

**AVALON CITY COUNCIL MEETING  
TUESDAY, JUNE 2, 2015 – 6:00 P.M.  
CITY HALL COUNCIL CHAMBERS  
410 AVALON CANYON ROAD, AVALON  
A G E N D A**

In compliance with the Americans with Disability Act, if you need special assistance to participate in this meeting, please contact Denise Radde, City Clerk (310) 510-0220. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35. 102-35.104 ADA Title II). All public records relating to an agenda item on this agenda are available for the public inspection at the time the records are distributed to all, or a majority of all, members of the City Council. Such records shall be available at City Hall located at 410 Avalon Canyon Rd.

**CALL TO ORDER / ROLL CALL**

**PLEDGE OF ALLEGIANCE / INVOCATION**

**ANNOUNCEMENTS / WRITTEN COMMUNICATIONS**

**PRESENTATION - None**

**CITY MANAGER REPORT / CITY ATTORNEY REPORT**

**COUNCILMEMBER REPORTS / MAYOR REPORT**

**ORAL COMMUNICATION**

Members of the public may address the City Council at this time. No action will be taken on non-agenda items at this meeting. Speakers should limit comments to three (3) minutes each.

**CONSENT CALENDAR**

1. Actions  
Although the live recording is the official record of public meetings, actions are prepared for the Council's approval.  
Recommended Action  
Approve actions from the May 5, 2015, May 19, 2015 and May 22, 2015 City Council meetings.
  
2. Fourth of July Merchandise  
The Fourth of July Committee decided to create promotional T-shirts to recover some of the cost for the events over the holiday weekend, including the costs related to the fireworks show, accommodations for the USC Marching Band, etc  
Recommended Action  
Ratify the decision made by the City Manager to purchase 2,000 custom Fourth of July T-shirts from Custom Shirt Center for a total amount of \$5,265.00.

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3. Appointment of a Regular Planning Commissioner and an Alternate Planning Commissioner  
Due to a resignation in April there exists a vacancy on the Planning Commission Board. Alternate Planning Commissioner Michael Ponce has been filling that void. An additional application was received from Bart Glass for the position of Alternate Planning Commissioner.  
Recommended Action  
Appoint Michael Ponce to fill the unexpired term of Doug Lord ending June 30, 2016 and appoint Bart Glass to serve as the Alternate Planning Commissioner for a term of two years.
  
4. Consider the Adoption of a Resolution Authorizing the City Manager to Execute the Joint Powers Agreement to Join the Gateway Region Integrated Regional Water Management Authority  
The City and SCE have created a working group that is dedicated to pursuing fresh water funding opportunities for the short-term (drought relief) and long-term. One of the immediate goals is to be included in the "Integrated Regional Water Management" (IRWM) which is a requirement to apply for the majority of grants available and/or being developed by the State of California. In order to be included in the IRWM, the City must identify the "region" that it wishes to join.  
Recommended Action  
Adopt the Resolution authorizing the execution of a Joint Powers Agreement to join the Gateway Water Management Authority (GWMA).
  
5. Human Resources Manager Services Agreement  
RGS has been providing Human Resources Services through Tiffany Bose, who has been working with executive management and staff on MOU negotiations, Classification and Compensation processes and HR operations. Since October, Ms. Bose has maintained office hours on the island for one day a week. The City would like to increase her on-island presence to two days a week or a minimum of 16 hours with on-call/as-needed availability via telephone and email during the remaining balance of the 25 hour workweek.  
Recommended Action  
Authorize the City Manager to execute a professional services agreement with Regional Government Services (RGS) for Human Resources Manager Services.

**GENERAL BUSINESS**

**Public Hearing**

6. Saltwater and Sewer Fees for FY 2015/2016  
A public notice was mailed out to all property owners 45 days prior to this Public Hearing announcing the proposed rate increases. City Council determined at the March 17, 2015 to propose raising the saltwater fees by 35% (Residential-\$49.93/unit, Hotel-\$33.32/room, Commercial \$33.32/toilet annually) and the sewer fees by 15% (Residential-\$71.40/unit).

Recommended Action

Open the public hearing to hear public comments. After all public comments have been heard, close the public hearing and determine if a majority of the property owners subject to the proposed rates increases to the Saltwater and Sewer Service Fees have submitted written protests to the proposed rate increases. If the City does not receive a majority protest from such property owners, and the City Council agrees with a 4/5 vote, it is recommended to waive a full reading and introduce the ordinance establishing rates for saltwater service fees and sewer service fees.

7. Authorize the Amendment to the Catalina Transportation Services Agreement for a Nine-Month Term Beginning July 1, 2015 and Expiring March 31, 2016

The City of Avalon has contracted its public transportation services to Catalina Transportation Services for approximately twenty years. These programs are funded entirely through several Federal, State and Local agencies which are subject to special record-keeping and annual audits. City Staff and Roy Glauthier, AMMA, met with CTS to review the proposed amendment and have agreed to the terms with an additional clause requiring either party provide two weeks prior notice to any potential changes to the contract.

Recommended Action

Authorize the extension of Catalina Transportation Services (CTS) Agreement pursuant to Amendment No. 10 thereto, in an amount not to exceed \$331,598.25, to provide public transportation services to the City of Avalon through March 31, 2016.

8. Third Amendment to Franchise and Lease Agreement with CR&R, Inc. (Avalon Environmental)

The City of Avalon previously entered into a Franchise and Lease Agreement with CR&R, Inc., as amended in two amendments, under which CR&R agreed to provide solid waste handling and collection services. City Staff and CR&R have discussed a number of additional changes to the Agreement that are included in the proposed Third Amendment.

Recommended Action

Authorize the City Manager to enter into a Third Amendment to the Franchise and Lease Agreement with CR&R, Inc. on the terms and conditions directed by the Council.

9. Proposed Letter to State Lands Commission Regarding Competition for Freight Services

At the request of Council Member Sampson, the attached proposed letter to the State Lands Commission regarding competition for freight services is brought forward for City Council discussion and consideration.

Recommended Action

Discuss and consider the attached proposed letter to the State Lands Commission regarding competition for freight services to Avalon.

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10. Consideration of an Ordinance of the City Council of the City of Avalon Amending Portions of Avalon Municipal Code Section 9-8.1201 Story Poles  
The Planning Commission held a Public Hearing to discuss the issues with the current regulations regarding story poles at the April Planning Commission meeting. Specifically the guidelines for how story poles will be installed and when story poles are required. The Planning Commission adopted a resolution recommending changes to portions of Section 9-8.1201 at the May Planning Commission meeting.  
Recommended Action  
That the City Council introduce and waive all readings of an ordinance of the City of Avalon amending portions of Avalon Municipal Code Section 9-8.1201 Story Poles.
  
11. Item of Discussion Regarding Amendments to the Avalon Municipal Code Regulating Street Performers  
At the request of Mayor Marshall, a discussion regarding amendments to the Avalon Municipal Code regulating street performers has been brought before the City Council.  
Recommended Action  
Discuss and determine whether to provide direction to City Staff.

**CLOSED SESSION**

1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION  
Title: Chief Administrative Officer
  
2. PUBLIC EMPLOYEE PERFORMANCE EVALUATION  
Title: City Manager

**NOTICE OF POSTING**

I, Denise Radde, declare that the City Council Agenda June 2, 2015 was posted on Friday, May 29, 2015, on the City's website [www.cityofavalon.com](http://www.cityofavalon.com), and at City Hall, 410 Avalon Canyon Road. Copies of agendas and staff reports are available at City Hall and on the City website.



Denise A. Radde, City Clerk / Chief Administrative Officer

CITY OF AVALON CITY COUNCIL

**MEETING DATE:** June 2, 2015

**AGENDA ITEM:** 1

**ORIGINATING DEP:** City Clerk

**CITY MANAGER:** RJA

**PREPARED BY:** Denise Radde, City Clerk

**SUBJECT:** City Council Actions

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**RECOMMENDED ACTION(S):** Approve City Council Actions from the regular City Council meetings on May 5, 2015 and May 19, 2015 and the Special City Council meeting on May 22, 2015.

**REPORT SUMMARY:** Although the live recording is the official record of public meetings, actions are prepared for the Council's approval.

**FISCAL IMPACTS:** N/A

**GOAL ALIGNMENT:** To be determined.

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:** N/A

**FOLLOW UP ACTION:** File Actions in the City Clerk's office.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** This item was properly listed on the posted agenda pursuant to the Brown Act.

**ATTACHMENTS:**

May 5, 2015 City Council Actions are attached and the May 19, 2015 and May 22, 2015 City Council Actions will be provided under separate cover.

**CITY OF AVALON CITY COUNCIL AND SUCCESSOR AGENCY TO THE AVALON  
COMMUNITY IMPROVEMENT AGENCY MEETING  
TUESDAY, MAY 5, 2015  
ACTIONS**

**CITY COUNCIL CALL TO ORDER 7:18 p.m.**

**ROLL CALL** - Mayor Anni Marshall, Mayor Pro Tem Oley Olsen, Councilmembers Cinde Cassidy, Richard Hernandez and Joe Sampson. Also present City Manager Ben Harvey, Chief Administrative Officer/City Clerk Denise Radde and City Attorney Scott Campbell.

**PRESENTATION –**

1. Audra McDonald, Administrative Analyst for the City of Avalon, provided a presentation regarding Formula Community Development Block Grant Funds (CDBG) the City receives through the Los Angeles County Development Commission.
2. In honor of National Travel and Tourism Week (May 2- May 10, 2015) a proclamation was presented to Jim Luttjohann, CEO of the Catalina Island Chamber of Commerce and Visitor's Bureau.

**CONSENT CALENDAR**

There were 7 Items on the regular Consent Calendar and 1 Item with City Council acting as the Successor Agency to the Avalon Community Improvement Agency. Councilmember Olsen had a question on Item 4, Councilmember Hernandez pulled Item 6, and Councilmember Cassidy pulled Item 7. Motion by Oley Olsen, seconded by Joe Sampson to approve Items 1, 2, 3, 5, and 8. (All Ayes)

1. Approved actions from the April 21, 2015 City Council meeting.
2. Adopted Ordinance 1137-15 amending Avalon Municipal Code Section 1-7.01 to reduce the number of public hearings required before adoption of a resolution increasing or adopting service/user fees.
3. Authorized a letter of support for Assembly Bill 347 (Chang).
5. Adopted Resolution 15-15 declaring (2) 40' x 18' Avalon Fuel Dock steel floats as surplus property and authorized the City Manager to dispose of them by selling the floats to the highest bidder or scrap yard.

**The following item was the City Council acting as the Successor Agency to the Avalon Community Improvement Agency.**

8. Approval of Construction Plans & Authorization to Commence a Public Bid for the "Interim K-Rail Debris Barrier – Pebbly Beach Road"  
Approved the construction plans, and authorized the process of a public bid to follow for the "Interim K-Rail Debris Barrier Project".

