

MINUTES

of a regular meeting of the City Council of the City of Redlands held in the Council Chambers, Civic Center, 35 Cajon Street, on March 3, 2009, at 3:00 P.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; Jim Buermann, Police Chief; 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; Oscar W. Orci, Community Development Director; Deborah Scott-Leistra, Human Resources Director; Gary van Dorst, Quality of Life Director

The meeting was opened with an invocation by Councilmember Aguilar followed by the pledge of allegiance to the American flag.

PRESENTATIONS

Pet Adoptions - Animal Control Officer Bill Miller and Redlands Animal Shelter volunteer Lynda Ackerman introduced Flower, a perky one and half year-old Chihuahua-mix who is available for adoption at the Redlands Animal Shelter.

LATE BREAKING ITEM

FAA Capital Improvement Program Grant - Noting the need to take action was immediate, Councilmember Gilbreath moved to add the following item to the agenda which arose subsequent to the agenda being posted: "Request for acceptance of a Federal Aviation Administration Capital Improvement Program Grant Fund Offer." Motion seconded by Councilmember Gallagher and carried unanimously. Quality of Life Director van Dorst explained staff initiated a grant application for the design and engineering of an aircraft wash-rack at the Redlands Municipal Airport in December 2008. Recently, the Federal Aviation Administration approved the application and requested the City accept the grant within a short interval of time. The formal award letter arrived after the agenda for this meeting was posted and acceptance of the grant requires City Council approval. The acceptance of the grant must be received by the Federal Aviation Administration by close of business today or the City will lose the grant. Councilmember Gilbreath moved to approve a Federal Aviation Administration

grant in the amount of \$55,037.00 to be placed in the Aviation Operating Fund for the purpose of funding the design and engineering of an aircraft wash-rack project at the Redlands Municipal Airport and authorized the Mayor to execute, and the City Clerk to attest to, the document on behalf of the City. Motion seconded by Councilmember Gallagher and carried unanimously.

CONSENT CALENDAR

Minutes - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously approved the minutes of the regular meeting of February 17, 2009, as submitted.

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

Resolution No. 6813 - Designated Signers with Bank of America - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously adopted Resolution No. 6813, a resolution of the City Council of the City of Redlands providing for authorized signers on all accounts held with Bank of America and rescinding Resolution No. 6672.

Resolution No. 6815 - Investment of City Monies - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously adopted Resolution No. 6815, a resolution of the City Council of the City of Redlands authorizing investment of City monies in the Local Agency Investment Fund and rescinding Resolution No. 6665.

Settlement Agreement - Both - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously acknowledged a settlement and release agreement with Mary Jane Both from the incident which occurred on or about July 22, 2006, at the Redlands Bowl. The City Council authorized settlement of this claim and this agreement reflects the Council's terms and conditions for settlement of this claim and the resulting action filed in San Bernardino Superior Court Case No. SCVSS 148597.

Settlement Agreement - Rodriguez - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously acknowledged a settlement and release agreement with Jose Luis Rodriguez from the incident which occurred on or about June 9, 2006, in the Jennie Davis Park located at Redlands Boulevard and New York Street. The City Council authorized settlement of this claim and this agreement reflects the Council's terms and conditions for settlement of this claim and the resulting action filed in San Bernardino Superior Court Case No. CIVSS 702348.

Proclamation - César E. Chávez - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously

authorized issuance of a proclamation declaring March 31, 2009, as *César E. Chávez Day* to recognize the contributions and positive impact that César E. Chávez has made for our Nation's workforce, conscience and future.

Agreement - Sale of City Property - The request to approve the sale of City-owned property (APN 0292-021-19) located at the northeast corner of Mountain View Avenue and San Bernardino Avenue to Southern California Edison was withdrawn from the agenda and will be re-scheduled for a future meeting.

Ordinance No. 2709 - Property Registration - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously adopted Ordinance No. 2709, an ordinance of the City of Redlands adding Chapter 8.10 to the Redlands Municipal Code to require the registration of abandoned residential properties and compliance with property maintenance standards.

