

CITY OF HIDDEN HILLS
REGULAR CITY COUNCIL MEETING

City Hall

Monday, June 14, 2010

MINUTES

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

A regular meeting of the City Council of the City of Hidden Hills was duly held in the Council Chambers at the City Hall, 6165 Spring Valley Road, Hidden Hills, California 91302 on Monday, June 14, 2010 at the hour of 7:30 p.m. Mayor Larry Weber called the meeting to order and presided thereover after leading the Council and audience in the Pledge of Allegiance.

ROLL CALL

Council:

Mayor Larry G. Weber
Mayor Pro Tem Jim Cohen
Council Member Steve Freedland
Council Member Larry Goldberg
Council Member Stuart E. Siegel

Staff:

City Treasurer Eddie Bauch
City Engineer Dirk Lovett
City Manager Cherie L. Paglia
Bookkeeper Randee Weinberger

APPROVAL OF AGENDA

Upon MOTION of Council Member Siegel, seconded by Council Member Freedland and unanimously carried, it was resolved that the agenda for the June 14, 2010 regular meeting be approved as submitted.

ANNOUNCEMENTS

Mayor Weber made the following announcements:

Happy Birthday to Council Member Siegel's daughter Jenna, whose birthday is today.

There is an Association Board of Directors meeting tomorrow night (6/15) at the Community Center at 7:30 p.m.

The Association/Parks and Recreation summer opening party is this Saturday, 6/19, at the Community Center from 11:30 a.m. – 2:30 p.m. Call the Association for details.

Just a reminder that this coming Sunday, 6/20, is Father's Day.

We have three upcoming birthdays: Happy Birthday to City Engineer Dirk Lovett (6/21), to Mayor Pro Tem Cohen's wife JoAnne (6/23), and to Council Member Goldberg's wife Joyce (6/26).

The Calabasas beach bus, which stops at Round Meadow School, begins next Monday, 6/21.

There will be a bulky item pick-up day on Saturday, 6/26; call City Hall for details.

AUDIENCE

Resident Shawn Antin addressed the Council Members, informing them that due to old FEMA flood plain maps, he was required by his lender to pay additional flood insurance, which was very expensive. He believes that a flood plain no longer exists in his area, and was told by his engineer that FEMA and the City should have the maps redrawn – he is thus asking the City to look into that process, even though the City Engineer told him he needed to hire someone to redo the maps.

City Engineer Dirk Lovett (who has already addressed this issue with Mr. Antin) explained that the developer of a subdivision in the City of Los Angeles, bordering Hidden Hills near the Antin property, did a letter of map revision to change the flood maps when the subdivision was completed, but Hidden Hills was not included. He added that normally, the resident, in this case Mr. Antin, would be responsible for redoing the map, which would be submitted to the City for endorsement, and then forwarded to FEMA for final approval.

Council Member Freedland had two suggestions for Mr. Antin: 1) check with the neighbors to see how many people are affected by this, and maybe they could all pool their resources to have the map for that area redrawn, and 2) check with the neighbors to see if their lenders require the additional flood insurance; there could be other mortgage lenders who may not require the extra flood insurance, especially since Mr. Antin earlier said that his original lender did not require it, but it became an issue when he refinanced with a different lender.

PUBLIC HEARINGS

A. Consideration of Proposed Ordinance Regarding Adoption of Title 10/Animal Control – Second Reading

Mayor Weber opened the public hearing. As there were no comments, he closed the hearing. Upon MOTION of Council Member Siegel, seconded by Council Member Goldberg and unanimously carried, it was resolved to give second reading to and adopt by title only Ordinance No. 333 entitled: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HIDDEN HILLS ADOPTING BY REFERENCE TITLE 10, ANIMALS, OF THE LOS ANGELES COUNTY CODE AND AMENDING THE HIDDEN HILLS MUNICIPAL CODE.

B. Review and Discussion of Preliminary Draft City Budget for Fiscal Year 2010-2011

Mayor Weber opened the public hearing. City Treasurer Eddie Bauch reminded the Council that in preparing the budget, income is somewhat underestimated and expenses overestimated, which

this year still resulted in a proposed deficit, although that is almost never the case at the end of the fiscal year. Mayor Weber agreed, adding that the staff is very frugal.

