

**CITY OF MANHATTAN BEACH  
MINUTES OF THE CITY COUNCIL  
REGULAR MEETING OF  
FEBRUARY 1, 2005**

The Regular Meeting of the City Council of the City of Manhattan Beach, California, was held on the 1st day of February, 2005, at the hour of 6:30 p.m., in the City Council Chambers of City Hall, at 1400 Highland Avenue, in said City.

**PLEDGE TO FLAG**

Drew Von Bergen, a 5<sup>th</sup> Grade Student from Robinson Elementary School, led the pledge of allegiance.

**ROLL CALL**

Present: Ward, Napolitano, Aldinger, Fahey and Mayor Wilson.  
Absent: None.  
Clerk: Tamura.

**CEREMONIAL ITEMS**

*05/0201.1 Introduction of New Employees and Presentation of Service Awards*

The Council and Police Chief Ernest Klevesahl introduced Police Officers Brian Kowan, Richard Hatten II, Benjamin Cavallone and the Department's new K-9, Rex, accompanied by Police Officer Tim Zins. Police Chief Klevesahl and Mayor Wilson, on behalf of the Council, also presented an Employee Service Award and Service Pin to Community Services Officer Vincent Kennar for 15 years of service to the City.

The Council and Fire Chief Dennis Groat introduced Firefighter/Paramedic Tyler Wade and Firefighter/Paramedic Rudy Mejia. Also recognized, but not in attendance, was Fire Engineer/Paramedic Dan O'Neill for 25 years of service and Fire Engineer/Paramedic Larry Randall for 20 years of service

Public Works Director Neil Miller and Mayor Wilson, on behalf of the Council, presented an Employee Service Award and Service Pin to Carpenter Michael Accardo for 15 years of service and Foreman Calixto Martinez for 30 years of service to the City.

Community Development Director Richard Thompson and Mayor Wilson, on behalf of the Council, presented an Employee Service Award and Service Pin to Management Analyst Robert Osborne for 15 years of service to the City.

Mayor Wilson, on behalf of the Council, presented an Employee Service Award and Service Pin to City Manager Geoff Dolan for 10 years of service to the City.

City Manager Dolan thanked Council, staff and public for the recognition.

The Council also recognized Fire Department Battalion Chief Ken Shuck, who was unable to attend, for his 25 years of service to the City.

05/0201.15 Presentation of Proclamation – “Go Red for Women” Day

After recognizing that representatives from the American Heart Association were not in attendance to accept the proclamation, Mayor Wilson announced that February 4, 2005 was being proclaimed as “Go Red for Women” day and stated that the proclamation would be forwarded to the American Heart Association.

05/0201.16 City Manager Dolan Re New Microphones

City Manager Geoff Dolan announced the installation of new audio and video equipment in the Council Chambers and noted that it will take some time for Council and staff to adjust to the sound levels.

05/0201.17 City Manager Dolan Re Video Streaming

City Manager Geoff Dolan reported plans to begin broadcasting City Council meetings over the Internet via video streaming, with the first broadcast planned for the swearing in of the new elected officials on March 15, 2005.

**CONSENT CALENDAR**

The Consent Calendar (Item Nos. 2 through 9), consisting of items under *General Consent* and *Boards and Commissions*, was approved by motion of Mayor Pro Tem Fahey, seconded by Councilmember Ward and passed by unanimous roll call vote.

Ayes: Ward, Napolitano, Aldinger, Fahey and Mayor Wilson.  
Noes: None.  
Absent: None.  
Abstain: None.

**GENERAL CONSENT**

05/0201.2 Approve Minutes of the City Council Adjourned Regular and Regular Meeting of January 18, 2005

The Council approved the subject minutes.

05/0201.3 Consideration of Financial Reports: Ratification of Demands - January 27, 2005

The Council approved with no exception Warrant Register No. 16B in the amount of \$2,021,515.75 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.

05/0201.4 Consideration of a Resolution Implementing the Findings of Phase II of the Classification Study in the Miscellaneous Unit Covering the Public Works and Parks & Recreation Departments

The Council adopted Resolution No. 5960 implementing the findings of Phase II of the Classification Study in the Miscellaneous Unit Covering the Public Works and Parks & Recreation Departments.

**RESOLUTION NO. 5960**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH, CALIFORNIA, AMENDING RESOLUTION 5898 OF SAID COUNCIL (PERSONNEL RULES) BY MODIFYING THE CLASSIFICATION PLAN FOR THE CITY OF MANHATTAN BEACH AND AMENDING THE 2002-2006 TEAMSTERS MEMORANDUM OF UNDERSTANDING**

05/0201.5 Authorize the Purchase of Three Replacement Vehicles for the Police and Public Works Departments to Ford West (\$90,024.88)

The Council approved an award of a Request for Bid (RFB) to Ford West in the amount of \$90,024.88 for the budgeted replacement of two Public Works trucks and a Police vehicle.

