

**TOWN OF APPLE VALLEY
TOWN COUNCIL – SPECIAL MEETING (WORKSHOP)**

MINUTES – FEBRUARY 15, 2008

AGENDA

CALL TO ORDER: Mayor Jasper called the meeting of the Town Council of the Town of Apple Valley to order at 8:00 a.m. at Fire Station #336 (Founder's Room), located at 19235 Yucca Loma Road, Apple Valley, California.

ROLL CALL: Council Members Allan, Nassif and Roelle Mayor Pro-Tem Sagona and Mayor Jasper

STAFF PRESENT: Jim Cox-Town Manager, Patty Saady-Deputy Town Manager, Ken Henderson-Director of Economic and Community Development, Gina Whiteside-Director of Municipal Services, Bill Pattison-Director of Finance, Dennis Cron-Director of Public Services, Captain Bart Belknap, Lt. Keith Gulla, La Vonda Pearson, Town Clerk, Kathie Martin-Public Information Officer, Emily Wong-Economic Development Manager, Ralph Wright-Community Services Manager, Lori Lamson-Assistant Director of Community Development, Brad Miller-Town Engineer and Linda Mayfield

Jim Cox, Town Manager, welcomed the Council and staff.

BUSINESS ITEMS

1. Regional Recharge & Recovery (R3) Project

Kirby Brill, General Manager, Mojave Water Agency (MWA), presented a power point presentation to the Council regarding the R3 Project. He explained that in 2002, MWA initiated an effort to develop an integrated regional water management plan to direct future actions (balance supplies with demand). He stated that imported water will be stored underground for future demands. The MWA Technical Advisory Committee evaluated alternatives and prioritized projects including the R3 project which is the key project for MWA. This project concept is based on providing regional benefits and drawing from imported water previously stored.

Councilman Roelle asked and Mr. Brill replied that in the last 10 years the water level has dropped 50 – 80 feet.

Discussion ensued regarding a sustainable water supply for the growth of Apple Valley.

2. Business Retention

Doug Shumway, Chairman of the Board of Directors, Chamber of Commerce, introduced Janice Moore, CEO. Ms. Moore presented a power point presentation on their business retention proposal to the Town Council. She stated that the Chamber of Commerce promotes the economic and community goals of the Town and is seeking a contract to support the Town's current efforts. The Chamber believes that retention and expansion of existing businesses is important. She noted that the Chamber offers: in-house advertising, Business Success workshops, a monthly newsletter that features four businesses each

month, state of the art computer academy (partnership with Victor Valley College) and a first stop business resource center. The Chamber has developed a tracking system to measure business growth and to support, nurture and protect existing businesses in Apple Valley.

Councilman Roelle asked and Ms. Moore replied that the Chamber would hire a full time staff member to implement a shop local program, quarterly events in town centers, continue the business retention program, track it and provide monthly reports.

Mayor Pro-Tem Sagona asked and Ms. Moore replied that the business retention program is for existing businesses only.

3. North Apple Valley Industrial Specific Plan Water System Backbone Presentation

Ken Henderson, Director of Economic and Community Development, stated that the future development of the North Apple Valley Industrial Specific Plan (NAVISP) is extremely important for its ability to create jobs and enhance the economic growth of the Town. We have serious issues and problems in providing necessary water to clients we hope to attract in the North Apple Valley Industrial Area. Unless all interested stakeholders are able to fashion an economical solution to our water supply and water pressure issues within the NAVISP and surrounding areas, development will not occur.

Mr. Henderson introduced Scott Weldy, General Manager, Apple Valley Ranchos Water Company. Mr. Weldy presented a power point presentation pertaining to water supply, water pressure and fire flow requirements in the NAVISP area.

Discussion ensued regarding fire flow requirements of the Fire District, and the inability of Apple Valley Ranchos to supply the necessary water and water pressure for significant areas of the NAVISP area.

Councilman Roelle asked and Art Bishop, Apple Valley Fire Protection District, replied that fire flows are governed by the California State Fire Code.

Possible Solutions:

- a. \$3.3 M – Bell zone pressure change (increasing the size of the main will help meet the water flow)
- b. \$4.5 M - locating a new tank.
- c. \$5.7 M - Bridlepath and North Pointe projects will need a tank to serve their project. If we tie into either development, this entire area can be made viable for development.

Discussion ensued regard what it will take to achieve fire flow circulation for the Dale Evans/I-15 area. It will cost another \$2.5 M to improve water mains.

- d. Add 1 MG Tank
Loop system to HDDC
Add booster pump station
Add transmission improvements

\$5.8 M - Grand Total of backbone infrastructure system

Mayor Pro-Tem Sagona asked and Mr. Weldy replied that there needs to be a collaborative relationship between the interested stakeholders to come up with a financing plan to install the backbone infrastructure system.

Councilman Allan stated that the beneficiary of this will be Apple Valley Ranchos Water Company. He stated that they will get a tremendous amount of income from this new water system. PUC constraints will not allow speculation.

Mr. Weldy explained that the Public Utilities Commission (PUC) rules dictate that every dollar collected for infrastructure improvements gets paid back over 40 years, with no interest. Without an industrial backbone system we will have no choice but to wait for large commercial development.

