

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 August 7, 2007, at 3:00 P.M.

PRESENT

Jon Harrison, Mayor
Pat Gilbreath, Mayor Pro Tem
Gilberto Gil, Councilmember
Mick Gallagher, Councilmember
Pete Aguilar, Councilmember

ABSENT

None

STAFF

N. Enrique Martinez, City Manager; Daniel J. McHugh, City Attorney; Lorrie Poyzer, City Clerk; Michael Reynolds, City Treasurer; Tom Fitzmaurice, Police Captain; Jim Drabinski, Fire Chief; Steven H. Dukett, Interim Redevelopment Agency Director; Tina Kundig, Finance Director and Acting Administrative Services Director; Ronald C. Mutter, Public Works Director; Gary G. Phelps, Municipal Utilities Director; and Jeffrey L. Shaw, Community Development Director

The meeting was opened with an invocation by Mayor Pro Tem Gilbreath followed by the pledge of allegiance.

PRESENTATION

Proclamation - International Youth Day - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously authorized issuance of a proclamation declaring August 12, 2007, as International Youth Day. Mayor Harrison presented the proclamation to members of the Youth Coalition Teen Committee from the Redlands Recreation Division.

CONSENT CALENDAR

Minutes - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the minutes of the regular meeting of July 17, 2007, were approved as submitted.

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

Contract - Executive Recruiting Services - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously approved a contract for services agreement with Bob Murray & Associates for executive recruiting services for the positions of Public Works Director, Redevelopment Agency Director and Human Resources Director and

authorized the Mayor to execute, and the City Clerk to attest to, the document on behalf of the City.

Resolution No. 6635 - CFD No. 2001-1 - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously adopted Resolution No. 6635, a resolution of the City Council of the City of Redlands levying taxes within the City of Redlands Community Facilities District No. 2001-1 (Northwest Development Project).

Resolution No. 6636 - CFD No. 2003-1 - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously adopted Resolution No. 6636, a resolution of the City Council of the City of Redlands levying special taxes within the City of Redlands Community Facilities District No. 2003-1 (Redlands Business Center).

Planning Commission Actions - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the report of the Planning Commission meeting held on July 24, 2007, was acknowledged as received.

Notice of Environmental Actions - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, a report on notices of pending environmental actions and pending projects received from surrounding jurisdictions was acknowledged as received.

Annual Review - Development Agreements - Due to a potential conflict of interest, Councilmember Harrison retired from the Council Chambers and did not participate in this matter; a Public Disclosure of Potential Conflict of Interest form is on file in the City Clerk's Office. Mayor Pro Tem Gilbreath conducted this portion of the meeting. Councilmember Aguilar moved to accept the report for the annual review of approved development agreements in accordance with Chapter 18.220 of the Redlands Municipal Code and directed staff to initiate the following actions: Notify Kaiser Foundation Hospitals that their annual report submittal is incomplete and advise them that they have 30 days to provide a complete report or the City will initiate termination proceedings based on a finding of noncompliance, and determined that annual reports for Mountainview Power Company, LLC, CEMEX, Robertson's Ready Mix, Redlands Community Hospital, Redlands Health Services and ESRI are complete and directed staff to prepare a Certificate of Compliance that can be recorded by the applicant. Motion seconded by Councilmember Gallagher and carried with Councilmember Harrison having abstained.

Time Extension - Redlands Center, LLC - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously approved a time extension and waiver and release of claims relating to the California Environmental Quality Act on Commission Review and Approval No. 838 and Conditional Use Permit No. 893, the development of

a commercial retail center of approximately 4.79 acres located south of the Interstate 10 Freeway on the west side of California Street.

Presentation of Significant Projects - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously adopted a policy that applicants for land use entitlements associated with significant projects be required to give a presentation to the City Council as part of the application, and that the application shall not be deemed complete in accordance with Government Code Section 65943 until the presentation is provided to the City Council.

Contract - Orange Blossom Trail - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously approved a contract with The Dangermond Group for preparation of the project planning document and conceptual alignment plan for the East Valley Citrus Heritage Linear Park and Trail Project (Orange Blossom Trail) in the amount of \$63,015.00 and authorized the Mayor to execute, and the City Clerk to attest to, the document on behalf of the City.

Final Approval - Maggie Lane Development Corporation - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously granted final approval for Parcel Map No. 17353 for the subdivision of 9.6 acres into eight commercial lots and one lettered lot for common open space and parking areas for property located on the east side of Ford Street, north side of Patricia Drive and south side of the Interstate 10 Freeway.

Centennial Plaza Parking - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously approved designating 33 spaces as unrestricted free public parking and 20 spaces as leased parking spaces administered by the City Treasurer within Centennial Plaza.

Environmental Impact Report - Redlands Commons Project - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously approved termination of a contract with Ultrasystems Environmental, Inc. for preparation of an Environmental Impact Report for the Redlands Commons Project located on approximately 68.93 acres bounded by the 210 Freeway, Texas Street, San Bernardino Avenue and Pioneer Avenue; approved an agreement with EIP Association for preparation of an Environmental Impact Report for the Redlands Commons project in the amount of \$147,338.99 and authorized the Mayor to execute, and the City Clerk to attest to, the document on behalf of the City; and approved an amended funding agreement with On Texas Street, LLC in the amount of \$176,806.00 to fund preparation of an Environmental Impact Report for the Redlands Commons

Project and authorized the Mayor to execute, and the City Clerk to attest to, the document on behalf of the City.