05/0201.6 Disbursement of Final Payment in the Net Amount of \$53,308.60 to Value Engineering Inc.; Change Order No. 1 in the Net Amount of \$11,818; Supplemental Appropriation of \$12,000 from Water Fund Reserves; Amendment to Brown and Caldwell's Engineering Services Contract (\$48,000); Formally Accept the Water System Control Valve Project as Complete; and Authorize Filing of the Appropriate Notice of Completion

The Council approved the issuance of the subject final payment, change order and supplemental appropriation; approved an amendment to Brown and Caldwell's Engineering Services contract; formally accepted the Water System Control Valve Project as complete; and authorized filing of the appropriate Notice of Completion.

**BOARDS AND COMMISSIONS**

**Cultural Arts Commission**

05/0201.7 Consideration of Draft Minutes, Cultural Arts Commission Meeting of January 11, 2005

The Council received and filed the subject draft minutes.

**Planning Commission**

05/0201.8 Consideration of Action Minutes, Planning Commission Meeting of January 26, 2005

The Council received and filed the subject action minutes.

05/0201.9 Consideration of a Planning Commission Decision to Approve a Variance to Allow New Parking Lot Light Poles and Lights in the Front Parking Lot to Exceed Maximum Allowable Height and Maximum Allowable Lighting Level, for Target, on the Property Located at 1200 Sepulveda Boulevard

The Council received and filed the subject report.

## COMMUNITY ANNOUNCEMENTS

### 05/0201.18 *Barbara Heacox Re Candidates Forum*

**Barbara Heacox, No Address Provided**, announced a City Council and City Treasurer's Candidates Forum sponsored by the Neptunian Woman's Club of Manhattan Beach scheduled for Tuesday, February 8, 2005, from 12:00 p.m. to 2:00 p.m., and invited everyone to attend.

### 05/0201.19 *Susan Adams Re Candidates Forum*

**Susan Adams, 1200 Block of Manhattan Avenue**, announced a City Council and City Treasurer's Candidates Forum hosted by American Martyrs Community Relations Ministry, in association with the Manhattan Beach Chamber of Commerce, at American Martyr's Church's in the O'Donnell Hall, on February 10, 2005, from 7:30 p.m. to 9:00 p.m.

### 05/0201.20 *Wendy Phillips Re Candidates Forum*

**Wendy Phillips, No Address Provided**, announced a Candidates Forum sponsored by the League of Women Voters on Tuesday, February 22, 2005, from 7:00 p.m. to 9:00 p.m. at Mira Costa High School.

### 05/0201.21 *Carol Wahlberg Re Candidates Forum*

**Carol Wahlberg, No Address Provided**, announced a Candidates Forum hosted by the Manhattan Beach Residents Association on February 17, 2005 from 7:00 p.m. to 8:30 p.m. She noted that the City Council Candidates Forum will be broadcast live on Adelphia, followed by a taped Forum with City Treasurer candidates and encouraged Manhattan Beach residents to submit questions of interest to P. O. Box 1149, Manhattan Beach, or e-mail to [candidatesforum@aol.com](mailto:candidatesforum@aol.com).

### 05/0201.22 *Viet Ngo Re Plaza El Segundo Project*

**Viet Ngo, No Address Provided**, requested that the City Council produce the settlement agreement proposed by the City Manager on Item 14 (*Status Report and Consideration of Settlement Agreement Regarding the Plaza El Segundo Project in the City of El Segundo*) for public review and discussion later in the meeting.

## GENERAL BUSINESS

### 05/0201.10 *Update by Southern California Edison and Verizon on the Status of Utility Undergrounding Project Districts 2004-1, 2004-3 and 2004-5*

City Manager Geoff Dolan introduced **Southern California Edison (Edison) Representative Scott Gobble** who gave a presentation regarding the delay of the start of construction of Underground Utility Districts 1, 3 and 5. He stated that it was the intent of Edison and Verizon to start construction in January, however, because bid prices came in considerably higher than anticipated, Edison and Verizon have been working together to try to find a way to bring costs more in-line with what residents have already paid or been assessed in these districts. He presented a draft letter to Council that Edison and Verizon propose to send to residents in the Underground Utility Districts which states that the project is being delayed until April due to high bids from only five respondents; inclement weather (which caused damage to roads, leading to many contractors not being available because they are currently working on Public Works-type projects); and the high cost of concrete and steel. He explained that Edison is working with a new multi-year contract and asked the City to look "outside of the box" as far as: construction times; consideration of extended work hours; working in conjunction with the City, when

City Council Meeting Minutes of February 1, 2005

possible, on repaving projects; and using sand instead of slurry backfill, enabling the cost of undergrounding to be brought more in-line with the original estimates.

**Francisco J. Uribe, Director of External Affairs at Verizon**, assured the Council that it is the intent of Verizon to move forward with the project, get through the current challenges and work with the City to get the project completed.

In response to concerns by Councilmember Ward regarding what assurances Edison can provide related to commencement of the projects, **Scott Gobble** responded that, from the Public Affairs standpoint, Edison has every intent to proceed with the project. He pointed out, however, that the re-bidding is necessary to bring the prices more in-line with the actual amount paid for the project and so that other customers of Edison don't pay for something that they will not benefit from. He assured Council that Edison intends to move forward with the project and, while they understand that the delay is disappointing, it is their intent to "get the wires down".

