

September 13, 2011  
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 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. R11-26  
NEXT ORDINANCE NO. 11-699**

**CALL TO ORDER**

**PUBLIC COMMENT ON CLOSED SESSION ITEM(S)**

**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 matters listed below pursuant to Government Code §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.**

**CITY COUNCIL AGENDA  
SEPTEMBER 13, 2011**

CONFERENCE WITH LABOR NEGOTIATORS –

Pursuant to Government Code §54957.6

Agency designated representative: City Manager Judy Smith

Employee Organizations: Management and Confidential Group and Palos Verdes Estates Public Service Employees

**PLEDGE OF ALLEGIANCE**

**ROLL CALL (7:30 p.m.)**

**MAYOR’S REPORT – Matters of Community Interest**

**CONSENT AGENDA (Items #1 - 10a-f)**

**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 #10a-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. City Council Minutes
  - a. July 26, 2011 (Regular)
  - b. August 9, 2011 (Adjourned Session)

**Recommendation: Review and Approve.**

2. Treasurer’s Reports
  - a. Monthly Report – July 2011
  - b. Quarterly Interest Report – April–June 2011

**Recommendation: Receive and File.**

3. Resolution R11-25; Affirming the Planning Commission Approval of NC-1411/GA-1481-11; Neighborhood Compatibility and Grading Applications for a New Single Family Residence Located at 2316 Via Acalones. Lot 1, Block 1651, Tract 5330

**CITY COUNCIL AGENDA  
SEPTEMBER 13, 2011**

**Recommendation: It is recommended that the City Council adopt Resolution R11-25, affirming the Planning Commission approval of NC-1411/GA-1481-11; Neighborhood Compatibility and Grading applications for a new single family residence located at 2316 Via Acalones, with modifications.**

4. Resolution R11-24; Authorizing Reserve Fund Transfer from the Sewer Fund to the General and Capital Improvement Funds for FY 2010-11

**Recommendation: It is recommended that the City Council adopt Resolution R11-24, approving the transfer of \$4,989,340 of reserve funds, representing proceeds of the Bluff Cove Insurance litigation settlements, from the Sewer Fund to the General Capital Fund in the amount of \$4,032,340 and to the General Fund in the amount of \$957,000.**

5. Approval of Amended Joint Powers Authority Agreement – South Bay Cities Council of Governments (SBCCOG)

**Recommendation: It is recommended that the City Council approve the Amended Joint Powers Authority Agreement for the South Bay Cities Council of Governments.**

6. Claim Rejection – Schlickman, Richard

**Recommendation: It is recommended that the City Council reject the claim of Richard Schlickman.**

7. Claim Rejection – Schlickman, Eloise

**Recommendation: It is recommended that the City Council reject the claim of Eloise Schlickman.**

8. Special Event Application for the Compassionate Friends Organization to Hold a Local Event of the Worldwide Children’s Memorial Candle Lighting at the Fountain in Malaga Cove Plaza

**Recommendation: It is recommended that the City Council approve the special event application for Compassionate Friends to hold their local event of the Worldwide Children’s Memorial Candle Lighting on December 11, 2011 from 6:00 p.m. to 9:00 p.m. at the Fountain in Malaga Cove Plaza.**

9. L.A. County Supervisorial Redistricting; City Support of Proposal A-3

**Recommendation: It is recommended that the City Council formally support Proposal A-3, which keeps Palos Verdes Estates within the 4<sup>th</sup> District represented by Supervisor Don Knabe and that the Mayor send a letter to the Board of Supervisors indicating the City’s position.**

10. Planning Commission Actions of August 16, 2011

**Recommendation: Receive and File.**

- a. **M-825-11;** Consideration of a Miscellaneous Application for a structure exceeding the maximum allowable height at the single family residence located at 1409 Via Davalos. Lot 32, Tract 30905.

Applicant/Owner: Neil & Bobbi Patton

**Action: Approved (4-0, Chang absent) with standard conditions.**

- b. **NC-1422-11;** Neighborhood Compatibility Application for a new single family residence located at 1745 Palos Verdes Drive West. Lot 8, Block 1277, Tract 7140.

