



City of Palos Verdes Estates City Council Agenda & Staff Reports

DISCLAIMER

The following City Council agenda includes text only version of the - reports associated with the business matters to be brought before for the City Council at its Regular Meeting of this date. Changes to the - reports may be necessary prior to the actual City Council meeting. The City Council may elect to delete or continue business matters at the beginning of the City Council Meeting. Additionally, - reports attachments, including but not limited to, pictures, plans, drawings, spreadsheet presentations, financial statements and correspondences are not included. The attachments are available for review with the official agenda package at the Reception area at City Hall as well as the Malaga Cove Public Library.

...end of disclaimer..

****CLICK HERE FOR CITY COUNCIL AGENDA**

****CLICK HERE FOR CITY COUNCIL AGENDA & REPORTS**

June 10, 2008
7:30 P.M.
City Hall
Council Chambers

**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. R08-13
NEXT ORDINANCE NO. 08-684**

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

MAYOR'S REPORT – Matters of Community Interest

CITY COUNCIL AGENDA
JUNE 10, 2008

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. Any item removed from the Consent Agenda will be considered immediately following the motion to approve the Consent Agenda.

1. Minutes of City Council Meeting of May 27, 2008

Recommendation: Review and File.

2. Review and Approval of Palos Verdes Beach and Athletic Club FY 2008-09 Operating and Capital Budgets

Recommendation: It is recommended that the City Council approve the FY 2008-09 Palos Verdes Beach and Athletic Club operating and capital budgets.

3. Mandatory Review – Conflict of Interest Code

Recommendation: It is recommended that the City Council receive and file this report as fulfilling the requirements of Government Code 87306.5 and authorize the City Manager to sign the attached declaration.

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 – 7:30 p.m.

All persons addressing the City Council shall be limited to three (3) minutes for comment. Actions to introduce or adopt an ordinance shall be deemed to have the title read and further reading waived.

4. Introduction of Ordinance 08-683; an Ordinance of the City Council of the City of Palos Verdes Estates Adopting a Fire Hazard Severity Zone Map

Recommendation: It is recommended that the City Council open the public hearing, receive public input, close the public hearing and introduce Ordinance 08-683, adopting a Fire Hazard Severity Zone Map.

5. Presentation of the Fiscal Year 2008-09 Budget

Recommendation: It is recommended that the City Council open the public hearing, receive public input, close the public hearing and approve the necessary adjustments to the FY 08-09 budget.

OLD BUSINESS

6. Review of Report Titled “Geotechnical Review of Landslide Distress and Repair Alternatives for Northern Portion of the Bluff Cove Area” and Authorization to Solicit Remedial Design Proposals and Adoption of Resolution R08-11, Designating Proposition 1B Funds for the Design and Construction of Remedial Measures

Recommendation: It is recommended that the City Council direct staff to solicit remedial design proposals and adopt Resolution R08-11 designating Proposition 1B funds for the design and construction of remedial measures.

NEW BUSINESS

7. PW-541-08; Award of Contract for the Lunada Bay Fountain Improvements and Adoption of Resolution R08-12, Adjusting the FY07-08 Budget and Allocating Funding for the Project

Recommendation: It is recommended that the City Council award a construction contract in the amount of \$126,150 to J. Quinn Construction, Inc., for the completion of the Lunada Bay Fountain Improvements and adopt Resolution R08-12, adjusting the FY07-08 budget and allocating funding for the project.

STAFF REPORTS

8. **City Manager’s Report**

DEMANDS

9.
 - a. Authorize Payment of Motion #1 – Payroll Warrant of May 30, 2008
 - b. Authorize Payment of Motion #2 – Warrant Register of June 10, 2008

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

MAYOR & CITY COUNCILMEMBERS’ REPORTS

CITY COUNCIL AGENDA
JUNE 10, 2008

ADJOURNMENT TO TUESDAY, JUNE 17, 2008, AT 6:00 P.M. AT PALOS VERDES ESTATES CITY HALL FOR THE PURPOSE OF CONDUCTING INTERVIEWS FOR THE PARKLANDS COMMITTEE AND PLANNING COMMISSION.

