

**MINUTES OF THE REGULAR JOINT MEETING
OF THE MONTCLAIR CITY COUNCIL AND
REDEVELOPMENT AGENCY AND MONTCLAIR
HOUSING CORPORATION BOARDS HELD ON
MONDAY, JULY 18, 2011, AT 7:00 P.M. IN
THE CITY COUNCIL CHAMBERS, 5111 BENITO
STREET, MONTCLAIR, CALIFORNIA**

I. CALL TO ORDER

Mayor Pro Tem/Vice Chairperson Raft called the meeting to order at 7:00 p.m.

II. INVOCATION

Council Member/Director Ruh gave the Invocation.

III. PLEDGE OF ALLEGIANCE

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

IV. ROLL CALL

Deputy City Clerk/Agency Secretary Smith noted for the record that Mayor/Chairman Eaton is not in attendance at the meeting.

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

Absent: Mayor/Chairman Eaton (excused)

V. PRESENTATIONS

A. Introduction of New Employee

Police Chief Jones introduced **Mr. Jacob Altig**, who was appointed to the position of Police Officer effective June 27, 2011, after serving as a Reserve Police Officer for the Montclair Police Department since November 2010.

Mayor Pro Tem Raft welcomed Officer Altig to the Montclair City family and presented him with a City pin.

B. 2011 Home Beautification Awards

Mayor Pro Tem Raft stated that as part of the City's ongoing efforts to encourage pride in home ownership and community spirit, the Montclair Community Action Committee (CAC) has once again sponsored the annual *Home Beautification Awards* program. She introduced CAC Chairperson Hollis Judkins to announce the finalists and winner.

Chairperson Judkins advised that the CAC has continued to sponsor this program over the past 16 years to recognize Montclair residents who demonstrate community pride by attractively maintaining their homes. She noted the CAC selected three finalists who exemplify a true sense of pride in their homes. She thanked all residents who help to make Montclair a beautiful community in which to live.

A brief PowerPoint presentation showcased the finalists' residences.

The following three finalists were presented with framed City certificates, Target gift cards, and property identification signs:

"2011 Home of Distinction" - **Martin and Elvia Ramirez**, 4882 Olive Street

"2011 Best-Maintained Home" - **Alfonso and Gloria Cervantes**, 4357 Clair Street

"2011 Home of the Year" - **Mr. Luis Garcia**, 9534 Central Avenue

Mayor Pro Tem Raft congratulated the winners of the *2011 Home Beautification* awards and thanked all residents who have contributed to the beautification of Montclair. She also thanked the CAC for once again organizing and facilitating the program.

VI. PUBLIC COMMENT

- A. Mr. Hugo M. Jaramillo, Jaramillo Construction**, 565 West Second Street, Loft 9, Pomona, noted he and his wife run a small construction company and that for the past ten years, they have worked with the Redevelopment Agency on the Exterior Housing Improvement Program (EHIP). He spoke in support of EHIP on behalf of his company and five employees who have come to rely on the steady income that working to improve homes in the community through this important program provides. He stated that over the past ten years, his employees have painted the exteriors and improved the landscaping of a total of 150 homes in Montclair through EHIP, advising that homeowners are further motivated to continue improving their homes once the exterior improvements have been completed. He asked that the City find a way to continue EHIP for the benefit of homeowners who need the assistance of the program's low-interest rate loans as well as for the sake of his employees and business.
- B. Mr. Enrique Alcantara**, 4991 Orchard Street, Montclair, noted he also owns a construction company employing an average of five to six workers and that he has worked with EHIP for one year. He stated that he enjoys living in Montclair and has noticed how the program has increased property values in the neighborhoods it has assisted in home revitalization. He asked that the City Council take into consideration that EHIP provides his employees with steady employment during these difficult economic times while assisting homeowners to improve their homes.

Council Member Paulitz asked that City Manager Starr report on EHIP at the next meeting.

City Manager Starr advised that EHIP is funded through the Redevelopment Agency and that all redevelopment activity has been suspended since the Governor signed budget companion bill ABX1 26—the redevelopment agency dissolution bill—which eliminates the Montclair Redevelopment Agency, along with 400 other redevelopment agencies throughout the state, effective October 1, 2011. He advised that along with ABX1 26, the Governor also signed ABX1 27—the redevelopment agency continuation bill; this alternative would require City Councils to adopt continuation Ordinances effective November 1, 2011, thereby allowing their redevelopment agencies to continue operating while pledging annual payments to the state to fund approximately \$1.7 billion of the state's deficit for other funding obligations including schools, special districts, and other services. He stated that EHIP could again become available if the City Council decides to adopt a continuation Ordinance.

