

January 24, 2012
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 shall 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. R12-02
NEXT ORDINANCE NO. 12-701**

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL (7:30 p.m.)

CEREMONIAL MATTERS

**CITY COUNCIL AGENDA
JANUARY 24, 2012**

- SWEARING-IN OF POLICE OFFICER KYLE SHEA (Chief Dreiling)

MAYOR'S REPORT – Matters of Community Interest

CONSENT AGENDA (Items #1 - 7)

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 (Item #7a-f) 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. Waive Further Reading

Recommendation: After the City Attorney has read the title, waive full reading of ordinances considered on this agenda for introduction on first reading or adoption on second reading.

2. City Council Minutes of January 11, 2012

Recommendation: Review and Approve.

3. Treasurer's Quarterly Interest Report – October-December 2011

Recommendation: Receive and File.

4. Approve Amendment to Professional Services Agreement with Kibel Green, Inc.

Recommendation: It is recommended that the City Council approve the amendment to the Professional Services Agreement between the City and Kibel Green, Inc. adjusting the not-to-exceed amount by \$2,000 for a new total of \$10,000 for the completion of an economic use evaluation of City properties at Bluff Cove and the Gate House.

5. Special Event Application for Habitat for Humanity of Greater Los Angeles Charity Bike Ride on April 21, 2012

Recommendation: It is recommended that the City Council approve the Special Event Application allowing Habitat for Humanity of Greater Los Angeles "Charity Bike Ride" to travel through Palos Verdes Estates on April 21, 2012 from 8:00 a.m. to 1:00 p.m.

6. Parklands Committee Meeting Items of January 9, 2012

Recommendation: Review and Approve.

- a. PC-337-11; Application to remove 1 Coral tree located in the parkway adjacent to 541 Palos Verdes Drive West

Applicant: Barbara Thorne
541 Palos Verdes Drive West
Palos Verdes Estates, CA 90274

Action: Approved (4-1, Chooljian dissenting). The applicant is approved to remove 1 coral tree located in the parkway adjacent to 541 Palos Verdes Drive West according to the 'Standard Conditions for Tree Removal Approvals' and to plant 1 'Designated Street Tree'.

- b. PC-338-11; Application to remove 1 Canary Island pine tree located in the parkway adjacent to 1733 Via Boronada

Applicant: Ron and Kari Rothstein
1728 Via Boronado
Palos Verdes Estates, CA 90274

Action: Approved (5-0). The applicant is approved to remove 1 Canary Island pine tree located in the parkway adjacent to 1733 Via Boronada according to the 'Standard Conditions for Tree Removal Approvals'. The applicant has the option to replace the tree with the 'Designated Street Tree', a Coppertone Loquat or pay a non-refundable \$500 to the 'Tree Bank'.

7. Planning Commission Actions of January 17, 2012

Recommendation: Receive and File.

- a. **CDP-86-11**; Consideration of a Coastal Development Permit Application requesting after-the-fact approval of two rear yard decks at the single family residence located at 605 Paseo Del Mar. Lots 2, 3 & portion of B & C, Block 1414, Tract 6886.

Applicant/Owner: Desire Meli Kocarlan

Action: Denied (5-0).

- b. **CDP-87/NC-1434/M-841-11**; Consideration of Coastal Development Permit, Neighborhood Compatibility and Miscellaneous Applications for additions and remodeling to the single family residence located at 261 Rocky Point Road. Lot 12, Tract 17606.

Applicant: Russell E. Barto, AIA
3 Malaga Cove Plaza, #202

Owner: Palos Verdes Estates, CA 90274
Mr. & Mrs. John Whitcombe
21515 Hawthorne Blvd., #450
Torrance, CA 90505

Action: Approved (5-0) with standard conditions and the following additional conditions: 1) A licensed survey of the building coverage shall be completed and submitted to the City to verify compliance with the approved quantities for the subject lot; 2) The pavers located on Parkland are to be removed; 3) A standard urban stormwater mitigation plan, approved by the City Engineer shall be prepared and implemented for the project.

- c. **CDP-89/NC-1435-11;** Consideration of Coastal Development Permit and Neighborhood Compatibility Applications for a new single family residence located at 801 Paseo Del Mar. Lot 3, Block 1532, Tract 6886.

Applicant: Criss Gunderson
2024 Via Pacheco
Palos Verdes Estates, CA 90274
Owner: Mark & Beth Saroyan

Action: Approved (4-1, Evans dissenting) with standard conditions and the following additional conditions: 1) The existing pilasters, electrical wiring, and curb adjacent to the driveway approach are to be removed; 2) A standard urban stormwater mitigation plan, approved by the City Engineer shall be prepared and implemented for the project.

