City of Hermosa Beach

City Hall
1315 Valley Drive
Hermosa Beach, CA
90254

Adjourned Meeting Agenda - Final

City Council

Mayor
Stacey Armato

Mayor Pro Tem
Mary Campbell

Councilmembers
Hany S. Fangary
Justin Massey
Jeff Duclos

Wednesday, May 22, 2019 **6:00 PM** **Council Chambers**

Study Session:
Fiscal Year 2019-20 Budget
Location:

All council meetings are open to the public. PLEASE ATTEND.

The Council receives a packet with detailed information and recommendations on nearly every agenda item. City Council agenda packets are available for your review on the City's website located at www.hermosabch.org. Complete agenda packets are also available for public inspection in the City Clerk's office.

During the meeting, a packet is also available in the Council Chambers foyer or you can access the packet at our website, www.hermosabch.org, on your laptop, tablet or smartphone through the wireless signal available in the City Council chambers - Network ID: CHB-Guest, Password: chbguest

To comply with the Americans with Disabilities Act of 1990, Assistive Listening Devices (ALD) will be available for check out at the meeting. If you require special assistance to participate in this meeting, you must call or submit your request in writing to the Office of the City Clerk at (310) 318-0203 at least 48 hours prior to the meeting.

Oral and Written Communication

Persons who wish to have written materials included in the agenda packet at the time the agenda is published on the City's website must submit the written materials to the City Manager's office by email (anny@hermosabch.org) or in person by noon of the Tuesday, one week before the meeting date.

Written materials pertaining to matters listed on the posted agenda received after the agenda has been posted will be added as supplemental materials under the relevant agenda item on the City's website at the same time as they are distributed to the City Council by email. Supplemental materials may be submitted via eComment (instructions below) or emailed to anny@hermosabch.org. Supplemental materials must be received before 4:00 p.m. on the date of the meeting to ensure Council and staff have the ability to review materials prior to the meeting. Supplemental materials submitted after 4:00 p.m. on the date of the meeting or submitted during the meeting will be posted online the next day.

Submit Supplemental eComments in three easy steps:

Note: Your comments will become part of the official meeting record. You must provide your full name, but please do not provide any other personal information (i.e. phone numbers, addresses, etc) that you do not want to be published.

1. Go to the Agendas/Minutes/Video webpage and find the meeting you'd like to submit comments on. Click on the eComment button for your selected meeting.
2. Find the agenda item for which you would like to provide a comment. You can select a specific agenda item/project or provide general comments under the Oral/Written Communications item.
3. Sign in to your SpeakUp Hermosa Account or as a guest, enter your comment in the field provided, provide your name, and if applicable, attach files before submitting your comment.

Public Participation Speaker Cards:

If you wish to speak during Public Participation, please fill out a speaker card at the meeting. The purpose of the speaker card is to streamline and better organize our public comment process to ensure names of speakers are correctly recorded in the minutes and where appropriate, to provide contact information for staff follow-up.

6:00 P.M. – BUDGET STUDY SESSION

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

ANNOUNCEMENTS

PUBLIC PARTICIPATION:

1a. OPENING REMARKS (City Manager Suja Lowenthal)

1b. OVERVIEW OF BUDGET:

19-0317

- Overview of Budget
- How the Budget is Balanced
- Revenue
- Appropriations
- Highlights
- Capital Improvement Plan
- Five-Year Forecast
- Questions/Comments from Councilmembers

PUBLIC PARTICIPATION

ADJOURNMENT

FUTURE MEETINGS AND CITY HOLIDAYS

CITY COUNCIL MEETINGS:
May 28, 2019 - Tuesday - 6:00 PM - Closed Session,
7:00 PM - City Council Meeting
June 5, 2019 - Wednesday - Adjourned Regular Meeting:
6:00 PM - Study Session
June 11, 2019 - Tuesday - 6:00 PM - Closed Session,
7:00 PM - City Council Meeting
June 25, 2019 - Tuesday - No Meeting (Lack of Quorum)
July 9, 2019 - Tuesday - 6:00 PM - Closed Session,
7:00 PM - City Council Meeting
July 18, 2019 - Thursday - Adjourned Regular Meeting:
6:00 PM - Joint Meeting with All Boards and Commissions
July 23, 2019 - Tuesday - 6:00 PM - Closed Session,
7:00 PM - City Council Meeting
August 13, 2019 - Tuesday - No Meeting (Dark)
August 27, 2019 - Tuesday - 6:00 PM - Closed Session,
7:00 PM - City Council Meeting
September 4, 2019 - Wednesday - Adjourned Regular Meeting:
6:00 PM - Study Session
September 10, 2019 - Tuesday - 6:00 PM - Closed Session,
7:00 PM - City Council Meeting
September 24, 2019 - Tuesday - 6:00 PM - Closed Session,
7:00 PM - City Council Meeting
October 2, 2019 - Wednesday - Adjourned Regular Meeting:
6:00 PM - Study Session
October 8, 2019 - Tuesday - No Meeting (Re-scheduled to Oct. 10)
October 10, 2019 - Thursday - Adjourned Regular Meeting:
6:00 PM - Closed Session and 7:00 PM - City Council Meeting
October 22, 2019 - Tuesday - 6:00 PM - Closed Session,
7:00 PM - City Council Meeting
November 6, 2019 - Wednesday - Adjourned Regular Meeting:
6:00 PM - Study Session
November 12, 2019 - Tuesday - 6:00 PM - Closed Session,
7:00 PM - City Council Meeting
November 18, 2019 - Monday - Adjourned Regular Meeting:
6:00 PM - Closed Session and 7:00 PM - City Council Meeting
November 21, 2019 - Thursday - Adjourned Regular Meeting:
6:00 PM - Mayor Rotation
November 26, 2019 - Tuesday - No Meeting (Re-scheduled to Nov. 18)
December 4, 2019 - Wednesday - Adjourned Regular Meeting:
6:00 PM - Study Session
December 10, 2019 - Tuesday - No Meeting (Re-scheduled to Dec. 12)
December 12, 2019 - Thursday - Adjourned Regular Meeting:
6:00 PM - Closed Session and 7:00 PM - City Council Meeting
December 24, 2019 - Tuesday - No Meeting (Dark)

BOARDS, COMMISSIONS AND COMMITTEE MEETINGS:
June 4, 2019 - Tuesday - 7:00 PM - Parks and Recreation Advisory Commission Meeting
June 18, 2019 - Tuesday - 7:00 PM - Planning Commission Meeting
July 2, 2019 - Tuesday - 7:00 PM - Parks and Recreation Advisory Commission Meeting
July 8, 2019 - Monday - 7:00 PM - Emergency Preparedness Advisory Commission Meeting
July 16, 2019 - Tuesday - 7:00 PM - Planning Commission Meeting
July 17, 2019 - Wednesday - 7:00 PM - Public Works Commission Meeting
August 6, 2019 - Tuesday - 7:00 PM - Parks and Recreation Advisory Commission Meeting
August 20, 2019 - Tuesday - 7:00 PM - Planning Commission Meeting
September 3, 2019 - Tuesday - 7:00 PM - Parks and Recreation Advisory Commission Meeting
September 9, 2019 - Monday - 7:00 PM - Emergency Preparedness Advisory Commission Meeting
September 17, 2019 - Tuesday - 7:00 PM - Planning Commission Meeting
September 18, 2019 - Wednesday - 7:00 PM - Public Works Commission Meeting
October 1, 2019 - Tuesday - 7:00 PM - Parks and Recreation Advisory Commission Meeting
October 15, 2019 - Tuesday - 7:00 PM - Planning Commission Meeting
November 4, 2019 - Monday - 7:00 PM - Emergency Preparedness Advisory Commission Meeting
November 5, 2019 - Tuesday - 7:00 PM - Parks and Recreation Advisory Commission Meeting
November 19, 2019 - Tuesday - 7:00 PM - Planning Commission Meeting
November 20, 2019 - Wednesday - 7:00 PM - Public Works Commission Meeting
December 3, 2019 - Tuesday - 7:00 PM - Parks and Recreation Advisory Commission Meeting
December 9, 2019 - Tuesday - 7:00 PM - Planning Commission Meeting

CITY OFFICES CLOSED FRIDAY-SUNDAY AND ON THE FOLLOWING DAYS:
May 27, 2019 - Monday - Memorial Day
July 4, 2019 - Thursday - Independence Day
September 2, 2019 - Monday - Labor Day
November 11, 2019 - Monday - Veteran's Day
November 28, 2019 - Thursday, Thanksgiving Day
December 25, 2019 - Wednesday - Christmas Day
January 1, 2020 - Wednesday - New Year's Day (2020)

Staff Report

Staff Report

19-0317

Honorable Mayor and Members of the Hermosa Beach City Council
Budget Study Session of May 22, 2019

- **Overview of Budget**
- **How the Budget is Balanced**
- **Revenue**
- **Appropriations**
- **Highlights**
- **Capital Improvement Plan**
- **Five-Year Forecast**
- **Questions/Comments from Councilmembers**

From: Maureen Hunt <president@hbchamber.net>
Sent: Thursday, May 16, 2019 2:08 PM
To: Suja Lowenthal <suja@hermosabch.org>
Subject: Letter for Council Meeting

Hello Suja,

I am resending the letter submitted at the last Council meeting, for your reference as discussed at the meeting last week regarding Lighting downtown.

As you know, Lighting across the streets or around the palm trees are a very important item requested by the downtown businesses.

In addition, they have also requested looking into replacing the old sign located at Pier and PCH.

Thank you for your consideration.

Maureen Hunt
President / CEO
Hermosa Beach Chamber of Commerce and Visitors Bureau
1007 Hermosa Avenue
Hermosa Beach, CA 90254
(310) 376-0951 Fax (310) 798-2594
www.hbchamber.net

HERMOSA BEACH
CHAMBER OF COMMERCE
AND VISITORS BUREAU

April 30, 2019

TO: Hermosa Beach City Council

Dear City Councilmembers,

An integral part of every City's downtown revitalization plan should be to enhance the physical appearance of the downtown area, so it is an appealing and attractive place to do business, live and visit.

A visually appealing community increases property value, attracts businesses and improves the image of the neighborhood.

We know the City already works hard every day to maintain the clean, pedestrian-friendly streets and sidewalks. We would like to suggest something to compliment these efforts.

As you work on your plan for Capital Improvements in Hermosa Beach, we hope you will consider adding additional lighting, particularly string lighting, across the streets of Hermosa Avenue and Pier Avenue. Not only does lighting help prevent crime, downtown business district lighting also helps create a pleasant environment.

The Hermosa Beach Chamber of Commerce would like to compliment you on the wonderful improvements made to Hermosa Avenue. We look forward to additional improvements made in the City.

Thank you,

Maureen Hunt

Maureen Hunt
President / CEO

1007 Hermosa Avenue
Hermosa Beach, CA 90254
tel 310.376.0951
fax 310.798.2594
website:
www.hbchamber.net

City Manager's office and City Clerk: Please include this Supplemental under Item-1-b of the 6-PM, May 22, 2019, adjourned-Regular City Council 2019-2020 Budget Study Meeting. Thank You.

May 19, 2019

To: Hermosa Beach City Council (Stacey Armato, Mary Campbell Collins, Hany Fangary, Justin Massey, Jeff Duclos), City Clerk, and City Manager.

From: Howard Longacre, Hermosa Beach Resident.

Re: The Hermosa Beach Chamber of Commerce's supplemental re: "the old sign" aka "The City Marquee" at Pier Avenue and Pacific Coast Highway (PCH), and the Hermosa Beach Chamber's never-ending "over-reach". Each time the City Council gives in to the Chamber, as they recently did contractually, they immediately come back wanting more, and more.

Honorable Councilmembers and others:

The comments herein by me are given freely, and they are entirely my views and opinions on all that I've stated.

The Hermosa Beach Chamber of Commerce's paid employee, its hired "President/CEO", Maureen Hunt, has apparently been directed by Pier Plaza business operators, i.e., perhaps actually one or more Chamber directors who perhaps run the Chamber, to once again hustle the Hermosa Beach City Council to install, for the Chamber's benefit, a degrading-to-the-City, large (10 to 20 foot) advertising Jumbotron video TV display at the city's prime gateway corner of Pier Avenue and Pacific Coast Highway.

Important Note: Prior City Councils already, via public hearings, determined that neither that corner location, nor a location further South along PCH, near the McDonald's, was safe or wise, and instead approved a low-profile, electronic-text-message-only display at the entry to the Community Center where residents and others could view text messages of civic and school-district interest.

But somehow behind-the-scenes wheeling and dealing by those few in city who want the trashy, advertising Jumbotron, evidently killed and buried that proper approval, and then outrageously got the Council to move the then deceased benefactor's 'Surf Legends Fountain' gift to the city, (before it was built) down from its originally accepted Pier & PCH corner location the benefactor intended, to the theatre entrance, such that the corner could obviously remain available for the trashy

advertising Jumbotron. That's the kind of filthy, rotten, disgusting garbage that goes on endlessly in Hermosa Beach behind the scenes by small-minded, self-aggrandizing, and of course, very-important individuals, i.e., the small-town players who never, never give up using this town as a doormat to wipe their "feet", pad their wallets, and walk around with their inflated egos, i.e. God's gift to Hermosa Beach, so they may believe.

Ms. Hunt (clearly not the problem) in doing her job, on behalf of a few Chamber individuals, wrote in her letter, as submitted for this year's budget appropriations study session, the following: (note the sentence I've circled in RED).

Sent: Thursday, May 16, 2019 2:08 PM
To: Suja Lowenthal <suja@hermosabch.org>
Subject: Letter for Council Meeting

Hello Suja,

I am resending the letter submitted at the last Council meeting, for your reference as discussed at the meeting last week regarding Lighting downtown.

As you know, Lighting across the streets or around the palm trees are a very important item requested by the downtown businesses.

In addition, they have also requested looking into replacing the old sign located at Pier and PCH.

Thank you for your consideration.

Maureen Hunt
President / CEO
Hermosa Beach Chamber of Commerce and Visitors Bureau

Ms. Hunt indicates that the Pier Plaza businesses or individuals (unnamed as they are) have an interest in replacing **'the old sign'** at Pier and PCH. Why did Ms. Hunt not say 'the City Marquee'? And does she mean they want to replace the sign with a beautiful tree like the one that mysteriously was cut down a few years back at that location, under the guise that it was sick? But I kind of doubt that she means replace the Marquee with a beautiful tree.

Someone(s) at the Chamber seem to prefer to use denigrating 'code-language' when referring to the City's Marquee which the City unfortunately seems to be purposely – very poorly-maintaining, even though the City just spent a fortune painting the Community Center itself. Is the City, on the Chamber's behalf, purposefully playing the old political game

of "creating blight" by letting the Marque deteriorate cosmetically to justify an agenda to replace the City Marquee with a trashy, advertising Jumbotron?

Has anyone thought of improving the City by simply removing the Marquee entirely? It's been a hazardous-distraction for PCH traffic for years. Virtually no one in city reads the stuff placed on the sign. It's been an unneeded blight for years, regardless of condition.

Wasted energy for years, wasted staff time to maintain for years, and an electronic video Jumbotron will utilize even more wasted staff time sitting behind computer-desks, photo-shopping and creating glitzy messages and videos, and other crapola to advertise all the stuff that goes on in the downtown bars district, and virtually every weekend with the promoted-events at the beach.

Trash-trash-trash the City in the name of token additional greed for small-minded, self-aggrandizing, ego-maniac mental-midgets. That certainly seems to be the agenda of those who probably could not care less about the 20-thousand men, women, and children residents of this city, residents who really don't want or need the Chamber to trash their town more than the Chamber already does for itself.

Year after year (for over thirty years now) the Chamber never, absolutely never, gives up on their beyond ignorant, brainless, self-serving idea to further trash-Hermosa-Beach with a two or three sided advertising Jumbo-Tron at the city's prime gateway corner of Pier and PCH.

