

MINUTES

of a regular meeting of the City Council of the City of Redlands held in the Council Chambers, Civic Center, 35 Cajon Street, at 3:00 P.M. on June 1, 1999.

PRESENT

William E. Cunningham, Mayor  
Geni A. S. Banda, Mayor Pro Tem  
Pat Gilbreath, Councilmember  
John L. Freedman, Councilmember  
Gary George, Councilmember

Gary M. Luebbers, City Manager  
Daniel J. McHugh, City Attorney  
Lorrie Poyzer, City Clerk  
Michael Reynolds, City Treasurer  
Jim Bueermann, Police Chief  
Mel Enslow, Fire Chief  
Bonnie Johnson, Finance Director  
Ronald C. Mutter, Public Works Director  
Gary G. Phelps, Municipal Utilities Director  
Jeffrey L. Shaw, Community Development Director

ABSENT

None

The meeting was opened with an invocation by Councilmember Freedman followed by the pledge of allegiance.

CONSENT CALENDAR

Minutes - On motion of Councilmember Gilbreath, seconded by Councilmember Freedman, the minutes of the adjourned regular meetings of May 13, 1999, and May 18, 1999, and the regular meeting of May 18, 1999, were approved as submitted.

Bills and Salaries - On motion of Councilmember Gilbreath, seconded by Councilmember Freedman, bills and salaries were ordered paid.

Planning Commission Actions - On motion of Councilmember Gilbreath, seconded by Councilmember Freedman, the report of the Planning Commission meeting held on May 25, 1999, was acknowledged as received.

Environmental Review Committee - On motion of Councilmember Gilbreath, seconded by Councilmember Freedman, the report of the Environmental Review Committee meeting held May 24, 1999, was acknowledged as received.

Contract Award - Texonia Park Field Lighting - Bids were opened and publicly declared on May 13, 1999, by the City Clerk for the construction of the Texonia Park field lighting CDBG project; a bid opening report is on file in the Office of

the City Clerk. It was the recommendation of the Public Works Department that the responsible bidder submitting the bid for said project which will result in the lowest cost for the City was Rymax Electric, Inc. in the amount of \$58,135.00 with a \$3,000.00 additive, and it would be in the best interest of the City that this contract be awarded to said firm. On motion of Councilmember Gilbreath, seconded by Councilmember Freedman, this recommendation was unanimously approved and the Mayor and City Clerk were authorized to sign the contract on behalf of the City.

Agreement - Classification and Compensation Study - Councilmember George noted the cost of this study is \$32,000.00 and that the General employees agreed, in their current collective bargaining agreement, to pay for half of the cost of the study, not half of their May salary raise as some of the employees had thought. He then moved to approve the professional services agreement between the City of Redlands and Personnel Concepts, Inc. to conduct a classification and compensation study for the General employees. Motion seconded by Councilmember Gilbreath and carried unanimously.

Funds - UNICOM Equipment - Redlands Municipal Airport - Mayor Cunningham asked staff to prepare a revenue and expense report for the airport and provide copies to Councilmembers. He then moved to authorize the transfer of up to \$1,800.00 within the Aviation Operating Fund for the purchase of UNICOM equipment at Redlands Municipal airport as recommended by the Airport Advisory Board on May 5, 1999. Motion seconded by Councilmember Banda and carried unanimously.

Agreement - Excess Liability Insurance - Councilmember George thanked Finance Director Johnson for her diligence reviewing proposals for brokerage services and moved to authorize an agreement with Davis & Graeber Insurance Services for brokerage services in the procurement of excess liability insurance on the City's behalf. Motion seconded by Councilmember Banda and carried unanimously.

Agreements - Colton and Wabash Right-of-Way - Public Works Director Mutter reported that as part of the process to acquire fee title interest in property street right-of-way in conjunction with the reconstruction of the intersection of Colton Avenue and Wabash Avenue, the City requires the sellers to execute an agreement regarding purchase of fee interest. The agreement provides various assurances regarding the subject property to be acquired such as the property is free and clear of all liens and that the seller holds the City harmless regarding any potential claims against the property. This agreement is the final transaction for the acquisition and, with payment of costs, escrow will be closed. Following brief discussion regarding the price of one of the parcels, Councilmember Cunningham moved to approve the following agreements and authorized the Mayor and City Clerk to sign the agreements on behalf of the City: APN 299-011-01, 18, 714 North Wabash Avenue, Paul B. and Nellie

Gonzales, \$1,900.00; APN 299-011-03, 720 North Wabash Avenue, Marjorie B. Hoatson, \$2,900.00; and APN 168-291-02, northwest corner of Colton Avenue and Wabash Avenue, Viney and Vandana Soni, \$13,975.00.

