

MINUTES OF THE ADJOURNED REGULAR JOINT MEETING OF THE MONTCLAIR CITY COUNCIL AND MONTCLAIR HOUSING CORPORATION BOARD HELD ON MONDAY, JUNE 28, 2021, AT 6:00 P.M. IN THE CITY COUNCIL CHAMBERS, 5111 BENITO STREET, MONTCLAIR, CALIFORNIA

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I. CALL TO ORDER

Mayor/Chair Dutrey called the meeting to order at 6:00 p.m.

II. ROLL CALL

Present: Mayor/Chair Dutrey; Mayor Pro Tem/Vice Chair Ruh; Council Members/Directors Johnson, Martinez, and Lopez

City Manager/Executive Director Starr; Finance Manager Kulbeck; Senior Management Analyst Fuentes; Human Services Director Richter; City Clerk Myrick

III. COUNCIL/MHC BOARD WORKSHOP

A. Fiscal Year 2021–22 Preliminary Budget Review Presentation

City Manager/Executive Director Starr discussed the great challenges of the past year with the City’s COVID–19 budget cuts, but also referenced the economy’s seemingly strong rebound, the voters’ passage of Measure L at the 2020 election, and federal COVID–19 assistance presenting a more positive outlook for the upcoming budget year.

Finance Manager Kulbeck discussed the FY 2021–22 Preliminary Budgets for the City of Montclair and the Montclair Housing Corporation with the aid of a PowerPoint presentation.

During her presentation, Finance Manager Kulbeck noted a \$2,079,847 surplus exists in the preliminary General Fund Revenues Budget related to projected increases in the City’s Sales Tax and Transactions and Use Tax revenues, which has enabled the General Fund Unassigned Reserve to be brought to \$8 million—approximately 24.95 percent of the preliminary General Fund Operating Appropriations Budget, essentially meeting the Council’s goal of 25 percent. She further reviewed additional revenue components of the budget.

City Manager Starr advised one important revenue component to note would be from **Greyhound** relocating from Claremont to the **Montclair Transcenter**.

Mayor Pro Tem/Vice Chair Ruh indicated support for **Greyhound** bus service at the **Transcenter**, noting it would provide a direct connection for residents and nearby communities to the **Amtrak** train system.

Mayor/Chair Dutrey asked if the City Council would have final approval on the **Greyhound** contract.

City Manager Starr confirmed the contract would come to Council for approval, noting the use of the terminal will bring \$15,000 per year and maintenance and security will be charged at \$50,000 per year.

Finance Manager Kulbeck presented the 2021–22 Preliminary Budget Appropriations for the departments and General Fund transfers, including \$558,661 from the General Fund Operating Budget to the proposed UAL/POB Amortization Fund for maintenance of any unfunded actuarial liability in the event the City Council approves an issue of pension obligation bonds later this year.

Mayor Pro Tem/Vice Chair Ruh asked if the City would be able to purchase police vehicles at a reduced rate by going with a specific model, in reference to a former deal in the 1990s where cities were able to purchase a fleet of discounted **Chevy** Caprice police vehicles.

City Manager Starr advised there are no longer such deals being offered to agencies because few automotive companies make police vehicles so there is not much room for negotiation.

Mayor/Chair Dutrey stated if the City is not awarded a grant to purchase a new fire engine, he would like the City Council to discuss purchasing one using the General Fund.

Finance Manager Kulbeck discussed the City's history of increasing **California Public Employees Retirement System (CalPERS)** costs over the last decade, and the upcoming anticipated FY2021-22 payment of \$7.8 million, which includes an annual unfunded accrued liability (UAL) payment of \$5.6 million and an employer rate of \$2.2 million.

Council Member/Director Lopez received clarification that the employer rate increases one to three percent every year and asked how the potential bond issue would address the UAL increases.

City Manager Starr stated the projected annual savings paid on the pension obligation bond would be deposited into an account and used to offset any additional debt attributed to the UAL.

Finance Manager Kulbeck discussed the City's pandemic recovery plan including restoration of frozen and laid off positions; issuing lease revenue bonds to fund infrastructure projects throughout the community; and establishment of a Coronavirus Local Fiscal Recovery Fund.

Council Member/Director Lopez received clarification on the specifics of some of the proposed facility improvement projects including the civic center courtyard, lobbies, reception areas, and restrooms of various buildings.

Council Member/Director Johnson asked if the roundabout at Ramona Avenue would be addressed by the bonds.

City Manager Starr advised the funds for that project have already been secured through a grant.

Mayor Pro Tem/Vice Chair Ruh stated he would like to see more traffic calming measures implemented throughout the community.

Mayor/Chair Dutrey asked why the splash pad repairs are not being done sooner so it can be opened during the current summer season.

Council Member/Director Lopez concurred, noting other cities have had their splash pads open all summer this year.

City Manager Starr advised repairs would take at least two months for the splash pad to be operational, and the discouragement of social gatherings during the pandemic made it impractical to schedule maintenance for potentially little to no use for the remainder of the current summer.

Mayor/Chair Dutrey stated he would like the City to allocate COVID relief funds to assist business community with rent relief and determine other needs during this recovery period.

