



MINUTES
SPECIAL CITY COUNCIL MEETING
MONDAY DECEMBER 10, 2012 5:00 P. M.
COUNCIL CHAMBERS CONFERNECE ROOM
245 E. BONITA AVENUE

PRESENT:

Mayor Curtis W. Morris
Mayor Pro Tem Emmett G. Badar
Councilmember Denis Bertone
Councilmember John Ebner
Councilmember Jeff Templeman

City Manager Blaine Michaelis
Assistant City Manager Ken Duran
City Attorney Ken Brown
Assistant City Manager for Community Development Larry Stevens
Director of Public Works Krishna Patel
Director of Parks and Recreation Theresa Bruns

1. CALL TO ORDER

Mayor Morris called the Special City Council Meeting to order at 5:00 p.m.

2. RECEIVE SUMMARY OF FY 2011-12 AUDIT REPORT

Assistant City Manager Duran reviewed his staff report on the 2011-2012 fiscal year-end. He reported that the General Fund revenues were \$18,996,790. He highlighted some of the significant General Fund revenue sources. He also reported that General Fund expenditures were \$19,438,252 and reviewed some of the expenditures that deviated significantly from the budget. He also summarized that the actual year-end fund balance or cash reserve was \$13,597,138, which represents 75% of the FY 12-13 General Fund expenditures.

Councilman Bertone asked if the intention is to present a balanced budget for FY 13-14. Mr. Duran responded that one of the reasons that the City undertook the budget reductions with the FY 12-13 budget was to be in a position to propose a balanced budget next year.

Mr. Michaelis reiterated to the Council the impact on the City's revenue due to the loss of the Redevelopment Agency. He also updated the Council on the status of the staff reorganizations at the beginning of this fiscal year. He commented that remaining staff have absorbed the workload but added that the flexible capacity of staff has been absorbed. He also commented that capital improvement funds are lower than in the past and staff is looking forward to building back up those special fund reserves.

Councilman Bertone asked what the City's options are with the State over the denial of repayment of City loans. Mr. Michaelis replied that the City is monitoring other Agency lawsuits against the State related to this matter. He added that when the time is right the City will have to make a decision on the option for litigation.

Mr. Michaelis reported that with the loss of the housing funds and programs, staff is evaluating its options with housing and the Charter Oak Mobile Park.

Councilman Ebner commented that the holes in staffing are bigger than he would like them to be. Councilman Templeman added that he doesn't think the public understands the significance of the loss of redevelopment revenue and the cuts that had to be made. He also feels that the public needs to be educated on the importance of keeping adequate reserves and why the TOT tax increase is important.

Mayor Morris commented that with reduced staffing now is the time to look at all of the City services to really see if they are the priority of things that we should be doing.

Councilman Ebner asked staff to provide him with sales tax history of the downtown district.

Mr. Duran explained that staff is beginning the preliminary preparations for the FY 13 –14 budget with plans to conduct the first budget study session with the Council in February. He also commented that an important factor in review of next year's budget could be the potential additional revenue generated with passage of Measure A, the increase in the transient occupancy tax.

City Attorney Brown provided the Council with guidelines on the City's ability to provide factual information on a ballot measure as opposed to advocating for a measure.

3. SUMMARY OF THE STATE ADOPTED PENSION REFORM MEASURES

Mr. Duran presented his staff report on the State adopted pension reform measure and there impacts on the City.

4. UPDATE ON THE REDEVELOPMENT AGENCY DISSOLUTION PROCESS

Mr. Duran reviewed his staff report updating the Redevelopment Agency dissolution process and the Successor Agency activities and responsibilities. Councilman Bertone asked what role the League of California Cities has been playing in assisting cities with this matter. Mr. Michaelis responded that the League has been involved with 2 of the over 30 lawsuits that have been filed involving the dissolution process.

In response to a question Mr. Duran clarified the process for identifying former Agency property and the retention of disposition determination process.

