



December 11, 2014

TO: Honorable Mayor and City Council

FROM: Edward C. Starr, City Manager

SUBJECT: WEEKLY REPORT: December 5-11, 2014

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

- Last Thursday, a swearing-in ceremony was held during a special meeting of the City Council to install Mayor Paul Eaton, Mayor Pro Tem Bill Ruh, and newly elected Council Member Trisha Martinez. Attendees included State Senator Connie Leyva; Congress Member Gloria Negrete-McLeod; Fabian Gonzalez, Field Representative for the Office of Assembly Member Freddie Rodriguez; former San Bernardino County 4th District Supervisor Gary Ovitt; Chaffey Joint Union High School District Board Member Sue Ovitt; and dignitaries and representatives from other local agencies.

Mayor Eaton was sworn into his sixth Mayoral term by his wife, Ginger; Mayor Pro Tem Ruh was sworn into his fifth Council term by Congress Member Gloria Negrete-McLeod; and newly elected Council Member Martinez was sworn in by former Anaheim Police Captain Joe Vargas. The occasion marked the first time in 16 years that a new member was seated on the Montclair City Council. Council Member Martinez replaced retiring Council Member Leonard C. Paulitz, who served for 36 years on the City Council.

After the swearing-in ceremony, Council Member Carolyn Raft was unanimously elected Mayor Pro Tem, with service running through November 2016.

Congratulations, Mayor Eaton and Council Members Ruh and Martinez. The Montclair City staff looks forward to working with each of you and the entire City Council as our community moves forward on a number of important and significant projects.

- Over the past two years, the California Public Employee Retirement System (CalPERS) moved forward on implementing a number of long-term measures designed to address the pension fund's massive funding shortfall related to future pension obligations. Some estimates indicate the shortfall is at least \$100 billion, while others place it much higher. CalPERS currently has approximately \$300 billion in its investment portfolio.

One deficit-lowering measure to be implemented by CalPERS is an assessment against public agencies for unfunded liabilities. Currently, CalPERS' actuaries use salaries as the basis for calculating an employer's contribution rate. The new methodology, however, will use both salaries and the balance of any unfunded liabilities.

Beginning in Fiscal Year 2015-16, local governments in the fund's shared risk pool are to be assessed a supplemental fee based on the size of each agency's unfunded pension fund liability status. The supplemental fee would be in addition to the agency's annual employer rate component.

What is apparently emerging, however, is a structured penalty factor assessed against cities that were proactive in controlling labor costs during the Great Recession. Montclair and other cities that reduced the number of employees either through voluntary or involuntary reductions in force, including third-party service contracting, would typically see a decline in CalPERS employer contributions. Instead, CalPERS' refined process will apparently assess a surcharge designed, in part, to close pension funding shortfalls produced by a gap between assumed annual salaries, actual salaries, current contributions, and unfunded liability balances.

Initial indications suggest that some agencies will see their annual CalPERS payments increase by 50 percent as early as Fiscal Year 2015-16—Montclair may be one of those cities. A preliminary analysis of Fiscal Year 2015-16 estimated employer rates provided by CalPERS indicates Montclair will realize an employer rate increase across all employee groups totaling approximately \$1.5 million—an increase that would run counter to assurances from CalPERS that no agency would realize substantial increases in the annual contribution rate. Montclair and many cities throughout California have contacted CalPERS requesting full actuarial accounting, expressing dismay and alarm and demanding relief.

- California prosecutors sued Uber over the ride-booking company's driver background checks and other allegations, adding to the popular startup's legal woes in the U.S. and around the world.

The lawsuits filed Tuesday in San Francisco Superior Court are the latest legal hurdles for the nascent ride-sharing industry. The industry in general and Uber in particular have been battling lawsuits and regulatory issues

over whether the businesses are regulated taxi services or app-making technology companies.

Competitor Lyft, on the other hand, agreed to drop similar claims that its background checks are the "best available" and the "gold standard." It also agreed to pay \$500,000 and change some of its business practices to settle its own lawsuit. Among other concessions, Lyft agreed to submit its fare-setting app to state regulators to ensure it is fairly charging riders and it agreed not to do business at any airport unless it receives a permit.

A third company, Sidecar, is still under investigation and could face a lawsuit if it cannot reach an agreement with prosecutors.

The companies have popular Smartphone apps that allow passengers to order rides in privately driven cars. Uber uses information supplied electronically by its applicant drivers for background checks. But critics argue that applicants can get around those checks by using stolen or false identifications.

Uber is being sued for charging passengers an additional \$4 for trips to and from San Francisco International Airport, even though the company lacks a permit to do business at the airport and neither Uber nor its drivers pay the airport fee.

The lawsuit also accuses the company of failing to obtain approval from state regulators on how drivers calculate fares.

Uber has also endured negative attention about the company in relation to the actions of some of its drivers. An Uber driver was arrested in San Francisco in September and charged with felony assault on suspicion of using a hammer to attack and seriously injure a passenger who complained about a route.

In October, a Los Angeles woman reported that an Uber driver drove 20 miles out of her way and ignored her complaints before stopping the car in a deserted parking lot. She said the driver then locked the doors when she tried to leave. The woman reported that she escaped only after screaming. Uber refunded her fare.

Uber is fighting numerous legal and regulatory battles as it aggressively expands worldwide. Portland, Oregon, filed a lawsuit Monday seeking to halt Uber's expansion there, arguing the company failed to obtain the proper permits. A Nevada judge has temporarily barred Uber from operating in the state.

Overseas, a top official in India called for the service to be banned nationwide after one of its New Delhi drivers was arrested Sunday and accused of rape. Separately, Spain has barred the company's operation.