Applicant: Jeffrey A. Dahl  
18681 Amalia Lane  
Huntington Beach, CA 92648  
Owner: Andrew Woods

**Action: Approved (4-0) with standard conditions and the following additional condition: 1) The existing non-standard walkway is to be removed.**

- c. **NC-1423-11;** Neighborhood Compatibility Application for a new detached structure and additions to the single family residence located at 4040 Via Valmonte. Lot 11, Block 6321, Tract 7143.

Applicant: Russell E. Barto, AIA  
3 Malaga Cove Plaza, Suite 202  
Palos Verdes Estates, CA 90274  
Owner: Mr. & Mrs. CD Wilson  
9 Sachem Rd.  
Weston, CT 06883

**Action: Approved (4-0) with standard conditions and the following additional conditions: 1) The ridge height on the garage is to be dropped one foot from what's reflected on the current plans; 2) The second story windows on the west elevation in the closet and the bathroom are to be constructed with translucent glass.**

- d. **NC-1375R-11;** Revised Neighborhood Compatibility Application for the new single family residence located at 2717 Paseo Del Mar. Lot 6, Tract 19787.

Applicant: Ashai Design Corp.  
21515 Hawthorne Blvd., #975  
Torrance, CA 90503  
Owner: Masih Hakimpour & Marzieh Daneshvar

**Action: Denied (4-0) and staff was directed to modify the resolution.**

- e. **M-821-11**; Consideration of a Miscellaneous Application for a new detached accessory structure at the single family residence located at 4037 Via Pavion. Lot 27, Block 6321, Tract 7143.

Applicant: Pritzkat & Johnson Architects, Inc.  
304 Vista Del Mar, Suite D  
Redondo Beach, CA 90277  
Owner: Eric Ku & Margaret Wong

**Action: Approved (4-0) with standard conditions and the following additional conditions: 1) All work within the City right-of-way must comply with the Public Works Department Standards; 2) The structure is to be located 9 ft. from the rear property line.**

- f. **M-822-11**; Consideration of a Miscellaneous Application for new detached accessory structures at the single family residence located at 3609 Navajo Place. Lot 12 & portions of Lots 13 & 14, Block 6102, Tract 6887.

Applicant: Pritzkat & Johnson Architects, Inc.  
304 Vista Del Mar, Suite D  
Redondo Beach, CA 90277  
Owner: Rick & Dee Edler

**Action: Approved (4-0) with standard conditions and the following additional condition: 1) A licensed survey of the floor area shall be completed and submitted to the City to verify compliance with the approved floor area for the new structure.**

## 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 HEARINGS

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

## OLD BUSINESS

## NEW BUSINESS

**CITY COUNCIL AGENDA  
SEPTEMBER 13, 2011**

11. Review of Specifications for the Residential Refuse Collection Contract

**Recommendation: This is a matter of Council discretion.**

#### **STAFF REPORTS**

12. City Manager's Report

#### **DEMANDS**

13.
  - a. Authorize Payment of Motion #1 – Payroll Warrant of August 19, 2011
  - b. Authorize Payment of Motion #1a – Payroll Warrant of September 2, 2011
  - c. Authorize Payment of Motion #2 – Warrant Register of August 23, 2011
  - d. Authorize Payment of Motion #2a – Warrant Register of September 13, 2011

**Recommendation: Authorize Payment of Motions #1 – 1a, and #2 - 2a.**

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

**ADJOURNMENT TO TUESDAY, SEPTEMBER 27, 2011, 7:00 P.M. IN COUNCIL CHAMBERS OF CITY HALL FOR THE PURPOSE OF AN ADJOURNED REGULAR MEETING TO CONDUCT TRAFFIC SAFETY COMMITTEE MEMBER INTERVIEWS.**

- *This City Council meeting can be viewed on Cox Cable, Channel 35, Wednesday, September 14, 2011 at 7:30 p.m., and Wednesday, September 21, 2011, at 7:30 p.m.*

