

MINUTES OF THE ADJOURNED JOINT MEETING OF THE MONTCLAIR CITY COUNCIL AND MONTCLAIR HOUSING CORPORATION BOARD HELD ON WEDNESDAY, JUNE 22, 2022, AT 6:02 P.M. IN THE CITY COUNCIL CHAMBERS, 5111 BENITO STREET, MONTCLAIR, CALIFORNIA

I. CALL TO ORDER

Mayor/Chair Dutrey called the meeting to order at 6:02 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; Human Services Director Richter; Director of Community Development Diaz; City Clerk Myrick

Mayor/Chair Dutrey stated he would move Item IV, Public Comment, up on the agenda to take comments prior to the presentation.

IV. PUBLIC COMMENT

- A. **Mr. Luciano Quezada** introduced himself as the new field representative for **U.S. Representative Norma Torres of the 35th Congressional District** and stated he is excited to work with Montclair.

III. COUNCIL/MHC BOARD WORKSHOP

A. **Fiscal Year 2022–23 Preliminary Budget Review Presentation**

Finance Manager Kulbeck discussed the FY 2022–23 Preliminary Budgets for the City of Montclair and the Montclair Housing Corporation with the aid of a PowerPoint presentation.

During the first segment of her presentation, Finance Manager Kulbeck noted a \$2,887,720 surplus exists in the preliminary General Fund Revenues Budget, and the General Fund Unassigned Reserve is at \$7.26 million—approximately 22.29 percent of the preliminary General Fund Operating Appropriations Budget, nearing compliance with the Council’s Unassigned Reserve Ratio goal of 25 percent. She reviewed significant revenue components of the budget, including property, sales and use, and transactions and use taxes. She then presented the 2022–23 Preliminary Budget Appropriations for the departments and General Fund transfers. She also reviewed recent and ongoing efforts designed to enhance City revenues including evaluating service contracting; considering a commercial cannabis program and related fee structure; promoting development within the North Montclair Downtown and Montclair Place Specific Plans; promoting housing, commercial, and industrial development projects throughout the community; and adopting the General Plan Update and Arrow Highway Mixed Use District Specific Plan.

Council Member Lopez received confirmation that the second tranche of the American Rescue Plan funds are coming in the third quarter of 2022.

Council Member Martinez received clarification that decreased revenues are the result of the City’s projections for debt service.

In the next segment of the presentation, Finance Manager Kulbeck discussed personnel services for the upcoming Fiscal Year including reclassifying positions, creating new positions, and restoring previously-eliminated positions.

Council Member Lopez received clarification on the addition of a Police Dispatch Supervisor position, which Executive Director of Public Safety/Police Chief Avels anticipates converting to a regular Dispatcher position in the near future.

In the portion titled “Building a Better Montclair,” Finance Manager Kulbeck discussed efforts the City has undertaken and future strategies identified to improve fiscal and quality of life conditions in the City including:

- Forming a new Transactions and Use Tax District with the passage of Measure L at the 2020 Election, which significantly improved revenues;
- Evaluating service contracting for specified programs for cost savings; considering a Proposition 64 Commercial Cannabis Compliance program including potentially bringing forth a ballot measure at the 2022 General Municipal Election;
- Promoting development within north Montclair; adding services and improving operational capacity at the Montclair Transcenter; and
- Retitling the Economic Development Department as the Economic Development Agency (EDA) to emphasize its evolving role as an extension of the former Montclair Redevelopment Agency (RDA) by seeking Opportunity Zone designation for areas in the City’s Sphere of Influence as an annexation and improvement strategy, and acquiring neglected properties to ensure quality development projects and provide affordable housing.

