

**MINUTES  
CITY COUNCIL REGULAR MEETING  
MAY 22, 2012 - 6:00 p.m.**

**CALL TO ORDER**

The regular meeting of the City Council of the City of Highland was called to order at 6:00 p.m. by Mayor McCallon at the Donahue Council Chambers, 27215 Base Line, Highland, California.

The invocation was given by Rob Zinn of Immanuel Baptist Church and the Pledge of Allegiance was led by Mayor Pro Tem Lilburn.

**ROLL CALL**

Present: Lilburn, McCallon, Racadio, Scott, Timmer  
Absent: None

**REPORT FROM CLOSED SESSION**

No reportable action

**SPECIAL PRESENTATIONS**

None

**PUBLIC COMMENT**

Mr. Armon Mount stated you may recall Ricky Morales, a 4 year old who fought brain tumors for four years before passing away. Donations are still being made stemming from the efforts of the community, fire department, police department, staff and City Council. It was decided a memorial golf tournament will be held in Ricky's honor. This year will mark the 14th year and has raised over \$300,000 in the fourteen years for the Pediatric Brain Tumor Foundation. He would like to thank everyone for starting the whole project and for those who have stepped up and continue to remember Ricky.

**CITY COUNCIL CONSENT CALENDAR**

**A MOTION** was made by Councilman Timmer, seconded by Councilman Racadio, to approve the consent calendar as submitted with the exception of Item #7 being pulled for further discussion. Motion carried on a roll call vote, 5-0.

1. Waive the Reading of All Ordinances  
Waived the reading of all Ordinances in their entirety and read by title only.

2. Minutes – May 8, 2012 City Council Regular Meeting  
Approved the Minutes as submitted.
  3. Warrant Register  
Approved Warrant Register No. 541 for May 22, 2012, in the amount of \$488,233.98 and Payroll of \$76,498.08.
  4. Treasurer’s Report for April  
Received and filed the Treasurer’s Report for April 2012.
  5. Notice of Completion – City of Highland Photovoltaic Systems Additions, Electrical Retrofit and Reroofing Project Bid Package 2011-03
    1. Accepted the work done from City of Highland Photovoltaic Systems Additions, Electrical Retrofit and Reroofing Project Bid Package 2011-03 (Cook Coatings, Inc.) as complete;
    2. Authorized the Mayor to sign the Notice of Completion; and
    3. Directed the City Clerk to file the Notice of Completion.
  6. Street and Drainage Maintenance District 96-1 Annual Report (Fiscal Year 2012/13)
    1. Adopted Resolution No. 2012-012 giving preliminary approval of the Annual Report; and
    2. Adopted Resolution No. 2012-013 setting June 26, 2012, as the date of the protest hearing.
- RESOLUTION NO. 2012-012  
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND CALIFORNIA, GIVING PRELIMINARY APPROVAL OF REPORT FOR STREET AND DRAINAGE MAINTENANCE DISTRICT NO. 96-1 FISCAL YEAR 2012-13
- RESOLUTION NO. 2012-013  
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA, DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS FOR FISCAL 2012-13 IN STREET AND DRAINAGE MAINTENANCE DISTRICT NO. 96-1, AN ASSESSMENT DISTRICT, AND OFFERING A TIME AND PLACE FOR HEARING OBJECTIONS THERETO
8. Easement Acceptance – Greenspot Road Bridge Project (Project No. brg04005)
    1. Accepted three (3) Grants of Easements for construction of the Greenspot Road Bridge Project from Arnott Poultry and Citrus Ranch LP; and
    2. Directed the City Clerk to record the Grant of Easement.

9. State Homeland Security Grant Program 2010 Allocation
  1. Approved the SHSGP 2010 be used to equip the Highland Emergency Operations Center (EOC) and award the bid to Best Buy;
  2. Approved the following budget adjustment: 001-2000-6040 (Police Department-Equipment) in the amount of \$30,185 and 001-1450-9225 (Revenue-Federal Grants) \$30,185; and
  3. Found the bid received from Unitek as unresponsive.

## **ITEMS PULLED FROM CONSENT CALENDAR**

7. Consolidated Landscape and Lighting District 96-1 Annual Report (Fiscal Year 2012/13)

Councilman Racadio stated we have a negative fund balance to begin with in the amount of \$490,000, our revenue is \$331,000, and our expenditures are \$573,000. It keeps mounting and mounting. He would like to suggest it needs to be addressed on what can be done.

