

December 14, 2010
7:30 P.M.
Council Chambers of City Hall
340 Palos Verdes Dr. West
Palos Verdes Estates

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

Copies of the staff reports or other written documentation relating to each item of business referred to on the agenda are on file in the office of the City Clerk and are available for public inspection. If applicable, materials related to an item on this agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Clerk's office during normal business hours. Any person having any question concerning any agenda item may call the City Clerk to make inquiry concerning the item. Upon request, the agenda and documents in the agenda packet can be made available in appropriate alternative formats to persons with a disability in compliance with the Americans with Disabilities Act. Please contact the City Clerk at 310-378-0383, at least 48 hours prior to the meeting to request a disability-related modification or accommodation.

The City Council welcomes and encourages public participation at the Council meetings; however, to allow for the orderly progression of business, each person wishing to comment or make a presentation shall be limited to three (3) minutes. Anyone wishing to address the City Council must fill out a green speaker's card available at the end of each row in the Chambers. The card permits the City to identify persons for purposes of City Council minute preparation. Please see specific agenda sections below for any other requirements related to meeting participation. The City Council, at the direction of the Mayor with concurrence of the Council, may modify the order of items shown on the agenda.

**NEXT RESOLUTION NO. R11-01
NEXT ORDINANCE NO. 11-699**

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

MAYOR'S REPORT – Matters of Community Interest

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CONSENT AGENDA (Items 1-6)

All items under this heading are considered to be routine and will be enacted by one motion, unless a Councilmember, staff, or member of the public requests that an item be removed for separate discussion. An applicant or interested citizen who wishes to appeal any Planning Commission decision may file an appeal with the City Clerk's office within 15 days after the date of the Planning Commission's decision.

Any item removed from the Consent Agenda will be considered immediately following the motion to approve the Consent Agenda.

1. City Council Minutes of November 23, 2010

Recommendation: Review and File.

2. Treasurer's Monthly Report – November 2010

Recommendation: Receive and File.

3. Monthly Finance Report – November 2010

Recommendation: Receive and File.

4. One-Year Contract Extension with the City of Inglewood (ICMS) for Parking Citation Processing and Amend Contracted Services to Include Internet Payment Option

Recommendation: It is recommended that the City Council approve the one-year contract extension with the City of Inglewood (ICMS) for parking citation processing services, which includes an amended "Exhibit A" for contracted services to include an internet payment option for parking citations.

5. Award of a Professional Services Agreement to Evaluate the Needs for Seismic Rehabilitation of City Hall in the Amount of \$15,000 to Melvyn Green and Associates

Recommendation: It is recommended that the City Council award a professional services agreement in the amount of \$15,000 to Melvyn Green and Associates to evaluate the needs for seismic rehabilitation of City Hall.

6. Traffic Safety Committee Meeting Items of December 8, 2010

Recommendation: Review and Approve.

- a. Request for Northbound Stop Sign at the Via Pinzon/Via Gorrion Intersection

Action: Recommended that staff install northbound stop sign at the Via Pinzon/Via Gorrion intersection. (Approved 5-0).

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- b. Traffic Calming Application for Via Zurita between Via Lopez and Via Fernandez

Action: Recommended that staff install edgeline striping on Via Zurita between Via Lopez and Via Fernandez. (Approved 5-0).

COMMUNICATIONS FROM THE PUBLIC

This portion of the agenda is reserved for comments from the public on items which are NOT on the agenda. Due to state law, no action can be taken by the Council this evening on matters presented under this section. If the Council determines action is warranted, the item may be referred to staff or placed on a future Council agenda.

PUBLIC HEARING/ORDINANCE (7:30 p.m.)

Actions to introduce or adopt an ordinance shall be deemed to have the title read and further reading waived. Any interested individual wishing to address the City Council during public hearing shall be limited to three (3) minutes for comment.

7. Adoption of Ordinance 10-698; an Ordinance of the City Council of the City of Palos Verdes Amending Title 15 of the Palos Verdes Estates Municipal Code by Adopting the 2010 Editions of the California Codes and Related Model Codes with Appendices and Amendments Thereto

Recommendation: It is recommended the City Council open the public hearing, receiving public input, close the public hearing and adopt Ordinance 10-698 adopting the 2010 California Building Code and other Codes regulating construction activities.

OLD BUSINESS

NEW BUSINESS

8. Palos Verdes Golf Club 2011 Annual Operating and Capital Improvement Budgets

Recommendation: It is recommended that City Council approve the 2011 Operating Budget and Capital Improvement Budget proposed by the Palos Verdes Golf Club Board of Directors and endorsed by the Council Liaison Committee; and approve the dues increases to take effect on April 1, 2011.

