

**REGULAR MEETING
of the
CITY OF RIALTO
CITY COUNCIL**

**City of Rialto, acting as Successor Agency to the
Redevelopment Agency, RIALTO UTILITY AUTHORITY,
RIALTO HOUSING AUTHORITY**

**MINUTES
June 25, 2019**

A regular meeting of the City Council of the City of Rialto was held in the City Council Chambers located at 150 South Palm Avenue, Rialto, California 92376, on Tuesday, June 25, 2019.

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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 Deborah Robertson called the meeting to order at 6:00 p.m.

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The roll was called and the following were present: Mayor Deborah Robertson, Mayor Pro Tem Ed Scott, Council Member Joe Baca Jr., Council Member Rafael Trujillo and Council Member Andy Carrizales. Also present were City Administrator Rod Foster, City Attorney Fred Galante, City Treasurer Edward Carrillo and City Clerk Barbara McGee.

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**Pledge of Allegiance
and Invocation**

Pastor Jose Vindel-Rialto United Methodist Church gave the Invocation. Council Member Andy Carrizales led the pledge of allegiance.

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**PRESENTATIONS AND
PROCLAMATIONS**

1 Presentation - Rialto Fire Dept. – Brian Park, Division Chief

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ORAL COMMUNICATIONS

Judy Roberts, Rialto resident, expressed her concern regarding a warning that Kinder Morgan has put out in the Sun Newspaper. Its relevant to fumes and chemicals coming from that area. There was a circle on the map where people can be affected.

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ORAL COMMUNICATIONS

Lupe Camacho, Partnership Specialist for the US Census – San Bernardino County and Chairperson for the Rialto Complete Count Committee. She provided a Census update to City Council.

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City Council to consider removing or continuing any items on the agenda

City Attorney Galante stated that item E.3 in the Resolution of Denial of that project. The City has received a letter of withdraw of that application. They would need to restart a new process from the beginning. Item E.3 can be removed from the Agenda.

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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

B.1 Warrant Resolution No. 48 (06/13/2019)

B.2 Warrant Resolution No. 49 (06/20/2019)

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C. CLAIMS AGAINST THE CITY

C.1 Robert Maldonado - vehicle damage

C.2 Adam Barraza - vehicle damage

C.3 Steven K. Miller Jr. - PD harassment

C.4 Brandy Aguilar - vehicle damage

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D. APPROVAL OF MINUTES

D.1 Regular City Council Meeting - February 26, 2019

D.2 Regular City Council Meeting - March 12, 2019

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E. MISCELLANEOUS

E.1 Request City Council to Adopt (1) Resolution No. 7530, Resolution No. 7531 and Resolution No. 7532 Related to Street Light Maintenance District No. 1 (2) Resolution No. 7533, Resolution No. 7534 and Resolution No. 7535 for Landscape Maintenance District No. 1, and Landscaping and Lighting District No. 2, and (3) Resolution No. 7536, Resolution No. 7537 and Resolution No. 7538 Setting a Public Hearing for July 9, 2019, to Consider the Levy and Collection of Assessments Therein.

CONSENT CALENDAR

E. MISCELLANEOUS

E.2 Request City Council to Authorize the Release of Request for Bids No. 19-134 for the Bud Bender Ball Field Netting Project, City Project No. CB1902.

E.3 ~~Request City Council consider Adoption of Resolution No. 7539 denying (1) General Plan Amendment No. 2018-0001, which is a request to change the general plan land use designation of approximately 16.55 gross acres of land from Residential 6 (R6) to Light Industrial (LI) with a Specific Plan Overlay, and (2) Specific Plan Amendment No. 2019-0002, which is a request to change the boundary of the Rialto Airport Specific Plan to include approximately 16.55 gross acres of land and to change the pre-zoning designation of said 16.55 gross acres of land from Single-Family Residential (R-1A) to Planned Industrial Development (I-PID) within the Rialto Airport Specific Plan.~~

PULLED FROM AGENDA

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E.2

Council Member Baca Jr. stated that this item is to put safety netting at Bud Bender Park. When would this project be anticipated to start and be completed?