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

**FROM: ALLAN RIGG, PLANNING DIRECTOR**

**SUBJECT: RESOLUTION R11-25; AFFIRMING THE PLANNING COMMISSION APPROVAL OF NC-1411/GA-1484-11; NEIGHBORHOOD COMPATIBILITY AND GRADING APPLICATIONS FOR A NEW SINGLE FAMILY RESIDENCE LOCATED AT 2316 VIA ACALONES. LOT 1, BLOCK 1651, TRACT 7330.**

**DATE: SEPTEMBER 13, 2011**

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**The Issue**

Should the City Council adopt Resolution R11-25 affirming the Planning Commission approval NC-1411/GA-1484-11; Neighborhood Compatibility and Grading applications for a new single family residence located at 2316 Via Acalones, with modifications?

**Background and Analysis**

On July 26, 2011, the City Council conducted a public hearing to consider the appeal of the Planning Commission's approval of NC-1411/GA-1484-11; Neighborhood Compatibility and Grading applications for a new single family residence located at 2316 Via Acalones.

After considering the facts and testimony, the City Council voted (5-0) to affirm the Planning Commission approval of NC-1411/GA-1484-11; Neighborhood Compatibility and Grading applications for a new single family residence located at 2316 Via Acalones, with condition #4 modified as follows: No use shall be made to any balcony facing Via Acalones, except in case of emergency. Any modification that (a) moves the residence closer to Via Acalones, or (b) allows for views from the residence to 2320 Via Acalones, or (c) changes the balconies facing Via Acalones, or (d) changes the openings or access to the balconies facing Via Acalones must be processed through the Neighborhood Compatibility Ordinance.

This resolution confirms that decision.

**Alternatives Available to Council**

The following alternatives are available to the City Council:

**CITY COUNCIL AGENDA  
SEPTEMBER 13, 2011**

1. Adopt Resolution R11-25; affirming the Planning Commission approval of NC-1411/GA-1484-11; Neighborhood Compatibility and Grading applications for a new single family residence located at 2316 Via Acalones, with modifications.
2. Decline to act.

**Recommendation from Staff**

It is recommended that the City Council adopt Resolution R11-25; a Resolution of the City Council of the City of Palos Verdes Estates, California, affirming the Planning Commission approval of NC-1411/GA-1484-11; Neighborhood Compatibility and Grading applications for a new single family residence located at 2316 Via Acalones, with modifications.

Staff report prepared by:  
Stacey Kinsella  
Planning Department

TO: MAYOR AND CITY COUNCIL

FROM: JUDY SMITH, CITY MANAGER

SUBJECT: RESOLUTION R11-24; AUTHORIZING RESERVE FUND TRANSFER FROM THE SEWER FUND TO THE GENERAL AND CAPITAL IMPROVEMENT FUNDS FOR FY 2010-11

The Issue

Shall the City Council adopt Resolution R11-24, providing formal approval for the transfer of reserved funds for FY 10-11 from the sewer fund to the general and capital funds as authorized by the City Council at the March 2011 budget workshop?

Background and Findings

The City Council held an adjourned Council meeting on March 31, 2011 for purposes of a budget workshop. A staff report considered at that meeting recommended that the Council consider releasing reserve funds, representing proceeds from the Bluff Cove insurance litigation, from the sewer fund due to the fact that the sewer fund was expected to have sufficient user fee proceeds to finish reconstruction of the two remaining sewer pump stations, which represent the final projects of the City's sewer master plan.

The litigation proceeds total \$4,989,340. Several alternatives were presented to the Council, which determined to transfer \$957,000 to the general fund to use as possible final payment of the PERS Safety side fund liability. The balance of proceeds, in the amount of \$4,032,340, was to be transferred to the general capital fund to supplement the City's capital improvement program. Based on the direction provided at the budget meeting, staff prepared the transfers, but failed to include these amounts as part of the final FY 10-11 budget adjustments (R11-11), which was adopted on June 28, 2011. This resolution is presented for Council action to provide the formal authorization to staff for actions taken based upon discussions at the March 31, 2011 Council meeting.

