarders are still going to be able to bring in their own service people for their horses.

John Duffy, [PVE], said his family treasures the Stables and is the reason they moved to PVE. He hopes that the current trainers and the new management can work together to work out scheduling difficulties. He said a change in feed can cause a horse "high" which is a scary situation.

Holly Huster, [San Pedro], a current boarder at PV Stables. She asked about why long-term boarders are being asked to pay first and last months rent.

City Manager Hoefgen addressed the speakers concerns:

- He said the Stable operators would not be doing the trail rides, they would offer referrals to people and a referral fee charged.
- Charging for premium hay is a common occurrence at other stables.
- The boarding rates may be increased annually which would need approval of the City Council prior to taking affect.
- There is a "shelter in place" disaster plan for the Stable.
- The 15% ring time for the Concessionaire will be worked out with the current trainers. This needs to be a fair arrangement for all involved which will require compromise.
- The Concessionaire will be asked to create a maintenance plan and prioritize what needs to be done.

City Manager Hoefgen said he would defer to Erin and David McLewee to answer the other concerns.

Councilmember Humphrey recognized that RCG Management did not recoup expenses, but the City was a beneficiary of all their hard work. The City forced RCG to offer trail rides for three years when RCG was concerned about the liability. She realizes that it is a difficult situation for the Concessionaire to have to come before the City Council and ask for a fee increase. During discussions with RCG regarding offering timothy hay and charging a differential fee, Mr. Gaudenti said it was easier for him to offer the hay and not get involved with the accounting end.

Erin Isom-McLewee said there are many public facilities in the area and there can be three or four trainers in the ring along with public riders. She believes in sharing the ring. She will always allow other people in the arena to ride and will expect other trainers to do the same. She realizes charging for timothy hay is new and the cost of owning a horse goes up every year. She said RCG did not regularly come to Council to get their rate increase and now the PV Stables are behind in what is charged. A stable that provides what PV Stables provides with ample bedding, up to four flakes of hay, and timothy hay on top of that, is behind. With regards to service people having access to horses, she said there is a liability and she is not willing to risk her livelihood for a non-stable employee getting injured. If it is an accredited trainer or caretaker of a horse they will need to enter into a contract with HGS for a facility usage fee. Anyone profiting or using the Stable amenities need to go through HGS Management. They do not want boarders paying employees cash on the side for services. All revenue needs to go through HGS Management. On the other hand, if a boarder would like their neighbor, not a professional, to provide services, she does not have a problem with this as long as a release of liability is signed. With regard to trainers, they are responsible for a large clientele and they can decide to leave a stable and end up taking 15 people with them with no notice to the management. This is the reason for charging first and last months rent. This allows management time to contact people on the waiting list and keep the stalls full. She said HGS would allow people time to pay the first and last

months rent over a period of time to help people with multiple horses. She realizes not all people are feeding their horses timothy hay and she feels it is fair to charge a fee for those who do.

Councilmember Goodhart asked about allowing outside professionals such as shoers or veterinarians on the property. Ms. McLewee said she has no problem with service professionals on the property at any time, day or night.

Councilmember Rea said the staff report shows that HGS plans to place five horses in stalls, he wanted to be clear that HGS would be paying for these stalls. Ms. McLewee said fees will be charged by stall, if a stall is filled, it will be paid for. Two of the horses are for City use and they are for the pony camp that will be implemented. She considers those two horses barn horses and other trainers will be allowed to share the use of these horses.

Councilmember Goodhart commented that when he was a liaison for the Stables he had concerns with RCG Management not raising fees each year which did not benefit the City. He said they had discussed charging for the premium hay and Gaudenti did not want to bother with it. That was a benefit to the boarders that was not typically available at other facilities. He asked if Staff had completed an analysis and compared rates. Staff identified Attachment E of the staff report as containing a survey

Mayor Sherwood said he does not expect anyone to run the Stables at a loss.

City Manager Hoefgen said the choice to charge a premium for the timothy hay will require more on site management and he believes that may be why RCG chose not to charge additional fees. He said there had been increases to the board fees of about \$25 per month typically every other year. He plans to be part of the discussions between the boarders and the management, but he does not want to micro-manage the Stables.

Councilmember Goodhart thought that it was illogical to have rates increased and expect to fill the remaining empty stalls also.

City Manager Hoefgen said the stalls should be filled since there is a waiting list. He said that many of the revenues from services are new as many of these services were not offered by RCG and consequently the City did not receive a percentage. There is about \$80,000 more overall in expenditures than what is in the current budget.

