

**MINUTES
CITY COUNCIL REGULAR MEETING
FEBRUARY 25, 2014**

CALL TO ORDER

The regular meeting of the City Council of the City of Highland was called to order at 6:03 p.m. by Mayor Racadio at the Donahue Council Chambers, 27215 Base Line, Highland, California.

The invocation was given by Tim Evans of The Unforgettables Foundation and the Pledge of Allegiance was led by Councilwoman Scott.

ROLL CALL

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

REPORT FROM CLOSED SESSION

No Reportable Action

SPECIAL PRESENTATIONS

None

PUBLIC COMMENT

None

CITY COUNCIL CONSENT CALENDAR

A MOTION was made by Councilman Timmer, seconded by Mayor Pro Tem McCallon, to approve the consent calendar as submitted. 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.
3. Warrant Register
Approved Warrant Register No. 578 for February 25, 2014, in the amount of \$762,625.29 and Payroll of \$78,771.36.
4. Treasurer's Report for January 2014
Received and filed the Treasurer's Report for January 2014.

5. Easement Acceptance/5th Street Improvements Project (Phase I)
 1. Accepted the Grant of Easements for Road and Drainage Purposes from Snipe Equipment, LLC, William Morgan, Jr., and Eden Morgan; and
 2. Directed the City Clerk to record the Grant of Easements.

6. Twentieth (20th) Annual Highland Community Trails Day Event and Natural Parkland Interpretive Trail Ribbon Cutting

Approved Saturday, May 3, 2014, as the Date for the Twentieth (20th) Annual Highland Community Trails Day Event and the Use of the City's Natural Parkland Trails Systems Located at the Easterly Terminus of Base Line. In addition, this event will serve as the official ribbon cutting and mark the successful completion of the Natural Parkland Interpretive Trail Project.

ITEM PULLED FROM CONSENT CALENDAR

2. Minutes – February 11, 2014 City Council Regular Meeting

Councilwoman Scott stated on page 10, it states the Motion and the Motion being carried on a 4-0 with Councilwoman Lilburn abstaining. Councilwoman Lilburn was not in the room when the vote was taken.

City Attorney Steele stated for purposes of the statute, Councilwoman Lilburn did abstain and she is required to leave the room under the Political Reform Act.

A MOTION was made by Councilwoman Scott, seconded by Councilman Timmer, to Approve the Minutes as amended. Motion carried, 5-0.

CITY COUNCIL PUBLIC HEARING

No Public Hearing

CITY COUNCIL LEGISLATIVE

7. Approval of Co-sponsorship for the Redlands Bicycle Classic Highland Circuit Race to be held on April 2, 2014

Community Services Manager Morgan gave a brief review of the staff report.

Councilwoman Scott asked which budget does this come out of.

City Manager Hughes stated it is actually Staff time so it is accounted for within their budgets.

Mr. Eric Riser, Race Director for Redlands Bicycle Classic, stated they have several avenues they wish to approach on this. The primary one being a mailer approximately 2 weeks before the event to all the residents within the affected area and in nearby areas that can be affected. They also plan on utilizing the City's website to provide notices to the residents. They will also possibly be posting a couple of signs on Base Line weeks in advance advising of road closures on the date of the event.

Mayor Racadio stated the more notice we give, the better it will be.

A MOTION was made by Mayor Pro Tem McCallon, seconded by Councilman Timmer, to approve the Redlands Bicycle Classic Committee's request to waive City permit fees and staff time in the amount of approximately \$6,827.00. Motion carried, 5-0.

8. Monument Sign Encroachment in Public Right-of-Way/East Valley Water District Headquarters at 31111 Greenspot Road

Director of Public Works/City Engineer Wong gave a brief review of the staff report.

Mayor Racadio stated we have the section where it states East Valley shall remove or relocate upon written notice from the City at any time if the City terms the sign will be in conflict of public improvements. What if we added public safety?

Director of Public Works/City Engineer Wong stated yes, these are our conditions. We can add that.

