

City of Manhattan Beach

1400 Highland Avenue
Manhattan Beach, CA 90266



Meeting Minutes - Draft

Tuesday, April 1, 2014

6:00 PM

Regular Meeting

City Council Chambers

5:00 PM Adjourned Regular Meeting - Closed Session

City Council

Mayor Amy Howorth
Mayor Pro Tem Wayne Powell
Councilmember Mark Burton
Councilmember Tony D'Errico
Councilmember David J. Lesser

A. PLEDGE TO THE FLAG

Hannah Burns, Citizen of the Year from Grand View Elementary School, led the Pledge of Allegiance.

B. ROLL CALL

Present: 5 - Mayor Howorth, Mayor Pro Tem Powell, Councilmember Burton, Councilmember D'Errico and Councilmember Lesser

C. CERTIFICATION OF MEETING NOTICE AND AGENDA POSTING

City Clerk Liza Tamura confirmed that the meeting was properly posted.

D. APPROVAL OF AGENDA AND WAIVER OF FULL READING OF ORDINANCES

Councilmember Burton requested to remove Item No. 13 (Status Report on Hermosa Beach Oil Drilling & Production Process Facility Environmental Review) from the agenda noting that it is currently a draft EIR, that City staff will be providing comments before April 14, 2014, and that reviewing the matter at this time and offering comments is a bit premature. He stated that it is a governance issue; that he does not recall City Council voting to place the matter on the agenda and that it should not be on the Consent Calendar. He suggested that if in the future, if it is found that the project will impact the City of Manhattan Beach after the final EIR is generated, then it would be appropriate for City Council to consider it and take a position.

Mayor Howorth reported that three Councilmembers asked for an update on the item, not to take a position, but rather for information purposes only.

Councilmember Lesser added this was an opportunity for staff to report what their comments were regarding the project, without necessarily taking a position on the matter.

Mayor Pro Tem Powell added that this was his recollection adding the desire to receive public input before staff provide their comments.

Councilmember D'Errico agreed with Councilmember Burton adding that now is not the appropriate time to receive comments. He believed that the Hermosa Beach process should be respected and that decision is not for Manhattan Beach to make. Additionally, he agreed that it is a governance issue.

Councilmember Burton reiterated the need to wait until the City of Hermosa Beach finishes the EIR process and if there are direct or indirect impacts to Manhattan Beach, then City Council should review the matter.

Mayor Pro Tem Powell commented on impacts that "know no boundaries" and indicated it would be beneficial to receive public input.

Councilmember Burton expressed concern that the report is lacking.

A motion was made by Councilmember Burton, seconded by Councilmember D'Errico, to remove Item No. 13 from the agenda and return at a future date, as appropriate. The motion carried by the following vote:

Aye: 3 - Howorth, Burton and D'Errico

Nay: 2 - Powell and Lesser

A motion was made by Mayor Pro Tem Powell, seconded by Councilmember Burton, to approve the agenda, as amended and waive full reading or ordinances. The motion carried by the following vote:

Aye: 5 - Howorth, Powell, Burton, D'Errico and Lesser

E. CEREMONIAL CALENDAR

1. Presentation of a Commendation to Officer Robert Shriver Upon the Retirement of K-9 "Kraft". **14-0145**

PRESENT

Police Chief Eve Irvine presented a Certificate of Commendation to Officer Robert Shriver, acknowledging the retirement of K-9 Officer Kraft, who has given seven years of service to the City's Police Department.

2. Introduction of the "Peter Pan" Cast from the Mira Costa High School Drama Department. **14-0151**

PRESENT

"Peter Pan" Cast Members from the Mira Costa High School Drama Department provided a brief performance and announced upcoming performances of the musical at Mira Costa High School from April 25, 2014 through May 3, 2014, and provided ticket information.

Mayor Howorth presented the group with "pirate booty".

F. CITY MANAGER REPORT

Finance Director Bruce Moe provided the City Manager Report noting renovation of the Live Oak basketball court thanks to the contributions from Manhattan Beach Youth Basketball Association which donated \$20,000 for the project. He reported the hiring of Martin Betz, Cultural Arts Manager and that the Granicus system fast forward and rewind features are now working, although not on iPads. In addition, he thanked Henry Mitzner and Eden Serina as well as City Staff for their efforts adding that the City was recently awarded the California Municipal Finance Officer Society Excellence in Operating Budget Award.

Councilmember D'Errico commented on a recent MB2025 event and comments made by Congressman Waxman regarding the City's vision to move away from the use of fossil fuels by 2025. He stated that the City has made no such policy and that third parties should not be making policies for the City. He expressed concern regarding the process that was followed.

Finance Director Moe commented on the City's robust environmental program adding that the recent event was an extension of those environmental efforts.

Mayor Howorth stated that Congressman Waxman's comments were simply a dialogue. It was simply a quote, not a policy.

Councilmember Burton indicated that this was a governance issue and stated that staff should let City Council know about these events prior to them.

Mayor Howorth stated she felt it was not a governance issue and referenced goals within the Green Report that were adopted, adding that such events and workshops are in support of same. Mayor Howorth then stated that staff setup these workshops in response to goals set forth by City Council.

Finance Director Moe presented other examples of similar events held in the City.

Mayor Pro Tem Powell commented on a previous Climate 350 event related to the City's adoption of the Kyoto Protocol relative to the elimination of greenhouse gases. Mayor Pro Tem Powell reiterated that this event was for informational purposes only and no position was taken by Council.

In response to Councilmember Burton's inquiries, Finance Director Moe reported that the current Interim City Manager's contract will expire the first week of May and that a new Interim City Manager will need to be chosen.

