



June 9, 2016

TO: Honorable Mayor and City Council

FROM: Edward C. Starr, City Manager 

SUBJECT: CITY MANAGER'S WEEKLY REPORT: June 3-9, 2016

CITY MANAGER/ADMINISTRATIVE SERVICES DEPARTMENTS

- A long chapter to an alleged bribery scheme involving two highly placed, former CalPERS employees came to an end last week when former CalPERS chief executive Fred Buenrostro surrendered to state authorities. Buenrostro also agreed to give up his take of illegal gains he jointly received along with former CalPERS Administrative Board of Directors member Alfred Villalobos.

The one thing Buenrostro does not forfeit as he surrenders to serve a 4.5-year prison sentence is a substantial portion of his CalPERS pension. Under state law, Buenrostro is entitled to his pension; however, in September 2014 his \$201,600 in annual retirement pay was reduced to \$141,228 after he pleaded guilty to a conspiracy charge. The reduction was prompted by the "felony forfeiture" provision in the state public employee retirement law. After admitting that he accepted more than \$250,000 in bribes, Buenrostro was stripped of more than 2-1/2 years of service time of his tenure—approximately the time frame when he was committing a felony by accepting bribes.

Buenrostro also has been required to refund an overpayment of approximately \$360,000 he collected since leaving state government. The refund represents the difference between the pension he had been collecting, based on the original calculation of his retirement when he left state government, and the new amount calculated after his guilty plea. Buenrostro also agreed to pay the state \$250,000 in a civil settlement.

Buenrostro admitted taking bribes from Nevada businessman and placement agent Alfred Villalobos, who was attempting to steer pension fund investments to private equity firms he represented. In addition to the bribes, Buenrostro allegedly was paid \$387,000 to work for Villalobos' company for about two years, according to court records. The state agreed to the settlement of \$250,000 because of Buenrostro's

"representations regarding his personal financial assets and liabilities." If state officials determine he lied about his financial state, they can order him to pay \$1.8 million immediately.

In 2014, Villalobos pleaded not guilty to the charges that he bribed Buenrostro. Villalobos was scheduled to go to trial in early 2015; however, just weeks before his trial start date, Villalobos was found shot to death in Reno in January 2015—the death was ruled a suicide.

Earlier this year, the California Attorney General's Office agreed to a \$20 million payment from the Villalobos estate to settle a civil lawsuit that accused Villalobos of bribing CalPERS officials. The estate will pay \$10 million for penalties and \$10 million for the state's legal fees. The state's lawsuit, filed in 2010, demanded damages of \$41 million.

- Californians likely will be asked to decide in November whether to expand parole to thousands more inmates in what would be the state's biggest change in sentencing law in decades.

The proposed reworking of the parole system cleared a key hurdle Monday, when the California Supreme Court ruled 6-1 that the proponents of a ballot measure backed by Governor Jerry Brown did not violate a state election law. The ruling, a victory for the Governor, gives the attorney general wide latitude to accept last-minute, major changes to proposed initiatives.

If enough petition signatures are validated, a measure would be placed on the fall ballot to allow a parole board to consider early release for thousands of inmates not currently eligible for parole, a step the Governor has said is needed to comply with a federal court order to reduce the prison population.

The Governor's proposal is the latest of several recent measures intended to reduce lengthy sentences in the state. In 2011, the state shifted lower-level prison felons to county jails, worsening local overcrowding and forcing widespread local releases, but only temporarily reducing the prison population.

A year later, voters passed a measure to limit the tough three-strikes sentencing law. A third strike must be violent to justify a life sentence.

In 2014, voters adopted a measure that reduced some felonies to misdemeanors. Certain drug possession felonies became misdemeanors, as did petty theft, receiving stolen property and writing bad checks for less than \$950. That measure led to the release of 4,000 inmates.

But the Governor's proposal goes further. Nearly four decades after signing a law requiring strict sentences—a move that the Governor now laments had "unintended consequences," Governor Brown wants voters to permit a possible early release on the parole of felons whose primary crime was nonviolent.

The tough-on-crime laws of previous decades, including the one the Governor signed, produced severely overcrowded prisons, and the state is under a federal court mandate to bring down the prison population.

