

February 8, 2011  
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. R11-07  
NEXT ORDINANCE NO. 11-699**

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

**CEREMONIAL MATTERS**

- Swearing-In of Corporal Luke Hellinga (Chief Dreiling)

**CITY COUNCIL AGENDA  
FEBRUARY 8, 2011**

## MAYOR'S REPORT – Matters of Community Interest

### CONSENT AGENDA (Items 1-4)

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 January 25, 2011

**Recommendation: Review and File.**

2. Resolutions of the City Council Declaring that Weeds Growing Upon and in Front of, and Brush, Rubbish, Refuse, and Dirt Upon and in Front of Certain Private Properties in the City are a Public Nuisance, and Declaring its Intention to Provide Abatement Thereof

**Recommendation: It is recommended that the City Council adopt Resolutions R11-05 and R11-06, setting protest hearings for February 22, 2011.**

3. PW-573-10; Completion of Contract for the FY 10-11 Slurry Seal Project

**Recommendation: It is recommended that the City Council accept as complete the construction contract PW-573-10; FY 2010-11 Slurry Seal Project in the amount of \$294,678.56; and direct the City Clerk to file the Notice of Completion, and release the 10% retention 30 days after the County Recorder's office records the Notice of Completion, if no stop notices are filed.**

4. PW-572-10; Completion of Contract for the FY 10-11 Overlay Project

**Recommendation: It is recommended that the City Council accept as complete the construction contract PW-572-10; FY 2010-11 Overlay Project in the amount of \$676,393.00; and direct the City Clerk to file the Notice of Completion, and release the 10% retention 30 days after the County Recorder's office records the Notice of Completion, if no stop notices are filed.**

### 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

**CITY COUNCIL AGENDA  
FEBRUARY 8, 2011**

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.

## OLD BUSINESS

## NEW BUSINESS

5. Reorganization of the Police Department Including Reclassification of Secretary to the Police Chief to Executive Assistant/Custodian of Records, Creation of a Services Officer Position, and Elimination of One Lead Services Officer Position; Adoption of Resolution R11-03

**Recommendation:** It is recommended that the City Council approve the reorganization of the Palos Verdes Estates Police Department including reclassification of Secretary to the Police Chief to Executive Assistant/Custodian of Records, creating a services officer position, and eliminating one lead services officer position, and adopt Resolution R11-03; establishing the salary range and job description for the Executive Assistant/Custodian of Records within the Management and Confidential Employee group.

6. Memorandum of Agreement to Implement Palos Verdes Peninsula Coordinated Monitoring Plan for Machado Lake Nutrient TMDL Compliance

**Recommendation:** It is recommended that City Council approve the MOA among the four incorporated cities of the Palos Verdes Peninsula to carry out the Palos Verdes Peninsula Coordinated Monitoring Plan in Compliance with the Machado Lake Nutrient Total Maximum Daily Load (Nutrient Monitoring Plan), subject to final review and approval by the City Attorney.

7. Comprehensive Annual Financial Report for the Period Ending June 30, 2010 and the 2010 Fiscal Health Report

**Recommendation:** Receive and File.

8. Resolution R11-04; Adjusting the FY 2010-11 Budget and Approving the Use of General Fund Balances to Reduce the City's CalPERS Safety Plan Side Fund Liability

**Recommendation:** It is recommended that the City Council adopt Resolution R11-04 to adjust the FY 2010-11 budget and approve the use of general fund monies in excess of the 50% targeted balance, to provide a lump sum payment to reduce the City's CalPERS Safety Plan side fund liability.

## STAFF REPORTS

9. City Manager's Report

**CITY COUNCIL AGENDA  
FEBRUARY 8, 2011**

## DEMANDS

10. a. Authorize Payment of Motion #1 – Payroll Warrant of February 4, 2011
- b. Authorize Payment of Motion #2 – Warrant Register of February 8, 2011

**Recommendation: Authorize Payment of Motions #1 and #2.**

## MAYOR & CITY COUNCILMEMBERS' REPORTS

11. Report from the City Council Liaison Committee (Mayor Pro Tempore Rea and Councilmember Bird) Concerning Recent Discussion with the Palos Verdes Beach and Athletic Club Involving the 2011 Summer Swim Program and Resident Access to the PVBAC

**Recommendation: Receive report and provide appropriate direction.**

**ADJOURNMENT TO TUESDAY, FEBRUARY 15, 2011, 4:00 P.M., 702 VIA HORCADA,  
FOR THE PURPOSE OF AN ADJOURNED REGULAR MEETING.**

- *This City Council meeting can be viewed on Cox Cable, Channel 35, Wednesday, February 9, 2011 at 7:30 p.m., and Wednesday, February 16, 2011, at 7:30 p.m.*

**TO: JOSEPH M. HOEFGEN, CITY MANAGER**

**FROM: ALLAN RIGG, PUBLIC WORKS DIRECTOR**

**SUBJECT: RESOLUTIONS OF THE CITY COUNCIL OF THE CITY OF PALOS VERDES ESTATES, CALIFORNIA, DECLARING THAT WEEDS GROWING UPON AND IN FRONT OF, AND BRUSH, RUBBISH, REFUSE, AND DIRT UPON AND IN FRONT OF CERTAIN PRIVATE PROPERTIES IN THE CITY ARE A PUBLIC NUISANCE, AND DECLARING ITS INTENTION TO PROVIDE ABATEMENT THEREOF.**

**DATE: FEBRUARY 8, 2011**

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**The Issue**

Should the City Council adopt:

- a) Resolution R11-05, declaring that weeds growing upon and in front of, and brush, rubbish, refuse, and dirt upon and in front of certain unimproved private properties in the City are a public nuisance and declaring its intention to provide for the abatement thereof, and setting a protest hearing on February 22, 2011; and
- b) Resolution R11-06, declaring that weeds growing upon and in front of, and brush, rubbish, refuse, and dirt upon and in front of certain improved private properties in the City are a public nuisance and declaring its intention to provide for the abatement thereof, and setting a protest hearing on February 22, 2011?