Funds - Information Systems Technology - Councilmember Gilbreath moved to authorize staff to establish an Internal Service Fund, Information Systems Technology, under the direction of a Chief Information Officer and to appropriate a budget of \$1,431,768.00 from re-allocated funds. Motion seconded by Councilmember Aguilar and carried unanimously.

Resolution No. 6644 - Salary - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously adopted Resolution No. 6644, a resolution of the City Council of the City of Redlands amending the salary schedule and compensation plan for City employees to include the new Internal Service Fund budget for the Information Technology Services under the City Manager's Office.

Proclamation - National Alcohol & Drug Addiction Recovery Month - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously authorized issuance of a proclamation declaring September 2007 as *National Alcohol & Drug Addiction Recovery Month*.

Appointment - Parks Commission - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously reappointed Kristen Saukel to serve another four-year term on the Parks Commission ending June 16, 2011, as recommended by Mayor Harrison.

Agreement - Right-of-Way Acquisition - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously approved an agreement with Redlands Security Company regarding the purchase of San Bernardino Avenue right-of-way acquisition for the San Bernardino Improvement Project adjacent to the Mountainview Power property in accordance with the terms of a cooperative agreement with Mountainview Power Company and authorized the Mayor to execute, and the City Clerk to attest to, the document on behalf of the City.

Agreement - Funds - Roadway Improvements - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously approved a contract agreement with the County of San Bernardino, the Inland Valley Development Authority, the City of San Bernardino and the City of Highland for the construction and installation of drainage culverts, bank protection and roadway improvements on Alabama Street at City Creek, authorized the Mayor to execute, and the City Clerk to attest to, the document on behalf of the City and approved an appropriation of \$22,960.00 from the Local Transportation Fund to cover Redlands' portion of the local funding share for this project.

Local Emergency Report - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council acknowledged receipt of the report from the Municipal Utilities Department regarding the status of the declared local emergency at the Hinckley Water Treatment Plant and North Orange Well Field.

Funding Agreement - Lockheed Martin Corporation - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously approved a funding agreement with Lockheed Martin Corporation for replacement of the Orange Street Water Conveyance Pipeline Project, Project No. 4-0826, and authorized the Mayor to execute, and the City Clerk to attest to, the document on behalf of the City.

Contract - Water Capital Improvement Program Replacement Project - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously approved a change order with WEKA, Inc. to include replacement of an additional 5,500 linear feet of eight inch diameter pipeline in an amount not to exceed \$1,004,433.00 on North Grove Street, Bond Street and South Buena Vista Street, approved a contract with Hicks & Hartwick Inc. for engineering and design services for the change order in the amount of \$18,000.00 and authorized the Mayor to execute, and the City Clerk to attest to, the contract on behalf of the City.

Ordinance No. 2673 - Novelty Lighters - Ordinance No. 2673, an ordinance of the City of Redlands adding Chapter 8.50 of the Redlands Municipal Code to prohibit the retail sale or distribution of novelty lighters, was unanimously adopted on motion of Councilmember Gilbreath, seconded by Councilmember Gallagher.

Resolution No. 6630 - Weed Abatement Assessments - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously adopted Resolution No. 6630, a resolution of the City Council of the City of Redlands providing for the assessment of costs resulting from the abatement of weeds which constitute a fire hazard.

Vehicle Purchase - Fire Department - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously authorized the purchase of one hazardous response vehicle for the Redlands Fire Department at a cost of \$325,000.00 with funding from the Hazardous Waste Program.

Resolution No. 6643 - Lease Purchase Agreement - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously approved Resolution No. 6643, authorizing the execution and delivery of a lease with option to purchase with Municipal Finance Corporation and authorizing certain actions in connection therewith for the

purchase and equipping of two command response vehicles for the Redlands Fire Department.

Funds - STEP Grant - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously accepted the Selective Traffic Enforcement Program (STEP) grant, Project #PT0807, for local law enforcement agencies with funding from the California Office of Traffic Safety and authorized an additional appropriation in the amount of \$358,116.00.

Resolution No. 6634 - ABC License - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously adopted Resolution No. 6634, a resolution of the City Council of the City of Redlands designating the Chief of Police or his or her designee as the subordinate officers for the purpose of determining whether the public convenience or necessity would be served by issuing a license by the Department of Alcoholic Beverage Control.

Agreement - Construction Inspection Services - On motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, the City Council unanimously approved an agreement with Willdan to provide construction inspection services for the Public Works Department and authorized the Mayor to execute, and the City Clerk to attest to, the document on behalf of the City.

Public Comment - Contracts - Oscar Sepp addressed the City Council saying he thought contracts going out to consultants placed a heavy financial burden on the City and requested the Blue Ribbon Committee review the procedures and needs for consultants.