Nonetheless, San Francisco-based Uber raised \$1.2 billion in its latest round of funding from venture capitalists, a sign investors aren't fazed by the legal woes. The latest investment valued Uber at \$40 billion.

- In response to California's record drought, the Metropolitan Water District's Board of Directors revised the district's region-wide, water allocation plan and added \$40 million to its conservation rebate budget to keep pace with unparalleled public demand.

The adjusted allocation plan distributes Metropolitan's imported supplies among its 26 member agencies during shortages and establishes a surcharge for excess water use. If drought conditions persist, the board could consider triggering the allocation plan in the first quarter of 2015.

The decision to increase the district's conservation incentive budget from \$60 million to \$100 million during the ongoing drought marks the second time this year Metropolitan's board has boosted funding for water-saving rebates. Last February, the board added \$20 million to Metropolitan's conservation budget, which brought the total to \$60 million.

Driven by the public's response to the increased turf removal incentive, overall rebate requests are already more than nine times the total rebates paid last year.

As for the allocation plan, the primary principle of its tiered pricing levels is to alleviate disparate impacts at the retail level for Metropolitan's member public agencies across the district's six-county service area. The plan's formula includes mechanisms to balance many considerations and help ensure that no member agencies are disproportionately impacted.

Under the plan, Metropolitan's member agencies and their retailers would be allocated supplies partly based on their dependency on the district's imported supplies, while taking into account other local supply sources. Initially adopted by the board in February 2008, the plan incorporates considerations for impact on retail customers and the economy; changes and losses in local supplies; the investment in and development of local resources, and conservation achievements.

The approved revisions culminate nearly six months of discussion, collaboration, and negotiation among Metropolitan, its member agencies and affected local agencies. Among the changes were an update to the base period to fiscal years ending 2013 and 2014, and revised credits for per capita water use reductions for agencies that have already put in place mandatory conservation ordinances and requirements.

Other changes establish a separate allocation for drought-impacted groundwater basins and replace current penalty rates with an allocation surcharge based on Metropolitan's current turf removal program costs. Under the new surcharge, water use between 100 percent and 115 percent

of an allocation would be charged \$1,480 per acre-foot. Water use greater than 115 percent would be charged two times the surcharge or \$2,960 per acre-foot. Any revenues collected would fund the turf removal program or other similar conservation program that reduces future demands.

COMMUNITY DEVELOPMENT DEPARTMENT

- At its regular meeting Monday night, the Planning Commission approved a proposal by Fremont LLC to subdivide a .78-acre parcel on the west side of Fremont Avenue between Grand Avenue and Phillips Boulevard and construct 5 new single-family residences. The new homes will range in size from 2,105 to 2,476 square feet and each will feature a distinctive architectural style.

More than a dozen neighboring residents attended the meeting to view the plans and discuss the project with the developer; however, only two neighbors addressed the Commission with questions.

Renderings of the "Craftsman" and "Spanish" elevations appear below.





➤ **FIRE DEPARTMENT**

- This morning, at Dolce Bistro & Bakery, members of the Fire Department were honored by community and business members and the City of Montclair at the Montclair Chamber of Commerce-sponsored Annual Firefighters' Recognition Breakfast.

Firefighters put their lives on the line every day to save lives. In addition to all of the Firefighters who exercise life-saving efforts daily, two individuals were selected for their outstanding and exemplary performance in the line of duty.

James Colby was selected as the "Firefighter of the Year for 2013." James has been with the Montclair Fire Department since 2008 and has excelled in his position. This past April, James completed the necessary requirements for the position of Certified-Acting Fire Engineer and later tested for the position. In August 2014, he was promoted to Fire Engineer, and he has taken on many additional responsibilities.



James Colby

The "2013 Fire Department Employee of the Year" went to Division Chief Steve Jackson. Steve started with the Department in 1990 as a Firefighter. In July 2005, Steve was appointed to Acting Fire Captain; six months later, he promoted to the position of Fire Captain. Then, in 2007, Steve promoted to Division Chief, and in July 2014, Steve became Deputy Fire Chief.

James and Steve were presented with awards from local dignitaries and the Chamber of Commerce. We would like to congratulate both James and Steve for their exemplary service to the Fire Department, the City, and to the residents of Montclair.



Steve Jackson

➤ **HUMAN SERVICES DEPARTMENT**

- Last Saturday, members of the Montclair Police Department, Fire Department and Human Services Department, along with Santa, Mrs. Claus, and elves spent the day driving through the streets for Dashing Through Montclair. Santa and his caravan left the Police Department at 11 a.m. and drove through approximately 25 miles of Montclair streets, throwing out candy, spreading holiday cheer, and picking up toys to help fill Santa's sleigh. Stops were made at Lehigh Elementary School, Essex Park, Saratoga Park, Alma Hofman Park, and MacArthur Park. Each stop was documented with location and a picture on the City's Facebook page. Residents could also track Santa online through Montclair's Santa tracker. The day ended at the Police Department with cookies and cider, a community sing-along, and brief visits with Santa and Mrs. Claus.

Our appreciation goes to the following for helping out with this special day: the Police, Fire, Public Works, and Human Services Departments; Montclair Fire Fighters and Police Officer's Associations; Information Technology Division; community volunteers; and Police Officer Rob Pipersky and Ester Vargas Pipersky for serving as Santa and Mrs. Claus.

This year, the City's Facebook page received several comments from residents thanking the City for this event. A photo collage of the day and some of the Facebook comments and pictures are included on Pages 28-29.

- The Donate a Toy event at Costco on December 5 brought in over 200 toys and approximately \$1,500 in cash donations. Fire and Police Department vehicles were parked outside the store, and the community was invited to cover the vehicles in new toys, to be donated to the City's Toy and Food Basket Program (also supporting the Fire Department's efforts toward the Spark of Love Toy Drive).