**Background and Analysis**

**Unimproved Lots**

The Los Angeles County Department of Agricultural Commissioner and Weights and Measures has provided the City with its annual list of properties for the weed abatement service. Each year, vacant private lots are inspected by the County with a notice provided for property owners to reduce the amount of nuisance vegetation. By law, each City is required to hold a public hearing, allowing property owners to protest the County's assessment of their property prior to the County's tilling and removal of the vegetation/rubbish.

The County annually requests the City to approve a weed abatement resolution, declaring that hazardous conditions upon or in front of the parcels identified by the County are a public nuisance. The County has sent each property owner identified on the attached 'Weed Abatement Declaration List' a notice of the scheduled dates of the resolution adoption and the following protest public hearing.

The County begins the weed abatement process by tilling accessible areas with a tractor disc. Areas that a tractor disc cannot reach are then tilled by hand. Nearly all lots in the City are cleared by machine; only a few require hand work. The work occurs in mid to late spring. When completed, the County requests the City Council to confirm the fees that have been assessed for the weed abatement work, and individual property owners are billed for the fees associated with their properties.

### **Improved Lots**

The Los Angeles County Fire Department has provided the City with its annual list of improved properties for the weed abatement service. These properties listed represent a potential fire hazard. The LACFD notifies all property owners on the list of this potential prior to making a final determination of which properties are a definite fire hazard. The hope is that owners, once alerted to the danger, will clear vegetation before the fire season begins. The process for improved parcels calls for the LACFD to inspect those properties on the list in June and return to the City for authorization to fine for any violations found. The standards that the LACFD uses are different from those used for unimproved lots (see the attached notices from each department). In the past, all problem areas have been resolved and the County has not had to come back to request further punitive action.

### **Alternatives Available to Council**

The following alternatives are available to Council:

1. a) Approve Resolution R11-05 declaring that weeds growing upon and in front of, and brush, rubbish, refuse, and dirt upon and in front of certain unimproved private properties in the City are a public nuisance and declaring its intention to provide for the abatement thereof, and setting a protest hearing on February 22, 2011;
- b) Approve Resolution R11-06 declaring that weeds growing upon and front of, and brush, rubbish, refuse, and dirt upon and in front of certain improved private properties in the City are a public nuisance and declaring its intention to provide for the abatement thereof, and setting a protest hearing on February 22, 2011.
2. Decline to act at this time.

### **Conclusions and Recommendations**

**CITY COUNCIL AGENDA  
FEBRUARY 8, 2011**

Staff recommends the City Council approve Resolutions R11-05 and R11-06, setting protest hearings for February 22, 2011.

**Budget Impacts**

There will be no budget impact to the City. Charges for inspection and weed abatement procedures within the city are assessed by the County Agricultural Commissioner and the LACFD and directly billed to respective property owners.

The number of unimproved and improved parcels are shown below and compared to earlier years' results. One item, listed as Vacant/Improved on the LACDAC (Unimproved) List, page 4, is not shown.

|                                | <b>2006/2007</b> | <b>2007/2008</b> | <b>2008/2009</b> | <b>2009/2010</b> | <b>2010/2011</b> |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>LACDAC<br/>(Unimproved)</b> | 146              | 139              | 139              | 158              | 158              |
| <b>LACFD<br/>(Improved)</b>    | 470              | 479              | 479              | 465              | 478              |

Staff report prepared by:  
Floriza Rivera  
Public Works Department

**TO: JOSEPH M. HOEFGEN, CITY MANAGER**  
**FROM: ALLAN RIGG, PUBLIC WORKS DIRECTOR**  
**SUBJECT: PW 573-10; COMPLETION OF CONTRACT FOR THE FY 10/11 SLURRY SEAL PROJECT**  
**DATE: FEBRUARY 8, 2011**

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**The Issue**

Should the City Council:

- 1) Accept as complete the construction contract PW 573-10; FY 10/11 Slurry Seal Project in the amount of \$294,678.56; and
- 2) Direct the City Clerk to file the Notice of Completion, and release the 10% retention 30 days after the County Recorder's office records the Notice of Completion, if no stop notices are filed?

**Background and Analysis**

On July 13, 2010, the City Council awarded a Contract in the amount of \$281,022.31 to American Asphalt South, Inc. for the completion of the FY 10/11 Slurry Seal Project. The project consisted of street repairs, crack sealing, applying the liquid asphalt emulsion slurry seal to extend the useful life of the streets, and then re-striping as necessary.

The following streets were slurry sealed as part of the FY 10/11 program:

| <b>Street Name</b>                | <b>From</b> | <b>To</b>     |
|-----------------------------------|-------------|---------------|
| Addison Rd                        | Chelsea Rd  | Cloyden Rd    |
| 1100 PVDW turn out                | PVDW        | Paseo Del Mar |
| Alley 8 Parallel to PDM/Chelsea   | Chiswick Rd | Avon Rd       |
| Alley 10 Parallel to Addison/PVDW | Cloyden Rd  | Alley 11      |



