

MINUTES

of a regular meeting of the City Council of the City of Redlands held in the Council Chambers, Civic Center, 35 Cajon Street, at 3:00 P.M. on June 17, 2003.

PRESENT

Karl N. (Kasey) Haws, Mayor
Susan Pepler, Mayor Pro Tem
Pat Gilbreath, Councilmember
Gary George, Councilmember
Jon Harrison, Councilmember

ABSENT

None

STAFF

John Davidson, City Manager; Daniel J. McHugh, City Attorney; Lorrie Poyzer, City Clerk; Michael Reynolds, City Treasurer; Jim Bueermann, Police Chief; Cletus Hyman, Deputy Police Chief (afternoon session); Mel Enslow, Fire Chief; Tina Kundig, Finance Director; Tom Steele, Acting Assistant Finance Director (evening session); Ronald C. Mutter, Public Works Director; Marjie Pettus, Acting Personnel Director; Gary G. Phelps, Municipal Utilities Director; and Jeffrey L. Shaw, Community Development Director.

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

PRESENTATIONS

CVP 365 Club - Mayor Haws, Deputy Police Chief Hyman, and Civilian Volunteer Patrol member Jim Stellar presented "365 Club" membership certificates to its 39 members. Mayor Haws expressed appreciation to the community sponsors for their support of the Civilian Volunteer Patrol. He also thanked the Civilian Volunteer Patrol members for all they do for the City. Deputy Police Chief Hyman said the Redlands Police Department could not be as successful without the CVP and reported they work approximately 15,000 hours a year.

Retirement Recognition - Charles Hernandez - In recognition of 30 years of service to the City of Redlands, Mayor Haws presented Charles Hernandez a gold watch. Mr. Hernandez began his full-time employment with the City of Redlands Solid Waste Division on August 16, 1973, and has retired as of June 6, 2003. He also received a plaque with the City seal commemorating his service to the City and retirement.

ADA Accessibility Study - Public Works Director Mutter reported that on June 4, 2002, the City Council awarded a contract to Equal Access ADA Consulting Architects, Inc. to study the City's compliance to the Federal Americans with Disabilities Act. Meetings and a workshop have been held with staff and the consultant has surveyed the City's facilities for building and

building access compliance. The next step in the ADA compliance objective is to implement the improvements determined necessary in the self-evaluation process. This includes developing policies in each of the City departments to better serve the disabled citizen. Staff will prepare resolutions to adopt these recommended policies. At this time representatives from Equal Access made a presentation to the City Council regarding this study and informed Councilmembers they enjoyed working with the City staff. Councilmembers felt copies should be accessible to the public and that a notice be published in the newspaper setting a deadline for comments. Fred Ford addressed the City Council regarding his concerns and stating he wanted to be part of the solution.

CONSENT CALENDAR

Minutes - On motion of Councilmember George, seconded by Councilmember Pepler, the minutes of the adjourned regular meeting of June 3, 2003, and the regular meeting of June 3, 2003, were approved as submitted.

Bills and Salaries - On motion of Councilmember George, seconded by Councilmember Pepler, payment of bills and salaries was acknowledged.

Agreement - CFD 2001-1 - On motion of Councilmember George, seconded by Councilmember Pepler, the City Council unanimously approved an agreement with David Taussig & Associates for Mello-Roos administration services relating to CFD 2001-1 for fiscal year 2003-04 and authorized the Mayor and City Clerk to execute the agreement on behalf of the City.

Agreement Amendments - Document Services - On motion of Councilmember George, seconded by Councilmember Pepler, the City Council unanimously approved Amendments No. 9 and 10 to the document services agreement with Xerox Corporation to replace a copy machine at the A. K. Smiley Public Library and authorized the Mayor and City Clerk to execute the amendments on behalf of the City.

Planning Commission Actions - On motion of Councilmember George, seconded by Councilmember Pepler, the report of the Planning Commission meeting held on June 10, 2003, was acknowledged as received.

Contract - Planning Services - On motion of Councilmember George, seconded by Councilmember Pepler, the City Council unanimously approved a contract with Willdan to provide professional planning services to the Community Development Department for a period not to exceed two months, authorized the Mayor and City Clerk to execute the contract on behalf of the City, and to approve an increase in appropriations for the Community Development Department Planning Division in the amount of \$13,600.00 for account number 101164-5190.