A MOTION was made by Councilman Timmer, seconded by Councilwoman Scott, to approve the encroachment of a monument sign within Greenspot right-of-way in front of the new East Valley Water District headquarters subject to conditions of approval with the conditions amended to include Public Safety. Motion carried, 4-1, with Mayor Pro Tem McCallon dissenting.

9. Greenspot Road Infrastructure Improvements Funding Issues

Director of Public Works/City Engineer Wong stated he would like to give a brief general overview and he will use rough numbers rather than the exact numbers because there are many numbers we are dealing with. Basically the Greenspot Road project that has been under construction has two major contracts that go along with it. The first one is a contract with Mamco Construction which is the company that is doing all of the service roadway and drainage work as well as the future landscaping. Then there is another contract with Edison to have the existing overhead transmission lines, underground relocated to a different location. The third contract is a contract with PB to provide consulting engineering service for construction management. These are the three major contracts. To give a brief overview of the cost of the contract, these contracts have experienced cost increase. The Edison contract for example, Edison

informed us a couple of weeks ago that their estimate was low and they think it will cost another \$1.5 million. Staff is thinking that if they say there's going to be an increase of \$1.5 million, we are estimating that there may be a \$2 million increase because we want to add a contingency. There are also other components of the project that he didn't explain because of this detail but Edison contract is going to have a \$2 million increase. Then the construction contract will roughly have about a \$1 million increase and PB contract for construction will have about \$200,000. This added together is about \$3.1 million total cost increase, but in the meanwhile the City was able to receive some grant funding to help offset some of the increase. In essence, at the end the City needs to come up with about \$2.6 million of additional revenue if we want to finish everything like at one time we wanted to do. Or the City Council can decide we don't want to come up with this money and maybe cut some construction items out of the contract. Later we can look at what items can be used to delete if you intend to do so. The first action for this particular item would be to decide what to do with the funding. Once you have decided what to do with the funding then we can look at each of three contracts. For example, if you decide to cut out the undergrounding work, then we will deal with Edison and ask Edison to stop doing any further work that they haven't done and relocate the power poles to the street for a lesser cost. Then we can also go to the MAMCO contract and tell them we don't want to do this, and that therefore we would renegotiate and reduce the project cost with them. He would like to draw Council's attention to the Edison transmission route on page eight of the Staff Report. What you see there is the dash line that goes along Greenspot Road from the Edison substation goes west on Greenspot and then goes north in the Golden Triangle area and then goes west along Eucalyptus Avenue. The proposed work is to replace that with an underground line following the solid line on the map. Mainly move the transmission line from Greenspot Road to Boulder Avenue, but making it from an overhead line to an underground line. We paid Edison \$3.1 million and they came back and said well they need another \$1.5 million more. We think that by the time we add other things to it it's probably another \$2 million. So the total cost for this work is about \$5.1 million of which they spend about \$400,000. If you want to delete this work we think the total project cost will have a reduction of about \$4.9 million. If we delete this item we can reduce the total cost from \$17.3 million and have about \$4.9 million of savings with just this item alone. For example on page five of the Staff Report if you look under funding option 3 there are five items that you can consider cutting if you decided to do so. The first one is the Edison work with a savings of \$4.9 million. The second one, you can delete the intersection decorative pavers on two existing intersections, one in front of the Lowe's and the other in front of Staples. If you delete the decorative pavers you can save about \$300,000. If you want to take away the parkway decorative lights along both sides of the street, there's another \$350,000 in savings. Further, if we remove the decorative lights in the median similar to the lights on Base Line, there's another \$250,000 in savings. Lastly, the median landscaping is about \$250,000 and if you don't want to do that, that's a savings too. Basically what you need is another \$2.6 million to complete the project or if you want you can cut \$2.6 million out of these five items. Of course, if you cut the undergrounding work, you save \$4.9 million which is more than the \$2.6 million. In the fiscal impact there is a piece of information that might be of interest to you

because there is some additional un-programmed RDA money that we have, a result of saving from the new Police Department, which is \$2 million. This \$2 million of savings is currently not programmed to do any project with, and you can use it here, or you can use it on other street improvement projects.

