REGULAR MEETING
of the
CITY OF RIALTO
CITY COUNCIL/REDEVELOPMENT AGENCY
RIALTO HOUSING AUTHORITY

MINUTES
July 14, 2009

A regular meeting of the City Council/Redevelopment Agency of the City of Rialto was held in the City Council Chambers located at 150 South Palm Avenue, Rialto, California 92376, on Tuesday July 14, 2009.

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This meeting was called by the presiding officer of the Rialto City Council in accordance with the provisions of **Government Code §54956** of the State of California.

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CALL TO ORDER

Mayor Pro Tem Baca Jr. called the meeting to order at 3:00 p.m.

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The roll was called and the following were present: Mayor Pro Tem Baca Jr., Council Members Robertson, Scott and Palmer. Also present were City Administrator Garcia and City Clerk McGee. Mayor Vargas was absent.

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CLOSED SESSION

1. Conference with Legal Counsel – Existing Litigation. The City Council and Redevelopment Agency Board will discuss the following pending litigation pursuant to Government Code Section 54956.9(a):

(a) City of Rialto v. United States Department of Defense, et al. (United States District Court Case No. EDCV 04-00079)

2. Conference with labor negotiator regarding the following recognized employee organization pursuant to Government Code Section 54957.6:

Agency negotiator: Brad Neufeld, Negotiator
Employee organization: All Bargaining Units

CLOSED SESSION

3. Conference with Real Property Negotiator. The City Council and Redevelopment Agency Board will confer with its real property negotiator concerning the following properties pursuant to Government Code Section 54956.8:

a. Subject: Price and Terms
Location: Real Property located at 429 W. Rialto Avenue, Rialto, CA
Negotiators: Robb R. Steel, Redevelopment Agency
John Mulrooney (Owner's Agent)

b. Subject: Price and Terms
Location: Portions of APN # 0240-251- 28 and 29
Negotiators: Robb R. Steel, Redevelopment Agency
Southern California Edison

c. Subject: Price and Terms
Location: APN # 0128-371- 26/ 634 N. Aspen Avenue
Negotiators: Robb R. Steel, City of Rialto
JP Morgan Chase Bank National

d. Subject: Price and Terms
Location: APN # 0130-372- 08/512 E. McKinley
Negotiators: Robb R. Steel, City of Rialto
JP Morgan Chase Bank National

e. Subject: Price and Terms
Location: APN # 0130-271- 24/238 S. Orange Avenue
Negotiators: Robb R. Steel, Redevelopment Agency
Wells Fargo Bank

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Council Member Palmer and Scott stated that will abstain from discussion on Closed Session Item 3e due to a Conflict of Interest.

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CLOSED SESSION

Motion by Council Member Palmer, second by Council Member Scott and carried by a 4-0 vote to go into Closed Session. Mayor Vargas was absent.

City Council went into Closed Session at 3:03 p.m. and returned at 4:50 p.m.

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CALL TO ORDER

Mayor Pro Tem Baca Jr. called the meeting to order at 6:04 p.m.

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The roll was called and the following were present: Mayor Pro Tem Baca Jr., Council Members Robertson, Scott and Palmer. Also present were City Administrator Garcia, City Attorney Gutierrez and City Clerk McGee. Mayor Vargas was absent.

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Pledge of Allegiance and Invocation

Mayor Pro Tem Baca Jr. led the pledge of allegiance and Pastor Fred Ruiz – Calvary Chapel Rialto gave the Invocation.

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CITY ATTORNEY'S REPORT ON CLOSED SESSION

City Attorney Jimmy Gutierrez stated that the City Council discussed all the matters listed on the closed session.

Item 1a, City of Rialto v. United States Department of Defense, pertaining to perchlorate contamination to the City's groundwater. Status report given, no action was taken.

Item 2, Conference with Labor Negotiator. Council heard a report regarding discussions with all bargaining units. The City reciev4ed four tentative agreements from those respective bargaining units and City Council acted to approve them by a vote of 3-1, Council Member Robertson voted NO. The four bargaining units were: General Unit, CGMA Unit, Fire Management Association and Mid-Management Unit. This also approved authorization to Brad Neufield to prepare letters of agreements and authorize the City Administrator to sign each of those agreements.

Item 3e, Conference with Real Property Negotiator. Property located at 238 S. Orange Ave. there was no discussion because there were two Council Members that had a conflict of interest.

Item 3a, 429 W. Rialto Ave., City Council gave direction to proceed with that acquisition.

Item 3b, APN#0240-251-28 and 29, This property affects Southern California Edison and direction was given.

Item 3c, 634 N. Aspen Ave., direction was given to proceed with the acquisition.

CITY ATTORNEY'S REPORT ON CLOSED SESSION

Item 3d, 512 E. McKinley, direction was given to proceed with the acquisition.

