

September 28, 2010
6:30 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. R10-20
NEXT ORDINANCE NO. 10-698**

CALL TO ORDER

PUBLIC COMMENT ON CLOSED SESSION ITEM

CLOSED SESSION (6:30 p.m. – 7:30 p.m.)

This time has been set aside for the City Council to meet in a closed session to discuss the matter listed below pursuant to Government Code Section 54957.6. The Mayor or City Attorney will

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give an additional oral report regarding the closed session at the beginning of the regular City Council meeting.

• CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to Government Code Section 54957.6

Agency designated representatives: City Manager Hoefgen, Assistant City Manager Smith, Administrative Analyst Davis, Attorney Tiedemann

Employee Organization: Palos Verdes Estates Police Officers Association

At the conclusion of the Closed Session, the Council may continue any item listed on the closed session to the Open Session agenda for discussion or to take formal action as it may deem appropriate.

PLEDGE OF ALLEGIANCE (7:30 p.m.)

ROLL CALL

MAYOR'S REPORT – Matters of Community Interest

- Appointment of Paul Rubincam to Parklands Committee
- Forum, Monday, October 18, 2010 – 7-8:30 pm in Council Chambers
- Ribbon Cutting Ceremonies – Disaster District Program (DDP) Emergency Containers

October 23, 2010 – Noon at Valmonte Early Learning School, 3801 Via La Selva

October 24, 2010 – 1:00pm at Palos Verdes Intermediate School, 2161 Via Olivera

October 24, 2010 – 3:00pm at Malaga Cove School, 300 Paseo Del Mar

CEREMONIAL MATTERS

- Swearing-In of Police Corporal Steve LeBeau and Sergeant Erick Gaunt (Chief Dreiling)
- Certificate of Recognition presented to Mr. Leonard Aube, Executive Director of the Annenberg Foundation for its generous contribution to DDP--Disaster District Program. (Mayor Humphrey)

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

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Commission decision (Item #7a-e) 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 September 14, 2010

Recommendation: Review and File.

2. Treasurer's Monthly Report - August 2010

Recommendation: Receive and File.

3. Adoption of Ordinance 10-697; an Ordinance of the City Council of the City of Palos Verdes Estates Amending Chapter 12.32 of the Palos Verdes Estates Municipal Code Governing the Provision of Video Services in the City

Recommendation: It is recommended that the City Council adopt Ordinance 10-697; an Ordinance of the City Council of the City of Palos Verdes Estates amending Chapter 12.32 of the Palos Verdes Estates Municipal Code governing the provision of video services in the City.

4. Award of a Professional Services Agreement for Construction Inspection Services in the Amount of \$97,000 to AKM Consulting Engineers for the Paseo Del Mar Sewer Pump Station Project

Recommendation: It is recommended that the City Council award a professional services agreement in the amount of \$97,000 for construction inspection services for the Paseo Del Mar Sewer Pump Station Project.

5. PW-570-10, STPL-5283(007); Award of Contract for the Paseo Lunado Overlay Project in Amount of \$86,000 to Hardy & Harper, Inc. and Adoption of Resolution R10-19 Adjusting the Fiscal Year 10-11 Budget

Recommendation: It is recommended that the City Council award a construction contract in the amount of \$86,000 to Hardy & Harper, Inc. for the completion of the Paseo Lunado Overlay Project, and adopt Resolution R10-19 adjusting the FY 10-11 budget.

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

Recommendation: Review and Approve.

- a. 8-Month Review of Via Nivel Items:
 1. Via Nivel/Via Solano Stop Sign Installation;
 2. Via Nivel/Via Azalea Stop Sign Installation; and

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3. Moving the No Parking Restriction to the South Side of Via Nivel between Via Azalea and Via Valmonte

Action: Recommended that staff leave all installations in place (5-0).

- b. 6-month Review of the Edgeline Striping Installation on Westbound Granvia Altamira Between Via Panorama and the City Boundary

Action: Recommended that staff leave the edgeline striping in place (5-0).

7. Planning Commission Actions of September 21, 2010

Recommendation: Receive and File.

- a. **NC-1391-10;** Consideration of a Neighborhood Compatibility Application for additions to the single family residence located at 717 Cloyden Square. Lot 20, Block 1275, Tract 7140.

Applicant: Alan Sakimoto
1441 W. 183rd St.
Gardena, CA 90248
Owner: Valentina & Ray Herman

Action: Denied (5-0).

- b. **NC-1045R-10;** Consideration of a revised Neighborhood Compatibility Application for a new single family residence located at 1815 Via Visalia. Lot 3 & portion of 4, Block 1550, Tract 7333.

Applicant: George Sweeney
3 Malaga Cove Plaza, #201
Palos Verdes Estates, CA 90274
Owner: Davis Moore
2825 Via La Selva
Palos Verdes Estates, CA 90274

Action: Approved (5-0) with standard conditions.

- c. **M-777-10;** Consideration of a Miscellaneous Application requesting after-the-fact approval for a structure exceeding the maximum allowable height at the single family residence located at 1414 Paseo La Cresta. Lot 4, Block 2, Tract 8043.

Applicant: Russ Barto
3 Malaga Cove Plaza, #202
Palos Verdes Estates, CA 90274
Owner: Mr. & Mrs. Harry Bruni

Action: Approved (5-0) with standard conditions.

- d. **M-782-10;** Consideration of a Miscellaneous Application requesting after-the-fact approval for a structure exceeding the maximum allowable height at the single family residence located at 1600 Via Arriba. Lot 9, Block 1434, Tract 6884.