City Manager Hughes stated actually you can only use it for street improvement projects that were on the list when we issued the bonds. You can't just use it anywhere in the City.

Mayor Racadio asked was this project on the list?

City Manager Hughes stated yes, it was on the list.

Mayor Racadio stated he has a request from Glenn Elssmann to speak after the Council has made comments. Does anyone have an issue with this?

Councilman Timmer stated he was going to suggest rather than try and talk about it as a blanket umbrella, why don't we attack the undergrounding, resolve that, and then go to the road improvements, rather than try to mix and match and talk about other future projects.

Councilwoman Scott stated the undergrounding, to her, is number one.

Councilwoman Lilburn stated the undergrounding, isn't there two different, there's the frontage of Greenspot and the property.

Director of Public Works/City Engineer Wong stated if you look at the aerial photo on page eight.

Councilwoman Lilburn stated she wants our residents to benefit from this project.

Director of Public Works/City Engineer Wong stated okay, you have an existing overhead line along the south side of Greenspot, and then that existing overhead line continues to go north from about where the mini storage is going north, and then it kind of bisects the Greenspot Village and Marketplace project. The project is to remove the overhead lines and then go to Boulder Avenue and put in the new underground lines. When this is done, you won't see any overhead lines on Greenspot and you don't have any overhead lines in the private property.

Councilman Timmer stated if we go back in history a little bit, when we approved the bonds for these we listed projects in priority order. Number one was undergrounding and then we knew the list of projects, which we never had enough money for, and that is why we are talking about some of the road stuff now that we talked about adding in, because we knew there was going to be a short fall. However, when we talked about the undergrounding we had numbers of \$2.5 to \$3 million and now we are over \$5 million. Knowing Edison, it's probably going to be close to \$6 million when we are done. His first inclination is, he knows they are putting some Rule 20A money into it, do you know offhand how much that was?

Director of Public Works/City Engineer Wong stated the number Edison gave us is already taking into account the credit, so there's no more credit.

Councilman Timmer stated his first inclination was to eliminate the undergrounding altogether, move the poles back from in the street right of way because we have a policy that we underground smaller voltage lines, but these ones, and we knew it would be expensive, but nowhere in his mind that we are talking \$5 or \$6 million to do this. His first inclination is to eliminate the undergrounding, which then gives us more flexibility to finish the street so it looks completed like Base Line with street lights and landscaping. He knows some of us don't like that stuff, but at least the perception by the public who drives up and down Greenspot are that it is finished and there's a benefit. The traffic is now flowing three lanes each direction and so forth. That is his thing. We've got money and plus we may now have some additional revenue to look at some other things that were included in the bonds that would meet better needs for street widening or curbs and gutters. He is going to recommend we talk about the undergrounding first, get that resolved, and then go to the street improvements.

Mayor Pro Tem McCallon asked on the undergrounding, do we have the easement required from the property owner to be able to underground that?

Director of Public Works/City Engineer Wong stated he understands the arrangement is being made that the City will use \$138,000 to purchase.

City Manager Hughes stated the documents have not been signed.

Mayor Pro Tem McCallon asked why the documents haven't been signed.

City Manager Hughes stated we have been waiting for signatures from the property owners.

Mayor Pro Tem McCallon stated it seems as though they are holding us back; he doesn't understand that. We are going to have to do something with those poles right now. If we don't underground, his preference would be just to leave the poles in the middle of the property and let the developer take care of moving them at some point. There are some that are along Greenspot that are going to have to be moved.

City Manager Hughes stated the ones on the south side of Greenspot would absolutely have to be moved because they are actually where the street needs to be. Those would have to be moved no matter what.

Councilman Timmer stated the Staff Report talks about that and we are not sure yet whether we would have to pay for the relocation or if Edison would have to do that.

