



# MINUTES

## SPECIAL MEETING OF THE HEMET CITY COUNCIL

June 25, 2012

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**6:00 pm**

**[www.cityofhemet.org](http://www.cityofhemet.org)**

**City of Hemet Council Chambers  
450 E. Latham Avenue**

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### **Call to Order**

Mayor Youssef called the meeting to order at 6:00 p.m.

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### **Roll Call**

PRESENT: Council Members Franchville, Krupa and Smith, Mayor Pro Tem Foreman and Mayor Youssef

ABSENT: None

OTHERS PRESENT: City Manager Nakamura, City Attorney Vail and City Clerk McComas

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### **Closed Session**

#### **Notice of Opportunity for Public Comment**

There were no public comments presented at this time.

The City Council recessed to Closed Session at 6:00 p.m.

1. Conference with Labor Negotiators  
Pursuant to Government Code section 54957.6  
Agency designated representatives: City Manager Nakamura  
Employee organization:
  - Service Employees International Union (SEIU) General Employees
  - Hemet Fire Fighters Association
  - Hemet Police Officers Association
  - Hemet Mid-Managers Association

The City Council reconvened at 7:18 p.m.

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### **City Attorney Closed Session Report**

2. Conference with Labor Negotiators  
Pursuant to Government Code section 54957.6  
Agency designated representatives: City Manager Nakamura  
Employee organization:

Service Employees International Union (SEIU) General Employees  
Hemet Fire Fighters Association  
Hemet Police Officers Association  
Hemet Mid-Managers Association

**The City Council gave direction regarding the listed bargaining units. There was no additional reportable action.**

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## **Communications From the Public**

**Stephany Borders, Hemet,** recommended that the City Council continue to fund the Christmas Parade and the Veteran's Day Celebration, noting that both are very important traditions that should not be lost. Ms. Border's recommended that the City seek sponsorship from private businesses if necessary.

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## **Discussion/Action Items**

3. **Fiscal Year 2012-13 Budget Balancing Proposal** - City Manager Nakamura
  - a. Approve the budget deficit reduction strategies as outlined in this report; and
  - b. Adopt a resolution adopting the Budget for the City of Hemet and approving appropriations for the Fiscal Year Commencing July 1, 2012 and ending June 30, 2013. **Resolution No. 4507**

**Brian Nakamura, City Manager,** recommended that the City Council adopt the budget and the budget deficit reduction strategies as presented. The last 5 years have not been easy for the City of Hemet or the City Council members during their tenure. What the City has endured has been pain staking. Other cities are now facing what the City of Hemet has been facing the last couple of years and again this year. On June 12, 2012, staff presented a budget that absorbed a \$4 million dollar take from the State of California. Reflecting back on the accomplishments, that are phenomenal, the City of Hemet has a reserve because of the sale of the City's Refuse Division. Mr. Nakamura listed a number of accomplishments that the City has made. In 2006, when the City of Hemet was at peak staffing, the City of Hemet had 450 employees. The City of Hemet now has 280 employees, but the work and the demands have not stopped. Dictated by the economy, the demands for services have actually increased. The City of Hemet is not alone, the City of Stockton is facing a more dire situation than Hemet. The City has to live within its means. I don't think there is a resident that lives the same lifestyle as we all did in 2006. Spending within our means might mean that we have to reduce services and programs. Everyone, including the City Council believes that the services provided by the City are essential. The reality is there is only so much money to go around. Property values are diminishing effecting the property tax assessments. That helps the residents, but impacts the City financially. The same with sales tax. There have been blips, but no sign of a steady or consistent increase. On June 12, 2012, the City Council directed staff to come back and address a \$3.5 million dollar structural deficit. Some of the deficit was addressed with a one-time funding source. However, the structural deficit needs to be addressed not

