



MINUTES

REGULAR MEETING OF THE HEMET CITY COUNCIL

October 11, 2011

6:00 p.m.

www.cityofhemet.org

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

Please silence all cell phones

Call to Order

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

Roll Call

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

ABSENT: None

Closed Session

Notice of Opportunity for Public Comment

There were no public comments presented

The City Council recessed to Closed Session at 6:01 p.m.

1. Conference with Legal Counsel - Existing Litigation
Pursuant to Government Code section 54956.9(a)
Names of case: Peters vs. City of Hemet
2. Conference with Real Property Negotiators
Pursuant to Government Code section 54956.8
Property: APN: 456-050-013 and 456-050-022
Agency negotiator: City Manager Nakamura
Negotiating parties: Stetson Crossing Partners, LLC
Under negotiation: Disposition, Price and Terms

REGULAR SESSION

7:00 p.m.

City of Hemet Council Chambers

450 E. Latham Avenue

Call to Order

Mayor Franchville called the meeting to order at 7:10 p.m.

Roll Call

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

ABSENT: None

Invocation

Invocation was given by Ray Prado, Hemet-San Jacinto Interfaith Council

Pledge of Allegiance

Pledge of Allegiance was led by Council Member Smith

City Attorney Closed Session Report

3. Conference with Legal Counsel - Existing Litigation

Pursuant to Government Code section 54956.9(a)

Names of case: Peters vs. City of Hemet

The City Council received an update regarding the case. There was no additional reportable action.

4. Conference with Real Property Negotiators

Pursuant to Government Code section 54956.8

Property: APN: 456-050-013 and 456-050-022

Agency negotiator: City Manager Nakamura

Negotiating parties: Stetson Crossing Partners, LLC

Under negotiation: Disposition, Price and Terms

The City Council received a report from their Agency Negotiator. There was no additional reportable action.

City Council Business Consent Calendar

5. **Approval of Minutes** - September 27, 2011
6. **Receive and File** - Warrant Registers
 - a. Warrant registers dated September 8, 2011 and September 22, 2011. Payroll for the period of September 5, 2011 to September 18, 2011 was \$650,255.44.
7. **Recommendation by Public Works** - Approve Fourth Amendment for Janitorial Services Contract
 - a. Approve the Fourth Amendment to Consultant Services Agreement with Progreen Building Maintenance to extend the term of service through January 31, 2012, with a month-to-month option through March 31, 2012.
8. **Recommendation by Public Works** - Notice of Completion - Seismic Protection Upgrade, City Project No. 5556
 - a. Accept this project; and
 - b. Instruct the City Clerk's Office to file a Notice of Completion with the County Recorder's Office. The retention and the Labor and Materials Bond will be release after the Notice of Completion is filed with and received by the County Recorder's Office. The Performance Bond will be maintained for and released after a period of one year.
9. **Recommendation by Public Works** - Installation of Banners Across Florida Avenue
 - a. Hemet Model Masters - Toys for Kids Drive, December 4, 2011.
 - b. Home Instead Senior Care - Be a Santa to a Senior Wrapping Party, December 14, 2011
 - c. First Baptist Church - Christmas Celebration, December 9, 10, 11 & 16, 17 18, 2011.
 - d. Green Coalition - Free Electronics Waste Recycling Event, November 19 & 20, 2011.
10. **Recommendation by Public Works** - Park Commission Recommendations from September 28, 2011
 - a. Tree Removal Request - Park Avenue & Dartmouth Street - Date Palm (1) Recommendation to approve removal and not replace.
 - b. Tree Removal Request - 220 N. Juanita Street/Fire Station #1 - Eucalyptus (3) Recommendation to approval request and not replace.

- c. Tree Removal Request - 1117 Lemon Gum Lane - Camphor (2)
Recommendation to approve request for larger tree and not replace; recommendation to deny for other tree and schedule for trim, root prune and replacement of raised sidewalk.
- d. Public Request - Simpson Park Kiosk Installation
Recommendation to approve installation of kiosk; and authorize City Staff to administratively approve all information to be displayed on the kiosk.

