



September 10, 2015

TO: Honorable Mayor and City Council

FROM: Edward C. Starr, City Manager 

SUBJECT: WEEKLY REPORT: September 4-10, 2015

CITY MANAGER/ADMINISTRATIVE SERVICES DEPARTMENTS

- Last month, Administrative Analyst Mikey Fuentes and I attended an Inland Empire Division Legislative Task Force meeting to hear a presentation by city of Ontario officials regarding acquisition of Ontario International Airport by the Ontario International Airport Authority (OIAA).

In early August, Los Angeles Mayor Eric Garcetti and Ontario Mayor pro tem Alan Wapner announced a Settlement Agreement Term Sheet had been signed which will lead to the transfer of ownership of Los Angeles-Ontario International Airport (ONT) to OIAA, subject to approvals by the Los Angeles Board of Airport Commissioners, Los Angeles City Council, Ontario City Council, the OIAA, and the Federal Aviation Administration (FAA). The formal approval process is expected to begin in October 2015, and will take up to one year to complete.

The Settlement Agreement Term Sheet adheres to the premise that Los Angeles and Los Angeles World Airports (LAWA) will be reimbursed to the extent needed to make them whole regarding investments they made in ONT, while providing job protection to the airport's current employees.

The tentative agreement precluded the need for further litigation between the cities, which had been scheduled to begin in mid-August in Riverside County Superior Court. The trial has been stayed. The tentative agreement also requires OIAA to pay LAWA \$250 million over a 10-year period, including a \$30 million up-front payment and assumption of existing debt. LAWA is permitted to retain \$40 million in cash reserves.

Once concluded, the transfer will remove the 600 acres of ONT-proper from the control of LAWA, a self-supporting department of the city of Los Angeles, governed by a 7-member Board of Airport Commissioners. There are currently 3 airports and aviation-related properties in the LAWA system: Los Angeles International Airport (LAX), LA/Ontario International Airport (ONT), and Van Nuys Airport (VNY) general aviation.

ONT is a medium-hub, full-service airport with direct commercial jet service to 15 major U.S. cities and connecting service to many domestic and international destinations. There are approximately 62 daily departures offered by 8 air carriers.

The OIAA was formed in August 2012 by a Joint Powers Agreement between the city of Ontario and the County of San Bernardino to provide overall direction for the management, operation, development, and marketing of ONT for the benefit of the regional economy and the residents of the airport's four-county service area (San Bernardino, Riverside, Los Angeles, and Orange Counties). OIAA Commissioners are Ontario Mayor pro tem Alan Wapner (President), Ontario Council Member Jim Bowman, San Bernardino County Supervisor Curt Hagman, Retired Riverside Mayor Ronald Loveridge (Vice President), and Orange County Business Council President and CEO Lucy Dunn (Secretary).

The OIAA is engaging in an executive search to hire an Airport Manager, a process that is expected to take 120 days.

The city of Ontario pursued acquisition of ONT from LAWA based on allegations of mismanagement of the asset to the benefit of LAX. In its lawsuit against LAWA, Ontario alleged a loss of over 2 million annual passengers in the last decade, significant increases in operating and maintenance costs, a decline in flights into and out of ONT, and excessive fees, including a 15 percent administrative fee charged by LAWA. ONT is often cited as one of the most expensive airports in the nation for air carriers to operate out of. As a result, many air carriers no longer service the airport. These adverse impacts belie the fact that ONT has the most growth opportunity of any airport in the area, with runways longer than those serving LAX, few operating constraints, the physical capacity to serve 13 million passengers annually (ONT currently serves 4 million annually and LAX serves more than 75 million annually), space for a third terminal, and the capacity to use the old terminal facilities.

To implement its vision for ONT, Ontario is seeking FAA certification of the OIAA and has moved forward to adopt a Strategic Business Plan with established goals designed to manage ONT as a separate enterprise with focus on developing airport-related businesses, expand air services, establish a customer-friendly facility, develop a specialized airport workforce, and manage a procurement process using private sector methods.

- The city of San Bernardino approved a plan last week to disband the city fire department and annex the city to a large, county fire district. Part of the expected savings is \$2.7 million a year from avoiding future CalPERS rate increases.