patched. This is a multi-fiscal year issue. Even with the use of the one-time funds, the budget shortfall this fiscal year is \$1.4 million dollars. Staff originally recommended to use the City's reserves. Earlier this year, the City Council adopted a 35% reserve policy. The City Council did not agree with staff's recommendation and directed staff to come back with options to reduce the City's operating budget by \$1.4 million. The direction was to look at all General Fund Departments (Library, Parks, Streets, Police and Fire) for savings, yet continue to provide the current services and current traditions. These are tough decisions, alternatives presented were carefully considered working with the Department Directors to ensure that services can still be provided to the public. The City of Hemet just underwent a significant reorganization, starting with 11 Department Directors down to the 6 the City currently has. One of the recommendations is to leave the Library Director position vacant at this time to reduce the Library operating budget by \$106,000. It is recommended that one staff person be hired to assist and maintain the current level of operations. Education is critical in order to be a whole City. The Library is used by many and operates extremely efficiently. Automated systems are used for book check-in and check-out and the new DVD rental system is up and running. The only other alternative to this recommendation is to close the Library for one additional day. Staff is recommending that the Library Director position remain vacant for the fiscal year 2012-2013. Staff is recommending that the number of vacancies to be filled in the Police Department be reduced from 10 to 8. The City, at its peak, had 90 sworn officers, currently the department has 55. These positions will not be removed from the Departments organizational chart, just not filled at this time. This will result in a savings of \$210,000. This is in addition to their previous reductions that were offered. The alternative is to look for additional savings in the Police Department. If the City Council would like to recommend less than 8, the savings would be an additional \$100,000 per officer. The recommendation for the Fire Department was the most difficult. The previous acceptance of the SAFER Grant was the Department's raft to not deal with the closure of a second station. The grant was for a 2 year period and a total of 12 positions. Chief Shobert, at the time, explained that the grant would help the city retain the firefighters. Chief Shobert further stated in the staff report that in the event the City's financial situation did not recover the positions could, if necessary, be eliminated. The SAFER II grant would have required the City of Hemet to hire an additional 9 firefighters and not allow us to supplant the previously hired firefighters. The acceptance of that grant would have created 21 vacancies over the next 2 years. The reduction of the 9 positions will result in a savings of \$880,000 and close one additional fire station. Chief Morris has offered two additional recommendations. One will result in a savings of \$550,000 the other a savings of \$440,000. Staff is recommending that the City Council layoff 9 firefighters and shut a fire station. Staff is recommending the elimination of the \$50,000 for Hemet ROCS. Staff is aware of the City Council's desire to move forward with this program. Mr. Nakamura assured the City Council that the programs will not discontinue. The \$50,000 was to help with the cost to implement the program. The City Departments working on Hemet ROCS have a vested interest in moving this program forward. Staff is recommending the elimination of the \$25,000 budgeted for Special Events (City Sponsored). The concerns

of the City Council have been taken into consideration, however, the City is looking at a \$3.5 million structural deficit. Staff is also recommending the elimination of the \$50,000 budgeted for Special Events (Non-City Sponsored). The alternatives are to fund these events or fund at a lesser amount. If the City Council chooses all of these recommendations, it will still require a \$99,000 draw from the General Fund reserves to balance the Fiscal Year 2012-2013 Budget, instead of the \$1.4 million previously recommended. These recommendations are not easy, not favorable and some might even call them not wise. Even with the approval of these recommendations there will still be a structural deficit in 2013-2014, due to the use of one-time Workers Compensation and any possible takes and/or reductions in revenue.

**Steve Sandefer, Hemet Firefighters Association,** the firefighters are in support of the recommendation to eliminate the \$50,000 budget for Hemet ROCS, the \$25,000 budget for the Christmas Parade and the Veteran's Day celebration and the \$50,000 budget for other Special Events. Mr. Sandefer agreed that the grant funding is gone, however the need to provide service to the residents is not. Currently, Hemet Fire Department is the 3rd busiest fire department in the country, the reduction of 9 firefighters will make us the busiest. Mr. Sandefer offered the City Council an alternative to the reduction of the 9 firefighters that is to dip into the City's reserves to maintain them. Mr. Sandefer called the decision to layoff the firefighters and close a station reckless. The Fire Department has requested a copy of the City's CAFR and it has not been provided. Since the City will not provide the numbers for the firefighters to do our own evaluation, the Firefighters Association does not concur with the City's financial position. Mr. Sandefer noted that there will be an increase in liability when an additional fire station is closed. The statement that the City has made cuts across the board is not true, there are employees who have received pay raises. Mr. Sandefer presented pictures of recent fires that have been tended to by Hemet Fire Department and explained in detail the situations. Mr. Sandefer said that the City is not being consistent with the Fire Department. In 2010, the Fire Department jumped through the hoops and actively sought out funding in the amount of \$1.1 million dollars. The City Council still made the Firefighters take a cut the next fiscal year.