| <b>Street Name</b>                      | <b>From</b>        | <b>To</b>          |
|---|--------------------|--------------------|
| Alley 11 Parallel to Cloyden/Margate Sq | Addison Rd         | PVDW               |
| Alley 12 Parallel to PVDW               | Cloyden Rd         | South End          |
| Alley Parallel to PDM/Chelsea           | Avon Rd            | North End          |
| Alley Parallel to PDM/Chelsea           | Cloyden Rd         | Chiswick Rd        |
| Alley Parallel to Apsley/Margate Sq     | Addison Rd         | East End           |
| Alley Parallel to Pacheco/PVDW          | Dalton Rd          | South End          |
| Alley Parallel to Pacheco/PVDW          | Yarmouth Rd        | Chain              |
| Alley Parallel to Pacheco/PVDW          | Anacapa            | Yarmouth Rd        |
| Alley Parallel to Pacheco/PVDW          | Bandini            | Anacapa            |
| Alley Parallel to Pacheco/PVDW          | Bandini            | South End          |
| Alley Parallel to Chelsea/Anacapa       | Avenida Mirola     | North End          |
| Chelsea Rd                              | Paseo Del Mar      | Cloyden Rd         |
| Chelsea Rd                              | Epping Rd          | Yarmouth Rd        |
| Dalton Crossing                         | Margate Rd         | Addison Rd         |
| Dalton Rd                               | Margate Rd         | PVDW               |
| Epping Rd                               | Paseo Del Mar      | Via Pacheco        |
| Margate Rd                              | Chelsea Rd         | Dalton Rd          |
| Margate Rd                              | Addison Rd         | Dalton Rd          |
| Margate Sq                              | Addison Rd         | End                |
| Margate/Addison intersection            | Margate            | Addison Rd         |
| Margate Crossing                        | Margate Rd         | Addison Rd         |
| Oakley Rd                               | Paseo Del Mar      | Chelsea Rd         |
| Paseo Del Mar                           | PVDW               | Via Pena           |
| Rocky Point Rd                          | Paseo Del Mar      | Rocky Point Rd (S) |
| Rocky Point Rd                          | Rocky Point Rd (S) | Rocky Point PL     |
| Rocky Point Rd                          | Rocky Point Pl     | Yarmouth Rd        |
| Rocky Point Rd (NS)                     | Yarmouth Rd        | Rocky Point Rd (N) |
| Rocky Point Rd (NS)                     | Rocky Point Rd (S) | Yarmouth Rd        |

|  |             |                  |
|--|-------------|------------------|
| Thorley Pl (circle also)   | Yarmouth Rd | Via Anacapa      |
| <b>Street Name</b>   | <b>From</b> | <b>To</b>        |
| Via Anacapa  | Yarmouth Rd | Paseo Lunado (N) |
| Yarmouth Rd  | PVDW        | Rocky Point Rd   |
| 711 Yarmouth Road parking area   |             |                  |
| 724 Yarmouth Road parking area   |             |                  |
| 2201 Via Anacapa parking area (immediately east and adjacent to this address)      |             |                  |
| 2201 Via Anacapa parking area (east of this address and across the street at park) |             |                  |
| 2205 and 2215 Via Anacapa parking area   |             |                  |
| 2325 Via Anacapa parking area  |             |                  |

Two change orders were issued, the first in the amount of \$4,750 for grinding off the Lunada Bay angled parking stall stripes, and the second in the amount of \$8,906.25 for additional asphalt repairs. The change orders increased the project cost to \$294,678.56 (+4.86%).

### **Alternatives Available to Council**

The following alternatives are available to the City Council:

1. Accept as complete the construction contract PW 573-10; FY 10/11 Slurry Seal Project in the amount of \$294,678.56, direct the City Clerk to file the Notice of Completion, and release the 10% retention 30 days after the County Recorder's office records the Notice of Completion, if no stop notices are filed.
2. Decline to accept the project as complete.

### **Recommendation from Staff**

Staff recommends that the Council:

- 1) Accept as complete the construction contract PW 573-10; FY 10/11 Slurry Seal Project in the amount of \$294,678.56; and
- 2) Direct the City Clerk to file the Notice of Completion, and release the 10% retention 30 days after the County Recorder's office records the Notice of Completion, if no stop notices are filed.

**Fiscal Impact**

The FY 10/11 budget contained \$341,125 for slurry seal activities. These are the project costs:

|                           |              |
|---------------------------|--------------|
| Construction Costs        | \$294,678.56 |
| Inspection/Administration | \$35,600.00  |
| Total                     | \$330,278.56 |

There are sufficient funds budgeted to cover the total construction cost of \$330,278.56 shown above.

Staff report prepared by:  
Floriza Rivera  
Public Works Department

**TO: JOSEPH M. HOEFGEN, CITY MANAGER**  
**FROM: ALLAN RIGG, PUBLIC WORKS DIRECTOR**  
**SUBJECT: PW 572-10; COMPLETION OF CONTRACT FOR THE FY 10/11 OVERLAY PROJECT**  
**DATE: FEBRUARY 8, 2011**

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**The Issue**

Should the City Council:

- 1) Accept as complete the construction contract PW 572-10; FY 10/11 City Overlay Project in the amount of \$676,393.00; and
- 2) Direct the City Clerk to file the Notice of Completion, and release the 10% retention 30 days after the County Recorder's office records the Notice of Completion, if no stop notices are filed?

**Background and Analysis**

On June 30, 2010, City Council awarded a Contract in the amount of \$638,930 to Hardy and Harper, Inc. for the completion of the FY 10/11 City Overlay Project. The project consisted of removing and replacing deteriorated asphalt, edge grinding, and overlaying the street surface with new asphalt. The following streets were overlaid:

| <b>Street Name</b> | <b>From</b>   | <b>To</b>     |
|--------------------|---------------|---------------|
| Avon Rd            | Chelsea Rd    | Paseo Del Mar |
| Avenida Mirola     | Paseo Del Mar | PVDW          |
| Chelsea Rd         | Yarmouth Rd   | Via Anacapa   |
| Chiswick Road      | Paseo Del Mar | Dalton Rd     |
| Cloyden Rd         | Paseo Del Mar | PVDW          |

| <b>Street Name</b>  | <b>From</b>    | <b>To</b>                       |
|---------------------|----------------|---------------------------------|
| Cloyden Sq          | Cloyden Rd     | Addison Rd                      |
| PVDW (Upper Barrel) | PVDW           | end of new asphalt at 1124 PVDW |
| Rocky Point Pl      | Rocky Point Rd | End                             |
| Thorley Rd          | Epping Rd      | Yarmouth Rd                     |
| Via Bandini         | Paseo Del Mar  | Via Anacapa                     |
| Via Bandini         | End (W)        | Via Pacheco                     |
| Via Bandini         | Via Pacheco    | End (E)                         |
| Via Estrada         | Via Anacapa    | Via Pacheco                     |
| Via Pacheco         | Dalton Rd      | Paseo Lunado (N)                |
| Via Pena            | Paseo Lunado   | Chelsea Rd                      |
| Via Zumaya          | Via Pacheco    | PVDW                            |

The project has now been satisfactorily completed in the amount of \$676,393.00. Alternate bids for asphalt repair and for tree root removals in conjunction with asphalt repairs were awarded with the base bid on this project, for a total original construction cost of \$638,930.