To accomplish this, the Governor would vastly expand parole opportunities. Inmates would be eligible for parole after serving only the sentence for their core crime, negating time tacked on for gang membership, a gun, or prior offenses.

Inmates would also receive increased credits for good behavior, and a judge, instead of a prosecutor, would decide whether to try someone as young as 14 in juvenile court or adult court. The Criminal Justice Legal Foundation has estimated that 42,000 inmates would be eligible for early parole under the initiative.

Under threat of court-ordered mass releases, the state now relies on contracts to hold thousands of inmates in private prisons as far away as Mississippi. But the prison population is once again rising, after reaching a low of 127,272 in February.

An analysis by the Criminal Justice Legal Foundation predicts the sharpest reductions—cutting sentences by up to two-thirds—for some of the most common crimes: residential burglary, assault, and drug trafficking. The group said it is unclear if actual parole boards would be asked to consider those releases, or if eligible inmates would be paroled automatically.

Prosecutors say the Governor's measure would make California's tough sentencing laws meaningless. The latest count shows that the measure received 1,003,001 signatures, far more than the required 585,407. It must be certified for the ballot by June 30.

An association of district attorneys sued, charging that the Attorney General should not have accepted such sweeping changes to an initiative that was in the final stages of review.

- Public agencies that employ their own lawn care maintenance staff and local gardening and landscape professionals are eligible for South Coast Air Quality Management District's (SCAQMD) new, free loaner program to demonstrate cordless-electric commercial-grade lawn and garden equipment.

The benefits of using this equipment include zero exhaust emissions to pollute the environment or disrupt the climate—plus, they operate with less than half the noise of gasoline equipment and can provide cost savings through reduced fuel consumption and maintenance.

Participants are provided with hands-on training and improved familiarity with commercial electric lawn and garden equipment. Demonstration program participants are asked to complete a simple, monthly survey during their 60-90 day use of the equipment so SCAQMD staff can obtain feedback on a variety of aspects including performance, durability, maintenance, and fuel savings.

Selected agencies will enter into contractual agreement with SCAQMD to participate in the no-cost demonstration/loaner program

For more information, please visit <http://www.aqmd.gov/>, or call (909) 396-2436

- State officials lauded Californians' continued water savings Monday while issuing a stern warning: State-mandated restrictions will be imposed again on suppliers that fail to take extended conservation needs seriously.

Californians' water scrimping kept climbing in April, with 43.7 billion gallons of water saved and per person daily water use slashed by 27 gallons, compared to April 2013.

Statewide savings rose to 26.1 percent for the month. Per person daily consumption dropped from 104 gallons in April 2013 to 77 gallons two months ago, according to compliance figures released Monday by the State Water Resources Control Board in Sacramento.

Yet, sustained conservation remains critical as summer arrives in the state's fifth year of drought, and water suppliers' efforts to develop and meet their own conservation goals will be closely watched.

State officials in May agreed to end emergency drought restrictions requiring suppliers to save 25 percent statewide, through individualized water conservation targets of up to 36 percent set by the board.

Under an emergency conservation regulation that took effect June 1, water suppliers must now develop their own conservation goals, based on their assessments of what their three-year water supplies and demands will be if the drought continues. The regulation is in effect until February 2017.

Some suppliers had been pushing for relief from the state's emergency water conservation requirements, but assured state water officials they'd keep encouraging customers to save water.

With suppliers in Inland Southern California and throughout the state already lifting or easing restrictions on their water customers, state officials expect water agencies to take conservation requirements seriously or face new state-mandated savings orders.

Water wholesalers must report their three-year water supply projections by June 15. Water retailers, some of whom get their water from wholesalers, must turn in their supply projections, assuming three more dry years, and calculations used to form new self-determined water conservation goals by June 22.

Those savings targets take effect in June. State water officials, who continue requiring monthly conservation reports, will be able to see by the end of July whether or not suppliers are meeting their new standards.

Locally, the Monte Vista Water District (MVWD) saw a cumulative water usage percentage reduction of 22.4 percent, compared to 2013, exceeding its new

adjusted targeted conservation standard of 22 percent. For April, the MVWD saw a monthly percentage reduction of 21.5 percent, as compared to April 2013.

To learn more about the drought and water-saving programs available to MVWD customers, please call (909)-657-4414, or visit www.mvwd.org.

