



**MINUTES**  
**SPECIAL CITY COUNCIL MEETING**  
**TUESDAY, MAY 11, 2010, 5:00 P. M.**  
**SENIOR CITIZEN/COMMUNITY CENTER**  
**MEETING ROOM, 201 E. BONITA AVE.**

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**PRESENT:**

Mayor Curtis W. Morris (arrived at 5:11 p.m.)  
Mayor Pro Tem John Ebiner  
Councilmember Emmett G. Badar  
Councilmember Denis Bertone  
Councilmember Jeff Templeman

City Manager Blaine Michaelis  
City Attorney J. Kenneth Brown  
City Clerk Ina Rios  
Assistant City Manager of Community Development Larry Stevens  
Assistant City Manager Ken Duran  
Director of Development Services Dan Coleman  
Director of Public Works Krishna Patel  
Director of Parks and Recreation Theresa Bruns  
Finance Manager Barbara Bishop  
Superintendent John Campbell

**1. CALL TO ORDER**

Mayor Pro Tem Ebiner called the meeting to order at 5:10 p.m.

**2. ORAL COMMUNICATIONS**

(For anyone wishing to address the City Council on an item on the agenda. Under the provisions of the Brown Act, the legislative body is prohibited from taking or engaging in discussion on any item not appearing on the posted agenda. Speakers will be subject to a three-minute limit.)

- a. Members of the Audience

There were no comments.

**3. STUDY SESSION**

- a. Discuss 2010-11 Budget for the City of San Dimas

City Manager Michaelis stated that the purpose of the study session is to review highlights of the Fiscal Year Budget which will be brought for Council approval on June 8, 2010. He stated that although revenue is down, staff is presenting a conservative approach to match expenditures to revenue. He said staff is presenting a balanced budget with no reduction in service levels, and after the audit is concluded in September, the forecast is to end the year with a surplus. Mr. Michaelis mentioned that after the budget discussion, he would like direction on an investment option CalTRUST to possibly improve interest earnings. He said Chamber representatives are in attendance to present their annual report.

**General Fund:**

Assistant City Manager Duran provided an overview of the anticipated revenue projections included in the proposed budget. He said some of the City's revenue sources experienced significant declines reducing overall general fund revenue, however, staff is presenting a balanced budget with approximately \$150,000 in revenue over expenditures with no significant changes, with a few exceptions, such as the

General Municipal Election; and addition of part time Housing Intern due to increase in housing programs. He said the position is funded through a transfer from the Housing Set Aside fund.

In response to Mayor Pro Tem Ebner, City Manager Michaelis replied that a quarterly meeting is held with HdL that prepare conservative sales tax analysis and revenue projections for the City.

In response to Councilmember Templeman, Mr. Michaelis replied that after the \$2,085,552 was paid to the State, the Housing Set Aside Fund 34 balance is \$3.85 million, which includes a \$2,684,000 commitment to the Canyon Center project with additional funds for other projects. Mr. Michaelis stated that funds have been expended for the four units at the Grove Station project.

Mr. Duran stated that \$2 million is a loan to the Redevelopment Agency that has to be repaid to the Housing Set Aside Fund 34 within five years - the first payment is \$417,000.

Mr. Michaelis explained that next year \$438,000 has to be repaid over a five year period. He said the court's decision has been appealed and if the decision is reversed, local agencies want the take-aways reimbursed. He said each year \$1.3 million is added to the Fund.

Mr. Duran said note worthy items include the deposit funding formula was changed by the California Joint Powers Insurance Authority; discussions held with City of La Verne regarding the sharing of an Emergency Services Intern; a 2% COLA in the Sheriff's Department contract; he said this year there are insufficient COPS grant funds to cover the School Resource Officer and a portion of the GAAP if Bonita Unified School District does not contribute their historic share.

Councilmember Templeman recommended that the School Resource Officer be retained.

Mr. Michaelis mentioned that 6% goes into the Liability Trust Fund for claims against Deputy Sheriffs and the County agreed to reduce the rate to 4%.

Mr. Duran reported that \$250,000 was set aside in a designated reserve account for the General Plan update; the current budget does not allocate new funds.

In response to Council, Assistant City Manager Stevens replied the Housing Element update is next due in 2012 for the RHNA cycle. Staff is applying for a Strategic Growth Council planning grant to partially offset costs of \$600,000-\$1 million, and he would like to use reserve funds if successful securing the grants.

Mr. Duran reported that ongoing sewer maintenance costs required an increase for the Sycamore Canyon Equestrian Center house. He added that the sewer system was approved.

Councilmember Templeman said the restrooms at Marchant Park serve the entire community and should be upgraded. He said the City Attorney and City Manager are exploring the use of low to moderate income funds.

Mr. Duran stated that the proposed budget includes reorganization in the Parks and Recreation Department.