Item Nos. 6 and 7 were removed from the Consent Calendar. **Mayor Franchville moved and Council Member Foreman seconded a motion to approve the remaining Consent Calendar items as presented. Motion carried 5-0.**

Item No. 6

Howard Tounget, Hemet, expressed concern that local businesses such as Tires Warehouse will suffer with the outsourcing of Refuse. Mr. Tounget also expressed concern with the City Attorney's fees for September 2011.

Vice Mayor Youssef moved and Mayor Franchville seconded a motion to approve this item as presented. Motion carried 5-0.

Item No. 7

Mayor Franchville, thanked staff for following through with the process.

Mayor Franchville moved and Council Member Krupa seconded a motion to approve this item as presented. Motion carried 5-0.

Communications From the Public

Howard Tounget, Hemet, expressed concern that the Public Safety Director was driving a City vehicle with cold plates. Mr. Tounget expressed concern that Mr. Hall's contract does not include the use of the City vehicle. Mr. Tounget also expressed concern with the condition of John Petty's home on Carmalita Street.

Jennifer Swanger, Hemet, expressed concern with the traffic and parking near Fruitvale Elementary School.

Vice Mayor Youssef, recommended that Ms. Swanger express this concern to the Hemet Unified School Board and the School Superintendent.

Council Member Krupa, also recommended that Ms. Swanger present this information to the Traffic and Parking Commission.

Mayor Franchville, Mr. Nakamura will make contact with School District and follow up with Ms. Swanger.

CW Cecchi, Hemet, announced that the local VFW Post is the oldest in Southern California, they are celebrating their 80th year. They are selling Anniversary coins to commemorate the event. Mr. Cecchi expressed concern with some of the expenses in the proposed budget such as the purchase of refuse carts, a chair for a Police Department Dispatcher, Thomas Map Guides, Explorer Uniforms and the Riverside County Booking Fees. Mr. Cecchi requested a breakdown and more information regarding these expenses.

Public Hearings

11. **Franchise Agreement for Comprehensive Refuse Services with CR&R Incorporated** - City Manager Nakamura
 - a. Adopt a resolution approving an Exclusive Franchise Agreement for Comprehensive Refuse Services with CR&R Incorporated.
(Resolution No. 4458)

Brian Nakamura, City Manager, this item will authorize and approve an exclusive agreement with CR&R. The City of Hemet began this process in April 2011. The City Attorney worked with CR&R to prepare a comprehensive Franchise Agreement.

Richard Tagore-Erwin, R3, under this franchise agreement CR&R will provide a higher level of service to the community. Residential service will improve in the following ways: the current 3 cart system with weekly solid waste and green waste collection and bi-weekly recyclable material collection will change to a 2 cart weekly mixed recyclable material/solid waste and green waste system; the current bulky waste pick-up per year on predetermined dates will change to 2 on-call bulky waste pick-ups per year; and CR&R offers on-call curbside or mail back household hazardous waste collection, currently residents have to drop-off their household hazardous waste at County facilities. Commercial service will improve in the following ways: currently commercial collection only includes solid waste and recyclable materials that will increase to include collection of food waste and green waste. CR&R will offer different size containers that may reduce the monthly service charge for residents. CR&R will offer a higher level of service for street sweeping and has a newer CNG equipment. CR&R will offer the following community outreach and education: full time Recycling Coordinator; annual Collection Notices; state-of-the-art website; 4 annual Outreach Campaigns; public service announcements; and Community Workshops. The start date will be December 1, 2011. The mixed materials recycling program will begin April 1, 2012. Cart and bin replacement will be done April through July, 2012. Vehicle replacement will begin July 1, 2012. Mr. Tagore-Erwin discussed the rate structure for residential and commercial services. There will be no rate increase the first year. Future rate increase is limited to a one-time flat 5% increase and then tied to CPI thereafter. Mr. Tagore-Erwin explained the benefits to the City of Hemet and their residents with the approval of this franchise agreement. Mr. Tagore-Erwin also explained the protections for the City of Hemet that are included in the franchise agreement. CR&R will pay the City of Hemet \$25,000,000 Franchising payment over a 20-year term, with a \$340,000 transition payment. CR&R will pay \$2,760,200 for the equipment. CR&R will also pay \$88,000 per year for a Compliance Officer. The transition will include: community workshops on new services; cart size request self-addressed postage paid postcard; "How to" brochure (bulky waste, recyclables and organic waste); and a letter from the Mayor. All displaced City employees will be offered employment as a result of new contract, including street sweeping employees. Employees will maintain current seniority levels and current hourly pay rates. Employees will be guaranteed a minimum 6 months compensation. Severance policy of 1 month guaranteed pay after 6 months of service.