COMMUNITY DEVELOPMENT DEPARTMENT/ECONOMIC DEVELOPMENT

- Montclair Housing Corporation (MHC) staff is conducting its Annual Income Certification of existing tenants. The MHC is required by state law to annually certify that tenants continue to income-qualify for their affordable rental units. Tenants are required to submit a copy of their 2015 Federal Income Tax Return, as well as copies of current pay stubs. Tenants found to exceed the income limits for their family's size are provided a 6-month courtesy notice advising them that they will need to vacate the unit in 6 months. Staff has found the 6-month notice provides families ample time to find new rental housing, as opposed to giving them a 60-Day Notice. Often times, however, the families end up purchasing a home.

Staff's preliminary analysis of this year's certification process reveals four families exceed the moderate-income level for their family size with two of the four families currently in escrow for purchase of a home.

- Amid lackluster news in retail, a bright spot is the handbag segment with 5 percent growth to \$11.6 billion in 2015, according to a new report from the NPD Group, Inc.

The \$214.6 billion U.S. apparel segment is flat versus a year ago, according to NPD; but growth in the handbag segment is attributed to increasing importance of technology and more casual lifestyles.

Shoppers are looking for new and better ways to spend on handbags, according to Marshal Cohen, Chief Retail Analyst at NPD. While there has not been much new in attire, handbags have evolved to meet women's wide and varied demands. Segment growth is fueled by both spending more per bag and buying more bags overall. NPD's report indicates that women 18-45 own an average of 13 handbags across 7 different brands.

More casual wardrobes and flexible work situations have made handbags surrogates for home closets or office desk drawers. In a world less tethered to traditional workplaces, handbags are necessary mobile storage for laptops, cell phones, and miscellaneous items needed throughout the day, including smaller bags that can be pulled out for evening use. Functional needs like easy access to cell phones and keeping hands free require multiple bag options, including open-top totes and crossbodies. Growing demand for big bags resulted in an 8 percent increase in dollar sales over 2014 and trending upward so far in 2016.

The growing importance of handbags in women's lives is not limited to function. Fashion insiders once dictated that, combined with a good watch and good shoes, one can wear almost anything and still look stylish. Handbags have usurped

watches and footwear as signature items that instantly inform the world of the owner's fashion sense. While clothes are generally perceived as a purchase, handbags are an investment.

"It's about bang for the buck," according to Jenny Lefcourt, partner at Freestyle Venture Capital. Big-ticket handbags can be justified by the burgeoning resale market, including online resellers like Rebag.com and The RealReal, where certain luxury bags like Hermès, Chanel, and Gucci can actually appreciate in value.

Across the entire category, average U.S. handbag expenditure is only \$42 per bag, according to StyleCareers.com, with quantity sales at the lower end from Gap, Target, and fast-fashion retailers like Zara and H&M. Approximately 20 percent of women reported spending more than \$200 per bag, with 8 percent spending more than \$400, according to the same study. Brands like Coach, Kate Spade, and Michael Kors have struggled recently, with some analysts hypothesizing that broader distribution reduces premium perceptions in a category where perception is everything.

At whatever price point, experts agree that the handbag is among the most important fashion statements. Even in the tough retail environment, handbags will likely continue to get more than their fair share of wallet.

HUMAN SERVICES DEPARTMENT

- Mark your calendars to join us Tuesday nights starting June 21 for the 2016 Summer Concert Series. All concerts are held at Alma Hofman Park (Shark Park), begin at 7 p.m., and are presented free of charge and open to the public. Bring your friends and family, blankets, lawn chairs, and a picnic dinner for a fun evening in the park. Free children's activities will also be offered.

The concert schedule is:

June 21	The Shameless Dawgs (dance variety)
June 28	The Ravelers (classic rock)
July 5	The Silverados (country)
July 12	Mariachi El Aventurero (mariachi)

- The City's 4th Annual Country Fair Jamboree held last Saturday had at least 2,000 people in attendance, including all members of the City Council, for a day of fun that included carnival rides, games, a petting zoo, pony rides, the Splash Pad, the skateboard competition, music from our event DJ, performances by the popular bands 80'z AllStars and Suave, and food trucks. There were also special contests, such as pie-eating, hula-hooping, and watermelon-eating, all of which were crowd favorites.

