

ADJOURNED

CITY COUNCIL MINUTES

POLICY DEVELOPMENT SESSION

MARCH 1, 2008

An adjourned meeting of the City Council of the City of Rolling Hills Estates was called to order at 8:10 a.m., at the City Council Chambers, 4045 Palos Verdes Drive North, Rolling Hills Estates, by MAYOR ZERUNYAN.

ROLL CALL

City Council Members Present: Addleman, Mitchell, Seamans, Zuckerman, Zerunyan

Staff Present: City Manager Doug Prichard
Assistant City Manager Sam Wise
Community Services Director Andy Clark
Planning Director David Wahba
Administrative Services Director Mike Whitehead
Assistant to the City Manager Greg Grammer
Senior Planner Niki Cutler

Others present: Erik Zandvliet, Traffic Engineer

PUBLIC COMMENT

Bill and Bobbie Pomeranz, 55 Encanto Drive, and Ed and Margaret Mohr, 11 Lantana Place, all requested that the COUNCIL adopt an ordinance regulating private vegetation so as to restore views for uphill properties.

ITEMS FOR DISCUSSION

MAYOR ZERUNYAN announced that he would like to take items out of order so as to more effectively group them for discussion and achieve the COUNCIL'S goal of addressing all of the items during the day.

ADMINISTRATIVE SERVICES DEPARTMENT (I.T. & FACILITIES)

Information Technology

Administrative Services Director Whitehead provided an update to the COUNCIL on a variety of information technology items indicating that each of the items requiring authorization for purchase would be brought back to the COUNCIL at a future date.

Administrative Services Director Whitehead noted that COUNCIL notebook computers are still pending awaiting the release and debugging of the Windows Vista operating system. COUNCIL requested a formal policy for notebooks issued to COUNCIL MEMBERS be drafted. He further noted that Council Chambers media improvements are expected to be carried over to next fiscal year as preliminary cost estimates are too high.

Administrative Services Director Whitehead reported that Email and security updates included the newly activated Microsoft Exchange Server hosted by the City, and gave a brief description of the security measures in place with firewalls and software.

Administrative Services Director Whitehead reported that the City's Zoning and Code Administrator is now equipped with a notebook and portable printer to use when out in the field.

Administrative Services Director Whitehead also presented to the COUNCIL a draft of the surplus property disposal policy indicating methods for disposition of obsolete electronic equipment. Staff was directed to further review the policy with the City Attorney and bring it back to the COUNCIL for adoption.

Further discussion ensued regarding the City's website. Staff was directed to send out a request for qualifications for redesign of the City's website.

Facilities

Administrative Services Director Whitehead then provided COUNCIL with an update on a variety of capital improvements at the City Hall site indicating that those projects not already underway would be brought to the COUNCIL for authorization in the near future.

He then presented the City Hall Improvements update beginning with brief explanation of the kitchen remodel and expansion. Additionally, an update on the condition and replacement plans for the trash enclosure and concrete stairs were discussed.

COUNCIL was briefed on the building's HVAC systems and the project underway to increase efficiency of the systems. Administrative Services Director Whitehead explained the examination of City buildings' insulation and the need to add additional insulation to numerous locations.

Discussion ensued regarding the interior and exterior lighting for City Hall's two buildings and the parking lot. Administrative Services Director Whitehead explained that staff, with the aide of an electrical contractor, will build out the Server Room and the Kitchen with new energy efficient overhead lights and ceiling material. Staff will then be able to determine if the administration of the project is feasible in-house or if a contract administrator will be needed for the balance of the improvements.

Further discussion ensued regarding City Hall's tile roof and the possible addition of solar panels. Administrative Services Director Whitehead explained the roofing tiles may be nearing the end of their life expectancy, and that replacement of the roof tiles may be necessary in a few years. Additionally, staff is studying the addition of solar panels. However, the panels have very large upfront costs and the buildings' exposure to the sun is hindered by trees. It was noted that staff will continue to explore solar technology to try and find a solution for the buildings at the City Hall complex.

