

MINUTES of a special meeting of the City Council of the City of Redlands held in the Council Chambers, Civic Center, 35 Cajon Street, on Monday, June 22, 2009, at 8:30 A.M.

PRESENT Jon Harrison, Mayor
Pat Gilbreath, Mayor Pro Tem
Mick Gallagher, Councilmember
Pete Aguilar, Councilmember
Jerry Bean, Councilmember

ABSENT None

STAFF N. Enrique Martinez, City Manager; Daniel J. McHugh, City Attorney; Lorrie Poyzer, City Clerk; David Hexem, Chief Information Officer; Jeff L. Frazier, Fire Chief; Gary van Dorst, Quality of Life Director

Public Comments - Mayor Harrison called the special meeting of the City Council to order and provided an opportunity for the public to address them on the subjects which were scheduled on the agenda.

Joint Powers Authority - Eric Fraser and Scott Showler did not feel the proposed formation of a Joint Powers Authority was appropriate.

CLOSED SESSION

The City Council meeting recessed at 8:35 A.M. to a closed session to discuss the following:

1. Conference with labor negotiator - Government Code Section 54957.6
Agency Negotiators: N. Enrique Martinez and Debbie Scott-Leistra
Employee Organizations: Redlands Association of Management Employees, Redlands Association of Mid-Management Employees, General Employees Association of Redlands (SBPEA), Redlands Civilian Safety Employees Association (SBPEA), Redlands Police Officers Association, Redlands Professional Firefighters Association, Redlands Association of Safety Management Employees, and Redlands Association of Fire Management Employees

The City Council meeting reconvened at 9:53 A.M.

PRESENT

Jon Harrison, Mayor
Pat Gilbreath, Mayor Pro Tem
Mick Gallagher, Councilmember
Pete Aguilar, Councilmember
Jerry Bean, Councilmember

ABSENT

None

STAFF

N. Enrique Martinez, City Manager; Daniel J. McHugh, City Attorney; Lorrie Poyzer, City Clerk; Carl Baker, Public Information Officer; Jim Bueermann, Police Chief; Larry Burgess, Library Director; David Hexem, Chief Information Officer; Daniel Hobbs, Redevelopment Agency Director; Rosemary Hoerning, Municipal Utilities and Engineering Director; Tina Kundig, Finance Director/City Treasurer; Tom Steele, Assistant Finance Director; Leslie Tafoya, Budget Analyst; Jeff L. Frazier, Fire Chief; Robert Dalquest, Assistant Community Development Director; Deborah Scott-Leistra, Human Resources Director; Gary van Dorst, Quality of Life Director

Closed Session Report - City Attorney McHugh announced there was no reportable action taken during the closed session.

UNFINISHED BUSINESS

Proposed Budget for Fiscal Year 2009-2010 - The proposed budget, as presented, estimates General Fund requirements over sources for fiscal year 2009-2010 at \$2,595,445.00 with an ending unreserved fund balance in the General Fund of \$3,552,278.00. Contributing to the \$2.5 million shortfall is \$1.9 million dedicated to public safety, of which \$180,158.00 is recommended from the equipment replacement reserve for five police vehicles and equipment. Formation of a Joint Powers Authority to lease water and wastewater facilities is recommended to close the \$2.5 million gap. Consultant Robert Poole reviewed the process for establishing a Joint Powers Authority and answered questions. A lengthy discussion ensued regarding the Joint Powers Authority and alternatives if a Joint Power Authority is not formed. Speaking on behalf of himself, the Sierra Club and ratepayers, Bill Cunningham spoke in opposition of the formation of a Joint Powers Authority. Mark Stanson, Vice Chairman of the Municipal Utilities and Public Works Commission, explained their stand to support this proposal. David Garcia, also a member of the Municipal Utilities and Public Works Commission and lone dissenter, explained why he could not support the proposal. Municipal Utilities and Public Works Commissioner George Barch felt the City needed this Joint Powers Authority now.