9. Resolution R10-28 Establishing Management and Confidential Employee Compensation for FY 2010-11

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Recommendation: It is recommended that the City Council adopt Resolution R10-28 establishing Management and Confidential Employee compensation for FY 2010-11.

STAFF REPORTS

10. City Manager's Report
 - Mid-Year Status Report on FY 2010-11 Work Program

DEMANDS

11.
 - a. Authorize Payment of Motion #1 – Payroll Warrant of November 26, 2010
 - b. Authorize Payment of Motion #1a – Payroll Warrant of December 10, 2010
 - c. Authorize Payment of Motion #2 – Warrant Register of December 14, 2010

Recommendation: Authorize Payment of Motions #1, #1a & #2.

MAYOR & CITY COUNCILMEMBERS' REPORTS

- Upcoming Vacancy on Traffic Safety Committee

ADJOURNMENT TO WEDNESDAY, JANUARY 12, 2011, IN COUNCIL CHAMBERS OF CITY HALL FOR THE PURPOSE OF A REGULAR MEETING.

- *This City Council meeting can be viewed on Cox Cable, Channel 35, Wednesday, December 15, 2010 at 7:30 p.m., and Wednesday, December 22, 2010, at 7:30 p.m.*

TO: JOSEPH M. HOEFGEN, CITY MANAGER
FROM: JUDY SMITH, ASSISTANT CITY MANAGER
SUBJECT: MONTHLY FINANCIAL REPORT – NOVEMBER 2010

The Issue

What is the status of the FY 2010-11 City budget after five months?

Analysis of Graphs

Many of the revenue figures reflect four months of activity due to timing of receipts. Total operating revenues are 1% below expected, while general fund revenues are currently running 6% below expected. Club concession fees remain healthy at +8%; however, development fee performance has fallen off from October activity and are now 10% below expected for the year to date. Although a very small percentage (1.2%) of the general fund budget, property transfer taxes have remained more robust compared to budget than past years. We use this as one indicator of the condition of the residential housing market. Additional information is presented under spot reports below.

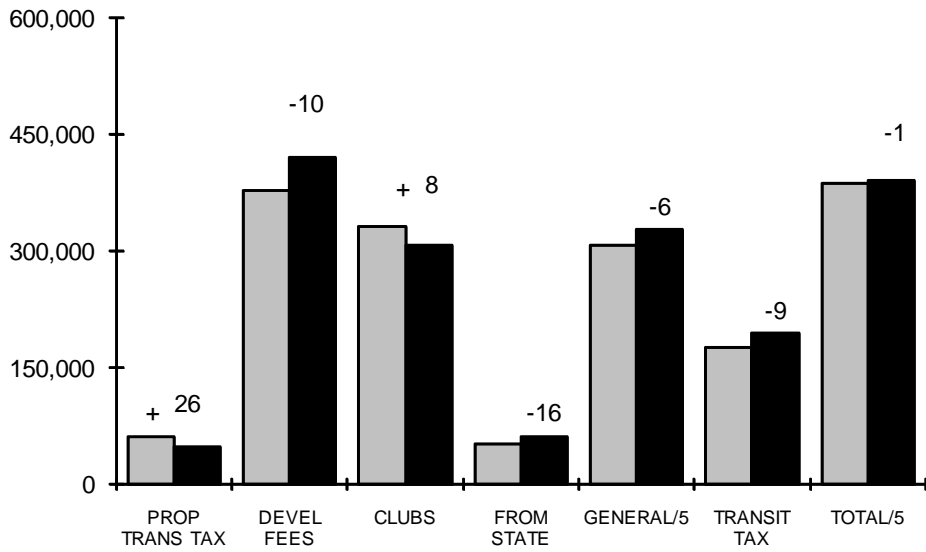
Total operating expenditures are 2% below expected with departments, except Public Works and Insurance, at less than expected. The Insurance/Attorney item will remain in excess of budget until late in the fiscal year because of the cost for insurance deposits paid to the CJPIA in July. None of the budget deviation for this factor is associated with the City Attorney's services.