City firefighters now in CalPERS would be transferred to the San Bernardino County Employees Retirement System. The county system is said to face lower rate increases because it has more quickly paid down pension debt. Getting CalPERS-related savings would be a welcome change for the struggling city.

After an emergency bankruptcy filing in August 2012, San Bernardino skipped its California Public Employees Retirement System payments until the following July, saying it was in danger of not making payroll. The unprecedented failure to make payments required by law gave CalPERS grounds to terminate its contract with the city. But CalPERS opted for an all-out legal battle occupying much of the first two years of the San Bernardino bankruptcy.

What emerged from mediation in June last year was a San Bernardino agreement to repay the \$13.5 million skipped payment with interest and penalties. A \$1.5 million payment in May last year is being followed by monthly payments of \$602,580 for 2 years.

The interest in the payment totaling \$16 million is based on the CalPERS investment earnings forecast, 7.5 percent. When the city's plan to exit bankruptcy is approved or denied, the city will pay a \$2 million penalty in 5 annual installments.

A key part of the San Bernardino recovery plan is outsourcing fire services, approved by the city council on a 4-to-3 vote. Moving fire services to the county includes a property parcel tax increase of \$143 a year.

Opposition came from opponents of the parcel tax and supporters of the fire. Unlike other unions, firefighters did not agree to a 10 percent pay cut and to forego merit raises, instead filing several lawsuits against the city.

Paul Glassman, the city's bankruptcy attorney, warned the council that rejection of the outsourcing plan could lead to U.S. Bankruptcy Judge Meredith Jury and creditors losing confidence in the will of the city to make difficult decisions needed for recovery.

The San Bernardino County Fire Department, with 930 employees and 56 fire stations, serves the unincorporated area and 7 neighboring cities, including Fontana. The county would take over the 10 current San Bernardino fire stations and offer similar jobs to all of the 100 or more city firefighters and, possibly, most support personnel.

Annual fire service costs would be lower. But more importantly, the \$143 parcel tax increase would reduce the allocation of city property tax needed for fire services, yielding \$7 million or more of the new city revenue called for in the recovery plan.

COMMUNITY DEVELOPMENT DEPARTMENT

- Monte Vista Water District, in conjunction with City staff, has finalized the design and content of its Drought Information Update flyer. The tri-fold flyer contains information on the mandatory conservation measures currently in effect, an advisory on the "goldening" of the City's turf medians, how Code Enforcement is handling dry lawns, the status of the recycled water distribution system in Montclair, and tips on conserving water.

MVWD plans to mail over 12,500 of the flyers, one to each residence and business in the City.

You can view the flyer on Page 10.

HUMAN SERVICES DEPARTMENT

- Tomorrow is Montclair Day at the Fair! Special activities will include a parade featuring Montclair groups and a special ceremony for Montclair's Community Heroes (Irene Norquist and Emma Casillas).

Coupons for \$5 admission to the Fair on Montclair Day are available at the Senior Center, Recreation Center, City Hall, and on the City's website: http://www.cityofmontclair.org/depts/human_services/special_events/mdatf.asp.

Discounted tickets can be purchased online or at the gate with a coupon. Fridays are also "Food Drive Fridays" at the L.A. County Fair. Just bring 5 canned goods between noon and 6 p.m. to get in free!

The Montclair Golden Express will provide free transportation for those 18 and older on Montclair Day only, beginning at 11 a.m. To make reservations, call the Senior Center at (909) 625-9483. For more information on discounted tickets, call the Recreation Center at (909) 625-9479.

The L.A. County Fair at Fairplex in Pomona runs through Sunday, September 27. The Fair is closed on Mondays and Tuesdays.

- Yesterday at the Senior Center, Robert Coster and his staff from AMR (American Medical Response) taught seniors compression-only CPR and the Heimlich maneuver. The seniors appreciated learning these lifesaving skills because, according to statistics, instances of cardiac arrest occur most often in the home.

Photos are shared on Page 11.

- Global Link Distribution Inc., a local business in Montclair, will be sponsoring an End of Summer Employee Barbecue on Tuesday, September 15 from 11:30 a.m. to 1 p.m. in the Community Center. Food will be catered by Wood Ranch B.B.Q & Grill.