Wes Myers, Ashley Construction Inc., referring to the April 30th financial statement, asked the Council to explain to him and the rest of the City about the \$6 million sitting in reserves, and what it meant that \$4.4 million was unreserved and what it was for. Bookkeeper Randee Weinberger pointed out that the financial statement really had nothing to do with the proposed budget under discussion, but that the reserves were in a very conservative State account. Treasurer Bauch added that the money was not invested in State muni-funds, and that the \$4.4 million was the balance of funds not allocated or earmarked. Mr. Myers said that's what he was wondering, and that it looked like the City was in good shape.

As there were no further comments or questions from the audience, Mayor Weber closed the hearing after pointing out that the draft budget showed a \$188,200 proposed deficit.

Mayor Pro Tem Cohen wished to make it clear that when the proposed budget is prepared, the City is looking at only ten months of existing expenses and revenue for the current fiscal year, and anticipating what those will be at the end of the year.

Council Member Freedland thought that the expected property tax revenue was very conservative, with the proposed budget showing a reduction from this year while the Community Association was expecting at least the same amount or more for the next year. He felt that there would not be a deficit at the end of the 2010-2011 fiscal year.

As there was no further discussion, Mayor Weber informed everyone that the proposed budget would be placed on the next agenda for final approval.

CONSENT CALENDAR

- A. City Council Minutes – May 24, 2010**
- B. Demand List**

Upon MOTION of Council Member Siegel, seconded by Mayor Pro Tem Cohen and unanimously carried on roll call vote, it was resolved to approve items A and B of the consent calendar as submitted.

MATTERS FROM STAFF

- A. Consideration of Approval of Proposal to Repair Catch Basins**

City Engineer Dirk Lovett presented the following staff report:

The decks of two storm drain catch basins within the City, one on Round Meadow and one on Jim Bridger, have been damaged, presumably by heavy trucks; staff obtained bids from three different contractors to repair the catch basins, looking at three different repair options; the cheapest bid to just repair the two catch basin decks is \$7,622; the low bid for repairing both decks and the adjacent curb and gutter for the Round Meadow catch basin is \$8,840; the third option, at a cost of \$15,080, includes repairing the deck of the Jim Bridger catch basin and reconstructing/relocating the Round Meadow catch basin, moving it further back to be more in line with the gutter; in its current location, there is a higher potential for this catch basin to be damaged again in the future; the City will have approximately \$18,000 in Measure R funds by August that can be used for this project; he would recommend the third option.

The Council Members had several questions, which Mr. Lovett answered as follows:

The damage could very well have been caused by heavy construction vehicles parking on the catch basins; he would hesitate to install bollards or other posts due to the lack of lighting; there are numerous catch basins throughout the City, and there has been no problem with them; the Round Meadow catch basin would be moved further back into the parkway, in line with the gutter; it would be slightly higher than the parkway, but it would not be hit by a vehicle just driving down the street; due to the nature of the parkway and the design of the catch basins, it is difficult to totally prevent vehicles from parking on the top of the basins; more vertical rebar will be placed in the opening to strengthen it, raising it to a higher standard than the original basin; the catch basins are necessary and cannot be removed.

Upon MOTION of Council Member Freedland, seconded by Council Member Siegel and unanimously carried on roll call vote, it was resolved to approve the proposal from Nassau

Masonry, in the amount of \$15,080 plus a 10% contingency, to repair the deck of the catch basin at 25003 Jim Bridger Road and to relocate/reconstruct the catch basin at 5686 Round Meadow Road, with the costs of the project to be paid entirely from Measure R funds as soon as enough of these funds have been accumulated (most likely in August of this year).

B. Notice of Completion – Round Meadow Road and Round Meadow School Parking Lot Slurry Seal Project

The following staff report was provided by City Engineer Dirk Lovett:

All work in relation to the slurry seal project has been completed at Round Meadow School and in the parking lot; the Council authorized the expenditure of \$57,774 for all construction along with a 10% contingency, totaling \$63,551.40; the actual total construction cost is \$62,741.82, with the extra costs due to necessary asphalt repairs that exceeded the original estimate.

