

MINUTES OF THE REGULAR JOINT MEETING
OF THE MONTCLAIR CITY COUNCIL AND
REDEVELOPMENT AGENCY AND MONTCLAIR
HOUSING CORPORATION BOARDS HELD ON
MONDAY, JUNE 20, 2011, AT 6:59 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 6:59 p.m. and asked that everyone please silence their cell phones, pagers, and other electronic devices as a courtesy to others while the meeting is in session.

II. INVOCATION

Pastor Vicki Brobeck, Grace Fellowship Foursquare Church, gave the Invocation.

III. PLEDGE OF ALLEGIANCE

Council Member/Director Paulitz led those assembled in the Pledge.

IV. ROLL CALL

Present: Mayor/Chairman Eaton; Mayor Pro Tem/Vice Chairperson Raft; Council Members/Directors Paulitz, Dutrey, and Ruh; City Manager/Executive Director Starr; Director of Redevelopment/Public Works Staats; Director of Community Development/Agency Planner Lustro; City/Agency Engineer Hudson; City Attorney/Agency Counsel Robbins; Deputy City Clerk/Agency Secretary Smith

V. PRESENTATIONS

A. Introduction of New Employees

Police Chief Jones introduced **Mr. José Romero**, who was appointed to the position of Police Officer effective May 9, 2011. He noted Officer Romero served in the **United States Army** for approximately five years, including a 15-month tour of Iraq, and that he continues to serve in the **Army Reserves**. Chief Jones noted Officer Romero graduated from the San Bernardino County Sheriff's Academy on March 10, 2011, and began the Field Training Program on May 9, 2011.

Mayor Eaton welcomed Officer Romero to the Montclair City family and presented him with a City pin.

Police Chief Jones introduced **Mr. Kyle Hurd**, who was appointed to the position of Police Officer effective June 13, 2011. He noted Officer Hurd received an emergency medical technician certificate from **Saddleback College** in 2005, was previously employed by **Medix Ambulance Service**, and is a recent **Golden West College Police Academy** graduate.

Mayor Eaton welcomed Officer Hurd to the Montclair City family and presented him with a City pin.

B. Presentation by Inland Empire Resource Conservation District on Present and Future Partnerships - Inland Empire RCD/City of Montclair

Ms. Mandy Parkes, District Manager, Inland Empire RCD, gave a presentation on services offered by the organization related to preservation and enhancement of natural resources in the counties of San Bernardino and Riverside for the benefit of wildlife, vegetation, and residents. She gave the City Council copies of the **Inland Empire RCD's 2009 - 2010 Annual Report**. She stated that the Inland Empire RCD looks forward to collaborating with Montclair on resource conservation educational programs.

Mayor Eaton thanked **Ms. Parkes** for her presentation.

VI. PUBLIC COMMENT - None

VII. PUBLIC HEARINGS

A. Adoption of Resolution No. 11-2908 Amending the Fee Schedule for the Collection and Disposal of Residential Refuse

Mayor Eaton declared it the time and place set for a public hearing to consider adoption of Resolution No. 11-2908 amending the fee schedule for the collection and disposal of residential refuse and invited comments from the public.

There being no one in the audience wishing to speak, Mayor Eaton closed the public hearing and returned the matter to the City Council for its consideration.

Mayor Eaton stated that it is staff's request to continue this item to the July 18, 2011 regular joint meeting.

Moved by Council Member Paulitz, seconded by Council Member Ruh, and carried unanimously to continue the item to the July 18, 2011 regular joint meeting.

B. First Reading - Adoption of Resolution No. 11-923 Adding Chapter 11.75 to Title 11 of the Montclair Municipal Code Related to Undergrounding of Utilities

Mayor Eaton declared it the time and place set for a public hearing to consider adoption of Ordinance No. 11-923 adding Chapter 11.75 to Title 11 of the Montclair Municipal Code related to undergrounding of utilities and invited comments from the public.

There being no one in the audience wishing to speak, Mayor Eaton closed the public hearing and returned the matter to the City Council for its consideration.

Council Member Dutrey inquired as follows:

1. Was a study performed to determine the amounts of the fees proposed in Resolution No. 11-2907?

City Manager Starr advised that the fees are based on the City Engineer's familiarity with the cost of utility undergrounding.

City Engineer Hudson advised that he reviewed the City of Rancho Cucamonga's in lieu fee structure and that the proposed fees are comparable or perhaps a bit less than that city's charges.

2. Were other cities' fees surveyed?

City Engineer Hudson replied that Rancho Cucamonga was the only local city having an in lieu fee.

3. Have the fees been collected and have they worked well in Rancho Cucamonga?

City Engineer Hudson answered, "That I don't know."

Council Member Dutrey asked that the information be included in proposed Resolution No. 11-2907.

Council Member Paulitz inquired as follows:

1. Are there records on actual costs per square foot on past underground utility districts in the City?

City Engineer Hudson advised that past districts have been "Rule 28" districts in which all utility undergrounding costs were paid by Southern California Edison (SCE) and other utility companies including Time Warner Cable and Verizon Communications, noting cost information was not provided to the City. He stated that the companies set aside a certain amount of money—approximately \$100,000 each year—for the City's use. He noted the City accumulated a little over \$1 million from the last utility undergrounding district associated with the Ramona Avenue/Union Pacific Railroad Grade Separation Project, and SCE has informed him that the City has spent its future allocations for the next few years. He stated that the amount spent to underground utilities from Holt to Mission Boulevard for the project was in the \$1.2 million range.

Council Member Paulitz suggested those figures should give staff a good idea of the fees to charge.