Spot Reports

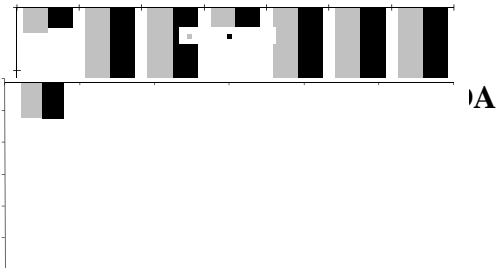
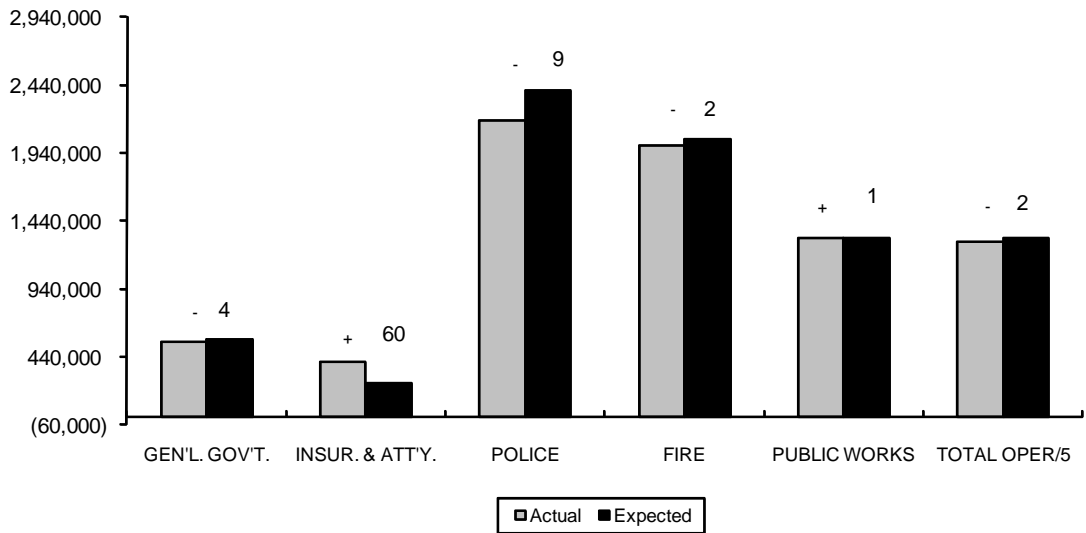
During the past month, we received annual reports from our property tax consultant, HDL Companies. This vendor provides a wealth of information, including number of pre-prop 13 parcels, assessment appeal activity and property transfer/sales. All these factors are used for property tax budget projections. For FY 2010-11, the City's assessed values declined a modest 0.37%. Of the 88 cities in LA County, 28 experienced assessed value increases, while 60 (68%) had drops ranging from less than -1% up to -12.% and -14% for Palmdale and Lancaster, respectively. December is the first allocation of FY 10-11 property taxes and we will provide that data as part of the next monthly report.

OPERATING REVENUES
Actual vs Expected, November 2011

Received
Expected



OPERATING EXPENDITURES
Actual vs Expected, November, 2010



TO: JOSEPH HOEFGEN, CITY MANAGER
FROM: JUDY SMITH, ASSISTANT CITY MANAGER
SUBJECT: ONE-YEAR CONTRACT EXTENSION WITH THE CITY OF INGLEWOOD (ICMS) FOR PARKING CITATION PROCESSING AND AMEND CONTRACTED SERVICES TO INCLUDE INTERNET PAYMENT OPTION

The Issue

Shall the City Council approve a one-year extension option to the City's existing contract with the City of Inglewood (ICMS) for parking citation processing and amend the contracted services to include an internet payment option?

Background

For many years, the City of Palos Verdes Estates has contracted with the City of Inglewood (ICMS) for parking citation processing services. The most recent agreement (attached) was approved by the City Council in December 2007 for a three year term, expiring December 31, 2010 (Article 7). The contract includes the option for two (2) one-year extensions.

Inglewood provides contract management services, but subcontracts actual citation processing to Duncan Solutions Processor. This firm was selected as Inglewood's vendor after a competitive, public process. The City's cost for parking citation processing services under the ICMS contract totaled ~\$5,800 during FY 2009-10.

Analysis and Findings

Staff is satisfied with the services provided by ICMS and Duncan. There is an opportunity as part of the contract extension to consider service enhancements. Staff reviewed the various service options and requests a modification to contract services to provide an internet payment option for parking citations.

The City currently allows credit card payment for parking citations only in person at City Hall using a hard swipe and signature of the payee. These parameters were established in light of concerns about security and cost. After reviewing the various options, including security issues and merchant (credit card) service charges, staff determined the most cost effective means to provide this option is to allow payments via a secure site offered by Duncan and using their merchant account (credit card processor) at a cost of \$2.68 per citation. The City will establish a separate bank account (+\$15/month) to which Duncan will deposit proceeds on a daily basis. The separate account will

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ensure that all activity related to parking is segregated from other City banking, which will also assist Finance staff in its daily reconciliation of payment processing reports issued by Duncan.