Mayor Pro Tem McCallon stated he agrees since the developers have dragged their feet for so long on getting the easement to us so we could proceed with this undergrounding that maybe we just don't do it and we leave the poles in the middle of the property and they can move them when they develop the property.

Councilwoman Scott stated number one, the undergrounding, the decorative pavers, the decorative lights, the median, and you know how she feels about medians, median decorative lights and the median landscaping that's all fluff. To her the important thing is, and has been since we became a City, is underground the utilities. Get rid of the poles and so forth. We need to underground the utilities and she can't understand why it's going this way.

Director of Public Works/City Engineer Wong stated the alignment of the underground lines fits better with the design of this development.

Councilwoman Scott asked what do you mean fits better with the development. We haven't got any development there. What would fit best for the City to get the undergrounding done? Let anything with the development back here be the developer's problem.

Mayor Racadio stated to Councilwoman Scott the priority is to get it the cheapest way across but underground it.

Councilwoman Scott stated yes her priority is get it undergrounded the cheapest way without helping out the developer.

Mayor Racadio stated on 66 KB, it was determined at one time that 66KB was too expensive to underground.

City Manager Hughes stated typically 66KB lines...

Councilwoman Scott stated it is expensive but if it costs \$9,000 now, ten years from now it's going to cost \$29,000. She means millions, \$9 million.

Mayor Pro Tem McCallon asked is there some reason that it needs to go that route rather than just up Boulder and then across on Eucalyptus? Why is this route chosen?

City Manager Hughes stated there were utility issues on Eucalyptus. Eucalyptus already has too many utilities in it. That was the preferred route, but Edison has determined that it wouldn't make it as it is too crowded there.

Mr. Glenn Elssmann, Greenspot Village and Marketplace, stated there are a couple of key points that are really worth noting here. Starting off with the angst that he is hearing from the Council as to the purchase of the easement and the delay of the easement. He thinks there are some very clear and simple answers as to why the documents have not been signed and why that transaction has not occurred. Number one, the extensive work that it takes to get the project engineered, the alignment approved by Edison, the legal descriptions written,

and ultimately the delays that it has taken to get the feedback and the corrections between Edison and the third party engineer to get a document that is even executable, he believes only occurred maybe about 30 days ago or less. So the documents have not been ready number one. He would also like to clarify another point of angst that he hears at different meetings, and that is the fact that there is a purchase of this easement. In the report that was made at the time, he would like to remind the Council that this is a piece of property that has to be constructed, the grade and the level of the dirt to expand the construction area has not been done. The purchase is to construct, they are delivering a constructed pathway for the right of way to occur. It's not just a purchase of vacant land, it has a very specific reason for it, and he thinks this needs to be clarified for the record. He thinks the other thing that needs to be clarified is that Greenspot Village and Marketplace along with Greenspot Holdings Company has dedicated above and beyond what the normal right of way was, significant acreage to allow the storm drain to be constructed, which originally we had designed so we wouldn't need to use it. Now there was original capacity so we have access to it, but that was to allow drainage for the street as well as the south side vacant properties as well. That was given at no charge because you know the County required nearly \$90,000 to purchase the right of way and they are not constructing anything. So this has been a long time collaborative process and your Staff Report goes back to 2007. The discussion on the design and location and how all of this was going to be done go back even further. Unfortunately, these projects take a long, long time to get everything finalized. Now we are at this particular point, and he can assure the Council that the route that was chosen is, in fact, the shortest route, because the substation is just south of Webster and it goes straight north and they put it to the edge to expand and have a nice improved trail system and so on along Boulder, and because, as the City Manager pointed out, they can't go through down Eucalyptus because there are two water lines and sewer lines and so forth. They actually designed the project to come back through Greenspot planning area two and that has all been laid out in the site plan that you have seen. The other part of this that is important is that yes, clearly a huge section of it is on the south side, a section of it goes straight through the middle of Golden Triangle, but it also stays underground and there's a number of residences that are on the north side that are not a part of their development and they get the benefit. All those power lines will be removed from that neighborhood going north on Calhoun. In addition, as part of their project, they will be taking the distribution lines and actually running it so all residents on Calhoun will have underground direct access into their homes. So that entire corridor through the residences on the north will be cleaned up, and in addition to the entire corridor as you go down Greenspot will be completely cleaned up. So early on there was discussion as this was being prioritized; do we keep it above ground and move it and relocate it along Boulder Avenue, not underground it but rather just put it on poles above ground there in order to open up the whole corridor along Greenspot Road. The decision at the time made sense to underground it. It appears from the Staff Report that this matter can be addressed with the savings from the original bond that have not been allocated and the match from the State along with the Development Impact Fees. It should be noted as well that those fees that the Golden Triangle are going to be paying, not just Greenspot but the whole Golden

