

**MINUTES
CITY COUNCIL AND REDEVELOPMENT AGENCY
REGULAR MEETING
JULY 26, 2011 - 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 6:03 p.m. by Mayor McCallon at the Donahue Council Chambers, 27215 Base Line, Highland, California.

The invocation was given by Pastor Rob Cain of the World Changers Program and the Pledge of Allegiance was led by Councilman Racadio.

ROLL CALL

Present: Lilburn, McCallon, Racadio, Scott
Absent: Timmer

REPORT FROM CLOSED SESSION

No Report from Closed Session

SPECIAL PRESENTATIONS

Mr. Rich Haller, President of the YMCA Board, and Mr. Rob Hinderer, Executive Director of the YMCA, presented their Annual Report to the City Council.

COMMUNITY INPUT

Mr. Ron Dieffenbacher stated that the street goes from 42' to 32'. Foot traffic coming northbound on the sidewalk has to cross the street to get to the other side of the street. The speed limit on Central Street is 25 mph and people go 60-70 mph. With people crossing the street, people are going to get hurt. Mr. Dieffenbacher then stated that stoplights on Base Line/Central and 3rd/Victoria need to be recalibrated.

City Engineer Wong stated that the Traffic Consultant verified that it was set properly. Base Line is given priority for thru traffic in the morning and peak hours; Central must wait longer. It will be looked into again.

Mr. Wally Wilburn stated about ten years ago he had a contract for a cell phone tower in East Highland. The Planning Department approved it but Councilman Timmer changed that and gave it to the East Highlands Ranch. Steve Walker was fired, Ray Rucker and Brad Sundquist were recalled, and the contractor building the tower was fired because East Highlands Ranch was getting \$1,500 per month while he was getting \$750 per month for the tower. A complaint from East Highlands Ranch was to not have the tower on Base Line. The tower was on Church Street below 3rd Street. The City Council then stopped him from getting the tower. He claimed that Larry Mainez said this should have never happened and was ashamed of the City Council for what they did. He then stated that Julie Rynerson, Planning Commission, ended up quitting due to Timmer, and that Council Members Lilburn and Scott are doing a good job but this was before their time on the City Council. He claimed Councilman Racadio stated that the East Highlands Ranch had so much voting power, he couldn't do anything about it. He asked how the Council is supposed to be here for the citizens and have ethics, and allow this to happen. He claimed he lost \$300,000 which he asked to have that given to the East Highlands baseball team in which the field was taken away from them.

Inaudible comments were made by Mr. Wally Wilburn.

Mr. Wally Wilburn was asked by Mayor McCallon to take his seat and comply or he would have to be escorted out.

CITY COUNCIL/REDEVELOPMENT AGENCY CONSENT CALENDAR

A MOTION was made by Councilwoman Scott, seconded by Mayor McCallon, to approve the Consent Calendar with Councilman Racadio abstaining from Item #2, Item #3, and Item #4, and with Mayor Pro Tem Lilburn abstaining from Item #5. Motion carried on a roll call vote, 4-0, with Councilman Timmer being absent.

1. Waive the Reading of All Ordinances
Waived the reading of all Ordinances in their entirety and read by title only.
2. Minutes – July 12, 2011 City Council Special Meeting
Approved the Minutes as submitted.
3. Minutes – July 12, 2011 City Council Regular Meeting
Approved the Minutes as submitted.
4. Minutes – July 12, 2011 RDA Special Meeting
Approved the Minutes as submitted.
5. Warrant Register
Approved Warrant Register No. 526 for July 26, 2011, in the amount of \$1,590,166.19 and Payroll of \$81,552.29.

6. Treasure's Report for June 2011
Received and filed the Treasurer's Report for June 2011.
7. Resolution No. 2011-039 Establishing the Annual Special Tax for Community Facilities District No. 90-1 for Fiscal Year 2011/2012
Adopted Resolution No. 2011-039 establishing the Annual Special Tax for Community Facilities District No. 90-1 for Fiscal Year 2011/2012 and filed with the County Auditor-Controller Resolution No. 2011-039 with the tax roll.

RESOLUTION NO. 2011-039
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
HIGHLAND, CALIFORNIA, ESTABLISHING THE ANNUAL SPECIAL TAX FOR
COMMUNITY FACILITIES DISTRICT NO. 90-1
FOR THE FISCAL YEAR 2011/2012

8. Resolution No. 2011-040 Establishing the Annual Special Tax for Community Facilities District No. 2011-1 for Fiscal Year 2011/2012
Adopted Resolution No. 2011-040 establishing the Annual Special Tax for Community Facilities District No. 2011-1 for Fiscal Year 2011/2012 and filed with the County Auditor-Controller Resolution No. 2011-040 with the tax roll.

RESOLUTION NO. 2011-040
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
HIGHLAND, CALIFORNIA, ESTABLISHING THE ANNUAL SPECIAL TAX
FOR COMMUNITY FACILITIES DISTRICT NO. 2001-01
FOR THE FISCAL YEAR 2011/2012

9. Semi-Annual Report of the Processing of Applications per the City Council's "Come Home to Highland" Program and Policies for the Period of January 1, 2011, to June 30, 2011
Received and filed the report.
10. Annual Review of the City's General Plan Implementation in Accordance with Government Code Section 65400 and 65588
Received and filed the report subject to the General Plan Implementation Annual Report.
11. Easement Acceptance/Dairy Queen Restaurant (CUP 009-006)
 1. Accepted the Grant of Easements for Road and Drainage Purposes, Sidewalk Purposes, and Landscaping Purposes from Young Shin; and
 2. Directed the City Clerk to record the Grant of Easements.

12. Resolution No. 2011-041 Summary Vacation of Central Avenue Right-of-Way (Young Shin/CUP009-006)
1. Adopted Resolution No. 2011-041 ordering the summary vacation of a portion of street right-of-way located at the southwest corner of Central Avenue and Base Line; and
 2. Directed the City Clerk to record the resolution.

RESOLUTION NO. 2011-041
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND
ORDERING THE SUMMARY VACATION OF A PORTION OF
THE CENTRAL AVENUE RIGHT-OF-WAY AT THE SOUTHWEST
CORNER OF CENTRAL AVENUE AND BASE LINE,
PURSUANT TO THE AUTHORITY PROVIDED BY
CHAPTER 4, PART 3, DIVISION 9, OF THE
STREETS AND HIGHWAYS CODE

CITY COUNCIL/REDEVELOPMENT AGENCY PUBLIC HEARING

13. Consideration of Resolution No. 2011-042 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 McCallon opened the public hearing.