Councilmember Burton requested a status report at the next City Council Meeting regarding the specific plan for downtown as well as on the possibility of having a surety bond for residential construction. Regarding the latter, Finance Director Moe reported that the matter will be presented to City Council in September along with the Code Enforcement program. Additionally, he reported that the 900 Club will be presented on May 14, 2014, and the Shade Hotel will be presented on April 23, 2014, at 6:30 PM in City Council Chambers. Finance Director Moe also addressed setting salaries for Management Confidential employees and stated the matter will be scheduled in Closed Session prior to the review of the City's operating budget.

G. CITY ATTORNEY REPORT

City Attorney Quinn Barrow reported that the Closed Session scheduled for earlier today was cancelled. Additionally, he reported receiving a few complaints about taxis parking outside of taxi stands and stated that his office is working on developing an ordinance which will be presented to City Council on April 15, 2014.

H. CITY COUNCIL ANNOUNCEMENTS AND REPORTS

Mayor Pro Tem Powell announced this month's Dine and Discover lunch noting it will be held on Thursday, April 17th for residents ages 55 and older, and will focus on better serving the beach community residents. Reservations can be made via phone.

Councilmember Burton stated that the Relay for Life is still raising money and asked that all City employees donate a small amount. The race will be held Saturday, April 26th.

Mayor Pro Tem Powell stated that the Community Emergency Response Team will be holding earthquake preparedness classes on Saturdays in May. Participants will be taught how to use fire extinguishers, as well as receive earthquake preparedness tips. Citizens can register via the City website.

I. COMMUNITY ANNOUNCEMENTS REGARDING UPCOMING EVENTS

Don Gould, County Librarian, provided updates on Library events and programs as well as the current construction project. He addressed upcoming preschool story times and reported that all upcoming library events are available via the City website.

Chris Miller, representing the Hermosa Beach Surfers Walk of Fame, invited the public and members of the Historical Society to attend an event on Friday, April 4th at 6:00 PM as they induct six pioneers.

Camden Austin announced that Grand View Elementary will host a blood drive on Tuesday, May 6th from 8:00 AM to 3:00 PM in the PAC.

Viet Ngo spoke on the City hiring event for the position of City Manager or Interim City Manager, with the need to leave it open to priority or internal hiring. He added that the positions should be posted on the City's website.

Finance Director Moe noted that the position was publicly advertised.

George Butts announced the upcoming CERT class in May.

Joe Galliani spoke on the Earth Day event to be held on April 26th at Polliwog Park.

Kelly Stroman, Director of Downtown Manhattan Beach, announced two upcoming events. The Ultimate Wine Festival will be held on Saturday, April 6th at the Shade Hotel and all proceeds will go to the middle school. Also, April 11th through the 13th is the Spring Sidewalk Sale.

J. PUBLIC COMMENT ON NON-AGENDA ITEMS

Unknown speaker discussed multiple attacks at local malls, including the South Bay Galleria and the Manhattan Village Mall. Parking facilities are the second most common place for non-violent crimes and the third most common place for rapes. Parking structures are the problem and there is no need for massive expansion.

Unknown speaker commended the City for shining a light on false claims and deceptive presentations made to residents in regards to mall parking and expansion. He also thanked the Manhattan Beach Fire Department for saving his wife's life this past weekend, as she suffered a stroke.

Chris Protomede spoke on the mall expansion and how the construction is already affecting the residents' commutes. Neighbors embrace their community and this mall would attract everything that Manhattan Beach does not stand for.

George Butts provided a Power Point presentation on the CERT class, which was a successful event and well-received for re-certification.

Robert Bush spoke on the street sweeping refund process, noting that the process is not fair or equal. Additionally, he shared the recent accidents that have occurred throughout the City and stated that these safety concerns need to be addressed immediately.

Ben Rogers, owner of The Vintage Shop, spoke on the mall remodel and that his store is the sole financial provider for his family. Fifty percent of his parking will be stripped away during the two-year mall construction and his business will suffer.

Ms. Neuman asked City Council to provide leadership and answers from city staff regarding the Manhattan Village Mall expansion plan and the impact it will have on parking and traffic.

Viet Ngo urged Mayor Howorth to resign as she is currently running for State Senate and alleged misuse of public funds, racketeering, bribery and extortion. He added that he will make a citizen's arrest against Mayor Howorth.

Unknown speaker, a real estate broker in Manhattan Beach and resident, stated she would like more research done with the mall entrances and exits. She also spoke in opposition to the proposed parking structure.

Finance Director Moe commented on the scheduled date of the public hearing adding there is an item later on the agenda to consider changing the date as it conflicts with Passover.

Mayor Pro Tem Powell requested changing the Manhattan Village Shopping Center public hearing from April 22nd to May 6th, as it is the second night of Passover.

City Attorney Barrow stated that it will be a limited public hearing to discuss the draft resolution and the revised plans. There should be one resolution on the certification of the EIR and a second one on the entitlements of the mall.

In response to Councilmember D'Errico's inquiry, City Attorney Barrow addressed the difference between a public hearing and a limited public hearing. He added that there have been seven public hearings on the matter, so far and that this public hearing will provide the public with an opportunity to speak.

Councilmember Burton noted that City Council could adopt anything it wants including different phases for the project.

Daniel Balkin discussed parking concerns with the mall, including the size of the proposed parking structure. He added that teenagers need a place to meet and spoke in support of a skate park.

Joe Galliani, Torrance, discussed the climate change event that was held last Saturday. Media was called to report on the Earth Hour event, and it was widely publicized even before the event was held.

Unknown spoke in opposition to the mall project, noting that it will negatively impact the quality of life for Manhattan Beach residents.

