

**MINUTES OF THE SPECIAL JOINT MEETING OF THE
MONTCLAIR CITY COUNCIL AND REDEVELOPMENT
AGENCY AND MONTCLAIR HOUSING CORPORA-
TION BOARDS HELD ON THURSDAY, JUNE 12, 2007,
AT 5:02 P.M. IN THE CITY COUNCIL CHAMBERS,
5111 BENITO STREET, MONTCLAIR, CALIFORNIA**

I. CALL TO ORDER

Mayor/Chairman Eaton called the meeting to order at 5:02 p.m.

II. ROLL CALL

Present: Mayor/Chairman Eaton; Mayor Pro Tem/Vice Chairman Dutrey; Council Members/Directors Paulitz and Raft; City Manager/Executive Director McDougal; Director of Administrative Services Starr; Director of Redevelopment/Public Works Staats; Director of Community Development/Agency Planner Clark; City/Agency Engineer Hudson; City Clerk/Agency Secretary Jackson

Also Present: Assistant Finance Director Beltran

Absent: Council Member/Director Ruh (arrived at 5:32 p.m.)

III. PUBLIC COMMENT - None

IV. REVIEW OF CITY OF MONTCLAIR FISCAL YEAR 2007-08 PRELIMINARY BUDGET, CITY OF MONTCLAIR REDEVELOPMENT AGENCY FISCAL YEAR 2007-08 PRELIMINARY BUDGET, AND MONTCLAIR HOUSING CORPORATION FISCAL YEAR 2007-08 PRELIMINARY BUDGET

CITY OF MONTCLAIR FISCAL YEAR 2007-08 PRELIMINARY BUDGET

City Manager/Executive Director McDougal acknowledged all of staff's hard work and efforts that went into preparation of the three preliminary budgets being presented this evening.

Council Member/Director Paulitz requested clarification as to whether or not **Victoria Gardens** in Rancho Cucamonga shares the same customer base as the **Montclair Plaza** in view of conflicting statements on pages ix and x of the City Manager's budget message.

Director of Administrative Services Starr clarified that the reference relates to the three malls sharing the same "type" of customer base within their respective neighboring communities and retail centers.

Council Member/Director Paulitz noted there is a recommendation to establish a second full-time Information Technology Supervisor position on page xix, though there is no other reference to the position.

Director of Administrative Services Starr advised that the recommendation is actually to establish a second "Information Technology Specialist," not another "Information Technology Supervisor."

Concerning the recommendation on page xxii to change the title of the Director of Administrative Services to "Deputy City Manager," Council Member/Director Paulitz suggested the existing title be incorporated into the new title to clarify that this employee will continue the duties of the Director of Administrative Services.

City Manager McDougal answered, "We can do that."

Council Member/Director Paulitz requested clarification on the employment/retirement status of former Fire Captain Layne Shiba.

City Manager/Executive Director McDougal responded that **Mr. Shiba** would forego his retirement to be appointed as a Fire Division Chief.

Mayor Pro Tem/Vice Chairman Dutrey noted the projected General Fund Unreserved Fund Balance of \$8.7 million (including an anticipated \$500,000 carryover) on June 30, 2008, appears to be less than last year's.

Director of Administrative Services Starr explained that a good portion of the projected decrease to the General Fund Unreserved Fund Balance represents transfers to special-purpose funds. He noted the addition of the Senior/Youth Center Supplemental Fund to prepare for construction of these facilities.

Mayor Pro Tem/Vice Chairman Dutrey asked if the amount set aside for the **GASB 45** Retiree Medical Liabilities Fund includes the 3% at 50 safety retirement liability.

City Manager/Executive Director McDougal answered, "That's somewhere else." He clarified that **GASB 45 (Government Accounting Standards Board Statement No. 45)** regulations on accounting and financial reporting by employers for post-employment benefits other than pension require the City to fund qualifying retirees' medical insurance.

Mayor Pro Tem/Vice Chairman Dutrey received clarification that employees hired before July 1, 2006, who accumulate 15 years of service and employees hired after that date who accumulate 25 years of service qualify for lifetime medical benefits once they retire from the City. He asked where he might find the amount allocated to the 3% at 50 safety retirement liability.

Director of Administrative Services Starr replied that the retirement liability is contained in separate **California Public Employees' Retirement System** allocations by department. He clarified that several years ago we set aside a special fund contingency amount for migrating to the 3% at 50 retirement liability, which has been successfully accomplished; and that money has been used to actually pay for the **GASB 45** retiree medical liabilities.

Mayor Pro Tem/Vice Chairman Dutrey further inquired as follows:

- A Is it the economy or competing regional malls that are largely responsible for this year's flat sales tax revenues?

City Manager/Executive Director McDougal advised that the economy has impacted all shopping centers and other businesses. He stated that what has really helped us is that regional economist **John Husing's** predictions did not come true in view of the growth in residential construction in the ten-mile radius market area that has brought an influx of families spending money.