City Engineer Hudson advised it would be for that particular project. He noted it is unclear how much redundancy SCE builds into the system in an underground design; the company put in additional conduits for the project, which is not always done.

2. Did SCE pay the costs directly?

City Engineer Hudson answered, "Yes, SCE hired the contractor and did the work either through the contractor or with their own crews."

Noting the City has no good basis of actual costs, Council Member Paulitz stated that it would be best to base the fees on the City of Rancho Cucamonga's fees. He thanked City Engineer Hudson for the information.

City Manager Starr noted the City had a recent experience with the Chino Basin Water Conservation District (CBWCD) in which an estimate was conducted related to the cost of undergrounding of utilities at that location. He asked if the proposed fees conform to that estimate.

City Engineer Hudson replied that staff did review the estimate of approximately \$50,000 to \$60,000 from CBWCD's consultant to underground approximately 700 feet of Verizon's wiring.

Moved by Council Member Dutrey and seconded by Mayor Pro Tem Raft that Ordinance No. 11-923, entitled, "**An Ordinance of the City Council of the City of Montclair Adding Chapter 11.75 to Title 11 of the Montclair Municipal Code Related to Undergrounding of Utilities,**" be read by number and title only, further reading be waived, and this be declared its first reading.

The City Council unanimously waived the reading of the Resolution.

First Reading of Ordinance No. 11-923 was unanimously adopted by the following vote:

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

VIII. CONSENT CALENDAR

Council Member Dutrey requested that Items D-4, D-5, and D-6 be removed from the Consent Calendar for comment.

Moved by Council Member/Director Dutrey, seconded by Mayor Pro Tem/Vice Chairperson Raft, and carried unanimously to approve the following Consent Items as presented:

A. Approval of Minutes

1. Minutes of the Regular Joint Council/Agency Board/MHC Board Meeting of June 6, 2011

The City Council and Redevelopment Agency and Montclair Housing Corporation Boards of Directors approved the minutes of the June 6, 2011 regular joint meeting.

B. Administrative Reports

1. Receiving and Filing of City Treasurer's Report

The City Council received and filed the City Treasurer's Report for the month ending May 31, 2011.

2. Approval of City Warrant Register and Payroll Documentations

The City Council approved the City Warrant Register dated June 20, 2011, totaling \$842,234.65; the Payroll Documentation dated April 24, 2011, amounting to \$563,486.80, with \$398,218.85 being the total cash disbursement; and the Payroll Documentation dated May 8, 2011, amounting to \$581,352.77, with \$408,405.99 being the total cash disbursement.

3. Receiving and Filing of Agency Treasurer's Report

The Redevelopment Agency Board received and filed the Redevelopment Agency Treasurer's Report for the month ending May 31, 2011.

4. Approval of Agency Warrant Register

The Redevelopment Agency Board approved the Redevelopment Agency Warrant Register dated 5.01.11-5.31.11 in the amounts of \$3,807.54 for Project I; \$278.61 for Project II; \$167,410.77 for Project III; \$466,307.95 for Project IV; \$509,863.99 for Project V, and \$76.13 for the Mission Boulevard Joint Redevelopment Agency Project.

5. Receiving and Filing of MHC Treasurer's Report

The MHC Board received and filed the MHC Treasurer's Report for the month ending May 31, 2011.

6. Approval of MHC Warrant Register

The MHC Board approved the MHC Warrant Register dated 5.01.11-5.31.11 in the amount of \$68,350.48.

7. Setting a Public Hearing to Consider Adoption of Resolution No. 11-12, a Resolution of the City of Montclair Redevelopment Agency Approving Agreement No. 11-79, a Disposition and Development Agreement by and Between the City of Montclair Redevelopment Agency and National Community Renaissance of California (National CORE) Regarding Property Located at 4113 Kingsley Street

The City Council set Tuesday, July 5, 2011, at 7:00 p.m. as the date and time for a public hearing to consider adoption of Resolution No. 11-12, a Resolution of the City of Montclair Redevelopment Agency approving *Agreement No. 11-79*, a Disposition and Development Agreement by and between the City of Montclair Redevelopment Agency and National Community Renaissance of California (National CORE) regarding the property located at 4113 Kingsley Street.

8. Setting a Public Hearing to Consider Adoption of Resolution No. 11-2910 Amending the Master User Fee Schedule Related to Vehicle Impound Service Fees

The City Council set a public hearing for Tuesday, July 5, 2011, at 7:00 p.m. in the City Council Chambers to consider adoption of Resolution No. 11-2910 amending the Master User Fee Schedule related to vehicle impound service fees.

9. Setting a Public Hearing to Consider Ordinance No. 11-924 Amending Chapter 11.72.270 of Title 11 of the Montclair Municipal Code Related to Temporary and Special Event Sign Permits

The City Council set a public hearing for Tuesday, July 5, 2011, at 7:00 p.m. in the City Council Chambers to consider Ordinance No. 11-924 amending Chapter 11.72.270 of Title 11 of the Montclair Municipal Code related to temporary and special event sign permits.

10. Providing Concurrence With the Metro Gold Line Foothill Extension Construction Authority's Inclusion of the Proposed Concept for the Montclair Station and Parking Locations as Part of the Project Description for the EIS/EIR and Updated Project Definition Report for the Azusa to Montclair Project, With the Understanding that Further Analysis Would Take Place Regarding These Locations Through the Environmental Review Process

The City Council concurred with the Metro Gold Line Foothill Extension Construction Authority's inclusion of the proposed concept for the Montclair station and parking locations as part of the project description for the EIS/EIR and updated project definition report for the Azusa to Montclair project, with the understanding that further analysis would take place regarding these locations through the environmental review process.