Kim spoke in opposition of the mall expansion, urging City Council to review the plan. The mall should be updated, but not expanded and was concerned about the proposed parking structure.

Mark Abrahamson, Attorney for Mark Neuman, noted that he has spoken to City Council several times and addressed issues discussed. He added that the pending litigation regarding this item does not justify inaction and that City Council needs to correct alleged misdoings.

Lisa Kirtsman noted that she is in favor of improving the mall through a redesign but, would like to see less density, more quality open spaces, and no parking structure.

Bill Victor stated that he has seen many changes since 1977, and that there are many surrounding cities with large malls, thus reducing the need for Manhattan Beach to have a huge local mall. He expressed concerns with safety, with decreased quality of life and lack of financial information to determine if the developer is able to finish the project.

Dency Nelson, Hermosa Beach, discussed the Saturday Earth Hour workshop hosted by Mr. Galliani, urging City Council to set it as policy. He added that great information was provided, that Manhattan Beach has become an excellent teacher and that he did not have the impression that the statements made were statements of policy.

Mark Bell opined that a parking structure would be an eyesore. As an emergency room physician, he has seen many crimes committed in parking structures, including battery, assault, rape, and suicide.

Robert spoke in opposition to the proposed parking structure, noting increases in crime when structures are present.

Doug Peterson spoke in opposition to the proposed mall. Manhattan Beach is a family community and two (2) parking structures would affect all residents' lives. More research needs to be conducted, but a redesigned mall would be more beneficial than a huge project.

Steve Packwood noted that there has been an increase in residents coming to voice concerns regarding the mall project, which speaks volumes on people's opinions. He also stated that the previously approved resolutions should be available for modification, and that it is important to hear what the public is saying. Additionally, he commented on the City's budgeting process and his request for a copy of the budget.

In response to Mayor Howorth's inquiries City Attorney Barrows addressed potential outcomes with regards to City Council's consideration of the resolutions relative to the mall project.

Finance Director Moe reported that the City's goal is to release the budget by May 2nd and noted that budget study sessions will be held on May 8th, 12th, 21st, and 29th. Adoption is scheduled for June 17th.

Craig Cadwallader stated that the Earth Hour events on Saturday provided great financial information on alternatives. He commented positively on the events and commended the City for its support. He added that he did not take comments made as a "dictate" but rather as a goal.

Councilmember Burton stated he would like to have a workshop for City Council to obtain the information presented during the events.

Jennifer Heydey, General Manager of RPM Mortgage, spoke in opposition to the proposed parking structure, adding that she is a single mom that works late nights. She opined that walking to, and in, a parking structure would be unsafe, and that citizens and customers prefer open space.

Barbara Hedges spoke in opposition to the parking structure due to safety issues and concerns regarding crime.

Gerry O'Connor stated he had planned to pull the item that was removed (Item No. 13), regarding the draft EIR. He would like staff comments to be presented to City Council and noted that importance of having questions placed into the record. He added that all questions presented must be responded to in consideration of the final EIR. He stressed the importance that questions not just come from staff, but City Council as well.

Mayor Howorth commented on the matter relative to Item No. 13 adding that the point of having the matter on the agenda was for staff to present an update and for City Council to ask questions. She addressed future opportunities for public comment and stated she would be willing to reconsider her vote.

City Attorney Barrow reported that a motion would need to be made to reconsider the item.

Councilmember Burton stated he would have no objection, as it would lead to a fully informed discussion, but that staff would need to provide a briefing on the contents of the draft EIR and on what questions they plan on asking.

Mayor Pro Tem Powell provided a CD of the draft EIR, which can be archived with the documents.

Community Development Director Richard Thompson stated that staff is reviewing the EIR and that the packet includes a status report of the public hearing process as well as a project description. He added that staff is doing its due diligence. He reported that as individuals, Councilmembers have the opportunity to make comments and can do so by contacting staff.

Mayor Pro Tem Powell stated the reason for having a meeting sooner rather than later is because every city is filing comments. The EIR solicits comments and he suggested that the City's independent consultant provide a presentation of the EIR.

Residents deserve to have a discussion with City Council and staff. He added that time is of the essence. He added that staff needs to hear from the community as well as from City Council.

Councilmember Burton reported that City staff is meeting with the City of Hermosa Beach on April 2, 2014, and suggested holding a special meeting on April 7, 2014, to receive a full briefing and discuss the questions asked.

Councilmember D'Errico commented on the need to get City Council's questions, registered. He added that he would be "value-less" in that discussion as he knows nothing about the project and agreed with holding a special meeting to receive a briefing from staff.

Mayor Howorth moved to reconsider her vote and withdraw her vote so the item would be considered at the current meeting; seconded by Councilmember Powell.

Discussion continued prior to the vote.

Councilmember Lesser stated his intent in wanting the matter placed on the agenda.

A motion was made by Mayor Howorth, seconded by Mayor Pro Tem Powell, to reconsider the removal of Item No. 13 from the agenda and place it back on the agenda.

Councilmember Burton offered a friendly amendment to continue the matter to a special meeting on April 7, 2014, in order to receive the input needed from staff and their proposed comments and add comments or questions from City Council.

Mayor Pro Tem Powell offered another friendly amendment to consider that date, as this is a Hermosa Beach issue and he expressed concern with holding a meeting on the same date as Hermosa Beach.

Mayor Howorth stated that possibility is always open to schedule another meeting but the matter can be decided later. She preferred to discuss the item tonight, and, at the end of the discussion, decide whether another meeting is warranted.

Mayor Howorth restated the motion, adding that the matter would be considered pulled from the Consent Calendar.

Discussion continued prior to the vote regarding whether or not to have a separate stand alone meeting.

