

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

June 24, 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

**ROLL CALL: 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

Mayor Sherwood thanked the people who participated in the interviews for the City Commissions and Committees. The Planning Commission re-appointments are Emmagene Coffey, Jim Vandever, and newly appointed Dave Evans. The Planning Commission Chair will be Emmagene Coffey and Co-Chair George Bird. The Parklands Committee re-appointments are Charlie Petersen and Lisa Levine, with new appointee Dr. Ruth Shaffer. The Parklands Committee Chair will again be Jennifer King and the Co-Chair Charlie Petersen. The Traffic Safety Committee re-appointment is Mike Friedman. Bob Kennedy will be moving and the City thanks Mr. Kennedy for his many years of service. Newly appointed is Dr. Gildon Beall. The Traffic Safety Committee Chair will again be Brigadier General (retired) Blake Lamar and Co-Chair Mike Friedman.

CONSENT AGENDA

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

- MINUTES OF CITY COUNCIL MEETING OF JUNE 10, 2008
- CITY TREASURER'S REPORT – MAY 2008
- ADOPTION OF ORDINANCE 08-063; ADOPTING A FIRE HAZARD SEVERITY ZONE MAP.
- RESOLUTION R08-13 APPROVING FINAL ADJUSTMENTS TO THE FY 2007-08 BUDGET
- TRAFFIC SAFETY COMMITTEE MEETING ITEMS OF JUNE 11, 2008
 - 1) Request for Installation of Curb Markings in the Malaga Cove Plaza Area:
 - a) A red curb at the parking space closest to Via Chico on the South side of Palos Verdes Drive West
Denied
 - b) A red curb next to 416 Malaga Lane
Recommend that staff implement No Parking next to 416 Malaga Lane

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c) A yellow Loading Zone at 2545 Via Campesina

Recommend that staff 1) implement a yellow loading zone at 2545 Via Campesina which will replace one existing parking space next to the existing red curb on the east side of the property and 2) repaint all existing yellow loading zones on Via Campesina

2) Request for Installation of Stop Signs at the Cloyden Road/Chelsea Road Intersection

Recommend that the issue be brought back in October so that staff can have traffic counts done at the intersection while school is in session

3) Measures to Increase Pedestrian Safety between Palos Verdes Intermediate School and Palos Verdes High School

Recommend that staff 1) install signage to deter pedestrians from making mid-block crossings, 2) install a lighted crosswalk on the south side of the Palos Verdes Drive West/Cloyden/Coronel intersection, 3) bring back the issue of restricted parking signage and edgeline striping on Cloyden Road from Palos Verdes Drive West to Dalton Road after the best times to implement the restrictions have been determined

- **PLANNING COMMISSION ACTIONS OF JUNE 17, 2008**

NC-1315/GA-1428-07; Consideration of Neighborhood Compatibility and Grading

Applications for a new single family residence located at 4000 Via Picaposte. Lot 1, Block 6315, Tract 7143.

Owner: Carey Martz

Approved with conditions

NC-1326/M-675-08; Consideration of Neighborhood Compatibility and Miscellaneous

Applications for additions to the existing single family residence located at 4057 Via Valmonte. Lot 31, Block 6319, Tract 7143.

Applicant/Owner: Mike Nekoui

Approved with conditions

NC-1132RII-08; Consideration of a revised Neighborhood Compatibility Application for

revisions to the new single family residence located at 841 Via Somonte. Lot 7 & a portion of 8, Block 1537, Tract 6884.

Owner: Esmail Soltani

Approved with conditions

M-674-08; Consideration of a Miscellaneous Application for structures exceeding the maximum allowable height at the single family residence located at 561 Via Media. Lot 2, Block 1410, Tract 6886.

Owner: Patrick Theodora

Approved with conditions

COMMUNICATIONS FROM THE PUBLIC - none

PUBLIC HEARINGS

RESOLUTION R08-14; APPROVING THE ANNUAL REPORT AND SETTING THE RATE FOR THE SEWER USER FEE TO FINANCE THE FY 08-09 PROGRAM OF SANITARY SEWER IMPROVEMENTS

Mayor Sherwood asked if Public Notice had been given. Clerk Smith responded that it was.