- *This City Council meeting can be viewed on Cox Cable, Channel 35, Wednesday, June 11, 2008 at 7:30 p.m., and Wednesday, June 18, 2008, at 7:30 p.m.*

TO: JOSEPH HOEFGEN, CITY MANAGER

FROM: JUDY SMITH, ASSISTANT CITY MANAGER

SUBJECT: REVIEW AND APPROVAL OF PALOS VERDES BEACH AND ATHLETIC CLUB FY 2008-09 OPERATING AND CAPITAL BUDGETS

The Issue

Shall the City Council approve the FY 2008-09 Palos Verdes Beach and Athletic Club (PVBAC) operating and capital budgets?

Analysis and Findings – FY 08-09 Operating Budget

The PVBAC Board of Directors reviewed and approved the FY 08-09 budgets at their meeting of May 12, 2008. On Wednesday, June 3, the City Council liaisons to the PVBAC, Mayor Sherwood and Councilmember Rea, met with Mr. Chris Manos, Manager, and Mr. Richard Govenar, the Club's Financial Consultant, to review the budget. City Manager Hoefgen also attended the meeting.

The Club's FY 2008-09 budget is based on revenue of \$1,186,630 and expenses of \$1,162,130 with projected net income of \$24,500. No dues or fee increases are proposed. Revenue for FY 08-09 represents a 1% increase compared to the current year budget, while expenditures represent a 3% increase compared to current year. Areas of increase include building maintenance (+\$7,200); insurance (+\$6,000) and administrative expenses (+\$3,500). The Club has a history of conservative budgets and of meeting projected operating income.

Proposed Capital Budget FY 2008-09

The capital fund balance as of May 8, 2008 totals \$907,000; an increase of \$64,000 from May 2007. The capital fund is financed by initiation fees, which are restricted for this use. In September 2007, the City approved a Club request to increase the cost for the resident and non-resident resalable memberships. The change was intended to increase the differential between the regular and resalable categories with the aim of making the regular membership more attractive and to stimulate turnover within the resalable held memberships. Through May, the club had eleven (11) membership turnovers for FY 07-

08, a rather significant decrease from the historic average of 20-25 membership transfers per year.

The Club anticipates initiation fees of \$72,000 during FY 08-09 and expenses of \$75,990. Interest/investment income is projected at \$48,000. Areas of expenditure include major maintenance items (waterproofing and retile recreation room patio - \$22,000 and \$13,800 for plastering), and equipment replacements (barbeque, pool covers, freezer, etc) at ~\$35,000. The budget anticipates an increase in the capital fund balance of approximately \$29,000 at fiscal year end June 2008. While the FY 07-08 capital budget included allocation of \$200,000 for a new Jacuzzi, the project has been put on hold because construction bids came in higher than anticipated. If the Club wished to pursue the project during the FY 08-09 fiscal year, it would need to request an amendment to the capital budget to be approved by the City Council.

Alternatives Available to the City Council

1. Approve the FY 08-09 operating budget (\$1,162,130) and capital budget (\$75,990) as presented. There is no proposed fee or dues increase as part of the budget.
2. Do not approve the budget as proposed. This would require the Club and Board of Directors to change the budget to address City Council concerns. No concerns were raised by the City Council liaison members.

Recommendation

It is recommended that the City Council approve the FY 2008-09 Palos Verdes Beach & Athletic Club operating and capital budgets.

Budget Impact

The PVBAC is a non-profit entity whose budget is separate from the City's. The PVBAC pays a 10% concession fee on gross revenues to the City. It is expected the PVBAC concession fee will generate ~\$118,000 in FY 08-09.

Agenda Item: 3
Meeting Date: June 10, 2008

TO: JOSEPH HOEFGEN, CITY MANAGER
FROM: JUDY SMITH, ASSISTANT CITY MANAGER
SUBJECT: MANDATORY REVIEW - CONFLICT OF INTEREST CODE

Issue

Shall the City Council accept this report reviewing and confirming the City’s Conflict of Interest Code for designated employees?

