

**MINUTES
REDEVELOPMENT AGENCY AND CITY COUNCIL
REGULAR MEETING
JULY 28, 2009 - 6:00 p.m.**

CALL TO ORDER

The regular meeting of the City Council and Redevelopment Agency of the City of Highland was called to order at 6:01 p.m. by Mayor Lilburn at the Donahue Council Chambers, 27215 Base Line, Highland, California.

The invocation was given by Reverend Jason Barker of Immanuel Baptist Church and the Pledge of Allegiance was led by Councilman McCallon.

ROLL CALL

Present: Jones, McCallon, Scott, Timmer, Mayor Lilburn
Absent: None

SPECIAL PRESENTATIONS

Mr. Sam Racadio, YMCA Board President, gave a brief YMCA update.

COMMUNITY INPUT

Mr. William Wise stated he has a concern with the Highland Police Department. The concern is more so not with the response of the officers involved. He has provided the Police Department with adequate information regarding the incident. After phoning the Police Department, he was informed the investigation had not progressed any further beyond the initial complaint. He was also informed the investigation is the sole responsibility of the responding officer. He just feels his complaint was not handled adequately.

Ms. Linda Spitzer stated her neighborhood has an irrigation line that is broken and has flooded the intersection recently. She is asking for assistance with rectifying this situation.

City Engineer Wong stated he will be contacting the residents regarding the irrigation line.

City Manager Hughes stated he would like to request an item be added to the agenda regarding the Human Wrecking Machine Television Show and be listed as Item #18.

A MOTION was made by Councilman McCallon, seconded by Mayor Pro Tem Jones, to add Item #18 regarding the Human Wrecking Machine Television Show to the agenda. Motion carried, 5-0.

CITY COUNCIL/REDEVELOPMENT AGENCY CONSENT CALENDAR

A MOTION was made by Councilman McCallon, seconded by Mayor Pro Tem Jones, to approve the consent calendar as submitted with the exception of Item #3 being pulled for further discussion. Motion carried on a roll call vote, 5-0, with Councilwoman Scott dissenting on Item #2 and Item #6.

1. Waive the Reading of All Ordinances
Waived the reading of all Ordinances in their entirety and read by title only.
2. Warrant Register
Approved Warrant Register No. 488 for July 28, 2009, in the amount of \$2,588,018.79 and Payroll of \$76,917.15.
4. Paying Off Two RDA Advances from the City
 1. Authorized the payoff of the two advances from the City to the RDA effective June 30, 2009; and
 2. Authorized the following budget adjustment: Transfer \$71,054.25 from 083-2100 (unreserved, undesignated) to 083-8030-5100 (principal) and \$20,155 from 083-2100 (unreserved, undesignated) to 083-8030-5200 (interest). Funds would be paid out of the RDA Debt Service funds. There are adequate funds in this fund to do so.
5. Easement Acceptance/9th Street Sidewalk Improvements
 1. Accepted the Grant of Easement for Road and Drainage Purposes from East Valley Water District; and
 2. Directed the City Clerk to record the Grants of Easement.
6. Grant Deed Acceptance of Old Post Office Building Located at 27169 Base Line (APN 1192-421-02)
Accepted the Grant Deed transferring title for the old post office building from the Erwin Family Trust (Robert and Charlotte Erwin) to the City of Highland Redevelopment Agency and direct the City Clerk to record the Grant Deed with the County Recorder.
7. Notice of Completion – Bid No. 2008-13 “Ninth Street Improvement Project”
 1. Accepted Bid No. 2008-13 “Ninth Street Improvement Project” as complete;
 2. Authorized the Mayor to sign the Notice of Completion; and
 3. Directed the City Clerk to file the Notice of Completion.
8. Bid Award – Bid No. 2009-25 “Street Improvements for Church Avenue and 9th Street”
Awarded the contract for Bid No. 2009-25 “Street Improvements for Church Avenue and 9th Street” to UST Development, Inc.

9. Joint Agreement for Senior Home Repair Program – Community Development Block Grant

Approved the Joint Agreement for Senior Home Repair Program – Community Development Block Grant, subject to review and approval by the City Attorney.

ITEMS PULLED FROM THE CONSENT CALENDAR

3. Sheriff's Department Schedule "A" Contract for FY 2009-2010

Councilwoman Scott stated the contract is different from the previous contract and there is a decrease regarding the workers compensation. Also, the cost for vehicle maintenance is no longer being invoiced on Schedule "A" and will be invoiced separately. She reviewed the previous year's maintenance costs and she did not find the separate costs for the previous year's maintenance costs.