CONSENSUS: The Town Council directed staff to establish a North Apple Valley Water Issues Working Group that would be comprised of representatives from the Town, the Fire District and Apple Valley Ranchos Water Company (AVRWC). The Council appointed Mayor Tim Jasper and Council Member Peter Allan to the North Apple Valley Water Issues Working Group and instructed staff to request the Fire District appoint two of its board members to serve on the Working Group, along with the identified Town Council Members and AVRWC representatives

4. Update on Apple Valley Road Project

Brad Miller, Town Engineer, presented a power point presentation on the Apple Valley Road Improvement Project. Mr. Miller reported that work was stopped when a late November storm uncovered drainage issues in the original construction sequencing. To ensure traffic access regardless of weather, plans had to be re-engineered. A temporary road will be built on the west side, providing north and southbound traffic flow while the 54" storm drain is laid down the middle and the east side is reconstructed. Traffic will then be moved to the east side while the west side is fully reconstructed. Even with the eight week delay, Mr. Miller stated that work is expected to be complete in October as originally scheduled.

5. Discussion of Financing Mechanism for Capital Improvement Program (Town Hall, Animal Control and Public Works Facilities)

Patty Saady, Deputy Town Manager, gave a brief overview of the financing mechanism for the Town Hall expansion, Animal Control and Public Work Facilities. Funding must be expended by 6/30/10 or there will be repercussions to the Town.

Bill Pattison, Director of Finance, gave an overview on financing of the three public facilities. Bond proceeds were sold with the caveat that we would build a public facility.

Mayor Pro-Tem Sagona asked and Mr. Henderson replied that this type of RDA financing helps the Town achieve the goals of its redevelopment plan. Typically, public facilities attract development around it.

Discussion ensued regarding whether or not RDA funds could be used for the backbone infrastructure system.

6. Report on the General Fund Budget – Bill Pattison, Finance Director

Mr. Pattison reported:

- Property tax – \$2.63 M collected this year
- VLF – on pace to collect \$6.1 M
- Sales tax – \$3.925 M has been collected, which represents a 13.5% increase. Only four cities did better than us in San Bernardino County.

- Because we contract for Building & Safety we can curtail what we spend. We are bringing in less revenue, but because of the contract, we can adjust for this.

At Mayor Jasper's request, Mr. Pattison will prepare a sales tax spreadsheet.

7. Update on the Park and Recreation Financial Analysis – Patty Saady, Deputy Town Manager

Jim Cox, Town Manager, stated that staff is analyzing costs to maintain parks – direct and indirect - and contacting other agencies to see what they are spending to subsidize park and recreation, as well as their amount of park land.

Patty Saady, Deputy Town Manager, stated that one year ago the issue to evaluate the Park and Recreation subsidy was raised, and Councilman Nassif and Mayor Pro Tem Sagona were selected to serve on a Park and Recreation Ad Hoc Committee to review and discuss all aspects of Parks and Recreation. Public safety costs were also discussed. The Ad Hoc Committee provided a report on their findings and recommendations were given to the Council at their September 11, 2007 meeting. Ms. Saady reported that the committee felt the General Fund shouldn't absorb more than a 2% subsidy for Park and Recreation and no more than a 50% subsidy for law enforcement. The second recommendation was to request that the school district appoint two board members to meet with the Town's Park and Recreation Ad Hoc Committee to negotiate school and park multiple joint use agreements. We are still waiting to hear back from the school district. The third recommendation was to determine a solution - raise revenues or cut services - depending on the results of the Town Council ordered community outreach survey. (Reducing crime and maintaining "quality of life" were the most important issues in the voters' minds). Parks and recreation were the least important. Survey results showed only majority support among voters – below the 2/3 requirement for a voter approved assessment, so the Council decided not to move forward with a ballot measure.

The following were suggestions for revenue generation:

- Review and consider increase in fees where necessary;
- Fundraising for programs;
- Increase sponsorship for community events currently funded by the general fund.

For parks, facilities, recreation and events, Ms. Saady stated that staff is reviewing and analyzing:

- Total direct and indirect costs of each park,
- Total usage of each park,
- Current method of maintenance of park land

Once the analysis is complete, Ms. Saady stated that staff will schedule a Council workshop to review the results and recommendations, and ask the Town Council to provide policy direction.

Mayor Jasper asked and Ms. Saady replied that the analysis should be done in March.

8. Vision 2010 – Receive and File

COUNCIL MEMBER COMMENTS

Councilman Nassif asked and Mr. Henderson replied that the bowling alley chose not to get a purposed built building like Union Bank.

Councilman Nassif asked and Mr. Henderson replied that Mr. Franklin is still holding to his position regarding the shopping center at Navajo and Hwy. 18.

Mr. Henderson provided an update on the Apple Valley Plaza.

ADJOURNMENT

It was the consensus of the Town Council to adjourn the workshop meeting of the Apple Valley Town Council at 12:00 p.m.

TIMOTHY J. JASPER, MAYOR

ATTEST:

LA VONDA M-PEARSON, CMC, TOWN CLERK