

**MINUTES OF THE REGULAR JOINT MEETING OF THE  
MONTCLAIR CITY COUNCIL AND REDEVELOPMENT  
AGENCY AND MONTCLAIR HOUSING CORPORATION  
BOARDS HELD ON TUESDAY, JANUARY 3, 2012,  
AT 7:00 P.M. IN THE CITY COUNCIL CHAMBERS,  
5111 BENITO STREET, MONTCLAIR, CALIFORNIA**

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**I. CALL TO ORDER**

Mayor/Chairman Eaton 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**

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 - None**

**VI. PUBLIC COMMENT - None**

**VII. PUBLIC HEARINGS - None**

**VIII. CONSENT CALENDAR**

Moved by Council Member/Director Dutrey, seconded by Council Member/Director Paulitz, 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 December 19, 2011**

The City Council and Redevelopment Agency and Montclair Housing Corporation Boards of Directors approved the minutes of the December 19, 2011 regular joint meeting.

**B. Administrative Reports**

**1. Approval of City Warrant Register and Payroll Documentation**

The City Council approved the City Warrant Register dated January 3, 2011, totaling \$199,497.18, and the Payroll Documentation dated November 20, 2011, amounting to \$586,811.02, with \$425,715.88 being the total cash disbursement.

**C. Agreements**

**1. Approval of Agreement No. 12-01, a Fiscal Operations Services Agreement With Donald L. Parker, CPA**

The City Council approved *Agreement No. 12-01, a Fiscal Operations Services Agreement* with Donald L. Parker, CPA.

**2. Approval of Agreement No. 12-02 With Cost Recovery Systems, Inc., for State Reimbursement Claiming Services**

The City Council approved *Agreement No. 12-02* with Cost Recovery Systems, Inc., for state reimbursement claiming services.

**D. Resolutions - None**

**IX. PULLED CONSENT CALENDAR ITEMS - None**

**X. RESPONSE - None**

**XI. COMMUNICATIONS**

**A. City Attorney/Agency Counsel**

**1. Closed Session Pursuant to Section 54957.6 of the Government Code Regarding Conference With Designated Labor Negotiator Edward C. Starr**

*Agency: City of Montclair*

*Employee Organizations: Management  
Montclair Fire Fighters Association  
Montclair Police Officers Association  
San Bernardino Public Employees Association*

City Attorney Robbins requested a Closed Session pursuant to Government Code Section 54957.6 on the above matter.

**B. City Manager/Executive Director**

1. City Manager/Executive Director Starr commented as follows:
  - (a) He noted a Community Redevelopment Agency Update workshop is scheduled for Tuesday, January 17, 2012, at 5:45 p.m. in the City Council Chambers.
  - (b) He asked if the City Council would be available to attend the Midyear Budget Review at 5:45 p.m. on Wednesday, February 15, 2012.

It was the consensus of the City Council that the Midyear Budget Review be held on Wednesday, February 15, 2012, at 5:45 p.m. in the City Council Chambers.

**C. Mayor/Chairman - No comments**

**D. City Council/Agency Board**

1. Council Member/Director Ruh commented as follows:
  - (a) He cited a story in today's edition of the ***Inland Valley Daily Bulletin*** about assistance provided by the **Montclair High School "Miles for Montclair"** charity organization to the **Mejia** family to repair extensive fire damage to their home in the **Grove Manor Mobile Home Park**, Ontario, from an early December blaze, allowing the **Mejias** to quickly repair their home and move back in on Christmas Eve. He noted the charity holds a 5K walkathon each year on the anniversary of the **Reverend Dr. Martin Luther King Jr.'s** birthday to support homeless students on campus.

Council Member Ruh suggested the Miles for Montclair organization be recognized at a future meeting for its charity work, noting the importance of highlighting the group's efforts to reach out beyond our community to help those in need.

- (b) He noted his attendance at a "very nice" reception honoring outgoing Claremont City Manager **Jeff Parker** and the incoming City Manager and former Assistant City Manager, **Tony Ramos**, held at the **Claremont University Consortium** Administrative Campus Center on December 22, 2011. He noted it was interesting to hear Claremont's perspective on its future, with the **Gold Line** headlining impending projects in that city.

- (c) He noted the **California Supreme Court** ruled on December 29, 2011, that the state has the legal authority to dissolve redevelopment agencies, though the court struck down a separate law approved as part of the budget package that would have allowed successor agencies to operate provided they pay 40 percent of their property tax increment revenue to the state. He noted state legislators recognize that redevelopment is indispensable to cities as a means of building affordable housing, creating jobs, improving communities, and spurring economic growth; but until they are willing to work with cities to reinstate redevelopment, the high court's ruling creates "a very difficult situation for our local governments. Many of our cities have used redevelopment agency money wisely. There are some, and I have said this before, who have not used it wisely. There are some that have just been very egregious in what they were doing—and it was wrong. The solution is to go after the agencies that made those mistakes, not take it away from the majority of agencies in the state." He gave as an analogy the **Internal Revenue Service's** penalizing individuals who cheat on their taxes rather than "throwing out the tax code. I think the same should have been done with redevelopment agencies. Unfortunately, that's where we are right now. I know that this city and every other city will be looking for solutions in the future, and unfortunately it means much more difficult budgeting for us."
- (d) He stated, "As we do enter this new year, I hope that everybody will have a much better year than they did in 2011. I think there are signs that the economy is starting to improve, and I hope that those signs can continue."

