

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

June 10, 2008

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 Joseph C. Sherwood.

PLEDGE OF ALLEGIANCE

PRESENT: Councilmembers Rea, Humphrey, Goodhart, Mayor Pro Tem Perkins, Mayor Sherwood

ABSENT: None

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'S REPORT – none

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 MAY 27, 2008
- PALOS VERDES BEACH AND ATHLETIC CLUB FY 2008-09 OPERATING AND CAPITAL BUDGETS
- RECEIVE AND FILE THE REPORT FULFILLING THE REQUIREMENTS OF GOVERNMENT CODE 87306.5 AND AUTHORIZE THE CITY MANAGER TO SIGN THE BIENNIAL REVIEW CONFLICT OF INTEREST CODE DECLARATION

COMMUNICATIONS FROM THE PUBLIC - none

PUBLIC HEARINGS

INTRODUCTION OF ORDINANCE 08-683; AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALOS VERDES ESTATES ADOPTING A FIRE HAZARD SEVERITY ZONE MAP

Mayor Sherwood inquired whether the item had been properly noticed. City Clerk Smith said that it had.

Director Rigg reported that on November 13, 2007 the City Council adopted the new 2007 California Building Code with an effective date of January 1, 2008. Within the code is Chapter 7A which contains specific fire prevention construction requirements which apply to new buildings located within a Very High Fire Hazard Severity Zone (VHFHSZ). The application of this chapter was delayed until July 1, 2008 to allow the State Department of Forestry and Fire Protection to review and update the statewide Fire Hazard Severity Zone mapping to better identify VHFHSZs. Each local jurisdiction must now adopt their respective Fire Hazard Severity Map by July 1, 2008 when the fire prevention construction requirements go into effect. The fire maps indicate the entire City of Palos Verdes Estates is classified as VHFHSZ. This represents no change to the pre-existing designation mapped by the State for the City. This ordinance adopts the updated map which is needed to implement the new ignition resistant building standards contained in Chapter 7A

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of the 2007 Building Code. The new standards apply to any new buildings within the fire zones for which a building permit application is submitted after July 1, 2008. Director Rigg noted that a property owner located within a VHFHSZ must disclose that their property is located within a VHFHSZ at the time of sale. This requirement has been in place since the original State government code dealing with VHFHSZs was adopted in 1995.

Councilmember Rea asked if the ordinance would impact the City's responsibility for brush clearance on City property. Director Rigg said it would not.

Councilmember Rea asked if the Planning Commission would now be involved with approvals for landscape plans. Director Rigg said not specifically, but property owners should show their landscaping plans when their project goes to Planning Commission. The City requires applicants to get building and landscape approvals directly from the Fire Department.

Councilmember Goodhart asked what changes were made from the previous maps. Director Rigg responded that there were no required Fire Zone maps, just designations from the State regarding fire hazard severity on the Peninsula.

Mayor Pro-Tem Perkins commented that the ordinance requires clearances from homeowners such as removing any portion of a tree that extends within 10 feet of the outlet of any chimney.

Mayor Sherwood opened the Public Hearing.

Jay Lopez of the Los Angeles County Fire Department Forestry Division said the 10 foot chimney clearance has been standard procedure for the LAC Fire Department for many years and is enforced. He also said that the maps started in 1970 when the Peninsula area was designated as a Fire Zone 4 which corresponds with the Very High Fire Hazard Safety Zone. The maps were revised by the State in 1985 and, again, this area was designated in a Very High Fire Hazard Safety Zone. In the past, these were just recommendations to the City to accept the designation. Now, the designations are required to be adopted by the City.

Mr. Lopez said the State uses a very sophisticated model to arrive at these designations taking into account the types of roads, types of vegetation, types of construction, types of terrain, and weather patterns. The Peninsula area experienced two significant fires in 2005.

Councilmember Goodhart said that implementing the VHFHSZ does not mean resident's homeowners insurance will go up – this is a hazard designation, not a risk designation. He would like to notify residents of their responsibility to conform to the fire clearances through the City newsletter. He asked about City trees around resident homes. Director Rigg said that LAC Fire and LAC Agriculture are primarily concerned with “ladder” fuels, those that get the fire up into the trees.

