

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL of the City of Hermosa Beach, California, held on Tuesday, June 12, 2007, at the hour of 7:10 p.m.

ROLL CALL:

Present: Bobko, Keegan, Reviczky, Tucker, Mayor Edgerton
Absent: None

PLEDGE OF ALLEGIANCE – Jennifer Rosenfeld

PRESENTATIONS BY MAYOR EDGERTON

Mayor Edgerton presented certificates of recognition to members of the Hermosa Beach Education Foundation commending their efforts, noting that these volunteers work tirelessly, and many times unnoticed, to benefit schools in the City.

Mayor Edgerton then presented a certificate of recognition to Roger Bacon, who raised a large amount of money for Hermosa Beach schools through the banner program, founded the Surfer's Walk of Fame, and was instrumental in the preservation of the Vetter Windmill. Mr. Bacon expressed gratitude to CalTrans for allowing the banner program to be extended until February 2008, and commented on a program in the works with Whole Foods Market to provide a percentage of sales to the Hermosa Beach Education Foundation.

Mayor Edgerton next presented a certificate of recognition to Hermosa Beach resident Emily Gee, a junior at Mira Costa High School, commending her for receiving the nation's highest award of academic achievement.

Mayor Edgerton also presented a certificate of recognition to Dave Shaw and Pablo Simental, volunteers who provided labor and concrete for the installation of the clock on Pier Plaza.

ANNOUNCEMENTS – Councilmember Bobko thanked the Hermosa Beach Moms (Neighborhood Watch) for assisting with the Centennial fundraiser of putting hand prints on the wall at Pier and Ardmore Avenues; noted that the Garden Club's recent plant sale was well attended; and mentioned that the Upper Pier Avenue Committee is still surveying residents with input to be submitted on the City's website.

Councilmember Tucker announced an Art Walk fundraiser on Saturday, July 21, from 7-11 p.m. at Gallery C honoring LeRoy Grannis, 90-year old local photographer, with a silent auction and art on display for purchase.

Councilmember Reviczky introduced Merna Marshall, who announced the Hermosa Beach Sister City's Folklorico Dance and Film Event fundraiser on Saturday, July 14, at the Community Center with Mexican food from local restaurants and a 20-minute Sisters City documentary; said tickets are \$50 per person, and that there would be a delegation from Loreto of 40-50 adults plus the exchange students; said the majority

of funds raised would go toward paramedic training in Loreto; thanked Hermosa Beach firefighters Paul Hawkins, Kim Bridges and Mike Garafano for volunteering to use their vacation time to provide this training, noting that Loreto now has seven trained paramedics.

CLOSED SESSION REPORT FOR MEETING OF MAY 22, 2007: No reportable actions.

PUBLIC PARTICIPATION:

1. ORAL AND WRITTEN COMMUNICATIONS

There was one written communication.

- (a) **Letter from Howard Longacre dated May 31, 2007 regarding reconsideration of the Council's action to place ordinance 07-1278 on the November 2007 ballot.**

No one came forward to address the Council on this letter.

Action: To receive and file the letter.

Motion Tucker, second Keegan. The motion carried by a unanimous vote.

Coming forward to address the Council at this time were:

Joanne Edgerton – Hermosa Beach, member of the Green Committee, said the committee was told by City Manager Burrell that if every resident changed just one light bulb to fluorescent, it would save more energy than anything the City could do; suggested that Council candidates in the upcoming November election distribute a fluorescent bulb to each home as they walk the City to accomplish that energy reduction;

Steve Cannella – Hermosa Beach, said the Hermosa Beach Historical Society was hoping to increase membership to provide funds for a full-time docent and longer operating hours; encouraged everyone to join, with \$25 for annual membership or \$250 for lifetime membership; and

Arnold Sax – said a Beach Reporter article on June 7 stated that asbestos was discovered in the Sharkeez debris; said the delay in demolishing the burned structure was caused by the City's struggle with the Coastal Commission which allowed this asbestos to present a health hazard to City residents.

2. CONSENT CALENDAR:

Action: To approve the consent calendar recommendations (a) through (p) with the exception of the following item, which were removed for discussion in item 4, but are shown in order for clarity: 2 (e), (i), and (k) Reviczky

Motion Tucker, second Reviczky. The motion carried by a unanimous vote.

- (a) RECOMMENDATION TO APPROVE MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL HELD ON MAY 8, 2007, AND THE ADJOURNED REGULAR MEETING OF MAY 22, 2007.

Action: To approve, as presented, the minutes of the Regular Meeting of May 8, 2007, and the Adjourned Regular Meeting of May 22, 2007.

- (b) RECOMMENDATION TO RATIFY CHECK REGISTER NOS. 47973 THROUGH 48207, AND TO APPROVE THE CANCELLATION OF CHECK NOS. 47330 AND 47495, AS RECOMMENDED BY THE CITY TREASURER.

Action: To ratify the check register as presented.

- (c) RECOMMENDATION TO RECEIVE AND FILE TENTATIVE FUTURE AGENDA ITEMS.

Action: To receive and file Tentative Future Agenda Items as presented.

- (d) RECOMMENDATION TO RECEIVE AND FILE THE ACTION MINUTES OF THE PUBLIC WORKS COMMISSION MEETING OF MAY 16, 2007.

Action: To receive and file the action minutes of the Public Works Commission meeting of May 16, 2007.