Councilmember Burton reiterated the need to schedule a stand-alone meeting to fully address the matter.

Finance Director Moe stated it would be difficult to have a full analysis of the item within a week.

Discussion continued and Mayor Howorth suggested holding a discussion tonight and evaluating whether another meeting should be scheduled.

Mayor Howorth restated the motion, adding that the matter would be considered pulled from the Consent Calendar. the motion carried by the following vote:

Aye: 5 - Howorth, Powell, Burton, D'Errico and Lesser

Dianne Wallace, President of the Manhattan Village Homeowners Association, attended the workshop on Saturday and thanked the presenters for the information provided. She will be sharing this information with board members and homeowners.

Mayor Howorth closed public comments.

Councilmember D'Errico apologized for offending any individuals regarding the Earth Hour workshop, explained his intent and stated he would like to deal with processing issues in-house.

At 8:15 PM the City Council recessed and reconvened at 8:22 PM with all Councilmembers present.

K. CONSENT CALENDAR

Item No. 13 was pulled from the Consent Calendar by prior motion.

Viet Ngo pulled Consent Calendar Items No. 6, 10 and 11 for separate discussion and consideration.

Bill Victor pulled Consent Calendar Items No. 7 and 9 for separate discussion and consideration.

Councilmember Burton pulled Items No. 4 and 5 for separate discussion and consideration, but only requested a short explanation at this time relative to Item No. 4.

Fire Chief Espinosa commented on Item No. 4 noting that the Fire Fighters Association negotiated a different model for training. Therefore, he wanted to ensure that any employee that went to training would be able to complete the class before returning to work if staffing was needed (forced hire). He added it is usually done on a rotation basis.

A motion was made by Councilmember D'Errico, seconded by Councilmember Lesser, to approve the Consent Calendar (Items No. 3, 4, 8 and 12) except for Items No. 5, 6, 7, 9, 10, 11 and 13 which were pulled for separate discussion and consideration. The motion carried by the following vote:

Aye: 5 - Howorth, Powell, Burton, D'Errico and Lesser

3. Side Letter Agreement with the California Teamsters Local 911 (Teamsters) extending the trial period for the Alternative Work Schedule (Human Resources Director Hanson). **14-0152**

APPROVE

The recommendation for this item was approved on the Consent Calendar.

4. Side Letter Agreement with the Manhattan Beach Fire Association (Human Resources Director Hanson). **14-0153**

APPROVE

The recommendation for this item was approved on the Consent Calendar.

8. Donation of One Surplus 2002 Ford Crown Victoria Police Interceptor to the El Camino College Police Department (Finance Director Moe). **14-0136**

APPROVE

The recommendation for this item was approved on the Consent Calendar.

12. Minutes**14-0138**

This item contain minutes of City Council meetings which are presented for approval. Staff recommends that the City Council, by motion, take action to approve the minutes of the:

a) City Council Adjourned Regular Meeting-Closed Session of February 4, 2014

b) City Council Regular Meeting of February 4, 2014

c) City Council Adjourned Regular Meeting-Closed Session of February 18, 2014

d) City Council Regular Meeting of February 18, 2014

(City Clerk Liza Tamura).

APPROVE

The recommendation for this item was approved on the Consent Calendar.

L. PUBLIC HEARINGS

None.

M. GENERAL BUSINESS

14. Gas Company Advanced Meter Installations Report and Presentation **14-0140**
(Public Works Director Olmos).
RECEIVE REPORT

Public Works Director Tony Olmos introduced the matter and deferred to Marcella Low and Daisy Sanchez, representing the Gas Company for a presentation.

Ms. Sanchez provided a PowerPoint presentation addressing background, upgrades in infrastructure, upgrade process, energy usage goals, installation of modules, billing, encouraging conservation, emission reductions, functionality, differences in technology, communication network, areas for network points, community outreach efforts and phasing.

Mayor Pro Tem Powell commented on the need to install data collection modules on light poles adding that some areas in the City have gone through utility undergrounding and poles were removed. Additionally, he commented on the possibility of view impairment.

Ms. Sanchez reported that the Gas Company is working with Southern California Edison and will work with City staff to coordinate installation of the modules, avoid impacts to resident views and ensure proper infrastructure is available for the modules.

Mayor Pro Tem Powell inquired if the clam shells are 24 feet because the presentation stated they are 28 feet.

Ms. Sanchez replied that she cannot speak on the matter but will work with staff on the size of the clam shells.

Councilmember Lesser asked what criteria and process was used to determine the locations.

In response to Councilmember Lesser's inquiry, Ms. Sanchez explained the process for choosing locations for the installation of data collection modules.

Replying to Councilmember Lesser's question, City Attorney Barrow addressed co-location of utilities relative to telecommunication towers and indicated he is not familiar with the concept as it applies to other utilities. He added that he will research the matter and return to City Council with relative information

Discussion followed regarding the process for replacing batteries that expire prematurely. It was noted that they will be replaced without interruption to gas service. Ensuing discussion pertained to the number of poles where modules will be installed in the City and the process for obtaining access poles that are not owned by the City. Relative to the latter, Ms. Sanchez stated the Gas Company would enter into lease agreements with pole owners.

Mayor Howorth opened the floor for public comments.

Diane Wallace asked if the Gas Company would monitor gas usage to detect leaks in the system.

Ms. Sanchez noted there is an alert system built into the module to identify possible leaks. Additionally, they are working on a safety enhancement process.

Bill Victor asked if the Gas Company will advise residents of the location of data modules and if the new meters will reduce the frequency of meter readings or inspections.

Ms. Sanchez reported that meter reader positions will be eliminated, that buildings will not be altered to install the new equipment and that the Gas Company will provide information regarding location of data modules.