City Manager Hughes stated staff has been working with Southern California Edison on looking into doing LED street lights. City Engineer Wong has been working very closely with Edison and they are still in the process of doing some testing. They have adopted a new tier for this. However, the initial upfront cost of retrofitting is substantial. We have been trying to work on some Federal Grant funds to help offset those costs. We have looked at other types of lights as well but LED seems to be the way to go.

Mayor McCallon stated what the payback is for LED.

City Engineer Wong stated 7-8 years. On major projects such as Greenspot Road, when we do the full improvement, we intend to now start going into LED lights from the beginning. We have also received proposals from our assessment engineers and once we have done additional work on the proposal, it will be brought forth to a committee to see how the committee wants to move forward with it.

Councilman Racadio stated he is concerned as there is a quarter of a million dollar loss this year starting with half a million negative fund balance.

City Manager Hughes stated it is a similar issue as the paramedic tax as well. These rates were set at a level and electrical costs have gone up dramatically over the years. It used to be a fund balance and over the years we have been chipping into the fund balance as the electrical bills continue to rise. Now there is no more fund balance and we are running in the negative.

Councilman Timmer stated we may have to bite the bullet and go for an election. Either we continue to subsidize it out of the General Fund or we have an election.

**A MOTION** was made by Councilman Racadio, seconded by Councilman Timmer, to:

1. Adopt Resolution No. 2012-014 giving preliminary approval of the Annual Report; and
2. Adopt Resolution No. 2012-015 setting June 26, 2012, as the date of the protest hearing. Motion carried, 5-0.

RESOLUTION NO. 2012-014

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA, GIVING PRELIMINARY APPROVAL OF ENGINEER'S REPORT FOR CONSOLIDATED LANDSCAPING & LIGHTING DISTRICT NO. 96-1 FISCAL YEAR 2012-13

RESOLUTION NO. 2012-015

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA, DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS FOR FISCAL 2012-13 IN CONSOLIDATED LANDSCAPE AND LIGHTING DISTRICT NO. 96-1, AN ASSESSMENT DISTRICT, AND OFFERING A TIME AND PLACE FOR HEARING OBJECTIONS THERETO

**CITY COUNCIL PUBLIC HEARING**

No Public Hearing

**CITY COUNCIL LEGISLATIVE**

10. The Planning Center's Professional Service Agreement Amendment No. 5 Budget Augmentation/Scope of Work to Finish the Environmental Impact Report Document for Greenspot Village and Marketplace Specific Plan (City Council Agreement Initially Approved on July 11, 2006)

City Planner Mainez gave a brief review of the staff report.

Mayor McCallon inquired if this will be fully reimbursable from the developer?

City Planner Mainez stated the developer will pay full cost.

City Manager Hughes stated we will not do any work until a deposit is received.

**A MOTION** was made by Councilman Racadio, seconded by Mayor McCallon, to approve The Planning Center's two (2) phase Budget Augmentation in the amount "not to exceed" \$39,745.00 (Phase 1 = \$8,515.00 and Phase 2 = \$29,730.00, plus reimbursable costs at \$1,500.00) to complete final phases of the subject Specific Plan Environmental Impact Report, and approve City Budget Adjustment of \$39,745.00 to be transferred from 001-2100 (unreserved, undesignated) to 001-4100-4554 (Planning Contract Services – Consultant). Motion carried, 5-0.

11. Addendum No. 1 of Professional Services Agreement with Digital Map Products, Inc., for CityGIS Enterprise and CommunityView Website Hosting Services

Assistant Public Works Director Zamano gave a brief review of the staff report.

Mr. Ben Webb, CommunityView, stated this is something a lot of cities are really excited about because constituency engagement is becoming much more important in a lot of cities eyes. This is a way to get valuable information in a really easy to use form. He would also like to mention as the product is updated, which is part of the licensing agreement, and as we have enhancements and new versions, it is all included in the subscription cost. They will be launching a new version of both CommunityView and the internal City GIS version in 4-6 months. You can either search by an APN or search by an address. The detail page will include a full list of information which a typical resident would like to know about a parcel. We have other information which has links for every parcel such as trash pick up schedule, zoning, police and fire information, animal control, water and sewer and other important links and information. The CommunityView website is hosted by their servers and does not impact the City's IT department.

City Manager Hughes stated there are actually two systems, there is CommunityView which will be available to the public, then you have the City's GIS system which is also included in the price.

Mayor Pro Tem Lilburn stated two different realtors phoned her requesting zoning information for two properties. Would this be helpful to realtors?