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Council Member Robertson stated in regards to Closed Session Item 2 she vote NO at this time because it was premature to act on them without having all seven bargaining units completed. Once they are all brought forward she will be taking a subsequent vote.

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PRESENTATIONS

Mayor Pro Tem Baca Jr. gave a presentation regarding the Eisenhower High School Parkway and presented Certificates of Recognition to thank those that worked with the City.

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CONSENT CALENDAR

A. WAIVE FULL READING OF ORDINANCES

1. Waive reading in full, all ordinances considered at this meeting.

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B. APPROVAL OF WARRANT RESOLUTIONS

1. Resolution No. 48 (6/19/09)
2. Resolution No. 49 (6/26/09)
3. Resolution No. 50 (6/30/09)

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C. APPROVAL OF MINUTES

1. Regular RDA/RHA/RUA/City Council Meeting – June 23, 2009

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D. SETTING OF PUBLIC HEARINGS

1. Request City Council to set a Public Hearing for the **July 28, 2009** City Council Meeting to receive public comment regarding the placement of charges on the County Property Tax roll for delinquent sewer payment.

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E. MISCELLANEOUS

1. Request City Council to adopt Joint **Resolution No. 5730** and **RDA Resolution No. 678** opposing the State's proposal to seize Redevelopment Funds in the amount of $350 million annually in tax increment.
2. Request City Council to approve an Agreement with the Law Firm of Liebert, Cassidy Whitmore, special counsel for personnel related issues.

CONSENT CALENDAR

3. Request City Council to approve an Agreement with the Law Firm of Pollak, Vida & Fisher, defense counsel for a personnel related issue.

4. Request City Council to approve Parks and Recreation recommendation regarding Rialto Girls Softball request to revise approve Frisbie Park Master Plan.

5. Request City Council to approve the Notice of Completion for the Police Department Main Station renovation Project, Project Nos. 070243-00, 070206-00, 080203-00 & 080201-00.

6. Request City Council to approve the Notice of Completion for the Traffic Signal Loop Replacement Project, Number 080807. Request City Council to adopt **Resolution No. 5731** for CFD 2006-1, **Resolution No. 5732** CFD 87-1 and **Resolution No. 5733** CFD 87-2 setting the special tax levy at zero ($0) for Community Facilities District for Fiscal Year 2009/2010.

7. Request City Council to approve an Agreement with AT&T to lease space at 1485 N. Ayala Drive (Jerry Eaves Park) to locate a wireless telecommunication facility.

8. Request City Council to approve an Agreement with AT&T to lease space at 2611 N. Linden Avenue (Birdsall Park) to locate a wireless telecommunication facility.

9. Request City Council to adopt **Resolution No. 5731** for CFD 2006-1, **Resolution No. 5732** CFD 87-1 and **Resolution No. 5733** CFD 87-2 setting the special tax levy at zero ($0) for Community Facilities District for Fiscal Year 2009/2010.

10. Request City Council to approve an Agreement with AT&T to lease space at 1485 N. Ayala Drive (Jerry Eaves Park) to locate a wireless telecommunication facility.

11. Request City Council to approve an Agreement with AT&T to lease space at 2611 N. Linden Avenue (Birdsall Park) to locate a wireless telecommunication facility.

12. Request City Council to approve an Agreement with AT&T to lease space at 130 E. San Bernardino Avenue (Rialto City Park) to locate a wireless telecommunication facility.

13. Request City Council to award a Construction Contract to Spectraturf for the Park Refurbishment Program at Alec Fergusson Park in the amount of $25,714.

14. Request City Council to approve a Cooperative Agreement with the City of Colton for maintenance of shared traffic signals between the two cities.

CONSENT CALENDAR

15. Request City Council to approve the Notice of Completion for the Citywide Security System Project, Number 070247-00.

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Mayor Pro Tem Baca Jr. requested that Consent Calendar Item E-4 be removed for a separate discussion and Consent Calendar Items E-8, E-9, E-10 be removed to go before the Economic Development Committee for further review.

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Motion by Council Member Robertson, second by Council Member Scott and carried by a 4-0 vote to approve the Consent Calendar with the exception of E-4, E-8, E-9 and E-10. Mayor Vargas was absent.

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Item E-4

Mayor Pro Tem Baca Jr. stated that he knows a lot of people came out to voice their opinion on this item. This is a request to approve Parks and Recreation recommendation regarding Rialto Girls Softball request to revise approved Frisbie Park Master Plan.

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Cassandra Vega, 829 N. Acacia Ave., Rialto Girls Softball Player expressed her concern regarding the addition of football fields to Frisbie Park.

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Melvin Cabang, 1742 W. Tudor St., expressed his concern regarding reconsideration of the Frisbie Park Master Plan.

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John Sanchez, 548 W. Randall Ave., expressed his concern regarding the addition of football fields to Frisbie Park. There will be a continued problem of the lack of parking.