Other goals discussed for “Building a Better Montclair” included:

- Addressing homelessness through the Code Enforcement Division, California’s new CARE Court, developing a shelter program, and joining the **San Gabriel Valley (SGV) Housing Trust Fund (HTF)** or the **San Bernardino County Council of Governments’ (SBCOG) HTF**, if established, to receive funding for various housing and homelessness-related programs;
- Establishing an Inflation Control Expenditure Fund as a shock absorber for unanticipated higher costs due to inflation;
- Continuing to use 2021 Lease Revenue Bond and grants funds for park improvements and infrastructure projects identified by the City Council in 2021;
- Performing an employee wage compensation analysis to bring wages in alignment with the average of comparable positions in survey agencies in an effort to address issues with employee recruitment and retention;
- Providing an Employee Inflation Bonus Adjustment (IBA) which would give each full-time employee \$1,500 and each part-time employee \$1,000 to address the current inflation rate that is at its highest level in 40 years; and
- Implementing a Flashing Stop Sign Replacement Program to improve safety for pedestrians, cyclists, and motorists on City streets.

Mayor Pro Tem Ruh asked if the City has money set aside to join a Housing Trust Fund.

City Manager Starr indicated the City Council budget has \$30,000 earmarked for that purpose.

Mayor Pro Tem Ruh suggested the City explore more innovative ways to address homelessness such as tiny home villages with wrap-around services to serve as transitional housing.

City Manager Starr advised the City has spoken with one developer at a conference that has built similar projects and plans to engage them and others in the future when opportunities arise.

In the final segment of her presentation on the City’s budget, Finance Manager Kulbeck reviewed Special Purpose Funds established to address current and future liabilities, programs, projects, and goals

requiring a commitment of funds not incorporated in the General Fund Operation Budget; and debt service on the 2014 and 2021 issues of Lease Revenue Bonds and 2021 Pension Obligation Bonds.

Council Member Johnson asked if the City has contracts for homeless case management.

City Manager Starr stated the Code Enforcement Division will be developing a program with community partners, which will be presented to the City Council when it is more fleshed-out.

Council Member Johnson asked if the City has funds for assisting seniors with home repairs.

City Manager Starr advised City funds are restricted for such uses and the City's former RDA had funds for those purposes. He advised now the City would need to seek grant funds to provide such a program.

Council Member Martinez asked if the IBA would be a bonus or a wage adjustment.

City Manager Starr confirmed it would be a one-time bonus.

Mayor Pro Tem Ruh received confirmation that the IBA is non-PERS-able (not calculated as part of the employee's regular wages for the **California Public Employees Retirement System's** purposes).

Council Member Lopez asked which departments house the part-time benefited (PTB) positions.

Finance Manager Kulbeck advised one is an Administrative Technician in the Fire Department, and there are two vacant PTB positions in the Information Technology Department.

Council Member Lopez stated he feels the contracted Fire Marshal position should be converted to an in-house position based on negative feedback he's received about the current contractor.

City Manager Starr stated staff has been very satisfied with the work of the contracted Fire Marshal, and the company also provides access to additional expertise and information that an in-house position would not have.

Council Member Lopez expressed concern that the EDA could be seen as a tool to circumvent the dissolution of the RDA.

City Manager Starr advised the EDA does not operate under state law as the RDA did, and the state law that governed RDAs was repealed. He noted the EDA would not follow community redevelopment law; calling it the Economic Development Agency and operating it as a separate entity would simply give it more credibility.

Mayor Dutrey concurred, stating the City is currently trying to expand its economic capabilities.

Council Member Lopez asked if **SBCOG** establishes a HTF, would the City join both **SBCOG's** and the **SGV's**, or choose one over the other?

City Manager Starr noted staff is still evaluating the situation and has not yet been accepted into the **SGV HTF**. He stated the County has no clear parameters and is discussing very high membership fees. Staff currently feels the **SGV HTF** is a safer bet because it is already established and has proven effective at developing grant funds.

Mayor Pro Tem Ruh stated he hopes the City can join the **SGV HTF**, noting Montclair shares its western boundary with the cities of Pomona and Claremont, which are currently members.

Council Member Lopez asked if any hotels have offered to work with Code Enforcement to house the homeless besides the **Welcome Inn**.

City Manager Starr stated no others have been interested.