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Hector Gonzales, Public Works Dept. stated it's a 3-week bid process, 4 weeks to start construction so approximately 3 months. Maybe late August until completion.

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Motion by Council Member Baca Jr., second by Council Member Trujillo and carried by a 5-0 vote to approve the Consent Calendar with the exception of Item E.3.

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TAB 1 - City's 2019-20 Proposed Budget

Jessica Brown, Finance Director, presented the staff report regarding the City's 2019-2020 proposed budget.

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Mayor Robertson declared the public hearing open.

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ORAL COMMUNICATIONS

Lupe Camacho, Rialto resident, commended the comprehensive and understandable report.

She questioned the \$3 million from the Rialto Utility Authority.

She asked about the Public Works Supervisor position.

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Motion by Council Member Trujillo, second by Mayor Pro Tem Scott and carried by a 5-0 vote to close the public hearing.

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TAB 1 - City's 2019-20 Proposed Budget

Mayor Pro Tem Scott stated that he was not aware that the \$3 million went to the Utilities Commission. He would like a better explanation of why they want to use the \$3 million and why it was a recommendation to move it from reimbursing legal fees that have already been paid. He was not aware that it was earmarked for capital projects. There were two funds that had legal fees, the Utility Authority and the General Fund.

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Rod Foster, City Administrator stated that he doesn't believe it was discussed at the Utilities Commission but at the Water Sub-Committee. The \$3 million came to the City as a settlement agreement. The rate payers are part benefit owner of that total settlement from the standpoint that Fontana Water will not over pump from their Basin. The rate payer will receive benefit as a result of a new lease agreement regardless of any funds that came back. The settlement stands on itself to benefit the utility owners and water rate payers of the City of Rialto. Those dollars did not have any restriction to them even though there were legal fees paid on the water side and the general fund. City Council is within their purview to allocate the funds as they see fit.

As to the second part of the question, he had asked that the funds be appropriated into the City Administrator's budget which will go back down next year when placed into a different line item. To be used for organizational performance improvements. It might be anything from the standpoint of individual performance audits. They are looking at ways to look at the organization and taking it to the next level. It may take a third-party look to build a trust with City Council, staff and community. He probably won't use the whole \$3 million but it's nice to have the funds there so they don't have to go back to City Council. Over the next year they will be able to identify what will take them to the next level.

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Mayor Pro Tem Scott stated that he agrees with the recommendation. Regarding the data analytical center where they are reserving \$2.1 million based on matching funds for a grant. He understands they do not have that grant. He had requested a workshop or open meeting for City Council to be briefed on what a data analytical center is, the purpose, the cost and the possible revenue. He is not against it but he needs to understand it.

As to the Baca Turch Park, he continues to hear that it's a contractual obligation. He knows Lewis Hillwood has broken a number of contractual obligations or re-negotiated. Its his opinion that the item should be re-negotiated with Lewis Hillwood. That item should be eliminated or intentions of re-negotiating. He personally doesn't see the need of building another park directly across from Jerry Eaves Park. He thinks they can put money into a community center, more money into Jerry Eaves Park or other things than build a new park that they would have to maintain.

TAB 1 - City's 2019-20 Proposed Budget

Mayor Pro Tem Scott asked regarding the RUA budget how they went from \$44 million to \$73 million. Is this existing projects or are there new projects.

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Tom Crowley, Utilities Manager stated that this includes projects that were rolled over into this fiscal year. Previously projects that were not in the trust account were never included in the budget process. This year they are including them. It does include the proposed 19-20 CIP projects that have not been approved. \$18 million is ongoing projects. \$16.3 million is the wastewater treatment plant improvements

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Mayor Pro Tem Scott stated so none of the wish list they seen in the water sub-committee meeting is in the numbers.

