



MINUTES

REGULAR MEETING OF THE HEMET CITY COUNCIL

April 8, 2014

6:00 p.m.

City of Hemet Council Chambers
450 E. Latham Avenue

www.cityofhemet.org
Please silence all cell phones

Call to Order

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

Roll Call

PRESENT: Council Members Krupa and Wright Mayor Pro Tem Milne and Mayor Smith

ABSENT: Council Member Youssef

Mayor Pro Tem Milne moved and Council Member Krupa seconded a motion to excuse Council Member Youssef. Motion carried 4-0.

Work Study

Discussion regarding this item, with possible direction to staff

1. Development of HOME Program Consortium – Stephanie Adams, Housing Specialist III Riverside County Economic Development Agency

Stephanie Adams, Riverside County Economic Development Agency, gave the City Council a powerpoint presentation regarding the proposed HOME Consortium. In 1990 Congress enacted the Cranston-Gonzalez National Affordable Housing Act which created the HOME Investment Partnership Program. HOME provides funds to state and local governments for acquisition/rehabilitation, new construction and down payment assistance. The formula grant was provided to jurisdictions that meet a minimum threshold. Cities that do not meet the minimum threshold must apply through the State on a competitive basis. Cities that do not meet the threshold to receive HOME funds may form a Consortium. The funds are guaranteed to remain local. Cities then do not have to compete for State funding. It is anticipated that an additional \$932,000 a year will be available for agencies in the Consortium. This program creates jobs, promotes economic development and allows for homeownership opportunities to qualified homebuyers. To date the County of Riverside has assisted 572 homeowners with down payment assistance. Cities and the County can market the program to working professionals such as teachers, public safety, retail managers, government employees and small business owners. The Consortium must meet the minimum \$750,000 threshold. Funds are expended on a first come first serve basis. The Consortium period is for three consecutive years starting in fiscal year 2015. Cities may end participation at the end of each three year term. The County will act as the lead agency.

Mayor Smith, asked about the criteria for meeting the threshold.

Ms. Adams, If congress allocates above \$1.5 Billion, the threshold is \$500,000.00. If Congress allocates below \$1.5 Billion, the threshold is \$300,000.00. The City of Hemet is currently a little over \$200,000.00, based on a Federal formula.

Mayor Smith, are the down payments a gift or are the homeowners to pay them back.

Ms. Adams, the down payment is forgivable after 15 years in the home.

Mayor Smith, asked what cities have agreed to participate.

Ms. Adams, currently in the consortium are the cities of Indio, Palm Desert, Palm Springs, Lake Elsinore and Temecula.

Council Member Krupa, asked for a list of the cities that participate in the program through CDBG.

Ms. Adams, Banning, Beaumont, Desert Hot Springs, Eastvale, Indian Wells, Jurupa Valley, Murrieta, Blythe, Canyon Lake, La Quinta, Coachella, Norco, San Jacinto, and Wildomar.

Council Member Wright, asked about the criteria to qualify as a first time home buyer and confirmed that all applications will go through the County.

Ms. Adams, applications will be submitted to the County and the application will have to be pre-qualified with the regular requirements, such as income level and debt to income ratio. An average time-frame to complete the pre-qualification is a couple of weeks.

Council Member Wright, are there limitations to the number of applications or dollar amount of funding per city.

Ms. Adams, funds will be allocated on a first come first serve basis. Cities are encouraged to do their own marketing and outreach to get the word out.

Mayor Pro Tem Milne, the Government is not a bank lending facility.

The City Council gave direction to staff to bring this item back with more information for City Council consideration.

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 6:15 p.m.

Council Member Youssef arrived 6:25 p.m.

2. Conference with Real Property Negotiators

Pursuant to Government Code section 54956.8

Property: *APN: 456-050-013 and 022, Northwest corner of Sanderson and Stetson Avenues*

Agency negotiator: *City Manager Hill*

Negotiating parties: *Stetson Crossing Partners, LLC*

Under negotiation: *Acquisition, Price and Terms*

3. Conference with Labor Negotiators

Pursuant to Government Code section 54957.6

Agency designated representatives: *City Manager Hill*

Employee organization:

Hemet Fire Fighters Association

4. Conference with Legal Counsel - Existing Litigation
Pursuant to Government Code section 54956.9(d)(1)
Name of case: *Randy Cordero v. Hemet Police Department et al.*
USDC Case No. EDCV 10-01935-JAK-PJW

 5. Conference with Legal Counsel - Anticipated Litigation
One matter of significant exposure to litigation pursuant to Government Code section 54956.9(d)(2) & (3)
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REGULAR SESSION

7:00 p.m.
City of Hemet City Council Chambers
450 E. Latham Avenue

Call to Order

Mayor Smith called the meeting to order at 7:06 p.m.

