

MINUTES

ADJOURNED

BUDGET STUDY SESSION

JUNE 5, 2007

An adjourned meeting of the City Council of the City of Rolling Hills Estates was called to order at 6:07 p.m. in the City Council Chambers, 4045 Palos Verdes Drive North, by MAYOR SEAMANS.

ROLL CALL

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

City 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

Others Present: Brian Hannegan, Project Manager, RRM Design Group
Vanessa Munoz, Willdan Associates

PUBLIC COMMENT

Kay Finer, President, Chamber of Commerce, thanked the City for sponsoring the Peninsula Street Fair and was pleased to announce that the Fire Department estimated over 35,000 people in attendance. She requested the COUNCIL consider providing additional funding for next year's event noting that the total cost for set up of the food court, entertainment, etc., amounted to \$13,955. She then noted that they are not requesting an increase in funding at this time, but did request signage now that the Chamber is at a permanent location.

Kathy Gould, Director, Palos Verdes Library District, was pleased to note that The Annex has been averaging at least 600 students during the week and approximately 250-300 on the weekends. She noted that they are requesting the City's support as the Library is meeting a need for the community with regards to teenagers and seniors. She then stated that, while the Friends of the Library provides primary support for The Annex, they need further funding from other sources to offset the cost. Additionally, she reported that the City of Rancho Palos Verdes is contributing \$10,000 and the City of Rolling Hills will consider this request soon.

Ali Orr, Assistant Manager, Young Adult Services, Palos Verdes Library District, commented that The Annex not only has activities for teenagers, but also provides socialization for them as well.

MAYOR SEAMANS inquired as to what will be offered to the seniors. Ms. Gould noted that they are presently working on activities for seniors and special needs students.

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After brief discussion, it was noted that the City already contributes to the Peninsula Seniors.

Dorothy Laird, spoke regarding the tennis membership fees. She noted that she attended the Park and Activities Commission meeting and that she was approached by other tennis teams for park availability as they are looking to play at Ernie Howlett Park. She suggested bringing in "transient" teams at a reduced fee. Additionally, she commended General Office Clerk Kristie Bishop and Tony Christiansen at the Tennis Club for their assistance.

MAYOR PRO TEM ZERUNYAN thanked Ms. Laird for her efforts in making the Tennis Enterprise Fund work. He then suggested additional calculations and recommended this item to be referred to the Park and Activities Commission prior to bringing it before the COUNCIL at the budget hearing.

ITEMS FOR DISCUSSION

REVIEW OF PROPOSED FISCAL YEARS 2007-08 AND 2008-09 BUDGET

City Manager Prichard provided a brief overview of the budget (as per agenda material). He noted that the budget was created based on a conservative, zero-based approach. He was pleased to report that the 2007-08 projection shows an operating surplus of \$800,000.

Administrative Services Director Whitehead provided a summary of the "living budget." He noted that the new accounting software has provided a tremendous amount of assistance. He then stated that staff looks very hard at expenditures and determines their feasibility. He noted approximately \$2 million in reserves. He noted Proposition 1B is on hold at the moment and reported that the City's allocation may be decreased as the money would be split between cities and counties. COUNCILWOMAN MITCHELL noted that the smaller cities will keep their allocation and suggested that a letter be sent to legislators in support of full funding of Proposition 1B. Administrative Services Director Whitehead that he will investigate this further.

City Manager Prichard noted that when these monies are received, they will be applied to street resurfacing and storm drains.

Brief discussion ensued regarding what key tenants in the commercial district may not be renewing their leases. Administrative Services Director Whitehead noted that he will perform an analysis on this item.

After some discussion, COUNCILMAN ADDLEMAN moved, seconded by MAYOR PRO TEM ZERUNYAN

TO ALLOCATE \$10,000 TO THE PALOS VERDES LIBRARY DISTRICT IN SUPPORT OF THE ANNEX.

AYES: Addleman, Seamans, Zerunyan
NOES: Mitchell, Zuckerman

After brief discussion, MAYOR PRO TEM ZERUNYAN moved, seconded by COUNCILMAN ADDLEMAN

TO ALLOCATE \$12,600 TO THE OTHER LISTED COMMUNITY SERVICE ORGANIZATIONS.

AYES: Addleman, Mitchell, Seamans, Zerunyan, Zuckerman

After further discussion, it was the consensus of the COUNCIL to contribute \$20,000 to the Chamber of Commerce, table the funding request for the Peninsula Street Fair, and deny the requested signage.

