

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

**REGULAR MEETING
MINUTES – June 28, 2011**

TOWN COUNCIL/REDEVELOPMENT AGENCY CLOSED SESSION

Mayor Nassif called to order the Regular Meeting of the Apple Valley Town Council at 5:00 p.m. All members of the Town Council were present.

Mayor Nassif announced that there was a need to take action on an item that arose after the posting of the agenda. Based on this information, there was a need to add an Item Number 1B – Closed Session – Regular Agenda – Negotiation with real property negotiator. Property Located at APN 3088-411-01 and 0480-031-07; Negotiating parties: San Bernardino County Flood Control District; Town Negotiator(s): Town Manager of designee. Negotiations involve both price and terms of payment.

MOTION

Motion by Council Member Coleman, seconded by Council Member Roelle, and unanimously carried, to add an Item Number 1B – Closed Session – Regular Agenda – Negotiation with real property negotiator. Property Located at APN 3088-411-01 and 0480-031-07; Negotiating parties: San Bernardino County Flood Control District; Town Negotiator(s): Town Manager of designee. Negotiations involve both price and terms of payment.

TOWN COUNCIL/REDEVELOPMENT AGENCY CLOSED SESSION

1. Closed Session

MOTION

Motion by Councilmember Roelle, seconded by Councilmember Emick, and unanimously carried, to adjourn to Closed Session at 5:05 p.m. to discuss the following:

- A. Negotiations with Real Property Negotiator – Property located at 15200 Rancherias Road, Apple Valley; Negotiating Parties: David Tolsma, President, Apple Valley Country Club; Town Negotiator(s): Town Manager or Finance Director or Designee. Negotiations involve both price and terms of payment.
- B. Negotiation with real property negotiator. Property Located at APN 3088-411-01 and 0480-031-07; Negotiating parties: San Bernardino County Flood Control District; Town Negotiator(s): Town Manager of designee. Negotiations involve both price and terms of payment.

Council Member Coleman announced that due to a potential conflict of interest, she would not be participating in discussions on Closed Session item number 1A.

Upon returning from Closed Session at 6:35 p.m., Mayor Nassif reported the following:

Under Closed Session 1B, direction was given to the Town Manager to execute the contract with the San Bernardino County Flood Control District regarding APN 3088-411-01 AND APN 0480-031-07 subject to review by Legal Council.

OPENING CEREMONIES

PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was led by Mayor Pro Tem Stanton.

PRESENTATIONS: First Solar – Michael Argentine

SPECIAL ANNOUNCEMENTS: None

PUBLIC COMMENTS

Reggie Lamson, Ranchos Water, commented on the water rates for neighboring communities using other water purveyors.

David Tolsma, Apple Valley, stated that he will be speaking on various items on tonight's agenda; however he wanted it to be clear that his comments have nothing to do with his name being listed on the Closed Session agenda.

Richard Rorex, Apple Valley, read a stated regarding people's opposition to the purchase of the golf course. He stated that he supports the purchase of the golf course and recommends that Town Council move forward with the project.

APPLE VALLEY CHAMBER OF COMMERCE – BUSINESS RETENTION UPDATE

Jim Gutierrez, Apple Valley Chamber of Commerce, provided an update to the Town Council regarding the Chambers Business Retention program. He also noted that the Chamber of Commerce was in opposition of the E-Verify Program for Businesses that was discussed at the last Town Council meeting.

COUNCILMEMBER COMMENTS AND COMMITTEE/COMMISSION PARTICIPATION

Council Member Coleman commented that LAFCO adopting its budget at its last meeting. She also commented on her attendance at the League of Cities Policy Meeting where discussions were held regarding the sea level rise action plan. She stated that she also attended the Inland Empire Redevelopment Group Meeting and the RENA Subcommittee Meeting,

Council Member Emick commented on his attendance at the PBID Meeting where discussions led to the need to resolve an issue surrounding the bus stop located at the Apple Valley Post Office. He thanked Mayor Pro Tem Stanton, as the Town's Victor Valley Transit Authority representative, for her support.

Mayor Pro Tem Stanton commented that she was nominated as Chair of the Victor Valley Transit Authority. She commented on her attendance at various meetings including the budget workshop and Mojave Desert Air Quality Management District (MDAQMD). She also commented on her attendance at the Military Officers of America Association where she was invited to be a guest speaker. She also attended the Relay for Life event.