- (e) RECOMMENDATION TO ACCEPT DONATIONS OF \$1,233.00 FROM SILENT AUCTION PROCEEDS TO BE USED FOR THE CENTENNIAL CELEBRATION AND \$1,600.00 FROM JACQUELINE A. CHALLIFOUR TO BE USED FOR A MEMORIAL BENCH FOR RON AND MAISIE CHALLIFOUR. Memorandum from Finance Director Viki Copeland dated June 4, 2007.

This item was removed from the consent calendar by Councilmember Reviczky for separate discussion later in the meeting in order to acknowledge and thank the donors.

Action: To accept the following donations:

- \$1,233. from silent auction/contest proceeds to be used for the Centennial celebration; and,
- \$1,600 from Jacqueline Challifour to be used for a memorial bench for Ron and Maisie Challifour;

Motion Reviczky, second Bobko. The motion carried by a unanimous vote.

- (f) RECOMMENDATION TO DENY THE FOLLOWING CLAIMS AND REFER THEM TO THE CITY'S LIABILITY CLAIMS ADMINISTRATOR. Memorandum from Personnel Director/Risk Manager Michael Earl dated June 5, 2007.

Claimant: McHugh, John
Date of Loss: Unknown
Date Filed: 05-15-07
Allegation: Property Damage

Claimant: McHugh, John
Date of Loss: Unknown
Date Filed: 05-15-07
Allegation: Property Damage

Action: To deny the above claims and refer them to the City's Liability Claims Administrator

- (g) **RECOMMENDATION TO RECEIVE AND FILE REPORT OF CUSTOMER SERVICE SURVEYS/COMPLAINTS.** Memorandum from City Clerk Elaine Doerfling dated June 4, 2007.

Action: To receive and file report of Customer Service Surveys/Complaints

- (h) **RECOMMENDATION TO ACCEPT THE WORK BY BELAIRE-WEST LANDSCAPE, INC. FOR CIP PROJECT NO. 05-121 AVIATION BLVD. STREET TREE PROJECT; AUTHORIZE THE MAYOR TO SIGN THE NOTICE OF COMPLETION; AND, AUTHORIZE STAFF TO RELEASE PAYMENT TO BELAIRE-WEST LANDSCAPE, INC. (10% RETAINED; 35 DAYS FOLLOWING FILING OF NOTICE OF COMPLETION).** Memorandum from Public Works Director Richard Morgan dated May 24, 2007.

Action: To approve the staff recommendation to:

- (1) Accept the work by Belaire-West Landscape, Inc. for CIP Project No. 05-121 Aviation Blvd. Street Tree Project;
- (2) Authorize the Mayor to sign the Notice of Completion; and
- (3) Authorize Staff to release payment to Belaire-West Landscape, Inc. (10% retained; 35 days following filing of Notice of Completion)

- (i) **RECOMMENDATION TO AUTHORIZE STAFF TO ISSUE THE APPROPRIATE PURCHASE DOCUMENTS AS REQUIRED FOR CONSTRUCTION OF CLARK FIELD FENCE REPLACEMENT TO A-1 FENCE COMPANY OF ANAHEIM, CALIFORNIA, IN THE AMOUNT OF \$10,163; AUTHORIZE AN APPROPRIATION OF \$4,179 FROM THE 125 PARKS AND RECREATION FUND; AND, AUTHORIZE THE DIRECTOR OF PUBLIC WORKS TO ISSUE CHANGE ORDERS AS NECESSARY WITHIN THE APPROVED BUDGET.** Memorandum from Public Works Director Richard Morgan dated June 5, 2007.

This item was removed from the consent calendar by Councilmember Reviczky for separate discussion later in the meeting.

City Manager Burrell responded to Council questions.

Action: To approve the staff recommendation to:

- (1) Authorize staff to issue the appropriate purchase documents as required for construction of Clark Field Fence Replacement to A-1 Fence Company of Anaheim, California, in the amount of \$10,163;
- (2) Authorize an appropriation of \$4,179 from the 125 Parks and Recreation fund; and
- (3) Authorize the Director of Public Works to issue change orders as necessary within the approved budget.

Motion Reviczky, second Tucker. The motion carried by a unanimous vote.

- (j) **RECOMMENDATIONS TO AWARD CONTRACT FOR CIP PROJECT NUMBER 06-419 -SANITARY SEWER CLEANING AND CLOSED CIRCUIT TELEVISION INSPECTION TO RUSSEL WARNER, INC., DBA ADVANCED SEWER TECHNOLOGIES IN THE AMOUNT OF \$105,000.00; AND, AUTHORIZE THE DIRECTOR OF PUBLIC WORKS TO MAKE CHANGES TO THE CONTRACT NOT TO EXCEED BUDGETED AMOUNT.**
Memorandum from Public Works Director Richard Morgan dated June 5, 2007.

Action: To approve the staff recommendation to:

- (1) Award contract for Sanitary Sewer Cleaning and Closed Circuit Television Inspection to Russel Warner, Inc., dba Advanced Sewer Technologies in the amount of \$ 105,000; and
- (2) Authorize the Director of Public Works to make changes to the contract not to exceed the budgeted amount.

