

MINUTES

of a regular meeting of the City Council of the City of Redlands held in the Council Chambers, 212 Brookside Avenue, on November 16, 1993, at 3:00 P.M. There being no quorum present, the City Clerk recessed the meeting to 7:00 P.M.

PRESENT

Charles G. DeMirjyn, Mayor
William E. Cunningham, Councilmember
Dee Ann Milson, Councilmember
Jim Foster, Councilmember

Gary Luebbers, City Manager
Daniel J. McHugh, City Attorney
Lorrie Poyzer, City Clerk
Ted Thomaidis, Redlands Daily Facts
Steven Church, The Sun

ABSENT

Swen Larson, Mayor Pro Tem

Memorial - The meeting was opened with a moment of silence in memory of Charles C. (Charlie) Parker who died earlier in the day. Mr. Parker was appointed to the City Council on October 2, 1956. Subsequently, he was elected to office in April, 1960, and served two terms as the Mayor. Following the memorial, the large audience in attendance joined Mayor DeMirjyn in the pledge of allegiance.

PRESENTATIONS

Retirement - Mayor DeMirjyn presented a City Seal plaque to Albert R. Perez to honor him upon his retirement on November 30, 1993. Mr. Perez began his employment with the City on April 15, 1957, with the Sanitation Department. He transferred to the Parks Department in 1978 and for the past ten years has been a Groundsman for the City's water facilities.

Parks Commissioners - Mayor DeMirjyn presented City Seal plaques to the following Parks Commissioners in recognition of their many years of service: Harold Hill who has served since January 5, 1982, Kay Mason having served since June 16, 1984, and Robert H. Schuler who has served since June 16, 1985.

Red Ribbon Week Awards - Community Services Director Dan Rodriguez announced his department sponsored a "Say No To Drugs" poster contest for children in grades first through sixth during the recent National Red Ribbon

Week. The poster contest generated over 400 entries. The judges were Mayor DeMirjyn, Councilmember Milson, and Police Chief Lewis W. Nelson. Mayor DeMirjyn introduced the third place winners as follows: Kyle Pavchak, second grade Valley Preparatory School; Amber Williams, third grade Mission School; Daniel Nguyen (Win), fourth grade Mission School; Erin Martens, fifth grade, Redlands Christian School; and Simone Welch, sixth grade, Redlands Christian School. Second place winners were: Sean Lee, first grade Community Center; Neelam Khan, second grade Mission School; Christie Laciste, third grade Sacred Heart School; Laci Dill, fourth grade Valley Preparatory School; Jackie Feenstra, fifth grade Redlands Christian School; and Orville Bell, sixth grade Mission School. First place winners were: Preston West, first grade Community Center; Joey Garnella, second grade Valley Preparatory School; Allison Albrecht, third grade Redlands Christian School, Betty Duong, fourth grade Mission School; Kelly McAlearney, fifth grade Sacred Heart School; and Amy Ruiz, sixth grade Mission School.

PUBLIC HEARINGS

Resolution No. 5029 - Alley Vacation No. 107 - Public hearing was advertised for this time and place for the vacation of portions of an existing alley generally located approximately 400 feet north of Central Avenue, between Kaye and Craig Courts. Mayor DeMirjyn declared the meeting open as a public hearing for any questions or comments concerning this street vacation. Mr. Dave Burton reported the problems in this area continue to exist and urged approval for the security of the tenants and safety for the children. There being no further comments, the public hearing was declared closed, and Resolution No. 5029, a resolution of the City Council of the City of Redlands ordering the vacation of portions of the alley described above, was adopted on motion of Councilmember Milson, seconded by Councilmember Foster, by AYE votes of all present.