**Paul Raver, Hemet,** expressed sincere appreciate to the situation that the City Council is in. Mr. Raver also applauded the City Council for the work that has been done in managing the finances of the City. Mr. Raver respectfully disagrees with the recommendation to reduce staffing in the Fire Department. Mr. Raver told the City Council about an agreement between the City of Hemet and Emergency Management Services for the use of an engine in exchange for availability in the event of an emergency. When this equipment is out, there will be a shortage of staff available. Mr. Raver also cited the City's recently adopted General Plan that indicates the City's response time will be 7 minutes. Measure C, adopted by the residents, requires a 5 minute response time. Mr. Raver also expressed concern about the loss of other Fire Department provided services such as Fire Prevention and CPR Training. Mr. Raver recommended that the City Council use the City's reserves to maintain the current staffing in the Fire Department or consider making additional cuts elsewhere.

**Sean Weidmann, Hemet,** told the City Council about the November 12, 2010 accident that involved his children where the Fire Department responded. Mr. Weedman expressed concern for the Fire Department employees and their families. Mr. Weedman also expressed concern for the safety of the remaining firefighters with a reduction in staffing levels. Mr. Weedman referred to the new residents of the City as the problem. Chief Brown is doing a great job with the staffing level that he has.

**Mike McComas, Sierra Dawn Estates,** expressed concern that the reduction in Fire Department staffing will make the residents feel less safe and people will move. Mr. McComas expressed gratitude to the paramedics for their previous services. Mr. McComas has friends and family in law enforcement and disagrees with additional cuts in Public Safety. Mr. McComas also acknowledged that Chief Brown is doing a great job with the staff that he has.

**Brian Rubin, Hemet,** expressed concern that Fire, Police and Library are the only departments being asked to make cuts. Staff has made some good recommendations. Mr. Rubin agrees with the continued vacancy of the Library Director. However, he expressed concern with not filling the other 2 police officer positions. As a former Volunteer, it can take up to an hour for an officer to respond to a call for assistance in the Department's lobby.

**Len Souza, Seven Hills Safety and Security Director,** expressed concern with the recommended cuts to Public Safety. Mr. Souza recommended that the City Council cut everything else. Mr. Souza told the City Council about recent crimes that have occurred in the Seven Hills area. Mr. Souza also expressed concern with response times and follow-up.

**Dave Harvey, Hemet,** expressed opposition to the recommended action to layoff 9 firefighters. Most of these firefighters planned to make Hemet their career. I'm sure they are wondering why the City Council would not accept the SAFER II grant or use their precious reserves to save their jobs. Mr. Harvey expressed concern for the residents who will watch their homes burn, the teenagers that won't be saved when they get in an accident and the seniors who won't get medical attention in time. Mr. Harvey asked the City Council what the consultants have done besides wreck a car. Mr. Harvey also expressed concern that the current Fire Chief does not have the necessary credentials.

**Chief Morris,** the Fire Department has already began cost savings programs. The 2 floating positions have been eliminated. Chief Morris is covering the position of Battalion Chief a portion of the time. Rank by Rank coverage has also been implemented. As well as reductions in both supplies and operations for both divisions. Chief Morris provided the City Council with a written overview and presented two alternative proposals. The first is to vacate two battalion chief positions, one captain position (pending retirement) and three firefighter positions which will result in an approximate savings of \$550,000 this fiscal year. A truck company would down-staff from 3 to 2 on a squad at Station 1. The truck company at Station 4 would be cross-staffed with engine 4. Engine 2 would down-staff from 3 people to 2 on the squad for a period of time. The second proposal is again to vacate 2 battalion chief positions, one captain position (pending retirement) resulting in approximately \$440,000 in savings. This option would down-staff a truck company at

station 1 to a 2-person squad and cross-staff the truck at station 4. This option could be implemented July 1 if necessary. Unfortunately, neither one of these alternatives generate the savings that the City Manager's recommendation does.

