



August 4, 2016

**TO:** Honorable Mayor and City Council

**FROM:** Edward C. Starr, City Manager 

**SUBJECT:** CITY MANAGER'S WEEKLY REPORT: July 29-August 4, 2016

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## **CITY MANAGER/ADMINISTRATIVE SERVICES DEPARTMENTS**

- Los Angeles County voters will be asked in November to approve a half-cent sales tax increase that would continue indefinitely to fund a major expansion of Southern California's transit network.

The Los Angeles County Board of Supervisors unanimously agreed Tuesday to add the Los Angeles County Metropolitan Transportation Authority's (Metro) tax increase proposal to the November 8, 2016 ballot.

The ballot measure entitled "Los Angeles County Traffic Improvement Plan" or Measure R2, will augment the existing Measure R half-cent sales tax with an additional half-cent sales tax. Measure R2 will eventually double to a one-cent sales tax upon the sunset of Measure R in 2039.

If approved, Measure R2 would generate up to \$120 billion for transportation projects over a 40-year period and would annually generate at least \$860 million. The Los Angeles County Traffic Improvement Plan would funnel an estimated one-third of the \$120 billion toward full or partial funding for new transit lines and extensions throughout Los Angeles County.

The Foothill Gold Line Phase 2B Extension from Azusa to Montclair would be one of the transit lines that will benefit from Measure R2 funds.

The Foothill Gold Line Phase 2B Extension will extend the Metro Gold Line 12.3 miles and add 6 stations in the cities of Glendora, San Dimas, La Verne, Pomona, Claremont, and Montclair.

As currently proposed, the majority of the \$1.2 billion needed to build the Foothill Gold Line Phase 2B Extension will come from the Los Angeles County Traffic Improvement Plan. However, funding for the Montclair Segment of the extension would not be eligible for funding under Measure R2. Additional funding sources would need to be developed by San Bernardino Associated Governments (SANBAG), the transit authority of San Bernardino County, to pay for construction of the Montclair Segment. Currently, SANBAG estimates that the Montclair Segment of Phase 2B will cost \$68 million.

Earlier this year, Metro agreed to include the Montclair Segment of Phase 2B Extension in its application for California State Transportation Agency (CalSTA) cap-and-trade monies to fund construction of the Foothill Gold Line Phase 2B Extension. Metro worked with SANBAG to prepare the necessary documentation for the application and submitted the application on behalf of Metro, SANBAG, and the Foothill Construction Authority. It is expected that CalSTA will announce later this year if funding will be approved for the project.

- With water conservation falling to 21.5 percent savings in June 2016, down from 27.5 percent a year ago, the State Water Resources Control Board announced that it is closely monitoring conservation levels, will scrutinize actions by water suppliers where use has risen dramatically, and is carefully reviewing the "stress tests" to ensure that water supply reliability claims are complete and accurate.

Cumulatively, local water suppliers have saved 1.75 million acre feet in the 13 months since mandatory conservation goals began—enough water to supply 8.8 million people for a year. The cumulative average savings from June 2015 to June 2016 is 24.2 percent.

Although new regulations that took effect in June give local water suppliers more autonomy to set their own conservation goals based on local supply conditions, the State Water Board has maintained since mid-2014 that it expects suppliers to continue emphasizing water conservation to their customers as a top priority as California enters the summer months, when the opportunity for water savings is greatest. While local water suppliers may have relaxed water use restrictions that were in place last summer—the statewide prohibitions, from operation of fountains without recirculating pumps, to irrigation of turf in street medians, remain in place.

### **June Conservation Data**

- Statewide water savings for June 2016 was 21.5 percent, a decrease from May 2016's savings of 28.1 percent, and also a decrease from June 2015's statewide savings of 27.5 percent.
- Cumulative statewide percent reduction for June 2015 – June 2016 is 24.4 percent, which equates to 1,752,918 acre-feet.
- Locally, Monte Vista Water District (MVWD)'s monthly water savings for June 2016 was 20.4 percent, a decrease from May 2016's savings

of 22.4 percent, and a decrease from June 2015's savings of 24.4 percent.