PLANNING AND COMMUNITY DEVELOPMENT

Density Bonus Housing Agreement - Housing Authority Partners I, Inc. - Community Development Director Shaw reported on June 19, 2007, the City Council approved multiple requests to allow for the development of a 71 unit senior housing complex on approximately 3.63 acres located on the east side of Webster Street, north of Lugonia Avenue. On staff's recommendation, the City Council continued, to this time and place, consideration of a Density Bonus Housing Agreement to allow a 35 percent increase above the maximum residential density permitted by the Medium-Density Residential General Plan designation and the R-2 (Multiple Family Residential) District zoning proposed for the project site, and including two development incentives that would allow a reduction in the required parking and allow buildings to exceed the maximum linear dimension requirement. Because the project is designed for low- or very-low income seniors, it is eligible for this incentive. The Redevelopment Agency is working concurrently on additional incentive agreements. These agreements should be consistent with the density bonus agreement. Since final concurrence

has not yet been reached on the Redevelopment Agency incentive agreements, staff is recommending the density bonus agreement be continued to September 4, 2007. Councilmember Gilbreath moved to continue the density bonus agreement with Housing Partners I, Incorporated for Assessor's Parcel No. 167-201-68 to September 4, 2007. Motion seconded by Councilmember Gallagher and carried unanimously.

COMMUNICATIONS

Meeting Attendance - No reports forthcoming from Councilmembers. Oscar Sepp said that attending meetings could be very expensive and questioned the need for the Police Chief to go to Quantico, Virginia, to talk to the Police Chief of South Africa. Mr. Sepp requested the Police and Fire Chiefs provide briefings at City Council meetings to advise the public what is going on in their departments.

Appointments - Relocation Appeals Board - Mayor Harrison moved to appoint Gregory J. Bennett and Paul Thompson to four-year terms on the Relocation Appeals Board. Motion seconded by Councilmember Gallagher and carried unanimously.

Business Licenses for Private Gardeners - Public Works Director Mutter reported that at their meeting of June 28, 2007, the Street Tree Committee recommended the City Council consider enforcement of the City's business license requirement, pursuant to Redlands Municipal Code Section 5.04.90, for gardeners and tree trimmers. Janet Ward, a member of the Street Tree Committee urged approval of this request. Following discussion, Councilmember Gilbreath moved to note and receive the recommendation from the Street Tree Committee regarding business license requirements for private gardeners and refer the matter to the appropriate staff for review and response. Motion seconded by Councilmember Aguilar and carried unanimously.

Street Tree Maintenance Flyers - Public Works Director Mutter reported that at their meeting July 26, 2007, the Street Tree Committee recommended the City Council approve the insertion of flyers into the bimonthly municipal utility bills. The flyers provide information, both in English and in Spanish, related to the care and maintenance of street trees and will be printed on re-cycled paper. Councilmember Gilbreath moved to approve the recommendation of the Street Tree Committee and directed staff to insert flyers regarding the care of street trees into the next available Municipal Utility Department's bimonthly utility bills subject to all costs associated with the printing and stuffing of the flyers to be paid with Street Tree Committee funds. Motion seconded by Councilmember Gallagher and carried unanimously.

Election Polling Report - A representative from Competitive Edge Research and Communication presented information gathered during a recent poll of

Redlands' voters regarding a distribution business tax measure, a measure to increase the sales tax, a utility users' tax and a measure to increase the paramedic tax.

PUBLIC HEARING

Resolution No. 6619 - Parking and Business Improvement Area B - Public hearing was advertised for this time and place to consider Resolution No. 6619, a resolution of the City Council of the City of Redlands ordering the continued operation of Parking and Business Improvement Area B and confirming the Annual Report and assessments for Fiscal Year 2007-2008. Mayor Harrison declared the meeting open as a public hearing. Community Development Director Shaw reported the 2007-2008 Annual Report, outlines assessments, district boundaries, proposed improvements and activities and budgets and was reviewed by the Advisory Board for Parking and Business Improvement Area B. The report has been approved by the Advisory Board and filed with the City Clerk in accordance with Section 36533 of the California Streets and Highways Code. Resolutions declaring the City Council's intent to levy assessments were approved on July 17, 2007. Councilmembers discussed the need to expand the area boundaries; Community Development Director Shaw indicated staff is looking into this possibility. Mayor Harrison called for any public comments. There being no verbal or written comments, the public hearing was declared closed. Councilmember Gilbreath moved to adopt Resolution No. 6619. Motion seconded by Councilmember Gallagher and carried unanimously.

UNFINISHED BUSINESS

Funds -Water Stock - Redlands Sports Park - Due to a potential conflict of interest, Councilmember Gilbreath retired from the Council Chambers and did not participate in this matter; a Public Disclosure of Potential Conflict of Interest form is on file in the City Clerk's Office. This matter was continued by the City Council at their July 17, 2007, meeting to allow staff to review if any water stock came with the Sports Park property when it was purchased in 1995. Staff found that some of the parcels purchased for the Sports Park came with shares of mutual well stock for existing wells in the vicinity, but that none of the parcels came with Bear Valley water stock. If both wells associated with the Sports Park property mutual well stock were functioning and in good working order and were connected to the Sports Park irrigation system, the operational cost of supplying water using the wells would be over double the cost of Bear Valley water. Utilization of non-potable well water through the shares of mutual well stock purchased with the Sports Park property was reviewed by staff, but is not cost-effective for the Sports Park either on a capital cost or an operating cost basis. Therefore, it was recommended the City Council approve the transfer of 25 shares of Bear Valley water stock from Water Fund assets to the Redlands Sports Park for \$125.00 per share, and the use of 1,325 shares of Bear Valley water stock for use at the Redlands Sports