Alternatives Available to the City Council

1. Adopt Resolution R11-24, authorizing the fund transfers for FY 2010-11 from the Sewer Fund to the General Fund and General Capital Fund, as approved by the City Council at the March 31 budget workshop.
2. Decline to adopt Resolution R11-24. A decision not to adopt the resolution would result in a audit finding as the resolution is necessary to provide the formal authority to staff for actions

implemented as a result of the Council discussion /decision at the March 31 budget workshop.

Recommendation

It is recommended that the City Council adopt Resolution R11-24, approving the transfer of \$4,989,340 of reserve funds, representing proceeds of the Bluff Cove Insurance litigation settlements, from the Sewer Fund to the General Capital Fund in the amount of \$4,032,340 and to the General Fund in the amount of \$957,000.

TO: JUDY SMITH, CITY MANAGER

FROM: ALEXA D. DAVIS, ADMINISTRATIVE ANALYST

SUBJECT: APPROVAL OF AMENDED JOINT POWERS AUTHORITY AGREEMENT - SOUTH BAY CITIES COUNCIL OF GOVERNMENTS (SBCCOG)

DATE: SEPTEMBER 13, 2011

**ISSUE**

Shall the City Council approve the Amended Joint Powers Authority Agreement for the South Bay Cities Council of Governments (SBCCOG)?

**BACKGROUND AND ANALYSIS**

The South Bay Cities Council of Governments (SBCCOG), comprised of 17 agencies, serves its members in a wide-array of mutual interests from transportation initiatives to environmental issues. The SBCCOG operates under a Joint Powers Authority (JPA) and at its August 25, 2011 Board meeting, changes were approved to the JPA agreement.

The amended JPA is attached for your review. A summary of the changes are as follows:

- Section 1 – Recitals updated
- Section 7
  - a. Voting and Participation - Clarifies that the county is one member but has two votes – 1 for District 2 & 1 for District 4 which is consistent with the SBCCOG agreement with LA County when they became members of the SBCCOG.
  - b. Quorum – Re-wording to clarify that inactive or suspended members are not included in the quorum count.
  - e. Actions – Clarifies the sentence and makes no change to the meaning.
- Section 10 – Allows changes to the Board meeting date and time by resolution instead of through a bylaws amendment
- Section 11 – Establishes that if an officer is from an agency that becomes inactive or is suspended, their position is declared vacant and an election must be called to replace them.

Proposed revisions to the Joint Powers Authority requires 2/3 approval from the SBCCOG's current member agencies. As such, the SBCCOG is seeking all of its member agencies to approve the amendment to the JPA.

**RECOMMENDATION**

It is recommended that the City Council approve the Amended Joint Powers Authority Agreement for the South Bay Cities Council of Governments.

Attachment

TO: MAYOR AND CITY COUNCIL  
FROM: JUDY SMITH, CITY MANAGER  
SUBJECT: CLAIM REJECTION – SCHLICKMAN, RICHARD

**The Issue**

Shall the City Council reject the claim of Richard Schlickman?

**Analysis and Findings**

Claimant Richard Schlickman, represented by Attorney Tobin Ellis of Agnew Brusavich, seeks damages as a result of injuries suffered in a bicycle accident that occurred on Via Del Monte on March 15, 2011.

The City presented the claim to California Joint Powers Insurance Authority's (CJPIA) claims adjusters, Carl Warren and Company. The adjusters recommend that the City reject the claim.

**Recommendation**

It is recommended that the City Council reject the claim of Richard Schlickman.

Agenda Item #: 7  
Meeting Date: 9/13/11

TO: MAYOR AND CITY COUNCIL  
FROM: JUDY SMITH, CITY MANAGER  
SUBJECT: CLAIM REJECTION – SCHLICKMAN, ELOISE

**The Issue**

Shall the City Council reject the claim of Eloise Schlickman?

**Analysis and Findings**

Claimant Eloise Schlickman, represented by Attorney Tobin Ellis of Agnew Brusavich, seeks damages as a result of injuries suffered by her husband, Richard Schlickman, from of a bicycle accident that occurred on Via Del Monte on March 15, 2011.