**CITY COUNCIL ACTIONS**  
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Pulled Items:

4. Councilmember Olsen had a question for the applicant regarding the service of pilotage mooring assistance and clarification of where his place of business was. Applicant Daniel Mello explained his intent and provided the address. Motion by Oley Olsen, seconded by Cinde Cassidy to amend the application approval by removing the pilotage mooring assistance service. (All Ayes)
  
6. Councilmember Hernandez asked Fire Chief Krug to explain the importance of using a barge to display the fireworks verses the use of the Cabrillo Mole. Motion to ratify the decision made by the City Manager to enter into an agreement with Pacific Tugboat Service to attain a suitable barge for the Fourth of July fireworks display, for a total amount of \$24,754.00 by Richard Hernandez, seconded by Oley Olsen. (All Ayes)
  
7. Councilmember Cassidy had requested this item so the public would know the break down of the cost of fuel at the Avalon Fuel Dock. No motion necessary, Council received the information.

**GENERAL BUSINESS**

9. Request for the City to Remove its Party Status in the Avalon Freight Services, LLC (AFS) Application Currently Pending Before the California Public Utilities Commission (CPUC), and be Added to the Information Only Service List Instead; and Request for the City to Send a Letter to the CPUC Reiterating the City's Support for the AFS Application  
There was much public comment and discussion amongst Council. Motion made by Anni Marshall to stay at Party Status and take no action on sending another letter to the CPUC reiterating the City's support for the AFS application, seconded by Joe Sampson. Motion did not carry. (2 Ayes-Marshall and Sampson, 3 Noes-Olsen, Cassidy and Hernandez) Council determined to vote on the two items separately.

Motion by Cinde Cassidy to remove the City from Party Status and be added to the Information Only Service List, seconded by Richard Hernandez. Motion did not carry. (2 Ayes-Cassidy and Hernandez, 3 Noes-Marshall, Olsen and Sampson) The City of Avalon will stay at Party Status.

Motion by Oley Olsen to send another letter of support to the CPUC reiterating the City's support for the Avalon Freight Service, sole provider, at the Pebbly Beach facility, seconded by Cinde Cassidy. (3 Ayes-Olsen, Cassidy and Hernandez, 2 Noes-Marshall and Sampson)

10. Consideration of a Purchasing Agreement with EBus Inc., to Purchase Three (3) 22-Foot, All Electric Buses to be Used for the City of Avalon's Fixed-Route Bus Service Currently Being Serviced by 30-foot Trolley Type Buses  
Authorized the City Manager to enter into a purchasing agreement with EBus, Inc., in an amount not-to-exceed \$1,189,000 excluding sales tax for the purchase of three (3) 22 foot, all electric buses per the quote dated July 11, 2014. Motion by Oley Olsen, seconded by Joe Sampson. (All Ayes)

**CITY COUNCIL ACTIONS**  
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11. Authorize the Amendment of the Catalina Transportation Services Agreement for a Nine Month Term Beginning July 1, 2015 and Expiring March 31, 2015  
This item is being held over until the next meeting on June 2, 2015.

12. Consideration of a Proposed Agreement with Heather Menninger, a Sole Proprietor, Doing Business as AMMA Transit Planning to Provide Professional Services for the Purpose of Providing Assistance with a Public Procurement Process for the City of Avalon's Contracted Transportation Services - Audra explained the RFP process. This contract will be for a seven month procurement process. Motion by Oley Olsen, seconded by Anni Marshall to authorize the City Manager to enter into an agreement with AMMA Transit Planning for an amount not-to-exceed \$19,465.00 to provide professional services for the purpose of providing assistance with a public procurement process for the City of Avalon's contracted transportation services. (All Ayes)

13. Consideration of Water Conservation/Rationing Planning and Building Application Policy – After some discussion Councilmember Sampson made a motion to rescind the policy, there was no second. The policy remains the same.

**ADJOURN**

Mayor Marshall adjourned the City Council meeting at 11:24 p.m.

I, Denise Radde, City Clerk of the City of Avalon, do hereby certify that the DVD videotape of the City Council Meeting on April 21, 2015 is the official record of that Council Meeting and is on file and maintained in City Hall.



Denise A. Radde, City Clerk / Chief Administrative Officer

CITY OF AVALON CITY COUNCIL

MEETING DATE: June 2, 2015

AGENDA ITEM: 2

ORIGINATING DEP: Recreation Department

CITY MANAGER: BH

PREPARED BY: David Hart, Temporary Recreation Coordinator

SUBJECT: Fourth of July Merchandise

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**RECOMMENDED ACTION(S):** Ratify the decision made by the City Manager to purchase 2,000 custom Fourth of July T-shirts from Custom Shirt Center for a total amount of \$5,265.00.

**REPORT SUMMARY:** Several months ago, the Fourth of July Committee (which includes Mayor Marshall, Council Member MacGugan-Cassidy, City staff and several community stakeholder representatives) advertised a competition to create and design a logo for the Fourth of July. A design was chosen from the submitted proposals. The Fourth of July Committee decided to create T-shirts with the logo on it to recover some of the cost for the events over the holiday weekend, including the costs related to the fireworks show, accommodations for the USC Marching Band, etc. In order to allow for adequate time to print and receive the shirts, a determination was made to order the shirts sooner than later.

**GOAL ALIGNMENT:** To Enhance Recreational Opportunities.

**FISCAL IMPACTS:** After pricing out competitive companies and deciding to do an imprint on the front and back of white T-shirts, in two colors, Custom Shirt Center was chosen for the amount of \$5,265.00, which includes set-up, imprint fee and delivery. This breaks down to \$2.63 a T-shirt. If the T-shirt is sold for \$15, there is potential revenue of \$24,735.00. It is the desire of the Fourth of July Committee to use this potential revenue to offset costs from the 4th of July event.

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:** An opportunity lost to recover costs for the Fourth of July events.

**FOLLOW UP ACTION:** Commence with plan to provide T-shirts for sale through local vendors, at City Hall, and at a kiosk on Crescent Avenue.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** Pursuant to the Brown Act.

**ATTACHMENTS:**

1. Purchase order
2. Custom Shirt Center design sample

**CITY COUNCIL**

**MEETING DATE:** June 2, 2015

**AGENDA ITEM:** 3

**ORIGINATING DEP:** Administration

**CITY MANAGER:** BA

**PREPARED BY:** Denise Radde - City Clerk/Chief Administrative Officer

**SUBJECT:** Appointment of a Regular Planning Commissioner and an Alternate Planning Commissioner

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**RECOMMENDED ACTION(S):** Appoint Michael Ponce to fill the unexpired term of Doug Lord ending June 30, 2016 and appoint Bart Glass to serve as the Alternate Planning Commissioner for a term of two years.

**REPORT SUMMARY:** The City adopted an ordinance at the October 21, 2014 City Council meeting establishing an alternate Planning Commission position. This Alternate will be required to attend all meetings of the Planning Commission, assume the seat of any Commissioner that is absent or has a conflict of interest, and serve a two-year term with a maximum of two terms. The Avalon Municipal Code provides that the Mayor will make appointments to the Planning Commission Board, with the approval of Council.

Michael Ponce was appointed to be the Alternate Planning Commission at the December 16, 2014 City Council meeting. In April of 2015 Planning Commissioner Doug Lord submitted his resignation, so his seat remains vacant and needs a formal appointment by Council. Mr. Ponce has filled in as the alternate in the mean time. Additionally, the City advertised for Alternate Planning Commissioners and received one application from Bart Glass.

Staff is requesting that the Mayor appoint a person to the Planning Commission to fill an unexpired term and appoint an alternate..

**GOAL ALIGNMENT:** To be determined.

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:**

The Planning Commission will continue to function with six commissioners and possibly not have a quorum at times.

**FOLLOW UP ACTION:** City Clerk will notify the newly appointed alternate commissioner.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** This item was properly listed on the posted agenda pursuant to the Brown Act.

**ATTACHMENTS:** Alternate Planning Commission application from Bart Glass.

CITY OF AVALON CITY COUNCIL

MEETING DATE: June 2, 2015

AGENDA ITEM: 4

ORIGINATING DEP: Planning/Administration

CITY MANAGER: RH

PREPARED BY: Audra McDonald, Administrative Analyst

SUBJECT: Consider the adoption of a Resolution authorizing the City Manager to execute the Joint Powers Agreement to join the Gateway Region Integrated Regional Water Management Authority.

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**RECOMMENDED ACTION(S):** Adopt the Resolution authorizing the execution of a Joint Powers Agreement to join the Gateway Water Management Authority (GWMA).

**REPORT SUMMARY:** The City and SCE have created a working group that is dedicated to pursuing fresh water funding opportunities for the short-term (drought relief) and long-term. One of the immediate goals is to be included in the "Integrated Regional Water Management" (IRWM) which is a requirement to apply for the majority of grants available and/or being developed by the State of California. In order to be included in the IRWM, the City must identify the "region" that it wishes to join.

The Gateway Water Management Authority (GWMA) is the "sister water agency" to the Gateway Cities Council of Governments (COG), of which the City is currently a member. The GWMA was formed in response to the State's requirement to integrate regional watershed activities such as water supply, recycled water, storm water, conservation measures, wastewater, etc. The State of California has designated GWMA as an official "Regional Integrated water Management Area". Staff recommends joining the GWMA as it pairs with the City's membership in the Gateway COG.

Benefits of joining the GWMA beyond the IRWM Region requirement include:

- Assistance applying for and receiving State and Federal funding
- Information sharing
- Being part of a "single voice" to help build relationships at the regional, state and federal levels

**GOAL ALIGNMENT:** 3- Fresh Water Resources.

**FISCAL IMPACTS:** Fiscal impacts include annual dues which are currently \$15,000 annually and are set each fiscal year by a vote of the board. The GWMA operates on the same fiscal year as the City. Staff is proposing membership begin July 1, 2015 and be budgeted in the FY 15/16 budget.

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:** The City would not be included in a State required IRWM and would not be eligible for certain State and Federal grant opportunities.

**FOLLOW UP ACTION:** If approved by Council, forward Resolution and executed agreement to the GWMA.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** Pursuant to the Brown Act.

**ATTACHMENTS:**

1. Resolution
2. Sample JPA Agreement
3. Budget Request Form

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AVALON APPROVING THE LOS ANGELES GATEWAY REGION INTEGRATED REGIONAL WATER MANAGEMENT AUTHORITY JOINT POWERS AGREEMENT**

WHEREAS, provisions of the California Water Code (Section 10530) also known as the Integrated Regional Water Management Planning Act allow for public agencies to collectively prepare and implement a regional plan for the management of water resources; and

WHEREAS, the City of Avalon is interested in entering into a Joint Powers Agreement to join a "Regional Water Management Group" as defined in and authorized by the Integrated Regional Water Management Planning Act to develop a regional water management plan that will protect and enhance the region's water resources.