Ordinance No. 2232 - Water and Sewer Rates - Public hearing was advertised for this time and place to review water and sewer rates. Municipal Utilities Director Gary G. Phelps reported a detailed outside rate surcharge study was prepared for the water utility in 1987. As part of the study, a computer model was developed to provide the tool to review and update outside surcharges periodically. The five year update is now due and has been performed to ensure equity to both outside-City and inside-City customers, and to conform to the legal and technical principles approved by the City Council in 1987 and adopted in the 1988 utility rates. The Outside Rate Surcharge Study set out specific recommendations and methodologies on setting outside rate surcharges. This rate study and the resultant policies are reflected in the current rates. One basic

premise is that the outside rate surcharges ensure that City residents are properly reimbursed for providing outside-City service. As a result of Council policy over the last five years, the outside rate surcharges have not been legally or technically challenged and the City residents have been reimbursed for providing outside-City service. The outside surcharges have been based on objective principles applied through a computer rate model. However, it was anticipated and is now appropriate to update the computer model to reflect current costs and subsidies. Rate surcharges were anticipated to decrease significantly over time, unless a substantial additional General Fund subsidy was provided by the General Fund, which has not occurred. Since five years has elapsed since the outside surcharge study was done, it was appropriate to do an update using the current methodology. It was anticipated that this could reduce outside surcharges and still retain the technical and legal principles, providing an objective determination to protect the inside-City rate payers' interests. It was considered that the alternative of an outside rate surcharge reduction without update the rate model required the outside surcharges to be based on a new set of assumptions as opposed to the technical and legal principles approved by Council in 1987. Subsequently, the Outside City Water and Wastewater Rate Study Updated was completed by Montgomery Watson, who had conducted the original study. The recommendations in this report are based on this study.

Mr. Phelps reviewed the three alternatives prepared for consideration at this meeting. All alternatives considered resulted in a substantial reduction of surcharges and therefore have a significant effect on the total revenues earned by the enterprise funds. The first two alternatives, Base Alternative and Alternative A, considered updated values of the rate base and depreciation. The Base Alternative used the budgeted costs of street replacement charge and in-lieu property tax to determine the subsidy portion of the surcharge basis. Alternative A is based on concluding that the asset value used in determining in-lieu property tax in the subsidy portion of the surcharge basis is questionable and should not be considered a subsidy to the utilities or included in the surcharge calculation. The third alternative, Alternative B, involved eliminating the surcharge so that outside-City customers would pay the same rates as inside-City users. This alternative was not recommended because it does not follow established City policy. Also, it does not follow the methodology required to provide equity to both inside- and outside-City customers and therefore could be subject to challenge. The fiscal impact of the outside-City rate surcharge reduction to all customers was presented in the staff report and reviewed by Mr. Phelps. All alternatives considered resulted in fiscal impacts to the Water and Sewer Funds and the General Fund. These fiscal impacts increase substantially from the Base Alternative through Alternative B. In all of the alternatives, there

would also be a fiscal impact due to a reduction in net revenue and debt service coverage for the COPs Refunding issues.

Mayor DeMirjyn declared the meeting open as a public hearing on this matter. Urging the City Council to reduce the outside-City rates in Mentone were: Mr. Vishwanath More, Jim Ver Steeg, Vera Vient, Harold Moore, Elisabeth Kraus, and Gerald Ackley. Councilmember Foster's motion to adopt Alternate A which would eliminate the subsidy did not receive a second. Councilmember Foster then moved to continue this matter to December 7, 1993, for the new City Council to consider. Motion seconded by Councilmember Milson and carried with Councilmember DeMirjyn voting NO who expressed his disappointment no action would be taken at this meeting.