Three change orders were issued. The first was issued in the amount of \$27,675 for installation of pavement reflectors on Palos Verdes Blvd., additional asphalt repair, and additional tree root removals. The second was issued in the amount of \$7,688 and included additional alley gutter repair and berm repair, and deletions for asphalt repair, tree root removals, and manhole adjustments. The third was issued in the amount of \$2,100 for STOP stencils and limit lines in front of the Neighborhood Church, and for Via Del Monte traffic stencils. These change orders increased the total construction cost to \$676,393.00 (+5.86%)

### **Alternatives Available to Council**

The following alternatives are available to the City Council:

1. Accept as complete the construction contract PW 572-10; FY 10/11 City Overlay Project in the amount of \$676,393.00, direct the City Clerk to file the Notice of Completion, and release the 10% retention 30 days after the County Recorder's office records the Notice of Completion, if no stop notices are filed.
2. Decline to accept the project as complete.

**Recommendation from Staff**

Staff recommends that the Council:

- 1) Accept as complete the construction contract PW 572-10; FY 10/11 City Overlay Project in the amount of \$676,393.00; and
- 2) Direct the City Clerk to file the Notice of Completion, and release the 10% retention 30 days after the County Recorder's office records the Notice of Completion, if no stop notices are filed.

**Fiscal Impact**

The FY 10/11 budget allotted \$766,825 for the overlay of City streets. These are the project costs:

|                           |                    |
|---------------------------|--------------------|
| Construction Costs        | \$676,393.00       |
| Inspection/Administration | \$36,448.00        |
| <hr/> Total               | <hr/> \$712,841.00 |

The project budget is therefore sufficient to cover the total construction cost of \$712,841.00 shown above.

Staff report prepared by:  
Floriza Rivera  
Public Works Department

**TO: JOSEPH M. HOEFGEN, CITY MANAGER**

**FROM: DAN DREILING, POLICE CHIEF  
ALEXA DAVIS, ADMINISTRATIVE ANALYST**

**SUBJECT: REORGANIZATION OF THE POLICE DEPARTMENT INCLUDING RECLASSIFICATION OF SECRETARY TO THE POLICE CHIEF TO EXECUTIVE ASSISTANT/CUSTODIAN OF RECORDS, CREATION OF A SERVICES OFFICER POSITION, AND ELIMINATION OF ONE LEAD SERVICES OFFICER POSITION; ADOPTION OF RESOLUTION R11-03**

**DATE: FEBRUARY 8, 2011**

**ISSUE**

Shall the City Council approve a reorganization of the Police Department including reclassification of Secretary to the Police Chief to Executive Assistant/Custodian of Records, creation of a Services Officer Position, and elimination of one Lead Services Officer position and adopt Resolution R11-03 establishing the salary range and job description for the Executive Assistant/Custodian of Records within the Management and Confidential Employee group?

**BACKGROUND AND ANALYSIS**

This report outlines a proposed reorganization of the PVE Police Department to achieve additional efficiencies and to improve the overall effectiveness of administrative support functions and the Services Officers unit within the Department. There are two positions affected by this proposed reorganization which include (1) the reclassification of the existing position of Secretary to the Police Chief to the new position of Executive Assistant/Custodian of Records and (2) the creation of a Services Officer Position in place of one of the two existing Lead Services Officer Positions. Additional information describing the current organizational structure and the benefits of the reorganization is provided below:

The Police Department is currently supported by ten non-sworn personnel in jailing, dispatch and property and evidence with work performed by eight Services Officers and two Lead Service Officer positions.

In January 2010, with the departure of the Secretary to Police Chief, the Chief temporarily assigned one of the two Lead Services Officers to serve as acting Secretary to the Police Chief. Since that time, it has become clear that the Acting Secretary's knowledge of Police Department policies and procedures, skills in conflict resolution and abilities to effectively deal with the public have been of significant benefit to the Department. In order for this temporary assignment to work without overburdening the remaining Lead Services Officer (LSO), it was necessary for the individual

**CITY COUNCIL AGENDA  
FEBRUARY 8, 2011**

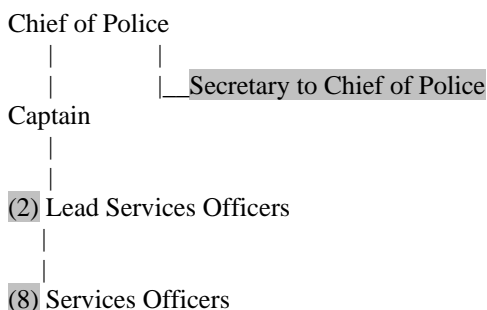
serving as Acting Secretary to retain a former primary responsibility from when she was LSO: namely, performance of certain Custodian of Records duties.

The Custodian of Records is tasked with ensuring the integrity of police records including proper maintenance, preservation, and destruction of all records/documents/information. The Custodian of Records responds to all Police Department Public Records Act demands, general discovery motions, Subpoena Duces Tecum requests, Pitchess Motions, as well as citizen requests for reports, etc. Up until recently, the Department’s Custodian of Records duties have been somewhat fragmented between the Lead Services Officer and the Secretary to Police Chief. The proposed reorganization would centralize the Custodian of Records with one individual serving reporting directly to the Chief of Police.