Medical, dental, life insurance and company matching of 401k retirement plans will be offered. A \$1,000 retention bonus to all displaced employees that meet the minimum term of employment (6 months). It is recommended that the City Council enter into the Franchise Agreement with CR&R, Inc. to begin services December 1, 2011.

Alex Braicovich, CR&R Inc., explained CR&R's core values and principles: uncompromising commitment to safety with ongoing safety training and a commitment to create a culture of safe service; world class customer service is the foundation of our company with metrics established to evaluate our customer service department; focused on diversion rather than disposal through processing infrastructure; and CR&R is a responsible corporate partner with the community with community relations staff assigned to the City of Hemet. CR&R was founded in Orange County in 1963 by Mr. Cliff Ronneneberg. CR&R has 42 Municipal Franchise Agreements and 12 Processing Agreements. We are a leader in innovation and technology with a three cart automated system, material recovery facilities, conversion technology and natural gas fleet conversion. CR&R has an experienced management team. Mr. Braicovich explained the Corporate infrastructure, CR&R's facilities are located in: Stanton, Santa Fe Springs, San Juan, Prima, Perris, Apple Valley, San Bernardino and Blythe, El Centro and Arizona. Perris Operating Center, a 52 acre site that provides over 250 jobs, maintains over 175 trucks, processes their own greenwaste, recyclables, and C&D waste. The Perris facility includes a 3000 TPD Transfer Facility and will be the home of a Conversion Technology Facility. Mr. Braicovich outlined the key proposal points. The employees will receive: a comprehensive benefits package; maintain their current hourly wage; life insurance; holiday pay; vacation and sick pay benefits; and a retention bonus. Rates and service levels: rates will be frozen at the current levels for 14 months; the initial increase has been capped at 5% and tied to the annual CPI's thereafter; there is a long term disposal cost protection; the billing will be converted to CR&R systems; a Mixed Residential Recyclables Program will be introduced early next year; On Call Bulky Item Pick Up and On Call Household Hazardous Waste and Sharps Collection Program will be available immediately. The transition will be done in two phases. Phase one will include: employee transition; billing transition, company introduction, paint and sticker commercial bins, paint and sticker rolloff bins; paint and re-condition trucks; and begin public education/information campaign. Phase two will include: order residential carts; prepare transition plan for new cart delivery; deliver residential carts and implement on-going public education. The next steps: CR&R will meet with the City of Hemet employees; present transition material to City staff; prepare CR&R Website for Hemet information; meet with City Billing Staff; and begin implementing a transition plan.

Brian Nakamura, City Manager, this is a very difficult decision before the City Council. Mr. Nakamura commended the City Council for dealing with this issue and thanked the City Council Committee, Council Member Smith and Mayor Franchville for their time and Mr. Tagore Erwin for his guidance. Credit is also due Kris Jensen and Charles Russell for their assistance through this process.

Vice Mayor Youssef, asked for clarification on section 1294, confirming that the street sweeping will increase at no additional cost to residents.

Mr. Nakamura, that is correct, the City reduced the services that were provided, under this franchise agreement the street sweeping services will increase.

Vice Mayor Youssef, expressed relief with this partnership between CR&R and the residents. This is a great opportunity and no rate increase to the residents or businesses the first year. CR&R has addressed the communities concerns regarding local purchasing by including a 5% local purchase preference in the agreement.

Council Member Smith, asked about the "referee process" and for more information about the future diversion facility.

Eric Vail, City Attorney, that is another term used for an arbitrator. There is a multi level dispute process that uses a referee or administration rather than going to court. Both parties have an interest in dealing with a private referee, such as the cost of trying the matter before a judge.

Alex Braicovich, told the City Council about the cutting edge technology that will be included in the new Conversion Technology Facility. CR&R has received a grant from the Federal Government for the facility.

Council Member Smith, asked if Perris was set up to handle the 2 bin mixed recycling program.

Mr. Braicovich, initially the process will be done in Stanton and after the facility is complete will move to Perris.

Mayor Franchville, expressed that his main concern is the current employees. Mayor Franchville asked about the employment standards for CR&R.