COMMUNITY SERVICES DEPARTMENT

Business District Holiday Decorations

Community Services Director Clark reviewed a variety of new holiday lighting decoration methods for the Silver Spur medians in the City's business district. Staff noted that any purchased lighting strands would be energy efficient LED lighting and re-usable in future years. COUNCIL expressed interest in wrapping lights around the light poles and large trees in the medians

approximately 10-feet high and to consider purchasing a lighted ground display unit in the shape of a horse to be placed on the Levitt property. MAYOR ZERUNYAN suggested holiday lighting being installed around the City entryway signs on the main arterial streets. COUNCILMAN ADDLEMAN recommended that staff contact the South Bay Energy Center for their recommendation on holiday lighting products. COUNCILWOMAN SEAMANS requested that the holiday pole banners be redesigned as well. Staff indicated that recommendations for a budget and items for purchase would be brought back to COUNCIL for approval after review by the Park & Activities Commission.

Median Landscape Project

Community Services Director Clark updated the COUNCIL about the proposed project, indicating that two firms would be interviewed on March 10, 2008 in response to the City's Request for Qualifications. He noted the proposed scope would include conceptual designs and cost analysis to improve the twenty-eight arterial medians and parkway landscaping on Palos Verdes Drive North, Hawthorne Boulevard, Crenshaw Boulevard, and Palos Verdes Drive East. He noted that COUNCIL MEMBERS ADDLEMAN and SEAMANS and Commissioners Pagliano and Pekich will serve on the interview panel. The City's water conservation consultant, Turftech Industries, also indicated an interest in assisting in the review of the proposed project's irrigation systems.

ASSISTANT CITY MANAGER (PUBLIC WORKS)

PVDN Phase III Improvements

Assistant City Manager Wise reported that the City's application for \$2,081,000 in grant funds for the improvement of PVDN between Crenshaw Boulevard and the west City limits has been approved and indicated that a \$600,000 match would be required by the City. He added that the next step in the process would be to develop a conceptual plan for improvements for review by the Traffic and Safety Committee and the COUNCIL.

PVDN Bike Path Maintenance

Assistant City Manager Wise reported that the estimate to resurface the PVDN off road bicycle path totaled \$448,800, not including any removal or replacement of three-rail fencing impacted by the construction. Following discussion, it was the consensus of the COUNCIL to complete the work in phases, pursue any available grants, and present a funding recommendation at the Budget Study Session.

Underground Utilities Projects

Assistant City Manager Wise delivered a report recommending that the City pursue an Underground Utility Project on a portion of PVDN from PVDE to the east City limits and on a portion of PVDE from PVDN northerly. He indicated that staff had recently met with SCE Representative Scott Gobble to discuss this project. He added that this project could be coordinated with the Chandler Quarry and golf course development projects. It was the consensus of the COUNCIL to move forward with this revised project scope.

Storm Drain Maintenance

Assistant City Manager Wise reported that Phase I of the Storm Drain Maintenance Program, which included improvements to PVDN, Silver Spur Road, and Hawthorne Boulevard, was completed utilizing a variety of grant funds including Highway-Through-Cities and Prop C funds. He added that the

next step in the process would be to video facilities on non-arterial streets and residential neighborhoods. He recommended that the City continue to use the contractual arrangements with the County of Los Angeles and their storm drain contractor.

Per the requirements under the City's Municipal Code, Section 3.32.050C, the COUNCIL determined, by unanimous consent, to dispense with such bidding and other procedures because it would be impractical, useless or uneconomical to follow such procedures and directed staff to continue with the arrangements through Los Angeles County and its contractor.

Street Maintenance Program

Assistant City Manager Wise reported that the City's Pavement Maintenance System is currently being updated and that staff will present a budget recommendation at the upcoming Budget Study Session.

Public Works Grants Update

COUNCIL noted that there are 14 different grant sources staff is pursuing for various public works and traffic grants. It was the consensus of the COUNCIL to have staff provide a list of these grants and their possible uses at the upcoming Budget Study Session.

Utility Company Facilities in the Public Right-of-Way

Assistant City Manager Wise reported that, in response to numerous applications from wireless providers in the City's rights-of-way, the City continues to implement guidelines which encourage providers to use existing utility poles and underground facilities whenever possible. It was the consensus of the COUNCIL to continue this approach as applications are received.