- (k) **RECOMMENDATION TO AWARD A CONSTRUCTION CONTRACT FOR PROJECT NO. CIP 05-413, SEWER IMPROVEMENTS: SEWER PIPELINE RECONSTRUCTION, NEW SEWER PIPELINE CONSTRUCTION AND LINING REPAIR - VARIOUS LOCATIONS, TO VASILJ, INC. IN THE AMOUNT OF \$435,962; AUTHORIZE THE MAYOR TO EXECUTE AND THE CITY CLERK TO ATTEST SUBJECT TO APPROVAL BY THE CITY ATTORNEY; APPROVE A PROFESSIONAL SERVICES AGREEMENT FOR CONSTRUCTION INSPECTION SERVICES BETWEEN THE CITY OF HERMOSA BEACH AND CBM CONSULTING INC., FOR \$42,360 AND AUTHORIZE THE MAYOR TO EXECUTE AND THE CITY CLERK TO ATTEST SUBJECT TO APPROVAL BY THE CITY ATTORNEY; AUTHORIZE RE-APPROPRIATION OF \$70,740 FROM THE 301 CAPITAL IMPROVEMENT FUND AND \$362,384 IN THE 160 SEWER FUND OF PROJECT NO. CIP 05-413 TO FY 2007-08; AUTHORIZE A TRANSFER OF \$95,000 IN FY 2007-08 FROM CIP 07-423 AND CIP 05-413; APPROVE A CHANGE ORDER (CHANGE ORDER #1) TO VASILJ, INC TO INCLUDE CIP 07-423 SEWER IMPROVEMENTS PROPOSED FOR FY 2007-2008 WHICH WILL INCREASE THE CONTRACT AMOUNT BY**

APPROXIMATELY \$232,000; AND, AUTHORIZE THE DIRECTOR OF PUBLIC WORKS TO MAKE CHANGES AS NECESSARY WITHIN THE PROJECT BUDGET. Memorandum from Public Works Director Richard Morgan dated June 5, 2007.

This item was removed from the consent calendar by Councilmember Reviczky for separate discussion later in the meeting.

Public Works Director Morgan and City Manager Burrell responded to Council questions.

Action: To deny the recommended change order and approve the remainder of the staff recommendation to:

- (1) Award a construction contract to Vasilj, Inc. in the amount of \$435,962;
- (2) Authorize the Mayor to execute and the City Clerk to attest subject to approval by the City Attorney;
- (3) Approve a Professional Services Agreement for construction inspection services to CBM Consulting Inc., for \$42,360 and authorize the Mayor to execute and the City Clerk to attest subject to approval by the City Attorney;
- (4) Authorize re-appropriation of \$70,740 from the 301 Capital Improvement Fund and \$362,384 in the 160 Sewer fund of Project No. CIP 05-413 to FY 2007-08;
- (5) Authorize a transfer of \$95,000 in FY 2007-08 from CIP 07-423 and CIP 05-413; and
- (6) Authorize the Director of Public Works to make changes as necessary within the project budget.

Motion Reviczky, second Keegan. The motion carried by a unanimous vote.

- (l) **RECOMMENDATION TO ADOPT RESOLUTION AND FINDINGS OVERTURNING THE DECISION OF THE PLANNING COMMISSION AND DENY THE REQUESTED CHANGE IN HOURS, AND THEREBY MAINTAIN THE EXISTING CLOSING TIME OF 11:00PM AT 53 PIER AVENUE (PARADISE SUSHI).** Memorandum from Acting Community Development Director Ken Robertson dated June 5, 2007.

Action: To approve the staff recommendation to adopt Resolution No. 07-6535, entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, TO OVERTURN THE DECISION OF THE PLANNING COMMISSION AND DENY A REQUEST TO AMEND A CONDITIONAL USE PERMIT TO CHANGE THE ALLOWED CLOSING TIME OF AN EXISTING RESTAURANT WITH ON-SALE BEER AND WINE AT 53 PIER AVENUE (PARADISE SUSHI), LEGALLY DESCRIBED AS LOTS 22, 23 & 24, BLOCK 13, HERMOSA BEACH TRACT.**"

- (m) **RECOMMENDATION TO ADOPT A RESOLUTION WHICH, CONSISTENT WITH PAST POLICY, ESTABLISHES A 200-WORD LIMIT AND REQUIRES**

CANDIDATES TO PAY ALL ASSOCIATED COSTS WITH REGARD TO CANDIDATES STATEMENTS FOR THE NOVEMBER 6, 2007 GENERAL MUNICIPAL ELECTION. Memorandum from City Clerk Elaine Doerfling dated June 5, 2007.

Action: To approve the staff recommendation to adopt Resolution No. 07-6536, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, ADOPTING REGULATIONS FOR CANDIDATES FOR ELECTIVE OFFICE PERTAINING TO CANDIDATES STATEMENTS SUBMITTED TO THE VOTERS AT AN ELECTION TO BE HELD ON TUESDAY, NOVEMBER 6, 2007."

- (n) RECOMMENDATION TO ADOPT RESOLUTION AMENDING THE MASTER FEE RESOLUTION TO ADD A FEE FOR THE PREPARATION OF ZONING INFORMATION LETTERS. Memorandum from Acting Community Development Director Ken Robertson dated May 31, 2007.

Action: To approve the staff recommendation to adopt Resolution No. 07-6537, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, AMENDING THE RESOLUTION 90-5422 (MASTER FEE RESOLUTION) TO ADD A FEE FOR THE PREPARATION OF ZONING INFORMATION LETTERS."

- (o) RECOMMENDATION TO APPROVE A CONTRACT WITH THE EXISTING INDEPENDENT AUDIT FIRM OF CAPORICCI & LARSON FOR THREE YEARS AT A COST OF \$70,000, WITH AN OPTION TO EXTEND FOR AN ADDITIONAL TWO YEARS. Memorandum from Finance Director Viki Copeland dated June 4, 2007.

Action: To approve a contract with the existing independent audit firm of Caporicci & Larson for three years at a cost of \$70,000, with an option to extend for an additional two years.