- d. **NC-1429/M-835-11;** Consideration of Neighborhood Compatibility and Miscellaneous Applications for a new single family residence located at 2828 Via Neve. Lot 10, Block 2236, Tract 7144.

Applicant: Jeffrey A. Dahl
18681 Amalia Lane
Huntington Beach, CA 92648
Owner: Paul Turpanjian
580 Silver Spur Road
Rancho Palos Verdes, CA 90275

Action: Approved (4-1, Vandever dissenting) with standard conditions and the following additional conditions: 1) The application M-835-11 for the miscellaneous structure is denied; 2) The southernmost chimney is to be removed; 3) The south ridge noted as 118.15 ft. is to be reduced by 2 ft.

- e. **M-843-11;** Consideration of a Miscellaneous Application for a non-standard encroachment at the single family residence located at 2921 Via Alvarado. Lot 14, Block 2236, Tract 7144.

Applicant: Mac West Builders

23717 Hawthorne Blvd.
Torrance, CA 90505
Owner: Larry Manth

Action: Approved (4-0, King recused).

- f. **M-846-11;** Consideration of a Miscellaneous Application for structures exceeding the maximum allowable height at the single family residence located at 1801 Via Estudillo. Lot 1, Block 1391, Tract 6889.

Applicant/Owner: David Batty

Action: Approved (4-1, Vandever dissenting).

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.

OLD BUSINESS

NEW BUSINESS

8. PW-577-11; Award of Contract for Construction of the Rocky Point Road Sewage Pump Station Project

Recommendation: It is recommended that the City Council award a construction contract for the completion of the Rocky Point Road Sewage Pump Station Project in the amount of \$1,489,891 to Metro Builders and Engineers Group Ltd.

9. PW-585-11; Award of Contract for Construction for the FY 11-12 Pedestrian Pathway Improvement Project

Recommendation: It is recommended that the City Council award a construction contract in the amount of \$138,320 to G Coast Construction, Inc. for the completion of the FY 11-12 Pedestrian Pathway Improvements; and direct staff to prepare the required budget adjustment resolution for future Council approval.

10. Comprehensive Annual Financial Report for the Period Ending June 30, 2011 and Fiscal Health Report 2001-2011

Recommendation: It is recommended that the City Council receive and file the Comprehensive Annual Financial Report for the period ending June 30, 2011 and the Fiscal Health Report 2001-2011.

STAFF REPORTS

11. City Manager's Report
 - Mid-Year Update – FY 2011-12 Major Projects List

DEMANDS

12.
 - a. Authorize Payment of Motion #1 – Payroll Warrant of January 20, 2012
 - b. Authorize Payment of Motion #2 – Warrant Register of January 24, 2012

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

MAYOR & CITY COUNCILMEMBERS' REPORTS

ADJOURNMENT TO TUESDAY, FEBRUARY 14, 2012, 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, January 25, 2012 at 7:30 p.m., and Wednesday, February 1, 2012, at 7:30 p.m.*

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ALEXA D. DAVIS, ASSISTANT TO THE CITY MANAGER
SUBJECT: APPROVE AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT WITH KIBEL GREEN, INC.
DATE: JANUARY 24, 2012

ISSUE

Shall City Council approve an amendment to Professional Services Agreement between the City of Palos Verdes Estates and Kibel Green, Inc adjusting the not-to-exceed amount by \$2,000 for a new total of \$10,000?

BACKGROUND

On October 25, 2011, Council approved a Professional Services Agreement with Kibel Green, Inc. with a not-to-exceed amount of \$8,000. Kibel Green has been engaged by the City to conduct an evaluation of the current and potential uses, as well as the marketability and value, of city properties at Bluff Cove and the Gate House located on Via Valmonte.

Now three months into the project, Kibel Green has indicated that the scope and work done will exceed the initial figure of \$8,000. Staff anticipated that Kibel Green may request additional funds due to the addition of the Gate House property, which was not in the originally proposed Scope of Work. Also unanticipated, was the work consultants needed to complete because of inaccurate title information (due to the intricacies of the Bluff Cove lawsuits and the turnover in property versus actual title records) and the complexity of potential property issues impacting habitable conditions. The final report is close to completion and is expected to come before Council in February.