- MVWD saw a cumulative water savings of 22.7 percent, compared to 2013, exceeding its new adjusted targeted conservation standard of 22 percent.

### **Revised Emergency Regulations**

Starting in June, the State Water Board's recently updated emergency water conservation regulations give urban water agencies the ability to set their own conservation standards based on a stress test of supply reliability. Water suppliers must demonstrate they have sufficient supplies to withstand three years of continuous drought or take additional measures that include mandatory conservation targets. The regulation is in effect through January 2017.

The deadline to submit the stress test results and three-year resiliency plans was June 22. While most urban water suppliers and wholesale water providers have submitted materials, the State Water Board staff is following up with a number of suppliers whose submissions appear inaccurate, incomplete, or unclear. Once all of the submissions have been received and are complete, the State Water Board will make them available to the public.

## **COMMUNITY DEVELOPMENT DEPARTMENT/ECONOMIC DEVELOPMENT**

- Escrow closed last week on the properties located at 4304 and 4324 Kingsley Street. The properties are situated between Sunset Park and Lehigh Elementary School, totaling an area of 1.33 acres. There exists a residence on each property, along with an assortment of out buildings that include a detached garage, a former ice house, a freestanding laundry room, and a number of sheds. All the buildings are in poor condition and show significant signs of long-term neglect. The majority of the vegetation in the yards, including trees, is dead or dying.

Demolition of the buildings will go out to public bid soon; however; prior to demolition, the Fire Department will use the structures for fire training purposes. Once the buildings are demolished, the properties will become part of Sunset Park.

- Up until August 2015, Nordstrom had reported \$14 billion in annual sales and saw its stock climb to a record high of about \$80 a share. However, last month the *Los Angeles Times* reported that growth in Nordstrom sales has been stalling in a very strong way. The Chief Financial Officer for Nordstrom, Michael Koppel, told an industry conference in June that "for something that happened quickly, it just begs a lot of questions."

Nordstrom is still sorting through those questions because its sales slowdown has carried into 2016, sharply cutting the company's profit, slashing its stock price by nearly half, and prompting a downgrade of its credit rating. The impact is particularly felt in California, where Nordstrom has 25 percent of its floor space.

Nordstrom is grappling with many of the same massive changes roiling other major apparel-heavy department stores such as Macy's Inc. and Kohl's Corp: a decline in mall traffic, lower consumer spending on apparel, shoppers' increasing habit of buying online, and heightened competition from Internet players such as Amazon.com.

Nordstrom is known for its exemplary customer service, liberal return policy, and in-store amenities. The company also prides itself on selling apparel that buyers see as unique, fashionable, and worth a premium price. "Nordstrom, to me, has always been the best of the best," said Ronald Friedman, co-head of retail at the Marcum accounting and advisory firm. But Erik Nordstrom, a Nordstrom co-president, said his company needs to upgrade on all fronts to get sales growing again.

It's a problem Nordstrom's rivals also face as more shoppers, especially the millennial (18 to 34) population, buys more clothes and accessories on the Internet. Others are choosing to spend less on apparel or are shopping at lower-price competitors.

Friedman said the millennials' shopping habits are completely different from the baby boomers' who traditionally shopped at a Nordstrom store and Nordstrom is finally getting caught up in it

Citing weaker-than-expected operating results, Standard & Poor's in February downgraded Nordstrom's credit rating to BBB+ from A-. Then, in Nordstrom's fiscal first quarter ended April 30, its same-store sales fell 1.7 percent — its first quarterly drop in several years. Worse, the same-store sales for Nordstrom's U.S. full-line stores dropped 7.7 percent from a year earlier. Wall Street expects an even bigger decline in Nordstrom's overall same-store sales, 3.2 percent, in the quarter ending this month before it turns positive again later this year, according to analysts polled by FactSet Research Systems Inc. In addition, Nordstrom's first-quarter profit plunged 64 percent from a year earlier, to \$46 million, prompting the company to slash its full-year earnings forecast. The sharp drop in its stock, which closed Friday at \$40.86 a share, has wiped out more than \$6 billion of Nordstrom's total market value.