Mayor Nassif thanked Mayor Pro Tem Stanton for sitting in for him at the Victor Valley Waste Reclamation Authority (VWRA) Meeting. Mayor Nassif announced the passing of long time Apple Valley residents Pat Weldy, Claude Noel and Jane Dollar. He would like to close tonight's meeting in their memory.

Mayor Nassif commented on his attendance at the Economic Development Housing Policy Meeting where in addition to receiving an update on the state budget, discussions were held regarding Assembly Bills 46, 26, and 27, the sea rise bill and a parking ordinance. Mayor Nassif also commented on the proclamations he presented to the Soroptimist Club and the Eagle Scouts.

TOWN COUNCIL ANNOUNCEMENTS

Suggested items for next agenda:

Mayor Pro Tem Stanton asked questions regarding the tree in front of Town Hall.

Mayor Pro Tem Stanton commented on foreclosed homes. She would like an item on a future agenda to discuss animals that are left behind at the foreclosed homes.

La Vonda M-Pearson, Town Clerk, read the time, date and place for the next Town Council Meetings:

- A. Special Meeting – Wednesday, July 6, 2011, 3:30 p.m. – Council Chambers
- B. Regular Meeting – Tuesday, July 12, 2011, 6:30 p.m. – Council Chambers

TOWN COUNCIL/REDEVELOPMENT AGENCY CONSENT AGENDA

MOTION

Motion by Council Member Coleman, seconded by Council Member Roelle, to approve and adopt the Consent Calendar items numbered 2, 3, 5, 6 and 7, respectfully, and that items numbered 4, 8 and 9, be pulled for discussion..

Vote: Motion carried 5-0-0-0

Yes: Councilmember's Coleman; Emick; Roelle; Mayor Pro Tem Stanton; Mayor Nassif.

Absent: None.

2. Approval of Minutes of the Town Council

A. Special Meeting – June 14, 2011

B. Regular Meeting – June 14, 2011

Recommendation:

Approve the subject minutes as part of the consent agenda.

3. Fee Waiver Request for the Annual Chili Cook-Off Held by the Rotary Club of Apple Valley

Recommendation:

For good cause shown and finding a waiver will serve a public purpose, approve the waiver of Special Event Permit and park rental fees for the Rotary Club of Apple Valley.

5. A Request for Adoption of Resolution 2011-28 of the Town Council of the Town of Apple Valley Accepting Reimbursement of the Costs for Development of Public Infrastructure

Improvements Within the Town from the Victor Valley Economic Development Authority and Ratifying the Execution and Delivery of a Proposed Amendment No. 1 to the Reimbursement Agreement

Recommendation:

That the Town Council Adopt Resolution No. 2011-28 and approve Amendment No. 1 to the Reimbursement Agreement between the Victor Valley Economic Development Authority and the Town of Apple Valley.

6. Fiscal Year 2010-2011 Year-End Budget Amendment

Recommendation:

Review and adopt the attached Budget Adjustment No. 11-47.

7. Receipt of JAG Grant Funds for Fiscal Year 2011-12 into the Public Safety Grant Fund for Police Activities League Related Expenditures

Recommendation:

Approved receipt of JAG Grant funding in the amount of \$25,085 and appropriation of the funds to the Public Safety Grant Fund to pay expenses as listed in the attached memorandum from Captain Bart Belknap.

PULLED FROM CONSENT

4. Request for Proposals (RFP) – Preparation of Five-Year Consolidated Plan 2012 – 2016 and Analysis of Impediments to Fair Housing

Emily Wong, Assistant Director of Economic Development, presented the staff report as filed with the Town Clerk.

Carl Coleman, Apple Valley, commented on the need to make changes to this report to allow for local professionals to be employed on these projects.

Everett Butcher, Apple Valley, recommended that the Town make the appropriate changes to allow for local businesses to perform the work on these projects.

Ms. Wong commented on the requests by the members of the public and explained that in order to prepare a five-year plan, certain experience is required. She explained that the Town would entertain proposals from members of the community if they meet the requirements. She noted that the RFP is open to everyone, but reiterated that they must meet the criteria.

Ms. Wong also stated that an evaluation committee comprised from individuals from Victorville and Apple Valley will review the applications.

MOTION

Motion by Mayor Pro Tem Stanton, seconded by Mayor Nassif, to authorize the release of a Request for Proposals (RFP) for consulting services in the preparation of the Five-Year Consolidated Plan and Analysis of Impediments to Fair Housing for the period covering 2012 – 2016.

Vote: Motion carried 5-0-0

Yes: Councilmember's Coleman; Emick; Roelle; Mayor Pro Tem Stanton; Mayor Nassif.