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

Mayor McCallon called for any speakers in favor or opposition. Hearing none, Mayor McCallon closed the public hearing for Council discussion and action.

Councilman Racadio inquired about using the LA metropolitan area CPI, stating that 3% seemed high.

A MOTION was made by Councilwoman Scott, seconded by Councilwoman Lilburn, to adopt Resolution No. 2011-042 fixing the Highland Business License Tax on the extraction and/or processing of rock, sand and gravel (aggregate) for Fiscal Year 2011-12. Motion carried 4-0, with Councilman Timmer being absent.

RESOLUTION NO. 2011-042
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
HIGHLAND, CALIFORNIA, FIXING THE HIGHLAND
BUSINESS LICENSE TAX ON THE EXTRACTION AND/OR
PROCESSING OF ROCK, SAND AND GRAVEL
(AGGREGATE) FOR FISCAL YEAR 2011-2012

14. Amendments to Portions of the City's General Plan Land Use Element (Chapter 2) to Include a New "Residential High Density District" (GPA 011-001); and Amendments to the City's Land Use and Development Code Amending the City's Official Zoning Map to Incorporate a New Multi-family Residential District (R4) and High Density Special Overlay (HDS) within the Golden Triangle Policy Area (ZCO-011-01), and Amending the City Land Use and Development Code (Title 16) Adopting New R4 and HDS Development Standards (MCA 011-003) all in Accordance with the City's 2006-2014 Housing Element, Approved on January 25, 2011.

Mayor McCallon opened the public hearing.

City Planner Mainez stated staff will have maps available to assist with questions from citizens or from City Council. This is as introduced by the Mayor directly related to the implementation to the City's Housing Element. As Council is aware, City Council adopted the Housing Element in January, 2011. Specifically Housing Element Program Number 9 commits the City to amend its General Plan and Land Use and Development Code to create a new land use district called R4 – Multi Family Residential and Residential High Density Special Overlay. These new districts will permit housing development between 20 and 30 dwelling units per acre. Housing Program Number 9 references six sites and he knows there were questions about whether there was six or seven; it references six sites in various locations for rezoning to the new R4 District. It references one site for rezoning to a High Density Special Overlay District and this District is in the Golden Triangle policy area. As Council may recall, these seven locations are selected by the full City Council and are included into the Housing Element after careful consideration of approximately 20 locations. Also, note there are no development applications associated with this action tonight and the City is not required to build units as well. As he has mentioned, this action is implementing the program listed in the City's Housing Element. It is also a condition from Housing and Community Development Department to obtain certification from the State of California. So, essentially this is the last step in obtaining a certification for the City's 2006/2014 Housing Element. Staff is not asking to revisit the Housing Element this evening. This permits the City to start updating and getting prepared to update the new Housing Element for the next cycle. As the Council may be aware, the next Housing Element is due to the State in October 2013. So if we have a certified element, which this action will allow us to do tonight, we will be required to update the Housing Element every eight years rather than every five years which we are currently required to do. Also, as part of the next Housing Element, in 2013, there is an opportunity to revisit the seven sites which you are being asked to evaluate tonight. Council can possibly eliminate some of the sites or move them around. This is only an action that will certify our current Housing Element with the State of California. He was also asked to give an indication of what would happen if the City Council, for whatever reason, was unable to take action tonight and resulting in the City having an uncertified element by the State. The first thing is the Housing Element if it is not in compliance; it makes the jurisdiction vulnerable to litigation because the

General Plan is not in compliance with the State. As you know, the General Plan is a constitution for the City for development. The suits against the City could result in fines, prohibition for issuance of building permits and mandated amendments to the General Plan done by the State. Not having a certified Housing Element may make the City ineligible for grants. These lawsuits have resulted in two types of penalties, the first, as an example, Sacramento and the City of Pasadena, the court ordered a moratorium on all building and development until the Housing Element was certified. The current Housing Law does not authorize HCD to fine the City for not having a certified element but as the Council is aware laws change very quickly in California. Staff is anticipating this will change giving HCD the authority to fine cities in the future.

Community Development Director Jaquess discussed the community's concern of the quality of management of current and future apartments in the city. Due to this, the Planning Commission has recommended, separate from the Zone Change, to direct staff to pursue an association or program, involving all apartment managers in the city, to develop city-wide apartment management standards.

Councilwoman Lilburn asked if there was already a program like that.

Community Development Director Jaquess answered, yes. It is run through the Police Department, a crime free association. This recommendation would take that a step further getting everyone involved on a mandatory basis.

Mayor McCallon suggested that this recommendation be brought forth to the appropriate subcommittee.

City Planner Mainez stated Mr. Sanchez, 7414 Sterling, has requested to be included in the R4 zoning. The Planning Commission evaluated and recommended that the Council take action to include them in the action.

Mr. Blihest Sihotan, representing the Seventh Day Adventist Church at 7480 Sterling Avenue, wanted to give a log of disturbances, nuisances, and thefts at the property. People from the apartments use our property as a shortcut, going east to west, with no respect. When the gate was closed, they jumped over the gate. At night they lifted up the gate and let it fall on the ground. Several times, theft happened at our church; Pastor's office and other buildings. They broke the front door of the church and the windows of the fellowship hall, theft from the Pastor's office, and broken car windows during a church service. We tried to put a fence at the northwest corner which was torn down by intruders; they still tear it

down so they can take a shortcut. Some people have sex on the wall between the fellowship hall and church in the back, during the daytime. The license plate from the Pastor's car was stolen. The Pastor has to take the license plate off before dark and put it back on in the morning, everyday. There is graffiti on the eastside walls. Only a few of us could attend the meeting but most of them couldn't make it. Gentlemen and gentle-ladies, we have enough disturbances and nuisances for our property. Please don't add any more.

Ms. Consuelo Lykke, 27129 Fleming Street, is in opposition of Item #14. Ms. Lykke was there to support her neighbor, Bill Wick. She lives west of his property, has lived there for 24 years, and likes where she lives. The Community Park is west of where she lives. There are all kinds of traffic, people traffic, dirt bikes, but it seems since they developed this park, people access it off of Lillian. They walk through there with their animals, which is fine, but they have dirt bikes, cars, SUVs, and trucks going back and forth. She can't even open her windows. In her opinion, if the City approves the low-income, high-density apartments, the element of people in the apartments, do not care and have no pride in where they live. She has seen some of the people in the apartments off of Central, and wouldn't walk at night around them. She feels strongly about this. She needs to protect herself, property, and animals. It is not going to get better, it is going to get worse if you allow more people in there.

