



July 16, 2015

TO: Honorable Mayor and City Council

FROM: Edward C. Starr, City Manager 

SUBJECT: WEEKLY REPORT: July 9-16, 2015

CITY MANAGER/ADMINISTRATIVE SERVICES DEPARTMENTS

- Last week, Notices of Intention to Circulate Recall Petitions were served on Mayor Paul Eaton and Council Members Bill Ruh and Trisha Martinez. The petition states the Montclair community has been poorly served by the City Manager; crime has increased in several major categories; and the City Manager has been authorized huge and, apparently, secret compensation increases. In support of their statements, petitioners offer spurious statistics and false claims.

It is up to each employee, resident, and member of the business community to assess the course and direction of the Montclair community. To assist in that litmus test, the City Council annually hosts the *State of the City* event to provide the community a detailed perspective of organizational and community progress.

It is recognized, however, that each person may choose what to evaluate as an indication of progress, achievement, or failure. In the realm of municipal government, performance areas subject to evaluation may include a vast array of issues including housing, unemployment, local traffic concerns, fiscal health and stability, quality of life, homelessness, health, police and fire services, crime, parks, street maintenance, economic development, air quality, environmental issues, public utility issues, drought conditions, youth issues, senior adult issues, animal control issues, sewer infrastructure issues, local and regional transportation issues, vector control, noise pollution, state and federal legislation impacting a wide array of municipal operations, and the list goes on and on.

It is apparent, then, that local government, in the vast and extreme diversity of its duties and functions, cannot be all things to all people. This is not an excuse for failure or lack of achievement or progress; rather, it is a simple recognition that no matter what we may think we are achieving, others will always question our sincerity, commitment, and progress.

In the matter of this recall of Montclair City Council members, petitioners argue Montclair has fallen behind in nearly "every measurable way." This is an unsupported and nebulous statement, and one void of merit and factual support. In fact, Montclair has, in most regards, kept pace with neighboring cities and outpaced others in key factors. What we are most proud of, of course, is the commitment of the men and women of this organization, during and after the Great Recession, to continue providing a superior level of services. This commitment continues, despite an overall reduction of personnel stemming from a sharp and significant decline in revenue—a decline that occurred prior to my appointment as City Manager—and the loss of redevelopment as an economic engine for progress, development activity, and infrastructure maintenance and improvement. Nonetheless, this organization and its employees have persevered and, over the course of the past several years, this administration has dealt with revenue declines in a number of proactive ways. The result has been a gradual climb away from the past period of fiscal stress to a more positive fiscal future; e.g., the City produces reasonable and balanced budgets; General Fund Operating Reserves have grown to achieve City Council-directed targets; Departments have added back some personnel; bond funds have been developed for public works projects; new revenue categories have been established; the City is again making some improvements to employee working conditions; and, through diligent effort, new development activity has returned in the areas of commercial, residential, and industrial construction. In this latter arena, recent economic development activities include the following:

- 2005 Issue of Lease Revenue Bonds. The City paid off the \$31 million Issue of Lease Revenue Bonds in November 2014—20 years prior to the bond maturity date in 2034. Bond funds were used for construction of the Police Department facility and Senior and Youth Centers.
- 2014 Issue of Lease Revenue Bonds. Through refunding of the 2005 Issue of Lease Revenue Bonds, the City generated approximately \$46 million in bond funds, sufficient to pay off the 2005 Issue (discussed above) and generate additional capital for public works projects in the community.
- Release of former Montclair Redevelopment Project Area Tax Allocation Bonds. After two years of intense negotiations, the City was successful in convincing the State Department of Finance to release approximately \$14 million in former Redevelopment Agency bond funds for future public improvement projects.