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Mr. Crowley stated that they are included in that number and will be taken back out. Some of the projects have not been started. Those would have to be excluded from the budget.

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Mayor Pro Tem Scott stated that he will not support any water/wastewater rate increase other than normal CPI for the next year.

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Mayor Robertson stated she is concerned that they are making a proposed increase of \$28 million and they need to know if there is revenue to cover without looking at a rate increase or looking at the CIP. How is this going to be funded. What they discussed earlier today was going to require additional funding beyond the CPI.

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Mr. Crowley stated that the CPI would cover the differences between the revenue and expenses. They have reserves in the wastewater fund for wastewater projects when approved. On the water fund side they have \$3 million remaining in the facility improvement plan for capital improvement projects over the next couple of years.

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Mayor Robertson stated she is concerned that they have increased over what they need to address this ongoing. She really wants to know what those numbers are.

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Mayor Pro Tem Scott asked if they can pull that item out tonight and come back with it?

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TAB 1 - City's 2019-20 Proposed Budget

Jessica Brown, Finance Director stated that the RUA budget resolution is separate so yes, they can pull it. Then adopt a continuing resolution which will maintain their current budget until they do come back.

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Mayor Robertson stated to clarify, was this ever on the Utilities Commission.

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Mr. Crowley stated that it was running parallel with it going to City Council. When he heard that the water sub-committee wanted to revisit the item, he pulled from the Utilities Commission. So, it was not discussed or acted on.

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Council Member Baca Jr. stated for an increase of that magnitude, that they wouldn't have a full discussion on it. They only have \$3.1 million in reserves.

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Mr. Crowley stated yes, for capital projects going forward in the Water Fund.

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Council Member Baca Jr. stated that is a big increase to \$28 million when they have \$3 million. That is a big ticket item and to come to them tonight without any of the projects or rate increases being vetted.

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Mayor Pro Tem Scott stated that he was not aware at the sub-committee meeting that this was going to move forward.

On the capital projects he agrees with the recommendations that they move forward with the existing projects, put the other projects on hold and start moving forward on the projects on an approval basis by the City Council. They should come to City Council on a one-on-one basis for reauthorization or reapproval. He thinks Public Works is overload with projects right now.

He stated since 1994 when he was on the original Citizens Budget Advisory Committee. This probably the best budget presentation he has ever seen. Ms. Brown and her staff should be commended for the great job they have done. It was a great presentation and easy for him to go through and read.

Regarding personnel, he will not support tonight the approval of any additional personnel for the City with the exception of those positions requested by the Rialto Police Dept. and the Finance Dept. The City Administrator should have some time to review with Department Heads and through his audits whether additional positions are proper. He hears what they are saying about the reduction of contract services but they made that move last budget and still spending just as much in contract services.

TAB 1 - City's 2019-20 Proposed Budget

Mayor Pro Tem Scott stated that they have added a lot of employees on but still have contract services. There has to be an evaluation of that and believes they need to move forward with the Police Dept. They need to move forward with Finance because they need help to accomplish what they need to accomplish. He will not support this budget unless they put all the other positions on hold. When the City Administrator says he needs those positions then he will support him.

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Council Member Trujillo stated in the Budget Sub-Committee they had asked that the City Administrator review the City personnel needs. He agrees that the Police Dept. and the Finance Dept. need personnel and the others need to be put on hold.

Regarding Capital Improvement Projects, they gave a lot of feedback on the cemetery but he didn't see any allocations for 19/20. He wants to make sure its not forgotten.

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City Administrator Foster stated anything that is an existing project within the current fiscal year will be carried forward. All new projects are on hold, pending them bringing back the CIP.

Regarding the cemetery he had attended the Memorial Day event and knows they need to look at that roadway to make improvements.

