

CITY OF MONTCLAIR

Montclair Civic Center
5111 Benito Street
Montclair, CA 91763

October 25, 2012

TO: Honorable Mayor and City Council

FROM: Edward C. Starr, City Manager

SUBJECT: CITY MANAGER'S WEEKLY REPORT: October 19-25, 2012

➤ **CITY MANAGER/ADMINISTRATIVE SERVICES DEPARTMENTS**

- At last week's Montclair Candidates' Forum, comments were made by a former City of Montclair employee and candidate for City Council office regarding a difference between the ending and opening balances on the City's Treasurer's Reports for the months of July and August 2012. The comment was apparently intended to suggest to the audience the "apparent" existence of a reporting discrepancy and an indifferent attitude by current City Council members to properly observe financial reports and take note of "questionable" adjustments.

It is correct that a difference between the two reports exists; however, any observational, implied, or factual accuracy attributed to the Candidate's Forum commentator ends there. The variance in reported totals simply reflects a corrective change in reporting procedures instituted by the City's current and highly respected Finance Director, Don Parker. During his 36 years of experience, Mr. Parker, a former partner and principal with the accounting firm Lance, Soll & Lunghard, has achieved a distinguished and laudable reputation in the municipal auditing and accounting industry, second to none.

Prior to the state's dissolution of community redevelopment agencies, Mr. Parker served as a professional consultant to the California Redevelopment Association and cities throughout California. He also taught extensively on redevelopment law and is frequently called on to use his institutional knowledge to question and/or speak on the actions of the state

Department of Finance in relation to its interactions with Successor Redevelopment Agencies. Mr. Parker is a member of the California Society of CPA's and served on its Governmental Accounting and Auditing Committee. He was involved in reviewing the "agreed upon procedures" applied in Successor Agency Due Diligence reviews and drafted the procedures utilized by counties in their reviews of Successor Redevelopment Agencies. Mr. Parker served as the Governmental Accounting and Auditing Committee representative to the State Controller's Office where he represented all the county auditor-controller's in the state to determine how counties should proceed with Successor Agency reviews. Mr. Parker served as Montclair's interim Finance Director from January 1, 2012, through June 30, 2012, and became full-time Finance Director effective July 2012.

In past years, monthly Treasurer's Reports were not correctly reconciled to the Treasurer's Ledger. The adjustment between the July and August 2012 Treasurer's Reports reflects a correction to that past, incorrect reporting process. The adjustment is not indicative of anything beyond implementation of a corrective action to past, incorrect reporting processes; furthermore, this corrective process is recommended and approved by the City's independent auditors. The change in reporting procedures now brings monthly Treasurer's Reports and the Treasurer's Ledger into agreement and will continue to do so as the organization goes forward. The correction also reflects a continuing effort to discover and resolve past reporting discrepancies. The ending balances in the August 2012 Treasurer's Report are correct and properly report the cash positions of various funds of the City.

The reporting differences noted between the two Treasurer's Reports is attributed to a number of past, incorrect reporting and reconciliation practices maintained by a former supervisor in the Finance Division, as indicated in the *2011 Single Audit Report On Federal Award Programs*. Observed reporting discrepancies were shared with members of the City Council through exposure to the *2011 Single Audit Report* and by discussion at Fiscal Year 2012-13 Budget meetings. City Council Members will continue to be advised of any new discrepancies discovered through the ongoing evaluation of past practices and procedures and all corrective actions taken.

The *2011 Single Audit Report On Federal Award Programs* clearly points out audit concerns related to past reporting procedures by a former Finance Division supervisor. During the audit process, independent auditors state it "*became apparent that many accounts in the City's accounting records had not been fully analyzed and reconciled as of June 30, 2011 and throughout the fiscal year.*" For some accounts, the audit determined inappropriate balances had been carried forward for several years and adjustments to accounts were often not reported in annual financial statements for successive years. The City's independent auditors conclude the Finance

Division's previous supervisor lacked *"internal control over the financial reporting process, and also that financial information provided to the City Council and management...may not have been completely accurate and timely....The responsibility for overseeing the financial accounting and reporting process was not adequately performed in the past and this ultimately lead to the change in management...."*

The City Council is assured that despite the apparent occurrence of incorrect accounting procedures in recent years, each procedural inaccuracy has been resolved as discovered—reconciling the Treasurer's Report to the Treasurer's Ledger is one of the more recent corrective actions. Furthermore, the accuracy of all City funds has been ascertained and will continue to be monitored by Finance Director Parker, employees in the Finance Department, and the City's independent auditing firm. Finally, it is important to realize discrepancies in specified reporting processes did not, at any time, represent a threat to the City's fiscal integrity.