A year or more ago the Chamber offered the City perhaps $50,000 toward such a Jumbotron, but of course that "donation" would undoubtedly require a contract and strings attached by the Chamber. Not a dime, that I'm aware of, has yet ever been actually "given" by the Chamber of that "donation" to the City.

And of course that would be a drop in the bucket of what such a Jumbotron would actually cost, all things considered, including costs to maintain for the Chamber's de facto advertising. Plus it's incalculable the degradation to Hermosa Beach residential property values such garbage represents. Who is it that wants that advertising trash to further blight PCH more than it is already?

There would probably be a truck servicing the thing every month, not to mention the electricity all day long, and the staff time working on the displays endlessly. It would easily cost $50 thousand a year to fully maintain, and the initial cost will probably be significantly over $50 thousand dollars for this trashy idea. And what other local city has such a

Jumbotron at their prime gateway corner? And who will take responsibility for the first schoolchild killed or maimed crossing at that corner by a cell-phone talking, Jumbotron distracted, drunk, drugged, or other driver as a result of the Las Vegas-izing of Hermosa's Pier & PCH gateway corner for the Chamber?

You can review some of my prior letters on this subject that I and also others have submitted over the last thirty years. A few of mine are attached below this message.

This Chamber push to further de facto trash the City of Hermosa Beach has been going on since the late 1980s. Can you believe it? They never give up their blind-desire to trash Hermosa Beach. The egregiously self-serving Hermosa Chamber of Commerce is always over-reaching for more and more. They never have enough. The Chamber just got the City's once-again spineless City Council to agree to continue their two massive street swap meets that inundate this town with a 100 thousand transients on the two most important book-end summer weekends, Memorial Day and Labor Day. One or none is more than enough.

Seldom do I hear a good word for this Hermosa Chamber when people talk in private, off the record. Sure they have gotten the non-profits of the City to work in their booze garden on city property and then after these non-profits' volunteers do the hard work to earn some money for their charity, the Chamber takes up expensive time of City Council meetings to make it appear that the Chamber is giving these non-profits a gift. It's so sleazy and so incredibly self-serving what the Chamber does to protect their swap meets by using the City's non-profits. They now depend on the non-profits to support their having of the twice-yearly, and now essentially 4-day weekend swap meets.

Were the council to put on the ballot a question, "Do you want one, two, or no Chamber takeovers of the Beach area on Memorial and Labor Day weekends?", what do you think the vote would be? Or even just one takeover of perhaps on a late fall weekend.

What is really dishonorable to the maximum of course is the way the Chamber totally disgraces the meaning of the Memorial Day weekend for their greedy money-making. Memorial Day weekend is to honor those who gave their lives in wars. Not for the Chamber to use the city streets and gutters for their need for greed.

So now the Chamber is this time referring to the City Marquee as, **"the old sign"**. The only thing that's really old about the Marquee is the time that it has even needlessly been there and of course the

Chamber's old need to further self-aggrandize itself at the City's expense.

And, the only thing needed at the Pier and PCH corner in the first place is perhaps a beautiful, traditional, city monument saying "Welcome To Hermosa Beach".

Back in the late 1980s when the Chamber wanted the City to put up an earlier version of a nuisance electric message-only sign having mechanical letters (which would have lasted a few months in the salt air) they didn't get their way, thanks to the City Council of the time with Sheldon, Simpson, Rosenberger, Williams, and Creighton.

Shortly thereafter that time, the Chamber indicated they'd like to pay for maintenance of the Marquee which at the time they had claimed was ready to fall down. Clearly it's still standing some 30 years later. So the City accepted the Chamber's offer, but of course the Chamber required a written contract, and that's why their name is on the sign to apparently fool the residents into believing that the Chamber is some part of the City Government. It is not. It's a self-serving business lobby and in many city-folks view, it's a lobby that lobby's for #1, i.e., itself, and seldom does much for but a handful of businesses, mostly Plaza area bars. I can't recall the number of Pacific Coast Highway and other businesses in town that have mentioned to me over the years of how they have to tolerate the Chamber to keep them off their backs and bothering their businesses.

The City Council should remove the Chamber's name from the City Marquee since the Chamber is no longer paying the City to maintain the Marquee in good condition and hasn't for years that I know of. The Marquee does need some cosmetic sheet metal work and also its sun-yellowed translucent panels to be replaced. And then a repainting to match the Community Center's new colors.

And the Marquee should have a simple non-changing message placed on it saying "Welcome to Hermosa Beach / Have A Nice Visit". Nothing more, given the Internet and all the social media stuff available to advertise all the high-impact crapola of the downtown area.

And the Marquee most-certainly doesn't need to be illuminated at night. Zero energy is all it needs. Not a new expensive-to-maintain, trashy Jumbotron or other flashing device gobbling up electricity all day long. It's really a shame that the late benefactor's gift of the 'Surf Legend's Fountain' after his death was moved so cavalierly to where few really see it now. Perhaps that benefactor might come back to haunt those that caused that to happen.

Shame on the small-minded, self-centered, egotistical individuals who seem to place themselves above all else in Hermosa Beach.

But yes, do replace the Marquee with a beautiful tree and perhaps a small tasteful stone monument welcoming people to Hermosa Beach. That's a good idea if that's what Ms. Hunt is talking about in her brief letter on behalf of those unnamed who directed her to submit the letter.

Attachments follow, which also may have attachements:

Supplemental Letter to the Hermosa Beach Planning Commission meeting of January 20, 2009.

Delivered: January 19, 2009

To: Hermosa Beach Planning Commission

With CC: City Councilmembers

From: Howard Longacre, a Hermosa Beach resident

Re: Resident input to the public hearing against the proposed text amendment detailed in the following box.

> **Public Hearing**
>
> **11. TEXT 08-7 -- Text Amendment to define and allow electronic message display signs in open space zones, and adoption of an Environmental Negative Declaration.**
>
> **Staff Recommended Action: To recommend approval of subject Text Amendment and adoption of an Environmental Negative Declaration and Mitigation Monitoring Plan.**
>
> **Staff Report**

Honorable Planning Commissioners and others:

Just because there is a text amendment before you does not mean you have to approve any aspect of it.

I urge the Planning Commission to not recommend approval to the City Council of this proposed text amendment to the municipal code.

The City Council, as you all should be aware, has essentially already backdoor-approved and awarded a contract to an advertising company that Councilmember Michael DiVirgilio somehow got slipped onto the front-end presentation section of two council agendas, for a tacky "high definition" 10-foot video display for the city's central gateway at the corner of Pier Avenue and Pacific Coast Highway.

Notwithstanding incorrect comments by the council's contracted, non-elected city attorney Michael Jenkins, the council in fact awarded by voted motion a contract to this company "to work with staff to implement the sign" in violation of the Brown -open meeting- Act and without any opportunity for citizen comment, nor with prior review by the Public Works Commission, Planning Commission, or the Parks and Recreation Commission (except perhaps behind the scenes with those having an interest in same) and without any opportunity for other firms to make a submittal for this tacky device which is to be costing the people some $100 thousand dollars plus likely ongoing thousands in maintenance and staff time per year. The Council has not reversed or revoked the vote on that motion.

This device is not to be just for digital messages, but will have the capability to display full motion video and is essentially a television display. It will be a distracting traffic hazard at this most busy intersection and thus a serious hazard to pedestrians (there is a school crosswalk at that corner). This television display sign is clearly desired by city staff and the council for the purpose of selling advertising to event operators within and perhaps outside the city. One person injured or killed by this distraction will invalidate a lifetime of any perceived value such degrading city installation will bring. This is a tacky, disgusting idea for the city's central gateway and is just another attempt to trash the quality of life, environment, and appearance of Hermosa Beach, and further contribute to the Hollywood-Las Vegas-izing of the city. It's garbage and everyone knows it.

This digital display could also present a horrible distracting visual blight for many residents who have a view of that intersection from their home's windows and balconies.

It will waste electricity and is not "green".

In the event that any such sign is to be considered or to be permitted (and with worded message only, no television imaging of any kind), there should be a requirement that a full-size silhouette mockup be erected showing the display in its actual size and location for thirty days prior to a required and standard-noticed public hearing in the Planning Commission. There should be a low height specified. There should be very limited wording permitted. There should be no flashing, changing, text causing people to stare at such device from a car so as to read additional information. The Community Resources department has been putting up far too much text on the present perfectly-adequate marquee which could cause an accident presently.

Attached is an important article from the L.A. Times regarding a state moratorium law on such digital signs and billboards that are popping up everywhere, and which are turning our living environment incrementally into a commercial advertising cesspool.

Such tacky outdoor advertising garbage once approved and then promoted for city use on the city's open space will then be demanded by commercial business interests also. The city should not be setting such an idiotic example by encouraging such trash in this tiny 1.3 square mile city no matter what other cities may tolerate in their city at even non-central locations. I see no example of a city putting up such cheap thrills at their central gateway as this expensive ad-hoc project having had no architectural or other consideration allowed.

I urge you to deny this text amendment recommendation and at the minimum postpone any decision until the state has made a decision on AB-109 (see attachment-1). The City Council is clearly out of control and not thinking clearly. The upcoming council election should be an interesting one ensuring at least two new councilmembers.

I note that once again your commission is also being put at the end of the loop as it was for the recently approved wine store (8th Street and PCH) that the council pre-approved with a letter having been delivered to the ABC indicating a public convenience and necessity when the ABC had stated the city is over-saturated in all respects with alcohol licenses. And that again was done in a quiet little 3-day agenda item with no noticing to the public whatever. Another de facto violation of the Brown -open meeting- Act while the contracted-city-attorney Michael Jenkins sat by and said nothing.

Attached also are two printed letters from submittals I recently made to the *Easy Reader* and *Beach Reporter* on the subject of this completely unneeded trashy video marquee that the city council has already back-door approved. Your commission is now being requested to approve the code to make their approval legitimate. Avoid doing that. Let the council change the code on their own and let them go on the record for approving such change to the code and for this tacky garbage. There is no need whatever for this device nor this code change. The present marquee works fine although the Community Resources Department is as noted placing far too much information on it and changing those messages too often. The present marquee itself has become a trashy device in the manner it's being used by city staff.

Please for the community's welfare and beauty, deny making the recommendation.

------Attachments follow------

Attachment-1: Copy of *Los Angeles Times* Story regarding a state moratorium on such digital message signs and billboards that are trashing the environment.

Los Angeles Times
"http://www.latimes.com/news/local/la-me-billboards10-2009jan10,0,2040849.story"

California lawmakers propose moratorium on digital billboards
A group of legislators from Los Angeles pushes for a two-year halt to allow time to determine whether the electronic messages distract drivers.

By Patrick McGreevy

January 10, 2009

Reporting from Sacramento — Electronic billboards have been sprouting up all over California, flashing digital ads for SUVs and soft drinks and, some say, creating a dangerous distraction for drivers.

Alarmed at the proliferation of the signs, a group of state lawmakers from Los Angeles on Friday proposed a two-year moratorium on electronic billboards in the state.

The proposal comes a month after L.A. adopted a three-month ban on all billboards and follows a decision by the Federal Highway Administration to launch a multimillion-dollar study to determine whether the changing electronic messages pose a road hazard.

"We should not be erecting more digital billboards until we know whether they are safe," said Assemblyman Mike Feuer (D-Los Angeles), who has written state legislation seeking the moratorium.

The coalition behind the measure includes Democratic Assemblymen Felipe Fuentes of Sylmar and Bob Blumenfield of Woodland Hills, and environmental groups such as Scenic America.

"This is an important step for California to take," said Kevin Fry, president of Scenic America. "It is a prudent and responsible approach to a contentious issue."

The billboard industry and some of Feuer's colleagues are preparing to fight the moratorium proposal. Some lawmakers say that limiting the ability of businesses to market their products when the state is in a recession makes no sense.

"The last thing we need to be doing in this economy is putting up roadblocks to potential investment," said state Sen. George Runner (R-Lancaster). "We need to give people tools to help stimulate the economy, not take them away."

Runner has supported a pending review by Caltrans of whether the state should allow electronic ads to be shown on 674 Amber Alert signs along freeways as a way to raise money for maintaining roads. The senator said he would consider legislation to allow the program if it were feasible and proposed with reasonable restrictions.

Feuer's bill would block the conversion of Amber Alert signs for commercial use during the moratorium and prevent the erection of new digital signs. Violators would be fined $3,500 per day.

"The scientific evidence that exists does not support an effort to ban them," said Jeff Golimowski, a spokesman for the Outdoor Advertising Assn. of America.

California is one of 39 states that allow digital billboards, he said.

Fuentes said the two-year pause would allow state transportation officials to thoroughly consider reports expected during the next year on digital billboards and traffic safety.

The biggest study, by the Federal Highway Administration, is expected to be completed by the end of this year and will use devices measuring eye movement to see how long motorists take their vision off the road when spotting electronic billboards with changing messages, according to Doug Hecox, an agency spokesman.

"The study is intended to find out if these new technology signs do cause any kind of problem," Hecox said.

A separate review of dozens of existing research projects is expected to be released in the next month by the National Cooperative Highway Research Program and is expected to show that some data do raise safety concerns.

"The jury is still out, but there are many people who raise questions about the safety," said Jerry Wachtel, the principal investigator on the project.

Attachment-2: Letter printed in the *Easy Reader* 12/11/2008.

Light on free sign

Dear ER:

This whole Hermosa Beach Community Center marquee "free," giving back to the community by Ryder Communications has, in my view, the city participating in a scam. What Ryder is giving for free is next to nothing compared to what they will receive in publicity, and who knows what else monetarily from a city expenditure likely to exceed $100,000.
There's no doubt that Ryder would like to point to this marquee, which the city's people will be stuck paying to maintain it's expensive electronics, as an example of its work. These video displays are being hustled to government agencies across the country. Electronic flashing, outside advertising blight nationwide is what these costly signs amount to. Many are even being sold to churches. There's one in Harbor City that blinds you at night when you drive by it.

Hermosa does not need a big visible maintenance nightmare blight on that corner. Council members pushing this idiot box display will be blamed for it when they next run for council, should it get built, especially if it is paid for with money taken from basic infrastructure needs, such as street paving.

Howard Longacre
Hermosa Beach

Hermosa Beach Planning Commission meeting of February 17, 2009.

Delivered: February 16, 2009

To: Hermosa Beach Planning Commission

cc: City Councilmembers, City Manager, Community Development Director, Public Works Director, Community Resources Director, City Attorney

From: Howard Longacre, a Hermosa Beach resident

Re: Resident testimony; 1) Pointing out (for the record) the inherent danger to school children and pedestrians of locating a video sign on the Community Center City Gateway corner at Pier Avenue and Pacific Coast Highway (PCH); and 2) Alternative suggestions and other comments for this continued Public Hearing regarding the proposed Video-Sign/Billboard at said location.

Ref: Prior communication from Howard Longacre to Planning Commission Item-11,

of 1-20-2009 PC Meeting, regarding state moratorium bill AB-107, and this resident's absolute opposition to the placement of a Video-Sign/Billboard at Pier Avenue and Pacific Coast Highway.

Public Hearing Item-9 wording on the 2-17-2009 Planning Commission Agenda states;

> **Public Hearing**
>
> **9. TEXT 08-7 -- Text Amendment to define and allow electronic message display signs in open space zones, and adoption of an Environmental Negative Declaration (continued from January 20, 2009 meeting).**
>
> **Staff Recommended Action: To recommend approval of the Text Amendment allowing electronic message display signs in the open space zone limited to the Community/Civic Center, and adoption of an Environmental Mitigated Negative Declaration.**
>
> **Staff Report**
> **1-20-09 Staff Report**

Honorable Planning Commissioners and others:

Public notice does not really describe what you are being asked to change:

Please note in the box above that the advertised public notice, both in the Easy Reader, and on the agenda face, makes no mention whatever that this is really to permit video TV signs, not merely an "electronic message" sign. More lack of transparency as from the outset when the proposal was first back-doored through the city council. The advertising company described it as a high definition display. It's also been compared to that of the Redondo Theatre video sign located at the old Aviation High School site.