The City Treasurer and staff view this as an important convenience and service to the public, as we are often asked if there is another means to pay citations rather than by mail or in person. The City's website will provide a prominent link to the Duncan secure site and we will publicize the service in the City newsletter.

An amended Exhibit A is attached to the Service Agreement Change Notice. Although Exhibit B is also included as part of the Change Notice the City does not contract for any of those enumerated services.

Alternatives Available to the City Council

1. Approve a one-year extension to the current contract with ICMS for parking citation processing with no amendment to contracted services.
2. Approve a one-year extension to the current contract and approved an amendment to the contracted services to provide an internet payment option for parking citations.

Recommendation

It is recommended that the City Council approve the one-year contract extension with the City of Inglewood (ICMS) for parking citation processing services, which includes an amended "Exhibit A" for contracted services to include an internet payment option for parking citations.

Fiscal Impact

The number of parking citations processed annually averages approximately 2,500. Staff is not able to project at this time what percentage of violations will be paid using the internet credit card option. Please recall, in July the City increased most parking fines by \$15. Part of the increase was to offset the additional \$3.00/citation state surcharge for court funding which goes into effect this month. Staff believes there is a sufficient balance of available funds per citation to offset costs associated with the new service.

TO: JOSEPH M. HOEFGEN, CITY MANAGER

FROM: ALLAN RIGG, PUBLIC WORKS DIRECTOR

SUBJECT: AWARD OF A PROFESSIONAL SERVICES AGREEMENT TO EVALUATE THE NEEDS FOR SEISMIC REHABILITATION OF CITY HALL IN THE AMOUNT OF \$15,000 TO MELVYN GREEN & ASSOCIATES

DATE: DECEMBER 14, 2010

The Issue

Should the City Council award a professional services agreement in the amount of \$15,000 to Melvyn Green & Associates to evaluate the needs for seismic rehabilitation of City Hall?

Background and Analysis

The City Council requested that staff evaluate the need for structural retrofits of City Hall due to concerns with the aging building and its ability to withstand a major earthquake. City Hall is the designated location for our Emergency Operations Center and the loss of City Hall would dramatically hamper our ability to provide emergency services to our residents.

City Hall was constructed in 1954 and a seismic upgrade was performed in 1992. However, due to findings from the 1994 Northridge Earthquake, building codes have been revised to reflect the actual performance of various construction methods and materials during a seismic event. The City's structural engineer has reviewed the previous upgrade construction documents and is particularly concerned with shearwalls throughout the building and the supporting columns below the parking deck.

Staff contacted three local reputable structural engineering firms and received proposals from each for the evaluation of City Hall – Structural Focus, Palos Verdes Engineering, and Mel Green and Associates. The scope of work includes the evaluation of City Hall, Home Association Building, and parking structure using current design criteria to locate seismic deficiencies and a cost estimate to remedy any deficiencies. Please note that construction plans and specifications would need to be created per a separate contract to perform the work.

Of the three proposals, staff felt that Mel Green and Associates had the best background and approach to the project. He has performed similar reviews of public buildings such as ours, including the Hermosa Beach Fire Station, and is a recognized expert in the field evidenced by his many publications in the field.

There is \$10,000 allocated in the current City budget. The additional \$5,000 will be accounted for in a year-end budget adjustment.

Alternatives Available to Council

The following alternatives are available to the City Council:

1. Award a professional services agreement in the amount of \$15,000 to Melvyn Green & Associates to evaluate the needs for seismic rehabilitation of City Hall.
2. Decline to act.

Recommendation from Staff

Staff recommends that the Council award a professional services agreement in the amount of \$15,000 to Melvyn Green & Associates to evaluate the needs for seismic rehabilitation of City Hall.

