

**TOWN OF APPLE VALLEY  
TOWN COUNCIL/REDEVELOPMENT AGENCY**

**REGULAR MEETING  
MINUTES – June 8, 2010**

**CLOSED SESSION**

None.

**OPENING CEREMONIES**

**CALL TO ORDER:**

Mayor Allan called to order the meeting of the Apple Valley Town Council at 6:30 p.m.

Roll call was taken with the following members present:

Roll Call

Present: Boardmember/Councilwoman Coleman; Boardmember/Councilman Nassif;  
Boardmember/Councilman Roelle; Vice Chair/Mayor Pro Tem Sagona; Chair/Mayor Allan. Absent:  
None.

**PLEDGE OF ALLEGIANCE:**

**PRESENTATIONS:** San Bernardino County Fair Grounds

**SPECIAL ANNOUNCEMENTS:** None.

**PUBLIC COMMENTS**

Donna Fitzgerald, Apple Valley, spoke in opposition of the Happy Trails Villas project. She commented on the article written in the paper regarding selling the units to low, moderate and middle income residents and felt that it would create animosity in the community.

William Furmage, Apple Valley, spoke in support of bicycle parks in the community. He commented on the various skate parks he visited in other communities. He expressed concern regarding the lack of understanding by the Park and Recreation Commission regarding the bike and skate park issues.

David Mueller, Apple Valley, asked a series of questions regarding the status of Happy Trails Villas and the FDIC. He also requested to know when a status report regarding VVEDA will be available.

Cliff Earp, Apple Valley, read a letter from Mr. Bill McDaniel regarding an item that was in the paper regarding ethically challenged emails that were sent to a member of the Town Council.

Eugene Buchanon, Apple Valley, read for the benefit of the Town Council Sections of the State Law California Incorporation Code Section 7233 regarding the PBID Audit.

Rich Sparks, PBID, presented the Town Council with a presentation regarding the PBID sign approval process.

#### APPLE VALLEY PROPERTY BUSINESS IMPROVEMENT DISTRICT

Larry Cusack, Property Business Improvement District Chairman, respectfully requested that Item Number 18 on tonight's agenda regarding the PBID Audit be tabled until the PBID has the opportunity to review the documents.

Mr. Cusack commented on the activities currently taking place with the PBID and invited the Town Council to attend their next meeting on Wednesday, June 16.

#### COUNCILMEMBER COMMENTS AND COMMITTEE/COMMISSION PARTICIPATION

Councilwoman Coleman commented on her attendance at Southern California Associated Governments Meeting (SCAG) and current legislation being discussed including AB 155 dealing with cities that are able to file bankruptcy and AB 1955 dealing with the incompatibility of office with public officials where the SCAG Board took a position to oppose the bill.

Councilman Roelle commented on his attendance at SANBAG where the City of Victorville voted to accept the Green Tree route. He stated that the Engineering funds have been released by SANBAG and that they will begin breaking ground by the end of the year.

Councilman Nassif commented on his attendance at Legislative Action Days in Sacramento. He also commented on a possible future agenda item regarding enhancing our Code of Ethics and how we address each other.

Mayor Pro Tem Sagona commented on his attendance at the VVWRA Meeting and the discussions regarding the budget.

#### TOWN COUNCIL ANNOUNCEMENTS

##### **Suggested items for next agenda:**

Councilman Nassif suggested an item be added to a future agenda regarding outlining dangerous sports at the legislative level. He would like to have staff bring it back to the Council for further review.

Mayor Allan commented on the need to schedule an evaluation for the Town Manager as he is approaching his 2<sup>nd</sup> year with the Town of Apple Valley.

Mayor Pro Tem Sagona requested an item be added to the Agenda for discussion of Chamber of Commerce Business Attraction Contract. He would like to have this item on the agenda prior to July 1st.

##### **Time, Date & Place for Next Town Council Regular or Special Meeting:**

**A. Regular Meeting – Tuesday, June 22, 2010, 6:30 p.m. – Council Chambers**

**TOWN COUNCIL/REDEVELOPMENT AGENCY CONSENT AGENDA**

Mayor Allan stated that staff has requested that Agenda Item Number 11, be amended to remove Greg Holtz construction from the list of completed contractors.

