The City Council, with certain statutory exceptions, can only take action upon properly posted and listed agenda items. Any writings or documents given to a majority of the City Council regarding any matter on this agenda that the City received after issuing the agenda packet, are available for public inspection in the City Clerk's office during normal business hours. Such Documents may also be posted on the City's website at www.elsegundo.org and additional copies will be available at the City Council meeting.

Unless otherwise noted in the Agenda, the Public can only comment on City-related business that is within the jurisdiction of the City Council and/or items listed on the Agenda during the **Public Communications** portions of the Meeting. Additionally, the Public can comment on any Public Hearing item on the Agenda during the Public Hearing portion of such item. The time limit for comments is five (5) minutes per person.

Before speaking to the City Council, please come to the podium and state: Your name and residence and the organization you represent, if desired. Please respect the time limits.

Members of the Public may place items on the Agenda by submitting a **Written Request** to the City Clerk or City Manager's Office at least six days prior to the City Council Meeting (by 2:00 p.m. the prior Tuesday). The request must include a brief general description of the business to be transacted or discussed at the meeting. Playing of video tapes or use of visual aids may be permitted during meetings if they are submitted to the City Clerk two (2) working days prior to the meeting and they do not exceed five (5) minutes in length.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact City Clerk, 524-2305. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL TUESDAY, DECEMBER 20, 2011 - 7:00 P.M.

REVISED AGENDA ADDED ITEM #13a UNDER NEW BUSINESS

Next Resolution # 4766 Next Ordinance # 1468

7:00 P.M. SESSION

CALL TO ORDER

INVOCATION - Father Alexei Smith, St. Andrew Russian Greek Catholic Church

PLEDGE OF ALLEGIANCE – Council Member Don Brann

PRESENTATIONS

- (a) Presentation Muscular Dystrophy, El Segundo Fire Department's "Fill the Boot" drive.
- (b) Dedication California Map Art Company, Original Artwork of the El Segundo Town Map

ROLL CALL

PUBLIC COMMUNICATIONS – (Related to City Business Only – 5 minute limit per person, 30 minute limit total) Individuals who have received value of \$50 or more to communicate to the City Council on behalf of another, and employees speaking on behalf of their employer, must so identify themselves prior to addressing the City Council. Failure to do so shall be a misdemeanor and punishable by a fine of \$250. While all comments are welcome, the Brown Act does not allow Council to take action on any item not on the agenda. The Council will respond to comments after Public Communications is closed.

A. PROCEDURAL MOTIONS

Consideration of a motion to read all ordinances and resolutions on the Agenda by title only.

Recommendation – Approval.

B. SPECIAL ORDERS OF BUSINESS (PUBLIC HEARING)

1. Consideration and possible action regarding (Public Hearing) the proposed exchange of FY 2012/13 Community Development Block Grant (CDBG) funds totaling approximately \$66,271 with another CDBG participating city within the Los Angeles Urban County.

(Fiscal Impact: \$66,271)

Recommendation – 1) Open public hearing and take testimony; 2) Close public hearing and discuss item; 3) Authorize staff to proceed with identifying an interested participating city to begin negotiations for the exchange of FY 2012/13 CDBG funds, establish an exchange rate, and return to the City Council with a resolution authorizing the exchange of CDBG funds with another City; and/or, 4) Authorize the City Manager to execute the contracts, as to form approved by the City Attorney, with the Los Angeles County Community Development

Commission, and with all sub-recipients receiving CDBG funds; and/or, 5) Alternatively, discuss and take other possible action related to this item.

C. UNFINISHED BUSINESS

2. Consideration and possible action regarding 1) approving a new Class Specification for the at-will position of Director of Community Services; 2) approving a new class specification for the at-will position of City Librarian; 3) approving the reorganization of the Library Department, and Parks & Recreation Department into the Community Services Department; 5) introduce and waive first reading of an ordinance implementing such changes; 6) adopting a resolution amending the City's Conflict of Interest Code to reflect these changes; and 7) adopting a resolution establishing basic monthly salary for job classifications of Director of Community Services and City Librarian 8) taking such additional, related, action that may be desirable.

(Fiscal Impact: \$0)

Recommendation – 1) Approve the proposed changes to titles and departments; 2) Introduce and Waive the First Reading of a draft Ordinance. Second reading and adoption would occur on January 17, 2012; 3) Adopt a resolution amending the City's Conflict of Interest Code to become effective on February 17, 2012; 4) Adopt a resolution establishing basic monthly salary for the job classifications of Director of Community Services and City Librarian; 5) Take such additional, related, action that may be desirable.