Applicant/Owner: David & Aimee Goepfner

Action: Denied (4-0, Evans recused).

- e. **M-785-10;** Consideration of a Miscellaneous Application requesting after-the-fact approval for structures exceeding the maximum allowable height at the single family residence located at 568 Via Almar. Lot 4, Block 13, Tract 7540.

Applicant: Tomaro Architecture
1001 Sixth St., #100
Manhattan Beach, CA 90266
Owner: Mr. & Mrs. Traina
2308 Via Olivera
Palos Verdes Estates, CA 90274

Action: Approved (3-1, King dissenting and Vandever recused) with standard conditions.

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

Persons addressing the City Council during public hearings shall be limited to three (3) minutes for comment.

OLD BUSINESS

NEW BUSINESS

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8. Proposal to Amend and Restate the Palos Verdes Golf Club Concession Agreement Increasing the Maximum Number of PVGC Members from the Current 560 to the New Maximum of 600 Members, Modifying PVGC Membership Requirements, and Stating Minimum Insurance Requirements for the PVGC; Review of a Proposed Increase in Member Dues

Recommendation: It is recommended that the City Council approve the Amended and Restated Concession Agreement with the Palos Verdes Golf Club and authorize an increase in dues paid by members of the Palos Verdes Golf Club.

9. Approval of Purchase and Installation Agreement with Motorola Inc. to Reconfigure and Replace the Police Department's Radio System in the Amount of \$433,764, and Adoption of Resolution R10-18 Approving a Budget Adjustment of \$34,000

Recommendation: It is recommended that City Council adopt Resolution R10-18 authorizing a budget adjustment of \$34,000, approve the expenditure of \$433,764 to reconfigure and replace the police department's radio system and approve a purchase and installation agreement with Motorola.

10. Review of Road Impact Fee Report Entitled "Refuse and Construction Vehicle Street Maintenance Cost Analysis" Prepared by HF&H Consulting

Recommendation: Staff is requesting direction from the City Council whether to proceed with implementation of a road impact fee.

STAFF REPORTS

11. City Manager's Report

DEMANDS

12.
 - a. Authorize Payment of Motion #1 – Payroll Warrant of September 17, 2010
 - b. Authorize Payment of Motion #1a – Payroll Warrant of September 24, 2010
 - c. Authorize Payment of Motion #2 – Warrant Register of September 28, 2010

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

MAYOR & CITY COUNCILMEMBERS' REPORTS

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ADJOURNMENT TO WEDNESDAY, OCTOBER 6, 2010, 6:00 P.M. AT PALOS VERDES GOLF CLUB FOR THE PURPOSE OF A JOINT MEETING OF CITY COUNCIL, PLANNING COMMISSION AND PALOS VERDES HOMES ASSOCIATION.

- *This City Council meeting can be viewed on Cox Cable, Channel 35, Wednesday, September 29, 2010 at 7:30 p.m., and Wednesday, October 6, 2010, at 7:30 p.m.*

TO: JOSEPH M. HOEFGEN, CITY MANAGER
FROM: JUDY SMITH, ASSISTANT CITY MANAGER
SUBJECT: ADOPTION OF ORDINANCE 10-697; AMENDING CHAPTER 12.32 OF THE PALOS VERDES ESTATES MUNICIPAL CODE GOVERNING THE PROVISION OF VIDEO SERVICES IN THE CITY

The Issue

Shall the City Council adopt Ordinance 10-697 which amends Chapter 12.32 of the Palos Verdes Estates Municipal Code (PVEMC) governing the provision of video services in the City?

Analysis and Findings

In 2006, the State of California enacted AB 2987, known as the Digital Infrastructure and Video Competition Act (“DIVCA”). Prior to DIVCA, cities were the franchise authority for cable television services. DIVCA replaced local authority with a State video franchise process administered by the California Public Utilities Commission. DIVCA precludes cities from entering into new or extending existing local franchise agreements. The City-issued franchise for Cox Communications expires in October 2010 and Cox will apply for a state video franchise for Palos Verdes Estates.

Ordinance 10-697 was introduced at the September 14, 2010 City Council meeting. The ordinance amends PVEMC Chapter 12.32 “Cable, Video and Telecommunication Service Providers” and establishes the City’s authority in the areas permitted under DIVCA including: franchise fees; customer service standards and PEG programming/PEG fees. Because of the limited nature of the City’s PEG programming and associated costs, the ordinance as presented does not include a provision for a PEG fee, although a maximum 1% fee is permitted under DIVCA. The City may at any time in the future implement a PEG fee by ordinance.

Recommendation

It is recommended that the City Council adopt Ordinance 10-697 amending Chapter 12.32 of the Palos Verdes Estates Municipal Code governing the provision of video services in the City.

TO: JOSEPH M. HOEFGEN, CITY MANAGER

FROM: ALLAN RIGG, PUBLIC WORKS DIRECTOR

SUBJECT: AWARD OF A PROFESSIONAL SERVICES AGREEMENT FOR CONSTRUCTION INSPECTION SERVICES IN THE AMOUNT OF \$97,000 TO AKM CONSULTING ENGINEERS FOR THE PASEO DEL MAR PUMP STATION PROJECT

DATE: SEPTEMBER 28, 2010

The Issue

Should the City Council award a professional services agreement in the amount of \$97,000 to AKM Consulting Engineers for construction inspection services for the Paseo Del Mar Pump Station Project?