Mayor Allan also noted that Councilman Nassif had a remote interest in certain warrants on tonight's commercial warrants for the Town of Apple Valley as the owner of NAPA Auto Parts. Therefore he would be abstaining from voting on Agenda Item Number 4.

**MOTION**

Motion by Councilman Roelle, seconded by Mayor Pro Tem Sagona, to approve and adopt Consent Calendar Items numbered, 2 through 15, and that item number 8 and 10 be moved to legislative matters for discussion.

Vote: Motion carried 5-0-0-0

Yes: Councilmember's/Boardmember's Coleman; Nassif; Roelle; Vice-Chairman/Mayor Pro Tem Sagona; Chairman/Mayor Allan. Absent: None.

**Councilman Nassif abstained from voting on Item Number 4.**

**2. Approval of Minutes of the Town Council**

**A. Regular Meeting – Tuesday, May 25, 2010**

**Recommendation:**

Approve the subject minutes as part of the consent agenda.

**3. Treasurer's Report – Month of April 2010**

**Recommendation:**

Receive and file.

**4. Commercial Warrant Schedule – April 2010**

**Recommendation:**

Receive, ratify, and file the payroll warrant schedule as presented.

**5. Payroll/Benefits Warrants Schedule– April 2010**

**Recommendation:**

Receive, ratify, and file the payroll warrant schedule as presented.

**6. Investment Policy**

**Recommendation:**

Adopt Resolution No. 2010-22, establishing the Town of Apple Valley Investment Policy for Fiscal Year 2010-2011.

**7. A Redevelopment Agency Resolution Authorizing the use of Low/Moderate Funds for Administrative Costs**

**Recommendation:**

Adopt RDA Resolution No. 2010-01, determining that the Planning and Administration Expenses budgeted for Fiscal Year 2009-10 in the Housing Funds are necessary for the production, improvement and/or preservation of affordable housing for the Low and Moderate Income Households.

9. **A Resolution of the Town Council of the Town of Apple Valley, California, Establishing the 2010-11 Fiscal Year Appropriation Limit**  
**Recommendation:**  
Adopt Resolution No. 2010-23, Establishing the 2010-11 Fiscal Year Appropriation Limit for the Town of Apple Valley.
11. **Acceptance of Work, Notice of Completion and Release of Retention for the Town of Apple Valley Municipal Animal Shelter Project**  
**Recommendation:**  
1. Accept the work of the attached 11 prime contractors for the work performed at the Municipal Animal Shelter and release the total retention in the amount of \$352,023.63.  
2. Direct the Town Clerk to file a Notice of Completion for their contract work, notify surety, exonerate bonds and notify prime contractors escrow account holders to release with held retention funds provide no claims are filed against the contractor or Town.  
3. Direct the Finance Director to release retained funds 30 days after the filing of the Notice of Completion, or notify prime contractors escrow account holders to release the withheld retention funds provided no claims are filed against the contractor or Town.
12. **Submission of CalHome Program Application to the California Department of Housing and Community Development (HCD)**  
**Recommendation:**  
That the Town Council adopt Resolution 2010-25 authorizing the submittal of an application to the California State Department of Housing and Community Development (HCD) for funding under the CalHome Program; and authorize the Town Manager or other authorized signature authority to execute, on behalf of the Town of Apple Valley, the application, the Standard Agreement, and all other documents required by HCD for participation in the CalHome Program, and any amendments thereto.
13. **Adopt Ordinance No. 409 of the Town Council of the Town of Apple Valley Amending Sections 3.12.230 and 3.12.270 of the Town of Apple Valley Municipal Code Relating to Purchasing Limits**  
**Recommendation:**  
Adopt Ordinance No. 409.
14. **Award Contract for the Construction of the new Public Works Facility**  
**Recommendation:**  
Award construction bid(s) as highlighted on the attached bidding summary for those trades indicated and authorize staff to contract with those contracting firms subject to "Approval as to Form" by the Town Attorney and "Approval as to Content" by the Town Manager.
15. **Lighting and Landscape Assessment District #1 - Engineer's Annual Report and Levy of Assessment for FY 2010-2011**  
**Recommendation:**  
1. Adopt Resolution No. 2010-26, a Resolution of the Town Council of the Town of Apple Valley Directing the Filing of the Annual Report for the Town of Apple Valley Landscaping and Lighting Assessment District.  
2. Receive and approve the engineer's report as filed, or as amended.  
3. Adopt Resolution No.2010-27, a Resolution of the Town Council of the Town of Apple Valley Declaring its Intention to Order Improvements and to Levy and Collect Assessments for Fiscal Year 2010-2011.

