



## CITY OF MONTCLAIR

Montclair Civic Center  
5111 Benito Street  
Montclair, CA 91763

November 8, 2012

**TO:** Honorable Mayor and City Council

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

**SUBJECT:** CITY MANAGER'S WEEKLY REPORT: November 2-8, 2012

---

➤ **CITY MANAGER/ADMINISTRATIVE SERVICES DEPARTMENTS**

- The Montclair City Family and Montclair community congratulate Mayor Pro Tem Carolyn Raft and Council Member John Dutrey on their hard-fought re-election to four-year terms on the Montclair City Council. In what amounted to be one of the most difficult and controversial City Council campaigns in the history of Montclair's electoral politics, the two incumbents, backed by City Council colleagues, positive reviews by local media, and supportive residents demonstrated a strength in courage, fortitude, and conviction that allowed them to deliver to the voters a powerful message of strong fiscal management, stable leadership, and a positive future for the City of Montclair. Together, their platform reconfirmed a message voters yearned to hear: *Healthy and vibrant communities require exceptional management direction, employee dedication, an involved citizenry, and a broad range of important public services designed to accommodate a diverse population and evolving community—qualities serving as hallmarks of the City of Montclair.*

By a significant margin, voters declared the course set by the Montclair City Council is the correct direction for the community—direction that includes maintaining the current practice of offering a wide range of services, programs and activities designed to provide residents with a community broadly focused on physical growth; economic development; infrastructure improvements; safety and security; quality youth, adult, and senior programs; excellent educational opportunities; community-oriented events; recreational options; a range of shopping choices; and quality and

affordable housing coupled with efforts to revitalize, maintain, and improve neighborhoods. Effectively, the community voiced appreciation of the City Council's choices to control the cost of government while concurrently creating a community that provides residents with an affordable, practical, and satisfactory quality-of-life.

The Montclair management team stands behind the City Council in providing a program of services that fully addresses the diverse needs of the community, and will continue efforts that move the City forward on a number of vital issues and important projects. In the months and years ahead, we can expect to see full development of north Montclair pursuant to direction laid out by the City Council in 2005 when it adopted the North Montclair Downtown Specific Plan. Montclair Plaza is also expected to undergo a major exterior facelift and expansion of retail outlets and entertainment and dining options. And residents will witness continued improvement to Montclair's streets and roads, including widening of Monte Vista Avenue at the I-10 Freeway, construction of the Monte Vista Avenue Grade Separation at the Union Pacific Railroad Tracks, and reconstruction of the Central Avenue bridge at the Union Pacific Railroad tracks.

The City is on track with efforts designed to move the community forward from the fiscal disaster of the Great Recession. Fiscal restraint and effective management and oversight of the annual budget process guaranteed Montclair would cope effectively with severe declines in revenue. As the community looks ahead, we anticipate further efforts designed to impact operating costs with no sacrifice in services to the community; and modest economic growth will be committed to supplanting the loss of Montclair's Redevelopment Agency and its vital force as an engine for improving the face of the community.

The City Council and management team sincerely appreciate the cooperation of residents and employees as Montclair reorganizes its efforts to emerge as a healthier community that effectively avoided the fiscal precipice that now envelops other cities that either moved too late to address the enormity of the worst economic recession since the Great Depression of the 1930s, or lacked the capacity to recover successfully.

Finally, I would like to extend congratulations to all residents, business and community partners, and each Montclair employee for your effort and diligence in making Montclair "*The next best town to Mayberry!*"

- Earlier this week, Moody's Investor Services expressed concern that recent decisions by the cities of San Bernardino and Compton to suspend pension payments to the California Public Employees Retirement System (CalPERS) could have ramifications for other cities and their creditors. Specifically, the credit rating agency's analysts are concerned that courts will now be empowered to decide whether pension payments can be legally

suspended or modified during periods of financial distress and/or bankruptcy.

This past August, the City of San Bernardino, facing a \$46-million General Fund deficit, filed for Chapter 9 bankruptcy, and Compton has struggled with a \$40-million deficit and a lack of cash to pay bills—Compton has not filed for bankruptcy protection. In recent months, both agencies ceased making the employer portion of their respective pension payments. San Bernardino now owes approximately \$5 million to the pension fund and Compton owed \$2.7 million; however, Compton has since paid down approximately \$2 million of its past due pension obligations.

If San Bernardino and/or Compton succeed in redefining their pension obligations, it would set a precedent that CalPERS and other pension funds can be brought to the negotiating table. In recent years, CalPERS saw its investment portfolio suffer significant losses—the pension fund’s assets remain nearly \$30 billion behind its June 2008 posting of approximately \$260 billion. To address these losses, CalPERS has passed on significant rate increases to client cities—Montclair has seen its employer rates climb dramatically over the past several years.

Many cities may find that forcing CalPERS to the negotiating table may be a necessary option to reducing General Fund obligations. What impacts such negotiations would have on current and future retiree pensions are unknown.

Other California cities that filed for bankruptcy protection, including Vallejo, Stockton, and Mammoth Lakes, continue to make their CalPERS pension payments—although Stockton has been criticized by creditors for not seeking concessions from CalPERS. The potential for other California cities to enter into Chapter 9 bankruptcy remains high; and if these numbers increase, pressure may mount on CalPERS to reevaluate its relationships with client agencies or face the prospect of rebellion in the form of an expanding list of unpaid pension obligations and decisions by courts that CalPERS is simply another creditor that must wait in line for significantly reduced payments.