**Mayor Pro Tem Foreman**, recommends that if possible the 9<sup>th</sup> and 10<sup>th</sup> police officers be filled if revenues increase. Mayor Pro Tem Foreman does not agree with the reduction of the \$50,000 budgeted for Hemet ROCS, with a structural deficit of \$4 million, this is not enough to make up that difference as well as the Special Events funding. Mayor Pro Tem Foreman noted that Mr. Harvey was referring to his sons recent accident. I am most definitely grateful to the Fire Department for their response. Mayor Pro Tem Foreman reminded the Firefighters that when the SAFER I grant was accepted, it was agreed to then that it was for 2 years and it was made very clear in the staff report and the minutes that if finances were not better this would be the result. The City Council would love to keep the current staffing, in fact we would like to hire more. The largest expense in the City's General Fund is Public Safety. The State continues to take from the counties and the cities, yet the counties and cities have an obligation to protect the residents. Mayor Pro Tem Foreman acknowledged the recommendations presented by Chief Morris, however expressed concern.

**Mr. Nakamura**, the SAFER I grant has expired, however, the City's commitment to Public Safety will not. There are other departments that have not taken additional cuts because they are not paid for with General Fund money. Most departments were previously cut to the bone prior to asking for any concessions from Public Safety. This problem is nationwide. CalPERS, health care and workers comp costs continue to go up. The City of Hemet has a \$2.1 million charge from the General Fund for retiree medical, that is made before we do anything else. The reality is that the City hopes that it can continue to provide these services as a city. The City Council has directed staff to look at contracting out additional services.

The City Council requested to vote on the recommendations separately.

Library:

**Mayor Youssef**, this recommendation is supported by Wayne Disher.

**Council Member Franchville moved and Mayor Pro Tem Foreman seconded a motion to accept the City Manager's recommendation for the Library as presented. Motion carried 5-0.**

Police Department:

**Mayor Youssef**, asked Chief Brown to explain the process to determine if the remaining two positions could be considered if funding becomes available.

**Chief Brown**, the recruitment process is very time consuming. Only 1% of the people that apply will be offered a position. It is not likely that 10 candidates could complete the process and be hired in the next fiscal year. If we successfully fill the 8 positions, staff can bring a recommendation to the City Council to consider additional budget appropriations at that time. The standards for officers will continue to remain high.

**Mayor Youssef**, the City is not laying off officers, just being realistic in the hiring process. There will be a net savings if we hold off the hiring of the 9<sup>th</sup> and 10<sup>th</sup> officers. Mayor Youssef thanked Chief Brown and acknowledged him for leading a great department. The Police Department has definitely taken their share of cuts.

**Council Member Smith moved and Council Member Franchville seconded a motion to accept the City Manager's recommendation for the Police Department as presented. Motion carried 5-0.**

Fire Department:

**Mayor Youssef**, this is the toughest decision of the night. The alternatives and recommendations presented by Chief Morris were excellent. Mr. Harvey said that Chief Morris is not qualified and I disagree with him. Mayor Youssef recommended that the Fire Chief continue to move forward with additional cost saving programs. However, the City Council still needs to make a decision that will close the gap. The staff report accepting the SAFER I grant explained that the firefighters hired with the grant would be made aware of the two year funding source. Chief Morris you have an opportunity to change the way other city fire departments operate.

**Council Member Franchville**, the City Council struggled with accepting that grant concerned that we would be in this situation in two years. Mr. Sandefer said that he had options, where are your options? Chief Morris I applaud you for presenting options even if they are not for the entire amount.

**Council Member Smith**, if we do not make some cuts this year fiscal year, we will deal with a larger deficit next fiscal year. Chief Morris I appreciate your recommendations. It is obvious we can not conduct business as usual. I appreciate and welcome more innovative ideas.