2. Council Member/Director Dutrey commented as follows:

- (a) He noted he was pleased to spend the holidays with family and friends. He added that he enjoyed riding his new bike around Montclair and "higher up the hill."
- (b) He advised, as City Manager Starr wrote in a recent email, that the only way to save redevelopment would be for the state to pass the necessary legislation to place an initiative on the November 2012 ballot to amend **Proposition 22** – the **Local Taxpayer, Public Safety, and Transportation Act**, though he expressed his doubt that the voters would support the constitutional amendment. He suggested local government agencies and the special interest groups in favor of redevelopment should place an initiative on the

November 2012 ballot to overturn the high court's ruling, though he expressed his doubt that it would be successful.

Council Member Dutrey noted it will be crucial to see if the Legislature will introduce legislation within the next 30 days related to amending Proposition 22, which could only happen if Governor Brown supports it. He expressed his opinion that "the days of redevelopment are over," adding that the issue is unfortunate so far as funding affordable housing is concerned. He added that local government agencies should have done a better job of lobbying the Legislature on behalf of continuing redevelopment, stating, "I can't believe that cities, for the most part, just watched 30 percent of their total property tax increment revenues disappear because of the greed of the state. It's a sad day for local governments, in my opinion, and especially for cities and counties that really depended on these funds for economic development; affordable housing; and building bridges, roads, and fire and police stations—all these great things that improved the quality of life for residents."

3. Mayor Pro Tem/Vice Chairperson Raft stated that she hopes everyone had a great holiday and wished everyone a very happy new year. She stated, "I hope this year is a great year for everyone, including our great City, and that we do not have to go through as much turmoil as we did last year.
4. Council Member/Director Paulitz commented as follows:
  - (a) He noted he had a very lovely time visiting his daughter in Arizona over the last two weeks.
  - (b) He noted learning about the fate of redevelopment agencies in a recent *Wall Street Journal* article and that he spoke to City Manager Starr about the issue. He noted he had predicted in July 2011 that "the Governor would be making a big mistake and shooting himself in the foot in the long run if he eliminates redevelopment agencies," which he did. He stated, "They don't really realize when they mandate so much housing for each community every year and so much of it has to be affordable housing—how in the heck is it going to happen? The only way it can happen is through subsidies, and the only way those were happening was through redevelopment agency subsidies. I think either the Legislature will wake up to what they did, or they are just going to let it go, and the only ultimate solution is, as discussed by Council Member

Dutrey, a ballot initiative to amend Proposition 22 to allow the state to divert redevelopment agency tax increment. Otherwise, all the redevelopment good will go by the wayside and the cities will continue to struggle to balance their budgets, with the state struggling the most because of it. As I predicted, our esteemed Governor shot himself in the foot."

Mayor Eaton asked Council Member Paulitz if he has been in contact with his family member in San Diego who thought he was missing.

Council Member Paulitz noted the handset of his telephone was not properly placed back on the switch hook while he was in Arizona, and anyone calling his number heard a busy signal on the telephone line. He stated that though his family in San Diego knew he was going to visit his daughter these last two weeks, they were concerned about the busy signal on his telephone; so he asked a neighbor to check his telephone, at which time the handset was replaced.

#### **E. Committee Meeting Minutes**

##### **1. Minutes of Personnel Committee Meeting of December 19, 2011**

The City Council received and filed the Personnel Committee meeting minutes of December 19, 2011, for informational purposes.

#### **XII. COUNCIL/AGENCY WORKSHOP**

##### **A. Community Redevelopment Agency Update**

Moved by Council Member Dutrey, seconded by Mayor Pro Tem/Vice Chairperson Raft, and carried to continue this item to an adjourned meeting on Tuesday, January 17, 2012, at 5:45 p.m. in the City Council Chambers.

#### **XIII. ADJOURNMENT OF REDEVELOPMENT AGENCY AND MONTCLAIR HOUSING CORPORATION BOARDS OF DIRECTORS**

At 7:13 p.m., Chairman Eaton adjourned the Redevelopment Agency Board of Directors to Tuesday, January 17, 2012, at 5:45 p.m. in the City Council Chambers.

At 7:13 p.m., Chairman Eaton adjourned the Montclair Housing Corporation Board of Directors.

At 7:13 p.m., the City Council went into Closed Session regarding labor negotiations pursuant to Government Code Section 54957.6.

**XIV. CLOSED SESSION ANNOUNCEMENTS**

At 7:35 p.m., the City Council returned from Closed Session. Mayor Eaton announced that the City Council met in Closed Session regarding labor negotiations, information was received and direction given, and no more announcements would be made at this time.

**XV. ADJOURNMENT OF CITY COUNCIL**

At 7:36 p.m., Mayor Eaton adjourned the City Council.

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

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Yvonne L. Smith  
Deputy City Clerk