The City presented the claim to California Joint Powers Insurance Authority's (CJPIA) claims adjusters, Carl Warren and Company. The adjusters recommend that the City reject the claim.

**Recommendation**

It is recommended that the City Council reject the claim of Eloise Schlickman.

TO: JUDY SMITH, CITY MANAGER

FROM: ALEXA D. DAVIS, ADMINISTRATIVE ANALYST

SUBJECT: SPECIAL EVENT APPLICATION FOR THE COMPASSIONATE FRIENDS ORGANIZATION TO HOLD A LOCAL EVENT OF THE WORLDWIDE CHILDREN'S MEMORIAL CANDLE LIGHTING AT THE FOUNTAIN IN MALAGA COVE PLAZA

DATE: SEPTEMBER 13, 2011

**ISSUE**

Shall a Special Event Application be approved for the Compassionate Friends organization to hold a local event of the Worldwide Children's Memorial Candle Lighting on Sunday, December 11, 2011 from 6:00 p.m. to 9:00 p.m. at Neptune Fountain in Malaga Cove Plaza?

**BACKGROUND AND ANALYSIS**

Compassionate Friends is a worldwide organization with a local chapter meeting in Palos Verdes Estates for approximately 18 years. The organization assists and supports families that have had their child pass away at any age or of any cause. Every year, on the second Sunday of December, the Compassionate Friends sponsors a Worldwide Candle Lighting to honor and remember those children of families that have died.

This is the fourth year that sponsors have requested the event be held within City limits. Since the event has been held successfully and without incident in the past, sponsors are requesting the event be held again in Palos Verdes Estates. The event will have music, an inspirational message and the reading of local children's names that are being remembered. Approximately 150-250 people attend this memorial.

In their 2011 Special Event Application, the event sponsor sought a two-year approval for years 2011 and 2012. Staff has directed event organizers that they must seek approval for the 2012 event no more than 6 months prior to the event date and that the request would not be reviewed as part of the 2011 Application process.

Event sponsors have secured a comprehensive Special Event Application. The Application has been reviewed and preliminarily approved by all municipal departments. All fees have been paid and the Indemnity Agreement have been received. An updated Certificate of Insurance will be received prior to the event. Notice will be provided to business owners that may be affected. Event organizers are aware of the necessity to have a safe event with a proper clean-up afterward.

**CITY COUNCIL AGENDA  
SEPTEMBER 13, 2011**

**RECOMMENDATION**

It is recommended that the City Council approve the Special Event Application for Compassionate Friends to hold their local event of the Worldwide Children's Memorial Candle Lighting on December 11, 2011 from 6:00 p.m. to 9:00 p.m. at Neptune Fountain in Malaga Cove Plaza.

TO: MAYOR AND CITY COUNCIL  
FROM: JUDY SMITH, CITY MANAGER  
SUBJECT: LOS ANGELES COUNTY SUPERVISORIAL REDISTRICTING;  
CITY SUPPORT OF PROPOSAL A-3

The Issue

Shall the City Council take a formal position to support the Supervisorial Redistricting proposal A-3, which retains Palos Verdes Estates within the 4<sup>th</sup> District represented by Supervisor Don Knabe?

Background and Analysis

County supervisorial redistricting is required as a result of the 2010 census. The purpose of redistricting is to attempt to divide the total County population as evenly as possible among the five supervisorial districts. The County cannot increase the total number of supervisorial districts without undertaking a charter amendment process.

A Los Angeles County Boundary Review Committee considered the issue of redistricting. Each Supervisor nominated two voting members and two alternate members who were confirmed by the full Board. On July 13<sup>th</sup>, the Boundary Review Committee by a 7-3 vote approved proposal A-2, which has since been slightly modified and is now designated as A-3. The Boundary Review Committee's recommendation was submitted to the Board of Supervisors, which has yet to approve a plan and is also considering two alternate plans submitted by Supervisors Molina and Ridley-Thomas. The board needs to approve a redistricting plan by the end of September in order that an ordinance may be prepared. The Plan Ordinance must be approved by a 4-1 vote of the Board prior to October 31<sup>st</sup> in order to avoid an alternate redistricting process as provided by law.