Roll Call

PRESENT: Council Members Krupa, Wright and Youssef, Mayor Pro Tem Milne and Mayor Smith

ABSENT: None

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

Invocation

Invocation was given by Bracha Meyerwitz, Hemet-San Jacinto Interfaith Council

Pledge of Allegiance

Pledge of Allegiance was led by Chief Brown

City Attorney Closed Session Report

6. Conference with Real Property Negotiators
Pursuant to Government Code section 54956.8
Property: *APN: 456-050-013 and 022, Northwest corner of Sanderson and Stetson Avenues*
Agency negotiator: *City Manager Hill*
Negotiating parties: *Stetson Crossing Partners, LLC*
Under negotiation: *Acquisition, Price and Terms*

Council Member Youssef, recused himself from this discussion due to the close proximity to his primary residence.

The City Council received a briefing on the public transaction and gave direction to the Agency Negotiator. There was no additional reportable action.

7. Conference with Labor Negotiators
Pursuant to Government Code section 54957.6
Agency designated representatives: City Manager Hill
Employee organization:
Hemet Fire Fighters Association

The City Council received a briefing and gave direction to the Agency Representative. There was no additional reportable action.

8. Conference with Legal Counsel - Existing Litigation
Pursuant to Government Code section 54956.9(d)(1)
Name of case: *Randy Cordero v. Hemet Police Department et al.*
USDC Case No. EDCV 10-01935-JAK-PJW

The City Council received a briefing from the City Attorney and gave direction on how to handle the case. There was no additional reportable action.

9. Conference with Legal Counsel - Anticipated Litigation
One matter of significant exposure to litigation pursuant to Government Code section 54956.9(d)(2) & (3)

The City Council received a briefing. There was no additional reportable action.

Presentations

10. Recognition of Retiring Police Canines "Niko" and "Rosco"

Chief Brown, the K-9 program was established in 1981. The City has deployed 10 K-9's during the program's history. The mission of the Hemet Police Department's Canine Unit (K-9) is to maintain a team of highly-trained officers and canine partners who are prepared and equipped to assist in critical incidents which go beyond the scope of normal police operations. Hemet Police K-9's are funded almost entirely through community donations. Hemet Elks, Gosch Family and many generous "snow birds" of Golden Village Palms Resort. The handlers have to meet the following: willingness to volunteer 1000's of hours; demonstrate an interest in working with PSD; excellent work ethic; be in top physical condition; and have the ability and desire to care for K-9 24/7. The dogs become part of the family. The Canines are Belgian Malinois. They are hand selected by a trainer in Europe to fit the Handler's personality. They are trained from birth to be playful, loyal and obedient. The teams attend a 5-week training academy and train 2 times a week with regional agencies to keep their skills sharp. Both of these K-9's have stellar careers serving this community.

"Niko" is assigned to 14-year Hemet Police Veteran Patrick Long. Pat & Niko have been together 5 years. The team has conducted 230 building searches and 285 area searches for suspects, articles and lost-missing people. Niko made 212 arrests or apprehensions and attended 100's of public events. Niko competed and won awards all over California and was awarded "Top Dog" in 2011 Regional K-9 Trial.

"Rosco" is assigned to 10-year Hemet Police Veteran Derek Maddox. Rosco loves to work and would work every day if his handler would let him. Rosco loves community events and wrestling with kids as much as he does chasing bad guys and searching buildings. Rosco

has worked over 14,300 hours and over 1,000 deployments in his career. The team has conducted 255 building searches and 29 area searches. Rosco has served in 175 agency assists with RSO, CHP, US Marshalls Office, Secret Service, US Postal Inspectors and Hemet/Murrieta Regional SWAT. Rosco has attended 180 community events. Rosco's service has led to convictions that would not have been filed and is famous for attic searches.

Chief Brown thanked both teams for their service and with the approval of the City Council these dogs will become part of their handler's families.

Proclamations were read and presented to both K-9 Teams.

Mayor Smith, these are real warriors and real troopers. Everyone talks about needing more "boots on the streets" but we need to make sure that we continue to keep "paws on the pavement". During a ride-along with Officer Maddox and Rosco a call of a potential break-in at K-Mart came over the radio. Rosco swept that entire attic store and came out with is tail wagging as if to tell us that it was all clear. The purchase of Canines is not in the City's budget, continued community donations and support is necessary to keep this program going.