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Council Member Trujillo stated because of liability issues he hopes they can address it quickly.

He commended Ms. Brown and Chief Kling for coming together and trying to address the needs at the Police Dept. for a total of nine positions.

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Ms. Brown stated they presented initially to the budget sub-committee with a \$15.1 million deficit.

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Council Member Trujillo stated and through their hard work they were able to come to a cash balance.

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Council Member Baca Jr. stated this was great presentation. One of the things he liked to see and the public should see is the sales tax per capita going up. They had conversations about not capturing their local dollars but people are spending money here and feeling better about Rialto. At some point in time it will hit a wall and he hopes the trend keeps going.

He likes to see projects keep turning and with the retirement of Robert Eisenbeisz and until they get a new Dept. Head they need to get a grasp on that and not move forward on those capital projects.

TAB 1 - City's 2019-20 Proposed Budget

Council Member Baca Jr. stated in regards to capital projects, and Mayor Pro Tem Scott mentioned the Baca-Turch Park and negotiations. Whatever they re-negotiate with Lewis Hillwood, he would like to see that money come before the entire City Council to give direction. The Johnson Center has outgrown itself and they have to look at maybe another community center or clean up all the parks.

In the capital projects in the far right column, are those the ones they are going to continue funding?

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Ms. Brown stated what is in the budget book, represents all the projects as programmed. As an attachment to the agenda item is the existing projects which is also in the column.

To answer, no all of these will not be funded. Just the ones identified for approval by City Council they noted in the attachment.

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Council Member Baca Jr. stated that he sees a couple of CDBG funded ones that he wants to make sure are not put on hold. For example the basketball court resurfacing and the buildings at the Johnson Center.

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City Administrator Foster stated that is their understanding, the existing dollars that have been allocated within the existing CIP will move forward.

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Council Member Baca Jr. stated in the Capital Improvement Project there is a \$1.86 million balance for city parks and ADA compliance. Is this one put on hold?

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City Administrator Foster stated its part of the same answer, if its part of the existing budget and its work they are doing then they are continuing forward. If its programmed new they will be bringing it back to City Council.

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Sean Grayson, Acting Public Works Director stated yes those are projects that are either contemplated or fully funded. Multiple projects at different sites and the intention is to move those forward.

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Council Member Baca Jr. asked when do they think they will get caught up on some of the projects?

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TAB 1 - City's 2019-20 Proposed Budget

City Administrator Foster stated they know projects take time but projects shouldn't take a long time. In the next 60-90 day they will be able to see exactly where they need to be. It touches on the positions as well because the projects and positions go hand in hand.

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Council Member Baca Jr. stated that he hopes they move with caution and not wait too long. The cost of doing business continues to rise. He doesn't want to say they will do a project and they end up waiting 2-3 years and the cost is double.

At some point in time he would like to bring back Birdsall Park and getting the snack bar compliant. They had \$1.8 million budgeted for six parks and clearly that isn't enough.

Regarding personnel, he knows they have several vacancies. Are they going to look at eliminating them or changing them in the future?

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City Administrator Foster stated the positions that have been vacant and haven't been filled, the executive team recommended those position are not just wants, they are needs. They have three new Directors coming in and to give them the time to decide if they need the positions or reclassified or moved to other areas.

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Council Member Baca Jr. stated that he support Mayor Pro Tem Scott's recommendation on increasing Police Dept. staff. Chief Kling has a done a good job on rebuilding the department. He also supports Finance and getting the help Ms. Brown needs.

There was an article that came out last week in regards to real estate and Rialto becoming a more desirable place to live.

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Council Member Carrizales thanked Ms. Brown for the amazing presentation. It shows the detail and clarity. He appreciates they are moving forward and filling positions for public safety and seeing revenues going up.

With regards to the Baca-Turch Park, he thinks they should look at using some of that money to not only remodel some of the existing parks but also to start securing them with fencing.