Park for \$2.50 per share for the 2007-2008 water delivery season. At this time, Kyle Larick, AYSO, updated the progress on the Sports Park and thanked the City Council and staff for their efforts. Councilmember Gallagher asked if AYSO had deposited the promised \$500,000.00 with the City yet. Mr. Larick explained that the contract calls for payment 90 days after award of the contract for construction of the building which has not yet gone out to bid, and promised they would pay in accordance with the agreement. Councilmember Gallagher moved to approve this recommendation. Motion seconded by Councilmember Gil and carried with Councilmember Gilbreath having abstained. Councilmember Gallagher moved to appropriate an additional \$3,312.50 from the General Fund to pay for the assessments associated with the use of 1,325 shares of Bear Valley water stock to provide water to the Redlands Sports Park for the 2007-2008 water deliver season. Motion seconded by Councilmember Gil and carried with Councilmember Gilbreath having abstained.

Management Study Implementation Plan - City Manager Martinez explained that in recent months, the City Council, City Manager and staff have focused on the financial challenges that the City has faced over the last few years and will continue to face if immediate action is not taken to overcome these challenges. One action he determined was vital to overcoming these challenges was the formulation of a Financial Management Plan. The plan was approved by the City Council on May 1, 2007, and includes three phases to implement. Following discussion, Councilmember Gilbreath moved to authorize staff to proceed with hiring a consultant(s) to perform a Management Study of the Police and Fire Departments and to authorize staff to proceed with an internal management study to include review of productivity improvements, reorganization cost-cutting alternatives and enhanced revenue options in accordance with Phase II and Phase III of the City's Financial Management Plan. Motion seconded by Councilmember Gallagher and carried unanimously.

NEW BUSINESS

Resolution No. 6641 - Governor's Comprehensive Water Plan - Municipal Utilities Director Phelps reported this year Redlands received only 3.11 inches of rain, making this year the driest on record. Earlier this year Redlands, along with other water providers in the San Bernardino area, were faced with the potential of a loss or reduction of deliveries of State Water Project water from the San Bernardino Valley Municipal Water District. This potential loss was due to environmental compliance issues surrounding the Harvey O. Banks pumping plant and the Delta smelt, a small fish listed on the endangered species list. If this potential loss would have become reality, Redlands' water supply would have been stressed to meet maximum daily water demands. To prepare for this potential loss of water, staff has been working hard to secure additional sources of water and remediate current sources which have not been recently used due to contamination and mechanical failures. Based on this effort, staff is confident it has the water sources necessary to meet peak demands through this

summer. Because of increasing demand and the potential loss of State Water Project water, staff recommended the City Council adopt Resolution No. 6641 supporting the comprehensive water plan proposed by Governor Schwarzenegger. This plan identifies solutions for the delta that have caused the proposed reduction or outage of state water. Councilmember Gilbreath moved to adopt Resolution No. 6641, a resolution of the City Council of the City of Redlands, State of California, supporting the comprehensive water plan proposed by the governor. Motion seconded by Councilmember Gallagher and carried unanimously.

JOINT MEETING - CITY COUNCIL AND REDEVELOPMENT AGENCY

Resolution No. 6645 - Taxable Tax Allocation Bonds, Series 2007A - Councilmember Gilbreath moved to adopt Resolution No. 6645, a resolution of the City Council of the City of Redlands approving the issuance by the Redevelopment Agency of the City of Redlands of its Redlands Redevelopment Project Area Taxable Tax Allocation Bonds, Series 2007A, for the refunding of approximately \$4 million worth of housing component of the Redevelopment Agency's 2003 Tax Allocation Bonds, Series 2003A. Motion seconded by Councilmember Gallagher and carried unanimously. (Also see Redevelopment Agency Board of Directors' minutes dated August 7, 2007.)

CLOSED SESSION

The City Council meeting recessed at 4:21 P.M. to continue the Redevelopment Agency meeting and reconvened at 4:24 P.M. to a closed session to discuss the following:

1. Conference with real property negotiator - Government Code §54956.8
 - a. Property: Hangers 1-30, Redlands Municipal Airport
Negotiating parties: N. Enrique Martinez, Gary Van Dorst and Eric Paul, AMS, Allen's Air Comp, Richard Suhay, N. Eric and Chari Wroolie, Aeroventures, Larry Hoatson, Curtis Parcell, Lake Arrowhead, Clyde Roggenkamp, Wings to There Aviation LLC, Ideal Data Solutions, Fabian General, Redlands Police Department, Yudi and Melisa Sugiono, Higar Air, Brian J. Bearie, NBI General Contractors, William Smith, Leonard Ingalls, William F. Dohr and Inland Aviation

Under negotiation: Lease terms and price
 - b. Property: An approximately 1.37 acre parcel that is generally located west of Texas Street and bound by an adjoining, not a part parcel, on the east, AT & SF railroad right-of-way on the north; Redlands