Joint Powers Authority - Councilmember Aguilar moved the City Council follow the Municipal Utilities and Public Works Commission's recommendation to explore a Joint Powers Authority under a four-year model using what staff had called Plan B which was \$2 million from the

Water Fund and \$500,000.00 from the Wastewater Fund and directed staff to bring back material to delay or ensure we have a balanced budget through the end of the year with the contingencies that include State raids, employees not taking furloughs and those items that may come up throughout the year. Motion seconded by Councilmember Harrison and failed by the following vote:

AYES: Councilmembers Harrison and Aguilar

NOES: Councilmembers Gilbreath, Gallagher, and Bean

Councilmember Harrison moved to shorten the term of a Joint Powers Authority to 2-1/2 years with everything else being the same as what was in the prior motion. Motion seconded by Councilmember Aguilar and carried by the following vote:

AYES: Councilmembers Harrison, Gilbreath and Aguilar

NOES: Councilmembers Gallagher and Bean

2009-2010 Budget - Councilmember Aguilar moved to modify the proposed budget presented by staff by adding one Administrative Assistant part-time position in the City Clerk's Office in the amount of \$16,200.00 and upgrading the classification of one Quality of Life Department staff member (Project Specialist I to Project Specialist II) in the amount of \$2,600.00 for a total of \$18,800.00. Motion seconded by Councilmember Bean and carried unanimously. Councilmember Aguilar moved to approve the Fiscal Year 2009-2010 proposed budget with the modifications and with the understanding it will begin with the same and end with the same unreserved balance. Motion seconded by Councilmember Harrison and carried by the following vote:

AYES: Councilmembers Harrison, Gilbreath, Gallagher and Aguilar

NOES: Councilmember Bean

CONSENT CALENDAR

Minutes - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously approved the minutes of the regular meeting of June 2, 2009, the special meeting of June 10, 2009, and the regular meeting of June 16, 2009, as submitted.

Salaries and Bills - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, payment of salaries and bills was acknowledged.

Resolution No. 6839 - Compass Blueprint Planning Program - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously adopted Resolution No. 6839, a resolution of the City Council of the City of Redlands approving an application for planning services under the Southern California Association of Governments Compass Blueprint Planning Program.

Proclamation - Richard N. Larsen - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously authorized issuance of a proclamation commending Richard N. Larsen, County Treasurer-Tax Collector, for his years of service to the County of San Bernardino and to the City of Redlands as a past member of the City Council.

Proclamation - Go Skateboarding Day - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously authorized issuance of a proclamation declaring June 21, 2009, as *Go Skateboarding Day*.

Proclamation - Guillermo J. Valenzuela - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously authorized issuance of a proclamation commending Dr. Guillermo J. Valenzuela for his service as the 116th President of the San Bernardino County Medical Society.

Proclamation - Australian Baseball Tour Day - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously authorized issuance of a proclamation declaring July 2, 2009, as *Australian Baseball Tour Day*, and congratulating the teams and families that have participated in this tradition over this past 20 years,.

Resolution No. 6845 - State Programs for Capital Improvement Programs - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously adopted Resolution No. 6845, a resolution of the City Council of the City of Redlands delegating the authority for the approval and execution of State Program agreements for Federally funded capital improvement projects, and authorized staff to receive and deposit any Federal funds received by the City from State Program agreements into the City's applicable Capital Improvement Program budgets.

Resolution No. 6844 - Delinquent Municipal Services Accounts - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously adopted Resolution No. 6844, a resolution of the City Council of the City of Redlands authorizing the Finance Director to require automatic payment plans for delinquent water service accounts.

Rejection of Bids - Water Pipeline Replacement Project - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously rejected all bids received for the Capital Improvement Program Water Pipeline Replacement Project, Phase III.

License Agreement - Waterline - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously

approved a license agreement with San Bernardino Associated Governments (SANBAG) for the construction and maintenance of a City waterline on University Street and Park Avenue that is within the SANBAG (BNSF) Railroad right-of-way and authorized the Mayor to execute, and the City Clerk to attest to, the document on behalf of the City.