City Manager Hoefgen added that this fire designation does not change anything, it makes construction safer. The insurance services industry rates cities regarding their level of preparedness and ability to respond to fires. The City of PVE is rated 3 on a scale of 2 – 9 with 2 being best. For this reason insurance rates should not go up.

Mayor Sherwood closed the Public Hearing and asked for a motion.

It was moved by Councilmember Humphrey, seconded by Mayor Pro-Tem Perkins, and unanimously approved to introduce Ordinance 08-683 adopting a Fire Hazard Severity Zone Map.

PRESENTATION OF THE FISCAL YEAR 2008-09 BUDGET

Mayor Sherwood asked if the item had been properly noticed. City Clerk Smith responded that it had.

City Manager Hoefgen reported that the preliminary budget has been reviewed by the Council at two budget workshops in March and May. This Public Hearing is required as part of the adoption process. The formal adoption is scheduled for the June 24th meeting. He said that the theme for this year's budget is “Staying the Course during a Period of Economic Uncertainty.” The City maintains a very high degree of fiscal stability based on the dedicated revenues sources in place and
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the Council's philosophy of funding core municipal services. Even though there are signs of a tightening economy, the budget before the Council is balanced. The City continues to maintain a 50% General Fund contingency. Staff is assuming limited impacts from the State budget process; the State does not have a budget adopted at this time. Property Taxes, the City's number one revenues source, are 52% of the General Fund and the staff is assuming a 3.5% increase from this source. Last year we had a 5.5% increase from Property Taxes. PVE was identified as one of the top producing property tax cities in all of Los Angeles County. The employee agreements will be re-negotiated in 2009 and we are implementing changes in the health and dental benefits to economize for both the employees and the City. There is about \$1.4 million in the Capital program and about \$1 million of that is for streets in the Pavement Management System.

Mayor Sherwood stated that the Council has spent considerable time reviewing the budget. The Mayor opened the Public Hearing and, with no one wishing to comment, closed the Public Hearing.

It was moved by Councilmember Humphrey, seconded by Mayor Pro-Tem Perkins, and unanimously approved to make the necessary adjustments to the FY 08-09 budget as outlined in the Staff Report.

OLD BUSINESS

REVIEW OF REPORT TITLED "GEOTECHNICAL REVIEW OF LANDSLIDE DISTRESS AND REPAIR ALTERNATIVES FOR NORTHERN PORTION OF THE BLUFF COVE AREA" AND AUTHORIZATION TO SOLICIT REMEDIAL DESIGN PROPOSALS AND ADOPTION OF RESOLUTION R08-11, DESIGNATING PROPOSITION 1B FUNDS FOR THE DESIGN AND CONSTRUCTION OF REMEDIAL MEASURES

Director Rigg presented a report titled "Geotechnical Review of Landslide Distress and Repair Alternatives for Northern Portion of the Bluff Cove Area." The report was prepared by the City's Geologist, Zeiser Kling, and was commissioned by the City Council at their September 25, 2007 meeting. The focus of this report is the results of borings near the landslide at the north end of Bluff Cove and alternatives to stabilize the roadway in the area. Director Rigg reiterated that near the north end of Via Montemar a landslide in the 1980's destroyed two homes and led to the ongoing maintenance activities where the City continually patches the street due to subsidence. The easterly edge of the landslide has slowly moved eastward and now extends into the southerly travel lanes of PVDW. It is likely that the top of the landslide will continue to move easterly across the travel lanes and additional movement and erosion could eventually cause the closure of PVDW which would be a tremendous disruption to traffic and utilities. This is a large landslide area that extends all the way down the bluff to the ocean. Staff feared that the top of the landslide would extend far to the east of PVDW towards Via Montemar and the depth of the landslide would be so great that a caisson type system would not be available as a solution. Director Rigg reported that the geotechnical investigation shows that 1) distress to the roadway surface within the crescent shaped repair area is attributed to movement of the Bluff Cove Landslide, 2) movement on the order of 3 to 8 inches per year horizontally and vertically will continue to have an affect on the roadway adjacent to the landslide, 3) over time, the movement of the landslide will affect more and more of the pavement area and the crescent area currently affected will grow in size, 4) increases in rainfall or irrigation could cause increases in the rate of movement of the landslide and would in turn cause increases in distress to the PVDW, 5) the Bluff Cove Landslide would potentially fail catastrophically at some time in the future – if so, it could have a serious impact on the existing roadway, 6) grading to mitigate the landslide does not appear to be a viable option due to construction impacts on the surrounding area and lengthy road closures, 7) an eastern retaining wall to allow for roadway relocation is feasible, 8) a soldier pile wall along the western portion of PVDW at the crescent asphalt repair area is feasible from a geologic and geotechnical perspective. The report also provides a range of alternatives for the Council to consider. The options include "no action", moving the roadway to the east with the construction of a retaining wall, and various soldier pile wall options. The report contains Table 2 which gives opinions on various costs, impacts, and the relative potential to cure the issue for as long as possible. Rigg said the next step in the process would be to engage a structural engineering firm to more fully define the options, have them create preliminary cost estimates and design(s), present the results to the Council, then proceed to create construction documents based on the option the Council chooses. Director Rigg explained that the Council has the option of designating \$400,000 from Proposition 1B funds toward the design and construction of remedial measures adjacent to the Bluff Cove Landslide. He also said

