

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

February 12, 2008

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

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

ABSENT: None

ALSO PRESENT: City Manager Hoefgen, City Attorney Pannone, Public Works Director Rigg

**CLOSED SESSION: Council adjourned to Closed Session at 6:35 p.m.
Conference with Legal Counsel – Matters of Litigation
Existing Litigation Pursuant to Government Code Section 54956.9(a)
Gdowski v. City of Palos Verdes Estates LASC Case No. BS096771
Court of Appeal Case No. B193709**

RECONVENE: Council reconvened at 7:34 p.m.

ALSO PRESENT: Assistant City Manager Smith, Police Chief Dreiling, City Treasurer Ritscher, Administrative Analyst Davis, Minutes Secretary Monson

PLEDGE OF ALLEGIANCE

CEREMONIAL MATTERS

Mayor Goodhart presented flowers and a Proclamation to former PVE Mayor Ruth Gralow and her husband Richard on the event of their 50th Wedding Anniversary.

MAYOR'S REPORT – none

CONSENT AGENDA

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

- MINUTES OF CITY COUNCIL MEETING OF JANUARY 22, 2008
- CITY TREASURER'S REPORT – OCTOBER 1 – DECEMBER 31, 2007
- ADOPT RESOLUTION R08-03; CONFIRMING THE PLANNING COMMISSION'S APPROVAL OF NC-1306-07; NEIGHBORHOOD COMPATIBILITY APPLICATION FOR ADDITIONS TO THE SINGLE FAMILY RESIDENCE LOCATED AT 2421 VIA PINALE, AS CONDITIONED. LOT 9, BLOCK 1621, TRACT 6885
- AMENDMENT TO LEASE AGREEMENT WITH PALOS VERDES HOMES ASSOCIATION TO INCORPORATE A WAIVER OF CLAIMS FOR INSURED LOSSES
- ADOPT RESOLUTION R08-04, DECLARING THAT THE CITY PUBLIC WORKS DIRECTOR IS AUTHORIZED TO EXECUTE FEDERAL MASTER AGREEMENT NO. 07-5283R

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- ADOPT RESOLUTIONS R08-01 AND R08-02, SETTING PROTEST HEARINGS FOR FEBRUARY 26, 2008
- RECEIVE AND FILE THE ACTIONS FROM THE JOINT CITY COUNCIL/PLANNING COMMISSION MEETING HELD ON JANUARY 30, 2008

COMMUNICATIONS FROM THE PUBLIC - none

NEW BUSINESS

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE PERIOD ENDING JUNE 30, 2007 AND FISCAL HEALTH REPORT 1997-2007

Assistant City Manager Smith reported the highlights of the Comprehensive Annual Financial Report (CAFR) for FY 2006-07 ending June 30, 2007. She stated that on February 5th Mayor Pro-Tem Sherwood representing the City's Audit Committee, City Treasurer Ritscher, and other members of the Staff met with the audit firm to review the results of the audit, the conduct of the audit, how the auditors went about their work, and their findings. The audit received a clean opinion from the auditors with no adjustments. The City has received the GFOA Certificate of Achievement for Excellence in Financial Reporting for 15 years.

Assistant Manager Smith reported that for FY 2007 the City's net assets totaled \$88 million of which \$66 million is investment in infrastructure. The General Fund balance increased \$230,000 after a transfer of \$1.775 million to the Capital Improvement Fund in accordance with the City Council policy of a 50% General Fund balance in relation to the total operating budget. She stated that this policy is critical since the City does not have a dedicated financing source for capital projects.

Assistant Manager Smith also reported the highlights of the Fiscal Health Report which provides a graphic representation of the City's fiscal condition as a complement to the financial audit. All factors showed either stable or favorable. This reflects the recent fiscal environment dominated by strong annual increases in assessed values and the absence of State diversion of traditional City revenue sources. The City is operating at a healthy surplus which helps to finance capital projects.

Mayor Pro-Tem Sherwood mentioned that the auditing firm the City used works with 40 cities and they informed him that not many cities receive the GFOA Certificate for Excellence. He congratulated Assistant Manager Smith and her Staff for their excellent work.

It was moved by Councilmember Humphrey, seconded by Councilmember Rea, and unanimously approved to receive and file the Comprehensive Annual Financial Report for the period ending June 30, 2007, and the Fiscal Health Report 1997-2007.

STAFF REPORTS

City Manager's Report

City Manager Hoefgen added his compliments to Assistant Manager Smith and her Staff for their excellent work in receiving the GFOA Certificate of Excellence.

MAYOR & CITY COUNCILMEMBERS' REPORTS

Councilmember Humphrey commented she had recently found a video of the 50th birthday celebration parade for the City which took place while Ruth Gralow was Mayor. She also reported that she attended the PV Stables Open House over the weekend and it was a very successful event.

Councilmember Sherwood praised Richard and Ruth Gralow as great role models for their service to the community and country.

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Councilmember Perkins extended her congratulations to the Gralows. She attended the January SBCCOG meeting where they learned about the Energy Center's energy efficient lamp exchange promotion coming this Spring. Also, the SBCCOG's 9th General Assembly will be held on February 22nd at the Carson Community Center where Sergeant John Eberhard will be making a presentation on PVE CARES.

Councilmember Rea thanked the Gralows for their service and their encouragement to him to run for City Council. He mentioned that he was pleasantly surprised by the NextG Networks notice on his front door announcing that they would be in his neighborhood and explaining the work they would be doing.

Mayor Goodhart represented the City at the Chamber of Commerce Salute to Business dinner honoring local businesses three of which are located in Palos Verdes Estates. He was interviewed by a firm hired by the SBCCOG regarding the South Bay Energy Center and the unique partnership between the South Bay cities, Southern California Edison, the Gas Company, and the Metropolitan Water District. The Mayor complimented the South Bay Energy Center on their great efforts on behalf of all South Bay Cities.

DEMANDS

It was moved by Councilmember Humphrey and seconded by Mayor Pro Tem Sherwood that the demands, as approved by a majority of the City Council, totaling \$228,946.64 be allowed and it was unanimously approved.

It was moved by Councilmember Humphrey and seconded by Mayor Pro Tem Sherwood that the demands, as approved by a majority of the City Council, totaling \$199,372.24 be allowed and it was unanimously approved.

It was moved by Councilmember Humphrey and seconded by Mayor Pro Tem Sherwood that the demands, as approved by a majority of the City Council, No.512210V, 512742H to 512745H, 512755 to 512861 totaling \$146,077.24 be allowed and it was unanimously approved.

ADJOURNMENT

There being no further business before Council the meeting was adjourned at 8:07p.m. to Tuesday, February 26, at 7:30 p.m. in the City Council Chambers of City Hall.

RESPECTFULLY SUBMITTED,

MICHÉLE D. MONSON, MINUTES SECRETARY

APPROVED:

JAMES F. GOODHART, MAYOR