A photo collage of the event is included on Page 30.



- More than 400 people attended last Thursday's Annual Tree Lighting Ceremony and visit with Santa and Mrs. Claus, including Mayor Paul Eaton, Mayor Pro Tem Carolyn Raft, and Council Members John Dutrey, Bill Ruh, and Trisha Martinez, along with myself and Deputy City Manager Marilyn Staats. Also in attendance was Senator Connie Leyva.

Children of all ages were delighted to be at the event, which included the lighting of the community Christmas Tree outside of the Youth Center, the arrival of Santa and Mrs. Claus on a fire truck, and a pre-event outdoor musical performance by a children's choir from Our Lady of Lourdes School.

Inside the Youth Center, the community was treated to a musical performance by the Montclair Walker's Choral Group, refreshments, and letters to Santa.

Special thanks goes to the Public Works Department for setting up, providing crowd control and tearing down the entire winter wonderland and Santa sleigh/photo area; and the IT Division for setting up and printing digital photos and overseeing the event's audio needs. Recognition also goes to the following for their assistance with this event: Police Officer Rob Pipersky and Senior Program Specialist Ester Vargas Pipersky for serving as Santa and Mrs. Claus, the Montclair Community Action Committee, the Montclair Fire Department, the Montclair Police Department, the Montclair Kiwanis and Key Club, the Montclair-Ontario Junior Women's Club, Human Services Department staff, and the many volunteers who worked the event.

A photo collage from the event is included on Page 31.

➤ **PUBLIC WORKS DEPARTMENT**

- Recently the outdoor basketball courts at Alma Hofman Park received a facelift. The existing play surface had become worn and tattered looking. A contractor specializing in outdoor sports floor resurfacing was contacted and the new play surface was installed two weeks ago. Next fiscal year, if the budget allows, the tennis courts will receive the same treatment.

Preparations are now underway to ensure the Splash Pad will be ready for use by Memorial Day weekend 2015. As you may recall, the Splash Pad did not open this year due to the rubberized play surface failing and the inability to obtain bids quickly enough to get the surface replaced prior to the end of season for 2014.

The new surface will be made from individual tiles that, if damaged, are easily replaceable by in-house staff, avoiding lengthy delays caused by hiring a contractor to do the work.

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

- Economic Development Coordinator Melinda Flores attended the fifth annual 2014 Southern California Economic Recovery & Job Creation Summit, hosted by the Southern California Association of Governments (SCAG) on Thursday, December 4, at the Westin Bonaventure Hotel in Los Angeles. The event led with an update from SCAG's team of independent economists on the region's economy and the outlook for job creation and economic growth.

Building upon the discussions at SCAG's 50 years into the War on Poverty Summit held this past August, the Economic Summit featured the unveiling of the Regional Action Plan on Poverty, which highlighted opportunity areas for collaboration and pinpointed key economic strategies that will provide good

paying jobs and revitalize the economy. A special panel presented new opportunities for jurisdictions on infrastructure financing and community revitalization.

Keynote speakers included the Hon. Devin de Leon, President pro tempore, California State Senate; former Governor Gray Davis; and Hon. Carl Morehouse, SCAG President, City of Buena Vista. State and local elected officials, public and private sector CEOs, business and labor leaders, stakeholder agency representatives, and city managers attended and shared ways in which we can build a stronger, more prosperous and sustainable Southern California. Major topics discussed include the following:

REGION FOR HIRE: SOUTHERN CALIFORNIA'S INCOMPLETE ECONOMIC RECOVERY

From 2000 to 2007, the 6-county SCAG region (counties of Imperial, Los Angeles, Orange, Riverside, San Bernardino and Ventura) saw tremendous growth both in terms of population (adding over 1.4 million residents), job growth (employment increased by over 669,000 workers), and a moderate increase in per capita income. The Great Recession, however, caused massive job losses and had a devastating impact on the SCAG region's economic wellbeing. While population has continued to rise by more than 600,000, the region still has not surpassed 2007 employment levels, and inflation-adjusted per capita income has actually declined.

Even though the SCAG region has gained many of the jobs lost in the Great Recession, the region is contending with a larger population base and stagnant wages, which has resulted in Southern California's population slipping into poverty. Even with recent gains, Southern California's economic recovery has been anything but complete.

Although the Southern California economy is recovering, unemployment rates remain high with approximately 673,000 Southern Californians officially unemployed, with the real number far higher. Most jobs created since the Great Recession ended are primarily lower-wage service sector jobs and part-time/contingent work.

Many pathways to the middle class for families traditionally did not require college degrees for lower-wage jobs. Five core sectors do show promise in providing critical job opportunities accessible for lower educated jobseekers and those in poverty: Construction; healthcare; finance, insurance & real estate; logistics; and manufacturing. While these same sectors were also hit hardest by the Great Recession and are still struggling to recover, these sectors are still facing many hurdles and barriers to robust job growth. Accelerating job growth in these 5 core areas can create a healthier job market with greater upward mobility. These sectors are forecasted to add 403,800 jobs to the SCAG region economy from 2012-2020, with logistics leading with 143,100 new jobs, followed by healthcare (133,100), and construction (61,600), with wages averaging from the mid-\$40,000 to upper \$50,000 range. Even manufacturing, which the California Employment Development Department (EDD) forecasts to create just 13,600 new jobs, will create many more job openings for trained newcomers due to the retirement of aging baby boomer manufacturing workers.