that the project will be significantly expensive and once the City has the design and are ready for construction documents staff can shop the project for State and Federal funding.

Mayor Sherwood asked what the difference between a caisson and a soldier pile is. Director Rigg said that a soldier pile is typically a piece of concrete or wood driven into the ground which uses friction between it and the surrounding ground to provide stability. A soldier pile's strength is in resisting lateral forces and a caisson is mainly used for vertical forces.

Mayor Sherwood said it would make sense to have horizontal and vertical strength using tiebacks. Director Rigg said that is in one of the options, but it may be difficult due to the access needed for using tiebacks. It will be dependent on what the structural engineer and the contractor see as the most effective solution.

Councilmember Rea stated he had questions regarding the appendixes and the shear tests.

Jim Lancaster, Principal Engineering Geologist with Zieser Kling, said a direct shear test is done to find the approximation of the strength of a material which tells us how deep you must go, bearing and lateral resistance, etc. He said along the PVE bluffs there are rocky dolomite type shales that have cracks in between rocks that are like concrete. It is very difficult to shear this type of material. The geologists base their studies on the weakest material which gives a conservative estimate of requirements. He said he thinks there was a small canyon (Bluff Cove area) which was filled with material from the surrounding area. When the geologists started to drill for the borings the material would not stay put, it just caved. This material is not a candidate for tiebacks. The idea would be to drill through this material to the actual bedrock. The holes which would be created from the drilling would have to be cased with steel casing which adds a lot of time and expense to the project. This would also be the case for tiebacks – as they drill, they advance the casing, and then push concrete in and then withdraw the casing.

Mayor Sherwood said the report shows that from the 28 foot mark and down the samples were moist. Mr. Lancaster said this is from ground water up on the hillside, on the other side of the road and seeping toward the ocean. He said one of the reasons Bluff Cove is continuing to move is due to ground water. He does not think that de-watering is a viable option.

Councilmember Goodhart asked about the comment in the report that there was no success in getting estimates from structural engineering firms. Mr. Lancaster said that is not unusual, it is early and they prefer to have construction designs first. He feels that half a million dollars will be sufficient for this operation.

Councilmember Goodhart asked if it would help in the selection of a structural engineer to minimize the number of alternatives. Mr. Lancaster said it would from a cost standpoint. If all five options are explored it will cost more than just doing the retaining wall.

Councilmember Goodhart asked what the recommendation would be for with or without seismic designs being that the city is in a seismically active area. Mr. Lancaster said his recommendation would be to make the design gold-plated which would not be reasonable. The design must mitigate the hazard and reduce the risk as much as possible or to an acceptable level. He said that in historic time, the Peninsula has experienced the affect of only one major earthquake – the 1933 Long Beach earthquake. The road did not fall down during that earthquake which was a major quake. The Palos Verdes fault and the Newport/Inglewood fault could experience earthquakes that affect the Peninsula – when, we don't know. He said they are looking at solving the Bluff Cove problem for a period of 50 years or so. If the design solution is designed for a static condition (non-seismic) the risk is greater.