Asked whether Nordstrom planned any store closures as a consequence, Erik Nordstrom said, "We don't have any announcements to make. But I wouldn't say it's off the table, either. We look at our store portfolio all the time."

In the meantime, it seems the key to getting Nordstrom's sales growth on the upswing again is quickly adapting to consumers' changing shopping habits while still offering in-demand apparel.

## **FIRE DEPARTMENT**

- On Monday, Fire personnel participated in Pediatric Medical Emergencies training instructed by Upland Fire Department's Emergency Medical Services (EMS) Coordinator, Krista Pope.

Training focused on different types of medical emergencies when dealing with pediatric patients. There are many differences between children and adults; physiological, anatomical, and cognitive, which all impact the way illnesses and disease present themselves and the way in which treatment is provided.

The training also incorporated a review of county and state medical protocols including pediatric medicine dosages.

- Fire and Police personnel are participating in Active Shooter training this week and are working together as a Rescue Task Force focusing primarily on the extraction of injured subjects from hazardous situations (warm zones) during an Active Shooter incident. The goal of the Task Force is to move patients from a warm zone to a Casualty Collection Point located in a safe area (cold zone) for further evaluation of their injuries and treatment by the paramedics early into an incident. During the training, teams are working together on proper coordination, good communication between Fire and Police personnel, and the Unified Command System.

The training is being held on three separate days and includes personnel from the Montclair and Upland Fire and Police Departments. Instructors for the training include Fire Captain Roger Mora, Police Detective Andy Graziano, and Firefighters Mike Matheson and Stan Boehm.

## **HUMAN SERVICES DEPARTMENT**

- All City employees are invited to the annual Summer Bar-B-Que on Tuesday, August 9 from noon to 1:30 p.m. in the Senior Center. The event, sponsored by the City Council and City Manager in appreciation of each employee's service, will feature hamburgers, sausages, hot dogs, side dishes, and dessert.

A flyer is included on Page 9.

## **POLICE DEPARTMENT**

- Montclair Police and the community gathered at Alma Hofman Park Tuesday night for National Night Out. National Night Out is an annual event that the public looks forward to. Approximately 500 attended members of the community took advantage of free activities such as the splash pad, face painting, a photo booth, and the movie *Star Wars: The Force Awakens*.

Lt. Brandon Kumanski did an amazing job again this year organizing the event! He had expert assistance from Human Services (Michelle Castillo), Public Works (Mike McGehee), Fire, and Administrative Services (Steve Dague and Robert Castillo) staff, and the hard-working and dedicated Senior Center staff for providing a booth and selling goodies.

A collage of photos is included on Page 10.

- Last Thursday, the Police Department's Reserve Officers were honored at a dinner and awards ceremony held at The Magic Lamp in Rancho Cucamonga.

I was proud to attend, along with Mayor Eaton, Mayor Pro Tem Raft, and Council Members Dutrey, Ruh, and Martinez, to recognize our dedicated Reserve Officers. They work special details in the City beyond their routine patrol work. They can be found in the summer at Alma Hofman Park providing security at the Skatepark and the Splash Pad. They also keep the peace at the summer Concerts in the Park. The City appreciates their generous donation of time and service to the Montclair community.

Chief Robert Avels presented the following awards:

Reserve Officer of the Year	-	Joe Kuskie
Outstanding Police Work	-	Scott Stephenson and Randy Ortiz
Most Hours	-	Randy Ortiz (368 hours)

Congratulations to all! Enjoy the photos that follow.



Pictured L-R are: Reserve Officer Joe Kuskie, Reserve Officer Randy Ortiz, Reserve Captain Ron Foss, and Reserve Sergeant Scott Stephenson



The ever-photogenic Mayor Paul Eaton and Ginger Eaton



Police Chief Robert Avels and City Manager Edward Starr

"Do not look where you fell, but where you slipped."