11. Proclamation proclaiming April as Sexual Assault Awareness Month and April 23, 2014 is National Denim Day

Gale Hepner, CASA Executive Director, April is Sexual Assault Awareness Month and April 23rd is National Denim Day. Ms. Hepner told the City Council about all of the events this month that will help bring awareness. Ms. Hepner thanked the City Council for their continued support. Ms. Hepner distributed flyers regarding CASA's Annual Bra Drive "It's No Secret" and explained the reason.

The Proclamation was read.

12. Proclamation proclaiming April 28, 2014 as Arbor Day

Kristen Jensen, Public Works Director, this is the 27th year that the Arbor Day Foundation has recognized the City of Hemet as a Tree City USA. We pride ourselves on that, we don't take tree removals lightly and we plant more trees than we remove.

The Proclamation was read.

City Council Business Consent Calendar

13. **Receive and File** – Investment Portfolio as of January 2014

14. **Receive and File** – Warrant Register

- a. Warrant register dated March 20, 2014. Payroll for the period of March 3, 2014 to March 16, 2014 was \$622,819.13.

15. **Recommendation by City Manager** – Ratification of Appointment of Interim Fire Chief

- a. Ratify the City Manager's appointment of Peter Bryan as Interim Fire Chief, effective March 24, 2014.

16. **Recommendation by City Manager** – CalPERS Resolution on Intention to Approve an Amendment to the Contract between the Board of Administration California Public Employees’ Retirement System and the City Council of the City of Hemet
 - a. Authorize the Mayor to sign the California Public Employees’ Retirement System (CalPERS) Resolution of Intention initiating the amendment process through CalPERS to allow cost sharing of the Employer Contribution to CalPERS with the ‘classic’ CalPERS members of the Hemet Police Officer’s Association and the Hemet Police Management Association.
Resolution No. 4566

17. **Recommendation by City Clerk** – Policy for the Distribution of Tickets and Passes
 - a. Adopt a resolution adopting policy for the distribution of tickets and passes under section 18944.1 of Title 2 of the California Code of Regulations.
Resolution No. 4567

18. **Recommendation by Community Investment** - Amendment to Chapter 18, Article VI (Motion Picture and Television Production) of the Hemet Municipal Code
 - a. Adopt an ordinance amending Chapter 18, Article VI (Motion Picture and Television Productions) of the Hemet Municipal Code.
Ordinance No. 1879

19. **Recommendation by Engineering** - Award of Bid for the 2013 Missing Link Sidewalk and ADA Ramps, City Project No. 5576
 - a. Award the contract to the lowest, responsive bidder, Black Rock Construction Company for the 2013 Missing Link Sidewalk and ADA Ramps, CIP 5576 in the amount of \$181,525, and reject all other bids; and
 - b. Authorize the City Manager to enter into a construction contract for the improvements; and
 - c. Establish a budget in the amount of \$59,790 in fund No. 223-5576-5500 for the cost of construction, being reimbursed from the SB 821 Grant Program, establish budget in 240-3991-5500 in the amount of \$59,790 for the 50% matching funds to the SB 821 Grant Program from the CDBG award, establish budget in fund 240-3991-5500 in the amount of \$61,945 for the remainder of construction from the CDBG award, establish budget in fund 240-3991-2710 in the amount of \$15,000 for surveying and geotechnical engineering and establish budget in fund 240-3991-1100/1400 in the amount of \$30,000 for staff design, administration costs and inspection costs both from the CDBG award.

20. **Recommendation by Engineering** – Dedication of Street Right-of-Way – The Brelant Irrevocable Trust – APN’s: 456-030-001 and 002, 2,373 of Sanderson Avenue from Acacia to Wentworth and SW corner of Sanderson Avenue and Acacia Avenue
 - a. Accept the attached Grant Deeds for public street purposes; and
 - b. Authorize the City Clerk to record it with the County of Riverside Recorder’s Office.

21. **Recommendation by Engineering** – Award of Bid for the Sanderson Avenue Widening - 1275 N. Sanderson Avenue, City Project No. 5449-3
 - a. Award the contract to the lowest, responsive bidder, Lee & Stires, Inc. for the Sanderson Avenue Widening – 1275 N. Sanderson Avenue; City Project 5449-3 in the amount of \$73,524 and reject all other bids; and
 - b. Authorize the City Manager to enter into a construction contract for the improvements; and
 - c. Establish budget in the amount of \$73,524 in fund No. 329-5449-5500 for the cost of construction, establish budget in 329-5449-2710 in the amount of \$25,000 for surveying, geotechnical engineering and utility relocations and establish budget in fund 329-5449-1100 in the amount of \$19,500 for staff design, administration costs, project management and inspection costs.