Background and Analysis

On September 14, 2010, City Council awarded a construction contract for the upgrade of the Paseo Del Mar Pump Station Project. In order to provide the extremely detailed inspection services required for this type of construction, which will also be subject to Los Angeles County Department of Public Works (LACDPW) requirements, the City needs the services of a specialized consulting firm. The following scope of work was identified in a Request for Proposal that was developed for these services:

Provide assistance during the construction process in accordance with the plans and specifications, including but not limited to the following activities:

- Attending pre-construction and progress meetings, reviewing contractor submittals as required, ensuring DBE regulation compliance, assisting in responses to requests for information (RFI's).
- Providing certified inspection services, material certifications, ensuring proper construction methods and traffic control, ensuring field conformance with federal guidelines and the City's Quality Assurance Program for construction.
- Providing daily logs of all construction and inspection activities.

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- Ensuring that any construction changes that occur in the field are brought to the City's attention and documented to allow the City's design consultant to update the final as-built project plans.

Staff advertised with IMS, which is a subscription service used by engineering and architectural firms to be notified of projects in order that they might bid on them. We received two proposals for the work from AKM Consulting Engineers (AKM), the firm that designed the pump station, and from Berg and Associates. Staff reviewed each of the proposals for previous experience in the specialized areas required for this project. After careful review staff felt strongly that AKM had the best previous experience, both as a firm and as the individuals to be assigned to the job. Staff also believes they are better suited to perform the services as they were part of the original design team. They know the plans and the challenges in performing the design, and will be better prepared to address construction difficulties and unexpected issues.

The total cost for AKM's services is \$97,000. Please note the cost is based on an estimated number of working days and is an hourly contract. Also, please note in comparison, the cost proposal from Berg and Associates was \$311,353. The difference in costs was mainly attributed to the eight hours per day that Berg proposed versus the four hours per day for the AKM proposal, and the hourly inspector rate of \$135 per hour for Berg versus the \$90 per hour from AKM.

Alternatives Available to Council

The following alternatives are available to the City Council:

1. Award a professional services agreement to in the amount of \$97,000 to AKM Consulting Engineers for construction inspection services for the Paseo Del Mar Pump Station Project.
2. Award a professional services agreement to a different firm for construction inspection services for the Paseo Del Mar Pump Station Project.
3. Decline to act.

Recommendation from Staff

Staff recommends that the Council award a professional services agreement in the amount of \$97,000 to AKM Consulting Engineers for construction inspection services for the Paseo Del Mar Pump Station Project.

Staff report prepared by:
Floriza Rivera
Public Works Department

**CITY COUNCIL AGENDA
SEPTEMBER 28, 2010**

TO: JOSEPH M. HOEFGEN, CITY MANAGER

FROM: ALLAN RIGG, PUBLIC WORKS DIRECTOR

SUBJECT: PW 570-10, STPL-5283(007); AWARD OF CONTRACT FOR THE PASEO LUNADO OVERLAY PROJECT, IN THE AMOUNT OF \$86,000 TO HARDY AND HARPER, INC. AND ADOPTION OF RESOLUTION R10-19, ADJUSTING THE FISCAL YEAR 10/11 BUDGET

DATE: SEPTEMBER 28, 2010

Introduction

Should the City Council award a construction contract in the amount of \$86,000 to Hardy and Harper, Inc. for the completion of the Paseo Lunado Overlay Project and adopt Resolution R10-19, adjusting the Fiscal Year 10/11 budget?

Background and Analysis

One type of federal transportation-related funding commonly used by Cities to maintain eligible streets is Surface Transportation Program Local (STP-L) Funds. Each City receives a particular STP-L apportionment every year that must be obligated (approved for spending) by the end of the Federal Fiscal Year every September 30th or it will lapse. Agencies are sometimes allowed to obligate funding one year before it is available.

In FY 09/10, the City of Palos Verdes Estates' STP-L Apportionment was \$40,314. Since STP-L funding historically decreases annually, City staff has estimated the FY 10/11 Apportionment to be approximately \$40,000 and the combined available STP-L funding from both fiscal years to be approximately \$80,314. City staff has obligated \$80,314 for the Paseo Lunado Overlay Project, to be first spent using City funds and then reimbursed through Caltrans. The City must also match 11.47% of any federal funding spent for a project.

This year's current overlay and slurry seal resurfacing project takes place in the upper Lunada Bay area surrounding Palos Verdes High School. The only streets there eligible for maintenance with federal funds are Paseo Del Mar, Cloyden Road, and the north barrel of Paseo Lunado. Paseo Del Mar is in good enough condition to require only a slurry seal, and staff felt it imperative to schedule Cloyden Road, a very important access street to the high school, to be placed on the overlay project for definite rehabilitation. The only street remaining in the area to which STP-L funds could be applied was the north barrel of Paseo Lunado. The portion between Via Pena and Palos Verdes

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Drive West is the ideal length to which to apply the available funds, as the original project estimate was \$90,720.

Staff advertised the Paseo Lunado Overlay Project with Palos Verdes Peninsula News, Bid America, F. W. Dodge, and Reed Construction Data. Construction bids were opened on September 20, at 10:30 a.m. The bid results are shown below, and a table comparing the three lowest bids accompanies this staff report.