UNEMPLOYMENT AT A GLANCE

Between December 2007 and December 2010, the SCAG region experienced the deepest and longest recession since the 1930s with 1 million jobs lost. Even though the recession technically ended over 4 years ago, California continues to have the third highest unemployment rate in the nation with more than 1.3 million out of work, including over 672,000 in the region (October 2014). This year's summit includes a comparison of 3 time periods: December 2007 (pre-Great Recession), December 2010 (peak unemployment), and October 2014 (present day). As shown in the table below, unemployment levels are below their peak. However, none have returned to the level prior to the Great Recession.

SCAG REGION UNEMPLOYMENT LEVELS

U. S.	California	Imperial	Los Angeles	Orange	Riverside	San Bernardino	Ventura
2007 4.8%	2007 5.5%	2007 18.8%	2007 5.5%	2007 4.2%	2007 6.6%	2007 6.0%	2007 5.5%
2010 9.1%	2010 12.1%	2010 28.8%	2010 12.4%	2010 8.8%	2010 13.8%	2010 13.5%	2010 10.5%
2014 5.5%	2014 7.0%	2014 23.7%	2014 7.9%	2014 5.0%	2014 8.4%	2014 7.7%	2014 6.3%

REGIONAL ACTION PLAN ON POVERTY

The Global Land Use and Economics (GLUE) Council in collaboration with leaders throughout the region with expertise on the issues related to poverty were tasked with leading the effort in developing the Regional Action Plan on Poverty. The Regional Action Plan on Poverty is meant to address education, workforce development and economic development as solutions to eliminating or reducing poverty in the SCAG region. The plan has a number of solutions that are actionable now (in the short-term) and promising solutions that will require further development and additional engagement (with other agencies, organizations, stakeholders and/or employers) in order to fully develop solutions that will achieve the greatest impact in reducing poverty which are identified below:

APPROACH

Vibrant economies require skilled human capital and a well-trained and educated workforce capable of meeting the demands of business and industry. In the Southern California region, which collectively ranks as the 16th largest economy in the world, meeting this demand is critical for the future prosperity of the region.

In 2013, with increased attention from the media and the Southern California economy, was the particularly acute workforce challenge in Southern California where socioeconomic data tells the story of the SCAG region having a much lower than average educational level, which in turn results in an alarmingly low per capita income and low median household income levels as compared to the Bay Area as shown below:

- ✓ 29.0 percent of the SCAG region’s adult population has a bachelor’s degree or higher
- ✓ 43.5 percent in the Bay Area has a bachelor’s degree or higher
- ✓ The median household income in the SCAG region is \$58,455

- ✓ The median household income in the Bay Area \$80,317

Even more concerning is the fact that 17.7 percent of the population, and a staggering 1-in-4 children, live below the poverty line in the SCAG region. These numbers are even worse when considering the poverty measure developed by the Public Policy Institute of California and the Stanford Center on Poverty & Inequality (a new way of measuring poverty in California that accounts for regional variation in the cost of living and the impact of social programs for those in need). The poverty measure and other data indicate that a large portion of the region's population is not in the middle class, and that the career pathways to move up are being closed off, and poverty has become an increasingly alarming concern throughout the SCAG region.

- ✓ To meet this challenge, the educational attainment level must be improved and development of new and innovative workforce development programs that meet current and future business and industry needs must be made. This approach may help rebuild the region's middle class and move citizens from poverty to middle class.

SOLUTION: MAXIMIZE SOUTHERN CALIFORNIA ECONOMIC DEVELOPMENT & JOB CREATION OPPORTUNITIES

The SCAG region needs to pursue larger-scale and more aggressive approaches to bring about sizeable job creation and significant economic growth. Some have called for a modern Works Progress Administration Program approach, while others have called for a domestic Marshall Plan. The size and scope of the region and its poverty challenge require big, innovative plans to capture the region's collective strength to achieve any real and measurable success on this issue. With that in mind, the GLUE Council has identified the following three large-scale and aggressive initiatives as opportunities for immediate action:

UTILIZE THE 2016-2040 REGIONAL TRANSPORTATION PLAN/SUSTAINABLE COMMUNITIES STRATEGY AS A MAJOR JOB CREATION ENGINE

- ✓ With the Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS), SCAG has a modern day platform that can bring many of the benefits from the Works Progress Administration Program during the Great Depression. Given its size (\$525 billion of investments in 2012), the RTP/SCS has the potential to create hundreds of thousands of construction jobs to improve and repair the transportation infrastructure, while providing better access to job opportunities for many of Southern California's unemployed.
- ✓ Considering the ongoing challenges of poverty and unemployment in the SCAG region, it is vital that the RTP/SCS in future iterations highlight "Ladders of Opportunity." The Obama Administration

launched the Ladders of Opportunity initiative to expand economic opportunities to all Americans and has requested through the U.S. Department of Transportation that Metropolitan Planning Organizations, such as SCAG, provide such considerations in their planning activities. It is recommended that SCAG utilize the Ladders of Opportunity approach in the upcoming 2016-2040 RTP/SCS to more clearly articulate how regional plans can provide upward economic mobility through infrastructure investments as a tool in addressing poverty, creating jobs, and increasing economic opportunity.

Update the Southern California Economic Recovery & Job Creation Strategy

- ✓ With input from member cities and counties, public and private sector leaders, and labor leaders, SCAG's team of independent economic advisors consolidated key information from individual county reports to prepare the Southern California Economic Recovery & Job Creation Strategy, which included a common set of regional priorities to improve the region's economic viability with immediate and long-term recommendations. Adopted in June 2011, an update to the Economic Strategy would emphasize education, workforce, and economic development approaches focused on addressing the region's poverty challenges.

Undertake Serious Regulatory Reform

- ✓ Place added emphasis on measures that speed up infrastructure and other job-creating investment in Southern California. Unfortunately, legislation, public policy and the regulatory environment have increasingly become a burden to job creation and economic growth. According to Caltrans estimates, it takes approximately 17 years to complete a major transportation project in California. A primary objective of local and regional economic development policy should be to reduce delay and uncertainty for projects and sectors that will create significant numbers of good-paying jobs.