Absent: None.

PULLED FROM CONSENT

8. Governmental Accounting Standards Board (GASB) Statement Number 54 Fund Balance Classifications

Mayor Pro Tem Stanton asked questions regarding the auditing process associated with this item and whether or not it was a requirement for all communities.

Marc Puckett, Director of Finance, presented the staff report as filed with the Town Clerk. He explained the auditing process and confirmed that it was a requirement for other communities.

MOTION

Motion by Mayor Pro Tem Stanton, seconded by Council Member Emick, to:

1. Adopt Resolution Number 2011-34 approving the reclassification of the various components of fund balance as defined in Governmental Accounting Standards Board (GASB) Statement Number 54; and
2. Delegate to the Director of Finance the authority to determine the reclassifications and portion of the fund balance to be reported as assigned in the Town's Comprehensive Annual Financial Report

Vote: Motion carried 5-0-0-0

Yes: Councilmember's Coleman; Emick; Roelle; Mayor Pro Tem Stanton; Mayor Nassif.

Absent: None.

PULLED FROM CONSENT

9. Investment Policy

Marc Puckett, Director of Finance, presented the staff report as filed with the Town Clerk. Mr. Puckett explained that every community must submit an annual investment policy for review and approval by its Council.

MOTION

Motion by Mayor Pro Tem Stanton, seconded by Council Member Emick, to a Adopt Resolution No. 2011-33 establishing the Town of Apple Valley's adopted Investment Policy for Fiscal Year 2011-12.

Vote: Motion carried 5-0-0-0

Yes: Councilmember's Coleman; Emick; Roelle; Mayor Pro Tem Stanton; Mayor Nassif.

Absent: None.

PUBLIC HEARINGS

10. **A Resolution Requesting that the Local Agency Formation Commission (LAFCO) Initiate Proceedings for the Annexation of Parcels West of Dale Evans Parkway, North of Johnson Road, East of U.S. Interstate 15, and South of Morro Road, also known as the “Golden Triangle”, under Annexation No. 2008-001.**

MOTION

Motion by Mayor Pro Tem Stanton, seconded by Council Member Coleman, and unanimously carried, to open the public hearing and continue Annexation No. 2008-002 to the regular scheduled meeting of the Town Council on July 12, 2011.

11. **Underground Utility District No. 3, Along Yucca Loma Road Between Apple Valley Road and Rincon Road**

MOTION

Motion by Council Member Coleman, seconded by Council Member Emick, and unanimously carried, to continue Underground Utility District No. 3, along Yucca Loma Road between Apple Valley Road and Rincon Road to the regular scheduled meeting of the Town Council on July 12, 2011.

LEGISLATIVE MATTERS

REPORTS, REQUESTS AND COMMUNICATIONS

BUSINESS OF THE COUNCIL

12. **Loan Agreement between the Redevelopment Agency of the Town of Apple Valley and AMCAL Multi-Housing, Inc.**

Emily Wong, Assistant Director of Economic Development, presented the staff report as filed with the Town Clerk.

Council Member Coleman asked questions regarding the proposed loan agreement as it relates to the rental amounts. She noted on Page 12-9 that it states that the garages will be provided at additional cost; however, at meeting they stated they would provide garages at no additional cost. She would like to see that reflected in the agreement.

Ms. Wong explained the costs in the agreement and stated that although some items were provided at no cost, garages were not included.

Council Member Coleman commented on the timing for negotiation of the DDA. She questioned the Termination of Agreement as listed in the agreement. She also requested to know if the surplus funds would be protected by adopting this agreement.

Haviva Shane, Town Attorney, stated that the intent was to enter into agreement with AMCAL and not have the excess surplus funds. She explained the reasons why the agreement was structured into a loan agreement. She also explained if the DDA is not approved by August 23, 2011, there would be potential problems with excess surplus funds.

Mayor Pro Tem Stanton commented on the parking requirement as listed in the map. She asked if there was offsite parking.

Mr. Chang, AMCAL, explained that the determination came from the required parking for senior housing in the Town of Apple Valley. He also explained that some residents in the senior community do not have vehicles. He noted that the initial plan submitted did not require garages; however, now we will have single garages on the 50 units.

Mayor Pro Tem Stanton commented on the discussion that was held at the previous meeting regarding garages.

Dino Defazio, Apple Valley, stated that he believed that they said they would include the garages at no additional costs. He also commented on increasing the community center and the market rates.

Discussion ensued regarding a commitment that they may have made regarding the garages.