Karol Wahlberg commented on equipment being installed in the neighborhood and undergrounding and expressed concerns regarding putting burdens on specific residents and not on others.

Mayor Howorth asked that staff work with residents to ensure that they will not be unduly impacted.

Public Works Director Olmos addressed priorities in terms of impacts to residents.

Seeing no further requests to speak, Mayor Howorth closed the floor to public comments.

Mayor Pro Tem Powell provided suggestions for location of modules in certain areas of the City and stated he would like to have the matter presented to City Council once specific sites are proposed in order to allow for additional public comment.

Ms. Sanchez reported that once locations are established, residents within that area will be notified.

A motion was made by Councilmember Burton, seconded by Mayor Pro Tem Powell, to receive the report and direct staff to return to City Council once the final locations for the data collection modules have been established. the motion carried by the following vote:

Aye: 5 - Howorth, Powell, Burton, D'Errico and Lesser

15. Strategic Plan Update (Interim City Manager Jalili).
RECEIVE REPORT

14-0112

Finance Director Moe reported that the prior strategic planning process is on hiatus but noted City Council's desire to receive a status update of the objectives as established in the prior plan.

Senior Management Analyst David Biggs presented background and addressed objectives completed and pending, an updated matrix and outstanding goals.

Mayor Pro Tem Powell addressed Goal No. 2 and stated that it has not been completed noting that the issue of construction surety bonds has not be settled and that Council directed staff to return with information regarding other cities best practices. Additionally, he reported that the Policy Governance and Strategic Plan Subcommittee is working on a model and methodology for a strategic plan. He suggested adding notations so that the City does not lose track of those items.

Mayor Howorth opened the floor for public comments.

Seeing no further requests to speak, Mayor Howorth closed the floor to public comments.

Councilmember Lesser commented on the current process being Ad Hoc, addressed the search for a new City Manager and stated he would welcome a process that establishes priority for the upcoming six months. He added that without an ability to plan, he is concerned with the City's current process and stated he wanted this to be a starting point that could be expressed as a work program.

Mayor Pro Tem Powell concurred with Councilmember Lesser adding that it is time to take the Ad Hoc Committee and incorporate it in the total City Council because of the importance of the subject matter.

Councilmember D'Errico concurred with Councilmember Lesser and commented on the need to develop an interim process.

Councilmember Burton addressed upcoming consideration of the operating budget and CIP noting that it will generate a work plan. He claimed dissatisfaction with the existing process and that the forecasting agenda can be used to identify goals and visions.

Mayor Howorth stated that it would be difficult to set a budget without a work plan in place and agreed with developing an interim process.

Councilmember D'Errico addressed the matters considered by the Subcommittee. He added that the City is currently in a transition and commented regarding the need for a work plan in the interim. He reported that City Council decides on priorities during budget discussions.

Councilmember Lesser reported that not all of City Council's priorities fall within the budget process and encouraged having an interim process until a strategic plan can be developed. He proposed directing staff to present different models on April 29th to explain what can be done in the interim.

Mayor Howorth suggested discussing interim models during another meeting.

Mayor Pro Tem Powell commented on the need to bifurcate a work plan as there are

other critical matters that are not related to the budget. He noted the importance of establishing a process in terms of policy governance and the strategic plan and believed the full City Council should be involved in the process.

Councilmember D'Errico asked how priorities can be accomplished without spending money, adding that they are part of the budget process.

Councilmember Burton stated it is an issue of timing and suggested going through the budget process and the CIP, selecting a new City Manager and having an all-day meeting to develop a work plan.

Councilmember Lesser agreed, adding the importance to alert the public in terms of the format. He added that staff would welcome some process.

Finance Director Moe reported that the budget is three to four weeks from being delivered. Ideally, the budget would begin with some direction in terms of a strategic plan in order to meet City Council's expectations and addressed development of prior work plans.

Finance Director Moe reported that the new City Manager should be on board by the first part of the fiscal year and stated that he/she should be part of the strategic planning process.

Mayor Howorth agreed and proposed receiving the report and waiting for the hiring of the new City Manager in order to develop a simple work plan. Further discussion regarding the strategic plan could be scheduled subsequently in order to make it right.

Councilmember Lesser reported there was a reason the former City Council migrated from a work plan to a strategic plan and believed that should be part of the conversation.

Discussion followed regarding scheduling a public meeting, having it in the evening in City Council Chambers and broadcasting same.

Senior Management Analyst Biggs commented on a document that will be presented to City Council regarding special projects being proposed.

A motion was made by Councilmember Burton, seconded by Councilmember Lesser, to receive the report. The motion carried by the following vote:

Aye: 5 - Howorth, Powell, Burton, D'Errico and Lesser

N. ITEMS REMOVED FROM THE CONSENT CALENDAR

5. Contract with Matrix Consulting Group to Perform a Cost Allocation Plan and Comprehensive User Fee Study in the Amount of \$38,000 (Finance Director Moe).

14-0044

APPROVE

Councilmember Burton reported speaking to Finance Director Moe regarding a question from a resident regarding the process. He added that Finance Director Moe gave a great explanation and asked him to repeat same.

Finance Director Moe explained elements of the Cost Allocation Plan and User Fee Study and the process involved which helps in the development of user fees to recover the costs of providing services. He addressed the importance of cost recovery so that general taxpayer dollars are most effectively used.

In response to Mayor Pro Tem Powell's inquiry, Finance Director Moe reported that in the past, fees have been set less than recovery costs when it comes to the public's interest. He added that it is at the discretion of City Council.

Councilmember D'Errico commented on cost-transfer methods within private companies and the importance of clearly justifying fees.