22. **Recommendation by Public Works** – Award of Bid to Roadline Products Inc., USA of Downey for the Purchase of a Stencil Truck
 - a. Approve the purchase of a 2014 Ford F-450 from Roadline Products Inc., USA, of Downey in the amount of \$96,498; and
 - b. Authorize the City Manager to execute the purchase order for the same.

23. **Recommendation by Police Department** – Retirement of Police Canines “Niko” and “Rosco” and Transfer of Ownership to Handlers
 - a. Authorize the Police Department to retire and declare as surplus police canines “Niko” and “Rosco”; and
 - b. Authorize the sale and transfer ownership of “Niko” to his handler, Patrick Long, for \$1.00; and
 - c. Authorize the sale and transfer of ownership of “Rosco” to his handler, Derek Maddox, for \$1.00.

24. **Recommendation by Community Development** – First Amendment to the Agreement for Consultant Services between the City of Hemet and BMLA, Inc. for Contract Planning Services
 - a. Approve the First Amendment to the Consultant Services Agreement between the City of Hemet and BMLA, Inc. to authorize additional services, extend the contract term, and increase the existing contract amount by an additional \$40,000 to be funded by developer deposits and special project funds in the current Planning Division Budget for FY 13-14.

25. **Recommendation by Community Development** – First Amendment to the Agreement for Consultant Services between the City of Hemet and Moore Iacofano Goltsman, Inc. (MIG) for Advanced Planning Contract Services
 - a. Approve the First Amendment to the Consultant Services Agreement between the City of Hemet and MIG, Inc. to authorize additional services, extend the contract term, and increase the exiting contract amount for time and materials not to exceed \$30,000 for be funded by developer deposits and special project funds in the current Planning Division Budget for FY 13-14.

Item Nos. 22 and 23 were removed from the Consent Calendar. **Mayor Pro Tem Milne moved and Council Member Krupa seconded a motion to approve the remaining Consent Calendar items as presented. Motion carried 5-0.**

Item No. 22

Mayor Smith, stenciling is taken for granted. There is a huge liability and it our responsibility to make sure we stay on top of it.

Kristen Jensen, Public Works Director, this vehicle is used to paint the legends, warning drivers of what is coming up. The old truck was taken out of service approximately 14 months ago due to exhaust problems. Since that time staff has prioritized the requests. It is time for to repaint all legends. Legends near schools will be done first. The vehicle is unleaded fuel the CNG alternative was \$30,000 more.

Council Member Wright, expressed concern that the previous vehicle only had 95,000 miles on it.

Ms. Jensen, the equipment uses the engine to run and puts additional hours on it.

Council Member Wright, ask staff if grant funding for the CNG vehicle was available.

Ms. Jensen, grant funding for non-heavy vehicles has not been available. The City receives subvention funds that help convert from diesel to alternative fuels.

Joy Ward, Hemet, expressed concern that the vehicle is being purchase from a dealer in Downey and not locally.

Ms. Jensen, there was no response from the local vendor for the last two truck bids.

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

Item No. 23

Council Member Youssef, ask how the Canines are funded.

Chief Brown, the handler provides training and feed. The Community has assisted in funded the Canines in the past.

Council Member Youssef, we hope that the Community will continue to support the Canine program.

Chief Brown, staff is recommending that the City Council authorize the Department to retire the Canines and approve the sale and transfer to their handlers.

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

Public Hearing

26. **Specific Plan Amendment No: 14-001 (McSweeny Farms)** – Community Development Director Elliano
- a. Conduct a public hearing; and
 - b. Introduce, read by title only and waive further reading on an ordinance approving SPA 14-001 amending the McSweeny Farms Specific Plan (SP-01) for the property located east of State Street, north of Newport Road and Gibbel Road, subject to conditions of approval **Ordinance Bill No. 14-004**; and
 - c. Direct staff to file a Notice of Determination with the County Clerk.