REGIONAL ACTION PLAN ON POVERTY

SOLUTION: FACILITATE ENHANCED REGIONAL COORDINATION ON WORKFORCE DEVELOPMENT

Due to its geographic region, SCAG can bring together stakeholders that emphasize regional collaboration on upcoming education, workforce development, and economic development initiatives that include:

REGIONAL JOBS BLUEPRINT

- ✓ Bring together the education and business communities to determine and quantify what our regional goals are for job creation. Conduct labor market research and convene leading Southern California employers to project trends regarding the number and types of occupations, workplace skills, and required competencies that will make up Southern California's future job opportunities.
- ✓ A Regional Jobs Blueprint would provide education and workforce intelligence about future jobs and skills needs, and provide a roadmap that will allow for a forward-thinking education and training program and curriculum planning to ensure the region's labor force is educated and trained in the right skill sets and competencies for the jobs that are "in demand" now and those that will be in the future within the Southern California region.

The Workforce Innovation & Opportunity Act (WIOA)

- ✓ New federal work force legislation was signed into law on July 22, 2014, that is designed to help job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy. The importance of regional coordination, economic development, and business community engagement are emphasized and enhanced in WIOA to a much greater extent than in previous federal workforce development policies.

California Career Pathways Trust

- ✓ SCAG brought together consortia from throughout the region and held preliminary meetings on how best SCAG could assist schools in applying for this state grant opportunity. With a second round of funding available for 2015, SCAG can play an even greater role in this regard in trying to ensure that Southern California gets the funding necessary to better equip our region's schools for success in meeting the needs of the 21st century economy.

SOLUTION: CLOSE THE "SKILLS GAP" THROUGH IMPROVED EDUCATIONAL OPPORTUNITIES

One of the biggest hurdles to job attainment amongst those that are impoverished is the lack of sufficient workforce skills necessary to fill jobs available both now and in the future. While poverty is rising, especially

amongst the long-termed unemployed, employers report a "skills gap" that consists of the mismatch between the needs of employers and the skills possessed by the available workforce seeking employment. A multi-pronged effort is needed to ensure future generations have the skills for, and access to, good paying and stable employment opportunities. This can be done in a number of areas:

Improve K-14 Education

- ✓ Work with the California Department of Education (CDE) and California Community Colleges Chancellor's Office (CCCCO) to improve both our state's K-12 and community college systems. In K-12, emphasis will be on bringing up low-performing schools so that core curriculum is effectively delivered, especially that which provides essential job skills and enhances a student's transition into career pathways. As for the California Community College System, focus will be placed on "Doing What Matters for Jobs and the Economy Initiative," which is a multi-faceted framework to close the skills gap that currently exists in California.

Reform Adult Education

- ✓ Work with the CDE and CCCCCO to reform adult education in conjunction with SB 86 (2013, Section 76, Article 3), which provides planning and implementation grants to regional consortia of community college districts and school districts for the purpose of developing regional plans to better serve the educational needs of adults; and SB 173 (2014, Sections 1-3), which requires the CDE and CCCCCO to jointly develop and issue guidelines and policy recommendations to the California State Legislature regarding adult education in the areas of assessment, performance accountability and fee policies, as well as an annual report on the number and types of adult education courses being taught (including noncredit courses), and the number of students being served.

Expanded Apprenticeships

- ✓ Work with the education, business, and labor communities to increase training and access to good-paying jobs. An expansion of apprenticeship programs would provide an increase in the number of qualified individuals for the numerous jobs that are unfilled due to a lack of skilled workers and help meet the demand for skilled workers while offering workers better employment opportunities.

Train to Maintain

- ✓ One of the biggest hurdles to long-term employment for those that are stepping out from the devastating effects of poverty is the difficulty of keeping a job once that job has been obtained. Working with education and labor communities to formulate a job maintenance-training program for those that may not have had prior employment could result in stable employment, ultimately increasing the likelihood of that individual staying out of poverty.

REGIONAL ACTION PLAN ON POVERTY

SOLUTION: CONFRONT POVERTY HEAD ON

In order to combat poverty throughout the SCAG region, a key area included in the plan is to effectively research, capture, share, and highlight the effective community-based programs within our region that are successfully confronting poverty head-on. Below are a few action steps that have been identified:

Regional Poverty Action Center

- ✓ Establish an entity at the regional level that would be dedicated to resolving the multitude of poverty challenges in the region. The entity could serve a broader role in bringing together resources and ensuring that ideas and methods are implemented across the region, as well as seeking the funding necessary to coordinate efforts related to this plan.

Localized Cluster-Based Pilot Programs

- ✓ Encourage the development of local (or county) pilot programs that use a cluster-based economic development approach to directly confront poverty.

NEXT STEPS

- ✓ Regional coordination and collaboration will be necessary to achieve the goals of this plan to alleviate and eliminate the devastating effects of poverty by focusing on education, workforce development, and economic development solutions. Moving forward, SCAG, along with the GLUE Council and the Southern California Leadership Council, will continue to seek input from civic, business, labor, and education communities; non-profit organizations; and faith-based groups who can assist in fully developing and implementing the solutions contained in this Regional Action Plan on Poverty.

2015 STATE AND FEDERAL LEGISLATIVE PRIORITIES STATE

PROJECT STREAMLINING & EXPEDITING

- ✓ Support California Environmental Quality Act (CEQA) modernization and process reform to expedite project delivery and promote job creation. Promote design-build, innovative procurement of projects, and Public-Private-Partnerships (P3s) where appropriate for more efficient project delivery.