Background and Analysis

The Political Reform Act (Govt. Code Sections 81000-91015) provides that “no public official at any level of state or local government shall make, participate in making, or in any way attempt to use his official position to influence a governmental decision in which he knows or has reason to know he has a financial interest.” The Act requires every person who makes or participates in decisions related to City business to disclose financial interests, which may in turn have a material effect on their personal financial holdings. Economic interests are disclosed by filing a Form 700 – Statement of Financial Disclosure. All elected officials, in addition to Planning Commissioners and the City Manager, City Treasurer and City Attorney are required by the Government Code to file the Form 700.

The purpose of the City’s Conflict of Interest Code, is to include by position title, “designated City employees” who are also subject to provisions of the Political Reform Act and required to file a Form 700. Designated City employees include the following positions: Assistant City Manager, Police Chief, and the City’s on-site representative of Charles Abbott Associates.

Government Code Section 87306.5 requires that the City perform a review of its Conflict of Interest Code every two years to determine if modifications to the list of designated employees is required. Staff has conducted such a review and finds that no changes are necessary.

Alternatives Available to the City Council

1. Receive and file this report.
2. Direct staff to include other City personnel on the designated employees list.

Recommendation

It is recommended that the City Council receive and file this report as fulfilling the requirements of Government Code 87306.5. and authorize the City Manager to sign the attached declaration.

Agenda Item #: 4

Meeting Date: 6/10/08

TO: JOSEPH HOEFGEN, CITY MANAGER

FROM: ALLAN RIGG, PLANNING DIRECTOR

**SUBJECT: INTRODUCTION OF ORDINANCE NO. 08-683 AN
ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
PALOS VERDES ESTATES ADOPTING A FIRE HAZARD
SEVERITY ZONE MAP**

DATE: JUNE 10, 2008

The Issue

Should the City Council introduce Ordinance 08-683 adopting a Fire Hazard Severity Zone Map?

Background and Analysis

On November 13, 2007, the City Council adopted the new 2007 California Building Code with an effective date of January 1, 2008. Within the new Building Code is chapter 7A which contains specific fire prevention construction requirements which apply to new buildings located within a Very-High Fire Hazard Severity Zone (VHFHSZ). The application of this chapter was delayed until July 1, 2008 to allow the State Department of Forestry and Fire Protection (CAL FIRE) to review and update the statewide Fire Hazard Severity Zone mapping (which has been in effect since 1995) to better identify VHFHSZs using recently advanced fire hazard modeling techniques.

The State has recently completed its review and has updated the fire hazard mapping for areas in the State where local governments have responsibility for wildland fire protection. These areas, such as the City of Palos Verdes Estates, are referred to by the State as the Local Responsibility Area or LRA. With the LRA mapping completed, each local jurisdiction must now adopt their respective Fire Hazard Severity Map by July 1, 2008. This is because the new fire prevention construction requirements adopted with the new 2007 Building Code that are related to the new fire hazard maps go into effect on that date. As a result, staff is now presenting the City's Fire Hazard Severity Map, as proposed by the Director of Forestry and Fire Protection, to the City Council for formal adoption.

CITY COUNCIL AGENDA
JUNE 10, 2008

Discussion

The authority to identify and map VHFHSZs is found in Government Code Sections 51175-51189. The purpose of this Government Code chapter is to classify lands in accordance with whether a very high fire hazard severity is present so that public officials are able to identify measures that will mitigate the rate of fire spread, and reduce the potential intensity of uncontrolled fires that threaten to destroy resources, life, property, and to require that those measures be taken.

Based on the modeling techniques employed by the State, together with local input from the local L.A. County Fire stations, the updated map indicates that the entire City of Palos Verdes Estates is classified as a VHFHSZ. This represents no change to the pre-existing designation mapped by the State for the City. The Fire Hazard Severity Zone map for the City is attached.

The attached ordinance adopts the updated Fire Hazard Severity Zone map that has been prepared for the City. The updated map is needed to implement the new ignition resistant building standards contained in Chapter 7A of the recently adopted building code. These new standards will apply to any new buildings in VHFHSZs for which an application for a building permit is submitted after July 1, 2008.