Deanna Elliano, Community Development Director, the proposed amendments are to modify the use of Planning Area No. 35 of McSweeney Farms Specific Plan No. 01-02 from an equestrian center to an 8-acre private park for McSweeney Farms residents. Also proposed is an amendment to adjust the construction phasing for Planning Area No. 35 (the Park site) and include design review procedures for merchant builders to submit plans to the Master Developer for review. McSweeney Farms Specific Plan (SP 01-02) is a master planned community of 673 acres, approved in 2003. The plan included 1,640 single family dwellings to be constructed in 3 phases. Phase 1 partially completed when the recession hit, master developer (Sun-Cal) lost the property to receivership. McSweeney Recovery Acquisition purchased the property in 2009, and has become the master developer, working with the HOA and the home builders in Phase 1. An aerial photograph of the area was displayed. A map showing the General Plan Use Designations was also displayed. Also displayed was a Specific Plan Land Use Map. Planning Area 35 is designated in the SP for a future equestrian center to be maintained by Valley Wide Recreation and did not have a funding source specified. There is no agreement in place or interest by Valley Wide to construct & operate an equestrian center at the site. 73 lots in the SP allow for horse-keeping (4.4% of the total units). 43 equestrian lots have been constructed to date, with limited horse keeping actually occurring. Equestrian trails exist throughout the development and would remain. The Master Developer and the Homeowners Association discussed recreational alternatives for the site. The Master Developer is proposing a use that the majority of the residents would benefit from, since the residents would be paying for the long term maintenance and operation of the park. This will be a private park for the use of the SP residents and maintained by the HOA. The park would be constructed in Phase 2 of the development. Pictures were displayed showing Planning Area 35. The conceptual private park plans include a: dog park; dog run; pickle ball courts; bocce ball area; volleyball court; community garden; and covered seating area. Conceptual views of the entry gate, the dog park and internal areas were displayed. In summary, SPA 14-001 proposes to revise the use of Planning Area No. 35 from an equestrian center to a private park for use by the McSweeney Farms residents, and update the corresponding exhibits and tables in the Plan. Minor "clean-up" edits of the SP text are proposed. Also proposed is the addition of a provision that the Merchant Builder submit their proposed architectural plans to the Master Developer for initial review, prior to formal submittal to the City. Public notices were mailed to all property owners located in the McSweeney Farms Specific Plan in addition to property owners located within 300 feet of the Specific Plan. The Planning Commission held a public hearing on March 4, 2014. All members of the public who spoke were in favor of the proposal. The Planning Commission unanimously recommended approval to the City Council. The General Plan designates Planning Area No. 35 as Park/Recreation. The proposed use of a private park for the McSweeney Farms residents use is consistent with the General Plan Park/Recreation land use designation. It is recommended that the City Council conduct a public hearing and take any testimony from the applicant and the public and introduce Ordinance Bill No. 14-004, approving Specific Plan Amendment No. 14-001 to the McSweeney Farms Specific Plan (SP 01-02).

Council Member Wright, asked if any of the original equestrian trails have been scaled back.

Ms. Elliano, no, the trails will remain as planned. Some of the residents are purchasing the ½ and 1 acre lots just to have a larger lot.

Mayor Smith declared the Public Hearing opened at 8:09 p.m.

Patrick Parker, Raintree Investments, we have reconstituted the HOA and worked with the City to open the park. We have tried to make the grass green and help Woodside build homes as fast as they can. The condition of the economy is dragging out construction. We have struggled with the idea of the equestrian center. The residents love the park and we feel that it would be better if we tailor the activities more for the current residents. We have canvassed all of the members that attend the meetings.

Mayor Smith declared the Public Hearing closed at 8:11 p.m.

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

The Ordinance was read by title only.

27. **First Amendment to Development Agreement No. 04-001 for the McSweeney Farms Specific Plan (DAA 14-001)** – Community Development Director Elliano

- a. Conduct a public hearing; and
- b. Introduce, read by title only, and waive further reading of an ordinance approving an amendment to Development Agreement 04-001 for the McSweeney Farms Project **Ordinance Bill No. 14-005**; and
- c. Direct staff to file a Notice of Determination with the County Clerk in compliance with the California Environmental Quality Act.

Deanna Elliano, Community Development Director, the City Council adopted Ordinance No. 1713 approving the Development Agreement with McSweeney Farms on April 13, 2004 with a ten year term, expiring April 13, 2014. On December 17, 2007, the City Council approved a Joint Facilities Agreement, extending the term of the DA with an expiration date of December 17, 2017. On January 16, 2014, the applicant submitted a request for a Development Agreement Amendment for a 4 year extension. The proposed expiration would be December 17, 2021. The proposed amendment includes: a four year extension of time to allow the market to improve and prepare and finance next phase of infrastructure; ownership updates; revisions to Planning Area 35; and inclusion of six unrecorded, approved Tentative Tract Maps to be automatically extended concurrently with the Development Agreement expiration date. The following Tentative Tract Maps for Phases II and III will have a new expiration date of December 17, 2021: TTM Nos. 33824, 33825, 34659, 34660, 34661, and 34662. The Specific Plan Land Use Map was displayed. It is recommended that the City Council conduct a public hearing and take any testimony from the applicant and the public and introduce Ordinance Bill No. 14-005, approving Development Agreement Amendment No. 14-001 to the McSweeney Farms Development Agreement.