Assistant City Manager Smith stated that the Annual Report sets the rate for the City Sewer User Fee for the FY 2008-09 and was prepared by Harris and Associates under contract with the City. The fee was first implemented in 2003 and finances a 10-year program of sanitary sewer

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improvements and upgrades as outlined in the City's Sewer Master Plan. The sewer fee appears on the property tax bill. The estimated sewer use is based on water consumption using the three lowest months of water use in the City as a whole. For FY 2008-09's fee the lowest months of water use in 2007 were January, February, and March. These three months usages are averaged for each property in the City to determine their annual average usage. Total estimated sewer use is 1,539,421 units which represent a 21% increase compared to the current fiscal year 2007-08 when it was approximately 1.272 million units. The maximum rate the City may charge for 2008-09 is \$1.23 per unit. Due to the increase in sewer use as reflected in the increase in water consumption, the City is able to lower the unit cost from \$1.15 to \$.97 and still generate sufficient revenue to finance the program of improvements. The average single family residence fee will be \$298. The revenue generated by the sewer fee is \$1.493. Fiscal year 2008-09 is the sixth year of the 10-year sewer program and the average costs that the City seeks to recoup is \$1.5 million. The first five years of the program involved sewer lining of local sewers and 25% of the City's sewers are now in excellent condition. The next two years of the program call for the replacement and upgrade of the two sewer pump stations on Rocky Point Road and Via Barri. The FY 08-09 improvement program outlined in the budget totals \$2.63 million and is financed by the revenue generated from the current year's sewer fee for 2008-09 and monies currently on hand in the Sewer Fund.

Mayor Sherwood declared the Public Hearing open and seeing no one wishing to speak, closed the Public Hearing.

Councilmember Perkins moved, it was seconded by Councilmember Rea, and unanimously approved to adopt Resolution R08-14; approving the Sewer User Fee Annual Report, prepared in accordance with Ordinance 03-649, establishing the sewer user fee rate for the FY 08-09 sanitary sewer improvement program.

OLD BUSINESS

BANNER TOWING AIRCRAFT; UPDATE ON DISCUSSIONS WITH AIRLINE OPERATORS, AFFECTED SOUTH BAY COASTAL CITIES, AND THE FEDERAL AVIATION ADMINISTRATION

City Manager Hoefgen reported that at the end of last summer, there was significant concern on the part of many coastal cities regarding the significant noise and safety impacts of low flying banner towing aircraft. There was a shared desire to improve the situation, understand the Federal Aviation Administration regulations regarding the operation of these aircraft, and to meet with the operators of these aircraft to create a dialog. Hermosa Beach hosted the meetings which resulted in a commitment from the airline operators to abide by the FAA regulations that require them to fly no lower than 500 feet of altitude over water and no lower than 1000 feet over populated land areas. There was good dialog, good discussion, and a Code of Conduct created which mirrors many of the existing FAA regulations.

Gary Souzzi, an FAA representative, explained that the function of the FAA is safety. He said that the FAA has had numerous meetings with the airline operators, updated their surveillance, and stepped up initial inspections. He said that these aircraft run at almost full power when towing a banner and there are two issues - air worthiness and operation. Air worthiness is making sure the aircraft meets its type design and is safe for flight. The operational issue is how the aircraft is flying up and down the coast. The operators have now had mufflers installed for noise. If residents have a complaint they should call the Long Beach office of the FAA at 562-420-1755 and ask for the duty officer. He requested that, if possible, it is good to take a picture of the offending aircraft with a fixed point of reference in the picture.

Mayor Pro-Tem Perkins asked how often these planes are inspected for their ability to tow banners. Mr. Souzzi responded that every 100 hours of operation they are inspected and also they are inspected annually.

Mayor Pro-Tem Perkins asked what the consequences are for the operators if they are found to be non-compliant. Mr. Souzzi said it depends on what regulation is violated. If it is a low flight it can be a Civil Penalty which is given to the aircraft and the pilot operating the aircraft. Also, the FAA will take away certification.