In response to questions regarding why the project cannot start sooner than April, **Southern California Edison Project Manager Larry Jones** explained that Edison is currently in negotiations and that it is necessary to ensure that the contractors have all of the insurance ratings and bonding required by the City and Edison in order to begin the job in April.

Councilmember Napolitano stated that to call the delays a disappointment is an understatement and questioned what Edison is committed to and when the project is going to start. He pointed out that there is no guarantee that the bids will come in at the rate Edison expects and emphasized that residents have heard about "commitment" before.

In response to Councilmember Aldinger's inquiry regarding the enforceability of ensuring that the cost to property owners will be the same as what was represented on the ballot, City Attorney Robert Wadden explained that the bid amount on the ballot was based on estimates from Southern California Edison and that it was clearly represented and understood that this would be the cost.

In response to **Mr. Gobble's** comment that Edison has already collected approximately \$2.3 million for this project, Mayor Pro Tem Fahey remarked it is "outrageous" that Edison is holding such a significant amount of the residents' money that could have been used in other ways while Edison delays the project. She argued that the number of bids received was predictable; that the schedule was based on Edison's representations; that the price of materials was predictable; and that Edison should return the residents' money until the project is ready to start if they can't do what they promised.

**Mr. Gobble** assured Council that the proposed letter will not be sent out if Council does not approve; that the Public Utilities Commission (PUC) is very specific that this procedure can be done, but, it is a tariff, not a profit-making venture; and that Edison understands that it is disappointing to see delays but is committed to completing the project.

In response to Mayor Pro Tem Fahey's request for an explanation of Edison's definition of "partnership", **Scott Gobble** indicated this would include exceptions related to the hours of construction as well as completing Public Works projects in conjunction with Edison. Mayor Pro Tem Fahey stated that, when Edison breaks ground, they will get the City's cooperation and reiterated her position that one of the five original bids should have been accepted.

Mayor Wilson noted that she shares the frustration, concern and outrage with the Council over the whole procedure, noting that the homeowners were expecting the project to have started over four months ago and anticipated that it would go forward on schedule. She agreed that the undergrounding project is not a “partnership” between Edison and the City but rather is an endeavor between residents, Edison and Verizon, with the City serving as a facilitator. She noted that while the City is not a partner, she believes the City would be willing, once Edison has broken ground, to work together to save duplication of Public Works projects. She concluded by pointing out that just because Edison didn’t do their job, it should not be a burden on Manhattan Beach residents.

**The following individuals spoke on this item:**

- **Irl Kramer, 100 Block of Dianthus**
- **Wendy Phillips, Resident in District 5**
- **Martha Andreani, Downtown Manhattan Beach**

Public Works Director Neil Miller gave a brief overview of the project, noting the City’s understanding that prices were based on estimates from companies that had been doing work for Edison for many years but, in the end, Edison changed their policy and went out to bid, resulting in higher costs. He stated that he sees no choice other than to work with Edison’s current contractor; that the work should start as soon as possible; and that it would be helpful if Edison could be held to a pre-determined reporting schedule.

Councilmember Napolitano encouraged the various undergrounding districts to organize their residents and start sending letters to Edison and Verizon.

In response to Councilmember Aldinger’s suggestion that the City consider looking into taking over ownership of the electric lines for future undergrounding projects and charging Edison to use them, City Attorney Robert Wadden stated that while it is feasible, the lines would have to be condemned and it would be very expensive.

In response to public comments for the formation of “status meetings”, Public Works Director Neil Miller’s suggested that having a Councilmember present at the “status meetings” would be helpful. Councilmember Ward and Mayor Pro Tem Fahey indicated that they would serve on such a committee.

In response to Mayor Pro Tem Fahey’s request for an explanation as to why Edison went out to bid when the bid prices were based on Edison using the contractors they would normally use, as was their practice, **Mr. Jones** explained that Edison had been out to bid for new contracts since December, offering a longer-term contract that will benefit Edison overall and provide lower rates. He explained that the ten contractors were solicited to bid on the open competitive market and only five responded; that the terms of the in-house contracts expired in December 2004; and that they were re-bid and that they are currently being evaluated. He added that it is a contractor’s market today because of the huge number of Public Works projects available today.

City Manager Dolan reviewed that Edison’s original estimates were based on prices quoted by their previous multi-year contract; that they believed that they could go out to bid and get the same or lower prices; that these figures were used during the voting process; and that they ran into issues when the prices came in too high. He added that, meanwhile, contracts with their force accounts have expired and are being re-bid and Edison now believes that one of the new contractors will have prices more in-line with the original estimates.

**Mr. Jones** reiterated that he wants to make sure that the project gets started while avoiding these

types of issues in the future and not over-commit to doing these projects. He stated that once the contractors are announced and they purchase their materials, which he expects to happen in four to six weeks, the projects will begin.

City Manager Dolan also pointed out that one of the reasons for the delay is because, while this is an Edison account, Verizon must also approve the contractors.

**Mr. Uribe** pointed out that it is important to make sure that the contract will be compatible with Verizon's requirements and they currently don't know if Edison's contractor is going to be someone with whom Verizon will be able to work.