RECOMMENDATION

It is recommended that the City Council approve the amendment to the Professional Services Agreement between the City of Palos Verdes Estates and Kibel Green, Inc adjusting the not-to-exceed amount by \$2,000 for a new total of \$10,000.

FISCAL IMPACT

City Council allocated up to \$25,000 from FY 2011-12 General Fund for an efficiency and effectiveness study. The cost of this consultant will be paid out of the Non-Department - Professional Services budget. The originally requested cost of service was \$8,000, with the amendment, the new cost is \$10,000.

Attachment

**CITY COUNCIL AGENDA
JANUARY 24, 2012**

TO: JUDY SMITH, CITY MANAGER

FROM: JOE MENDOZA, ADMINISTRATIVE ANALYST

SUBJECT: SPECIAL EVENT APPLICATION FOR HABITAT FOR HUMANITY OF GREATER LOS ANGELES CHARITY BIKE RIDE ON APRIL 21, 2012.

DATE: JANUARY 24, 2012

ISSUE

Shall the City approve a Special Event Application allowing Habitat for Humanity of Greater Los Angeles “Charity Bike Ride” to travel through Palos Verdes Estates on April 21, 2012 from 8:00 a.m. to 1:00 p.m.?

BACKGROUND AND ANALYSIS

Seeking approval for the first time in Palos Verdes Estates, Habitat for Humanity of Greater Los Angeles (HFH GLA) is a non-profit organization applying for a Special Event application for a “Charity Bike Ride.” This event will benefit HFH GLA which provides affordable home ownership programs to needy families throughout Los Angeles County.

Starting and finishing in Rancho Palos Verdes at the Terranea Resort, this noncompetitive bike ride of 200 cyclists will travel through Rancho Palos Verdes, Rolling Hills Estates, and into the City of Palos Verdes Estates. Cyclists will enter Palos Verdes Estates by heading north on Palos Verdes Drive West. Cyclists will then be directed by event flaggers to turn left onto Paseo Lunado, turn right on Via Anacapa, and then left onto Paseo Lunado leading to Paseo Del Mar. Heading north on Paseo Del Mar, cyclists will then be directed to turn right onto Palos Verdes Drive West, exiting the City. Please note, flaggers will only be directing cyclists and not vehicular traffic. There is no return loop proposed.

The Special Event Application for a “Charity Bike Ride” has been preliminarily approved by all departments. The Police Department requires that everyone participating in this event obey all traffic laws. A map has been provided illustrating the direction of the bike route and positioning of the flaggers. The Indemnification Agreement and all fees have been received. At this time, an updated Certificate of Insurance has not been obtained, but the City has informed sponsors it must be received prior to the event date.

RECOMMENDATION

**CITY COUNCIL AGENDA
JANUARY 24, 2012**

It is recommended that the City Council approve the Special Event Application allowing Habitat for Humanity of Greater Los Angeles “Charity Bike Ride” to travel through the City of Palos Verdes Estates, on April 21, 2012 from 8:00 a.m. to 1:00 p.m. pending an updated Certificate of Insurance.

Attachments

TO: JUDY SMITH, CITY MANAGER
FROM: ALLAN RIGG, PLANNING DIRECTOR
DATE: JANUARY 24, 2012
SUBJECT: PLANNING COMMISSION ACTIONS OF JANUARY 17, 2012

The items attached were acted upon by the Planning Commission on January 17, 2012.

The Council may, within fifteen days after the date of the decision on or before the first day following the first Council meeting after the date of the Planning Commission decision, whichever occurs last:

1. Confirm the action of the Planning Commission and grant or deny the application;
2. Set the matter for public hearing and dispose of it in the same manner as on an appeal; or
3. Amend, modify, delete, or add any condition of approval which the Council finds is not substantial under the circumstances relative to or affecting the property subject to the application for a development entitlement. Any determination of the Council pursuant to this paragraph shall be conclusive and final.

In the event the Council does not take one of the actions specified above within the period of time required, the decision of the Planning Commission shall be final.

Recommendation:

Receive and file.

TO: JUDY SMITH, CITY MANAGER

FROM: ALLAN RIGG, PUBLIC WORKS DIRECTOR

SUBJECT: PW 577-11; AWARD OF CONTRACT FOR CONSTRUCTION OF THE ROCKY POINT ROAD SEWAGE PUMP STATION PROJECT IN THE AMOUNT OF \$1,489,891 TO METRO BUILDERS AND ENGINEERS GROUP LTD.