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Councilmember Goodhart said the mufflers will help dramatically. He has observed the aircraft over Malaga Cove trying to get to 1000 feet altitude once they are over land and, due to the banner, can not do this quickly and it is a noisy process. He asked that the aircraft make their turns over water not over land. Mr. Souzzi said the FAA has discussed this with the operators and have asked them to make a “right climbing 270,” which they have agreed to try.

Mayor Sherwood asked if it was typical for the aircraft to make several runs down the coast. Mr. Souzzi said that the operators are paid by the hour, so, if they can get in three passes down the coast, they will.

Mayor Sherwood asked if the FAA can trace violators by the time of day and the advertisement on the banner. Mr. Souzzi said that any information given is helpful to determine which of the seven or eight operators in the area the offender was.

IMPLEMENTATION OF PARKING RESTRICTIONS ON PASEO DEL MAR FROM CHISWICK TO YARMOUTH ROAD (TRAFFIC SAFETY COMMITTEE ITEM OF JUNE 11, 2008)

Public Works Director Rigg reported that the Residential Parking Permit Zone on the streets surrounding Palos Verdes High School went into effect on April 7, 2008. At the Traffic Safety Committee meeting of May 14, 2008 the Committee heard concerns from residents living on Paseo del Mar that the traffic had relocated to their street. The residents requested parking restrictions to minimize the parking related to the school and the Committee directed Staff to prepare a restricted parking plan for Paseo del Mar to be possibly implemented in September. The hope was that the School District efforts would greatly reduce the relocated parking and potentially obviate the need for parking restrictions on Paseo del Mar. The City Council approved this recommendation at their meeting on May 27, 2008.

At the June 11, 2008 Traffic Safety Meeting, the Committee reviewed a Staff Report that proposed the details of potential future parking restrictions along Paseo del Mar. Staff proposed that the restrictions be No Parking on the west side of Paseo del Mar from 8:00am to 11:00am on school days and on the east side of Paseo del Mar No Parking 11:00am to 2:00pm on school days. The restrictions proposed by Staff were from Chiswick Road to Epping Road and that the restrictions not be placed adjacent to City-owned Parklands. Residents from Paseo del Mar asked for the restrictions to be expanded south to Yarmouth or Rocky Point Road, include the Parklands area, and to implement the restrictions prior to September. The final recommended action of the Traffic Safety Committee is that Staff implement a restricted parking plan immediately on Paseo del Mar from Chiswick Road to Yarmouth Road including adjacent Parkland areas with the time restrictions the same as recommended in the Staff Report.

Staff is concerned that the Traffic Safety Committee’s recommendation does not follow the previous direction of the Council and is not consistent with what was presented in the Staff Report and represented to interested parties. There are three components to the proposed parking restrictions on Paseo del Mar that Staff believes warrant further Public Notice prior to a final decision by the Council. The first is the boundaries of the parking restrictions. Staff is concerned that the residents on Paseo del Mar from Epping Road to Yarmouth Road were not adequately noticed regarding the pending parking restrictions. Staff recommends that, prior to a final decision, additional notice be posted on Paseo del Mar. The second concern is the restrictions adjacent to Parklands. It is within the City’s authority to limit parking adjacent to Parklands. Paseo del Mar residents are concerned that not including the area adjacent to the Parklands will simply move the parking from in front of the homes to in front of the Parkland area. The third concern is the timing of the implementation of the parking restrictions. Council must decide whether to implement the parking restrictions immediately, in September of 2008 prior to the school opening, or only if parking problems continue on Paseo del Mar after the start of school in the Fall. Staff feels that the decision to implement parking restrictions immediately is a significantly different approach and that all interested parties should have further notice before the City makes a final decision.

The Superintendent of Palos Verdes Peninsula Unified School District is continuing to hold meetings to attempt to minimize the parking concerns surrounding the high school. There is
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another meeting tomorrow, June 25. Staff would like to explore whether additional efforts by the School District could obviate the need for restrictions on Paseo del Mar. Staff is recommending continuing this item to a future meeting of the City Council allowing Staff to place signs on Paseo del Mar providing appropriate noticing to those concerned and report back on additional actions by the School District to alleviate parking on the streets surrounding the high school.