Mr. Philip Augustine, Fleming Street, stated Chuck talked about careful consideration, 28 different sites; this site being considered is unbelievable. There is a wash behind there with state property signs up for no trespassing. If you're going to put apartments back there, the YMCA is going to have tagging everywhere, guaranteed. They are going to jump the wall and walk down the wash to the park and do what they do. They are going to access the wash, there is a liquor store, a bar, there's KCB right there that's going to be hit all the time for recyclable materials, the residents. Please, rethink location #6 and check some of the other sites and see if you can put that somewhere else.

Mr. Ken Cottrell, 7220 Central, stated he had a map showing the seven places. He wanted to know where is the map from east Highlands showing all the places that we could put one of these things. They don't have to be all on our side. It has been a sore spot for him for a long time. Every time someone wants to build something they don't need, it gets placed on the west side of Highland. He guesses we're going to have to have a vote breaking up east Highland and west Highland. It is obvious to him that whoever made the map didn't have our interests in mind. They were protecting the people from east Highland to have them put out there. You can't tell me that there is no property on the other side of Boulder that can't have these same apartments by rezoning to R4. That wasn't considered when they made this map up. Some of the places are ridiculous. He hopes you just don't pass this. This is the third or fourth time we've done this. Base Line was changed to R4 to build apartments. They got rid of that because it didn't make sense either. This doesn't make sense either. Thank you very much.

Ms. Margaret Cisneros, 7512 Sterling Avenue, asked Mayor McCallon to respect the fact that they are upset and to be patient as they have been patient with the Council. They have attended two previous meetings by the Planning Commission and no one spoke in favor of it. Lewis Homes spoke some about it. She would like to know if this amendment of the city's General Plan is the exact process of a Zone Change to the City's General Plan. It's important to know because if it isn't, we don't need this meeting anymore. She thinks they're entitled to know if the process is the same. We've gone through the general plan so let's not have secrets, secret meetings, and secret deals. It will come out in the end; ask the City of Bell.

Mayor McCallon assured her that there are no secret meetings.

Ms. Cisneros stated she hoped they didn't. She asked if the City Council is representing the total City of Highland; have the defined areas of the residents been allowed to determine whether they approve or disapproved? The people not directly affected, like the people of east Highland, wouldn't care whether it goes in, except that it is not near their area. A lot of people couldn't be at these meetings because they may not be registered voters, not property owners, and you want more of that same thing with these multiple housing because they don't really impact who is a property owner and who resides on their property. We are against all of this because we get all of the negatives. Don't put anymore, you won't have anything positive. Like the gentleman said of the church, there isn't anything that we could have done differently to help ourselves and the City of Highland. We do not get the cooperation to help us. She reiterated that 100% of the residents and property owners at two previous meetings did not support this. The City may be asked to report an availability of multiple housing by the State or Federal Government but it does not implore you to place them in the already saturated Single Family Residential areas. They want a plan of where you can house these people due to population growth but it doesn't tell you where to put them. We have an abundance of multiples. They are everywhere and they do not represent anything positive. It is not the people that are in it all the time, it's who it's rented to and what comes in and out of it. If they are going to steal your car today, they're not going to be there tomorrow, it's going to be somebody else from outside that came in because it's an ideal place to do all of this. We have a few allies because they live there and we have supporters. Sam knows, he was with us when we started all this, living in the City of Highland. Have him tell you what has improved in our area. You took our Post Office, library, and everything. Norton is right down the road for that municipal airport. You support it. If you're trying to protect it, it's not going to be by what that plan says. Please don't consider putting it in. If you want to put it in, put it in the large tracts where you can have a gated community and control it, don't put it on our yards anymore because we already have all of this and we don't need or want anymore.

Mayor McCallon thanked Ms. Cisneros for her comments and asked the audience if there was anyone who wanted to speak in opposition or in favor for this item. Being none, he asked staff if they would like to comment on any of the items brought up, in rebuttal.

City Attorney Steele stated there was a question about the process that needed to be addressed. This is exactly the process required by law for amending the General Plan and updating the General Plan and the Zoning Ordinance. The public hearings required by the Planning Commission have been held, the public hearing required to be held by the City Council is in progress, and the staff report includes the Environmental Review as well as the workshop sessions held prior to those public hearings. This is exactly the process that the law requires and we are following it to the letter and spirit of the law.

Mayor McCallon closed the public hearing.

Councilman Racadio said looking at the staff report, it looks like there is tentative approval for our Housing Element but in discussions in October of 2010 and March of 2011, with the California Department of Housing and the Community Development, they said in order to get a Certified Element, we had to have more higher-density housing in the community. Councilman Racadio asked if they proposed these sites or simply state that we needed to have more higher-density housing.

City Planner Mainez answered that they did not propose these sites. This was an exercise given totally to the City and was a local control. It was a density issue and HCD views the density of 20:30 to be appropriate for social economic groups, the lower-income households. We had to do an inventory to identify these sites that could potentially house multi-families. In this exercise, according to HCD, would obtain certification for the City.

Councilman Racadio, stated that there were public hearings with the Planning Commission in April 2011 and May 2011, and a subsequent public hearing in June 2011, totaling three publicly advertised public hearings. Prior to that, were there public workshops to discuss these areas?

City Planner Mainez answered during the summer of last year, towards the end, there were two workshops to address this particular item, open to the public. Staff put forward all of these sites and analyzed them for their potential and narrowed them down to these seven. It was included in the Housing Element adopted in January.

Councilman Racadio clarified that there were two workshops and three public hearings with the Planning Commission.

City Planner Mainez answered yes. One workshop joined the Planning Commission and City Council.

Councilman Racadio asked, if this were adopted, would the California Department of Housing and Community Development certify our Housing Element?

City Planner Mainez stated they were confident they would certify the element. He tried to get them to certify it before Council took action but they would not do it. They are well aware of the Council's action.

Councilman Racadio, reiterated that the approving agency, the State of California, indicated that this would meet the State's requirement for high-density housing.

City Planner Mainez agreed but added there are a lot of other things the Housing Element is in compliance with; this is just one piece of many different things included in the Housing Element.

Councilman Racadio asked if this was the last piece.

City Planner Mainez confirmed that it was the last piece.

Councilman Racadio clarified that if this was approved then we would have a Certified Housing Element by the California Department of Housing and the Community Development.

City Planner Mainez stated that was correct.

Councilman Racadio asked if they were the only ones that could certify that.

City Planner Mainez indicated that was correct.