- Economic Development Fund. The City Council established the Economic Development Fund to secure revenue for economic development activities. The Fund is the internal successor program to the former Redevelopment Agency (RDA) and uses the remaining assets and funding sources of the RDA to continue a program of economic development. The City Council allocated \$3 million from the Economic Development Fund to participate in engineering and environmental work to bring the Gold Line to the Montclair Transcenter.
- Gold Line. The City Council, City Manager, Deputy City Manager, and Public Works Director are concurrently working on developing \$36 million in cap-and-trade funding and \$36 million in Federal Transit grant funds to construct the Montclair Segment of the Gold Line. Construction of the Gold Line to the Montclair Transcenter will allow transit access to Los Angeles through the San Gabriel Valley and Pasadena, and create a range of new opportunities for the west end of San Bernardino County, including transit access to a range of social, cultural, entertainment, educational, economic, environmental, and health-related opportunities.
- The Paseos at Montclair. A 385-unit luxury apartment complex, built to condominium standards.
- Arrow Station at Montclair. A 129-unit condominium and single-family home development.
- The Shoppes at Montclair. A retail development east of Costco.
- Montclair Place. A multi-phased redevelopment of Montclair Plaza that will reinvigorate North Montclair, and re-establish the nearly 50-year old super-regional shopping center as the preeminent retail center in San Bernardino County.
- Monte Vista Avenue Grade Separation Project (GSP). In 2016, construction on the Monte Vista Avenue GSP is expected to begin—the second in a series of two grade separation projects designed to improve the flow of north-south traffic at the Union Pacific Railroad tracks, between Holt and Mission Boulevards.
- Reconstruction of the Central Avenue Bridge Crossing. The City is a recipient of a \$15 million grant to reconstruct the Central Avenue Bridge at the Union Pacific Rail Road Tracks. A construction date has not been defined.
- Widening of Monte Vista Avenue at the I-10 Freeway. As part of regional widening of the I-10 Freeway to add east-west express lanes through San Bernardino County, Montclair will participate in the widening of the

Monte Vista Avenue Bridge to eliminate the north-south traffic bottleneck at that location and to improve access to North Montclair and Montclair Place.

- Residential Street Resurfacing Project. This project involves the paving of residential streets throughout the community.
- A number of other residential, commercial, and industrial projects are in conceptual stage or are just entering entitlement. As these projects progress, they will represent further evidence that Montclair is on a definite and positive path of development and recovery from the Great Recession.

By any standard of measurement, the list of capital projects and economic activities cited above clearly vouch for a community that is both well-managed and facing a bright and positive future.

In the arena of Public Safety, petitioners allege that crime has increased in Montclair, directly attributing the alleged increase to a decline in the number of Police Officers to 45. Petitioners state 25 Police Officers have left Montclair in recent years because of mismanagement by the City Manager.

The Montclair Police Department currently has 53 sworn police personnel (not 45), and a grant is in process to add 2 additional Police Officers. At its peak, the Montclair Police Department had 60 sworn personnel. But even at its current staffing, the Montclair Police Department, per capita, fields one of the largest community police forces in the region. Furthermore, members of the Montclair Police Department serve the community with professionalism, receive overtime to allow for additional patrol and investigation services as required, and are well-regarded by other professional law enforcement and prosecutorial agencies as one of the finest police departments in the region. The City has also re-established the Police Department's Traffic Safety Program with 2 Police Officers assigned to motorcycle patrol, and the Crime Suppression Unit to target specific crime categories and special assignments.

As in every employment classification, personnel in the Montclair Police Department have left for a variety of reasons including retirement, termination, advancement opportunities, and other-agency employment opportunities. In any event, the City and Police Department maintain active recruitment programs to fill vacancies when they occur. Montclair is not unique as it relates to losing personnel; e.g., the California Highway Patrol currently loses upwards to 300 sworn personnel annually. Police Departments throughout the nation are struggling with maintaining personnel and recruiting for replacements as young job seekers look for and consider opportunities other than law enforcement. I also note that historically, Montclair and many other cities experience high turnover rates in certain occupations, and the position of Police Officer is a high turnover classification.