- Boulevard on the south, and Stuart Avenue on the west; APN 0171-022-13
- Negotiating Parties: N. Enrique Martinez, Steve Dukett and Ken Patterson and Coldwell Banker Commercial-Kivett Teeters
- Under negotiation: Terms and price for possible sale
- c. Property: An approximately 1.37 acre parcel that is generally located west of Texas Street and bound by an adjoining, not a part parcel, on the east, AT & SF railroad right-of-way on the north; Redlands Boulevard on the south, and Stuart Avenue on the west; APN 0171-022-13
- Negotiating Parties: N. Enrique Martinez, Steve Dukett and Gardner Construction & Development, Inc.
- Under negotiation: Terms and price
- d. Property: APN 0292-166-08
- Negotiating parties: N. Enrique Martinez, Ronald C. Mutter and Golden State Management LLC
- Under negotiation: Price and terms for possible lease of land
- e. Property: APN 0167-511-12 and 11
- Negotiating parties: N. Enrique Martinez, Gary Phelps and Mark Bixby
- Under negotiation: Terms and price
- f. Property: APNs 0292-044-08, 09, 10, 11 and 12; APNs 0292-071-10, 15, 18, 29, 35, 40 and 43
- Negotiating parties: N. Enrique Martinez, Gary Van Dorst and Prologis
- Under negotiation: Terms and prices for possible property exchange

LATE BREAKING ITEM

Noting the need to take action was immediate, Councilmember Gilbreath moved to add the following item to the agenda under "Closed Session" which arose subsequent to the agenda being posted: "Conference with legal counsel - Existing litigation - Government Code §54956.9(a): One case - Vincent Bunn v. City of Redlands, San Bernardino Superior Court Case No. SCVSS 140612." Motion seconded by Councilmember Gil and carried unanimously.

The meeting reconvened at 7:00 P.M.

PRESENT

Jon Harrison, Mayor
Pat Gilbreath, Mayor Pro Tem
Gilberto Gil, Councilmember
Mick Gallagher, Councilmember
Pete Aguilar, Councilmember

ABSENT

None

STAFF

N. Enrique Martinez, City Manager; Daniel J. McHugh, City Attorney; Lorrie Poyzer, City Clerk; Teresa Ballinger, Assistant City Clerk; Michael Reynolds, City Treasurer; Tom Fitzmaurice, Police Captain; Jim Drabinski, Fire Chief; Steven H. Dukett, Interim Redevelopment Agency Director; Tina Kundig, Finance Director and Acting Administrative Services Director; Ronald C. Mutter, Public Works Director; Gary G. Phelps, Municipal Utilities Director; and Jeffrey L. Shaw, Community Development Director

CLOSED SESSION REPORT

None forthcoming.

The City Council meeting recessed at 7:01 P.M. to the Redevelopment Agency Board of Directors' meeting. The meeting reconvened at 7:23 P.M.

UNFINISHED BUSINESS

Blue Ribbon Committee Report - On July 3, 2007, the City Council approved the formation of a Mayor's Blue Ribbon Committee to provide recommendations to the Mayor and City Council regarding alternatives for revenue enhancements, City levels of service, citizen expectations for City services and budgetary constraints. An immediate task of the committee was to provide recommendations of possible ballot initiatives to the Mayor and City Council by August 1, 2007. The committee held lengthy meetings on July 11, July 18, July 25 and August 1, 2007. Vice Chair Deborah Barmack presented the committee's findings and recommendations as follows and asked the City Council for redirection for specific topics the committee should address at future meetings.

Findings on City Services - (1) Overall levels of service have eroded over the past decade, during a time of population growth and increased requirements relative to delivery of municipal services. (2) Actions by City management to evaluate and improve City operations have been identified that may result in efficiencies and potential costs reductions. This should be an on-going activity. (3) Delivery of basic services throughout the City departments appears to be hampered by antiquated technology. (4) Overall funding for public works, law enforcement and fire services may be

threatening to the general welfare, health and safety of the community. (5) Lack of necessary resources to provide the minimum level of services, invest in City infrastructure, and balance financial obligations has resulted in a financial crisis which requires immediate action.

Recommendations - (1) An extensive educational program for the general public should be initiated as to the financial crisis facing the City. (2) A comprehensive approach to cost efficiencies within the City and evaluation of services should continue. (3) The City should engage in an active Economic Development Program and a careful exploration of new revenue sources. In doing so, the City should address the levels of service to insure that there is no further degradation of City services and, at the same time, work to improve the levels of service.

Recommendations on Ballot Initiatives - For the November 2007 ballot, the committee recommends the City Council move forward with a business license tax for distribution centers at a rate of three and one-half cents (\$.035) per square foot, subject to a CPI inflator, and not to exceed five cents (\$.05) per square foot. The committee recommended the City Council not move forward with a transient occupancy tax at this time. For the November 2007 ballot, the committee recommends the City Council move forward with a transaction and use tax rate increase of .25% with the following provisions: A sunset provision of ten years and an advisory question on the ballot asking if the proceeds of the transaction and use tax be used only to fund police, fire and street and tree maintenance. The committee did not recommend an oversight committee be formed, but rather a report be given to the citizens of Redlands through the City Council on how the tax dollars are spent. The committee recommended this report be given not less than annually.

Ms. Barmack concluded her presentation extending special thanks to Paul Foster, Chairman of the Mayor's Blue Ribbon Committee, for his efforts conducting the meetings.

Councilmembers expressed their appreciation to members of the Mayor's Blue Ribbon Committee for their commitment and charged the City Manager to continue this process. Mayor Harrison suggested he and Councilmember Aguilar continue to act as liaisons to the committee and continue to meet with City Manager Martinez and staff and to reconvene the Mayor's Blue Ribbon Committee meetings in September. City Manager Martinez thanked the committee members and staff for their efforts and expressed special appreciation to Janice McConnell, Executive Assistant, for her work above and beyond normal business hours for which she does not receive overtime pay.