The City's interests will be best represented by proposal A-3, which keeps the peninsula and South Bay communities together and retains representation of these communities by Supervisor Don Knabe, who has served this area very well. The City opposes any plan which disenfranchises the voters of Palos Verdes Estates by moving them to another district and it opposes the creation of any districts which shift large numbers of the County population, when such a shift is not necessary, as evidenced by proposal A-3, which moves 277,283 persons, county-wide. By contrast, the alternate proposals offered by the two Supervisors moves more than 3.4 million persons to alternate districts and one proposal moves Palos Verdes Estates from the 4<sup>th</sup> to the 3<sup>rd</sup> District.

The South Bay Cities Council of Government formally supports the proposal which retains the current 4<sup>th</sup> District. Each of the other peninsula cities are also on record as formally supporting the proposal which retains the 4<sup>th</sup> District.

**CITY COUNCIL AGENDA  
SEPTEMBER 13, 2011**

### Alternatives Available to the City Council

1. Support Proposal A-3 which retains Palos Verdes Estates within the 4<sup>th</sup> Supervisorial District represented by Supervisor Knabe.
2. Decline to take a formal position.

### Recommendation

It is recommended that the City Council formally support Proposal A-3, which keeps Palos Verdes Estates within the 4<sup>th</sup> District represented by Supervisor Don Knabe and that the Mayor send a letter to the Board of Supervisors indicating the City's position.

Attachments: Map of A-3 proposal  
Population Reassigned by Proposal A-3

Agenda Item #: 10a-f  
Meeting Date: 9/13/11

**TO: JUDY SMITH, CITY MANAGER**  
**FROM: ALLAN RIGG, PLANNING DIRECTOR**  
**DATE: SEPTEMBER 13, 2011**  
**SUBJECT: PLANNING COMMISSION ACTIONS OF AUGUST 16, 2011**

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The items attached were acted upon by the Planning Commission on August 16, 2011.

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: JUDITH SMITH, ASSISTANT CITY MANAGER**

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

**SUBJECT: REVIEW OF SPECIFICATIONS FOR THE RESIDENTIAL REFUSE  
COLLECTION CONTRACT**

**DATE: SEPTEMBER 13, 2011**

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**The Issue**

Should the City Council direct staff to make changes to the specifications to the City's Residential Refuse Collection Contract?

**Background**

The City's current contract with Athens Services (Athens) for single-family refuse and recycling services is scheduled to expire on June 30, 2012. In order to be ready to bid a new contract in December for award in February or March of 2012, staff needs to review the specifications that define this contract with Council to determine any needed changes.

Backyard trash collection of single family residences in Palos Verdes Estates is mandated by the Municipal Code. Residents are required to utilize the hauler selected by the City, and pay the associated monthly fee directly to the hauler. Trash, recycling and green waste are all to be kept in a trash yard, accessible to the collector, in a concealed location complying with requirements contained in the City Code. Historically, the City's trash contract has provided for the following:

- Weekly trash and green waste collection, with recyclables collected every other week.
- No limit on the amount of waste collected per week, within reason.
- Annual bulky trash pick-up day, allowing residents to dispose of larger items such as furniture and appliances.
- Emptying of public trash containers in the commercial areas and Parklands.
- Exclusive right and responsibility to provide dumpsters for single family residences, including those for construction debris.
- Annual collection of Christmas trees.

**CITY COUNCIL AGENDA  
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In year 2000 the specifications were significantly reviewed by the Council and various changes were evaluated by the Council:

- The Council evaluated whether to modify the contract to have a limit on the amount of waste hauled from each residence. In the end they decided to allow unlimited waste to be generated from each residence.
- The contract was modified so that the hauler would be required to provide two 32-gallon green waste cans and two 32-gallon blue recyclable cans.
- The Council reviewed options whether to change the frequency of pickup of the different items, including changing the pickup of refuse to every other week. The final decision was to have refuse and green waste picked up every week, and to have recyclables picked up every other week.