FINANCING, ECONOMIC DEVELOPMENT, AND COMMUNITY REINVESTMENT

- ✓ Support legislation to expand use of innovative finance structures to create new opportunities for economic development, community reinvestment, and the development of transportation projects and infrastructure investment.

CAP-AND-TRADE FUNDING

- ✓ Support legislation to equitably distribute revenues from the implementation of the cap-and-trade program to transportation improvements and sustainable communities that maximize resources to the SCAG region.

MAINTENANCE OF STATE AND LOCAL ROADS AND TRANSIT SYSTEMS

- ✓ Support dedicated, secure funding to state highways, streets, and roads to support the maintenance and rehabilitation of the state and local road and transit system. In addition, support universal statewide legislation that would allow counties the authority to implement toll roads.

TRADE AND PORTS

- ✓ Support legislation to increase California exports and prevent the loss of international trade-related jobs in the Southern California region at jeopardy from the expanded investments by East and Gulf Coast ports and the Panama Canal. Support increased funding for goods movement projects throughout the region, including continued funding for the Trade Corridor Improvement Fund (TCIF), and for research, development, and demonstration of zero and near-zero emissions technologies.

WORKFORCE DEVELOPMENT & EDUCATION

- ✓ Support increased opportunities for workforce development and education, particularly initiatives that focus on regional coordination and investment in education and skills development in the region's top industry clusters.

SCAG Economic Conference Preparation Report - Inland Empire John E. Husing, Ph.D.

- ✓ A review of the most recent economic data on the Inland Empire provides some good news. Its levels of employment will easily surpass levels forecasted in 2015. This has occurred because job growth has accelerated to a gain of 46,833 in 2013 and a forecast of 48,000 in 2014, based upon U.S. Bureau of Labor Statistics estimates of its early performance this year. Unemployment remains an issue for the area, with its 8.2 percent level in September 2014, which is down from a September high of 14.4 percent in 2010, but is still the highest among U.S. metropolitan areas with one million or more people.
- ✓ Key measures of challenges faced by the Inland Empire include the fact that 46.3 percent of its adult population has a high school or less education. This limits the kinds of firms able to do work in the region, even though the rate is down from 50.1 percent in 2010. Also, the area faces very serious public health issues in that 18.2 percent of all people and 25.4 percent of children under 18 are living in poverty.

Like all regional economies, the key for Inland Empire's growth is the expansion of the economic base sectors for which it has competitive advantages. This is the group of activities bringing money to it from the outside world. Fundamentally, the following are key sectors:

- ✓ **Logistics** (*median pay: \$44,591*) has 83.0 percent of its workers in jobs requiring only high school or less schooling. The sector has been one of the fastest growing in the Inland Empire. The firms have located in the Inland Empire in response to its plentiful land and the need to handle both the huge flow of goods moving in and out of the U.S. via the ports of Los Angeles and Long Beach, plus the importance of fulfillment centers to handle the explosion of e-commerce. They were responsible for 18.5 percent of the area's direct job growth in 2013 (8,817) and are on track to have 15.5 percent in 2014. Based upon job growth of 48,000 in 2014 and a slowdown to 40,000 in 2015, it is estimated that the sector will add 6,940 jobs this year and 5,783 in 2015 to reach 141,640 positions. The strength of the Inland Empire's industrial market where logistics firms occupied a net of 17.7 million square feet

of space in the four quarters ended in September 2014. Currently, 12.4 million is under construction. Both those figures are the strongest in the U.S. Meanwhile, extensive infrastructure construction is on-going, largely thanks to local transportation sales tax measures.

- ✓ **Health Care** (*median pay: \$55,308*) has a smaller share of workers in jobs with minimal educational requirements (*40.8 percent*). Firms are expanding in the Inland Empire in part because the average worker is already serving 28 percent more people than the California average. The Affordable Care Act has enrolled over 400,000 people with health insurance, roughly cutting the number of uninsured in half. Also, they are beginning to respond to the fact that 22.0 percent of the population is 55 years or older. Meanwhile, they recognize that the area's population growth was 34.1 percent from 2000-2014, despite the recent slowdown. Based upon job growth of 48,000 in 2014 and 40,000 in 2015, it is estimated that the sector will add 2,585 jobs this year and 3,231 in 2015 to reach 123,449 positions.
- ✓ **Construction** has historically been the major driver of the Inland Empire's economy given its undeveloped land and Southern California's need for single-family homes and industrial buildings. To date, the EDD's 2014 data show the sector headed for a gain of 3,011 jobs. That would bring the sector to only having 13,286 positions created from 2012-2014. There are reasons why construction should gain some strength in the near term. First is the lack of housing affordability in the coastal counties (*Los Angeles: 30 percent; Orange: 20 percent*) that is already pricing thousands of families out of those markets. The Inland Empire's \$274,000 median priced home is from \$218,000 to \$395,000 less expensive than those in the coastal counties. As in the past, this will ultimately drive people inland to find homes they can afford.
- ✓ **Manufacturing** (*median pay \$49,138*) will offer little job growth. Of workers in the sector, 67.2 percent needed high school or less training. This should be a major growing sector in the Inland Empire as both space and labor costs in the market are below other Southern California areas. This is particularly true given the recent resurgence in manufacturing employment nationally. However, local firms are tending to increase efficiency rather than to hire workers because California's regulatory policies have pushed energy levels far beyond what competitors pay in other states. A key finding that on a seasonally adjusted basis, California only created 6,900 jobs from January 2010 to September 2014 (*0.6 percent*

growth). In that period, the U.S. has created 706,000 (6.2 percent *growth*). The state has thus seen just 0.98 percent of new U.S. manufacturing jobs. It is thus not surprising that the Inland Empire is on track to only create 125 jobs in the sector in 2014. It added just 142 in 2013.