3. Oral Report by the City of El Segundo Chief of Police, Mitch Tavera, related to public parking on Washington Street in the City of El Segundo.

D. REPORTS OF COMMITTEES, COMMISSIONS AND BOARDS

4. Consideration and possible action to open the recruitment process for the positions on the Committees, Commissions and Boards ("CCBs") that will expire in the year 2012.

(Fiscal Impact: None)

Recommendation – 1) Direct staff to open the recruitment process for the positions on the CCBs, as listed; 2) Alternatively, discuss and take other action related to this item.

E. CONSENT AGENDA

All items listed are to be adopted by one motion without discussion and passed unanimously. If a call for discussion of an item is made, the item(s) will be considered individually under the next heading of business.

5. Warrant Numbers 2585280 to 2585526 on Register No. 5 in the total amount of \$656,084.96 and Wire Transfers from 11/24/11 through 12/08/11 in the total amount of \$523.019.94.

Recommendation – Approve Warrant Demand Registers and authorize staff to release. Ratify Payroll and Employee Benefit checks; checks released early due to contracts or agreement; emergency disbursements and/or adjustments; and wire transfers.

6. Regular City Council Meeting Minutes of December 6, 2011 and Special City Council Meeting Minutes of December 6, 2011.

Recommendation – Approval.

7. Consideration and possible action to adopt Ordinance No. 1467 approving an Environmental Assessment (EA 944) for a Categorical Exemption and Zone Text Amendment amending the El Segundo Municipal Code ("ESMC") § 15-2-7 regulating of open space areas and encroachments. Applicant: City Initiated.

(Fiscal Impact: None)

Recommendation – 1) Waive second reading and adopt Ordinance No. 1467 for Environmental Assessment No. EA-944 and Zone Text Amendment (ZTA) No. 11-04; and/or; 2) Alternatively, discuss and take other possible related action to this item.

8. Consideration and possible action to approve continuation of the steps necessary to complete the emergency repair and replacement of the netting and poles at "The Lakes" Golf Course Driving Range.

(Fiscal Impact: \$400,000.00)

Recommendation – 1) Approve the continuation of the steps necessary to complete the emergency repair and replacement of the netting and poles at "The Lakes" Golf Course Driving Range, or 2) Alternatively, discuss and take other possible action related to this item.

 Consideration and possible action regarding 1) Approval of a revised Class Specification and title change for the position of Principal Engineer 2) Approval of Examination Plan for Principal Civil Engineer.

(Fiscal Impact: None)

Recommendation – 1) Approve the proposed Class Specification, including a title change from Principal Engineer to Principal Civil Engineer; 2) Approve the proposed Examination Plan for Principal Civil Engineer; 3) Alternatively, discuss and take other action related to this item.

10. Consideration and possible action regarding the approval of an amendment to an existing Professional Services Agreement with Willdan to increase the amount of the agreement by \$50,000 for planning consulting services.

(Fiscal Impact: \$50,000)

Recommendation -1) Authorize the City Manager to execute an amendment to an existing Professional Services Agreement to increase the funding by \$50,000 approved as to form by the City Attorney; and/or 2) Alternatively, discuss and take other possible action related to this item.

11. Consideration and possible action to adopt a resolution by four-fifths vote to authorize a no-bid public works contract for the emergency repair of the cooling tower system at the City Public Library located at 111 W. Mariposa Avenue.

(Fiscal Impact: \$10,811.00)

Recommendation – 1) Adopt a Resolution by four-fifths vote to authorize a no-bid public works contract for emergency repair; 2) Authorize the City Manager to award a contract to Siemens for the bid amount of \$10,811.00 for the repair of the cooling system; 3) Alternatively, discuss and take other possible action related to this item.

12. Consideration and possible action regarding approval of an agreement between the City of El Segundo and El Segundo Energy Center (ESEC) for connection of a sanitary sewer line from the new Beach Bathroom Facility at El Segundo Beach to the retention basin located on property owned by El Segundo Power.

(Fiscal Impact: \$0)

Recommendation – 1) Approve an agreement between the City and ESEC; 2) Authorize the City Manager to execute the agreement, in a form approved by the City Attorney, related to the design, permitting, financing, and construction of the Sanitary Sewer pipelines; 3) Alternatively, discuss and take other possible action related to this item.