- (p) RECOMMENDATION TO ADOPT RESOLUTION APPROVING THE APPLICATION FOR A GRANT FROM THE LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT TO UPGRADE TWO ROOMS AT THE COMMUNITY CENTER. Memorandum from City Manager Stephen Burrell dated June 7, 2007.

Action: To approve the staff recommendation to adopt Resolution No. 07-6538, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, APPROVING THE APPLICATION FOR GRANT FUNDS FROM THE LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT FOR FOURTH SUPERVISORIAL DISTRICT EXCESS FUNDING FOR THE UPGRADING OF TWO ROOMS AT THE COMMUNITY CENTER TO BE USED FOR SENIORS AND OTHERS."

At 7:42 p.m., the order of the agenda was suspended to move to public hearing items 5(a) (b), (c) and (d).

3. **CONSENT ORDINANCES - None**

4. **ITEMS REMOVED FROM THE CONSENT CALENDAR FOR SEPARATE DISCUSSION**

Items 2(e), (i) and (k) were heard at this time but are shown in order for clarity.

Public comments on items removed from the Consent Calendar are shown under the appropriate item.

At 11:50 p.m., the order of the agenda moved to item 9(a).

5. **PUBLIC HEARINGS**

a. **2007-2008 BUDGET AND CAPITAL IMPROVEMENT PROGRAM.**

(1) **ADOPTION OF 2007-2008 BUDGET.** Memorandum from Finance Director Viki Copeland dated June 5, 2007.

Finance Director Copeland presented the staff report and responded to Council questions. City Manager Burrell and Public Works Director Morgan also responded to Council questions.

The public hearing opened at 7:47 p.m. Coming forward to address the Council on this item was:

Jim Lissner – Hermosa Beach, suggested that the businesses rather than the City should pay for the \$83,000 trash enclosure, and take advantage of free solar collectors available instead of spending \$51,000; thanked the Council for saving money by deleting the traffic study for the Civic Center project.

The public hearing closed at 7:50 p.m.

Proposed Action: To approve staff recommendation Motion Reviczky, second Edgerton. The motion was replaced by a substitute motion.

Action: To approve the staff recommendation to:

- (1) Approve minor changes to the Preliminary Budget;
- (2) Approve subsidy of bus passes at the current level for MTA increased fares;

- (3) Appropriate \$6,000 from the Equipment Replacement Fund for Remote 24/7 Monitoring Services for servers, network devices and peripherals;
- (4) Approve contracts listed in the staff report for services budgeted in the 2007-2008 Budget; and
- (5) Adopt Resolution No. 07-6539, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, ADOPTING THE BUDGET FOR THE FISCAL YEAR 2007-2008,"

With the change that the \$36,000 removed from the budget (with the deletion of the proposed Civic Center Master Plan traffic study) and \$61,000 (half of the money allotted for slurry), for a total of \$97,000, would be directed toward the cape seal program for streets.

Motion Tucker, second Keegan. The motion carried by a unanimous vote.

- (2) ADOPTION OF RESOLUTION AUTHORIZING PARTICIPATION IN THE PUBLIC AGENCY RETIREMENT SYSTEM (PARS) POST-RETIREMENT HEALTH CARE PLAN TRUST. Memorandum from Finance Director Viki Copeland dated May 29, 2007.

Finance Director Copeland presented the staff report and responded to Council questions.

The public hearing opened at 8:09 p.m. As no one came forward to address the Council on this item, the public hearing closed at 8:09 p.m.

Action: To approve the staff recommendation to adopt Resolution No. 07-6540, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, AUTHORIZING PARTICIPATION IN THE PARS POST-RETIREMENT HEALTH CARE PLAN TRUST TO BE ADMINISTERED BY PUBLIC AGENCY RETIREMENTS SERVICES (PARS) AND UNION BANK OF CALIFORNIA."

Motion Reviczky, second Keegan. The motion carried by a unanimous vote.

- (3) ADOPTION OF RESOLUTION IMPLEMENTING AN ALTERNATE RETIREMENT SYSTEM FOR PART-TIME TEMPORARY EMPLOYEES AND APPROVAL OF AN ADMINISTRATIVE SERVICES AGREEMENT WITH PUBLIC AGENCY RETIREMENTS SYSTEM (PARS). Memorandum from Personnel Director/Risk Manager Michael Earl dated June 5, 2007.

Finance Director Copeland presented the staff report and responded to Council questions.

The public hearing opened at 8:12 p.m. As no one came forward to address the Council on this item, the public hearing closed at 8:12 p.m.

Action: To approve the staff recommendation to adopt Resolution No. 07-6541, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, PROVIDING A QUALIFYING RETIREMENT SYSTEM FOR ITS EMPLOYEES NOT CURRENTLY ELIGIBLE FOR SUCH A QUALIFYING RETIREMENT SYSTEM, THEREBY"

MEETING THE REQUIREMENTS OF SECTION 11332 OF THE OMNIBUS BUDGET RECONCILIATION ACT (OBRA 90) AND SECTION 3121(b)(7)(F) OF THE INTERNAL REVENUE CODE (IRC)."

Motion Keegan, second Tucker. The motion carried by a unanimous vote.

- (4) **ADOPTION OF 2007-2008 APPROPRIATION LIMIT.** Memorandum from Finance Director Viki Copeland dated May 30, 2007.

Finance Director Copeland presented the staff report and responded to Council questions. City Manager Burrell also responded to Council questions.

The public hearing opened at 8:13 p.m. As no one came forward to address the Council on this item, the public hearing closed at 8:13 p.m.