Over a ten-year average, crime in Montclair is down in most categories; and in those categories where crime has increased, it must be observed that many cities throughout California are experiencing an increase in similar crime categories, primarily because of the expansive early release of inmates by state officials (pursuant to AB 109/AB 117, the realignment legislation designed to assist California with prison overcrowding through an early release program). Inmates released under "Realignment" are the very type of inmates possessing criminal backgrounds that reflect the same type of crime categories currently increasing throughout the state. These spikes are not unique to Montclair, nor are they an indication of poor municipal management. They are the result of changes within the criminal justice system.

One crime category that is up, for example, is rape—not because more rapes are occurring, but because of how the application of California's statutory rape law may currently be applied—statutory rape occurs whenever sexual relations occur with any person under the age of 18, and prosecutors have wide discretion on how they elect to prosecute or not prosecute. In addition, rape can be charged as either a misdemeanor or a felony. Furthermore, the definition of rape has evolved in recent years, making it possible to charge more suspects with the crime of rape. Thus, petitioners can make the allegation that rapes are up when, in fact, the correct perspective is that the crime category is reflecting the current status of law as it relates to rape.

Montclair crime statistics are transparently available on the City's website. I also point out that unlike other communities that purposely obfuscate crime-reporting data, the Montclair Police Department fully reports every incident in every crime category.

Contextually, there are years when crime spikes for any variety of reasons—some reasons are specific, others unknown or undetermined. For example, Santa Clarita, California is consistently rated one of the top 20 safest cities in the United States and one of the best communities in which to live. Yet, already in 2015, Santa Clarita has seen 7 homicides, and in 2011 it saw 6 homicides; but in most other years, Santa Clarita would see 2 homicides at the most. Are the homicide increases during 2011 and 2015 the result of poor municipal management? Probably not. Nor can they be attributed to a decline in police personnel. Santa Clarita has a healthy budget and contracts with the Los Angeles County Sheriff's Office for police services, and thus has access to a vast array of police-related programs and personnel. Nonetheless, the residents of the Santa Clarita community are facing a significant increase in the homicide crime category. In some years, certain types of crime increase and for a variety of reasons that may not be readily discernible.

Another subject area central to the recall petition is the City Manager's salary. Petitioners allege huge compensation increases authorized by the City Council. The allegation lacks any validity and is patently false and intentionally misleading in all aspects.

I was appointed City Manager on July 1, 2010, at a contractual salary rate of \$219,996 annually. However, in recognition of the City's fiscal issues, I elected to temporarily remain at my then annual salary of \$164,004 as Administrative Services Director. That "temporary" period lasted for two years—from July 1, 2010 to June 30, 2012, I voluntarily remained at the wage rate of \$164,004. It is important to note that in voluntarily remaining at the wage rate of \$164,004 for two years, I also agreed that the difference of \$111,984 that would have otherwise been paid to me over the two years would be lost to me permanently.

Concurrently, like many City employees, I assumed additional duties—a conditional requirement stemming from a major economic crisis brought on by the Great Recession. In my case, I continue to perform the duties of Administrative Services Director in addition to the duties of City Manager, thus saving the City the additional expense of hiring an Administrative Services Director. Work load responsibilities related to the wearing of multiple job hats typically require 20 to 30 hours of additional, uncompensated work each week, impacting leave time opportunities. As a result, and like many employees, I sell back leave time to the City. The selling of leave time is additional compensation, which is wholly different than the secret wage increases alleged by petitioners.

In July 2012, I agreed to adjust my annual wage up to the July 2010 contractually approved rate of \$219,996—a difference of \$55,992 annually. However, I deferred payment of the adjustment for the period July 1, 2012 to December 31, 2012, until January 2013. This means that from July 1, 2012 to December 31, 2012, I continued to earn a wage that was based on an annual salary of \$164,004. However, in January 2013, the additional \$27,996 I would have otherwise earned during the July 1, 2012 to December 31, 2012 period was paid to me as a lump sum. Thus, for Fiscal Year 2012-2013 (July 1, 2012 to June 30, 2013) I did earn the July 2010 contractually approved wage rate of \$219,996. This adjustment does not represent a secret or huge compensation increase provided to the City Manager as alleged by the petitioners. Instead, it is nothing more than the City Manager, in January 2013, accepting and receiving a wage adjustment that I was legally and contractually entitled to take 2.5 years earlier in July 2010. Today, in July 2015, the City Manager's annual wage remains at \$219,996. Furthermore, there are no increases scheduled in the current contract through December 2018, when the contract expires.