Staff report prepared by:
Allan Rigg
Public Works Department

**TO: JOSEPH HOEFGEN, CITY MANAGER
ALLAN RIGG, DIRECTOR OF PLANNING AND PUBLIC WORKS**

FROM: MICHAEL ROSS, BUILDING OFFICIAL

SUBJECT: ADOPTION OF ORDINANCE 10-698; ADOPTING THE 2010 CALIFORNIA BUILDING CODE, THE 2010 CALIFORNIA RESIDENTIAL CODE, THE 2010 CALIFORNIA ELECTRICAL CODE, THE 2010 CALIFORNIA MECHANICAL CODE, THE 2010 CALIFORNIA PLUMBING CODE, THE 2010 CALIFORNIA ENERGY CODE, THE 2010 CALIFORNIA GREEN BUILDING CODE, THE 2010 CALIFORNIA HISTORICAL BUILDING CODE, THE 2010 CALIFORNIA EXISTING BUILDING CODE, THE 2010 CALIFORNIA REFERENCED STANDARDS, THE 2009 INTERNATIONAL PROPERTY MAINTENANCE CODE, THE 2009 UNIFORM SWIMMING POOL, SPA, AND HOT TUB CODE, AND THE 2009 UNIFORM SOLAR ENERGY CODE

DATE: DECEMBER 14, 2010

The Issue

Should the City Council adopt Ordinance 10-698; Adopting the 2010 California Building Code and other Codes regulating construction activities?

Background and Analysis

On November 23, 2010 the City Council approved the introduction of Ordinance 10-698 adopting the 2010 California Building Code and other Codes regulating construction activities. The public hearing tonight is for the purposes of adopting the ordinance.

Every three years the California Building Standards Commission (BSC) updates the International Codes governing construction practices in the State of California. Affected state agencies review these codes, amend them, and the BSC adopts them in Title 24 of the California Code of Regulations. After the State Code is published, every City and County throughout the state must adopt the Codes, with an opportunity to include more stringent local amendments based on local geological, topographical and/or climatic conditions.

On July 1, 2010 the State of California published and made available the 2010 Edition of the California Code(s) of Regulations, Title 24 consisting of the following:

1. The California Building Code
2. The California Residential code
3. The California Electrical Code
4. The California Mechanical Code
5. The California Plumbing Code
6. The California Energy Code
7. The California Historical Building Code
8. The California Green Building Code
9. The California Existing Building Code
10. The California Referenced Standards

The following codes are published but not required by the state to adopt. These codes are called appendix and provide language along with minimum guide lines for installations that are recognized by the state. It is up to the local jurisdiction to adopt these appendices if the jurisdiction intends to use them. It is recommended that the following appendixes be adopted.

1. The California Building Code Appendix I; clarifies language in regards to patio covers for multi residential and commercial buildings, also adopted by HCD.
2. The California Building Code Appendix J; Provides language and minimum guidelines for grading operations.
3. The California Residential Code Appendix H; clarifies language in regards to for patio covers for Single Family Residents, also adopted by HCD.
4. The California Residential Code Appendix O provides language along with installation guidelines for gray water systems.
5. The California Plumbing Code Appendix G provides language along with installation guidelines for gray water systems.

The following codes are not published by the State but are recommended to be adopted by the local jurisdiction:

1. The 2009 International Property Maintenance Code
2. The 2009 Uniform Swimming Pool, Spa and Hot Tub Code
3. The 2009 Uniform Solar Energy Code.

Please note that the State allows local jurisdictions to make technical amendments or deletions to the codes providing the amendments are equivalent to or more restrictive than those adopted. The local agency must make an expressed finding that the amendments are necessary due to local climatic, geological, or topographical conditions.

The City's Building Official, Geologist, and the structural engineering plan reviewer have been

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reviewing the Codes and found that the content of these Codes are very similar to the Codes previously adopted by the City with the exception of, the 2010 California Green Building Code and the 2010 California Residential Code. The Residential Codes are well written and clarify many deficient areas of the Residential end of the building industry with much clearer language on the Codes. However, the following amendments which were previously included in the City's Municipal Code should be reintroduced:

- Chapter 15.12.020 Administration (similar to existing Code)
- Chapter 15.12.030 Fees – (same as existing Code)
- Chapter 15.12.040 Liability – Includes agents under contract (similar to existing Code)
- Chapter 15.12.050 Maintenance Agreement – Requires a “Construction Site Maintenance Agreement” (same as existing Code)
- Chapter 15.12.060 Building Permit Expiration – 6 months initial, 6 months renewal at half fees (same as existing Code)
- Chapter 15.12.070 Underground Utilities – services must be undergrounded unless impractical (same as existing Code)
- Chapter 15.12.080 Aluminum wiring to be used in limited circumstances and with continuous inspection (same as existing Code)

When we last adopted codes in 2007 we adopted the California Fire Code. Due to changes regarding the implementation of fire hazard severity zones by the State, we believe it is more consistent to solely utilize the Los Angeles County Fire Code, which is adopted already within our Municipal Code.