11. Approval of the Filing of a *Notice of Completion* for the Alma Hofman Park Landscape and Lighting Improvement Project; Reduction of *Faithful Performance Bond* to 10 Percent; and Retention of *Payment Bond* for Six Months

Release of Retention 30 Days After the Recordation of Notice of Completion

Authorization of a \$40,855.66 Transfer From 2005 Lease Revenue Bond Proceeds Remaining From the Montclair Senior Center Construction Contingency

The City Council took the following actions related to the Alma Hofman Park Landscape and Lighting Improvement Project:

- (a) Approved the filing of a *Notice of Completion* with the Office of the San Bernardino County Recorder.
- (b) Approved reduction of the *Faithful Performance Bond* to 10 percent.
- (c) Approved retention of the *Payment Bond* for six months.
- (d) Approved release of retention 30 days after recordation of *Notice of Completion*.
- (e) Authorized a \$40,855.66 transfer from the 2005 Lease Revenue Bond proceeds remaining from the Montclair Senior Center construction contingency to the Alma Hofman Park Lighting and Landscape Improvement Project.

C. Agreements

1. Redevelopment Agency Board of Directors Approval of Agreement No. 11-59 With R. Richard Fleener for Planning Services

The Redevelopment Agency Board approved *Agreement No. 11-59* with R. Richard Fleener for planning services.

2. Approval of Agreement No. 11-66 With Dietz Towing and Agreement No. 11-67 With Pacific Truck and Auto Towing, Inc., for Vehicles Towed and Stored at the City Impound Lot Pursuant to California Vehicle Code Section 14602.6, the 30-Day Impound Law

The City Council approved *Agreement No. 11-66* with Dietz Towing and *Agreement No. 11-67* With Pacific Truck and Auto Towing, Inc., for vehicles towed and stored at the City impound lot pursuant to California Vehicle Code Section 14602.6, the 30-day impound law.

3. Approval of the Filing of a Notice of Completion for the Montclair Senior Center Project; Reduction of Faithful Performance Bond to 10 Percent; and Retention of Payment Bond for Six Months

Release of Retention 30 Days After Recordation of Notice of Completion

Approval of Agreement No. 11-68 Amending Agreement Nos. 10-22 and 10-140 With Cavalier Construction for Miscellaneous Construction Work Associated With the Montclair Youth and Senior Centers and Increasing Compensation Due Under Agreement Nos. 10-22 and 10-140 by \$25,000

The City Council took the following actions:

- (a) Approved the filing of a Notice of Completion with the Office of the San Bernardino County Recorder.

- (b) Authorized reduction of *Faithful Performance Bond* to 10 percent.
- (c) Authorized retention of *Payment Bond* for six months.
- (d) Authorized release of retention 30 days after recordation of *Notice of Completion*.
- (e) Approved *Agreement No. 11-68* amending *Agreement Nos. 10-22* and *10-140* with Cavalier Construction for miscellaneous construction work associated with the Montclair Youth and Senior Centers and increasing compensation due under *Agreement Nos. 10-22* and *10-140* by \$25,000.

4. Approval of Agreement No. 11-69 With Lientek Solutions, Inc., for Lien Processing of Vehicles Stored at the City Impound Lot Pursuant to California Vehicle Code Section 14602.6, the 30-Day Impound Law

The City Council approved *Agreement No. 11-69* with Lientek Solutions, Inc., for lien processing of vehicles stored at the City impound lot pursuant to California Vehicle Code Section 14602.6, the 30-day impound law.

5. Approval of Agreement No. 11-70 With Catering Systems, Inc., to Provide Meals for the City's Senior Citizen Nutrition Program

The City Council approved *Agreement No. 11-70* with Catering Systems, Inc., to provide meals for the City's Senior Citizen Nutrition Program.

6. Approval of Agreement No. 11-71 With Ontario-Montclair School District to Provide After-School Programs

The City Council approved *Agreement No. 11-71* with the Ontario-Montclair School District to provide after-school programs.

7. Approval of Agreement No. 11-72 With Nutrition Ink to Provide Nutrition-Education Services for the City's Senior Citizen Nutrition Program

The City Council approved *Agreement No. 11-72* with Nutrition Ink to provide nutrition-education services for the City's Senior Citizen Nutrition Program.

8. Approval of Agreement No. 11-73, the Third Amendment to Agreement No. 07-122, a Funding and Administration Services Agreement by and Between the City of Montclair Redevelopment Agency and Neighborhood Partnership Housing Services

Approval of Agreement No. 11-74, the Third Amendment to Agreement No. 07-123, a Trust Agreement by and Between the City of Montclair Redevelopment Agency and Neighborhood Partnership Housing Services

The Redevelopment Agency Board of Directors took the following actions:

- (a) Approved *Agreement No. 11-73*, the Third Amendment to *Agreement No. 07-122*, a *Funding and Administrative Services Agreement* by and between the City of Montclair Redevelopment Agency and Neighborhood Partnership Housing Services.

(b) Approved *Agreement No. 11-74*, the Third Amendment to *Agreement No. 07-123*, a *Trust Agreement* by and between the City of Montclair Redevelopment Agency and Neighborhood Partnership Housing Services.

9. **Approval of *Agreement No. 11-75* With the County of San Bernardino for Allocation and Expenditures of Justice Assistance Grant Program Funds**

The City Council approved *Agreement No. 11-75* with the County of San Bernardino for allocation and expenditures of Justice Assistance Grant Program funds.

