



March 10, 2016

TO: Honorable Mayor and City Council

FROM: Edward C. Starr, City Manager

SUBJECT: CITY MANAGER'S WEEKLY REPORT: March 3-10, 2016

CITY MANAGER/ADMINISTRATIVE SERVICES DEPARTMENTS

- As part of the 2011 Budget Act, the California Legislature approved AB X1 26, dissolving the state's 400+ community redevelopment agencies (RDAs). After a period of litigation, RDAs were officially dissolved as of February 2012. To help facilitate the winding down process, local agencies were allowed to establish Successor Agencies governed by Oversight Boards with fiduciary responsibility to manage redevelopment projects, make payments on enforceable obligations, and dispose of redevelopment assets and properties.

Under the redevelopment dissolution law, the State Legislature directed that funds not needed to meet enforceable obligations must be turned over to each respective County's auditor-controller for distribution to local taxing entities. To enforce this provision, the Legislature passed AB 1484, providing what to do if a successor redevelopment agency failed to turn over funds as required by the dissolution law. One method proscribed by AB 1484 is for the Board of Equalization to withhold sales and use tax revenues from the sponsoring agency; another is for a county auditor-controller to withhold property tax revenues.

Earlier this month, in the consolidated cases of [City of Bellflower v. Michael Cohen and League of California Cities* v. Michael Cohen](#), a unanimous California Court of Appeal, Third District, held that the plain language of Proposition 22, enacted by voters in 2010, is "framed as a complete prohibition against the Legislature taking or using local tax revenues." Thus, AB 1484, authorizing the transfer of sales and use tax and property tax revenues from cities, is unconstitutional.

The Appeal Court said its overriding charge in interpreting constitutional provisions, such as Proposition 22, is to effectuate the voters' intent in approving the initiative. The relevant provision in Proposition 22 said the Legislature "may not reallocate, transfer, borrow, appropriate, restrict the use of, or otherwise use the proceeds of any tax imposed or levied by a local government solely for the local government's purpose." Contrary to claims by the state Department of Finance (DOF), the court found no exception in Proposition 22 that would allow withholding local tax revenues as a penalty. In addition, the court noted DOF acknowledged it had other constitutional remedies it could exercise if it believed a city was in wrongful possession of funds.

DOF has not announced if it will appeal the decision to the California Supreme Court.

- An appeals court last week reversed a Sacramento federal judge's ruling that two state laws limiting parole hearings and giving the Governor authority to block paroles were unconstitutional.

A U.S. District judge ruled in 2014 that the two statutes created a significant risk of making murder sentences longer than they otherwise would have been, even though the prison terms were imposed before the laws were enacted.

Proposition 9, a ballot initiative passed by the voters in 2008, and Proposition 89, passed by voters in 1988, "retrospectively increased punishments, in violation of the ex post facto clause of the U.S. Constitution," the U.S. District judge wrote in his 58-page order. A three-judge panel of the 9th U.S. Circuit Court of Appeals disagreed.

The appellate judges said the U.S. District Judge in 2014 committed legal error by basing findings principally on speculation and inference, rather than concrete evidence demonstrating risk of lengthened incarceration.

Proposition 89 granted the Governor the right to reverse paroles already approved by the Board of Parole Hearings in murder cases. The U.S. District Judge in 2014 had argued that every governor since passage of the measure had abused that power by blocking 70 percent of the approved paroles they considered.

But, the appellate judges said, the U.S. District Judge in the 2014 case cited no evidence that governors had reversed the board other than "on the basis of the same factors which the parole authority is required to consider."

Nor was evidence offered that the inmate named as lead plaintiff in the lawsuit challenging the statutes "would have received parole before the enactment of Proposition 89, and that Proposition 89 changed that result," the judges said. "Therefore, Proposition 89 remains only a transfer of decision-making power, which does not violate the ex post facto clause."

Proposition 9, known as The Victims' Bill of Rights or Marsy's Law, mandated longer periods between parole hearings, which the U.S. District judge said posed a risk of more time behind bars than prisoners faced when they were charged and convicted. The measure eliminated the parole board's discretion to set hearings a year apart, even when the board made a finding of strong evidence that a prisoner would be ready for parole within a year.

