

November 9, 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. R10-28  
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 give an additional oral report regarding the closed session at the beginning of the regular City Council meeting.**

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- **CONFERENCE WITH LABOR NEGOTIATOR**

Pursuant to Government Code Section 54957.6

Agency designated representative: City Manager Hoefgen

Employee Organization: Management and Confidential Employees

**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**

**CONSENT AGENDA (Items 1-3)**

**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 October 26, 2010

**Recommendation: Review and File.**

2. Adoption of Resolution R10-27 Unilaterally Resolving the Fiscal Year 2010-2011 Meet and Confer Impasse Between the City and the Palos Verdes Estates Police Officers' Association

**Recommendation: It is recommended that City Council adopted Resolution R10-27 unilaterally resolving the FY 10-11 Meet and Confer Impasse between the City and the Palos Verdes Estates Police Officers' Association.**

3. Resolution R10-26 Authorizing the Destruction of Obsolete Records of the City Manager, City Clerk, Treasurer, Finance and Public Works Departments

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**Recommendation: It is recommended that the City Council adopt Resolution R10-26 authorizing the destruction of specific obsolete records of the City Manager, City Clerk, Treasurer, Finance and Public Works Departments.**

## **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**

4. Palos Verdes Tennis Club FY 2011 Operating and Capital Budgets

**Recommendation: It is recommended that the City Council approve the FY 2011 Palos Verdes Tennis Club operating and capital budgets.**

## **STAFF REPORTS**

5. City Manager's Report

## **DEMANDS**

6.
  - a. Authorize Payment of Motion #1 – Payroll Warrant of October 29, 2010
  - b. Authorize Payment of Motion #2 – Warrant Register of November 9, 2010

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

## **MAYOR & CITY COUNCILMEMBERS' REPORTS**

**ADJOURNMENT TO 5:00 P.M., TUESDAY, NOVEMBER 23, 2010, IN COUNCIL CHAMBERS OF CITY HALL FOR THE PURPOSE OF AN ADJOURNED REGULAR MEETING – CODE REVIEW PROJECT.**

- *This City Council meeting can be viewed on Cox Cable, Channel 35, Wednesday, November 10, 2010 at 7:30 p.m., and Wednesday, November 17, 2010, at 7:30 p.m.*

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TO: JOSEPH M. HOEFGEN, CITY MANAGER  
FROM: ALEXA D. DAVIS, ADMINISTRATIVE ANALYST  
SUBJECT: ADOPTION OF RESOLUTION R10-27 UNILATERALLY RESOLVING THE FISCAL YEAR 2010-2011 MEET AND CONFER IMPASSE BETWEEN THE CITY AND THE PALOS VERDES ESTATES POLICE OFFICERS' ASSOCIATION  
DATE: NOVEMBER 9, 2010

**ISSUE**

Shall the City adopt Resolution R10-27 unilaterally resolving the Fiscal Year 2010-2011 Meet and Confer Impasse between the City and the Palos Verdes Estates Police Officers' Association?

**BACKGROUND AND ANALYSIS**

Resolution R09-26, resolving an impasse between the City and the Palos Verdes Estates' Police Officers' Association for Fiscal Year 2009-2010, expired June 30, 2010. Therefore, in recent weeks, the City has been engaged in labor negotiations with the Palos Verdes Estates Police Officers' Association (POA) representatives. Pursuant to Government Code sections 3500 through 3511, the City has engaged in good faith negotiations with the POA regarding proposed changes to wages, hours and other terms and conditions of employment for Fiscal Year 2010- 2011.

The City received the POA's first proposal on August 26, 2010. Subsequently, the City and POA met on September 20, 2010, and exchanged additional proposals. Thereafter, the City and POA met again on September 30, 2010, and exchanged further proposals.

