

**CITY OF MANHATTAN BEACH
MINUTES OF THE CITY COUNCIL
REGULAR MEETING OF
DECEMBER 20, 2005**

The Regular Meeting of the City Council of the City of Manhattan Beach, California, was held on the 20th day of December, 2005, at the hour of 6:35 p.m., in the City Council Chambers of City Hall, at 1400 Highland Avenue, in said City.

PLEDGE TO FLAG

Deputy City Manager Sherilyn Lombos led the pledge of allegiance.

ROLL CALL

Present: Tell, Aldinger, Montgomery, Ward and Mayor Fahey.
Absent: None.
Clerk: Tamura.

CEREMONIAL CALENDAR

05/1220.1 Presentation of Commendation to Retiring Police Chief Ernest M. Klevesahl, Jr., in Recognition of his 34 Year Career in Law Enforcement

The following presentations were made to Police Chief Ernest Klevesahl, Jr. upon his retirement from the Manhattan Beach Police Department and his law enforcement career of 34 years:

City Manager Geoff Dolan presented Police Chief Klevesahl with his retirement badge.

Mayor Fahey, on behalf of the Council, presented a commendation to Police Chief Klevesahl recognizing his outstanding contributions to the City of Manhattan Beach.

Mayor Pro Tem Ward presented Police Chief Klevesahl with a City beach towel.

Steven Napolitano, Deputy to Los Angeles County Supervisor Don Knabe, presented a certificate of appreciation to Police Chief Klevesahl.

Deputy Napolitano also presented a certificate of appreciation to City Manager Dolan's Administrative Assistant Alyson Palmer, who is married to Police Chief Klevesahl, on her departure from the City after 12 years of service.

State Assemblyman Ted Lieu's Chief of Staff Rusty Hicks presented a certificate of appreciation to Police Chief Klevesahl.

Former City Councilmember Walt Dougher thanked Police Chief Klevesahl for his years of service to the City and for the many programs he started, such as the Community Police Academy.

Emily Littmeyer, representing California State Senator Debra Bowen's Office, presented a framed certificate to Police Chief Klevesahl.

Helen Duncan, representing the Manhattan Beach Chamber of Commerce, presented a plaque to Police Chief Klevesahl who has been a member of the Chamber for the last 6 years.

Police Chief Klevesahl introduced his family and thanked the Council, staff and the community for making his last 6 years in Manhattan Beach so special.

City Manager Dolan presented his Administrative Assistant Alyson Palmer with flowers and thanked her for her 12 years of service to the City.

Mayor Pro Tem Ward presented a City beach towel to Administrative Assistant Palmer on behalf of the Council.

05/1220.2 Introduction of Sally Oliver, New Administrative Assistant to the City Manager

City Manager Geoff Dolan introduced Sally Oliver as his new Administrative Assistant.

Mayor Fahey, on behalf of the Council, welcomed her and presented her with a City pin.

05/1220.3 Presentation by the League of California Cities Recognizing the City of Manhattan Beach in Receiving the Helen Putnam Award

Judy Mitchell, City Councilmember from Rolling Hills Estates and member of the League of California Cities presented the Helen Putnam Award in the category of Public Safety to the City of Manhattan for its False Alarm Reduction Program which has saved the City approximately \$40,000 and reduced false alarm instances by 30%.

05/1220.4 Presentation of Commendation to the 2005 Miss California – Princess Queen Adelia Acker for Her “Extraordinary Citizenship” Recognizing Her Involvement with the “National American Miss Pageant”

Mayor Fahey, on behalf of the Council, presented a certificate of commendation to Adelia Acker, the 2005 Miss California – Princess Queen, for her “Extraordinary Citizenship” in raising money for several different charities and organizations.

05/1220.5 Presentation of Commendation to Jeffery Driscoll of Vons in Manhattan Beach Recognizing His Store’s Outstanding Resource Conservation Practices

Mayor Fahey, on behalf of the Council, along with Public Works Director Neil Miller and Senior Management Analyst Lindy Coe-Juell, presented a certificate of commendation to Pat Ellena on behalf of Jeffery Driscoll, Manager of Vons Grocery Store in Manhattan Beach, for going above and beyond to divert an additional 200,000 tons of waste from local landfills due to their organic composting program.

CONSENT CALENDAR

The Consent Calendar (Item Nos. 6 through 12), consisting of items under *General Consent and Boards and Commissions*, was approved by motion of Councilmember Aldinger, seconded by Councilmember Tell and passed by unanimous roll call vote with the exception of Item No. 7 which was considered later in the meeting under *Items Removed from the Consent Calendar*.

Ayes: Tell, Aldinger, Montgomery, Ward and Mayor Fahey.
Noes: None.
Absent: None.
Abstain: None.

GENERAL CONSENT

05/1220.6 Approve Minutes of the City Council Adjourned Regular and Regular Meeting of December 6, 2005

The Council approved the subject minutes.

