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MINUTES

of a regular meeting of the City Council of the City of Redlands held in the Council Chambers, Civic Center, 35 Cajon Street at 3:00 P.M. on September 1, 1998.

PRESENT

William E. Cunningham, Mayor

Geni A. S. Banda, Mayor Pro Tem

Pat Gilbreath, Councilmember

John L. Freedman, Councilmember

Gary George, Councilmember

Gary M. Luebbers, City Manager

Daniel J. McHugh, City Attorney

Lorrie Poyzer, City Clerk

Beatrice Sanchez, Deputy City Clerk (evening session)

Michael Reynolds, City Treasurer

Jeffrey L. Shaw, Community Development Director

Tina Kundig, Accounting Manager

Mel Enslow, Fire Chief

Gary G. Phelps, Municipal Utilities Director

Jim Bueermann, Police Chief

Peter A. Laaninen, Assistant Public Works Director

ABSENT

None

The meeting was opened with an invocation by Mayor Cunningham followed by the pledge of allegiance.

PRESENTATIONS

ACME Workers - On July 13, 1998, a letter was received from a group of young people ranging in age of 8 to 12 years old and calling themselves ACME (Adroit, Crime Solvers, Manageable, Essential Workers) Agents offering to volunteer to help or work for the City. Coordinating with Police Chief Bueermann, City Manager Luebbers offered the ACME Agents the responsibility of washing police cars which they have done during the summer. In recognition of their efforts, Police Chief Bueermann and City Manager Luebbers presented certificates of appreciation to Victoria Collins, Christopher Brown, Janice Boston, Shaun Boston, Tiffany Schmitz, Joshua Schmitz, Victoria Schmitz, Sarah Lozano, and Alison Brown.

Redlands City Hall OnLine - <http://www.ci.redlands.ca.us> - Municipal Utilities Director Phelps introduced Michael D'Amico, CEO/President of Alpha Internet Systems, who collaborated with City Manager Luebbers, Project

Manager/Municipal Utilities Director Phelps, and Chief of Utility Operations Michael L. Huffstutler in the development of an Internet based government business module for Redlands. Mr. D'Amico presented the City of Redlands' web site which is the product of many thousands of hours of proprietary research and development by a team of professional government administrators and is much more than the typical city web page. It is designed with true citizen/city government inter-activity as its goal. The objective is to provide the citizens of Redlands with 24 hours per day, 7 days per week access to the City's documents, processes, and officials. With this formal dedication, the citizens of Redlands are now provided with the ability to reach directly into City Hall, at the click of a mouse, to review government documents and the Redlands Municipal Code; apply for permits or a job; send messages to the City's elected officials or staff; review the City Council's minutes and agendas; peruse the City's recreation programs; sign-up for City facilities; access the Library's web site; contact the Police or Fire Departments; and for a myriad of other reasons, all without waiting in lines or playing "phone tag."

CONSENT CALENDAR

Minutes - On motion of Councilmember Gilbreath, seconded by Councilmember Freedman, the minutes of the regular meeting of August 4, 1998, were approved as submitted.

Bills and Salaries - On motion of Councilmember Gilbreath, seconded by Councilmember Freedman, bills and salaries were ordered paid.

Planning Commission Actions - On motion of Councilmember Gilbreath, seconded by Councilmember Freedman, the report of the Planning Commission meeting held on August 11, 1998, was acknowledged as received.

Ordinance No. 2382 - Solid Waste Regulations - Ordinance No. 2382, an ordinance of the City of Redlands amending Chapter 13.64 and deleting chapters 13.68, 13.72, 13.76, and 13.80 of the Redlands Municipal Code relating to the regulation of solid waste, was adopted on motion of Councilmember Gilbreath, seconded by Councilmember Freedman, by the following vote:

AYES: Councilmembers Banda, Gilbreath, Freedman, George;
Mayor Cunningham
NOES: None
ABSENT: None

Agreement - California Street Landfill - On motion of Councilmember Gilbreath, seconded by Councilmember Freedman, the City Council unanimously approved an agreement with Vector Engineering, Inc. to provide engineering services for the California Street Landfill vertical expansion and conceptual horizontal expansion design and authorized the Mayor and City Clerk to execute the document on behalf of the City.