Cal-Fire Agreement - Wildland Fire Protection Services - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously approved the annual amendment to the agreement with Cal-Fire for the purpose of Cal-Fire providing wildland fire suppression resources and authorized the Mayor to execute, and the City Clerk to attest to, the document on behalf of the City.

Independent Contractor Agreement - Andrew Todd - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously approved an independent contractor agreement with Andrew Todd to develop and conduct youth sports programs and classes for the City's Recreation Bureau and authorized the Mayor to execute, and the City Clerk to attest to, the document on behalf of the City.

Funds Interlocal Agreement - Justice Assistance Grant Award - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously approved an interlocal agreement between the Town of Apple Valley and the Cities of Adelanto, Barstow, Chino, Chino Hills, Colton, Fontana, Hesperia, Highland, Montclair, Ontario, Rancho Cucamonga, Redlands, Rialto, San Bernardino, Twentynine Palms, Upland, Victorville and the County of San Bernardino concerning distribution of the 2009 Justice Assistance Grant Award, authorized the Mayor to execute, and the City Clerk to attest to, the document on behalf of the City and approved an additional appropriation of \$36,335.00 to the Police Department to pay for crime analysis software.

Resolution No. 6848 - CDBG Funds - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously adopted Resolution No. 6848, a joint resolution of the City Council of the City of Redlands and the Board of Supervisors of the County of San Bernardino authorizing a request to the United States Department of Housing and Urban Development (HUD) for separation and transfer of Community Development Block Grant funds to the City of Redlands' letter of credit, authorized the Mayor to execute, and the City Clerk to attest to, the separation agreement on behalf of the City, and instructed staff to request that HUD transfer unexpended Community Development Block Grant funds to the HUD line of credit for Redlands.

NEW BUSINESS

Contract Award - Citywide Sidewalk and ADA Ramp Improvement Project - Municipal Utilities and Engineering Director Hoerning reported bids were opened and publicly declared on June 10, 2009,, by the City Clerk for the Citywide Sidewalk and ADA Ramp Improvement Project; a bid opening report is on file in the Office of the City Clerk. On motion of Councilmember Aguilar, seconded by Councilmember Gallagher, the City Council unanimously determined that the CDBG Project No. 243170, Citywide Sidewalk and ADA Ramp Improvement Project, is exempt from the California Environmental Quality Act pursuant to Section 15061(3) of the CEQA Guidelines and directed staff to file a Notice of Exemption in accordance with City guidelines; approved the project plans and specifications; awarded the contract for the project to Marwan Alabbasi for the total bid amount of \$415,093.00; authorized the Mayor to execute, and the City Clerk to attest to, the contract on behalf of the City; and authorized an expenditure of \$645,000.00 from the Community Development Block Grant program funds.

Resolution No. 6843 - Gateway Improvements - Following a presentation by Redevelopment and Economic Development Director Hobbs, Councilmember Gilbreath moved to adopt Resolution No. 6843, a resolution of the City Council of the City of Redlands approving the use of Redevelopment Agency funds for payment of the construction of public improvements, known as "Gateway Improvements" to the Orange Street/Pearl Avenue median and utilizing the "river washed" boulders with horizontal lettering. Motion seconded by Councilmember Gallagher and carried unanimously.

RECESS

The City Council meeting recessed at 11:39 P.M. and reconvened at 1:00 P.M.

PRESENT

Jon Harrison, Mayor
Pat Gilbreath, Mayor Pro Tem
Mick Gallagher, Councilmember
Jerry Bean, Councilmember

ABSENT

Pete Aguilar, Councilmember

STAFF

N. Enrique Martinez, City Manager; Daniel J. McHugh, City Attorney; Lorrie Poyzer, City Clerk; Carl Baker, Public Information Officer; David Hexem, Chief Information Officer; Daniel Hobbs, Redevelopment Agency Director; Rosemary Hoerning, Municipal Utilities and Engineering Director; Tina Kundig, Finance Director/City Treasurer; Jeff L. Frazier, Fire Chief; Robert Dalquest, Assistant Community Development Director; Deborah Scott-Leistra, Human Resources Director; Gary van Dorst, Quality of Life Director

