The meeting began at 7 pm with the Ice Cream Social.

Mary Solis opened the meeting at 7:15 by welcoming everyone to the meeting and she also completed the Pledge of Allegiance.

Mary then introduced the guests in attendance: Chas Kelley, 5th Ward Council person and Shauna Britton of the City Attorney’s office.

Mary thanked the volunteers who worked on the Rose Garden and thanked Marlene Evans for her years of dedication and hard work on the Verdemont Neighborhood Association.

Lesley Rabadi then reminded everyone that VNA updates can be located on Facebook.

Mary also let those in attendance know that there are open positions on the VNA Board and to if you’re interested, please let her know.

Mary then introduced Chas Kelley.

Chas indicated that several people have noticed that the new Kendall Plaza is going vertical (construction has begun).

Member question: What businesses are going in to the new plaza?

Chas- there will be 52units, and it could be businesses such as Quiznos, Hair and Nail salons, etc. There will be 7,000 square foot full service restaurant that is not a major chain establishment. There will be a grocery store pad that will come later.

Member question: Will it be a Stater Brothers market?

Chas, No, not Stater Brothers since they don’t want to undercut their Kendall location.

Chas: The street work at Palm and Kendall is to place traffic signals and stop the ‘leap frogging’ at the off ramps. It is a Cal-Trans project.

Chas also mentioned that Staples and Ralphs on University are struggling. A member asked about the former Lowe’s building. The member stated that the EDA funds should be used to send recruiters to the “shopping center convention” to recruit potential businesses for that building.

Chas: The RDA funds are gone, period.

Chas indicated that the maintenance of the Land Maintenance is a concern since plants have been replaced, then dying and not replaced. The LMD’s are being paid by citizens to maintain those areas and the city is required to maintain them.

Someone mentioned a church going into the former Lowe’s building. Chas responded that if a church goes into that location there would not be any tax revenue to maintain roads, police, etc.

Chas also mentioned there will be a Super Target coming to (Sierra?) and 210 area, or the Golden Triangle.

Chas ceded the floor to Mary who introduced Jim Penman, city attorney. He gave updates on:

Pot Shops- Closed down two more pot shops in the last couple of days. Since the city banned marijuana facilities up to 55 places opened to sell it. There is a $1,000 per day fine for operating one within the city. Some owe as much as $100,000.

In Riverside they’ve closed 17 of 33 pot shops.

There was a raid on E street that had 800 plants. The raid netted $9,925 in cash used for change. The city also learned that property owners are walking away from their leases. Also, pot shops are switching to receiving orders by phone. Delivery of marijuana is also against the ordinance.

At Sierra Way, all plants and accessories were confiscated as the phone orders kept coming in. It was learned that they are processing the orders using their laptops.

An E street location received court orders to stop all sales and activities.

It’s also been learned that some marijuana shops are a part of organized crime.

Member question: Is the 40th street location operating at night?

Jim: Yes, it will take several weeks to stop them and they do close during the day.

Bankruptcy:

The bankruptcy is going very very well. The judge has stated in open court a couple of times that the city is insolvent. CalPers is the leading opponent of the bankruptcy.

Municipal Bonds:

 Amdeck is supporting the city’s position. Wall Street bankers have also been very helpful.

CalPers has indicated it will back off for $15 million. It was indicated that the $15 million could be paid if all employees are laid off.

The State of California attempted to take the $15 million owed to the DOF by San Bernardino. Then wanted properties equivalent in value to the $15 million. They’ve also threatened to withhold tax revenues from the city through the state. Jim Penman served 5-day notices and they acquiesced.

The bankruptcy is being handled appropriately. It’s taken Penman and others in city hall time to get up to speed on municipal bankruptcy law, meeting all the deadlines. Now there is a group of businessman wanting to recall the entire council, mayor, city attorney and city clerk.

The “Detroit Option” has been floated wherein the state takes over the city. In the 1930’s the Supreme Court stated that each state must pass a separate law covering its cities. That is not covered in California law.

The revenue stream to San Bernardino is approximately $127 million. This is money that is outside the bankruptcy. The bankruptcy amounts/bills are set to the side. The $127milliion is used outside the the bankruptcy and used to balance the budget.

Deputy attorneys negotiate with the 13,000 creditors each day, working on final adjustments with the creditors.

New businesses are coming to San Bernardino since property is cheap. Examples include:

 Amazon Distribution Center

 Cotton Beverage Bottlers

 New V W Dealership bringing with it a remodeling of the facility.

Additionally, the Anita Tortilla Factory is adding over 8- jobs.

Recall:

It would be unimaginable and difficult to bring in 10 new people in the middle of the bankruptcy.

Scott Beard refuses to list his comments/sources for $350,000. Penman has been criticized for not providing full support to patrol officers, etc. He said that he supports every officer from the youngest rookie to the Chief.

When the request went to the Sheriff’s office for protection in the city, the quote came back showing fewer officers at a higher cost.

The Recall would cost over $100,000 and the city can’t afford a ‘6-month hiatus’ for a recall election.

Without bankruptcy protection, creditors can come and take the police cars, fire trucks, even the police station.

Scott Beard and Larry Sharp are running the Recall effort and signature gathering will begin on Monday, May 20th. The “Do Not Support” petitions will begin on Monday, 5/27. The Recall group does not live in San Bernardino some do have businesses in the city.

There was a Rialto realtor who was bragging about their part in the sale of Rialto’s water. In particular, bragging about making $1 million on that sale alone. What many Rialto’s residents didn’t realize is that their water rates would go up by 54%. For those who don’t know, San Bernardino has an underground lake the size of Lake Shasta. The recall group wants the recall to be successful so they can sell San Bernardino’s water reserves.

Two years prior to the bankruptcy, 8/20/10, the city manager presented a budget to the city council with hesitancy. The council voted (4 -2) the budget in. Penman turned to the city manager and said, “Mr.McNeely, explain to the council what they’ve just done.”

The election is still scheduled in November and the mayor, as well as 3 council seats will be voted on. The mayor has said he’s not running again. There has been only one appointment in 26 years that has not been approved.

It is the city manager and the mayor who have the responsibility for the budget.

Meeting adjourned at 20:35.