DATE: JANUARY 24, 2012

The Issue

Should the City Council award a construction contract for the completion of the Rocky Point Road Sewage Pump Station Project in the amount of \$1,489,891 to Metro Builders and Engineers Group Ltd.?

Background and Analysis

In accordance with the Sewer Master Plan, the City retained AKM Consulting Engineers (AKM) to design the necessary improvements and upgrades for the City's sewer pump at 225 Rocky Point Road.

The Rocky Point Road Pump Station was constructed in 1964 and recently updated in 1994. An upgrade is required to correct inadequate storage capacity, poor dry well access, lack of an emergency power source, pump station components which do not meet current safety standards, and a tendency to flood during heavy rains from water that enters the pump station through its access hatches.

AKM recommended that a new emergency wet well be constructed on the Northeast side of the street, the existing pump facility be refit with new pumps and piping, air compressor, and a new below-grade motor control center. Other deficiencies were also addressed in the plans and specifications for the pump station upgrade. Prior to the City's contractor beginning construction, the existing water main near the pump station will be modified by California Water Service, which will be funded by the City.

Construction will take place in the right-of-ways at 224 and 225 Rocky Point Road, and in the street between these two properties. For safety reasons, the construction area will be fenced off and traffic not allowed through it for the duration of the construction. Access to the driveways of all residences will be maintained. Staff has sent out a letter to all residents in the area alerting them to

**CITY COUNCIL AGENDA
JANUARY 24, 2012**

the upcoming construction. Once we have a schedule for the work from the contractor, we will have an onsite meeting with local residents to further explain the impacts and provide more information. We have met with the most impacted resident at 225 Rocky Point Road as new flush-mounted vents will be placed in front of his home.

Staff advertised with Bid America, F. W. Dodge, and Reed Construction Data and construction bids were opened December 5, 2011, at 10:30 a.m. The results were as follows:

Metro Builders and Engineers Group Ltd.	\$1,489,891
PPC Construction, Inc.	\$1,509,710
J.F. Shea Construction	\$1,521,000
MMC Inc.	\$1,521,825
Clarke Contracting Corp.	\$1,569,359
Los Angeles Engineering	\$1,597,295
HPS Mechanical, Inc.	\$1,689,790

Metro Builders and Engineers Group Ltd. submitted the apparent low bid for the project. Staff checked their bid documents and references. The low bidder has listed six pump station projects complete in the last five years, five with the City of Newport Beach, along with a number of projects that they feel are similar in scope and complexity. AKM, the pump station design consultant, concurs that the other projects listed are similar enough to pump station construction. The City of Newport Beach, the Sanitation District of Los Angeles County, the City of Los Angeles – Bureau of Engineering, and the City of Dana Point indicated that Metro Builders is a capable contractor albeit with reservations. The State of California recommends Metro Builders as an excellent contractor. The City of Norco did not recommend the contractor.

The following schedule is anticipated:

- January 24 Contract awarded.
- February 24 Contract, insurance certificates signed by contractor & City.
- March 8 Pre-construction meeting
- March 19 Work expected to begin, weather permitting.
- January 2, 2013 Work expected to be complete.

As this is a complex project involving excavation, concrete construction, well retrofit, pump installation, utility re-routing, electrical pump equipment installation, and sewer bypass pumping, all done to current Building Code and Los Angeles County Dept. of Public Works' standards, it will require specialized construction inspection services. Staff has sent out a Request for Proposal (RFP) for inspection services through Integrated Marking Systems, a San Diego-based firm that provides RFP's and other project information to consultants of various disciplines.

Alternatives Available to Council

**CITY COUNCIL AGENDA
JANUARY 24, 2012**

The following alternatives are available to the City Council:

1. Award a construction contract for the completion of the Rocky Point Road Sewage Pump Station Project in the amount of \$1,489,891 to Metro Builders and Engineers Group Ltd.
2. Reject all bids and direct staff to re-bid the contract.
3. Decline to Act.

Recommendation from Staff

Staff recommends that the Council award a construction contract for the completion of the Rocky Point Road Sewage Pump Station Project in the amount of \$1,489,891 to Metro Builders and Engineers Group Ltd.

Fiscal Impact

The FY 11/12 Budget contains \$2,600,000 for capital improvement work on the sewer system. Staff estimates the project costs as follows:

Construction Costs	\$1,489,891
10% Contingency Costs	\$148,989
Construction Inspection Costs (TBD)	\$100,000
Administration Costs	\$60,000
	<hr/>
	\$1,798,880

Construction inspection proposals will not be received until January 23, and staff will need to review the proposals before choosing a consultant. Staff estimates that inspection costs for this project may be about \$100,000. Therefore, sufficient funds are available to construct this project.