The Inland Empire remains uncompetitive in attracting higher paying jobs primarily due to its marginally educated population that correlates with high levels of poverty. Technology is paving the way for good paying jobs in the 21st Century. Thus in 2013, 19.1 percent of San Bernardino County's population was below the poverty threshold; 17.3 percent in Riverside County. Worst, roughly 1 in 4 young people under 18 were poor with levels at 26.6 percent and 24.3 percent respectively in the 2 regions. In particular, given the importance of children to the region's future labor force, the levels of childhood poverty represent a major barrier to the region's long-term success.

FUNDING SUSTAINABLE INFRASTRUCTURE IN A POST-REDEVELOPMENT ERA: NEW RULES, DIFFERENT TOOLS.

THE CHALLENGE: SIGNIFICANT INFRASTRUCTURE NEEDS ON A REGIONAL LEVEL

THE SOLUTION: PLANNING AND DEVELOPMENT OF NEW REGIONAL INFRASTRUCTURE REQUIRED BY LAW IN CALIFORNIA

POTENTIAL TOOLS: IMPLEMENTATION OF A FINANCING MECHANISM (JPAS, EIFDS) TO FUND PROJECTS AND FURTHER SCAG'S MISSION CALIFORNIA

THE PROBLEMS:

- ✓ Greenhouse Gas Emissions (GHGs)
- ✓ Drought
- ✓ Climate Change
- ✓ Insufficient regional transportation
- ✓ Crumbling Infrastructure
- ✓ Aging water transportation infrastructure
- ✓ Aging sewer infrastructure
- ✓ Aging electric and utility plants

NEW INFRASTRUCTURE NEEDED

- ✓ Shift to Multifamily Housing
- ✓ Transit-Oriented Development in SCAG-designated high quality transit areas (HQTAs)

POTENTIAL TOOLS: IMPLEMENTATION OF A FINANCING MECHANISM (JPAS, EIFDS) TO FUND PROJECTS AND FURTHER SCAG'S MISSION—

ECONOMIC DEVELOPMENT AND SUSTAINABLE PUBLIC POLICY—HOW DOES THE NEW LEGISLATION RELATE TO SCAG’S MISSION?

Sustainable Policy Compliance

New Revenues and Jobs	Regional Financing Authority Sustainable Policy Compliance	Regional Sustainability
SB 628 (Beall) Enhanced Infrastructure Financing Districts	AB 32 (Perez) Cap and Trade: Community Development Investment Tax Credits	AB 32: Cap and Trade Paired with GHG Reductions Fossil fuel pollution is capped -Major polluters such as refineries and cement plants pay fees for their emissions
SB 614 (Wolk) Jurisdictional Changes: Infrastructure Financing	SB 375 (Steinberg) Sustainable Communities and Climate Protection Act of 2008	SB 535 (De Leon) creates a Greenhouse Gas Reduction Fund (GGRF) to fund affordable housing, infrastructure, and sustainability projects - ~\$800 Million in FY14-15
AB 229 (Perez) Local Government: Infrastructure and Revitalization Financing Districts	AB 1739 (Dickinson) Groundwater Management: Sustainability Agency	
SB 743 (Steinberg) CEQA: Environmental Quality Streamlining for TOD / Infill Development	SB 1168 (Pavley) Sustainable Groundwater Management Act	
AB 2280 (Alejo) Community Revitalization & Investment Authorities	SB 1319 (Pavley) Groundwater Management	
AB 850 (Nazarian) Public Capital Facilities: Water Quality	SB 535 (De Leon) Greenhouse Gas Reduction Fund	
AB 1471 (Proposition 1) Water quality, supply and Infrastructure Improvement Act		

HOW DOES AIR QUALITY LEGISLATION RELATE TO SCAG'S MISSION?
GGRF FUNDING FOR FY14-15:

\$250 Million: High Speed Rail

\$200 Million: Low Carbon Transit

\$130 Million: Affordable Housing

\$50 Million: Intercity Rail

\$202 Million: Non-Transportation Energy and Water Projects

POTENTIAL REGIONAL SOLUTIONS/POST-RDA ECONOMIC
DEVELOPMENT/JPA FINANCE–LEVERAGING PROJECTS THAT
ACHIEVE SUSTAINABILITY AND ECONOMIC DEVELOPMENT RESULTS
CITIES HAVE 6 BASIC TOOLS FOR PUBLIC/PRIVATE PROJECTS/WORK
BEST WHEN USED TOGETHER

- ✓ Delivery of Infrastructure Special Districts (Tourism, PBIDs, etc.)
- ✓ Retail District
- ✓ Taxes & Revenue-Based Financing
- ✓ EIFDs
- ✓ Greenhouse Gas Reduction Fund (Cap and Trade Revenues)
- ✓ Land Use / Zoning (Higher Density, Parking)

RECENTLY ADOPTED LEGISLATION IS INTENDED TO OFFER
ECONOMIC DEVELOPMENT AND SUSTAINABILITY SOLUTIONS

- ✓ SCAG could create Public/Private Partnerships (P3) to deliver infrastructure projects
- ✓ SCAG could partner with or create a New Joint Powers Authority
- ✓ SCAG could explore creating an Enhanced Infrastructure Financing District (EIFD)