Hardy and Harper, Inc.	\$86,000.00
Shamrock Paving, Inc.	\$86,331.00
All American Asphalt	\$94,633.95
Palp Inc. DBA Excel Paving Co.	\$112,409.80

Hardy and Harper, Inc. submitted the low bid for the project. They have completed many projects of similar size and scope, and City staff has worked with them on the FY 04/05, FY 06/07, and FY 07/08, and FY 09/10 Overlay Projects. They were also the qualifying low bidder on the City's current FY 10/11 Overlay Project. Staff believes they are well equipped to satisfactorily complete this federally funded overlay project. Hardy and Harper also believes they may able to complete the Paseo Lunado paving construction at the same time as the FY 10/11 Overlay Project construction.

The following schedule is anticipated:

- September 28 Contract awarded.
- October 8 Contract, insurance certificates signed by contractor & City.
- October 11 Work expected to begin.
- November 30 Work expected to be complete.

Alternatives Available to Council

The following alternatives are available to Council:

1. Award a construction contract in the amount of \$86,000 to Hardy and Harper, Inc., for the completion of the Paseo Lunado Overlay Project and adopt Resolution R10-19, adjusting the Fiscal Year 10/11 budget.
2. Decline to Act.

Conclusions and Recommendations

Staff recommends that the City Council award a construction contract in the amount of \$86,000 to Hardy and Harper, Inc., for the completion of the Paseo Lunado Overlay Project and adopt Resolution R10-19, adjusting the Fiscal Year 10/11 budget.

Fiscal Impact

Staff estimates the following project costs:

Construction	\$86,000.00
Contingency cost (10% of construction cost)	\$8,600.00
Administration and Inspection	\$9,000.00
<hr/> Total	<hr/> \$103,600.00

A 10% contingency has been added to the estimated costs above. Although we do not expect to use that amount of additional funding on this project, we would like to allocate the money now to avoid a later budget adjustment if any changes in the project scope occur due to unforeseen field conditions.

The amount of \$103,600 must be transferred from the Unobligated Capital Fund Balance. Resolution R10-19, which provides for the transfer, is attached. This will be sufficient to cover the \$103,600 cost, and Caltrans has authorized \$80,314 of STP-L funding reimbursements for construction costs, on the condition that federal administrative and inspection requirements are met before, during, and after the construction.

Staff report prepared by:
Floriza Rivera
Public Works Department

TO: JOSEPH HOEFGEN, CITY MANAGER
FROM: ALLAN RIGG, PLANNING DIRECTOR
DATE: SEPTEMBER 28, 2010
SUBJECT: PLANNING COMMISSION ACTIONS OF SEPTEMBER 21, 2010

The items attached were acted upon by the Planning Commission on September 21, 2010.

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: HONORABLE MAYOR AND CITY COUNCIL

FROM: JOSEPH M. HOEFGEN, CITY MANAGER

SUBJECT: PALOS VERDES GOLF CLUB – PROPOSAL TO AMEND AND RESTATE THE PALOS VERDES GOLF CLUB CONCESSION AGREEMENT INCREASING THE MAXIMUM NUMBER OF PVGC MEMBERS FROM THE CURRENT 560 TO THE NEW MAXIMUM OF 600 MEMBERS, MODIFYING PVGC MEMBERSHIP REQUIREMENTS, AND STATING MINIMUM INSURANCE REQUIREMENTS FOR THE PVGC; REVIEW OF A PROPOSED INCREASE IN MEMBER DUES

THE ISSUE

Shall the City Council approve an Amended and Restated Concession Agreement with the Palos Verdes Golf Club and authorize an increase in dues paid by members of the Palos Verdes Golf Club to take effect October 1, 2010?

Background

The Palos Verdes Golf Course and Country Club Facilities are publically owned assets of the City of Palos Verdes Estates operated and maintained by the Palos Verdes Golf Club (PVGC). The Palos Verdes Golf Club is a non-profit corporation charged with improving and maintaining the services and quality of operations conducted in the clubhouse and on the golf course pursuant to a concession agreement with the City of Palos Verdes Estates.

There is a long history of concession agreements between the City and the PVGC. Copies of the most recent PVGC concession agreement dated April 22, 2003 and the agreement as amended on September 13, 2005 are included as Attachment A to this report. Additionally, Attachment B includes a brief overview of the Palos Verdes Golf Club and amenities available to both members and the general public.

The existing concession agreement stipulates that the maximum number of PVGC members is capped at 560 members. As described below, membership eligibility requirements have been amended through the different concession agreements over the years.

Regular Membership Requirements

While the current concession agreement provides that all new members of the PVGC must be owners of PVE residential property, the eligibility requirements to be a member of the PVGC have

been modified over the years to enable the Club to offer memberships to individuals outside the City of Palos Verdes Estates. As shown in the below synopsis of prior concession agreements dating back to 1969, the history of PVGC membership criteria is follows:

Dates	Membership Provision
1969-1979	Up to 25% of members may be non-residents of the City
1979-1983	Up to 30% of members may be non-residents of the City
1983-1988	Up to 35% of members may be non-residents of the City
1988 - 2003	*See Below
2003 - Present	Effective April 1, 2003, regular golf memberships in the Club are restricted to PVE residential property owners.

*From 1988 until 2003, membership criteria for new PVGC members included differing requirements in terms of residency and property ownership. For individuals who joined the PVGC on or after June 1, 1988 but prior to July 1, 1993, new memberships were available to **PVE residents – no property ownership required**. By contrast, new members who joined the PVGC after July 1, 1993 but before April 1, 2003 were required to be **both PVE residents and PVE residential property owners**. Since April 1, 2003, **PVE residential property ownership (residency in PVE not necessary)** has been a requirement for all new members.