Council Member Paulitz stated that he expects the City will soon receive data regarding the income, bonded indebtedness, and outgo for each Redevelopment Project Area and the amount of the continuation payments to the state in support of local taxing entities. He asserted he would not be in favor of continuing the operations of the Montclair Redevelopment Agency for the sole purpose of "funneling money to the state," leaving inadequate funding for redevelopment activities. He advised that he would be in favor of continuing Redevelopment Agency operations if the City's analysis "shows that we still have some money left over to do some good. I think we need the facts first before we make that decision."

City Manager Starr stated, "That will be part of our recommendation to the City Council as it relates to whether or not there would be a continuation Ordinance. We believe the numbers related to what we are expected to pay will be available to us some time after August 1, 2011; and we do believe we can make the continuation payment that we expect will be between \$3.6 million to \$4 million. We also believe we can continue the Redevelopment Agency through the lifetimes of each of the Project Areas provided we do not take on any new debt. The City would have to pay 80 percent of the pass-through to school districts as a penalty for taking on any new debt, and that we would not be able to do. So we will calculate the remaining lifetimes of each Redevelopment Project Area, and we hope to continue the Redevelopment Agency through the last Project Area's life. At that time, we would probably allow the Redevelopment Agency to die."

Council Member Paulitz thanked City Manager Starr for his report.

C. Mr. Albert Young, Myco Construction, 3045 Archibald Avenue, Unit 137, Ontario, identified himself as a local contractor. From his experience working with Redevelopment Agency staff on EHIP improvements in the community over the past five years, he expressed his opinion that EHIP benefits those homeowners who cannot afford to have their homes professionally painted and landscaped and supports the livelihood of EHIP contractors and their employees, who patronize local businesses for supplies and the City to obtain building permits. He appealed to the City Council to continue redevelopment programs in the City, including EHIP, for the benefit of all.

Council Member Dutrey stated that the disposition of California redevelopment agencies has been an intense topic of discussion since the Governor proposed their elimination in January 2011. He acknowledged that EHIP has been a very important program in Montclair, a part of the City's beautification efforts that he rates very highly. Taking into account the state's structural budget deficit that, in particular, threatens school funding, he advised that a study of the elimination of redevelopment emphasized the large number of construction jobs that would be lost. He noted that while a bill was passed to protect teachers' jobs, it is sad that nothing was passed to protect contractors' jobs. He stated that these inequities certainly illustrate "the need for change in California, though I don't see that happening."

Council Member Paulitz stated that the issues discussed by the contractors this evening are the unintended consequences of a poor decision by the state. He reiterated his comment at the beginning of the year that "the Governor would be making a big mistake and shooting himself in the foot in the long run if he eliminates redevelopment agencies." He advised that EHIP is a good example of how redevelopment agencies benefit the community, adding that the Montclair Redevelopment Agency "did not abuse its funding abilities but wisely spent our money to improve the community, and now that is our 'thank you' from the State of California."

Council Member Ruh agreed that "there are unintended consequences with redevelopment agencies and what happened." He reiterated "the

problem in the state" is that one third of redevelopment agencies are legitimate, one third are inactive—"primarily, they didn't want to do anything because it meant using their 20 percent set-aside for low- to moderate-income housing," and one third have instances of abuse. He reiterated that during the long debate concerning the disposition of redevelopment agencies in Sacramento, cities should have sent "regular people, such as contractors, seniors who may live in low- to moderate-income housing, and merchants who would have been impacted by this" instead of city officials and government employees to lobby for preservation of redevelopment agencies. He expressed his hope that redevelopment agencies could return in another form to continue valuable programs and reiterated that those agencies failing to use their low- to moderate-income housing funds within a consecutive two-year period should be shuttered, "freeing up a lot of money for other cities that are doing the right thing." He suggested the contractors who commented this evening share their concerns with the Governor, local legislators, and those legislators who are in leadership with the Governor "to make their voices heard of how the loss of redevelopment agencies really impacts you, your families, and your neighborhoods."