Mayor Smith declared the Public Hearing opened at 8:16 p.m.

Patrick Parker, Raintree Investments, this is a companion to the SP Amendment. There is a lot of interest in Phase II because of its unique location, nestled against the rock formation. We think we can move forward with two developments at the same time.

Mayor Smith declared the Public Hearing closed at 8:17 p.m.

Mayor Pro Tem Milne moved and Council Member Wright seconded a motion to approve this item as presented. Motion carried 5-0.

The Ordinance was read by title only.

28. **Proposed 2014-2015 Community Development Block Grant Annual Action Plan** – Community Investment Director Jansons
- a. Conduct a public hearing of the proposed 2014-2015 Community Development Block Grant (CDBG) Annual Action Plan; and
 - b. Approve the proposed 2014-2015 Community Development Block Grant (CDBG) Annual Action Plan; and
 - c. Authorize the City Manager to sign the Application for Federal Assistance SF-424 and Non-State Government Certifications required for submission of the 2014-2015 Annual Action Plan to the United States Department of Housing and Urban Development (HUD) on or before May 16, 2014.

Carla Callahan, CDBG Coordinator, on February 11, 2014 the City Council approved the Ad Hoc Committee's recommendation for the 2014-2015 Program Year CDBG allocation, based on anticipated funding of last year's level of \$763,730. The Ad Hoc Committee directed 2014-2015 CDBG funding allocation towards activities that improve the quality of life in the City of Hemet. These allocations were incorporated into the proposed 2014-2015 CDBG Annual Action Plan which was available for public review and comment for a period of 30 days as required by HUD. On March 18, 2014 HUD released its Community Planning and Development Program Formula Allocations for FY 2014, allocating Hemet \$752,753 in CDBG funds for the 2014 program year. This is approximately 1.4% less than last year's funding level. Corresponding reductions from the approved recommendations, totaling \$10,977, were incorporated into the draft 2014-2015 CDBG Annual Action Plan include: COH Planning & Administration reduced from \$152,530 to \$150,550 and Care-A-Van Transit reduced from \$25,000 to \$16,003. There were no public comments received. This action requires a public hearing and City Council adoption by May 16, 2014.

Mayor Smith declared the Public Hearing opened at 8:19 p.m.

Sarah LeBorgne, Valley-Wide, asked that the City Council keep Valley-Wide's Scholarship Program in mind in the future.

Mayor Smith declared the Public Hearing closed at 8:21 p.m.

Mayor Pro Tem Milne moved and Council Member Wright seconded a motion to approve this item as presented. Motion carried 5-0.

29. **Zoning Ordinance Amendment (ZOA) No. 14-002 (Banners on Public Property)** – Community Development Director Elliano
- a. Conduct a public hearing; and
 - b. Introduce, read by title only and waive further reading of an ordinance amending section 90-1316 of the Hemet Municipal Code regarding special event sign permits for banners above city streets.

Ordinance Bill No. 14-011

Deanna Elliano, Community Development Director, this ordinance addresses the approval process for the banners across Florida Avenue. Currently the banners come before the City Council for approval. This ordinance will streamline the process and approval will be handled administratively in accordance with the encroachment requirements.

Council Member Krupa, noted that there are three banner locations. Council Member Krupa asked that the City Council be notified of upcoming events.

Mayor Smith declared the Public Hearing opened at 8:24 p.m.

There were no public comments presented at this time.

Mayor Smith declared the Public Hearing closed at 8:24 p.m.

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

The Ordinance was read by title only.