Recognizing the different membership provisions over the years, the current composition of the Golf Club is 496 PVE property owners representing 88% of membership and 64 non-PVE property owners representing the remaining 12% of membership. Again, all new PVGC members since April 1, 2003 must be owners of PVE residential property but are not required to reside in PVE.

Demand for membership in the PVGC has fluctuated over the years, necessitating changes in membership categories over time. As described below, the creation of the Associate Golf Club Member (AGM) category is one such change which occurred in 1996.

Associate Golf Club Members

In 1996, at a time when demand for membership in the PVGC far exceeded available spots, the PVGC amended its bylaws to designate a membership classification entitled Associate Golf Membership. The purpose of having a group of Associate Golf Members was to handle the overflow of PVE residential property owners desiring to become full PVGC members when the club was at full capacity. As such, AGM's were granted some additional golf privileges beyond what is available to the general public but less than afforded to the regular members. In order to become a regular member, individuals were required to become an AGM and were placed on the Regular Membership waiting list until a vacancy in the regular membership occurred. All AGM's on the wait list are PVE property owners.

The general practice over the years has been for AGMs to become regular members upon reaching the top of the AGM wait list. However, the PVGC By-laws also enable AGM's, upon reaching the

top of the waiting list, to decline PVGC regular membership and to rotate to the bottom of the AGM list which has increasingly become the case.

While the AGM category of membership is not specifically mentioned or referenced in the Concession Agreement, the Concession Agreement provides that the PVGC may maintain other categories of membership established by the Club's By-laws as of July 1, 2002, and may, with prior City approval, from time to time establish additional categories as become necessary. The AGM classification of membership is not specifically mentioned or required by the Concession Agreement,

Membership Turnover and the AGM List

The Club remains at full capacity of 560 regular members and there is a list of 105 PVE property owners as AGMs awaiting regular membership. This is in marked contrast to many other golf courses which have experienced significantly more serious membership challenges than the PVGC.

Over the past year, the amount of "turnover" of regular members in the PVGC has been higher than usual with a year to date turnover of 35, resulting in greater membership opportunities for AGM's to become regular members. As such, the AGM list, which was once at full capacity at 200 individuals, has been reduced to 105 individuals – most of who have declined Regular Membership previously and rotated to the bottom of the AGM list. A history of new members added to the PVGC (aka turnover) since 1995 is included as Attachment C. Additionally, Attachment D includes a list of the current AGMs and the number of times the individuals rotated on the AGM list.

This higher-than-usual turnover in regular members and the corresponding decline in the AGM list have resulted in unique financial circumstances for the Golf Club. The high turnover in Regular Members has resulted in greater initiation fees and additional capital funds for the Club. By contrast, the reductions in the AGM list has translated into reduced operating income and general cash for the Club. In fact, this was one of the concerns that initiated the proposed changes to the concession agreement as described below.

PVGC Proposal

In light of the overall circumstances described above, over the course of the past 18 months, the PVGC Board of Directors has focused on how to best ensure that the Club maintains a high level of service and is able to satisfy its operating and capital obligations into the future. Following extensive study and outreach to both regular members and to the AGMs, the PVGC Board of Directors has proposed that the membership be restructured to add 40 additional regular members (increasing total membership from 560 to 600 members), to phase out the Associate Golf Club Member classification, and to create separate wait lists for PVE property owners and non-PVE property owners as had previously occurred -- with PVE property owners always having priority for membership. The proposal reflects a cap on non-PVE property owners to be 20% of membership. All of these provisions are shown in the redline version of the concession agreement shown as

Attachment E. Additionally, the PVGC has proposed an increase in member dues by six percent effective October 1, 2010 to ensure sufficient operating monies are available to the Club.

Council may recall that the original proposal by the PVGC in the spring of 2010 was to add 80 regular members, to phase out the AGM list, to have no increase in member dues, and to enable 25% of membership (as opposed to 20%) to be non PVE property owners. Additionally, the original proposal would have allowed current 15 year Regular members (who sell their homes) the option of retaining their PVGC membership following payment of an additional initiation fee and higher monthly dues. Additional background on the PVGC proposal is provided in a letter dated June 30, 2010 from the PVGC included as Attachment F to this report. Staff included comments in the margins on which provisions remain as proposed by the PVGC versus provisions which have subsequently changed as reflected in the proposed concession agreement.

Dues Increase

As mentioned above, in order to maintain services, the Golf Club is proposing an increase in membership dues of approximately six percent across the board. Dues for family members will increase by \$28 monthly along with comparable dues increases for other member categories as shown below:

		<u>Current</u>	<u>Proposed Oct 1, 2010</u>
▪ Regular Family (Resident)	--	\$461	\$489
▪ Regular Single (Resident)	--	\$360	\$382
▪ Senior Family (Resident)	--	\$230	\$244
▪ Senior Single (Resident)	--	\$179	\$190
▪ Associate Family (Resident)	--	\$146	\$155
▪ Associate Single (Resident)	--	\$ 98	\$104

There is no proposed increase in green fees for any membership category. Attachment G provides the proposed dues as well as a history of prior year dues increases at the Club since 2000.