Prior to rebidding the contract in 2005-2012, additional minor modifications were made to the contract specifications, such as:

- Requirement for truck separation to prevent commingling of refuse and recyclables
- Requirement for rear or side-loading trucks to avoid top-loading trucks which can cause debris to blow out of the truck
- Fines were added for non-compliance with the contract requirements, such as for leaking trucks, spilled debris, and graffiti on debris boxes

## **Discussion**

The bidding of a new contract allows us to evaluate what works within the current contract and what could be improved upon. There are various elements of the contract that have been very successful and we would want to not change:

- Rear-yard service
- Unlimited pickup of recyclables, refuse, and green waste
- Containers for green waste and recyclables provided by the hauler
- Required side and rear loading vehicles

There are several minor changes, such as requiring alternatively-fueled vehicles, that staff has identified within the specifications that do not require the involvement of the City Council, but there are others that staff would like to get direction on as they are significant. Some of the following changes could be “alternates” to the base bid and could be chosen to be implemented after the bids have been received and Council has had the chance to review the associated costs.

- Collection of recyclables on a weekly basis. When we bid the contract in year 2005 this was listed as an “alternate” and the additional costs for this service varied from \$0.25 per month to \$4 per month (which was the cost from the low bidder). The Council decided not to choose to implement this change at that time due to the high cost. Please note staff has received more than a few comments from the public requesting this change.

Staff believes this should be an alternate and the Council will have the choice whether to award based on the proposed cost from the hauler.

- Implementation of a two-barrel system instead of the traditional three-barrel system. Our current refuse contract is for a three-barrel system – one barrel for refuse, one for green waste, and one for recyclables. In a two-barrel system the refuse and recyclables are combined by the resident, but separated at a facility after the materials are dumped by the collection vehicle. Green waste would still be collected separately in its own barrel. Some studies have shown that more materials are recycled through the use of a two-barrel system than in a three-barrel system. However, there are a limited number of companies that can provide this service, and it will run afoul of some residents’ perception of how recycling should be done.

If the Council wishes to explore the option of a two-barrel system, we can include the two-barrel system in the specifications and have refuse haulers be able to bid either the three-barrel and/or the two-barrel system. It would be interesting to see if there would be a significant cost difference.

- Inclusion of street sweeping as part of the services provided for by the hauler. In many cities where there is traditional curbside service, the street sweeping is scheduled to be done immediately after the waste is hauled as there may be debris on the streets due to overflowing or overturned trash cans. Due to our backyard collection, there does not seem to be as much of an opportunity for cleaning up debris as it simply is not there.

Our current street sweeping contract expires at the same time as the expiration of our current refuse contract. The sweeping contract costs the City \$85,000, it would be likely that the costs of street sweeping would be spread amongst the residential customers. A rough estimate is that the additional cost per month per residence would be \$1.40. As street sweeping is currently funded through gas tax funds, if street sweeping were provided by the hauler it could free gas tax money to provide a contribution to annual capital programs for slurry overlay. We are not currently using gas tax for the capital program, only Measure R transit and unobligated capital.

- Term of the agreement. Our current agreement for refuse hauling was for 7 years, while in all previous agreements it was for 5 years. It is reasonable to assume that a longer contract allows the firm to spread out the costs of the vehicles over a longer period of time and reduce the costs of service. When we bid the contract in 2005 we had the option for both a 5-year and a 7-year contract. The savings by going to a longer contract varied from each of the proposing firms from no savings to \$0.80 per month. We have surveyed other cities and found that many are using a 7-year term with an option for extension up to three years, at the sole discretion of the City.

Staff believes the 7-year contract is appropriate. We also believe the possibility of a three-year extension encourages the hauler to perform above the minimum standards within the contract, so that they may potentially receive the extension.