Resolution No. 5550 - Tow Franchise Regulations - On motion of Councilmember Gilbreath, seconded by Councilmember Freedman, the City Council unanimously adopted Resolution No. 5550, a resolution of the City Council of the City of Redlands rescinding Resolution No. 4741 relating to tow franchise procedures.

Agreement - California Street Landfill - On motion of Councilmember Gilbreath, seconded by Councilmember Freedman, the City Council unanimously approved an agreement with Janechek & Associates to provide professional training and operations support services for the landfill gas system at the California Street Landfill and authorized the Mayor and City Clerk to execute the document on behalf of the City.

Agreement - Judson Street Water Transmission Main - On motion of Councilmember Gilbreath, seconded by Councilmember Freedman, the City Council unanimously approved an agreement with Krieger & Stewart, Incorporated to provide engineering services for the design of the Judson Street Water Transmission Main and authorized the Mayor and City Clerk to execute the document on behalf of the City.

License - Camp Pendleton - On motion of Councilmember Gilbreath, seconded by Councilmember Freedman, the City Council unanimously approved a modification to the agreement with the U. S. Navy for use of the Camp Pendleton facility by members of the Redlands Police Department. The Special Weapons and Tactics Team has utilized the firing ranges and training facilities at Camp Pendleton for over fifteen years.

Contract - Problem Solving Partnership Grant - On motion of Councilmember Gilbreath, seconded by Councilmember Freedman, the City Council unanimously approved a contract with the County of San Bernardino to provide a probation officer pursuant to the Police Department's Problem Solving Partnership Grant and authorized the Mayor and City Clerk to execute the document on behalf of the City.

Resolution No. 5547 - Criminal Justice Center - On motion of Councilmember Gilbreath, seconded by Councilmember Freedman, the City Council unanimously adopted Resolution No. 5547, a resolution of the City Council of the City of Redlands supporting the construction and operation of a criminal justice center containing adult and juvenile detention facilities in the high desert by the San Bernardino County sheriff's Department and sheriff Gary Penrod.

Surplus Vehicles and Equipment - On motion of Councilmember Gilbreath, seconded by Councilmember Freedman, the City Council unanimously declared certain City vehicles and other miscellaneous equipment surplus and authorized the Municipal Utilities Department to engage Industrial Assets, Inc. auction company for the disposal of the surplus vehicles and equipment.

Agreement - Electrical Energy Demand Aggregation - Councilmember George

commended Municipal Utilities Director Gary Phelps, Water Resources & Utility Operations Chief Michael L. Huffstutler, and Senior Civil Engineer Tom Fujiwara for all their good work and research in regards to the electrical deregulation effect on the City of Redlands, and moved to approve an electric service agreement with the State Department of General Services and the ESP & DGS/EA Customer Responsibility Form (attachment 4) and authorize the Mayor and City Clerk to execute the document on behalf of the City. Motion seconded by Councilmember Banda and carried with no opposition.

Resolution No. 5556 - DBE Program - On motion of Councilmember Gilbreath, seconded by Councilmember Freedman, the City Council unanimously adopted Resolution No. 5556, a resolution of the City of Redlands establishing a Disadvantaged Business Enterprise (DBE) Program, appointing a DBE liaison officer, establishing DBE goals, and rescinding Resolution No. 5421.

Agreement - Eureka Street Widening Project - The agreement with David P. and Kathleen A. Crain which will permit the City to make certain improvements to the Crain's property in connection with the Eureka Street widening project was continued to September 15, 1998.

CDBG Allocation - Contract Administration - The request to allocate \$18,300.00 from the City's Community Development Block Grant (CDBG) contingency fund to the Public Works Department for contract administration of CDBG construction projects was continued to September 15, 1998.