Councilman Racadio asked if they don't certify it, they face potential fines and them maybe coming in to take over Planning for the City.

City Planner Mainez said it was a possibility.

City Attorney Steele stated it was a situation where they would take away the City's Land Use Authority as well as the City's ability to issue building permits, for anything, and we could, as Pasadena and other jurisdictions have found, be in a situation where a judge would have to issue building permits, CUPs, or something else that the City would normally issue. We would have to go before a court to get approval because the HCD has withdrawn that authority from the City.

Councilman Racadio clarified that we would not have a legislative process where the public would be able to give input to their public officials on what they want in their community, rather a judge, who is not elected by them, making decisions.

The City would lose whatever authority it has, if we don't have a Certified Public Housing Element.

City Attorney Steele reiterated that yes, even something as simple as a building permit, we could lose that level of authority.

Councilman Racadio asked if we do not have a Certified Housing Element, we put our citizens at risk.

City Attorney Steele agreed and reiterated that what is being presented is not a project or application to build an apartment complex. What is required by the law is to show planning for viable sites to accommodate this number of units. We are not required to build units, only to plan for and make available sites where units could be built. There is no application before you. We are not talking about building units, at this point, only planning for units that could be built if property owners decide they want to build them.

Councilman Racadio asked besides the two public workshops, three public hearings with the Planning Commission, this public hearing with the City Council, if I want to put a project on one of these sites, I would have to come back through a process, open to the public, for approval on some level, with input from the public.

City Attorney Steele and City Planner Mainez answered yes.

City Planner Mainez explained that there would be a design review process and as presented in the staff report, there are standards, design guidelines, the first reading of which would be adopted tonight.

Councilman Racadio noticed that Area No. 7, east of the freeway, is a potential project that is high-density. If these projects were built to their maximum, being up to a future City Council, how many units would that represent and what percentage would that be of the total units?

City Planner Mainez stated they would put 650 units on this overlay. There is a provision in the ordinance, for your action, tonight, that would cap it at 650. The total allocation that we want to accomplish tonight is about 1,400 units. That represents 46%.

Councilman Racadio asked if they approve 45%, almost half are east of the freeway, potentially.

City Planner Mainez, explained that the central part of east and west, which they try not to do, yes, about 45% of the units they are looking for would be located in the Golden Triangle Policy Area. There is potential for a Specific Plan on that site.

Mayor Pro Tem Lilburn asked if we met our Certified Housing Element in 2010.

City Planner Mainez stated that we took action in January of this year to approve our Housing Element with the knowledge that the State was prepared to certify it if we implemented Program #9 in that Housing Element, which is the action you are taking tonight.

Mayor Pro Tem Lilburn asked if we have to bring in 1,400 units.

Councilwoman Scott clarified that it was 1,485.

City Planner Mainez stated some of that was a carry over from the previous Housing Element.

Mayor Pro Tem Lilburn clarified that this was not new, it is a combination of carryover and new. Mayor Pro Tem Lilburn then asked about the overlay project, the one that is east, that is a higher-density, but does it qualify as low-income.

City Planner Mainez stated that it is not a higher-density; it is very consistent with the outflow.

Mayor Pro Tem Lilburn stated it was high-density.

City Planner Mainez stated it was the highest density we have in our city, and if approved tonight, that would be our highest density. HCD rules that density to be appropriate type density to house lower income families.

Mayor Pro Tem Lilburn asked if that higher density, the R4, would the State accept that as low income.

City Planner Mainez answered yes.

City Attorney Steele clarified that there is no income requirement, it is about a certain density. There is nothing in the action, before you tonight, that relates at all to income.

Mayor Pro Tem Lilburn asked why we chose all the sites on the western territory and only one, when there is no requirement, as long as it is R4.

City Planner Mainez explained that the Golden Triangle is tricky. The State did not recognize that or give us credit. We tried very hard and, as you know, there is a Specific Plan proposed for that site which would, if the Specific Plan is adopted, would have been easy to tell the State that we could build 800 units here, 20 plus units dwelling per acre, is what is being proposed there. Since that was not adopted we had to negotiate with our reviewer up at State to come up with the this concept with the help of Craig. They were willing to give us credit if we adopted this overlay. The other sites were a process of elimination.

Mayor Pro Tem Lilburn clarified that it was a process that they were provided with these properties. She then asked for options for other overlay projects they could look at.

City Planner Mainez said they would bring it back to Council as part of the next housing round cycle, which staff is planning, but they are not prepared to do that tonight.

Mayor Pro Tem Lilburn stated her dilemma is that she, Sam, and Jody understand that when the City was incorporated, one reason they incorporated and became a City is because they did not want anymore apartments, low-income apartments. Typically, it brings in people that don't have commitment to the community because they don't own, they rent, they use up our public safety, they do what they can to our community and then half the time they're out of here. The problem is, I got elected to look out for the constituents. Where my dilemma is trying to let the constituents know that, nor do I want low-income, because this is where I live, right in the middle of it, as well, where it's being proposed. Do I want to have you ask me to have faith and say I'd rather say that this is only planning for the units, it doesn't mean that we are going to build it, and developers can come in and rezone it for R1 or R2 housing projects, but do we want the State to come in and say we are going to come in and build it ourselves, we are going to fine you, this is what we are going to do to your City, and then we have no right or authority to have control over the building of the projects. For those of you who know, with our apartment building, we have very strict conditions. We have not built any apartments, other than Jeffery Courts, since the City incorporated because I know, as a Council Member, that's ideal for us because I feel we have enough stock, out there, of low-income. It is a matter of are we planning right, am I jeopardizing the City, and the rest of the community because I did not plan for it? It doesn't mean that we are going to build it; or do I listen to you guys say 'we don't want it here but build it somewhere else.' Wherever we plan for it, no one is going to be happy. Nobody wants this in their neighborhood. This is purely a decision of the process that we take, which I'm glad you're participating in, because we work for you. I want you to understand that there are no projects, this is planning, and so this is really an interesting process that we have to go through. There are so many things and elements and different ways to accept some of them and look at other overlay projects. I'm sure, I hear that if we propose this in the East Highlands Ranch, they would be down here in swarms and this would not be acceptable. Those of you who live on the eastern portion would not want higher-density in your neighborhood because it does bring in a certain amount of element. Those are my comments. I'll probably have more when we get into the zoning.

Mayor McCallon commented that the reason no one wants to build apartments in Highland is because our standards are so high.