Marketing Plan for PVE Property Owners

With the addition of 40 new members in the concession agreement, the PVGC will be undertaking a comprehensive plan to inform PVE property owners of the additional membership opportunities available. By providing additional outreach to the current AGM's, the PVGC has already initiated this work. Attachment H to this report goes into some detail on the outreach to be conducted over the next several months to secure PVE property owners to fill the 40 available positions. PVE property owners will have priority and non-PVE property owners would only fill membership slots if there is no one on the PVE property owner wait list seeking membership in the Club.

Status of PVGC Budget

On December 8, 2009, the City Council reviewed and approved the 2010 PVGC Budget which reflected a 4.4% decrease in general revenue in comparison to the 2009 approved budget. In reviewing 2010 year-to-date revenues, total PVGC operating revenues have decreased by an additional 2.6% in comparison to the 2010 budget.

The largest single factor affecting the 2010 PVGC budget has been the reduction in the number of Associate Golf Club Members from the maximum number of 200 to the current level of 105 AGM members. The 2010 Budget anticipated some reduction in the AGM list and assumed 146 AGM members at the Club.

As further evidence of the effects of the reduced play on the golf course due to fewer AGMs, revenue from green fees (aka starters) in 2010 was reduced by 7.0% in comparison to the originally proposed 2009 budget. This trend has continued with an additional 6% reduction in green fees (\$25,243) for 2010 year-to-date.

As shown on the balance sheet for the eight months ending August 31, 2010 (Attachment I), the cash balance of the Palos Verdes Golf Club has experienced a substantial decline over the past year. This was one of the concerns that initiated the current membership proposal. AGM membership deposits are held in general cash and through membership changes over the past year, the Club has been required to transfer or repay over \$150,000 during 2010. The cumulative effect over the past two years has resulted in a general cash balance of approximately 30% of what the PVGC had as unrestricted cash in the prior year (current \$142,759 vs. prior year of cash balance of \$482,716 in 2009). This cash balance is below what is comfortable and continued losses would be unsustainable for the Club. As described earlier, the proposed changes in the concession agreement include a six percent dues increase at the time of approval which will help increase the PVGC's available cash balance.

As the PVGC Concession Agreement stipulates, 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, we will return to the City Council in either November or early December with a proposed PVGC budget for 2011.

Summary and Conclusion

The City Council Liaisons (Mayor Humphrey and Councilmember Perkins) have provided input on the PVGC proposal and review and approval by the City Council is recommended at this time.

As an outcome of the recommended action, the following would occur:

- The PVGC Concession Agreement would be modified to increase the maximum number of PVGC members from the current 560 to the new maximum of 600 members;
- The PVGC will initiate a comprehensive outreach program to seek new members from the current AGM list and other owners of Palos Verdes Estates residential property;

- The existing AGM category of membership would be phased out over time by reinstating the “one rotation” policy. As part of this policy, any AGM who wishes to rotate one last time will be asked to make another non-refundable \$5,000 deposit towards their ultimate Regular membership. The PVGC will offer 12 month financing to any AGM who wishes to join immediately when they reach the top of the list rather than rotate. Financing will not be offered for those AGMs that chose to rotate to the bottom of the list, but they will be allowed to remain an AGM for a minimum of 12 months. No additional AGM memberships would be available.
- If after the outreach program to PVE property owners, the PVGC has regular membership slots available not filled by PVE property owners, the PVGC would have the option of adding non-PVE property owners as regular members. The PVGC could have a maximum of 20% of non-PVE property owners comprising total membership. However, in all instances, PVE property owners will have priority for membership over non-PVE property owners. It is anticipated that non-PVE property owners would pay \$20,000 in additional initiation fees and higher monthly dues than PVE property owners.
- Any 15 year members of the PVGC who become ineligible but wish to retain membership will go to the front of the non-PVE property owner wait list. However, PVE property owners will have priority for open membership slots.
- Lastly, in addition to the changes to the concession agreement as described above, we have incorporated minimum insurance requirements for the PVGC to maintain throughout the term of the agreement. While the Club currently maintains adequate insurance limits, the past PVGC concession agreements did not contain any insurance requirements. These insurance limits are consistent with requirements of the Joint Powers Insurance Authority of which the City of Palos Verdes Estates is a member agency.
- Membership dues will increase by 6% across the board effective October 1, 2010.

The final attachment to this report is a copy of the recommended PVGC Concession Agreement incorporating the modifications from the redline version referenced earlier.

Alternatives Available to City Council

1. Approve the Amended and Restated Concession Agreement with the Palos Verdes Golf Club and Authorize an increase in dues paid by members of the Palos Verdes Golf Club to take effect October 1, 2010. 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 Amended and Restated Concession Agreement with the Palos Verdes Golf Club and authorize an increase in dues paid by members of the Palos Verdes Golf Club to take effect October 1, 2010. 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 Amended and Restated Concession Agreement with the Palos Verdes Golf Club and authorize an increase in dues paid by members of the Palos Verdes Golf Club subject to specified modifications. These would be as elaborated by the City Council.

Recommendation

It is recommended the City Council approve the Amended and Restated Concession Agreement with the Palos Verdes Golf Club and Authorize an increase in dues paid by members of the Palos Verdes Golf Club to take effect October 1, 2010.