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Damian Brown, 5060 Kent Court, Rancho Cucamonga, expressed his concern that the Frisbie Master Plan should be reconsidered due to the many issues that have arose with two organizations sharing the park.

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Kristin Larson, 1603 Via Bello Dr., expressed the benefits of Rialto Girls Softball on her life.

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CONSENT CALENDAR

Item E-4

Leslie Larson, 1603 Via Bello Dr., expressed the benefits of Rialto Girls Softball on her life and many other girls in the community.

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Jessica Landis, 495 S. Tamarisk Ave., expressed her concern regarding the addition of football fields at Frisbie Park which will take away from future softball players.

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Paul Ramirez, 425 E. Etiwanda Ave., expressed his concern that the Frisbie Master Plan should be reconsidered regarding the addition of football fields.

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Mike Lessnick, 2253 Autumn Mist Dr., expressed his concern that the Frisbie Master Plan should be reconsidered.

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Shelbi Salinas, 2561 N. Orange Ave., expressed her concern regarding the addition of football fields at Frisbie Park and the benefits of softball on her life.

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Buck Edelman, 7305 S. Bullard Chapel Rd., Oklahoma, former Rialto resident, expressed his concern that the Frisbie Master Plan should be reconsidered.

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Shelly Henderson, 331 W. Easton Ave., expressed her concern regarding the addition of football fields to Frisbie Park.

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Council Member Palmer stated that one of the issues was the traffic study and they have a significant problem with traffic at the park.

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Larry Thornburg, Recreation and Community Services Director stated back in 2005 when they did the Master Plan they had public meetings to talk about that undeveloped part of the park. The issue at that time was that football was on those softball and baseball fields. The best solution was to put the football fields there. This set the tone for the Master Plan and established some general parking ideas. Once the construction drawings get in the preliminary phase it goes to the design review committee. Regarding the current parking issues, they look at the number of kids that may show up for a game during the course of the day.

CONSENT CALENDAR

Item E-4

Larry Thornburg, Recreation and Community Services Director stated that they figure at the maximum with all six fields being used and more for football they need 378 parking spaces. Between the west parking lot being doubled to 150, the east lot 51 and north lot 30 plus the street parking lot totals 360 parking spaces. They will be confirming the numbers and talking about the traffic issues. There was also discussion to slow down the traffic at Eucalyptus Ave.

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Council Member Palmer stated that it was mentioned that it will be expanded for other softball fields. He was told that it never came up before.

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Larry Thornburg, Recreation and Community Services Director stated that when they went through the Master Plan process there was never any discussion of putting additional softball fields. It was all about getting the football off the baseball fields. Right now part of the issue is that baseball and softball are running year round. Football has to share those fields during the off season.

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Council Member Palmer stated that he can understand all their issues, with parking, the snack bar and boys with the girls. Is there somewhere else in the same location to expand with another softball field?

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Council Member Scott stated that he had the opportunity to meet with the Board on Sunday night. He wants to know about the outreach that was done because he is concerned on how it was done. Additionally, there were comments made that there are additional park areas in the City that could accommodate football fields. Lastly, he has an issue with the location of the snack bar in relation to the girls' softball snack bar. After talking to them he wanted to know if there was a possibility of putting in some additional fields in that area east of Eucalyptus Ave. there is property proposed for development. He was told that there is potentially four acres of property that could be used for girls' softball. The other concern is why is this coming to City Council before the Development Review Committee. He has heard pros and cons about the parking and the long walk to the fields.

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CONSENT CALENDAR

Item E-4

Larry Thornburg, Recreation and Community Services Director stated with regards to the public meetings they had 4-5 meetings in the community. They invited the three league representatives at the time to the meetings and the people who live in the surrounding areas who will be affected. The attendance was minimal but they do know the league reps were invited and attended at least one of the meetings. They did their diligence in making sure everyone was involved. Once they understood that football will be off the football fields it was good enough for them. Through the whole five year period there were people on the league that did know that was the Master Plan. They came last year and talked about putting a T-Ball field and there was still no discussion of putting softball fields in place of football fields. It's difficult when they do these Master Plans in hoping they reach out to all the people involved and having it approved so far in advanced. Unfortunately the people who made the commitment then are not here tonight. There are two park locations in the City that could accommodate football fields. One is at the corner of Cactus and Randall, a seven acre parcel that the City own and designated as a park plan. It was originally purchased because Western Little League was interested in moving down there, but they have dissolved. Fergusson Park has ten acres of land that is undeveloped and there is a Master Plan for that which was approved the same time Frisbie Park Master Plan was developed. That plan was calls for three softball fields and a practice soccer field. Temporary softball fields can be made available at the new Middle School and their joint use with the School District they talked to them about an adult softball facility. Relative to the snack bar it's ironic because one of the issues was that when pop warner was in season they were using the snack bar the girls softball normally uses and there was tension between the two groups for a while. In 2005 it was good that football would get their own snack bar. He doesn't know the normal process of the DRC in relation to the Park Master Plan. It was his understanding that the Master Plans approved in 2005 that once they got preliminary construction drawings it would go to the DRC.