Regarding this Video Billboard matter:

Thanks go to commissioners Hoffman and Pizer for at least trying to understand the implications of this TV screen and opening the dialog at the last meeting instead of just seemingly being willing to rubber-stamp this device to placate the downtown or Community Center insiders, or because they didn't take the time to read and understand that this is to be a TV screen, not a simple electronic text device to display a few words. Nonetheless, this whole idea needs much more careful thought.

Again I remind the commission that just because there is a text amendment before you to change the city's municipal code, it does not mean you have to recommend approval of any aspect of it to the City Council. As commissioners you are supposed to think freely on your

own, not just delete/modify a few things in a staff suggestion and then approve whatever is put before you to make it look like you did something.

This ridiculous video sign idea will in fact be legitimized by any recommendation approvals the commission makes. The present code does not really need any amending at the present time. There is absolutely no compelling need or requirement for this electronic video advertising garbage on the city's limited open space.

This is government at its worse, the process to date. Don't be a part of it. Council's cavalier action to place this totally wasteful ad-hoc project into motion has already unnecessarily wasted thousands of dollars of city staff time. This is supposedly a so-called gift (I call it a hustle) from an advertising company that is not paying for the staff's time, the cost of installation, or the ongoing maintenance costs, nor the degradation to this tiny city's environment. You on the commission should be speaking up and stating the same thing and send this back to the city council with the simple question, "What is wrong with you people"?

I urge the Planning Commission to not recommend approval to the City Council of the proposed text amendments to the municipal code but instead offer the council alternative suggestions only.

I have reviewed the proposed (revised) Resolution before you in the staff report. Clearly this Resolution is written, as so much stuff in this city is, with many obvious ambiguities such that it may be interpreted virtually any which way city staff, the council, or others may later so desire. The Resolution also clearly indicates that this is in fact to be a video device, not merely an electric text message or time-and-temperature board, and unquestionably permits it to be an advertising device.

The Resolution and staff report(s) should avoid using words such as "digital", "LED", etc. It's a video advertising device and there are many technologies for large outdoor video advertising devices. The words "digital" and "LED" appear to be used to lead one to believe this is nothing more than some kind of electric text message device. It clearly is not. Let's be very clear that this is not an electronic text-only device such as used at some gas service stations to indicate gasoline prices or a small electric message sign as in front of the Redondo or El Segundo high schools. And you all do know that the Resolution before you can easily be changed at any time, and probably will be, with a quick Public Hearing and three votes of the city council. This to change the use or method of operation of this video sign once such degrading, unnecessary, costly device is up and running, and the residents have come to accept that such cheap glitz trash is a part of that location at the city's central gateway corner.

At this time it is important to emphasize on the record again, that by the city's placing of a video sign at the location of Pier Avenue and Pacific Coast Highway, it is in fact being done very obviously for the purpose of attracting the attention of the tens of thousands of daily drivers along Pacific Coast Highway, and not so much the attention of local residents. And by this video sign being for the purpose of blaring out image advertisements (and again let's

not fool anyone, this is about blatant advertising), whether changing every 8 seconds or not, there will clearly be a distraction to motorists at this busy intersection.

As such, the Commission needs to understand that school children and others utilize the yellow-striped north/south, and east/west school cross-walks at that location. Adding this video billboard sign is unquestionably to be adding an additional level of danger to these crosswalks by distracting the attention of tens of thousands of drivers per day from their driving. It will only be a matter of time before such distraction will result in a death or serious injury, either to another vehicle's occupants, or to a school child or other pedestrian utilizing the crosswalks at that intersection. Be sure you on the commission know and understand this simple fact.

Your approval of this video sign by recommending such changes to the city's municipal code will clearly be stating on the record, that you view having this unnecessary video blight and hazardous distraction at this location, as being more important than doing all possible to maintain and improve the safety of the school and pedestrian cross-walks at that prime corner location.

Further, has the city requested and received a written statement from Cal Trans stating that adding such distraction-nuisance to drivers using the state-owned highway is not a concern with them, so as to divert to Cal Trans any future lawsuit as resulting from the city knowingly increasing the hazard potential of the intersection to all concerned, or is the city to just be going ahead with this video sign addition and knowingly having the city assuming full liability for their unnecessary actions.

As public sworn officials of the city it would be appropriate for you on the commission to decline this text amendment as such. The city has no need for this nonsense. The city does not need to be blasting out distracting visual blight advertising to the drivers passing through our city. There's enough visual blight on the city's stretch of Pacific Coast Highway. Use common sense and do not lend your name to this rubbish proposal that was so deceitfully back-doored through the city council.

ALTERNATIVE SUGGESTION:

Following is perhaps a more appropriate/viable alternative/compromise solution.

Return this to the city council with some suggestions, rather than with a Resolution to change the city's ordinances at this time. You should be aware that the council at this point still has not had any kind of real open public discussion regarding the logic or need for a video sign of any size at that location nor even a discussion of any continued need for the present message board, nor a discussion of a better location for such message sign, nor even an explanation of how the council justifies spending such amount to build and maintain the device (the so-called gift from Ryder Communications) which the city manager alluded would initially cost some $100 thousand.

With regard to the proposed location of the video sign, Pier Avenue and PCH is unquestionably the wrong location for such a sign. The present sign itself is in the wrong location. First of all this is not a location viewable well by residents. It is mostly viewable only by the excessive through-city traffic on Pacific Coast Highway that Cal Trans, the South Bay Council of Governments (The SB-COG), and with the unwitting help of our own city council members, continually attempts to increase.

Some officials in city may believe that this is a good location to commercialize with a video sign. Is anyone in the city so dumb to believe this video sign is about anything other than commercialization and advertising? This is really not about advertising little league signups. This is about advertising shows at the Community Center, Chamber of Commerce high impact street events, downtown drinking and beach attraction events, attracting more thousands from outside the city to be inside the city, as if this 1.3 square mile city, (probably the densest 1.3 square miles in the state) does not have enough visitors. Who, by the way, goes out of their way to install a beacon to their pristine beach.

This video billboard is about building a little cottage industry where a Community Center staff member will eat up time playing with the graphics on this device all day, everyday. A good description for this is pure unadulterated government 'Unnecessary Crapola'. Nothing less. Note, this video billboard may not be as big as Lawndale's fiasco, however it will be a bright beacon to everyone whose name is on its approval. No question about it. Those who want this are going to own it. It will be their unquestioned legacy.

You all know and are well aware that the people of this city rarely attend city meetings until they get squeezed too much by city hall's neglect or ideas. You all should understand that the residents of this city really are fed up with a lot of the ad-hoc garbage that goes on in this city. And this video sign will just be a fancy sign to be advertising all that very ad-hoc garbage, will it not? It will again be a beacon reminding the public of the garbage games that are played in this city.

Perhaps, a more appropriate suggestion would be to consider placing a smaller electronic marquee sign directly by the front entry to the Community Center Theatre with its sign face oriented for view by Pier Avenue residents and traffic heading east and west on Pier Avenue. This would be a less obtrusive and more appropriate location. Also another alternate location would be in front of city hall itself, oriented for community text message display, to perhaps remind the people of upcoming city meetings or event signups, etc.

The Pier Avenue and Pacific Coast Highway corner location should be reserved for an appropriate gateway monument with the city's name on it perhaps incorporating the proposed surfing theme fountain (and by the way, for no particular or controversial surfer) and with appropriate architecture instead of the ridiculous video sign's design as proposed.

The idea of placing a tacky, advertising TV screen at the city's gateway to advertise the Chamber's Memorial and Labor 3-Day weekend downtown swap meets, or downtown drinking and related beach events, etc., is a despicable idea and those trying to bring such to fruition will again have their names prominently associated with this video display

nonsense. Further the very fact that the people of the city have not come out of the woodwork in opposition to this video blight idea does not mean they support it. It really means they have been so turned off by the way people have been treated at city meetings over the decades, with their testimony so often being totally ignored, whether written, or spoken, and with their knowing that most things in this town are from someone's essentially petty pre-ordained and self-aggrandizing agenda, that they tuned out years ago.

This video sign is a less than an intelligent idea. If people want to know what is going on in this town with respect to drinking, Chamber of Commerce impact events, or other high impact visitor intensification stuff, they know where to find the information. Such stuff is already well advertised in the free local papers, and with banners, posters and the like. This stuff does not need to be advertised further on our open space, especially at the city's prime gateway corner by polluting and cheapening the city's environment with energy-wasting video sign blight.

By the way, some are still wondering why the big Community Center pine tree that was so secretly removed (supposedly because of being sick), has not been replaced with a similar mature tree. Did someone want that tree out of there? Why hasn't a replacement been obtained and planted?

The Planning Commission would best send the city council a recommendation that no sign of any kind is to be at that location, and that means that the present sign should be torn down as the blighted, useless, unneeded, driver-distracting, ugly device that it itself is.

Note: In the table of video devices in the staff report(s), notice that Manhattan Beach has none. El Segundo has only a minor text-only device in front of the High School where they announce only a few things from time to time, and it is turned off at night. They have none other such electronic signs that I am aware, elsewhere on their city property.

For the community's welfare and beauty, please do not put your good names on the approval of such an additional and unnecessary hazard to school children, pedestrians, and drivers themselves by approving anything to be allowing a video billboard sign, of any size, at Pier and Pacific Coast Highway. Recommend instead that the council have removed the present distracting sign blight.

This is unneeded garbage as I stated in my last communication. Hermosa Beach does not need to be the garbage capital of the South Bay. Deny making the staff recommendations and instead suggest alternatives such as those mentioned above and send no Resolution to the city council.

Let the City Council deal with it and put their good names on adding video blight at the city's gateway. Please be assured, they will rightfully receive full credit from the community for their decision to do that, as all politicians should when they make such incredibly dumb decisions.

Thank you for taking the time to read this brief book and for your work on the commission. And I do regret that I did not have the time to reduce the size of this submittal. Fortunately the time required for you to consider it should be significantly less than the time required to prepare and submit it.

Attachment-3: Letter printed in *The Beach Reporter* 12/11/2008.

Doesn't like the sign

Eric Michael Stitt's Dec. 4 reporting neglected important information regarding the Hermosa City Council's directive to install a large outside (class 10-foot size) high-definition video advertising display at Pier Avenue and Pacific Coast Highway.

Council's official 72-hour posted agenda stated that Ryder Communications would make a presentation at the meeting. It didn't say regarding what. This was at the top of the agenda before the public is permitted to comment on anything.

The council during that presentation improperly made motions and took significant action directing, "that Ryder work with the city staff to implement the video sign." This after seeing only an unscaled computer rendering and with no discussion of the how, why, cost or alternatives, and with no member of the public permitted to comment. This was the second meeting on this video sign with no comment permitted and with significant motions and actions being made during a presentation item.

The city manager also stated he would shift $100,000 of the people's money from a cash fund to pay for this video billboard but that he had no cost estimates. The people will thus be paying for this nonsensical $100,000 video distraction, the so-called "gift" from Ryder.

At the last budget meeting, council members and the city manager stated there was no additional money for street paving or anything important while they attempted to stick a new tax of $300,000 per year on resident and business trash bills. Now $100,000 to add video sign blight?

Howard Longacre, Hermosa Beach

Beach Reporter Letters To Editor June 4, 2010

City doesn't need big sign

Two years ago an advertising company offered to "give back to the city" by providing a "free" TV Jumbotron sign, as it was hustled at the time, to replace what it referred to as Hermosa's "tired-looking" marquee sign at Pier Avenue and Pacific Coast Highway. This so-called "gift" was set up between Councilman Michael DiVirgilio, City Manager Stephen Burrell and this advertising company's principal evidently to get the city into using that corner as a large TV advertising venue. It was another scam to trash Hermosa Beach with "blasting" advertising on its prime gateway corner. After Burrell stated, "We can move $100,000 from the Tyco cable rent-receipts fund to pay for the sign," the sign got put "on hold."

Unfortunately Burrell is again pushing this dumb TV sign, this time in council's budget workshop May 27. Now Burrell is mentioning a cost of $120,000. He stated the excuse to spend that much is because it costs too much city staff time to occasionally change the messages manually. If that's really true, why didn't Burrell or anyone on council suggest that the city simply stop posting the needless messages? For example just display, "Welcome to Hermosa Beach," turn off the electricity to the sign, and use the savings to help staff police and fire, or pave the unbelievably deteriorated streets fronting more than 50 percent of the residences in the city? Every other South Bay city does quite well without an advertising TV JumboTron at their city's town center.

Howard Longacre, Hermosa Beach

December 1, 2008

To:
Hermosa Beach City Council, City Clerk, City Treasurer, City Manager, City Attorney, Community Development Director, Public Works Director, Community Resources Director
City of Hermosa Beach
1315 Valley Drive
Hermosa Beach, CA 90254

From:
Howard Longacre, a Hermosa Beach resident

Re:
#1- Unneeded and improperly approved city electronic video advertising marquee at the Community Center's corner of Pier Avenue and Pacific Coast Highway, with Brown Act violating action having been taken by the City Council at their November 25, 2008 regular council meeting.

Att:
Ref-A Marquee staff item of 11-25-2008 city council meeting

Ref-B Signs in Open Space text amendment - staff continuation item of 11-18-2008 Planning Commission meeting.

Honorable Mayor, Councilmembers, and others:

Re: #1- Unneeded / improperly approved city electronic video advertising sign marquee de facto contract.

With all due respect to Ryder Communications, I believe this whole Pier and PCH Community Center Marquee supposed "free" giving-back-to-the-community by Ryder is little more than the city participating in another ad-hoc setup scam, this time for Ryder. What Ryder is giving for free, in my view, is next to nothing as compared to what they already have and will be receiving in publicity and who knows what else monetarily from a city expenditure likely to exceed $100 thousand for this "free" project. It's not really charity by Ryder if they will be receiving something significant in return, and I believe they will be getting much in return, and perhaps already have in free publicity.

There's no doubt that Ryder would like to point to this marquee, which the city's people will be stuck paying for, and additionally will be stuck paying to maintain its expensive electronics and computer. And there's no doubt in my mind that Ryder would probably like to sell such a marquee to many other cities and perhaps using the same so-called "giving-back" type of "free" offer. These video displays are being hustled to government agencies across the country, many for athletic fields. Electronic flashing outside advertising blight nationwide is what these costly signs amount to. Many are even being sold to churches. There's one in Harbor City that blinds you at night when you drive by it. Advertising blight nationwide and on the Interstates is becoming a significant nuisance. This video display will obviously be expensive to maintain especially with Hermosa's corrosive salt air environment.

In my view the city council is participating in little more than an advertising hustle. The city absolutely does not need a big visible maintenance nightmare blight on that corner, and all unthinking councilmembers pushing this idiot box display will be blamed for it when they run for council next should it get built and especially if it is paid for with money directly or indirectly taken from basic infrastructure needs such as street paving.

Last September Ryder was given special privilege to give an advertising presentation pitch at the beginning of a council meeting. No member of the public was given anything but a 72 hour notice that the city had essentially given this outfit keys to the city on the basis of a so-called "free design" to replace as Ryder claimed, "the tired" sign there now. It's not clear to me what part of their offer is really free. By the way after Ryder was given their special extended time to hustle their sign idea, former Mayor George Barks was treated like dirt by the Mayor and City Attorney when he spoke a few seconds beyond the council dictatorship's three-minute rule. He was speaking against the ridiculous idea of giving away parking on Pacific Coast Highway so more traffic could be hustled from Redondo Beach and Palos Verdes to the El Segundo corporate rental buildings, an idea that was incredibly dumb to even be considered by the city council.