- Metrolink recently launched the first version of its mobile ticketing app, which will allow its riders the option to purchase their tickets on a smartphone, tablet, or other mobile device for the first time in the agency's 23-year history. The app is available on both Apple and Android devices.

While the app is available for download by all riders, during the month of March, only Inland Empire and Orange County Line riders will be able to use the app to purchase tickets and connect to local bus operators at no additional cost per the current policy. This gives Metrolink the opportunity to test the Beta version of the app and make any improvements before the app is implemented system-wide.

By taking a phased approach in the implementation of the new app, Metrolink will be able to make regular improvements and upgrades based on user feedback.

By the end of March, mobile ticketing will be expanded to the entire Metrolink system and include free transfers to participating bus operators including Metro. Initially, riders who transfer to Metro Rail, Corporate QuickCard users, and Metrolink riders who take part in the Rail 2 Rail® program with Amtrak should continue to use paper tickets from Metrolink's ticket vending machines.

Metrolink will be implementing a variety of enhancements to enable these users to use mobile ticketing in the future. This fall, barcode readers will be installed on the Metro Rail fare gates, enabling passengers throughout the Metrolink system to buy tickets through the Metrolink Mobile App and continue their commutes on city bus, shuttle bus, light rail, and subway lines seamlessly, and at no additional cost. Metrolink is also working with Amtrak to allow mobile tickets to be scanned by Amtrak conductors.

The Metrolink Mobile App uses the Masabi JustRide mobile ticketing platform, which is used by other transportation providers across the United States and Europe. Since the agency's inception in 1991, passengers purchasing tickets and passes at stations only had the option of going to a ticket vending machine. Mobile ticketing is Metrolink's first step toward revolutionizing how riders pay to ride the train.

In the coming months, Metrolink expects to deliver continued enhancements, such as the ability to buy tickets online for delivery to mobile devices. Tickets and passes will continue to be available at station ticket machines.

- After five years of design and construction, the Gold Line Phase 2A extension opened with much fanfare this past Saturday. Officials from the Metropolitan Transportation Authority (Metro), Foothill Gold Line Construction Authority, and cities along the route, as well as local politicians, were at the opening of the extension.

The \$1 billion, 11.5 mile Gold Line Phase 2A extension will connect 6 stations in 5 cities to Southern California's fast-growing Metro rail network.

The opening of the Gold Line Phase 2A extension is part of the \$2 billion, 12-station extension of the Metro Gold Line light rail system, being overseen by the Foothill Gold Line Construction Authority, an independent transportation planning and construction agency created in 1998 by the California State Legislature.

The project is planned in two segments: Pasadena to Azusa (Phase 2A), and Azusa to Montclair (Phase 2B). The Pasadena to Azusa segment is fully funded by Los Angeles County's Measure R.

With the conclusion of Phase 2A, the Foothill Gold Line Construction Authority has been focusing its attention on developing funding for construction of Phase 2B from Azusa to Montclair. Measure R (the Los Angeles County tax measure approved in 2008 for transportation- and transit-related projects in that county) is funding the majority of the cost associated with the advanced engineering and environmental work currently underway for the Azusa to Montclair segment. However, funding needs to be developed to cover costs associated with the construction of Phase 2B.

As part of the City of Montclair's commitment to "build the Gold Line to Montclair" the City advanced San Bernardino County's \$2.16 million share of the engineering and environmental costs, plus \$800,000 for oversight work to the Foothill Gold Line Construction Authority. This has allowed the Montclair segment of Phase 2B to be included in the advanced engineering and environmental study. Without this advancement, the Montclair segment of Phase 2B would not have been included in the initial engineering and environmental study, further delaying the Gold Line from getting to Montclair.

In order for construction to move forward, Los Angeles County voters must first approve an expansion of Measure R to fund public transit projects, including Phase 2B of the Gold Line, estimated to cost \$1 billion.