05/1206.5-7 Approve Minutes of the City Council Adjourned Regular Meeting of November 21, 2005 (Continued from the December 6, 2005 City Council Meeting)

Item No. 7 was pulled from the "CONSENT CALENDAR". Please refer to "ITEMS REMOVED FROM THE CONSENT CALENDAR."

05/1220.8 Consideration of Financial Reports:

- a) Ratification of Demands: December 15, 2005
- b) Investment Portfolio for the Month Ending November 30, 2005
- c) Financial Reports for the Month Ending November 30, 2005

The Council approved with no exception Warrant Register No. 13B in the amount of \$3,452,982.18 in payment of ratification of demands and claims as prepared by the Director of Finance, together with the original demands and claims as prepared by said Warrant Register; received and filed the Investment Portfolio for the month ending November 30, 2005 and received and filed the Financial Reports for the month ending November 30, 2005.

05/1220.9 Approval of Replacement Vehicle Purchases:

- a) One Parks & Recreation Pool Car Minivan in the Amount of \$27,444.71
- b) One Public Works Tractor/Loader in the Amount of \$154,052.74
- c) One Police Patrol Car and Related Equipment Not-to-Exceed \$41,000

The Council approved an award of RFB # 675-06 to Manhattan Beach Toyota in the amount of \$27,444.71 for the budgeted replacement of one minivan; approved an award of RFB # 670-06 to D3 Equipment for the budgeted replacement of a tractor/loader; waived formal bidding per Municipal Code Section 2.36.150 (cooperative purchasing); approved an award to Villa Ford in the amount of \$25,382.55 for a replacement patrol car; and appropriated \$165,293.74 from the Fleet Management Fund.

05/1220.10 Authorize and Appropriate Funds for the Grant Funded Purchase of Self-Contained Breathing Apparatus (SCBA) from Fisher Safety in the Amount of \$64,006.60

The Council approved an award of RFB #677-06 to Fisher Safety in the amount of \$64,006.60 for the purchase of SCBA equipment and appropriated \$64,006.60 from the General Fund, for which \$57,606 will be offset by reimbursement of funds from a Federal Emergency Management Agency (FEMA) grant.

05/1220.11 Disbursement of Progress Payments:

- a) Progress Payment No. 1 in the Net Amount of \$32,315.40 to Alliance Streetworks, Inc. for the Civic Center/Metlox Street Improvement Project
- b) Progress Payment No. 4 in the Net Amount of \$53,928.00 to Cody Engineering, Inc. for the 2001-2002 Water Main Replacement, 2002-2003 Sewer Main Replacement Project
- c) Disbursement of Progress Payment No. 3 in the Net Amount of \$6,219.00 to Steiny and Company, Inc. for the 15th Street/Valley Drive Traffic Signal Modification Project; Approve Supplemental Appropriation (\$27,015.17) from Gas Tax Fund Reserves for Southern California Edison Company to Underground Existing Street Light Services on Valley Drive and 15th Street
- d) Final Payment in the Net Amount of \$134,412.30 to Dominguez General Engineering Contractor; Formally Accept the Highland Avenue at 15th Place Storm Drain Project as Complete; and Authorize Filing of the Appropriate Notice of Completion
- e) Progress Payment No. 8 in the Net Amount of \$49,961.70 to S.P. Pazargad Engineering Construction, Inc. for the El Porto Retaining Wall Project

The Council approved the issuance of the subject progress payments, supplemental appropriation, final payment, formally accepted the Highland Avenue at 15th Place Storm Drain Project as complete; and authorized filing of the appropriate Notice of Completion.

BOARDS AND COMMISSIONS

Planning Commission

05/1220.12 Consideration of Action Minutes, Planning Commission Meeting of December 14, 2005

The Council received and filed the subject action minutes.

COMMUNITY ANNOUNCEMENTS

05/1220.18 Public Works Director Miller Re Extension of Cash Collection Period

Public Works Director Neil Miller announced that, for property owners in Utility Underground Districts 2 and 6, the cash collection period has been extended to January 31, 2006 due to the scheduling of bond sales. He added that information regarding the extension is available on the City's web site (www.citymb.info) under the Public Works heading.

PUBLIC HEARINGS

05/1115.19-13 Conduct a Public Hearing for a Rate Adjustment of the Street Sweeping User Fee from 6.8% of Residential and Commercial Refuse Billing to 10.46%; and Consideration of a Resolution to Amend Resolution No. 5915, which Established the Original Street Sweeping User Fee

Management Analyst Lindy Coe-Juell reviewed Council's recent actions in regard to street sweeping including the renewal of a five-year contract with CleanStreet which will include cleaning services for the Strand, Pier, Downtown and Civic Center plazas; the contract increase; and the additional \$61,600 for the cleaning of the Strand. She explained that the City has moved toward recovering costs for services through user fees and that because the Strand is a community resource, staff recommends including the costs of cleaning the Strand with the street

sweeping user fee. She reported that both the Downtown Business and Professional Association and the Chamber of Commerce supported the additional custodial cleaning services for the Strand; however, were concerned for those businesses that already have significant refuse bills. She added that they were also concerned that those businesses closest to the beach will benefit more than others, therefore, representatives from both groups suggested using Parking Fund resources to offset the costs. Management Analyst Coe-Juell concluded by reviewing that the current charge for street sweeping is 6.38% of one's refuse bill; that an increase to 8.29% would generate only enough to cover the cost of the increase in the service; however, an increase to 10.46% would cover the increase and the Strand custodial maintenance.