VII. PUBLIC HEARINGS

A. Consider Adoption of Resolution No. 11-2907 Establishing Various Fees Related to Undergrounding of Utilities

Mayor Pro Tem Raft declared it the time and place set for a public hearing to consider adoption of Resolution No. 11-2907 establishing various fees related to undergrounding of utilities and invited comments from the public.

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

Moved by Council Member Dutrey and seconded by Council Member Ruh that Resolution No. 11-2907, entitled, "**A Resolution of the City Council of the City of Montclair Establishing Various Fees in Accordance With Ordinance No. 11-923,**" be read by number and title only, further reading be waived, and it be declared adopted.

The City Council waived the reading of the Resolution.

Resolution No. 11-2907 was adopted by the following vote:

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

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

Mayor Pro Tem Raft 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 Pro Tem Raft closed the public hearing and returned the matter to the City Council for its consideration.

Moved by Council Member Paulitz and seconded by Council Member Dutrey that Resolution No. 11-2908, entitled, "**A Resolution of the City Council of the City of Montclair Amending the Fee Schedule for the Collection and Disposal of Residential Refuse,**" be read by number and title only, further reading be waived, and it be declared adopted.*

Council Member Dutrey inquired as follows:

- (a) Is the proposed residential refuse rate increase at 3.6 percent?

City Manager Starr answered, "I did not calculate the percentage, but that sounds about right."

- (b) Would the new rate fall within Proposition 218 limits?

City Manager Starr answered, "It takes us up to the Proposition 218 cap as of January 1, 2011."

Council Member Dutrey noted the proposed rate increase would place Montclair close to the midpoint of seven area cities.

City Manager Starr stated, "Correct, and these other cities have yet to implement their residential refuse rate increases for this year."

Council Member Dutrey noted Montclair would most likely have the lowest rate once other cities implement rate increases.

*The City Council waived the reading of the Resolution.

Resolution No. 11-2908 was adopted by the following vote:

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

C. Second Reading – Adoption of Ordinance No. 11-924 Replacing Section 11.72.270 of the Montclair Municipal Code Related to Temporary and Special Event Sign Permits

Mayor Pro Tem Raft declared it the time and place set for a public hearing to consider adoption of Ordinance No. 11-924 replacing Section 11.72.270 of the Montclair Municipal Code related to temporary and special event sign permits and invited comments from the public.

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

Moved by Council Member Ruh and seconded by Council Member Paulitz that Ordinance No. 11-924, entitled, "**An Ordinance of the City Council of the City of Montclair Amending Section 11.72.270 of the Montclair Municipal Code (Temporary and Special Event Sign Permits)**," be read by number and title only, further reading be waived, and this be declared its second reading.

The City Council waived the reading of the Ordinance.

Second Reading of Ordinance No. 11-924 was adopted by the following ROLL CALL vote:

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

VIII. CONSENT CALENDAR

Council Member Paulitz requested that Items B-7, C-1, and D-1 be removed from the Consent Calendar for comment.

City Manager Starr noted staff will be recommending Item C-1 be continued to the August 1, 2011 regular joint meeting.

Moved by Council Member/Director Paulitz, seconded by Council Member/Director Dutrey, and carried 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 July 5, 2011

The City Council and Redevelopment Agency and Montclair Housing Corporation Boards of Directors approved the minutes of the July 5, 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 June 30, 2011.

2. Approval of City Warrant Register and Payroll Documentation

The City Council approved the City Warrant Register dated July 18, 2011, totaling \$3,179,217.53; and the Payroll Documentation dated June 5, 2011, amounting to \$577,761.80, with \$402,743.74 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 June 30, 2011.

4. Approval of Agency Warrant Register

The Redevelopment Agency Board approved the Redevelopment Agency Warrant Register dated 6.01.11-6.30.11 in the amounts of \$30,341.02 for Project I; \$291.31 for Project II; \$1,367,097.84 for Project III; \$273,025.84 for Project IV; \$1,213,562.25 for Project V, and \$133,943.16 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 June 30, 2011.

6. Approval of MHC Warrant Register

The MHC Board approved the MHC Warrant Register dated 6.01.11-6.30.11 in the amount of \$61,935.68.