Prospectively, Montclair continues to emerge from the Great Recession with modest gains in revenue. The City also looks forward to development within the North Montclair Downtown project area (including development of the Paseos at Montclair—a 385-unit luxury condominium/apartment complex; and Arrow Station at Montclair—a 129-unit apartment and single-family home project); expansion and exterior remodel of Montclair Plaza; construction of the Monte Vista Avenue Grade Separation and reconstruction of the Central Avenue Grade Separation—both projects occurring at the Union Pacific Railroad tracks in southern Montclair; and a number of other public works improvement projects.

The City Council has also taken a proactive response in addressing personnel-related costs by effectively reducing expenditures without adversely impacting services to the community. The City is also cooperating with the California Public Employee Retirement System (CalPERS) in that agency's statewide examination of pension earnings provided to recent retirees. CalPERS has already taken action to reverse the projected or earned pension payments of some former Montclair employees and continues to examine final year calculation estimates used as the basis for determining pensions.

Over the last several years, each policy instituted and fiduciary action taken by management and the City Council has ensured that Montclair avoided the tragic fiscal crisis facing so many other cities in California, including Chapter 9 Bankruptcy. The organization can proudly boast it is on a path toward a measured recovery. As we move forward, the City Council also expects to address the loss of redevelopment as an economic engine for development by examining alternatives to fund future facilities, infrastructure, and public works projects. For example, City staff is exploring the refinancing of debt to achieve lower interest rates and

extended principal payments, with annual savings to be directed toward a facilities and infrastructure improvement fund.

There is a cautionary note, however: over the past 24 months, the City's legal defense costs against an expanding list of lawsuits are now approaching \$800,000. These mounting costs, coupled with an anemic economy, represent a significant burden on taxpayers and may ultimately impact the City's ability to deliver services, maintain a healthy reserve fund, and improve employee wages and benefits.

Despite the negative rhetoric of the current political season, Montclair retains a level of values and commitment that mark this city as a model of efficiency, performance, and service. From the scope of quality police services available through a state-of-the-art police facility, to a Human Services program that offers a vast range of activities and services to all residents, Montclair is often cited by regional political leaders as a community with heart and soul—a community that truly cares for its constituents. Few cities Montclair's size, and larger, can boast of a higher level of commitment. Montclair remains a fine community to live and work in; a fine community to operate a business in; and a fine City to work for.

In the words of Elmer and Hollis Judkins, two long-term residents of Montclair and active and valued participants in various City programs, including Montclair's prestigious senior citizens program, "*Montclair is the next best town to Mayberry.*"

- Yesterday, Administrative Intern Mikey Fuentes attended the League of California Cities' Legislative Task Force Meeting. Guest speaker Rodney Jones, Fontana Chief of Police, discussed the impacts of AB 109 *Public Safety Realignment Act* in San Bernardino County, as well as recommendations by the San Bernardino County Police Chiefs and Sheriff Association and Riverside County Police Chiefs and Sheriff Association for AB 109 Legislative Priorities.

AB 109 Public Safety Realignment Act

On April 4, 2011, the Governor of California signed Assembly Bill 109, the Public Safety Realignment Act, which created a significant change to the California correctional system. This law, which became effective on October 1, 2011, transferred responsibility for housing/supervising inmate and parolee populations classified as low-level offenders from the California Department of Corrections and Rehabilitation (CDCR) to counties. AB 109 allows newly sentenced low-level offenders to serve their sentences in a county jail rather than the state prison system.

AB 109 Legislative Priority Recommendations—Constitutionally Protected Funding

- ✓ Funding for A B109 must be constitutionally protected

- ✓ The funding source and the funding level have to be guaranteed each year and cannot be dependent upon the current economic situation

Front Line Public Safety Funding

- ✓ Police departments throughout California have seen little to no funding for the increased demand for service created by AB 109
- ✓ Police departments in San Bernardino County received no funding from AB109 allocations assigned to the county
- ✓ Police departments in Riverside County reportedly received 3 percent of the Riverside County allotment
- ✓ Governor Brown's \$20 million offer to police departments in California, which is contingent upon the passage of Prop 30, is nominal at best.

All Sentences Over 3 Years Shall Be Served in State Prison Regardless of Triple Non Classification

- ✓ Under AB 109 any triple non-sentences are served in the county jail regardless of the length
- ✓ County jails are neither equipped nor staffed to supervise incarceration of prisoners for extended periods of time

Regulation Split-Tail Sentencing

- ✓ Currently, if somebody is released early from their sentence, AB 109 prohibits a supervised release unless it is part of the sentence, which in most cases it is not. Modify the current law such that early releases have supervision terms for the remainder of the sentence.

Elimination of 6 Months Release for Good Behavior

- ✓ If somebody on supervised release does nothing wrong for 6 months, they can be released from further supervision. This is counterproductive. If somebody is given a term of three years of supervised release, for instance, they should be monitored for the full term.