Action: To approve the staff recommendation to adopt Resolution No. 07-6542, entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, APPROVING AND ADOPTING THE ANNUAL APPROPRIATIONS LIMIT FOR THE FISCAL YEAR 2007-2008.**"

Motion Keegan, second Reviczky. The motion carried by a unanimous vote.

At 8:14 p.m., the order of the agenda went to item 6(c).

- (5) **PROPOSAL TO INCREASE TRANSIENT OCCUPANCY TAX (TOT) AUTHORITY FROM 10% TO 12%.** Memorandum from Finance Director Viki Copeland dated May 31, 2007.

Finance Director Copeland presented the staff report and responded to Council questions.

The public hearing opened at 9:34 p.m. Coming forward to address the Council on this item were:

Jim Lissner – Hermosa Beach, said if additional funds were raised by this increase, they would be merely spent; suggested the increase be delayed until the City was in desperate need of money;

Carla Merriman – Executive Director, Hermosa Beach Chamber of Commerce and Visitors' Bureau, submitted a letter expressing opposition to the tax increase from Mahesh Patel, General Manager of the Hampton Inn & Suites; said she also represented the Greenwald family who opposed the increase but could not be present; said the Chamber had spent \$46,000 to encourage travelers to visit Hermosa Beach, which increased hotel occupancy and therefore the amount of transient occupancy tax submitted to the City; said the Chamber and hotel management agreed that increasing the tax would discourage visitors and could even result in a loss of TOT revenue; said that other businesses would be affected as well because travelers generally tried to keep their hotel bills low in order to spend elsewhere in the City;

Kevin McCarthy – General Manager of the Beach House and Chairman of the Chamber of Commerce Board of Directors, said he would not want to see hotel occupancy decline because of this 2% increase; said room rates had gone up which also resulted in more tax for the City; said Hermosa Beach hotels are competitive with the TOT at 10%;

Ray Chen – General Manager of the Hermosa Beach Holiday Inn, said his revenue had increased 23% last year and one reason was greater occupancy because of the current 10% tax; agreed a tax increase would decrease occupancy;

Carla Mack – General Manager of Hotel Hermosa, said if the TOT is increased to 12%, she would lose business, particularly from the corporate accounts; said she had recently acquired the business from four major companies who had previously used hotels in El Segundo and feared she would lose them if there is a tax increase;

Amiss Defia – Grandview Inn, Hermosa Beach, agreed with the previous speakers opposed to increasing the percentage of the TOT; and

Dency Nelson – Hermosa Beach, said he was not in the hotel business so could not question the research but it sounded like the average tax is 12%; said he did not know how much transient occupancy tax he paid when he traveled and thought that was probably the case with most people; thought people would not notice a 2% increase and would continue to stay in Hermosa Beach because it is a wonderful town.

The public hearing closed at 9:47 p.m.

Action: To not submit a measure to the voters on the November ballot to increase the transient occupancy tax (TOT) up to 12%.

Motion Tucker, second Reviczky. The motion carried by a unanimous vote.

- (6) **PROPOSAL TO CONSIDER PLACING A MEASURE ON THE NOVEMBER MUNICIPAL ELECTION BALLOT TO INCREASE THE BUSINESS LICENSE TAX.** Memorandum from Finance Director Viki Copeland dated May 31, 2007.

Finance Director Copeland presented the staff report and responded to Council questions. City Manager Burrell also responded to Council questions.

The public hearing opened at 10:05 p.m. Coming forward to address the Council on this item were:

Carla Merriman - Executive Director, Hermosa Beach Chamber of Commerce and Visitors' Bureau, said it was difficult to determine the changes because the schedule indicates such a wide range of businesses; said in certain instances, especially the restaurant category, there were restaurants currently paying very low business license fees, probably too low for the usage, but the impact of some increases is significant; suggested that the Council consider a cap of a 50% increase or a more gradual increase over time to lessen this severe impact; and

Jim Lissner – Hermosa Beach, distributed a handout to the Council, agreed that the City needed to raise more money and said his handout provided a crude method of determining the amount of surplus for the last six fiscal years; opposed an increase in business license fees for grocery or hardware stores but thought it was appropriate for restaurants and bars.

The public hearing closed at 10:12 p.m.

Action: To continue the issue to the July 10 meeting, with direction to staff to provide additional information regarding commercial property as well as clarification regarding gross receipts.

Motion Reviczky, second Keegan. The motion carried, noting the dissenting vote of Bobko.

At 10:30 p.m., the order of the agenda moved to item 5(c).

- b. **ZONE CHANGE FROM M-1, LIGHT MANUFACTURING, TO R-2, TWO FAMILY RESIDENTIAL, AND ADOPTION OF AN ENVIRONMENTAL NEGATIVE DECLARATION AT 322 ARDMORE AVENUE.** Memorandum from Acting Community Development Director Ken Robertson dated May 31, 2007.

Acting Community Development Robertson presented the staff report and responded to Council questions.

The public hearing opened at 11:28 p.m. Coming forward to address the Council on this item was:

Robert Catalano – Rolling Hills Estates, said he wanted to close the business currently being operated at this address and get this zone change so he could build a "totally green" house on the property.

The public hearing closed at 11:30 p.m.