WHEREAS, the City of Avalon is a Public Agency as defined by the Joint Exercise of Powers Act, California Government Code (Section 6500)

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF AVALON DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Joint Powers Agreement for the Los Angeles Gateway Regional Water Management Authority is hereby approved (Exhibit 1- Joint Powers Agreement).

Section 2. The City Manager is hereby authorized and directed to execute said agreement.

Section 3. The City Clerk shall certify the adoption of this Resolution.

Passed, Approved and Adopted on the 2<sup>nd</sup> day of June, 2015.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Avalon following a roll call vote:

Ayes:  
Noes:  
Absent:  
Abstain:

\_\_\_\_\_  
Ann H. Marshall, Mayor

\_\_\_\_\_  
Denise A. Radde, City Clerk

CITY OF AVALON CITY COUNCIL

MEETING DATE: June 2, 2015

AGENDA ITEM: 5

ORIGINATING DEP: Administration

CITY MANAGER: BH

PREPARED BY: Ben Harvey, City Manager

SUBJECT: Human Resources Manager Services Agreement

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**RECOMMENDED ACTION(S):** Authorize the City Manager to execute a professional services agreement with Regional Government Services (RGS) for Human Resources Manager Services.

**REPORT SUMMARY:** At the request of the City Council early last year, City staff researched options for human resources management services. Full and part-time, and in-house and contract options were pursued. Ultimately, City staff determined that the City's needs would be best met by a part-time Human Resources Manager offered through Regional Government Services (RGS), who would be available to be on-site at City Hall one day each week, and accessible by telephone and email otherwise. At the October 19, 2014 council meeting, City staff's recommendation was presented to the City Council, who concurred.

RGS has been providing Human Resources Services through Tiffany Bose, who has been working with executive management and staff on MOU negotiations, Classification and Compensation processes and HR operations. Since the end of October, Ms. Bose has maintained office hours on the island for one day a week and remotely on a second day; approximately 20 – 25 hours each week. The City would like to extend her contract and increase her on-island presence to two days a week or a minimum of 16 hours with on-call/as-needed availability via telephone and email during the remaining balance of the 25 hour workweek. The hourly rate remains the same at \$110.

In November 2014, Ms. Bose drafted new Memorandums of Understanding that were proposed in negotiations with the IAFF, AHEA, and AMEA unions. Regular face-to-face meetings with the unions have taken place since February 2015. The new proposals will greatly reduce the City's long-term liability. In addition, the expired M.O.U.s did not include many provisions and features that are now considered common features of municipal M.O.U.s. In short, the expired M.O.U.s are out-of-date and no longer reflect compensation practices common to California municipalities.

The expired M.O.U.s also contain provisions which are financially unsustainable and are rapidly undermining the financial stability of the City. They also fail to provide for changes in law, most notably, California's Public Employees' Pension Reform Act (PEPRA), which was signed into law in September of 2012 and took effect on January 1, 2013, and which has compelled changes in the administration of the City's pension program; the language of the expired M.O.U. needs to be brought into alignment with the new law.

The City's main costs for labor are wages, retirement benefits, health insurance benefits, and post-employment benefits. The proposed M.O.U.s enable the City to project these four costs reliably. It will also require employees to participate in paying for their benefits, which should enable the City to plan more methodically if rapid cost changes in these benefits occur. This increases certainty around costs for the City, which is foundational to achieving one of the City's core strategic objectives: long-term financial stability. Only through the achievement of long-term financial stability will the City be in a position to fulfill its core mission of improving the quality of life for the residents of Avalon, and this stability also creates an environment consistent with authentic employment security.

Highlights of the M.O.U.s include:

- Providing wage rate increases that slowly bring those rates in to closer alignment with the City's labor market,
- Reducing the City's unfunded pension and post-employment retirement benefits,
- Moving the City's contribution to health benefits into a cafeteria system, whereby the City provides a stipulated contribution that the employee directs,
- Implementing significant cost-control measures,
- Addressing existing compensable leave balances through a 401a tax deferral plan,
- Revising contract language to clarify the management's right to flexibly control costs to meet the City's needs in future years.

To bring a labor attorney on-island to negotiate the City's labor contracts would come at a cost of \$250 per hour.

In the last quarter of last year Ms. Bose entered into ongoing discussions with the City's liability insurance carrier for Workers' Compensation. These discussions involve an extensive review of each open case and the treatment plan on each worker. Administrative controls have been added to ensure employees are now being seen by the City's doctors and coordinated treatment is being provided to decrease the recovery times and allows employees to return to work in either a modified duty arrangement or without any restrictions. We are now complying with the legal requirements of the American's with Disabilities Act by going through the interactive practice with employees; thereby allowing us to clearly document a worker's temporary disability and work restrictions while allowing employees to return to work; thereby reducing lost wages and time. This process allows us to manage the future cost of claims and medical treatment of injured workers by obtaining greater access to medical information on an employee's injuries.

Since December 2014, Ms. Bose has been heavily involved in Koff & Associates' Classification and Compensation Study by reviewing proposed job classification descriptions to ensure they meet the necessary job duties and qualifications for each position. Ms. Bose will also be involved in the upcoming final evaluation of pay and benefits to ensure that we are using the appropriate internal and external agency comparisons to determine the City's long-term total compensation philosophy and subsequent recommendations to the City Council. The outcome of the study and setting internal and external equity properly will be the cornerstone for the City's recruitment and retention of top talent and also impacts the outcome of Union negotiations.

In January, Ms. Bose conducted an internal investigation into the events, which took place in our harbor that resulted in the loss of one of our Harbor Patrol Officers. Ms. Bose was involved in most every step of gathering essential information from departments and outside agencies for our written response to CalOSHA, she also coordinated efforts with our liability insurance carrier.

#### Justification for contract renewal

The renewal of the Regional Government Services' contract allows her to be at City Hall at least two days each week to facilitate on-going MOU negotiations, policy development, recruitment, performance management systems, supervisor training and workplace safety programs. The City does not have expert human resources on staff. Ms. Bose's knowledge and involvement in the upcoming year's human resources activities is essential to move the City forward in the following areas:

Union negotiations are ongoing as the Unions have not as of yet presented their counter proposals. Ms. Bose, along with the Chris Woidzick our Finance Director, are looking into the benefits of adding a 401a retirement plan to the City's offerings as a means to reduce vacation and sick leave and potential tax liability on employees when balances are paid out. This is also expected to have a positive effect to the City's budget and long-term financial liabilities. When the City's contract with the Unions are ratified and approved by the Council there will be amendments to the CalPERS contract that need to take place and a trust will need to be created to administer the cafeteria benefit plans. Later this year, before open enrollment, the City we will need to go out to market to conduct a benefits review to determine if we can increase our benefit offerings while also reducing the cost of benefits purchased by the City.

For the City to be in compliance with the Affordable Care Act's requirements it will be necessary to track the number of hours each employee works to offer health benefits to employees that work an average of 30 hours each workweek. Failure to offer benefits can result in heavy fines. With the introduction of the new automated time keeping system new reports will be produced that will assist supervisors to ensure the proper notices and enrollments occur. New annual tax reporting requirements will also be required by the City.

New policies must be introduced and existing policies updated pertaining to: Drug and Alcohol Testing, Affordable Care Act, Vehicle Use Policy, Family Medical Leave and Pregnancy Disability Leave, Anti-Harassment and Discrimination, Time Keeping, DMV Pull Notice Program, Health & Safety Program, Workplace Violence, Employee Email and Internet Use Policy, Workers' Compensation, Whistleblowing, Pre-employment Background Checks, and a policy handbook for Volunteers.

Internal audits of personnel files, medical information in compliance with HIPPA requirements, FLSA wage and hour law, Equal Employment Opportunity and CalPERS enrollment also needs to occur. Non-compliance in each area can result in civil and punitive damages for the City. Policies will be introduced and new processes developed that will require training to supervisor that will increase their knowledge on the laws and requirements in these areas.

Ms. Bose is responsible to implement the City's new Injury Illness Prevention Plan written earlier this year. The Plan involves management leadership, worker participation, hazard identification, reporting and investigation, hazard prevention and control, education and training, record keeping and program evaluation to help the City manage workplace injuries and illnesses and the cost associated with such events. Ms. Bose has begun collecting safety information from City departments and is in the process of evaluating the City's existing safety programs. Ms. Bose will be working with managers and supervisors to implement a comprehensive safety program that has direct employee involvement and reduces the City's long-term liabilities.

Ms. Bose is a certified Professional in Human Resources (PHR), and possesses a Bachelor's of Science degree in Public Administration. She possesses more than 12 years of professional public sector human resources experience.

Finally, in April of this year, Koff and Associates conducted a market study to determine the salary and benefits for the Human Resources Director's position, which resulted in a median cost of \$201,024 using comparator public agencies. Having a contracted Human Resources professional available three days each week (25 hours) provides the City with expert level support at a cost savings.

**GOAL ALIGNMENT:** Organizational and Staff Development.

**FISCAL IMPACTS:** The previous contract was for \$50,000 for FY14-15. An additional \$100,000 is requested for Human Resources management services through June 30<sup>th</sup> 2016. Monies have been budgeted in FY14-15 and additional monies will be included in the FY15-16 budget. Any year-end adjustments related to over-expenditures will be identified and adjusted in the year-end review. If approved by the City Council, the agreement with RGS will continue on a month-to-month basis, with a 30 day termination agreement.

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:** The City will need to identify alternatives for human resources management services.

**FOLLOW UP ACTION:** The City Manager will execute the professional services agreement with RGS acceptable in form to the City Attorney..

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** This item was properly listed on the posted agenda pursuant to the Brown Act.

**ATTACHMENTS:** RGS Agreement and Certificate of Insurance

CITY COUNCIL

MEETING DATE: June 2, 2015

AGENDA ITEM: 6

ORIGINATING DEP: Administration

CITY MANAGER: [Signature]

PREPARED BY: Denise Radde, Chief Administrative Officer/City Clerk

SUBJECT: Public Hearing - Saltwater and Sewer Fees for FY 2015/2016

**RECOMMENDED ACTION(S):** Open the public hearing to hear public comments. After all public comments have been heard, close the public hearing and determine if a majority of the property owners subject to the proposed rates increases to the Saltwater and Sewer Service Fees have submitted written protests to the proposed rate increases. If the City does not receive a majority protest from such property owners, and the City Council agrees with a 4/5 vote, it is recommended to waive a full reading and introduce the ordinance establishing rates for saltwater service fees and sewer service fees.