10. **Award of Contract to Gentry Brothers, Inc., in the Amount of \$925,111.00**

Approval of *Agreement No. 11-76* With Gentry Brothers, Inc., for the Mission Boulevard Improvement Phase 9 Project

Authorization of a \$95,000 Construction Contingency

The City Council took the following actions related to the Mission Boulevard Improvement Phase 9 Project:

(a) Awarded a contract to Gentry Brothers, Inc., in the amount of \$925,111.00.

(b) Approved *Agreement No. 11-76* with Gentry Brothers, Inc., for the Mission Boulevard Improvement Phase 9 Project.

(c) Authorized a \$95,000 construction contingency.

11. **Award of Contract to Earth Tek Engineering Corp. in the Amount of \$396,635.00**

Approval of *Agreement No. 11-77* With Gentry Brothers, Inc., for the Alma Hofman Park Improvement Project

Authorization of a \$40,000 Construction Contingency

The City Council took the following actions regarding the Alma Hofman Park Improvement Project:

(a) Awarded a contract to Earth Tek Engineering Corp. in the amount of \$396,635.00.

(b) Approved *Agreement No. 11-77* with Earth Tek Engineering Corp.

(c) Authorized a \$40,000 construction contingency.

12. **Approval of *Agreement No. 11-78*, a *Reimbursement Agreement* With Arrow Station, L.P., Regarding Property Located on the North Side of Arrow Highway, East of Monte Vista Avenue**

The City Council approved *Agreement No. 11-78*, a *Reimbursement Agreement* with Arrow Station, L.P., regarding property located on the north side of Arrow Highway, east of Monte Vista Avenue.

D. Resolutions

1. **Adoption of Resolution No. 11-2903 Authorizing Approval of the Change in Population in the City of Montclair During 2010 for the Purpose of Calculating the Gann Spending Limit**

The City Council adopted Resolution No. 11-2903 authorizing approval of the change in population in the City of Montclair during 2010 for the purpose of calculating the Gann Spending Limit.

2. **Adoption of Resolution No. 11-2904 Authorizing Approval of the Percentage Change in California Per Capita Personal Income During Fiscal Year 2009-10 as the Final Fiscal Year 2009-10 Change in the Cost-of-Living Factor for Use in Calculating the Gann Spending Limit for Fiscal Year 2010-11 and Provisional Adoption of the Percentage Change in California Per Capita Personal Income During Calendar Year 2010 as the Change in the Cost-of-Living Factor for Fiscal Year 2010-11 for Use in Calculating the Gann Spending Limit for Fiscal Year 2011-12**

The City Council adopted Resolution No. 11-2904 authorizing approval of the percentage change in California per capita personal income during Fiscal Year 2009-10 as the final Fiscal Year 2009-10 change in the cost-of-living factor for use in calculating the Gann Spending Limit for Fiscal Year 2010-11 and provisional adoption of the percentage change in California per capita personal income during Calendar Year 2010 as the change in the cost-of-living factor for Fiscal Year 2010-11 for use in calculating the Gann Spending Limit for Fiscal Year 2011-12.

3. **Adoption of Resolution No. 11-2905 Establishing an Appropriations Limit for Fiscal Year 2011-12 Pursuant to Article 13-B of the California Constitution and Pursuant to Section 7910 of the Government Code**

The City Council adopted Resolution No. 11-2905 establishing an appropriations limit for Fiscal Year 2011-12 pursuant to Article 13-B of the California Constitution and pursuant to Section 7910 of the Government Code.

IX. PULLED CONSENT CALENDAR ITEMS

D. Resolutions

4. **Adoption of Resolution No. 11-2911, a Resolution of the City Council of the City of Montclair Supporting Adoption of Assembly Bill 1250 (Alejo), Which Increases the Accountability and Effectiveness of Redevelopment in California**

Council Member Dutrey stated that this item supports redevelopment reform and expressed his agreement with Council Member Ruh that abuse of redevelopment funding should cease. He advised that the State of California needs major reforms—case in point, the state is so much in debt. He emphasized that the text of the bill to abolish redevelopment agencies came out on a Tuesday, and the Assembly and Senate voted on the bill the following day, allowing the public little time to review the legislation. He strongly stated that the state cannot continue to operating as it has in the past and needs major reform. He expressed his hope that Governor Brown vetoed the budget for the right reasons,

notably because it papered over the deficit, used illegal tactics, and was about making sure the legislators continued to receive their pay. He further expressed his hope "that the people of California will wake up and want to change the state for the better."

Council Member Paulitz advised that the proposed Resolution supports the type of redevelopment reform recommended by Council Member Ruh.

Council Member Ruh expressed his opinion that though some in the Legislature might think the bill represents reform, "it is not the type of reform that really gets to the heart of the matter. Part of this, too, is that we are looking at creating another agency to have oversight; and I think that's another cost in there. I support this item, but I think we need to take steps that go further than this that really make the necessary changes." He noted the drastic change years ago in the definition of "blight" is the type of drastic change that needs to be made.

Moved by Council Member Dutrey, seconded by Mayor Pro Tem Raft, and carried unanimously that the City Council adopt Resolution No. 11-2911, a Resolution of the City Council of the City of Montclair Supporting Adoption of Assembly Bill 1250 (Alejo), Which Increases the Accountability and Effectiveness of Redevelopment in California.

5. Adoption of Resolution No. 11-2912 Adopting the City of Montclair Fiscal Year 2011-12 Annual Budget

Council Member Dutrey asked City Manager Starr to discuss the elimination of the Strategic Planning Session for the next fiscal year.