- B. Have our revenues only grown 2 percent compared to last year?

Assistant Finance Director Beltran pointed out the loss of sales tax revenue from conversion of the **Robinsons-May** store at the **Montclair Plaza** to **Macy's** in May 2006 resulting from the merger of **Federated Department Stores, Inc.**, with **The May Department Stores Company**. He added that **Robinsons-May** was one of the City's top sales tax producers.

Mayor Pro Tem/Vice Chairman Dutrey expressed his hope that the impending expansion and remodel of the **Montclair Plaza** will improve future sales tax revenues. He asked if the new offsite Police facility is the reason for the proposed establishment of a second full-time Information Technology Specialist position.

Director of Administrative Services Starr clarified that the part-time Systems Specialist who currently works 38 hours per week would be reclassified to the proposed full-time Information Technology Specialist position. He advised that the current Information Technology Specialist would spend approximately 80 percent of his time at the new Police facility and the balance of his time at City Hall.

Mayor Pro Tem/Vice Chairman Dutrey asked for clarification on the disposition of the part-time Systems Specialist position.

Director of Administrative Services Starr clarified that it is proposed to be maintained as an unfunded position in the short term to determine whether or not the new Police facility will require additional assistance.

Mayor Pro Tem/Vice Chairman Dutrey expressed his understanding that the proposed new Fire Division Chief would supervise the Code Enforcement Unit and facilitate the EMS Program. He asked how much of the Division Chief's time would be devoted to Code Enforcement supervision, or would supervisory duties largely be the responsibility of the proposed new Senior Code Enforcement Officer.

Director of Administrative Services Starr explained that the proposed newly established Division Chief would manage both programs in addition to his operational responsibilities, which would require about 40 percent of his time. He advised that the proposed new Code Enforcement Supervisor would more closely monitor the daily activities of the three Code Enforcement Officers.

Mayor Pro Tem/Vice Chairman Dutrey noted he is concerned about ensuring that the leadership of the Code Enforcement Unit remains strong and uninterrupted in view of the number of retirements over the last few years in the Fire Department's executive and lower management echelons as well as the proposed phasing out of the Deputy Fire Marshall position. He inquired as to whom the Senior Fire Inspector would report.

Director of Administrative Services Starr replied that it is his understanding of the hierarchy of the Fire Department that the Senior Fire Inspector would report to the Fire Division Chief managing the Code Enforcement Program.

Chairman Dutrey expressed his understanding that the NPDES/Environment Compliance Inspector position proposed to be established already exists.

Director of Administrative Services Starr acknowledged that the City's Environmental Manager, NPDES Coordinator, and Environmental Control Specialist are all involved in facilitating the City's Storm Water Program to some degree and in some capacity. He stated that there are a number of administrative and inspection responsibilities involved in operation of the National Pollutant Discharge Elimination System permit and wastewater programs and that based on an evaluation in July 2006 by the **Santa Ana Regional Water Quality Control Board**, it was determined that an additional position classification is warranted to bring the City into full compliance on all inspections and permit requirements.

Mayor Pro Tem/Vice Chairman Dutrey asked why the funding for the position is proposed to be divided equally between the Sewer Maintenance Fund and the General Fund.

Director of Administrative Services Starr clarified that a component of the position is responsible for Sewer Program-related inspections and the other component is responsible for NPDES-related inspections. He

advised that funding the position entirely from the Sewer Maintenance Fund would be a violation of state law.

Mayor Pro Tem/Vice Chairman Dutrey recognized staff for all the hard work involved in preparing the Preliminary City Budget. He stated that his only concern is the modest growth in sales tax revenues projected during the next fiscal year that requires the City to be "conservative in terms of how we spend our money."

Council Member/Director Raft noted the Council certainly appreciates all the hard work involved in preparing the budget and thanked all personnel who contributed to its development.

Council Member/Director Paulitz inquired as follows:

- A Will any usable Police Department furniture be transferred to the new facility?

City Manager/Executive Director McDougal answered, "We're going to mostly buy new furniture." He stated that salvageable furniture and equipment will be transferred, but for the most part there will be a new look in the facility with new desks and chairs, partitions, filing cabinets, and telephone system. He noted that \$750,000 has been allocated for new furniture.

- B Why will the filing cabinets be replaced?

City Manager/Executive Director McDougal replied that a more functional high-density filing system would be implemented.

- C What will be the disposition of all existing furniture and equipment that will not be taken?

City Manager/Executive Director McDougal indicated those items will either be given to other departments or discarded.

Mayor/Chairman Eaton noted there is a surplus market for such items.

- D Will there be any significant changes to the work force?