Some of the new ignition resistant building standards include, but are not limited to:

- Tempered glass for windows
- Enclosed underfloor areas or ignition resistant materials for cantilevered projections
- Exterior wall coverings and roof coverings
- Spark resistant attic and underfloor vent openings
- Roof gutter screens

In addition, pursuant to the State government code, properties located within a VHFHSZ must maintain certain defensible space through specific fuel modification (brush clearing) requirements. These fuel modification requirements are enforced wholly by the L.A. County Fire Department. Furthermore, property owners located within a VHFHSZ must disclose that their property is located within a VHFHSZ at the time of sale. These requirements have been in place since the original State government code dealing with VHFHSZs was adopted in 1995.

The attached Ordinance implements these changes into the City's Code.

Alternatives Available to the City Council

1. Introduce Ordinance 08-683 adopting a Fire Hazard Severity Zone Map.
2. Decline to introduce Ordinance 08-683 adopting a Fire Hazard Severity Zone Map.

Recommendation from Staff

Staff recommends that the City Council introduce Ordinance 08-683 adopting a Fire Hazard Severity Zone Map.

Staff report prepared by:
Allan Rigg
Planning Department

TO: JOSEPH HOEFGEN, CITY MANAGER
FROM: JUDY SMITH, ASSISTANT CITY MANAGER
SUBJECT: PRESENTATION OF FY 2008-09 CITY BUDGET

The Issue

Shall the City Council present the FY 2008-09 budget and approve adjustments, as necessary, to the preliminary budget?

Background

The City prepares a two-year budget document, but continues to adopt the budget on an annual basis. The purpose of this item is to provide the opportunity for additional public comment on the proposed FY 2008-09 City budget. Public meetings to review the budget were conducted on March 24, 2008 and June 3, 2008, which also provided opportunity for comment.

Analysis and Findings

The total proposed expenditures for FY 08-09, as contained in the preliminary document including both operating and capital budgets, totals \$18,541,830. The operating budget of \$14,509,830 represents a 5% increase compared to the FY 07-08 budget.

The general fund program represents a balanced budget and provides for a projected transfer of surplus general funds at fiscal year end (June 2009) of \$500,000 to the capital projects fund which has no dedicated finance source.

There are three modifications required to the preliminary budget, which need be reflected in the final figures approved by the City Council when it adopts the budget at the June 24th Council meeting. Those changes are a result of new information since the budget document and include:

- Weed Abatement/Fire Clearance Contract (6000-64435) – additional \$11,825
- Landscape Maintenance Services Contract (6000-64436) – additional \$25,895
- Fire Services Special Tax – additional revenue (22-31910) -\$86,845
additional expenditure (4100-64430) - \$23,670

The first two changes reflect adjustments necessary to fully fund the actual cost of maintenance contracts awarded by the City Council at your last meeting. Likewise, fire/paramedic service revenues and expenditures reflect actual revenue and cost information received from the assessment engineers and Los Angeles County Fire since distribution of the budget.

Resolutions required to adopt the budget, including auditor reports for the sewer user fee and fire/paramedic services tax rates, will be presented at the June 24, 2008 Council meeting.

Recommendation

It is recommended that the City Council open the public hearing, receive public comment, close the public hearing and approve the necessary adjustments to the FY 08-09 budget.

TO: JOSEPH HOEFGEN, CITY MANAGER

FROM: ALLAN RIGG, PUBLIC WORKS DIRECTOR

SUBJECT: REVIEW OF REPORT TITLED “GEOTECHNICAL REVIEW OF LANDSLIDE DISTRESS AND REPAIR ALTERNATIVES FOR NORTHERN PORTION OF THE BLUFF COVE AREA”, AUTHORIZATION TO SOLICIT REMEDIAL DESIGN PROPOSALS AND ADOPTION OF RESOLUTION R08-11, DESIGNATING PROPOSITION 1B FUNDS FOR THE DESIGN AND CONSTRUCTION OF REMEDIAL MEASURES

DATE: JUNE 10, 2008

The Issue

After reviewing the report titled “Geotechnical Review of Landslide Distress and Repair Alternatives for Northern Portion of the Bluff Cove Area, should the City Council authorize staff to solicit remedial design proposals and designate Proposition 1B funds for the design and construction of remedial measures?”