Subsequently, on October 8, 2010, in a letter to the POA's attorney, Rob Wexler, the City communicated that the City offer presented on September 30, 2010 was the City's Last, Best and Final offer. The POA did not respond, and on October 19, 2010, in a separate letter to the POA, the City declared an impasse. The POA subsequently notified the City that its membership would vote on the City's Last, Best, and Final offer. This vote resulted in the POA rejecting the City's Last, Best, and Final offer. Therefore, the City reaffirms that the parties are at impasse and have not reached an agreement for Fiscal Year 2010-2011.

To resolve the impasse between the City and the POA, staff recommends that the City Council unilaterally impose its Last, Best and Final offer. This would ensure prompt resolution and still provide a benefit to POA members. The POA has been informed that staff would forward this recommendation to Council at its November 9, 2010 open meeting.

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The City's Last, Best and Final offer (as seen attached) includes the following provisions:

- 1) Term: One Year – July 1, 2010 to June 30, 2011.
- 2) On November 12, 2010 (date modified), a one-time stipend in the amount of \$500 will be paid to full-time members of the unit.
- 3) The City's contribution toward health insurance will be increased from \$1,030 to \$1,105 per month effective July 1, 2010.
- 4) Effective November 8, 2010, Special Assignment Pay (motorcycle, detective, and canine patrol) will increase from 4% to 5%.

#### **ALTERNATIVES AVAILABLE TO COUNCIL**

1. The City Council may choose to adopt Resolution R10-27.
2. The City Council may choose not to adopt Resolution R10-27.
3. The City Council may postpone adoption of Resolution R10-27.

#### **CONCLUSIONS AND RECOMMENDATION**

It is recommended that the City Council adopt Resolution R10-27 unilaterally resolving the Fiscal Year 2010-2011 Meet and Confer Impasse between the City and the Palos Verdes Estates Police Officers' Association.

#### **BUDGET IMPACT**

The cost of unilaterally imposing the City's Last, Best and Final offer is \$30,772, which represents 0.9% increase in pay for employees in this unit.

The City's Last, Best and Final offer (as seen attached) includes the following provisions:

- 5) Term: One Year – July 1, 2010 to June 30, 2011.
- 6) On November 12, 2010 (date modified), a one-time stipend in the amount of \$500 will be paid to full-time members of the unit.
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#### **ALTERNATIVES AVAILABLE TO COUNCIL**

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4. The City Council may choose to adopt Resolution R10-27.
5. The City Council may choose not to adopt Resolution R10-27.
6. The City Council may postpone adoption of Resolution R10-27.

### **CONCLUSIONS AND RECOMMENDATION**

It is recommended that the City Council adopt Resolution R10-27 unilaterally resolving the Fiscal Year 2010-2011 Meet and Confer Impasse between the City and the Palos Verdes Estates Police Officers' Association.

### **BUDGET IMPACT**

The cost of unilaterally imposing the City's Last, Best and Final offer is \$30,772, which represents 0.9% increase in pay for employees in this unit.

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

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

**SUBJECT: RESOLUTION R10-26; AUTHORIZING THE DESTRUCTION OF OBSOLETE RECORDS OF THE CITY MANAGER, CITY CLERK, TREASURER, FINANCE AND PUBLIC WORKS DEPARTMENTS**

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The Issue

Shall the City Council adopt Resolution R10-26, which authorizes destruction of specific obsolete records of the City Manager, City Clerk, Treasurer, Finance and Public Works Departments?

Analysis and Findings

The City has a formal records management program which allows for the orderly transfer, maintenance and/or destruction of City records. The retention period for specific records is outlined in the policy in accordance with state regulations and City policy. With storage space at a premium, it is important for the staff to keep current with the records program.

The City Attorney has reviewed and approved the request for destruction as being in conformance with the City's records management program and retention schedule.

Alternatives Available to the City Council

1. Adopt Resolution R10-26.
2. Decline to adopt the Resolution.

Recommendation

It is recommended that the City Council adopt Resolution R10-26; authorizing the destruction of specific obsolete records of the City Manager, City Clerk, Treasurer, Finance and Public Works Departments.