Contract Award - Wildfire Prevention Demonstration Park - Bids were opened and publicly declared on August 20, 1998 by the City Clerk for construction of the Ford Park Wildfire Prevention Demonstration Garden; a bid opening report is on file in the Office of the City Clerk. It was the recommendation of the Public Works Department, with the concurrence of the Fire Department, that the responsible bidder submitting the bid for said project which will result in the lowest cost for the City was Madrid Construction in the amount of \$40,162.00, and it would be in the best interest of the City that this contract be awarded to said firm. On motion of Councilmember Gilbreath, seconded by Councilmember Freedman, this recommendation was unanimously approved.

Resolution No. 5557 - Salary - On motion of Councilmember Gilbreath, seconded by Councilmember Freedman, the City Council unanimously adopted Resolution No. 5557, a resolution of the City Council of the City of Redlands amending Resolution No. 5531 to downgrade the salary and qualifications of the Administrative Analyst in the Municipal Utilities Department (MM49.5) to an Administration Assistant (MM48).

PLANNING AND COMMUNITY DEVELOPMENT

Development Agreement Annual Report - In accordance with Section 18.220.180 of the Redlands Municipal Code, Community Development Director Shaw presented a brief report on the existing and active development

agreements that various applicants and the City of Redlands entered into prior to the construction of certain development projects as follows:

Development Agreement No. 2

Applicant: Gatlin/Berger Development Inc. (Wal-Mart)

Location: Northeast corner of California Street and Redlands Boulevard

Effective Date: March 29, 1990

Term: Ten (10) years from date of approval

Description: This development agreement pertains to a multi-phased open-air shopping center to be build on a 27 acres site and provided that the City install certain off-site improvements and lease from the developer a portion of the parking area for public use. This development agreement will expire on March 29, 2000. The commercial center is located within the boundaries of the East Valley Corridor Specific Plan and is nearly completely built out.

Development Agreement No. 3

Applicant: Barton Development and Glorious Redlands Investment Partners

Location: Generally located between Lugonia Avenue, California Street, Mt. View Avenue, and San Bernardino Avenue

Effective Date: September 3, 1991

Term: Not to exceed 20 years from date of approval

Description: This development agreement established procedures and requirements relative to the construction of certain on-site and off-site improvements for a multi-phased master planned business park on approximately 306 acres. The development agreement will expire on September 3, 2011. The project site is located within the boundaries of the East Valley Corridor Specific Plan. No development has occurred on the site.

Development Agreement No. 4

Applicant: Kaiser Foundation Hospital

Location: Generally located between Lugonia Avenue, California Street, Mt. View Avenue, and San Bernardino Avenue

Effective Date: September 3, 1991

Term: Not to exceed 20 years from date of approval

Description: This development agreement established procedures and requirements relative to the construction of certain on-site and off-site improvements for a multi-phased medical center on approximately 41 acres. The development agreement will expire on September 3, 2011. The subject site is located within the boundaries of the East Valley corridor Specific Plan. No development has occurred on the property.

Development Agreement No. 9

Applicant: Cities Pavillion (Timberlake)

Location: Generally located at the southeast corner of Tennessee Street and San Bernardino Avenue

Effective Date: October 21, 1997

Term: Not to exceed 10 years from date of approval

Description: This development agreement pertains to a multi-phased commercial center and administrative professional use project to include a 20 screen theater and related improvements to be constructed on the site. The development agreement will expire on October 21, 2007. This proposed commercial center is located within the boundaries of the East Valley Corridor Specific Plan. No development has occurred on the property; however, the applicant is currently processing plans through the Community Development Department.

Councilmember Gilbreath reiterated her concerns about the unresolved legal issues for the Cities Pavillion project and stated she did not feel their application was in compliance with the development agreement. Attorney John Mirau, representing Redlands Joint Venture, agreed with Councilmember Gilbreath and stated Cities Pavillion's entitlements have expired.

Councilmember Banda moved that the City Council find that all four development agreements have been found to be in compliance with the prescribed terms and conditions of approval of their agreements and directed that Certificates of Compliance be prepared in recordable form. Motion seconded by Councilmember Freedman and carried with Councilmember Gilbreath voting NO.

Tentative Tract No. 12382 (Revised) - Time Extension - The request for a time extension for Tentative Tract No. 12382 (revised), a proposed subdivision of approximately 40.9 acres of land into 31 single family lots located east of Wabash Avenue and south of Sunset Drive in the R-A-A (residential estate animals) District, John H. Danielson, applicant, was continued to September 15, 1998.