In effect, the petitioners, using the State Controller's website as a convenient tool to support their intentionally faulty logic and misleading math, are seeking to create misinformation and confuse the electorate by implanting the following false scenarios:

1. Demonstrate that the City Manager's decision in July 2012 to accept his July 2010 contractually approved wage increase (taking the City Manager from \$164,004 to \$219,996) actually represents one element of a new, secretive, and huge compensation adjustment, separate from what was originally approved when I was appointed City Manager in July 2010.

2. Demonstrate that the City Manager's decision to defer, until January 2013, that portion of the wage adjustment from \$164,004 to \$219,996 that covers the period July 1, 2012 to December 31, 2012 (a total of \$27,996), represents a second secret and huge compensation adjustment.
3. Demonstrate that the annual December sick leave buyback and any vacation buybacks (both are benefits provided to all full-time employees of the City) paid to the City Manager are illegal compensation and components of a secret and huge compensation adjustment.
4. Demonstrate that employer contributions to CalPERS; deferred compensation; and medical, dental, and life insurance policies (benefits received by full-time employees) provided to the City Manager are components of a secret and huge compensation adjustment.
5. Petitioners, in trying to confuse the citizenry about the City Manager's compensation, have knowingly combined compensation components from multiple "fiscal" years (petitioners used compensation components from fiscal years 2010-11, 2011-12, 2012-13 and 2013-14) to distort and misrepresent to the public the City Manager's compensation for "calendar" year 2013.
6. Lastly, petitioners falsely state the City Manager is the 7th highest paid City Manager in California, including receiving \$100,000 more than the City Manager in Claremont and \$150,000 more than the City Manager in Upland.

In descending order, the following is the annual base compensation for each City Manager position in the west end of San Bernardino County and survey cities in the east end of Los Angeles County. Based on available data, it is apparent the annual base wage for Montclair's City Manager is the 7th **LOWEST** among the 8 cities listed in the San Bernardino County market area, not the 7th highest for all of California as incorrectly alleged by petitioners.

- a) Rancho Cucamonga - \$293,280*
- b) Fontana - \$289,037*
- c) Ontario - \$267,780*
- d) Chino - \$237,984*
- e) La Verne - \$233,048*
- f) Claremont - \$226,547*
- g) Montclair - \$219,996*
- h) Upland - \$189,629*

***Based on 40-hour workweeks and highest annual pay step**

Among the cities of San Bernardino County, the top range of the City Manager salary for Montclair (\$219,996) is ranked number 9 in descending order. At the lower range of \$164,004, the City Manager salary for Montclair ranks number 20 in descending order, just above the desert community of Needles.

It is evident to me that when members of the public become aware of the facts and petitioners motivations, the recall effort will fail. Two of the petitioners were candidates in the last two election cycles, suffering defeat by Montclair voters. They now seek to undermine the public's electoral choices at the November 2014 election by fabricating false issues (the City Manager's compensation and mismanagement) to create a third electoral opportunity at the public's expense for a costly recall election.

I also point out that petitioners are backed by an attorney who served as a principal of a defunct law firm known for its purposeful intent to use recalls, lawsuits, California Public Records Act demands, and questionable practices to force City Councils and City Managers to settle lawsuits by conceding on settlement awards. This City Council and administration have resisted these efforts to undermine the legitimate processes and responsibilities of local government and will continue to do so.

- Southland residents can trade in their older car or pickup truck to receive between \$2,500 and \$9,500 in vouchers and incentives toward the purchase of a newer, cleaner emitting vehicle, thanks to a new pilot program offered by South Coast Air Quality Management District (SCAQMD).

