



**MINUTES**  
**SPECIAL CITY COUNCIL MEETING**  
**TUESDAY, MAY 8, 2012, 5:00 P. M.**  
**CITY COUNCIL CONFERENCE ROOM**  
**245 E. BONITA AVE.**

---

**PRESENT:**

Mayor Curtis W. Morris  
Mayor Pro Tem Emmett G. Badar  
Councilmember Denis Bertone  
Councilmember John Ebiner  
Councilmember Jeff Templeman  
City Manager Blaine Michaelis  
City Attorney J. Kenneth Brown  
City Clerk Ina Rios  
Assistant City Manager for 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  
Senior Engineer Shari Garwick  
Finance Manager Barbara Bishop  
Business License Steven Valdivia  
Public Works Superintendent John Campbell

Chamber of Commerce  
President/CEO Karen Gaffney  
Chairman Mitchell Crawford  
Treasurer Joe Fransen

San Dimas Sheriff's Station  
Captain Don Slawson

**1. CALL TO ORDER**

Mayor Morris called the meeting to order at 5:00 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

None

**3. STUDY SESSION**

- a. Discuss 2012-13 Budget for the City of San Dimas

- 1) San Dimas Chamber of Commerce annual presentation and report

Mitchell Crawford, Chairman, Chamber of Commerce, said that in the past the City Council has provided \$50,000 and office use of the Martin House. He stated that President/CEO Gaffney will review community activities and board members for budget years 2011-12 and direction for 2012-13.

Karen Gaffney, President/CEO, Chamber of Commerce, expressed appreciation for the City Council's continued support and presented a letter of request for continued funding in the amount of \$50,000. President Gaffney highlighted events and services of the past year and the Chamber's proposed activities for fiscal year 2012-13. She explained costs savings realized by having staff perform in-house many tasks that were previously out-sourced.

Councilmember Bertone stated he is a Board Member of the Chamber and will abstain when a vote is taken on funding for the Chamber. He praised Karen Gaffney, Margie Green and Mitchell Crawford who are doing a great job.

2) Review of budget issues and projects – direction from the City Council

City Manager Michaelis explained the goal of the study session and summarized the financial impact of the Redevelopment dissolution process. He said the Oversight Board is now in place to review the former Redevelopment Agency's financial obligations to come up with a recommendation on what could be paid. He listed the appointed Board Members of the Oversight Board that will meet Wednesday, May 9 to be sworn into office, select a Chair and Vice-Chair, and approve bylaws. He said the Oversight Board will be considering two major issues: 1) the Administrative Budget – the City's costs associated with the dissolution of the Redevelopment Agency; 2) approve the City's expense list of outstanding debt and obligations of the Redevelopment Agency for two time periods: January-June 2012 and July-December 2012. Once approved, the documents will be sent to the Department of Finance for review.

In response to Councilmember Bertone, City Manager Michaelis replied that obligations due include city loans made to the Redevelopment Agency and loans to the Walker House; two outstanding bonds due to be paid, however, the housing program is not a part of the dissolution process. He said the administrative budget is \$245,000 to cover the costs associated with staff and attorney fees, however, if there are insufficient funds after entities are paid, reimbursement will not be made and funds for those obligations may have to come from the general fund.

In response to Councilmember Badar, City Manager Michaelis stated that in legislation upheld by the courts, city loans were not recognized, unless issued within the first two years of the project area. He explained how the loans were initially created and evolved to other projects until they were consolidated in 2001 in the amount of \$14.5 million. He said staff is waiting for a legislative remedy or for the state to recognize that this is a significant issue with unintended consequences. He said if adopted, AB 1585 will honor city loans if used for legitimate purposes and permit cities to keep set aside funds for housing projects if spent within two years.

In response to Councilmember Ebner, City Manager Michaelis replied that funds would need to be allocated toward affordable housing projects within the next two-three years.