Council Member Lopez stated his concerns about the state's CARE Court, noting he feels that the program would force people to go to court and either get mandated care or go to prison.

City Manager Starr stated he understands there are similar concerns from opponents surrounding CARE Court and believes the stigma stem from the bad reputation of the mental health institutions of the 1960s, which was addressed in the plan. He advised incarceration would only be an option if a person enters the program through criminal court.

Council Member Lopez stated he is happy to hear staff is trying to establish Opportunity Zones in the Sphere of Influence and asked if the City will annex those areas.

City Manager Starr confirmed the City is interested in annexing the areas within the City's Sphere of Influence, noting the General Plan Update will include a Sphere of Influence component. He added the area is not currently designated as an Opportunity Zone with the state because the County never sought that designation, and staff is trying to work with the County to resolve that issue.

Mayor Dutrey stated he appreciates the inclusion of flashing stop signs throughout the City in this budget, and an IBA for employees.

At 7:30 p.m., Mayor/Chair Dutrey called for a brief recess.

At 7:39 p.m., Mayor/Chair Dutrey reconvened the meeting with all Council Members/Directors present.

Mayor Dutrey asked if the City's application was successful for grant funds to purchase a fire engine.

City Manager Starr said we expect to hear soon.

Mayor Dutrey stated his expectation that the City will purchase an engine using the General Fund if the grant does not come through.

City Manager Starr indicated it would be staff's intention to do so, especially now having a healthy reserve fund, a new tax revenue source, and economists predicting a recession in the coming years, which may take away that opportunity.

Council Member Johnson stated she is happy that all positions in the budget are funded, even if vacant, and that the budget includes the installation of flashing stop signs.

Council Member Lopez concurred about the flashing stop signs and stated he hopes the City continues to find additional safety and traffic calming methods. He also commended the establishment of an inflationary protection account. He asked where the money would come from for on-demand speed humps when petitioned by the community.

City Manager Starr advised those costs would not be reflected in the budget since they are on-demand services, and costs would be absorbed into existing funds unless a larger amount is needed than budgeted, in which case the City Council would approve the additional allocations from reserves or other sources. He added the federal Manual on Uniform Traffic Control Devices also restricts where speed humps can be placed, and to be considered a street's speed limit must be under 25 miles per hour.

Council Member Lopez stated he is generally happy with this budget, especially the reserve fund being at \$7 million and no drastic changes. He stated he is opposed to the Environmental, Social, and Governance (ESG) investment practices and strategies referenced in the City Manager's Budget Message.

City Manager Starr clarified the ESG is a voluntary investment strategy that **CIM Group** is pursuing in its development of the mall property, and while the City does not have any direct involvement with it, staff welcomes and supports their endeavor.

Council Member Lopez stated there is legislation being proposed that would mandate it on localities, and he opposes that effort.

Mayor Pro Tem Ruh expressed his approval for the budget, noting he wishes more money was in reserves with the looming economic

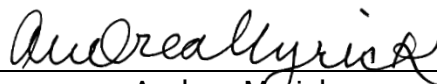
downturn, adding the good times don't last. He warned the City needs to be careful how it utilizes the extra funds coming in from Measure L, and using too much of it for long-term commitments. He stated his appreciation for the housing efforts, noting those who work here should be able to afford to live here.

Mayor Dutrey stated for a small city with a population of 40,000, Montclair is doing a great job and provides more services than most cities its size. He stated he is happy this budget provides for flexibility. He pointed out that we are now feeling the effects of the great resignation, but a recession may make it easier to hire and retain future employees.

V. ADJOURNMENT

At 8:08 p.m., Mayor/Chair Dutrey adjourned the City Council and Montclair Housing Corporation Board and announced the special meeting would be held on Tuesday, June 28, 2022, at 6:30 p.m. in the City Council Chambers to consider adoption of the Fiscal Year 2022-23 City and MHC Budgets and to consider actions on other related matters.

Submitted for City Council/Montclair Housing Corporation Board approval,



Andrea Myrick
City Clerk