In response to Mayor Pro Tem Ward's question as to what other programs would be affected if money from the Parking Fund was used to offset the increase, Management Analyst Coe-Juell explained that money in the Parking Fund is discretionary and that many programs are paid out of the Parking Fund - mainly upkeep of lots, landscaping and cleaning services of the lots.

Mayor Fahey opened the Public Hearing at 7:18 p.m.

Esther Besbris, No Address Provided, questioned whether the new fee would be a separate line item on the refuse bill or just incorporated in the total cost like the Administration Fee is.

City Manager Geoff Dolan clarified that the street sweeping fee is currently listed as a separate line item on residents' refuse bills and will continue to be separated, but the administration fee will not be broken down.

Mayor Fahey closed the Public Hearing at 7:20 p.m.

Council held a brief discussion regarding the concerns raised by the Downtown Business and Professional Association and Chamber of Commerce, however, concurred that there doesn't seem to be any other equitable way to fund the increase.

MOTION: Councilmember Aldinger moved to adopt Resolution No. 6010, amending Resolution No. 5915, which established the original street sweeping User Fee, increasing the street sweeping fee for residential and commercial refuse customers from 6.38% to 10.46%. The motion was seconded by Councilmember Montgomery and passed by the following unanimous roll call vote:

Ayes:	Tell, Aldinger, Montgomery, Ward and Mayor Fahey.
Noes:	None.
Absent:	None.
Abstain:	None.

RESOLUTION NO. 6010

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH, CALIFORNIA, AMENDING RESOLUTION 5915 TO INCREASE THE STREET SWEEPING FEE FOR RESIDENTIAL AND COMMERCIAL REFUSE CUSTOMERS

GENERAL BUSINESS

05/1220.14 Consideration of a Presentation by the We Care: Coast to Coast Team Regarding the Adopted City of Pascagoula, Mississippi and Related Hurricane Relief Efforts

Francey Seckinger, Manhattan Beach Resident and Co-founder of We Care: Coast to Coast, addressed Council reviewing how a few months ago they discussed adopting the City of Pascagoula, Mississippi to assist them in their post Hurricane Katrina efforts and the Council's question as to what this "adoption" would mean to Manhattan Beach. She gave an update on the situation in Pascagoula; spoke of recent fundraising efforts there; and explained that, included with the staff report, are suggestions on how the City can help to support these efforts.

Council held discussion with **Ms. Seckinger** regarding *We Care: Coast to Coast's* non-profit status and where the contributions have been coming from.

In response to Mayor Fahey's concerns regarding oversight and the City's liability, City Attorney Robert Wadden stated that while it is not likely, in order to prevent any possible fraud or other illegal activity, the City should have some type of oversight as far as what methodologies will be used to raise money; possibly issue a disclaimer if Manhattan Beach adopts Pascagoula; and possibly involve some City personnel to "keep an eye" on the financials.

Council continued discussion regarding how other sponsor cities have set up their organizations and the option of folding the supervisory element into Blu Moon Marketing's plans.

In response to Councilmember Aldinger's comment that the City treat the *We Care: Coast to Coast* organization the same as the *Sister City* organization, Mayor Pro Tem Ward stressed that it would require ongoing budgeting; that it would involve City resources; and that the City does not have the dedicated staff for it.

Commenting that it appears that the *We Care: Coast to Coast* organization is also looking for a waiver of some fees, Councilmember Tell emphasized that other organizations submit proposals listing the specific events that they want the fees waived for. He added that what it comes down to is figuring out, in detail, what the organization is looking for and how it is going to be structured.

Ms. Seckinger emphasized that she can provide a line item budget if required and that involvement of City Hall staff should only include redirecting a few phone calls, posting information on the City's web site and the use of a City facility for donation drives. She also remarked that she provided information on WASHINGTON KARES in order to show how other cities are supporting hurricane relief efforts.

Mayor Fahey reiterated her concern about the oversight of finances in case of liability.

Councilmember Aldinger stressed that the *We Care: Coast to Coast* is a 501C3 organization overseen by the State; that the City Treasurer could review the organizations books; and that he expects that it will only be a two year commitment.

In response, **Ms. Seckinger** conveyed that the organization is in the process of interviewing a treasurer; that they are held to liability standards of their own; and that she is not suggesting involvement of the City Treasurer – just basic support as outlined. She added that now that the Tax ID Number, Doing Business As (DBA) and separate account have been set up, the organization is even more legitimized.

Responding to Councilmember Aldinger's comment about the money that has already been passed through the City, City Manager Dolan clarified that it was a unique situation in which Chevron donated money to the City (because at the time the organization did not have a tax exempt ID status) to cover the cost of gasoline for the organization's trip to Mississippi.