In response to Councilmember Bertone, City Manager Michaelis stated that Senate President Pro Tem Darrell Steinberg is stalling the bill in anticipation of commandeering the funds to lessen cuts in the State budget.

City Manager Michaelis indicated that the California Supreme Court made the point that the dissolution of redevelopment agencies could raise impairment of contract issues because it would be a violation of Federal and State Constitutions to alter an agreement. He stated that a legal theory is that when a city loan is made to a redevelopment agency pursuant to Health and Safety Code 36000, it constitutes a contract to provide funds and repayment of those funds that cannot be altered by state law.

City Manager Michaelis stated that in January only a portion of redevelopment tax increments were received from the County. The County has taken the position that the City has received all funds due. Mr. Michaelis said that \$1.4 million for the current fiscal year was not received, which created a \$3 million shift in the two fiscal years. He stated that last budget year, he reported that \$900,000 was set aside anticipating the loss of a major sales tax revenue source. Those funds will be expended in the current fiscal year.

In response to Councilmember Templeman, Mr. Michaelis replied that reimbursements for employee services provided for redevelopment and housing are unresolved. However, as of January 31, 2012, \$5.5 million was retained on deposit for the Loma Bonita and Grove Station projects. He added that pursuant to AB1x26, unencumbered reserve funds will be diverted to the County.

In response to the City Council, City Attorney Brown replied that Resolution No. 2012-17 approved the assignment of the agreement from William Fox Homes to, and assumption by, Olson Urban Housing LLC, as opposed to being a new agreement.

In response to Councilmember Templeman, Assistant City Manager Duran replied that of approximately \$8 million set aside in reserves, \$5.5 million is encumbered by the Loma Bonita and Grove Station projects. He said pursuant to AB1x26, unencumbered set aside reserves in the amount of \$2.5 million must be transferred to the County.

City Manager Michaelis stated that there is a need to address the ongoing \$1.4 million general fund loss and make major adjustments. He requested the City Council consider reducing the budget by \$1 million to accomplish those adjustments in fiscal year 2012-13. He will bring back a course of action on those adjustments.

City Manager Michaelis said staff will review proposals for capital improvement programs for the current fiscal year. He requested City Council direction to bring back the \$1 million plan.

In response to Councilmember Templeman, Assistant City Manager Duran explained Funds 2, 12, 73 and 74, and said, with the exception of fund 12, all are restricted funds that can only be spent on street projects. He said that after the audit in October, a surplus of \$1 million was identified and allocated to special funds, which left \$13 million in reserves for the end of fiscal year 2011-12. He said City Manager Michaelis is proposing to use a portion of the reserves and is requesting a \$1 million reduction to make up the difference.

#### **PUBLIC WORKS:**

Director of Public Works Patel summarized major capital improvement programs for fiscal year 2012-13, with estimated costs of \$4.2 million, in addition to \$1 million budgeted annually for sidewalk repairs, streets, curb and gutter, and storm drains.

- 1) Lone Hill Avenue/Arrow Highway widening, median and signal modification: Director Patel said the City has not received Glendora's fair share contribution to proceed with the improvements, and this project is being deferred to next fiscal year.
- 2) Lone Hill Avenue Street and Landscaping Median/reconstruction between Arrow Highway and Cienega Avenue: To minimize disturbance on the neighborhood, Director Patel proposed that this project be merged with Lone Hill/Arrow Highway, with construction to begin in the Spring 2013. He said **to** expedite the construction, the goal is to close Lone Hill Avenue in each direction for ten working days.
- 3) Foothill Boulevard Bridge Widening over San Dimas Wash: Director Patel reported that in 2011 the City was awarded a \$2.4 million grant from the Federal government that requires 11.47% matching fund, which is \$274,000. He said the design is underway now and expects environmental approval by end of June. He added that San Dimas Wash is maintained by the County and owned by the Corps and, therefore, final approved plans will be submitted for their approval. Staff anticipates the project to commence in summer or fall 2013.
- 4) Annual Pavement Preservation – Zone A North of 210 Freeway: Director Patel reported that every seven years every street in the city gets slurry sealed. Staff is proposing to continue with the program and include repair of selected streets.
- 5) Alley Reconstruction, North of Second, Acacia to Cataract; and 6) Alley Design: Director Patel stated that as part of fiscal year 2011-12 budget, alley reconstruction and alley design was placed on hold. Staff is proposing to resurrect the program for the 2012-13 fiscal year.