Mayor Pro Tem Lilburn explained that she and the Council know that, but our citizens do not understand our process. She is uncertain if it is their job to educate them but they don't understand. When she meets them out there, the major thing that has been brought to her attention since she became a Council Member is apartments. People don't want higher-density and these apartments built in their neighborhoods. She tries to explain to them that we have standards and conditions, and Council gets the say of the last say on who builds what and how they build it, that's completely in our hands, but they don't understand that. It's assuring them on how the process is done.

Councilwoman Scott expressed that she is tired of another strong-arm tactic by the State of California. They strong-armed the RDA and now they are strong-arming with our housing. She can drive around the City and see vacant properties on various streets in foreclosure, even in east Highland. She discussed what the figures were based on. It is based on the City's population, which is at 53,000. She wonders how many vacant apartments or homes we have in Highland, right now. Why would any city, deliberately encourage overcrowded slums. Most multi-family developments are owned by absentee slumlords. She wants to have the Apartment Program on an agenda right away for the existing apartments. Councilwoman Scott stated that it bothers her that we could put in an overlay, 600 units, with no CUP required. Has the state considered the ecological impact such as water, sewer, and sanitation for adding this many dwellings?

Mayor Pro Tem Lilburn asked why they wouldn't need a CUP with it being an approved project. That's a higher-density, wouldn't they need a CUP?

Mayor McCallon explained that if it's zoned at that density they could come in with a project. They would still have to go through the design review process.

Councilwoman Scott explained that the CUPs were a big protection for us. Page 18 has the Income Category, even though someone tonight said income was not being considered. If income is not being considered, why would you need special low-housing? That doesn't make sense; lower housing is for lower-income and the low-low housing is for the low-low-income. For a family of four, your very low-income is \$32,750 and the low-income is \$52,400. One person for very low is \$22,950 and the low is \$36,700. Councilwoman Scott asked if the very-very-low, when considering the very low-income, are they taking into consideration the value of food stamps, free medical, free bussing, and help on utilities, and so forth, because if you include all that, you won't have very low. The very low will be up with the low, and the low might be up with the moderate.

City Attorney Steele responded saying those are great questions to ask but it isn't anything that the City can change. As stated before, in regards to the city income levels, there is nothing in the City's ordinance that has anything to do with income. There is nothing that says this is housing for low-income people. This is a density that the State thinks produces housing that is affordable to people in these income levels. We can't change anything about what the State thinks about income.

Councilwoman Scott explained that the State bases their low and very low on high-density and low-income and it's just breeding grounds for crime, corruption, graffiti, and so forth. She knows the figures came from the State, they probably haven't even been down to Highland, but they throw out a number and it's based on a projected growth. With the economy right now, we really have a projected growth right now. On page 65, the build-out has our population at 75,000. Is that what they are basing this on or are we going to be adding more very-very-low R4 in the City elsewhere?

City Planner Mainez stated that Councilwoman Scott was referring to an exhibit showing two tables that we are amending as part of our General Plan. These are build-out projections based on our Land Use Plan for the General Plan. It is based on acreage and calculated amount of dwelling use you can get on the site and this applies to commercial, as well. What you see is a build-out projection. It is only a planning tool for the City. This isn't used by SCAG or the State when they come up with RHNA numbers; this is purely a General Plan exercise.

Councilwoman Scott wanted to confirm that they were projecting a 75,000 population.

City Planner Mainez answered yes, that is when the City is totally built out.

Councilwoman Scott asked if this R4 addition would handle that or is the R4 only good for the 53,000 population.

Community Development Director Jaquess explained that the Housing Element, which the zoning is an implementation of, intends to accommodate future growth of the city.

Mayor Pro Tem Lilburn asked if it was for the build out of 75,000.

Community Development Director Jaquess answered that it was projected for the life of the Housing Element.

City Planner Mainez answered that are a little behind. The Housing Element plan period is for 2006 to 2014. This exercise tonight is supposed to cover the growth between 2006 and 2014. It may appear a little dated but it was a planning exercise.

Councilwoman Scott asked if the 75,000 figure is part of the 2014.

City Planner Mainez answered no. This is the General Plan build-out. In this exhibit we included the R4 zone changes into these tables. It was adjusted, the population, slightly from about 73,000 or 72,000 to about 75,000. It decreased some of the commercial, so it was a balance from the top and bottom table.

Councilwoman Scott said when you get the R4 and the higher-density, then you have to have more city services, schools, police, certainly more police because they're nothing but crime places. Councilwoman Scott stated the exhibit was wrong.

City Planner Mainez stated he believes the exhibit is correct according to the action being taken tonight but will verify.

Councilwoman Scott realizes that we are playing a shell game, putting it on the map to satisfy the State, but why should we play their games? Councilwoman Scott stated she could not support this.

Mayor Pro Tem Lilburn stated that these projected, are for our proposed Housing Element of 2006 to 2014 and we are already in 2011, and there isn't anything building. We are not building anything that's requiring us to zone this low income housing.

City Planner Mainez reiterated that we are just identifying zoning that could potentially.

Mayor Pro Tem Lilburn stated she could support half of it, the overlay. Would that satisfy?

City Planner Mainez answered that would not get us to the numbers we need.

Mayor Pro Tem Lilburn stated she knew it would not get us to the numbers that we need for the long run, but we're not building anything.

City Attorney Steele explained that is not a factor of what we are building, while he isn't defending this, it's a factor of what number of people could try to live in Highland. The State is asking the question if there are enough sites in the city zoned and available for those people to live there. It's a phony exercise that the State is requiring to some extent. It is making our documents show that there are sites available if this number of people wanted to live in Highland and someone wanted to build housing for them.

Mayor Pro Tem Lilburn asked if we currently meet, with our current population, our Housing Element for low-income.

City Planner Mainez explained that we are deficient on housing sites, projecting for a growth that should come at a period of time, having to carryover from the previous Housing Element due to the same problem, about 1,400 units for lower-income. We meet our moderate, our upper, we have identified it through our inventory, the zoning map in front of you shows that, the General Plan shows that. If we go back to the Housing Element there is an attachment in the back showing a table and a map identifying all the vacant and underutilized parcels and the calculation of what that would generate. We have a lot of land for moderate and upper-income, it makes it clear that there are no sites to meet the demand for growth in the lower category of our society. We are about 1,400 units short and this action tonight would correct that.

Councilwoman Scott asked if the State would allow mobile homes.

City Planner Mainez answered yes, we account and get credit for mobile homes.

Mayor Pro Tem Lilburn asked if we are going to go through the Housing Element again in 2014.

City Planner Mainez stated it is due October 2013.