It's been no secret that the Chamber of Commerce business lobby and the Community Center bunch have been looking for a way to get the city to stick in a video display or other electric sign on that corner, and for over two decades. Now it looks like the residents will again be paying for, it if not explicitly, certainly implicitly, and will then have to put up with such flashing, gaudy, trashy, visual nuisance thing on city property forever.

There is in fact nothing wrong with the present sign and if it is a problem by all means take it down. It's clean, simple, and doesn't require a rocket scientist to change a few letters. The best thing to do is simply remove it or stop putting up so much crowded text on it if the sign is a problem for Public Works Director Rick Morgan's staff to deal with. How did we put up with it for 40 years that it is now suddenly such a problem for the director?

The city does not need a costly marquee at that location in the first place. We have enough costly top management bureaucrats at the moment eating up all available discretionary cash. What city around here has a trashy "High-Definition" video sign for their central gateway? Lawndale on the freeway?

This is just another Hermosa Beach trashy idea being back-roomed into concrete without any careful thought or planning whatever, but of course keeping Hermosa Beach trashed seems to have been the purposeful agenda here for decades. Look at the way our beach is trashed with so many unnecessary giant advertising commercial event giveaways all summer. It didn't used to be that way until the councils of the last 14 years built this costly to the city, mammoth bar and cab district. The city council permits all those beach trash events obviously to keep the bars full of drinkers and the city impacted for the residents. If the council were to put any of those beach events on the ballot, they wouldn't get very much of it approved. Its mostly advertising trash that keeps the city run down and impacted. Now you on the city council evidently want to put such stuff at the corner of Pier and PCH and without any thought whatever as to the cost, negative effects, nor real need, and without even consulting with the town's people. Oh, that's right the town's people are not to have a say in such insider things are they and they best not ever go over that council 3 minute "rule".

The present marquee is to now be replaced with, as Ryder said clearly, a "High Definition" 8-foot or perhaps even larger video display. They didn't bring a single dimension for their sales-pitch presentation. It's in fact obviously going to be an obscene advertising vehicle for the community center staff to toy with for hours from its special little computer, setting up displays for it. It will cost much more in wasted staff time on its computer than changing the letters manually once a month. But of course City Manager Burrell has probably figured he can make some token money selling ads on the thing, forgetting the fact that it's going to be just more degradation for the whole community for any such token money to generate staff work. More wasted time on gaudy flashing trash for the city.

And if one pedestrian is killed or maimed while busy traffic at that corner is distracted viewing this "high definition" video screen nonsense, well, no big deal. No shortage of

people or cabs in Hermosa Beach. What's one dead or maimed kid or old fogy at that corner?

The fact is that Hermosa Beach does not need an expensive high-definition video television display at Pier and PCH. No question about it, the city does not need this. It's trash TV to be at the city's gateway, just like at home on the TV. High quality elite advertising trash TV stuff. High quality expensive unneeded trash TV to be more correct.

Unfortunately what is really obscene is the fact that this once again has already turned into a slimy back-room ad-hoc deal with Ryder getting the contract via this inside track first unfortunately setup by Councilmember DiVirgilio and with the city staff now just rolling the thing into existence while a lazy city council could evidently not care less. Staff management seems to love to play with such little projects rather than dealing with the mundane like paving the streets. And then Ryder must already be saying, "wow, we didn't realize how easy it is to wheel and deal such stuff in Hermosa Beach."

The question really has to be asked at some point though as to whether Ryder has/will or its partners have/will be giving any campaign donations or other gratuities to any councilmembers or staff in addition to their so-called "giving-back-to-the-community"? That's a pretty common thing for "communication" aka "advertising" companies to do, is it not? Marketing. The only thing Ryder is providing for free in my view is to give a single rendering that does not even look like something that belongs on that property or any property in town. Just my view for what it's worth.

Who is to be paying for the engineering? Where will that cost get hidden? Does Ryder currently have a city license? Already staff is eating up city time on this ad-hoc out of no-where nonsensical project. Would it not be better, if staff has free time on their hands, to instead be directed by the council to provide a coherent plan to pave and maintain all the city's residential streets that are in such "tired" condition? Where is the plan and timeline for paving each and every street?

Are the city streets not more important than a high-definition video sign at the corner of Pier and PCH? These residential streets are eighty plus years "tired" since they were last paved in the hill section. They are much more "tired" and needing of discretionary city money than a tacky high-definition gimmicky video display to distract and hype the bar district or other commercial impact to the PCH traffic flying by to Redondo Beach and Palos Verdes or the El Segundo corporate centers. Many things here are more needy for city money than replacing a marquee sign that is not even broken. Why is the council constantly screwing with ad-hoc costly projects and not dealing with important down to earth matters? This council is unquestionably lost and completely unfocused on what is important to the residents. It seems to just put in its time week after week on whatever comes up.

The rendering provided by Ryder could have been worked up with a photo-shop program by many a high school student in an hour or so on their home computer. Ryder communications is an advertising company. They are now using the city and in my view have already gotten four or more stories in the paper with their name prominently displayed.

They have had two opportunities to give a sales pitch at the beginning of a meeting with no public comment invited or even allowed, and in fact the city council in the last meeting took a Brown Act violating action by all but officially awarding a contract for over $100 thousand to Ryder communications and their partners. The council voted 5-0 on Councilmember Keegan's quick and dirty motion straight from Burrell's last minute added staff report, even though dated 11/20/2008 (see Ref-A below) to "…direct staff to work with Ryder Communications to implement the sign." It is very clear to me that this whole thing has already been worked up between the city manager, Ryder, and the City Council members. The meetings more and more appear to be just window dressing for what is already worked up in advance.

The council saw a single photo rendering and provided for no public comment. And what's worse, Burrell verbally, but not in the 24 hour provided "staff report" made one of his sly meeting comments, "we can take 100 thousand from the Tyco fund to pay for this, we don't have an estimate yet". This is the way the council approved the Pier Avenue lop-sided poor design fiasco they still are pushing forward. No alternatives. Just take it or leave it people, we know what is best. We are the council and the city manager. Everything worked up in advance.

So, talk about an absolutely outrageous ad-hoc spending project approved essentially with two sales-pitch "presentations" at the front of two council meetings. This is flat out despicable. The Hermosa city council has become 100% deceitful or just plain stupid-arrogant or both.

Then further the agenda that was posted at the police station and then on the Internet stated for the first 92 hours that Ryder Communications would make a presentation at this last meeting. Didn't say anything else, i.e. as to what kind of presentation, what it was for. No one would have guessed it was a presentation under "Presentations" to essentially be awarded a de facto contract to work with staff and implement a new high-definition video display which is to be paid for with the people's money. There was no staff report during those 92 hours when most people would review the agenda materials. It looked like a regular PR presentation as often made about i.e. going green. Of course this proposed sign is far from "green" in many respects. In fact on Sunday I wondered what they were going to talk about in this Ryder presentation. Never dreamed it was to approve the sign design and award them a de facto contract for a $100 thousand sign. I learned a day after the meeting that the agenda wording was changed and a staff report was added 24 hours before the meeting, this being accomplished on the Internet but no where else.

The matter needs to be completely re-agendized at least as a municipal matter and then the city council would best take no other action but to forward the entire matter to both the Public Works and Parks and Recreation commissions for their careful analysis as to what the city even wants up there at Pier and PCH and what the function and look of a new Marquee should be, and how it should relate to the architecture of the Community Center and Pier Avenue project.

Then and only then you should next invite a number of art design colleges in the area to submit ideas/designs for a Hermosa Beach marquee. They would probably love to participate. Ryder's one-shot design is a dismal failure with that video screen up in the air on that goofy skeleton structure. Looks ridiculous! Sorry, but awarding an advertising company anything at all, is like awarding the design of a chicken coop to a fox! I am not at all impressed, especially after viewing both "sales" pitches made by Ryder. Best not use any city money for this that could be shifted around or used to free up other money to pave not only our "tired", but failed residential streets. It is time the city council takes care of important infrastructure for the tax paying residents and stop frittering away hundreds of thousands for the benefit of insider city wants that councilmembers evidently think are keeping them elected. I've never seen such a bunch of wheeling-dealing small-time dysfunctional council people on Hermosa's city council as you people are.

You've already had an advertised hearing in the Planning Commission (nothing done) to change the city laws with respect to these video signs but it was continued (and with no re-advertising?) to the Planning Commission meeting in January. I note though that the way it was first advertised for that now-continued hearing, that the town's people would not have had a clue that it was about providing for all kinds of animated video and other displays that currently are banned in town. You would best make sure your Community Development Director re-advertises and specifies something more clear than he did for the public hearing that's been continued. Direct that a new Public Hearing notice be made for this hearing that spells out the item clearly. This continuation business on advertised public hearings of general community interest has long been an insidious trick by Hermosa government to eliminate public involvement by claiming to save a few pennies on re-advertising. It's been a disgrace for years, the processes used by this city's government with respect to public hearing notice and continuing matters up to three times, the grinding down and elimination of any public participation.

Everything seems to being railroaded through to give Ryder all the nuts and bolts needed to put their so-called "free" contribution into concrete. Free that is except for the residents having to pay the cost. Something that none of the reporters have yet to mention in their stories. Some people actually believe that this marquee is being fully donated by Ryder. It most certainly is not. In my view they are the ones to be profiting most.

Why was there just this one "design" presented?

Why does the public have no say in this matter?

Why is Burrell proposing to take from his "smoke and mirrors Tyco fund" $100 thousand for a sign when a few months ago he and the city council claimed the city has no extra money for anything? If there is $100 thousand available then it had best be used to pave the resident's streets. How many of you on council discussed in private with each other and/or Burrell, prior to the meeting, the taking of $100 thousand from the Tyco fund for this video sign. I doubt he would have just tossed that out at the meeting had not some or all of you talked to him in private about that first. He was clearly dropping that into the record so that in future meetings it could be stated we discussed the use of the Tyco money in a prior

meeting. Do you people all know the meaning of the word deceit? Is this the way all government works from the President down to the tiny councilmember?

Why does the city attorney say nothing when you do these things in meetings that clearly don't meet the requirements of the Brown Act? He sure was quick to go ballistic when Mr. Barks spoke a few seconds too long. It's more than sad the way council meetings are conducted. You wonder why so few participate. Guess what? There is a reason. Maybe that's what is desired by the council, city manager, and city attorney, that the public just pay their taxes, shut up, and stay away. By the way the agenda still says, "Please Attend". But it does not say. "Please Attend and Participate", as it should.

This item, after Ryder's September sales pitch, should have first been sent to the Public Works Commission and Parks and Recreation Commission for noticed public hearings to consider the need. You are talking about putting a giant video blight on that corner which could well be a nuisance hazard to traffic, a flashing light nuisance to residents, general advertising blight, a pedestrian hazard, and little more than an attractive nuisance in general, as well as an ongoing costly city maintenance and staffing item.

You've not even had a discussion of what exactly the purpose and use would be for this video sign. Is it advertising? To me it appears to be just more ad hoc waste of money the council does not have to waste. This clearly isn't a little marquee with some single color electric text as in front of El Segundo or Redondo High School, or the low-resolution image small-marquee over at the former Aviation High School. This as per what Ryder stated it's to be, is a (were you listening) "high definition" 8 foot or bigger display. Will Ryder be picking all the contractors that the city will be paying? Will his contractors thusly have the inside tract sort of like the "Cape Seal" street slurry company did?

Any such new marquee should do nothing more than the present sign does and it should not stand out like a big blinding soar thumb. It should present no more than a few brief easily read text messages. Nothing at all like this communication, except perhaps, "Hermosa Needs New Councilmembers". That might be good. There should be no hopping, jumping, or video commercial advertisements, cartoons, cutesy pictures, etc at that corner. This should not in any manner be an entertainment device such as those you see on the Sunset Strip or Hollywood Blvd.

It should be a much smaller, lower marquee with conservative ageless design character that ties into the design of the community center. What is proposed appears to just be another goofy piece of ad-hoc "art". Ad hoc junky art.

Again after proper discussion in the Public Works and Parks and Recreation Commissions I recommend that you send a letter to college art/architecture departments and let their students submit some designs. Give them the specifications as to what the sign's limited purpose is and how big it should be. Let them make their presentations. No specifications exist at the moment except those that the ad firm Ryder has created to perhaps fit their own "giving" agenda.

There is no rush for this unneeded ad-hoc advertising vehicle that Ryder communications will get a ton of free publicity from. If you view Ryder's presentation in your last meeting, it was again nothing more than a sales pitch. Didn't you see that? Again Ryder stated that our present school marquee looked "tired". That's just like the folks who said our Upper Pier Avenue looks "tired". It looks tired like Pier Avenue only because it's purposefully not being maintained. The council is permitting blight to occur so people can say it needs to be torn down and replaced. Created blight is a standard government trick, is it not, such that a hidden agenda can then be accomplished?

The only problem with the present sign is that it needs some paint and minor repair, and also the Community Resources Department needs to stop putting so much unreadable text on it.

The bottom line is that in the last meeting you clearly violated the Brown Act again. The public was not permitted or invited to talk at that point in the meeting yet you took action. The posted agenda was incomplete and did not mention the purpose of the presentation. It should have been a municipal item or even a public hearing item.

This has been a total setup scam for Ryder and its partners to perhaps take over signage for the community. I note they recently signed up El Segundo to put signage through their residential community from the main highways to route people through their residential to their quiet downtown. I guess El Segundo wants to destroy their downtown and impact their residential too. Too bad. In Ref-B below is the Planning Commission item as directed by the council from the September Council "presentation" when no one was able to speak on the matter and where no plan had even been considered of what the purpose or need of such change in ordinance and the ramifications of same would be.

Reference A - City Manager's staff item for Ryder Communications presentation item of the November 25, 2008 City Council Meeting. Although dated November 20, 2008, this was not made available until Monday, November 24, 2008. Two improper approvals were made on a presentation item, which on the posted agenda did not even mention what the presentation concerned. The Brown Act was violated in multiple manners.

November 20, 2008

Honorable Mayor and Members of
the Hermosa Beach City Council

Regular Meeting of
November 25, 2008

GATEWAY SIGN AT COMMUNITY CENTER

Recommendation:

1. That the City Council approve the design concept of the Messaging Gateway Sign; and,
2. That staff be directed to work with Ryder Communications Group in implementing the sign.

Background:

Ryder Communications Group (Julian Ryder and Andrew Frank) have developed a Messaging Gateway Sign that will replace the existing sign on the Community Center lawn.

Please review it and approve the concept and direct staff to work with them to implement the sign.

Respectfully submitted,

Stephen R. Burrell
City Manager

Reference B - Planning Commission item continuing matter to January Planning Commission meeting from meeting of November 18, 2008. Note that the agenda item did not reflect correctly the matter, namely that it was regarding electronic and animated signs which currently are prohibited. The item needs to be better defined and re-advertised prior to the next meeting on the matter.

9. **TEXT 08-7 -- Text amendment regarding signs in the Open Space zones and establishing requirements for community sign programs.**
Staff Recommended Action: To continue to the January 20, 2009 meeting

CITY OF HERMOSA BEACH
COMMUNITY DEVELOPMENT DEPARTMENT

MEMORANDUM

To: Planning Commission

From: Ken Robertson, Director

Date: November 11, 2008

Subject: TEXT 08-7 -- Text amendment regarding signs in the Open Space zones and establishing requirements for community sign programs: Continuation to January 20, 2009

This item involves a text amendment to allow new sign technologies in the Open Space zone as directed by the City Council on September 9, 2008. Text 08-7 is continued to January 20, 2009 to allow time for the public review process for an environmental negative declaration to be completed prior to Commission review.