Background

Staff is presenting a report titled “Geotechnical Review of Landslide Distress and Repair Alternatives for Northern Portion of the Bluff Cove Area” to the City Council for their review. The report was prepared by the City’s Geologist, Zeiser Kling, and was commissioned by the City Council at a cost of \$43,100. The focus of the report is the results of borings near the landslide at the north end of Bluff Cove and alternatives to stabilize the roadway in this area.

This report was a recommended action within the report titled “Palos Verdes Drive West Coastal Engineering Assessment” which was completed and presented to the City Council on September 25, 2007. The previous report presented a variety of options for additional investigation and remediation in the landslide area. The report was prepared as a collaborative effort between a coastal engineering firm, Moffatt & Nichol, and Zeiser Kling.

History

CITY COUNCIL AGENDA
JUNE 10, 2008

Towards the north end of Bluff Cove near Via Montemar, a landslide in the 1980s destroyed two homes and led to the ongoing maintenance activities where the City continually patches the street due to subsidence. The easterly edge of the landslide has slowly moved towards the east, and now extends into the southerly travel lane of Palos Verdes Drive West. In the early 1990s, the striping for Palos Verdes Drive West was moved easterly as the top of the landslide was causing subsidence across the entire southbound lane. It is likely that the top of the landslide will continue to move easterly across the travel lanes. Additional movement/erosion could eventually cause the closure of Palos Verdes Drive West, which would be a tremendous disruption to traffic and utilities, including water, electrical, and sewer lines. There is no easy way to reroute the road or the utilities in either location due to the topography in the area.

In order to better understand the existence of landslides within Bluff Cove, the City has been monitoring survey points throughout Bluff Cove beginning in November of 2003. Approximately 24 survey monuments were placed per the direction of the City Geologist and then monitored by a consulting surveyor, Dalcin Cummins Associates. The monuments were monitored on a monthly basis using GPS, and the exercise was completed in June of 2006 at the recommendation of the City Geologist. In general, the results show no significant movement, except in the north area below the street in the active landslide.

The previous report had various recommendations, including the following:

- 1. Perform additional geotechnical investigations of the depth of the slide and trend of movement in two phases to identify the feasibility of a possible caisson alternative to preserve the road. Phase 1 consists of borings at the road edge to identify the feasibility of the caisson approach (how deep to drill caissons and how deep the slip surface is) and Phase 2 includes borings farther down the slope to provide a more focused three-dimensional geotechnical model of subsurface structure and movement. This action should occur as the top priority.*
- 2. Design and install a partial caisson-supported road along the top of the bluff, depending on results from additional geotechnical investigations, and widen the road 15 feet to the east. This concept would consist of a caisson-supported reach of road along the west edge only to allow slope movement under that portion of the road. As this delves into issues beyond this coastal assessment, concept design of this option is not included but should be undertaken in conjunction with action number 1 above.*

The City Council approved the investigation per recommendation #1 above. Both phases within item #1 have been completed and are documented within the report..

Report Findings

Zeiser Kling has performed the borings, reviewed the results, and has the following conclusions:

Based on our evaluation of the site conditions and our analyses, the following conclusions can be made with respect to the area of PVDW above and adjacent to the Bluff Cove Landslide.

- Distress to the roadway surface within the crescent shaped repair area is attributed to movement of the Bluff Cove Landslide.
- Movement on the order of 3 to 8 inches per year horizontally and vertically will continue to have an affect on the road way adjacent the landslide.
- Over time the movement of the landslide will affect more and more of the pavement area and the crescent area currently affected will grow in size.
- Increases in rainfall or irrigation could cause increases in the rate of movement of the landslide and would in turn cause increases in distress to the PVDW.
- The Bluff Cove Landslide could potentially fail catastrophically at some time in the future. If so it could have a serious impact on the existing roadway.
- Grading to mitigate the landslide does not appear to be a viable option due construction impacts on the surrounding area and lengthy road closures.
- An eastern retaining wall to allow for roadway relocation is feasible.
- A soldier pile wall along the western portion of PVDW at the crescent asphalt repair area is feasible from a geologic and geotechnical perspective.

The results are good news for two particular reasons. First, the top of the landslide is the easterly edge where we have been patching over the years. It was feared that the landslide could have extended underground much further to the east, potentially threatening the homes on Via Montemar and making stabilization very difficult. Second, the depth of the landslide is such that conventional means such as a soldier pile should be used to protect the roadway.