California Building Standards are applicable to all occupancies throughout California, whether or not the local government takes an affirmative action to adopt those California Building Standards and they become effective January 1, 2011. As we have been wrestling with how to address a variety of Fire Code issues, we anticipate we will adopt Ordinance 10-698 on December 14, 2010, which means that the amendments and appendices will not be effective until January 13, 2011. As the amendments are essentially the same as the existing Code, and the appendices are rarely if ever used, we are comfortable with the delay in the enforceability of both.

In order to adopt the latest California Codes, the City must follow the procedure set forth in Section 50022.3 of the Government Code. After first reading of the titles of the Ordinances, a public hearing is scheduled by the City Council. The Ordinances may be adopted after the hearing.

Alternatives Available to Council

The following alternatives are available to the City Council:

1. Open the public hearing, receive public input, close the public hearing and adopt Ordinance 10-698 adopting the 2010 California Building Code and other Codes regulating construction activities.

2. Open the public hearing, receive public input, close the public hearing and direct staff to make changes to Ordinance 10-698 for reintroduction at a future meeting
3. Decline to act.

Recommendation from Staff

Staff recommends the Council adopt Ordinance 10-698 adopting the 2010 California Building Code and other Codes regulating construction activities

Fiscal Impact

Building plan check and permit fees are paid to compensate the City for expenditures associated with these activities. As the changes in the Codes are minor, the fees collected will continue to match the expenditures, and there will be no net fiscal impact to the City.

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: JOSEPH M. HOEFGEN, CITY MANAGER

SUBJECT: PALOS VERDES GOLF CLUB 2011 OPERATING AND CAPITAL IMPROVEMENT BUDGETS

The Issue

Shall the City Council approve the 2011 Annual Operating and Capital Improvement budgets, along with the specified dues increases, as proposed by the Palos Verdes Golf Club?

Background and Overview

The Concession Agreement with the Palos Verdes Golf Club (PVGC) stipulates that the Club shall prepare and deliver to the City a comprehensive budget for the next succeeding calendar year, together with a written request for approval by the City. The budget must include the estimated income by source, expenditures by major category of expense, and any and all requests for major capital expenditures or deferred maintenance items to be funded from the Club Improvement Fund. In addition, the Club must secure the concurrence of the City Council for any fee increases. The PVGC proposal was reviewed by the Council Liaison Committee (Mayor Humphrey, Councilmember Perkins and City Manager Hoefgen) at a meeting on November 12, 2010.

The proposed 2011 Budget for the Palos Verdes Golf Club is one of transition as the Golf Club works to fill available membership slots. As Council will recall, in September the PVGC received authorization to increase the number of Regular Members from the prior maximum of 560 to the new maximum of 600 members. PVGC General Manager Steve Hockett will provide an overview of the Golf Club's outreach efforts to date in filling the 40 recently created membership slots with PVE residential property owners.

A copy of the proposed 2011 PVGC Budget is attached to this staff report. This budget has been approved by the PVGC Board of Directors. Highlights of the proposed 2011 budget are provided on the following page:

- Overall PVGC revenue is projected to increase by 3.08% in 2011. Total operating expenses are projected to increase by 2.4% in 2011.

- The proposed budget assumes a 4% dues increase effective April 1, 2011. There would be no increase in green fees however.
- The proposed budget assumes 580 members (out of the 600 authorized) effective January 1, 2011. Full membership at 600 members is anticipated by March 1, 2011. As of the release of this report, the Golf Club's membership totals 575 Regular Members.
- The PVGC has made some special outreach to Terranea, and anticipates approximately \$70,000 in additional revenue (primarily green fees) throughout 2011.
- The proposed budget incorporates 2% in performance based salary increases for PVGC employees, and an anticipated 10% increase in the cost of group health insurance rates.
- The capital budget includes continued investment in the Club totaling \$236,000 in 2011 – with \$11,500 allocated for a Hydro Geological Study for the feasibility of accessing underground water for irrigation purposes. Within the \$236,000 capital budget, there is a significant placeholder budget in the amount of \$64,870 available for other capital needs at the Club.
- The overall cash position of the Club returns to a more comfortable level of \$451,866 at the end of 2011. This is a significant improvement as compared to a cash balance of \$223,810 at the beginning of 2010.