~ African proverb

## AUGUST 2016



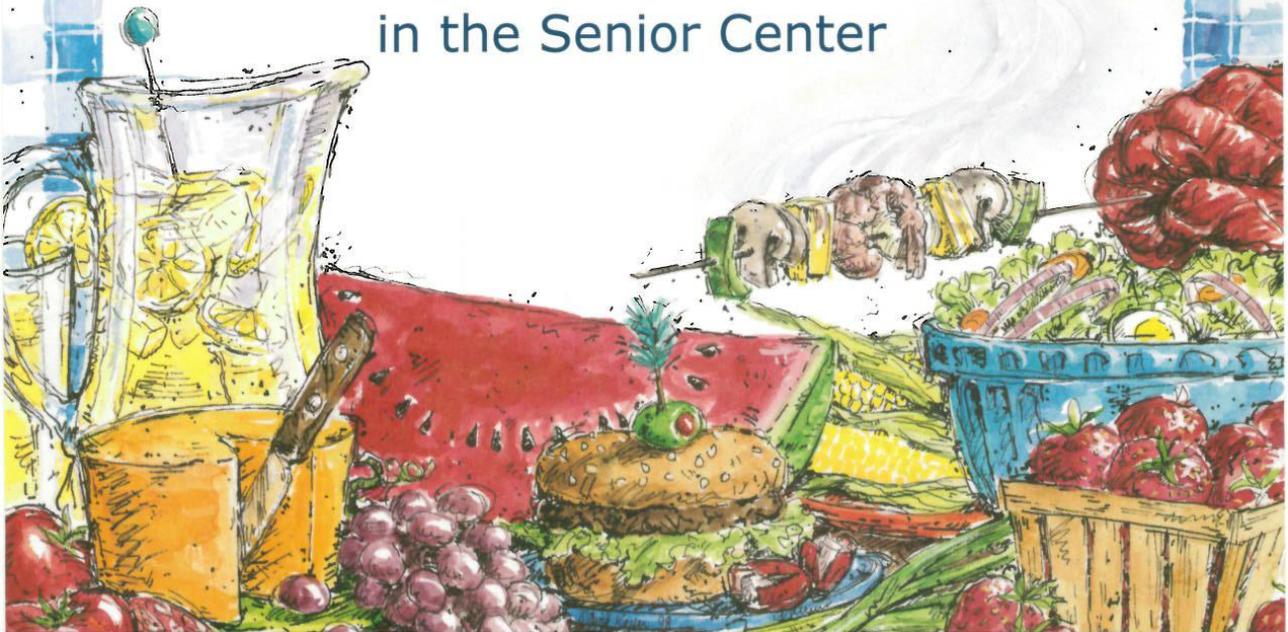
06	"Back the Blue" Prayer Vigil for Law Enforcement Montclair Police Department, 4870 Arrow Highway	7:30 p.m.
08	Planning Commission Meeting Council Chambers	7:00 p.m.
09	City Manager's Staff Meeting City Hall Conference Room	9:00 a.m.
09	Annual Montclair Summer Barbecue for City Employees Senior Center	Noon - 1:30 p.m.
15	Real Estate Committee Meeting City Hall Conference Room	5:30 p.m.
15	Code Enforcement/Public Safety Committee Meeting City Hall Conference Room	6:15 p.m.
15	City Council Meeting Council Chambers	7:00 p.m.
17	Safety Committee Meeting City Hall Conference Room	10:30 a.m.
18	Public Works Committee Meeting City Hall Conference Room	4:00 p.m.
22	Planning Commission Meeting Council Chambers	7:00 p.m.
30	City Manager's Staff Meeting City Hall Conference Room	9:00 a.m.

IN APPRECIATION OF YOUR SERVICE  
THE CITY COUNCIL & CITY MANAGER  
INVITE ALL EMPLOYEES TO ATTEND  
THE ANNUAL MONTCLAIR  
SUMMER BAR-B-QUE

Menu to include hamburgers, hot dogs,  
sausages, side dishes and dessert

Tuesday, August 9, 2016  
12 noon - 1:30 p.m.

in the Senior Center





# National Night Out!



# August 2, 2016