CalPERS is expected to pursue legal action designed to force San Bernardino and Compton to pay pension obligations with the hope of deterring other fiscally stressed cities from withholding required pension payments.

- Once determined to remain strictly an out-of-state online retailer, Amazon.com is now undergoing a California makeover. Earlier last month, the world's largest Internet retailer inaugurated its first California fulfillment center in San Bernardino. It will receive goods from manufacturers and process orders for quick delivery to Southern California customers. For the Inland Empire and bankrupt San Bernardino, where the unemployment rate

for September was 12.2 percent, the new warehouse also means jobs. The San Bernardino facility has 700 workers, with more hires expected soon. Late next spring or early summer, Amazon expects to open a second, massive distribution center in Patterson, a Central Valley agricultural town southeast of San Francisco. Amazon operates 40 logistic/warehouse centers around the country.

The 950,000-square-foot San Bernardino operation, near the intersection of the I-10 and I-215, is located to serve an area stretching from the Central Coast to the high desert, to San Diego and into southern Nevada. The facility is well placed for rail shipments coming through the ports of Los Angeles and Long Beach and air freight bound in and out of San Bernardino International Airport.

The State Board of Equalization estimates Amazon's southern and northern logistics centers will generate hundreds of millions of dollars in new tax revenue a year for state and local governments and create jobs in the economically hard-hit Inland Empire and Central Valley. The facilities are well placed to speed delivery times to California's main population centers, which previously were served by Amazon warehouses in Nevada, Arizona, and around the country. Meanwhile, in selected San Francisco area locations, the company has begun using a new "pilot" delivery technique called Amazon Lockers. Installed in supermarkets and other stores, the lockers are intended to provide customers with a more secure and convenient way to get packages when they aren't home to accept deliveries. If the pilot program is successful, Amazon will extend it to other locals.

Amazon's physical presence in California represents a major shift in strategy that began to unfold in mid-2011, when Amazon and Governor Brown cut a deal that paved the way for the collection of sales taxes on purchases made by California shoppers on and after September 15, 2012. In turn for the one-year delay, Amazon abandoned its earlier refusal to collect the tax and stopped a threatened referendum to overturn the state's Internet sales tax law. Amazon.com accounts for nearly half of all online retail sales in California.

Amazon executives downplay chatter that the company plans to move quickly toward same-day delivery. Amazon, however, recently launched a "local express delivery"—premium-priced, same-day service to any of ten cities if orders are placed early in the day. For now, the service is available only in three western cities: Phoenix, Las Vegas, and Seattle. Speedier deliveries are a crucial way for Amazon to differentiate itself as the retail battle intensifies with stores like Target, Best Buy, Wal-Mart, and other Main Street businesses.

➤ **COMMUNITY DEVELOPMENT DEPARTMENT**

- Mark your calendars to join us Sunday, November 18 at 5 p.m. as the Metrolink Holiday Toy Express Train arrives at Montclair Metrolink Station, located at 5091 Richton Street. More than 50,000 twinkle lights and holiday displays will decorate the train, plus there will be 20 minutes of free entertainment! Free refreshments will be served and participants from the Montclair Youth Center will perform holiday songs.

The Montclair Fire Department will be collecting donated toys for the annual "Spark of Love" Toy Drive, which will be distributed as part of the City's Toy and Food Basket program. Please direct questions to 909-625-9479.

➤ **POLICE DEPARTMENT**

- On October 31, Montclair Police Officers were called to investigate an attempted murder that took place on the westbound lane of the I-10 Freeway, west of the Monte Vista Avenue off-ramp. The adult female suspect attempted to kill her 8-year-old daughter by driving her vehicle into the rear of a tractor-trailer at approximately 80 to 90 mph. Witnesses observed the suspect hitting the child in the face with a closed fist and smashing her head into the dash area of the vehicle several times after the collision. California Highway Patrol officers responded to the location to assist with the investigation and were assaulted by the suspect prior to our Officers' arrival. A CHP officer was treated at Pomona Valley Hospital for her injuries. The suspect's daughter suffered minor injuries and has been released to family.

Montclair Detectives conducted the investigation and charged the suspect with attempted murder. The suspect was taken to Arrowhead Medical Center for a physiological evaluation and was cleared for booking the following day. She was booked at West Valley Detention Center, with bail set at \$1,000,000, and is awaiting trial.

The District Attorney's Office has filed charges against the suspect for attempted murder, child abuse, assault with a deadly weapon, and assault on the CHP officer.

➤ **FIRE DEPARTMENT**

- No items to report.

➤ **PUBLIC WORKS/SUCCESSOR REDEVELOPMENT AGENCY**

- No items to report.

ECS:spa

*"We begin to see that the completion of an important project has every right to be dignified by a natural grieving process. Something that required the best of you has ended. You will miss it."*

*~ Anne Wilson Schaefer*

## **NOVEMBER 2012**

		
8	League of California Cities General Membership Meeting and James Thalman Award Dinner Sierra Lakes Country Club, Fontana	6:30 p.m.
12	<b>Veterans Day Observation – City Hall Closed</b>	
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.
18	Metrolink Holiday Toy Express Train Montclair Metrolink Station	5:00 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	<b>Thanksgiving Day – City Hall Closed</b>	
26	Planning Commission Meeting Council Chambers	7:00 p.m.
27	City Manager's Staff Meeting City Hall Conference Room	9:00 a.m.