Triangle, is going to be tens of millions of dollars that will go toward future road widening and other projects that are on the list. He thinks the City should be commended for going out on a limb and getting Base Line done. He doesn't think there are any complaints about that. He thinks it looks spectacular and helps the community. They are just as sorry as anyone else that these costs have increased. However, the notion to say leave the poles there and let them deal with them, they will not underground them. They cannot bear that burden so they will not be undergrounding them. They will have to redesign their project and those poles will stay. There's another property owner who he believes will make some comments, whose those lines go through their property. So they don't even control all the properties at Greenspot Village and Marketplace. So he hopes that has addressed some of the questions and concerns. He thinks sometimes with all the frustrations and delays and what happen here which are beyond frustrating for their side in terms of what has occurred economically and so forth. They are all after the same goal and the question is five, ten, twenty years from now are we going to say the job was done to look great for generations down the road, or did we stop when the intent of the investment is to unlock investments that are going to pave the way for future significant improvements for the community as well. That's not just for Greenspot Village and Marketplace; there's Flood Control property, there's Greenspot Holding Company and there's the south side of the street just so everyone is clear on the conditions of approval. They have been concerned that their projects pay 100% of this project; they can't do that. So they are not in support of the conditions as they are today and they have not made a fuss about it because they have felt this is going to be resolved and it has been resolved over the last year in terms of being able to move forward and address these different items. They hope and request that the Council take the recommendation to divert the existing unallocated savings from the RDA bond and match the difference with the State money and let's get this project done to the benefit of the entire community. Not just to benefit one property owner; it's designed to be a regional benefit and that's what they hope the Council will consider.

Councilwoman Lilburn asked are you willing to forfeit the \$130,000?

Mr. Glenn Elssmann, Greenspot Village and Marketplace, stated they are more than willing to repay that. They have already agreed that they have been willing to do that. Those funds need to be expended to construct this so everyone knows everything is ready to go on their end to begin construction in less than seven days, but this decision has to be resolved so that they know how it's going to be resolved so that they can go forward. They have the contractor Mamco, Alabassi construction ready to go, all the documents on their side are ready to go. They did have one signer who was out of the Country but is back to sign the agreement.

Mr. Doug Goodman, Managing Member of Greenspot Holding Company, stated if you look on page eight of the Staff Report, they own just slightly less than 11 acres that fronts on Greenspot Road and it's the entire frontage between the existing overhead transmission lines and Webster Street; it's about 1,300 lineal feet. It seems rather clear to him that the decision that the Council is going to be