Action: To approve the staff recommendation to waive full reading and introduce Ordinance No. 07-1282, entitled "**AN ORDINANCE OF THE CITY OF HERMOSA BEACH, CALIFORNIA, AMENDING THE ZONING MAP FROM LIGHT MANUFACTURING (M-1) TO TWO-FAMILY RESIDENTIAL (R-2) FOR THE PROPERTY LOCATED AT 322 ARDMORE AVENUE LEGALLY DESCRIBED AS PORTION OF LOT 44, WALTER RANSOM COMPANY'S VENABLE PLACE, AND ADOPTION OF AN ENVIRONMENTAL NEGATIVE DECLARATION.**"

Motion Keegan, second Reviczky. The motion carried by a unanimous vote.

At 11:32 p.m., the order of the agenda went to 6(b).

- c. **REVIEW AND RECONSIDERATION OF A PARKS, RECREATION AND COMMUNITY RESOURCES ADVISORY COMMISSION DECISION ON APRIL 3, 2007, TO INSTALL TWO BEACH VOLLEYBALL COURTS AT SIXTH STREET AND THE STRAND.** Memorandum from Community Resources Director Lisa Lynn dated June 5, 2007. Supplemental letter received from Ron Pizer on June 12, 2007.

City Manager Burrell presented the staff report and responded to Council questions.

The public hearing opened at 10:32 p.m. Coming forward to address the Council on this item were:

Rick Pruetz – Hermosa Beach, said there were already two courts on the beach near this block of The Strand and adding more courts would limit the use of the beach by families with small children; said the minutes of the Parks & Recreation Commission indicate that the requestor of the two additional courts said he would be willing to accept another location; urged the Council to choose another location;

Greg Maffei – Hermosa Beach, said he had requested the two additional courts because he found it difficult to find a empty court; said he had a two-year old daughter who played on the beach near the water, not where the volleyball courts would be located; said he runs at 8 a.m. and often the courts in this part of the beach are already taken;

Lorenda Howenbrink – said she was representing seven women who play volleyball weekly on this portion of the beach, some from Hermosa Beach and some from as far away as Venice; said they have to arrive by 8:30 a.m. in order to find an empty court; was in favor of building additional courts;

Toni Pizer – Hermosa Beach, said there were plenty of courts available at 8:00 or 8:30 a.m.; said the demographics of the City had change to more families with small children and there was a greater need on the beach for use by children than by volleyball players; said there were fewer volleyball courts on the beach at Seventh and Ninth Streets and asked the Council to consider placing additional courts there instead to maintain a balance for people who enjoyed the beach for different purposes;

Tony Grocton – Hermosa Beach, said he did not play volleyball but enjoyed watching others play; said he had a nine-year old son and had a lot of friends with children from two to ten years of age; said children usually played near the water, not near the volleyball courts; was in favor of the additional courts because he had other friends who found it difficult to find an available court after 8:00 or 9:00 a.m.; suggested it might be a good idea to designate some of the volleyball courts reservable, said there was a greater demand for volleyball courts south of the pier probably because of the lack of parking near the walk streets on the north end of town; suggested the new courts be placed on the beach near Seventh and Eighth Street;

Al Amara – Hermosa Beach, said he was not a volleyball player and was opposed to two additional courts being installed at the proposed location; said from his balcony he has observed that the courts are not being used to the point where additional courts are required even though maybe two to three days a month;

John Droge – Hermosa Beach, strongly objected to any new volleyball courts; said this did not apply to everyone playing volleyball but there was a lot of obnoxious screaming and shouting from some, along with disorderly conduct and alcohol consumption; said volleyball courts also blocked views and decreased property values;

Ron Pizer – Hermosa Beach, distributed a handout to the Council analyzing volleyball court beach frontage as of April 1, 2007; questioned whether the Parks & Recreation Commission used the proper criteria for making their recommendation to install the two additional courts in this location; asked the Council to make a decision not just for the benefit of volleyball players but with consideration of the impact on beach frontage; and

Lauren Mains – said her daughter used the beach, as well as her nephews and nieces; thought the beach should be enjoyed by children as well as surfers and volleyball players and that Council's decision should be made on balance on fairness; said the existing courts in this area were more than adequate; said it was dangerous having children play near the ocean even when they were closely supervised.

The public hearing closed at 11:05 p.m.

Proposed Action: To refer the residents in the neighborhood near the proposed volleyball court installation to a mediator.

Motion Bobko, second Tucker. The motion was replaced by the following substitute motion.

Action: To place signage on each volleyball pole south of the pier notifying the public that the volleyball courts are open to the public and not for anyone's exclusive use.

Motion Reviczky, second Keegan. The substitute motion carried by a unanimous vote and the previous motion was withdrawn.

Further Action: To direct staff to look at placing two additional volleyball courts elsewhere, perhaps doubling existing single courts on the beach near the Seasprite Hotel.

Motion Keegan, second Edgerton. The motion carried by a unanimous vote.

Further Action: To overturn the Parks, Recreation and Community Advisory Commission's approval of the installation of two beach volleyball courts at Sixth Street and The Strand.

Motion Tucker, second Keegan. The motion carried by a unanimous vote.

At 11:25 p.m., the order of the agenda went to 5(b)

- d. **HERMOSA BEACH LANDSCAPING AND STREET LIGHTING DISTRICT 2007-2008.** Memorandum from Public Works Director Richard Morgan dated June 5, 2007

Public Works Director Morgan presented the staff report and responded to Council questions.

The public hearing opened at 11:39 p.m. As no one came forward to address the Council on this item, the public hearing closed at 11:39 p.m.