Employees wishing to attend **must RSVP** to Vanessa Tom at vtom@cityofmontclair.org, or 625-9450, by noon on Monday, September 14.

A flyer is included on Page 12.

POLICE DEPARTMENT

- On September 2, the Montclair Police Department's Crime Suppression Unit (CSU), San Bernardino County Auto Theft Task Force (SANCATT), and San Bernardino County probation officers conducted a vehicle theft probation and business check detail within the City of Montclair. Throughout the day, several checks of persons on probation for vehicle theft and vehicle theft-related crimes were conducted.

After the probation checks, officers moved on to business checks at various Montclair auto shops. A check of a business located within the southern portion of the City resulted in the discovery of a "chop shop." The owner/lone employee of the business was dismantling stolen vehicles in collaboration with gang members from neighboring cities. Additionally, it appeared the owner was also residing at the shop. Code Enforcement Officers responded and cited the business owner for code violations.

A search warrant was authored on the auto shop and, during the search, many parts were discovered that belonged to several stolen vehicles. The vehicle parts were collected by SANCATT, and a follow-up investigation will occur in the future.

PUBLIC WORKS DEPARTMENT

- In 2013, staff prepared an application for federal funding to assist with the cost of traffic signal improvements at the intersection of Central Avenue and San Bernardino Street. The application for funding was made after the City Engineer reviewed accident records at the subject intersection, revealing a higher rate of accidents than what would be expected at such an intersection. The accidents all had a similar cause: left turns failing to yield to through traffic movements.

The federal Highway Safety Improvement Program, commonly known as HSIP, was offering funding for traffic signal-related upgrades. The purpose of this program is to improve driver, pedestrian, and resident safety with respect to traffic-related incidents. Funds were made available to cities throughout the state on a competitive basis. Conditions of the grant require a 50 percent local match for the project

In 2014, the City was notified that the grant application was successful and \$112,500 of federal funds had been appropriated for the project. Additional time was needed to complete the environmental process and comply with federal requirements. However, in March 2015, staff received approval to proceed with the project. On July 16, the City Clerk received and opened 8 bid proposals for the Traffic Signal Improvement Project at Central Avenue and San Bernardino Street.

Intersection improvements include new traffic signal equipment that will allow for protected left-turn phasing in all four directions, replacement of non-compliant Americans with Disabilities Act (ADA) pedestrian ramps, removal of existing asphalt concrete pavement markings, and the addition of new striping and notification signs.

The project was awarded to PTM General Engineering Services, Inc., for \$206,906. With additional expenses that relate to the design and advertisement of the project, an additional \$120,000 of Lease Revenue Bond proceeds has been appropriated to complete the project.

The contractor has been issued the notice to proceed with the project; however, traffic signal equipment is not readily available for immediate purchase. Due to varying heights and mast arm lengths, traffic signal equipment has roughly a 4-month leeway for manufacturing.

Construction is expected to commence just after the New Year.

SUCCESSOR REDEVELOPMENT AGENCY/ MONTCLAIR HOUSING CORPORATION

- CoreLogic's July 2015 Home Price Index (HPI) is reporting that U.S. home prices nationwide, including distressed sales, increased by 6.9 percent in July 2015 compared with July 2014. On a month-over-month basis, home prices nationwide, including distressed sales, increased by 1.7 percent in July 2015 compared with June 2015.

Including distressed sales, only Colorado has more than 10 percent year-over-year growth. Additionally, only 10 states have experienced increased growth in the last year that matched or surpassed the nation as a whole. Those states are Colorado, Florida, Hawaii, Nevada, New York, Oregon, South Carolina, South Dakota, Texas, and Washington. Fifteen states reached new price peaks since January 1976, when the index began: Alaska, Arkansas, Colorado, Hawaii, Iowa, Kentucky, Montana, Nebraska, New York, North Carolina, North Dakota, Oklahoma, South Dakota, Tennessee, and Texas. Only two states experienced home price depreciation: Massachusetts (-2.1 percent) and Mississippi (-0.8 percent).

Excluding distressed sales, home prices increased by 6.7 percent in July 2015, compared with July 2014, and increased by 1.5 percent month-over-month compared with June 2015. Excluding distressed sales, only West Virginia (-0.3 percent) and Vermont (-0.1 percent) showed year-over-year home price depreciation in July. Distressed sales include short sales and real estate-owned (REO) transactions.