Tract No. 16139 - Michael Novak, Applicant - Community Development Director Shaw explained the process for granting final approval to a tract map and receiving a Residential Development Allocation. Wendy Walsh reported to the City Council that she and Michael A. Novak and Joseph O'Brien have come to an agreement regarding utilities, the driveway, and a sewer lateral on her property at 1530 West Cypress Avenue. She asked that the agreement become part of the record even though she understood it was not enforceable by the City. The revised agreement presented at this meeting reads: "This agreement is hereby acknowledged by Michael A. Novak and Michael G. Gosselin, currently owners of Tract 16139, Joseph F. O'Brien, individually and Daniel & Wendy Walsh, owners of 1530 W. Cypress Ave. Additionally, this agreement will become binding upon any and all future buyers of either property listed above. In consideration for the property exchange per Lot Line Adjustment map drawn by Sitetech, Inc., as revised April, 2003, the parties further agree to the following: 1) Owner(s) of Tract 16139 will move all utilities; i.e., water, electric, gas, cable TV and phone to the new property entrance and connect to existing services at those locations, at no cost to the owners of 1530 W. Cypress Ave. and will do so with only minor disruptions of service. 2) Owner(s) of Tract 16139 will install the approach and driveway to meet the existing driveway at the new frontage of 1530 Cypress Ave. (address to be changed). The existing driveway will not be removed until Acacia Court, or other temporary or permanent access is constructed to permit ingress & egress. This is at no cost to 1530 W. Cypress Ave. 3) Owner(s) of Tract 16139 will provide a sewer lateral at the west end of Lot 18, along with an easement along the west property line of Lot 18 and install a 4" ABS line within that easement to the north property line of 1530 W. Cypress Ave. This is at no cost to 1530 W. Cypress Ave. City sewer fees and hookup to the house will be the responsibility of the owners of 1530 W. Cypress Ave. 4) It will be the responsibility of each property owner to notify any buyer of the existence of the agreement and to that end each owner hereby agrees to indemnify and hold the other harmless in this regard." Said agreement is to be signed by Michael A. Novak and Michael G. Gosselin, current owners of Tract 16139 (tentative); Daniel P. Walsh and Wendy M. Walsh, current owners of 1530 West Cypress Avenue, Redlands; acknowledged by Joe O'Brien, managing member of Meadow Wood Homes, LLC, currently in escrow to purchase Tract 16139 (tentative); and Joseph O'Brien, individually. Councilmember Gilbreath moved to approve the Public Works Department subdivision improvement agreement for Tract No. 16139, a 19 single family lot subdivision on approximately 7.2 acres generally located on the north side of Cypress Avenue, east of Heather Lane and West of Linda Vista Avenue. Motion seconded by Councilmember Harrison and carried unanimously. Councilmember Gilbreath moved to accept Tract No. 16139 and grant final approval to authorize recordation with the San Bernardino County Recorder. Motion seconded by Councilmember Haws and carried unanimously.

Ordinance No. 2533 - Processing and Review of Second Dwelling Units - Ordinance No. 2533 an ordinance of the City of Redlands amending Article VII of Chapter 18.156 of the Redlands Municipal Code relating to second residential dwelling units, was unanimously adopted on motion of Councilmember George, seconded by Councilmember Pepler.

RDA No. 2002-IV-2 Transfer & Alteration - On motion of Councilmember George, seconded by Councilmember Pepler, the City Council unanimously approved the transfer of ownership for Residential Development Allocation No. 2002-IV-2 from Young Homes to Beazer Homes. On motion of Councilmember George, seconded by Councilmember Pepler, the City Council unanimously approved an alteration to RDA No. 2002-IV-2 to allow construction of new single family homes with a determination that the project is equal to or better than the previous RDA project.

Resolution No. 6161 - CEQA Guidelines - On motion of Councilmember George, seconded by Councilmember Pepler, the City Council unanimously adopted Resolution No. 6161, a resolution of the City Council of the City of Redlands adopting new local guidelines for implementing the California Environmental Quality Act.

Settlement and Release Agreements - On motion of Councilmember George, seconded by Councilmember Pepler, the City Council unanimously acknowledged a settlement agreements with Luis and Frances Cerda for properties located at 1207 Post Street, 426 East Lugonia Avenue, and 1210 Tribune Street, and with Patricia Cerda for property located at 1103 Post Street and authorized the Mayor and City Clerk to execute the agreement on behalf of the City. The City Council authorized settlement of this matter in closed session and this release reflects the terms and conditions for said settlement.