City Manager Dolan pointed out that the worse case scenario would be if Edison were to accept a contractor that is not acceptable to Verizon but added that they are making good faith efforts to come to a conclusion. He recommended that the subcommittee meet with Mayor Pro Tem Fahey and Councilmember Ward in three weeks and report back to Council and concluded by stating that he believes that if the issue with Verizon works out, they will be able to make the April deadline.

**Scott Gobble** stated that three-year contracts have to be done according to the rules of the PUC but assured Council that Verizon has their documents ready and as soon as Edison knows which contractor with whom they will work, Verizon will enter into the contracts.

Mayor Wilson, accepted the presentation and appointed Mayor Pro Tem Fahey and Councilmember Ward to the Utility Undergrounding Project Subcommittee.

Hearing no objection, it was so ordered.

05/0201.11 Presentation and Selection of a 9/11 Memorial Public Art Project

City Manager Geoff Dolan introduced Cultural Arts Manager Juanita Purner, who reviewed the actions leading up to tonight's presentation of the 9/11 Memorial Public Art Project using two steel beams that the Manhattan Beach Fire Department received from the World Trade Center. She explained that \$60,000 has been budgeted for the project using funds from the Public Art Trust and that four finalists were selected from among the 19 proposals that were received; that these four artist/design teams' entered into a contractual agreement to provide and develop a three-dimensional maquette; and that after careful consideration, the Cultural Arts Commission and the Public Art Advisory Committee (PAAC) prioritized and ranked them as follows: #1) Untitled, Scott Yanofsky, Steve Oliker, Mark Brush and Studio 9One2; #2) Monument to September 11, 2001, Robert Kramer; #3) Risen Memories/Rising Hopes, Nancy Mooslin; and #4) Untitled, Milena Frieden.

Cultural Arts Manager Purner concluded by pointing out that the four maquettes have been in the Council Chamber lobby for public viewing since January 11, 2005 and introduced each of the presenters of the four final projects: #1) **Christian Navar** and **Steve Oliker**; #2) **Robert Kramer**; #3) **Nancy Mooslin**; and #4) **Gary Suisak for Milena Frieden**.

There was no public comment on this item.

Councilmember Napolitano expressed that, while he typically takes to task the results of some of the art projects, this is by far the best. He applauded the artists and architects who participated, noting that they are all held in high stature in their careers and communities. He chose proposal #1 because of the simplicity of the design and straightforwardness and stated that they tell the story behind them in a simple way and speak for themselves. He added that the integration of

the horizontal element spreading into the sidewalk area fits well into the space and represents what he believes the memorial should be like.

Councilmember Aldinger agreed with Councilmember Napolitano, noting that the quality is incredible and he's very impressed with all of them. He stated that while he likes the glass in proposal #3, he can't see people walking around it; that proposal #2 is simple but he is concerned with the lack of usability of the grass; and that proposal #1 allows people to walk around it, has benches and trees and attempts to draw the community into the project more than the others.

Councilmember Ward congratulated the artists and judges noting that it was a difficult decision. Explaining that he focused on the simplicity and usability of the projects, he stated that it is evident in proposal #1; that the trees in the exterior of the project are a nice benefit; that using the new building as a backdrop is a plus; and that it is friendly enough that people will mingle around it. He stated that while he also likes the glass element in proposal #3, he felt it was impractical and costly; that proposal #4 is too simple; and that it all comes back to usability and that is why he also supports proposal # 1.

Mayor Pro Tem Fahey said she believes that the artists were truly inspired by what happened; that they have a desire to share that moment in history with future generations; and that she would be happy with any one of them. She referred to proposal #1 as meditative, beautiful, thoughtful and consistent with what the community was hoping for.

Mayor Wilson stated that, in her eight years on Council, there has only been one decision which woke her up in the middle of the night wondering what she had done—and it was an art project. She assures the audience that any one of these projects could be approved and she would be comfortable and agreed with her colleagues that proposal #1 is the project that will be most compatible with the desires of the community.

**MOTION:** Councilmember Aldinger moved to accept the presentations for the 9/11 Memorial Public Art Project; approve the selection of proposal # 1 to develop the memorial; and authorize the City Manager to enter into agreement with the artist/design team. The motion was seconded by Mayor Pro Tem Fahey and passed by unanimous roll call vote.

Ayes: Ward, Napolitano, Aldinger, Fahey and Mayor Wilson.  
Noes: None.  
Absent: None.  
Abstain: None.

#### **RECESS AND RECONVENE**

At 8:45 p.m. the Council recessed and reconvened at 9:00 p.m. with all Councilmembers present.

#### **05/0104.13-12 Consideration of the City Council's 2004-2005 Work Plan Item Regarding Creation of a Citywide Bikeway System**

City Manager Geoff Dolan explained that Council discussed this item several weeks ago, at which time, Council asked to see more of the detailed information presented to the Parking and Public Improvements Commission (PPIC).