Staff report prepared by

Floriza Rivera
Public Works Department

TO: JUDY SMITH, CITY MANAGER

FROM: ALLAN RIGG, PUBLIC WORKS DIRECTOR

SUBJECT: PW 585-11; AWARD OF CONTRACT FOR FY 11/12 PEDESTRIAN PATHWAY IMPROVEMENT PROJECT IN THE AMOUNT OF \$138,320 TO G COAST CONSTRUCTION INC.

DATE: JANUARY 24, 2012

The Issue

Should the City Council award a construction contract in the amount of \$138,320 to G Coast Construction Inc., for the completion of PW-585-11, FY 11/12 Pedestrian Pathway Improvements?

Background and Analysis

The Parklands Committee reviewed a list of projects with cost estimates and the available funding in their meeting on September 12, 2011. The list of projects was a combination of requests and observations from the Malaga Cove Homeowners Association, Lunada Bay Homeowner's Association, Palos Verdes Estates residents and staff. The Committee was asked to prioritize and budget these projects, funded by the Los Angeles Regional Park and Open Space District Grant of \$150,000. Two of the items recommended for approval on the list were:

- Refurbishment to Via Victoria Path (\$28,900)
- Trail Re-establishment at various locations (\$68,000).

Staff bid these two items within one contract. This contract is exclusively for the construction of cement staircases with an anodized aluminum handrail on one side at 4 locations.

- 1) Paseo Lunado Stairway (Via Buena cul-de-sac to Paseo Lunado-170 Ln. ft.)
- 2) Via Arriba Path (Via Arriba to the Via Tejon Access road-190 Ln. ft.)
- 3) Chino Stairway (Via Almar uphill 40 Ln. ft.)
- 4) Via Chico Stairway (Via Ramon downhill 40 Ln. ft.)

At the Via Chico location, an existing wooden stairway exists. There are no existing stairways at the other locations.

Staff advertised with Bid America, F. W. Dodge, and Reed Construction Services. Construction bids were received on December 16, 2011, at 11: a.m. The low bid of \$84,600 from Southland Construction and the next low bid of \$91,640 from JDC, Inc. were both withdrawn at the request of

**CITY COUNCIL AGENDA
JANUARY 24, 2012**

each of these two companies due to their clerical errors on the bid sheet. The next three bids are listed below.

G Coast Construction, Inc.	A.J. Fistes Corporation	Palp. Inc. DBA Excel Paving Company
\$138,320.00	\$155,800.00	\$272,613.00

G Coast Construction, Inc. submitted the lowest qualifying bid for the project. They have completed a number of construction projects for the Cities of South El Monte, Huntington Park, Pasadena, West L.A. College and Pierce College. In reviewing their references with these entities, comments were positive concerning quality, service and responsiveness. G Coast Construction and their two listed sub-contractors, United Brothers Demolition and Golden Iron Inc. , all have licenses that are active and current in good standing with the State Contractors License Board. After issuing a ‘Notice to Proceed’, the contract is required to be started two weeks later and completed in 25 working days.

The following schedule is anticipated:

- January 24 Contract awarded.
- March 1 Contract, insurance certificates signed by contractor & City.
- March 5 Issue ‘Notice to Proceed’.
- March 19 Work expected to begin.
- April 20 Work expected to be complete

The cost of \$138,320 is above the original estimates and the \$96,200 provided for within the grant. The costs for the individual stairways are as follows:

- Paseo Lunado Stairway \$49,840
- Via Arriba Path \$56,880
- Chino Stairway \$15,800
- Via Chico Stairway \$15,800

In order to accomplish the entire project, the Council would need to allocate funding from our Unobligated Capital Improvement reserves. If the Council wanted to more closely match the grant funding with the project costs, we could eliminate the Chino Stairway and the Via Chico Stairway. With these changes the total project cost would be \$106,720. The change in costs/quantities is below the 25% limit that would trigger a change in unit prices.

Fiscal Impact

There is not any specified budget for this project in the adopted FY 11-12 budget since we received notification of grant after budget was prepared. Staff will bring back the required

budget adjustment resolution for the approved project at the Council's next meeting.