2019-20 Budget Workshop

May 22, 2019

Agenda

- Opening Comments, City Manager
- Overview of the Budget
  - Overview of the Budget
  - How the Budget is Balanced
  - Revenue Summary
  - Appropriations Summary, including Personnel Changes
  - Highlights
  - Capital Improvement Plan
  - Five Year Forecast
  - Councilmembers Questions/Comments

Opening Comments
City Manager

Overview of 2019-20 Preliminary Budget

2019-20 Budget Snapshot

	General Fund	Overall Budget
Operating Budget	$39,197,229	$45,760,366
Capital Outlay	$426,472	$885,919
Capital Improvements- PY	$398,559	$12,653,963
Capital Improvements- CY	$0	$7,464,782
Total Appropriations	**$40,022,260**	**$66,765,030**

The General Fund represents **60%** of the overall budget.

2019-20 General Fund
How the Budget is Balanced

Revenue	$42,087,801
Transfers In	$606,283
Total Revenue	**$42,490,723**

Appropriations	$40,022,260
Recurring Transfers Out:	
Storm Water Fund Operations	$700,000
Debt Service Oil	$789,863
Lighting Fund	$175,932
Classifications of Fund Balance:	
Funding carried over from 18-19 CIPs	($398,559)
Contingencies (16% of Operating Budget)	$18,973
Unspecified Contingencies	$550,769
Reserve Funds for Fire Facility Payment	($277,559)
18-19 Reserve Funds for Capital Improvements (Transferred to Capital Improvement Fund)	$200,000
Reserve Funds for PERS Trust Contribution	$829,060
Change in Fund Balance Commitments	$79,984
Total Appropriations	**$42,490,723**

General Fund
Revenue Overview

Top Four Tax Revenue Sources	Amount	% Change	% of Total
Secured Property Tax	$15.1m	+ 4.5%	**37%**
Transient Occupancy Tax (TOT)	$3.3m	0%	**6%**
Sales Tax	$3.2m	0%	**6%**
Utility Users Tax (UUT)	$2.3m	0%	**4%**
Top Four Total	**$23.9m**		**53%**

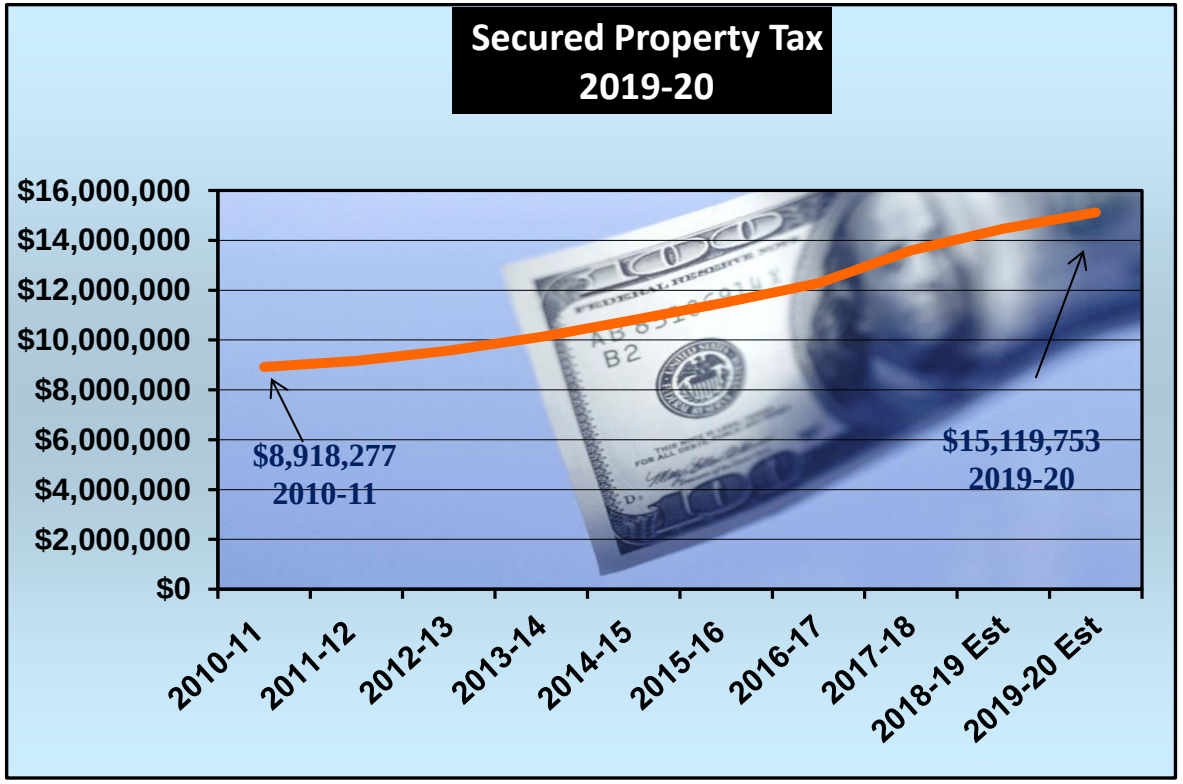
General Fund
Revenue Overview (Continued)

Revenue Sources	Amount	% Change	% of Total
Other Taxes	$6.1m	%	18%
Licenses/Permits	$1.2m	9%	3%
Fines/Forfeitures	$2.1m	<1%	5%
Use/Money and Property	$1.1m	13%	3%
Intergovt/State	$0.2m	12%	<1%
Service Charges	$7.4m	5%	18%
Other Revenue	$0.1m	-13%	0%
	$18.1m		47%
Total General Fund Revenue	**$42.1m**	**+3.6%**	

General Fund Revenue Overview

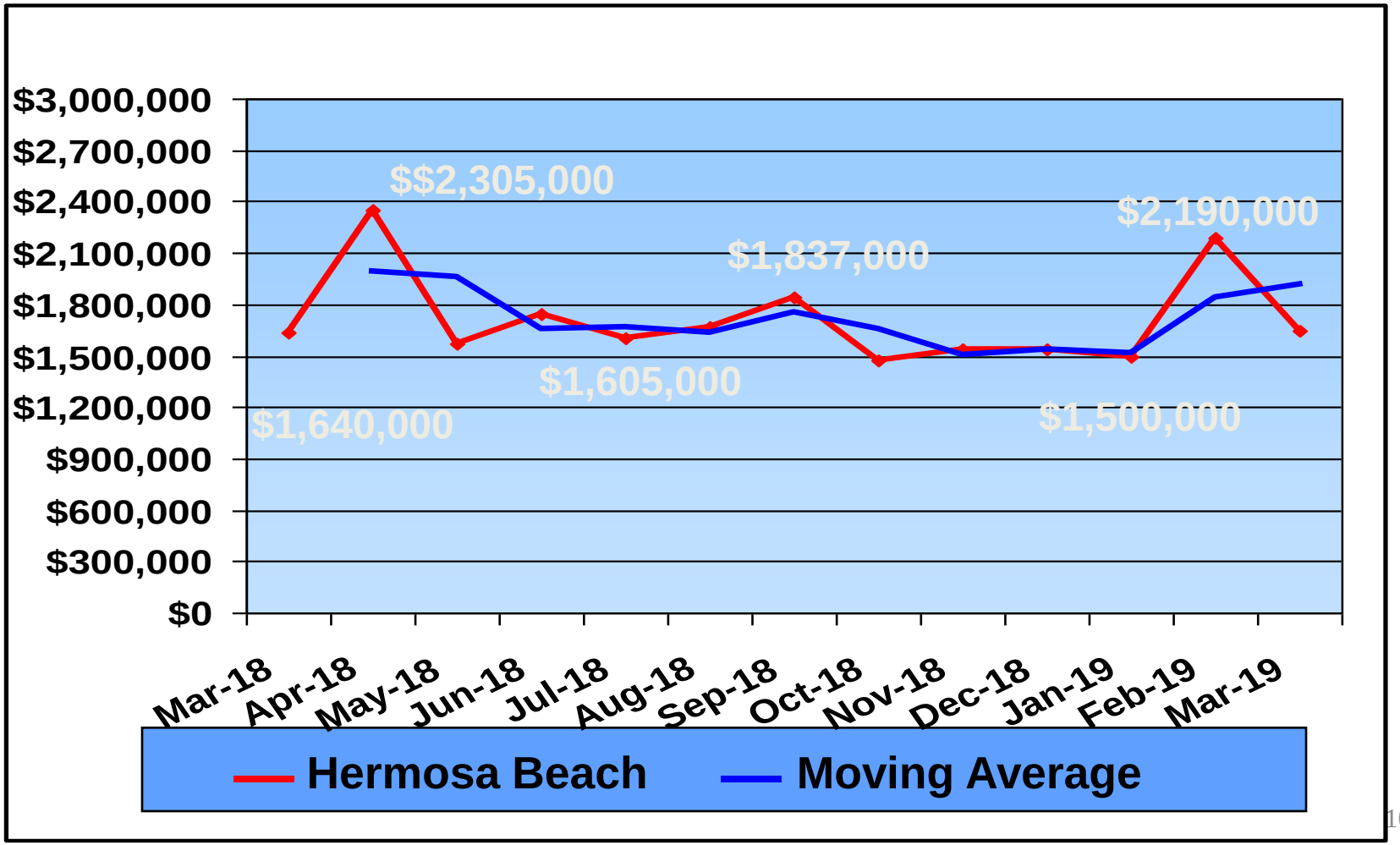
FY	Amount
2010-11	$8,918,277
2011-12	$9,159,137
2012-13	$9,568,603
2013-14	$10,128,092
2014-15	$10,809,315
2015-16	$11,510,006
2016-17	$12,282,442
2017-18	$13,587,043
2018-19	$14,471,432
2019-20	$15,119,753

Secured Property Tax



General Fund
Revenue Overview

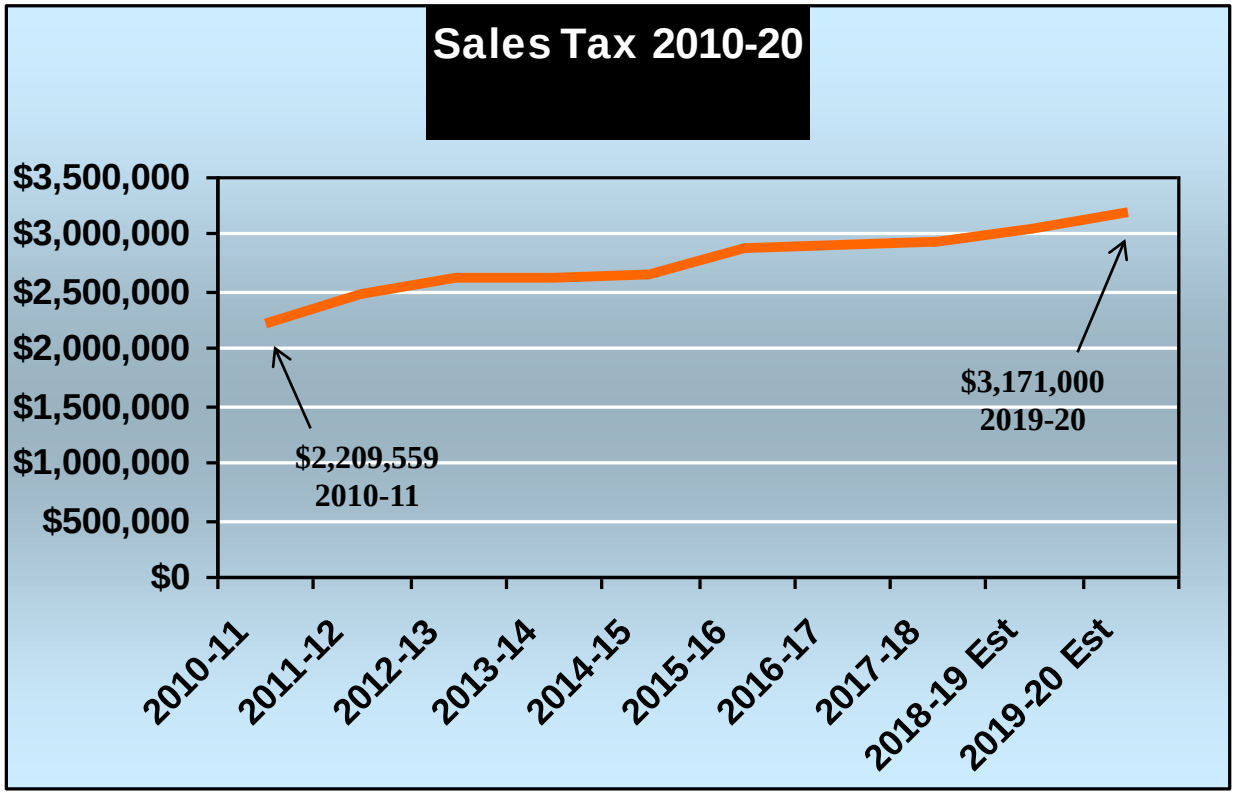
Hermosa Beach Median Home Prices



General Fund
Revenue Overview

FY	Amount
2010-11	$2,209,559
2011-12	$2,474,651
2012-13	$2,598,751
2013-14	$2,600,000
2014-15	$2,653,361
2015-16	$2,865,697
2016-17	$2,900,000
2017-18	$2,925,000
2018-19	$3,034,000
2019-20	$3,171,000

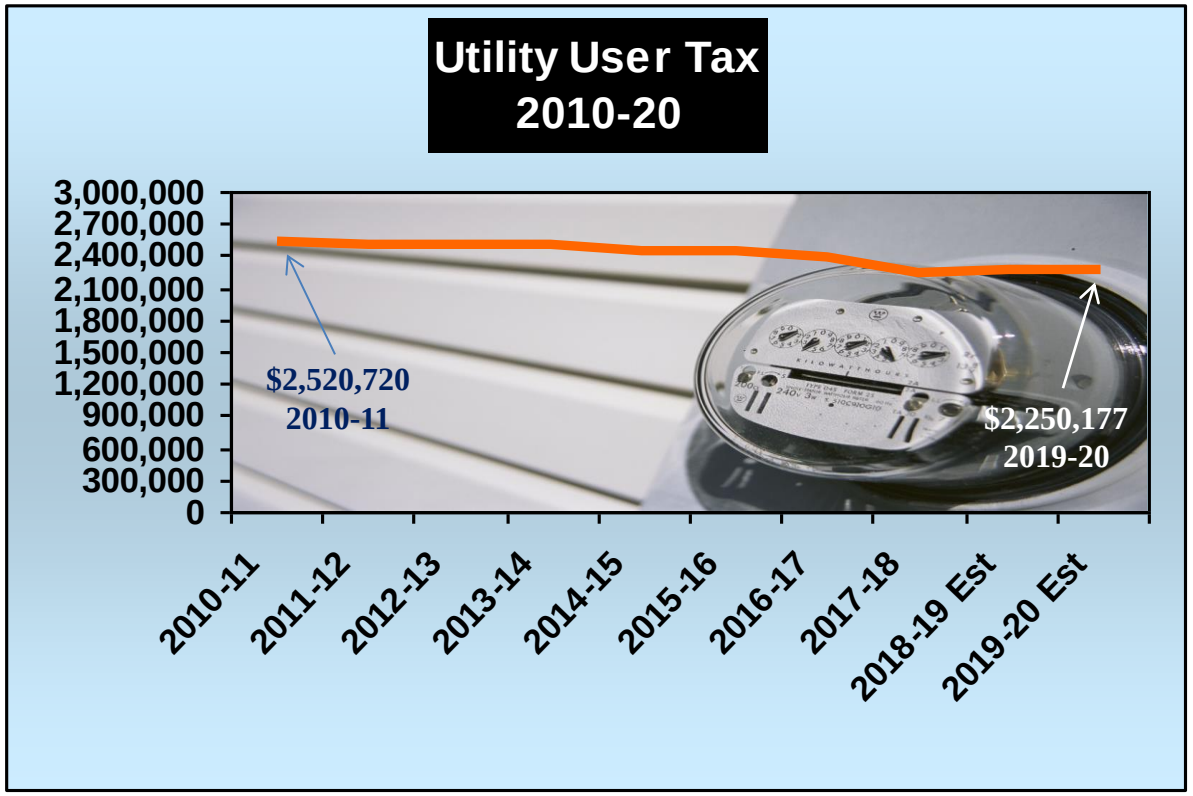
Sales Tax



General Fund
Revenue Overview

FY	Amount
2010-11	$2,520,720
2011-12	$2,495,895
2012-13	$2,503,265
2013-14	$2,500,000
2014-15	$2,443,000
2015-16	$2,455,484
2016-17	$2,375,579
2017-18	$2,229,906
2018-19	$2,250,177
2019-20	$2,250,177