**REPORT SUMMARY** A public notice was mailed out to all property owners 45 days prior to this Public Hearing announcing the proposed rate increases. The property related fees that are placed on our property tax bills, Sewer / Salt Water / Solid Waste were increased in FY 2009/2010 by the CPI and in FY 2013/2014 the sewer was increased by 10% (\$43.32/year for residential) and salt water increased by 15% (\$18.60/year for residential) . City Council determined at the March 17, 2015 to propose raising the saltwater fees by 35% (Residential-\$49.93/unit, Hotel-\$33.32/room, Commercial \$33.32/toilet annually) and the sewer fees by 15% (Residential-\$71.40/unit). All others are listed in the Fiscal Impact Section.

**HISTORY**

**Sewer Service Fees.** On April 5, 2012, the California Regional Water Quality Control Board issued a Cease and Desist Order requiring the City to bring its sewer program into compliance with State and Federal water quality regulations. The Cease and Desist Order requires the City to accomplish many tasks and projects within a designated time frame, which we have diligently been working on. It is conservatively estimated that complying with the requirements of the Cease and Desist Order, including the capital costs of constructing the improvements required to come into compliance, will cost far in excess of \$750,000 a year, and may be many multiples more. The City does not have the option of ignoring the requirements of the Cease and Desist Order and faces large daily fines and potential State takeover of the City's sewer system if violations occur.

The most significant requirements of the Cease and Desist Order include:

- Implement and fund a capital improvement program for our collection system
- Perform regular and annual maintenance activities (on going)
- Perform and continue private sewer lateral inspection program
- Develop a financial plan and annually develop a 10 year financial plan
- System evaluation and capacity assurance plan

- Assuring that total maximum daily loads cannot exceed certain levels in summer dry weather, winter dry weather and wet weather
- SCADA (Supervisory Control and Data Acquisitions Project-Phase 2)

#### Projects completed in 2013-2014

- Adopted ordinances to deal with source control and illicit discharge
- Performed certain studies regarding causes of our Bay pollution
- Sewer System Management recertification
- Sewer System Management Plan Audit
- Pebbly Beach Gravity Main pipeline repair
- Pebbly Beach Pump Station repairs
- Thickener Pump at WWTP replaced
- New Shredder Pumps for Low Flow Diverters

Currently, the Sewer fund reserves are estimated to be \$200,000 at FY 14-15 year-end. During FY 14-15, it is estimated the Sewer Fund will draw on reserves for \$605,000. The reduction in reserves consists of \$341,000 for operations and \$264,000 for capital projects. It is projected that the Sewer Funds will have a deficit between \$600,000 and \$1.5 million in FY15-16 (excluding reserves) based on the capital improvement plan and on-going CDO operational and maintenance costs. If the proposed rate increases are adopted, it is anticipated that annual revenues from the sewer service fees will increase by approximately \$215,000 for a total estimated annual revenue from the service fees of \$1.7 million. Over six million dollars from the Avalon Community Improvement Agency have already been expended to commence these repairs, shielding ratepayers from increases in order to pay for the improvements.

**Saltwater Service Fees.** A rate increase to the saltwater service fees are necessary to make infrastructure improvements to the saltwater system, including completion of the salt water valve replacement project (which insures the integrity to Avalon's firefighting and toilet flushing capability), and to commence a study on converting the salt water system to a reclaimed water system. The City started a saltwater valve replacement program and has completed 15 of the 40 additional valves required. The City stopped the saltwater valve replacement program due to the lack of funds. At least an additional \$550,000 is needed to fund the valve replacement project. Currently, the saltwater reserves are estimated to be \$135,000 at FY14-15 year-end. It is projected that the Saltwater Funds will have a deficit between \$450,000 and \$530,000 (excluding reserves) in FY 15-16.

Based on the foregoing, the City is recommending that the rates for its sewer and salt water service fees be increased to fund the improvements and programs necessary to serve our customers and that are required to comply with the Cease and Desist Order. The City is committed to providing the highest quality utility services at the lowest possible rates for our customers and to maintaining financially sound and fiscally responsible sewer and saltwater programs. To meet this commitment, the City undertook an evaluation of the infrastructure needs, programs, and operations and maintenance costs of its sewer and saltwater services. This review assessed the adequacy of the revenues to maintain the physical integrity of these systems, to comply with all Federal and State regulations concerning water quality, reclaimed water programs, and the impacts of aging infrastructure. Based on this evaluation, it has been determined that rate increases are necessary for the City's sewer and saltwater service fees to

enable the City to recover current and projected costs of operations and maintenance, capital infrastructure improvements needed to provide reliable saltwater and safely treat and dispose of wastewater in compliance with State and Federal regulations, maintain the operational and financial stability of the utilities, and avoid operational deficits and depletion of reserves. If the sewer and saltwater funds are not adequately funded to undertake these required actions, funds will have to be spent from the City's reserves and other vital programs may have to be significantly cut. Detailed descriptions of the proposed rate increases are provided below.

## **PROPOSED SEWER SERVICE FEES**

The City's sewer service fees are billed on an annual basis and are collected on the property tax roll. The rate structure for the City's sewer service fees has nine customer classes – residential, public shower, hotel, laundries, shops/offices, take-out restaurants, churches, bars/restaurants with less than 100 seats, and bars/restaurants with more than 100 seats. The rate for residential customers is calculated on the basis of the one unit assigned per dwelling. For public shower customers the rate is calculated on the basis of the number of showers located at the parcel. For hotel customers, the rate is calculated on the basis of the number of rooms within the hotel property. For laundry customers, the rates are calculated on the basis of the number of washing machines/units located at the property. For all other non-residential customers, the rate is established as a fixed charge. Within each customer class, the rate of the sewer service fee to be imposed is calculated to proportionately allocate the cost of providing sewer services to each property owner on a parcel basis. If adopted, the proposed rates will be in effect beginning July 1, 2015, and will remain in effect until otherwise modified by the City. The current and proposed rates and the annual increases in the rates resulting from the proposed rates for the sewer service fees are as set forth in the table under fiscal impact.

## **PROPOSED SALTWATER SERVICE FEES**

The City's saltwater service fees are billed on an annual basis and are collected on the tax roll. The rate structure for the City's saltwater service fees has three customer classes – residential, hotel and commercial customers. The rate for residential customers is calculated on the basis of one unit assigned per dwelling unit. The rate for hotel customers is determined on the basis of the number of rooms within the hotel property. The rate for commercial customers is calculated on the basis of each toilet/urinal located within the commercial property. Within each customer class, the amount of the saltwater service fees to be imposed are calculated to proportionately allocate the cost of providing saltwater services to each property owner on a parcel basis. If adopted, the proposed rates will be in effect beginning July 1, 2015, and will remain in effect until otherwise modified by the City. The current and proposed rates and the annual increase in the rates resulting from the proposed rates for the saltwater service fees are as set forth in the table under fiscal impact.

## **PUBLIC HEARING AND PROTESTS**

Any property owner may submit a written protest to the proposed rate increases to the City's sewer and saltwater service fees; provided, however, only one protest will be counted per identified parcel. A public notice was mailed out to all property owners 45 days prior to a

Public Hearing on May 19, 2015. Unfortunately, the adjudicated paper the City is required to use to publish the necessary ads did not publish the ads that City Staff sent them. At the meeting, the City Council was only able to open the Public Hearing and receive public comment. The City Council did not take action. The Public Hearing was continued until June 2, 2015 City Council meeting. Public notices were published in the adjudicated paper to the City on May 22 and 29, 2015 for the June 2, 2015 City Council meeting. The City Council will hear and consider all written and oral protests to the proposed rate increases at the Public Hearing on June 2, 2015. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest. Upon the conclusion of the Public Hearing, the City Council will consider adoption of an ordinance authorizing the rate increases to the City's sewer and saltwater service fees as described herein. If written protests against the proposed rate increases to (1) the sewer service fees, and/or (2) the saltwater service fees as outlined above are not presented by a majority of property owners of the identified parcels upon which the rates are proposed to be imposed, the City Council will be authorized to impose the respective rate increases. If adopted, the proposed rate increases to the sewer and saltwater service fees will be in effect beginning July 1, 2015, until otherwise modified by the City Council.

**Solid Waste:**

Staff is not proposing to increase or decrease these rates at this time.

**FISCAL IMPACTS:**

The overall impact of raising rates would be as follows:

Saltwater		Sewer	
Rate	Result	Rate	Result
10.0%	39,331	10.0%	143,528
15.0%	58,997	15.0%	215,291
20.0%	78,663	20.0%	287,055
25.0%	98,329	25.0%	358,819
30.0%	117,994	30.0%	430,583
35.0%	137,660	35.0%	502,347

ASSESSMENTS	CURRENT ANNUAL	Proposed Annual Increase					
		10%	15%	20%	25%	30%	35%
<b>SALTWATER</b>							
Hotel (per room)	95.20	9.52	14.28	19.04	23.80	28.56	33.32
Commercial (per toilet)	95.20	9.52	14.28	19.04	23.80	28.56	33.32
Residential (per unit)	142.67	14.27	21.40	28.53	35.67	42.80	49.93
<b>SEWER</b>							
Public Shower (per shower)	157.99	15.80	23.70	31.60	39.50	47.40	55.30
Hotels (per room)	238.99	23.90	35.85	47.80	59.75	71.70	83.65
Laundries (per wash unit)	321.42	32.14	48.21	64.28	80.36	96.43	112.50
Residential (per dwelling unit)	475.98	47.60	71.40	95.20	119.00	142.79	166.59
Shops/Offices	475.98	47.60	71.40	95.20	119.00	142.79	166.59
Take-Out Restaurant	722.54	72.25	108.38	144.51	180.64	216.76	252.89
Churches	962.26	96.23	144.34	192.45	240.57	288.68	336.79
Bar/Restaurant (less than 100 seats)	1,431.20	143.12	214.68	286.24	357.80	429.36	500.92
Bar/Restaurant (more than 100 seats)	2,140.03	214.00	321.00	428.01	535.01	642.01	749.01

ASSESSMENTS	CURRENT ANNUAL	CURRENT MONTHLY	Proposed Monthly Incremental Increase					
			10%	15%	20%	25%	30%	35%
<b>SALTWATER</b>								
Hotel (per room)	95.20	7.93	0.79	1.19	1.59	1.98	2.38	2.78
Commercial (per toilet)	95.20	7.93	0.79	1.19	1.59	1.98	2.38	2.78
Residential (per unit)	142.67	11.89	1.19	1.78	2.38	2.97	3.57	4.16
<b>SEWER</b>								
Public Shower (per shower)	157.99	13.17	1.32	1.97	2.63	3.29	3.95	4.61
Hotels (per room)	238.99	19.92	1.99	2.99	3.98	4.98	5.97	6.97
Laundries (per wash unit)	321.42	26.79	2.68	4.02	5.36	6.70	8.04	9.37
Residential (per dwelling unit)	475.98	39.67	3.97	5.95	7.93	9.92	11.90	13.88
Shops/Offices	475.98	39.67	3.97	5.95	7.93	9.92	11.90	13.88
Take-Out Restaurant	722.54	60.21	6.02	9.03	12.04	15.05	18.06	21.07
Churches	962.26	80.19	8.02	12.03	16.04	20.05	24.06	28.07
Bar/Restaurant (less than 100 seats)	1,431.20	119.27	11.93	17.89	23.85	29.82	35.78	41.74
Bar/Restaurant (more than 100 seats)	2,140.03	178.34	17.83	26.75	35.67	44.58	53.50	62.42

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:**

The funds, especially the sewer fund, will be under funded for necessary Cease and Desist improvements and unforeseen emergencies.

