



February 20, 2014

TO: Honorable Mayor and City Council

FROM: Edward C. Starr, City Manager

SUBJECT: WEEKLY REPORT: February 14-20, 2014

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

- Earlier this week, the California Public Employees' Retirement System (CalPERS) Board of Directors made the decision to begin phasing in higher employer rate contributions to account for increased costs related to longer life expectancies for retirees. The decision will increase state payments in 2014, and affect all other contract agencies, including local governments, starting in 2016. Costs to employers will be spread out over the next 20 years.

The expected rate increase comes on top of employer rate increases related to unfunded liabilities. Last year, CalPERS adopted a "direct" smoothing policy designed to reach a public employee pension funding level of 100 percent over a 30-year fixed amortization period. Currently, CalPERS utilizes a 15-year "rolling" amortization period—effectively an accounting trick that pushes debt forward, typically on an annual or pre-determined budgetary basis, rather than paying off or amortizing debt within a fixed period of time.

The pressure on CalPERS and other public employee pension funds to address massive underfunding materialized in recent years, particularly during the aftermath of extensive public pension fund losses stemming from the Great Recession, and contradictory university and private studies that identified significant differences in "actual" underfunding of public pensions versus the "under-reporting" by administrators of public pensions.

To achieve "direct" full funding over the 30-year fixed amortization period, the required employer rate increase for municipal agencies is to be phased in over a 5-year period starting in Fiscal Year 2015-16. At the end of the 5-year adjustment period in 2019-20, CalPERS will maintain higher employer

rates over the next 25 years until the pension system is fully funded. This adopted approach eliminates the current practice of using a "smoothing" process that tri-annually spreads investment gains and losses over 15-year rolling periods rather than the proposed 30-year fixed period. Employer rates would only be reduced after full funding of pension plans is achieved—sometime around 2040 to 2045. Thereafter, employer contributions will be maintained at specified rates intended to ensure funding stability.

Under the adopted "direct" smoothing plan, cities are expecting a new round of "rate shock" as CalPERS employer rate contributions climb by an estimated 15 to 27 percent by the end of the 5-year phasing period—Fiscal Year 2019-20. However, these higher rates do not take into consideration the newly adopted increases related to mortality tables. Actuarial assumptions related to longer life expectancy for retirees is expected to add an additional 5 to 8 percent to employer rates over the phase-in period.

Municipalities throughout California regard CalPERS' increases to employer rates as unsustainable, arguing they may lead to a new rash of municipal bankruptcies, reductions in force, and consolidation or outsourcing of services—efforts frequently made difficult by a state legislature that seems determined to hobble the ability of local government officials to address internal fiscal matters.

CalPERS' new accounting changes, fixed "direct" smoothing period, and mortality rate-related adjustments will not increase the employee contribution as set by the Public Employee Pension Reform Act of 2013 (PEPRA). Under PEPRA, the employee contribution is based on 50 percent of the "normal" cost range, not the unfunded liability portion. CalPERS' adopted employer rate increases are, however, expected to increase pressure on many public employers to move forward in negotiating for employees to pay the full cost of the employer contribution as required under PEPRA.

➤ **COMMUNITY DEVELOPMENT DEPARTMENT**

- No new information to report.

➤ **FIRE DEPARTMENT**

- Yesterday, the City activated its Emergency Operations Center (EOC) to a Monitoring Level in response to a gas leak that occurred on Central Avenue. The City's EOC is activated when field response agencies—such as Fire, Police, Public Works, or utility companies—need support or in anticipation of needed support. Activated EOCs may be partially or fully staffed to meet the demands of the situation; in yesterday's case, the EOC was activated remotely with staff operating at various locations in the City.

There are four levels in which the EOC may be activated, depending on the demands of the situation. For yesterday's event, the EOC was activated to a Monitoring Level to determine if it had the potential to escalate to the point that Level 1 activation was necessary. Below is a matrix that details the four activation levels.