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TO: JOSEPH M. HOEFGEN, CITY MANAGER  
FROM: JUDY SMITH, ASSISTANT CITY MANAGER  
SUBJECT: PALOS VERDES TENNIS CLUB FY 2011 OPERATING  
AND CAPITAL BUDGETS

**The Issue**

Shall the City Council review and approve the FY 2011 Palos Verdes Tennis Club (PVTC) operating and capital budgets?

**Analysis and Findings**

The Palos Verdes Tennis Club fiscal year begins on January 1 and the concession agreement requires that the Club submit their budget to the City for review. The PVTC Board of Directors approved the 2011 budgets at its October meeting. On October 25<sup>th</sup>, Council liaisons Bird and Goodhart met with Club President Dave Kleinman, Treasurer Bruce Merchant and Manager John Hall to review the budget.

2010 Projected Results: The 2010 adopted budget assumed net income of \$4,960 on revenues of \$555,450 and expenses of \$550,490. The 2010 budget was based on 390 members. Based on actual performance through September 30<sup>th</sup>, the Club now projects net income of approximately \$700 on revenue of \$507,000 and expenses of \$506,300. Actual results for FY 2009 showed an operating loss of ~\$5,000. As in past years, most of the lower actual to budget performance is related to program and lesson revenues, which are in turn offset by lower costs for these functions.

2011 Operating Budget: The 2011 operating budget is based on an assumption of 387 members, which is the current membership. The budget reflects estimated net income of \$670 on revenue of \$510,130 and expenses of \$509,460. Both revenues and expenditures reflect a 0.6% increase compared to projected 2010 yearend. No dues increase is proposed. Monthly resident dues are \$65 and non-resident dues are \$80. Dues were last increased in 2006 (+\$10/month). In the 2011 budget, dues (\$320,220) and guest fees (\$10,500) represent 65% of total operating revenue.

The challenge for the Club in this budget, as the past several years, will be meeting the slim operating margin. The Club believes its healthy cash balance of \$345,420 (including capital funds of \$82,375), equal to 65% of the proposed operating budget, is more than sufficient to cover a minor operating shortfall, should one occur. Furthermore, given the difficult economy, the Club

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believes a dues increase at this time would further exacerbate the budget due to an expected drop in membership that would occur as a result of an increase.

2011 Capital Budget: The Club anticipates a beginning capital balance of \$50,200 (excluding a \$40,000 reserve for Clubhouse roof replacement). The proposed capital budget assumes income (initiation fees) of \$30,000 and expenditures of \$56,600 for an ending balance (12-30-11) of \$23,600. Expenditures include court resurfacing (3 courts), at a cost of \$21,600, which includes hydro-blasting. This is a more expensive process than normal resurfacing and involves a high pressure water treatment to remove previous paint layers in order to get down to slab, before applying a new court surface.

The budget also calls for fence painting (\$19,500) and windscreen replacements (\$15,500). In order to paint the fence, windscreens must be removed and since much of the cost of windscreens is installation, the projects should be undertaken at the same time. The Club did indicate, it will carefully review its capital fund position in the late spring and determine at that point whether to proceed with these items or wait until FY 2012. The only capital item anticipated at this time for FY 2012 is court resurfacing (2 courts requiring hydro-blast treatment) at a cost \$13,600.

The City Council liaisons will report on their meeting, which included discussions related to new member recruitment. There is currently no waiting list for Club membership and the Club offers an installment plan for payment of the initiation fee that make membership easily affordable.

### **Alternatives Available to the City Council**

1. Approve the FY 2011 Palos Verdes Tennis Club operating and capital budgets.
2. Decline to approve the FY 2011 operating and capital budgets. This would require the Club and Board of Directors to change the budgets to address City Council concerns.

### **Recommendation**

It is recommended that the City Council approve the FY 2011 Palos Verdes Tennis Club operating and capital budgets.

### **Budget Impact**

The PVTC is a non-profit entity whose budget is separate from the City's. The PVTC pays a 10% concession fee on gross revenues (dues, guest fees, and food and beverage sales) to the City. The Club's FY 2011 budget includes a cost of \$33,250 for payment of these fees to the City.