He is glad to see the Fire Station coming up. Any updates on the completion of Fire Station 205?

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Hector Gonzalez, Public Works Dept. stated that rainy season impact the construction. He will provide an update schedule to City Council.

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TAB 1 - City's 2019-20 Proposed Budget

Council Member Carrizales stated he agrees with the Data Analytics and thinks they needs more information. Maybe a workshop so they continue on the path of transparency.

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Mayor Robertson stated that is one of the best comprehensive budgets. Generally, they would adopt a budget just looking at the operating budget. When she finally seen it in its entirety, it was interesting seeing the funds they never really focus on.

When they are requesting funds for the IT matters that arose, the amount requested didn't incorporate the needs for additional funds. She thought it showed a decrease.

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Ms. Brown said that it will be an increase but will be paid out of the reserves that have accumulated over time in the IT budget. Its not currently reflected in the budget. The reason why is they had \$500,000 in the 19/20 proposed budget of which \$100,000 paid from ongoing. The cost they allocate to all the departments. The other is going to come from fund balance. What should happen with an Internal Service Fund (INSF) is they should identify what the needs are on a go forward basis. The rate should reflect that so they accumulate the funds over time to support those types of purposes. They have about \$1.7 million in fund balance and out of that fund they will be funding the IT projects. It was unanticipated with the Outlook server and the databases. The server failed, it was at the end of its useful life. They have programmed some additional funding to replace some existing aged serves they do have. They are potentially looking to move in a different direction with respect to email and have it be cloud-based email system.

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Mayor Pro Tem Scott stated part of the money they are putting in for IT would it be to evaluate It and make sure they are headed in the right direction.

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City Administrator Foster stated yes.

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Mayor Robertson stated along with the recommendation was to move forward on personnel matters for Police and Finance departments. She saw they had another IT System Manager and she suspects they are making the request to split it and come up with a Manager but that is still going to take some time. In the meantime they are going to try and move forward with an assessment if they need to and not wait on the IT Manager.

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TAB 1 - City's 2019-20 Proposed Budget

Jessica Brown, Finance Director stated correct, as they know the IT Manager is retiring, which he managed IT and Purchasing and to recruit for that type of skillset is a challenge. They need somebody who will just focus on IT and someone who will just focus on Purchasing.

Going back to the capital Improvement information, she was concerned with having it there and acting on something that is not fully fleshed out. There are things that are highlighted in yellow. She doesn't think the explanation was clear on what she was trying to understand why certain projects were highlighted. She is concerned one is not highlighted and thinks it should be. Its tied to funds they must expend.

Someone had asked here about the community gardens and was she deleting them. There is no deletion, but she sees the community garden across from City Hall highlighted as an ongoing project. She wants to be clear. Previous discussions regarding community garden was those they had identified where they were spending money in other spaces on other people's property. The direction was to come back with the money for their community gardens and be incorporated within their own space. She noted in the front of their report is an impressive list of grant funds. She appreciates and supports Mayor Pro Tem Scott's recommendation of not going forward with hiring additional staff. They do need to reevaluate all the positions and the way they are operating regarding full-time v. part-time. However, with all the city events, she would like for them to look at support staff for the Community Services Dept. and she she does think City Treasurer's Office needs an additional staff person. She would ask they consider those two positions because they are Department Heads and need additional support staff.

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Mayor Pro Tem Scott stated that he would definitely consider that, as long as the City Administrator is in agreement with it as well.

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Ms. Brown read the change in Resolution No. 7542,
Rialto Utility Authority Transfer of Colton Basin Litigation Settlement for \$3,000,000, programmed to citywide department assessment for \$3,000,000.

This is basically removing it from the Reserves and allocating it to the City Administrator budget.