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Council Member Robertson stated within the timeline given she didn't see any direction from the Parks and Recreation Commission.

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Larry Thornburg, Recreation and Community Services Director stated that the Commission recommended that the City Council reaffirm the Park Master Plan as approved in 2005.

CONSENT CALENDAR

Item E-4

Larry Thornburg, Recreation and Community Services Director stated that this came through the Park and Recreation Commission at the request of the Girls Softball.

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Council Member Robertson asked if there are any timeframes they need to be mindful of as to why it's before City Council today.

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Larry Thornburg, Recreation and Community Services Director stated there is no urgency, and they have stopped the design work until the issues are resolved.

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Council Member Robertson stated that pop warner football is currently using the facility for practice fields.

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Larry Thornburg, Recreation and Community Services Director stated that baseball runs until the end of July and football season practice begins in August through September. Historically in the usage policy it states that sporting season has priority use of the facility. When it becomes football and soccer season then they have priority use at Frisbie Park. Those groups schedule first and what is left is what can be used for baseball and softball for their winter seasons. Winter ball has been going on for 10-15 years.

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Craig Hewitt, 1451 W. Banyan Ave., President of Pop Warner Football commended the City when he found out there was chance that pop warner football had a chance of getting football fields because they have been vagabonds. The program is growing and they need a place to expand.

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Council Member Robertson stated that she has been very supportive of the sports in the City. She wants to make sure they are not sending the wrong message to the community and the young ladies who came to speak. She tries to be equal opportunity for all and she wants to figure out a way where it's a win-win solution for everyone and find a balanced approach. She doesn't want to send a message where one is better than the other and doesn't want to have separation when in comes to gender or race. She wants to always celebrate diversity and appreciate their differences. Lets not say either or, lets figure out a way where it can be all and everyone can co-exist.

CONSENT CALENDAR

Item E-4

Council Member Robertson stated because there is no urgency or timeframe maybe they can go back and look at the cost of building a field so they can begin to see what are the dollars needed. She hopes they look at accomplishing this all in the same area and build the best sports park. Maybe they can find a public/private partnership to help fund this and construct something to meet all the needs.

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Council Member Palmer stated that it was stated that they never seen a softball and football field together well neither has he. It was stated that at Fergusson Park they proposed a practice soccer field and three softball fields. Maybe they should put a soccer and football field because they seem to go together.

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Council Member Robertson asked Council Member Palmer that just because you have never seen it does he feel it can't be realized that they can co-exist or be in the general area.

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Larry Thornburg, Recreation and Community Services Director stated if there is a thought of making an adjustment to either one of the Master Plans, he recommends they go back to those involved in the initial master plans and invite them.

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Mayor Pro Tem Baca Jr. thanked all those who voiced their opinion and knows it angered a lot of people. This Master Plan was designed prior to him coming to City Council. A lot of valid points were brought up and clearly traffic was an issue. The whole intent was to find Pop Warner a home. He asks that City Council go back and take a look at other options and come up with a consensus. He hopes his 5-month old daughter plays with the Rialto Girls' Softball some day.

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Council Member Scott stated that he is in agreement that they need to look at other alternatives but he doesn't want to lose momentum on this. He holds City Administrator and the Recreation Director accountable to get it done and get it done right.

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Motion by Mayor Pro Tem Baca Jr., second by Council Member Palmer and carried by a 4-0 vote to table item E-4. Mayor Vargas was absent.

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PUBLIC HEARING

TAB 1 – Approval of an application submittal to the HUD for the Neighborhood Stabilization Program 2

John Dutrey, Housing Program Manager stated that this is related to the submittal of application to the Neighborhood Stabilization Program 2 (NSP2). This is in regards to the foreclosure issues that the country is facing. Late last year the City was awarded $5.4 million for the NSP1. Early this year Congress passed the American Recovery Reinvestment Act – NSP2. Unlike the NSP1 the NSP2 is a competitive application process through a NOFA. A grant from $5 million to $10 million the deadline is July 17th. Award announcements will be made December 2009. They will be applying for $10 million and the funds will be used for the same programs they have in the NSP1. This includes the acquisition, rehabilitation and resale program, the acquisition, rehab and rental program, the down payment assistance program, demolition of properties and administrative. If awarded they will come back to City Council for appropriation.

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Mayor Pro Tem Baca Jr. declared the public hearing open. No one came forward.

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Motion by Council Member Scott, second by Council Member Palmer and carried by a 4-0 vote to close the public hearing. Mayor Vargas was absent.

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Motion by Council Member Scott, second by Council Member Palmer and carried by a 4-0 vote to adopt **Resolution No. 5734** approval of an application submittal to the U.S. Department of Housing and Urban Development for the Neighborhood Stabilization Program 2.