PRESENTATIONS

Redlands Mall - Due to a potential conflict of interest, Councilmember Bean retired from the Council Chambers and did not participate in this matter; a Public Disclosure of Potential Conflict of Interest form is on file in the City Clerk's Office. Redevelopment and Economic Development Director Hobbs reported General Growth Properties, Inc. (GGP) is the owner of the Redlands Mall. On April 16, 2009, GGP filed for bankruptcy, under Chapter 11 of the bankruptcy law. In addition, Gottschalks, which is the major tenant of the mall, filed for bankruptcy under Chapter 7 "liquidation." The Redevelopment Agency has been spending time monitoring these developments. His presentation was followed with an economic perspective on the Mall provided by John Yonai, Principal, Tierra West Advisors, LLC. On behalf of The Redlands Association, Bill Cunningham expressed appreciation for this presentation and indicated he did not agree with the General Growth Properties' vision of an urban village in regards to changing the parking, currently owned by the City, to private parking as the parking is an important asset for downtown Redlands. Councilmember Bean returned to the City Council Chambers following this presentation.

Housing Authority Project - In accordance with polices adopted by the City Council and Planning Commission, the Housing Authority's planned residential development requires a significant project presentation be made to the Planning Commission and the City Council. The Planning Commission presentation was made on June 9, 2009. Assistant Community Development Director Dalquest reported this proposal would completely redevelop a 19-acre property containing an existing multiple family development owned by the Housing Authority of the County of San Bernardino located at the northeast corner of Lugonia Avenue and Orange Street. The project entails the development of a new planned residential development containing 228 multiple family and single family dwelling units with landscaped open space areas and a recreation/administration building. The development applications consist of a General Plan Amendment, a new Specific Plan, Conditional Use Permit, Tentative Tract Map and street vacations. Susan Benner from the County Housing Authority; Mario Saucedo, chairman of the Board of Commissioners for the County Housing Authority; and consultant Lou Bernarde, McCormack Bacon Salazar, Inc. were present. Patrick Meyer, Urban Environs, presented a PowerPoint highlighting the proposed development. Mayor Pro Tem Gilbreath noted this proposal was favorably received by the Planning Commission at their June 9, 2009, meeting.

PUBLIC COMMENTS

Traffic Concerns - Steve Na asked the City Council for assistance regarding traffic on Pioneer Avenue from the Citrus Valley High School and within the

Redlands Village and Kaybee Homeowners' Association as people are speeding on the residential streets to go to the new park.

Fee Waivers - Dr. Art Anderson said he did not think it was fair that the City Council declined the car dealers' request for a waiver of their business license tax but waived the fees for the Fourth of July celebration.

JOINT MEETING - CITY COUNCIL AND REDEVELOPMENT AGENCY

Joint Resolution - Seizure by State Government of City Funds - Mayor Pro Tem Gilbreath explained that in the Governor's final May budget revision, he proposed the seizure of almost \$1 billion in city and county shares of revenues in the Highway Users Tax Account (HUTA) from the motor fuel tax (or gallonage gas tax) to fund past and future highway bond debt service payments out of the State General Fund. If the Governor's recommendation is enacted into law, attorneys employed and retained by the League of California Cities are of the opinion that the action would be unconstitutional. The League of California Cities is encouraging California cities to consider passing a resolution that directs City/Agency Attorneys to cooperate with the League, other cities and counties in planning litigation challenging the constitutionality of the proposed seizure of city and county funds. Such action does not commit the city to filing litigation, but it directs the City Attorney to cooperate and work with the League and other local government to advance the litigation. In addition, the League is encouraging cities with Redevelopment Agencies to pass a resolution opposing the latest proposal from the State to seize \$1.050 billion of tax increment monies from Redevelopment Agencies over a three-year period beginning with Fiscal Year 2008-2009. The City's share of Highway Users Tax (Gas Tax) funds included in the 2009-2010 proposed budget was estimated at \$910,000.00. Since presentation of the proposed budget, the League of California Cities Fiscal Advisor has provided projections for cities and estimates the City of Redlands' share at \$1,164,206.00. Under the Governor's proposal, cities would lose 100 percent of their share in 2009-2010 and 75 percent in the subsequent fiscal year. Approval of this joint resolution assists the League's efforts to save these tax dollars for California cities and counties. Agency by agency impacts of seizure of redevelopment agency tax increment dollars have not yet been determined, however an earlier budget proposal to transfer \$350 million from Redevelopment Agencies during Fiscal Year 2008-2009 resulted in a \$491,412.00 impact to the City of Redlands Redevelopment Agency. Accordingly, if \$1.050 billion is taken from Redevelopment Agencies over three years, the Redlands Redevelopment Agency may expect to lose \$491,412.00 or more each year. Councilmember Gilbreath moved to adopt a joint resolution of the City Council of the City of Redlands and the Board of the Redevelopment Agency of the City of Redlands authorizing the City Attorney/Agency General Counsel, and the City and Agency staff, to cooperate with the League of California Cities, the California Redevelopment Association,