Contract - Hampton Heights EIR - Staff recommended a contract with Robert Bein, William Frost & Associates, be approved subject to review by the City Attorney for the preparation of an environmental impact report for the Hampton Heights planned residential project in Crafton Hills in an amount not to exceed \$111,525.00 which is to be paid entirely by the applicant. Councilmember Freedman indicated he was not convinced the scope of project for the Hampton Heights project was complete yet, and he was also concerned about the increased cost. He moved to direct staff to negotiate with an alternative consultant for the preparation of this environmental impact report and not until the full scope of the project is known. Motion seconded by Councilmember Cunningham and carried with Councilmember Gilbreath voting NO.

Minor Subdivision No. 238 - Time Extension - On motion of Councilmember Gilbreath, seconded by Councilmember Freedman, the City Council unanimously approved a one year time extension to August 13, 1999, for Minor Subdivision No. 238, the subdivision of 7.2 acres into two commercial parcels for property located on the southwest corner of Redlands Boulevard and

Cypress Avenue; Golden State Ventures, applicant.

COMMUNICATIONS

Redlands Bowl - Smoking Policy - A letter has been received from Thomas C. Timmreck, Ph.D., San Bernardino, expressing concern that only half of the Redlands Bowl is designated "no smoking" and suggested this smoking policy be reviewed. Councilmember Cunningham moved to direct staff to talk with members of the Redlands Community Music Association and re-examine the policy. Motion seconded by Councilmember Banda and carried unanimously.

Measure U - Socio-Economic Model - Christopher Martinez, David Taussig & Associates, Inc., reviewed the Measure U Socio-Economic Analysis prepared by his firm. On behalf of the Measure U Socio-Economic Committee (a 12 member citizens committee), Ray Alexander summarized their weekly, three-hour long meetings held since March of this year. Councilmembers Cunningham and George expressed their appreciation and gratitude for their service. Councilmember Gilbreath noted she had applied the suggested criteria to two models and neither project qualified. Following the conversation between Councilmember George and representatives from Majestic Realty (see next paragraph), Mayor Cunningham responded by Councilmember Gilbreath's inquiry that the citizens' committee's recommendations had been referred to staff for study and would be reviewed by the Planning Commission and then forwarded to the City Council.

Majestic Development - Following the Socio-Economic Analysis presentation, Councilmember George said that although Majestic Realty did not respond in time for this agenda to present their project and development agreement at this meeting, that Councilmembers received a draft development agreement via FAX at 2:00 P.M. this date. As there were representatives present in the audience, he urged them to make the presentation at this time. On behalf of Majestic Realty, Mr. Roski responded from the audience that they were not prepared to make a presentation at this meeting; that they had attended the meeting for other matters scheduled on the agenda.

JOINT MEETING - CITY COUNCIL AND REDEVELOPMENT AGENCY

Contract - Bond Pricing Consultant - Accounting Manager Kundig explained that the role of a pricing consultant is similar, but more limited in scope, than that of a financial advisor. The pricing consultant will analyze market conditions and participate in the final phase of the transaction to facilitate the City getting fair pricing on the bonds as well as a reasonable underwriter's discount. In relation to refinancing of the 1993 Water and Sewer Certificates of Participation, as well as the Redevelopment debt, requests for proposals for pricing consultants were mailed by the Finance Director to five financial firms on August 4, 1998. On August 18, 1998, four responses had been received. Staff and the Finance Committee evaluated each firm's qualifications. All firms were qualified and the fees for all four firms are very comparable. Councilmember

Freedman moved to appoint the firm of Seidler-Fitzgerald to serve as pricing consultant for the City of Redlands' refinancing of its 1993 Water and Sewer Certificates of Participation. Motion seconded by Councilmember Banda and carried with Councilmember Gilbreath voting NO as she had recommended, as a member of the Finance Committee, to appoint Fieldman-Rolapp. (Also see Redevelopment Agency minutes for September 1, 1998.)