In addition to securing an expansion of Measure R and a commitment of funds to Los Angeles County's Short-Term Transit Plan, funding must be developed for construction of the Montclair segment from the Los Angeles-San Bernardino County line to the Montclair Transcenter. Because the Montclair segment lies in a different county, a separate funding source must be developed.

San Bernardino Associated Governments (SANBAG), the transportation authority in San Bernardino County, has advised Montclair and the Construction Authority that it does not have funding for construction of the Montclair segment. To address this revenue deficiency, Montclair, in partnership with Metro, Foothill Gold Line

Construction Authority, and SANBAG, will be seeking state Cap and Trade funds for construction of Phase 2B, including the Montclair Segment.

Governor Jerry Brown's proposed 2016-17 State Budget includes more than \$1 billion for discretionary cap and trade funds which includes \$500 million for low carbon transportation and fuels, \$400 million for transit and intercity rail capital projects, \$100 million for low carbon road programs, and \$25 million in biofuel facility investments.

Montclair and its partnering agencies will be seeking a portion of the proposed funding being made by the Governor.

For more information regarding the Gold Line light rail and the Gold Line Phase 2A and 2B extension please visit <http://www.foothillgoldline.org/>

FIRE DEPARTMENT

- Suppression crews from Fire Station No. 151 and Station No. 152 joined Montclair Police officers at Montclair Little League's Opening Day on Saturday, March 5 at Saratoga Park. Crews manned an informational booth with a static display during the opening games.



Fire Engineer Rusty Vidal and Police Officer Eric Rivera enjoyed trading baseball pointers with the youngsters



Officer Michael Lang and Fire Engineer/Paramedic Narek Babayan had fun making balloon "animals" for the Little Leaguers

- It's time to "Spring Forward" this Sunday as Daylight Saving Time begins. When you change the time on your clocks, it is also a good idea to change the batteries in your smoke and carbon monoxide alarms to keep your family safe!

Working smoke and carbon monoxide alarms save lives; that beeping can get everyone out safely, avoiding tragedy.

Statistics show three out of five home deaths resulted from fires with no smoke alarms or no working smoke alarms. Some of the leading causes of home structure fires and fire injuries are cooking, heating, and lighting equipment; smoking materials; clothes dryers and washers, and candles. For more information on the causes of home structure fires visit [NFPA, U.S. Home Structure Fires.](#)

Smoke alarms should be installed on every floor of your home, in every bedroom, and outside of all sleeping areas. Here are some tips for installing smoke alarms:

- The best place to mount your smoke alarm is on the ceiling
- If you cannot mount the alarm on the ceiling, install it high on the wall 4 to 12 inches from the ceiling
- Always test your newly installed smoke alarm
- It's simple: the more alarms you have, the greater your chances are of surviving a fire. Don't skimp on smoke alarms around the home!

- Replace all smoke alarms in your home every 10 years
- **Quick Tip:** Some manufacturers are now offering smoke alarms that are equipped with a sealed 10-year battery. While these new devices eliminate the process of changing the batteries in your smoke alarm each year, they do not eliminate the need to test your smoke alarms once a month to make sure they are in working order.

As well as working smoke alarms, every household should have an evacuation plan. Practice it! Make sure everyone knows how to get out and where to meet. Never go back inside a burning building! If someone is missing, inform the dispatcher when you call 9-1-1. Firefighters have the proper training to perform rescues.

Every year more than 100 people in the United States die from unintentional exposure to carbon monoxide (CO). CO is a colorless and odorless gas that is produced by burning fuels such as gasoline, wood, coal, natural gas, propane, and oil. Any fuel-burning appliance in our homes is a potential CO source. Proper installation, operation, and maintenance of fuel-burning appliances in the home are the most important factors in reducing the risk of CO poisoning. Changing and testing the batteries in home CO alarms is a source of added protection. Here are some tips to installing carbon monoxide alarms:

- CO alarms should be installed in a central location outside each sleeping area and on every level of the home, and in other locations where required by applicable laws, codes, or standards
- Follow the manufacturer's instructions for placement and mounting height
- Always test your newly installed carbon monoxide alarm
- Replace them according to the manufacturer's instructions.