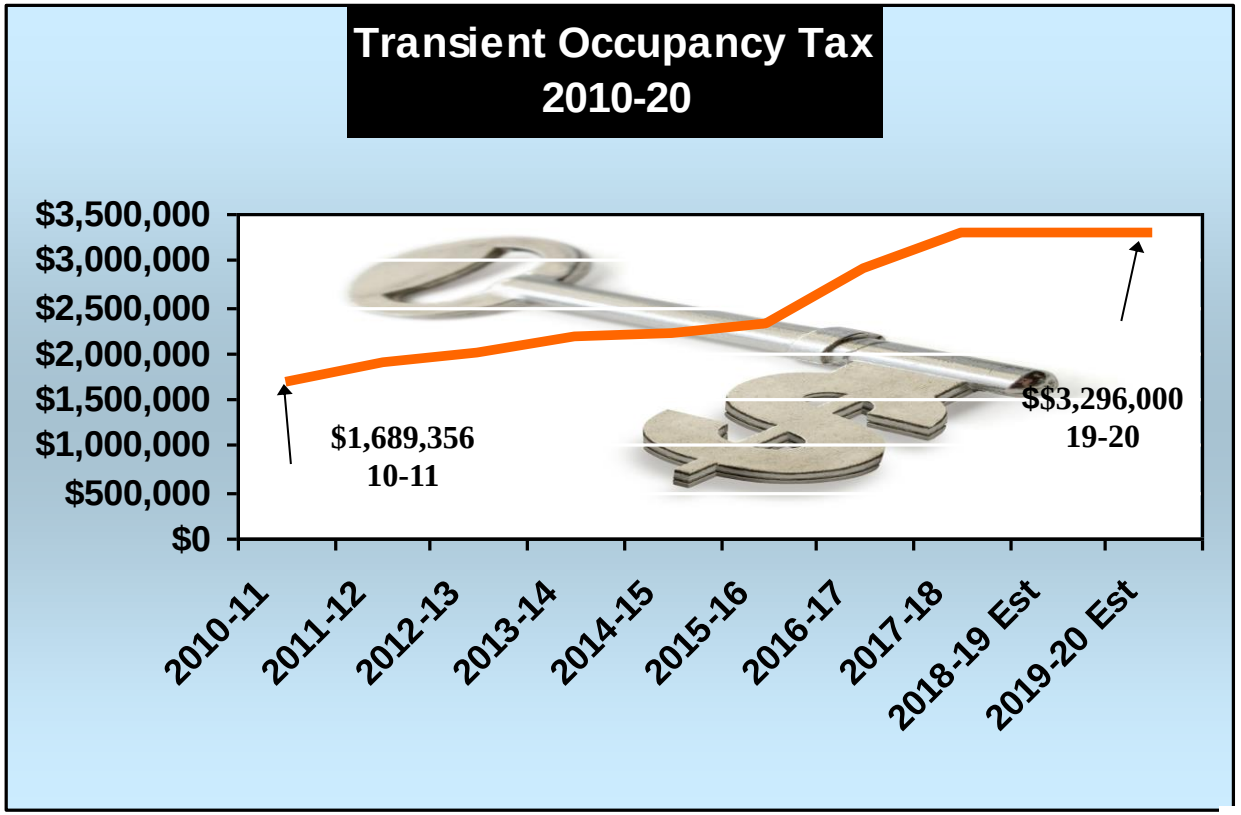
Utility Users Tax



General Fund
Revenue Overview

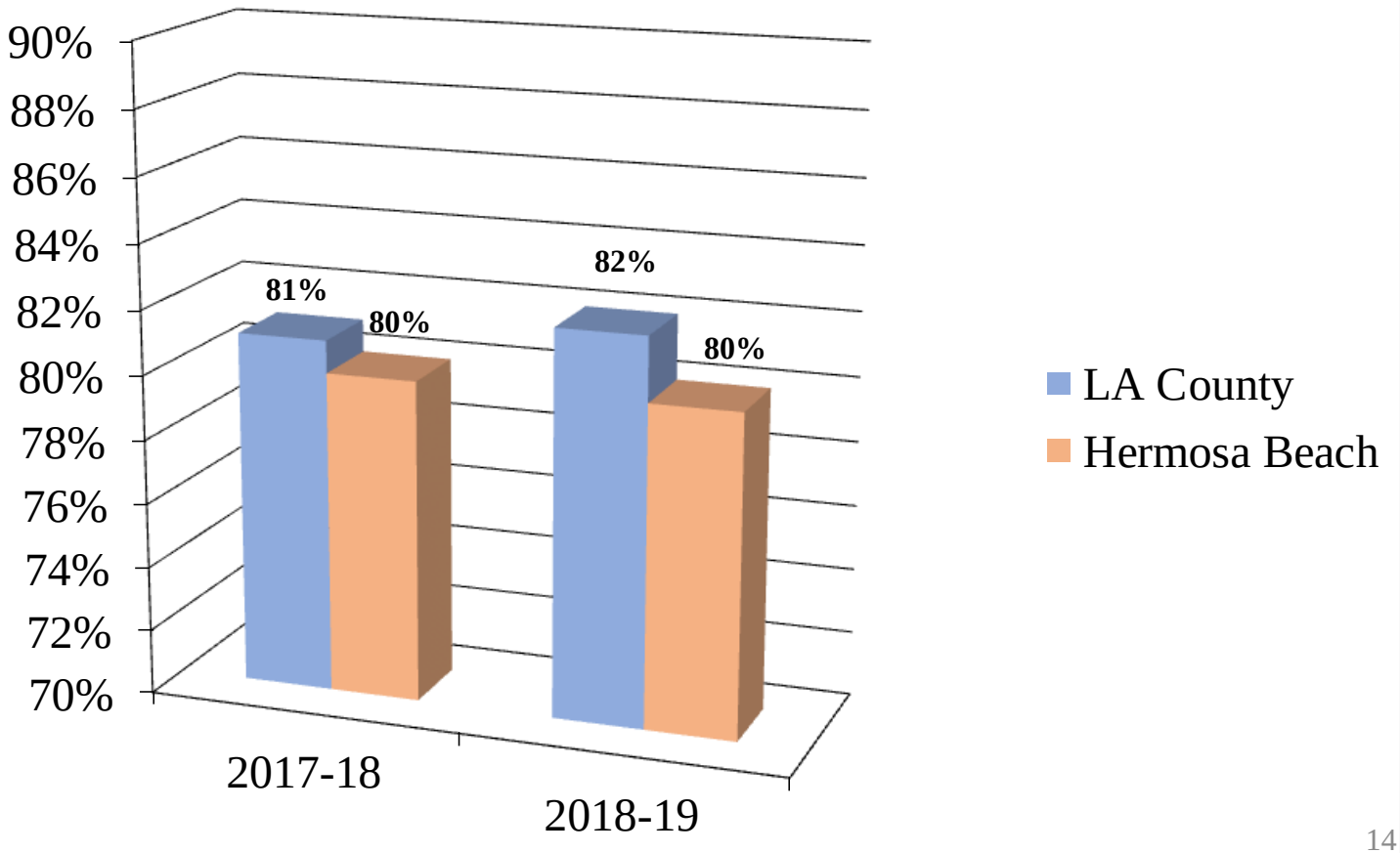
FY	Amount
2010-11	$1,689,356
2011-12	$1,884,020
2012-13	$1,996,173
2013-14	$2,154,315
2014-15	$2,204,420
2015-16	$2,295,470
2016-17	$2,920,369
2017-18	$3,295,207
2018-19	$3,296,000
2019-20	$3,296,000

Transient Occupancy Tax



General Fund
Revenue Overview

Hotel Occupancy Rates



General Fund Appropriations

Expenditures	% of Total
Full Time Salaries	33%
Part Time Salaries	1%
Retirement	12%
Benefits	6%
Retiree Heath (OPEB)	2%
Medicare	<1%
Salaries and Benefits Subtotal	**54%**

General Fund Appropriations (Continued)

Expenditures	% of Total
Contract Services- Private	12%
Contract Services- Government	17%
Supplies, Maintenance, Utilities	4%
Equipment Purchases	1%
Equip Replacement/Building Maintenance/Insurance Charges	10%
Building Improvements	1%
Capital Improvement (Prior Year Carryforward)	1%
	46%
Total General Fund Appropriations	**100%**

General Fund Appropriations (Continued)

Expenditures	% Change
Salaries	<1%
New Positions	3%
Retirement	-16%
Benefits	14%
Retiree Health Benefits (OPEB)	-62%
Salaries and Benefits	**-4%**

Appropriations Assumptions

- The only salary increases included are step increases for employees with < than 5 years service and position changes (upcoming slides).
- Employee benefits (Effective January 1)
  - +9% increase on health
  - +5% dental
  - +0% Vision/EAP
  - +1% Life, LTD
- Other Post Employment Benefits (OPEB) costs have decreased due to:
  - The transfer of fire services (previous actuarial calculations and payments included Fire employees)
  - Limits placed on benefits for new hires through the 2017-19 MOU's and Fire personnel who transitioned to the county in 2017.

Personnel Changes

New Full Time/Permanent:

- **Assistant City Manager- New Position (City Manager's Office)**
- **Assistant Engineer- Funded through the sale of surplus Proposition A funds (Public Works)**
- **Assistant Engineer- Funded with Sewer and non-General Fund CIP accounts.(Public Works)**
- **Police Service Officer (PSO)- New position Property/Evidence (Police Department)**

Eliminate Full Time/Permanent :

- **Secretary (Human Resources/General Appropriations)- Duties to be distributed to positions within the Human Resources and City Manager's Departments.**

Personnel Changes

Changes/Reclassifications Full Time/Permanent:

- **Environmental Programs Manager- Eliminate one Environmental Analyst position and replace with Environmental Programs Manager. (City Manager's Office)**
- **Reclassify Recreation Coordinator to Senior Recreation Supervisor (Community Resources)**
- **Reclassify Youth Coordinator to Recreation Coordinator (Community Resources)**
- **Reclassify Office Assistant to Recreation Coordinator (Community Resources)**
- **Reclassify Management Analyst to Administrative Assistant (Public Works)**

Personnel Changes

Changes/Reclassifications Full Time/Permanent:

- **Reclassify Office Assistant to Senior Office Assistant (Public Works)**
- **Reclassify two Maintenance I to Maintenance II (Public Works)**

New Part Time/Temporary:

- **Add Public Works Intern (Public Works)**

Other Personnel Changes:

- **Convert the elected City Clerk position to an appointed position (assuming that the November ballot measure passes). (City Clerk)**

General Fund Appropriations

Expenditures	% Change
Contract Services	
Private	-1%
Capital Improvement Projects (CIP)	-45%
Government	14%
Materials/Supplies/Other	1%
Equipment Furniture	72%
Buildings/Improvements	100%
Total Appropriations	**-.7%[1]**

[1] Excluding Capital Improvements, the increase in total appropriations is -.2%.

Budget Highlights

- **Presentation of a Capital Improvement Plan for 2019-20 and Five Year Capital Improvement Program to identify the City's longer term infrastructure needs.**
  - **A total of $20.1 million is funded of which $7.5 is new funding.**
- **Funds of design and Phase I construction for the new City Yard are appropriated as a part of the 2019-20 Capital Improvement Plan.**
  - **$953,000 is reserved in the Capital Improvement Fund for the remaining construction and project contingency.**
- **Election costs are expected to increase from approximately $60,000 to $203,000 due to fewer agencies participating in the November 2019 election. The City will be transitioned to the even-numbered statewide election in 2022 and costs are anticipated to decrease to previous levels.**

Budget Highlights

- **Payments to L.A. County Fire for fire facility renovation and equipment conversions.**
  - **$363,672 is budgeted for facility payment numbers 7-18. Payments started January 2019 and costs are spread over 5 years. (General Fund)**
  - **$218,006 remains on reserve in the General Fund for future year's facility payments. (General Fund)**
  - **$43,062 is budgeted for fire equipment conversion payment numbers 19-30. Payments started in January 2018 and costs are spread over 5 years. (Fire Protection Fund)**
- **Four Police Department vehicles are recommended for replacement, two of which will be replaced with hybrid or electric vehicles. (Equipment Replacement Fund)**

Budget Highlights

- **$789,863 is transferred from the General Fund for debt service related to the oil settlement (2015 Lease Revenue Bonds). (General Fund/Lease Revenue Bond Fund)**

- **$150,000 is budgeted for the preparation of a Request for Proposal (RFP) for the Solid Waste Management Franchise. Reimbursement of this expense will be recovered in the contract with the winning bidder. (General Fund)**

- **RFP's have been issued for the annual financial audit and information technology services. Providers will be recommended to Council prior to budget adoption if possible.**
  - **If needed, additional funds will be transferred from Prospective Expenditures for the audit (General Fund) and appropriated from the Equipment Replacement Fund for IT services.**

Budget Highlights

- **$86,020 remains from funds set aside in 2017-18 for required radio upgrades as part of the South Bay Regional Public Communication Authority upgrade for dispatching. Project completion is anticipated in 2019-20. (Equipment Replacement Fund)**

- **Two new undersea cables are anticipated to be operational in 2019-20.**
  - **One-time payments of $264,000 and $253,000 will be received in the RTI Fund and $192,000 and $184,000 will be received in the RTI Tidelands Fund for cables 2 and 3, respectively.**
  - **Quarterly payments of $22,500 ($90,000 annually) will be received for the first cable. (RTI Fund)**

Budget Highlights

- **$50,000 for transportation planning and traffic engineering services related to school projects are budgeted. (General Fund)**
- **A new account for City Attorney Litigation services was set up at midyear in the General Fund. The account has been moved to the Insurance Fund since any settlements are typically paid from that Fund.**
- **100 new smart meters will be purchased to replace yellow posted meters. The exact locations for installation have not been determined; however the installation would focus on Hermosa Avenue and adjoining streets. Commercial areas already have smart meters in place. (Equipment Replacement Fund)**

Budget Highlights

- **Updating of the Zoning Ordinance, as part of the General Plan implementation will continue to be funded, along with new funding for the following:**
  - **Update of the Local California Environmental Quality Act (CEQA) Implementation Guides**
  - **Monitoring and reporting services for the Regional Housing Needs Assessment (RHNA) in preparation for the 2021 Housing Element updates.**

  Both are funded by General Plan Maintenance Fees. (General Fund)

- **Purchase of new Christmas decorations using a previous donation of $50,000 from the Chamber of Commerce. (General Fund)**

Budget Highlights

- **Update of the Emergency Operations Plan, which must be updated every three years, will be developed in coordination with the Continuity of Operations Plan. Operational supplies are funded (General Fund), along with a capital improvement project to make the Emergency Operations Center more functional. (Capital Improvement Fund)**

- **The following technology upgrades are budgeted:**
  - **Public Records Request Software, City Clerk's Office (General Fund)**
  - **Procurement Management Software, City Manager's Office (General Fund)**
  - **Applicant Tracking, Human Resources General Fund)**
  - **Budget Builder Software, Finance Department (General Fund)**
  - **Stationary Automatic Place Reader, Police Department (Asset Seizure/Forfeiture Fund)**