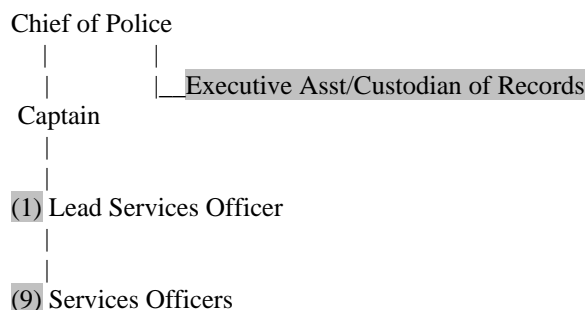
In considering the Police Department reorganization, the City recommends adjusting the classification of Secretary to Police Chief to be titled Executive Assistant/Custodian of Records and establish a salary range that takes into consideration the additional responsibilities of custodian of records duties. The salary range would mirror that of LSO compensation (which includes base salary, education incentive, longevity pay and uniform allowance).

A comparison of the current versus the proposed organizational structure is shown below with differences highlighted with shading.

**Existing Organizational Structure**



**Proposed Organizational Structure**



The Chief of Police has met with Police Department employees to review the impacts of the reorganization. By assigning one of the LSO’s to the Secretary of Police Chief position, it is proposed that the total number of services officers will remain unchanged at 10. However, the proportions of supervision to rank-and-file will change from 2 LSO’s (supervisors) and 8 services officers, to 1 LSO and 9 services officers. As such, it will be necessary to fill the vacancy created by the transferred LSO with a regular services officer position. In so doing, there will be a cost-savings since the services officers position salary is less than the LSO salary. These savings are described in greater detail in the Fiscal Impact section of this report.

Additionally, City representatives (Chief Dreiling and Administrative Analyst Alexa Davis) met and conferred with the Palos Verdes Police Officers’ Association (POA) Board concerning the impacts of the proposed reorganization on its members.

**CITY COUNCIL AGENDA  
FEBRUARY 8, 2011**



## **FISCAL IMPACT**

By replacing a LSO with a regular services officer, there will be a savings in salary and benefits. The savings will be slightly offset by an increase in the salary of the Executive Assistant/Custodian of Records. Under the current structure, the total cost of the Secretary to Police Chief and one Lead Services Officer is \$163,666. With the proposed reorganization the total cost by comparison will be \$142,099. The net result will be a savings to the City in the amount of \$21,567 the first year.

As the new Services Officer moves through the salary range, the amount of the savings will be reduced until the seventh year. Thereafter, an annual savings will continue at approximately \$4,839 per year. In reflecting the movement through the salary range of a new Services Officer, the estimated cumulative savings over the next seven years following this reorganization is \$93,626.

## **ALTERNATIVES AVAILABLE TO COUNCIL**

1. Approve the reorganization of the Palos Verdes Estates Police Department including reclassification of Secretary to the Police Chief to Executive Assistant/Custodian of Records, creating a services officer position, and eliminating one lead services officer position, and adopt Resolution R11-03; establishing the salary range and job description for the Executive Assistant/Custodian of Records within the Management and Confidential Employee group.
2. Deny approval of the reorganization of the Palos Verdes Estates Police Department and do not adopt of Resolution R11-03.

## **CONCLUSION AND RECOMMENDATION**

Staff recommends that the City Council approve the reorganization of the Palos Verdes Estates Police Department including reclassification of Secretary to the Police Chief to Executive Assistant/Custodian of Records, creating a services officer position, and eliminating one lead services officer position, and adopt Resolution R11-03; establishing the salary range and job description for the Executive Assistant/Custodian of Records within the Management and Confidential Employee group.

**TO: JOSEPH M. HOEFGEN, CITY MANAGER**

**FROM: ALLAN RIGG, PUBLIC WORKS DIRECTOR**

**SUBJECT: MEMORANDUM OF AGREEMENT TO IMPLEMENT PALOS VERDES PENINSULA COORDINATED MONITORING PLAN FOR MACHADO LAKE NUTRIENT TMDL COMPLIANCE**

**DATE: FEBRUARY 8, 2011**

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**The Issue**

Attached is a Memorandum of Agreement (MOA) among the four incorporated cities of the Palos Verdes Peninsula (Parties) to carry out the Palos Verdes Peninsula Coordinated Monitoring Plan in Compliance with the Machado Lake Nutrient Total Maximum Daily Load (Nutrient Monitoring Plan).

**Background**

The MOA establishes the roles and the formula for cost sharing among the four cities to carry out the Nutrient Monitoring Plan. The City of Rolling Hills Estates, as the Peninsula city with the largest land area draining to Machado Lake, is designated as lead jurisdiction to retain a consultant and a contract laboratory to carry out the Nutrient Monitoring Plan and prepare reports on behalf of the four cities. Cost sharing of annual fixed costs and variable costs are set forth in Exhibits B and C, respectively.

On May 1, 2008, the Los Angeles Regional Water Quality Control Board (Regional Board) adopted the Total Maximum Daily Loads (TMDLs) for nutrients in Machado Lake. On March 11, 2009, the Machado Lake Nutrient TMDL became effective upon approval by the State Water Resources Control Board, USEPA and the Office of Administrative Law. In accordance with the TMDL implementation schedule, on March 10, 2010, the four cities jointly submitted the Palos Verdes Peninsula Coordinated Monitoring Plan in Compliance with the Machado Lake Nutrient Total Maximum Daily Load (Nutrient Monitoring Plan) for review and approval by the Regional Board staff. Nine months later, on December 14, 2010, the Executive Officer of the Regional Board issued a letter conditionally approving the Nutrient Monitoring Plan with specified revisions to be made by February 1, 2011. These revisions have been incorporated into the Nutrient Monitoring Plan. The Peninsula cities are required to initiate monitoring activities within 60 days of plan approval.