Action: To approve the staff recommendation to adopt Resolution No. 07-6543, entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, CONFIRMING A DIAGRAM AND ASSESSMENT AND LEVYING ASSESSMENTS FOR THE FISCAL YEAR COMMENCING JULY 1, 2007 AND ENDING JUNE 30, 2008 IN CONNECTION WITH THE HERMOSA BEACH LANDSCAPING AND STREET LIGHTING DISTRICT 2007-2008.**"

Motion Reviczky, second Keegan. The motion carried by a unanimous vote.

At 11:40 p.m., the order of the agenda went to item 6(c).

6. **MUNICIPAL MATTERS**

- a. **HERMOSA VERDE SUBCOMMITTEE REPORT FROM THE COOL CITIES PROGRAM.** Memorandum from City Manager Stephen Burrell dated June 7, 2007.

Action: Because of the lateness of the hour, Council consensus was to continue this item to the Council meeting of July 10, 2007.

- b. **HERMOSA BEACH LOOP BUS.** Memorandum from City Manager Stephen Burrell dated June 6, 2007.

Action: To continue to the July 10 Council meeting, with direction to staff to investigate the possibility of renting a bus for a trial period.

Motion Reviczky, second Tucker. The motion carried by a unanimous vote.

At 11:38 p.m., the order of the agenda went to 5(d)

- c. **SURFERS WALK OF FAME – LIMITATION ON THE NUMBER OF ANNUAL INDUCTEES.** Memorandum from City Manager Stephen Burrell dated June 4, 2007.

City Manager Burrell presented the staff report and responded to Council questions.

Coming forward to address the Council on this item was:

Roger Bacon – Hermosa Beach businessman, said the Surfer's Walk of Fame was conceived out of love of surfing and asked the Council to not make it a political football; asked if the surf band the Hodads could perform prior to the next induction ceremony;

Bob Meistrell – Surfer's Walk of Fame inductee, agreed with Mr. Bacon;

Darrell Dickey - Surfer's Walk of Fame inductee, said it would be difficult to devise a methodology to determine who would be honored; said not all great surfers are competitive and the inductees should be relied upon to make the decisions; suggested that older surfers be considered first with the younger ones following; spoke of honoring others, such as teachers and manufacturers;

Steve Cannella – member of the judging committee appointed by the Parks, Recreation and Community Resources Advisory Commission, said the committee relied on a book with information on each nomination prepared by City Staff and decisions were made using a point system; said selections are made twice a year and nominations had just been received; said it would be hard to limit the inductions to two per year; said the induction ceremony should be held on a different day from the Summer Concerts; suggested leaving the selection system alone for this year but that discussions should begin to improve the system for the future;

John Whitney Hill – a current Surfer's Walk of Fame nominee, said the process was a little vague for this complex issue and probably could be reworked; and

Chris Radisson - Surfer's Walk of Fame inductee, said most surfers knew each other, like any other sport, and suggested that the committee be made up of inductees; said he knew of about 220 qualified people in the South Bay and suggested that the selections be made by age.

Action: To approve the award of four inductees this year with direction to staff to develop rules, by-laws and guidelines to make the selection system more organized for next year and to report back before the end of 2007.

Motion Keegan, second Tucker. The motion carried by a unanimous vote.

Proposed Action: To allow the Hodads to sing at the 2007 induction ceremony, with Roger Bacon to cover the cost.

Motion Tucker, second Keegan. The motion failed, noting the dissenting votes of Bobko, Reviczky, and Mayor Edgerton.

Action: To have a separate event for the 2008 induction and allow Roger Bacon to pay for the Hodads to sing at the ceremony.

Motion Tucker, second Edgerton. The motion carried by a unanimous vote.

Action: To direct staff to work with the group to allow for some kind of music for the 2007 induction ceremony if it can be done without an impact on staff.

Motion Bobko, second Keegan. The motion carried by a unanimous vote.

The meeting recessed at 9:12 p.m.

The meeting reconvened at 9:30 p.m., with item 5(a)(5).

- d. REQUEST FOR WAIVER OF BANNER PERMIT FEES FROM THE HERMOSA BEACH WOMAN'S CLUB FOR THE ANNUAL PANCAKE BREAKFAST ON OCTOBER 21 2007. Memorandum from City Manager Stephen Burrell dated June 5, 2007.

Action: To approve the staff recommendation to waive the \$441 banner fee for the pancake breakfast on October 21 2007, as requested by the Woman's Club of Hermosa Beach.

Motion Tucker, second Reviczky. The motion carried by a unanimous vote.

- e. CALLING, GIVING NOTICE AND REQUESTING CONSOLIDATION AND CERTAIN OTHER RESOLUTIONS NECESSARY FOR THE GENERAL MUNICIPAL ELECTION, NOVEMBER 6, 2007. Memorandum from City Clerk Elaine Doerfling dated June 5, 2007.

City Clerk Doerfling presented the staff report and responded to Council questions.

Action: To approve the staff recommendation to:

- (1) Adopt Resolution No. 07-6544, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, CALLING AND GIVING NOTICE OF THE HOLDING OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 6, 2007, FOR THE ELECTION OF CERTAIN OFFICERS AS REQUIRED BY THE PROVISIONS OF THE LAWS OF THE STATE OF CALIFORNIA RELATING TO GENERAL LAW CITIES."
- (2) Adopt Resolution No. 07-6545, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO CONSOLIDATE A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 6, 2007, WITH THE UDEL AND SCHOOL ELECTION TO BE HELD ON THAT DATE PURSUANT TO SECTION 10403 OF THE ELECTIONS CODE."
- (3) Adopt Resolution No. 07-6546, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, FIXING THE COMPENSATION TO BE RECEIVED BY THE CITY CLERK FOR THE GENERAL MUNICIPAL ELECTION OF NOVEMBER 6, 2007."
- (4) Adopt Resolution No. 07-6547, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, PROVIDING FOR THE CONDUCT OF A SPECIAL RUNOFF ELECTION FOR ELECTIVE OFFICES IN THE EVENT OF A TIE"

**VOTE AT THE GENERAL MUNICIPAL ELECTION TO BE HELD
NOVEMBER 6, 2007."**

Motion Reviczky, second Mayor Edgerton. The motion carried by a unanimous vote.