ASSISTANT TO THE CITY MANAGER (PUBLIC SAFETY)

Mass Notification Service

Assistant to the City Manager Grammer provided information on the mass notification system, which would provide the City with the capability to reach the community during an emergency with voice, email or text messages. He indicated that the program could be implemented in coordination with the other Peninsula cities, and that the annual cost associated with this service would be about \$3.00 per household.

COUNCIL directed staff to refer the item to the Regional Law Enforcement Committee and to invite representatives from the City of Palos Verdes Estates to that meeting.

Emergency Preparedness

Assistant to the City Manager Grammer provided an update on the City's emergency preparedness activities, and indicated that staff will be bringing a report to the Regional Law Enforcement Committee regarding a recommendation on the recruitment of an Emergency Services Coordinator to serve the three Peninsula cities.

ASSISTANT CITY MANAGER (PUBLIC WORKS) & PLANNING DEPARTMENT

Drainage Facilities

It was reported that there were a number of natural drainage courses throughout the City located on private property where the property owners have installed drainage facilities in order to maximize useable space on their property. Staff indicated that when problems occur, the City intervenes, often with professional engineering assistance, to attempt to resolve the matter administratively. The COUNCIL concurred with this approach.

Discussion then ensued regarding the City's practices when dealing with other drainage issues on private property. There was also discussion about the bridle trail adjacent to Rolling Hills Country Club on Palos Verdes Drive East. It was suggested that the developer of the Chandler and golf course project improve the drainage and run-off from the trail to avoid silt from being washed out onto Palos Verdes Drive East. No changes were suggested to the way in which staff handles drainage problems on private property, which entails the Code Administrator working with private property owners to assist in correcting drainage violations.

PLANNING DEPARTMENT

Public Facilities Impact Fee Report (Nexus Study)

Bob Spencer of MuniFinancial presented a Public Facilities Impact Fee Report to determine appropriate fees for development impact and General Plan Update purposes. The report provided a summary of the maximum fee that could be collected from developers for General Plan, library, parks and recreation, streetscape, and traffic purposes based upon assumptions related to demographics, amount of development, and facility standards and costs.

The following discussion points were raised by COUNCIL necessitating further information and/or revisions being made to the report:

1. Clarification is needed with respect to the ratio of population to 1,000 square feet of parkland dedication (i.e., state requirements vs. General Plan vs. Municipal Code) for calculation of the Quimby fee.
2. A revision is needed for calculation of parkland values, such that \$200,000 per acre for "unusable" or "under-developable" parkland should not be weighed against usable parkland in residential and commercial zones, which have a much higher land value.
3. Clarification is needed regarding the number of "multifamily" units in the report at 52 units (City existing inventory) vs. 152 units in the EPS report.
4. Clarification is needed regarding the differing valuations of commercial square footage identified in the Nexus and EPS reports (i.e., \$100 vs. \$200 per square foot.) so as to be consistent.
5. Discussion ensued regarding how and where to apply library fees.
6. Discussion ensued as to where to spend Quimby fees and timing of those expenditures.
7. Discussion ensued on how to implement program fees, financing for shortfalls and how and when to re-evaluate program fees.

8. Discussion ensued regarding the General Plan Update fee (75% vs. 100%) collected from new developments.

The following actions regarding the Nexus report were made by COUNCIL:

1. Remove the Laing Homes project and the Rolling Hills Covenant Church (South Campus) expansion project from the fee study and recalculate all project fees accordingly. Traffic counts for these projects should also be re-visited to ensure that impacts are consistent with the projects. Investigate taking code enforcement action against the Daneshgar property as substandard property to restore the slide area.
2. Check PM peak numbers in report.
3. Recalculate Quimby fees based on the three scenarios of population per 1,000 square feet. of parkland dedication and check with City Attorney as to what number is most appropriate. Quimby fees collected can be used on a City-wide basis, not solely in the commercial district.
4. Focus the streetscape project in front of each project such that each project, under direction of the City, will perform their own necessary improvements, including all soft (design specification and engineering work) and hard costs to implement the streetscape plan. The streetscape plan will be implemented as each project is completed on a “phased” approach. The City, using existing grant funds, should choose an area on Deep Valley Drive to improve that would not be done privately through redevelopment, such as the area(s) behind Town and County and/or Rolling Hills Covenant Church. Staff was directed to talk with RRM, who prepared the streetscape plan, to obtain specifications and related costs of a typical section and for other public right-of-way improvements (i.e., crosswalk improvements).
5. Tenant improvements (TI) should be exempt from fees towards improvements, as well as minor exterior and common area improvements; however, major improvements, not involving an increase in square footage, should be subject to nexus fees and improvements such as streetscape improvements. Specifics as to how to implement a portion of required fees (the triggering threshold) needs to be further discussed in the revised report.
6. Library fees collected for projects should be invested in the main Peninsula library (for commercial center projects); and, project fees collected from the east end of the City can be used for the Miraleste Branch Library in the City of RPV. A geographical link to fee collection and expenditures for library improvements should be considered. No fees collected should be used for library improvements in the Malaga Cove Branch Library in Palos Verdes Estates.
7. General Plan fees should be recalculated with the new project list. COUNCIL will then decide if developers should bear 100% or 75% of the General Plan Update.