Finance Director Moe explained the reasons for choosing Matrix Consulting Group as the service supplier. He added that one of the services is holding a workshop for City Council and the public to understand the results of the studies.

Councilmember Burton clarified that it includes two study sessions in order to understand the process.

Mayor Howorth opened the floor for public comments.

Bill Victor noted that the rules apply to all residents and addressed recovery costs of the City's waste collection. He commented on the need to ensure there are no duplication of fees and stated he has confidence in City Council.

Seeing no further requests to speak, Mayor Howorth closed the floor to public comments.

A motion was made by Mayor Pro Tem Powell, seconded by Councilmember Burton, to approve a contract with Matrix Consulting Group to perform a cost allocation plan and comprehensive user fee study for a total cost of \$38,000. The motion carried by the following vote:

Aye: 5 - Howorth, Powell, Burton, D'Errico and Lesser

6. Donation of One Surplus 1999 Chevrolet Tahoe Vehicle to the Manhattan Beach Community Emergency Response Team (CERT) (Finance Director Moe). **14-0134**

APPROVE

Viet Ngo reported that the CERT program has been run by George Butts who is also involved in Mayor Pro Tem Powell's election campaign. He alleged that Mayor Pro Tem Powell has been using public resources for his political campaign and commented on a resident taking pictures.

Councilmember Lesser indicated that Mr. Butts is not in attendance to defend himself from allegations and stated that he is deeply offended by the comments of Mr. Ngo noting that he spews out hate without any restrictions, on third parties as well as members of the community who do good work for the community. He commented positively on the CERT program and described the item being considered at this time.

A motion was made by Councilmember Burton, seconded by Councilmember Lesser, to approve the donation of one surplus Chevrolet Tahoe sports utility vehicle to the Manhattan Beach Community Emergency Response Team (CERT). The motion carried by the following vote:

Aye: 5 - Howorth, Powell, Burton, D'Errico and Lesser

7. Letter of Opposition to Senate Bill (SB983 - Hernandez) Regarding Reallocation of Sales Tax from Card Lock Fuel Systems (Finance Director Moe). **14-0135**

AUTHORIZE LETTER OF OPPOSITION

City Attorney Barrow reported he has no financial interest in this decision and that his firm also represents the City of South El Monte which has sponsored this bill. Therefore, he recused himself from hearing the item and departed the Chambers.

Councilmember Burton stressed the importance of the matter and asked for a short staff report.

Finance Director Moe presented a description of the bill noting that it has to do with card lock systems. He described the system noting it is for the purchase of fuel and reported that the fuel provider (DeWitt) is presently located in the City. Prior to moving to Manhattan Beach, it was located in the City of South El Monte. Therefore, the sales tax collected by DeWitt will go to the City of Manhattan Beach. He addressed the percentage of sales tax allocated to the City adding that impacts are very low. He added that the bill tries to change that from the Point of Sale to the sales facilities where the fueling stations exist which would equate to about \$350,000 of lost revenue to the City. He added that the City hired a lobbyist who is working on the City's behalf in that respect and listed other cities that have the same arrangement that Manhattan Beach did.

Councilmember Lesser indicated he wants to broaden the scope of the direction of Council and suggested asking legislators for support instead of just authorizing a letter.

Mayor Pro Tem Powell had concerns with sending the letter to appropriate legislators and expressed concerns regarding the financial implications. He asked regarding the cost of retaining the lobbyist.

Finance Director Moe reported they are charging the City \$5,000 per month for this single issue. He added that staff is preparing an RFP to solicit proposals from other firms to get ongoing representation. He added that the League of California Cities will be addressing the matter and Senior Management Analyst Biggs will be attending on behalf of the City. He added he will be reaching out to the Independent Cities Association.

Mayor Howorth opened the floor for public comments.

Bill Victor asked if there is any indication that the company contracted (DeWitt) initiated the bill.

Finance Director Moe reported they stand to lose more than the City would if the bill passes.

Seeing no further requests to speak, Mayor Howorth closed the floor to public comments.

Councilmember Lesser suggested a minor format change to the letter that would better identify the matter being opposed.

A motion was made by Councilmember Lesser, seconded by Mayor Pro Tem Powell, to authorize City staff to represent City Council in opposing SB983 (Hernandez) regarding the reallocation of sales tax from Card Lock Fuel

Systems through the means they deem most appropriate including but not limited to the letter presented. The motion carried by the following vote:

Aye: 5 - Howorth, Powell, Burton, D'Errico and Lesser

City Attorney Barrow returned to the Chambers at this juncture.

9. Resolution Ordering Plans, Specifications, Cost Estimates and **RES 14-0013** Engineer's Report for Annual Street Lighting Assessment (Finance Director Moe).

ADOPT RESOLUTION NO. 14-0013

Bill Victor reported that he commented on the landscaping and lighting district, related fees and how the assessment was developed. He stated an opportunity to recover costs from the lighting district and asked if there is any effort to do so.

Mayor Howorth opened the floor for public comments.

Seeing no requests to speak, Mayor Howorth closed the floor to public comments.

Finance Director Moe reported this is an annual process for City Council noting that further studies were authorized regarding landscaping, storm water and lighting and that a new plan will be presented to City Council in the future.

A motion was made by Councilmember Lesser, seconded by Councilmember D'Errico, to adopt Resolution No. 14-0013. The motion carried by the following vote:

Aye: 5 - Howorth, Powell, Burton, D'Errico and Lesser

10. Adopt Ordinance No. 14-0003 Expanding the Prohibition of the Distribution and Sale of Polystyrene Products (Public Works Director Olmos).