**GOAL ALIGNMENT:** City Infrastructure: Cease and Desist Order

**FOLLOW UP ACTION:** Have ordinance come back for a second reading at the June 16, 2015 City Council meeting.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** Pursuant to the Brown Act.

**ATTACHMENTS:** Ordinance

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE CITY COUNCIL OF  
THE CITY OF AVALON ESTABLISHING  
RATES FOR SALTWATER SERVICE FEES  
AND SEWER SERVICE FEES**

**WHEREAS**, the City of Avalon (the “City”) has reviewed its saltwater and sewer service fees to assess the adequacy of the revenues to maintain the physical integrity of the saltwater and sewer systems, to comply with all Federal and State regulations concerning water quality; and

**WHEREAS**, the City has determined that increases to the rates for the saltwater service fees are necessary, among other reasons, to make infrastructure improvements to the saltwater system, including completion of the salt water valve replacement project (which insures the integrity to Avalon’s firefighting and toilet flushing capability), and to commence a study on converting the salt water system to a reclaimed water system; and

**WHEREAS**, on April 5, 2012, the California Regional Water Quality Control Board issued a Cease and Desist Order requiring the City to bring its sewer system and program into compliance with State and Federal water quality regulations; and

**WHEREAS**, the Cease and Desist Order requires the City to accomplish many tasks and projects within a designated time frame, and those tasks and projects are conservatively estimated to cost far in excess of \$750,000 a year, and may be many multiples more; and

**Whereas**, the City does not have the option of ignoring the requirements of the Cease and Desist Order and faces large daily fines and potential State takeover of the City’s sewer system if violations occur; and

**WHEREAS**, the proposed rates are designed to produce the minimum revenue needed to cover projected operating costs, including direct operating expenses, administrative costs, and ongoing capital improvement repairs, replacements, and upgrades of the City’s saltwater and sewer systems; and

**WHEREAS**, due to increases in the operations and maintenance costs, and repair and replacements cost of the City’s sewer system described above, the City has determined that it is necessary to increase the rates for its sewer service fees; and

**WHEREAS**, the rate structure for the City’s saltwater service fees has four customer classes – residential, hotel, and commercial, and harbor customers; and

**WHEREAS**, rate for residential customers is calculated on the basis of one unit assigned per dwelling unit; the rate for hotel customers is determined on the basis of the number of rooms within the hotel property; the rate for commercial customers is calculated on the basis of each toilet/urinal located within the commercial property; and

**WHEREAS**, within each customer class, the amount of the saltwater service fees to be imposed are calculated to proportionately allocate the cost of providing saltwater services to each property owner on a parcel basis; and

**WHEREAS**, the revenues derived from the saltwater service fees will not exceed the funds required to provide saltwater services and shall be used exclusively for the saltwater system; and

**WHEREAS**, the saltwater service fees will not be imposed on a parcel unless the saltwater services are actually used by, or immediately available to, the owner of the parcel; and

**WHEREAS**, the rate structure for the City's sewer service fees has nine customer classes – residential, public shower, hotel, laundries, shops/offices, take-out restaurants, churches, bars/restaurants with less than 100 seats, and bars/restaurants with more than 100 seats; and

**WHEREAS**, the rate for residential customers is calculated on the basis of the one unit assigned per dwelling; the rate for public shower customers is calculated on the basis of the number of showers located at the parcel; the rate for hotel customers is calculated on the basis of the number of rooms within the hotel property; the rate for laundry customers is calculated on the basis of the number of washing machines/units located at the property; and the rate for all other non-residential customers is established as a fixed charge; and

**WHEREAS**, within each customer class, the rate of the sewer service fee to be imposed is calculated to proportionately allocate the cost of providing sewer services to each property owner on a parcel basis.

**WHEREAS**, the revenues derived from the sewer service fees will not exceed the funds required to provide sewer services and shall be used exclusively for the sewer system; and

**WHEREAS**, the sewer service fees will not be imposed on a parcel unless the sewer services are actually used by, or immediately available to, the owner of the parcel; and

**WHEREAS**, the City, as the lead agency under the California Environmental Quality Act ("CEQA"), in consultation with the City's Legal Counsel, prepared a Preliminary Exemption Assessment for the adoption of this Ordinance in order to evaluate its potential impacts. The City determined that this Ordinance is exempt from CEQA review under Public Resources Code section 21080(b)(8) and State CEQA Guidelines section 15273 because the saltwater service fees and the sewer service fees are necessary and reasonable to fund the administration, operation, maintenance, and improvements of the saltwater and sewer systems and will not result in the expansion of the saltwater and the sewer systems; and

**WHEREAS**, California Constitution article XIII D, section 6 ("Article XIII D") requires that prior to imposing any increase to the property-related fee such as the saltwater and sewer service fees, the City shall provide written notice (the "Notice") by mail of: (1) the proposed increases to such rates and charges to the record owner of each parcel upon which the rates and charges are proposed for

imposition and any tenant directly liable for payment of the rates and charges; (2) the amount of the rates and charges proposed to be imposed on each parcel; (3) the basis upon which the rates and charges were calculated; (4) the reason for the rates and charges; and (5) the date, time, and location of a public hearing (the "Hearing") on the proposed rates and charges; and

**WHEREAS**, pursuant to Article XIII D such Notice is required to be provided to the affected property owners and any tenant directly liable for the payment of the rates and charges not less than forty-five days prior to the Hearing on the proposed rates and charges; and

**WHEREAS**, the City only bills property owners for such services and the City did provide such Notice to the affected property owners of the proposed saltwater service fees and sewer service fees in compliance with Article XIII D; and

**WHEREAS**, the Hearing was held on this day, June 2, 2015; and

**WHEREAS**, at the Hearing the City Council heard and considered all oral testimony, written materials, and written protests concerning the establishment and imposition of the proposed rate increases for the saltwater service fees and the sewer service fees, and at the close of the Hearing the City did not receive written protests against the establishment and imposition of the proposed rate increases for the saltwater service fees or the sewer service fees from a majority of the affected property owners; and

**WHEREAS**, the City Council of the City now desires to establish and impose the proposed rates for the saltwater and sewer service fees; and

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF AVALON DOES ORDAIN AS FOLLOWS:**

**Section 1.** The City Council finds and determines that the foregoing Recitals are true and correct and incorporates the Recitals herein.

**Section 2.** As the decision-making body for the City, the City Council has reviewed and considered the information contained in the Preliminary Exemption Assessment and administrative record. The City Council finds that the Preliminary Exemption Assessment contains a complete and accurate reporting of the environmental impacts associated with the adoption of this Ordinance and reflects the independent judgment of the City Council.

**Section 3.** The City Council hereby finds that the administration, operation, maintenance, and improvements of the saltwater system and the sewer system, which are to be funded by the saltwater service fees and the sewer service fees set forth herein, are necessary to maintain such services within the City's existing service area. The City Council further finds that the administration, operation, maintenance, and improvements of the saltwater system and sewer system, to be funded by the saltwater service fees and sewer service fees set forth herein, will not expand the such systems. The City Council further finds that such saltwater service fees and sewer service fees are necessary and reasonable to fund the administration, operation, maintenance, and

improvements of the salt water system and the sewer system. Based on these findings, the City Council hereby determines that this Ordinance is exempt from the requirements of CEQA pursuant to California Public Resources Code section 21080(b)(8) and State CEQA Guidelines section 15273(a).

**Section 4.** The documents and materials that constitute the record of proceedings on which these findings have been based are located at City of Avalon, 410 Avalon Canyon Road, Avalon, California 90704. The custodian for these records is the City Clerk of the City.

**Section 5.** The City Council hereby approves the rates for saltwater service fees set forth in Exhibit A, attached hereto and by this reference incorporated herein. Such rates shall be in effect beginning July 1, 2015, and will remain in effect until otherwise modified by the City.

**Section 6.** The City Council hereby approves the rates for sewer service fees set forth in Exhibit A. Such rates shall be in effect beginning July 1, 2015.

**Section 7.** The City Council hereby authorizes and directs the City Manager to implement and take all actions necessary to effectuate the rates for the saltwater service fees and sewer service fees set forth herein and to file a Notice of Exemption with the County Clerk for Los Angeles County within five (5) working days of the date of the adoption of this Ordinance.

**Section 8.** If any section, subsection, subdivision, sentence, clause, or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional or invalid, ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council hereby declares that it would have adopted each section irrespective of the fact that any one or more subsections, subdivisions, sentences, clauses, or phrases be declared unconstitutional, invalid, or ineffective.

**Section 9.** This Ordinance shall supersede all other previous City Council resolutions and ordinances that may conflict with, or be contrary to, this Ordinance.

**Section 10.** In accordance with California Government Code section 36933(a), within fifteen days after its passage the City Clerk shall cause this Ordinance to be published at least once, with the names of those City Council members voting for or against it, in a newspaper of general circulation published and circulated within the City. If there is no such newspaper, the City Clerk shall cause the Ordinance to be posted in at least three public places in the City or published in a newspaper of general circulation printed and published in the county and circulated in the City.

**Section 11.** A full reading of this Ordinance is hereby waived. This Ordinance shall become effective thirty (30) days from and after its final passage.

**INTRODUCED** at a regular meeting of the City Council of the City of Avalon on the June 2, 2015:

- AYES:
- NAYS:
- ABSENT:
- ABSTAIN:

**PASSED, APPROVED AND ADOPTED** at a regular meeting of the City Council of the City of Avalon on this 16<sup>th</sup> day of June 2015, by the following vote.