Discussion/Action Item

30. **Amendment of Ordinance No. 1848 Regarding Reserve Fund Balance Requirements** – City Manager Hill

- a. Introduce, read by title only and waive further reading of an ordinance amending Section 24-50 through 24-52 of the Hemet Municipal Code regarding Reserve Fund Balance Requirements. **Ordinance Bill No. 14-015**

Wally Hill, City Manager, Ordinance No. 1848 recognizes the importance of maintaining sufficient reserves to help the City achieve long-term fiscal stability and enhance the City's credit rating. To ensure those objectives are met, without unduly stockpiling cash, we researched the minimum fund balance policies in other agencies with highest credit ratings from the three major credit rating agencies. The average minimum fund balance ranged from 8% to 16%. Virginia Beach retains an "unassigned" fund balance of 8% to 12%, and its current level is 10%. However, the policies vary in what funds are included in those calculations. Virginia Beach's spendable and unrestricted fund balance is 19%. The proposed policy is based on the City's "spendable and unrestricted" General Fund reserves, a more precise accounting definition than the current reference to "combined" reserves. "Spendable and Unrestricted" funds include all available funds that are under the City Council's discretion to use. I am recommending that the minimum fund balance requirement be reduced from 35% to 20% the City Council should feel quite comfortable that this is adequate. The current separate reserves for "economic stabilization", "emergency/disaster", and "working capital" would be consolidated since there is no need to have three separate buckets. The current language requiring the City Manager to prepare a plan to replenish funding reserves has been deleted, as that would be included in the City's annual budget process and five-year financial forecasting. The ordinance requirement for a 4/5's vote to use reserves has been deleted. This should only be a simple majority such as the same used to approve the City's annual budget.

Council Member Youssef, I pushed for the original reserve ordinance. At one point, the City was talking about bankruptcy. My concern is that it can't be easy to use reserve funds. Council Member Youssef concurs with the prudent recommendations. The City does not want to be in that position again. Future City Council and staff need to continue to be prudent and not build our house on sand by using one time funds.

Council Member Krupa, the City Council spent two years trying to get the budget balanced. My first meeting as a City Council Member we were asked if we wanted to save the City or file for bankruptcy. It makes me nervous to reduce the reserves.

Mr. Hill, no one wants to go there again. I have studied the previous situation. The City's situation at the time was far greater than Stockton or San Bernardino but the changes that were made and the sale of the City's refuse division saved the City from bankruptcy.

Mayor Pro Tem Milne, although I wasn't on the Council during that time, I too am hesitant to reduce the reserves to 20%. Maybe the City Council would be more comfortable with 25%.

Mayor Smith, in 2006, the City had \$5.5 million in reserves. In 2010, there was \$200,000 in reserves and a concern that the City could not fund payroll. Ordinance 1848 was recommended because of that pain. The sale of the City's refuse division to CR&R changed the City's fund balance. Council Members and staff that were here are still licking their wounds. This is the first challenge of ordinance 1848. Although courageous and yes 35% might be extreme I'm not ready to reduce the reserve to 20%. The requirement for a 4/5's vote was to avoid future Council's from spending beyond their means. I'm still in favor of the 4/5's vote. The Council understands we are not out of the woods and we have to tap the reserves again this year, maybe a minimum of 25% would be better. I can live without the requirement to have a plan to replenish.

Council Member Youssef, at the time we adopted Ordinance 1848, the 4/5's vote requirement sounded really good. I understand now that a simple majority can repeal the entire ordinance and it only takes a simple majority to approve the budget. There is no need to require a 4/5's vote.

Eric Vail, City Attorney, ordinances only take a simple majority, the requirement for a 4/5's vote is contrary to State Law it is just a symbolic measure.

Council Member Youssef, even at the time that we adopted Ordinance 1848 35% was really high, but we had just gone through severe cuts. The previous City Manager, Ron Bradley, couldn't believe that the Council did that. We all know that we are not out of the woods. Mr. Hill is fiscally conservative. The City Council can revisit this later. I feel that 20% is adequate.

Mayor Smith, continued to recommend that the minimum fund level be 25%.

Council Member Wright, Mr. Hill has an extensive background in finance. I appreciate the other Council Member's perspectives. I have a lot of confidence in the recommendation by the Mr. Hill.

Mayor Pro Tem Milne moved and Council Member Youssef seconded a motion to approve this item as presented. Motion carried 4-1. Mayor Smith voted No.

The Ordinance was read by title only.

Communications from the Public

Mary Rowe, Hemet, told the City Council about a recent situation where CalFire was order to pay \$32,000,000 in sanctions. Ms. Rowe read a portion of the Judge's ruling to the City Council. That is 82% of Hemet's fiscal budget. The majority of the City Council is determined to outsource the City's well ran Fire Department at any cost. Ms. Rowe spoke in opposition to contracting with CalFire.

Brian Rubin, Hemet, I have no problem with the reduction in the reserve percentage. Mr. Rubin asked what the City Council will do with the 13% extra in reserves. Mr. Rubin expressed concern that it will be used as a pocket of money to solve the budget problem. The City still needs to make cuts and reduce spending.

Mayor Smith, Mr. Rubin your comments are well received. The City Manager will be preparing the City's proposes annual budget.