Councilmember Goodhart asked if Mr. Lancaster's recommendation would be to have a seismic design. Mr. Lancaster said he would want to see that. Councilmember Goodhart would like to see a design for longer than a 50 year period. Mr. Lancaster said with putting caissons in the ground, the life is usually around 50 years.

Mayor Pro-Tem Perkins asked how seismic or non-seismic affect the design. Mr. Lancaster said the soldier piles have to get bigger in diameter, or deeper, or get additional tiebacks, or you have to place them closer together.

Mayor Pro-Tem Perkins asked if the edge of the slide is on the roadway when we put in the wall, will the slide continue to move to the west. Mr. Lancaster answered that the slide will continue to move down and out (west) and the wall will remain in place.

Mayor Pro-Tem Perkins asked if the slide could expand outward. Mr. Lancaster said that would be unusual, it would do it in a smaller area than to the east. The idea is to have the soldier pile wall extend out on either side of the slide. They have estimated where they think the wall would be safe, but the structural calculations on the design will help them decide where to place the caissons.

Mayor Pro-Tem Perkins asked how the City would go about choosing the structural engineer to develop the design. Director Rigg said the City uses two different processes to procure consultants in construction. One is a Request for Bid for prices and the other is Request for Qualifications. The project will be advertised and the City will receive Statements of Qualifications. Staff will review these and find a firm that is experienced in this type of design. After that the City will negotiate a price.

Mayor Sherwood thinks that bedrock is key to the stability of the pile or caisson and some of the terms describing the type of material are not comforting – Altamira Shale bedrock. Mr. Lancaster said the Altamira Shale has a number of different things in it and they are confident that the material that they drill into it will support these designs.

Mayor asked if there were any questions, seeing none, he closed the Public Hearing.

Councilmember Goodhart commented that he thinks in order to minimize the cost that the City should pick a couple of options instead of all five. He thinks the seismic options would be candidates that the Council should consider and maybe one other one.

Director Rigg said the retaining wall is a secondary option if the Council does not want to go with the caissons. As far as options for seismic or not seismic – he differs a little with the geologist's opinion – the life of the solution will probably be 40 or 50 years. He feels that it is money well spent up-front to make sure you are going down the right road and are fully educated in your choices. His choice would be to evaluate options two through five.

Councilmember Goodhart feels that if we hire a good firm and they have the right data and the right assumptions, we will get a good design. He is concerned with 1) liability and 2) he does not want give a future Council a huge undertaking that could have been solved now as far as cost is concerned.

Councilmember Humphrey feels it is the Council's task to direct staff to solicit remedial design proposals.

Director Rigg said he hears Councilmember Goodhart saying he would like to go with just the seismic designs – just option four and five.

Councilmember Rea asked how much is saved by not adding in options two and three – ballpark. Director Rigg said possibly \$5, 000 to \$10,000.

Mayor Pro-Tem Perkins asked if the design engineers would come up with additional options over the ones presented. Director Rigg said absolutely.

Mayor Sherwood felt there probably weren't too many other options. He would support going with options four and five and not waste any money.

Councilmember Rea said it is good news that the situation is actually better than the Council had feared and it will be less expensive to fix.

It was moved by Councilmember Goodhart, seconded by Councilmember Humphrey, and unanimously approved to direct staff to solicit remedial design proposals for Options 4 and 5 (Table 2 of the geotechnical report) and adopt Resolution R08-11 designating Proposition 1B funds for the design and construction of remedial designs.

NEW BUSINESS

PW-541-08; AWARD OF CONTRACT FOR THE LUNADA BAY FOUNTAIN IMPROVEMENTS AND ADOPTION OF RESOLUTION R08-12, ADJUSTING THE FY07-08 BUDGET AND ALLOCATING THE FUNDING FOR THE PROJECT