Resolution No. 5552 - ABHOW - In November 1996, American Baptist Homes of the West (ABHOW) was informed they would receive a 202 grant from Housing and Urban Development (HUD) in the amount of \$4,967,000.00. The grant was awarded to fund the development of a 62-unit one-bedroom apartment complex for low and very low income seniors. The project, named Fern Lodge, will be located at the southwest corner of Redlands Boulevard and Fern Avenue. On August 13, 1998, the Housing Commission voted unanimously to recommend that the Redevelopment Agency Board of Directors allocate \$566,285.00 in set-aside funds, contingent upon reimbursement to the Redevelopment Agency of all proceeds from the sale of the residential unit located on the property; said amount to be determined by a fair market appraisal of the house and grounds. Marlene Dougherty, chairman of the Fern Lodge Advisory Committee, and ABHOW Board Members Margaret Weitkamp and Kevin Knudtson urged approval of this request. Other board members, the contractor and the architect were also present at this meeting. Councilmember Freedman moved to adopt Resolution No. 5552, a resolution of the City Council of the City of Redlands authorizing the use of low- and moderate-income housing funds outside the Redlands project area. The motion was seconded by Councilmember Gilbreath and carried unanimously. (Also see Redevelopment Agency minutes dated September 1, 1998.)

CLOSED SESSION

The City Council meeting recessed at 4:22 P.M. to continue the Redevelopment Agency meeting and reconvened at 4:23 P.M. to a closed session to discuss the following:

1. Conference with legal counsel: Anticipated litigation - Government Code § 4956.9(c)
 - One case
2. Conference with legal counsel: Existing Workers' Compensation claims - Government Code § 54956.9(a)
 - Donald Morlan
 - Charles Varvel
 - John Cullen

LATE BREAKING ITEMS

The following closed session items, which arose subsequent to the agenda being posted, were unanimously added to the agenda on motion of Councilmember

Banda, seconded by Councilmember George, as the need to take action was immediate: Conference with legal counsel: Existing litigation - Government Code Section 4956.9(a): Majestic Realty Company and Redlands Joint Venture.

The meeting reconvened at 7:00 P.M.

PUBLIC HEARINGS

Pre-Annexation Agreement No. 98-06 - Public hearing was advertised for this time and place to consider Pre-Annexation Agreement No. 98-06 for approximately 14.4 acres located on the northwest corner of Opal Avenue and Colton Avenue within the City of Redlands' sphere of influence that contains an existing manufacturing operation (Richmond Technology). Community Development Director Shaw reported a draft agreement has been prepared by Richmond Technology and includes a number of provisions which afford the company assurance relative to the existing manufacturing operations, development of the vacant parcel, and the appropriate zoning and development standards to be applied for the expansion and/or development of the subject site. Staff and the City Attorney have reviewed the draft agreement and recommended that provisions contained in the document be modified and returned for additional discussion between the City and Richmond Technology. Staff has met with the company and reviewed the necessary revisions with Richmond and, at this time, it is thought the applicant would prefer a development agreement. Therefore staff recommended that this public hearing be tabled. Mayor Cunningham declared the meeting open as a public hearing for any questions or comments. None being forthcoming, the public hearing was unanimously tabled as recommended on motion of Councilmember George, seconded by Councilmember Gilbreath.

Resolution No. 5546 - Measure I Funds - Public hearing was advertised for this time and place to consider Resolution No. 5546, a resolution of the City Council of the City of Redlands adopting the Measure I Five Year Capital Improvement Program and Twenty Year Transportation Plan. Assistant Public Works Director Laaninen explained that Measure I, the County-wide transportation sales tax program, requires that each local jurisdiction receiving program revenues annually adopt a Five Year Transportation Plan which outlines the specific projects upon which those funds will be expended and a Twenty Year Transportation Plan. A listing of the projects on which local Measure I funds will be spent in the City of Redlands in future years was presented as a part of Resolution No. 5546. It was noted that funding for the Orange Street bridge is included in the Local Transportation Fund which explained why it is not reflected within this resolution. Mayor Cunningham commented that the Twenty Year Transportation Plan may be jeopardized if the Measure I tax is not extended. He then declared the meeting open as a public hearing for any questions or comments. None being forthcoming, the public hearing was declared closed.