We sincerely appreciate everyone who volunteered their time and resources at the event. There were over 40 volunteers, including many City employees.

Our appreciation also goes out to Montclair Chamber of Commerce for overseeing event sponsors and the vendor area, which included over 40 vendors. And to the various members of different committees that planned the event, those that worked the day of the event, and those involved in behind-the-scenes work before and after the event, thank you! As always, the event could not have been a success without the collaboration between our Administrative Services, Community Development, Fire, Police, and Public Works Departments.

Photos are shared on Page 15.

POLICE DEPARTMENT

- Two new Police Officers, Vince Alcala and Alexander Razo, were introduced at the City Council meeting on June 6 by Police Chief Mike deMoet. They received a warm welcome from everyone in attendance.



Officer Vince Alcala with Mayor Pro Tem Carolyn Raft (left) and Council Member Trisha Martinez



Officer Alexander Razo is shown meeting Mayor Paul Eaton

- Montclair Police Department employees hit the streets running on Monday in support of *Special Olympics*. This year marks the 30th Anniversary of the Special Olympics Law Enforcement Torch Run.

Montclair Officers received the Flame of Hope from Chino Police Officers at Monte Vista Avenue and Phillips Road, and Montclair passed the torch to Ontario Police Officers at Benson Avenue and Phillips Road.





The Montclair team and Special Olympics athletes

A





Officer Jeffrey Wheater greeted the kids in front of City Hall with a high five

Sergeant Matt Borra did a great job of organizing Montclair's team of runners for the third time in a row. Thanks go to everyone who assisted and to all of the City employees, Summer Day Camp kids, and the public for rooting for the runners and the cause!





The patriotic group of supporters in a group shot at City Hall with the Montclair team



Such camaraderie, and all smiles, now that it's over! Front row, from left: Tina LeBron, Raquel Perez, John Minook, Matt Borra, Robert Avels. Back row, from left: Chad Ebli, Ryan Sirimahachaikul, Hector Sanchez, Josh Garabedian, Brian Ventura, Eric Rivera

PUBLIC WORKS DEPARTMENT

- The Engineering Division of the Public Works Department is responsible for traffic counts on our arterials and collector streets. Senior Engineering Intern Nathan Pino is directly responsible for this program, and his submission recently placed third in an international competition conducted by MetroCount, the manufacturer of the equipment we use for counting vehicles. The equipment is capable of determining traffic volumes, speeds, vehicle classes, direction of travel, and it provides the basis for many traffic studies.

The ultimate goal of a traffic study may include:

- ✓ Capacity studies
- ✓ Travel demands
- ✓ Studies of road users costs
- ✓ Parking supply-and-demand studies
- ✓ Inventories of road-traffic physical features
- ✓ Traffic accident studies
- ✓ Environmental impact studies of transport

MetroCount recently hosted a photo competition to its clients. Following a successful European competition, the Australian-based company decided to extend it to the "New World" and witness what it has to offer, which entailed a brief description of the agency's name and site information. After receiving such notice, pictures of Montclair's busiest arterial, Central Avenue, were submitted. We were notified on June 1 that our submission received third place in the competition and a free 100m role of pneumatic tubing.

Congratulations to Nathan on a successful submission! Entries are shown on the next page.



1. José Luis Sosa – Mexico City, Mexico



2. Paul Mitchell - City of Burleson, Texas



3. Nathan Pino - Montclair, California

"Patriotism is not short, frenzied outbursts of emotion, but the tranquil and steady dedication of a lifetime."

~ Adlai E. Stevenson

JUNE 2016

		
13	Planning Commission Meeting - Canceled	
13	Fiscal Year 2016-17 Preliminary Budget Review Council Chambers	6:00 p.m.
14	Flag Day	
14	City Manager's Staff Meeting City Hall Conference Room	9:00 a.m.
15	Safety Committee Meeting City Hall Conference Room	10:30 a.m.
15	Public Works Committee Meeting City Hall Conference Room	4:00 p.m.
19	Father's Day	
20	Real Estate Committee Meeting City Hall Conference Room	5:30 p.m.
20	Code Enforcement/Public Safety Committee Meeting City Hall Conference Room	6:15 p.m.
20	City Council Meeting Council Chambers	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.

2016 Country Fair JAMBOREE



SUMMER
FUN!