Economic Analysis

Jason Moody from Economic & Planning Systems (EPS) presented a brief overview of his report and answered questions. COUNCIL decided that it would not be necessary at this time to contract for additional economic analysis, particularly with the pending nexus report. Further, it was suggested that the City should not mandate the type and size of tenant uses in the pending projects, but rather let the market dictate what would best serve the area through private marketing studies of the property owners.

At the suggestion of MAYOR ZERUNYAN, it was the consensus of the COUNCIL to have staff prepare information for the public as to the status of projects in the commercial district, including an explanation of the various state and other legal requirements for the housing element that mandate certain densities somewhere within the City to enable below market housing developments to occur.

Kathy Gould, Library Director, provided an update on the Library's activities and requested COUNCIL adopt a library impact fee to allow them to better serve the coming developments.

Liz Griggs, Stoltz, The Promenade, provided an update on activities at the newly renamed Promenade, and noted that the common area has been host to a number of different community uses and events.

Alex Rose, Continental Development, requested that COUNCIL act on the fees in question so as to provide developers with certainty. He also encouraged COUNCIL to identify methods to bridge the funding gap between the fees collected and the cost of the projects under consideration. He requested that 100% of the cost of the General Plan update not be levied against developers as the City is obligated to update the plan whether or not future development occurs.

Ted Wynne, Mediterranean Village, encouraged COUNCIL to enact fees quickly and fairly and echoed Mr. Rose's comments regarding certainty.

Tim LeFevre, Silver Spur Court, questioned the COUNCIL'S plans for use of the Quimby funds. He too echoed Mr. Rose's comments regarding the need to act quickly in order to provide certainty to the development community.

General Plan (including Housing Element) Update

In connection with the Nexus report, COUNCIL discussed the status of the Housing Element and the General Plan Update. Once fees are determined for the General Plan Update, as discussed above, COUNCIL will decide the timing and finance mechanisms associated with the Update. The Housing Element Update continues to be worked on under contract.

Green Building Policies, Guidelines and Regulations

COUNCIL received a presentation from Ms. Cynthia Hughes-Doyle of Davis Langdon regarding LEED requirements. It was the consensus of the COUNCIL to direct staff to bring back more information about adopting a LEED Ordinance. COUNCIL also requested a copy of Ms. Doyle's power point presentation and asked staff to obtain studies that have been performed for carbon footprints. General discussion ensued about applying LEED to proposed projects, levels of LEED certification, staffing, and costs and incentives for developers.

ASSISTANT CITY MANAGER (TRAFFIC IMPROVEMENTS)

Traffic Intersection Improvements

Traffic Engineer Zandvliet presented conceptual drawings, cost estimates, and Level of Service analyses for thirteen intersections. Following extensive discussion, the consensus of the COUNCIL was as follows:

1. Roxcove Drive at Silver Spur Road – To consider the recommendation to install a new traffic signal at this location a low priority.