- AYES:
- NAYS:
- ABSENT:
- ABSTAIN:

\_\_\_\_\_  
Ann H. Marshall, Mayor

Attest:

\_\_\_\_\_  
Denise A. Radde, City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Scott Campbell  
Best Best & Krieger, LLP

**EXHIBIT A**  
**RATES FOR SALTWATER SERVICE FEES AND SEWER SERVICE FEES**

<b>ANNUAL SALTWATER SERVICE FEES</b>			
<b>Customer Class</b>	<b>Current Rates</b>	<b>Proposed Rates</b>	<b>Annual Increase</b>
Residential	\$142.67/unit	\$192.60/unit	\$49.93/unit
Hotel	\$95.20/room	\$128.52/room	\$33.32/room
Commercial	\$95.20/toilet	\$128.52/toilet	\$33.32/toilet

<b>ANNUAL SEWER SERVICE FEES</b>			
<b>Customer Class</b>	<b>Current Rates</b>	<b>Proposed Rates</b>	<b>Annual Increase</b>
Residential (per dwelling unit)	\$475.98/unit	\$547.38/unit	\$71.40/unit
Public Shower (per shower)	\$157.99/shower	\$181.69/shower	\$23.70/shower
Hotel (per room)	\$238.99/room	\$274.84/room	\$35.85/room
Laundries (per wash unit)	\$321.42/unit	\$369.63/unit	\$48.21/unit
Shops/Offices	\$475.98	\$547.38	\$71.40
Take-out Restaurant	\$722.54	\$830.92	\$108.38
Churches	\$962.26	\$1,106.60	\$144.34
Bar/Restaurant (less than 100 seats)	\$1,431.20	\$1,645.88	\$214.68
Bar/Restaurant (more than 100 seats)	\$2,140.03	\$2,461.03	\$321.00

CITY OF AVALON CITY COUNCIL

MEETING DATE: June 2, 2015

AGENDA ITEM: 7

ORIGINATING DEP: Planning

CITY MANAGER: [Signature]

PREPARED BY: Audra McDonald, Administrative Analyst

SUBJECT: Authorize the Amendment to the Catalina Transportation Services Agreement for a nine-month term beginning July 1, 2015 and expiring March 31, 2016

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**RECOMMENDED ACTION(S):** Authorize the extension of Catalina Transportation Services (CTS) Agreement pursuant to Amendment No. 10 thereto, in an amount not to exceed \$331,598.25, to provide public transportation services to the City of Avalon through March 31, 2016.

**REPORT SUMMARY:** Staff presented this item at the May 5, 2015, City Council Meeting. CTS Staff and Mayor Pro Tem Olsen requested the extension be held over to this meeting. City Staff and Roy Glauthier, AMMA, met with CTS to review the proposed amendment and have agreed to the terms with an additional clause requiring either party provide two weeks prior notice to any potential changes to the contract.

The City of Avalon has contracted its public transportation services to Catalina Transportation Services ("CTS") for approximately twenty years. These programs are funded entirely through several Federal, State and Local agencies which are subject to special record-keeping and annual audits. Services include:

- Dial-a-ride (DAR) –Taxi voucher program for all Senior Citizens (aged 60 over over) and Disabled persons.
- Avalon Rapid Transit - (ART) – Taxi voucher program for all eligible residents of the City of Avalon.
- Avalon Community Transit (ACT) – Fixed Route service providing scheduled transportation.

At the May 5, 2015, meeting the City Council approved retaining AMMA Transit Planning (Roy Glauthier) to assist the City in preparing a Request for Proposals for public transit services. It is anticipated the RFP process will take approximately nine months.

**GOAL ALIGNMENT:** Goal 6 – Comprehensive Transportation Review

**FISCAL IMPACTS:** A current contract is required as a condition of funding.

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:** The City would be non-compliant with funding requirements.

**FOLLOW UP ACTION:** Execute Amendment No. 10 to the CTS Agreement, in the form attached, subject to minor changes approved by the City Manager and the City Attorney.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** Pursuant to the Brown Act.

**ATTACHMENTS:** Amendment No. 10 to CTS Agreement

TENTH AMENDMENT TO EQUIPMENT LEASE AND TRANSPORTATION SERVICES  
PROGRAM OPERATION AGREEMENT

This Tenth Amendment is made this 2<sup>nd</sup> day of June, 2015, effective July 1, 2015, to the EQUIPMENT LEASE AND TRANSPORTATION SERVICES AGREEMENT between the City of Avalon ("City") and Catalina Transportation Services, a California corporation ("CTS" or "Operator".)

The terms and conditions of the Agreement are amended as follows:

1. City hereby exercises its rights pursuant to Paragraph 1.4 to grant Operator an extension to the Agreement, subject to modifications negotiated with and agreed to by Operator and City as further set forth herein. The Agreement is hereby amended to extend the term for a nine month period, beginning on July 1, 2015 and ending March 31, 2016 ("Extended Term").

2. Section 1.6.1 ART/DAR is amended to provide as follows:

City shall pay operator a flat fee of \$264,519 for the Extended Term, payable in equal monthly installments of \$29,391.00. Payment of each monthly installment of the flat fee shall be made in advance at the beginning of each month, commencing on July 1, 2015.

3. Section 1.6.2 ACT is amended to provide as follows:

City shall pay operator a flat fee of \$67,079.25 for the Extended Term, payable in equal monthly installments of \$7,453.25, for an approximate 2,500 hours of service. Payment of each monthly installment of the flat fee shall be made in advance at the beginning of each month, commencing on July 1, 2015.

4. Any modifications to the transportation services agreed to herein by City and Operator shall be communicated in writing between the parties no less than two (2) weeks prior to the effective date of the proposed modification with the exception of immediate changes necessitated by factors that are outside the reasonable control of the parties. Any such modifications shall be made pursuant to a written amendment to the Agreement.
5. If the Agreement, as amended hereby, is terminated or suspended, Operator shall refund any advance payments made hereunder for which services were not provided.
6. Except as modified above or by previous amendment, all terms and conditions of the Agreement shall remain in full force and effect.

**SIGNATURE PAGE  
TO  
TENTH AMENDMENT TO EQUIPMENT LEASE AND TRANSPORTATION SERVICES  
PROGRAM OPERATION AGREEMENT**

CITY OF AVALON

ATTEST:

\_\_\_\_\_  
Ben Harvey, City Manager

\_\_\_\_\_  
Denise Radde, City Clerk

CATALINA TRANSPORTATION SERVICES

\_\_\_\_\_  
Karin Hague, President

CITY OF AVALON CITY COUNCIL

MEETING DATE: June 2, 2015

AGENDA ITEM: 8

ORIGINATING DEP: City Attorney

CITY MANAGER: BA

PREPARED BY: City Attorney

SUBJECT: Third Amendment to Franchise and Lease Agreement with CR&R, Inc.

---

**RECOMMENDED ACTION:** That the City Council authorize the City Manager to enter into a Third Amendment to the Franchise and Lease Agreement with CR&R, Inc. on the terms and conditions directed by the Council.

**REPORT SUMMARY:** The City of Avalon ("City") previously entered into a Franchise and Lease Agreement with CR&R, Inc., as amended in two amendments, ("Agreement") under which CR&R agreed to provide solid waste handling and collection services. City staff and CR&R have discussed a number of additional changes to the Agreement that are included in the proposed Third Amendment. They are outlined in bullet-points below. Please note that the last two bullet-points are potential alternatives reflected in the draft Third Amendment. However, they can be included in the Council's discretion.

Summary of Changes

- The Agreement currently requires CR&R to purchase a replacement baler for the Materials Recovery Facility ("MRF"). Once the replacement baler is installed, CR&R will purchase the old baler from the City for \$60,000. CR&R has determined that it would be more economical and less disruptive to MRF operations to refurbish the current baler. Once the baler is refurbished, CR&R will pay the City the same \$60,000 amount. Staff has tentatively approved this change but a formal contract amendment is advisable.
- CR&R has requested to purchase five City-owned compactors for a total purchase price of \$3,125 (i.e., \$625 per compactor). City staff recommends approving this purchase.
- The Agreement requires CR&R to provide free construction and demolition ("C&D") collection services to the City facilities, except in extraordinary circumstances. The City and CR&R disagree whether this includes C&D collection services for City "road construction projects or other similar infrastructure improvements." The Third Amendment would clarify that "road construction projects or other similar infrastructure improvements" are not included in free C&D service. This change is dependent on the Council's approval of one of the two alternatives noted below.

## Summary of Alternatives

- The other two outstanding issues addressed in the Third Amendment are (1) whether the City is responsible for past C&D collection charges for road projects or (2) necessary rain gutter replacement. CR&R has requested that the City pay CR&R \$63,388 for past C&D collection fees. In exchange, CR&R is willing to undertake and solely pay for the replacement of necessary rain gutters at the MRF. These repairs predate the Agreement and would generally be the City's responsibility under the Agreement. The enclosed Third Amendment reflects these deal-points.
- As an alternative to the above, CR&R has proposed that (1) the City pay \$26,764 for past C&D collection, (2) the City increase CR&R's monthly street sweeping fees from \$3,000 per month to \$4,500 per month and (3) CR&R will conduct and pay for the necessary rain gutter replacement at the MRF. If the Council prefers this alternative, staff will revise the Third Amendment accordingly.
- It is important to note that the City Council has a third option of not addressing free C&D collection or the above two alternatives at this time.

**FISCAL IMPACTS:** The City will receive \$3,125 in revenue for selling the compactors. If the City decides to address City C&D collection in the Third Amendment, the City will avoid having to pay for the rain gutter replacement at the MRF. This will be offset by payments made to CR&R for C&D collection and (potentially) increased street sweeping fees.

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:** The Agreement between the City and CR&R will not be amended as outlined above.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** N/A

**ATTACHMENTS:** Third Amendment.

**THIRD AMENDMENT TO THE  
FRANCHISE AND LEASE AGREEMENT  
BETWEEN THE CITY OF AVALON AND CR&R, Inc.**

**THIS THIRD AMENDMENT** to is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2015, by and between the **CITY OF AVALON** (the "City"), and **CR&R, INC.**, a corporation with its principal place of business in California, ("CR&R") dba, Avalon Environmental Services, sometimes jointly referred to as "Parties."

**RECITALS**

**WHEREAS**, on or about March 1, 2013 the City and CR&R entered into a Franchise and Lease Agreement ("Agreement") under which CR&R agreed to provide solid waste handling and collection services; and

**WHEREAS**, on or about June 18, 2013, the City and CR&R entered into a First Amendment to the Agreement ("First Amendment"); and

**WHEREAS**, on or about June 3, 2014, the City and CR&R entered into a Second Amendment to the Agreement ("Second Amendment"); and

**WHEREAS**, pursuant to Section 17 of the Agreement, the Agreement may only be amended by written agreement signed by both the City and CR&R.

