



CITY OF MONTCLAIR

Montclair Civic Center
5111 Benito Street
Montclair, CA 91763

May 9, 2013

TO: Honorable Mayor and City Council

FROM: Edward C. Starr, City Manager

SUBJECT: CITY MANAGER'S WEEKLY REPORT: May 3-9, 2013

➤ **CITY MANAGER/ADMINISTRATIVE SERVICES DEPARTMENTS**

- Last week, I reported the Senate was nearing a vote on the Marketplace Fairness Act, expanding sales taxes to include internet-related online sales. I am now pleased to report the measure was approved by a vote of 69 to 27. There are a number of reasons consumers have flocked to online shopping sites run by Amazon, e-Bay, Overstock, and online sites run by major retailers and other traditional brick-and-mortar stores: convenience; the ability to compare prices and obtain better deals; and failure by many online sites to collect sales and/or use taxes. Though state laws require online shoppers to report and pay sales/use taxes for online purchases, consumers typically fail to report and submit tax payments.

The Marketplace Fairness Act would remove one major incentive for online shopping by requiring the collection of state and local sales taxes. Under current law, states collect sales tax from companies that have a physical presence in the state, which affects all brick-and-mortar retailers, but has limited impact on internet retailers shipping to in-state customers. If signed into law, the Marketplace Fairness Act would expand taxable transactions to include sales through inter-state online commerce. Estimates indicate the loss in sales tax revenues nationally is \$22 billion to \$24 billion annually.

The continued growth of online sales over the last five years has been significant. In 2009, online retail sales accounted for 7 percent of retail purchases—approximately \$155 billion in sales, excluding automobiles, travel, and prescription drugs. In 2013, U.S. online retail sales are expected to reach \$262 billion, up 13 percent compared to 2012.

The top three sectors driving the continued shift toward online sales are apparel and accessories, consumer electronics, and computer hardware.

To take advantage of this surge in online sales, traditional brick-and-mortar stores have created a strong online presence. Earlier this year, Macy's announced its internet sales rose 48 percent during the company's fourth quarter. Similarly, Nordstrom's fourth quarter earnings expanded by over 50 percent.

In the consumer electronics market, Best Buy is aggressively targeting online sales as part of its Renew Blue plan. The company will now match in-store prices to online competitors.

Many in Congress believe the Marketplace Fairness Act will be a boon to small businesses, which are key drivers in domestic job creation. Nonetheless, many economists believe strong online sales will continue. Passage of the Marketplace Fairness Act may add some incremental costs to online retailers; however, consumers enjoy the ability to surf, click, and buy online. Furthermore, the range of online product choices suggests consumers will continue to buy online.

President Obama supports passage of the Marketplace Fairness Act; however, chances of survival in the House remain uncertain.

➤ **COMMUNITY DEVELOPMENT DEPARTMENT**

- Plan to join us at Alma Hofman Park on Saturday, May 25 from 10 a.m. to 1 p.m. for the 2013 season opening of the Splash Pad and summer kick off. The free event will include the official opening of the Splash Pad at 10 a.m. SHARP, and an inflatable water slide for kids (swimwear required). A hot dog lunch-combo will be available for \$3, plus community members will have the opportunity to learn more about our summer youth programs. There will be free, one per family, \$15 discount coupons for those that attend.

Come register for programs and meet the summer program staff. For additional program information, call (909) 625-9479.

- Mark your calendars for the City's inaugural Country Fair Jamboree, to be held on Saturday, June 1 from 11 a.m. to 5 p.m. at Alma Hofman Park. The event will feature kids' carnival rides and games, a giant Ferris wheel, a fiberglass slide for adults and kids, a DJ, a popular local country band, pony rides, a petting zoo, a BMX demonstration, a skateboarding competition, food vendors (including Tommy's Burgers), contests for all ages, community organizations, and much more.

Watch future reports for more information about this upcoming event!

- May 3-5 marked the second yard sale weekend of 2013 in Montclair. A total of 233 permits were issued to residents, who took advantage of good weather virtually all weekend. Staff was kept busy most of last week, especially Wednesday and Thursday, issuing permits at the public counter.

Special thanks go to Administrative Secretary Laura Berke and Administrative Specialist Alicia Johnson for bearing the brunt of permit issuance while taking the time to explain the rules and regulations of the City's yard sale ordinance to residents.

The City's next yard sale weekend is scheduled for August 2-4.