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TAB 2 – Street Lighting District No. 1 Fiscal Year 2009/2010

Ahmad Ansari, Public Works Director stated this is related to Street Lighting District No. 1, confirming the Engineer's Report and ordering the continued operation of the district for fiscal year 2009/2010. Each residential unit will receive the same assessment that was applied last year. The method for calculating the assessment is unchanged, the land benefit factor and the development factor. Vacant properties are not charged with the development factor. SLD1 will generate $843,771and the cost to operate the district is approximately $1,077,525 with a difference of $233,754 is subsidized by the General Fund. Options to reduce the General Fund subsidy could be a reduction in services which they don't want or a rate increase through Prop. 218 ballot process. Staff is working with Willdan to prepare for the reassessment process.

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PUBLIC HEARING

TAB 2 – Street Lighting District No. 1 Fiscal Year 2009/2010

Mayor Pro Tem Baca Jr. declared the public hearing open. No one came forward.

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Motion by Council Member Scott, second by Council Member Robertson and carried by a 4-0 vote to close the public hearing. Mayor Vargas was absent.

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Motion by Council member Scott, second by Council Member Palmer and carried by a 4-0 vote to adopt **Resolution No. 5735** for Street Lighting District No. 1, confirming the Engineer's Report, and ordering the continued operation of the District for Fiscal Year 2009/10. Mayor Vargas was absent.

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TAB 3 – Landscape Maintenance District 1 for Fiscal Year 2009/2010

Ahmad Ansari, Public Works Director stated this is related to Landscape Maintenance District No. 1, confirming the Engineer's Report and ordering the continued operation of the district for fiscal year 2009/2010. Each residential unit will receive the same assessment that was applied since 1993 - $58. The LMD1 assessment will generate $601,230 and the cost to operate the district is approximately $757,170 with a difference of $155,940 is paid from a General Fund subsidy. Staff is working with Willdan to prepare for the reassessment process.

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Mayor Pro Tem Baca Jr. declared the public hearing open. No one came forward.

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Motion by Council Member Scott, second by Council Member Robertson and carried by a 4-0 vote to close the public hearing. Mayor Vargas was absent.

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Motion by Council Member Scott, second by Council Member Robertson and carried by a 4-0 vote to adopt **Resolution No. 5736** for Landscape Maintenance District No. 1, confirming the Engineer's Report, and ordering the continued operation of the District for Fiscal Year 2009/10. Mayor Vargas was absent.

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PUBLIC HEARING

TAB 4 – Landscape Maintenance District No. 2

Ahmad Ansari, Public Works Director stated this is related to Landscape Maintenance District No. 2, confirming the Engineer's Report and ordering the continued operation of the district for fiscal year 2009/2010. LMD2 currently has three benefit zones – Zone 1 and 3 are residential. Zone 1 will be levied at the rate of $323.13 and Zone 2 is commercial will vary on the status and size. Zone 3 will be levied at $496.77 per unit. With the annexation of 11 additional developments. Staff has worked with Willdan to establish the different benefit zones within LMD2. This district generates $259,086 and the cost plus the delinquencies and emergencies for irrigation repairs. There is not subsidy for this district.

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Mayor Pro Tem Baca Jr. declared the public hearing open. No one came forward.

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Motion by Council Member Scott, second by Council Member Palmer and carried by a 4-0 vote to close the public hearing. Mayor Vargas was absent.

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Motion by Council Member Palmer, second by Council Member Scott and carried by a 4-0 vote to adopt **Resolution No. 5737** for Landscape Maintenance District No. 2, confirming the Engineer's Report, and ordering the continued operation of the District for Fiscal Year 2009/10. Mayor Vargas was absent.

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NEW BUSINESS

TAB 5 – Purchase of five Police Department vehicles

Police Chief Mark Kling stated that this is for authorization to purchase police undercover vehicles. There are 106 vehicles assigned to the department, six of those assigned to the narcotics team. It's not uncommon for officers to practically live in these vehicles doing surveillance. Vehicles were serviced by Fleet Maintenance and they have done a good job of keeping the cars together. Based on the Fleet Study they have been informed that five of the six vehicles are in need of replacement because they have high mileage. The cost of repairs is starting to infringe on their ability to pursue suspects. They have a need for different types of cars to blend in the community. They are looking to purchase from Fairview Ford an F-150 pick-up truck for $22,881.73, Fontana Nissan a 2009 Maxima $29,858, Altima V-6 $25,408. Moss Brothers a 2008 Dodge Magnum $20,700 and a pre-owned vehicle with low mileage for $18,550. Financial Impact for the first four vehicles was $98,847.73 was already budgeted. They added $18,550 from the asset forfeiture money to help offset the additional car.