CALL ITEMS FROM CONSENT AGENDA

F. NEW BUSINESS

13. Consideration and possible action regarding rejecting all bids received for construction related to Group 41 of the City's Residential Sound Insulation (RSI) Program (Project RSI 11-04) and a status report on the City's RSI Program.

(Fiscal Impact: \$0)

Recommendation – 1) Reject all bids received for construction related to Group 41 (Project RSI 11-04); and/or 2) Alternatively discuss and take other action related to this item.

13a.Consideration and possible action to direct the City Attorney's Office to draft the necessary documents for the Council to consider placing a ballot measure on the April 10, 2012 election to amend El Segundo Municipal Code ("ESMC") Section 4-2-17 ("Chemical, Petroleum, Cement or Cryogenic Products; Smelters or Refineries"), and other related sections, for purposes of increasing the acreage tax contained in this code section. (Fiscal Impact: \$10,237,200)

Recommendation – 1) Direct the City Attorney's Office to draft the necessary documents for the Council to consider placing a ballot measure on the April 10, 2012 election to amend ESMC Section 4-2-17, and other related sections, for purposes of increasing the acreage tax contained in this code section; 2) Call a Special Meeting on or before January 13, 2012, to consider adoption of the necessary documents to place the proposed amendment to ESMC Section 4-2-17 on the April election; 3) Alternatively discuss and take other action related to this item.

- G. REPORTS CITY MANAGER
- H. REPORTS CITY ATTORNEY
- I. REPORTS CITY CLERK
- J. REPORTS CITY TREASURER
- K. REPORTS CITY COUNCIL MEMBERS

Council Member Fuentes -

Council Member Brann -

Council Member Jacobson -

Mayor Pro Tem Fisher -

Mayor Busch -

14. Consideration and possible action regarding the annual request of Mr. S. Claus for variances from the Municipal Code.

(Fiscal Impact: None)

Recommendation - Approve request by Mr. S. Claus for a waiver of the permits required for doing business within the City of El Segundo as follows; or, alternatively, discuss and take other action related to this item:

1) Approval of a Conditional Use Permit and waiver of regulations in ESMC Section 15-23-4; 2) The use of air rights and waiver of the Santa Monica Radial 160 R procedure (FAA should be contacted); 3) Grant a free business license for a non-profit organization (ESMC 4-1-7); 4) Waiver of ESMC 8-4-11B (Driveway Permits Required) and ESMC 8-5-11 (Parking on Grades); 5) Waiver of the Noise Ordinance to permit the sound of bells (ESMC 7-2-3); and; 6) Waiver of the Trespass Ordinance (ESMC 7-6-3) including 6-5-11 dealing with trespassing animals; 7) Waiver of the ordinance on Animal Regulations (ESMC 6-2-1).

Additionally, Mr. S. Claus has been directed to the Coastal Commission for clearance over the ocean; D.M.V. for a valid vehicle registration; Department of Health & Welfare to ensure his elves are receiving minimum wage; and the Air Quality Management District to ensure a safe and clear sleigh ride.

PUBLIC COMMUNICATIONS – (Related to City Business Only – 5 minute limit per person, 30 minute limit total) Individuals who have receive value of \$50 or more to communicate to the City Council on behalf of another, and employees speaking on behalf of their employer, must so identify themselves prior to addressing the City Council. Failure to do so shall be a misdemeanor and punishable by a fine of \$250. While all comments are welcome, the Brown Act does not allow Council to take action on any item not on the agenda. The Council will respond to comments after Public Communications is closed.

MEMORIALS -

CLOSED SESSION

The City Council may move into a closed session pursuant to applicable law, including the Brown Act (Government Code Section §54960, et seq.) for the purposes of conferring with the City's Real Property

Negotiator; and/or conferring with the City Attorney on potential and/or existing litigation; and/or discussing matters covered under Government Code Section §54957 (Personnel); and/or conferring with the City's Labor Negotiators.