making, and he doesn't know if a decision will be made tonight but the decision that is going to be made has a very, very direct impact on the value and the marketability and develop ability of all the properties along Greenspot. If you pull the plug right now then obviously your conditions of approval will lie with whatever development comes, and that will increase the construction costs. So it's a little surprising and a little disappointing that he just finds out about this this morning, that this was going to be discussed this evening. He would sit down and smile when he goes home tonight if the Council said, yes, let's do everything, get everything done. That would be great and it sounds like that is not likely and perhaps improbable. It seems to him then that the Council's decision might need to have the influence of all the property owners, Treh Partners on the one side, everything on the south side as well as theirs. They represent approximately 20% of the frontage, and whatever you decide impacts their property value and how they are going to market this property and how soon it's likely to develop. So it just seems that while the Council is trying to be community conscious, which is the right thing to do, you also have reason to be development conscious in the Golden Triangle and he doesn't think you want to shoot yourself in the foot by making the decision that may slow things down even more in the development of this property. He hasn't absorbed everything to say this is what he thinks should be done, he just wants to encourage the Council to take into consideration and maybe have a workshop with all the property owners if you are going to stop some of the work that's done. There may be some property owners who say hey, I want to contribute and let's get this done right now. He can't make that commitment, and he doesn't know if anyone else can, but at this point he thinks it's important to find out. This is a bigger decision than just finances he believes, but it has to do with unlocking the value of the Golden Triangle and how do you best do that.

Councilwoman Lilburn asked how come Mr. Goodman just found out about this today?

Director of Public Works/City Engineer Wong stated Mr. Ellsmann has been involved in this and he sent him a copy of the Staff Report. He guessed in his mind Mr. Ellsmann is the coordinator of that group so he did not send it to everyone.

Councilman Timmer stated we took action quite a long time ago that we wanted to look at undergrounding and the route that is displayed on that page was the route that was selected. He knows at one point the initial proposal was to put the power poles on that alignment above ground and we said no, we want it underground. Do we know what kind of savings we would generate? Ultimately he would like to see Greenspot cleaned up with power poles. What kind of savings if we said we would now allow above ground 66KB to follow the proposed route that's delineated on map A. Obviously undergrounding is far more expensive than just putting in poles; do we have any idea what the cost savings would be?

Director of Public Works/City Engineer Wong stated we have not asked Edison to do that estimate but he would think the savings would be substantial. He is guessing, okay, but he would say about \$5 million to do the underground work, the overhead he is guessing is \$2 million would be generous, but that's the best he can do is guesstimate.

Mayor Racadio stated it's just a guesstimate but somewhere in the neighborhood of saving about \$3 million.

Councilwoman Scott stated we committed the \$14 million that was the \$12 million and then the \$1.5 million the City committed, and then we had the return and then in 2014 you needed \$15 million and now it is \$17,338,050. How much have we already spent on this project?

Director of Public Works/City Engineer Wong stated if you look at page nine, there is a listing of monies the City has already paid out.

Councilwoman Scott stated so we have already put \$10,198,849 into this.

Director of Public Works/City Engineer Wong stated but they are not all spent, because out of the \$10 million something, he thinks you can see a figure under Southern California Edison of \$3.119 million. That's the money we have already given to Edison as a deposit but they have not spent all of it. They have spent about \$400,000 of it so therefore out of the \$3.1million dollar deposit we still should have about \$2.7 million left.

Councilwoman Scott stated okay, so let's say Edison gave us back the whole \$3 million, so we would already have \$7 million into the project that's gone. She is not really willing to let that go. She realizes the storm drains were part of it, but we have expended so much already, let's get the job done. Like she said, cut out the fluff.

Mayor Pro Tem McCallon stated he understands what Councilman Timmer is saying but to him running the poles above ground along Boulder which has nothing now is going to.

Councilman Timmer stated it doesn't appeal to him either but he was looking at some alternate way of still cleaning up Greenspot but we are placing poles in place for another place.

Mayor Pro Tem McCallon stated he is torn on this and would like to see the undergrounding done. It's going to be a real benefit not only to their project but for the City as a whole to have that done. If truly one week we can have everything available, signed, construction started, that's hard to believe since it's been promised before, then he would prefer that we go ahead with the undergrounding.

Councilwoman Lilburn stated she agrees with Mayor Pro Tem McCallon. Unfortunately, when this project came before us we agreed that this was a priority and that we should do the undergrounding. She's not particularly crazy that we are doing it on the developers property and she doesn't believe construction will start in a week but that's her own feelings. She agrees with Mayor Pro Tem McCallon that we need to go forward and do this undergrounding for the benefit of the entire project down there and then perhaps as the due time goes by maybe we can find some additional money to finish those other projects, but she thinks the undergrounding is very important to make that project what it is going to have to be.