**AGREEMENT**

**NOW, THEREFORE**, in good and valuable consideration of the mutual promises and covenants contained herein, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1. "Collection, Service, or Collection Service" as defined in Section 1 of the Agreement as amended by the First Amendment and Second Amendment is hereby amended to read in full as follows:

"Collection, Service, or Collection Service. Collection, Service, or Collection Service means all or any part of the activities involved in the Collection of Solid Waste, Green Waste, and/or Recyclable Materials specified in this Agreement and their transportation to and Disposal at a Designated Disposal Site, Recyclables Processing Facility, or Green Waste Processing Facility."

2. Section 5.3.7 to the Agreement as amended by the First Amendment and Second Amendment is hereby amended to read in full as follows:

5.3.7 Baler. On or before June 30, 2015, Company shall purchase and install, at its sole cost, a baler with at least 200 horsepower at the MRF capable of creating Solid Waste bales at the Landfill with a bale weight of approximately 2,200 pounds. The size of the bale shall be substantially similar to the size of bales produced at the MRF as of the Effective Date. The replacement baler shall operate in good working order consistent with

industry best practices. At its option, Company may refurbish the existing baler provided that it provides services equal to or greater than the replacement baler required in this subsection. Moreover, the refurbished baler shall be considered the replacement baler for all purposes, including requiring Company to purchase the existing baler as provided in this subsection. Upon the expiration or termination of this Agreement, Company shall transfer title to the baler and any accompanying warranties to the City, as necessary. Company shall execute any documentation necessary to do so. Company shall also purchase the existing baler from the City at the price of Sixty Thousand Dollars (\$60,000) which shall be due and payable upon removal of the existing baler or no later than June 30, 2015 if the company elects to refurbish the existing baler

3. Section 4.2.5 to the Agreement as amended by the First Amendment and Second Amendment is hereby amended to read in full as follows:

4.2.5 Free City Service. The Company shall provide free Solid Waste, Recyclables and Green Waste Collection Service for all City-owned, City-leased, or City-rented municipal parks, offices, and facilities. The Company shall provide free C&D Debris Collection Service for all City-owned, City-leased, or City-rented municipal parks, offices, and facilities, except in extraordinary circumstances as determined in good faith by City and Company. However, Company shall not be required to provide free C&D Debris Collection Service for City road construction projects or other similar infrastructure improvements. Company shall provide Collection services for the Litter/Recycling Receptacles if requested by City which shall be considered a change in Services subject to Section 6.4.

4. Pursuant to Section 3 of this Third Amendment, City agrees to pay CR&R \$63,388.00 Dollars in exchange for C&D Debris Collection Service provided to City during the term of this Agreement through the date of this Third Amendment. City shall pay such amount within thirty (30) days of this Third Amendment. Pursuant to Civil Code section 1542, CR&R understands and agrees that this subsection acts as a full release, waiver and satisfaction of all known and unknown claims related to City C&D Debris Collection Service.
5. Pursuant to Subsection 5.5.14 of the Agreement as amended by the First Amendment and Second Amendment, CR&R shall repair and replace, at its sole cost and expense, the rain gutters at the MRF as more particularly set forth in Exhibit A. CR&R understands and agrees to comply with Section 22 as applicable.
6. City hereby sells to CR&R, and CR&R hereby buys from City, the five (5) Compactors (as defined in the Agreement) identified in Exhibit B in "as-is" condition for the total price of Three thousand one hundred twenty five Dollars (\$3,125.00), which amount shall be due and payable to CR&R within thirty (30) days of the effective date of this Third Amendment. CR&R shall maintain the Compactors at its sole cost and expense and shall be responsible for sanitation and deodorizing the Compactors.

- a. CR&R understands, acknowledges and agrees as follows:

THE PROPERTY COVERED BY THIS SECTION HAS BEEN PURCHASED BY CR&R "AS IS" AND "WITH ALL FAULTS." CR&R ACKNOWLEDGES THAT ALL WARRANTIES, INCLUDING BUT NOT LIMITED TO MANUFACTURER'S WARRANTIES, WARRANTIES OF MERCHANTABILITY, AND WARRANTIES OF FITNESS FOR ANY PARTICULAR PURPOSE ARE HEREBY EXPRESSLY DISCLAIMED BY CITY. THE CITY SHALL BE IN NO WAY RESPONSIBLE FOR THE PROPER USE AND SERVICE FOR THE PROPERTY, AND CR&R HEREBY WAIVES ALL RIGHTS OF REFUSAL AND RETURN OF THE PROPERTY.

- b. CR&R hereby releases, waives, and discharges City and its respective officers, officials, employees, agents, volunteers, contractors and attorneys from any and all alleged and actual claims, damages, remedies, causes of action, demands, and other liabilities (collectively, "Liabilities") arising out of or in any way related to the sale and/or use of the Compactors. The foregoing release and waiver applies to all Liabilities, whether retrospective, current, or prospective, known or unknown, foreseeable or unforeseeable within the meaning of Civil Code section 1542.
- 7. This Third Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- 8. This Third Amendment shall affect only the items specifically set forth herein, and all other terms and conditions of the Agreement and previous amendments, as written shall remain in full force and effect.

**IN WITNESS WHEREOF**, the City and CR&R have entered into this Third Amendment to the Franchise and Lease Agreement by and between the City of Avalon and CR&R, Inc., as of the date first set forth herein.

**THE CITY OF AVALON**

**CR&R, Inc. dba AVALON ENVIRONMENTAL SERVICES**

By: \_\_\_\_\_  
Name: Ben Harvey  
Title: City Manager

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT A**  
**SCOPE OF WORK**

**EXHIBIT B**  
**COMPACTORS**

CITY OF AVALON CITY COUNCIL

MEETING DATE: June 2, 2015

AGENDA ITEM: 9

ORIGINATING DEP: Administration

CITY MANAGER: BH

PREPARED BY: Ben Harvey, City Manager

SUBJECT: Proposed Letter to State Lands Commission Regarding Competition for Freight Services

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**RECOMMENDED ACTION(S):** Discuss and consider the attached proposed letter to the State Lands Commission regarding competition for freight services to Avalon.

**REPORT SUMMARY:** At the request of Council Member Sampson, the attached proposed letter to the State Lands Commission regarding competition for freight services is brought forward for City Council discussion and consideration.

The City Council has discussed the topic of freight service to Avalon numerous times within the past several months. Two letters supporting Avalon Freight Services, LLC's application have been sent to the California Public Utilities Commission; the first on October 24, 2014, and the second on May 8, 2015. Copies of both letters are attached to this staff report for reference.

**GOAL ALIGNMENT:** Not aligned with City Council goals.

**FISCAL IMPACTS:** None.

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:** None.

**FOLLOW UP ACTION:** The City Manager will prepare the attached proposed letter for signature if so directed by the City Council.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** This item was properly listed on the posted agenda pursuant to the Brown Act.

**ATTACHMENTS:**

1. Proposed letter to State Lands Commission.
2. Letter dated May 8, 2015 to the California Public Utilities Commission
3. Letter dated October 24, 2014 to the California Public Utilities Commission



# *City of Avalon*

## *Santa Catalina Island*

October 24, 2014

President Michael R. Peevey  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

**RE: LETTER OF SUPPORT FROM THE CITY OF AVALON FOR PROPOSED OPERATING PERMIT FOR AVALON FREIGHT SERVICES, LLC**

Dear President Peevey:

On behalf of the Avalon City Council, I am sending you this letter to offer the City of Avalon's support for the proposed operating permit for Avalon Freight Services, LLC for freight services from the Port of Los Angeles to the City of Avalon and selected points on Catalina Island.

Avalon Freight Services was selected by the Santa Catalina Island Company following their process that vetted several qualified candidates. Avalon Freight Services, LLC is a joint venture between Catalina Express and Harley Marine Services. The newly formed joint venture has proposed to provide freight services between Santa Catalina Island Company owned property located on Pebbly Beach Road, within the City of Avalon as well as select points on Catalina Island, and a proposed warehouse facility within the Port of Los Angeles, commencing in April of 2016.

The Avalon City Council has reviewed Avalon Freight Services, LLC's proposal, in addition to their draft California Public Utilities Commission (CPUC) application. Further, the Avalon City Council has individually toured the proposed freight warehouse location within the Port of Los Angeles. We believe that Avalon Freight Services, LLC will provide quality freight service to the residents of Avalon and thank you for your consideration of Avalon Freight Services, LLC's proposed operating permit.

Sincerely,

Oley Olson  
Mayor Pro Tem  
City of Avalon

cc: Members of the Avalon City Council  
Avalon Freight Services, LLC

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*Administration/  
Public Works*  
P.O. Box 707  
Avalon, CA 90704  
310 510-0220  
Fax 310 510-0901

*Finance*  
P.O. Box 707  
Avalon, CA 90704  
310 510-0220  
Fax 310 510-0765

*Harbor Department*  
P.O. Box 1085  
Avalon, CA 90704  
310 510-0535  
Fax 310 510-2640

*Fire Department*  
P.O. Box 707  
Avalon, CA 90704  
310 510-0203  
Fax 310 510-0104

*Recreation  
Department*  
P.O. Box 707  
Avalon, CA 90704  
310 510-0220  
Fax 310 510-9528

*Planning/Building  
Capital Improvements*  
P.O. Box 707  
Avalon, CA 90704  
310 510-0220  
Fax 310 510-2608



# *City of Avalon*

## *Santa Catalina Island*

May 8, 2015

President Michael Picker  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

**RE: LETTER REITERATING SUPPORT FROM THE CITY OF AVALON FOR AVALON  
FREIGHT SERVICE'S APPLICATION PENDING BEFORE THE CALIFORNIA PUBLIC  
UTILITIES COMMISSION**

Dear President Picker:

At its May 5, 2015 meeting, the Avalon City Council once again voted to support Avalon Freight Service's (AFS) application for freight services from the Port of Los Angeles to the City of Avalon and selected points on Catalina Island that is currently pending before the California Public Utilities Commission (CPUC). This most recent action reiterated a prior Avalon City Council vote that resulted in the initial letter of support for AFS (copy attached), which was sent to the CPUC on October 24, 2014.

With this vote, the Avalon City Council understands that AFS is proposing to serve as the sole provider for freight delivery to the City of Avalon through the Pebbly Beach freight facility. The current freight provider's lease at Pebbly Beach expires on March 31, 2016. Accordingly, the Avalon City Council encourages the CPUC to act swiftly to review and approve AFS' application.