Polling Results - During the afternoon session, a representative from Competitive Edge Research and Communication presented information gathered during a recent poll of Redlands' voters regarding a distribution business tax measure, a measure to increase the sales tax, a utility users' tax and a measure to increase the paramedic tax. Results of the poll indicated voters

would support the distribution business tax measure but not support the other taxes. Councilmember Aguilar presented a brief synopsis of this report.

Resolution No. 6610 - Business License Tax Ballot Measure - Scott Recknor, AMB Property Corporation; Robert Evans, National Association of Industrial and Office Properties; and Todd Burnight, Prologis, opposed placing the business license tax for distribution centers on the ballot. Following discussion, Councilmember Gilbreath moved to adopt Resolution No. 6610, a resolution of the City Council of the City of Redlands providing for the submission to the qualified voters of the City of Redlands of an ordinance (Ordinance No. 2664) to establish a business license tax for distribution center businesses and the calling of a general municipal election. Motion seconded by Gallagher and carried with Councilmember Gil voting NO.

Resolution No. 6638 - Ballot Arguments - Councilmember Harrison moved to adopt Resolution No. 6638, a resolution of the City Council of the City of Redlands setting priorities for filing a written argument regarding a city measure regarding a business license tax for warehouse and distribution businesses and designating Councilmembers Harrison, Gilbreath and Gallagher to file a written argument in favor of the ballot measure regarding a business license tax for distribution center businesses. Motion seconded by Councilmember Gallagher and carried unanimously.

Transient Occupancy Tax - During an earlier discussion, Councilmembers Gilbreath and Gil indicated they would not support the ballot measures for the transient occupancy tax nor the sales tax. Councilmember Gallagher indicated he would not support the transient occupancy tax but did support the sales tax. Therefore, there was no action taken on Resolution No. 6609 and Resolution No. 6642.

Sales Tax - During an earlier discussion, Councilmembers Gilbreath and Gil indicated they would not support the ballot measures for the transient occupancy tax nor the sales tax. Councilmember Gallagher indicated he would not support the transient occupancy tax but did support the sales tax. Therefore, there was no action taken on Resolution No. 6639 and Resolution No. 6640.

LAND USE AND PUBLIC HEARINGS

Mountainview Power Company Agreement - Public hearing was advertised for this time and place to consider the recommendations of approval of negative declaration for an agreement with the Mountainview Power Company to accept wastes generated at the Mountainview Power Plant's wastewater treatment facility; consideration of an agreement with Mountainview Power Company, LLC for the imposition of a host fee for the acceptance of filter cake at the California Street Landfill; consideration of a vehicle lease agreement with Mountainview Power Company, LLC for transportation of filter cake to the

California Street Landfill; and consideration of an agreement with Vector Engineering for engineering, design and construction management for installation of a double composite liner at the California Street Landfill. Mayor Harrison declared the meeting open as a public hearing. Solid Waste Manager Gary Van Dorst reviewed the proposed agreements. David Asti, Southern California Edison, and Dixie Lass, Regional Water Quality Control Board, were present to answer question. Mayor Harrison called for any public comments. There being no verbal or written comments, the public hearing was declared closed.

Negative Declaration - Councilmember Gilbreath moved to approve the Negative Declaration for the agreement with the Mountainview Power Company and 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 Gallagher and carried unanimously.

Agreement - Disposal of Filter Cake - Councilmember Gilbreath moved to approve an agreement with Mountainview Power Company, LLC, a wholly owned subsidiary of Southern California Edison Company for the disposal of filter cake at the California Street Landfill 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.

Vehicle Lease Agreement - Councilmember Gilbreath moved to approve a vehicle lease agreement with Mountainview Power Company, LLC for transportation of filter cake to the California Street Landfill 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.

Agreement - California Street Landfill Cell Construction - Solid Waste Manager Gary Van Dorst explained that construction of the next landfill cell will require the services of an engineering and geological landfill consultant to monitor construction in accordance with contract documents, to evaluate contingencies that may arise during the project and, most importantly, to satisfy specific regulatory requirements for third party quality assurance and quality of certification of the construction. The proposed consultant for this project will also be tasked with the engineering and geologic design of the double composite liner and coordination with regulatory agencies as pertains to design approval. Councilmember Gilbreath moved to approve the agreement with Vector Engineering, Inc. to furnish engineering and geologic services for the California Street Landfill cell construction 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.