NEW BUSINESS

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TAB 5 – Purchase of five Police Department vehicles

Council Member Palmer stated that he received calls today indicating they read an article in the newspaper where they published the makes and models of the vehicles which is inexcusable.

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Motion by Council Member Scott, second by Council Member Palmer and carried by a 4-0 vote to authorize the purchase of five Police Department Undercover Vehicles in the amount of $117,397.73. Mayor Vargas was absent.

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TAB 6 – Amendment No. 2 to PSA with Michael Brandman Associates

Mike Story, Development Services Director stated that in February 2008 City Council awarded an Agreement to Michael Brandman and Associates to prepare the Environmental Impact Report for the proposed development of the 3.4 million square foot warehouse distribution project to be located on Cactus Avenue. March 2009 the City Council approved Amendment No. 1 to that original Agreement adjusting the amount from $190,000 to $206,500. Also the draft EIR was sent out for public review and the City received comments dealing with expected and air and traffic impacts. It was determined that a traffic study was necessary for the adjustments. May 2009 MBA submitted an additional service authorization in the amount of $35,000 to complete the revised traffic study and related documents. Oakmont Industrial Group submitted a check for $35,000 to pay for the additional services.

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Motion by Council Member Robertson, second by Council Member Scott and carried by a 4-0 vote adopt **Resolution No. 5738** approving Amendment No. 2 to the Professional Services Agreement between the City of Rialto and Michael Brandman Associates for preparation of an Environmental Impact Report (EIR) and related documents for construction of a 3.4 million square foot industrial development located on the east and west sides of Cactus Avenue south of Jurupa Avenue and north of El Rivino Road in the amount of $35,000. Mayor Vargas was absent.

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NEW BUSINESS

TAB 7 – Allocation of Prop. 1B (Transportation Bond) funds

Ahmad Ansari, Public Works Director stated that the City already received its first allocation of Prop.1B funds 2007/2008 early last year for a total of $1,593,377. The expenditure plan for this fund was $500,000 for alley improvements, $200,000 for traffic signal loop replacement with video detection device, $593, 377 for street widening on Willow and Cactus Avenues and $300,000 for last year's slurry seal project. Two of the projects have been completed and two of the projects are in design and soon will be bid out for construction. The City's second allocation of Prop. 1B 2008/2009 is slightly less $1,472,719.30. The receipt of these funds was uncertain until recently due to the State Budget Crisis. Rialto was pleased to receive the second allocation last month. In January City Council approved staff recommendation for the expenditure plan of the second allocation. $1 million on the 2009 street grinding and overlay. $472,719.30 on the 2009 slurry seal program.

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Motion by Council Member Robertson, second by Council Member Scott and carried by a 4-0 vote to adopt **Resolution No. 5739** allocating Proposition 1B (Transportation Bond) local funding from the State in the amount of $1,472,719.30 for the 2008/2009 fiscal year. Mayor Vargas was absent.

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TAB 8 – Interim Participation Agreements for the ARR Program

John Dutrey, Housing Program Manager stated that as part of the adopted Neighborhood Stabilization Program (NSP) was the creation of the Acquisition, Rehabilitation, Resale Program (ARR) in May. The goal is acquire foreclosed homes in the City and sell to qualified homebuyers. Part of the goal is to acquire a minimum of 100 homes over an 18 month period. One of the constraints is that they don't have the staff capacity to go out and make offers on these foreclosed homes. They are looking for companies with experience in residential real estate and construction especially in the Rialto area. Also, experience on how to deal with blighted properties. A Request for Qualification process was created and the RFQ was issued February 2009 and there was a lot of interest from 29 companies. The recommendation of the review panel was to retain four companies: VCD Corp., ANR Industries, Inc., Neighborhood Investment Corp., Nunez Team. The recommendation is to enter into an Interim Agreement with these four companies for 4 months. The reason for this is so staff can move forward with a second RFQ because there was concern that the advertising was not as extensive as it should have been and also new funds received from NSP2.

NEW BUSINESS

TAB 8 – Interim Participation Agreements for the ARR Program

John Dutrey, Housing Program Manager stated additionally there has been discussion on making sure that they have as much local impact in the rialto community from this program. They do have some provisional agreements where there should be strong reasonable efforts by the companies to utilize local subcontractors. They are also recommending additional items, all housing and construction material be purchased in Rialto. The agreement does require the Contractor use skilled laborers. Recommendation is to include that language in the agreement and each of the involved partners will have to provide the city with a vendors list to be approved by City Council before they can participate.

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Motion by Council Member Palmer, second by Council Member Robertson and carried by a 4-0 vote to enter into four separate Interim Participation Agreements with VCD Corp., ANR Industries, Inc., Neighborhood Investment Corp., Nunez Team, to participate in the ARR Program and authorize staff to solicit Statements of Qualifications to the RFQ #2 process described herein to engage companies as permanent participants in the ARR Program. Mayor Vargas was absent.