The "Replace Your Ride" Program is designed to encourage low- and moderate-income residents to trade in their older, more polluting vehicles to purchase newer, cleaner vehicles. Additional funding is provided for those interested in acquiring more fuel-efficient models such as pre-owned, plug-in hybrid-electric vehicles or battery-electric vehicles. Residents can also use the vouchers to purchase mass transit passes or participate in car-sharing programs.

Vouchers are calculated based on annual income. For example, a family of four with an annual income of \$53,662.50 (which is 225 percent above the federal poverty level) could retire their older, less fuel-efficient vehicle and receive a voucher worth \$4,500 that can be used to purchase a 2007 or newer vehicle. Additional financial incentives of up to \$5,000 may also be applied towards the purchase of a plug-in hybrid-electric or battery-electric vehicle.

SCAQMD has funding to replace 551-992 vehicles now on the road, depending on the number and amount of the vouchers distributed.

The voucher program's goal is to reduce pollution by getting high-emitting vehicles off California's roads sooner and replacing them with cleaner, more environmentally friendly transportation options. Targeting the program to low- and middle-income residents is a way to ensure that they and their communities will directly benefit from the program's clean air goal.

To learn more about the program, including when it will go into effect, or when there will be an outreach event in your area, contact Dean Saito at dsaito@aqmd.gov or (909) 396-2647 or visit <https://www.replaceyourride.com/>.

COMMUNITY DEVELOPMENT DEPARTMENT

- Planning staff has been kept busy over the past several weeks in meetings and conversations with property owners and development teams on various potential or pending projects:
 - At least three companies have indicated an interest in developing a residential project on the vacant, 2-acre parcel just west of Bowlium on Holt Boulevard.
 - A local developer has opened escrow on a 4.75-acre site on Mission Boulevard with the intention of developing plans for a residential project that would include single- and multi-family products.
 - Staff is continuing to work with the team developing plans for an 11,000 square-foot industrial building on Oak Glen Avenue south of Holt Boulevard.
 - Plans are being finalized to convert the former Andy's Burgers on Central Avenue into a commercial use. Improvements to the building and site are proposed.
 - Conversations are continuing with a San Diego-based developer interested in constructing a 23-unit residential development on the former EZ Lube property just south of Fire Station 1 on Monte Vista Avenue. The proposed architecture would complement the Santa Barbara-style look of the adjacent Paseos at Montclair North.
 - Preliminary discussions took place this week with the owner of Metro Acura and his architectural and construction team regarding a minor facelift and planned functional changes for the 26-year-old building adjacent to Interstate 10.
- Several projects are underway throughout the City, including the following:
 - Final touches are being completed on the Metro Honda expansion. The showroom, parts, and service departments have been completed, with only retaining walls and parking areas remaining to be finished.
 - Construction is continuing at Arrow Station, with the developer focusing its efforts on the west side of the site.

- Building permits were issued this week for the Montclair Shoppes project across from Costco. The project consists of three buildings, from north to south: Original Tommy's Hamburgers; a multi-tenant building that is anticipated to include Dickey's BBQ, Jersey Mike's Subs, Fuji Grill, and an AT&T store among its tenants; and a pad building with Starbucks Coffee and a Sleep Number store.
- Grading began this week on the 40,000 square-foot Orchard Plaza commercial project at the northwest corner of Holt Boulevard and Ramona Avenue. Anticipated anchor tenants include WSS and Dollar Tree.
- Two residential projects are under construction: a five-unit single-family residential development on Fremont Avenue south of Grand Avenue, and an 18-unit single-family development at the southeast corner of Monte Vista Avenue and Howard Street.

HUMAN SERVICES DEPARTMENT

- On Wednesday July 8, Sue Yoakum presented a "Memory Checkpoint" presentation at the Senior Center. Sue Yoakum is the City's previous Assistant Human Services Director and current Chaffey College Professor in the Gerontology Department. She discussed the importance of exercising your brain and changes in memory you should share with your physician.