- Our current contract requires that 50% of the refuse generated by the City be diverted from landfills. This is accomplished by using the greenwaste in various ways and by recycling

other materials. Currently our City has achieved a 60% diversion rate. It would be regretful if we were to backslide on this higher diversion rate, especially as our entire City is being measured on greenhouse gases and a lower diversion rate could impact this number. We could mandate through the specification that the hauler achieve a diversion of 50%, 60%, or even higher. However, please note that State Law requires only a diversion of 50% through AB939.

- Basis of Award. We have previously awarded this contract to the lowest responsive and responsible bidder, similar to the award for a public works contract. However, in consulting with the City Attorney's office, the City can award this contract on a "value" basis, which would be based on standards outlined in the specification which would assist the Council in determining what constitutes the "highest quality of service". Recently the cities of Rancho Palos Verdes and Manhattan Beach awarded their refuse hauling contracts on a "value" basis. The following language is from the Rancho Palos Verdes bid package:

"The collector agreement will be awarded to the proposer that the City Council determines will best assist the City to reach its goal of receiving the highest quality service at the lowest reasonable cost. The successful proposal may or may not be the lowest cost proposal."

The City of Manhattan Beach used the following five criteria in making their decision based on value: cost, programs, diversion, residential experience, and customer service/resident loyalty.

These standards do not need to be strict or exclusive but may be helpful in guiding the Council's decision. Staff believes the Council would have more latitude in their decision making process to award a contract based on "value".

- Franchise Fee. Most cities require a franchise fee to be paid by a franchised refuse hauler(s) providing services within their city. This fee is typically a percentage of the cost of the refuse hauling services, and is part of the fee paid for by the parties receiving the services. We have never required a franchise fee as part of our refuse franchise contract.

We have researched the franchise fees charged in other cities serviced by Athens and have found the following:

- Azusa – 10% (also has an AB939 fee)
- Bell Gardens – 10%
- Covina – 6% (also has a Waste Management Fee)
- Glendora – 9.5% (also has an AB939 fee)
- Irwindale – 15% (also has an AB939 fee)
- LA City - 10%
- LA County – 10%
- Monrovia – 8%
- Montebello – 16%
- Monterey Park – 5% (also have 3 other city fees)
- La Canada – 10%

- Pasadena – 19.5%
- Pomona – 25% (also have waste management fee)
- Redondo Beach – they don't have a Franchise fee, but they have 3 other fees (Admin Fee, AB939, and Hazardous Fee)
- San Gabriel – varies with each service level, but an average of about a 12% franchise fee
- San Marino – 5% (also has a monthly surcharge city fee)
- Sierra Madre – 13% (also has a User Utility Tax)
- South El Monte – 8%
- South Pasadena – 9.4% (also has a city fee)
- Temple City – 5% (also has a waste mgmt fee)
- West Covina – 10% (also has a waste mgmt fee)
- West Hollywood – 10%

We have also checked with the City of Rancho Palos Verdes and have found the following:

- Rancho Palos Verdes – Curbside - Approximately 15% included in a monthly rate of \$23.27
- Rancho Palos Verdes – Rear-yard - 12% included in a monthly rate of \$56.38

It seems that other cities charge an average of around 10%. However, we recognize that due to our rear-yard service that our base fees are higher than the average.

If we were to collect franchise fees, the funds are unrestricted and we can use them for any purpose that we see fit. It would seem appropriate that these fees could help offset the damage to our roads that is caused by the refuse vehicles. We previously employed HF&H Consultants to determine an appropriate fee to charge for this damage. In their report they calculated that these vehicles cause \$63,000 of damage to city streets annually. If this amount was funded from the approximately 5,100 residents receiving refuse services at a cost of around \$35 a month, we would need a 3% franchise fee to be applied.

### **Alternatives Available to Council**

The following alternatives are available to the City Council:

1. Direct staff to make modifications to the specifications to the City's Residential Refuse Collection Contract.
2. Direct staff to not make modifications to the specifications to the City's Residential Refuse Collection Contract.
3. Direct staff to provide further research on specific items at a future Council meeting to evaluate modifications to the specifications to the City's Residential Refuse Collection Contract.

**Recommendation from Staff**

This is a matter of Council discretion.

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