Mayor Pro Tem Lilburn asked, hypothetically, if this was all approved for this zone change, would we be looking for more sites.

City Planner Mainez answered no. Larry is involved with SCAG; staff is involved in trying to come up with a new RHNA number for the new Housing Element.

Mayor Pro Tem Lilburn asked if it could be lower.

City Planner Mainez answered that it would probably not, but we could use some of these sites to credit, eliminate some of these sites, we will identify new sites with new projects. As you know, Lewis Companies is proposing a Specific Plan out there, the Golden Triangle Specific Plan appears to have more activity. We are looking at identifying easterly sites this time. That is giving the opportunity on the east side this next round.

City Attorney Steele stated that a worry that staff has is with some of the things developing on the east side of town. That seems to be where some momentum towards development is taking. If we lose our Land Use Authority and our ability to issue permits, we can't make things happen on the east side of town; we can't accomplish either one. There is a possibility that the units could go in on other parcels, but if the State takes away the Land Use Authority, then we can't do it. It is one of those things where you have to play the game the State is imposing on us in order to keep the local control over the Land Use issues that are going to come before you in the future.

Councilman Racadio states that he agrees with Jody on the strong-arm comment. He is tired of the State strong-arming us. He said the historical part of the process, if they want a 25 mph speed limit, we have to meet with what the State says, you have to have so many housing units, etc. I'd like to eliminate the sales tax but 1% goes to the City for Police and Fire, we can't do that. I'm afraid if we don't approve this, they will have total control, potentially. I would hate to have a judge making decisions on building permits and zoning in our community without input. If this zoning is approved, there are no units on there, ultimately they would have to come back to design review where we would have public input. When our apartment ordinance was made, we got the standards from a few communities, and made our standards higher than that. I like that. If this is taken over by the State, do you think they will allow us to have those requirements? I don't think so.

Councilwoman Scott asked staff if the R4 is approved and a developer comes in, picks a site, and wants to put 30 per acre, do we have to let him do it because it is zoned for it.

City Planner Mainez stated that it would be subject to a design review by the Planning Commission. That is a discretionary review that the State has not taken from the City, yet. They have taken the CUP entitlement but not the design review process, which in most cases is more stringent.

Councilwoman Scott asked if he gets that, goes through design review, and no CUP is required, and it doesn't come up to the 20 or 30 per acre because it doesn't lay out right, can he sue.

City Planner Mainez answered that the density is 20 to 30 dwellings per acre; you would review the plan to see if it meets that first, along with the other requirements pointed out. You are getting into an area of developing review. There are a lot of things developers can do in our code; they could ask for variances, set aside units for lower income, and adjust standards, Planning Commission, and on appeal, the City Council, would be involved in. If the project does not meet all the standards then there is an opportunity to deny that project and be brought before the City Council.

Councilwoman Scott asked since we have a condition that no lots will be less than 5,000 square feet, is that going to apply to the R4.

City Planner Mainez answered that was relevant to single family, not part of this ordinance.

Mayor Pro Tem Lilburn stated this density is high, which is how many units per acre.

City Planner Mainez answered a minimum of 20 to a maximum of 30 units per acre.

Mayor Pro Tem Lilburn asked if the State requires us to have medium-density, high-density, or high-density special.

Community Development Director Jaquess stated that the State is requiring us, in this case, to have the R4 zone, land use designation. All the other designations on our General Plan are local choice.

Mayor Pro Tem Lilburn asked since we have a lot of high-density, have we looked at taking some of those zoned for high-density and rezoning those for higher density.

City Planner Mainez asked if Mayor Pro Tem Lilburn was talking about existing apartments.

Mayor Pro Tem Lilburn clarified that she meant medium-density.

Mayor McCallon stated that when they went through this exercise before, they looked at all the vacant land in the City of Highland and what their existing zoning was and through that process the City Council decided on these particular sites of vacant land that we would rezone.

Mayor Pro Tem Lilburn said she understands but the constituents don't like that. Mayor Pro Tem Lilburn asked since we have medium-density on several areas, can we rezone those.

City Planner Mainez explained that the item doesn't include going back to the Housing Element and changing the sites, we are implementing the Housing Element. We will come back, shortly, to do another Housing Element and this will give the Council another opportunity to find other sites.

Councilwoman Scott asked if she had a piece of R4 land and a developer wanted to do something other than an R4, 20 to 30, could they do it.

City Planner Mainez answered that they could do it and they would take a Zone Amendment, General Plan Amendment, and the City would have to find another location to replace what was lost in that rezone. It's like a no net loss situation.

Mayor Pro Tem Lilburn stated she knows we have people who own land who wanted their property zoned R4, close to where these are already zoned, but we wouldn't zone theirs because we want them to do a Zone Change.

City Planner Mainez stated that they could look at them for the next round and explore that for the next update.

Mayor Pro Tem Lilburn asked if we rezone these and a developer comes in and wants to do R1 or Commercial, they will have to pay for a Zone Change.

City Planner Mainez stated that was correct.

Councilman Racadio stated if the new property wants to have R4 zoning, which would free up some potential units that we could apply and maybe eliminate a qualified one.

City Planner Mainez said yes, that could happen.

Councilman Racadio asked if that would be in the next year when we review this again.

City Planner Mainez answered yes, most likely.

Mayor McCallon stated that he has worked very hard to talk about Highland as one city and is elected to represent the entire City. He does not talk about east Highland or west Highland, only Highland. It bothers him when we try to divide the City when we ought to try to unify it. He works hard to represent all of Highland, regardless of where he lives. He objects to people who tell him that he is making a decision that is based on where he lives as opposed to what is good for the entire City. There has been a good discussion tonight but would like to continue this item until the first meeting in September.

Councilwoman Scott asked if there was a particular reason to continue the item.

Mayor McCallon explained that it seemed as though they would have a 2-2 vote and they should continue it to when they have a full Council.

A MOTION was made by Mayor McCallon, seconded by Mayor Pro Tem Lilburn, to continue this item until September 13 at 6:00 p.m. Motion carried, 4-0, with Councilman Timmer being absent.

Ms. Cisneros interjected from the audience asking the Council if they would be notified of the next meeting.

Mayor McCallon informed Ms. Cisneros the next meeting would be September 13.

Ms. Cisneros asked if they would be notified by mail.

Mayor McCallon notified them at the time that the meeting would be at 6:00 p.m. on September 13.

Mayor McCallon stated that the public hearing has been closed and they would continue the discussion of the Council.