**PUBLIC HEARINGS**

None.

**LEGISLATIVE MATTERS**

**8. A Resolution Approving a Budget Appropriation and Adopting the Agency Budget for Fiscal Year 2010-11**

Kevin Smith, Interim Finance Director, presented the staff report as filed with the Town Clerk.

Mayor Pro Tem Sagona asked questions regarding the general fund budget reserves and the obligations to the general fund.

**MOTION**

Motion by Councilman Nassif, seconded by Councilwoman Coleman, to adopt RDA Resolution No. 2010-02, Approving a Budget Appropriation and Adopting the Agency Budget for Fiscal year 2010-11

Vote: Motion carried 5-0-0-0

Yes: Boardmember's Coleman; Nassif; Roelle; Vice-Chairman Pro Tem Sagona; Chairman Allan. Absent: None.

**10. A Resolution of the Town Council of the Town of Apple Valley, California Amending Resolution 2009-19 Approving a Budget Appropriation and Adopting the Budget, Including the Operating and Capital Improvement Budget for Fiscal year 2010-11**

Kevin Smith, Interim Finance Director, presented the staff report as filed with the Town Clerk.

**MOTION**

Motion by Councilman Nassif, seconded by Councilwoman Coleman, to adopt Resolution No. 2010-24, Approving a budget appropriation and adopting the budget, including the Operating and Capital Improvement Budget for Fiscal Year 2010-11.

Vote: Motion carried 5-0-0-0

Yes: Councilmember's Coleman; Nassif; Roelle; Mayor Pro Tem Sagona; Mayor Allan. Absent: None.

## REPORTS, REQUESTS AND COMMUNICATIONS

### BUSINESS OF THE COUNCIL

**16. Consideration of SANBAG Report Proposing Possible Changes to Victor Valley Transit Authority (VVTA) Structure**

Diana McKeen, Environmental and Regulatory Compliance Manager, presented the staff report as filed with the Town Clerk.

Councilwoman Coleman provided input to the Town Council regarding this issue and the reports that have been completed regarding the Victor Valley Transit System. She stated that she sees this issue as a positive move toward hiring a full-time Finance Manager.

It was the consensus of the Town Council to support the hiring of a full-time Finance Manager for the Victor Valley Transit Authority.

**17. Happy Trails Villas**

Kenneth J. Henderson, Assistant Town Manager, Economic and Community Development, presented the staff report as filed with the Town Clerk.

Mr. Henderson respectfully requested that the Town Council consider the request of the development entity and direct staff to prepare an agreement and bring it back to the Council for review and approval.

Discussion ensued regarding how the units would be sold, the income levels that would qualify for the units, and the standards by which the units will be built.

Dave Mueller, Apple Valley, commented on various laws that apply to this issue including a law that mandates how low income units can be sold.

Gordon Higgins, Apple Valley, explained that he did not understand this process and why the Town was still moving forward with low income units.

Deborah Light, Apple Valley, stated that there are currently 47 active listings for homes in Apple Valley under \$110,000. She believed that the Town was in compliance with its Housing Element due to the number of low income homes in the area.

James Owens, Apple Valley, expressed concern regarding this project.

Ken Leeper, Apple Valley, expressed concern regarding the high-rise project that is located on this site. He also expressed concern regarding a group home for children located on Pineridge Avenue.

Dino DeFazio, Apple Valley, spoke in favor of the proposed project. He believed that it was time to get the project completed and market the property.

Mayor Allan asked questions of Mr. DeFazio regarding his expertise in the real estate market and his belief regarding the need for this project.

Mayor Pro Tem Sagona read a letter into the record from the Developer, AVHTV, listing their objectives for the project.

**MOTION**

Motion by Mayor Pro Tem Sagona, seconded by Councilman Roelle, to abandon the Happy Trail Villas Project.