Alternatives Available to Council

The following alternatives are available to the City Council:

1. Award a construction contract in the amount of \$138,320 to G Coast Construction Inc. for the completion of PW-585-11 Pedestrian Pathway Improvements. Direct staff to prepare the required budget adjustment resolution for future Council approval.
2. Award a construction contract to G Coast Construction Inc. for a modified scope and amount for the completion of PW-585-11 Pedestrian Pathway Improvements. Direct staff to prepare the required budget adjustment resolution for future Council approval.
3. Direct staff to rebid the contract with modifications.

Recommendation from Staff

Staff recommends that the Council:

Award a construction contract in the amount of \$ 138,320 to G Coast Construction, Inc., for the completion of FY11/12 Pedestrian Pathway Improvements. Direct staff to prepare the required budget adjustment resolution for future Council approval.

Staff report prepared by:

Carl Moritz
Public Works Department

TO: MAYOR AND CITY COUNCIL
FROM: JUDY SMITH, CITY MANAGER
SUBJECT: COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE PERIOD
ENDING JUNE 30, 2011 AND FISCAL HEALTH REPORT 2001-2011

The Issue

Shall the City Council receive and file the City's Comprehensive Annual Financial Report (CAFR) for the period ending June 30, 2011 and the City's Fiscal Health Report 2001-2011?

Analysis and Findings

The comprehensive annual financial report covers the results of City operations for the Fiscal Year 2010-11, which ended June 30, 2011. The report is prepared by the Finance Department with assistance of the City's auditors, Lance Soll Lunghard (LSL) LLP. This is the first year of a three year contract awarded by the City Council with LSL as the City's independent auditors. The financial report was transmitted for the Council's preliminary review on December 13th. The Fiscal Health Report is transmitted at this time.

On January 18, 2012, the City's Audit Committee, consisting of the Mayor, Mayor Pro Tem, City Treasurer and staff met with the auditors 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 2010-11. A reading of the audit's transmittal letter, Management Discussion and Analysis (beginning on page 3 of the audit) and the Fiscal Health Report transmittal letter provides an interested reader an overview of the most pertinent 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, 2011 and the Fiscal Health Report 2001-2011.

TO: MAYOR AND CITY COUNCIL
FROM: JUDY SMITH, CITY MANAGER
SUBJECT: MID-YEAR STATUS UPDATE – FY 2011-12 MAJOR PROJECTS LIST

The Issue

Shall the City Council receive and file the FY 2011-12 mid-year status update of the Major Projects List?

Background and Analysis

Attached is the mid-year update of the Departments Major Projects List, formerly known as the Work Program. While the City's budget represents the financial resources and priorities of the Council, this listing is a complement to the budget and includes the major program priorities of the departments to be accomplished within this fiscal year. This is not intended to be a comprehensive listing of department activities, but those that require a significant dedication of staff time and resources.

Major items completed within the first six months of the year include the following:

- Adoption of comprehensive updated personnel rules – September 2011;
- Completion of detailed review of proposed Municipal Code revisions as part of recodification project;
- Successful conclusion and compliance in 33 of the 34 parkland encroachments with final remaining encroachment the subject of application before the Planning Commission.
- Recruitment and hiring for Police Department vacancies – 3 police officers, 2 service officers;
- Capital equipment purchases and improvements as contained in the FY 2011-12 budget (Police Department, Streets / Parks), and
- Continued update and support of PVECARES and DDP programs.

New projects added to this list since July are highlighted in the attached and include the following:

- Administrative staff reorganization – approved by City Council September 27th resulting in 1.5 fewer positions in City staff and salary savings only, excluding benefits, of ~\$167,600 during FY 2011-12;
- Provide digital audio access to City Meetings and develop Paperless Agenda Process;
- Review of City Properties - Bluff Cove Homes and Gate House market analysis;
- Survey/Cost Analysis – Building, Planning, Public Works services

**CITY COUNCIL AGENDA
JANUARY 24, 2012**

- Update of the City's Hazard Mitigation Plan as required by FEMA and being prepared by the Planning Department, and
- Projects associated with Proposition A Parks Grant from Supervisor Knabe (\$150,000).

One item has been deleted from the work program within the City Manager's Department involving investigation of alternate to Social Security for eligible part-time employees. Most of our employees are permanent part-time and under PERS regulation, must be enrolled in that plan at the time of their hire. There are so few remaining part time employees who fall outside the PERS plan that staff does not believe the cost or administration associated with providing an alternate to Social Security is a worthy of pursuing, which was the intent of this project.

Once reviewed by the Council, the update will be posted on the City's website under the City Manager's Department. The staff is available and willing to answer any questions.

Recommendation

It is recommended that the City Council receive and file the FY 2011-12 mid-year status update of the Major Projects List.