Ron Simus, Applicant - Public hearing was advertised for this time and place to consider a recommendation of approval of a draft mitigated negative declaration and public hearings for Socio-Economic Analysis and Cost/Benefit Study; Ordinance No. 2675, Zone Change No. 427, to pre-zone two contiguous assessor parcels in the unincorporated area of San Bernardino County to the City of Redlands M-1 (Light Industrial) District on a 6.68-acre parcel (APN 0298-052-09) located on the northeast corner of Wabash Avenue and Nice Avenue, and to pre-zone a 6.37-acre parcel (APN 0298-051-07) to C-4 (Highway Commercial) District, located on the southeast corner of Wabash Avenue and Naples Avenue; Resolution No. 6647, Annexation No. 88, an annexation of two contiguous assessor parcels that total 13.05-acres and contiguous San Bernardino County right-of-way totaling approximately 2.6 acres located on the east side of Wabash Avenue, between Naples Avenue and Nice Avenue (APNs 0298-051-07 and 0298-052-09) within an unincorporated area of the County of San Bernardino and the City of Redlands' Sphere of Influence area; and Resolution No. 6648, Street Vacation No. 140, a vacation of a portion of right-of-way along the west side of Jasper Avenue between Nice Avenue and Naples Avenue. Mayor Harrison declared the meeting open as a public hearing. Community Development Director Shaw reviewed the proposed project. Mayor Harrison called for any public comments. There being no verbal or written comments, the public hearing was declared closed.

Mitigated Negative Declaration - Councilmember Gilbreath moved to approve the Mitigated Negative Declaration for Zone Change No. 427, Annexation No. 88, Street Vacation No. 140 and Commission Review and Approval No. 837 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 Gallagher and carried unanimously.

Socio-Economic Analysis and Cost/Benefit Study- Councilmember Gilbreath moved to approve the Socio-Economic Analysis and Cost/Benefit Study for Commission Review and Approval No. 837 as it has been determined that this project will not create unmitigable physical blight or overburden public services in the community and no additional information or evaluation is needed. Motion seconded by Councilmember Gallagher and carried unanimously.

Ordinance No. 2675 - Zone Change No. 427 - Ordinance No. 2675, an ordinance of the City of Redlands amending Title 18 of the Redlands Municipal Code revising the City's Land Use Zoning Map and approving Zone Change No. 427, was read by title only by City Clerk Poyzer, and on motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, further reading of the ordinance text was unanimously waived, and Ordinance No. 2675 was introduced with unanimous Council approval

and laid over under the rules with adoption scheduled for the next City Council meeting.

Resolution No. 6647 - Annexation No. 88 - Councilmember Gilbreath moved to adopt Resolution No. 6647. Motion seconded by Councilmember Gallagher and carried unanimously.

Resolution No. 6648 - Street Vacation No. 140 - Councilmember Gilbreath moved to adopt Resolution No. 6648. Motion seconded by Councilmember Gallagher and carried unanimously.

Councilmember Gilbreath complimented the developer for working with the Planning Commission noting it is a wonderful project.

Appeal - Commission Sign Review No. 324 - Carl's Jr. - Community Development Director Shaw reported an appeal of the Planning Commission's decision to approve Commission Sign Review No. 324 for a 98.26 square foot freeway-oriented pole sign at a height of 55 feet instead of the requested 107 feet for the Carl's Jr. restaurant located at 1205 West Colton Avenue has been filed. The Planning Commission reviewed the project on June 26, 2007, and voted 7-0 to approve the freeway-oriented pole sign at a height of 55 feet. The applicant had requested a height of 107 feet but the Planning Commission felt the height was excessive relative to other freeway-oriented pole signs in the vicinity. Urging the City Council to approve their request were Steve Rosenblum from National Signs and Marketing and Pat Sarkowsky from Carl's Jr. Councilmember Gallagher noted that the flag test conducted by the Community Development Department was not inviting. Councilmember Harrison moved to find that Commission Sign Review No. 324 is exempt from the California Environmental Quality Act Guidelines pursuant to Section 15311(a). Motion seconded by Councilmember Aguilar and carried unanimously. Councilmember Harrison moved to approve Commission Sign Review No. 324 at a height of 55 feet subject to the conditions of approval contained in the staff report. Motion seconded by Councilmember Aguilar and carried unanimously.

Ordinance No. 2676 - Service Station Architectural Treatment - Public hearing was advertised for this time and place to consider a recommendation of approval of a draft mitigated negative declaration and public hearings for Socio-Economic Analysis and Cost/Benefit Study and to consider introduction and reading of the title of Ordinance No. 2676, an ordinance modifying the Redlands Municipal Code, Chapter 18.156, Article II, Section 18.156.190(H), Architectural Treatment for Automobile Service Stations, to eliminate the requirement that roof structures over fueling islands connect harmoniously to the service station roof to form one continuous roofed structure. Mayor Harrison declared the meeting open as a public hearing. Community Development Director Shaw review the proposed amendment to the Redlands Municipal Code. Mayor Harrison called for any public comments. There being no verbal or written comments, the public hearing was declared closed.

Negative Declaration - Councilmember Gilbreath moved to approve the Negative Declaration for Ordinance No. 2676 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 Gallagher and carried unanimously.

Ordinance No. 2676 - Ordinance No. 2676, an ordinance of the City of Redlands amending Chapter 18.156 of the Redlands Municipal Code relating to architectural treatment for service stations, was read by title only by City Clerk Poyzer, and on motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, further reading of the ordinance text was unanimously waived, and Ordinance No. 2676 was introduced with unanimous Council approval and laid over under the rules with adoption scheduled for the next City Council meeting.

