



## **CITY OF MONTCLAIR**

**Montclair Civic Center  
5111 Benito Street  
Montclair, CA 91763**

May 17, 2012

**TO:** Honorable Mayor and City Council

**FROM:** Edward C. Starr, City Manager

**SUBJECT:** WEEKLY REPORT: May 11-17, 2012

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➤ ***CITY MANAGER/ADMINISTRATIVE SERVICES DEPARTMENTS***

- Yesterday, Senior Intern Mikey Fuentes attended the 2012 Four Corners Coalition Economic Summit in Diamond Bar. There were various panel discussions related to the following areas of interest:

**City of Industry NFL Stadium**

John Semcken, vice president of Majestic Realty Company, noted the Los Angeles area is the largest region in the country without a professional football team. The proposed City of Industry location is regarded as ideal because it is at the convergence of four counties: Los Angeles, Orange, San Bernardino, and Riverside. The proposed location is also within a 30-minute radius of 15.5 million people—the majority of people in the Los Angeles area live east of downtown Los Angeles. The proposed stadium would provide more transit options and space, versus that of a stadium built in the city of Los Angeles.

**Current State of the Economy at the Local, Regional, and State Level**

Dr. Wallace Walrod, Chief Economic Advisor for the Orange County Business Council; Dr. John Husing, Vice President of Economics and Politics Inc.; and Kevin Klowden, Director of the California Center at Milken Institute discussed the current state of local, regional, and state economies.

Dr. Walrod discussed four key components of the Southern California economy: construction, logistics, manufacturing, and film. Construction remains a dormant part of the economy and is unlikely to see significant improvement any earlier than 2018—the decline is driven largely by weak demand for residential properties.

The Port of Los Angeles continues to demonstrate growth in the number of containers handled, although the Port of Long Beach has seen a recent decline, due in part to sluggish manufacturing growth in China.

Southern California must improve its logistical ability to process international trade in order to counter an anticipated increase in competition stemming from improvements to the Panama Canal, which would reroute trade to Mexico and the Gulf states; and increasing use of the Suez Canal, which expands trade routes to the east coast of the United States. International trade plays a huge role in driving the economy of Southern California and provides the bulk of jobs for Californians without secondary education.

Southern California's manufacturing base continues to stabilize as many businesses rethink decisions to locate outside the state. Companies are also finding that with the rising cost of labor in Asia, relocating back to the U.S. may produce an economic advantage.

The popularity of Hollywood films continues to allow the state to dominate the international entertainment industry. The migration of film production outside of California has slowed, as many production firms find it cost-effective to produce and complete their products in state, and California remains the center of special effects technology.

Dr. Husing discussed the need to expand beyond the four historical key drivers of growth in Southern California: construction, logistics, manufacturing, and film. For example, the health care industry continues to grow unabated, regardless of the recession's impact on every other sector of the economy. Expansion of health care facilities, health care education, and biotech manufacturing would prepare the Inland Empire to cope with a growing population and provide a means to bring high paying jobs to the region. However, the Inland Empire lags in education attainment, complicating the process of providing a labor force to fill skilled jobs. Currently, the percentage of people with a bachelor's degree or higher in the Inland Empire stands at 19.45 percent; whereas the percentage of people in the state with a bachelor's degree or higher is 30.1 percent. Without a significant increase in educational attainment, the Inland Empire will continue to attract jobs requiring low skill levels—jobs typically impacted by changes in the economy.

Kevin Klowden discussed the need for job friendly regulation and greater access to capital by small businesses. Currently, unemployment in California stands at 11 percent, not including people who are no longer looking for jobs. However, the unemployment rate in the Inland Empire is disproportionately higher than in neighboring Los Angeles and Orange Counties. Klowden defines Los Angeles and Orange Counties as job rich and house poor, while the Inland Empire is house rich and job poor. This imbalance has caused the rates of unemployment in the Inland Empire to remain stubbornly high. Klowden went on to say that agencies at all levels need to streamline regulations on small business, since small businesses represent the primary job-creating force in the Southern California region. In recent years, job development in California has transformed from corporate growth to small business growth. Job growth in larger corporations has retrenched due in part to mergers and streamlining of processes. Klowden also encouraged the need to ease small business access to capital to continue the cycle of job growth in this sector of the economy.

### **SCAG 2010 Regional Economic Recovery Strategy Update**

Hasan Ikhata, Executive Director of the Southern California Association of Governments, discussed SCAG's current projects. SCAG took a major step forward in setting a long-term course for important transportation projects in the region when it adopted the 2012-2035 Regional Transportation Plan (RTP) and Sustainable Communities Strategy. The RTP integrates land use planning with transportation planning and incorporates strategies aimed at improving air quality while enhancing mobility and economic sustainability in the region. Ikhata concluded by noting Southern California needs to focus more on regional issues instead of city and county issues.