Reclassification of Sex Offenders

- ✓ Under current law, a person released from state prison for a registerable sex offense can be released to Post Release Community Supervision (PRCS) if the state authorities determine that they are not a serious/violent sex offender. This law should be modified such that AB 109 does not apply to registerable sex offenses.

Reclassification of Triple Non Status

- ✓ Classification as a triple non-offender should be based on the totality of the criminal behavior and the criminal history of the specific

offender. Under current law, an offender can have multiple previous convictions for violent offense, but they would have a triple non-status if their last conviction was for a triple non-offense.

➤ **COMMUNITY DEVELOPMENT DEPARTMENT**

- Yesterday, the Montclair Senior Center held its monthly birthday party at the Community Center. The Halloween-themed event was attended by more than 250 seniors and included a popular costume contest, lunch, and cake and ice cream. Photos of the festivities are featured on Page 11.
- Last Thursday evening, I, along with distinguished guests Mayor Pro Tem Carolyn Raft, Assembly Member Norma Torres, and County Supervisor Gary Ovitt attended the 13th Annual Lights on After-School celebration. This year's event was themed "Enlightening Our Lives through the Arts" and featured an art gallery of student work. On stage, there were dance and cheer squad performances along with a student-made music video. Other highlights included guitar lessons, showings of classic movies, and displays of student artwork that mimicked techniques of famous artists such as Andy Warhol, Pablo Picasso, and Frieda Kahlo.

A photo collage of the event is included on Page 12.

- The City's Annual Children's Halloween Party will be held on Wednesday, October 31 from 5:30 p.m. to 8 p.m. at the Community Center. The party is free and is open to all "ghosts, goblins, and witches" 12 years of age and under, and their parents. Included in the festivities will be a costume contest at 6:45 p.m., prizes, games, refreshments, and lots of candy.

See you there!

- The final opportunity for City employees to receive their complimentary flu shots is Tuesday, October 30 from 11:30 a.m. to 1:30 p.m. at the Montclair Medical Clinic. No appointments are necessary to receive the vaccine. Please direct questions to Ext. 451.

➤ **POLICE DEPARTMENT**

- The City of Montclair took a stand against gangs and drug-related violence by hosting a S.M.A.S.H. (San Bernardino Movement Against Street Hoodlums) operation on October 19 at the Police Department. Participating agencies throughout San Bernardino County also included Barstow, Chino, San Bernardino, and Upland Police Departments; San Bernardino Sheriff's Department; State Parole, County Probation; and the District Attorney's Office.

Prior to the start of the operation, Chief Keith Jones thanked everyone during briefing for their support and participation. The 27, 2-man teams

were encouraged to be proactive while patrolling the City. The resulting accomplishment was 37 arrests.

Operations such as S.M.A.S.H. are essential in winning the war on gang violence and drugs. A big group hug goes to City of Montclair employees who assisted in the operation: Lieutenant Robert Avels; Sergeant Brandon Kumanski; Officers Nicholas Almeida, Ben Cypher, Andy Graziano, Kyle Hurd, Nicholas Medina, Brian Rose; Detectives Gloria Perez and Raul Perez; Cadets Alan Matley, Candace Martinez, and Eduardo Fornes; Records Bureau staff Janine Gordon, Christine Wolfe, Haidee Reyes, and Jamie Gering; Reserve Officer Nick Lopez; and Dispatchers Martinez, Ayala, and Rochford.

A special thank you goes to Officer Ron Goble for organizing the event. According to the outside agencies, the Montclair Police Department was extremely organized and prepared for this large-scale operation.

➤ ***FIRE DEPARTMENT***

- Last week, Fire Department staff received training on radioactive materials. The class was instructed by staff from Lawrence Livermore National Laboratory, who are also members of the Radiological Assistance Program. They are a team of specialists that responds to anywhere in the United States during radiological emergencies.

The class was broken down into two parts—classroom and hands-on exercises. The classroom portion started with a history of radiological material from its discovery to nuclear reactors. There was also discussion of the hazards for first responders, from transportation accidents to terrorist attacks.

The hands-on portion of the class included the proper use of monitoring equipment. The instructors placed radioactive material around the parking lot of headquarters; Fire personnel, utilizing their monitoring equipment, had to locate the material.

This training is very important to Fire personnel because radiological material is transported every day and an incident of small or large magnitude can happen at any time.

A photo collage is included on Page 13.

- On Thursday, October 18, the City of Montclair joined with more than 9.4 million Californians in the 2012 Great Southern California Shake Out, the nation's largest earthquake drill.

City employees, Senior Center visitors, and Mini-School students participated in a Drop, Cover, and Hold On drill by simulating the actions they would take to protect themselves from falling debris during an actual earthquake. At the conclusion of the drill, participants evacuated their facilities through emergency exits and gathered at their designated Facility Evacuation Areas to account for staff, students, and visitors.