Upon MOTION of Mayor Pro Tem Cohen, seconded by Council Member Freedland and unanimously carried, it was resolved to accept the Round Meadow Road and Round Meadow School Parking Lot Slurry Seal Project as complete, to authorize the City Clerk to file and record a Notice of Completion, and to authorize the release of the retention upon satisfactory clearance of the thirty-five (35) day lien period.

Mayor Pro Tem Cohen wondered if the word “guest” should be painted on the street in the guest lane outside of the Round Meadow gate, and possibly the other two gates. Council Member Siegel and Mayor Weber felt there were already so many signs and so much striping that it would not be noticed, even if there was room.

C. Consideration of Proposed Resolution Authorizing Participation in the Los Angeles County Energy Program

Council Member Siegel informed the Council of the following:

This program is possible due to the passage of AB811; many government agencies are pushing a green agenda, and this program is a good idea; the County is sponsoring the

program and will serve as the lead agency; if residents want to reduce energy consumption in their homes, they will have a choice of upgrade packages and options that qualify for rebates and incentives, from basic weatherization, insulation and sealing, to installing energy efficient windows, tankless water heaters, air conditioners, and even solar panels; the County provides loans through the sale of bonds, places a lien against the house, and then bills the homeowner over a period of time on his/her property tax assessment; the period of time can be up to twenty years or the life of the improvement, so the loan stays with the property; therefore, if a homeowner does not stay in the home until the project is paid for, the new owner would assume the debt for a project that he/she would benefit from; it is not known yet what the interest rate on the loan would be.

Mayor Weber thought some of the funds for the program were coming from the federal stimulus (through the State and then to the County), and that it was a good idea for the City to offer this plan to its residents, allowing them to finance improvements they might not otherwise do. The City Manager pointed out that the only thing the City had to do was pass a resolution that allows its residents to take part in the program, through the County, only if they wish to do so. Upon MOTION of Council Member Freedland, seconded by Mayor Pro Tem Cohen and unanimously carried, it was resolved to adopt by title only Resolution No. 829 entitled: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIDDEN HILLS, STATE OF CALIFORNIA, CONSENTING TO INCLUSION OF PROPERTIES WITHIN THE INCORPORATED AREA OF THE CITY IN THE LOS ANGELES COUNTY ENERGY PROGRAM TO FINANCE DISTRIBUTED GENERATION RENEWABLE ENERGY SOURCES AND ENERGY AND WATER EFFICIENCY IMPROVEMENTS, APPROVING THE REPORT SETTING FORTH THE PARAMETERS OF THE REFERENCED PROGRAM AND CERTAIN MATTERS IN CONNECTION THEREWITH.

D. Round Meadow/Long Valley Road Utility Undergrounding Project

City Engineer Dirk Lovett provided the following staff report:

In May of 2009, the Council directed staff to prepare plans to underground the utilities in this particular area, which included the poles on Round Meadow between Wingfield and Long Valley (the public section); at that time the City also got a separate bid to underground utilities in the private portion of Round Meadow, north of Long Valley (the private section), including one pole on the horse trail; the City would pay for the public

section, estimated at that time to cost \$317,400, and see if the affected homeowners wished to pay to have the private section completed, at a cost of \$463,450 (total for both sections \$775,100); as only one homeowner expressed an interest in financing the private section of the project, the Council directed staff to underground just the public section; this revised design necessitated the removal of one pole in the private section of Round Meadow, extending the project approximately 214' (this was determined by where the undergrounding can feasibly terminate); staff obtained bids for the construction work (conduit, hardware, cabinets – not including utility costs or staff time), with Tidwell submitting the low bid; a preconstruction meeting was held in January; at that meeting, Tidwell raised numerous questions about the plans, and resident Gary Simons asked for the project to be extended one pole further into the private section, for which he would pay; the utility companies then redid both their plans and the cost estimates, which came out quite a bit higher due to the changes to the plans; staff wanted to give the Council an opportunity to revisit this issue due to the increased costs before going forward with the project; the revised estimated costs are now at \$834,000, of which \$67,000 has been paid by Mr. Simons and one other resident who had to underground the wires to his house, with the net costs to the City being \$767,000.