**Council Member Krupa**, commended Chief Morris for his options. Acceptance of grants should be carefully considered especially when they pay for people.

**Mayor Pro Tem Foreman**, concurred that the idea of laying off employees is awful. Mayor Pro Tem Foreman challenged Chief Morris to continue to look for savings to get to the \$880,000. The City Council was hesitant to accept the SAFER I grant knowing this day would come.

**Mayor Youssef**, concurred and recommended that Chief Morris continue to look for options. The Fire Department can not continue to operate as is. Mayor Youssef noted that Steve Sandefer was in favor of the County of Riverside seeking an RFP for ambulance services, but expresses opposition to seeking an RFP for fire. Mayor Youssef encouraged Fire Department employees to work with Chief Morris in his effort to find additional savings.

**Council Member Franchville moved and Mayor Youssef seconded the motion to accept the City Manager's recommendations for the Fire Department as presented. Motion carried 5-0.**

The City Council recommended that Chief Morris continue to look for savings.

The City Council recessed briefly at 9:05 p.m.

Reconvened at 9:22 p.m.

Hemet ROCS:

**Mayor Youssef**, expressed concern with eliminating the \$50,000 budget for Hemet ROCS. Mayor Youssef feels that ultimately Hemet ROCS will generate revenue. Economic Development needs to continue to be a priority, it will help pay for Public Safety.

**Mona Groff, CAC Member**, asked what the \$50,000 will pay for.

**Mr. Nakamura, City Manager**, the \$50,000 is to support the efforts. Pay for staff to prepare for and conduct the meetings and pay for staff to continue the program.

**Ms. Groff**, recommended that the City Council not approve this reduction.

**Council Member Smith**, expressed concern that the City Council will spend \$50,000 to implement the program and then not have the money to continue to fund its efforts.

**Mr. Nakamura**, the City Council can determine if this is the type of program that is appropriate to use reserves for. Funding staff is always difficult. Funding programs is more appropriate.

**Council Member Smith**, concurred that Hemet ROCS is important. We need to make sure the we maximize the \$50,000 budget. We don't want to adopt the ordinances and then not enforce them.

**Council Member Krupa**, expressed concern with the cost to fund the implementation and recommended that CDBG funding be considered.

**Mayor Pro Tem Foreman moved and Council Member Franchville seconded a motion to deny the City Manager's recommendation for Hemet ROCS. Motion carried 5-0.**

Special Events (City Sponsored):

**Mayor Pro Tem Foreman**, these events are just as important as Hemet ROCS. These are community pride events.

**Council Member Krupa**, agreed and recommended that the City try to obtain sponsorship.

**Council Member Smith moved that the City Council fund 50% of the full value of last years events. Motion failed due to a lack of a second.**

**Council Member Franchville moved and Mayor Pro Tem Foreman seconded a motion to deny the City Manager's recommendation for Special Events (City Sponsored). Motion carried 4-1. Council Member Smith voted No.**

Special Events (Other)

**Mayor Youssef**, recommended that the City Council continue the City Council Sub-Committee to determine what events are viable. Tinsel Tri and the Ramona Pageant both bring a number of people to the valley.

**Council Member Krupa**, recommended that the City Council consider reducing the funding. The Sub-committee has received 26 applications for a total request of \$80,000.

**Council Member Franchville moved and Council Member Smith seconded a motion to amend the City Manager's recommendation to fund \$25,000 for Special Events (Other). Motion carried 5-0.**

**Mr. Nakamura**, based on the decision made tonight if the City Council adopts the Fiscal Year 2012-2013 Budget, the City will use \$199,500 of its General Fund Reserves to balance the budget.

**Council Member Franchville moved and Mayor Pro Tem Foreman seconded a motion to adopt Resolution No. 4507. Motion carried 5-0.**

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### **Future Agenda Items**

There were no future agenda items requested at this time.

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### **Adjournment**

Adjourned at 9:49 p.m. to Tuesday, June 26, 2012 at 6:00 p.m.