Batteries from household smoke and carbon monoxide alarms may be recycled at your nearest household hazardous waste recycling facility.

HUMAN SERVICES DEPARTMENT

- Serrano Middle School has been selected as a National Demonstration School by Advancement Via Individual Determination (AVID), a kindergarten through postsecondary system that changes underperforming students into confident, college-going scholars and graduates. AVID is implemented in approximately 5,600 schools in 44 states, the District of Columbia, and 16 countries/territories and impacts more than 900,000 students in grades K-12 and 40 postsecondary institutions.

Schools recognized as National Demonstration sites have proven their ability to successfully implement the AVID Elective course and take the strategies school wide to affect all students.

Serrano Middle School was selected as an AVID National Demonstration School because it has implemented the AVID System throughout the school and serves as a model for new AVID sites.

The recognition of being an AVID National Demonstration School was established in 1993 with a \$250,000 award from the Charles A. Dana Foundation of New York. As part of the AVID Demonstration Sites Network, sites are expected to develop a model program with school-wide participation. With AVID's proven methodologies used throughout subject-area classes, performance levels improve for all students, but especially for those students who are the least likely to attend four-year colleges.

Serrano Middle School's Principal, Mr. Mauricio Gormaz, is pleased the school was chosen as an AVID National Demonstration School, noting the impact of the program on staff and students.

It is a tremendous honor that Serrano Middle School was selected as a National Demonstration School. We are proud of all the hard work and dedication of Serrano Middle School Staff, Ontario Montclair School District staff, students, and parents.

- This Saturday, Assemblymember Freddie Rodriguez will be hosting a Coffee Break from 10 a.m. to noon in the Montclair Senior Center's dining room. Members of the community are invited to stop by for coffee and discuss state and legislative issues affecting the community

For more information call (909) 902-9606, or visit www.asmdc.org/um.

POLICE DEPARTMENT

- Officers Eric Rivera and Michael Lang stopped by Saratoga Park on Saturday, March 5 to encourage the players at the Opening Day Ceremonies for the Little League teams. Officer Rivera was able to spend some time with the Challengers—a T-ball team made up of special needs children. Two of the children asked if Officer Rivera would take a picture with them and the Peacekeeper.



The Rancho Cucamonga Quakes sent their mascot, Tremor, to lend some excitement at Little League's Opening Day.



Officer Lang, Tremor, Officer Rivera

PUBLIC WORKS DEPARTMENT

- This past Saturday, March 5, 2016, Public Works Director Michael Hudson was honored by the American Society of Civil Engineers (ASCE) for attaining the status of "Life Member." Mike has been an ASCE member since 1981.

In support of Mike's achievement, Public Works Department staff and Deputy City Manager Marilyn Staats attended the ceremony at Monterey Hills Steakhouse in Monterey Park. The ceremony included a presentation by ASCE President-Elect 2016, Norma Jean Mattei, Ph.D., P.E., and the awarding of a certificate of achievement and ASCE pin to Mike and the other Class of 2016 new ASCE Life Members.

A photo collage of Mike's achievement follows on Page 14.

Congratulations on this outstanding milestone in your life, Mr. Hudson!

SUCCESSOR REDEVELOPMENT AGENCY/ MONTCLAIR HOUSING CORPORATION

- Costco has been one of the most reliably successful businesses on the market for much of the past 30 years. Last week, however, the company reported its second straight quarter of earnings declines.

While sales increased 3 percent in the second quarter, profit fell 8.7 percent to \$546 million, down from \$598 million in the same quarter last year. Total sales reached \$28.7 billion, short of forecasts for \$28.42 billion.

In recent quarters, Costco's performance has been negatively affected by currency fluctuations and lower fuel prices, as well as by a rise in merchandise costs and overhead expenses. The retailer's split from American Express and coming switch to Visa credit cards have additionally led to decreased profit in the short term.

Despite this, analysts have recently applauded Costco's business model.

In a recent research note, Morgan Stanley analysts wrote that Costco operated "one of the best business models in our space." According to the analysts, the retail giant succeeds by offering customers low costs with minimal markups and by providing differentiated and high-quality products.