Resolution No. 6169 - Posting of Agendas - On motion of Councilmember George, seconded by Councilmember Pepler, the City Council unanimously adopted Resolution No. 6169, a resolution of the City Council of the City of Redlands committing to the continued posting of agendas for meetings of City legislative bodies at least 72 hours prior to such meetings or as otherwise provided for in the Ralph M. Brown Act.

Proclamation - Clara Corrin - On motion of Councilmember George, seconded by Councilmember Pepler, the City Council unanimously authorized issuance of a proclamation honoring Clara Corrin upon her retirement from the teaching profession after 29 years teaching fourth grade at Kimberly Elementary School.

Sign - Mission Gables Bowl House - On motion of Councilmember George, seconded by Councilmember Pepler, the City Council unanimously approved the placement of a sign in front of the Mission Gables Bowl House at 168 South

Eureka Street and authorized the City to furnish the sign posts, hardware and labor to install the sign.

Agreement - Electrical Supply System - Redlands Sports Park - On motion of Councilmember George, seconded by Councilmember Pepler, the City Council unanimously approved the option/agreement letters with Southern California Edison Company to design and install the electrical supply system for the Redlands Sports Park and authorized the Mayor and City Clerk to execute the document on behalf of the City.

Easement Purchase - Redlands Sports Park - On motion of Councilmember George, seconded by Councilmember Pepler, the City Council unanimously approved the purchase of 1,537 square feet of property for public road purposes (San Bernardino Avenue at Dearborn Street) from Dorothy L. Soffel in the amount of \$1,537.00 and authorized the City Manager to sign the grant of easement certificate of acceptance for Assessor's Parcel No. 168-071-03.

Joint Use Agreement - SCE - On motion of Councilmember George, seconded by Councilmember Pepler, the City Council unanimously approved a joint use agreement with Southern California Edison Company for relocation of electrical facilities in public right-of-way along San Bernardino Avenue in conjunction with the Western Realco/Bixby Land Company development (Parcel Map No. 15911).

Contract - Counter Door - Clerk's Office - On motion of Councilmember George, seconded by Councilmember Pepler, the City Council unanimously approved a contract with Commercial Door Company in the amount of \$4,055.00 for the removal and replacement of the roll-up wood counter door at the City Clerk's Office.

Temporary Entry Permit - On motion of Councilmember George, seconded by Councilmember Pepler, the City Council unanimously approved a temporary entry permit with the State of California Department of Water Resources for the purpose of conducting biological, engineering, geological, archeological, floral and fauna studies, and ground and aerial surveys on Assessor's Parcel No. 168-351-05.

Funds - Redlands Recycled Water Project - On motion of Councilmember George, seconded by Councilmember Pepler, the City Council unanimously approved an additional appropriation in the amount of \$910,000.00 in the Sewer Bond Project Fund for the construction of the Redlands Recycled Water Project, Water Transmission Main, Phases I and II.

Redlands Municipal Airport Study - On motion of Councilmember George, seconded by Councilmember Pepler, the City Council unanimously authorized formation of the Vision for Redlands Airport (VFR) Task Force as an ad hoc

committee to assist the City Council and staff with the Redlands Municipal Airport study.

2003 Homeland Security Grant - On motion of Councilmember George, seconded by Councilmember Pepler, the City Council unanimously approved authorization to accept the 2003 Homeland Security Grant, Page Two, award of \$60,540.00 from the State of California Office of Homeland Security for the improvement of the City of Redlands Fire Department emergency terrorism planning and response.

Resolution No. 6166 - Salary - On motion of Councilmember George, seconded by Councilmember Pepler, the City Council unanimously adopted Resolution No. 6166, a resolution of the City Council of the City of Redlands establishing a salary schedule and compensation plan for City employees which reflects the recent reclassifications approved by the City Council, department reorganizations including the newly formed Administrative Services Department, additional positions approved during budget sessions, and a modification to the Police Department's grant funded positions.