Budget Highlights

- All drinking fountains on the Greenbelt will be replaced. The fountains are over fifteen years old. (Gas Tax Fund)
- Solar powered speed sign and a message board/speed trailer and drone for the Police Department. (Supplemental Law Enforcement Services Fund and General Fund, respectively)
- $829,000 in retirement savings are set aside in the 2019-20 Budget to be placed in a retirement trust. Side fund accounts were created when the California Public Employees Retirement System (CalPERS) pooled small cities in 2003 and the City's unfunded pension liabilities were put into separate accounts, to be paid over 15 years. The second side fund paid off in 2018-19, which caused the City's retirement rates to go down in 2019-20, thereby creating a savings. (General Fund)

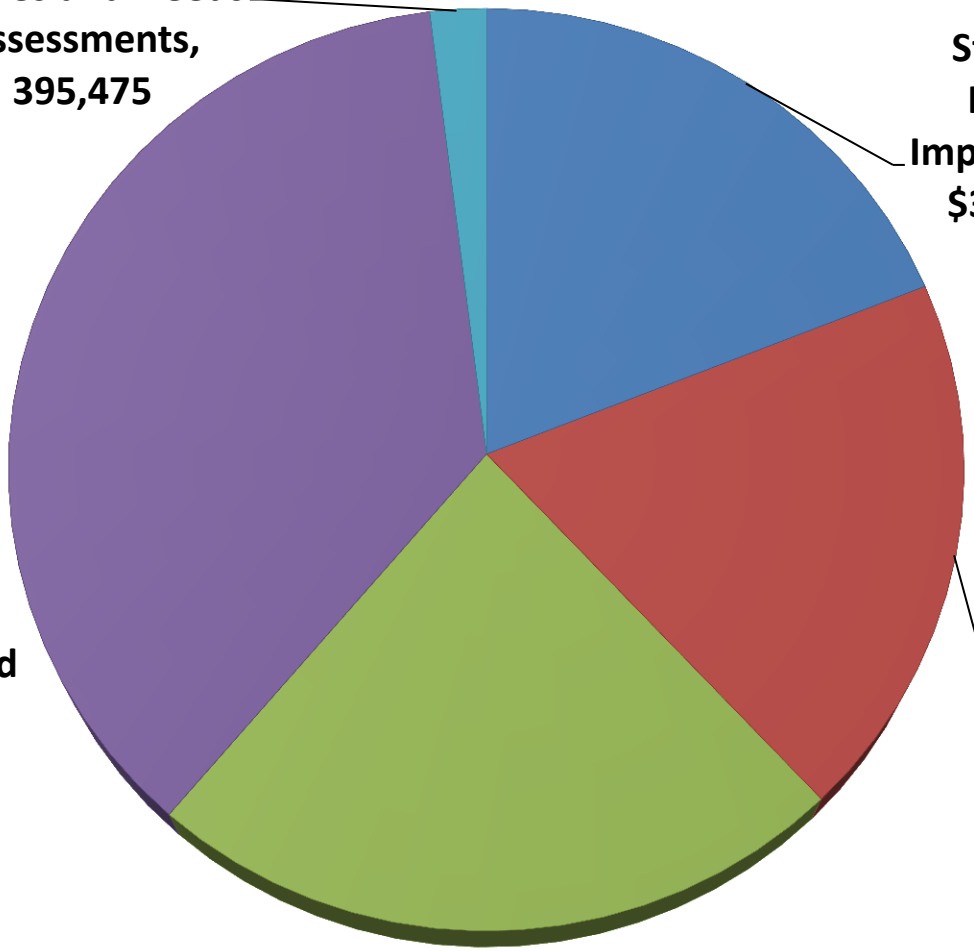
Budget Highlights

Unspent 2018-19 General Funds:

- **The estimated amount is $1.7 million.**
- **At 6/30/2019, the fund balance in the Insurance Fund is estimated at the $3 million goal, prior to the recording of year end claim liabilities.**
  - **If the balance is lower that the $3 million goal, it is recommended that funds left unspent in the General Fund at 6/30/19 be transferred to the Insurance Fund up to the goal amount.**
  - **If funds are still available after reaching the Insurance Fund goal, it is recommended that the remaining funds be split between the Capital Improvement Fund and the newly created Reserve for Capital Facilities.**

Capital Improvement Program

Capital Improvement Program



Total: $20,118,745

Capital Improvement Program

- **Updates from CIP Study Session**
  - **Hermosa Ave Greenwich Village Street Realignment Assessment was converted to a study.**
  - **Placed on Hold:**
    - **Citywide Parks Master Plan**
    - **Greenbelt Accessible Path Assessment**
    - **Clark Stadium Bleachers**
    - **Library Community Project Phase II Assessment- Friends of the Library relocation was added as part of the scope of this project. The only action at this time will be to continue to look at funding options.**

Capital Improvement Program

- **Updates from CIP Study Session**
  - **Additional Requests:**
    - **Look at Hermosa Avenue center median planter landscaping and if possible incorporate in downtown enhancements.**
    - **Look at crosswalk improvements in front of the Clark Building.**

Capital Improvement Program

- **Street & Highway Improvements- $3,820,648**
  - **Bus Stop Improvements (New)**
  - **PCH Mobility Improvement Project**
  - **PCH Traffic Improvements**
  - **Hermosa Avenue Green Street**
  - **8th Street Improvements**
  - **Street Improvements- Various Locations**
  - **Strand Bikeway and Walkway Improvements a 35th Street**
  - **Annual Street Improvements**

Capital Improvement Program

- **Sewer/Storm Drain Improvements- $3,830,000**
  - Sewer Improvements- Various Locations
  - Storm Drain Improvements- Various Locations
  - 16th Street Storm Drain Trash Capture Box (New)
  - Annual Sewer Improvements
  - Annual Storm Drain Improvements

Capital Improvement Program

- **Park Improvements- $4,663,313**
  - **Herondo Drain Stormwater/Urban Run-off Diversion Project (previously named Stormwater/Urban Run-off Diversion Project on Greenbelt)**
  - ***Clark Stadium Bleachers (On hold)***
  - **Fort Lots-Of-Fun Improvements**

Capital Improvement Program

- **Public Buildings and Ground Improvements- $7,409,309**
  - **Downtown Lighting Improvements (New)**
  - **Downtown Strategic Plan Implementation**
  - **New Corporate Yard Facilities**
  - **Municipal Pier Structural Assessment and Repairs**
  - **City Park Restrooms and Renovation**
  - **City Chamber Audiovisual Improvements**
  - **Parking Lot D (previously named Electric Vehicle and Bicycle Transportation Infrastructure Expansion)**
  - **Emergency Operations Center Renovations**

Capital Improvement Program

- **Public Buildings and Ground Improvements- Continued**
  - **Clark Building Renovations**
  - **14th Street Beach Restroom Construction**
  - **Parking Lot A Improvements (New)**
  - **Police Station Basement Restroom Improvements (New)**
  - **ADA Improvements (New)**

Capital Improvement Program

- **Studies- $335,475**
  - **Stakeholder- Public Works:**
    - Hermosa Ave Greenwich Village Street Realignment Assessment (New)
    - *Greenbelt Accessible Path Assessment (On hold)*
    - Parking Structure (Lot C) Structural Assessment (New)
  - **Stakeholder- Community Resources:**
    - *Citywide Park Master Plan (On hold)*
    - *Library Community Project Phase II Assessment (On hold)*
    - Community Center Theater Needs Assessment

Five Year Forecast

Five Year Forecast

- **The Five Year Forecast focuses on the General Fund since the majority of the City's operating expenses are paid from this fund.**

- **Revenue Assumptions:**

Revenue	Change
Secured Property Tax	4.5%
Sales Tax	2%
Utility User Tax	0%
Transient Occupancy Tax	0%
Property Tax In Lieu of VLF	4.5%
Licenses and Permits	0%
Fines and Forfeitures	0%
Service Charges	0%

Five Year Forecast

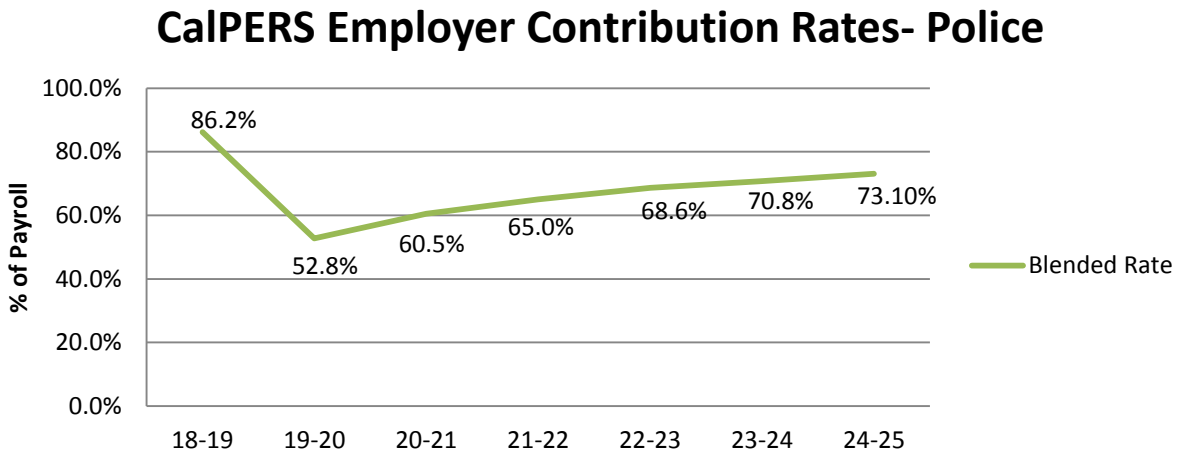
- **Expenditure Assumptions:**
  - **Salaries include a 2% increase for illustrative purposes years 2020-21 through 2024-25**
  - **Medical benefits include a projected 9% increase; however annual rate increases have historically been lower. City's contribution uses the caps implemented in the 2017-19 Memorandum of Understandings.**
  - **Contract Services- 3% annual cost of living adjustment except as follows:**
    - **McCormick Ambulance- Increase is according to the annual per transport costs in the contract**
    - **L.A. County Fire- Assume 4% annual increase**
    - **South Bay Regional Public Communications Authority- $78,837 per year for years one through four and a 5% increase thereafter.**

Five Year Forecast

- **Expenditure Assumptions:**
  - **Election costs- $60,000 added to 2022-23 and 2024-25. Election costs are assumed to return to previous levels once the City is on the even year election cycle.**
  - **No retirement stabilization funds were used.**
  - **The City's goal of setting aside 16% of operating expenditures for Contingencies is included for each year.**
  - **Ongoing transfers to-**
    - **Lighting/Landscaping Fund- At 2019-20 level of $175,932 for operating costs not covered by assessment.**
    - **Storm Drain Fund- $700,000 from UUT revenue for ongoing needs.**
    - **Lease Revenue Bond Fund- $789,863 for annual debt service payments.**

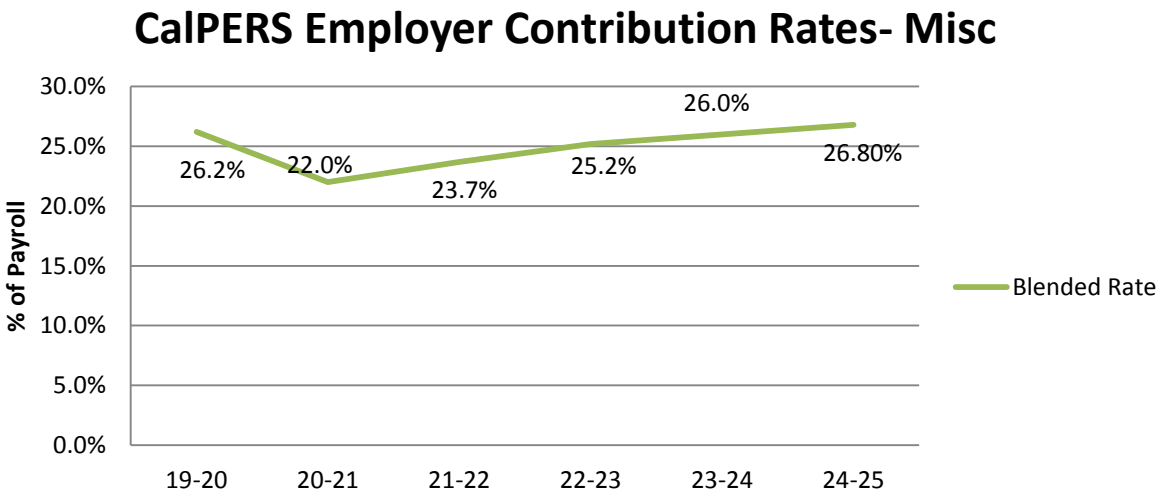
Five Year Forecast

- **Expenditure Assumptions:**
  - **Retirement- The City of Hermosa Beach is fortunate to have decreasing contribution rates in the short-term due to the payoff of side funds, which were created in 2003 when the City's plans were "pooled" with other cities.**



Five Year Forecast

- **Expenditure Assumptions:**
  - **Retirement (Continued)**

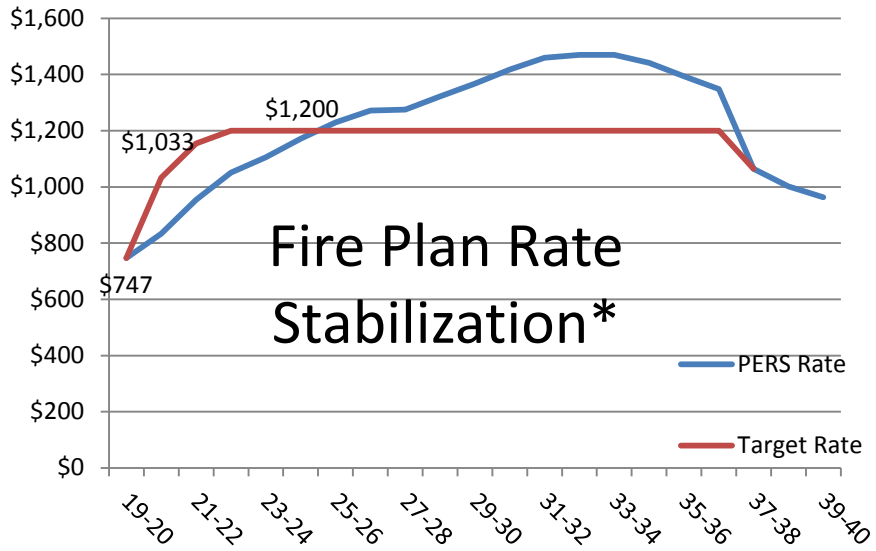


  - **As depicted in the previous two charts, the payoff of the side funds creates a temporary decline in the City's contribution rates, which creates an opportunity for the City to utilize the savings to stabilize rates by placing the funds in a retirement trust.**