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Council Member Scott stated that he has a conflict of interest in regards to TAB 9 and will abstain from voting.

Council Member Scott left the dais.

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TAB 9 – Purchase and Sale Agreement for the acquisition of 360 W. Jackson Street

Robb Steel, Economic Development Director stated that the Rialto Housing Authority has been acquiring properties in the West Jackson Neighborhood. This is the third acquisition and terms of the sale is $170,000 for the four-plex unit which is vacant and currently owned by City Mortgage. This is a foreclosed property and will use NSP funds. Second recommendation is to enter into an Interim Management Agreement with Southern California Housing Resource and Development.

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Motion by Council Member Robertson, second by Council Member Palmer and carried by a 4-0 vote to approve a Purchase and Sale Agreement for the acquisition of 360 W. Jackson Street in the amount of $170,000 and approve an Interim Management Agreement with Southern California Housing Resource and Development. Mayor Vargas was absent.

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NEW BUSINESS

TAB 10 – Purchase and Sale Agreement for acquisition of 238 S. Orange Ave.

Council Member Palmer and Council Member Scott abstained from voting due to a conflict of interest; therefore this item was pulled from the Agenda due to a lack of a quorum.

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Council Member Scott returned to the dais.

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TAB 11 – Purchase and Sale Agreement with Western Strategies for habitat conservation

Robb Steel, Economic Development Director stated that one of the City's key capital improvement projects is the Pepper Avenue extension, taking it from its current terminus northward to the 210 freeway. SANBAG is under contract obligation to install the on and off ramps to connect to the 210 freeway. As part of that project one of the first things they needed to do was consult with the Fish & Wildlife Services on the environmental impacts that project will have on the habitat in that area. The two sensitive environmental species are the lily-star plant and the kangaroo rat. The subject property is 8.83 acres and the current owner Western Strategies LLC is willing to sell the property for habitat purposes. The purchase price is $950,000 and represents just over $100,000 an acre. There are two primary conditions in the agreement; they need written acknowledgement from Fish & Wildlife Service that this will serve as adequate mitigation for the species that are affected, both for the direct and indirect impacts of the projects. The direct impacts are where the structure of the bridge sits in the habitat and the indirect is the calculation of the damage. The second important condition the seller will provide documentation that the property will be maintained in perpetuity without expense to the City. Total acquisition costs will be $975,000 and funds will come from the 2008 Series Bond Funds.

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Council Member Scott stated that he knows there were question as to whether it was appropriate to purchase this property in light of the fact that SANBAG wanted to divert the funding for the on and off ramps to other projects. Additionally they have asked SANBAG for a 30 month extension. However they have chosen to not divert the money to another source there fore if Fish & Wildlife moves ahead they fully expect to be able to prepare bid documents in October. Therefore it's appropriate to move forward with this purchase.

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Council Member Robertson stated even though she knows they want to move forward she hopes they get a favorable answer from Fish & Wildlife but the concern of purchasing the property is using all of this money or financial arrangements made so all the money is not committed all at once.

NEW BUSINESS

TAB 11 – Purchase and Sale Agreement with Western Strategies for habitat conservation

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Robb Steel, Economic Development Director stated that the property was willing to sell on terms. They were looking at on short terms of a promissory note. The one reason why they acquire it in a lump sum is that this is bond monies. They have a 3-year obligation from the date they issue the bond to fully expend the monies. They have 2 years left and if they were to use the bond monies they would have to close out the acquisition. As a general rule the interest that a private party in a sales transaction charges are much higher than their cost of capital for tax exempt bond proceeds. These bonds are in the 6.5% range.

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Council Member Palmer stated that the last time this item was pulled because there was a potential lawsuit concerning title to the property. Have those questions been adequately addressed?

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Robb Steel, Economic Development Director stated he doesn't think the issue was the lawsuit related to the property but a lawsuit against one of the parties in the transaction. Those issues have been adequately resolved. The entity selling the property has changed and ultimately when they get title of the property and title insurance this will not be an issue. The other area was to make sure on the management side that it's an ongoing entity. He knows the seller is looking at the prospect of having the Riverside Land Conservancy be a possible entity that manages the property so there is long term management guaranteed to the City.

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City Attorney Gutierrez stated that the Agreement provides for the acquisition of the 8.83 acres as the maximum acquisition. Under the agreement they can acquire less which is only that amount that Fish & Wildlife deem necessary and suitable for mitigation. This is part of the issue they are still working with them. Hopefully they won't have to buy the entire 8.83 acres.

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Council Member Robertson stated that this is good to know. So there is a possibility to spend less and/or use the funds on another project.

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NEW BUSINESS

TAB 11 – Purchase and Sale Agreement with Western Strategies for habitat conservation

Motion by Council Member Palmer, second by Council Member Scott and carried by a 4-0 vote adopt **Resolution No. 5740** approving a Purchase and Sale Agreement with Western Strategies, LLC for up to 8.83 acres of Property for Habitat Conservation. Mayor Vargas was absent.