In response to Mayor Fahey's question as to whether the City would be liable for any expenses resulting from the adoption, City Attorney Wadden replied that the City would not be liable for expenses or bills; the only concern would be if the money raised was misused.

Mayor Pro Tem Ward questioned **Ms. Seckinger** regarding what other cities have adopted cities in Mississippi, particularly Pascagoula; what their long term plans are; and what are the long term plans of the *We Care: Coast to Coast* organization.

Ms. Seckinger reported that there are 3 other cities that she knows of who have adopted Pascagoula; that she cannot speak for other cities as far as their long term plans but that she would be happy to research and provide it; that the *We Care: Coast to Coast* organization has reacted to requests directly from the City of Pascagoula as to what their needs are; that next month the *We Care: Coast to Coast* core team will meet to develop a Mission Statement; and that the organization expects to be working with Pascagoula for 1-2 years.

Councilmember Aldinger read aloud from an attachment to the staff report regarding what the City of Walla Walla, WA is doing as far as their adoption of Pascagoula. He spoke of the efforts by the City of Redondo Beach in adopting Ocean Springs, Mississippi; stated that he doesn't think anyone can predict how long it will take for Pascagoula to get back on its feet; and that he would like the City of Manhattan Beach to try and help as much as possible.

The following individual spoke on this item:

- **Helen Duncan, Executive Director Manhattan Beach Chamber of Commerce**

Councilmember Aldinger acknowledged his support to go forward to adopt the City of Pascagoula, Mississippi commenting that it will involve minimal effort by staff.

Councilmember Tell remarked that while he has no problem with the general concept of adopting Pascagoula, he is concerned that the *We Care: Coast to Coast* organization is premature in terms of set-up and that fees should not be waived until a budget can be reviewed.

Concurring with Councilmember Tell to hold off on fee waivers and any monetary requests, Councilmember Montgomery stated that he would support putting contact information about the organization on the City's web site and referring phone calls to the organization. He suggested using a two-year time frame and then taking another look at the situation.

Stating that he hasn't changed his position and that Pascagoula is not the City that Manhattan Beach should adopt, Mayor Pro Tem Ward emphasized that he cannot support this ongoing organization that will in some way be folded into the City. He continued adding that the full Council did not decide on Pascagoula; that there are other cities that are much more warranted of the word adoption; and that he cannot support this kind of open ended situation.

Mayor Fahey reiterated her concerns that it is essential that the City have some oversight of the funds and how to mesh fund raising for this organization with what the City has tasked Blu Moon Marketing to do. She agreed that it shouldn't be a problem to add a link to the City's web site and forward phone calls to the organization but that she would like to see a report come back

before the Council in a month stating that the organization has a Treasurer, a process for the handling of funds, and what fee waivers are being requested. Commenting that although she understands Mayor Pro Tem Ward's concerns about selecting the City of Pascagoula, she believes that it is past the point of choosing another city because Manhattan Beach residents have made a commitment to Pascagoula and she is prepared to go forward with it in some way.

Council held a brief discussion regarding the possibility of other organizations within Manhattan Beach wanting to adopt other cities damaged by the hurricanes to which no decisions were made.

MOTION: Councilmember Aldinger moved to approve allowing the *We Care: Coast to Coast* organization to put a link to their organization on the City's web site; direct staff to provide contact information for the organization; and approve bringing the item back to the Council in approximately one month with more organizational detail with the intention of adopting the City of Pascagoula, Mississippi. The motion was seconded by Councilmember Montgomery and passed by the following roll call vote:

Ayes: Tell, Aldinger, Montgomery and Mayor Fahey.
Noes: Ward.
Absent: None.
Abstain: None.

05/1220.15 Presentation of the Comprehensive Annual Financial Report (CAFR) for June 30, 2005

Assistant Finance Director Russell Morreale addressed Council with the Comprehensive Annual Financial Report (CAFR) for June 30, 2005 stating that it is Government Accounting Standards Board (GASB) 34 compliant. He emphasized that the last Fiscal Year was a very good one; that the City received an "unqualified" clean audit opinion (the best possible) as well as "superior" internal control reviews; and that the front section of the CAFR containing the Transmittal Letter and Management Discussion and Analysis (MD&A) will provide an overview of the numbers. He reported that the General Fund has a \$3 million surplus; that revenues exceeded the budget by 4%, exceeding last year's revenues by 6%; that expenses came in 4% under budget; that all investment and financial policies have been maintained; and that there is \$1 million in reserves for discretionary use in the General Fund. He added that staff projections through June 2006 include an additional \$1 million available in the General Fund; that \$1.2 million is available in the Capital Improvement Fund (CIP), and that other funds have healthy reserve balances also. He explained that the major change to the CAFR this year is the addition of capital assets and new debt levels due to Certificates of Participation being issued for the Police & Fire Facility. Referring to challenges, he explained that the Insurance Fund, while within policy, has a negative fund balance due to high costs and the rise in long term claims, however, no transfer of funds is being recommended at this time; that salaries, benefits and PERS insurance costs have risen dramatically; and that infrastructure funding will remain a challenge in the future. In conclusion, Assistant Finance Director Morreale summarized that the City has met its projections, has healthy reserves and a clean audit opinion.