Housing Authority - HUD Expenditures - On motion of Councilmember Gilbreath, seconded by Councilmember Freedman, the City Council unanimously approved the request from the Housing Authority for concurrence regarding Housing and Urban Development (HUD) expenditures in Redlands.

Resolution No. 5657 - Salary - On motion of Councilmember Gilbreath, seconded by Councilmember Freedman, the City Council unanimously approved Resolution No. 5657, a resolution of the City of Redlands rescinding Resolution Nos. 5567, 5576, 5598, and 5617 and establishing a salary scheduled and compensation plan for City employees. This salary resolution incorporates the personnel changes which were discussed and approved during the recent budget process; changes the title of the Accounting Manager to Assistant Finance Director and re-assigning the position from the Management unit of representation to the Mid-Management unit of representation; downgrades the Senior Staff Assistant position in the Planning Division of the Community Development Department to a Staff Assistant for a 10 percent salary savings; and reflects changes to salary ranges for cost of living adjustments previously approved in employment agreements with all bargaining units.

Agreement - California Street Landfill - On motion of Councilmember Gilbreath, seconded by Councilmember Freedman, the City Council unanimously authorized amending the service agreement with 3D GeoServices, Inc. to provide additional hydrogeological services for the Evaluation Monitoring Plan for the California Street Landfill.

Drug Confiscation Funds Budgets - On motion of Councilmember Gilbreath, seconded by Councilmember Freedman, the City Council unanimously approved the following budgets relating to drug confiscation funds for fiscal year 1999-2000: State, Federal, Federal Treasury, and 15% Trust Drug/Gang Prevention (State).

Funds - Hotel Feasibility Study - At the May 12, 1999, meeting, the Downtown Redlands Business Association's Advisory Board voted unanimously to request authorization for an additional appropriation from their assessments in the amount of \$4,000.00 to fund the first phase of a hotel feasibility study. Congratulating DRBA for putting up their own money, Councilmember George moved to approve this request. Motion seconded by Councilmember Banda and carried unanimously. City Manager Luebbers noted that whenever staff tries to facilitate recruitment efforts, they always want to see our feasibility study. We will collaborate with the Chamber of Commerce, University of Redlands, ESRI, and other businesses to fund the next phase.

Resolution No. 5659 - Agreement - CDBG Program - On motion of Councilmember Banda, seconded by Councilmember Freedman, the City Council unanimously approved Resolution No. 5659, a joint resolution of the City of Redlands and the County of San Bernardino authorizing a request to the United States Department of Housing and Urban Development (HUD) for metropolitan city/urban county joint recipient status, and authorized a cooperation agreement between the City of Redlands and the County of San Bernardino Department of Economic and Community Development for participation in the County Community Block Grant Program, and authorized the Mayor and City Clerk to execute the agreement on behalf of the City.

Lease Agreement - Police Substation - On motion of Councilmember Gilbreath, seconded by Councilmember Freedman, the City Council unanimously approved a five-year lease agreement with Urban Development Organization, LTD for the Police Department's Community Policing Substation at 1568 Orange Street, and authorized the Mayor and City Clerk to sign the lease agreement on behalf of the City.

Agreement - HOME Consortium Member - On motion of Councilmember Gilbreath, seconded by Councilmember Freedman, the City Council unanimously approved continuance of the cooperation agreement with San Bernardino County for the purpose of participating as a Consortium with other general local governments for the purpose of receiving and administering HOME funds, and authorized the Mayor and City Clerk to sign the cooperation agreement on behalf of the City.

## PLANNING AND COMMUNITY DEVELOPMENT

Pre-Annexation Agreement No. 99-01 - 31168 Highland Avenue - On motion of Councilmember Gilbreath, seconded by Councilmember Freedman, the City Council unanimously approved Pre-Annexation Agreement No. 99-01 for an outside the City utility connection for an existing single family residence located at 31168 Highland Avenue, approximately 3,400 feet easterly of the City limits of Redlands (Jeff Barlow, applicant), based on the following findings:

1. That the existing single family residence is consistent with the policies, land use designation, and density prescribed by the General Plan;
2. That the proposed utility connection for this existing residence will have minimal effect upon the City's public infrastructure;
3. That the design and improvements of the proposed utility connection are consistent with City standards; and
4. That the site is physically suitable to accommodate the existing single family residence.