The CoreLogic HPI Forecast indicates that home prices, including distressed sales, are projected to increase by 0.5 percent month-over-month from July 2015 to August 2015, and by 4.7 percent on a year-over-year basis from July 2015 to July 2016. Excluding distressed sales, home prices are projected to increase by 0.4 percent month-over-month from July 2015 to August 2015, and by 4.6 percent year-over-year from July 2015 to July 2016.

"Home sales continued their brisk rebound in July, and home prices reflected that, up 6.9 percent from a year ago," said Frank Nothaft, chief economist for CoreLogic based in Irvine. "Over the same period, the National Association of Realtors reported existing sales up 10 percent, and the Census Bureau reported new home sales up 26 percent in July."

Low mortgage rates and stronger consumer confidence are supporting a resurgence in home sales of late. Adding to overall housing demand is the benefit of a better labor market which has provided millennials the financial independence to form new households and escape ever-rising rental costs.

- Macy's announced Tuesday it will close up to 40 stores early next year, highlighting the ongoing struggles of many American shopping malls and consumers' taste for off-price shopping. The company will share specifics at a later date on which stores will be closing. But 40 store closures would be a large number to occur all at once, given Macy's has closed just 52 stores in total since 2010.

As new shopping centers open, "many customers change their shopping habits and often the sales volume of a store gets divided among the new and nearby existing centers," Macy's CEO Terry Lundgren said in the statement. "Each year, we prune some stores that are our weakest performers so we can concentrate our resources on the best locations and maintain a strong physical presence."

Macy's announcement comes as it breaks ground on its new Macy's Backstage chain, an off-price retailer designed to compete with T.J. Maxx and Nordstrom Rack, which have boomed in recent years. T.J. Maxx owner TJX, which also owns Marshalls and Home Goods, reported annual sales this year that exceeded Macy's for the first time ever.

Macy's has said it will open 6 Macy's Backstage stores this fall to sell Macy's clearance items and "special buys from well-recognized fashion brands" at 20 percent to 80 percent discounts.

The planned closures also reflect retailers' efforts to exit underperforming malls, as the gap between America's best and worst malls grows. Within the retail industry, malls are categorized with an A, B, C or D rating, ranging from the A-grade spots—top-tier, affluent centers—to the Ds, which face a very real risk of closure. More than 200 U.S. malls are considered C or below, according to Green Street Advisors.

The stores that Macy's is planning to close are not that valuable to the company—while they make up about 5 percent of its total store count, the retailer estimated that they account for just 1 percent of its annual sales.

Macy's hasn't provided an estimate for how many employees will be affected by the closures; however, when J.C. Penney announced plans to close 39 stores last year, it said 2,250 employees would be affected.

ECS:spa

"What lies behind us and what lies before us
are tiny matters...compared to what lies
within us."

~ Ralph Waldo Emerson

SEPTEMBER 2015



11	Montclair Day at the L.A. County Fair Pomona Fairplex	All Day
14	Planning Commission Meeting Council Chambers	7:00 p.m.
15	City Manager's Staff Meeting City Hall Conference Room	9:00 a.m.
15	Montclair City Employees' End of Summer Barbecue Community Center	11:30 a.m. - 1 p.m.
17	Safety Committee Meeting City Hall Conference Room	9:00 a.m.
17	Public Works Committee Meeting City Hall Conference Room	4:00 p.m.
21	Code Enforcement Committee Meeting City Hall Conference Room	6:00 p.m.
21	City Council Meeting Council Chambers	7:00 p.m.
23	Autumn Begins	
28	Planning Commission Meeting Council Chambers	7:00 p.m.
29	City Manager's Staff Meeting City Hall Conference Room	9:00 a.m.