NEW WORLD: ENHANCED INFRASTRUCTURE FINANCING DISTRICTS

- ✓ SB 628 (Beall); Authorizes Enhanced Infrastructure Financing Districts (EIFDs). Provides cities, counties, MPOs and COGs with a new tax increment financing tool to assist in the economic development of their communities (TIF is back)
- ✓ Allows cities and MPOs to form a JPA and use tax increment to finance public infrastructure, affordable housing, transit-oriented development, and projects that implement a sustainable communities strategy
- ✓ Authorizes EIFDs to use any powers under the Polanco Act
- ✓ Permits issuance of new bonds with 55 percent voter approval
- ✓ Two or more governmental agencies can form an EIFD
- ✓ IFDs allowed for former military bases (AB 229 Perez)
- ✓ AB 2292 (Bonta) focuses IFDs on disadvantaged communities
- ✓ EIFDs can use a Broad Funding Palette

- ✓ Statewide Bond Funding (Prop. 1, etc.)
- ✓ State Revolving Fund for Infrastructure

PROJECT SPECIFIC TAX FOR INFRASTRUCTURE

- ✓ Sales, Hotel/TOT, Property Tax
- ✓ Vehicle License Fees (VLF)
- ✓ Development Impact Fees
- ✓ Mello-Roos

WHAT TYPES OF PROJECTS COULD AN EIFD FUND?

- ✓ Transit-Oriented Development Infrastructure
 - ✓ Sustainable Communities Planning
 - ✓ Public Light Rail Infrastructure
 - ✓ Public BRT Infrastructure
 - ✓ Affordable Housing Near Transit
- As sales continue to slide in the U.S., McDonald's plans to expand its "Create Your Taste" program to 2,000 of its more than 14,000 U.S. locations next year. The Create Your Taste Program is a departure for McDonald's, which was built to deliver food consistently, quickly, and affordably.

The "Create Your Taste" program will allow customers to build their own burgers by tapping on a touch screen to pick their bread, cheese, and toppings. The customizable model has come under pressure for increased expansion as people gravitate toward places like Chipotle, which allows customers to pick what goes on their bowls and burritos.

According to industry executives and analysts, the ability to customize food orders is becoming more important, particularly among people in their 20s and 30s. McDonald's has already been trying to adjust by installing new kitchen prep tables that can hold more toppings and sauces.

The plans to offer greater customization come as McDonald's fights to boost declining sales and customer traffic. On Monday, it said U.S. sales fell 4.6 percent in November at established locations. The figure fell 4 percent in the unit that includes the Asia-Pacific region, where the company is fighting to recover from a food supplier scandal. Overall, global sales declined 2.2 percent for the month.

In the U.S., CEO Don Thompson has conceded the company hasn't done enough to keep up with shifting habits and that changes are in store.

Offering greater customization could be a challenge for McDonald's. For example, while the inclusion of customizable items would allow greater variety and choice for customers, customized items would take longer to prepare and

would cost consumers more. As McDonald's prepares to expand its customizable items, it's not clear whether people will be willing to wait longer or shell out more money for the ability to customize items.

As for the regular menu, McDonald's plans to remove some items "with slower movement" from the national menu in the U.S. The Bacon Clubhouse burger, which McDonald's introduced this year as a premium offering, could become a regional offering.

In the meantime, McDonald's is also trying to alter long-held perceptions about the quality of its food. It recently launched a campaign that answers questions such as, "Does McDonald's beef contain worms?" and is planning new marketing for the year ahead.

McDonald's troubles aren't isolated to the U.S. In Asia, the company has been trying to bounce back since the summer, when a TV report in China showed workers at one of its suppliers repackaging meat that was alleged to be expired. The claim has not been publicly confirmed by the supplier or the government.

Sales in Europe fell 2 percent in November with a strong performance in the U.K., which was offset by weakness in Russia, France, and Germany. McDonald's has more than 35,000 locations in more than 100 countries. Its stock was down \$3.88, or 4 percent, at \$92.43.

ECS:spa

*I honor Christmas in my heart and try to
keep it all the year.*

~ Charles Dickens

DECEMBER 2014



15	Code Enforcement Committee Meeting City Hall Conference Room	6 p.m.
15	City Council Meeting Council Chambers	7 p.m.
18	Safety Committee Luncheon Dolce Bakery & Bistro	11:30 a.m.
18	Public Works Committee Meeting City Hall Conference Room	2:00 p.m.
21	Winter Begins	
22	Planning Commission Meeting Council Chambers	7 p.m.
25	Christmas Day	



Dashing Through Montclair



December 6, 2014



Dashing Through Montclair Resident Comments on Facebook



"Thank you so much! My boys were so excited to see Santa and Mrs. Clause. I know you were all getting ready to take off but you waited so my boys could see Santa! Thank you"

"I'm so happy to see this in our community it was a real treat for the neighborhood!!! Glad we were able to donate toys Thank you!! 🎅🎄🎁 [#lovemycity](#)"

"I ran out in my pjs this morning to see my little sister excited when Mr & Mrs Clause came by. I love my city and those who work hard to put smiles on kids faces. You guys are THEE BEST! Thank you."

"Even on my street people came out and waved. I think you saw me. We I heard the noise, I didn't think I would make it to the door. Thanks you [City of Montclair](#) for making this a tradition."

"This was a wonderful experience- thank you, City of Montclair!"

"Santa just drove past my home in his annual tradition for the kids! It's great to see the kids run out in excitement , what a reminder of what Christmas is all about! [#lovemycity](#) [#Montclair](#)"

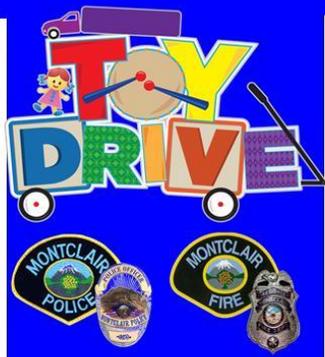


"Thank you City of Montclair! My kids were so happy!"





Costco Donate a Toy Event





Tree lighting & Visit with Santa



December 4, 2014