In response to questions from Council Member Siegel and Council Member Goldberg, Mr. Lovett stated the following:

Seven poles will be undergrounded; the City has spent approximately \$115,000 to date, which is included in the total cost estimate of \$767,000; part of that amount is a deposit to one of the utilities, some of which would have to be returned if there is no construction; however there will most likely be some additional charges for design work that have not yet been paid for which the City would be responsible; the Council Members decided several years ago to set aside, for possible future undergrounding projects, any revenue over expenditures at the end of each fiscal year; we have studied this a lot, and feel the \$767,000 estimate is as firm as it can possibly be, understanding that there can always be unforeseen costs related to any construction; all the necessary easements have been obtained; there is no contract with Tidwell yet, but the company should be ready to proceed and sign a contract if we give the go ahead.

Council Member Freedland made the following comments:

The cost now is definitely much higher than he would have liked; if the Council would have started undergrounding years ago, it would have been way less money, and if we wait another ten years, it will be way more; he feels staff has done a very good and thorough job; a lot of time and effort has already gone into the project, and \$115,100 has already been spent; the City has enough money set aside to complete the project; since the City has an ordinance requiring residents, under certain circumstances, to underground their utilities from the house to the street in anticipation of projects such as

this, he feels the City has a moral obligation to make those efforts worthwhile; he believes it would be wrong to back out now, and since the money (even though the costs are much more than he wanted to see) has been earmarked for undergrounding projects, he is still in favor of doing this project.

Council Member Siegel then added his comments:

He is not in favor of this project any more; the whole idea of this pilot project was to do a joint venture with the homeowners, who were supposedly very excited about this; none of them came through with the exception of one, which may be a common story in the future with any private poles; (Council Member Freedland pointed out here that two of the affected homeowners were in the process of selling their homes, and ended up doing so, which might explain why they did not show much interest in the project); this is a preposterous amount of money at approximately \$110,000 per pole; he strongly disagrees with Council Member Freedland's use of the words "moral obligation", as he does not believe there is any obligation; he undergrounded his utilities from his house to the pole out in front, which is much better for the stability of a homeowner's personal connection; this is a lot of money for a small community, almost approaching the annual budget; he would rather use the money on something that would be an enhancement to the entire community; if this project were to be done, maybe five people in the area and a few in the audience tonight would know it happened, as most people will not even notice; he supported the project before when he thought the cost would be more around \$30,000 - \$40,000 pole; of the \$115,000 already spent, some of that should be returned if it is a deposit; even if more money has to be paid for design costs and for the contractor's time already spent, that is better than spending the whole amount; he does not believe in throwing good money after bad.

Council Member Freedland responded as follows:

He does not believe he can convince Council Member Siegel, and he respects his views; but he would argue that the Long Valley/Round Meadow intersection is one of the most visible and most heavily trafficked intersections in the community; he does not believe that people would not notice the removal of the wires; not only would it make a difference to the people who live in the area, but also for those driving through the area; in hearing from Southern California Edison about the reliability of service, it is better with underground wires.

Council Member Siegel stated that he was in favor of undergrounding poles, but it appears this could be the end of the line for undergrounding, as it is so far out of the City's ability to afford. Council Member Freedland reminded everyone that the money has been set aside for this project, and that if the project is not done now, it will certainly not be more affordable years from now; in

addition, the City has no obligation, after doing this project, to do any other undergrounding projects if the Council does not feel it is a good idea. Council Member Freedland again stated that the cost was definitely more than he wanted to see, but he was still in favor of the project.

Mayor Pro Tem Cohen expressed his views:

He has very mixed feelings; the project has merit regarding public safety, but he is shocked and outraged by the amount of money it would cost; to spend \$700,000 - \$800,000 for one block – we don't know if it will even make a difference; he does not believe there is any moral obligation to do the project; he thinks residents have been undergrounding long before the City started work on this project, and his tract has been undergrounded for a long time, so the individual undergrounding has not been done in anticipation of future City undergrounding projects; (here, Council Member Freedland pointed out that the City did pass a specific ordinance requiring residents to underground from their homes to the street when doing a certain amount of work on their property, and it was definitely done in anticipation of possible future undergrounding of poles); he does have a different concern, as he does not like the idea of spending \$800,000 without having the pulse of the public; even though there might be only five people who notice that the wires are gone, there might be five other people who will then want their street done; what do we say to them; what if most of the residents in one area want the utilities undergrounded, but one or two don't; he thinks the City should have a long range plan to know how to answer these questions, and whether or not the City wants to continue with other undergrounding projects; no one can argue with the public safety factor, but he doesn't know if the project will make a difference aesthetically; he would want to know first, before moving forward, what the public thinks, just like when the Association had the residents vote on the proposed Saddle Creek project.