Machado Lake is a 40-acre lake located in the Ken Malloy Harbor Regional Park and is managed by the City of Los Angeles Department of Recreation and Parks. The park is situated to the west of the Harbor (110) Freeway, south of Pacific Coast Highway and east of Vermont Avenue. Machado Lake supports a diverse range of wildlife including several threatened and endangered species. Machado Lake receives stormwater runoff from a watershed area of approximately 20 square miles consisting of nine incorporated cities, Caltrans highways and roads, and areas of unincorporated County land. The portion of the Peninsula which drains to Machado Lake consists of approximately 5.6 square miles, which is 25% of the Machado Lake watershed drainage area. Machado Lake is listed on the Clean Water Act 303(d) lists of impaired water bodies in California due to eutrophic conditions, algae and odors. The listed impairments are caused by the overloading of nutrients, such as nitrogen and phosphorus, resulting in excessive algal growth which leads to increased cloudiness, decreased levels of oxygen, and odor problems. These occurrences affect the recreational, aesthetic, and ecological functioning of Machado Lake.

**CITY COUNCIL AGENDA  
FEBRUARY 8, 2011**

The Machado Lake Nutrient TMDL lists 11 responsible parties tributary to Machado Lake including the cities of Rancho Palos Verdes, Palos Verdes Estates, Rolling Hills, and Rolling Hills Estates. The unique characteristics and isolated geographic setting of the Palos Verdes Peninsula encouraged a collaborative approach among the Peninsula Cities in order to achieve a cost-effective coordinated monitoring program with a minimum of redundancy within the constraints of the TMDL requirements. Drainage from the Peninsula cities is conveyed via the natural soft bottom canyon systems in conjunction with structured storm drain systems. These systems are intertwined and cross-connected warranting a Peninsula-wide coordinated approach to compliance monitoring to minimize the number of required monitoring locations and eliminate redundancy. The purpose of the Nutrient Monitoring Plan is to monitor the water quality of discharges exiting the Peninsula and assess the extent to which the discharges are in compliance with the TMDL targets for Total Nitrogen and Total Phosphorus. The monitoring results will be reported to the Regional Board for compliance purposes, but the results will also be utilized by the Peninsula cities as feedback to assess the effectiveness of TMDL implementation activities in accordance with a joint Implementation Plan that is currently under development.

Monitoring in accordance with this Plan must continue until the Peninsula cities have established compliance with the final TMDL targets for Total Nitrogen (1 mg/L) and Total Phosphorus (0.1 mg/L). Compliance will be based on three contiguous years of monitoring data wherein monthly average concentrations are at or below the final waste load allocations for Total Nitrogen and Total Phosphorus. Once compliance with final waste load allocations is established, the results of this monitoring plan and other available information may be used to revise the amount of monitoring required to demonstrate continued TMDL compliance under a revised monitoring plan or other Regional Board order.

The data collected as described in this Plan will be compiled and reported to the Regional Board annually beginning one year from the date of approval of the Plan. The report will include the results from the preceding year and will be submitted to the Regional Board within 45 days of the end of each reporting year.

The MOA has been reviewed and approved to form by the City Attorneys of each of the four Peninsula cities.

### **Analysis**

Execution of the MOA to conduct a coordinated joint monitoring plan among the Peninsula cities is the most cost-effective means available to the City for complying with the monitoring and implementation requirements of the Machado Lake Nutrient TMDL.

Once the Machado Lake Nutrient TMDL is incorporated into the next Municipal Stormwater Permit, failure to comply with the TMDL monitoring requirements would subject the City to enforcement action by the Regional Board for failure to comply with the terms of the Stormwater Permit, which can carry penalties of up to \$10,000 per day per violation under the federal Clean Water Act.

### **Alternatives Available to Council**

The following alternatives are available to the City Council:

1. Approve and execute the attached Memorandum of Agreement (MOA) among the four incorporated cities of the Palos Verdes Peninsula to carry out the Palos Verdes Peninsula Coordinated Monitoring Plan in Compliance with the Machado Lake Nutrient Total Maximum Daily Load (Nutrient Monitoring Plan), subject to final review and approval by the City Attorney.
2. Direct staff to propose modifications to the MOA.

### **Fiscal Impact**

The City's share of annual costs is limited to \$12,161 under the MOA. Costs above this limit would require an amendment of the MOA. Funding was already allocated within the City's current budget.

## **CITY COUNCIL AGENDA FEBRUARY 8, 2011**

**Recommendation from Staff**

Staff recommends that City Council approve and execute the attached Memorandum of Agreement (MOA) among the four incorporated cities of the Palos Verdes Peninsula to carry out the Palos Verdes Peninsula Coordinated Monitoring Plan in Compliance with the Machado Lake Nutrient Total Maximum Daily Load (Nutrient Monitoring Plan), subject to final review and approval by the City Attorney. Four signature pages have been included so that all four cities can have an MOA with original signatures.

**TO: JOSEPH HOEFGEN, CITY MANAGER**  
**FROM: JUDY SMITH, ASSISTANT CITY MANAGER**  
**SUBJECT: COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE PERIOD  
ENDING JUNE 30, 2010 AND FISCAL HEALTH REPORT 2000-2010**

The Issue

Shall the City Council receive and file the City's Comprehensive Annual Financial Report (CAFR) for the period ending June 30, 2010 and the City's Fiscal Health Report 2000-2010?

Analysis and Findings

The comprehensive annual financial report, prepared by the City's Finance Department with assistance of the City's contract auditors, Mayer, Hoffman McCann, P.C., covers the results of City operations for Fiscal Year 2009-10. The financial report was transmitted for the Council's preliminary review on December 10th. The Fiscal Health Report is transmitted at this time.

On January 28, 2011, the City's Audit Committee, consisting of the Mayor, Mayor Pro Tem, City Treasurer and staff met to review the financial report and results of the audit. The City's auditor's issued a "clean" (unqualified) opinion as part of their review.

The Fiscal Health Report graphs selected financial factors and rates the factors based on an established trend. This report contains the results of operation for FY 2009-10. A reading of the audit's transmittal letter, Management Discussion and Analysis (page 3 of audit) and the Fiscal Health Report transmittal letter provides an interested reader the most comprehensive financial information.

As part of this agenda item, staff will verbally present highlights from the audit and the Fiscal Health Report.