Mr. Braicovich, there are terms of employment in the agreement that includes the completion and passing of a standard physical, a background check and the requirement to have a current CA drivers license. CR&R has also offered to pay the employees COBRA for the first 90 days until the employee is eligible for insurance, ensuring that there is not a lapse in coverage.

Council Member Foreman, commented that the City would have to increase the rates by more than 5% to bring the equipment and the operation into compliance.

Council Member Krupa, asked if mail was the only way to discard of universal waste and sharps and confirmed that this agreement will not prohibit the Green Coalition from conducting their E-Waste events.

Mr. Braicovich, explained the mail process and confirmed that the Green Coalition's events will still be allowed and welcome.

Vice Mayor Youssef, asked about the negotiation process at the end of the term.

Eric Vail, City Attorney, explained the long term investment for the waste hauler. The City can negotiate exclusively with CR&R to continue, if negotiations are not successful the agreement gives the City ample time to work through the RFP process.

Council Member Smith, asked about the historic rates for CPI's.

Richard Tagore-Erwin, the average CPI for the last 20 years has been 2%. The last two years the CPI has been -1%.

Mayor Franchville declared the Public Hearing opened at 8:13 p.m.

Howard Tounget, Hemet, expressed concern that the money fro the franchise payment will come from the residents. This is a bad decision and bad management. Mr. Tounget asked if the City of Hemet or CR&R will pay the unemployment for the displaced employees when they are fired after the six month period. Mr. Tounget recommended that CR&R give the City Council an update in a year regarding the number of City employees that are employed by CR&R. Mr. Tounget expressed concern about a Council Members platform during the election that changed two weeks after taking office.

Joe Cuseo, San Diego, I understand that there will be a 5% increase after the first year, what about the next year. Mr. Cuseo expressed concern with replacing carts that are in good condition. My refuse truck driver told me that he was losing his job.

Mayor Franchville declared the Public Hearing closed at 8:19 p.m.

Council Member Youssef, explained that the rates will be determined by the CPI. The City of Hemet would have to increase the rates by 30 to 37 percent if we retain the department. The agreement includes a fair offer by CR&R to transition our employees.

Council Member Smith, this is a bold step for the City of Hemet to manage this City in a solvent manner. Council Member Smith thanked Kris Jensen for her assistance and CR&R for stepping up to the plate. CR&R has recognized the value of the City's employees by offering to maintain seniority and a \$1,000 retention bonus. 5 out of 5 cities that I contacted spoke very highly of CR&R and the services that they provide. This proposal was never about the level of service or the quality of employees.

Council Member Krupa, agreed with Council Member Smith, this is not about the service that was provided, it is about creating a revenue stream for the City of Hemet. My concerns have been addressed in this Franchise Agreement. It is up to the employees to show them their value, they are getting some great employees. Council Member Krupa also thanked Kris Jensen.

Mayor Franchville, the City is operating in a deficit of \$4.4 million dollars. The sub-committee expressed concerns regarding rate increases, the employees and the level of customer service. The committee agrees that CR&R has addressed our concerns.

Vice Mayor Youssef moved and Council Member Foreman seconded a motion to approve this item as presented. Motion carried 5-0.

Discussion/Action Items

12. **Ordinance allowing for Self-Hauling of Solid Waste** - City Attorney Vail
 - a. Introduce, read by title only and waive further reading of an ordinance creating a permitting procedure that would allow self-hauling of solid waste in lieu of utilizing the City's solid waste collection services.

(Ordinance Bill No. 11-086)

Eric Vail, City Attorney, currently the City requires that residents have refuse service. There are no self-hauling options. This ordinance allows self-hauling so that residents do not have to have refuse service. Previously the Council had concerns with the requirement to own a vehicle and the way the trash had to be hauled. Working closely with the Refuse Department and researching other ordinances we have made some changes to the

application process and the requirements. This ordinance does not approve a specific rate that will be done by resolution. Mr. Vail explained the necessary requirements that must be met in order to get a permit. Staff is recommending introduction of the ordinance.

Council Member Smith, asked about the \$272.00 fee.

Kris Jensen, Deputy Public Works Director, this fee is based on the administrative elements to prepare the permit which includes the counter help, monitoring weekly receipts and notices.