Agreement - East Inland Empire Employment Relations Consortium - On motion of Councilmember George, seconded by Councilmember Pepler, the City Council unanimously approved a special services agreement with Leibert Cassidy Whitmore, East Inland Empire Employment Relations Consortium, and authorized the Mayor and City Clerk to execute the agreement on behalf of the City.

Proclamation - Friends of Smiley Library - On motion of Councilmember George, seconded by Councilmember Pepler, the City Council unanimously authorized issuance of a proclamation declaring Sunday, June 29, 2003, as *Friends of Smiley Library Day* in recognition of their 30th anniversary in support of the A. K. Smiley Public Library's 109 years of service.

PLANNING AND COMMUNITY DEVELOPMENT

Residential Development Allocations - Community Development Director Shaw reviewed the following applications for residential development allocations for the second quarter of 2003:

1. RDA 2003-II-01 - Tentative Tract No. 16360, an approved 76 lot subdivision on approximately 8.86 acres in Specific Plan No. 57 located on the southeast corner of Orange Avenue and Iowa Street - 90 points - Alexander Communities, applicant
2. RDA 2003-II-02 - Tentative Tract No. 16390, an approved planned residential subdivision consisting of 139 residential lots on 46.45 acres located along the south bank of the Santa Ana River, west of Orange Street and north of Pioneer Avenue, in the R-E and R-1 Districts - 90 points - Beazer Homes, applicant

3. RDA 2003-II-03 - Tentative Tract No. 16408, an approved residential subdivision consisting of 64 lots on 40.06 acres located at the southwest corner of Fifth and Wabash Avenues in the R-E District - 94 points - Centex Homes, applicant
4. RDA 2003-II-04 - Tentative Tract No. 16174, an approved planned residential subdivision consisting of 69 lots on 29.2 acres located on the north side of Pioneer Avenue, approximately 440 feet east of the terminus of Occidental Drive - 83 points - Centex Homes, applicant
5. RDA 2003-II-05 - Tentative Tract No. 16139, an approved residential subdivision consisting of 19 lots on 7.20 acres located north of Cypress Avenue, east of Heather Lane and west of Linda Vista Avenue, in the R-S District - 79 points - Joseph F. O'Brien, applicant

Mark Gardner and Pat Meyer addressed the City Council at length and urged them to increase points for RDA No. 2003-II-04. Councilmembers discussed his application and concurred to change Architectural Design to 6 points and Historical to 4 points bringing the total to 90 points. A representative from Centex Homes, RDA No. 2003-II-03 was agreeable to foregoing the additional 12 unit allocation recommended by staff. Joseph O'Brien also addressed the City Council at length appealing the decision of the Planning Commission and Community Development Department regarding the definition of "abuts" and "existing development" and asked that all the projects be reviewed again. His application (RDA No. 2003-II-05) failed to include a landscape plan and a house plotting for the tract and did not receive the minimum points required; Mr. O'Brien explained his mistake and asked for an extension of the filing deadline. Planning Commissioner George Webber reported to the City Council the Planning Commission's experience with the new procedure indicating they were uncomfortable changing another commission's recommendation. Bob Roberts applauded Councilmembers for their flexibility in allowing the new procedure. Councilmembers concurred that the point system could use some further review and direction to the Community Development Department in some of the categories.

Councilmember Gilbreath moved to accept the recommendations of the Planning Commission, Historic and Scenic Preservation Commission, City departments, and the Redlands Unified School District and to take the following actions:

1. Approve the allocation of 35 units to RDA 2003-II-01, Alexander Communities;
 2. Approve the allocation of 35 units to RDA 2003-II-02, Beazer Homes;
 3. Approve the allocation of 35 units to RDA 2003-II-03, Centex Homes
 4. Approve an allocation of 12 units to RDA 2003-II-04, Centex Homes; and
 5. Not approve any allocation of units to RDA 2003-II-05, Joseph F. O'Brien.
- Motion seconded by Councilmember Pepler and carried unanimously.

Environmental Assessment - Covington Construction and Development - This matter was continued at the request of the applicant and several members of the public to the 7:00 P.M. session.