Councilman Timmer stated we will never have other money because redevelopment no longer exists.

Councilwoman Lilburn stated she knows that but you know we've gotten some grants for some of it and some DIF fees or whatever the case may be and unfortunately she would love to see the pavers and all that too but she think this project has to happen.

Councilman Timmer stated let's go back to the \$130,000 for a minute, because the developer says he is willing to do that. However, the last copy we got from the developer agreement they scratched all that reimbursement, they took it out automatically. So we're hearing two different stories. To him this is a fiscal issue; we don't really have the money to do this, and we're going to take money from other areas that we could do other things, fix up Cunningham Street and some of those streets.

Councilwoman Lilburn asked doesn't this money have to go for this project?

City Manager Hughes stated no, you can use the money for any project that the bonds were issued for.

Councilwoman Lilburn stated she just thinks this project has to be finished and we go on the premise that we don't believe anything, that we're doing it because we are doing the improvement for the project not because we believe anything else.

Mayor Racadio stated the way he looks at this is, to do it, complete it with everything we originally anticipated, would be \$17,000,600.

Director of Public Works/City Engineer Wong stated we need to come up with another \$2.6 million.

Mayor Racadio stated we are \$2.6 million short, and if we use the \$2 million from the savings from the police station, which we could use it there, and that would mean we would be \$600,000 short. If we were to go down that list on page five, option #3, if we want to balance the budget on this we would have to take out \$600,000 out of there. Let's say we did B and C on option #3, the pavers and decorative lights, we would do that, and we would be there. If we took out the

undergrounding we don't cut anywhere else, there would be more than enough money, but you would also have the issue of those 66KB lines above ground going up Boulder and over to Calhoun. In the past when it came to 66KB we don't underground 66KB, and he sees it if we are going to go with everything and if we're going to do that road he thinks we ought to do it like Base Line and complete at least the median landscaping decorative lights. We would have to at least cut out at least two of the B-E or find \$600,000. One is we are willing to move the \$2 million over from unused money from the police station that takes us close to the \$17 million, makes us about \$600,000 short and then make the cuts for the \$600,000 or try to find money for that.

Councilwoman Lilburn asked if Edison will renegotiate at all.

Director of Public Works/City Engineer Wong stated Edison is going to charge us their cost because it's done on a timing material basis. That is not negotiable; they are not going to put any money into this project.

City Manager Hughes stated if it is the Council's desire to go forward with the majority of this maybe if you looked at Item #B the decorative pavers, the \$305,000, if you remove that and did the other things you still have a finished looking project. You would have all your lighting in, it would be a complete project. You would miss one little design element but it would look like it's complete and done. This would leave about a \$300,000 hole that you still have to find and we do have half a million dollar contingency that is out there as well.

Councilman Timmer stated we have to finish the median so it looks complete with the lights and landscaping and so forth. He's always had concerns with the street pavers and if you notice out here on Base Line already they are starting to get discolored with oil spots and he would think that would be an easy one we could cut, and if we ever want to do that later with a grant we can certainly do that. At least the street will be finished.

Mayor Pro Tem McCallon stated he likes City Manager Hughes recommendation so he would like to make that a Motion that we do everything but cut out B.

City Manager Hughes stated we can look at the south side of the street, we will do the decorative parkway lights in front of the improved projects, in front of Lowe's and the storage facility but if its unimproved frontage on the south side or the north side of the street we won't do the decorative parkway lighting. That might save about \$200,000. Between that and the contingency there you will probably close the gap and be really close.

Councilman Timmer stated this takes all of our flexibility away for doing other things later. All the money is gone now, it's gone, and there is no other money to do anything else in the City.

Mayor Racadio stated and the \$300,000 that we are short, he is still a little confused.

City Manager Hughes stated when we finalize the project and everything is said and done we will have to do an accounting. It will mean something else isn't going to be done in the City if the contingency all used maybe.