Auditor Richard Kikuchi, of Lance, Soll & Lundghard, LLP (the firm hired to conduct the City's financial audit) explained that auditors from his firm came out twice last year to perform an in depth analysis and test of the City's internal control structure and account analysis and for preparation of the financial statements. He explained that as a result of the audit, his firm issued a Management Compliance Letter and an Audit Committee Letter indicating that there were no reportable conditions or weaknesses and that the audit went very well.

In response to Councilmember Aldinger's question regarding a \$2.4 transfer out of the General Fund into the CIP, Assistant Finance Director Morreale explained that the level of debt of the Police & Fire Facility bonds were reduced from \$14 million to \$12 million and the City prepaid interest in order to reduce the debt service.

There was no public comment on this item.

Complimenting the Finance staff, Councilmember Tell acknowledged that he is very happy to report that, when he spoke to the auditors in private, they indicated that, from an internal audit control stand point, Manhattan Beach ranks at the top of the cities they have audited.

The remainder of the Council added their thanks to the Finance staff.

Mayor Fahey moved to accept the presentation and receive and file the subject report. Hearing no objection, it was so ordered.

05/1220.16 Consideration of a Request for Funding From Gateway to Los Angeles for Operation of the Ocean Express Shuttle

Deputy City Manager Sherilyn Lombos introduced this item explaining that this is the third year that *Gateway to Los Angeles* has come before the City Council to request funding for its Ocean Express shuttle service. Reporting that this year the organization raised over \$16,000 from its regular contributors as well as the North End businesses and Downtown Business and Professional Association; she explained that they are requesting \$20,000 and that there are sufficient funds in the Council Contingency Fund to cover this request.

Lori Hughes of Gateway to Los Angeles addressed Council explaining that Gateway to Los Angeles is a Business Improvement District in the City of Los Angeles representing properties on Century Boulevard from Sepulveda Boulevard to La Cienega Boulevard consisting of 12 major hotels and many other businesses. She communicated that Gateway to Los Angeles' solution to "what is there to do on Century Boulevard?" was to bring visitors to Manhattan Beach where there are shops and restaurants. She pointed out that in the three years the shuttle service has been in operation, the trolley, which seats 35 people, just surpassed the 100,000 passenger mark; that it takes no parking away from the City; and that it operates daily, 7 days a week, from 10:00 a.m. to 9:00 p.m. She explained that within the last year, the vehicle was changed to a trolley; that, at the request of merchants in the North End, a new stop has been added on Highland Avenue and Rosecrans Avenue; that the hours were increased by 2 hours in the morning and 2 hours in the evening; and that on board advertising was added in an attempt to raise additional revenue. **Ms. Hughes** spoke of the successful partnerships that have formed between her organization, businesses within the City, the Chamber of Commerce, and others and conveyed that Gateway to Los Angeles hopes that the City will consider their request for funding.

Council held discussion with **Ms. Hughes** determining that the shuttle runs hourly; that there are no plans to expand; that it runs every day except Christmas and New Years Day; and that the businesses on Century Boulevard are assessed based on the size of their property and the size of the building on the property.

The following individuals spoke on this item:

- **Karol Wahlberg, No Address Provided**
- **Gary Osterhout, 500 Block of 31st Street**

- **Patrick McBride, 5th Street and Peck Avenue**

In response to audience comments, City Manager Geoff Dolan emphasized that although the current vehicle does emit pollution, it reduces approximately 4,000 car trips a month which reduces parking, pollution and congestion problems and that the City could possibly more than make up the \$20,000 contribution by the economic gains in sales taxes.

Council held additional discussion regarding how the amount of the contribution was decided last year to which **Ms. Hughes** responded that the downtown businesses raised over \$3,000 and the Council rounded the City's contribution up to \$5,000.

Commenting that she most often sees the shuttle at the Manhattan Village Shopping Center filled with passengers carrying several bags, Mayor Fahey stated that the City should do what it can to help promote its businesses. She added that, while \$20,000 may be more than what the Council agrees upon to contribute, supporting this program is within the Council's responsibility.

Stating that \$20,000 is more than what he is willing to support, Mayor Pro Tem Ward pointed out that his understanding of the program was to allow Gateway to Los Angeles to get off their feet and then the City would taper off its contributions. He remarked that this contribution is a subsidy, in a sense, to some businesses, however, now that the shuttle is going to other areas of the City, he sees it as a good thing. He added that he would support a contribution but not at the amount that has been requested.

Councilmember Tell concurred with Mayor Pro Tem Ward that the more money that is raised by the businesses, the less money that the City should need to subsidize the program. He also agreed that the City should support the program, but not at the same amount that it has historically.

Councilmember Aldinger commented that he wouldn't mind as much if the subsidy was going to the downtown businesses, however, he believes it is the Century Boulevard hotels and businesses that are getting the subsidy in this case. He stated that while it's great that the organization brings people to Manhattan Beach, he doesn't think they would stop the operation if the City doesn't give them money and that he would not be in favor of increasing the contribution over the \$5,000 that the City donated last year.

