



## CITY OF MONTCLAIR

Montclair Civic Center  
5111 Benito Street  
Montclair, CA 91763

May 23, 2013

**TO:** Honorable Mayor and City Council

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

**SUBJECT:** CITY MANAGER'S WEEKLY REPORT: May 17-23, 2013

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➤ **CITY MANAGER/ADMINISTRATIVE SERVICES DEPARTMENTS**

- In April, I reported the Board of Administration of the California Public Employees' Retirement System (CalPERS) approved new actuarial policies that will have a significant impact on participating employers. The policies are designed to return CalPERS to fully funded status over the next 30 years, but will increase costs for participating employers. Some estimates indicate employer contributions will rise by almost 50 percent over a 5-year period beginning with the 2015-2016 fiscal year. Employee contributions, however, will not be impacted by this change.

CalPERS reports the majority of pension plans are underfunded by 20 percent to 35 percent on average, and the prospects only look worse with liabilities increasing faster than assets accrue. As a result, changes to the 15-year rolling asset smoothing period (adopted in 2004 to address volatile employer contribution rates) and the rolling 30-year amortization period, were recommended in order to accelerate progress towards the goal of attaining fully funded status. The new policies adopt a 5-year asset smoothing period and a fixed 30-year amortization period.

CalPERS indicated the new policies would prevent dramatic increases in employer contribution rates during years of extreme fluctuations in investment returns, and keep changes in rates to a reasonable level during other years. The new 30-year fixed amortization period will begin with a projected 5-year ramp up of employer rates starting in Fiscal Year 2015-16. Employer rates are then expected to stabilize for 20 years at the significantly higher rate, and then potentially ramp down for five years.

Earlier this month, CalPERS released a Circular Letter estimating increases to employer contribution rates for fiscal years 2015-16 through 2019-20. The Circular Letter suggests increases may not be as significant as originally estimated; however, the overall impact will ultimately depend on an employer's current contribution rates and asset to liability ratios. Montclair is in a risk pool with other agencies in the state and shares what is considered high asset and liability volatility ratios.

Predictably, it is estimated employers with lower Asset Volatility Ratios (AVR) will experience lower rate increases than those with higher ratios. For example, CalPERS estimates an employer with an AVR of 4 will experience a total increase over a 5-year period of 5.5 percent, an employer with an AVR of 8 will experience a total increase over a 5-year period of 11 percent, and an employer with an AVR to 15 would experience a total increase over a five-year period of 20 percent. Montclair is waiting for an actuary from CalPERS to determine the current level of its AVR—past CalPERS actuaries have typically placed Montclair at the higher end of the AVR scale for both safety and miscellaneous employees.

Montclair's actual AVR will be influenced by a number of factors including, but not limited to, liability volatility ratios, mortality table revisions, payroll estimates, unfunded liability estimates, and CalPERS earnings on investments. These factors will be taken into consideration over the next year as CalPERS prepares to introduce its new policy related to full funding of pension obligations within 30 years.

➤ **COMMUNITY DEVELOPMENT DEPARTMENT**

- The Community Action Committee will host its Annual Memorial Day Program on Monday, May 27 at 6 p.m. in the Memorial Garden, located adjacent to City Hall. An event highlight will be the dedication of eight new plaques on our Veterans Memorial.

The event will also include a presentation of colors by the Montclair High School ROTC, patriotic music performed by the Montclair Walker's Choral Group, refreshments, and readings.

The City's Veterans Memorial is a tribute to deceased Montclair veterans from all branches of service whose families have purchased plaques.

- Summer activities in Montclair begin this Saturday, May 25 from 10 a.m. to 1 p.m. with the opening on the Splash Pad for the 2013 season and kick-off for summer youth programs. The free event will begin *promptly* at 10 a.m. and will also feature 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, register for programs, and meet the summer programs staff. There will be

free, one per family, \$15 discount coupons available for Montclair Summer Day Camp and the Summer Day Program.

For additional program information, call (909) 625-9479.

- Attached to today's paychecks is a coupon for a free Tommy's cheeseburger or double cheeseburger redeemable at the City's inaugural Country Fair Jamboree on Saturday, June 1 from 11 a.m. to 5 p.m. at Alma Hofman Park. There will be carnival rides and games for kids, a giant Ferris wheel and fiberglass slide for adults and kids, a DJ, a performance by a popular local country band, pony rides, a petting zoo, a BMX demonstration, a skateboarding competition, food vendors, contests for all age groups, community organizations, and much more.

For more information, visit [www.cityofmontclair.org/countryfairjamboree](http://www.cityofmontclair.org/countryfairjamboree).

➤ **POLICE DEPARTMENT**

- Reserve Officers conducted another Traffic Enforcement Detail on May 18, resulting in 54 issued citations and two impounded vehicles from unlicensed drivers. Reserve Captain Ron Foss, Reserve Sergeants Frank Fonseca and Scott Stephenson, and Reserve Officer Joe Kuskie also monitored a special event at Pomona Valley Harley Davidson and assisted with calls for service.

The next scheduled detail is set for June 15, 2013.

➤ **FIRE DEPARTMENT**

- There are no items to report this week.

➤ **PUBLIC WORKS DEPARTMENT**

- In August, the Public Works Engineering Department will solicit bid proposals for the Monte Vista Avenue Roadway Widening Project. The street improvement project will widen Monte Vista Avenue from Howard Street to Mission Boulevard. Street improvements will expand the northbound lanes from one lane to two lanes and will include street lighting, curb, gutter, sidewalk, and new asphalt paving.

The engineer's estimate for the project is \$475,000.

At the May 7, 2013, California Transportation Commission board meeting, the Monte Vista Avenue Roadway Widening Project was approved. The Commission allocated \$180,000 of Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 funding

toward the project. Remaining expenses will come from transportation development impact fees collected by the City from developers since 2006.

Construction of the project is expected to begin in September and completion is expected in December 2013.

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

- The Montclair Housing Corporation is conducting the Annual Income Certification of its current tenants. The Montclair Housing Corporation is required to annually certify that tenants remain income-qualified for its affordable housing rental program. If it is determined that a tenant's income exceeds the maximum allowable annual income threshold, the tenant is given a six-month notice to vacate. A six-month period allows tenants the opportunity to find adequate and comparable housing. However, many times, tenants who exceed the low- to moderate-income limits end up purchasing a home after being notified of their forthcoming termination in the program.

The Montclair Housing Corporation considers the move from renter to homeowner a positive and successful transition made possible through its rental program.

ECS:spa

*"Don't rule out working with your hands. It does not preclude using your head."  
~ Andy Rooney*

# MAY 2013



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.

# JUNE 2013



01	Country Fair Jamboree Alma Hofman Park	11:00 a.m. - 5:00 p.m.
03	City Council Meeting Council Chambers	7:00 p.m.
10	Planning Commission Meeting Council Chambers	7:00 p.m.
11	City Manager's Staff Meeting City Hall Conference Room	9:00 a.m.
12	Preliminary Budget Review Council Chambers	6:00 p.m.
<b>16</b>	<b>Father's Day</b>	
17	Code Enforcement Committee Meeting City Hall Conference Room	6:00 p.m.
17	City Council Meeting Council Chambers	7:00 p.m.
20	Summer Begins	
20	Safety Committee Meeting City Hall Conference Room	9:00 a.m.
20	Public Works Committee Meeting City Hall Conference Room	2:00 p.m.
24	Planning Commission Meeting Council Chambers	7:00 p.m.
25	City Manager's Staff Meeting City Hall Conference Room	9:00 a.m.