Sincerely,

Anni H. Marshall  
Mayor  
City of Avalon

cc: Administrative Law Judge Darwin Farrar  
Members of the Avalon City Council  
Avalon Freight Services, LLC

Attachment

October 24, 2014 Letter from the Avalon City Council to the CPUC Supporting AFS Application

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<i>Administration/ Public Works</i> P.O. Box 707 Avalon, CA 90704 310 510-0220 Fax 310 510-0901	<i>Finance</i> P.O. Box 707 Avalon, CA 90704 310 510-0220 Fax 310 510-0765	<i>Harbor Department</i> P.O. Box 1085 Avalon, CA 90704 310 510-0535 Fax 310 510-2640	<i>Fire Department</i> P.O. Box 707 Avalon, CA 90704 310 510-0203 Fax 310 510-0104	<i>Recreation Department</i> P.O. Box 1980 Avalon, CA 90704 310 510-1987 Fax 310 510-9528	<i>Planning/Building Capital Improvements</i> P.O. Box 707 Avalon, CA 90704 310 510-0220 Fax 310 510-2608
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[CITY OF AVALON LETTERHEAD]

May 19, 2015

California State Lands Commission  
100 Howe Avenue, Suite 100 South  
Sacramento, CA 95825-8202

Re: **Santa Catalina Island Company: Lease No. PRC 7378.1**

Honorable State Lands Commissioners:

On April 23, 2015, you considered Agenda Item C100 regarding the issuance of a general lease in the Pebbly Beach area of Avalon to the Santa Catalina Island Company for use as a freight barge landing facility. That item was continued to June, 2015 so that your staff could gather additional information regarding the implications of the ongoing Attorney General and California Public Utilities Commission processes on that lease.

The purpose of this letter is to clarify the City's position on competition for freight services. It has been said that the City's October 24, 2014 letter supporting Avalon Freight Services' California Public Utilities Application was, in effect, the City's endorsement of one and only one freight provider to the City, and a vote against competitive freight service. This is not accurate.

By this letter, however, the City wishes to clearly communicate to the State Lands Commission that it is not wedded to the continuation of a single freight service provider at Pebbly Beach. The City's interests are with its citizens, and are guided by the cost and quality of freight service that they receive. The City is unequivocally in favor of any leases or approvals that would result in high quality or low cost freight services, whether by one, two, three or more providers at Pebbly Beach. The City believes the competition is a powerful motivator, and supports the ability of multiple freight providers to have the opportunity to compete for our citizen's freight business.

Sincerely,

cc: Mr. Drew Simpkin (via e-mail [Drew.Simpkin@slc.ca.gov](mailto:Drew.Simpkin@slc.ca.gov))

**CITY OF AVALON CITY COUNCIL**

**MEETING DATE:** June 2, 2015

**AGENDA ITEM:** 10

**ORIGINATING DEPT:** Planning

**CITY MANAGER:** 

**PREPARED BY:** Amanda Cook, Planning Director

**SUBJECT:** Consideration of an Ordinance of the City Council of the City of Avalon Amending portions of Avalon Municipal Code Section 9-8.1201 Story Poles

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**RECOMMENDED ACTION(S):** That the City Council introduce and waive all readings of an Ordinance of the City Council of the City of Avalon Amending portions of Avalon Municipal Code Section 9-8.1201 Story Poles

**BACKGROUND:** The Planning Commission held a Public Hearing to discuss the issues with the current regulations regarding story poles at the April Planning Commission meeting. Specifically the guidelines for how story poles will be installed and when story poles are required. The Planning Commission adopted a resolution recommending changes to portions of Section 9-8.1201 at the May Planning Commission meeting.

Pursuant to AMC section 9-8.301, the Zoning Code may be amended to impose new regulations. Moreover, AMC section 9-8.302 authorizes the Planning Commission to initiate Zoning Code text amendments.

**CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) FINDING**

The City Council finds that this ordinance is exempt from the exempt from the California Environmental Quality Act ("CEQA") because it does not constitute a project within the meaning of State CEQA Guidelines Section 15378. The amendments described herein have no potential for resulting in physical change to the environment, directly or indirectly, that is capable of ascertainment at the present time. Specifically, the amendment relates to the regulation of story poles only. The City further finds, under State CEQA Guidelines Section 15061(b)(3), that this Resolution is also exempt from the requirements of CEQA in that the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. These amendments do not allow any new activities, but regulate story poles. Staff is hereby directed to file a Notice of Exemption with the Los Angeles County Clerk's Office within five (5) working days.

**FISCAL IMPACTS:** There is no fiscal impact from the adoption of the Ordinance.

**GOAL ALIGNMENT:** Its meets the Goal of Council to update outdated, confusing or otherwise incompatible with the policies of todays Municipality ordinances with the Avalon Municipal Code.

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:** The current story pole requirements will remain in force.

**FOLLOW UP ACTION:** Adopt the Ordinance.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** Brown Act. The ordinance will be published as required by law.

**ATTACHMENTS:**

1. Ordinance

**ORDINANCE NO. \_\_\_\_**

**AN ORDINANCE OF THE CITY OF AVALON, CALIFORNIA AMENDING  
CHAPTER 8 OF TITLE 9 OF THE AVALON MUNICIPAL CODE  
REGARDING STORY POLES**

**WHEREAS**, story poles are a useful tool to assist decision-makers, staff, and the public in the review of development projects;

**WHEREAS**, actual site improvements are subject to compliance with approved plans, rather than with representations from the story pole installation;

**WHEREAS**, the City now desires to amend the Avalon Municipal Code to amend the procedures pertaining to story poles;

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF AVALON DOES ORDAIN AS FOLLOWS:**

**Section 1. Portions of Section 9-8.1201 is hereby amended to read as follows:**

(B) All story poles must be installed or staked not less than fifteen (15) days prior to the date for which the hearing on the application is scheduled.

(C) A story pole plan shall be reviewed by Planning Staff in coordination with the applicant prior to installation of story poles. The plan shall include the following:

(1) Placement of story poles that are sufficient to show the mass, bulk, height, and scale of the structures and measured from a permanent benchmark on or near the proposed project.

(2) Major building corners, finished floor levels, significant elements, length of façade within a specific view shed, ridgelines, and a scale should be shown. It may be necessary to stake more than just the four corners of a structure if significant spans are involved.

(3) Outline of the building footprint with stakes and construction netting or other visible project elements.

(4) Changes proposed in grade, with finished height and elevations, should be shown by color coding the stakes or poles.

(5) Materials proposed to be used for story poles: Story poles should be made of 2x lumber or metal pipe (PVC piping may be allowed in some instances) or other sturdy material and cable, wire or rope of sufficient gage to be visible from off-site. All lumber or pipe should be braced for safety purposes. The cable, wire or rope connections should clearly depict the roofline and ridgelines. Installed story poles, site key, and associated flagging shall be of materials and

method of installation to withstand reasonably foreseeable weather or other site factors for the required duration of display.

(6) For large or complex projects (determined at the discretion of the Planning Director), a story pole plan and legend (11" by 17" ) will be posted on the project site and the Planning Staff's website to inform viewers about the project.

(7) The plan is to include the date the story poles are proposed to be installed, as well as the length of time the story poles will remain on site.

(D) Notwithstanding the requirements in section (c), the story poles do not have to and should not depict all the articulations of the building.

(E) The story poles shall be installed according to the story pole plan and the following requirements:

(1) The Story pole installation shall be certified by the licensed professional (surveyor, architect, landscape architect, or contractor) who prepared the story pole plan and/or installed the story poles. The certification shall be submitted to staff after installation of the story poles, but before review by the Planning Commission or other review body.

(2) Story poles shall remain in place for a minimum of fifteen (15) days after the review hearing to allow for filing of any appeal per Section 1-4.02. The poles shall also remain in place throughout the duration of the appeal process and until final resolution of the matter by the City Council, unless the City Council has given permission for the poles to be removed during the appeal process.

(3) If story poles are damaged, replacement may be required as directed by the Planning Director.

(F) Staff is required to:

(1) Notify the Planning Commission or City Council if story poles are installed for a project on which they are the decision maker.

(2) Document the installed story poles with photographs.

**Section 2.** All other paragraphs of Chapter 8 of Title 9 remain unchanged.

**Section 3. Severability.** If any section, subsection, subdivision, sentence, clause or phrase of this Ordinance, or any part thereof is for any reason held to be unconstitutional, such decisions shall not affect the validity of the remaining portion of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsection, subdivision, paragraph, sentence, clause or phrase be declared unconstitutional.

**Section 4. CEQA Exemption.** The City Council finds that adoption of this Ordinance is exempt from the California Environmental Quality Act (“CEQA”) pursuant to Section 15358 (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly. Further, the City Council finds that this ordinance is exempt under CEQA pursuant to Section 15061(b)(3) (there exists no possibility that the activity will have a significant adverse effect on the environment) of the CEQA Guidelines because this Ordinance will not cause a change in any of the physical conditions within the area affected by the Ordinance.

**Section 5. Certification and Effective Date.** The City Clerk of the City of Avalon shall certify the passage and adoption of this Ordinance and shall cause the same, or a summary thereof, to be published and/or posted in the manner required by law. This Ordinance shall take effect thirty (30) days after its adoption.

**INTRODUCED** at a regular meeting of the City Council of the City of Avalon on the \_\_\_\_ day of \_\_\_\_\_, 2015, by the following vote:

AYES:  
NAYS:  
ABSENT:  
ABSTAIN:

**PASSED, APPROVED AND ADOPTED** at a regular meeting of the City Council of the City of Avalon on this \_\_\_\_ day of \_\_\_\_\_, 2015, by the following vote:

AYES:  
NAYS:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
Ann H. Marshall, Mayor

**ATTEST:**

\_\_\_\_\_  
Denise A. Radde, City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Scott Campbell, City Attorney  
Best Best & Krieger, LLP

**CITY OF AVALON CITY COUNCIL**

**MEETING DATE:** June 2, 2015

**AGENDA ITEM:** 11

**ORIGINATING DEP:** Administration

**CITY MANAGER:** BA

**PREPARED BY:** Denise Radde, Chief Administrative Officer/City Clerk

**SUBJECT:** Item of Discussion Regarding Amendments to the Avalon Municipal Code Regulating Street Performers

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**RECOMMENDED ACTION:** Discuss and determine whether to provide direction to City staff.

**REPORT SUMMARY:** At the request of Mayor Marshall, a discussion regarding amendments to the Avalon Municipal Code regulating street performers has been brought before the City Council. In addition to reviewing the history of the modifications to the code, a discussion regarding the proposal to potentially modify the existing ordinance, with particular attention to the restriction of amplified music, should ensue. To facilitate and focus the discussion, attached are the staff reports and actions covering the chronological events of the Street Performers ordinance from its inception.

**FISCAL IMPACTS:** None.

**GOAL ALIGNMENT:** To Enhance Recreational Opportunities.

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:** The current version of the ordinance will remain in place.

**FOLLOW UP ACTION:** Implement City Council direction.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** Pursuant to the Brown Act.

**ATTACHMENTS:** Staff reports and Council Actions for:

- February 17, 2009
- March 3, 2009
- March 17, 2009
- March 6, 2012
- May 1, 2012
- May 15, 2012