In response to Councilmember Montgomery's question regarding the possibility of obtaining a "clean air" vehicle, **Ms. Hughes** responded that a natural gas or other "clean air" type of vehicle could be a possibility, but not for a few years. Responding to an earlier comment, she clarified that the City's original intent was that the organization had to demonstrate its success before the City would participate as a partner. She added that the organization doesn't expect to keep escalating its request for more money - \$20,000 is a fair amount to show the partnership between Gateway to Los Angeles and the City.

Councilmember Montgomery pointed out that if the organization makes additional improvements such as expanding the service and purchasing a "clean air" vehicle he would support a larger contribution; however, at the same time, the organization adds to the Chamber of Commerce's "Buy Manhattan" Program and helps to increase revenues.

MOTION: Councilmember Aldinger moved to approve appropriating \$5,000 from the City Council Contingency to Gateway to Los Angeles for operation of the Ocean Express Shuttle.

MOTION FAILED DUE TO THE LACK OF A SECOND.

Mayor Pro Tem Ward suggested that because operating costs go up each year and due to the rise in fuel costs, \$7,000 – \$8,000 might be more appropriate this year.

Councilmember Montgomery suggested contributing \$10,000 which is similar to what the downtown businesses contributed, yet far below the \$20,000 requested.

Commenting that this is a partnership, Mayor Fahey stressed that the City’s downtown businesses need more than words of support; that the shuttle clearly brings business into the City; that matching what the downtown businesses have contributed is appropriate; and that it would send the message that the City wants to help them promote business throughout the City.

MOTION: Councilmember Montgomery moved to approve appropriating \$10,000 from the City Council Contingency to Gateway to Los Angeles for operation of the Ocean Express Shuttle. The motion was seconded by Mayor Pro Tem Ward and passed by the following unanimous roll call vote:

Ayes: Tell, Aldinger, Montgomery, Ward and Mayor Fahey.
Noes: None.
Absent: None.
Abstain: None.

Council spoke of the intention of reducing the contribution amount over time to which Mayor Pro Tem Ward commented that it would be up to the City Council in office at that time.

05/1220.17 Consideration of the Police & Fire Facility / Metlox / Public Improvements Project Status Report and Disbursement of Progress Payment #21 in the Net Amount of \$880,399.60 to Swinerton Builders

Deputy City Manager Sherilyn Lombos addressed Council with an updated schedule from Swinerton Builders (the contractor hired by the City to build the Police & Fire Facility) indicating that the updated finish date is April 13, 2006 and the final completion date is June 13, 2006. She explained that substantial completion would allow occupancy of the building and installation of furniture, fixtures and equipment and that, in the following two month period, the contractor will finish the exterior and reach final completion. She explained that while these dates have not changed from the last report, there has been some “slippage” and that this “slippage” is indicated within the Allowance for Bulletins section on the schedule. She explained that Swinerton’s “realistic” schedule includes 30 days for contingency items which are listed under Allowance for Bulletins, Allowance for Pending Change Orders and Allowance for Potential Rain Delays. She reported that the schedule has slipped 6 days so far due to the Return Air Flow issue, which was inadvertently omitted in the documents by the Mechanical Engineer; however, Swinerton was able to use the contingency to cover it and Swinerton is confident that they will meet both end dates. She explained that Swinerton has provided a Critical Issues List of the most important issues; that, as of today, there are 7 items on the list; and that each item has a description, an action and a due date. She gave a brief overview of the seven items which included the Water Feature Design, Sheet Metal Roofing, Audio/Visual, Jail Cell Door Controls, Radio Enhancement Changes, High Floor Drains in the Detention Area and the Return Air Openings.

City Manager Geoff Dolan briefly reviewed the budget explaining that \$25 million out of the \$30 million contract has been paid thus far and that despite the known Change Orders, staff still believes that the project will be built within the allocated budget. He added that it is unknown, however, who will be responsible to pay for the many months of delays. In response to Councilmember Aldinger’s question regarding an estimate of what the monthly charges will be,

City Manager Dolan explained that he raised this issue with Swinerton's upper management and that their response was that they are comfortable that, because of their spending patterns, that they will finish in April. City Manager Dolan emphasized that the big issue is that the City has a contract with Swinerton through the end of October, 2005 and that, theoretically, they will ask for \$4,000 a day through the completion date; however, staff will argue for those things that are not the City's responsibility.

Councilmember Tell pointed out that, based on the numbers that were just discussed; the potential cost overrun would be in the area of \$400,000 but only if the City lost all of the arguments regarding responsibility.