Ordinance No. 2677 - Medical Marijuana Dispensaries Prohibition - Public hearing was advertised for this time and place to consider introduction and reading of the title of Ordinance No. 2677, an ordinance amending Title 18 of the Redlands Municipal Code by adding Chapter 18.18 to prohibit medical marijuana dispensaries in all zoning district in the City of Redlands. Mayor Harrison declared the meeting open as a public hearing. Community Development Director Shaw reviewed the proposed addition to the Redlands Municipal Code. Mayor Harrison called for any public comments. There being no verbal or written comments, the public hearing was declared closed. Councilmember Gilbreath moved to determine that Ordinance No. 2677 is not subject to the California Environmental Quality Act pursuant to Sections 15060(c)(3) and 15061(b)(3) of the CEQA Guidelines. Motion seconded by Councilmember Gallagher and carried unanimously. Ordinance No. 2677, an ordinance of the City of Redlands adding Chapter 18.18 to the Redlands Municipal Code prohibiting medical marijuana dispensaries within the City of Redlands, was read by title only by City Clerk Poyzer, and on motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, further reading of the ordinance text was unanimously waived, and Ordinance No. 2677 was introduced with unanimous Council approval and laid over under the rules with adoption scheduled for the next City Council meeting.

Ordinance No. 2672 - RDA Point Rating System - Public hearing was advertised for this time and place to consider introduction and reading of the title of Ordinance No. 2672, an ordinance amending Chapter 19.12 of the Redlands Municipal Code to amend sections of the point rating system of the residential development allocation process pertaining to location, storm drainage, water distribution, streets and open space and adding point allocations related to solid waste, energy conservation and LEED (Leadership Energy and Environmental Design). Mayor Harrison declared the meeting open as a public

hearing and suggested continuing this matter to allow for more review time. Councilmember Gilbreath concurred with this suggestion. Councilmember Harrison moved to continue this public hearing to September 4, 2007. Motion seconded by Councilmember Gil and carried unanimously.

NEW BUSINESS

Contract Award - Street Resurfacing - Bids were opened and publicly declared on July 19, 2007, by the City Clerk for the resurfacing project; a bid opening report is on file in the Office of the City Clerk. It was the recommendation of the Public Works Department that the responsible bidder submitting the bid for said project which will result in the lowest cost for the City was All American Asphalt. Staff also recommended the City Council authorize staff to issue contract change orders that will exceed the standard ten percent of project costs, up to a total construction cost of no more than \$500,000.00. The lowest bid received from All American Asphalt was substantially less than the engineer's estimate; by allowing staff to exceed the standard ten percent contingency for this resurfacing project, additional streets will be resurfaced that were not originally called for in the project specifications. The additional funds that staff would be authorized to use is \$97,067.00. Councilmember Gilbreath moved to determine that the award of the contract for construction of the 2007-2008 Resurfacing Program is exempt from environmental review under the California Environmental Quality Act pursuant to CEQA Guidelines Section 15301(c). Motion seconded by Councilmember Gallagher and carried unanimously. Councilmember Gilbreath moved to award the contract for construction of the 2007-2008 Resurfacing Program to All American Asphalt in the amount of \$402,933.00. Motion seconded by Councilmember Gallagher and carried unanimously. Councilmember Gilbreath moved to authorize staff to issue contract change orders exceeding the standard ten percent of the bid price up to a total project cost of \$500,000.00 from the General Fund; the allowance of exceeding the standard ten percent contingency will allow additional City streets to be resurfaced. Motion seconded Councilmember Gallagher and carried unanimously.

Resolution No. 6637 - Sidewalk and Infrastructure Repair Program Policy - Public Works Director Mutter reported the City budget does not allow sufficient funding and resources to effectuate repairs on sidewalks and other infrastructure other than at a few select locations each year. Often private property owners are willing to fund repairs if the City can arrange for the work or waive required permit fees. Implementation of this program would allow for increased repairs to be made without cost to the City thereby resulting in savings to the General Fund. Waiver of the encroachment permit fees would be more than offset by citizens funding the costs for repairs. Administration of this program would be handled by existing staff. Councilmember Gilbreath said she was very excited about this program and suggested including a flyer in the utility bills to inform the residents and moved to adopt Resolution No. 6637, a resolution of the City

Council of the City of Redlands establishing a citizen sidewalk and infrastructure repair program policy. Motion seconded by Councilmember Gallagher and carried unanimously.

Funds - Sports Park - Public Works Director Mutter reported that with the completion of the Sports Park, the City is obligated to perform all maintenance functions starting in mid-October, 2007. Staff costs were included in the Fiscal Year 2007-08 General Fund budget and the hiring of staff is in progress. Staff must have the necessary vehicles and equipment to perform the maintenance functions. The estimated cost of these vehicles and equipment is \$130,050.00. Funding appropriation would be \$69,050.00 for equipment and \$61,000 for motor vehicles plus a 20 percent contingency up to \$150,000.00. Councilmember Gil moved to appropriate \$150,000.00 from the Park Development Fund and to authorize staff to initiate the purchase of the necessary vehicles and equipment required to perform maintenance of the Sports Park. Motion seconded by Councilmember Gallagher and carried unanimously.

PUBLIC COMMENTS

Blue Ribbon Committee - Debra Nester urged the City Council to give the City Manager a chance to do his job. She also said she thought Mr. Sepp's behavior at these meetings was out of order.

Conservation Efforts - Nancy White applauded residents who were instituting conservation efforts in our community and are making our community more sustainable.

ADJOURNMENT

There being no further business, the City Council meeting adjourned at 9:42 P.M.

The City Council will not meet on August 21, 2007. The next meeting will be held on September 4, 2007.