Resolution No. 5658 - Developer Financing Proposals - As recommended by City Attorney McHugh, this item was tabled to a future agenda.

Planning Commission Review and Approval No. 702 - Lowe's Company, Inc. -  
Public hearing was continued from May 11, 1999, to this time and place to consider the socio-economic cost/benefit study for the construction of a 135,197 square foot home improvement center on 12.69 acres in the EV/IC (Commercial Industrial) District of the East Valley Corridor Specific Plan located at the southwest corner of Iowa Street and Redlands Boulevard. Mayor Cunningham declared the meeting open as a public hearing for any questions or comments concerning the socio-economic cost/benefit study. Representing Edward Stein, H & E Do-It-Yourself Centers, Craig E. Wilson addressed the City Council and reviewed his letter dated June 1, 1999, regarding the impact Lowe's will have on existing businesses and payment of the development fees. Noting he had previously submitted (at the Planning Commission meeting) 70 petitions against the Lowe's project, Mr. Wilson submitted an additional 30 envelopes at this meeting. An audit conducted by the City Clerk's Office revealed the following information: The envelopes contained 46 signatures: 32 Redlands' residents, 1 from Victorville, 1 from Lake Arrowhead, and 12 who did not indicate any address. There being no further comments, the public hearing was closed. Councilmember Freedman moved to approve the Socio-Economic Cost Benefit Study for Planning Commission Review and Approval No. 702 as the project will not create unmitigable physical blight or over-burden public services in the community, and no additional information or evaluation is needed, and that the proposed project, based on the overall Fiscal Impact Analysis, will provide the City with a positive annual revenue/cost ratio of 2.395. Motion seconded by Councilmember Banda and carried unanimously. Community Development Director Shaw review the lengthy staff report covering the Environmental Review Committee and Planning Commission's actions on this project. Representing Edward Stein, H & E Do-It-Yourself Centers, Craig E. Wilson spoke at length and reviewed his letter dated June 1, 1999, as it related to the project. Mr. Stein also addressed the City Council stating he could compete with anyone on a level playing field. Dan Crow, President of the Redlands Professional Fire Fighters, encouraged staff and the City Council to continue their search for projects such as Lowe's. On behalf of Lowe's, Mike Skiles and Pam Steele spoke and commended staff for their efforts during the past 15 months while processing their application. A letter was received from John Mirau, representing Redlands Joint Venture, LLC, setting forth their objections to the approval of this project. Councilmember Banda moved to adopt the Mitigated Negative Declaration for Planning Commission Review and Approval No. 702 based on the finding that the project will not have a significant effect on the environment, determining this project will not individually or cumulatively have an adverse impact on wildlife resources as defined in Section 711.2 of the California Fish and Game Code and directed staff to file and post a Notice of Determination in accordance with the City's guidelines. Motion seconded by Councilmember Freedman and carried unanimously. On motion of Councilmember Banda, seconded by Councilmember Freedman, the City Council unanimously approved Planning Commission Review and Approval

No. 702 subject to the following findings and all departmental recommendations and conditions of approval as contained in the Planning Commission minutes dated April 27, 1999:

1. That the site for the proposed use is adequate in size and shape to accommodate the use;
2. That the site properly relates to streets and highways designed and improved to carry the type and quantity of traffic to be generated by the proposed development;
3. That the use of desirable for the overall development of the community, is consistent with the policies, programs, and objectives of the Redlands General Plan, and will not be detrimental to existing development of planned uses in the vicinity of the project site;
4. That the proposed development is in compliance with the policies and standards as identified in the East Valley Corridor Specific Plan; and
5. That the conditions of approval proposed for Planning Commission Review and Approval No. 702 are necessary to protect the public health, safety and general welfare.

Proposed Financing Agreement - Lowe's Company, Inc. - As there was no proposal before the City Council, this item was removed from the agenda.

## COMMUNICATIONS

Legislative Bulletin - No discussion ensued on this item.