Traffic Engineer Erik Zandvliet addressed Council with a PowerPoint presentation explaining that the bike lanes are part of the 2004-2005 City Council Work Plan and have been before the PPIC twice. He reviewed that the city-wide bike routes recommended by the PPIC were reviewed by Council in January, at which time staff was asked to provide further information. He explained that the City's Bike Transportation Plan (BTP) is part of a Regional Bicycle Transportation Plan, which is currently being updated; that the City Plan will then be integrated into the South Bay Sub-Region; that, then, perhaps a local bicycle transportation plan could be adopted in the summer of 2005 which could qualify the City to pursue grant funding for bicycle-related projects. He pointed out that the City's General Plan identifies bicycle goals and policies and encourages bikeways within the City and then reviewed the three types of bikeways: Class I - Bike Path (a separate roadway); Class II - Bike Lane (striped lane alongside a parking lane); and Class III - Bike Route (Shared roadway with signs). He explained that several factors were considered by the PPIC including: bicycle and vehicle volumes; type of roadways; curb parking; connecting destinations; bicyclist collision history; bicycle visibility; corners; structures in the way; roadway hazards; bike facilities; shower facilities; lockers; vehicle-bicycle conflicts; fewer stop signs; and future/proposed bikeways. Pointing out that the PPIC was initially hesitant to place any bike lanes within the city at this time, he explained that they came up with a bikeway plan, expressing that bike routes were sufficient and don't require street widening. However, the PPIC have since taken a closer look and identified some possible streets for bike lanes and pointed out that the changes in Sepulveda Boulevard, Manhattan Beach Boulevard and Artesia Boulevard are now part of a future regional bikeway system and that this decision is being deferred to the sub-regional area. Traffic Engineer Zandvliet conveyed that staff's recommendation is that Council discuss the routes and determine if they wish to approve a Bikeway Plan; submit the plan to the South Bay Sub-Region BTP; and return to Council with BTP findings followed by approval of a Local BTP.

Traffic Engineer Zandvliet conveyed staff's recommendation that Council discuss the routes and any changes Council may have; determine if Council wishes to approve a Bikeway Plan; and authorize staff to submit the plan to the South Bay Sub-Region area and work through their strategic workshop to incorporate the City's routes into the Sub-Regional Plan. He further indicated that following approval of the Sub-Regional Plan, the plan would be brought back to Council for approval of a Local Bicycle Transportation Plan (BTP). He also explained that some of the necessary components of a local BTP in order to be eligible for grants include having a more comprehensive look at the City, indicating existing and proposed bicycle facilities, the types of funding committed in the past or proposed for bicyclists. Lastly, he noted that all of these actions will take place on a sub-regional level and, if the City participates, the City would become eligible to make the BTP part of our own plan, using their resources as part of our own plan.

In response to Councilmember Ward's questions regarding how bicycles will use or cross Sepulveda Boulevard; why this is a good idea; and what percentage of the routes are recreational and which are more work-oriented, Traffic Engineer Zandvliet explained that a previous plan shows a regional commuter type connection at Ardmere Avenue/Valley Drive connecting to Sepulveda Boulevard, however, getting across Sepulveda may require construction, which may be eligible for a grant. He explained that the main focus was for commuters and middle school students (30% students and 70% commuters) and that the newer proposed bikeways connecting to the Strand are more recreational.

In response to Councilmember Aldinger's recommendation that the bike path go underneath the bridge to Rosecrans Avenue, Traffic Engineer Zandvliet pointed out that the property on the east side of the bridge is private property and to do so may require easements. He added that if the City wants to identify that as a future element of the bikeway plan, it can be proposed to the sub-region.

**The following individual spoke on this item:**

- **Esther Besbris, Second Street**

Councilmember Aldinger stated that he is encouraged to see some actual lanes proposed, adding that it is evident that there has been more thought put into the plan and that this gives the Council something to work with. He pointed out that Manhattan Beach may not be the most bike-friendly city because of parking problems and recommended that Council accept the plan and move forward.

Mayor Pro Tem Fahey remarked that the bottom line remains the same – there isn't a whole lot the City can do but we can have a plan. She stated that the frustration at the last meeting was due to the belief that not much thought was put into the plan, perhaps in the interest of saving time. She added that while the plan doesn't appear to help the bicyclists, she's now confident that a thorough analysis was done and she is ready to move forward.

Councilmember Ward thanked staff for the expanded presentation and stated that he would like to take it slower because he believes that there is a need to wait for the regional paths to go through and then see where Manhattan Beach can connect to it.

Councilmember Napolitano stated that, unfortunately, bikeways have the same problems as dog parks - everyone wants one but no one knows where to put them. He said it is important to: use the proper terminology; recognize the need to formally identify the bike routes in order to get funding; and point out the reality that bike lanes and bikes paths won't be possible without physical changes such as restrictions on parking and road widening, which he does not believe residents are ready to do. He concluded by stating that designating bike routes is important, but, emphasized the need to limit signage. He added that he is hopeful that a few spots can be designated in the future for bike lanes to be used to crisscross the City safely.

Mayor Wilson agreed that there is a need for the plan in order to apply for any funding that might be available.

**MOTION:** Mayor Pro Tem Fahey moved to approve a City-wide Bikeway Plan for incorporation as part of the South Bay Sub-Regional Bicycle Transportation Plan. The motion was seconded by Councilmember Aldinger and passed by unanimous roll call vote.