Deputy City Manager Lombos continued explaining that with the current progress payment to Swinerton of just under \$900,000, the projected December payment of \$1.2 million and the January projection of \$1.5 million, payment to Swinerton will be complete. She added that an average of these payments (\$1.1 million per month) puts the completion date at April, which is what they are projecting for substantial completion. Continuing her presentation, she illustrated a slide explaining that the Police & Fire Facility will have 3 water features: one directly outside of City Hall; a central fountain in the plaza with a zigzag effect; and then another fountain going down the stairs to 13th Street. She explained that the fountain leading down to 13th Street had major constructability and maintenance flaws; therefore had to be redesigned and Shaw & Sons, the concrete contractor, came up with an alternative to use green and blue lithocrete (glass in concrete) to simulate waves and follow the line of the stairs.

City Manager Dolan added that because this was a critical path issue, the subcommittee reviewed and approved it approximately 4-5 weeks ago. In regard to the new streets around the Police & Fire Facility and Metlox projects, he explained that street striping was completed with minimal disruption; that Morningside Drive is now a one-way north bound street; that tenants are moving into Metlox; and that the last 2 fountains on the Metlox site are being finished.

Moshir Kellada of Vanir Construction Management addressed Council expressing that while he is pleased with the progress that has been taking place he also has some reservations about the manpower on site. He relayed that he believes that Swinerton is doing their best; however, subcontractors would rather work on projects that they bid out recently than on the Police & Fire Facility because of the increase in prices over the last two years. He conveyed that he believes that the construction industry will be flooded with projects over the next couple of years especially because of the \$4 billion worth of LAUSD bonds. He emphasized that the subcontractors are there every day; that there are a few that Swinerton is having a problem with, but all in all, the project is going well and that they should meet the finish dates previously described.

In response to Councilmember Tell's question as to what Vanir has done differently to be comfortable that Swinerton will meet the updated schedule, **Mr. Kellada** explained that it is the elevation in the level of communication. He further explained that Vanir asked Swinerton to provide a printout of the previous week's activities; that the weekly schedule updates have helped; and that he hopes that the April 13, 2006 date will hold.

In response to Councilmember Aldinger's question as to what schedule Swinerton uses on a daily basis, **Mr. Kellada** confirmed that it is the same schedule as what was presented this evening and that they also use this same schedule when meeting with subcontractors on a weekly basis.

The following individuals spoke on this item:

- **Patrick McBride, 5th Street & Peck Avenue**

City Manager Dolan relayed that, beside the Police and Fire Departments, there was a substantial amount of Public Works involvement on this project and that the value of having Deputy City Manger Lombos heading the project was to reconcile any issues that may come up between the different departments.

MOTION: Mayor Pro Tem Ward moved to receive and file the status report on the Police & Fire Facility / Metlox / Public Improvements Project and approve issuance of the subject progress payment. The motion was seconded by Councilmember Montgomery and passed by the following unanimous roll call vote.

Ayes: Tell, Aldinger, Montgomery, Ward and Mayor Fahey.
Noes: None.
Absent: None.
Abstain: None.

ITEMS REMOVED FROM THE CONSENT CALENDAR

05/1206.5-7 Approve Minutes of the City Council Adjourned Regular Meeting of November 21, 2005 (Continued from the December 6, 2005 City Council Meeting)

A member of the audience pulled this item from the Consent Calendar for Council discussion.

The following individual spoke on this item:

- **Roger Kohn, No Address Provided**

In response to Mr. Kohn's concern about the process of how Council answers the audiences' questions "in batch form" Mayor Fahey stated that Council and staff do take notes in order to answer questions from the public, however, agreed that **Mr. Kohn** raises a valid point and that a balance needs to be reached in order to run an efficient meeting and at the same time fully answer all the questions that are being asked.

MOTION: Councilmember Aldinger moved to approve the subject minutes. The motion was seconded by Councilmember Montgomery and passed by the following unanimous roll call vote.

Ayes: Tell, Aldinger, Montgomery, Ward and Mayor Fahey.
Noes: None.
Absent: None.
Abstain: None.

AUDIENCE PARTICIPATION

05/1220.19 Esther Besbris Re Utility Undergrounding

After wishing everyone Happy Holidays, **Esther Besbris, No Address Provided**, spoke of the anxiety regarding utility undergrounding and the possibility of people moving out of the City because of it. She encouraged Council to give thought to the 254 households out of 499 whom

either voted against the undergrounding or didn't get a chance to vote and therefore, may not be having such a carefree end of the year holiday.

05/1220.20 Frank Matranga Re Utility Undergrounding

Frank Matranga, 2nd Street & Ardmore Avenue, announced that his neighbor just moved out of the City due to the undergrounding. He reported that at the last City Council meeting, residents asked that the lower John Street neighborhood petition be placed on the next agenda, however, following comments by the City Attorney, the Council chose not to. He emphasized that the petition was filed with the City Clerk before the November 21, 2005 Underground Utility Assessment District Public Hearing; that a number of sections in the Streets and Highway Code state how and why the petition should be heard; and that lower John Street residents can be removed from District II. He added that most of the lower John Street residents are against undergrounding; have more modest houses and more modest incomes than the rest of John Street; and that, for these reasons, formally requested that the lower John Street neighborhood petition be placed on the Council's agenda in January of 2006.