TO: JOE HOEFGEN, CITY MANAGER

FROM: DANIEL DREILING, POLICE CHIEF

SUBJECT: APPROVAL OF PURCHASE AND INSTALLATION AGREEMENT WITH MOTOROLA INC. TO RECONFIGURE AND REPLACE THE POLICE DEPARTMENT'S RADIO SYSTEM IN THE AMOUNT OF \$433,764, AND ADOPTION OF RESOLUTION R10-18 APPROVING A BUDGET ADJUSTMENT OF \$34,000

DATE: SEPTEMBER 28, 2010

ISSUE

Shall the City Council adopt Resolution R10-18 authorizing a budget adjustment in the amount of \$34,000, approve the expenditure of \$433,764 to reconfigure and replace the police department's radio system and approve a purchase and installation agreement with Motorola?

BACKGROUND AND ANALYSIS

During the FY 2010-11 budget session, City Council approved the expenditure of \$400,000 (\$352,000 from the drug asset forfeiture fund, and \$48,000 from the equipment replacement fund) to upgrade and replace our radio system in order to address coverage deficiencies in our police radio system. This included the purchase of repeaters, unit, dispatch, and portable radios, antennas, etc., as well as necessary software and labor.

At the budget session, Council directed staff to complete a study and determine the best remedy. As a result, a committee was formed to determine how best to eliminate the radio dead spots throughout the City. The goals of the committee were to 1) determine the best possible solution to our radio communication shortfall, taking into consideration our available financial resources, and 2) to ensure that any solution is compatible with the radio systems of other cities and the county.

The initial solution presented to Council during the budget session was to create a three repeater radio system. This means there would be one repeater at each of the following sites Via Cerritos, Punta Place, and South Bay Hospital. However, after completing our study we have modified our proposed three repeater radio system to a four repeater radio system.

In performing computerized overlays of the radio coverage of the City using three repeaters, it was determined that we would nearly eliminate all dead spots on the top of the hill and in the northern end of the City, but there would remain substantial dead zones in the south end of the City. It was determined that to eliminate the dead zones in the south end, a suitable site for a repeater/antenna must be located south of the City. To this end there were three options to consider. The first, putting a repeater at Avalon Cove, was deemed to be excessively expensive (upwards of \$10,000 per year). The second, putting a repeater on the radio tower above the Peninsula Center, was determined to be all but impossible due to FCC restrictions. The third was to place a repeater at Rancho Palos Verdes City Hall. To this option, there were no burdensome FCC restrictions nor excessive fees. A computerized overlay for the radio coverage for a repeater at the Rancho Palos Verdes City Hall was created which indicated a dramatic increase in radio coverage in the south end of the City.

Based on an analysis of the options available, the committee determined the best solution for our communication shortfall is to keep the repeater at Via Cerritos, but also install repeaters at Punta Place, South Bay Hospital, and Rancho Palos Verdes City Hall. Using a computer simulation, Advanced Electronics reveals that the three repeater option will eliminate approximately 65% of the dead spots in the City. However, with the addition of a fourth repeater, it is estimated that approximately 90% of the dead spots in the City will have reception.

While our intent is to reduce the number of dead spots in the City by choosing the four repeater system, there is an intended additional benefit of gaining coverage to areas contiguous to, and south of, our City border. One problem we occasionally encounter is a police pursuit that continues south of our City limits. When this happens, the officer loses radio communication with the station, and other officers, at Hawthorne and Palos Verdes Dr. South. With the four repeater system, we will have radio communication that extends to Portuguese Bend and becomes intermittent to San Pedro.

After determining suitable locations for the repeaters, the FCC was contacted to determine if these new signals would interfere with other public safety signals. Fortunately, the FCC indicated that none of the new signals would interfere with other radio signals and no special permission or paperwork would be required. Additionally, South Bay Hospital, and the Rancho Palos Verdes City Hall were contacted, both of which had no objections to placing our repeaters and equipment at their locations.

We currently own 2 Quantar repeaters which have digital capabilities; therefore we will re-set them from analog to digital (one will be a back-up repeater) and purchase 3 others. The installation of these will allow us to operate as "simulcast in multisite" meaning we will have four repeaters running together, in simulcast (Via Cerritos, Punta Point, South Bay Hospital, and Rancho Palos Verdes City Hall). Included in this cost is resetting our two current Quantar repeaters for digital, purchasing three additional repeaters, upgrading the comparator, installing a GPS coordination system, and replacing control lines and antennas as needed. This price also includes labor, installation and work required for system set up, programming, testing, and optimization.

Since the repeaters will now be operating in digital, we will have to replace the remaining radios used by the police department and streets and parks. This includes the radios in the police vehicles and streets and parks trucks, the radios at the police dispatch, and the police portable radios. Some of the expenditure can be offset by Equipment Replacement Funds. In 2003, we purchased 15

portable radios and 19 mobile radios for a combined total of \$55,000. All these radios will be fully depreciated in FY 2010/11 and there is currently \$48,000 available in the Equipment Replacement Fund. Additionally, in FY 2008/09 we purchased five mobile radios for the Streets and Parks vehicles and these radios would also need to be replaced to function on the new digital system.

In determining the cost for a three repeater radio system our estimate was approximately \$400,000. Since we are now asking for a four repeater radio system the total cost is \$433,764. Of this, \$48,000 will come from the equipment replacement fund (current balance of \$48,000) and \$385,764 will come from the drug asset forfeiture fund (current balance of \$432,500). The quote from Motorola includes all equipment, labor, and installation charges. The equipment pricing is based on the Los Angeles County contract number MA-IS-43070.