➤ **POLICE DEPARTMENT**

- On February 23, 2012, four masked suspects armed with a handgun and sledge hammer entered the Ben Bridge Jewelry Store at Montclair Plaza. They stole 23 Rolex watches before they fled the mall.

Six suspects involved in the robbery were tracked and arrested in March 2012. During the investigation, Detectives discovered four of the six suspects were also involved in robberies that had occurred in Nevada.

Last week, two out of the four suspects in the Nevada case plead guilty to conspiracy to commit robbery and robbery with use of a deadly weapon. The two suspects received four more years in prison, which they will serve after suspect one serves five years and suspect two serves four years in California for the robbery in Montclair. The other two suspects in the Nevada case are still awaiting trial.

- Detective Gloria Perez participated in a Senior Scam Stopper Seminar today at the Montclair Senior Center. She served on the panel of experts and provided valuable information on how seniors can protect themselves from becoming victims of fraud.

Assemblymember Norma Torres teamed up with the Contractors State License Board to present this free seminar intended to help protect seniors from falling prey to scams and schemes involving home repair, identity theft, auto repair, insurance, solicitations, and more.

➤ **FIRE DEPARTMENT**

- Yesterday, Fire Division Chief Steve Jackson and Administrative Aide Angelic Bird observed a full-scale emergency exercise at the LA/Ontario International Airport that was designed to test the airport's ability to respond to an aircraft accident. The scenario for this exercise involved two aircraft colliding at the intersection of a runway and a taxiway.

Approximately 20 agencies participated in the exercise, and many volunteers played the role of injured victims. Federal Aviation Administration regulations require this type of exercise be conducted at least every three years to evaluate the capabilities of interagency coordination among various agencies responsible for responding to an aircraft incident at the airport.

- On Monday, May 6, the 17th Annual Quest Rally, sponsored by the Firefighters Quest for Burn Survivors caravan, visited Fire Station No. 1. This nonprofit organization is managed by firefighters and civilians who volunteer their services and are dedicated to assisting those that have been affected by burn injuries. The caravan, escorted by California Highway Patrol units, consists of several fire agencies that travel from one fire station to another throughout the six Southern California counties to raise funds for burn survivors.

The Montclair Fire Fighters Association donated \$250 this year, which will be distributed to local burn centers and foundations as well as burn survivors and their families.

- On May 5, Fire Department personnel responded to a vehicle accident on Moreno Street, just east of Central Avenue. Upon arrival, Medic Squad 151 personnel encountered a vehicle on its side with the driver trapped inside.

Personnel on Medic Engines 151 and 152 immediately began to stabilize the vehicle, using rescue struts, to ensure a safe working environment while tending to the victim and beginning extrication efforts. The victim's head was wedged between the roof rail and the pavement, making this extrication rather precarious.

The rescue personnel employed the use of additional cribbing as well as airbag systems to prevent further movement of the vehicle, and they utilized the Jaws of Life to remove a portion of the roof to gain access and remove the victim. The victim was sent to Arrowhead Regional Hospital's Trauma Center for definitive medical care.

➤ **PUBLIC WORKS DEPARTMENT**

- AB 939 by former Assemblymember Byron Sher passed in 1989, establishing a new direction for waste management in the state with the creation of the California Integrated Waste Management Board, and setting up a new mandate for local jurisdictions to meet diversion goals. The standards include requirements for local jurisdictions to achieve required waste diversion rates, establish commercial recycling programs of up to 80 percent of recyclable materials, and create source reduction programs at the local level.

The California Department of Resources Recycling and Recovery (CalRecycle) enforces these requirements through Jurisdictional Reviews conducted in four-year cycles. The 2007-2011 Jurisdictional Review was recently completed, and CalRecycle has found the City of Montclair, in partnership with Burrtec Waste Industries, to be in compliance with the requirements of AB 939. Through the successful implementation of diversion programs, the City and Burrtec have been recognized in our efforts in helping to conserve natural resources, strengthen the State's economy, and assist in the reduction of greenhouse gas emissions.

- Today City employees enjoyed Vince's spaghetti and Italian sausages at the City Yard for Hank Merenda's retirement luncheon. Hank, a 22-year graffiti abatement worker in the Public Works Department, will retire on May 16. He also worked for the City for 11 years as a contract employee eradicating graffiti in the City prior to being hired full-time.

Besides his friendships with co-workers, Hank made many friends in the community while eradicating graffiti. He and the Montclair Police formed a special friendship through his assistance with information and knowledge that helped the police apprehend taggers and other criminals that have defaced City and private property as well.