Policy - Environmental Studies and Assessments - Community Development Director Shaw reminded Councilmembers that at their meeting of June 3, 2003, Councilmember George requested the City Council consider establishing a policy for City control of environmental documents and development studies. He presented a report covering the current process, impact on staff, Assembly Bill 406, and the results of a survey of neighboring cities. Terry Wold, Sierra Club, supporting having the City take control of its environmental documents. Councilmember George again expressed his concern and suggested the City hire a consultant to address sensitive issues such as biological impact, loss of open space, and quality of life, i.e. traffic. Councilmembers discussed this matter. Councilmember George moved to direct staff to revise the current procedures for the control of preparing, administering and processing of environmental studies and assessments for development projects and bring back a policy and staffing plan to implement the revised procedures for City Council consideration. Motion seconded by Councilmember Pepler and carried unanimously.

COMMUNICATIONS

Open Space Program - Councilmember Harrison presented a report proposing to initiate a dialogue on options for achieving goals and policies for open space at both the Planning Commission and the City Council with the objective of bringing greater clarity and focus to preserving open space in our City's future. Mr. Shaw presented minimum alternatives he believed needed to be reviewed, and asked that staff return with their initial research, evaluation, and recommended next steps by the second meeting in July or in August. He also suggested this presentation occur at a joint meeting of the Planning Commission and the City Council. Councilmember Pepler agreed with this concept but expressed concern that the City Council has been heaping additional work on staff and felt the City Council needed to review its list of priorities before adding more items to the list. Councilmembers concurred with both suggestions.

The City Council briefly recessed at 5:38 P.M. and reconvened at 5:50 P.M.

Demonstration Railcar - Councilmember Gilbreath announced that a demonstration diesel multiple unit railcar will be on display at the Metrolink Station, Platform 1, in San Bernardino on July 2, 2003, at 9:30 A.M. A press conference will be held at 11:00 A.M. and a demonstration ride will be provided for public officials.

Resolution No. 6167 - State Nature Conservancy - Councilmember George asked for support to adopt a resolution supporting AB 496 to create a State Nature Conservancy along the Santa Ana River which will serve as a useful vehicle to bring federal and state bond funding, as well as private funding to our region. Terry Wold, Sierra Club, urged the City Council support this request. Councilmember Pepler noted there are some concerns being expressed that this conservancy not conflict with SAWPA and asked that language be included in the resolution of support in that regard. Councilmember George moved to adopt Resolution No. 6167 including the language suggested by Councilmember Pepler. Motion seconded by Councilmember Harrison and carried unanimously.

Trails Committee - On behalf of the Trails Committee, Councilmember George urged that we move forward and appoint people to fill the vacancies on the Trails Committee. Mayor Haws assured him this would be done and the meetings could reconvene in August.

CLOSED SESSION

The City Council meeting recessed at 5:57 P.M. to a Redevelopment Agency meeting and reconvened at 6:00 P.M. to a closed session to discuss the following:

1. Conference with real property negotiator - Government Code Section 54956.8
 - a. Property: 617 Texas Street
Negotiating parties: Leslie E. Murad, II and John Budlong
Under negotiation: Terms and price
 - b. Property: APN 299-321-65 - Crafton Hills College Reservoir
Negotiating parties: Leslie E. Murad, II, Douglas Headrick and Vince Stanton
Under negotiation: Terms and price
 - c. Property: Bear Valley Mutual Water Company Shares
Negotiating parties: Douglas Headrick and James Sherman, Western Water Company
Under negotiation: Terms and price
(Due to a potential conflict of interest, Councilmember Gilbreath did not participate in this matter; a Public Disclosure of Potential Conflict of Interest form is on file in the City Clerk's Office.)
2. Conference with labor negotiator - Government Code Section 54957.6
City negotiator: John Davidson, Tina Kundig, and Marjie Pettus
Employee Organizations: Redlands Association of Mid-Management Employees and San Bernardino Public Employees Association
3. Conference with legal counsel: Existing litigation - Government Code Section 54956.9(a)

- a. The Redlands Association v City of Redlands and Redlands Joint Venture LLC - Case No. E033256
4. Conference with legal counsel: Anticipated litigation - Government Code Section 54956.9(c) - One case

The meeting reconvened at 7:00 P.M.

CLOSED SESSION REPORT

Water Stock Purchase - City Attorney McHugh reported the City Council authorized the purchase of 4,950 shares of capital stock in the Bear Valley Mutual Water Company from Western Water Company, the successor in the interest of Y. G. Rice Farms, L.P. (Western Water Company) in the amount of \$722,700.00 and authorized the Mayor and City Clerk to execute an agreement for sale of water stock on behalf of the City. Due to a potential conflict of interest, Councilmember Gilbreath did not participate in this matter; a Public Disclosure of Potential Conflict of Interest form is on file in the City Clerk's Office.