City Manager Starr advised that a decision was made at the June 16, 2011 Preliminary Budget Review to eliminate the \$15,000 included in the City Council's budget for a Strategic Planning Session in 2012. He noted his presentation at the workshop included an approximately \$37,000 General Fund revenue shortfall, \$470,000 in funded vacant positions that the City will keep vacant until the shortfall is addressed, which would occur early in the first quarter of Fiscal Year 2011-12. He noted eliminating the \$15,000 budgeted for the Strategic Planning Session would erase the shortfall much earlier than anticipated.

City Manager Starr stated, "As we go into this year, I believe we have demonstrated to the City Council that we have produced a balanced budget on both the General Fund side and on total budget appropriations. There is a slight difference of \$576,000 as compared to the total Appropriations budget and the total Revenue budget, but that difference is explained by the fact that we have the \$1.92 million in annual payment through 2035 on the 2005 Issue of Lease Revenue Bonds. There is a \$1.92 million appropriation that is going out this next fiscal year to make that payment, but there is not a corresponding inflow into the budget, which is the reason for the \$576,000 shortfall. What that really means is that revenues are, in fact, coming into the budget that have erased most of that \$1.92 million outflow, even though there is no corresponding revenue coming in to address that payment. The total Appropriations budget versus the total Revenue budget is really a positive note for the City; it shows that more revenue is being received to

operate our programs of services. If it were not for that \$1.92 million, we would be very much on the positive side. The City Council has secured payment on that \$1.92 million through the first payment of Fiscal Year 2013-14, but the City Council also approved a number of revenue-enhancement measures that, if implemented over the course of the next few years, would secure that \$1.92 million payment through its defeasement period through 2035. I believe staff has presented to the City Council and public a very conservative budget—one that is balanced in all regards but that does have a long-term structural deficit that we must be concerned with. Through those revenue-enhancement measures that the City Council has directed staff to move forward on, we anticipate addressing that structural deficit for the long term."

Council Member Dutrey thanked City Manager Starr for the report. He noted the City Council thoroughly reviewed the Preliminary City Budget last Thursday over a two-hour meeting. He noted staff put a lot of effort into meeting the challenges of preparing the City's budget for the next fiscal year. He stated that the City is currently in the fourth year of the Great Recession and has experienced revenue declines; fortunately, staff has pulled together to reduce expenditures. He expressed his opinion that the City is in much better financial condition compared to many other cities because we have been very proactive in managing the budget deficit. He stated that the City has a very strong strategy in place to address the long-term structural deficit and expressed his hope that we will get through the issue if all employees understand it. He stated that we should be very proud that we have continued to provide exceptional services to Montclair residents over the last three years despite declining revenues and commended all employees for "stepping up to the plate" to do so with fewer personnel.

Council Member Dutrey recognized City Manager Starr, Assistant Finance Director Beltran, and department heads for the tremendous amount of work involved in preparing the Fiscal Year 2011-12 City Budget.

Moved by Council Member Dutrey and seconded by Mayor Pro Tem Raft that the City Council adopt Resolution No. 11-2912 adopting the City of Montclair Fiscal Year 2011-12 Annual Budget, noting the elimination of \$15,000 for the Strategic Planning Session from the City Council Budget.*

Council Member Paulitz noted there a number of pending items related to balancing the proposed budget including employee compensation/benefit concessions and increases to the cost of services to the public. He noted the importance of returning the Unreserved General Fund balance to a healthy amount for future solvency and to avoid employee layoffs and reduction of services.

*Motion carried unanimously as follows;

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

Council Member Ruh also expressed his appreciation of staff's efforts to present a balanced budget with the understanding that "this is a very difficult economy, although we are starting to see our way out of it. Montclair, unlike some other cities, I

think has truly been able to get itself around the budget problem and deal with it." He noted many cities in this general region—San Bernardino, Los Angeles, and the Orange County area—some with *huge* sales tax components are not only laying off personnel, they are having to find ways to shut down services and are closing different city components. He stated that it is important to note that Montclair has yet to resort to such drastic measures and may not have to, which speaks volumes as to the strength of the City and the ability of our employees to come together because we do not want to reduce any services to our residents. He noted the nation could soon be out of the recession "if things keep looking up."

6. **Redevelopment Agency Board of Directors' Adoption of Resolution No. 11-10, a Resolution of the City of Montclair Redevelopment Agency Authorizing Expenditures of Agency Funds for Graffiti Abatement During Fiscal Year 2011-12**

City Council's Approval of *Agreement Nos. 11-61, 11-62, 11-63, and 11-64* Approving Respective *Promissory Notes 11-01, 11-02, 11-03, and 11-04* Between the City of Montclair and the City of Montclair Redevelopment Agency

Redevelopment Agency Board of Directors' Approval of *Agreement Nos. 11-61, 11-62, 11-63, and 11-64* Approving Respective *Promissory Notes 11-01, 11-02, 11-03, and 11-04* Between the City of Montclair Redevelopment Agency and the City of Montclair

Redevelopment Agency Board of Directors' Adoption of Resolution No. 11-11 Adopting the Fiscal Year 2011-12 Budget for the City of Montclair Redevelopment Agency

Redevelopment Agency Board of Directors' Approval of *Agreement No. 11-65* Approving *Promissory Note 11-02* Between the City of Montclair Redevelopment Agency and the Montclair Housing Corporation

Montclair Housing Corporation Board of Directors' Approval of *Agreement No. 11-65* Approving *Promissory Note 11-02* Between the Montclair Housing Corporation and the City of Montclair Redevelopment Agency

Montclair Housing Corporation Board of Directors' Adoption of Resolution No. 11-02 Adopting the Fiscal Year 2011-12 Budget for the Montclair Housing Corporation

Council Member/Director Dutrey asked Executive Director Starr to comment about the status of redevelopment agencies.