Motorola will assign the setup and installation of this radio project to Advanced Electronics. Advanced Electronics is Motorola's authorized Manufacturer's representative and has been an Authorized Motorola Service Station since 1961. They provide engineering, installation, and maintenance for Motorola communications products including base station, portable and mobile radios, and communication consoles. The police department has utilized Advanced Electronics to maintain the department's radio equipment since 1981 and we currently have a maintenance agreement with them until the end of FY 2010-11. The price of the four repeater radio system includes a one year warranty from Motorola and, thereafter, we will negotiate with Advanced Electronics for a future maintenance agreement.

ALTERNATIVES AVAILABLE TO COUNCIL

There are three alternatives available to Council:

1. Adopt Resolution R10-18 authorizing a budget adjustment in the amount of \$34,000, approve the four radio repeater plan and award a purchase and installation agreement with Motorola.
2. Deny the four radio repeater plan and direct staff to negotiate a purchase and installation agreement with Motorola for the three repeater plan presented to Council at budget study session.
3. Direct staff to research alternative radio solutions and/or vendors.

CONCLUSION AND RECOMMENDATION

Staff recommends that City Council adopt Resolution R10-18 authorizing a budget adjustment in the amount of \$34,000, approve the expenditure of \$433,764 to reconfigure and replace the police department's radio system and approve a purchase and installation agreement with Motorola.

BUDGET IMPACT

This project is funded through the police department's equipment replacement fund in the amount of \$48,000 and the drug asset forfeiture fund in the amount of \$385,764. With this project, our first year's maintenance cost is included. Following the first year, maintenance fees will be paid through the police department's operating budget under the line item entitled, Professional Services.

TO: JOSEPH M. HOEFGEN, CITY MANAGER
FROM: ALLAN RIGG, PLANNING AND PUBLIC WORKS DIRECTOR
SUBJECT: REVIEW OF ROAD IMPACT FEE REPORT
DATE: SEPTEMBER 28, 2010

The Issue

Should the City Council review the Road Impact Fee report prepared by HF&H Consultants and direct staff to return to the City Council with the implementation of the fees determined by the report?

Background and Analysis

The City has experienced a shortfall in funding for roadway maintenance and rehabilitation since the expiration of the utility users tax in 2003. Our current funding for roadways is a combination of state funding, special discretionary funds, and unobligated capital funds from the utility users tax and transfers from the general fund. Two years ago we were further forced to transfer money from our AB939 fund and from Proposition C fund to pay for our slurry seal program. We depleted the balances that took many years to accumulate and will not be able to extract large amounts again soon.

The future is rather bleak for funding of our roadways as we have depleted much of our reserves and the price of asphalt continues to rise since it is derived from crude oil. As we know from our Pavement Management System and from various studies, if we allow our roadways to deteriorate we will end up paying exponentially higher costs, so we must make sure to spend the necessary funds before falling behind.

It has been a common perception for years that construction-related and refuse vehicles have caused great damage to our streets. In fact the Planning Commission charged a “road impact fee” on projects with large export amounts up until year 2000. At that time we reviewed the policy and found that we could not find a solid formula or means to compute the fee for damage to the roadway based on the size of a particular project. We researched many other cities and found that they could not find the nexus either and did not charge any such type of fee.

We became aware that several cities throughout California have recently implemented a fee to compensate their agencies for damage done to the roadways by both construction-related and refuse

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vehicles. The fee they established is based upon a study done by a consultant to determine the amount of traffic on the city streets due to both types of vehicles and compare it to the total traffic on city streets. The traffic is measured as equivalent single axle loads. Equivalent single axle loads are used to account for the increased weight and damage caused by the heavier vehicles. Using the axle load calculations, the percentage of construction-related and refuse traffic compared to total traffic is applied to the costs of the City's road rehabilitation program, which calculates the cost of the road program to be funded by either. These costs are then added to all construction permits and to refuse collection fees.

The City Council budgeted funds for the preparation of a similar study for our City, with the addition that the road impacts caused by the City's refuse hauler be included. We hired a consultant who had prepared many similar studies, Hilton, Farnkopf, and Hobson, LLC. The study was completed on December 4, 2009.

The study concludes that the City expends \$1,018,642 on pavement related matters during a typical year. Based on the levels of traffic found in the report, construction vehicles account for 32.1% of the damage to the asphalt and refuse vehicles account for 6.2% of the damage. When these percentages are applied to the total pavement costs, the results are \$327,000 of damage due to construction vehicles and \$63,000 due to refuse vehicles. These amounts could be reimbursed to the City through the implementation of fees.

The costs due to damage from construction vehicles would be collected as an additional fee when a building permit is obtained. In Fiscal Year 2009/10 the City received \$429,416 in building permit fees. The added cost of the Road Impact Fee would have been an additional 76% of these fees. So, for a 1,000 square foot addition, the building permit fee would be \$1,992 and the road impact fee would be an additional \$1,494.

In regards to an increase in the cost of refuse removal services, our waste hauler received \$1,803,600 in fees for Fiscal Year 2008/09. The increase of \$63,000 to the cost of these services represents a 3.5% increase, or an additional \$1.16 which would increase the single family residential refuse rate from \$31.61 to \$32.77.

If the City Council desires, we could bring before the Council a proposed fee(s) to compensate the City for either or both of these amounts.

Alternatives Available to Council

The following alternatives are available to the City Council:

1. Review the report and direct staff whether to return with the formal implementation of a fee for impacts to roads due to construction and/or refuse vehicles.
2. Direct staff to conduct further research on the matter.
3. Decline to Act.

Recommendation from Staff

This is a matter of Council discretion.

Staff report prepared by:
Allan Rigg
Public Works Department