Council Member/Director Lopez concurred and asked if Council Members could submit their top five priorities at a future meeting to determine what projects should be prioritized. He noted he feels the City should consult with the **Monte Vista Water District** on any plans to install reclaimed water lines for the north Montclair projects.

Mayor Pro Tem/Vice Chair Ruh stated the City also needs to focus on legislation surrounding warehouse businesses, noting there have been some sales tax issues regarding the point-of-sale and what jurisdiction gets the sales taxes, similar to car dealership sales.

Finance Manager Kulbeck discussed the reorganization element of the preliminary budget, including the re-establishment of a Department of Economic Development and Housing; increasing the number of dispatchers in the Police Department; creating, restructuring, and reclassifying of new positions; and restoring

positions that were frozen prior to and during the pandemic.

Council Member/Director Ruh stated he remains opposed to the Information Relations Officer position, noting he feels that job could be outsourced to a private consulting firm at a lower cost and without having to pay benefits.

City Manager Starr advised the position to which he is referring would be reclassified to Economic Promotion Coordinator, which would have responsibilities including direct interaction with and assistance to businesses throughout the City, and would be far more involved than a consultant or firm. He added a consultant doing that job would likely need to be provided employee benefits anyway due to a recent court ruling that contracted employees whose activities are closely controlled by the hiring agency have rights to regular employee benefits.

Council Member/Director Lopez asked why the position is budgeted at the highest step.

City Manager Starr advised all vacant positions are budgeted that way because if a current employee is appointed to the position, they would need to be placed into the step that is closest to their current salary.

Finance Manager Kulbeck concluded her presentation with a review of the 2021-22 Preliminary Budget of the Montclair Housing Corporation.

Council Member/Director Martinez stated she is impressed with the City's achievement of its goal to achieve a reserve fund that is 25 percent of the operating budget.

Council Member/Director Johnson thanked City Manager Starr and Finance Manager Kulbeck for their hard work on this budget and for the presentation.

Council Member/Director Lopez asked what part-time benefitted positions are assigned to the Fire Department.

City Manager Starr advised the part-time benefitted position is an Administrative Technician.

Council Member/Director Lopez requested staff provide him with a list of all part-time benefitted positions. He noted he would like to see an increase in development impact fees or an increased contribution to the City from developers for large projects.

City Manager Starr advised the City implements Community Facilities Districts in new developments to fund maintenance and safety services, and there are already several development impact fees levied by the City, County, special districts, and the school district on developers. He noted the City had to negotiate reducing the excessive fees levied by the **Inland Empire Utilities Agency** on behalf of **CIM Group** during the **AMC Theater** construction.

Mayor Pro Tem/Vice Chair Ruh stated he would oppose increases to development impact fees, noting they have a negative impact on new housing and businesses by increasing the cost to build and thus the expense to live and do business in the City.

Council Member/Director Lopez stated he is glad the City has a surplus but he still has some reservations about the budget. He noted there are things he likes and others he does not like.

Mayor Pro Tem/Vice Chair Ruh stated he can live with the budget as presented this evening, however he remains opposed to the creation of the new Economic Promotion Coordinator position.

Mayor/Chair Dutrey stated his general satisfaction with the preliminary budget as presented and expressed an optimistic outlook for the City's future with the current budget surplus, several development projects in the pipeline, and the full reopening of restaurants and businesses that survived the pandemic.

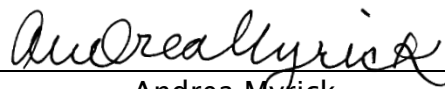
#### IV. PUBLIC COMMENT

- A. **Mr. Bill Kaufman** introduced himself as a businessperson who has owned several cannabis dispensaries and distribution centers in Seattle and Venice Beach, and stated he was encouraged to hear that the City of Montclair may be considering the legalization of commercial cannabis. He noted his businesses have been great contributors to the communities in which they operate including beach clean-ups and sports field renovations. He noted with the ongoing redevelopment of the mall and areas around north Montclair, and with its proximity to the freeway, Montclair would be a great location for a safe legal cannabis industry to operate, and would combat the current cannabis delivery market that is operating without contributing any taxes or social benefits to the City.
- B. **Ms. Eleni Christianson** stated she has been a Montclair resident for 17 years and has been very impressed with the development of the City. She stated she has worked for a consultant for cannabis testing labs for the past year and a half and is excited for cities welcoming legal sales of cannabis, noting she has learned so much working within the industry and even as the parent of an eight-year-old would feel more comfortable living in a city with legalized sale of cannabis than the black market operating. She stated she would love to learn more about the City's plans for this industry and looks forward to attending future Council meetings.

#### V. ADJOURNMENT

At 8:36 p.m., Mayor/Chair Dutrey adjourned the City Council and Montclair Housing Corporation Board and announced a special meeting would be held on Wednesday, June 30, 2021, in the City Council Chambers to consider adoption of the Fiscal Year 2021-22 City and MHC Budgets and to consider actions on other matters as necessary.

Submitted for City Council/Montclair Housing Corporation Board approval,



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Andrea Myrick  
City Clerk