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Motion by Mayor Pro Tem Scott, second by Council Member Trujillo and carried by a 5-0 vote to Adopt Resolutions to approve including:

- a. Resolution No. 7540, RHA Resolution No. 004-19, and for the City's 2019-20 Proposed Budget and authorization for adjustments for final fund balance;
- b. Resolution No. 7541 establishing the City's 2019-20 appropriations limit; and
- c. Resolution No. 7542 establishing the City's General Fund committed fund balance of June 30, 2019.

TAB 1 - City's 2019-20 Proposed Budget

3. Authorize capital expenditures in 2019-20 only for approved Capital Improvement Projects that are being carried forward from 2018-19 that are already in design or construction as detailed in Attachment A and suspend all new Capital Improvement Projects from commencing until the revised 2020-2024 Capital Improvement Plan is presented and approved by Council.
4. Adopt Resolution No.7543, RHA Resolution No. 005-19 and RUA Resolution No. 08-19 to Continue the Fiscal Year 2018-19 Budget and Contracts.
5. To to continue RUA Resolution No. 07-19, to be brought back at a later date.
6. Approve one position in the City Treasurer's Office, one position in the Community Services Dept., five positions in the Finance Dept. and nine positions in the Police Dept. All other position requests are on hold.

Roll Call Vote: AYES: Mayor Robertson, Mayor Pro Tem Scott, Council Member Trujillo, Council Member Carrizales, Council Member Baca Jr.
NOES: none. ABSTAIN: none. ABSENT: none.

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REPORTS

Mayor and City Council gave their reports.

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CLOSED SESSION

- 1 CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION: The City Council will discuss the following pending litigation(s) pursuant to Government Code Section 54956.9(d)(1) on the following cases:
Christopher Newman v. City of Rialto, San Bernardino Superior Court, Case No. CIVDS1800597
- 2 CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9.
Number of cases: One case
- 3 CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9. Number of cases: One case
- 4 Conference with Real Property Negotiator. The City Council and Successor Agency will confer with its real property negotiator concerning the following properties pursuant to Government Code Section 54956.8:
Subject: Price and Terms of Real Estate
Property: APN 0264-152-30 (Renaissance Plaza)
Negotiators:
Robb R. Steel, Assistant CA/ Development Services Director
Fernando Acosta, Ayala/210 Partners

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CLOSED SESSION

Motion by Mayor Pro Tem Scott, second by council Member Trujillo and carried by a 5-0 vote to recess into Closed Session at 8:53 p.m.

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ROLL CALL

Mayor Robertson called the meeting back to order at 9:43 p.m.

The roll was called and the following were present: Mayor Deborah Robertson, Mayor Pro Tem Ed Scott, Council Member Joe Baca Jr., Council Member Rafael Trujillo and Council Member Andy Carrizales. Also present were City Administrator Rod Foster, City Attorney Fred Galante, City Treasurer Edward Carrillo and City Clerk Barbara McGee.

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City Attorney’s Report on Closed Session

City Attorney Galante reported on the items discussed in Closed Session:

1. Conference with Legal Counsel – Existing Litigation. Christopher Newman v. City of Rialto. City Council received an update and no further reportable action was taken.
2. Conference with Legal Counsel – one case of Anticipated Litigation. City Council received a briefing and no reportable action was taken.
3. Conference with Legal Counsel –Anticipated Litigation, one case of initiation of Litigation. City Council held a discussion, Motion by Mayor Pro Tem Scott, second by Council Member Trujillo and carried by a 5-0 vote to initiate litigation against Rapido Investment 2014 LLC and any other related parties for recovery of inadvertently transferred Successor Agency property.
4. Conference with Real Property Negotiator concerning property at the Renaissance Plaza. City Council received an update, provided direction and no reportable action was taken.

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ADJOURNMENT

Motion by Council Member Baca Jr., second by Council Member Carrizales and carried by a 5-0 vote to adjourn the City Council Meeting at 9:48 p.m.

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MAYOR DEBORAH ROBERTSON

ATTEST:

CITY CLERK BARBARA A. McGEE