2. To further consider improvements to the following intersections when traffic volumes generated by future projects are sufficient to trigger the mitigation measures:

Crenshaw Boulevard @ Silver Spur
Silver Spur @ Deep Valley
Hawthorne Boulevard @ Indian Peak
Silver Spur @ PVDN (save as many healthy, mature trees as possible)
Hawthorne Boulevard @ PVDN
Crenshaw Boulevard @ PVDN
PVDE @ PVDN
Crenshaw Boulevard @ PCH
Hawthorne Boulevard @ PCH

3. The COUNCIL concurred that the staff recommendations for the intersections located on PVDN at Rolling Hills Road, PVDN at Dapplegray School Road, and Hawthorne Boulevard at Silver Spur Road be considered for implementation at this time. It was the consensus of the COUNCIL to refer this matter to the City's Traffic and Safety Committee for detailed evaluation.

In response to a previous request from a resident to eliminate the second through lanes on PVDN at Crenshaw Boulevard and PVDN at Hawthorne Boulevard, the Traffic Engineer reported that this request for lane reduction would create a substantial decrease in the capacity of the intersections. Following discussion, it was the consensus of the COUNCIL to take no action on this request.

COMMUNITY SERVICES DEPARTMENT

Private Vegetation View Restoration Ordinance

Mr. and Mrs. Mohr again addressed the COUNCIL with information about the loss of scenic views in the Monticello HOA. Community Services Director Clark reviewed the other three Peninsula Cities' view restoration ordinances or policies. A consensus was reached for staff to develop an ordinance which emphasizes use of a contractual mediator to resolve view issues at the cost of the party whose view is impacted, preferably without establishing a View Restoration Committee or the ability to appeal to the Park and Activities Commission or COUNCIL. Also discussed was the issue of certain street trees requiring substantial pruning and the associated cost to restore views to residents. It was the consensus of the COUNCIL to have the view impacted residents pay for the pruning or removal of public trees to restore views.

PLANNING DEPARTMENT

Palos Verdes Landfill Site (Five Year Review)

COUNCIL discussed the status of the Five Year Review. It was noted that staff would present the report to COUNCIL when released this summer and contract with environmental consultants to assist staff in reviewing and commenting on the report at an estimated cost of \$10,000 - \$15,000 which would be budgeted for next fiscal year.

City/HOA Enforcement of Neighborhood C,C&Rs

COUNCIL affirmed existing policy with respect to enforcement of C,C&Rs on private property, as follows: When a property owner proposes improvements to their property, they are required to have the project reviewed by their HOA.

However, unless required of the City in their C,C&Rs, the City cannot mandate that C,C&R's be adhered to, particularly if it is not a Municipal Code requirement or violation.

Increased Code Enforcement of Front Yard Violations

COUNCIL affirmed existing policy with respect to enforcement of front yard code violations, as follows: The Code Administrator, while performing inspections (typically as a result of a complaint) will look for front yard code violations while driving through a neighborhood and leave a notice of violation on the property. City staff, including the Maintenance Department, will also report violations to the Zoning and Code Administrator as they become aware of them.

Increased Enforcement of Overnight Parking Regulations

It was the consensus of the COUNCIL to follow the existing approach of allowing the Sheriff's Department to enforce this ordinance as needed and as time allows, and in response to complaints from homeowners.

Fitzpatrick Property

MAYOR PRO TEM MITCHELL recused herself from discussion of this item as she is an adjacent neighbor. COUNCIL directed staff to continue processing the Code Violations (i.e., number of horses, illegal structures) on the Fitzpatrick property. No changes to the site's current zoning of Open Space Recreation (OS-R) were recommended at this time. It was also noted that boarding of horses in the OS-R Zone is considered to be a commercial use which is prohibited in this zone.

Commercial Boarding of Horses on Residential Properties

As part of Planning Director Wahba's updating of the Fitzpatrick property issues, Community Services Director Clark provided background on similar commercial boarding issues. Two trail riding companies are known to be operating in the City, each with horses being boarded on multiple residential properties in the horse overlay zone. There are also a few known licensed equestrian trainers who are also boarding horses on multiple residential properties and teaching riding lessons in either the City's arenas or in private property arenas. Staff has only received concerns about the trail ride business' horses boarded on Moccasin Lane. However, the Zoning and Code Administrator has been unable to validate any of the complaints of additional noise, dust, customer street parking, equine services, or manure removal impacts on the neighborhood. COUNCIL directed staff to prepare a list of policies or mitigation measures for these types of uses to ensure good house-keeping practices to help minimize impacts to the surrounding neighbors. The mitigation measures that were suggested include, but are not limited to:

1. Patrons shall not be allowed to park at the property; rather, parking shall be at a public park or at another public facility where patrons meet the wranglers or trainers;
2. Manure dumpsters shall be located on private property at all times and not stored in or block the bridle trail.