CITY COUNCIL/REDEVELOPMENT AGENCY LEGISLATIVE

15. Allocation of Highland's Unprogrammed Community Development Block Grant (CDBG) Funds

Mayor Pro Tem Lilburn abstained from this item due to her employment with the Highland Senior Center and their involvement receiving CDBG funds.

Mayor Pro Tem Lilburn left the dais at 7:58 p.m.

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

Councilwoman Scott asked if they expect the \$6,000 in August.

Community Development Director Jaquess answered yes.

Councilwoman Scott asked where it was coming from.

Community Development Director Jaquess could not answer.

Councilwoman Scott asked what will happen to the remaining amount.

Community Development Director Jaquess answered it would be an unallocated amount of money they could spend in the future and could reallocate it in the future.

Councilwoman Scott asked if it was a delay.

Community Development Director Jaquess answered it was temporary.

Councilwoman Scott stated if they do not get the money in August, bring it back to the Council to do this again because she doesn't want to take money from Public Works.

A MOTION was made by Councilman Racadio, seconded by Mayor McCallon, to allocate \$32,503 in Unprogrammed CDBG funds to partially fill a \$34,450 deficit and determine which project to deduct the remaining \$1,947 shortfall from the Public Works fund. Motion carried, 3-0, with Councilman Timmer being absent and Councilwoman Lilburn abstaining.

Mayor Pro Tem Lilburn returned to the dais at 8:05 p.m.

16. Amendment to Professional Services Agreement with PB for Additional Engineering Services for Greenspot Road Infrastructure Improvements

Assistant Public Works Director Barton gave a brief description of the staff report.

Councilwoman Scott inquired about the unforeseen change of the \$13,000, putting it 13.5% over the original contract. We should take \$6,734 off of the \$13,000 unforeseen changes and make it the 10%.

Assistant Public Works Director Barton explained that the request without the contingency, will put the contract over to 11.15%. He asked the Council if they wanted to reduce the contingency by 50% since it is already going to be over 10%.

Councilwoman Scott stated she would like to hold it at 10%.

Councilman Racadio stated that they would have to do it at 11%

Assistant Public Works Director Barton stated that without contingency it would be 11.15%.

Councilwoman Scott agreed to 11.15%

Councilman Racadio asked if it would move more efficiently if they had the 13.5%.

Assistant Public Works Director Barton concurred.

Councilman Racadio stated he would rather allow them to have that ability to make those decisions.

Councilwoman Scott asked if they were almost finished.

Assistant Public Works Director Barton answered yes.

Mayor Pro Tem Lilburn stated she thought they were done.

Assistant Public Works Director Barton indicated that they were pretty much done with the storm drain portion of the work. They are working through permitting to get to construction.

Councilwoman Scott stated that with what they were asking, it was \$80,106 more than the original bid.

Assistant Public Works Director Barton concurred.

Mayor McCallon inquired if there was change in scope.

Assistant Public Works Director Barton answered yes, on our part, and unforeseen items that came up.

Councilman Racadio reiterated his preference to allow them to make those decisions in the field with the parameter on 13.5% so it can move along rather than waiting between Council meetings.

Councilwoman Scott asked if they don't have the unforeseen, it would come back.

Assistant Public Works Director Barton explained that if it is not unforeseen it is not expended. If it is not needed, it is not expended.

Councilman Racadio explained to Councilwoman Scott that he was absolutely confident between Dennis and Ernie that if it was not necessary, it will come back.

A MOTION was made by Councilman Racadio, seconded by Mayor McCallon, to approve Contract Change Order No. 4 in the amount of \$23,968; and approve the amendment to final contract amount from \$593,375 to \$673,481. Motion carried, 4-0, with Councilman Timmer being absent.

17. Professional Services Agreement for Construction Management Services for Boulder Avenue Bridge and Street Widening Project

Assistant Public Works Director Barton gave a brief description of the staff report.

Councilwoman Scott asked who pays for the cost overruns.

Assistant Public Works Director Barton explained that we are still allowed a contingency with a federal process.

City Engineer Wong explained that any overrun would be split by the Federal Government and the City. The city pays 12%.

Councilwoman Scott asked to clarify that if instead of \$1,280,000 it turns out to be \$1,800,000, the city would only pay 12% of the whole thing.

City Engineer Wong explained that if in the end the final cost is less than what is authorized, we can only bill the appropriate amount; we will get the 88% of the final amount from the government.

Councilman Racadio asked if we have ever used Harris & Associates before.

Assistant Public Works Director Barton answered no.

Councilman Racadio inquired about their references and their previous projects.

Assistant Public Works Director Barton claimed they just finished the project on State Street and University Parkway with SANBAG.

A MOTION was made by Mayor Pro Tem Lilburn, seconded by Councilwoman Scott, to approve the Professional Services Agreement for Construction Management Services with Harris & Associates for the Boulder Avenue Bridge and Street Widening Project, contingent upon a pre-award audit approval by Caltrans. Motion carried, 4-0, with Councilman Timmer being absent.

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

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

The City Council determined there would be no attendees.

19. Determination Whether the City Should Participate in the "Alternative Voluntary Redevelopment Program," Make the Required Payments to the State of California and Continue Redevelopment Activities Under AB X1 27; Introduction and First Reading of Ordinance No. 360. Delegate to the City Attorney and City Manager the Authority to File an Appeal of the California Department of Finance's Determination of the City's FY 2011-12 AB X1 27 Payment Amount, if Warranted; Direct Staff to Propose Necessary Budget Adjustments and Prepare Transfer Agreement between the Agency and City for Consideration at a Future Meeting; Adjourn this meeting to August 2, 2011.

City Attorney Steele gave a presentation of the staff report.

Councilwoman Scott asked if our land will be in RDA.

City Attorney Steele answered yes.

Councilman Racadio asked if you could set aside money and then take it back. In paying our portion of the \$1.7 billion and the \$400 million a year, does that include money set aside.

City Attorney Steele answered only in the first year can we use the set aside money.

City Manager Hughes stated that it has to be a loan.

Mayor McCallon asked if the word 'exactions' lawyerese for extortion payments.

City Attorney Steele answered extortion, ransom, any of those things.

Mayor McCallon asked to confirm no services.

City Attorney Steele confirmed no services.

Councilwoman Scott stated Highland is in pretty good shape but other cities in the Inland Empire are not.

City Attorney Steele stated there will be agencies that will not be able to make these payments and they will go out of business.

Councilman Racadio asked if this will allow them to extend the life of the project areas.

City Attorney Steele answered no.