Councilmember Banda moved to approve the Environmental Review

Committee's Negative Declaration for the Five Year Capital Improvement Program and Twenty Year Transportation Plan related to Measure I, based on the finding that the project will not have a significant effect on the environment, determining this project will not individually or cumulatively have an adverse impact on wildlife resources as defined in Section 711.2 of the California Fish and Game Code and directed staff to file and post a Notice of Determination in accordance with the City's guidelines., Motion seconded by Councilmember Freedman and was so ordered by the Mayor as there was no opposition to the motion. Councilmember Banda moved to adopt Resolution No. 5546. Motion seconded by Councilmember Freedman and was so ordered by the Mayor as there was no opposition to the motion.

UNFINISHED BUSINESS

Resolution No. 5555 - Lisa Marie Lane - Resolution No. 5555, a resolution of the City Council of the City of Redlands accepting an offer of dedication for road (Lisa Marie Lane) purposes for County of San Bernardino Parcel Map No. 3373, was presented to the City Council. Councilmember Banda moved to adopt Resolution No. 5555. The motion was seconded by Councilmember Freedman and carried with Councilmember Gilbreath voting NO as she was not in favor of accepting a dedication that did not meeting City standards.

Legal Fees - Included in the City Council packet was a recap of legal expenses paid by the City in relation to the proposed Majestic Realty development; the expenses were broken down by fiscal year, funding source and vendor, as well as split out between expenses related to the County litigation and litigation with the developer. Councilmember Gilbreath stated at this meeting, she had requested a breakdown of all legal expenses; she distributed a copy of her request showing legal expenses by fund number for the past three fiscal years totaling \$1,647,312.47. Councilmember Gilbreath stated that Majestic has been making constant efforts to negotiate with the City but she felt a reasonable effort was not being made by both parties causing a major impact on the Utility Funds. She pointed out the revenue that would be coming into the City if the Majestic issues had been settled. She then asked for a breakdown of legal costs by fund and a comparison of surrounding cities. Councilmember Freedman noted that this City Council is not responsible for the Majestic legal costs; that the prior City Council was. He also stated that Majestic manages their projects by litigation. Mayor Cunningham took Councilmember Gilbreath to task; he reviewed the history of the Majestic project and stated that essentially there have been no legal costs caused by this City Council -- that the costs were inherited. He further explained he felt there were extremely important issues to protect. Councilmember George shared his concerns about legal costs and explained that he had not intended to put Majestic representatives on the spot earlier in this meeting, but felt it was important that the public see what we are talking about. Redlands' resident Albert Kelley addressed Councilmembers and told Councilmember Gilbreath she should shoulder the legal costs as they started during her first term in office.

Annexation No. 76 (A-D) - Councilmember Freedman presented a memorandum regarding the process which has delayed Annexation No. 76, consisting of 1,400 acres of land including Redlands East Valley High School. He placed the blame for the delay at the feet of Majestic Realty. A chronology of events regarding the Citrus Plaza project and its dealings with the City was attached to his memorandum. Councilmember Freedman stated he still saw no indication that Majestic Realty wanted to annex to the City and become a part of the community and that distressed him. He concluded his remarks stating he could not support anything Majestic Realty wanted until they were willing to come into the City, and urged the City Council to direct staff to stop processing their application until they were annexed. Councilmember Gilbreath said her recollection was that Majestic had asked early in the process to be removed from our annexation application and that she had expressed concern about a hostile annexation. Spokesman for the United Donut Hole Property Owners' Association Keith J. Cunningham addressed the City Council with their perspective of the annexation proceedings. He said they would be willing to continue with the process if they know what they can do with their property, when and how long will their development rights be protected, and what the development fees and costs under Measure U will be. They are looking forward to sitting down and negotiating this pre-annexation agreement. In regards to the high school annexation, he indicated the City Council has the power to remove the donut hole property from Annexation No. 76 and proceed; he then handed a copy of a letter to each Councilmember requesting their property be removed from the global annexation. Also addressing the City Council were: Denise Kafrolini, Julie Horn, Elton Horn, and Michele Nelson. Councilmember George again asked Majestic representatives if they would make a development agreement presentation on September 15, 1998; representatives present indicated they would be ready at that time.