Ayes: Ward, Napolitano, Aldinger, Fahey and Mayor Wilson.  
Noes: None.  
Absent: None.  
Abstain: None.

05/0201.13 Presentation of Fiscal Year 2004-2005 Mid-Year Budget Review

Assistant Finance Director Russell Morreale reported the results of the Fiscal Year 2004-2005 mid-year budget review as a follow-up to the audit presentation given in the previous month. He reviewed the executive summary of the mid-year budget, which presented revenue and expenditure patterns, as well as existing fiscal and legislative challenges. He stated that the City remains in a sound financial position but pointed out that last years State budget cut projections are now a reality resulting in a loss of \$700,000 in Vehicle License Fees (VLF). He reported that Fund Policy Reserve levels have been maintained; the Investment Policy has been complied with; the Police & Fire Facility/Metlox Project Reserves are in place; and the new Police & Fire Construction Fund is fully funded. He further indicated that City surplus levels will decrease given current higher cost trends and insurance trends suggest a need for a General Fund transfer

into the Insurance Fund to maintain policy levels (currently 80% expended). He explained that revenues are projected to come in at 3% above budget and that, as predicted, interest income is near budget but below prior year levels. He added that annual expenditures are projected at 3% below budget as City departments do all they can to maintain levels; that salary & benefits are higher but on budget, that Public Employee Retirement System (PERS) pension costs are significantly higher than last year but on budget; and that personnel vacancies are currently at 21. He concluded by stating that, overall, the City is on budget even though revenue cuts have been experienced and costs are trending higher.

In response to Mayor Pro Tem Fahey's concern regarding 12 vacant safety positions, City Manager Geoff Dolan said he would review with staff, noting that he believes there are only four vacant sworn officer positions.

In response to Councilmember Aldinger's question whether the \$700,000 is taken into consideration in the 3% increase in revenue and whether this money will be paid back to the City in the future, Assistant Finance Director Morreale stated that it is included in the percentage and is not going to be paid back by the State. He pointed out that without the \$700,000 take-away, the increase in revenue number would be closer to 6%.

In response to Councilmember Ward's concern regarding the increase in Workers Compensation expenses each year and the reason for it, Assistant Finance Director Morreale explained that the trend has been higher claim costs and that several claims date back years back. He noted that staff did not recommend a transfer into the Workers Compensation fund last year, but they did three years before ago.

City Manager Dolan reported that a recent department-by-department safety program has helped reduce the number of Workers Compensation claims and pointed out that while there are fewer on the job accidents, the costs went up either because of the severity of the accident or the cost of medical treatment. He explained that because the City is self-funded, there is no real rate reduction; however, the City can expect some long-term benefits from the State's actions.

Human Resources Director Marcie Scott explained that the State Workers Compensation reform will help in the years to come and that Manhattan Beach has already implementing some of the provisions such as negotiating costs with a number of providers.

Councilmember Napolitano added that the Independent Cities Risk Management Association, through the Independent Cities Association, is in discussion to sell bonds to retire long outstanding claims for Workers Compensation.

There was no public comment on this item.

Mayor Wilson received and filed the status report.

Hearing no objections, it was so ordered.

05/0201.14    *Status Report and Consideration of Settlement Agreement Regarding the Plaza El Segundo Project in the City of El Segundo*

City Manager Geoff Dolan reported that the City Council has been in extensive Closed Session discussion and has been negotiating with the developer of the Plaza El Segundo Project attempting to resolve outstanding issues of concern to the residents. He explained that the City hired several land use experts to represent its interests and a proposed settlement of a negotiated package of additional traffic mitigation efforts has been developed for consideration by the City

Council which goes above and beyond what is required by the City of El Segundo. He explained that the City could have been exposed to potential litigation with the developer if a settlement wasn't reached and to discuss the matter in public would have made it difficult for the City not to reveal its strategy.

Community Development Director Richard Thompson reviewed the history of the project, noting that the first phase of the proposed commercial shopping center located at Sepulveda Boulevard and Rosecrans Avenue, in the City of El Segundo, includes 425,000 square feet of retail uses on 43 acres of land. He reported that the Environmental Impact Report (EIR) was prepared and released by El Segundo in October of 2004; that a comment letter detailing Manhattan Beach's concerns on traffic impacts was prepared in November, 2004; that the City of El Segundo's Planning Commission recommended approval of the project in December, 2004; and that the El Segundo City Council is scheduled to hold a public hearing on February 15, 2005 to consider approval of the project. He reviewed the various issues discussed in negotiations with the developer and the developer's obligations in the settlement agreement, which include: a 15% reduction in traffic; the obligation to construct traffic improvements at six intersections; providing a bond to Manhattan Beach for \$3,450,000 in case the developer should fail to obtain the necessary permits or fail to diligently pursue any improvement; limiting the maximum size of any individual building to 125,000 square feet; completing the Park Place extension prior to the second phase of the development; and that this agreement will apply to future developers if the development rights transfer to another developer.

Traffic Engineer Erik Zandvliet noted that staff has worked with the developer to reduce the size of the project and the potential traffic impacts and reviewed the various traffic improvements agreed to by the developer. He provided a brief overview of the improvements at all of the six intersections.