ADMINISTRATIVE SERVICES (FINANCE)

Investment Policy Update

Administrative Services Director Whitehead outlined the recommendation from the Investment Committee for an additional investment vehicle other than LAIF. Various options listed in the staff report were explained and COUNCIL MEMBER ADDLEMAN recommended UBS (Union Bank of Switzerland) as the appropriate vehicle. COUNCIL authorized staff to invest \$1,500,000 in an approved investment account through UBS.

Sales Tax Sharing Agreement

Discussion ensued regarding the sales tax sharing agreement with RPV and the pros and cons of continuing it past its expiration. It was the consensus of the COUNCIL that there would be little benefit to the City to continue this agreement past its expiration and that it should be allowed to expire in 2010.

ASSISTANT TO THE CITY MANAGER (ECONOMIC DEVELOPMENT)

Economic Development

Assistant to the City Manager Grammer provided an update on the City's economic development activities, including a list of potential areas for cooperation with the PVP Chamber of Commerce. He indicated that the Chamber of Commerce will likely request City sponsorship of the Palos Verdes Street Fair and the Peninsula Privileges discount card program.

COMMUNITY SERVICES DEPARTMENT

Peter Weber Equestrian Center/Stable Leadman Residence Relocation

Community Services Director Clark informed COUNCIL that the Stable Leadman's residence was required to be moved off the Equestrian Center site due to the former PV Landfill's C,C&R's. Discussion ensued concerning potential funding sources for the projected \$100,000 in costs to replace the home, small yard's fencing, and utilities nearby on the City's bridle trail next to the Crenshaw Tunnel. Since this operation is an enterprise fund, COUNCIL directed staff to move forward on the project, utilizing General Funds if necessary, and charge the cost of the move back to the Equestrian Fund. Staff was also directed to bring back a suggested boarding fee adjustment in order to make up the cost of this capital improvement and bring the enterprise to a level at or above "break even."

Peter Weber Equestrian Center/Stable Renovation Update

Community Services Director Clark updated the COUNCIL concerning the stables renovation effort. He noted that a favorable soils investigation report was completed, that conceptual plans have been prepared, that Supervisor Knabe's is willing to allow the expansion of the facility's footprint pending completion of DTSC's five year review, and that the estimated \$3 million in project costs are being requested from Senator Boxer. Planning Director Wahba informed the COUNCIL that the Sanitation Districts project finalization of the DTSC report within 90 days. COUNCILWOMAN SEAMANS noted that the Equestrian Committee expressed strong interest in reconvening the Peter Weber Equestrian Center Design Ad Hoc Committee. Staff was directed to reconvene the committee to determine the best use of the existing Proposition A grant funds for improvements at the site.

CITY MANAGER

State-of-the-City

City Manager Prichard reported that the State of the City report has been posted on the City's website. The COUNCIL received and filed the report.

State Fiscal Crisis

City Manager Prichard commented briefly on the State's fiscal crisis. The COUNCIL received and filed the report.

At 5:35 p.m., the CITY COUNCIL convened into closed session.

CLOSED SESSION

A. DISCUSSION WITH RESPECT TO PERSONNEL MATTERS: EMPLOYEE ASSOCIATION NEGOTIATIONS

(Pursuant to Government Code Section 54957)

COUNCIL DIRECTED STAFF TO CONTINUE NEGOTIATIONS WITH THE ROLLING HILLS ESTATES EMPLOYEE'S ASSOCIATION.

At 5:57 p.m. the COUNCIL reconvened with MAYOR ZERUNYAN, MAYOR PRO TEM MITCHELL, COUNCILMAN ADDLEMAN, COUNCILWOMAN SEAMANS, and COUNCILMAN ZUCKERMAN present.

ADJOURNMENT

At 5:57 p.m., MAYOR ZERUNYAN formally adjourned the meeting to Tuesday, March 11, 2008 at 7:30 p.m.

Submitted and approved by,

Douglas R. Prichard
City Clerk