City Manager Hughes indicated that was part of the offer the CRA was proposing and part of the legislation they were putting forward was to make a voluntary payment and you could extend the life of the Redevelopment Agency, as a benefit, but it was rejected.

Councilman Racadio questioned when the project areas expire, they will have a general fund payment.

City Attorney Steele answered no, the only way they could read this with any kind of sense, is when the agency's ability to collect tax increment runs out, at any part of the project area, then the obligation to make the payment has to run out, the agency is no longer in business.

Councilman Racadio stated there was no language; it was just a logical assumption.

City Attorney Steele agreed.

Councilwoman Scott asked when they make the first payment, can they put it in a trust fund to hold it until a court determined the constitutionality of the law.

City Attorney Steele answered no, unless the court orders that, they have to make the payment to the County Auditor. That money gets distributed out from there.

Councilwoman Scott clarified that the group who started the lawsuit has not set up a fund for the cities to put their money in.

City Attorney Steele stated that fund, under the law as of now, would not do anyone any good.

Councilman Racadio asked if we took the \$2.7 million out of the housing fund but we come up with a project, and we need to put more money in to do that, could we loan it from the General Fund and get payments back.

City Manager Hughes stated that the law does allow for a payment out of those funds, but they have to make specific finding and show that you don't have any other funds available to make that payment. There would have to be an analysis and what we would like to do is use the restricted funds, for a State purpose, but we have to do the analysis. His guess would be they wouldn't be able pay the whole amount with that, maybe a portion, but we have to take the whole RDA into consideration of all of our tax increments. If we are going to do that analysis, what the Council is being asked to do tonight, would bring back that agreement between the RDA and the City and we would flush that out.

Councilman Racadio asked if the RDA analysis of other potential budget sources are available within the city.

City Manager Hughes answered only within the RDA.

City Attorney Steele stated there is no limit on how long the payments will last other than the number of years we still have to collect tax increment fund through the Redevelopment Agency. This is not a two-year program that the legislature has set up. This is indefinite. Agencies are going to make payments over a different period of years depending on the agency. If, at some point, you determine you are done with the projects and the costs outweigh the benefits and you don't want to continue to make payments, all of the sanctions talked about earlier, kick in. The agency is dissolved and the property gets sold. You may decide \$650,000 is too much to keep paying for these benefits, if you stop, the sanctions will kick in and the agency will go out of business. In terms of how long this will go on, staff should analyze and report on the continuing ability to make that payment, year after year. At some point it may not make economic sense to keep paying. There are other variables involved in this. With the lawsuit, the CRA tried to shorten the duration of the litigation by asking the Supreme Court to take it up in Original Jurisdiction. When the litigation was filed, the court asked the Attorney Journal for some Briefing. They were due on a specific date and there will be no extensions granted. We looked at this as a hopeful sign that they were going to look at it and do it on a compressed time.

Councilwoman Scott asked who the author is of these two bills.

City Attorney Steele answered Assemblyman Bloomingfield.

City Manager Hughes stated the City of Monrovia is putting together a letter to be signed by all the cities thanking Senator Bob Huff and Assembly Members Anthony Portantino and Tim Donnelly who voted against this extortion. We would like to get the authority to allow them to use the City's name.

A MOTION was made by Councilman Racadio, seconded by Councilwoman Scott, to determine that the City and Agency will participate in the Alternative Voluntary Redevelopment Program established by AB X1 27. If the City Council concurs, the appropriate motion would be to:

1. Agree to comply with Part 1.9 of Division 24 of the California Health and Safety Code and, introduce, read by title only and waive further reading of Ordinance No. 360;
2. Direct staff to prepare and present at a future City Council meeting the recommended adjustments to the City budget necessary to make the required AB X1 27 payment for FY 2011-12 and a transfer agreement between the City and Agency;
3. Delegate to the City Manager and City Attorney the authority to file an appeal, if warranted, of the Department of Finance's determination of the amount of the City's required AB X1 27 payment for FY 2011-12,
4. Adjourn this meeting to August 2, 2011, at 10:30 a.m.; and
5. Authorize the Mayor to sign the letter of thanks.

Motion carried, 4-0, with Councilman Timmer being absent.

20. Legal Services Agreement

Mayor Pro Tem Lilburn left the dais at 8:50 p.m.

City Manager Hughes gave a brief presentation of the staff report.

Mayor McCallon stated the City Attorney was doing an outstanding job but it's unfortunate that during these economic times they come forward with an increase because other agencies are asking people to take a cut. He does not understand the timing.

Councilman Racadio stated the base was lower than most.

A MOTION was made by Councilwoman Scott, seconded by Councilman Racadio, to approve the Legal Services Agreement with Richards, Watson & Gershon. Motion carried 3-0, with Councilman Timmer and Mayor Pro Tem Lilburn being absent.

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

Mayor Pro Tem returned to the dais at 8:53 p.m.

Mayor McCallon stated the SANBAG Executive Director has retired and they are in the process of determining how the position will be filled. He asked Councilman Racadio to be an Interim Director for a couple of months and he accepted as long as there is legal opinion that it is not an incompatible office.

Councilwoman Lilburn did not attend the July meeting for Omnitrans and will be back in August as a Board Member. SBX will be at the Chamber to do a presentation in August.

City Manager stated on a Regional issue, they received a request from the Inland Empire Regional Broadband Consortium, requesting the City to endorse a grant application by the IERB and/or join to become a member. They are looking for grant funds to provide broadband internet service to those who are underserved and bring in Wi-Fi on a city-wide basis.

Mayor McCallon inquired how Time Warner and Verizon felt about it and if they would sue and win.

City Attorney Steele stated it would come down to determining if they had an exclusive franchise or not.

Mayor McCallon asked what it costs to join.

City Manager Hughes answered it was free but they would have to assign a staff member to be a part of their quarterly meetings.

Staff was directed to send a letter of support to the IERBC.

22. San Bernardino International Airport Authority and IVDA

Councilwoman Scott reported on the agenda items as well as reporting that Pat Morris was made the President, Ovidiu Popescu was made Vice President, and Sam Racadio was made the Secretary.

ANNOUNCEMENTS

City Manager Hughes stated there was going to be a meeting on August 2 at 10:30 a.m. and a Special Meeting at 10:45 a.m.

CLOSED SESSION

None

ADJOURN

There being no further business, Mayor McCallon adjourned the meeting at 9:02 p.m. in memory of David Zamora, Mayor of the City of Colton.

Submitted By:

Approved By:

Betty Hughes, MMC
City Clerk

Larry McCallon
Mayor