ORD 14-0003

ADOPT ORDINANCE NO. 14-0003

Viet Ngo stated that he pulled the item but indicated he would not be providing comments.

Mayor Howorth opened the floor for public comment.

Seeing no requests to speak, Mayor Howorth closed the floor to public comment.

A motion was made by Councilmember Burton, seconded by Mayor Pro Tem Powell, to adopt Ordinance No. 14-0003. The motion carried by the following vote:

Aye: 5 - Howorth, Powell, Burton, D'Errico and Lesser

11. Adopt Ordinance No. 14-0004 to apply the City's ban against plastic carry-out bags to restaurants (Public Works Director Olmos).

ORD 14-0004

ADOPT ORDINANCE NO. 14-0004

Viet Ngo referenced pending litigation regarding the matter noting that the Supreme Court will issue an opinion by Wednesday. He commented on the alleged acceptance of an in-kind contribution from a residence and warned City Council not to take that into account and on the legality of an event held at the Joslyn Center.

Councilmember Burton reported that the question he raised earlier regarding the recent event at the Joslyn Center had to do with governance and nothing else.

Councilmember D'Errico added that he did not question the legality of the event but rather expressed concerns regarding governance issues.

A motion was made by Mayor Pro Tem Powell, seconded by Councilmember Lesser, to adopt Ordinance No. 14-0004. The motion carried by the following vote:

Aye: 5 - Howorth, Powell, Burton, D'Errico and Lesser

At 10:03 PM the City Council recessed and reconvened at 10:09 PM with all Councilmembers present.

13. Status Report on Hermosa Beach Oil Drilling & Production Process Facility Environmental Review (Community Development Director Thompson).

14-0154

RECEIVE REPORT

Community Development Director Richard Thompson provided details of the staff report noting that the City of Hermosa Beach is in the process of preparing an EIR for an oil-drilling project located within their City limits. He added that City staff is currently reviewing the EIR. Staff will review the documents and respond appropriately to the EIR within the comment period. Additionally, he reported that staff will ensure there will be minimum impacts to residents. He reported that the responsibility of Hermosa Beach is to ensure that all questions and comments are addressed and issue a final EIR at that point.

Councilmember Lesser noted that the deadline to provide comments regarding the draft EIR is April 14, 2014, and this is the last City Council meeting before that date. Councilmember Lesser also wanted to know what criteria staff was using in regards to comments on the EIR. In response to his inquiries, Community Development Director Thompson reported that the project does not touch Manhattan Beach but that there could be potential impacts and staff is attempting to identify them. He addressed the routing of pipes carrying the oil noting that it will completely avoid Manhattan Beach.

Community Development Director Thompson presented example of other EIRs reviewed by staff and addressed the process for providing comments.

Mayor Pro Tem Powell addressed the comment period and asked why the matter is being addressed just now. Community Development Director Thompson reported that when he became aware of the matter, he became involved.

Mayor Pro Tem Powell addressed biology and hydrology as stated in the Executive Summary document and how those will impact Manhattan Beach.

Community Development Director Thompson commented on aspects within the environmental process that the City of Manhattan Beach will address. Hermosa Beach has the responsibility to address inquiries and provide mitigation measures.

Councilmember D'Errico inquired from a process point of view, what can be done within the limited time frame and what is usually done after that.

In response to Councilmember D'Errico's inquiries, Community Development Director Thompson addressed the administrative process and review of the documents by experts. He addressed steps going forward once comments and questions are made. He added that decision makers determine the adequacy of the EIR. He added that this issue is going before the voters and addressed that process. He addressed the purpose of the EIR.

Community Development Director Thompson reported he will meet with Hermosa Beach tomorrow and addressed the purpose of the meeting. He added there are no plans to meet with the County but that he will make contact with them.

Discussion followed regarding potential impacts on the ocean, fracking, safety and risk of offset, evaluation of impacts, opportunities for providing comments and review of final documents.

Community Development Director Thompson encouraged Members of Council to contact him regarding any issues identified within the draft EIR.

Discussion followed regarding the Chevron docking and the possibility of providing a copy of that letter to City Council.

Mayor Howorth opened the floor for public comments.

Craig Cadwalder, resident and representing Surfrider Foundation, felt this is too little, too late and commented on the time he has spent researching the project. He reported there are many issues that are not being addressed and commented on impacts to the City of Manhattan Beach. He expressed concerns with air pollution and other environmental impacts.

Joe Galliani, South Bay 350, agreed with Mr. Cadwalder's comments and expressed concerns with pollution and additional climate change impacts. He reported this is a rogue and reckless industry with only profits in mind. He added that the oil company has not been honest in terms of advertising and asked City Council to protect the South Bay and offer its opinions.

Bill Victor commented on a separate case dealing with an oil spill and warned against having the proposed project move forward. He noted this is an important issue noting that it is right next door and recommended having an expert represent the City of Manhattan Beach on this matter.

Dency Nelson, Hermosa Beach, distributed two handouts with a list of agencies that passed resolutions opposing the project. He added that the draft EIR was made available to the public on February 13, 2014, and commented on summary information available and stressed the need to take the opportunity to comment on the matter and suggested that City representatives attend a Planning Commission meeting in Hermosa Beach tomorrow night when the issue will be discussed.

Stacy Armato, Chair of Stop Hermosa Beach Oil, reported on comments received by Manhattan Beach residents and on their involvement. She suggested offering residents an opportunity to have their concerns addressed.

Diane Wallace expressed concerns with the proposed project noting that the company involved had a problem in New Orleans and declared bankruptcy. She stated that environmental concerns are significant and commented on the risks associated with fracking. She expressed concerns with air pollution and noted the importance of commenting on the EIR. She added there are many residents of Manhattan Beach that have been involved in the issue.