Councilmember Rea asked who received notice of the Traffic Safety Meeting. Director Rigg said the signs were placed south of Chiswick Road and north of Epping Road. The City does not mail notices for Traffic Safety items to particular individuals. Councilmember Rea clarified that signs were not posted on Paseo del Mar all the way to Yarmouth Road.

Councilmember Rea asked if any parking restrictions on Paseo del Mar would be appealable to the California Coastal Commission since it is within the Coastal zone. Director Rigg replied that it would be.

Councilmember Goodhart asked if the concept is to Notice the residents south of Epping that there is a possibility of restricted parking and it would come directly to the Council first not back to the Traffic Safety Committee. Director Rigg replied that it would. Councilmember Goodhart wondered why. Director Rigg responded that the Traffic Safety Committee had already completed the technical aspects of the program and the Council would approve the program and the timing of the implementation.

Mayor Pro-Tem Perkins stated that when school re-opens in September, there will be fewer students with their driver's licenses and she wondered if there is a way to project how many new drivers there will be over the course of the year and what the shortage of parking would be to cause students to continue to park on Paseo del Mar. Director Rigg said that would be difficult to project due to the many factors that impact the parking. The City counted cars prior to the RPZ implementation. At that time there were 40-50 cars parking on Paseo del Mar; when the RPZ went into effect there were an additional 20-30 cars parking on Paseo del Mar. The residents would like to see all 80 cars removed. Some argue that there should be no student parking on Paseo del Mar, others say no more than what was there prior to the RPZ, and other say there should be no more than what was there prior to the one-sided street restrictions going in. The reason Staff adopted the RPZ was for the safety of residents and students and the safety impacts on Paseo del Mar, which is 25 foot wide with parking on both sides, are less dramatic.

Mayor Pro-Tem Perkins asked if limiting the parking restrictions to three hours adjacent to the Parkland on Paseo del Mar would not be in conflict with the Coastal Commission requirements for coastal access. Director Rigg said his understanding, during conversations with the Coastal Commission, is that they are okay with it as long as it is to alleviate the impacts of parking at the high school.

Councilmember Humphrey clarified that the reason Staff wants to delay action on Paseo del Mar is so everyone has a chance to be fully Noticed regarding the proposed restrictions. Rigg added it is also due to the potential for the restrictions to be implemented immediately. He said the School District is very concerned about the possibility of parking restrictions on Paseo del Mar and also the possibility of the RPZ being expanded and Staff would like the City to take a measured approach when causing impacts to the area.

Mayor Sherwood said the Superintendent's meeting being held tomorrow (June 25) will include the Superintendent, the President and two members of the School Board, Mayor, Mayor Pro-Tem, City Manager and Public Works Director. Carpooling and additional parking spaces are among the items to be discussed. His preference is to post any new parking restrictions prior to the start of school in September.

Councilmember Rea asked what the rationale of the Traffic Safety Committee was in recommending the restrictions be implemented immediately. Director Rigg answered that the residents asked for it to be implemented immediately.

Councilmember Rea asked how long an appeal to the Coastal Commission takes to be resolved. City Manager Hoefgen said the Commission meets quarterly and the process is that a report is written by the Coastal Commission Staff, they do an analysis, look at the mission of the Coastal

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Commission, look at the restrictions being proposed and then make a recommendation. The recommendation goes to the Coastal Commission Board for review where the decision can be appealed. It can go on for six months.

City Manager Hoefgen said he feels good about the process – good process results in good product. The Traffic Safety Committee has indicated a desire to implement restrictions prior to the beginning of the school year. The City has the opportunity, with additional Public Noticing, to bring this item back to the Council to ensure the residents, the public, the School District are all fully aware of the proposals. This is just a question of one more review before a final decision is made.

Councilmember Rea said that due to construction on the school ball fields should we ask that the gate on Epping be unlocked for access to the school which may alleviate some students parking on Paseo del Mar. City Manager Hoefgen said that would be an appropriate item for the Superintendent's meeting.

Councilmember Humphrey said the on-line registration packets will be going out soon and any new parking information should be included in the packet for parents and students to become familiar with prior to school starting in September.