City Manager Dolan emphasized that the developer has agreed to put up a bond in the value of \$3.4 million, payable to the City if they don't accomplish the improvements and that the City can draw on the bond to complete the improvements.

**The following individuals spoke on this item:**

- **Dr. Christopher Allman, No Address Provided**
- **Bill Eisen, 3500 Block of Crest Drive**
- **Martha Andreani, Downtown Manhattan Beach**
- **Viet Ngo, No Address Provided**
- **Carol Wahlberg, No Address Provided**
- **Wendy Phillips, No Address Provided**
- **Irma Cohen, No Address Provided**
- **Bob Lay, 1000 Block of 11<sup>th</sup> Street**
- **Henrietta Mosley, 400 Block of 1<sup>st</sup> Street**
- **Michael Kiley, Manhattan Beach**
- **Rob Stroke, No Address Provided**
- **Mark Markland, Manhattan Beach**
- **Evelyn Gingrich, Manhattan Beach**
- **Serina Sun, Manhattan Beach**
- **Mardel Wrench, Manhattan Beach**
- **Alan McKenzie, Developer, Mar Ventures**
- **Dave Salzman, Manhattan Beach**
- **Maggie Wilkinson, El Segundo**
- **Ann Walrath, Hermosa Beach**

- **Phil Gingrich, Manhattan Beach**
- **Terry Wells, 31<sup>st</sup> Street**
- **Kim Benjamin, Manhattan Beach**
- **Bill Lanting, Manhattan Beach**

In response to requests from the public that Council delay making a decision to receive additional public input, City Manager Dolan explained that, with or without a settlement agreement between the City of Manhattan Beach and the developer, the City of El Segundo will consider approval of this project in two weeks and, if that happens before we enter into a settlement agreement, the City of Manhattan Beach will have lost any leverage it may have.

In response to Mayor Pro Tem Fahey's question regarding the disposition of the Caltrans recommendations regarding the bridge, Traffic Engineer Zandvliet said that while staff tried to include these in the negotiations, the mitigations will not require a widening of Sepulveda Boulevard. He added that the estimated cost to widen the bridge is \$4 million.

Mayor Pro Tem Fahey commented that while she is not prepared to speak in glowing terms about the project itself, the reality is, that the project is not within the purview of the City of Manhattan Beach to decide what should be approved in El Segundo, or to control time limits. She emphasized that the Manhattan Beach City Council has made every effort to publicly discuss every decision made and allow for input from as many residents as possible, but time has not allowed that to happen in this case. She assured the audience that negotiations have been heavy-handed on Manhattan Beach's part, with attorneys and staff proving forceful and aggressive actions and extracting more than could have been hoped for. She said that, while it is unfortunate that we don't have a detailed display and presentation to show the residents, it would be "fool-hearted" to delay this agreement for purposes of providing residents with a more detailed explanation of what is going to happen. She concluded by noting that the negotiations have taken into account all of the concerns that have been expressed, as well as the likelihood of success if litigation is pursued, and she's satisfied with the agreement.

Councilmember Ward conveyed his support of the settlement for three reasons: it provides for a 15% reduction in traffic; it includes improvements to Marine Avenue/Sepulveda Boulevard; and it requires additional traffic turn lanes onto Rosecrans, which is a step in the right direction. He acknowledged that, while Manhattan Beach has very high development standards, it is not Manhattan Beach's position to comment on El Segundo's General Plan and a settlement avoids the potential for costly litigation that may result in no influence over the project. He reiterated that the improvements are significant over what was originally proposed and everyone should be proud that the Council and staff were very aggressive to do everything to mitigate the issues of a development in another city.

Councilmember Aldinger stated that the information made available to the public was lacking and that the charts of the intersections and flows of traffic should have been made available for public viewing. He voiced his hesitancy that the level of service grades will not improve and expressed fear that significant funds will be spent but will not improve traffic, however, stated that he reluctantly supports the agreement. He conceded, however, that because it is an El Segundo project, Manhattan Beach probably won't get any more out of it in litigation than the settlement offers. He pointed out that the 15% traffic reduction is a concession on the part of the developer and the City of El Segundo to some extent, and asserted that the real problem is on Rosecrans Avenue between the freeway and Aviation Boulevard, which he feels will not be helped by these improvements.

Councilmember Napolitano agreed with Councilmember Fahey in that he is not fully supportive of the development project. He stated that he realizes that things won't remain the status quo; that development happens; and that it will shape how the community of Manhattan Beach gets around. He emphasized that Manhattan Beach is not "allowing" this development - the City of El Segundo is allowing it, and it is within their right to do so. He reiterated that Manhattan Beach has tried its best to work with the developer to come up with mitigation that goes beyond the EIR requirements and encouraged everyone to express any concerns at the El Segundo City Council meeting. He pointed out that the EIR addresses a variety of issues with the development that may or may not be required by El Segundo and that Manhattan Beach embarked on a very aggressive stance in terms of litigation giving it the ability to delay the project. However, the reality is that litigation would cost tens or hundreds of thousands of dollars to pursue, something that the City might lose while, in the meantime, losing the opportunity to get additional mitigation measures that will improve the flow of traffic along Rosecrans. He explained that negotiations were held behind closed doors due to potential litigation and the importance of not revealing the City's strategy. He stressed that the mitigations proposed include over \$3 million in improvements to traffic flow and that the proposed agreement goes above and beyond the EIR, which they are not required to do. He expressed his belief that this is in both cities best effort and that the agreement needs to be approved with the contingency that El Segundo passes the 15% traffic reduction or provides other options to "enshrine" the 15%.