Ordinance No. 2715 - Property Maintenance - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously adopted Ordinance No. 2715, an ordinance of the City of Redlands adding Chapter 8.11 to the Redlands Municipal Code relating to maintenance of vacant residential properties acquired through foreclosure.

Lease Agreement - Shakespeare Theater Festival - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously approved a lease agreement with the Shakespeare Theater Festival for the use of the Redlands Bowl and authorized the Mayor to execute, and the City Clerk to attest to, the document on behalf of the City.

Local Emergency Reports - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council acknowledged receipt of the reports regarding the status of the declared local emergencies at the Safety Hall (Resolution Nos. 6778 and 6803).

Agreement - Downtown Camera Project - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously approved a real property license agreement with the Jackson Revocable Trust for the placement of two cameras on the buildings located at 127 and 129 East State Street in support of the Downtown Camera Project and authorized the Mayor to execute, and the City Clerk to attest to, the document on behalf of the City.

COMMUNICATIONS

Meeting Attendance - In compliance with Government Code Sections 53232.2 and 53232.3, there were no reports forthcoming from Councilmembers.

ANNOUNCEMENTS/REPORTS

Mayor Pro Tem Gilbreath reported she had just returned from Washington, D.C. for SANBAG. The Healthy Redlands Initiative started on Sunday with 151 walkers/exercisers participating. She also attended a Drama Club presentation at Clement Middle School on Saturday. Councilmember Aguilar reported on a recent ride-along with the Police Department.

UNFINISHED BUSINESS

Conservation Easement - Redlands Conservancy - Quality of Life Director van Dorst reported this item was initially brought to the City Council for consideration on February 17, 2009, and continued with a request to address several questions by Bob Roberts; responses were provided in the staff report. Sherli Leonard, Executive Director of the Redlands Conservancy, presented a PowerPoint explaining what the Redlands Conservancy has done and plans on doing in San Timoteo Canyon. Bob Roberts felt the staff answers were inadequate and submitted further information having a bearing on this issue. On behalf of the West Redlands Water Company, who is supplying the water for the wetlands, Bill Cunningham commented on the conservation easement. Following discussion, Councilmember Harrison moved that the City Council determine that its grant of a conservation easement to the Redlands Conservancy for the preservation of 19.86 acres of land for in perpetuity is exempt from review under the California Environmental Quality Act pursuant to CEQA Guidelines Section 15061(b), to approve such grant and authorized the Mayor to execute, and the City Clerk to attest to, the document on behalf of the City, subsequent to modifications relative to clarification on maintenance and underground easements which will be added by the City Attorney and approved by the grantee. Motion seconded by Councilmember Aguilar and carried unanimously. Mayor Pro Tem Gilbreath challenged the Redlands Conservancy to expand its scope of work on trails on the north side of Redlands.

Arts in Public Places Program - Mayor Harrison said he placed this matter on the agenda to discuss the possible establishment of a program for promoting public art within the City. In the past, the City Council has generally discussed the possibility of creating a program which requires developers to contribute art to the City as a requirement of their development projects. However, the City Council's past discussions have not resulted in any consensus on the details of such a program. Instead of a program which requires development projects to place, or fund, public art within the City, Mayor Harrison suggested the City Council consider the establishment of a "voluntary" program. The concept of establishing a program which seeks voluntary contributions of art from members of the public has been a recent topic of discussion by the Cultural Arts Commission. Tomi Olson, Chairman of the Cultural Arts Commission, provided the City Council with their thoughts on how such a program could be

developed and the role that they anticipate it can play in implementing that program. Dora Waters stated she was looking forward to a revised ordinance and provided written comments for consideration. When he was President of the Redlands Chamber of Commerce and Vice Chairman of the Planning Commission, Paul Foster was opposed to the proposed ordinance requiring developers to contribute art as a requirement of their projects, but as an individual he spoke in favor of a voluntary program. David Lawrence, advisor to the Cultural Arts Commission, felt the Commission needed some interaction before collecting money. Police Chief Bueermann, whose department provides staff assistance to the Cultural Arts Commission, indicated they would bring a proposal for a voluntary program to the City Council for its consideration by the end of April.