### **The Important Role the Ontario Airport plays in the Region's Economy**

Gina Marie Lindsey, Executive Director of Los Angeles World Airports; Michael Armstrong, Aviation Manager for the Southern California Association of Governments; Denny Schneider, President of the Alliance for a Regional Solution to Airport Congestion; and Alan Wapner, Ontario Council Member, discussed the need to improve short-term and long-term viability of the LA/Ontario International Airport. The primary emphasis of the discussion was on future control of LA/Ontario International, and whether it should rest with Los Angeles World's Airports or the City of Ontario.

- Last weekend, Governor Brown offered a gloomy preview of his May Budget Revision when he announced that California's deficit for Fiscal Year 2011-12 has grown to \$16 billion—a \$7 billion increase over earlier estimates. The estimated state General Fund budget for next year is \$91.4 billion. Brown blamed the larger deficit projection on a number of factors, including a slow economic recovery and rising health care and state pension costs.

The Governor released his May Revision on Monday. In crafting the current budget, Brown relied on revenue projections that assumed significant growth from capital gains earned by California's wealthiest residents. However, many fiscal experts warned the Governor to avoid overly optimistic projections—a warning borne out when California ended last month \$3 billion in the red for the fiscal year.

The Governor's solution for fixing the deficit: deeper than anticipated budget cuts and voter approval of his November 2012 ballot initiative to raise an estimated \$8.5 billion in new taxes. Brown's tax initiative would increase the statewide sales tax rate by a quarter-cent and impose a three-tier income tax hike, starting with single filers earning \$250,000 and joint filers earning \$500,000.

In his May Revision, Governor Brown proposes \$8.3 billion in cuts; \$5.9 billion in assumed taxes; and \$2.5 billion in transfers/loans. Out of proposed cuts, \$1.2 billion would affect health and human services; \$880 million to welfare programs; \$544 million to courts; \$240 million would be saved by delaying courthouse construction projects; and \$400 million in state worker costs.

The Governor is warning state employees to anticipate a 5 percent compensation reduction, plus a reduction in work hours. Brown is asking state employees to work four days a week for a total of 38 hours instead of 40, or 9.5-hour shifts. The Governor indicates the proposal would save operational costs by shutting down offices once a week.

What happens if voters fail to approve the governor's tax measure? The May Revision proposes approximately \$6 billion in triggered cuts, and of that amount, \$5.5 billion would affect K-12 schools (equivalent to reducing the school year by three weeks) and community colleges; \$500 million from the UC and CSU systems (\$250 million each); and \$50 million would be taken from programs for developmentally disabled. In addition, the deficit would continue to grow unless further, significant reductions are made to operating programs.

Brown partly blames the growing deficit on federal court and administrative decisions for blocking spending cuts he had counted on in January 2012. Federal officials in February rejected \$575 million in annual savings from requiring low-income patients to submit co-payments for medical services. A federal judge also blocked about \$500 million in annual savings from reducing payments to doctors, pharmacists, and other Medi-Cal providers. A third court ruling blocked a \$100 million cut to in-home care providers who serve low-income elderly and disabled residents.

The Governor's grim budget outlook could have been worse had he not counted an infusion of tax revenues from an initial stock offering by Facebook. Brown estimates the stock sale will bring in \$1.5 billion more through June 2013; and, if Brown's tax initiative is approved, it could

generate an additional \$400 million from those who sell their Facebook stock.

Brown must also deal with resistance from legislative members: Republican legislative members will resist tax increases, and democratic legislative members plan to block or reduce Brown's \$1 billion cut to Welfare-to-Work, a program that has already faced grant reductions and stricter time limits in recent budgets. The Legislature can also be expected to propose a range of one-time solutions, fund transfers, program manipulations, and "fuzzy" math to minimize the budget pain.

Brown's deficit announcement makes it all the more likely that the University of California and state colleges will raise tuition for the next school year. UC officials announced earlier this month they would need \$125 million more than Brown gave them in the January budget proposal to avoid a 6 percent tuition hike. However, the Governor's budget is expected to move in the opposite direction. And K-12 schools are expected to face even deeper "trigger" cuts than the \$4.8 billion Brown proposed in his January budget, if the November tax initiative fails—in part because the current initiative raises more taxes than the original initiative, and Brown used the higher projections to reduce the projected impact on schools.

Finally, as predicted, it is now obvious the state and local taxing agencies are seeing no immediate or near-term benefit from the Governor's and Legislature's misdirected decision to dismantle California's 429 community redevelopment agencies. Brown had projected a one-time \$2.8 billion property tax windfall to the state to reduce the originally projected \$9.2 billion deficit for the current year. However, current projections show the state receiving approximately \$900 million in redistributed property tax increment, although future adjustments are likely to increase this number. In exchange, California has lost more than \$5 billion in annual economic activity—a product of redevelopment's expenditure of property tax increment on low-moderate income housing, infrastructure improvement, and other community-related projects.