Council Member Goldberg asked when the money had been set aside, and what the intention and expectation was at that time. Council Member Freedland explained the following:

The City has been setting the money aside for at least two years; the long range plan was to accumulate money, identify several potential undergrounding areas, and then pick a location; part of the reason this area was selected was because most of the homeowners already had their individual wiring undergrounded, which would make it easier to remove poles; the idea was to do this project and get a handle on the logistics and costs; if the project made a difference, then the City could continue to accumulate money, possibly do another area, and slowly continue to do more areas; if any homeowners showed an interest and wanted the poles removed in their area, that area could be studied, and if it logistically could be done, to move forward; if a Council thirty years ago had the

foresight to start this type of project, maybe the entire City would be undergrounded by now, and it would have been a lot cheaper back then.

Council Member Goldberg wondered how many other similar areas there might be in the community. Council Member Freedland said that originally three had been identified, all with about the same amount of poles (6-12) – the area under discussion, an area on Jed Smith south, and the area just inside of the Round Meadow gate. Mayor Pro Tem Cohen pointed out there was an additional area on Jed Smith north. Mayor Weber added that originally it was thought that two areas could be done with the amount that had been set aside, and that the ultimate goal was to eventually, as the money would allow, underground the entire City.

At this point, Council Member Freedland made a MOTION to move forward with the project as proposed. Mayor Weber seconded the MOTION, and asked if there was any discussion on the MOTION.

Resident Brett Katz addressed the Council:

He believes having all the poles in the City is not a good thing; it degrades the look of the City; the cost is unfortunate, and he too wishes there was a way to change that; but he is aware of at least two occasions when the lines have come down and there have been outages, and it has probably happened more times; even though he doesn't live in the project area, he thinks it is a good thing to do, and would hope that it would be done in his neighborhood some day.

Council Member Freedland stated the following:

Would it make a bigger difference to have \$6.7 million in the bank, or to have \$6 million in the bank and have all of the overhead poles removed from the busiest intersection in the community; he believes this is a very visible area, and disagrees with earlier comments that people will not notice that the poles and wires are gone; a lot of people drive through this intersection.

Council Member Siegel had additional comments:

Just so everyone understands, he has supported this project, and agrees with Council Member Freedland; it is just the cost that is the problem; there are many poles in the City, and he just believes that the Council could be doing a better job of taking that money and

using it for things that would enhance the community; he has just reached the point where he thinks the amount no longer makes any sense, even though the money has been set aside.

Mayor Weber expressed his agreement with Council Member Freedland, stating that all poles should come down based on public safety issues and the fact that the City is in a dangerous fire area. He added that he is in favor of the project, and feels that if it is not done now, it will never get done.

In response to resident and Board Member Marv Landon, Council Member Freedland and City Engineer Lovett explained the following:

The utilities are not interested in contributing funds for this project; there may have been a little savings for SCE in relation to tree trimming, but it is easier for SCE to maintain equipment that is above ground as opposed to below ground; there is a program whereby SCE sets aside Rule 20A money (based on the number of properties in the City) for undergrounding, but that money accumulates very slowly since we are such a small City; all of those funds were used to underground utilities from the Round Meadow gate out to Mureau Road when that area was redone.

The City Manager stated the following:

In addition to the area outside the Round Meadow gate, the City some years ago did underground a small section of Spring Valley Road, from the top of the hill down to Long Valley Road; at that time there was one resident in the area who did not want to underground her service to the street, but over time and after many discussions, she was convinced that it would be beneficial to her and her property value, and the project went forward; she wished to make it clear that if the Council chooses to go forward with this proposed project, that will not force the City to do anything in the future; the Council can continue to set aside funds, and then if enough money is accumulated, see at that time if another project is warranted, or choose not to do any more projects; the Council could also choose not to set aside additional funding; this is a lot of money for this City to spend, and the staff was also shocked at the final amount; but from a staff viewpoint, this is a good project; over three years have been spent working on the project, and she would hate to see all that time, money, and effort wasted; two homeowners have already contributed funding, and all the easements have been signed, which was not an easy task; the project site is the main intersection in town; this is a very small contained City, and any area that we can do will enhance the entire City, not just that specific location; this is

an opportunity to start; once the project is completed, we can see what the residents think of it, and whether or not it was worth the money.