Recommendation

It is recommended that the City Council receive and file the Comprehensive Annual Financial Report for the period ending June 30, 2010 and the Fiscal Health Report 2000-2010.

**TO: JOSEPH HOEFGEN, CITY MANAGER**

**FROM: JUDY SMITH, ASSISTANT CITY MANAGER**

**SUBJECT: RESOLUTION R11-04; ADJUSTING THE FY 2010-11 BUDGET AND APPROVING THE USE OF GENERAL FUND BALANCES TO REDUCE THE CITY'S CALPERS SAFETY PLAN SIDE FUND LIABILITY**

The Issue

Shall the City Council adopt Resolution R11-04 to adjust the FY 2010-11 budget and approve the use of undesignated general fund monies in excess of the 50% targeted fund balance to provide a lump sum payment to reduce the City's CalPERS Safety Plan side fund liability?

Background

In October 2009, staff provided a briefing to the City Council regarding the City's Safety and Miscellaneous retirement plans with CalPERS. Issues reviewed during the briefing included the plan composition (risk pooled); plan funding status, the origin and amount of the Safety Plan side fund liability and the likelihood of future employer rate increases as a result of PERS investment losses. The Council was advised that the Safety side fund liability (then \$3.72 million) was being charged an annual interest cost of 7.75% in conformance with PERS investment assumptions. As a result of a financial analysis that included interest cost avoidance; employer rate relief for FY 10-11 and future savings on a lower employer retirement base rate, the City Council in April 2010 approved the use of designated and undesignated general fund balances to provide a lump sum payment in the amount of \$1,375,000 to reduce the PERS Safety side fund liability. As a result of the payment, the City's employer safety rate for FY 10-11 was revised from 42.447% to 33.725% (-8.722%).

At that time, the City Council indicated it wanted to consider an approach to reduce and/or eliminate the remaining safety side fund liability. The Council requested that staff present a benefit analysis of a lump sum payment after conclusion of the FY 09-10 audit and before determining the use of any general fund money in excess of the 50% targeted fund balance. The audit results indicate the June 30, 2010 general fund balance, excluding proceeds from the Haag Estate (\$263,865), is at 56% percent compared to the FY 10-11 adjusted operating budget, or approximately \$1.2 million. The requested analysis on possible uses of the general fund balance and impacts of a lump sum side fund payment is provided below.

Analysis and Findings

PERS Employer Rates FY 11-12

**CITY COUNCIL AGENDA  
FEBRUARY 8, 2011**

As highlighted in last year's report, PERS employer rates were projected to escalate during FY 11-12 through FY 15-16 due to previous PERS investment losses, which would begin to be reflected in plan valuations. The City has received its plan valuations for the period ending June 30, 2009, which establishes the PERS employer rates for FY 11-12. Excluding any subsequently negotiated salary changes for FY 11-12, the City's employer retirement cost for sworn safety members will increase by \$58,555 compared to FY 10-11.

| <b>Plan</b>   | <b>Rate FY 10-11</b> | <b>Rate FY 11-12</b> | <b>Change in Rate</b> |
|---------------|----------------------|----------------------|-----------------------|
| Safety        | 33.725%              | 38.819%              | +5.094                |
| Miscellaneous | 2.537%               | 3.937%               | +1.4                  |

The components of the safety rate are shown in the table below. Both the normal cost and pool amortization rates are set by PERS. The FY 11-12 increases in these rates reflect the impact of changes in life expectancy assumptions (normal cost) and investment losses (pool amortization). The City can affect next year's costs to the extent it further reduces the rate component of the side fund liability, which is shown as 14.707% and comprising almost 38% of the total rate.

| <b>Safety Plan Rate</b> | <b>FY 10-11</b> | <b>FY 11-12</b> | <b>Change</b> |
|-------------------------|-----------------|-----------------|---------------|
| Risk Pool Normal Cost   | 15.707%         | 17.164%         | +1.457        |
| Pool Amortization       | 2.47%           | 5.927%          | +3.45         |
| Class 1 Benefits        | 0.917%          | 1.021%          | +0.104        |
| Amortization Side Fund  | <u>14.631%*</u> | <u>14.707%</u>  | <u>+0.076</u> |
|                         | <b>33.725%</b>  | <b>38.819%</b>  | <b>+5.094</b> |

(\*Prior to the 2010 lump sum payment, the FY 10-11 side fund amortization rate was 23.353%.)

#### General Fund Balance June 30, 2010 and Status of Capital Fund Balances

The Finance Department has released the Comprehensive Annual Financial Report for the fiscal year ending June 30, 2010 and as mentioned previously, comparing the results of June 30, 2010 against the City's 50% fund balance policy indicates the general fund exceeds the targeted balance by \$1,193,620. The Council must decide what to do with the balance including: 1) Increase the percentage of the targeted general fund balance as a hedge against future years' emergency needs and retain the money in the general fund; 2) Transfer all or a portion to the capital project funds to assist with future project financing, or 3) Use all or a portion of funds as a lump sum payment to reduce the safety side fund liability.

Staff believes that the 50% general fund balance is sufficient to cover current contingencies. While the state fiscal situation bears close monitoring, the City does not anticipate severe impacts from state actions, especially in light of revenue protections afforded by Propositions 1A and 22. Likewise, staff believes current capital fund balances are sufficient given future known projects. The projected 6-30-11 capital fund (non-sewer) unobligated balance totals \$5.5 million. The majority of capital costs are related to the annual street program, which is expected to total

approximately \$1 million in FY 11-12. Future street costs will be dictated by the updated Pavement Management Plan, which is currently in process. The projected 6-30-11 sewer capital balance totals \$9.2 million, including a reserve of \$4.989 million which represents the Bluff Cove insurance litigation proceeds. Excluding the reserve, the projected sewer fund balance totals \$4.211 million and two more years of sewer fee revenues are slated to be collected totaling approximately ~\$2.40 million. Authorization for the sewer fee ends in FY 12-13. The City Council, at any time, could re-designate the sewer reserve funds for other uses, including general capital projects. Use of reserve should be discussed once a construction contract is awarded for the Rocky Point sewer pump project, which is the final project of the Sewer Master Plan.