City Manager Hughes stated the separation of the vehicle maintenance occurred in the prior fiscal year to 2008/2009.

A MOTION was made by Councilwoman Scott, seconded by Mayor Pro Tem Jones, to authorize the Mayor to execute the Schedule "A" contract for Law Enforcement Services with the San Bernardino County Sheriff's Department. Motion carried, 5-0.

CITY COUNCIL/REDEVELOPMENT AGENCY PUBLIC HEARING

10. Consideration of Resolution No. 2009-028 to Adjust the Business Tax on the Extraction and/or Processing of Rock, Sand and Gravel (Aggregate) Pursuant to Section 5.17.040 (Rock, Sand and Gravel [Aggregate] Extraction and Processing Tax), Chapter 5.17 (Business License Tax on Extraction and/or Processing of Rock, Sand and Gravel [Aggregate]), Title 5 (Business Licenses and Regulations)

Mayor Lilburn opened the public hearing.

Community Development Director Jaquess gave a brief review of the staff report.

Mayor Lilburn called for any speakers in favor of or in opposition. Hearing none, she closed the public hearing.

A MOTION was made by Mayor Pro Tem Jones, seconded by Councilman McCallon, to adopt Resolution No. 2009-028 fixing the Highland Business License Tax on the extraction and/or processing of rock, sand and gravel (aggregate) for Fiscal Year 2009-10. Motion carried, 5-0.

RESOLUTION NO. 2009-028
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND
FIXING THE HIGHLAND BUSINESS LICENSE TAX ON THE EXTRACTION
AND/OR PROCESSING OF ROCK SAND AND GRAVEL (AGGREGATE)
FOR FISCAL YEAR 2009-2010

11. Consolidated Landscape and Lighting District 96-1 Annual Report (Fiscal Year 2009-10)

Mayor Lilburn opened the public hearing.

City Engineer Wong gave a brief review of the staff report.

City Manager Hughes stated City Engineer Wong has been an advocate on behalf of the city in meeting with Southern California Edison. He has been pushing for alternative standards for street lights and has been working diligently to bring costs down.

Mayor Lilburn called for any speakers in favor of or in opposition. Hearing none, she closed the public hearing.

A MOTION was made by Mayor Pro Tem Jones, seconded by Councilwoman Scott, to approve Resolution No. 2009-029 ordering the continued maintenance of improvements in the Consolidated Landscape and Lighting District No. 96-1, confirming the Engineer's Report and levying the assessment for fiscal year 2009-10. Motion carried, 5-0.

RESOLUTION NO. 2009-029
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND,
CALIFORNIA, ORDERING THE CONTINUED MAINTENANCE OF
IMPROVEMENTS IN THE CONSOLIDATED LANDSCAPE AND LIGHTING DISTRICT
NO. 96-1 AND CONFIRMING THE
ENGINEER'S REPORT AND LEVYING THE ASSESSMENT
FOR FISCAL YEAR 2009-10

12. Street and Drainage Maintenance District 96-1 Annual Report (Fiscal Year 2009-10)

Mayor Lilburn opened the public hearing.

City Engineer Wong gave a brief review of the staff report.

Mayor Lilburn called for any speakers in favor of or in opposition. Hearing none, she closed the public hearing.

A MOTION was made by Councilman Timmer, seconded by Mayor Pro Tem Jones, to approve Resolution No. 2009-030 ordering the continued maintenance of improvements in the Street and Drainage Maintenance District 96-1, confirming the Engineer's Report and levying the assessment for fiscal year 2009-10. Motion carried, 5-0.

RESOLUTION NO. 2009-030

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA, ORDERING THE CONTINUED MAINTENANCE OF IMPROVEMENTS IN THE STREET AND DRAINAGE MAINTENANCE DISTRICT NO. 96-1 AND CONFIRMING THE ENGINEER'S REPORT AND LEVYING THE ASSESSMENT FOR FISCAL YEAR 2009-10

CITY COUNCIL/REDEVELOPMENT AGENCY LEGISLATIVE

13. Second Reading of Ordinance No. 344 Video Monitoring Ordinance (MCA-009-002)

Community Development Director Jaquess gave a brief review of the staff report.