ANNOUNCEMENTS/REPORTS

Councilmembers reported on their activities and attendance at meetings during the past two weeks.

Mormon Temple Open House - Mayor Haws announced the Church of Jesus Christ of Latter Day Saints' temple on Highland Avenue, near the intersection of Wabash Avenue, is completed and an open house will be held for approximately one month starting on Saturday, August 9, 2003.

PLANNING AND COMMUNITY DEVELOPMENT (continued)

Environmental Assessment - Covington Construction and Development - At the request of the applicant and several members of the public, this matter was continued from the afternoon session to this time. Community Development Director Shaw reported the City is currently processing multiple applications and an environmental assessment for the Covington Project (General Plan Amendment No. 93, Agricultural Preserve Removal No. 100, Zone Change No. 390, Conditional Use Permit No. 780, and Tract No. 16361 for property located south of Highview Drive and east of Freya Drive). In conjunction with the project are related studies to include an environmental assessment and socio-economic cost benefits studies. Based on public input, staff would recommend that an independent analysis of the environmental assessment should be completed before this project is forwarded to the City Council. Staff suggested that The Chambers Group be hired for this technical evaluation as the firm is on the City's list of qualified consultants for the preparation of Environmental Impact Reports and environmental studies and assessments and has already been involved in some of the technical studies and evaluations prepared for the Covington project. The Chambers Group would be hired by and work for the City; however, the applicant (Covington) would be responsible for all financial costs associated with completion of this additional work. As this concept was being discussed by staff, some members of the public have already raised objections and concerns with The Chamber's Group doing this work as they believe, since The Chambers Group has been "on contract with the

developer," they may not be objective in their review and analysis and that this relationship with the developer could affect their judgment regarding the evaluation of this environmental assessment. Staff believes The Chambers Group to be an objective and professional firm whose sole interest is preparing an environmental review document that is in conformance with the California Environmental Quality Act but wanted the City Council to be aware of these objections and concerns before proceeding with a proposal to contract for environmental services.

Addressing the City Council and asking for an Environmental Review Report prepared by an independent firm were: Brian Roche, Lee Young, Theresa Kwappenberg, Tim Green, Amanda Frye, Eleanor Kelleher who read a letter from David Matuszak, President of Friends of Live Oak Canyon, Bill Cunningham on behalf of The Redlands Association, Teddy Banta, and Varnum Fletcher. On behalf of the applicant, Pat Meyer told Councilmembers and the audience they could hire whomever they wanted and the applicant had nothing to hide. Councilmember Pepler moved to direct staff to prepare a contract to hire an independent consultant firm to review the environmental assessment for the Covington project so as to evaluate, modify and expand the draft Mitigated Negative Declaration or make recommendations regarding the need to prepare an Environmental Impact Report for the project. Motion seconded by Councilmember Harrison and carried unanimously.

PUBLIC HEARING

Resolution No. 6148 - Parking and Business Improvement Area B - Resolution No. 6148, a resolution of the City Council of the City of Redlands ordering the continued operation of Parking and Business Improvement Area B and confirming the annual report and assessment for Fiscal Year 2003-04, was continued to July 1, 2003, to hold an advertised public hearing at 3:00 P.M.

UNFINISHED BUSINESS

2003-04 Budget - Finance Director Kundig thanked the City Council and staff for their patience and understanding during the period of time the budget was being prepared. Assisted by City Treasurer Reynolds, a PowerPoint presentation was made showing the funding plan for the General Fund for Fiscal Year 2003-04 with a \$2,439,217.000 ending fund balance and an estimated \$5.3 million deficit for Fiscal Year 2004-05. Information was provided showing a summary of General Fund revenue and other financing sources; comparison figures from Fiscal Year 1998-99 through 2003-04 for General Fund property tax revenue, sales and other tax revenue, and development revenues; a summary of General Fund expense and other financing uses; expenditures by department; and a summary of expenditure reductions in salaries and services and supplies. On behalf of The Redlands Association, Bill Cunningham questioned the re-organization in the Enterprise Fund by taking in

the airport and cemetery. City Attorney McHugh assured Councilmembers there are no legal issues concerning this re-organization. Janet Ward addressed the City Council regarding replacing parkway trees and asked for a better replacement policy. Councilmember Harrison responded that the Street Tree Committee is addressing these concerns.