Additionally, Fire suppression crews reviewed and practiced their Standard Operating Procedure for earthquakes by removing apparatus from the Fire station, checking utility connections, and determining if there was structural damage to the facility. Police Dispatchers notified Officers about the special drill with an alert tone over the radio system. Following the "earthquake," Dispatchers conducted a roll call of all Police Officers working in the field to ensure their safety. Officers also reviewed the section of their policy manual pertaining to emergency procedures following an earthquake.

After an actual earthquake, it is important for response partners to maintain situational awareness by sharing information of their current status with each other. The City partnered with the Monte Vista Water District (MVWD) for Shake Out to practice this communication component. After MVWD staff completed their earthquake drill, they reported to the City with an update on their agency's status. Additionally, the City submitted an Initial City/Town Status Report to the San Bernardino County Office of Emergency Services via the WebEOC Program to advise of the City's participation in Shake Out and its current status. WebEOC is an internet-based crisis information management system that enhances internal and remote emergency situational awareness.

Special thanks go to everyone who helped coordinate this drill! A photo collage of Shake Out activities is featured on Page 14.

➤ ***PUBLIC WORKS/SUCCESSOR REDEVELOPMENT AGENCY***

- You may recall, in mid-September, vandals attempted to steal wire from the Kingsley Park ball field. Although very little wire was stolen, damages to the poles and electrical systems were extensive. The initial estimate for repairs was approximately \$15,000.

Staff contacted the same company that made repairs to this field back in 2007, when copper wire and electrical service equipment was stolen and the cost for repairs then was over \$50,000. The contract regarding the most recent act of vandalism was awarded through an emergency action, as approved by the City Council on October 1, 2012.

Repairs were completed to all field and security lighting on October 19, 2012, at a cost of \$6,875. City staff is once again welding shut all access points on the light poles to help minimize future wire theft and vandalism.

Security measures installed back in 2007 after the first wire theft prevented a major amount of wire from being stolen in September.

ECS:spa

*“Once in a young lifetime one should be allowed to have as much sweetness as one can possibly want and hold.”
~ Judith Olney*

OCTOBER 2012



30	City Manager's Staff Meeting City Hall Conference Room	9:00 a.m.
31	Children's Halloween Party Community Center	5:30 p.m. - 8 p.m.

NOVEMBER 2012



4	Daylight Savings Time Ends – Sets Your Clocks Back One Hour	2:00 a.m.
5	City Council Workshop Council Chambers	5:45 p.m.
6	Election Day	
7	Community Action Committee Meeting Council Chambers	7:00 p.m.
8	League of California Cities General Membership Meeting and James Thalman Award Dinner Sierra Lakes Country Club, Fontana	6:30 p.m.
12	Veterans Day Observation – City Hall Closed	
13	City Manager’s Staff Meeting City Hall Conference Room	9:00 a.m.
13	Planning Commission Meeting Council Chambers	7:00 p.m.
15	Safety Committee Meeting City Hall Conference Room	9:00 a.m.
15	Public Works Committee Meeting City Hall Conference Room	2:00 p.m.
19	Code Enforcement Committee Meeting City Hall Conference Room	6:00 p.m.
19	City Council Meeting Council Chambers	7:00 p.m.
22	Thanksgiving Day – City Hall Closed	
26	Planning Commission Meeting Council Chambers	7:00 p.m.
27	City Manager’s Staff Meeting City Hall Conference Room	9:00 a.m.



MONTCLAIR SENIORS' HALLOWEEN PARTY



OCTOBER 24, 2012



City of Montclair's
LIGHTS ON AFTER-SCHOOL
October 18, 2012

MONTCLAIR

Fire Department Radiological Training





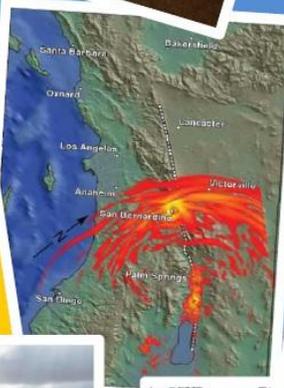
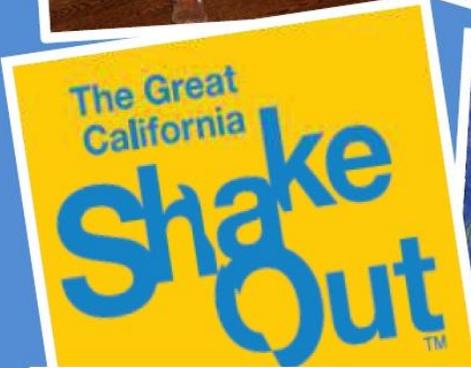
Protecting themselves during the earthquake



Removing apparatus from stations



Checking Utilities



Gathering at Facility Evacuation Areas