Howard Tounget, Hemet, the \$272.00 is more than the cost to have CR&R pick up my trash. Mr. Tounget expressed concern with the cost and the City's ability to do this under Proposition 218. Mr. Tounget explained to the City Council and offered a copy of the amended complaint filed against the City regarding trash pick-up.

Mr. Vail, Mr. Tounget's case has nothing to do with this ordinance. This ordinance gives residents more options.

Mayor Franchville moved and Council Member Smith seconded a motion to introduce, read by title only and waive further reading of Ordinance Bill No. 11-086. Motion carried 5-0.

The Ordinance was read by title only.

City Council Reports

13. CITY COUNCIL REPORTS AND COMMENTS

A. Council Member Foreman

1. Park Commission
2. Indian Gaming Distribution Fund

B. Council Member Krupa

1. Library Board
2. Traffic and Parking Commission
3. Airport Land Use Commission (ALUC)
4. Riverside County Habitat Conservation Agency (RCHCA)
5. Riverside Conservation Authority (RCA)
6. Ramona Bowl Association
7. Indian Gaming Distribution Fund

Council Member Krupa, attended a Bay Delta Water Trip sponsored by Metropolitan Water District. There are a number of challenges before us to move water to southern California residents. Council Member Krupa also attended the Lake Elsinore San Jacinto Watershed Meeting which was both enlightening and discouraging. Water runoff from the San Jacinto Valley is moving contaminants to Canyon Lake and Lake Elsinore. Council Member Krupa recommended a future work study session on this subject.

- C. Council Member Smith
 - 1. League of California Cities
 - 2. Riverside County Transportation Commission (RCTC)

Council Member Smith, explained that the City's Maintenance of Effort (MOE) went through the budget committee and is on RCTC's Consent Calendar for consideration. City staff is working diligently with RCTC to resolve this issue. Also Supervisor Stone is pushing Highway 79 through RCTC. The concern is that CalTrans will not approve without a determined funding source.

- 3. Planning Commission

Council Member Smith, attended MWD's water tour and highly recommended it calling the tour enlightening.

Council Member Smith, also attended the Watershed Authority Meeting. Phosphorus elements are moving through the water runoff to Lake Elsinore. The San Jacinto Valley cities may be forced to spend millions and/or billions of dollars to clean up the lake. This subject and the guidelines need to be discussed by the end of the year.

Council Member Smith, Council Member Krupa and I attended the Riverside County State of the County Address. Great presentations that prove that this entire County has a reason to shine, there are a number of attractions here that will allow for growth.

- D. Vice Mayor Youssef
 - 1. Western Riverside Council of Governments (WRCOG)

Vice Mayor Youssef, the topic of the recent meeting was water infrastructure, the cost to maintain and the cost to rebuild. It was evident by the review of Rick Bishop that our COG does some great things for Riverside County. The City Council has addressed education as a goal and now Riverside County is also. Council Member Youssef has been appointed to WRCOG's Education Sub-Committee.

- 2. Riverside County Transportation Commission (RCTC)

- E. Mayor Franchville
 - 1. Riverside Transit Agency (RTA)
 - 2. Airport Land Use Commission (ALUC)
 - 3. League of California Cities
 - 4. Autism Task Force

- F. Ad-Hoc Committee Reports
 - 1. Refuse RFP Ad-Hoc Committee
 - 2. Veteran's Day Ad-Hoc Committee

G. Town Hall Meetings

The City Council discussed the dynamics of the Town Hall Meetings. In order to offer these meetings without agendizing specific topics no more than two members of the City Council may attend.

H. City Manager Nakamura

1. Manager's Reports
2. Process for appointment of Board and Commission Members
3. Update on Courthouse

Brian Nakamura, the agenda for the meeting regarding the Hemet Courthouse will be posted on October 12, 2011. Staff is recommending that a member of the City Council attend to provide testimony.

Brian Nakamura, City Manager, the joint meeting with San Jacinto has been scheduled for Tuesday, November 15th.

Council Member Krupa, requested that staff follow up on a letter received by the City Council regarding mental health.

Future Agenda Items

Title change - Vice Mayor to Mayor Pro Tem

Adjournment

Adjourned at 9:03 p.m. to Tuesday, October 25, 2011 at 7:00 p.m.