City Manager's Report - AB 977 - City Manager Luebbers reported that we have been informed that AB 977, supported by Majestic, is now classified "inactive status" and that no further action will be taken on this proposal during this year. Councilmembers directed staff to prepare letters for the Mayor's signature to thank Senator Longville and the League of California Cities thanking them for their assistance.

Brown Act - Attorney General Opinion - As promised at the last meeting, copies of the California Attorney General's Opinion No. 97, dated April 29, 1998, regarding the Brown Act were available in the foyer. Mayor Cunningham thanked Joan Dotson for informing the public of this opinion which showed our City Council is complying with the Brown Act.

County General Plan Amendment - Spheres of Influence - Community Development Director Shaw reviewed the proposed amendment to the Land Use/Growth Management Policies of the County of San Bernardino General Plan. The matter was considered by the County Planning Commission on May 20, 1999, and by a 3 to 2 vote it was recommended that the proposed amendment be denied. The County Board of Supervisors will consider this matter at their meeting on June 8, 1999. Community Development Director Shaw explained the amended policies reverse current policies and goals

pertaining to annexation, land use planning and growth management for unincorporated lands within the city spheres of influence. The current policies provide that urban development should occur in cities which are established to provide such services and that the County supports annexations, land use planning and growth management policies supportive of this concept; the amended policies provide that the County will maintain land use planning and growth control determinations and may consider annexations if appropriate. The current policies provide that the County will support city standards and policies which pertain to the management of lands within a city's adopted sphere of influence; the amended policies provide that the County will maintain land use and growth management control and will consider coordination with cities. Mayor Cunningham noted this is an attack on 24 cities within the County of San Bernardino to benefit the "donut hole" and moved to oppose the proposed amendments to the Land Use/Growth Management Policies of the County of San Bernardino General Plan as proposed in GPA CW1-849N and request the County Board of Supervisors to accept the recommendation of the San Bernardino County Planning Commission and deny the proposed amendment. Motion seconded by Councilmember Banda and carried unanimously.

Regional Mall Site Designation Relocation - Councilmember Freedman moved to table this discussion to the June 15, 1999, meeting and see what the County Board of Supervisors does regarding GPA CW1-849N (see above paragraph). Motion seconded by Councilmember Banda and carried unanimously.

Downtown Trolley - Councilmember George was pleased to announce that the Downtown Trolley project has been included in a Federal funding plan in the amount of \$800,000.00, and thanked Congressman Lewis for his assistance. He reported the survey results should be ready by the end of this week. Mayor Cunningham expressed appreciation to Councilmember George for his efforts on this project.

#### JOINT PUBLIC HEARING - REDEVELOPMENT AGENCY

Resolution No. 5651 - Showprop Redlands, LLC. - A joint public hearing of the City Council and the Redevelopment Agency of the City of Redlands was advertised for this time and place to consider for the purpose of redevelopment the sale of certain real property located in the City of Redlands on the southwest corner of Eureka Street and Oriental Avenue. City Manager Luebbers explained the Redevelopment Agency entered into a lease agreement in 1995 with option to purchase with Showprop Redlands LLC (Krikorian Theatres) regarding property the theater is using for parking purposes. Mr. Krikorian has now decided to exercise his right to purchase that property. The terms for purchase are in accordance with the agreement made by the City Council and the Redevelopment Agency in 1995 with Mr. Krikorian. Mark Jensen questioned the improvements and sales price. In accordance with the lease with

option to purchase, Mr. Krikorian is entitled to a credit of \$200,000.00 towards the purchase price for the completion of parking-related improvements to the property. The Redevelopment Agency will receive \$98,000.00 less escrow and recording fees. Councilmember Banda moved to approve Resolution No. 5651, a resolution of the City Council of the City of Redlands approving the execution of a purchase and sale agreement and escrow instructions between the Redevelopment Agency of the City of Redlands and Showprop Redlands, LLC. Motion seconded by Councilmember Freedman and carried unanimously. (Also see Redevelopment Agency minutes for June 1, 1999.)