In December, Deutsche Bank upgraded the company's rating to buy from hold, calling the company "Amazon-proof," thanks to Costco's membership model and ability to incentivize visits to brick-and-mortar locations.

Costco has assets that retail competitors from Walmart to Amazon lack. But because of the impact that gas prices and currency fluctuations have on the company, these advantages have not been enough to drive growth at the retail giant in 2016.

- Target's sales are skyrocketing in an area that will determine the future of retail.

Target's digital sales grew 30 percent in the last year, shattering holiday records and lapping the rest of the industry, the company announced at a presentation to investors on Wednesday.

The retailer plans to spend as much as \$2.5 billion a year on technology and supply chain initiatives by 2017, up from the \$1.9 billion spent last year. For comparison, Walmart CFO told analysts last October the company planned to invest \$1.2 billion to \$1.5 billion in ecommerce in 2015, and even more in 2016.

The biggest focus: making it more convenient for customers to shop at Target in stores, online, and on their smartphones.

This drive draws from a recent Target initiative, in which executives visited customers in their homes and learned more about how they shopped. Executives highlighted the results of these visits, especially those with younger consumers, in a presentation to investors.

This channel-blind approach plays to one of Target's strengths: it can offer both online and in-store experiences. Some of Target's major success in 2015 occurred at the intersection of brick-and-mortar and digital retail.

Sales from in-store pickups of Target.com orders increased by 60 percent in the last year. Cartwheel, the chain's mobile savings app, has been downloaded 22 million times, bringing in \$3 billion in sales.

Looking to the future, the retailer plans to continue to build out its ability to utilize its physical locations in fulfilling online orders.

Target's strategy is to maximize the flexibility of its existing store base and distribution centers to also service its growing, though still relatively small, online business.

The overlap of e-commerce and physical stores is a major battleground for retailers.

While Amazon has a huge head start on traditional retailers online (the e-commerce giant actually powered Target's business until 2011), it just recently opened its first brick-and-mortar store in Seattle.

Meanwhile, Walmart is heavily emphasizing "seamless" integration of online and in-store experiences, with new technology like its own mobile payment system.

- Amazon, the Seattle tech giant, quietly rolled out more than 1,800 fashion products for men, women, and children made by the company under 7 trademarked brand names: Franklin & Freeman, Franklin Tailored, James & Erin, North Eleven, Society New York, Lark & Ro, and Scout + Ro.

This is the first time Amazon is selling fashion products made by the company itself. Amazon has dipped its toes in the fashion industry for nearly a decade, but it hasn't always led to success.

Amazon sponsored the New York Men's Fashion Week last year. In addition, the company is hiring for its fashion team.

Amazon is also launching its first-ever live online show called "Style Code Live," which the company hopes will help grow both its fashion and video ambitions. The show is sort of an online QVC channel that offers fashion and beauty tips while making it easy for viewers to buy the featured products directly online. It will also have live chats on the side, allowing the viewers to interact with its celebrity hosts. The move is the latest in Amazon's push toward building a stronger presence in the fashion industry.

ECS:spa

"Your time is limited, so don't waste it living someone else's life."

~ Steve Jobs

MARCH 2016



13	Daylight Saving Time begins	2:00 a.m.
14	Planning Commission Meeting - Canceled	
15	City Manager's Staff Meeting City Hall Conference Room	9:00 a.m.
16	Safety Committee Meeting City Hall Conference Room	10:30 a.m.
17	Public Works Committee Meeting City Hall Conference Room	4:00 p.m.
20	Spring Begins	
21	Real Estate Committee City Hall Conference Room	5:30 p.m.
21	Code Enforcement/Public Safety Committee Meeting City Hall Conference Room	6:15 p.m.
21	City Council Meeting Council Chambers	7:00 p.m.
26	Easter Eggstravaganza and Pancake Breakfast Montclair Community Center and Alma Hofman Park	9 a.m. - 11 a.m.
27	Easter	
28	Planning Commission Meeting Council Chambers	7:00 p.m.
29	City Manager's Staff Meeting City Hall Conference Room	9:00 a.m.