Marv Landon, resident and Association Board Member addressed the Council:

He agrees with the City Manager; it is too much money, but the money is set aside; as a homeowner, he thinks the project would improve the neighborhood, and anything we can do to keep property values up and remove hazards is a good thing; he also believes the City should continue to set aside money if possible, and then in a few years select another area to underground.

Association Board President Ron Wolfe expressed his thoughts:

He would love to see all the poles in the City put underground; but if the Council is starting with the premise that it cannot work for the whole City, then maybe that is the wrong premise and it should be changed; if it's going to cost \$150,000 pole, there are many poles throughout the City; he doesn't see how the numbers work; the way technology advances, there may be other possibilities in the future.

Council Member Freedland stated that was not his premise, and added the following comments:

He believes the whole City should and could be done; the City has saved for two years, and eight poles are being eliminated – that's four poles a year; we have to start somewhere; in the future, if there were two competing areas, and the homeowners in one area wanted to help with the costs, that would be the logical area to look at; he would love to see participation from residents who might be excited about the idea of removing poles from their neighborhood; if the City would have started this years ago, most or all of the poles might already be gone; he cannot understand why we shouldn't start somewhere.

Mayor Pro Tem Cohen commented that even though the City has put money away, that doesn't matter, since we have more money in the bank than what has been earmarked for this project, and any of that money could be used if the Council wanted to use it, or not. He felt a committee should be formed to determine a plan that goes beyond this. Council Member Freedland said he would support a committee being formed to address future projects, but not having a committee at this time should not preclude the Council from moving forward now with this project that has been studied for three and a half years.

In response to questions from Mayor Pro Tem Cohen and Mr. Wolfe, the City Engineer and City Manager explained the following:

Staff is not asking for a 10% contingency for this project; the estimates are about as hard as we can get, realizing there could be unforeseen problems; normally the utilities provide estimates based on the number of poles to be removed, but this project turned out to be somewhat atypical due to many transformers, loops, etc.; SCE is in the process of adopting new rules that will require much of the equipment (other than poles and wires) in the future to all be above ground, as it is cheaper for them to maintain; since the plans for this project were drawn before these new rules, we are being allowed to place equipment underground; we should take this opportunity while we have it.

In response to Mayor Pro Tem Cohen's suggestion about forming a committee to come up with a plan, the City Manager again pointed out that the Council had already established a plan – every year any excess revenues over expenditures would be set aside in a fund earmarked for undergrounding, several areas would be looked at when there were enough funds for a project, one of those areas would be selected (after taking into account many factors such as number of homes involved, number of homes already undergrounded to the street, homeowner interest, cost, etc.), undergrounding would occur, funds would continue to be set aside, and the process would repeat itself unless the Council at any time chose otherwise.

There was then a short discussion about the exact area covered by this project, the number of poles to be removed (total of 8), the number of houses that would actually see poles removed (5), and the number of homes that had to have their individual service undergrounded (1). The Council Members all agreed that this was a worthwhile project, but a lot of money. Mayor Weber said he was still in favor of the project, and even though it might take a long time, he thought the City should continue the efforts to press on and hopefully get all the poles removed eventually.

As there was no further discussion, it was resolved on a 3-1-1 roll call vote (with Mayor Weber and Council Members Freedland and Goldberg in favor, Council Member Siegel opposed, and Mayor Pro Tem Cohen abstaining) to direct staff to proceed with the Round Meadow Road/Long

Valley Road Undergrounding of Overhead Utilities Project at an estimated cost to the City of \$767,405.

E. Charles Abbott Monthly Report - May

The report was received and filed.

ADJOURNMENT

There being no further business to come before the Council, upon MOTION of Council Member Freedland, seconded by Council Member Siegel and unanimously carried, it was resolved to adjourn the regular meeting of June 14, 2010 at 8:58 p.m.

Larry G. Weber, Mayor

ATTEST:

Cherie L. Paglia, City Manager/City Clerk