- f. **EMERGENCY PREPAREDNESS COMMISSION – EXPANSION FROM 5 TO 7 MEMBERS.** Memorandum from City Manager Stephen Burrell dated June 6, 2007.

City Manager Burrell presented the staff report and responded to Council questions.

Action: To approve the staff recommendation to waive full reading and introduce Ordinance No. 07-1283, entitled "**AN ORDINANCE OF THE CITY OF HERMOSA BEACH, CALIFORNIA, INCREASING THE MEMBERSHIP OF THE EMERGENCY PREPAREDNESS ADVISORY COMMISSION AND AMENDING THE HERMOSA BEACH MUNICIPAL CODE.**"

Motion Mayor Edgerton, second Keegan. The motion carried by a unanimous vote.

- g. **SPECIAL EVENTS ON PRIVATE PROPERTY.** Memorandum from City Manager Stephen Burrell dated June 6, 2007.

Action: Because of the lateness of the hour, Council consensus was to continue this item to the Council meeting of July 10, 2007.

At 11:44 p.m., the order of the agenda moved to item 6(d).

7. **MISCELLANEOUS ITEMS AND REPORTS - CITY MANAGER**

- a. **AB1338 (HUFFMAN) LOCAL COASTAL PROGRAMS: NONPOINT SOURCE POLLUTING – PROPOSED LETTER OF SUPPORT.** Memorandum from City Manager Stephen Burrell dated May 29, 2007.

Action: Because of the lateness of the hour, Council consensus was to continue this item to the City Council meeting of July 10, 2007.

- b. **ENCROACHMENT FEE MODIFICATION – ADD SEPARATE RATE CATEGORY FOR SNACK SHOPS ON PIER PLAZA AT \$1.00 PER SQUARE FOOT.** Memorandum from City Manager Stephen Burrell dated June 6, 2007.

City Manager Burrell presented the staff report and responded to Council questions.

Action: To approve a separate encroachment fee category for snack shop type businesses and set the rate at \$1 per square foot.

Motion Tucker, second Keegan. The motion carried by a unanimous vote.

At 11:46 p.m., the order of the agenda went to item 4(a), consent calendar items removed for separate discussion.

8. **MISCELLANEOUS ITEMS AND REPORTS - CITY COUNCIL**

- a. **EXPIRATION OF TERMS – BOARDS AND COMMISSIONS
PARKS, RECREATION AND COMMUNITY RESOURCES ADVISORY
COMMISSION APPOINTMENTS.** Memorandum from City Clerk Elaine Doerfling dated June 6, 2007.

City Clerk Doerfling presented the staff report and responded to Council questions.

Action: Council consensus was to appoint Laura Raymond and Bob Rosenfeld from among the applicants to fill two seats on the Parks, Recreation and Community Resources Advisory Commission with terms ending June 30, 2011.

At 11:45 p.m., the order of the agenda went to item 7(b).

9. **OTHER MATTERS - CITY COUNCIL**

- a. **Request from Council Member Kit Bobko to examine the development of a "tree ordinance" that would provide for preservation of trees on private property and direct staff to report back with a survey of other cities tree policies and tree ordinances.**

Councilmember Bobko spoke to his request.

Action: To agendaize the topic for future discussion
Motion Bobko, second Mayor Edgerton. The motion carried.

**ANNOUNCEMENT IN OPEN SESSION OF ITEMS TO BE DISCUSSED IN
CLOSED SESSION AS FOLLOWS:**

1. **APPROVAL OF MINUTES: Closed Session meeting of May 22, 2007.**
2. **CONFERENCE WITH LEGAL COUNSEL**

The City Council finds, based on advice from legal counsel, that discussion in open session will prejudice the position of the City in the litigation.

- a. **Anticipated Litigation: Government Code Section 54956.9(b)**

Number of potential cases: 1

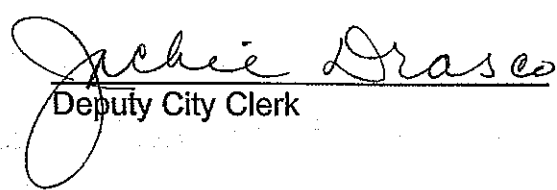
ADJOURN TO CLOSED SESSION – The Regular Meeting of the City Council of the City of Hermosa Beach adjourned on Tuesday, June 12, 2007, at the hour of 11:45 p.m. to a closed session.

RECONVENE TO OPEN SESSION – The Closed Session convened at the hour of 11:50 p.m. At the hour of 12:15 a.m., on Wednesday, June 13, 2007, the Closed Session adjourned to the Regular Meeting.

ORAL ANNOUNCEMENTS – There were no decisions made requiring a public announcement.

ADJOURNMENT – The Regular Meeting of the City Council of the City of Hermosa Beach adjourned on Wednesday, June 13, 2007, at the hour of 12:16 a.m. to the Regular Meeting of June 26, 2007 at 7:10 p.m.


City Clerk


Deputy City Clerk