Dues Increase

In order to maintain services, the Golf Club is proposing an increase in membership dues of four percent effective April 1, 2011. Council will recall that member dues increased by six percent effective October 1, 2010 – shown below in the middle column. Dues for family members will increase by \$20 monthly along with comparable dues increases for other member categories:

	<u>Effective</u> <u>01/01/10</u>	<u>Effective</u> <u>10/01/10</u>	<u>Effective</u> <u>04/01/11</u>
▪ Regular Family (Resident)	\$461	\$489	\$509
▪ Regular Single (Resident)	\$360	\$382	\$397
▪ Senior Family (Resident)	\$230	\$244	\$254
▪ Senior Single (Resident)	\$179	\$190	\$197
▪ Associate Family (Resident)	\$146	\$155	\$161
▪ Associate Single (Resident)	\$ 98	\$104	\$108

PVGC Members have been advised of the recommended dues increase. As previously mentioned, there is no proposed increase in green fees for any membership categories. The final attachments to this report include a complete price sheet as well as a history of prior year dues increases at the Club since 2000.

Summary

The Golf Club has a long history of realistic budgeting and conservative spending. In meeting with PVGC representatives, it is clear that the PVGC is committed to maintaining a high level of service to their members and will continue to proactively manage their budget to achieve desired results.

Alternatives Available to City Council

1. Approve the 2011 Annual Budget and Dues Increases proposed by the Palos Verdes Golf Club. This would allow the Club to proceed in accordance with the plan approved by the Board of Directors and endorsed by the Council Liaison Committee.
2. Do not approve the 2011 Annual Budget and Dues Increases proposed by the Palos Verdes Golf Club. This would require the Board of Directors to reformulate the budget for the upcoming year to address any concerns expressed by the City Council.
3. Approve the 2011 Annual Budget and Dues Increases proposed by the Palos Verdes Golf Club subject to specified modifications. These would be as elaborated by the City Council.

Conclusions and Recommendations

It is recommended the City Council.....

1. Approve the 2011 Operating Budget and Capital Improvement Budget proposed by the Palos Verdes Golf Club Board of Directors and endorsed by the Council Liaison Committee;
and
2. Approve the dues increases to take effect on April 1, 2011.

Budget Impact

The PVGC is a non-profit entity whose budget exists apart from the City. It pays an annual 10% concession fee to the City, which the Golf Club is projecting to increase by approximately 1.5% in 2011 – for a total 2011 concession amount of \$813,528. We will continue to monitor concession payments and as part of the budget process will incorporate a conservative revenue projection for concession payments in the 2011-12 budget.

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: JOSEPH M. HOEFGEN, CITY MANAGER
SUBJECT: RESOLUTION R10-28 ESTABLISHING MANAGEMENT AND
CONFIDENTIAL EMPLOYEE COMPENSATION FOR FY 2010-11
DATE: DECEMBER 14, 2010

ISSUE

Shall the City adopt Resolution R10-28 establishing Management and Confidential Employee compensation for FY 2010-11?

BACKGROUND

Earlier this year, the City concluded negotiations with the Public Service Employees' Group and the Palos Verdes Estates' Police Officers' Association to establish compensation for those eligible employees for the current fiscal year. As is customary, Management and Confidential employees are provided with salary and benefit adjustments which mirror what is provided to the other bargaining groups. The Management and Confidential group consists of the Assistant City Manager, Police Chief, Police Captains, Financial Services Manager, Administrative Analyst, Executive Assistant to the City Manager, and Secretary to the Police Chief,

The one-year agreement provides the following:

1. A one-time stipend of \$500 per full-time employee to be paid on Friday, December 17, 2010.
2. An increase of \$75 per month (\$1,105 total per month) to the City's monthly contribution toward the medical insurance cap effective July 1, 2010.

Additionally, the employment agreement of the City Manager provides that the City Manager shall receive the same insurance benefits as provided to other Department Heads of the City and the same general cost of living adjustment as approved for other executive management employees of the City.

ALTERNATIVES AVAILABLE TO COUNCIL

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1. The City Council may choose to adopt Resolution R10-28.
2. The City Council may choose not to adopt Resolution R10-28.
3. The City Council may postpone adoption of Resolution R10-28.

CONCLUSIONS AND RECOMMENDATION

It is recommended that the City Council adopt Resolution R10-28 establishing Management and Confidential Employee compensation for FY 2010-11.

BUDGET IMPACT

The cost for this one-year agreement is \$9,500, which represents an aggregate 0.75% increase in total compensation for the Management and Confidential Employees and the City Manager.

TO: MAYOR AND CITY COUNCILMEMBERS
FROM: JOSEPH HOEFGEN, CITY MANAGER
SUBJECT: MID YEAR STATUS REPORT ON THE FY 2010-11 WORK PROGRAM
DATE: DECEMBER 14, 2010

Issue

Mid-Year Status report on FY 2010-11 Work Program.