City Manager/Executive Director Starr advised that the status of proposed legislation related to potential abolishment of redevelopment agencies is unknown at this time because the four bills were not forwarded to the Governor for signature. He indicated that when the Governor vetoed each of the budget bills from the Assembly and the Senate, the redevelopment-related bills were intentionally held back by the State Legislature.

City Manager/Executive Director Starr stated, "It does appear at this point that there is probably a battle brewing between the Legislature and the Governor, which actually could be a

good thing for local government. The Legislature believes that it has provided the Governor everything needed to produce a balanced state budget. In his veto message, the Governor indicated he appreciated the work on the part of the Legislature but that he did not believe that the budget was balanced or fair to the State of California. The Legislature takes disagreement with this; and while they are continuing to work on a budget, it is quite possible that they will hold back now on the redevelopment side since that was a very important issue to the Governor and would be a way of, in their minds, penalizing the Governor for making them feel as though they did not do an appropriate job. At least, that is how it appears to be shaping up at this point in time. But, of course, that remains to be seen. In any event, regarding the legislation that was presented related to redevelopment: One bill would abolish redevelopment agencies, the other bill would allow redevelopment agencies to continue voluntarily if they could make the appropriate payments to the state for the long term comprised of a collective \$1.7 billion payment the first year and \$400 million annually thereafter. We now believe the impact for Montclair the first year would be about \$3.6 million; and for future years, the impact has not been defined. We projected it to be approximately \$800,000 to \$1 million; though at this point, it might be closer to the \$800,000 amount or below. In any event, for the Montclair Redevelopment Agency to continue operating, it would have to forfeit money on an annual basis to the state under this legislation should it be signed into law. Like anything else related to redevelopment agencies, at this point in time, we simply have no idea in the end what the Legislature is going to do. Since the Governor made his proposal in January 2011, it has gone under many different forms and will probably continue to develop further until we get something that would probably be different than what we are looking at right now."

Other than that, City Manager/Executive Director Starr stated, "Our Redevelopment Agency is solid and could make the payments should that legislation go into effect and we are required to essentially 'ransom' ourself (the bill is termed the 'ransom' bill). We can make those payments; our Redevelopment Agency will continue pursuant to how that legislation is currently structured."

Council Member/Director Paulitz inquired as follows:

- (a) Did the budget vetoed by the Governor include the redevelopment ransom payments?

City Manager/Executive Director Starr answered, "No, it did not. Those bills were held back intentionally by the Legislature."

- (b) What was the purpose of those bills if they did not contribute to balancing the budget?

City Manager/Executive Director Starr advised that the Legislature had intended to forward the bills to the Governor for his signature; but the Governor acted so quickly to veto the budget bills sent to him earlier that the Legislature decided not to send those additional bills.

- (c) Would those bills have contributed to balancing the budget the Governor vetoed?

City Manager/Executive Director Starr answered, "Yes, they were part of balancing the budget and would have helped to address the \$10.5 billion deficit."

- (d) Which of the two different bills were used to calculate the budget?

City Manager/Executive Director Starr answered, "Both bills—the reason being the legislation was designed to presume that some community redevelopment agencies would voluntarily agree to make the payments, while others would go the abolishment route. So it was really an option choice for local governments, and the budget was designed to be balanced on the presumption that most agencies would accept the voluntary approach that they would remain and would make the payments."

Council Member/Director Paulitz thanked Executive Director Starr for the information.

Council Member/Director Dutrey commented as follows:

- (a) He noted the actions taken by the Legislature last week are illegal, unconstitutional, and violate Proposition 22 approved by the voters last year to preserve local funding including redevelopment. He stated that the legislators representing the Inland Empire who supported those actions should be ashamed of themselves for not supporting the local communities that they represent—the local communities that use redevelopment funding to address blight, transportation, job creation, economic development, and affordable housing. He noted it is unfortunate they did not join **Senator Rod Wright** representing District 25 in Los Angeles County to vote "No."
- (b) He advised that should the ransom bill be approved, there is no guarantee those payments would be the last of the state seizures/diversions of local government funds. He emphasized that the state must once and for all stop raiding local governments to balance its budget. He noted cities are already providing billions of dollars to the Educational Revenue Augmentation Fund (designated by the state in 1992 to meet its obligations to fund education during a serious funding deficit).

Council Member/Director Dutrey inquired as to the total amount of the City's contributions to ERAF to date.

City Manager/Executive Director Starr advised that the City pays approximately \$1.2 million annually into Educational Revenue Augmentation Fund, totaling in excess of \$20 million since its inception.

Council Member/Director Dutrey noted the amount is almost equal to the amount of the City's budget for the next fiscal year. He expressed his hope that the proposed restructuring of redevelopment agencies wakes up our local elected officials to be much more proactive as advocates for local government in telling the state to "keep its hands out of local government pockets."