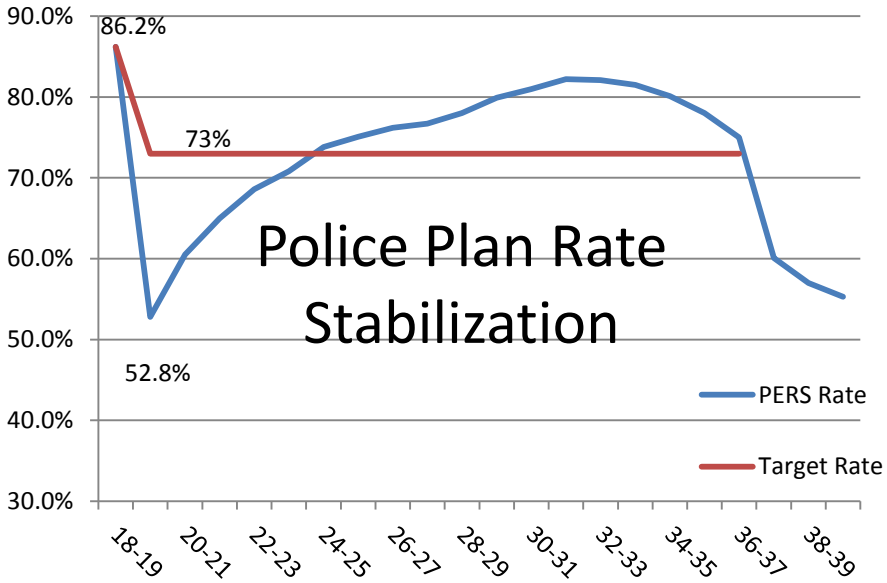
Five Year Forecast

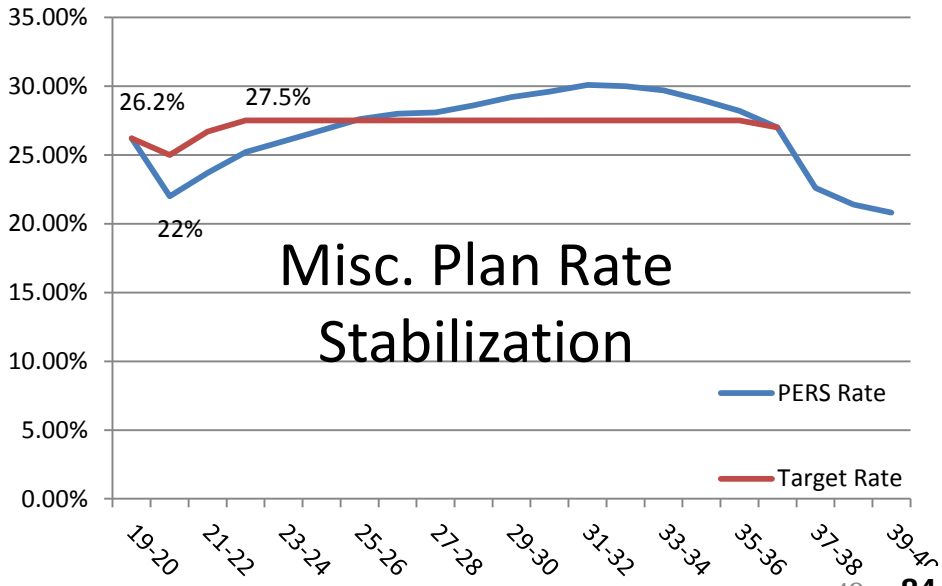
- **Expenditure Assumptions:**
  - **Retirement (Continued)**
  - **Benefits of the trust are:**
    - **Ability to earn a higher rate of return on this type of trust than on other City funds.**
    - **Flexibility to leave funds in trust to use for retirement contributions in the case of an economic downturn or large rate increase.**
  - **The City will accomplish rate stabilization by continuing to fund its retirement at a higher "target" rate. When contribution rates are below the target rate, funds will be placed in the trust. When the contributions rise above the target rate, funds could be withdrawn from the trust to assist in making payments, thereby stabilizing the amount required for retirement.**

Five Year Forecast

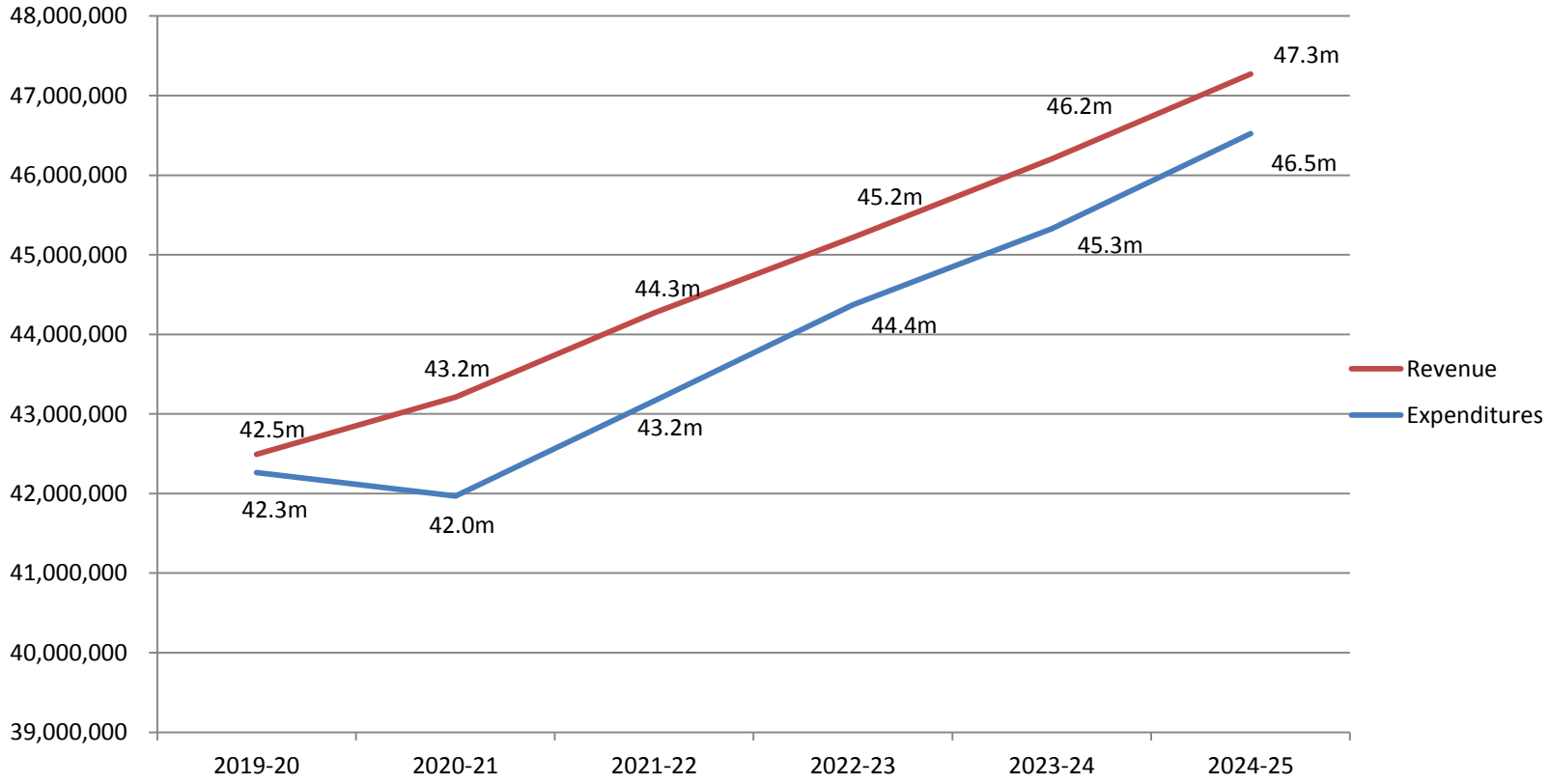


*Fire's plan is no longer based on a percentage of payroll due to the transition LA County Fire. The Plan was converted to a level dollar plan as required by CalPERS in 2018-19.





Scenario 1



Scenario 1. Scenario 1 depicts the baseline revenue and expenditure assumptions, which result in average revenue growth of 2.2% and expenditure growth of 1.9%.

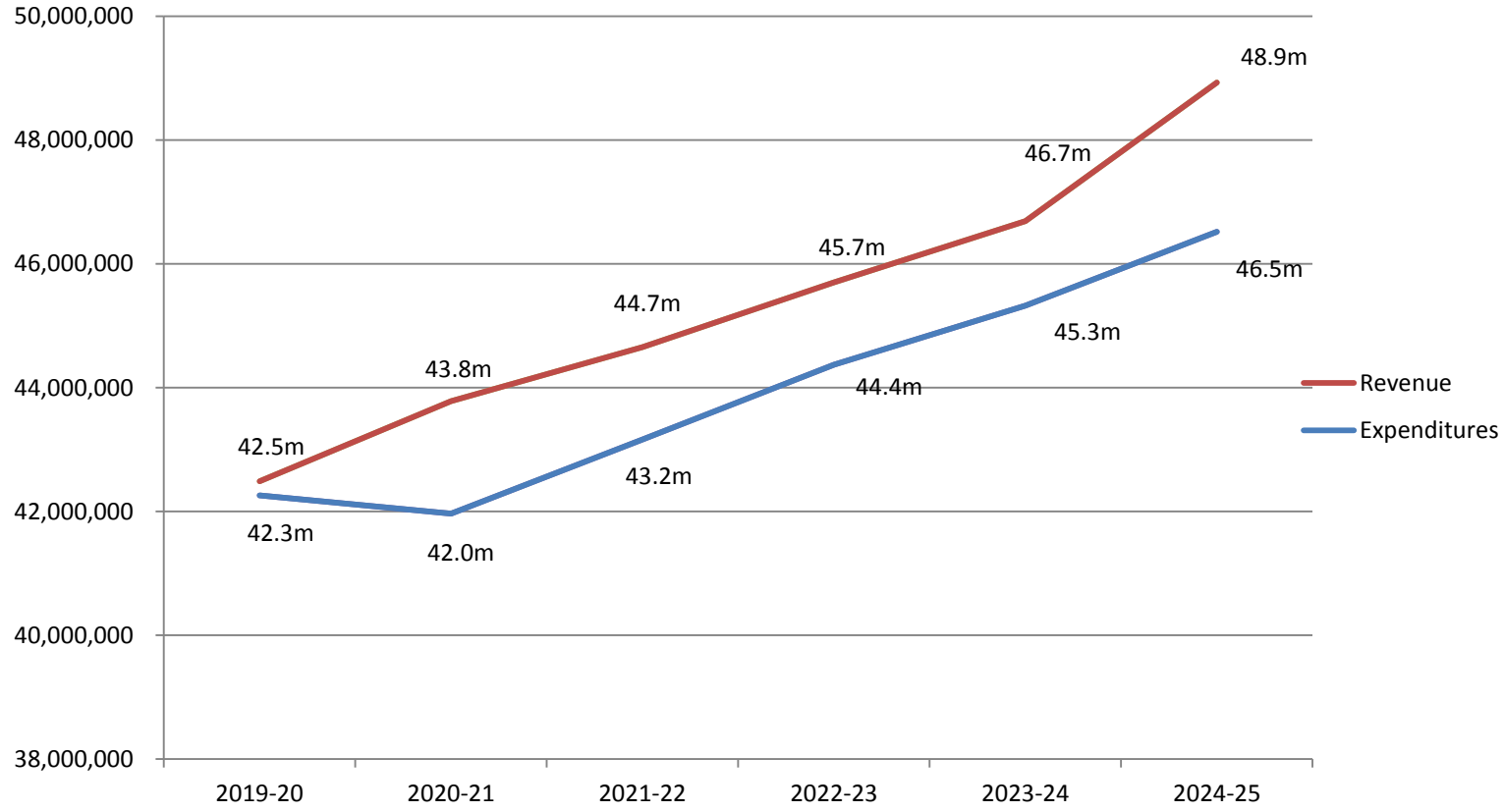
Financial Strategies

- **Review of Potential New Developments**

REVENUE FROM FUTURE DEVELOPMENTS					
Potential Developments	**1 year 2020-21**	**2 years 2021-22**	**3 years 2022-23**	**4 years 2023-24**	**5 years 2024-25**
Skechers			$100,000	$100,000	$100,000
Undersea Cable - RTI					
Annual Payment - 4th Cable *	$253,000	$69,000	$69,000	$69,000	$69,000
H_2O Hotel					
TOT	$274,955	$274,955	$274,955	$274,955	$274,955
Property Tax	$42,630	$42,630	$42,630	$42,630	$42,630
Pier/Strand Hotel					
TOT/Sales Tax					$1,067,625
Property Tax					$101,500
Total	$570,585	$386,585	$486,585	$486,585	$1,655,710

* The fourth cable will also provide $184,000 in RTI Tidelands Funds.

Scenario 2



Scenario 2 builds on Scenario 1 and illustrates the possible impact of the future development assumptions mentioned on the previous slide. With the future development assumptions, the average revenue growth of 2.9% and expenditure growth of 1.9% produces a trend of revenue outpacing expenditures for the five years of the forecast.

Revenue Strategies
Study Session

- **The City Council is scheduled to review revenue opportunities in early 2019-20. Consultants will be present to discuss district (City) sales tax, erosion of the utility user tax, among other topics.**

- **Some of the other potential revenue opportunities that will be presented for discussion consideration are as follows:**
  - **Short Term Vacation Rentals**
  - **Parking- Permits, Off-street Parking Requirements, Meters, Other Mobility Initiatives/Technology Disruptors, and Parking Fines**
  - **Transient Occupancy Tax**
  - **Electric Charging Station Fees**
  - **Community Resources- Special Event Fees and Waivers, Facility Rental Fees, Film Permit Review, Appeal Fees, and Recreational Equipment on the Beach Application Fees**

City Council Questions/Comments

City Council - Budget Session - 5/22/2019 - D. Grethen

Organization/Staffing

I support the request for two additional Assistant Engineers, as we have a large backlog of CIP projects. One Associate plus one Assistant would be even better. If only one "head" is approved, it should be Associate. As a final note, I appreciate the resourcefulness in identifying the funding mechanisms for these positions, especially the Prop A sales.

It appears that reclassification may be employed as a method to reward and retain existing high-performing staff. I generally support such an approach if so.
(Note that I base my perception of this approach on the number of reclassifications proposed and the presumed impracticality and hardship of dismissing and then replacing so many current employees otherwise.)

The request for an additional top-level position of Assistant City Manager might need to be deferred (e.g. until mid-year review) to provide ample time for assessment of such a large long-term budget commitment. Since Hermosa is such a small town, large amounts of fixed overhead cost (unfortunately) tend to reduce the amount of available remaining funds, or "variable" costs, on a per capita basis. Another approach, either interim or long-term, could be to reclassify the Assistant TO THE City Manager position, in line with the discussion in the above paragraph.

Stormwater Compliance and EWMP

The potential risks of altering our approach to meeting mandated stormwater cleanliness levels and modifying the MOU related to the EWMP should be acknowledged as part of our overall long-term financial viability assessment.

Sales Tax/Business Revenue

Sales tax and business-related revenues should be considered and appropriately weighted as a factor when making budget expenditure allocations, to help ensure a balance between residents and business, and between downtown versus other parts of the city.

Projected downtown sales tax revenues are roughly 2.5% of general fund revenue, based on total sales tax revenue being 6% (presentation) and about 0.4 of the total

generated downtown (budget document). These proportions are even smaller when calculated as part of the entire budget including capital improvements.

Business license fee revenues of about $1.1M provide about one-third as much additional revenue beyond the sales tax revenues above (budget document). There were no property tax breakouts found in the document, but it can be determined that 7.5% of the parcels are commercial, based on a specified split of 516 commercial versus 6,351 residential.

Miscellaneous

I support replacement of Greenbelt drinking fountains .

It is assumed that the citywide park tree inventory is complete since no funds were noted. My understanding is that this was performed for parks but not all parkway trees in the city right-of-way.

It is interesting to see at a glance the list of contracted services in the Public Works Department including: janitorial services, parks maintenance, EWMP development, street sweeping, traffic engineering (including one-time for North School traffic).

There is a graph that shows home value trends, presumably as an indicator of property tax revenue growth. It occurs to me that, even if prices are flat, that we would see revenue increases based on sales turnover alone, because the change in ownership would trigger reassessment and taxation at higher values.

Overall the City finances seem to be relatively stable and revenue-expenditure balanced while carrying prudent margins and reserves.

Thanks to the entire Staff for another outstanding effort and product.

David Grethen
Hermosa Beach