Councilmember Goodhart inquired about the statement that the School District is opposed to parking restrictions on Paseo del Mar. Director Rigg said that the school principal (Chris Bowles) has significant opposition to parking restrictions on Paseo del Mar. City Manager commented that he has not heard these concerns from the Superintendent; the City has not heard an official position from the School District.

Mayor Pro-Tem Perkins attended the Traffic Safety Committee meeting and heard several residents who live between Epping and Rocky Point Road that spoke in favor of their end of Paseo del Mar being included in the parking restrictions. Mayor Pro-Tem Perkins walks several times a week along Paseo del Mar and has never seen cars from the school parked between Rocky Point Road and Yarmouth Road. She feels that they are concerned with increased cars in their area when restrictions are implemented similar to the concerns heard from the second block residents when the RPZ was to be implemented.

Mayor Sherwood opened the Public Hearing.

[residents' addresses redacted]

Sandy Durko, [PVE Resident], supports the Traffic Safety Committee recommendation of immediate implementation of restricted parking along Paseo del Mar. He feels these restrictions will cause the School District to take ownership of the problem.

George DeLaTorre, [PVE Resident], agrees with comments made by Sandy Durko. Why isn't more effort being put into solving the problem instead of forcing the parking on the residents? We should force School District to solve the problem.

Fielding Walker, [PVE Resident], feels if the Council enacts the parking restrictions on Paseo del Mar it would greatly increase the probability that the School District will take some action. He would like the restrictions in place prior to school starting in September. Eliminate Paseo del Mar as an option for parking.

George Babikian, [PVE Resident], agrees with parking restrictions and urges the School District to continue efforts to increase parking on campus and limit number of cars coming to campus.

Linda Perry, [PVE Resident], is significantly affected by student parking. The residents have proven there are safety issues and brought solutions to the School Board. She has not seen any progress from the School District. Imperative restrictions are implemented prior to school starting in the Fall.

Mayor Sherwood asked how many additional parking spaces have been added to the campus. Director Rigg figured it is at least 80 probably closer to 100.

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Juann Webman, [PVE Resident], thanked Sandy Durko for his efforts to restrict parking on Paseo del Mar. She disagrees that due to the width of Paseo del Mar it is not as much of a safety concern as the other streets in the area. The street is busy with many types of pedestrians and with the amount of cars now parked along the street there are fewer pedestrians.

Mayor Sherwood closed the Public Hearing.

Councilmember Humphrey said the School District increased parking spaces on the school campus only after the Council, as a last resort, implemented the Residential Parking Permit Zone (RPZ). She feels there are still areas on the campus that can be used for parking. The City knew there would more than likely be an impact on Paseo del Mar due to the RPZ and, if so, committed to the residents we would do something about it. She does like to make sure everyone has their say on each issue and she would not be opposed to having Paseo del Mar Noticed again and delaying the vote until the July 8th meeting. We can not delay long; the information regarding the restrictions should be available for the upcoming on-line registration for PVHS. She agrees with the restrictions all along Paseo del Mar including adjacent to the Parklands so that the spaces are available to the general public to get to the ocean during the day.

Mayor Pro-Tem Perkins reiterated that the City knew there would be affects along Paseo del Mar due to the RPZ and promised that it would be addressed. She agrees that it was a bold move on the part of the Traffic Safety Committee to recommend parking restrictions immediately along Paseo del Mar in order to encourage the Council to not delay in implementing a solution. She thinks there will be more cars on Paseo del Mar next April and May. She feels the restrictions will be much better served if implemented prior to the start of school. She would support the idea of Noticing along Paseo del Mar and delaying the vote on parking restrictions to the July 8th meeting. She would be in favor of the restrictions in front of the Parklands as well.

Director Rigg commented the Noticing would be for the implementation of parking restrictions and the timing of the implementation.

Councilmember Goodhart agreed to delay the vote until the July 8th meeting, but no longer. He said it does not matter how wide the street is, with pedestrians an accident is always possible and with parked cars it is a safety issue. He is in favor of parking restrictions including in front of the Parklands. The restrictions should be implemented prior to the start of school so everyone can prepare for it. He drove down Paseo del Mar on a day when school was half-day – there were no cars parked; it was apparent the parking problems are due to students parking.