Mayor Racadio asked if we go through the undergrounding as the Motion is here, when can we expect those poles will be removed from the road?

Director of Public Works/City Engineer Wong stated September. That is Edison's estimated completion time for the underground project.

Mayor Racadio asked and we plan on opening the road, fully developed, fully completed when?

Director of Public Works/City Engineer Wong stated we would open that road except for that one lane sooner. He thinks by June or July.

Assistant Public Works Director Zamano stated we could complete project substantially, but because those poles on the south side wouldn't have been underground till September we couldn't finish. We have in our contract, we have that the contractor is going to come back and remobilize and finish out the work, but essentially we are looking at July or August timeframe to be substantially complete so that everything is done with the exception of the one lane on the south side heading east bound.

Councilwoman Scott asked if Edison would be responsible for moving the poles, if we didn't go ahead with the undergrounding, could we find out what the cost of moving those poles would be and see if we couldn't negotiate with Edison to cut that much off their undergrounding bill?

City Manager Hughes stated Edison does not negotiate.

Councilman Timmer stated he would like to submit a substitute Motion. His Motion was going to be to eliminate the undergrounding, eliminate Item #B the paving and that would give us some fiscal ability to do other projects in the City which he thinks is high rated, because he doesn't see this thing developing for a long time. He would improve like what we are doing on Lillian Lane right now; there are a lot of streets where we could invest that money.

Mayor Pro Tem McCallon stated that is not necessarily true. Where could the money be spent?

Councilman Timmer stated if they are listed in the bonds, many of those streets are listed in the bonds as he understands. Anyway, that was his substitute Motion and he would also like to add that the \$130,000 issue to him has always been a real sensitive one and why we ever did that and why he ever voted for that, he would like to explore rescinding that agreement as they have already taken it out of the agreement themselves. So why would we want to continue giving money to something they didn't feel, they wanted the City to subsidize that and he's not sure how to do that.

City Manager Hughes stated if the Council wants to go forward with the undergrounding, if that's the desire of the Council and to get it done in a timely fashion then we need to have that agreement for the \$130,000. If you want it done in a timely fashion and want the poles out of the street in September, hopefully, then we need to go forward with that agreement.

Mayor Racadio stated the substitute Motion is on Option #3, to delete A and B and thereby we would not have to use the \$2 million of the savings from the police station.

City Manager Hughes stated if you were to delete Item A, it would automatically happen, you wouldn't need the \$130,000 agreement.

Mayor Racadio called for a second on the substitute Motion by Councilman Timmer.

Mayor Racadio seconded the Motion.

A MOTION was made by Councilman Timmer, seconded by Mayor Racadio, for Option #3, to delete A and B and thereby we would not have to use the \$2 million of the savings from the police station. Motion failed 2-3 with Councilwoman Lilburn, Mayor Pro Tem McCallon and Councilwoman Scott dissenting.

A MOTION was made by Mayor Pro Tem McCallon, seconded by Councilwoman Scott, to go with Funding Option #3 and delete section B which is the decorative pavers. Motion carried, 3-2, with Councilman Timmer and Mayor Racadio dissenting.

Funding Option 3 – Delete one or more of the following items from the SCE and Mamco Contracts:

- a. Utility undergrounding (Saving - \$4,903,503)
- b. ~~Intersection decorative pavers (Saving - \$305,000)~~
- c. Parkway decorative lights (Saving - \$331,500)
- d. Median decorative lights (Saving - \$246,400)
- e. Median landscaping (Saving - \$246,000)

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

None

11. San Bernardino International Airport Authority and IVDA

None

ANOUNCEMENTS

March 6
April 29

League of California Cities Dinner Meeting
Joint Meeting with RUSD

CLOSED SESSION

None

ADJOURN

There being no further business, Mayor Racadio adjourned the meeting at 7:23 p.m.

Submitted By:

Approved By:

Betty Hughes, MMC
City Clerk

Larry McCallon
Mayor Pro Tem