Councilmember Goodhart wanted to be sure that the expenditures should be offset with the proposed income.

It was moved by Councilmember Goodhart, seconded by Councilmember Rea, and unanimously approved to adopt Resolution R09-03; approving a Concession Agreement with HGS Management, LLC, for operation of the Palos Verdes Stables effective March 1, 2009, through February 28, 2014, establishing service fees and approving a \$25.00 increase in boarding rates effective June 1, 2009.

Mayor Sherwood called for a five minute break at 9:45 p.m.

Reconvene at 9:50 p.m.

REQUEST FOR DELAYED RATE INCREASE FOR REFUSE COLLECTION BY ATHENS SERVICES

Director Allan Rigg explained that the issue is whether the Council should approve a \$2.15 monthly increase for a single family residence for solid waste and recycling collection services to be effective July 1, 2008 to bring the new monthly rate to \$33.98. The current contract with Athens allows the contractor to approach the City on an annual basis to request a rate adjustment. This increase was covered by the annual adjustment that Athens was essentially due last July but was mutually agreed to delay due to contract negotiations. The adjustment is based on a specific formula. Although the contract requires the rate increase to be requested prior to implementation, the City Manager and Public Works Director undertook a lengthy negotiation with Athens looking at the potential for modifying the services. The potential modification of services involved a mixed waste stream where the City would receive significant benefits environmentally and an increase in recycling. It turned out there would be

a tremendous cost for capital expenditures and a very lengthy contract extension in addition to additional fees for the residents. Since the City is in the middle of a contract, the Staff did not feel comfortable recommending those changes. Athens will invoice residents for the increase during the next billing cycle, resulting in a one-time retroactive charge of \$19.35 for nine months. The charge will appear as a separate line item and there will be an enclosed flier explaining the charge.

Councilmember Rea asked if residents could also be notified in the February City newsletter. City Manager Hoefgen said that edition had already gone to print.

It was moved by Councilmember Humphrey, seconded by Mayor Pro Tem Perkins, and unanimously approved to approve a \$2.15 monthly rate increase, per single family residence, for solid waste and recycling collection services, to be effective July 1, 2008, to bring the total new monthly rate, including the AB 939 fee, to \$33.98 and to include the increase during Athens' next available 2009 billing cycle.

STAFF REPORTS

City Manager's Report – none

DEMANDS

It was moved by Mayor Pro Tem Perkins and seconded by Councilmember Humphrey that the demands, as approved by a majority of the City Council, totaling \$214,475.62 be allowed and it was unanimously approved.

It was moved by Mayor Pro Tem Perkins and seconded by Councilmember Humphrey that the demands, as approved by a majority of the City Council, No. 514786H to 514791H, 514802 to 514866 totaling \$494,761.28 be allowed and it was unanimously approved.

MAYOR & CITY COUNCILMEMBERS' REPORTS

Mayor Pro Tem Perkins attended the SBCCOG Board of Directors meeting on January 22 where there was a presentation by the Los Angeles World's Airport Executive Director regarding the impacts on LAX from the recession. They have identified between \$5 billion to \$8 billion dollars over the next ten years needed just for infrastructure maintenance that has been deferred over the last 30 years. They are losing business to San Francisco due to the lack of modern concessions available in other airports. The LAX market share has dropped from 74% to 57%. Also, the SB Energy Center has moved to Lawndale and will be sponsoring a lamp exchange at the South Bay Galleria. She encouraged everyone to attend the SBCCOG General Assembly on February 27 where the theme is "Funding City Services in the Future" which is important due to California's budget problems.

Councilmember Humphrey said the MTA is looking at abandoning the 444 bus line. Mayor Pro Tem Perkins said John Addleman reported at the SBCCOG meeting that Torrance Transit is planning on taking over the 444 line. Councilmember Humphrey encouraged everyone to attend the installation dinner of Judy Mitchell as President of the League of California Cities on February 18th.

ADJOURNMENT

There being no further business before Council the meeting was adjourned at 10:00 p.m. to Wednesday, January 28th, at 6:00 p.m. at the Palos Verdes Golf Club for the Joint Session of the City Council, Planning Commission, and Palos Verdes Homes Association.

RESPECTFULLY SUBMITTED,

MICHÉLE D. MONSON, MINUTES SECRETARY

APPROVED:

JOSEPH C. SHERWOOD, JR., MAYOR
CITY COUNCIL 1-27-09