MAYOR PRO TEM ZERUNYAN moved, seconded by COUNCILMAN ZUCKERMAN

TO APPROVE THE SCHEDULE OF OPERATING BUDGET ADD-BACK ITEMS.

AYES: Addleman, Mitchell, Seamans, Zerunyan, Zuckerman

Discussion ensued regarding the capital improvement projects add-back list.

COUNCILWOMAN MITCHELL moved, seconded by MAYOR PRO TEM ZERUNYAN

TO APPROVE THE SCHEDULE OF CAPITAL BUDGET ADD-BACK ITEMS FOR CAPITAL PROJECTS.

AYES: Addleman, Mitchell, Seamans, Zerunyan, Zuckerman

Assistant City Manager Wise provided a brief overview of the RRM Design Group proposal to provide engineered drawings and construction of various streets as well as their estimated amount. It was noted that Willdan would be designing the intersection traffic mitigation improvements in an effort to determine the width of the medians, travel lanes, and rights-of-way issues as well as assessment fees.

Brian Hannegan explained the preliminary budget stage construction cost estimate.

MAYOR PRO TEM ZERUNYAN noted that even with the information provided regarding costs, the City is not in a position to consider this item as yet. He believed this to be a premature expenditure and proposed leaving that item for next year when the COUNCIL has an idea as to what, or if, the project is feasible.

It was the consensus of the COUNCIL to table this item until such time as it makes sense to scope and spec this project.

Discussion ensued regarding Willdan's analysis of the traffic mitigation measures. Vanessa Munoz noted that a report has been conducted to analyze these intersections under the existing conditions, along with alternative ICU numbers.

COUNCILMAN ZUCKERMAN suggested looking at Deep Valley Drive and Silver Spur Road.

It was noted that all intersections along Palos Verdes Drive North, including Dapplegray School Road, should be incorporated in this report.

City Manager Prichard noted that a contract will be forthcoming at the next meeting.

Discussion continued regarding proposed planning fee increases.

Planning Director Wahba provided an overview of the staff report (as per agenda material). It was noted that building fees will be reviewed at a later time.

It was the consensus of the COUNCIL to give homeowners a reduced rate for planning fees and table the proposed fees in order to study this further, bring back the building permit fee recommendations, and consider these items at a future meeting.

Planning Director Wahba suggested imposing a pre-application fee for a project and then apply that amount back to the applicant once it has been submitted. He noted that this recommendation will be included in the Municipal Fees and Charges booklet and presented to the COUNCIL at the budget public hearing.

In regards to the CEQA public hearing banners, Planning Director Wahba suggested that the applicant bear the cost to have them displayed. He then referred to the General Plan update fees being proposed. He noted his intention to begin the Housing Element and follow up with the General Plan updates. Additionally, he summarized that the focus should be on new residential and commercial development and exempt small residential remodels and maintenance.

It was the consensus of the COUNCIL to follow this approach.

THERE BEING NO OBJECTION, MAYOR SEAMANS SO ORDERED.

COUNCILMAN ADDLEMAN suggested reviewing the terms of the City's auditor contract as he was not satisfied with how they handled the PV Transit Authority's audit.

Discussion continued with COUNCILMAN ZUCKERMAN suggesting utilizing a polling organization to determine the public's opinion regarding the Peninsula Village Master Plan.

It was the consensus of the COUNCIL to seek names of organizations that can provide statements of qualifications, scope and service of work, and bring back a cost estimate to the COUNCIL for review.

Discussion ensued regarding possibly retaining MIG Consultants to conduct another public workshop. MAYOR PRO TEM ZERUNYAN noted his concern with the prior follow-through performance of MIG and strongly believed that if another meeting is held, Mr. Iacofano complete what he agreed upon with the City rather than submit an additional charge to undertake this meeting.

MAYOR SEAMANS moved, seconded by COUNCILMAN ADDLEMAN

TO SUPPORT THE BALANCE OF THE BUDGET AND BRING IT BACK FOR COUNCIL APPROVAL AT THE NEXT MEETING.

THERE BEING NO OBJECTION, MAYOR SEAMANS SO ORDERED.

ADJOURNMENT

At 9:25 p.m. MAYOR SEAMANS formally adjourned the City Council meeting to Tuesday, June 12, 2007.

Submitted by,

Approved by,

Hope J. Nolan
Deputy City Clerk

Douglas R. Prichard
City Clerk