Assistant Public Works Director Zamano stated yes, it would be. All you would have to do is direct them to the website and they can find the information.

Councilwoman Scott stated she thinks this is great but is a little concerned with too much information being available.

City Manager Hughes stated it does not show any ownership information and does not include assessed values of home.

Councilwoman Scott stated there is no personal information on this website.

Assistant Public Works Director Zamano stated correct.

**A MOTION** was made by Councilman Racadio, seconded by Councilwoman Scott, to approve Addendum No. 1 to Professional Services Agreement with Digital Map Products, Inc., for continued CityGIS Enterprise and CommunityView Website Hosting Services. Motion carried, 5-0.

12. General Fund Budget Adjustments for Fiscal Year 2012-13

City Manager Hughes gave a brief review of the staff report. The first item is a budget item which the Council has already approved regarding boarding and securing dilapidated houses in the amount of \$50,000 to come out of reserves. The RDA salaries and benefits is essentially spreading out the cost for the City Manager's time, Director of Administrative Services Dantuono, Community Development Director Jaquess and other personnel who have charged portions of their time to RDA, is now being brought back into the General Fund in the amount of approximately \$532,000. The full-time Assistant Public Works Director position, it is being proposed this position be funded 100% by Gas Tax. The part-time Assistant Public Works Director position is also being proposed to be funded by 100% Gas Tax. The maintenance worker position is currently not filled and was 100% funded by Gas Tax. We are using the savings from keeping this position vacant to cover the costs of moving the Assistant Public Works Director and the part-time Assistant Public Works Director over to the Gas Tax funds. The part time maintenance worker position is also currently not filled. Retirees who have retired from PERS can only work 980 hours period. It used to be where they could work 980 hours in a year and this was a huge benefit to the cities.

Councilwoman Scott inquired if the part-time position could be a contract employee.

City Manager Hughes stated it could be but we, unfortunately, need the money to balance the budget. The Administrative Analyst position, which was a part-time position, is also now vacant due to the retirement restrictions. The staff member, who had held this position, will now be volunteering for the City. The Sheriff's contract went up \$480,000 this year and that is without adding an additional position. This was a substantial hit to our General Fund. We are able to maintain the level of service; we are not proposing to cut any deputies nor to Public Safety. The way we are able to balance the Sheriff's portion of the increases, and it is what the Council agreed to do last year when we brought in the gang detective position, is fund that position with mining tax funds. We will do this next year as well; this will end up funding this position 100% with the mining tax. The building services charge, staff is recommending the General Fund not be charged. The building services fund is where we charge off the utilities, water and things in relation to utilities. We have been able to establish a reserve fund in this account and staff feels we can adequately fund it out of the reserves and not charge a fee to the various City departments.

Mayor McCallon stated the staff report states it will be charged off at the end of the year based on full time equivalence.

Director of Administrative Services Dantuono stated that is correct.

Councilman Racadio stated so it will be charged to the fund balance.

Councilwoman Scott stated regarding the building services, she noticed there is not an amount in the parks and the parks also includes the Library and there is a substantial utility bill at this location.

City Manager Hughes stated parks are a separate budget and the Library utility bill is paid by the County of San Bernardino.

Director of Administrative Services Dantuono stated the building services are only for City Hall.

City Manager Hughes stated the Senior Planning position, the current staff member who holds this position will be retiring in June and we will be moving over the Economic Development Specialist to this position. The revenues we are looking at, the VLF, we are looking at a \$180,000 loss as the Council is aware. It's another State impact to the City. We will be receiving approximately \$250,000 to help offset the RDA, the amount of time we spend winding down the RDA and doing the Successor Agency functions. This will help offset the costs. We are estimating a property tax increase, our property tax revenues came in better this year than what was initially expected. There is also going to be an increase in the city's property tax revenue because of the disillusionment of the RDA. The City receives 24% of the 1% property taxes which are generated in the City. The other revenue issue was the transfer of the gas tax and this is what was discussed earlier. The two positions, staff is recommending layoffs, effective June 22, 2012, is the Housing Technician positions because those are actively filled positions.

Mayor McCallon stated to summarize as far as positions go, we have two positions we will not fill and there are three we are going to eliminate as well as the two layoffs. What is the full-time employee count going to be once this all occurs?

Director of Administrative Services Dantuono stated currently we have 41 full-time and part-time employees.

City Manager Hughes stated staff will verify and get the number to him.