The report also provides a range of alternatives for the Council to consider. The options include “no action”, moving the roadway to the east with the construction of a retaining wall, and various soldier pile wall options. In an effort to provide the Council with relative degrees of protection, traffic impacts, and construction cost, Table 2 has been created within the report. There is no true “right” method as it is a discretionary decision of the Council based on the relative costs and benefits of a chosen method(s).

The next steps in the process would be to engage a structural engineering firm to more fully define the options, have them create preliminary cost estimates and design(s), present the results to the Council, then proceed to create construction documents based on the option the Council chooses.

We believe the cost for engaging a structural engineer to prepare the preliminary designs and preliminary cost estimates to be around \$15,000. We believe the cost for the final construction documents to be \$50,000. We would also want have the engineer provide

construction period services such as responding to RFIs at a cost of \$10,000. The total costs for the structural engineer would be approximately \$75,000.

Staff has attempted to obtain estimates from several structural engineering firms but have been unsuccessful. It may be that the project is significantly complicated and will take some time for the engineer to fully understand the scope of the project before putting forth any estimates.

Fiscal Impact

The City has \$400,000 of Proposition 1B Funds that have not been designated for any project. The funds are to be used to fund new roadway projects, and to not simply fund programmed projects such as our annual slurry and overlay projects. Thus, we propose to formally allocate these funds for the design and construction of measures to protect PVDW. Resolution R08-11 designates these funds for the design and construction of remedial measures adjacent to the Bluff Cove landslide.

Alternatives Available to the City Council

3. Direct staff to solicit remedial design proposals and adopt Resolution R08-11 designating Proposition 1B funds for the design and construction of remedial measures.
4. Decline to act.

Recommendation from Staff

Staff recommends that the City Council direct staff to solicit remedial design proposals and adopt Resolution R08-11 designating Proposition 1B funds for the design and construction of remedial measures.

Staff report prepared by:
Allan Rigg
Public Works Department

TO: JOSEPH M. HOEFGEN, CITY MANAGER

FROM: ALLAN RIGG, PUBLIC WORKS DIRECTOR

SUBJECT: PW 541-08; AWARD OF CONTRACT FOR THE LUNADA BAY FOUNTAIN IMPROVEMENTS AND ADOPTION OF RESOLUTION R08-12, ADJUSTING THE FY 07-08 BUDGET AND ALLOCATING FUNDING FOR THE PROJECT

DATE: JUNE 10, 2008

The Issue

Should the City Council award a construction contract in the amount of \$126,150 to J. Quinn Construction, Inc., for the completion of the Lunada Bay Fountain Improvements and adoption of Resolution R08-12, adjusting the FY 07-08 budget and allocating funding for the project?

Background and Analysis

The City Council had budgeted \$24,600 this year for repairs to the fountain. The scope of the repairs entailed sealing the fountain bowls, repairing the internal workings, and replacing missing tiles/grout. Rather than just doing this maintenance work, the Lunada Bay Homeowners Association and community, with the approval of the City of Palos Verdes Estates, have undertaken a plan to expand the scope and restore the fountain's facade to its originally intended design. Peter Bena, a local architect and Lunada Bay resident, donated his services to create the renderings and construction documents for the restoration.

The City Council approved the design for the renovations to the Lunada Bay Fountain at their meeting on September 25, 2007. The design had previously been approved by the Parklands Committee, the Art Jury, and the Lunada Bay Homeowners Association. The renovations include both improvements to the fountain walls and interior (Phase 1), as well as to the concrete steps surrounding the fountain (Phase 2).

Phase 1 Scope

- Remove existing tiles and fountain centerpiece
- Supply and affix new concrete panels to outside of fountain walls
- Supply and mount new "bowl" centerpiece
- Upgrade electrical service

- Waterproof inside of fountain bowls
- Supply and install new lighting within main fountain bowl

Phase 2 Scope

- Supply and install new lighting in steps around fountain
- Supply and install PV Stone or similar stone on steps surrounding fountain

These renovations go significantly beyond the original scope of repairs that the City had planned for this year, and accordingly require additional funds. In order to bridge this gap in funding, the Lunada Bay Homeowners Association has been on a campaign to raise the additional funds, and have raised \$71,000.