But did you know prior to coming to the City of Montclair, Hank was a professional baseball player with the California Angels and, later, the Detroit Tigers? After his professional baseball career, he was an assistant baseball coach for many years at Montclair and Alta Loma high schools, and he managed the Montclair American Legion baseball team for ten years.

Now, in his "hammock" years, Hank plans on doing nothing—at first. He is happy, though, that retirement will enable him to spend more time with his two grandchildren—Giana, 3-1/2, and Jacob, 10 months—when he is not out golfing with his work buddies.

Hank, thank you for your dedication and support to the City! Your Montclair City family will miss you very much. You worked hard and can now enjoy the fruits of your labor!

➤ **SUCCESSOR REDEVELOPMENT AGENCY/MONTCLAIR HOUSING CORPORATION**

- Say goodbye to the traditional American gas station.

Every day, three or four gas stations close up shop. Some are victims of high land values in bustling urban and suburban cores. But other factors are in play throughout the country: rising competition from new gas retailers like Walmart and Costco Wholesale; the growing efficiency of the American vehicle fleet; and changing driving patterns. Americans are driving less than they did a few years ago, too. When they do drive, they're more likely to drive cars that get better gas mileage. And with each passing month, a growing cadre of drivers gets around without using gasoline at all.

According to the trade publication *National Petroleum News*, the gas station count in the United States—including public fueling stations, marinas, convenience stores, gas stations, and hypermarkets such as Costco Wholesale—was at 156,065 at the end of 2012. The number of outlets selling gasoline was down 1,328 or about 1 percent from 2011. That marked the seventh consecutive year of decline. Since 2002, the station count has fallen by nearly 14,000 outlets, or about 8 percent.

The demise of the traditional gas station has many reasons; it was a trend that began in the 1990's when retailers such as Costco Wholesale and Walmart began to sell gasoline at their locations. The large retailers have the ability to run on lower profit margins that put some mom-and-pop gasoline retailers with low-volume gas stations out of business.

In recent years, the economy and technology have worked against gas stations. According to the Energy Information Administration, the volume of gasoline sales peaked in 2007 with Americans consuming 3.389 billion barrels of gasoline. However, every year since 2007, gasoline consumption has fallen, down to 3.185 billion barrels in 2012, for a decline of 6 percent.

During the Great Recession, fewer people were working and a decline in goods movement and people traveling to jobs reduced gasoline consumption. The persistently high price of gasoline is also pushing more Americans of all ages to use public transportation. In addition, environmental regulations require gas station owners to put in more secure gas tanks. This pushed some owners to get out of the business.

Meanwhile, there has been a quiet revolution in auto efficiency in the United States. In addition to hybrids, SUV's, coupes, and sedans that populate dealer showrooms are much more gasoline efficient than their predecessors. It is not uncommon for a basic car to get 40 miles per gallon or an SUV to get 30 miles per gallon on the highway. A typical new car now gets about 20 percent better mileage than the typical new car that was built in 2008.

There is also another factor at work in the demise of gasoline stations—land use patterns. Cities, suburbs, and college towns around the country are all becoming more densely populated and served by new networks of buses, bike lanes, and light-rail transit. That is pushing people to rethink the best use of properties at prominent intersections. As they look ahead, gas station owners are beginning to think about dwindling profits and the amount they might be able make from selling their property to a developer for a restaurant or office building.

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"I stand fearlessly for small dogs, the American Flag, motherhood, and the Bible. That's why people love me."

~ Art Linkletter

MAY 2013



12	Mother's Day	
13	Planning Commission Meeting Council Chambers	7:00 p.m.
14	City Manager's Staff Meeting City Hall Conference Room	9:00 a.m.
15	Police Appreciation Luncheon, hosted by Montclair Chamber of Commerce, Dolce Café	11:30 a.m. - 1:00 p.m.
16	Safety Committee Meeting City Hall Conference Room	9:00 a.m.
16	Public Works Committee Meeting City Hall Conference Room	2:00 p.m.
20	Code Enforcement Committee Meeting - Canceled	
20	City Council Meeting Council Chambers	7:00 p.m.
27	Memorial Day – City Hall Closed	
27	Memorial Day Program Civic Center Memorial Garden	6:00 p.m.
28	Planning Commission Meeting Council Chambers	7:00 p.m.
30	Retirement Celebration for Police Chief Keith Jones Montclair Senior Center	6:00 p.m.