A MOTION was made by Councilwoman Scott, seconded by Mayor Pro Tem Jones, to conduct a second reading of Ordinance No. 344, repealing Section 16.20.040.D. Special Business Requirements and Section 16.24.040.C. Special Business Requirements, and adding Section 16.40.480 Special Business Requirements of Title 16 (Land Use and Development) of the Highland Municipal Code. Motion carried, 5-0.

City Clerk Hughes introduced Ordinance No. 344:

ORDINANCE NO. 344

AN ORDINANCE OF THE CITY OF HIGHLAND, CALIFORNIA ADDING SECTION 16.40.480 VIDEO MONITORING SYSTEMS; AND REPEALING SECTION 16.20.040.D. SPECIAL BUSINESS REQUIREMENTS AND SECTION 16.24.040.C. SPECIAL BUSINESS REQUIREMENTS OF TITLE 16 (LAND USE AND DEVELOPMENT) OF THE HIGHLAND MUNICIPAL CODE [MUNICIPAL CODE AMENDMENT (MCA-009-002)]

which title was read.

14. Designation of Voting Delegate and Alternate for the League of California Cities Annual Conference

City Clerk Hughes gave a brief review of the staff report.

A MOTION was made by Mayor Pro Tem Jones, seconded by Mayor Lilburn, to appoint Councilman Larry McCallon as Voting Delegate and Mayor Pro Tem Ross Jones as the Alternate for the Annual Conference to be held September 16-18, 2009, in San Jose. Motion carried, 5-0.

15. ACA 8 Which Would Require Legislature to Post a Public Notice 72 Hours in Advance of Any Vote

City Clerk Hughes gave a brief review of the staff report.

A MOTION was made by Mayor Pro Tem Jones, seconded by Councilwoman Scott, to draft a resolution supporting ACA 8 as requested by Assemblyman Jeffries. Motion carried, 5-0.

RESOLUTION NO. 2009-031
A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF HIGHLAND, CALIFORNIA, SUPPORTING
ASSEMBLY CONSTITUTIONAL AMENDMENT 8 (JEFFRIES)

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

Mayor Lilburn stated Omnitrans has been continuing with the Governance Committee and they have agreed to make the recommendation to the Omnitrans Board of Directors to accept an RFP to expedite the interviews of the CEO position.

City Manager Hughes stated he would like to update the City Council on the State Budget which could ultimately impact the work program. As the Council is aware, the State pulled the trigger on Prop 1A. This is going to have an impact of \$871,000 to the City of Highland in lost property tax revenue. As we have discussed during our budget study session back in June, the city does have an economic uncertainty fund where we do have dollars set aside for this. We really set it aside for the economy in Highland to go bad to smooth things out, not to solve the State's problems, but we do have this money set aside. We will be bringing forward a staff report at our first meeting in September to do a budget adjustment to pay for the State's take from our economic uncertainty fund.

Councilwoman Scott asked is this part of the email sent from your office?

City Manager Hughes stated yes it is. The other amount that is really hard to swallow is the Redevelopment take, which to the City of Highland is an astonishing \$3.1 million. It's huge and the State is coming in and taking this money. We feel that it is an unconstitutional take. We will be joining with the other Redevelopment Agencies with the permission of the Council to fight this. We would like to get permission for the City Attorney to take whatever steps necessary to join in the lawsuit on that.

Councilwoman Scott asked is this a three year loan and paid back with interest?

City Manager Hughes stated not the RDA.

Councilwoman Scott stated this is just the property tax.

City Manager Hughes stated his concern is the \$26 billion deficit. They made \$15 billion worth of cuts and they made \$11 billion dollars worth of one time takes to close the gap. They are going to start next year in the hole again, \$11 billion from now. This does not take into account what is going to happen with the economy and what's going to happen when and if, he thinks when, it's proven that the take of the RDA funds was constitutional. So now they are going to be looking at \$14 billion in the hole.

City Attorney Steele stated it might even be more than that because the Assembly refused to adopt two of the bills the Senate adopted. So there is a \$3 billion hole there just starting the fiscal year. It's really more like a \$20 million deficit.

City Manager Hughes stated of course Highland always lives within its means. We have a balanced budget for these next few years. This Council and previous Council have had the foresight to put away money to smooth things out. They realize there is going to be peaks and valleys in government. The economy impacts local revenues and the Council had that foresight to smooth those things out. The State Legislature just doesn't seem to have that foresight. His concern is next year, what is going to happen and what take is going to happen next year as well. We will be bringing back a staff report at the next Council meeting which is the first Council meeting in September. We will be doing the budget adjustment. Again the recommendation is going to be to use our economic uncertainty fund. The RDA take, we are going to make a recommendation that we do not do a budget adjustment on that because we feel it is an unconstitutional take. We will wait to see what the course looks like.