In addition to receiving important information on memory loss, attendees received word search books and ice cream.

Photos are included on Page 17.

- On Tuesday, *The Shameless Dawgs* entertained the crowd with a variety of rock, soul, and pop hits. The band drew a crowd of over 200 people and a highly energetic group of dancers. Parents and children alike enjoyed the free arts and craft activities.

Upcoming concerts, all free at Alma Hofman Park beginning at 7 p.m., are as follows:

July 21	<i>The Ravelers</i> (classic rock)
July 28	<i>Mariachi El Aventurero</i>

Photos are included on Page 16.

- Yesterday, the Senior Center's Montclair Walkers Program held a baseball-themed summer potluck. Participants were asked to wear their favorite baseball team colors and various baseball-themed games were played. A sing-along was held that started with the *National Anthem*; after lunch they sang *Take Me out to the Ballgame*; and for the seventh inning stretch they sang *God Bless America*.

At the end of the event, participants were asked how many times Ester Vargas-Pipersky, Senior Program Specialist, changed her persona and attire from Angels fan to Dodgers fan—the correct answer was 6!

A special "thank you" goes out to the Youth Center staff that assisted during the event.

Photos are included on Page 15.

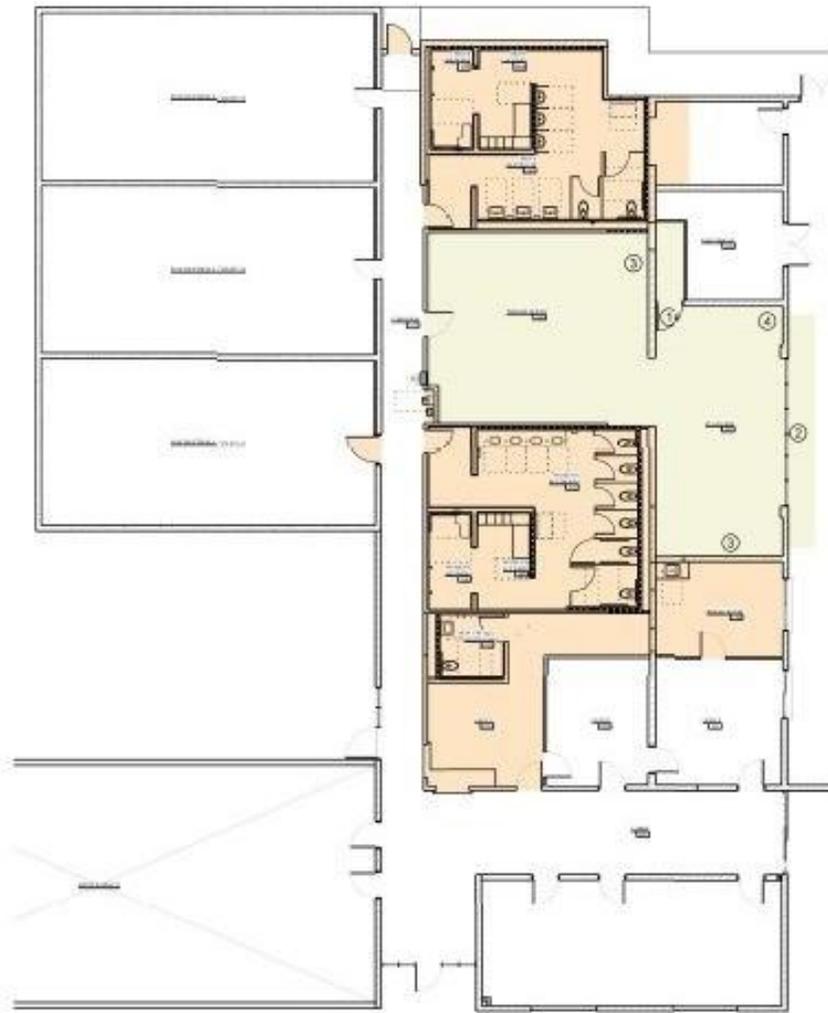
PUBLIC WORKS DEPARTMENT

- Over the past six months, the Human Services Department's Recreation facility has been under construction with the first of a two-phase building improvement project.