8. Approval of the Filing of a *Notice of Completion*, Reduction of *Faithful Performance Bond* to 10 Percent, and Retention of *Payment Bond* for Six Months Related to the Mills Avenue Rehabilitation Project

The City Council took the following actions related to the Mills Avenue Rehabilitation Project:

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

- (b) Authorized reduction of the *Faithful Performance Bond* to 10 percent.
- (c) Authorized retention of the *Payment Bond* for six months.
- (d) Authorized release of retention 30 days after recordation of the *Notice of Completion*.

C. Agreements

2. Approval of *Agreement No. 11-83* With L.D. King, Inc., in the Amount of \$39,900 for Construction Staking Services for the Mission Boulevard Improvement Phase 9 Project

Authorization for City Manager to Amend the Agreement Scope of Services as May Be Necessary for a Total Increase Not to Exceed \$5,000

The City Council took the following actions:

- (a) Approved *Agreement No. 11-83* with L.D. King, Inc., in the amount of \$39,900 for construction staking services for the Mission Boulevard Improvement Phase 9 Project.
- (b) Authorized City Manager to amend the Agreement Scope of Services as may be necessary for a total increase not to exceed \$5,000.

3. Approval of *Agreement No. 11-94* With the San Bernardino Associated Governments for Traffic Signal Coordination and Timing Maintenance

The City Council approved *Agreement No. 11-94* with the San Bernardino Associated Governments for traffic signal coordination and signal maintenance.

4. Approval of *Agreement No. 11-95* With the California Department of Education to Provide Summer After-School Programs

The City Council approved *Agreement No. 11-95* with the California Department of Education to provide summer after-school programs.

5. Approval of *Agreement No. 11-96* With the Office of the State Controller, Division of Audits, for Annual Street Report Preparation Services

The City Council approved *Agreement No. 11-96* with the Office of the State Controller, Division of Audits, for Annual Street Report preparation services.

6. City Council's Approval of *Agreement No. 11-97*, a *Lease Agreement* by and Between the Montclair Housing Corporation and the City of Montclair for Lease of the 9916 Central Avenue Property

Montclair Housing Corporation Board of Directors' Approval of *Agreement No. 11-97*, a *Lease Agreement* by and Between the Montclair Housing Corporation and the City of Montclair for Lease of the 9916 Central Avenue Property

The City Council approved *Agreement No. 11-97*, a *Lease Agreement* by and between the Montclair Housing Corporation and the City of Montclair for lease of the 9916 Central Avenue property.

The Montclair Housing Corporation Board of Directors approved *Agreement No. 11-97*, a *Lease Agreement* by and between the Montclair Housing Corporation and the City of Montclair for lease of the 9916 Central Avenue property.

D. Resolutions

2. Adoption of Resolution No. 11-2918 Designating Officers of the Montclair Housing Authority, Adopting Personnel Rules and Regulations and a Conflict of Interest Code, and Providing for the Time and Place of Holding Regular Meetings of the Montclair Housing Authority

The City Council adopted Resolution No. 11-2918 designating officers of the Montclair Housing Authority, adopting personnel rules and regulations and a Conflict of Interest Code, and providing for the time and place of holding regular meetings of the Montclair Housing Authority.

IX. PULLED CONSENT CALENDAR ITEMS

B. Administrative Reports

7. Authorization of Submittal of Letter to Chase Bank Allowing Bank-Approved Developers to Participate in the REO Community Revitalization Program in the City of Montclair

Council Member Paulitz asked if other banks have requested the City's involvement in real estate owned (REO) rehabilitation/sales programs.

City Manager Starr answered, "There are no requests from other banks for REO programs in the City; however, this opportunity is available for any other banks wishing to participate."

Moved by Council Member Paulitz, seconded by Council Member Dutrey, and carried that the City Council authorizes submittal of a letter to Chase Bank allowing bank-approved developer participation in its REO Community Revitalization Program in the City of Montclair.

C. Agreements

1. Approval of Agreement No. 11-57 With Burrtec Waste Industries, Inc. (Vendor) Succeeding Agreement No. 93-6 and Amendments Thereto and Granting Vendor Exclusive Franchise for Solid Waste Management Services

Authorization of Conversion to Automated Residential Greenwaste Collection Program

Council Member Paulitz noted there are some inconsistencies in Attachment "D" to proposed Agreement No. 11-57.