Councilwoman Scott stated on the RDA could we do a designated funds with the RDA where they are already designated so they couldn't touch that.

City Manager Hughes stated we really aren't in that circumstance and if the city is in that circumstance, the State is going to allow the city to use their low mod money to pay for it.

City Attorney Steele stated and even worse is if the city's housing funds are already committed, then the State is going to make you borrow that money from the State in order to pay the State and then pay the State interest.

Councilwoman Scott stated taking the general fund money from the property taxes is a violation of the old Prop 13.

City Manager Hughes stated it is allowed under Proposition 1A.

City Attorney Steele stated one of next year's solutions will undoubtedly be about ballot measure to appeal Prop 1A. There are two levels of participation in this lawsuit. One is just as part of the CRA, the CRA is going to bring this lawsuit in every agency's name. Today the Director of the CRA sent out an email to managers and agency attorneys asking for some redevelopment agencies around the state in different geographic areas to be a named representative in the lawsuit at no additional cost as the CRA is going to pay for the prosecution and litigation, but to have agencies that would fit into several different categories of problems, if you will, that are caused by the state's take. A couple of which seemed to him the City of Highland fits into. The CRA and their legal team will do all the work that is possible. So if the Council is comfortable with this level we would volunteer.

Councilman McCallon asked City Manager Hughes if he believes Highland fits into these categories?

City Manager Hughes stated he looked at it briefly and to be honest he needs to look into it further and review it with Community Development Director Jaquess and City Attorney Steele. His brief glance, he wasn't sure. He thought we were in a little better position than some of the other cities who would make a stronger case for the impact.

City Attorney Steele stated we only ask because Council doesn't meet again until September and so if it becomes clear we fit into one of those categories, he needs Council's direction.

A MOTION was made by Councilman Timmer, seconded by Mayor Pro Tem Jones, to give staff authorization to apply their discretion to the level of participation in the CRA Lawsuit. Motion carried, 5-0.

Mayor Pro Tem Jones stated he attended the LAFCO hearing and after three years of battling LAFCO against the consolidation, we were successful in receiving four of seven votes to not consolidate. Again, it is keeping the control of the water localized and local representation is a critical factor.

17. San Bernardino International Airport Authority and IVDA

Mayor Pro Tem Jones stated the issue of contracting out the operation of the airport to an independent contractor and the actual pros of it will be to reduce the 32 employees to 3 employees. It was approved to hire the contractor Revport which is a large FBO operation which operates four other airports throughout the United States. This will not affect the IVDA employees, only the operations of the airport employees.

18. Human Wrecking Balls

City Manager Hughes stated we have received a request to use the former post office for a television segment called Human Wrecking Balls. They will demolish the inside of the building using their bodies.

Councilwoman Scott inquired as to whether or not the debris will be hauled away.

Community Development Director Jaquess stated the request for hauling away the debris can be negotiated. They had volunteered in their letter that they would remove materials if requested.

A MOTION was made by Councilman McCallon, seconded by Mayor Pro Tem Jones, to authorize the Public Facilities Subcommittee to draft an agreement to be reviewed and approved by the City Attorney regarding the filming of the television show Human Wrecking Balls. Motion carried, 5-0.

ANNOUNCEMENTS

August 11 Council Meeting	Dark
August 25 Council Meeting	Dark
August 4, 2009 at 6:00 p.m.	National Night Out - Public Safety

CLOSED SESSION

At 7:15 p.m., the City Council and the Redevelopment Agency convened into closed session regarding the following:

CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Pursuant to Government Code Section 54956.8 regarding the following properties:

Property:	APN 1201-331-01 & 1201-341-01, 08, 09
Negotiating parties:	Joseph Hughes, City of Highland Kevin Blakeslee, San Bernardino County Flood Control District
Under negotiation:	Instruction to City's negotiator concerning price and terms of payment.

At 7:45 p.m., the City Council and Redevelopment agency convened into open session, with all members present, making no announcements. There was no reportable action taken during the closed session.

ADJOURN

There being no further business, Mayor Lilburn adjourned the meeting at 7:47 p.m. in memory of Lois Mahoney and Demarius Artz.

Submitted by:

Approved by:

Betty Hughes, CMC
City Clerk

Penny Lilburn
Mayor