Councilman Racadio stated these are extremely tough times and he appreciates the amount of time and effort being put into this. He is really sorry we have to eliminate two positions. This is the first time layoffs have occurred in the City of Highland. Obviously a lot of this is caused by what the State is doing to us; the State is in a horrible position.

Mayor McCallon stated obviously we have always, because of our fiscal conservatism, always been able to foist off all of the things the State has done to us but it has gotten to the point now where unfortunately we have no control over the funds being taken away from us. It is a sad day that we have to layoff two people. The remaining staff will have to pick up the slack because obviously the work load does not go down.

Councilwoman Scott stated where do we have funds for emergencies such as our 2010 Flood.

City Manager Hughes stated we have a separate budget for emergencies which is budgeted through the Fire Department.

Councilwoman Scott stated if we were to have another 2010 flood, knowing what we had to pay for the last one, could we cover it.

City Manager Hughes stated the vast majority of that was reimbursed by FEMA. Staff did a very good job handling the reimbursements.

Councilwoman Scott stated one of her suggestions is, crimes committed here against the public, such as graffiti, if we could work with our Legislators to get to where the Courts would have restitution to cities for damages done to the City.

City Manager Hughes stated occasionally we will have someone pay restitution but it is rare.

Councilwoman Scott stated going back to the budget, under Council, she notes the Council has the best of \$145,900. She figured the payroll is approximately \$54,000, leaving \$91,000. She feels we can cut there. She knows when Council goes to the Chamber luncheons, we pay for our own but we have had some pretty hefty expenses going to the League dinners. She would like to suggest anything over \$15, for example, the Council Member pays for it themselves. Regarding the Animal Control, in fiscal year 2011/2012, what was the actual cost of the contract? At the last Council meeting she inquired about the reimbursements and she would like to have this information.

Councilman Timmer stated this Council and previous Councils have worked really hard over the years to be very conservative on our expenditures and now here is an outside source who continues to whittle away at what we can and cannot do. It is really sad when we have to impact personal lives of those who work for the City. The most frustrating is for years the State has mandated we provide certain kinds of housing products such as low and moderate income housing. Here they are now, they are taking our 20% set aside funds and not do housing projects but place the funds in the general fund. We as a City have worked hard with World Changers and with the Housing programs we offered in truly upgrading the houses in the community.

City Manager Hughes stated go back the last five years, what has the State budget been out of sorts, \$16 to \$20 billion every year. The State has never fixed their structural deficient. They are still not fixing the problem. Next year the State will be over budget again.

**A MOTION** was made by Councilman Racadio, seconded by Councilman Timmer, to approve the attached budget adjustments for the general fund in Fiscal Year 2012-2013. Total Expenditure budget adjustments of \$555,630 and Revenue budget adjustments of \$405,740 and to direct the City Manager to implement (2) two layoffs. Motion carried, 5-0.

13. Update on SANBAG, SCAG, Omnitrans, Work Program and Regional/Legislative Issues/Development Issues/Subcommittees/AB 1234 Updates

Mayor Pro Tem Lilburn stated she attended the ICSC Conference in Las Vegas. Her observation is ICSC Conference is the old South Hall, it is now the Central Hall and they have finished the South Hall. It is huge. The City of Highland's booth was located in the South Hall and in that hall there were developers and the financing people. In the Central Hall were the municipalities and the businesses. By the time you actually found one place and found your way out of one of the halls she made 1,250 steps. By the time you get to one booth to another booth, the lay out was interesting, she was not crazy about it. Met with a couple people and went to a couple booths, there was nothing earth shattering. Ran into Glenn Ellsmann with Mission Development, did not see anyone from TREH Development and talked to a couple of people. All in all, it was relatively uneventful.

City Manager Hughes stated this is something we need to reconsider next year, is whether or not to do a City booth. It might be more effective just to send a couple of staff members to walk and target the specific people rather than going through the expenditures as it was a cost to the RDA.

14. San Bernardino International Airport Authority and IVDA

Councilman Racadio stated the main focus has been on the bankruptcy and they are working on a Norton museum. They are still going forward with plans to bring the Sherriff's Department to the facility.

**ANNOUNCEMENTS**

May 28, 2012

Memorial Service at Memorial Park at 10:00 a.m.

**CLOSED SESSION**

None

**ADJOURN**

There being no further business, Mayor McCallon adjourned the meeting at 7:12 p.m.

Submitted By:

Approved By:

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Betty Hughes, MMC  
City Clerk

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Larry McCallon  
Mayor