On April 8, 2008 the City Council authorized staff to seek construction bids for the project. Staff estimated that the entire cost for the project would be \$111,100. Our estimates were largely based on written estimates from contractors for the work.

Staff advertised with Bid America, F. W. Dodge, and Reed Construction Services. Construction bids were received on May 27, at 10:30 a.m. The results are as follows:

J. Quinn Construction, Inc.	\$126,150
E. Reason General Engineering, Inc.	\$144,850
DLG Electric	\$150,000

Unfortunately the lowest construction bid we received was significantly higher than our estimates, as shown in the table below:

Phase 1	Estimate	Bid	Difference
Main fountain construction	\$51,850	*\$75,150	\$23,300
Fountain lights	\$4,000	\$2,000	-\$2,000
Electrical for main fountain	\$10,500	\$10,500	\$0
Admin	\$5,000	\$5,000	\$0
Contingency	\$6,000	\$6,000	\$0
Total	\$77,350	\$98,650	\$21,300
Phase 2			
PV Stone work	\$27,750	*\$51,000	\$23,250
Lights	\$2,000	\$2,000	\$0
Contingency	\$2,000	\$2,000	\$0
Administration	\$2,000	\$2,000	\$0
Total	\$33,750	\$57,000	\$23,250
			\$0
Total Phase 1 & 2	\$111,100	\$155,650	\$44,550

*Totals \$126,150 as per low bid submitted by J. Quinn Construction for both Phases

Staff has spoken to John Quinn of J. Quinn Construction to try to determine why there was a significant difference between his previous written estimate and the final bid. Two main factors increased his bid. First, the costs of the custom construction of the precast concrete panels were found to be significantly more expensive than originally thought. Second, the costs of conforming to Prevailing Wage requirements were significantly more expensive than originally thought.

Regardless, J. Quinn Construction, Inc. submitted the lowest qualifying bid for the project. They have completed many pool projects in and around the South Bay Cities. Staff believes they are well equipped to satisfactorily complete the City's project.

The current funding for the project is as follows:

LBHOA	\$71,000
City budget	\$24,600
Donation for LB Park	\$20,000
Total	\$115,600

Therefore, there is a current shortfall between project cost and current funds of \$40,050. Staff has been working to determine how to bridge this gap so that both phases of the project can be accomplished. The following are our suggestions:

- As required by our Code, the City received an in-lieu fee contribution totaling \$24,824.50 for parkland improvements during the subdivision of 2124 Palos Verdes Drive West. Although the fountain is technically in the public right of way, there is a recreational element to it and the subdivided property is very close to the fountain, creating a geographical nexus. The City Attorney has researched the topic and his opinion is that these funds may be spent on the fountain project. In the absence of another, better qualifying project, we recommend that the City Council designate these funds to be used for the fountain.
- Staff has spoken to John Quinn regarding eliminating the Traffic Control section of the bid and having City forces do the traffic control. This work is very easy for staff to accomplish with existing equipment and manpower. This saves \$5,000.
- The contingency amount can be utilized and applied to the base bid. This accounts for \$8,000.
- The City could reduce the budget amount for administration to \$4,500. Time spent above this amount will be absorbed by the City. This would free up an additional \$2,500.

The total amount gained by these four actions totals \$40,324.50 and enables us to cover the funding shortfall referenced above. Attached Resolution R08-12 which adjusts the FY 07-08 budget to recognize all funding sources and total project cost, including allocation of the in-lieu parklands fee.

Alternatives Available to Council

The following alternatives are available to the City Council:

1. Award a construction contract in the amount of \$126,150 to J. Quinn Construction, Inc., for the completion of the Lunada Bay Fountain Improvements and adoption of Resolution R08-12, adjusting the FY 07-08 budget and allocating funding for the project.
2. Decline to Act.

Recommendation from Staff

Staff recommends that the Council award a construction contract in the amount of \$126,150 to J. Quinn Construction, Inc., for the completion of the Lunada Bay Fountain Improvements and adoption of Resolution R08-12, adjusting the FY 07-08 budget and allocating funding for the project.

Staff report prepared by:

Allan Rigg

Public Works Director