City Manager Starr advised that the longer version of the attachment is an old exhibit that was inadvertently included in the Agreement. He advised that Burrtec is now accepting more types of recyclable commodities.

Council Member Dutrey asked for clarification on the automatic one-year extension of the term of proposed Agreement No. 11-57 effective July 1, 2018 (Section 4.03, "Extension of Term").

City Manager Starr clarified that Burrtec is requesting a four-year franchise agreement with the City at all times in the event

the City decides to discontinue the franchise and move it to another vendor. He advised that effective July 1, 2018, there would be three years left of the proposed ten-year franchise (set to expire on June 30, 2021), at which time Burrtec is requesting an automatic one-year extension to allow a four-year lead time to prepare for losing the franchise.

Council Member Dutrey inquired as follows:

- (a) Would the utility billing services offered by Burrtec at no cost include refuse and sewer billing?

City Manager Starr advised that Burrtec would bill for both refuse and sewer services should the City decide to consolidate billing with the company as a cost-saving measure.

- (b) Is there an additional cost for the automated greenwaste collection program?

City Manager Starr advised that the ten-year franchise fee includes the cost to implement the automated program at no additional cost to residents unless they request additional greenwaste disposal carts.

- (c) Would the franchise fee and pavement-impact fee be a direct cost to the ratepayers in Montclair?

City Manager Starr answered, "The franchise fee does not relate at all to the residential ratepayer, only to commercial."

- (d) Then all the additional enhancements are for the most part revenue neutral to the residents?

City Manager Starr answered, "Yes."

Moved by Council Member Dutrey, seconded by Council Member Paulitz, and carried to continue this item to the August 1, 2011 regular joint meeting.

D. Resolutions

- 1. Adoption of Resolution No. 11-2917 Declaring the Need for a Housing Authority to Function in the City, Declaring that the Members of the City Council Shall Serve as the Commissioners of the Housing Authority, and Designating the Mayor to Serve as the Chairman**

Council Member Paulitz expressed his understanding that the City is already functioning as a housing authority.

City Manager Starr advised that Montclair has a Housing Corporation, which is distinctively different and operates as a nonprofit. He added that the proposed Housing Authority is required to be approved by Resolution of the City Council and that perhaps one day the two entities could be merged.

Moved by Council Member Paulitz, seconded by Council Member Ruh, and carried that the City Council adopt Resolution No. 11-2917 declaring the need for a Housing Authority to function in the City, declaring that the members of the City Council shall serve as the Commissioners of the Housing Authority, and designating the Mayor to serve as the Chairman.

X. **RESPONSE** – None

XI. **COMMUNICATIONS**

A. **City Attorney/Agency Counsel** – No comments

B. **City Manager/Executive Director** – No comments

C. **Mayor/Chairman** – Absent

D. **City Council/Agency Board**

1. Council Member/Director Dutrey commented as follows:
 - (a) He commended the CAC on the great job in selecting the 2011 Home Beautification Award nominees.
 - (b) He recognized the Montclair Walkers for celebrating their 25th anniversary last week.
 - (c) He noted he will be unable to attend the August 1, 2011 regular joint meeting because he will be on vacation in Europe where he will visit France, Germany, and Spain.
2. Council Member/Director Ruh commented as follows:
 - (a) He commended the CAC and staff on the great job they did to coordinate and facilitate the 2011 Home Beautification Awards this evening. He noted he appreciates the tremendous amount of work involved in surveying homes throughout the City and putting the program together.
 - (b) He extended the City Council's condolences and sympathy to the family of **Colton Mayor David Zamora** on his tragic passing on July 14, 2011, at the young age of 56. He noted **Mayor Zamora** was a dedicated employee of the **City of Colton** for almost 30 years and, sadly, only served as Mayor for seven months.

E. **Committee Meeting Minutes**

1. **Minutes of Personnel Committee Meeting of July 5, 2011**

The City Council received and filed the Personnel Committee meeting minutes of July 5, 2011, for informational purposes.

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

At 7:50 p.m., Mayor Pro Tem/Vice Chairperson Raft adjourned the City Council and Redevelopment Agency and Montclair Housing Corporation Boards of Directors.

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

Yvonne L. Smith
Deputy City Clerk