Moved by Council Member/Director Dutrey, seconded by Council Member/Director Ruh, and carried unanimously that the City Council and Redevelopment Agency and Montclair Housing Corporation Boards take the following actions:

- (a) The Redevelopment Agency Board adopt Resolution No. 11-10, a Resolution of the City of Montclair Redevelopment Agency Authorizing Expenditure of Agency Funds for Graffiti Abatement for Fiscal Year 2011-12.
- (b) The City Council approve Agreement Nos. 11-61, 11-62, 11-63, and 11-64 approving respective Promissory Notes 11-01, 11-02, 11-03, and 11-04 between the City of Montclair and the City of Montclair Redevelopment Agency.
- (c) The Redevelopment Agency Board approve Agreement Nos. 11-61, 11-62, 11-63, and 11-64 approving respective Promissory Notes 11-01, 11-02, 11-03, and 11-04 between the City of Montclair Redevelopment Agency and the City of Montclair.
- (d) The Redevelopment Agency Board adopt Resolution No. 11-11 adopting the Fiscal Year 2011-12 Budget for the City of Montclair Redevelopment Agency.
- (e) The Redevelopment Agency Board approve Agreement No. 11-65 approving Promissory Note 11-02 between the City of Montclair Redevelopment Agency and the Montclair Housing Corporation.
- (f) The Montclair Housing Corporation Board of Directors approve Agreement No. 10-61 approving Promissory Note 11-02 between the Montclair Housing Corporation and the City of Montclair Redevelopment Agency.
- (g) The Montclair Housing Corporation Board of Directors adopt Resolution No. 11-02, a Resolution of the Montclair Housing Corporation Adopting the Fiscal Year 2011-12 Budget for the Montclair Housing Corporation.

Council Member/Director Ruh commented as follows:

- (a) He noted Montclair and many of the cities in the region have done a very good job with redevelopment, and it is unfortunate that some cities in California have not. He reiterated that one third of redevelopment agencies are legitimate, one third are inactive, and one third that have instances of abuse. He noted for example that redevelopment funding is not intended to demolish low-income housing to make way for expensive hotels.
- (b) He expressed his disappointment that cities and advocacy groups did not collaborate to create the type of redevelopment reform desired. He expressed his hope that the advocacy groups, including the League of California Cities and the California Redevelopment Association, will work together to develop legislation "that is meaningful so we can have something to put forward in front of our legislators that says, 'Here is the change that we are willing to accept, and you can vote 'Yes' or 'No.'"
- (c) He advised that everybody in the state is being asked to make changes, and cities are not exempt from that. He

stated that though he does not agree with state take-aways, had cities come forward with a clear and comprehensive type of reform, it might have been better received in Sacramento. He noted that "though the bad players will go out of business with this, so will the good ones. We needed legislation to address the bad players and make sure that they no longer continue their flawed practices."

- (d) He expressed his hope that cities will be more proactive in the future to come up with the reform that they believe is necessary.

X. **RESPONSE** – None

XI. **COMMUNICATIONS**

A. **City Attorney/Agency Counsel**

1. **Closed Session Pursuant to Section 54956.8 of the Government Code Regarding Real Property Negotiations**

Property: 9950 Fremont Avenue

Negotiating Parties: City of Montclair and First United Methodist Church of Montclair

Negotiators: City Manager Starr and Director of Redevelopment/Public Works Staats

Under Negotiation: Recommendations Regarding Purchase Price

City Attorney Robbins requested a Closed Session pursuant to Government Section 54956.8 on the above matter.

B. **City Manager/Executive Director**

- 1. City Manager/Executive Director Starr noted staff will celebrate the retirement of the following two longtime Fire Department employees tomorrow: Fire Engineer Steve Hall and Fire Division Chief Rich Baldwin. He thanked Engineer Hall and Division Chief Baldwin for their many years of dedicated service to the community.

C. **Mayor/Chairman**

- 1. Mayor/Chairman Eaton thanked staff and expressed his appreciation for all the hard work involved in developing balanced budgets for the City, Redevelopment Agency, and the Montclair Housing Corporation. He asked that all employees "do their very best to work with us as we are still in these tough economic times, so let's all work together."

D. **City Council/Agency Board**

- 1. Council Member/Director Ruh commented as follows:
 - (a) He noted the loss of former **Upland City Council Member/Planning Commissioner Albert A. Canestro Sr.** who, sadly, passed away on June 14, 2011, of heart failure at the age of 84. He stated that "**Big Al**" dedicated his entire life first to his family and second to community service in Upland, beginning as a member of the **City of Upland Parks and Recreation Committee**

and then serving as an Upland Planning Commissioner and Mayor Pro Tem/Council Member. He advised that **Mr. Canestro** cared for the welfare of children, demonstrated by his many decades of service to **Upland Foothill Kiwanis** youth programs, as a founding member and major supporter of the **Scheu Family YMCA of Upland**, and countless other community organizations. Council Member Ruh noted **Mr. Canestro** devoted much of his "spare" time over a number of decades to coaching **Upland Little League** and refereeing at **Upland Pop Warner Football** games, which gave him much joy. He noted **Mr. Canestro** will be very much missed by his loving family and friends.