Councilwoman Coleman requested that staff go back and view the meeting and if they committed to it verbally, it should be included in the agreement.

Haviva Shane, Town Attorney, recommended that the Town Council amend the motion to include in Section 2.2.2, "that the parties shall agree to the pricing of the garages".

MOTION

That the Town Council and Redevelopment Agency approve the loan agreement in the amount of \$3,000,000 between the Town of Apple Valley and AMCAL Multi-Housing, Inc. and that Section 2.2.2 be amended to include, "that the parties shall agree to the pricing of the garages".

Vote: Motion carried 3-2-0-0

Yes: Councilmember's Coleman; Emick; Mayor Pro Tem Stanton Mayor Nassif. Roelle

Absent: None.

RECESSED MEETING

Mayor Nassif called for a recess of the Apple Valley Town Council at 8: 30 p.m.

MEETING RECONVENED

Mayor Nassif reconvened the meeting of the Apple Valley Town Council at 8:48 p.m.

Council Member Coleman stated that due to a potential conflict of interest, she would not be participating in discussions on Agenda Items numbered 13 and 14A.

COUNCIL MEMBER COLEMAN WAS EXCUSED FROM THE DAIS AT 8:50 P.M.

13. Apple Valley Golf Course Information Request

Marc Puckett, Director of Finance, presented the staff report as filed with the Town Clerk.

Council Member Roelle questioned the need for the Town Council to have all the correct information regarding the capital improvement.

Dennis Cron, Assistant Town Manager, Municipal Operations and Contract Services, answered questions of Council Member Roelle regarding the needed capital improvements for the Golf Course.

Council Member Emick questioned the impact on the general fund if we do not close escrow. Would roll the deficit from the golf course into the general fund.

Discussion ensued regarding the general operating fund and restricted funding. Marc explained.

Mayor Pro Tem Stanton asked a series of questions regarding the operation of the golf course.

Council Member Emick asked how the reserves would be affected if the Town does not close the golf course.

Mr. Puckett stated that it would be a deficit of approximately \$3 million.

Piero Dallarda, Best, Best & Krieger, provided a history to the Town Council and the public via a powerpoint presentation regarding the history of the Apple Valley Country Club/Golf Course.

Discussion ensued regarding implications to not closing escrow on the golf course.

Dave Tolsma, Apple Valley, commented on the recommendations of the Task Force for the golf course.

Jasen Baker, Apple Valley, recommended the golf course not be allowed to go brown.

Jerry Siegel, Apple Valley, recommended the Town Council move forward with this item.

Bob Tinsley, Apple Valley, commented on the sacrifices of the equity members in an effort to assist the Town Council in supporting this project.

Council Member Emick read a statement into the record regarding government and various statistics regarding the government. He commented on implications that could occur should the Town not move forward with closing escrow on the golf course.

This was a receive and file item only. There was no action taken.

14A. Apple Valley Golf Course Purchase Options

Marc Puckett, Director of Finance, presented the staff report as filed with the Town Clerk.

Mayor Pro Tem Stanton asked why the policy was attached to this item.

Frank Robinson, Town Manager, agreed and stated that after speaking with legal counsel, it could be separated.

The following individuals spoke in support of the Apple Valley Golf Course purchase:

Bob Tinsley, Apple Valley
David Tolsma, Apple Valley
Roger Hayes, Apple Valley
Larry Cusack, Apple Valley
Herr Douthit, Apple Valley
Richard Rorex, Apple Valley
Stephen Ball, Apple Valley
Anne Johnson-Curtis, Apple Valley
Jerry Klein, Apple Valley
Richard Bounce, Apple Valley
Jackie Bounce, Apple Valley
Philip Geriche, Apple Valley
Tamra Doran, Apple Valley
Bernadette McNulty, Apple Valley
William Furmage, Apple Valley
Jim Phillips, Apple Valley
Jan Mander, Apple Valley
Rick Cambridge, Apple Valley
Carl Coleman, Apple Valley

The following individual made general comments regarding the Apple Valley Golf Course purchase:

Lawrence McCarthy, Apple Valley

Council Member Roelle stated that although his vote has been consistent on this item, due to the outpouring of support by the members of the audience, he would support this item.

Council Member Emick thanked the community for their attendance. He stated that he would support this item.

Mayor Pro Tem Stanton stated that she was open-minded on this issue and agreed with the community that she did not wish to see the grounds turn brown; however, she was still concerned about the funding for this item and whether or not it would become profitable. She recommended as stated within the staff report that a set time be given to see if the golf course could become self sustaining. She stated that she too would support the project in an effort to give them an opportunity to turn it around.