City Manager/Executive Director McDougal answered, "Not yet." He stated that staff is not proposing hiring any new employees other than what is indicated in the Preliminary Police Department Budget for this fiscal year. He noted he sees an immediate need for another Dispatcher and Records Clerk and that custodial needs will increase when the new youth and senior centers are completed.

- E. Will the **West End Communications Authority (WECA)** 800 MHz communications system remain in use at the new facility?

City Manager/Executive Director McDougal answered, "We will stay on the 800 MHz system," noting \$285,000 is being requested for new dispatch console equipment.

- F. Will the City remain with **WECA**?

City Manager/Executive Director McDougal advised that as a result of the **City of Ontario's** decision to contract with San Bernardino County for communications services, the 800 MHz system owned by the five member agencies will be transferred to the **County of San Bernardino** to be merged with the **San Bernardino County Radio Communication System**; and the County will credit each member Agency with commensurate service in exchange for their share of the equipment.

Mayor/Chairman Eaton noted he would be sad when Director of Community Development/Agency Planner Clark retires this year, adding that he attended Director of Community Development/Agency Planner Clark's interview dinner.

Moved by Mayor Pro Tem/Vice Chairman Dutrey and seconded by Council Member/Director Paulitz to conceptually approve the City of Montclair Fiscal Year 2007-08 Preliminary Budget.

Motion carried as follows:

AYES: Raft, Paulitz, Dutrey, Eaton
NOES: None
ABSTAIN: None
ABSENT: Ruh

*CITY OF MONTCLAIR REDEVELOPMENT AGENCY FISCAL YEAR 2007-08
PRELIMINARY BUDGET*

Vice Chairman Dutrey commented as follows:

- A. He noted he was encouraged to learn in a discussion with Director of Redevelopment/Public Works Staats that there is approximately three million dollars set aside for the San Antonio Gateway development. He expressed his understanding that **National Community Renaissance** will soon open escrow to acquire the strip center at the southeast corner of Mills Avenue and Kingsley Street to build additional housing and a mixed-use center that would serve the San Antonio Gateway community and general area.

- B. Considering that Montclair is a relatively small city, he credited staff for facilitating the many Redevelopment projects that have been completed and are currently being developed and expressed his amazement at the scope of these projects.

Concerning the Mission Boulevard Joint Redevelopment Project, Director Paulitz asked if there are any plans for public improvements in the newly annexed areas south of Mission Boulevard once tax increment for those areas becomes available.

Council Member/Director Ruh arrived at 5:32 p.m.

Executive Director McDougal replied that those improvements could take place in later years, though pursuant to the Redevelopment Agency's agreement with **San Bernardino County**, the Mission Boulevard street improvements are the first priority.

Moved by Vice Chairman Dutrey, seconded by Director Raft, and carried unanimously to conceptually approve the City of Montclair Fiscal Year 2007-08 Preliminary Budget.

*MONTCLAIR HOUSING CORPORATION FISCAL YEAR 2007-08
PRELIMINARY BUDGET*

Moved by Vice Chairman Dutrey, seconded by Director Raft, and carried unanimously to conceptually approve the Montclair Housing Corporation Fiscal Year 2007-08 Preliminary Budget.

City Manager/Executive Director McDougal noted the following correction to Section V, "Adjournment," of tonight's agenda:

V. ADJOURNMENT OF CITY COUNCIL AND REDEVELOPMENT AGENCY AND MONTCLAIR HOUSING CORPORATION BOARDS OF DIRECTORS

~~(The City Council and Redevelopment Agency and Montclair Housing Corporation Boards of Directors will adjourn to Monday, June 18, 2007, at 7:00 p.m. in the Council Chambers.)~~
The City Council and Redevelopment Agency Board of Directors will adjourn to Monday, June 18, 2007, at 5:00 p.m. in the City Hall Conference Room regarding the following:

Closed Session Pursuant to Section 54957 of the Government Code.

Public Employee Performance Evaluation

City Manager/Executive Director

V. ADJOURNMENT OF CITY COUNCIL AND REDEVELOPMENT AGENCY AND MONTCLAIR HOUSING CORPORATION BOARDS OF DIRECTORS

At 5:34 p.m., Mayor/Chairman Eaton adjourned the City Council and Redevelopment Agency Board of Directors to Monday, June 18, 2007, at 5:00 p.m. in the City Hall Conference Room regarding the following:

Closed Session Pursuant to Section 54957 of the Government Code

Public Employee Performance Evaluation

City Manager/Executive Director

At 5:34 p.m., Mayor/Chairman Eaton adjourned the City Council and Redevelopment Agency Board of Directors to Tuesday, June 19, 2007, at 5:30 p.m. in Conference Room South for the 2007 Strategic Planning Workshop.

At 5:34 p.m., Chairman Eaton adjourned the Montclair Housing Corporation Board of Directors.

Submitted for City Council/Redevelopment Agency Board/Montclair Housing Corporation Board approval,

Yvonne L. Smith
Transcribing Secretary