- (b) He commended Montclair resident **Mr. Johnny Bustos** on his being honored by **Senator McLeod** as a 2011 "Man of the Year" for the 32nd Senate District.
- (c) He recognized staff for its "good work on the budget. We understand that it is not easy, and we appreciate the sacrifices everybody is making."
- (d) He noted the **Gold Line** extension project is, unfortunately, being delayed by the **Metro Gold Line Foothill Extension Construction Authority** and **City of Monrovia's** property dispute related to the site proposed for the light rail line's maintenance yard. He expressed his wish that a site were available in Montclair for the use because of the "very highly skilled, high-paying jobs that would provide a lot of disposable income back into this community; and they are very much-needed jobs in this part of the region."
- (e) He noted yesterday he attended his fourth in a series of **California Citizens Redistricting Commission (CCRC)** public hearings being held throughout the region and state and reported the following:
 - (1) He advised that the first of the draft Congressional district boundary maps were released on June 10, 2011, delineating most of the districts proposed for Montclair as fairly compact and well drawn, reflecting the almost historic alliance Montclair has had with many nearby cities.
 - (2) He noted **Inland Action's** redistricting maps included Montclair in a Congressional district with Apple Valley, causing him to question the group's intent because Montclair has nothing in common with Apple Valley.
 - (3) He noted he researched Montclair's Congressional districts over the past 60 years and found that Montclair has historically shared districts with the cities of Chino, Upland, Ontario, and across the county line into Pomona, Claremont, and sometimes La Verne.
 - (4) He noted the **4-3-2-1 Committee**, which is based in Rialto, requested four Assembly districts, three Congressional districts, and two Senate districts inside San Bernardino County. He advised that the group took umbrage with the **CCRC** for including Montclair in a district with the cities of Chino and Rancho Cucamonga and should, instead, group

Montclair with the cities of Colton and Rialto, neither of which has anything in common with Montclair.

- (5) He stated that **Proposition 11**, which created the **CCRC**, is very clear in requiring compact districts and "communities of interest." He noted the **CCRC's** maps maintain communities of interest, advising that our Congressional District includes Pomona, Ontario, Chino, and Rancho Cucamonga; and our Assembly District includes Pomona, Chino, Ontario, a small portion of Rancho Cucamonga, and a few streets in Fontana. He noted "the **CCRC** has done an enviable job of trying to meet everybody's demands."
- (6) He noted his attendance last Friday at a **CCRC** hearing at **Rio Hondo Community College**, Whittier, at which Southern California districts were discussed. He advised that some of the special interest groups took umbrage with a Senate District stretching from San Marino south to Bell Gardens, which could be attributed to the **CCRC's** not fully understanding the terrain of Southern California.

He commended **Diamond Bar Council Member Carol Herrera** for strongly speaking up for her community and, in doing so, for every city facing a similar situation. Noting Diamond Bar has historically and economically been tied to Los Angeles and Orange counties, he advised that the **CCRC** proposed a Congressional district winding from Diamond Bar through Industry, including cities all the way from East Pasadena to Sierra Madre—more than 60 miles—which **Ms. Herrera** clearly asserted was not a community of interest.

- (7) He expressed his hope that the **CCRC** takes into consideration all community of interest issues presented at these hearings when completing the complicated process of finalizing district boundary maps. He further expressed his hope that the **CCRC** would maintain Montclair's current district boundaries.
- (8) He noted county lines are a product of the 19th century—a time when Los Angeles was a very small area; Pomona was an outpost; San Bernardino was a small town; and places like Montclair, Ontario, and Rancho Cucamonga did not even exist. He advised that he would study how best to redraw county lines today, taking into consideration the economy and market activity.

Mayor Eaton thanked Council Member Ruh for his interest in county and redistricting lines and advised him to "be tough" in developing his new county line plan.

2. Council Member/Director Dutrey noted Council Member Paulitz, Director of Community Development Lustro, and he, as members of the Planning Commission Interview Committee, interviewed eight candidates (including one incumbent) for the Planning Commission vacancy last Friday. He noted **Mr. Loren Martens** and **Mr. Sidney Keating**, two of the candidates, are in the gallery this evening. He stated that he

was very impressed with all eight candidates who demonstrated much interest and desire to become more involved in the community and spoke very positively about Montclair.

3. Mayor Pro Tem/Vice Chairperson Raft thanked staff for its support in this difficult economy, noting the entire City Council really appreciates staff's efforts to control salary and pension costs in the forthcoming fiscal year.
4. Council Member/Director Paulitz commented as follows:
 - (a) He commended City Manager Starr on his excellent report at the Preliminary Budget Review workshop last week, noting this is the first year that he could recall in which such a comprehensive PowerPoint presentation has been made.
 - (b) He recognized **Mr. Martens** in the gallery this evening as one of the Planning Commission candidates, all of whom interviewed well, "had their hearts in the right place, and really want to do something for Montclair. They are to be commended for wanting to become involved in public service. It is unfortunate that only one candidate could be selected."

E. Committee Meeting Minutes

1. Minutes of Personnel Committee Meeting of June 6, 2011

The City Council received and filed the Personnel Committee meeting minutes of June 6, 2011, for informational purposes.

XII. ADJOURNMENT OF REDEVELOPMENT AGENCY AND MONTCLAIR HOUSING CORPORATION BOARDS OF DIRECTORS

At 8:00 p.m., Chairman Eaton adjourned the Redevelopment Agency and Montclair Housing Corporation Boards of Directors.

At 8:00 p.m., the City Council went into Closed Session regarding real property negotiations pursuant to Government Code Section 54956.8.

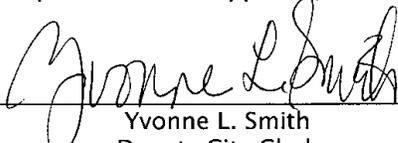
XIV. CLOSED SESSION ANNOUNCEMENTS

At 8:17 p.m., the City Council returned from Closed Session. Mayor Eaton announced that the City Council met in Closed Session regarding real property negotiations, information was received and direction given to staff, and no further announcements would be made at this time.

XV. ADJOURNMENT OF CITY COUNCIL

At 8:18 p.m., Mayor Eaton adjourned the City Council.

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



Yvonne L. Smith
Deputy City Clerk