#### JOINT MEETING - REDLANDS FINANCE AUTHORITY

Resolution No. 5654 - Water Revenue Bonds, Series 1999A - Finance Director Johnson explained that during the May, 1998, budget hears, the City Council of the City of Redlands gave staff authorization to begin the refinancing process with relation to outstanding water and wastewater utility debt (COP's). The main objective was to convert variable rate debt to fixed rate debt while rates were still favorable. Staff has been actively pursuing the matter since that time. The Preliminary Official Statement is scheduled for print on June 2, 1999. Distribution is scheduled for June 6, 1999, with bond pricing to occur June 8, 1999, and bond closing on June 23, 1999. Based on current market conditions and the City's current cost of funds (interest and letter of credit fees), conversion to a fixed rate is likely to yield no current savings, but will yield costs savings over the life of the bonds. The maturity dates of the new debt are identical to that of the old debt. Mr. Jim Cervantez, Stone and Youngberg, reported our Standard & Poor's rating is "A" for the water and wastewater debt. He reviewed the bond insurance bids, current interest rates, and the projected underwriter's discount. Councilmember Freedman moved to adopt Resolution No. 5654, a resolution of the City Council of the City of Redlands approving form and substance of installment sale agreement, authorizing changes thereto and execution thereof; approving the form of preliminary official statement; approving the form of continuing disclosure agreement; and authorizing related actions and execution of related documents in connection therewith (Water Revenue Refunding Bonds, Series 1999A), with the language in Section 2 reflecting Mr. Cunningham's requested change regarding the underwriter's discount: "shall not exceed less than one percent." Motion seconded by Councilmember Banda and carried unanimously. (Also see Redlands Financing Authority minutes for June 1, 1999.)

Resolution No. 5655 - Wastewater Revenue Bonds, Series 1999A - Finance Director Johnson explained that during the May, 1998, budget hears, the City Council of the City of Redlands gave staff authorization to begin the refinancing process with relation to outstanding water and wastewater utility debt (COP's). The main objective was to convert variable rate debt to fixed rate debt while rates were still favorable. Staff has been actively pursuing the matter since that time. The Preliminary Official Statement is scheduled for print on June 2, 1999.



Distribution is scheduled for June 6, 1999, with bond pricing to occur June 8, 1999, and bond closing on June 23, 1999. Based on current market conditions and the City's current cost of funds (interest and letter of credit fees), conversion to a fixed rate is likely to yield no current savings, but will yield costs savings over the life of the bonds. The maturity dates of the new debt are identical to that of the old debt. Mr. Jim Cervantez, Stone and Youngberg, reported our Standard & Poor's rating is "A" for the water and wastewater debt. He reviewed the bond insurance bids, current interest rates, and the projected underwriter's discount. Councilmember Freedman moved to adopt Resolution No. 5655, a resolution of the City Council of the City of Redlands approving form and substance of installment sale agreement, authorizing changes thereto and execution thereof; approving the form of preliminary official statement; approving the form of continuing disclosure agreement; and authorizing related actions and execution of related documents in connection therewith (Wastewater Revenue Refunding Bonds, Series 1999A), with the language in Section 2 reflecting Mr. Cunningham's requested change regarding the underwriter's discount: "shall not exceed less than one percent." Motion seconded by Councilmember Gilbreath and carried unanimously. (Also see Redlands Financing Authority minutes for June 1, 1999.)

#### PUBLIC COMMENTS

Aerodrome - Redlands Municipal Airport - The following people addressed the City Council regarding the recent eviction notice given to Aerodrome Aircraft Rentals, Inc. at the Redlands Municipal Airport: Sue Ann Thompson, Trish Peterson, Mike Marko, and Andy Testman. City Attorney McHugh noted the City is not evicting anyone; that he understands there are negotiations in process between the lessee and sub-lessee and that eviction is not eminent; and referred these people to the attorney representing the lessee. Mayor Cunningham asked Mr. Testman to submit his accusations and comments in writing to Public Works Director Mutter or City Attorney McHugh.

#### CLOSED SESSION

The City Council meeting recessed at 5:18 P.M. to a closed session to discuss the following:

1. Conference with legal counsel: Existing litigation - Government Code Section 54956.9(a) - Redlands Joint Venture LLC v. City of Redlands and Timberlake - SCV 54994
2. Conference with real property negotiator Government Code §54956.8  
Property: Assessor's Parcel Nos. 170-301-03 and 168-291-09  
Negotiating parties: Ronald C. Mutter and SANBAG  
Under negotiation: Terms and price

#### ADJOURNMENT

There being no further business, the City Council meeting adjourned. The next regular meeting will be held on June 15, 1999.

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City Clerk