and other California cities, counties and Redevelopment Agencies in potential litigation challenging the constitutionality of any seizure by State government of the City's Street Maintenance Funds and any seizure of Redevelopment Agency tax increment funds. Motion seconded by Councilmember Gallagher and carried by AYE votes of all present with Councilmember Aguilar having been absent during the afternoon session. (Also see Redevelopment Agency minutes dated June 22, 2009.)

CLOSED SESSION

The City Council meeting recessed at 2:12 P.M. to continue the Redevelopment Agency meeting and reconvened at 2:15 P.M. to a closed session to discuss the following:

1. Conference with real property negotiator - Government Code §54956.8
Property: APNs 0170-312-31, 0170-311-04
Agency negotiators: N. Enrique Martinez and Gary van Dorst
Negotiating party: Verizon Wireless
Under negotiation: Terms and price of possible lease of City property
2. Conference with real property negotiator - Government Code §54956.8
Property: APNs 0167-161-06, 0167-161-07 and 0167-161-08
Agency negotiators: N. Enrique Martinez and Gary van Dorst
Negotiating party: Clearwire
Under negotiation: Terms and price of possible lease of City property
3. Conference with real property negotiator - Government Code §54956.8
Property: Redlands Airport, Hangar Nos. 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23, 25, 28, 29 and 30
Agency negotiators: N. Enrique Martinez and Gary van Dorst
Negotiating parties: NBI General Contractors, Dave Crosswhite, Advanced Management Solutions, Allen's Air Comp, Richard Suhay, Bruce Carvarno, Eric and Chari Wroolie, Bobby Graham, Larry Hoatson, William Smith, Denton Haskins, Wings To There Aviation, Ideal Data Solutions, Fabian General, Steven Sugiono, Higar Air, Redlands Flying Club, and Redlands Police Department
Under negotiation: Terms and price of possible lease of City property
4. Conference with real property negotiator - Government Code §54956.8
Property: APNs 0168-031-21 and 22 and 0168-041-45 and 46
Agency negotiators: N. Enrique Martinez and Gary van Dorst
Negotiating party: AYSO
Under negotiation: Terms and price
5. Conference with real property negotiator - Government Code §54956.8
Property: APNs 0171-053-01 and 02
Agency negotiators: N. Enrique Martinez and Dan Hobbs
Negotiating party: General Growth Properties
Under negotiation: Terms and price

Due to a potential conflict of interest, Councilmember Bean did not participate in this matter; a Public Disclosure of Potential Conflict of Interest form is on file in the City Clerk's Office.

6. Conference with real property negotiator - Government Code §54956.8

Property: APN 0168-121-13
Agency negotiators: N. Enrique Martinez and Rosemary Hoerning
Negotiating party: Bruce Hinckley
Under negotiation: Terms and price of purchase of City property

CLOSED SESSION REPORT

The City Council meeting reconvened at 2:55 P.M. City Attorney McHugh announced there was no reportable action taken during the closed session.

ADJOURNMENT

There being no further business, the City Council meeting adjourned. The next regular meeting will be held on July 7, 2009.