At this time, the City Council addressed the Redevelopment Agency, cemetery and airport loans. Councilmember Harrison's motion to make a \$300,000.00 payment from the Redevelopment Agency to the City's General Fund was not seconded. Councilmember Pepler moved to pay the entire loan back to the General Fund; motion seconded by Councilmember Haws and failed with Councilmembers Gilbreath, George, and Harrison voting NO. Councilmember Gilbreath moved to not support the transfer of funds to the City's General Fund at this time; motion seconded by Councilmember George and carried with Councilmembers Haws and Pepler voting NO. On behalf of the Municipal Utilities Department, Douglas Headrick explained the existing loans for the cemetery and airport were transferred to the Municipal Utilities budget but that there would be no co-mingling of funds and the loan will be paid back in 20 years or less. Councilmember Gilbreath did not support this transfer and she felt it was a fictitious way of handling the budget; Councilmember George agreed. Councilmember Haws moved to approve the transfer of the cemetery and airport to Municipal Utilities along with the corresponding loans; motion seconded by Councilmember Pepler and carried with Councilmembers Gilbreath and George voting NO. Councilmember Pepler moved to approve the budget for 2004-05 with the changes approved at this meeting; motion seconded by Councilmember Harrison and carried with Councilmembers Gilbreath and George voting NO.

NEW BUSINESS

Landscape Maintenance District - Public Works Director Mutter explained that Section 22525 of the California Streets and Highways Code requires that an Engineer's Report be prepared and filed annually outlining the assessments to be levied against benefiting properties. The process requires that two meetings be held by the City Council. One is a public meeting to review the report in concept and the other is a noticed public hearing. The preliminary report for the Landscape Maintenance District was presented to the City Council on May 20, 2003. Resolution No. 6129, granting preliminary approval to the Engineer's Report, and Resolution No. 6130, declaring its intention to levy and collect assessments for fiscal year 2003-04 pursuant to the Lighting and Landscaping Act of 1972, have been adopted by the City Council. This public meeting gives the City Council an opportunity to review the Engineer's Report and receive questions and input from the public. The proposed assessments for the Landscape Maintenance Assessment District for fiscal year 2003-04 are \$28,621.44. A public hearing will be held on August 5, 2003.

Street Lighting District - Public Works Director Mutter explained that Section 22525 of the California Streets and Highways Code requires that an Engineer's Report be prepared and filed annually outlining the assessments to be levied against benefiting properties. The process requires that two meetings be held by the City Council. One is a public meeting to review the report in concept and the other is a noticed public hearing. The preliminary report for the Street Lighting District was presented to the City Council on May 20, 2003. Resolution No. 6133, granting preliminary approval to the Engineer's Report, and Resolution No. 6134, declaring its intention to levy and collect assessments for fiscal year 2003-04 pursuant to the Lighting and Landscaping Act of 1972, have been adopted by the City Council. This public meeting gives the City Council an opportunity to review the Engineer's Report and receive questions and input from the public. The proposed assessments for the Street Lighting Assessment District for fiscal year 2003-04 are \$37,913.13. A public hearing will be held on August 5, 2003.

PUBLIC COMMENTS

Chili Cook-Off - During the afternoon session, Irv Upton reported that Lieutenant Governor Cruz Bustamonte will be in Redlands for the Optimist Chili Cook-off on July 19, 2003, in Sylvan Park. Lieutenant Governor Bustamonte will participate in the cook-off and has challenged the City. Fire Chief Enslow responded the Fire Department would take that challenge on.

Settlement Agreements - Rex Kreissig asked if the settlement agreement pertaining to 1203 Oxford Drive had been signed by the City. He was referred to the City Attorney McHugh.

ADJOURNMENT

Mayor Haws announced a special meeting will be called for the State of the Community luncheon hosted by the Redlands Chamber of Commerce. The meeting will be held on July 1, 2003, at 12:00 noon at the Renaissance Banquet Hall, 19 East Citrus Avenue.

There being no further business, the City Council meeting adjourned at 8:47 P.M. The next regular meeting will be held on July 1, 2003, at 3:00 P.M.

City Clerk