Mayor Nassif thanked the community for their support. He stated that the Council would be revisiting this item during the next budget cycle and encouraged the community to work toward making the golf course as true asset to the community and to help increase its revenues.

MOTION

Motion by Council Member Emick, seconded by Mayor Pro Tem Stanton, to approve funding the purchase of the Golf Club from the sale of the water rights from the Golf Club Fund to the Wastewater Fund in the amount of \$2,900,000.

Vote: Motion carried 4-0-0-1

Yes: Councilmember's Emick; Roelle; Mayor Pro Tem Stanton; Mayor Nassif.

Absent: Council Member Coleman.

COUNCIL MEMBER COLEMAN RETURNED TO THE DAIS AT 10:34 P.M.

14B. Approve Resolution No. 2011-29 Establishing a Policy to Approve Loans and Advances between Town Funds.

Mayor Pro Tem Stanton asked questions regarding the loans between Town funds. She stated that she wanted to insure that these types of transactions were permissible.

Marc Puckett, Director of Finance, presented the staff report as filed with the Town Clerk. He answered the concerns expressed by Mayor Pro Tem Stanton assuring the Council that these types of transfers were permissible

MOTION

Motion by Council Member Coleman, seconded by Council Member Roelle, to approve Resolution No. 2011-29, Establishing a Policy to Approve Loans and Advances between Town Funds.

Vote: Motion carried 5-0-0-0

Yes: Councilmember's Coleman; Emick; Roelle; Mayor Pro Tem Stanton; Mayor Nassif.

Absent: None.

COUNCIL MEMBER COLEMAN WAS EXCUSED FROM THE DAIS AT 10:36 P.M.

15. A Resolution of the Town Council of the Town Of Apple Valley, California, Approving a Budget Appropriation and Adopting the Golf Course Fund Budget for Fiscal Year 2011-12

Marc Puckett, Director of Finance, presented the staff report as filed with the Town Clerk.

The following individuals spoke in support of this item:

Jerry Siegel, Apple Valley
Carl Coleman, Apple Valley
David Tolsma, Apple Valley
Bill Spaulding, Apple Valley
Darrell Luthy, Apple Valley
Ned Curtis, Apple Valley
James Nickerson, Apple Valley
Sam Rice, Apple Valley

MOTION

Motion by Council Member Roelle, seconded by Council Member Emick, to adopt Resolution No. 2011-30, approving a budget appropriation and adopting the budget for the Apple Valley Golf Course Fund for Fiscal Year 2011-12.

Vote: Motion carried 4-0-0-1

Yes: Councilmember's Emick; Roelle; Mayor Pro Tem Stanton; Mayor Nassif.

Absent: Council Member Coleman.

COUNCIL MEMBER COLEMAN RETURNED TO THE DAIS AT 10:53 P.M.

16. Authorization for Continuing Appropriations and Preliminary Fiscal Year 2010-11 Carryovers

Marc Puckett, Director of Finance, presented the staff report as filed with the Town Clerk.

MOTION

Motion by Council Member Roelle, seconded by Council Member Coleman, to:

1. Adopt Resolution 2011-31 to authorize appropriations commencing July 1, 2011, based on prior year spending levels, for a sixty (60) day period, commencing as of July 1, 2011; and,
2. Adopt Resolution 2011-32 authorizing, on an interim basis, the carryover of Fiscal Year 2010-11 year end encumbrances and periodic adjustments to the Fiscal Year 2011-12 budget to reflect encumbered Fiscal Year 2010-11 balances until Fiscal Year 2010-11 is closed out.

Vote: Motion carried 5-0-0-0

Yes: Councilmember's Coleman; Emick; Roelle; Mayor Pro Tem Stanton; Mayor Nassif.

Absent: None.

17. Consideration of an Early Retirement Option with CALPERS

Nikki Salas, Director of Human Resources, presented the staff report as filed with the Town Clerk.

It was the consensus of the Town Council to move forward with this item.

TOWN MANAGER'S COMMENTS & LEGISLATIVE UPDATE

DEPARTMENTAL REPORTS AND BUSINESS:

STAFF REPORTS

CORRESPONDENCE

ADJOURNMENT

Motion by Mayor Nassif, seconded by Councilwoman Coleman, and unanimously carried to adjourn the meeting of the Apple Valley Town Council at 11:01 p.m. in memory of Pat Weldy, Claude Noel and Jane Dollar.

Mayor

Town Clerk