➤ **COMMUNITY DEVELOPMENT DEPARTMENT**

- The Community Action Committee will sponsor its Annual Memorial Day Program on Monday, May 28, 2012, at 6 p.m. in the Memorial Garden, located next to City Hall. This year's event will include the dedication of three new plaques on our Veteran's Memorial, which pays tribute to deceased Montclair veterans from all branches of service whose families have purchased plaques. The event will also include a presentation of colors by Montclair High School ROTC, patriotic music by Montclair Walker's Choral Group, readings, and refreshments.

- Mark your calendars now for the Annual Family Fun Festival on Saturday, June 2 from 11 a.m. to 5 p.m. at Alma Hofman Park. This year's event, "Bringing Spirit to Montclair," will feature carnival rides and games for the kids, a DJ, Disc Dogs, a BMX demonstration, a skateboarding competition, food vendors, community organizations, and much more.

City employees interested in volunteering at the Fun Festival should contact Junior Intern Jetske Wauran at Ext. 457, or [jwauran@cityofmontclair.org](mailto:jwauran@cityofmontclair.org).

- Last Thursday, the Senior Center hosted a legal matters workshop that was attended by 45 seniors and Council Member John Dutrey. Inland Counties Legal Services representatives discussed important information seniors need to know regarding estate planning. Topics included wills, living trusts, probates, powers of attorney, and the new, advanced health care directive.

The seniors had many questions and many legal myths were dispelled.

A photo collage of the presentation is included on Page 10.

## ➤ **POLICE DEPARTMENT**

- "Social Host Ordinance" was the subject at a recent press conference of the San Bernardino County Police Chiefs and Sheriff Association. A Social Host Ordinance holds responsible adults and/or property owners who knowingly or unknowingly host, permit, or allow underage drinking parties on properties that they own, lease, or otherwise control. As Association president, Chief Keith Jones welcomed those present and plunged in to the serious subject of underage drinking.

Sheriff Rod Hoops spoke about the importance of the Social Host Ordinance, which was adopted by San Bernardino County.

District Attorney Mike Ramos stated his office is committed to the health and safety of all young people and to prosecuting violators of the Social Host Ordinance.

Other speakers included Mothers Against Drunk Driving advocate Kali Robinson, and a local high school student.

Cities in San Bernardino County that have adopted a Social Host Ordinance include Colton, Fontana, Ontario, Rancho Cucamonga, Rialto, San Bernardino, Victorville, and Yucca Valley; and San Bernardino County.

The cities of Big Bear Lake and Redlands have pending Social Host Ordinances. Chief Jones is looking into the feasibility of creating a Social Host Ordinance in the City of Montclair.

➤ **FIRE DEPARTMENT**

- On Wednesday, City representatives and various community partners met at the City's Emergency Operations Center for the annual review of the City's Hazard Mitigation Plan (HMP). The HMP identifies natural hazards that affect Montclair and the City's critical facilities, assesses the vulnerability of community assets, and develops a mitigation strategy. The goal of mitigation is to reduce or eliminate long-term risk to life and property from hazardous events.

Angelic Bird, Fire Secretary and coordinator of the City's Emergency Preparedness Program, coordinated and facilitated this annual review which is in compliance with the maintenance plan set forth in Section 7 of the HMP. The maintenance plan requires the Planning Team meet at least yearly to review the plan.

This meeting provided an opportunity to discuss the status of mitigation projects and maintain partnerships that are essential to the sustainability of the plan.

➤ **PUBLIC WORKS/SUCCESSOR REDEVELOPMENT AGENCY**

- No information to report this week.

ECS:spa

*"The true meaning of life is to plant trees,  
under whose shade you do not expect to sit."  
~ Nelson Henderson*

# MAY 2012



21	Code Enforcement Committee Meeting City Hall Conference Room	6:00 p.m.
21	City Council Meeting Council Chambers	7:00 p.m.
28	Memorial Day – City Offices Closed	
28	Memorial Day Program City Hall Memorial Garden	6:00 p.m.
29	City Manager’s Staff Meeting City Manager’s Conference Room	9:00 a.m.
29	Planning Commission Meeting Council Chambers	7:00 p.m.

# JUNE 2012



2	Family Fun Festival Alma Hofman Park	11:00 a.m. - 5:00 p.m.
4	City Council Meeting Council Chambers	7:00 p.m.
11	Planning Commission Meeting Council Chambers	7:00 p.m.
12	City Manager's Staff Meeting City Manager's Conference Room	9:00 a.m.
13	Preliminary Budget Review Council Chambers	6:00 p.m.
17	<b>Father's Day</b>	
18	Code Enforcement Committee Meeting City Manager's Conference Room	6:00 p.m.
18	City Council Meeting Council Chambers	7:00 p.m.
20	First Day of Summer	
21	Safety Committee Meeting City Manager's Conference Room	9:00 a.m.
25	Planning Commission Meeting Council Chambers	7:00 p.m.
26	City Manager's Staff Meeting City Manager's Conference Room	9:00 a.m.



# Senior Center Legal Matters Presentation