Mayor Wilson thanked the Council for explaining the discussions held in closed session and stated she is comfortable with their explanations. She pointed out that El Segundo could adopt overriding considerations for any concerns about traffic impacts that the City of Manhattan Beach might have; that she is very happy with the developer's agreement; that Manhattan Beach drives a hard bargain; and that it would be a waste of a good opportunity not to proceed with the settlement agreement, which is in the City's best interest. She commended City staff and the developer for their hard work as well the Councilmembers in El Segundo for their cooperation.

City Manager Dolan suggested that Council approve the agreement, conditional upon El Segundo either approving the 15% traffic reduction, restricting the development to the 15% traffic reduction alternative in the development agreement, restricting the development agreement to bind them to the reduced traffic alternative, or other restrictions that accomplishes the same goal.

In response to concerns regarding the method to be used to include the above-listed conditions, City Attorney Robert Wadden stated that the restrictions would pass from one developer to another; and recommended making any agreement that the city enters into contingent upon the reduction.

City Manager Geoff Dolan stated that it is clear the Council wants to see the reduced traffic agreement in one of the alternatives and, if one of the alternatives is not approved, then the approval of the agreement would be null and void.

Councilmember Aldinger expressed concern with the first two alternatives and expressed his desire to implement the third alternative, which would include a deed restriction, noting it is much more long lasting.

**MOTION:** Mayor Pro Tem Fahey moved to approve the Settlement Agreement and authorize the City Manager to make minor changes if required, conditional upon El Segundo approving one of the alternatives: approving the 15% traffic reduction, restricting the development to the 15% traffic reduction alternative in the development agreement, restricting the development agreement to bind them to the reduced traffic alternative or other restrictions that accomplishes the same goal. The motion was seconded by Councilmember Ward and approved by unanimous

roll call vote.

Ayes: Ward, Napolitano, Aldinger, Fahey and Mayor Wilson.

Noes: None.

Absent: None.

Abstain: None.

City Manager Dolan stated that the diagram detailing the improvement will be included in the resident newsletter and on the website, once finalized.

### **AUDIENCE PARTICIPATION**

#### 05/0201.23    *Stephan Spiegel Re Storm Drains and Flooding*

**Stephen Spiegel, Walnut Avenue**, commented on the staff presentation at the last City Council meeting regarding the storm drain system and reminded the Council of the negative publicity flooded storm drains can cause, including a reputation as the “flood capital of Southern California”. He suggested using a “relief pipe” system which he said would take one-third of the rainwater directly to the ocean at a cost of approximately \$4 million. He reiterated the urgency of the City’s storm drain system in his area being 60-70% under capacity and recommended a hydrology study commence immediately. He stressed the importance of giving confidence to the residents of Walnut Avenue and upgrading the drain system in order to avoid problems similar to the flooding of this past December.

### **CITY MANAGER REPORT(S)**

None.

### **OTHER COUNCIL BUSINESS & COMMITTEE REPORTS**

#### 05/0201.24    *Mayor Wilson Re Document Shredding Service*

Mayor Wilson asked Council for support of a program that would provide residents a service, at a minimal cost, whereby they can bring materials that need to be shredded to a centralized location for shredding, as a City service, in partnership with Waste Management. She said it would require very little staff time and effort; that it would help people avoid identity theft; and that it would be a usefulness community service.

Following Council discussion, there was no support.

#### 05/0201.25    *Councilmember Aldinger Re South Bay Cities Council of Governments General Assembly*

Councilmember Aldinger announced that the South Bay Cities Council of Governments General Assembly will be held on February 24, 2005 at the Norris Theatre in Rolling Hills Estates and invited everyone to participate.

**ADJOURNMENT**

At 11:10 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, February 15, 2005, in said City.

---

MERNA MARSHALL  
Recording Secretary

---

LINDA WILSON  
Mayor

ATTEST:

---

LIZA TAMURA  
City Clerk

**CITY OF MANHATTAN BEACH  
MINUTES OF THE CITY COUNCIL  
ADJOURNED REGULAR MEETING  
FEBRUARY 1, 2005**

The Adjourned Regular Meeting of the City Council of the City of Manhattan Beach, California, was held on the 1<sup>st</sup> day of February, 2005, at the hour of 5:24 p.m., in the City Council Chambers of City Hall, at 1400 Highland Avenue, in said City.

**ROLL CALL**

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

**CLOSED SESSION**

The Council recessed into Closed Session at 5:24 p.m. and moved to open session at 6:25 p.m.

**ADJOURNMENT**

The meeting was duly adjourned at 6:25 p.m.

ROBERT V. WADDEN, JR.  
Recording Secretary

LINDA WILSON  
Mayor

ATTEST:

LIZA TAMURA  
City Clerk