CONTACT INFORMATION

For a list of all water use restrictions and for more ways to conserve, visit www.mvwd.org or contact **Monte Vista Water District** at:
10575 Central Avenue, Montclair, CA 91763
Phone: (909) 267-2130

For information on the City's Water-Efficient Landscaping and Conservation Ordinance, contact the **City of Montclair Community Development Department** at:
Montclair City Hall, 5111 Benito Street, Montclair, CA 91763
Phone: (909) 625-9477

For landscape help and free mulch, visit www.cbwcd.org or contact **Chino Basin Water Conservation District** at:
4594 San Bernardino St, Montclair, CA 91763
Phone: (909) 626-2711



00 x 8.50 in

Monte Vista
WATER DISTRICT
www.mvwd.org
10575 Central Avenue • Post Office Box 71
Montclair, California 91763

MONTCLAIR

DROUGHT INFORMATION UPDATE

from Monte Vista Water District and the City of Montclair

Important - Please Read!
Si necesita este folleto en español, favor de llamar al (909) 267-2130.

MONTCLAIR RESIDENTS AND BUSINESSES

Monte Vista Water District (MVWD) and the City of Montclair are working together to help Montclair residents and businesses respond to the drought and state requirements. See below for updated information.

Mandatory Conservation Measures:

- ◆ Water only on Tuesdays, Thursdays, Saturdays; before 8am or after 8pm; less than 15 minutes/valve
- ◆ No run-off onto public sidewalks or streets
- ◆ No watering during and after rain
- ◆ Repair all leaks
- ◆ Use shutoff nozzles to wash vehicles, or use a commercial car wash
- ◆ No hosing down pavement

For additional restrictions, visit www.mvwd.org



Median Watering

You may have noticed grass on City medians turning brown. Montclair is complying with state requirements that prohibit using drinking water to irrigate turf medians. The City is

retrofitting irrigation to save the median trees, and eventually plans to replace median grass with drought-tolerant landscaping.



Brown Lawns

In compliance with state law, Montclair will not be issuing citations to homeowners who allow their lawns to go brown under drought conditions. However, Montclair residents are still required to keep their yards neat and clean. Code Enforcement will cite properties with overgrown, untrimmed, and/or weed-choked landscaping.

Recycled Water

MVWD, in partnership with the City, has developed a recycled water distribution system in Montclair. Eighteen sites – including seven City parks, six schools, and Montclair City Hall – use recycled water for outside irrigation. Recycled water is drought-proof and increases local water supply reliability.

How Are We Doing?

This past summer, MVWD customers used 30% less water than in 2013 – A GREAT START! We are required to save at least 24% through February, so please KEEP IT UP, MONTCLAIR!

What More Can I Do?

Here are some ideas on how you can save even more water this summer and fall:

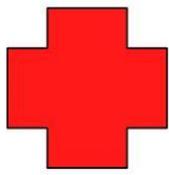
1. **Cut your watering in half.** Let your lawn yellow, but make sure to keep it neat and trimmed.
2. **Replace your toilet.** For a limited time, MVWD customers qualify for an enhanced rebate of \$200! Visit www.socialwatersmart.com to apply.
3. **Spread free mulch.** Mulch reduces evaporation and can even replace grass. Chino Basin Water Conservation District offers free mulch, self-serve, 1st and 3rd Saturdays, 9am-12pm, Helena Avenue between San Bernardino St. and Palo Verde St. in Montclair.
4. **Get free nozzle installations.** Call (909) 657-4414 to schedule a free irrigation system evaluation and free high-efficiency spray nozzle installations (working irrigation systems only).

How Do I Report Water Waste?

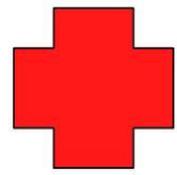
Visit www.mvwd.org and click "Report Water Waste," or call (909) 267-2130.

For more information, visit www.mvwd.org or call (909) 267-2130.





Senior Center CPR Presentation





Montclair End of Summer Employee Bar-B-Que

Tuesday, September 15, 2015

11:30 a.m.—1 p.m.

In the Community Center

Food will be catered by Wood Ranch B.B.Q.

You must R.S.V.P. by Monday, September 14, 2015 at noon to attend (so we order enough food) to Vanessa Tom at vtom@cityofmontclair.org or (909) 625-9450.

Those who are working that day (even a later shift) but are unable to attend can R.S.V.P. and ask for food to be delivered to their department.

Food is provided by Montclair business Global Link Distribution Inc. as a thank-you to all Montclair employees for all that you do for the community.