7) Terrebonne Archway: Director Patel said this project was moved to fiscal year 2012-13. He said that at a previous study session staff presented the City Council with Option 1) to restore the sign for \$35,000; and Option 2) to build a new sign for \$80,000. The City Council selected Option 1 and directed staff to restore the sign. Director Patel stated that staff is facing challenges in finding a fabricator to restore the 65-foot long sign.

8) Decorative Street Light-3<sup>rd</sup> Street, San Dimas to Walnut: Director Patel is proposing the program in Fund 7 for two blocks at one time for a cost of \$120,000.

9) Sewer Master Plan Study: Director Patel stated that as part of the ongoing program, staff is proposing to complete the Sewer Master Plan.

Director Patel stated that in addition to the capital improvement project list, Public Works has applied for three grant programs funding. If all three are awarded, the following projects will be added to the Capital Improvement Program:

1) San Dimas Avenue Bike Lane Improvements n/o Avenida Domingo: Grant is \$90,000 with 10% matching fund.

2) San Dimas Canyon/Foothill Boulevard Left Turn Signal Phasing: Intersection is shared with the County – they are on board to pay fair share of 25% .

3) Foothill Boulevard Bridge Widening over San Dimas Wash: Grant is approximately \$2.4 million with 10% matching. Staff is applying to use other matching dollars from Bike money in amount of \$204,000, reducing contribution to \$31,000.

Director Patel responded to Council's specific questions regarding repairs that were completed approximately three years ago on San Dimas Avenue from the 57 underpass to Via Vaquero; Via Verde from Puente to San Dimas Avenue is proposed for slurry and restriping; and design on Cienega Washboard is programmed in 2014.

## **PARKS AND RECREATION:**

Director of Parks and Recreation Bruns summarized Capital Improvement Project Recommendations for Fiscal Year 2012-13 as follows:

### 1) Fund 20 – Community Parks & Facilities Development Fund:

Director Bruns is requesting \$78,000 for improvements to Ladera Serra Park Recreation Building and Senior Citizen/Community Center. \$5,000 was budgeted for Ladera Serra Park; The contractor bid came in at \$4,000, however, he is not available until the end of July so that project was carried forward. The Senior Citizens/Community Center completed 20 years of use and needs replacement carpeting and linoleum, as well as refinishing of stage and baseboards. Estimated costs are \$73,000.

In response to Councilmember Templeman, Director Bruns replied that Formica is a good value for the cost. She stated that the Center had previously undergone ADA refurbishment, adding sidewalks in front, signage, energy upgrade efficiency study, and staff will be looking at exterior painting in the future.

Freedom Park: Director Bruns said \$2,500 is being proposed to install a park bench and a trash receptacle at the park.

Director Bruns stated that five parks in the city have aging playground equipment 22-23 years old. She said that over a period of time, maintenance corrections and ADA adjustments were made to bring equipment into compliance. However, staff has been on notice the past three years that the current system is obsolete and no longer manufactured.

Via Verde Park:

In response to Councilmember Bertone, Director Bruns replied that playground equipment at Via Verde Park was replaced in 1989 and staff is asking to look at one or two parks as equipment parts break or wear out.

In response to Councilmember Templeman, Director Bruns replied that equipment would be replaced with a comparable design.

Director Bruns stated that the walking path at Via Verde Park gets a lot of use and sections need to be cut out, leveled, replaced, and repainted.

In response to Mayor Pro Tem Badar, Director Bruns replied that cost estimates are \$160,000 for playground equipment replacement and resurfacing on two play areas at Via Verde Park.