Councilmember Rea asked which blocks voted to be removed from the RPZ. Director Rigg replied that two blocks on Yarmouth removed themselves from the RPZ: Paseo del Mar to Chelsea and Chelsea to Thorley.

Councilmember Rea asked if the Council could approve the concept of the restricted parking zone and leave it up to Staff as to how far to extend the zone or is it only a City Council decision. Director Rigg said historically the City has taken resident input and then decided what was right for the street. The only time the residents have had a vote is for the RPZ.

Councilmember Rea said the parking problem has been created, and needs to be resolved, by the School. When the Council approved the RPZ they were aware the cars would move to Paseo del Mar and it is hard to justify exporting a problem into someone else's neighborhood. He thinks that is why the original LSA report included the entire lower Lunada Bay area. He is in favor of the parking restrictions as recommended by the Traffic Safety Committee, but would agree to delay the vote until the July 8th meeting in order to Notice all the residents of Paseo del Mar. He does want the restrictions implemented prior to the beginning of school.

Councilmember Humphrey stated that it looks like a consensus to restrict parking along Paseo del Mar it just needs to be decided where the restrictions stop – at Yarmouth or Epping.

Mayor Pro-Tem Perkins asked if there was a way to incorporate into the motion the finding that the parking restrictions are being implemented for safety reasons. She has had to change the time she takes her morning walk on Paseo del Mar due to her concerns for safety. The School District has many alternatives to reduce the number of cars and find more parking.

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Mayor Sherwood asked if it would be alright to continue the item to the next Council meeting. City Manager Hoefgen responded that it would. Staff will do additional Noticing on Paseo del Mar, go over the findings regarding the parking regulations with the City Attorney, and bring it before the Council again on July 8th.

Councilmember Rea moved, it was seconded by Councilmember Goodhart, and unanimously approved to table this item to July 8th and have staff prepare notice of the proposed time-restricted parking for the affected zone on Paseo del Mar (Chiswick to Yarmouth), including the area adjacent to Parklands for implementation prior to the start of the school year in September.

NEW BUSINESS

STATUS REPORT CONCERNING THE MALAGA COVE PLAYGROUND PARK AND INSTALLATION AND MAINTENANCE AGREEMENT WITH THE PALOS VERDES PENINSULA UNIFIED SCHOOL DISTRICT

Public Works Director Rigg reported that the City has been working toward the construction of a playground park for the last three years. The goal put forth, by a former City Councilmember, is to provide a high-quality playground that can be used by children in the community especially at times when the playground equipment at schools is unavailable due to schools being in session. Staff was originally directed to work with Palos Verdes Peninsula Unified School District to find an appropriate location for a park on School District property. Malaga Cove School was chosen due to its location. The Art Jury and Parklands Committee have reviewed and recommended approval of the project. The park is to be designed for two to twelve year old children and the equipment would be from Little Tykes. Little Tykes would work with the City to create a design concept and preliminary cost estimates at not charge to the City. They estimated the cost for the project at just over \$100,000 with an additional cost of \$20,000 for a path leading to the playground and the cost for staff time. The City Attorney and the School District's Attorney worked to develop the Playground Installation and Maintenance Agreement. The agreement allows the City to locate the equipment on the School District's property while the City remains responsible for all costs, maintenance, and liability associated with the equipment. This is contrary to the original intent of locating the equipment on the School District property and to obviate the maintenance issues for the City as the School District are more familiar with the issue associated with this type of equipment. The School District has been amicable, but the issues the City remains responsible for are significant. There have also been historical concerns with items in the view shed of the homes on Via Almar adjacent to the school. Staff has concerns that although the project has the right intent, the need/desire for the project is minimal, the initial costs are high, and it would take away from other projects, the on-going liability remains with the City, and the City does not have experience in maintaining this type of equipment. The project is ready to go although the City does not have funding allocated.