NEW BUSINESS

Resolution No. 5551 - Subdivision Proposals - City Attorney McHugh reported that in the past the City Council has expressed an interest in monitoring subdivision development which is proposed in neighboring cities and unincorporated County area that adjoins the City. As part of that process, the City Council has asked staff, on occasion, to undertake a review of entitlement applications associated with such development and to comment on those entitlements. The City Council has also asked staff to develop a method for ensuring that Redlands' comments on such development are delivered to the appropriate governmental authorities and are heard. The State Subdivision Map Act in Government Code Section 66453 provides a procedure which would assist the City Council and staff in monitoring and commenting upon such subdivision proposals. City Attorney McHugh explained the process and presented Resolution No. 5551, a resolution of the City Council of the City of Redlands relating to subdivision proposals in neighboring cities and adjoining unincorporated territory, for the City Council's consideration. Councilmember George moved to adopt Resolution No. 5551. Motion seconded by

Councilmember Banda and carried with Councilmember Gilbreath voting NO.

League Conference - Delegate - City Clerk Poyzer announced the League of California Cities Annual Conference is scheduled for Friday, October 2 through Sunday, October 4, 1998, in Long Beach. The business meeting will be held on Saturday, October 3, 1998, at 1:30 P.M. at the Long Beach Convention Center. Designation of a voting representative and an alternative is necessary. Councilmember Freedman moved to designate Mayor Cunningham to attend as voting delegate, and Councilmember Banda to attend, as alternate voting delegate, the League of California Cities 1998 Annual Conference. Motion seconded by Councilmember George and was so ordered by the Mayor as there was no opposition to the motion.

Fund Balance Status Report - City Manager Luebbbers presented an overview of the status of the 1998-99 available (unreserved) General Fund fund balance. An analysis compares 1998-99 actual results with the 12 month estimates included in the 1998-99 budget and notes any variances. Overall, actual revenues are expected to exceed estimates by \$330,000.00 while actual expenditures are expected to meet original estimates. Since the adoption of the 1998-99 budget, the City has received \$50,000.00 from the Redlands Unified School District for funding one-half of the cost of crossing guards. The City Council has approved an additional \$91,012.00 in appropriations in the past two months. In addition, the General Fund will be loaning \$50,000.00 to the Capital Improvement Fund with relation to ballfield lighting as well as replenishing the City's \$500,000.00 liability self-insurance reserve. Taking into account the information known at this time, the General Fund available balance is estimated to be \$261,012.00 lower than originally projected. This is approximately a 2.3 percent available balance as opposed to the 3.4 percent original projection, both far short of the minimally acceptable 10 percent goal. Noting the City has lost almost \$15 million during the past six years due to State of California "take-aways," City Manager Luebbbers stated the City is almost in a crisis situation; one unexpected expense such as a natural disaster will tip the scales. He assured Councilmembers he would continue to monitor the situation and report to them as necessary. Mayor Cunningham indicated he would submit a list of budget-tightening items such as he has done in the past.

LATE BREAKING ITEM

Helen Putnam Award - Councilmember Freedman moved to add the following item to the agenda which arose subsequent to the agenda being posted: "Announcement - Helen Putnam Award" Motion seconded by Councilmember Banda and was so ordered by the Mayor as there was no opposition to the motion. City Manager Luebbbers announced the City of Redlands is the proud recipient of the League of California Cities' Helen Putnam Award and will receive recognition at the Annual Conference being held in October, 1998. Municipal Utilities Director Phelps briefly described the "Community Based Customer Service" program. City Manager Luebbbers and Police Chief Bueermann will sit on a panel at the League meeting to presented a report on the

consolidation of the Police and Community Services Departments. On behalf of the City Council, Mayor Cunningham complimented staff on a job well done.

ADJOURNMENT

There being no further business, the City Council meeting adjourned at 8:33 P.M. The next regular meeting will be held on September 15, 1998.