Activation Level	Event/Emergency	EOC Staffing Level
Monitoring	Planned event (parade, festival, etc.)	Responders may be brought into the EOC to assist in monitoring an event that has the potential to escalate to the point that activation is necessary. (May be monitored remotely without physically staffing the EOC).
	Training exercise	
	Minor incident that would not require the OA, Region, and State EOCs to activate in support.	
1	Unusual occurrences with severe potential impacts on the health and safety of the public and/or environment	Minimum staffing of the EOC with an EOC Director, EOC Coordinator, a Public Information Officer (PIO), and a few EOC Responders to specifically fill designated EOC sections. (May be monitored remotely without physically staffing the EOC).
	Severe weather issuances	
	Significant incidents involving two or more City Departments	
2	Earthquake with damage reported	EOC Director, Section Coordinators, Agency Representatives, and Branches and Units, as appropriate. May necessitate a 24-hour operation (rotate personnel on 12-hour shifts). After hours, may be staffed by a reduced number of EOC responders or by an on-call Duty Officer.
	Severe weather conditions (major rain or wind storm)	
	Two or more large incidents involving two or more City Departments	
	Major scheduled event	
	Severe hazardous materials incident involving large-scale, or possible large-scale, evacuations	
	An uncontrolled release or failure of a dam with damage reported	
	Unusual occurrences with severe potential impacts on the health and safety of the public and/or environment	
3	Major city or regional emergency, multiple departments with heavy resource involvement	Most, if not all, EOC positions are filled. EOC operates on a 24-hour basis; rotating personnel into the EOC on 12-hour shifts (recommended 0630-1900 A-shift and 1830-0700 B-shift).
	Earthquake with damage	
	An uncontrolled release or failure of a dam that has caused damage	
	Unusual occurrences with severe potential impacts on the health and safety of the public and/or environment	

When the EOC is activated, the City notifies the San Bernardino County Operational Area (SBCOA) Office of Emergency Services (OES) of this activity. The SBCOA OES is the City's link to outside resources. If an event occurring in the City exceeds our entire local resources and we require additional assistance, the SBCOA OES will be there to support us. It is vital for the City to keep the County apprised of what is happening in our jurisdiction so they can evaluate and manage resource distribution.

➤ **HUMAN SERVICES DEPARTMENT**

- Last Thursday the Senior Center held a "Wedding Bliss" event in celebration of Valentine's Day. Love was in the air as 12 senior couples, including Finance Supervisor Michael Piotrowski and his wife, Barbara, renewed their wedding vows before family and friends at the beautifully decorated Montclair Chapel, located adjacent to the Montclair Library building. The service was officiated by Police Department Chaplain Vicki Brobeck.

Afterwards, the "newlyweds" had their first dance to *Remember When* by Alan Jackson. Everyone was treated to a catered dinner, wedding cake, and sparkling cider for the celebratory toast. Guests also had the opportunity to visit a photo booth and a candy buffet, and the couples posed for a professional portrait.

Thanks go to the staff and volunteers who made this event possible. We appreciate our event sponsors—Montclair Hospital, Kimberly April Photography, GC Photo Booth, West End Family Counseling Services, Ontario Bakery, Inter Valley Health Plan, Martha's Flowers, Violinist Sarah Merkelbach, Soloist Marian Nutley, and the Visiting Nurses Association.

A photo collage of the event is included on Page 9.

➤ **POLICE DEPARTMENT**

- Yesterday morning, Police Officers and Fire personnel formed a unified command post at the scene of a detected gas leak on Central Avenue just south of Palo Verde Street. As workers from the Southern California Gas Company began repairs, a decision was made to close traffic on southbound Central Avenue between Interstate 10 and Palo Verde Street due the risk of explosion. Members of the California Highway Patrol responded to mitigate traffic impacts on the freeway. After several hours, workers were able to control the leak, and the roadway was opened to Palo Verde Street.
- While Officers were busy with the chaos created by the gas leak, in the early afternoon they were notified that CHP and Fontana Police were pursuing a stolen tractor-trailer on the westbound I-10 Freeway, toward Montclair. The gas leak had caused traffic to back up on the freeway, and the suspect ditched the stolen tractor-trailer on the freeway between

Mountain and Central Avenues and took off on foot, toward Boomer's in Upland. He then backtracked to Montclair in the Benson Avenue area, and tried to car jack a Montclair City vehicle being driven by a Maintenance Worker. When the Maintenance Worker refused to comply with the suspect's demands, the suspect ran toward a house on Deodar Street and tried to gain entrance. The owner of the home tackled the suspect and brought him down. Pursuing CHP Officers arrived, deployed the Taser Device, and took the suspect into custody. Montclair paramedics were also on the scene and treated the suspect, who was arrested by Fontana Police for various felony charges, including auto theft, attempted carjacking, and evading