City Manager Hoefgen said the project is not funded in the current year budget or in the 2008-09 budget. The project has been through the review process, but has not been fully identified as a funded project. He met last year with the Malaga Cove Homeowners Association and received mixed feedback on the project. The original vision was to share the risk and responsibility with the School District. The School District would make available property over which the City has an open space easement that the City paid for through a prior transaction. Now, the maintenance would be on the City, the liability would be on the City, future replacement would be on the City. Staff is asking for further direction in light of the new arrangement with the School District.

Councilmember Goodhart said the plan was for the City to purchase the equipment and donate it to the School District and they would maintain it as was done with the Valmonte equipment. He wondered why they are not willing to do that now.

Councilmember Goodhart stated the manufacturer would have a sense of the maintenance and the life of the equipment. Director Rigg said the maintenance requirements are not dramatic. Staff is concerned with being experienced with tell-tale signs of failure or risks associated with it.

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Councilmember Rea thinks it is optimistic to say there would be a 20 year life span given the salt air and corrosion. Director Rigg said Little Tykes is mainly plastic, but he concurs that a full 20 years would be doubtful.

Councilmember Humphrey was not in favor of the project at the start. The Valmonte school playground was fully funded by an outside group. This was a particular interest to a former Councilmember. Working with kids she does know that equipment needs maintenance. The School District has to cut \$4 million out of their budget and there is no way they will want to expend funds on this type of project. The School District is also in the process of designing the future use of the Malaga Cove sight.

Mayor Pro-Tem Perkins said the project has been on hold for a long time and she has not received any inquiries as to when the playground park would be built. It is a nice idea and there was a perceived need for this in the City, but as time has passed there may be less of a need for it than the Parklands Committee and Council originally thought. She is concerned with the liability and responsibility of maintenance when it is not the City's site. She does not see that this is in particular interest to the City especially during this fiscally tight time.

Councilmember Rea agrees that this project should be discontinued for all the reasons previously stated.

Councilmember Goodhart said that former Mayor Dwight Abbott had the vision, based on his experience with his own grandchildren, to have a park where parents can take their children which is not on school grounds and available during school hours. He wondered if Palos Verdes Estates wants to be more kid friendly like the other cities on the Hill. He feels the vision has a lot of merit to it. The liability is no different than any other city. He does not feel it is in the School District's purview to take on this project. For Beach Club members there is no alternative for them, this is an ideal location for those members to have a place for their kids to play. He is in favor of the project, the City spends more money on roads, but kids can't play on the roads.

Mayor Sherwood has not had one phone call since this project was proposed. The City has no budget for it. The School District has their own fiscal problems, but if they had an interest he feels they would come up with some money. He takes his grandchildren to Lunada Bay School, Hesse Park, and Valmonte to play. He does not see a need for the project.

It was moved by Councilmember Humphrey and seconded by Mayor Pro-Tem Perkins to discontinue the process for designing and constructing the Malaga Cove Playground Park. The motion was carried. (4-1, Goodhart dissenting)

RESOLUTION R08-15; APPROVING THE AUDITOR'S REPORT AND SETTING THE FIRE AND PARAMEDIC SERVICES SPECIAL TAX RATE FOR FY 2008-09.

Assistant City Manager Smith said this auditor's report comprises a significant component of the City's financing structure, the Fire and Paramedic Special Tax. The City contracts with Los Angeles County Fire Department for Fire and Paramedic Services. The cost containment provisions within the contract limit the maximum annual increase to 4.2% of the prior year's actual cost. Voters approved this tax for a 10-year period in March 2007. Due to the cost containment provisions, there is \$200,000 that has not been levied as a result of past year's costs. This year the contract increase will be 1.7%. As a result, the County will recoup approximately \$92,800 that had not been levied since it was in excess of the cap. The total contract cost is \$3.852 million or a total 4.2% increase. The Council authorized the 4.2% increase in Special Tax and the Assessment Engineers have compared the Auditor's report. There are two components to the tax – one is a flat per parcel rate and the other is a cost per square foot of building improvement. For a median sized home, which is 2,595 square feet, the tax rate for FY 08-09 will be \$648.74. This is a \$26.15 increase compared to the prior year. Levying that rate on all eligible parcels the City will generate tax revenue of \$3.649 million. This does fall short of covering the full cost of the contract for next year. Staff is projecting a contribution of \$209,380 to fully fund the contract. The ending fund balance for the Fire Fund as of June 30, 2009 is projected at \$316,364.