Background and Analysis

On July 13, 2010, shortly following the City Council's adoption of the 2010-11 Budget, I presented a Work Program identifying major work activities occurring over the subsequent 12 months in City Departments. As Council will remember, the purpose of the Work Program is to identify work milestones and projected target dates as part of an overall strategy to manage the workload of each of the departments.

While the Work Program captures many of the departments' work activities, it is not a complete list of all of our duties and responsibilities. The Work Program is intended to highlight certain projects and work activities that require considerable time and resources throughout the year, and to reflect work that has been added since the original Work Program was presented.

Now that we are at mid-point in the fiscal year, it is appropriate to review the progress to date toward completion of the City's Work Program. While certain dates have been adjusted, the changes to the Work Program are, by and large, minimal compared to prior years. While the detailed pages for each of the City's Departments are attached to this report, the following two pages provide highlights by department:

During the past six months, the **City Manager's Office** has completed a number of priority projects including coordination of labor discussions with employee groups resulting in a one-year term that reflects the continued uncertainty of the economy and the State deficit that is now projected to exceed \$25 billion dollars over the next 18 months. While the recent passage of Proposition 22 has provided a measure of security that did not previously exist, cities remain on guard for adverse actions by the State of California.

Also in the City Manager's Office, significant progress was made to update the City's civil services rules which have remained in effect without change since 1951. The net result will be up-to-date Personnel Rules which we will be sharing with employees/employee groups after the first of the year before final review, adoption, and implementation.

Considerable staff effort was spent working with the Palos Verdes Golf Club to finalize membership changes at the PVGC to help ensure the Club's fiscal sustainability and to ensure that the needs of PVE residents were met. Additionally, while not anticipated in the original Work Program, the City Manager's Office spent considerable time getting up to speed on the potential impacts resulting from possible changes in the airspace regulations at Long Beach Airport with a City Council report in September 2010.

During the summer of 2010, the **Police Department** completed the testing and interviews for the positions of Captain, Sergeant, and Corporal and continues to seek qualified candidates to fill available Services Officer and Police Officer positions. Progress continues on efforts to replace/upgrade the police radio system to increase coverage and reliability. The Disaster District Plan took a major step forward with the acquisition and placement of six disaster supply containers for use by emergency workers in PVE. The Department will continue to help recruit individuals to serve as disaster service workers and Ham radio operators -- critical volunteer components of our Disaster District Plan.

Additionally, in recent months, the Police Department developed schedules for the periodic enforcement of vehicle and bicycle regulations to help ensure that enforcement occurs at key locations throughout the community. Lastly, the Police Department continues to promote the very popular PVE CARES Program which serves the needs of seniors in Palos Verdes Estates.

The **City Clerk/Finance Department** achieved a major milestone last summer with the launch of the City's new and improved web site (www.pvestates.org). In addition, City staff is now posting all web page updates as opposed to having this work completed by an outside vendor. Like the update of the web page, the City Clerk's office is taking the lead on an update of the PVE Municipal Code and the City Council recently held the first of what will be three or four workshops to complete this project -- the first comprehensive update since 1988. In terms of Risk Management, staff received the Joint Powers Insurance Agency (JPIA) risk management audit and is working to address the recommendations from the audit.

In early 2011, the Finance Department will be finalizing the Request for Proposals (RFP) for auditing services as outlined in the original FY 2010-11 Work Program presented last July. Additionally, within the next few weeks, the Finance Department will undertake a review of the City's PERS rates and determine the possibility of another lump sum contribution to reduce the City's public safety pension costs.

In the **Planning and Public Works Department**, a number of projects have been completed during the past six months including the annual slurry seal and overlay work pursuant to the City's multi-year Pavement Management Program. The construction of the underground sewage pump station at Via Barri is progressing and in the spring of 2011 the Rocky Point Road Pump Station will be under construction as well. Additionally, the Planning/Public Works Department recently completed the

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review of proposals received to perform a seismic analysis of City Hall (funded by the proceeds of the Haag Estate) and this report is also on tonight's agenda for Council review and action.

Planning/Public Works has taken on some additional projects including (1) reviewing traffic calming options for the 500 to 700 blocks of Via del Monte to slow speeding traffic and improve safety for area residents; and (2) Reviewing proposed revitalization plans for the Lunada Bay Plaza and assisting with implementation, where possible within our existing resources. Both of these additional projects have involved considerable interaction with the public to arrive at desired results.

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In prior years, vacancies in key staff positions contributed to certain projects being carried forward and not completed. However, with leadership positions in all departments now filled and limited turnover, staff has been able to complete projects without significant delays.

Recommendation from Staff

As this report is informational in nature, there is no formal action required of the City Council.