On January 26, 2015, a Notice to Proceed was issued to Rasmussen Brothers Construction, Inc., to begin the first phase of construction. Phase 1 focused mainly on the remodel of the existing men's and women's locker rooms, but also included improvements that added a new restroom for employees, widening of one racquetball court door, a drinking fountain, and a new reception counter, all of which are ADA compliant.

While Phase 1 improvements were under construction, the Phase 2 design was being completed. Plans are currently being reviewed by the Building Division, and the project is expected to be out for bid within the next two weeks. Phase 2 improvements will focus on the expansion of the existing weight room. The remodel will include the removal of an existing interior corridor hallway, as well as the outdoor Starlight Patio stage. These removals will allow for construction that nearly triples the square footage of the existing weight room and will allow for modern ADA-compliant exercise equipment. The intent is to make it a modern fitness center.

The total construction costs for Phase 1 was \$435,806.23, and the expected construction cost for phase 2 is \$275,000. Funding for the two phases comes entirely from Community Development Block Grant monies.



PROPOSED LAYOUT (PHASE II)

SUCCESSOR REDEVELOPMENT AGENCY/ MONTCLAIR HOUSING CORPORATION

- Americans are spending less on clothing—scary news for retailers like Macy's, Kohl's, and JCPenney.

Apparel spending declined 1.5 percent in June, while department store sales have fallen from a year ago. Sales would have likely declined more if sportswear and shoes were factored in, according to Clark Schultz at Seeking Alpha.

Macy's, JCPenney, and Kohl's have all reported mediocre results in recent months. The companies have blamed a variety of temporary factors, such as delayed inventory shipments, bad weather, and fewer international tourists, for the slowdown in business.

However, Americans are increasingly spending less on clothes and home furnishings, a trend that could hurt the retail industry for years to come. While lower gas prices across the country mean consumers theoretically have more disposable income, the Commerce Department recently reported that US retail sales were flat as shoppers have other priorities.

A recent report by Morgan Stanley shows that millennials are spending more on expenses like rent, cell phones, and personal services than young people a decade ago. Millennials are defined as people in their 20s and 30s and are set to overtake Baby Boomers as the largest consuming class.

Macy's CFO Karen Hoguet blamed millennials' focus on electronics and paid subscription based services for their taking away of market share from apparel.

While some products, like cosmetics, are selling well with the younger set, Hoguet told analysts that today's consumers had priorities other than clothing and housewares.

"Shoppers are spending more of their disposable dollars on categories we don't sell, like cars, healthcare, electronics, and home improvement," Hoguet said in a call with investors.

ECS:spa

"Laughter is an instant vacation."
~ Milton Berle

JULY 2015



16	Public Works Committee Meeting City Hall Conference Room	4:00 p.m.
20	Code Enforcement/Public Safety Committee Meeting - Canceled	
20	City Council Meeting Council Chambers	7:00 p.m.
22	Special Olympics World Games Torch Run Ceremony City Hall Memorial Garden	11:30 a.m.
22	Montclair Farmer's Market Montclair Town Center	4:00 p.m. - 7:00 p.m.
27	Planning Commission Meeting Council Chambers	7:00 p.m.
28	City Manager's Staff Meeting City Hall Conference Room	9:00 a.m.
29	Montclair Farmer's Market Montclair Town Center	4:00 p.m. - 7:00 p.m.



Montclair Senior Center Walkers Program Potluck



Summer Concert Series

July 14, 2015



The Shame-less Dawgs





Keep Active!



Volunteer

Senior Center's Memory Checkpoint Presentation



**Drink Plenty
of Water**



Parts of the Human Brain

Play Word Games