NEW BUSINESS

Audit - Finance Director/City Treasurer Kundig reported State statutes require an annual audit by independent certified public accountants. The accounting firm of Mayer Hoffman McCann P.C. was selected by the City to perform these services for the City. The audit was also designed to meet the requirements of the Federal Single Audit Act of 1984 and related OMB Circular A-133, as well as the requirements of Statement on Auditing Standards 112 (SAS 112) and Statement on Auditing Standards 114 (SAS 114). The requirements of GASB Statement No. 34 have been incorporated into the City's annual financial report for June 30, 2008. Mike Harrison, Mayer Hoffman McCann P.C., reviewed the audit for the City and the Redevelopment Agency. Councilmember Gilbreath moved to accept the City of Redlands Comprehensive Annual Financial Report, the Single Audit Report on Federal Awards, the Independent Accountant's Report on Agreed-Upon Procedures Applied to Appropriation Limit Worksheets, the Summary of Audit Results (SAS 114) and the Management Letter (SAS 112) for the year ended June 30, 2008. Motion seconded by Councilmember Gallagher and carried unanimously.

Community Development Projects - Community Development Director Orci reported the Planning Division contains nine full time employees including four project planners. The Division is charged with the physical development of the City which is accomplished by processing current and long range projects. The majority of staff time is spent on current project activity (construction projects). The Planning Division is the clearinghouse for the City, coordinating projects with the applicant and other departments, as well as processing projects through the entitlement process. The entitlement process requires that staff prepare agendas and/or reports and related paperwork to the City Council, Planning Commission, Environmental Review Committee, Development Review Committee, and Historic Preservation Commission. Long range planning activities involve special studies and projects that establish the doctrines for the City's future development. The General Plan, specific plans, trail plans, and drought tolerant landscape requirements are examples of long range planning

projects. In 1990, the Planning Division had 10 project planners (not including management staff); today that number has been reduced to 6 project planners. However, two planning positions remain vacant for a total of four project planners (60 percent reduction in project planners). In January 2008, the Blue Ribbon committee recommended (No. 7 priority ranking) four additional planners be added in order to provide superior service. The City did not support the recommendation. For the Fiscal Year 2008-2009, the Planning Division reduced its budget by 14.4 percent from the previous fiscal year. As indicated above, a full time Associate Planner position was left vacant and the Senior Planner position remained unfunded and vacant. Due to the limited amount of staff time, coupled with the increased demand for long-range/special planning projects, staff is requesting that the Council review and prioritize the Planning Department work program, specially related to the long-range/special planning projects. Community Development Director Orci presented a list of required projects, active projects and pending projects for the City Council's review and asked that they prioritize the items. Following lengthy discussion, and based on the input received at this meeting, Community Development Director Orci said he would bring forward a list of priorities in a tiered format based on the philosophical priorities which would include the required projects (AB 32 joint partnership with the City of San Bernardino, preparation of a proposed drought tolerant landscape ordinance and the General Plan and Housing Element update); within Tier 1: the Downtown Specific Plan, Santa Ana Wash Management Plan, architectural guidelines, GIS/communication internet connection for the Community Development Department, a pro-rata share for Safety Hall and the Orange Blossom Trail if grant funds become available; and within Tier 2: SANBAG rail stations project and TODs, Showprop/Krikorian Project, the Orange Blossom Trail if grant funds are not received and the Santa Ana River Regional Trail.