05/1220.21 Paul Gross Re Holiday Fireworks

Paul Gross, No Address Provided, commented on how the growing success of the Holiday Fireworks could begin to hurt the City if it continues to expand the way it has in the last couple of years. He asked for Council's help to be proactive and keep the event healthy before it gets out of control. He pointed out that a lot of residents invite friends from out of town to watch the fireworks; that public drinking and "robust behavior" is on the rise; and that the event is moving towards a 4th of July atmosphere and moving away from being child and family friendly. He spoke of the problems caused by neighbors who had valet parking and how emergency vehicles would have been "hard pressed" to get through the area, even with the Police presence that was there. He suggested that Council be proactive and evaluate the issue so that the event doesn't "turn ugly" at some point in the future.

05/1220.22 Viet Ngo Re Alleged Wrong Doings

Viet Ngo, No Address Provided, wished good health for everyone in the coming year and for the City of Manhattan Beach to experience a bright future. He explained that he hopes that the United States Department of Justice will intervene and bring Jonathan Tolkin and the Metlox LLC Corporation to justice and clear up the corruption in the City. He referred to an article in the Daily Breeze newspaper regarding how the Long Beach School District went after the surety bond of a contractor who failed to complete a construction project and suggested that the City do the same with Swinerton. He urged City Attorney Robert Wadden to do his duty and refer the activity of Jonathan Tolkin to the United States Attorney's Office in Los Angeles and to advise the Council to follow the law after imposing an unconstitutional undergrounding fee.

05/1220.23 Patrick McBride Re Utility Undergrounding

Commenting that there is a better way of handling the undergrounding, **Patrick McBride, No Address Provided**, submitted some information detailing how a group of people living on a farm dug their own trenches in order to underground their utilities and paid only \$13,700. He stated that if residents were forced to underground their utilities in the same way plus pay an additional \$500 to tear down and haul away the poles, \$300 to put up a lamp in the front yard, and \$500 for an emergency power backup, the system would still only cost about \$15,000. He added that property owners would also realize a 12% return on their investment, increase their property values and do something serious for the environment. He encouraged Council to lead

the community into the future; convert one public building into a powerless building; and bring some hotspots downtown and to the beach so that free internet service would be available which would bring more business into the City.

In regard to Mayor Fahey's request that Senior Engineer Katsouleas address the issue of Verizon giving or not giving property owners credit for the installation of new equipment, City Manager Dolan stated that there will be an update on utility undergrounding on the January 17, 2006 agenda.

CITY MANAGER REPORT(S)

05/1220.24 City Manager Re Holiday Fireworks

In response to **Mr. Gross'** comments about the Holiday Fireworks, City Manager Dolan reported that the City's Fire Chief, one Police Captain and the Parks and Recreation Director continually traversed from north to south around town, starting at approximately 4:00 p.m., in order to evaluate the event from an external perspective and the Hawthorne helicopter was used to evaluate traffic. He explained that staff shares some of the same concerns as **Mr. Gross** and will attempt to evaluate them and come up with some ideas to implement next year. He added that staff has resisted attempts, over the past few years, by the downtown to expand on activities; that a buffer zone was created this year to allow access for emergency vehicles, if necessary; and that the "policing area" was widened this year.

OTHER COUNCIL BUSINESS & COMMITTEE REPORTS

05/1220.25 City Council Re Well Wishes for the Holidays

The Council concurred to wish everyone a Happy Holiday.

RECESS AND RECONVENE

At 9:44 p.m. the Council recessed into Closed Session.

At 10:25 p.m. the Council returned to Open Session announcing that no actions were taken.

ADJOURNMENT

At 10:25 p.m. the meeting was duly adjourned to the 5:30 p.m. Adjourned Regular Meeting, to be followed by the 6:30 p.m. Regular City Council Meeting, on Tuesday, January 3, 2006, in said City.

TERRI ALIABADI
Recording Secretary

ATTEST:

JOYCE FAHEY
Mayor

LIZA TAMURA
City Clerk

**CITY OF MANHATTAN BEACH
MINUTES OF THE CITY COUNCIL
ADJOURNED REGULAR MEETING
DECEMBER 20, 2005**

The 5:30 p.m. Adjourned Regular Meeting of the City Council of the City of Manhattan Beach, California, scheduled for the 20th day of December, 2005, in the City Council Chambers of City Hall, at 1400 Highland Avenue, in said City, was continued until after the close of the City Council proceedings.

ROLL CALL

Present: Tell, Aldinger, Montgomery, Ward and Mayor Fahey.
Absent: None.
Clerk: Wadden (Acting).

CLOSED SESSION

The Council recessed into Closed Session at 9:45 p.m. At 10:25 p.m. the City Council returned to Open Session announcing that no action was taken.

ADJOURNMENT

The meeting was duly adjourned at 10:25 p.m. to the 5:30 p.m. Adjourned Regular Meeting to be followed by the 6:30 p.m. Regular City Council Meeting on Tuesday, January 3, 2006, in said City.

ROBERT V. WADDEN, JR.
Recording Secretary

JOYCE FAHEY
Mayor

ATTEST:

LIZA TAMURA
City Clerk