It was moved by Councilmember Humphrey, seconded by Councilmember Goodhart, and unanimously approved to adopt Resolution R08-15; approving the Auditor's Report and establishing the FY 2008-09 Fire and Paramedic Services special tax rate in conformance with Ordinance 07-677.

ADOPTION OF THE CITY'S FY 2008-09 BUDGET; RESOLUTIONS R08-16; ESTABLISHING THE FY 08-09 APPROPRIATIONS LIMITS, AND R08-17; ADOPTING THE ANNUAL BUDGET FOR FY 2008-09.

Assistant City Manager Smith stated there are two resolutions required to finalize the budget. The first is adopting the City's Annual Appropriations Limit which actually limits the amount of expenditures that can be financed through tax proceeds. It is also known as the Gann Limit. The limit may be adjusted each year for factors that are most favorable to the City. This year it is the California Personal Per Capita Income Increase which is 4.29% and the Population Increase for the County of Los Angeles which is 0.86%. The appropriations limit is \$16.9 million. The City's proceeds that are subject to limitation are \$12.2 million; we are at 72% of the allowable limit. This is the final step to approve the budget. There have been several Public Hearings on the budget. The total Operating and Capital Budget is \$18,603,220. The Operating Budget portion is \$14.5 million. The Capital Budget which is sewer and non-sewer capital programs is \$4,032,000 and the City will carryover funding for previously approved capital projects of \$1.8 million.

Councilmember Humphrey asked about the locker room issue. Assistant City Manager Smith said the item is in the budget.

City Manager Hoefgen said the funding for the locker rooms is COPS funds which are up in the air in terms of the State budget. He would like to pause prior to moving forward with this project. The funding is in our budget. Staff is anticipating continuation of the COPS funds. Staff would like to come back to the Council in a few weeks with an update on the project including updating the women's locker room.

Councilmember Humphrey clarified that the City is waiting to make sure the funds are guaranteed from the State. City Manager Hoefgen said the League of California Cities is saying the COPS funds are potentially at risk, so he would like to wait until the State budget is adopted. He said even if the COPS funds are taken away, he thinks the project is important and Staff would come to Council to appropriate capital funds for the project if needed.

It was moved by Councilmember Rea, seconded by Councilmember Humphrey, and unanimously approved to adopt Resolution R08-16; establishing the FY 2008-09 Appropriations Limits, and R08-17; adopting the Annual Budget for FY 2008-09.

STAFF REPORTS

City Manager's Report

City Manager Hoefgen thanked the Staff for the amount of work put into the budget process. He gave special thanks to the Department Heads as well as Alexa Davis, Sandy Delgado, and Captain Velez for the team effort. Staff is watching the State budget process.

DEMANDS

It was moved by Councilmember Rea and seconded by Councilmember Goodhart that the demands, as approved by a majority of the City Council, totaling \$225,694.84 be allowed and it was unanimously approved.

It was moved by Councilmember Rea and seconded by Councilmember Goodhart that the demands, as approved by a majority of the City Council, No. 513555H to 513558H, 513559 to 513617 totaling \$205,753.88 be allowed and it was unanimously approved.

CITY COUNCIL JUNE 24, 2008

MAYOR & CITY COUNCILMEMBERS' REPORTS

Mayor Sherwood attended Lunada Bay Rocks on June 14th. He said a lot of the incredible music was composed by the talented students. He congratulated the Lunada Bay Homeowners Association for making such good use of Lunada Bay Park.

ADJOURNMENT

There being no further business before Council the meeting was adjourned at 9:40p.m. to Tuesday, July 8, at 7:30 p.m. in the City Council Chambers of City Hall.

RESPECTFULLY SUBMITTED,

MICHÉLE D. MONSON, MINUTES SECRETARY

APPROVED:

JOSEPH C. SHERWOOD, JR., MAYOR