Contract Award - Reservoir Recoating and Improvement Project - Water Resources Manager Diggs reported a comprehensive visual inspection of all City-owned reservoirs was performed in 2003. At the conclusion of the inspection, the South Avenue reservoir, which has a capacity of two million gallons, was given a priority of "high" and the Smiley Heights reservoir, which has a capacity of three million gallons, was given a priority of "moderate to high" for corrective measures. This determination was based on the overall condition of the reservoirs and signs of deterioration for coatings. Bids were opened and publicly declared on February 26, 2009, by the City Clerk for the Reservoir Recoating and Improvement Project; a bid opening report is on file in the Office of the City Clerk. It was the recommendation of the Municipal Utilities Department that the bidder submitting the lowest responsive and responsible bid for said project which will result in the lowest cost for the City was Olympus & Associates in the amount of \$1,063,020.00. Councilmember Gilbreath moved to approve the plans and specifications for this project and to award the construction contract as recommended by staff including staff's

recommended contingency amount. Motion seconded by Councilmember
Gallagher and carried unanimously.

Monthly Utility Billing - Water Resources Manager Diggs reported the City has approximately 21,800 active water meters in its service area that are manually read six times per year using handheld computer equipment. Bills are produced bi-monthly for water, wastewater, solid waste, street cleaning and household hazardous waste disposal for approximately 23,000 accounts. Bi-monthly billing is less costly, from the billing and payment processing perspective, but results in larger bill for customers. In an effort to improve customer service, City Council requested staff evaluate the ability and costs associated with implementing monthly utility billing and present their findings. Both municipal and investor owned water, wastewater and solid waste providers in California undertake many different approaches to billing such as monthly, bi-monthly, semi-annually or even billing annually. As such, there is no “industry standard” relative to this issue. However, monthly and bi-monthly utility billing practices are generally equally practiced and the most predominant method of billing. Because of California’s sensitivity to drought and limited water supply, the state has enacted requirements to emphasize water conservation and reduced water consumption. As such, several local jurisdictions are evaluating their billing practices.

First Option: The first option to creating a monthly billing cycle is to have meter readers read customer meters every month and bill customers based on the monthly reads. This is a common practice and would require additional meter readers, office staff, and additional funding for postage and billing supplies. This approach is beneficial to customers because it requires them to pay smaller utility bills and provides for more timely information as to water usage. However, because of the increased resources needed to provide this service, customers would be required to fund this additional service at approximately \$1.75 per month per customer in addition to one time costs of approximately \$90,000.00.

Second Option: A second option to create monthly billings is similar to the first, meters would be read every month, but reads would be collected using automated meter readers (AMR). This option would require the installation of new meters throughout the system, with the potential exception of some new installations if the selected technology was compatible with existing new meters. Reading devices would also be necessary. Available technologies allow meters to be read by mobile device which is fitted to a vehicle or from stations placed throughout the city. In addition to monthly billing, this option provides soft benefits including the ability to determine daily sales and customer leak detection. AMR technologies also allow for different water conservation billing techniques to better monitor customer use patterns and bill accordingly. Although much research and negotiations with AMR vendors would be necessary to provide an accurate estimate of the cost of this option, staff estimates the cost of this option to be approximately \$37.00 per month, based on a ten-year life cycle. Implementation of an AMR project would need to be phased over a 2-5 year timeframe. This is because there are, as mentioned above, 21,500 meters which would likely need replacement. Additionally, phasing the project

will prevent large amounts of the AMR devices needing replacement at the same time when factory installed batteries die.

Third Option: The last option identified to accomplish a conversion of utility billing from a bi-monthly to a monthly platform can be accomplished with the existing customer information system (CIS). This approach involves estimating a monthly bill for the month the meter is not read. This estimation would be calculated by dividing in half a customer's last bill and using this calculation for the next estimated monthly bill. By doing so the customer's bill would still fluctuate but only half the value of the customer's last bill. In order to minimize additional costs, this program would only be available to customers paying electronically and the customer's next payment date and amount would be reflected on the bi-monthly bill. By doing so, the cost of generating additional bills and postage would be eliminated. Also, because this billing program would be voluntary and prepayments are currently acceptable, there would be no need to alter the Municipal Code. Because this option involves little to no ongoing expenses and because electronic payment processing is less costly than processing checks, staff sees this option as having no monthly cost. Staff estimates the one time cost associated with the additional CIS programming and staff time to be approximately \$30,000.00.