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ORAL COMMUNICATIONS

Jamie Bean, Representative for Congressman Baca's Office, gave an update from Congressman Baca's office.

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James Palmer, 123 S. Riverside Ave., announced a fundraiser on August 1st for the Jazz and Art Exchange which teaches students music on most instruments. He is being charged by the City for a permit and asking for a waiver or a discount for his non-profit organization for this fundraiser.

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Don Haggart, 464 N. Willow Ave., expressed his concern with the ongoing construction of the well in front of his house. He expressed his concern of the police dept. being denied nothing. Lastly he wants to make sure they don't add any taxes.

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Council Member Scott requested that staff contact the EPA and find out the status because he agrees that its taking much longer than they originally said.

The perchlorate audit has been completed. However its considered legally privileged because it discloses certain consultants they don't want to disclose to the PRP's. He requests the City Attorney to address the audit with Mr. Haggart.

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City Administrator Henry Garcia stated after numerous inquiries by the community it's his opinion that they should not proceed on bringing this forward this calendar year. The crisis in California will continue. It will require a long term strategy and financial plan. Revenue enhancements need to continue and to be explored.

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ORAL COMMUNICATIONS

Council Member Robertson stated to Mr. Haggart that at his request for the audit, she reminds him that she has asked for the suspension of the perchlorate surcharge. She had asked for a report on how much had been collected and the expenditures. When do they plan on suspending the perchlorate surcharge or explain why do they need to continue to collect the surcharge.

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REPORTS

Council Member Scott stated that he thinks the number she asked for has already been completed. Its roughly $1,600,000. They all support on getting rid of the fee however they need to make sure they are in a proper place to do it. They are expending roughly $80,000 a month on consultants, attorneys, and dealing with the water board. The $4 million settlement from the County of San Bernardino document has just been prepared and will be delivered to the Regional Water Board and the Executive Director will sign the Order which will then go to the Federal judge and hopefully the judge will approve the settlement. It's always been the intention of the City Council that once they had that money in place was to start refunding perchlorate fees to the residents.

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June Hayes, P.O. Box 2395, asked, in an effort to save the city money, if it's really necessary for employees to take city vehicles home. She also expressed her concern regarding oral communication and allowing people to speak early and others having to wait until the end.

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Mayor Pro Tem Baca Jr. stated that generally all items on a Consent Calendar are not to be debated or discussed unless recommended or pulled by the City Council. So this item was removed from the Consent Calendar for discussion.

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Council Member Robertson thanked all those involved with the 3rd Annual AFL Football Camp held at Cal State San Bernardino where they had over 300 youth and co-sponsored by the Kiwanis Club of East Rialto and many others.

Council Member Robertson wished a Happy Belated Birthday to her daughter Milele Robertson.

Council Member Robertson thanked the city departments who participated with the Bethune Center Summer Work Program.

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Council Member Palmer stated that he attended the DUI check point the Police Dept. conducted.

Council Member Palmer thanked Winnie Hanson and Sandy Courtney for the 4th of July Event at the Park.

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REPORTS

Council Member Scott stated that last Thursday they had the SANBAG Special Projects meeting and voted unanimously to approve to move forward with the Riverside Ave./I-10 Interchange Project. They should preparing bid documents in August. He commended Ahmad and staff for getting the right-of-way acquisitions done quicker than they expected.

Council Member Scott stated in regards to the issue of city vehicles, they are in some bad economic times in the City and he has similar concerns about employees taking city vehicles home that are not Dept. Heads and who don't answer the phone on weekends or nights which is an inappropriate use of a city vehicle.

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Mayor Pro Tem Baca Jr. stated that he had an opportunity to attend 4th of July parades.

He attended a District 21 Opening Ceremony where Rentech provided $2,000 to each of the 3 little leagues. He commended Janis Strong for stepping up and recommending the $6,000 be shared amongst the three leagues.

He commended Congressman Baca for the $300,000 he secured for the City of Rialto security cameras. This is an asset on dealing with criminal activities.

He congratulated Council Member Deborah Robertson and City Clerk Barbara McGee for their involvement in the AFL Football Camp.

He invited everyone to a reception on July 21st in honor of Victor Butler, Eisenhower High School Graduate and son of Janis Strong, who was drafted to the Dallas Cowboys Football Team.

He wished Rialto Girls' Softball good luck in the All Stars.

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ADJOURNMENT

Motion by Council Member Robertson, second by Council Member Scott and carried by a 4-0 vote to adjourn the City Council Meeting. Mayor Vargas was absent.

The City Council adjourned at 9:00 p.m.

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MAYOR PRO TEM JOE BACA Jr.

ATTEST:

CITY CLERK BARBARA A. McGEE