Parks and Recreation Director Bruns said the proposal for fiscal year 2010-11 is to eliminate one part-time position, which is currently vacant, and elevate one Recreation Coordinator position to full-time status, resulting in savings of approximately \$14,000. Additionally, work load will be realigned for greater organizational efficiency. She said the reorganization will not affect services.

Mr. Duran stated that Fund 4 was created for all Civic Center related expenses.

In response to Councilmember Badar, Mr. Michaelis replied that Lease Revenue Bonds for the Civic Center renovation and expansion will be brought for the Public Finance Authority Board consideration and approval at their May 25, 2010 meeting. He said the complete bond issue will go to market on June 3, 2010 and funds will be wired to the City.

**Special Fund:**

Mr. Duran highlighted the special funds, which are restricted for special projects. He said several projects are proposed, the new significant project is the Annual Pavement Preservation Program for slurry seal and repairs in the Via Verde area, south of Via Verde Avenue funded out of Fund 02, 12, 73, and 74. Mr. Duran said the City Council approved the extension of the sewer line from Horsethief Canyon Park to the Sycamore Canyon Equestrian Center; and funds were transferred to Fund 4 to pay for a portion of the sewer connection associated with the Civic Center renovation project; Downtown decorative lighting to replace street lights in the town core at the rate of two blocks per year. Mr. Duran stated the Landscape Parcel Tax allows for annual adjustment by CPI at the Council's discretion. He said a recommendation for a 1.9% increase will be brought back for Council consideration.

Mayor Pro Tem Ebner suggested transferring revenue from the Open Space Districts funds 21, 22 and 23 into Fund 20 for community parks on an annual basis.

Mayor Morris agreed with Councilmember Templeman's suggestion to replace or refurbish the restrooms at Marchant Park.

In response to Council, Mr. Stevens said due to the loan from Fund 34 and SERAF payment, Council is being asked to approve the parameters for the Façade program, however, there are no funds being budgeted at this time for the Program.

Mr. Duran requested direction on administrative reimbursement from the Housing Set-Aside Fund 34 to the General Fund to cover staff costs for administering the housing programs.

In response to Council, Mr. Michaelis replied that after the commitment to Bonita Canyon Gateway project and four units at Grove Station project, the Housing Set Aside Fund balance is \$3.85 million.

Mr. Duran stated that in addition to other ongoing expenses at the golf course, the cost of water will increase significantly due to the loss of water rights to the Malone Well. To offset water costs, the Golf Course Advisory Committee authorized a water surcharge per round of golf that would generate approximately \$75,000. He said any excess revenue will be reserved as dedicated funds for future water related costs.

Mayor Morris suggested City Manager Michaelis explore the purchase of water rights from Golden State Water Company.

Mr. Duran said significant capital equipment purchases include the replacement of computer equipment and software and furniture for the new city hall.

Mr. Duran requested direction whether or not to increase the Citywide Landscape Parcel Tax, Business License Fees and Planning and Engineering Fees by 1.9%, and the 1% PEG fee adopted in 2009 is also due for renewal. Staff recommended approval of the CPI adjustments and to continue with the collection of the PEG fee.

It was the consensus of the City Council to bring back for Council consideration resolutions to increase the Citywide Landscape Parcel Tax, Business License Fees and Planning and Engineering Fees by 1.9%, and the 1% PEG fee.

- b. Authorize the City's participation in the CalTRUST investment program.

City Manager Michaelis reported that the City has historically invested funds in the Local Agency Investment Fund (LAIF) and Certificates of Deposit with various institutions. LAIF interest earnings have been .53% to .55% and staff has been exploring alternative investment options where the City could improve interest earnings and diversify our investment portfolio. Staff has discovered a viable investment option called CalTRUST which offers several investment options that could result in higher interest earnings. Staff recommends authorization to submit the required participant information to CalTRUST and to open account(s) to initially invest some City money with CalTRUST and to report to the City Council the results and City experience after three or four months of participation.

In response to Council, Mr. Michaelis explained the short-term and medium-term investments options and said staff would like to explore the medium-term investment option as a means to safely increase investment yield. He said no action is required from the Council but he would like authorization to proceed.

It was the consensus of the City Council to authorize staff to submit the required participant information to CalTRUST and to open account(s) to initially invest city funds with CalTRUST.

Chamber of Commerce Chairman of the Board Joe Fransen presented to the City Council the Chambers annual report and request for continued financial support from the City in the amount of \$50,000. Chamber President Ted Powl reviewed the program highlights in the report and said the Accounting firm is conducting an audit of 2009-10 financials. Mr. Powl added that both he and Chamber Secretary are planning to retire in December 2010. He would like to open discussions with the City to contemplate salary adjustments to recruit suitable candidates for the President/CEO.

#### **4. ADJOURNMENT**

Mayor Morris adjourned the meeting at 6:57 p.m. The next meeting is May 11, 2010, 7:00 p.m.

Respectfully submitted,

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Ina Rios, CMC, City Clerk