In response to Councilmember Ebner, Director Bruns replied that over the last 23 years, there are a lot of options with playground equipment available. She will bring back a selection for Council consideration before the purchase of any equipment.

2) Fund 21 is the North/West District Park Development Fund and funds are available through Quimby or Park Development fees.

Swim & Racquet Club: Director Bruns stated that the Swim & Racquet Club falls in this District and staff is looking at the annual racquet ball court maintenance and heater tub bundle on the competition pool. She mentioned that the City Council directed staff to look at sign replacement and \$50,000 has been budgeted for a marquee sign.

In response to Mayor Pro Tem Badar, Director Bruns said there is a whole continuum of possibilities with signage that will be considered when the design is completed and reviewed. She stated that visibility will be considered for signage for the Performing Arts Center and staff will work through that analysis as well as ADA issues for pools and spa.

In response to Council, Director Bruns replied that a portable lift does not meet the Code. She said two lifts are required for the competition pool; one in the training pool and one in the spa. She said the ruling from the Department of Justice is expected in September. Lifts are inexpensive, however, the installation is expensive.

Lone Hill Park: Director Bruns stated that Lone Hill Park is located in the West District and is a candidate for equipment replacement at a cost of \$160,000.

In response to Mayor Morris, Director Bruns stated that a small tractor was purchased to aerify the parks by staff in-house on a regular basis.

In response to Councilmember Ebner, Director Bruns stated that there are insufficient funds available for a restroom at Marchant Park. The Fund for that District currently has \$91,000. Councilmember Ebner asked that tax increments be saved for future installation of those restrooms.

City Manager Michaelis stated that once the Loma Bonita Apartments are built, Quimby fees should generate enough fees to construct restrooms at Marchant Park. Director Bruns stated that Grove Station is in that District and fees were deferred on their project.

Councilmember Ebner inquired about plans for landscaping along Foothill Blvd along Birchnell and Sierra View and the side medians. He suggested a Japanese Maple.

In response to Councilmember Ebner, Director Bruns replied that the oleanders are being cut back and removed as the plants die. She said a full landscape plan including demolishing and replacing the existing plants with select trees and shrubs will cost approximately \$80,000. She said there is no existing irrigation system and the neighborhood likes screening.

Director Bruns stated that drought tolerant replacement was done on San Dimas Canyon Road, Gladstone and San Dimas Avenue. Lone Hill Avenue is next on the list.

Councilmember Ebner requested that Little League's request for lights be included in the Budget to be discussed on May 22<sup>nd</sup>.

Director Bruns stated she submitted her list of priorities and the cost to install field lights is approximately \$300,000. She said priority is a matter of perspective - a park restroom is available to everyone in the community, while a baseball field is available to 300 kids.

City Manager Michaelis stated that the budget will be presented to the City Council in June for adoption. He said at the next budget meeting, staff will highlight expenses and revenues, and ask for direction on the \$1 million plan.

In response to the City Council, City Manager Michaelis replied that reserves will be used during the process, however, restructuring the organization may be necessary. He stated that it is staff's obligation to move the city forward for decades to come and to look at revenue enhancements to replace funds lost during this process. He mentioned that 55% of cities have utility users tax, collect an average of 10% in transient occupancy taxes, and collect higher Landscape Lighting District fees per parcel. He said parks, roads, and streets are very important to the well-being of this community and he felt it was a reasonable approach to consider increasing those fees. He added that the State cannot take the Utility Users Tax or Transient Occupancy Tax.

1) In response to Gil Gonzalez, City Manager Michaelis replied that the legislation that allows refinancing of loans is pending at the Senate level. Staff is not considering that at this time.

#### **4. ADJOURNMENT**

Mayor Morris adjourned the meeting at 6:53 p.m. The next meeting is May 8, 2012, 7:00 p.m.

Respectfully submitted,

---

Ina Rios, CMC, City Clerk