City Council Reports

31. CITY COUNCIL REPORTS AND COMMENTS

A. Council Member Krupa

1. Traffic and Parking Commission
2. Riverside Conservation Authority (RCA)
3. Ramona Bowl Association

Council Member Krupa, announced that "Ramona" starts this weekend. VIP Reception is Saturday, April 26th. The Business Competition is on May 3rd

4. Indian Gaming Distribution Fund
5. Riverside Transit Agency (RTA)
6. Watermaster Board

Council Member Krupa, attended the League of Cities quarterly meeting. A presentation was given on San Bernardino County's Homeless Program and Advertising for E-Cigarettes. Concern was expressed with HR 29 not allowing cities to outsource services.

Council Member Krupa, attended SCAG's Environmental and Energy Commission Meeting. Updates on AB 32 (Clean Air) and the Climate Change and Scoping Plan for 2014. The Committee discussed how we are going to counter the impact of foreign bad air. As well as, a report from WRCOG on the Climate Action Plan.

B. Council Member Wright

1. Park Commission
2. Planning Commission

Council Member Wright, attended the Planning Commission meeting. Economy is making it hard to acquire the commitments for Ramona Creek.

3. Indian Gaming Distribution Fund
4. Riverside County Habitat Conservation Agency (RCHCA)
5. Ramona Bowl Association

Council Member Wright, attended the Ramona Pageant parade, First Peoples Day and the Chamber Mixer and Business Expo at the Ramona Bowl.

Council Member Wright, encourage attendance to the "Evening of Art" Saturday at 6:00 p.m. followed by the "Voice of the Valley" at 7:00 p.m.

C. Council Member Youssef

1. Western Riverside County of Governments (WRCOG)
2. Riverside County Transportation Commission (RCTC)

Council Member Youssef, attended the memorial for Officer Montoya. Chief Brown spoke very eloquently. I did have the pleasure of knowing Officer Montoya on a personal level.

Council Member Youssef, announced that one of his younger brothers leaves Easter Sunday with the 101st Airborne Division of the US Army.

D. Mayor Pro Tem Milne

1. Library Board
2. League of California Cities
3. Riverside County Habitat Conservation Agency (RCHCA)
4. Riverside Transit Agency (RTA)
5. Riverside Conservation Authority (RCA)

Mayor Pro Tem Milne, described in detail a situation that occurred at the April 7, 2014 Meeting of the Riverside Conservation Authority.

6. Disaster Planning Commission

Mayor Pro Tem Milne, attended "Sunday in the Park" event held at Weston Park. Great to see the activities and residents fill the park.

Mayor Pro Tem Milne, attended a Regional Autism Task Force Committee Meeting in Temecula. The City of Temecula, had exterior lighting that lite up City Hall in Blue in honor of Autism Awareness Month. The parents in attendance were very impressed with the City's Special Needs Registry. It bring to my attention that we do not offer enough information on available services.

E. Mayor Smith

1. League of California Cities
2. Riverside County Transportation Commission (RCTC)
3. Western Riverside County of Governments (WRCOG)
4. Public Safety Update
5. National League of Cities

Mayor Smith, honored to throw the 1st Pitch for Hemet Youth Baseball.

Mayor Smith, congratulations to staff for the event in the park.

Mayor Smith, asked to have "Hemet Community Activities" added to his reports.

Mayor Smith, attended SCAG's Transportation Committee Meeting. Ontario Airport is a huge concern. Mayor Smith also confirmed that he will not be attending the SCAG Conference and Council Member Krupa will be the Voting Delegate.

Mayor Smith, received a letter "Grandfather's for Golf" complimenting Officer Gomez on his positive presentation to the snow birds.

Mayor Smith, expressed concern that the City's charging station might compete unfairly and discourage a private business from providing that service.

Wally Hill, City Manager, we would encourage private businesses to provide the service and take over the City's charging stations.

Mayor Smith, expressed concern with the adoption of HR 29. This resolution has no power but sets precedence.

F. Ad-Hoc Committee Reports

1. Crime Stoppers Plus Ad-Hoc Committee
2. West Hemet MSHCP Ad-Hoc Committee

3. Regent Development Agreement Ad-Hoc Committee

Mayor Pro Tem Milne, the Business Recognition Ad-Hoc Committee met and gave direction to staff.

- G. City Manager Hill
 1. Manager's Reports
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Future Agenda Items

There were no future agenda items requested at this time.

Adjournment

Adjourned at 9:18 p.m. to Tuesday, April 22, 2014 at 7:00 p.m