JOINT PUBLIC HEARING - CITY COUNCIL AND REDEVELOPMENT AGENCY

Resolution No. 5030 - Sale of RDA Property - A joint public hearing was advertised for this time and place to consider the sale of Redevelopment Agency-owned property located at 310 West Stuart Avenue (San Bernardino County Assessor's Parcel No. 169-156-13) to Ann L. and Moloy K. Gupta. On October 19, 1993, the Redevelopment Agency Advisory Board approved, in principle, this proposed sale agreement; the sale price was negotiated at \$40,000.00. Mayor DeMirjyn declared the meeting open as a public hearing for any questions or comments. Mr. Vishwanath More questioned the impact of this sale on the downtown specific plan and suggested future property sales be done by sealed bid. There being no further comments, the public hearing was declared closed. Councilmember Foster moved to adopt Resolution No. 5030, a resolution of the City Council of the City of Redlands approving and authorizing execution of escrow instructions between the Redevelopment Agency of the City of Redlands and Ann L. and Moloy K. Gupta. Motion seconded by Councilmember Milson and carried by AYE votes of all present. (Also see Redevelopment Agency minutes for November 16, 1993.)

NEW BUSINESS

Appointments - Mayor DeMirjyn nominated George Webber and Claude Johnson for reappointment to the Public Works Commission. These nominations were approved by AYE votes of all present on motion of Councilmember Foster, seconded by Councilmember Milson.

PLANNING AND COMMUNITY DEVELOPMENT

Planning Commission Actions - On motion of Councilmember Foster, seconded by Councilmember Milson, the report of the Planning Commission meeting held on November 9, 1993, was acknowledged as received.

Minor Subdivision No. 229 - Final Approval - On motion of Councilmember Foster, seconded by Councilmember Milson, Council granted final approval by AYE votes of all present to Minor Subdivision No. 229, a subdivision of 7.34 acres into two commercial lots in the General Commercial District of the East Valley Corridor specific Plan located on the north side of Redlands Boulevard, approximately 645 feet west of Alabama Street (Abrams Development Company, applicant for Pep Boys).

Tentative Tract No. 14232 and C.U.P. No. 545 - Time Extension - Noting a new State law has been enacted which automatically grants two-year time extensions for subdivisions, Councilmember Foster moved to ratify the request for a two-year time extension to September 24, 1995, for Tentative Tract No. 14232 and Conditional Use Permit No. 545, a residential subdivision of approximately 45 acres into 20 lots located south of State Route 38, 1¼ miles west of the Mill Creek Ranger Station (Paul Marshall, Catalina Development, applicant). Motion seconded by Councilmember Milson and carried by AYE votes of all present.

CONSENT CALENDAR

Minutes - Minutes of the meeting November 2, 1993, were approved as submitted.

Bills and Salaries - Bills and salaries were ordered paid as approved by the Finance Committee.

Resolution No. 5034 - CEQA Guidelines - On motion of Councilmember Foster, seconded by Councilmember Milson, Council adopted Resolution No. 5034, a resolution of the City Council of the City of Redlands amending Resolution No. 4953 by adding two additional staff members, the Fire Chief and Municipal Utilities Director, to the Environmental Review Committee.

Cultural Arts Strategic Plan - On motion of Councilmember Foster, seconded by Councilmember Milson, Council approved by AYE votes of all present the 1994 Strategic Plan as recommended by the Cultural Arts Commission.

Quitclaim of Roadway Easements - On motion of Councilmember Foster, seconded by Councilmember Milson, Council authorized by AYE votes of all present a quitclaim of roadway easements at 12703 and 12727 Valley View Lane which were originally dedicated to the County of San Bernardino in error in 1981.

PUBLIC COMMENTS

Water Bill and Street Sweeper - Informing the City Council his water bills were too high, Mr. Tony Martinez suggested granting a 10-15 percent discount for low income families. He also complained that the street sweeper cannot do their job with all the cars that are parked on the streets; he suggested ticketing these cars.

Citizens Volunteer Patrol - Outgoing Councilmembers DeMirjyn and Milson urged staff to come up with the funds needed to purchase badges for the Citizens Volunteer Patrol as they are the only group that does not have badges.

Recess and Adjournment - The City Council meeting recessed at 8:30 P.M. to a closed session for the purpose of discussing property acquisition and pending litigation. In accordance with State law, the City Attorney prepared a confidential memo to the City Council providing justification for the pending litigation portion of the closed session. No report was expected following the closed session.

Next regular meeting, December 7, 1993.

City Clerk