Photo courtesy of *Inland Valley Daily Bulletin*

➤ **PUBLIC WORKS DEPARTMENT**

- What started as a water leak reported at the intersection of Palo Verde Street and Central Avenue Tuesday afternoon led to the complete shutdown of that intersection and all approaches yesterday, and interruption of water service to that area and widespread loss of gas service. As Monte Vista Water District began excavating at the site of the leak in the intersection, workers observed bubbles mixed in with the leaking water and the distinct smell of natural gas. The Gas Company was called and determined that both the Monte Vista Water District water line and a Gas Company 8" gas main were leaking. Repair work continued throughout Tuesday night and Wednesday. Temporary repairs were made to the gas line, allowing permanent repairs to be made to the water line and water service was restored. However, water service will not be restored to the 21 affected residents and 5 businesses until the repair work can be disinfected. That process will take at least a day. Permanent repairs will be made to the gas line at a future date.

Because both the water- and gas-line leaks were in close proximity to one another, water was able to get in the gas line and flow south, as far south as City Hall and perhaps beyond, forcing gas service to be shut down over a much larger area until the gas mains could be pumped dry. The Gas Company worked throughout Wednesday night and Thursday, but it is unclear when full gas service to the affected areas of Montclair will be restored.

Updates on water service restoration may be found at: <http://www.mvwd.org/news.cfm?resID=2787>

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

- Amazon.com is using image recognition technology to allow consumers to simply wave an iPhone in front of a product and automatically have it placed on their Amazon shopping list. The feature, called Flow, is designed to be a quicker way to search for products than by typing their name or scanning their bar code. To access it, users must have the latest Amazon app update.

"Flow is a way to search for products without typing, scanning a bar code, or taking a photo," according to Amazon. "It allows customers to simply move their iPhone camera over multiple items while standing in their kitchen, bathroom, or laundry room, identifying and purchasing most of their shopping list in seconds."

Flow's history feature gives the user access to all their scanned items, sorted by date, product category, item name, or scan type.

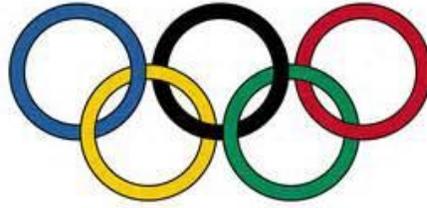
While Amazon is promoting Flow as a way to quickly create shopping lists, presumably another purpose is to make it easier for consumers to "showroom," or use mobile devices to make on-line purchases of in-store items. The retailer displaying the item in the store then loses the sale and, in California, the city will lose the sales tax from this point of sale.

Flow is currently available only on Amazon's iPhone app. So far, it is not available for Android or Windows smartphones.

ECS:spa

"The golden opportunity you are seeking is in yourself. It is not in your environment; it is not in luck or chance, or the help of others; it is in yourself alone." ~ Orison Swett Marden

FEBRUARY 2014



20	Public Works Committee Meeting City Hall Conference Room	2:00 p.m.
20	Assemblymember Freddie Rodriguez – Public Forum, Council Chambers	5:00 p.m. - 8:00 p.m.
22	Coffee with Assemblymember Freddie Rodriguez Police Department Emergency Operations Center	10:00 a.m. - 1:00 p.m.
24	Planning Commission Meeting - Canceled	
25	City Manager's Staff Meeting City Hall Conference Room	9:00 a.m.
25	Strategic Planning Session - Rescheduled	
26	Oversight Board – Special Meeting Council Chambers	6:00 p.m.

MARCH 2014



3	City Council Workshop Council Chambers	5:45 p.m.
3	City Council Meeting Council Chambers	7:00 p.m.
5	Community Action Committee Meeting Council Chambers	7:00 p.m.
8-12	Congressional City Conference Washington D.C.	
9	Daylight Saving Time Begins	2:00 a.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	Oversight Board Meeting Council Chambers	6:00 p.m.
17	St. Patrick's Day	
17	Code Enforcement Committee Meeting City Hall Conference Room	6:00 p.m.
17	City Council Meeting Council Chambers	7:00 p.m.
20	Spring 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.
27-28	City-County Conference Lake Arrowhead Resort	11:00 a.m.



Wedding Bliss Montclair Senior Center February 13, 2014



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