Director Rigg reported that the City Council had previously budgeted \$24,600 for repairs to the Lunada Bay Fountain. The Lunada Bay Homeowners Association with the approval of the City has undertaken a plan to expand the scope and restore the facade to its originally intended design. Architect and resident Peter Bena donated his services to create the renderings and construction documents for the restoration. Phase One includes renovations to the fountain walls and interior and Phase Two includes renovations to the concrete steps surrounding the fountain. The renovations go significantly beyond the scope of repairs that the City had planned for this year. In order to bridge the gap in funding, the Lunada Bay Homeowners Association is campaigning to raise the additional funds and has raised \$71,000. The City received three bids for the project starting at \$126,000 to \$150,000 which is significantly in excess of the projections. Director Rigg thought that the City had estimated correctly since there were estimated construction costs before going out to bid. The low bidder, Quinn Construction, said that one reason why the estimates were low was due to the precast concrete panels which are custom pieces. Also, the prevailing wage cost was higher; for some of the workers it is three to four times as much wage. The shortfall is about \$40,000. Staff is proposing four different methods in order to bridge the gap. The first being an "in lieu" fee contribution that was received for parkland improvements totaling almost \$25,000 during the subdivision of 2124 PVDW which is a property nearly adjacent to the fountain. The City Attorney ruled this as an appropriate use of the funds. Second, the City will handle the traffic control work for the project instead of the contractor for a savings of \$5,000. Third, utilize the \$8,000 contingency fee and apply it to the base bid. And fourth, have the City reduce the amount budgeted for administration down from \$7,000 to \$4,500. The total amount gained by these four actions would total just over \$40,000 to meet the total funding for the project.

Councilmember Goodhart said this project is great for the City. He asked how Quinn Construction was going to handle traffic control compared to the City now handling it. Director Rigg said it is not specifically delineated in the contract. He did speak to Mr. Quinn and agreed that lane closures and detours is all that could be done on the project.

Councilmember Goodhart was concerned about the City using the contingency money toward the base bid especially since the fountain is leaking. He asked if the fountain was structurally sound and that nothing would have to be lifted/moved while repairing the bowls. Director Rigg believed that the interior of the bowls could be adequately sealed using a pebble coat type material, but since it is an older structure you can never tell until you unearth it. The major demolition of the concrete around the bowl is what the contractor will have to deal with – the soil conditions, the water in the ground are known conditions to the contractor.

Mayor Sherwood recognized Ruth Gralow, Robin DeBaal, and Ruth Shaffer and the fundraising committee for their efforts in raising the \$71,000 toward the fountain project.

Councilmember Humphrey commented she was concerned when the bids came in with the different funding sources – she wanted to make it clear where the funding was coming from. The \$25,000 funding is coming from a subdivision of two buildings that are directly adjacent to the fountain area. She hoped that more donations would come in during construction and it would go back into replacing the contingency fee.

Mayor Pro-Tem Perkins said she spoke with the City Manager earlier in the day and expressed her concern over using the contingency fee to fund the project. Her concerns were allayed by realizing the risks were minimal. She was concerned when the bids came in much higher than the budget. She appreciates the creative thinking from the Staff to find funds to bridge the gap.

Councilmember Humphrey reiterated that the Malaga Cove Plaza Beautification Project was not helped by City funds, but the Lunada Bay Fountain Project was helped by using existing "in lieu" Parkland funds from the subdivision of a property adjacent to the fountain.

It was moved by Councilmember Rea, seconded by Councilmember Humphrey, and unanimously approved to award a construction contract in the amount of \$126,150 to J. Quinn Construction, Inc., for

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the completion of the Lunada Bay Fountain Improvements and adopt Resolution R08-12, adjusting the FY07-08 budget and allocating funding for the project.

STAFF REPORTS

City Manager's Report - none

DEMANDS

It was moved by Councilmember Humphrey and seconded by Mayor Pro-Tem Perkins that the demands, as approved by a majority of the City Council, totaling \$202,481.54 be allowed and it was unanimously approved.

It was moved by Councilmember Humphrey and seconded by Mayor Pro-Tem Perkins that the demands, as approved by a majority of the City Council, No. 513454H to 513459H, 513460 to 513545 totaling \$512,711.74 be allowed and it was unanimously approved.

MAYOR & CITY COUNCILMEMBERS' REPORTS - none

ADJOURNMENT

There being no further business before Council the meeting was adjourned at 9:00 p.m. to Tuesday, June 17th, at 6:00 p.m. at City Hall for the purpose of conducting interviews for the Parklands Committee and Planning Commission.

RESPECTFULLY SUBMITTED,

MICHÉLE D. MONSON, MINUTES SECRETARY

APPROVED:

JOSEPH C. SHERWOOD, JR., MAYOR