Councilwoman Coleman expressed concern regarding the possibility of the state notifying the Town that our Housing Element has become decertified. She believes completion of this project will eliminate blight in the area.

Councilman Nassif agreed with the comments made by Councilwoman Coleman. He commented on the Town's obligation to provide affordable housing using Redevelopment money as part of the community improvements. He also believes it would take blight out of the community and would help move the project forward.

Mayor Allan believed that a majority of the public comments were speaking against the project.

Discussion ensued regarding the need for additional low-income housing in Apple Valley and the cost of subsidy to the project.

Vote: Motion failed 2-3-0-0

Yes: Councilmember's Roelle; Mayor Pro Tem Sagona. Noes: Councilwoman Coleman; Councilman Nassif; Mayor Allan. Absent: None.

**MOTION**

Motion by Councilwoman Coleman, seconded by Councilman Nassif, to direct staff to move forward with the completion of the Owner Participation Agreement and bring it back to Council for approval.

Vote: Motion carried 3-1-1-0

Yes: Councilmember's Coleman; Nassif; Mayor Allan. Noes: Councilman Roelle; Abstain: Mayor Pro Tem Sagona. Absent: None.

**18. Review and Approve Report Examining the Processes and Procedures of the Village Area Property Business Improvement District (PBID)**

Mayor Allan recommended that this item be tabled until the next regularly scheduled meeting in an effort to give all parties an opportunity to review the audit as presented.

Mayor Allan stated that he would entertain Public Comments at this time for individuals who submitted request to speak cards on this issue.

Councilman Nassif stated that he had a potential conflict of interest and therefore excused himself from the dais.

**COUNCILMAN NASSIF WAS EXCUSED FROM THE DAIS AT 8:20 P.M.**

Richard Cambridge, PBID Board Member, commented on the forensic audit. He stated that he would like some form of retraction printed in the newspaper that does not infer that the current members of PBID are thieves in the community.

Eugene Buchanon, Apple Valley, commented on the relationship among the members of the PBID Board. He stated he had additional information to add to the PBID audit.

Milt Holland, Apple Valley, commented on false claims that were submitted by members of the PBID Board.

Sharon Holland, Apple Valley, commented on information that she discussed with the Town Council at a previous meeting.

John Weldy, Apple Valley, commented on the article in the newspaper regarding the sign. He commented on the importance of bidding.

Rich Sparks, Apple Valley, commented on the funding for the sign. He also noted that the report found the PBID members not in violation of the allocations made by former members of the PBID.

Kim Scully, Apple Valley, expressed concern regarding her ability to pay the assessment during the current economy.

### **MOTION**

Motion by Councilwoman Coleman, seconded by Mayor Allan, to continue this matter to the next regularly scheduled meeting on June 22, 2010.

Vote: Motion carried 4-0-0-1

Yes: Councilmember's Coleman; Roelle; Mayor Pro Tem Sagona; Mayor Allan. Absent: Councilman Nassif.

### **COUNCILMAN NASSIF RETURNED FROM THE DAIS AT 8:48 P.M.**

## **TOWN MANAGER'S COMMENTS & LEGISLATIVE UPDATE**

Frank Robinson, Town Manager, commented on his attendance at the LAFCO Review Meeting for the dissolution of CSA 17 Lighting District. He stated that there is a requirement that the Town Council and the Board of Supervisors adopt a Tax Transfer Resolution to transfer the balance of funds in excess of One Million Dollars to the General Fund. He noted that by accepting these funds, the Town must take responsibility to care for the lighting area.

Ralph Wright, Parks and Recreation Manager, provided an update to the Council on upcoming Park and Recreation events. He also commented on the Park and Recreation Master Plan and announced that the next meeting will be held on August 6, 2010.



**DEPARTMENTAL REPORTS AND BUSINESS:**

**STAFF REPORTS**

**CORRESPONDENCE**

**ADJOURNMENT**

**MOTION**

Motion by Mayor Pro Tem Sagona, seconded by Mayor Allan, and unanimously carried, to adjourn the meeting of the Apple Valley Town Council at 8:50 p.m. in memory of Mr. John Wooden.

Town Clerk

Mayor