5. DISCUSSION OF THE CITY'S UNDERGROUND UTILITY REQUIREMENTS

Mr. Stevens reviewed is staff report on the City's requirements applicable to undergrounding of utilities. He reviewed the reasons for the benefits to undergrounding, the current City policies and practices and survey information from other cities policies. He presented information on the property at xxx Arrow Hwy as a case study. In response to a question he stated that under the current policy electrical lines larger than 66kv would not be required to be underground so the existing poles would need to stay to accommodate those lines but all other lines would be underground. There were some questions regarding the specific property in the case study. Mr. Stevens responded that he is seeking direction on the general undergrounding policy and not particularly this specific property. He presented several alternatives for consideration. The Council had general discussion regarding the alternatives.

Councilman Templeman stated that he has concern that in fill projects have the burden to underground in front of their property when surrounding properties may still have poles remaining. Councilman Ebiner commented that he still wants the goal of undergrounding but maybe an in-lieu fee is acceptable as long as the property owner doesn't have to bare the total cost of the project. Mayor Morris commented that he is a strong proponent of undergrounding but is also mindful of the cost for in fill projects especially if the poles will need to remain up. He added that he could be in favor of an in-lieu fee and to use the funds where it is of most benefit. There was additional discussion regarding the concept of an in-lieu fee. City Attorney Brown commented that he will review issues regarding the imposition of an in-lieu fee and how the fee revenue could be used.

Mayor Morris commented that though he is in favor of changes to the policy, if changes are not made he feels it needs to be made clear that the current requirements are by Ordinance and other policies and not discretionary by staff.

Councilman Badar commented that he feels the policy needs to be more flexible and is in favor of alternative number 4 if the in-lieu fee is reasonable.

There was some discussion on how the Rule 20A funds are utilized. Mr. Patel commented that approximately \$114,000 per year is generated with a current reserve balance of approximately \$700,000. He added that those funds can only be used for Edison undergrounding and not for other utilities.

There was more discussion on the concept of undergrounding districts and funding districts with use of in-lieu fees. The consensus for staff to further explore option # 4 including how in-lieu fees could be used for future projects.

6. FOLLOW UP DISCUSSION REGARDING WALKER HOUSE RENTAL PROCESS

Ms. Bruns reported that this is a follow up regarding Council comments on Historical Society and Festival of Arts payment of fees for events using the downstairs of the Walker House in light of the new rental policy. She added that she had been in communication with each group and they will be having meetings of their organizations this week. She also added that based upon previous uses that staff recommends that each group be offered an opportunity to host one event on the first floor at no charge from January to June 2013. It was the consensus of the Council to accept staff recommendation and to revisit the decision if the interim use policy extends beyond June.

7. REVIEW OF ZONING ALTERNATIVES FOR AFFORDABLE HOUSING AND UPDAE ON THE HOUSING ELEMENT.

Mr. Stevens reviewed his staff report outlining the process and activities for the housing element update. The report also reviewed the housing program objectives set out in the 2008 – 2014 housing element.

Mr. Stevens then discussed the need for the City to begin to identify properties to could be rezoned as default density zones to potentially accommodate higher density zoning. He presented a list of potential properties that may be under consideration for the higher density zoning and asked for some preliminary feedback from Council on the potential sites. Councilman Ebiner commented that in general he feels that the City needs to be sensitive to adjacent properties and take in to consideration if rezoning contributes to the synergy of those properties. There was discussion on some of the specific properties with no specific direction given. There was some hesitation given on the consideration of higher density of the 299 E. Foothill Blvd. property because of the difficulty with making higher density compatible with the adjacent properties.

8. UPDATE ON MAJOR PLANNING PROJECTS

Mr. Stevens provided an update on major planning projects including Grove Station Phase 2, 81 units; NJD northern foothills residential project; Bonita Canyon Gateway Apartments; downtown façade improvements; Tzu Chi Master Plan. There was some general discussion on each of these projects.

Councilman Ebiner inquired about the status of enforcement of the commercial property for lease signs under the new sign ordinance requirements. Mr. Stevens responded that letters have been sent out to all commercial brokers informing them of the ordinance changes and informing them that they must be in compliance by February 8th.

9. ORAL COMMUNICATIONS

There were no public comments.

10. ADJOURNMENT

There being no further business the meeting was adjourned at 9:22 p.m.