In light of the above, staff requested an analysis by PERS to determine the impact of a \$1.2 million payment toward the side fund on the City’s FY 11-12 safety rate. Assuming payment is made by March 1, 2010; the City’s safety rate would be reduced by 8.274% with the side fund amortization component of the rate dropping to 6.433% in place of a FY 11-12 rate of 14.707%. The outstanding side fund liability would total \$956,616. Using the same analysis as provided last year, savings to the City as a result of the payment are projected as follows:

| <b><u>Proposed Contribution: \$1,200,000</u></b>                     | <b><u>Change/ Savings</u></b> |
|--|-------------------------------|
|  |                               |
| FY 11-12 PERS Safety Employer Rate                                   | -8.274%                       |
|  |                               |
| FY 2011-12 retirement savings based on current (unmodified) salaries | \$186,965                     |
| Cost avoidance on future salary due to lower PERS base (-8.274%)     | \$694,760                     |
| Compounded interest cost savings (8 yrs)                             | \$948,740                     |
| Total projected savings  | \$1,830,465                   |

It is staff’s recommendation that the \$1.2 million of general fund proceeds in excess of the targeted balance be used to reduce the Safety Plan side fund liability. Council may determine to make a smaller contribution to the side fund, recognizing that a proportionally lower benefit will be realized. If a smaller contribution is made, Council will need to provide direction to staff on the use(s) of the dollar value of any remaining general fund balance in excess of the 50% target.

Alternatives Available to the City Council

1. Adopt Resolution R11-04 to adjust the FY 2010-11 budget to use \$1.2 million in undesignated general fund monies, representing funds in excess of the 50% targeted balance, for a lump sum payment to reduce the City’s CalPERS Safety Plan side fund liability.
2. Decline to adopt R11-04 at this time and provide alternate direction to staff.

Recommendation

**CITY COUNCIL AGENDA  
FEBRUARY 8, 2011**



It is recommended that the City Council adopt Resolution R11-04, to adjust the FY 2010-11 budget and approve the use of general fund monies in excess of the 50% targeted balance, to provide a lump sum payment to reduce the City's CalPERS Safety Plan side fund liability.

Budgetary Impact

A budget adjustment is necessary to reflect this activity for FY 2010-11. The estimated savings as a result of the lump sum contribution are outlined in the report. Any lump sum payment will be reflected as an operating expense on behalf of the Police Department for the current fiscal year. Notes to the City's audited financial statements will further disclose and explain the contribution.

**TO: Mayor and City Council**

**FROM: Palos Verdes Beach and Athletic Club Liaisons  
(Mayor Pro Tempore Rea and Councilmember Bird)**

**SUBJECT: Report from the City Council Liaison Committee Concerning Recent  
Discussions with the Palos Verdes Beach and Athletic Club Involving the 2011  
Summer Swim Program and Resident Access to the PVBAC**

This is an informational report to the City Council on current liaison matters regarding the Palos Verdes Beach and Athletic Club. There is no specific recommendation associated with this report other than to receive the report and for the Council to provide appropriate direction.

On December 9, 2010, the Council liaisons met with PVBAC representatives including President Gib Cooper, Club Manager Chris Manos and Financial Advisor Richard Govenar. City Manager Hoefgen and Assistant City Manager Smith also attended. The purpose of the meeting was to explore with the PVBAC possible options related to the 2011 Summer Swim Program and the length of the current wait list for membership at the PVBAC. Each of these issues is summarized briefly below:

### **Summer Swim Program**

In the past, the PVBAC has directly operated or sponsored a public summer program at Palos Verdes High (and formerly PVIS). In 2010, a public swim program was operated by the San Pedro YMCA at Peninsula High because of lack of available time and the physical configuration (water polo) of the pool at PV High. According to the "Y" records, thirty-four (34) PVE families participated in the 2010 program at Peninsula. Staff was advised that this summer (2011) the PV High pool would not be available for any public program due to pool closures at both Peninsula and Miraleste, which would necessitate all club and School District water sports teams to use the Palos Verdes High pool.

This issue touches on the overall purpose of the PVBAC, and some historical context is helpful. While the Club was created to refurbish the historically significant public swimming pool facility and grounds, one additional express purpose of the PVBAC, as quoted in part from its 1992 Articles of Incorporation - is "to conduct and provide instruction and education to the youth and adults of Palos Verdes Estates in water safety and swimming." To that end, the Club has operated or sponsored a public summer swim program since its inception. The challenge this year is the lack of school facilities to accommodate such a program for PVE residents.

At the December liaison meeting, the Club was asked to develop program alternatives for review by the PVBAC liaisons, with a report subsequently to be presented to the City Council by the liaisons.

**CITY COUNCIL AGENDA  
FEBRUARY 8, 2011**

As the work of the PVBAC to develop alternatives is still in progress, we have not received the alternatives to date.

Based on the short lead time to prepare a summer swim program, the Club representatives felt that this issue should be discussed first because of the need for adequate notice regarding any expanded summer swim program.

### **Wait List Issues**

The issue of the length of the wait list for resident membership was also discussed at the December liaison meeting. A PVE resident applying today for PVBAC membership may be required to wait as long as 10-15 years (or more) to become a member. PVE residents are asking whether any additional access can be granted to this City facility beyond that what currently exists for resident non-members and their families. This is a legitimate issue which deserves careful and thoughtful consideration.

# # #

Another meeting of the liaisons was held on Wednesday, February 2nd, in light of the upcoming Club Board of Directors meeting on February 15. In addition to further discussion of the issues mentioned above, clarification was provided on the role of the concession liaisons in relation to the full City Council. Given the recent distribution of a letter to all PVBAC members by the PVBAC Board of Directors on the issue of the summer swim program, we felt it was appropriate for us as liaisons to provide a report to the City Council on these PVBAC related issues.