Following discussion, Councilmember Gilbreath moved to direct staff to implement a monthly utility billing option to its customers using an estimated prepayment method as described in the third option. Motion seconded by Councilmember Gallagher and carried with Councilmember Bean voting NO as he was uncomfortable with the cost to start up this process.

AB-811 - Contractual Assessments - Quality of Life Director van Dorst reported AB 811 authorized cities and counties in California to set up assessment districts for clean energy financing. It allows cities and counties to designate areas within which willing property owners can enter into contractual assessments to finance the installation of distributed renewable generation. Under this arrangement, property owners may finance renewable generation and energy efficiency projects through low interest loans that would be repaid as an item on the property owner's property tax bill. Last year, the City of Berkeley and City of Palm Desert authorized citywide voluntary assessment districts to pay for solar installations. Residents and local businesses borrow the money from a bond or loan fund and then repay the loan through a property tax assessment. This mechanism provides homeowners and businesses the means of financing the initial high cost of a solar installation by repayment of the loan over time from the energy savings. The City of Berkeley launched a \$1.5 million pilot program with property owners applying for the available monies in just nine minutes from advent of the offering. On behalf of Southern California Edison, Jim Hodge reviewed the program. Following discussion, Councilmember Gallagher moved to direct City staff to explore the feasibility of establishing an AB 811 Assessment District for Redlands' residents and businesses to finance energy renewable generation and energy efficiency

projects such as solar installation. Motion seconded by Councilmember Harrison and carried unanimously. Mayor Pro Tem Gilbreath suggested contacting the I-Bank for low-interest loans as a source of capital.

PUBLIC COMMENTS

Plant Grass Code - Ken Patchett complained that there is a "plant grass code" which uses much more water to maintain. He was referred to staff for further information and possible clarification of our landscaping requirements.

McEwen Furniture Store - Dr. Art Anderson informed Councilmembers that as a result of his letter to the Redlands Daily Facts to save the McEwen Furniture Store building, he received an unsolicited threatening phone call. He reported the phone call to the Redlands Police Department but feels he is being "stonewalled" as employees have not told him what would be done. Therefore, he has taken his complaint to the District Attorney. He also asked why the City Council meeting scheduled for March 17, 2009, at which time the Walgreen's appeal was scheduled to be heard, would not be held. Mayor Harrison said there would not be a quorum available as a majority of the Councilmembers would be in Washington, D.C. on that date.

CLOSED SESSION

The City Council meeting recessed at 5:34 P.M. to a closed session to discuss the following:

1. Conference with real property negotiator - Government Code §54956.8
Property: APN 0168-161-07 and 08
Agency negotiators: N. Enrique Martinez and Oscar Orci
Negotiating party: Philip Sousa, Holy Name of Jesus Church
Under negotiation: Terms and price of possible sale of City property
2. Conference with real property negotiator - Government Code §54956.8
Property: APN 0292-044-08 and 09
Agency negotiators: N. Enrique Martinez and Quality of Life Director van Dorst
Negotiating party: Bradco Environmental
Under negotiation: Terms and price of possible sale of City property
3. Conference with legal counsel: Existing litigation - Government Code §54956.7(a)
 - a. Nancy Ochs v. City of Redlands, et al - San Bernardino Court Case No. SCVSS 14651
4. Conference with labor negotiator - Government Code §54957.6
Agency Negotiators: N. Enrique Martinez, Debbie Scott-Leistra and Steve Filarsky
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

5. Conference with Labor Negotiators - Government Code §54957.6
 - a. Unrepresented employee: City Manager

ADJOURNMENT

No report was expected following the closed session, and the City Council meeting adjourned. The next regular meeting scheduled to be held on March 17, 2009, will not be held. The next regular meeting will be held on April 7, 2009.