REPORT OF ACTION TAKEN IN CLOSED SESSION (if required)

ADJOURNMENT

POSTED:

DATE: 12-16-11

NAME: Calty Domann

MEETING DATE: December 20, 2011 AGENDA HEADING: New Business

AGENDA DESCRIPTION:

Consideration and possible action to direct the City Attorney's Office to draft the necessary documents for the Council to consider placing a ballot measure on the April 10, 2012 election to amend El Segundo Municipal Code ("ESMC") Section 4-2-17 ("Chemical, Petroleum, Cement or Cryogenic Products; Smelters or Refineries"), and other related sections, for purposes of increasing the acreage tax contained in this code section. (Fiscal Impact: \$10,237,200)

RECOMMENDED COUNCIL ACTION:

- 1. Direct the City Attorney's Office to draft the necessary documents for the Council to consider placing a ballot measure on the April 10, 2012 election to amend ESMC Section 4-2-17, and other related sections, for purposes of increasing the acreage tax contained in this code section.
- 2. Call a Special Meeting on or before January 13, 2012, to consider adoption of the necessary documents to place the proposed amendment to ESMC Section 4-2-17 on the April election.
- 3. Alternatively discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

FISCAL IMPACT: \$10,237,200

Amount Budgeted: \$0

Additional Appropriation: N/A

Account Number(s):

ORIGINATED BY: Deborah Cullen, Finance Director **REVIEWED BY:** Mark D. Hensley, City Attorney

APPROVED BY: Doug Willmore, City Manager

BACKGROUND AND DISCUSSION:

The City Manager has been reviewing the amount of municipal taxes paid by chemical and petroleum production businesses (refineries) in the City relative to what such uses pay in municipal taxes to other cities in Southern California, and relative to the revenue received by other commercial sectors in our City. Based upon this review, it appears that El Segundo receives substantially less, both on a gross basis, on a volume basis, and on a per-acre basis, than other municipalities collecting taxes from similar businesses. The City of El Segundo currently receives approximately \$4.7 million annually from these businesses.

Staff conducted a review of other cities and found that the average revenue per acre from similar businesses is more than double what El Segundo receives, as illustrated in the next chart:

	El Segundo	Torrance	Carson	Average (Excluding El Segundo)
Total Acreage:	3,494	12,312	12,288	12,300
Total Acreage used by Refinery:	951	750	700	725
% Acreage Used by Refinery:	27.22%	6.09%	5.70%	5.89%
TOTAL REV. FROM REFINERY:	\$ 4,762,801	\$ 7,400,743	\$7,145,460	\$ 7,273,102
Average Revenue/ Acre:	\$ 5,008.20	\$ 9,867.66	\$10,207.80	\$10,037.73
Barrels Produced per Day:	285,000	150,000	265,000	207,500

In addition, our analysis shows that the while the refinery has over 32% of the commercial acreage in the City of El Segundo, the refinery only produces 10% of the General Fund revenue. This is a serious inequity that should be addressed. All of the other commercial acres in the City produce more than four times per acre of revenue than the refinery does.

		TILL V					
	Acreage		Revenue Generated		Revenue per Acre		
Commercial Only	2,006 68°	% \$	41,939,761	90%	\$	20,902.99	ا 8
Chevron:	951 329	% \$	4,762,801	10%	\$	5,008.20	_ 1
_	2,957		46,702,562		\$	25,911.19	

Over many years, the City has continuously deferred infrastructure projects and capital maintenance due to ongoing revenue shortfalls. While the City now has a structurally balanced budget, there is no long-term funding for infrastructure projects and an insufficient amount of funding for short-term capital maintenance. We propose that the increased revenue be used primarily to fund these projects.

The City, pursuant to ESMC Section 4-2-17, currently taxes businesses that engage in processing and manufacturing chemicals, petroleum, cement and cryogenic products, including refineries, on a: per employee basis (\$92 for first 10 employees, and \$115 for each employee in excess of 10 employees); per acre basis (\$1,382); and, per vehicle basis (\$32 for each vehicle in excess of 6,000 pounds). The City Manager is proposing to increase the per acre tax by an additional \$10,764.67 which would result in an increase in revenue to the City of \$10,237,200 per year.

In order to increase the current per-acre general tax (the revenues go into the General Fund and are not earmarked for a particular purpose), four members of the Council must approve of placing the matter on the April election. If it is placed on the April election as a general tax then it must be approved a majority of the voters.

If the Council wants to consider converting the tax to a special tax (the revenues are pledged to a particular purpose), or make the increased amount of the tax a special tax, it takes three members of the Council to place the matter on the April election. A special tax must be approved by 2/3 of the voters. Unlike a general tax that, absent a unanimous finding by the Council that an urgency exists, can only be placed on the municipal election (the election when the Council Members are elected), a special tax can be placed on any election or a special election can be called for the special tax measure.

If the Council directs that the documents necessary to place this matter be drafted, the City Attorney's Office will draft the necessary Ordinance and Resolutions for the Council to consider at a Special Council Meeting. The Special Meeting must be held on or before January 13, 2012, for purposes of placing the matter on the April 2012 municipal election.