Seeing no further requests to speak, Mayor Howorth closed the floor to public comments.

Mayor Pro Tem Powell commented on a presentation by Marine Research Specialists and questions and comments provided. He addressed potential risks, problems in other states, likelihood of accidents and inadequate mitigation measures. He addressed the term of the potential contract and stressed the need to get comments submitted. He suggested that staff consult with the person that did the EIR as well as the County and submit something on record.

Councilmember Burton asked about the comment period time frame and the possibility of additional time for submitting comments.

In response to Councilmember Burton's inquiries, City Attorney Barrow addressed potential outcomes and steps going forward. He noted there could be additional opportunities to provide comments before certification of the EIR at the various public hearings.

Councilmember Lesser commented on the importance of proceeding with the submission of comments and seeking professional opinions.

Mayor Howorth agreed, adding that if Manhattan Beach does not comment on the EIR, it will lose the right to address its concerns legally and as a community.

A motion was made by Mayor Pro Tem Powell, seconded by Councilmember Lesser, to receive the report and direct staff to prepare a letter going on record about consequences/environmental impacts to Manhattan Beach as part of the EIR and report back to the Council on that letter and direct staff to place a link in the City's website to the EIR. The motion carried by the following vote:

Aye: 5 - Howorth, Powell, Burton, D'Errico and Lesser

O. OPTIONAL ADDITIONAL PUBLIC COMMENTS ON NON-AGENDA ITEMS

P. OTHER COUNCIL BUSINESS, COMMITTEE AND TRAVEL REPORTS, FUTURE DISCUSSION ITEMS

16. Reschedule Manhattan Village Mall Public Hearing to May 6, 2014 (Senior Management Analyst Biggs). **14-0150**
RESCHEDULE PUBLIC HEARING TO MAY 6, 2014

Mayor Howorth reported receiving a call from a resident pointing out that the hearing was scheduled to coincide with Passover.

Councilmember Lesser commented on other items scheduled for that agenda.

Discussion followed regarding scheduling options, governance issues, and previous questions from City Council that have yet to be addressed and the possibility of scheduling an all-day meeting.

Councilmember Lesser stated that staff has answered some of Council's questions and suggested moving forward and scheduling the public hearing on May 6, 2014.

City Attorney Barrow noted that City Council would have the ability to continue the public hearing after the 6th if it feels that questions have not be answered completely.

Councilmember Burton commented on specific directions that were not followed and questions that were not addressed.

Discussion followed regarding due process concerns, scheduling May 6th as a special meeting just on the subject of the Manhattan Village Shopping Center and the need to fill vacancies in Boards and Commissions.

Councilmember D'Errico expressed the need to allow City Council adequate time to consider the Manhattan Village Shopping Center thoroughly with significant amount of time for public comments and for staff to respond to questions from City Council and allowing City Council enough time to discuss the item.

Discussion followed regarding upcoming items including the budget.

Councilmember Burton suggested scheduling public comments on May 6th and returning for deliberations on May 13th.

Mayor Howorth reported that the budget workshop will be on May 13th.

Mayor Pro Tem Powell expressed concerns with bifurcating the process and believed that May 6, 2014, should be a dedicated meeting to discuss only the Manhattan Village Shopping Center. He added that whatever is decided, extra efforts will be necessary in terms of noticing.

Mayor Howorth suggested dedicating the meeting of April 29, 2014, to the Manhattan Village Shopping Center.

Discussion followed regarding the need to set strict time limits in order to allow enough time for deliberation.

City Attorney Barrow stated he would like to give the appellant as much time as he needs to present his case. He added that April 29th would be acceptable to hold the public hearing on the Manhattan Village Shopping Center.

Community Development Director Thompson commented on the presentation staff is planning to make at that time noting that it will focus on the motion that was made at

the last meeting. He added that it will be a brief presentation.

City Attorney Barrow reported it will not be a de novo hearing as it will not be a "fresh look" at the evidence.

Discussion followed regarding steps going forward once the resolution is approved.

A motion was made by Councilmember Burton, seconded by Mayor Pro Tem Powell, to reschedule the public hearing on the Manhattan Village Shopping Center to April 29, 2014. The motion carried by the following vote:

Aye: 5 - Howorth, Powell, Burton, D'Errico and Lesser

Q. RECEIVE AND FILE ITEMS

A motion was made by Mayor Pro Tem Powell, seconded by Councilmember D'Errico, to receive and file Items No 17 and 18, above. The motion carried by the following vote:

Aye: 5 - Howorth, Powell, Burton, D'Errico and Lesser

- 17.** Financial Reports: **14-0113**
a) Schedule of Demands: March 13, 2014.
b) Investment Portfolio for the Month Ending February 28, 2014.
c) Financial Reports for the Month Ending February 28, 2014.
(Finance Director Moe).
RECEIVE AND FILE
- 18.** Commission Minutes: **14-0137**
This item contains minutes of City Council subcommittees and from other City commissions and committees which are presented to be received and filed by the City Council. Staff recommends that the City Council, by motion, take action to receive and file the minutes of the:
a) Finance Subcommittee Meeting of March 11, 2014
(Finance Director Moe)
RECEIVE AND FILE
b) Planning Commission Meeting of March 12, 2014
(Community Development Director Thompson)
RECEIVE AND FILE

R. ADJOURNMENT

At 11:28 PM, the April 1, 2014, City Council Regular Meeting was adjourned to the 4:00 PM, City Council Adjourned Regular Meeting Closed Session of April 7, 2014, in the City Manager's Conference Room.

Vida Barone
Recording Secretary

Amy Thomas Howorth
Mayor

ATTEST:

Liza Tamura
City Clerk